UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS
FIRST SESSION

VOLUME 111—PART 15

AUGUST 10, 1965, TO AUGUST 18, 1965
(PAGES 19743 TO 20994)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1965

J
11
.R
v.111
pt.15

DEPOSITED BY THE
UNITED STATES OF AMERICA

Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, FIRST SESSION

SENATE

TUESDAY, AUGUST 10, 1965

The Senate met at 12 o'clock meridian, and was called to order by the Acting President pro tempore (Mr. METCALF).

Rev. William F. Hammond, of the First Baptist Church, New Castle, Pa., offered the following prayer:

To Thee, dear Father, we lift our hearts in adoration and praise. We praise Thee for Thou art our sovereign Lord. We thank Thee that Thou hast declared that righteousness exalteth a nation: but sin is a reproach to any people. We thank Thee that it is of Thy mercies that we are not consumed, because Thy compassions fail not. They are new every morning: great is Thy faithfulness, O Lord, our God.

We thank Thee for the country in which we live. We thank Thee for the authorities of our beloved land for we recognize them to be ordained of Thee to accomplish Thy will and purpose.

Thou hast taught us to pray for them. So we beseech Thee for our President, his Cabinet, and for each Member of the Senate and House of Representatives that Thou mayest guide them. In all their problems, deliberations, and decisions give them adequate wisdom.

At the same time we pray for Thy blessing and guidance upon each one in his personal life and home.

O Lord, please raise up more of Thy people to pray for those who rule over us. These are tremendous days and we recognize our need of Thee.

In the name of Christ Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 6, 1965, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 5, 1965:

S. 510. An act to extend and otherwise amend certain expiring provisions of the Public Health Service Act relating to community health services, and for other purposes.

On August 6, 1965:

S. 1321. An act to amend section 501(e) of title 16 of the District of Columbia Code relating to bond requirements in connection with attachment before judgment; and

S. 1564. An act to enforce the 15th amendment to the Constitution of the United States, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITTEN, Mr. NATCHER, Mr. HULL, Mr. MORRIS, Mr. MAHON, Mr. MICHEL, Mr. LANGEN, and Mr. BOW were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 24. An act to expand, extend, and accelerate the saline water conversion program conducted by the Secretary of the Interior, and for other purposes;

S. 893. An act to amend the act of June 19, 1935 (49 Stat. 388), as amended, relating to the Tlingit and Haida Indians of Alaska;

H.R. 4346. An act to amend section 502 of the Merchant Marine Act, 1936, relating to construction differential subsidies;

H.R. 4714. An act to amend the National Arts and Cultural Development Act of 1964 with respect to the authorization of appropriations therein; and

H.R. 8439. An act to authorize certain construction at military installations, and for other purposes.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

SUBCOMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Public Roads of the Public Works Committee was authorized to meet during the session of the Senate today.

MEMORIAL

The ACTING PRESIDENT pro tempore laid before the Senate a telegram in the nature of a memorial, signed by Fannie B. McCoy, of Asheville, N.C., remonstrating against the enactment of legislation to establish a Department of Housing and Urban Development, and for other purposes, which was ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, with amendments:

S. 2150. A bill to discontinue or modify certain requirements of law (Rept. No. 545).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 343. A bill for the relief of Paride Marchesan (Rept. No. 552);

S. 505. A bill for the relief of Darlyne Marie Cecile Fisher Every (Rept. No. 553);

S. 1397. A bill for the relief of Vasileos Koutsougeanopoulos (Rept. No. 554);

S. 1647. A bill for the relief of Kim Sung Jin (Rept. No. 555);

S. 1651. A bill for the relief of Dr. Augustine Y. M. Yao (Rept. No. 556);

S. 1678. A bill for the relief of Guillermo Macalintal Madrigal (Rept. No. 557);

S. 1736. A bill for the relief of Jennifer Ellen Johnson Mojdara (Rept. No. 558);

S. 1775. A bill for the relief of Erich Gansmuller (Rept. No. 559); and

S. 1919. A bill for the relief of Laura MacArthur Goditiabois-Deacon (Rept. No. 560).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment.

S. 322. A bill for the relief of Choy-Sim Mah (Rept. No. 561);

S. 782. A bill for the relief of Anna Ungvari (Rept. No. 562); and

S. 1748. A bill for the relief of Virgilio Acosta-Martinez (Rept. No. 563).

By Mr. McCLELLAN, from the Committee on the Judiciary, without amendment:

H.J. Res. 431. Joint resolution extending the duration of copyright protection in certain cases (Rept. No. 548).

By Mr. McCLELLAN, from the Committee on the Judiciary, with an amendment:

H.R. 5280. An act to provide for exemptions from the antitrust laws to assist in safeguarding the balance of payments position of the United States (Rept. No. 549).

By Mr. McCLELLAN, from the Committee on the Judiciary, with amendments:

H.R. 3329. An act to incorporate the Youth Councils on Civic Affairs, and for other purposes (Rept. No. 550).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment:

S.J. Res. 100. Joint resolution to provide for the designation of the period from August 31 through September 6 in 1965, as "National American Legion Baseball Week" (Rept. No. 546).

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 8639. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes (Rept. No. 547).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S.J. Res. 32. Joint resolution to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury of persons, and for use of and damage to private property, arising from acts and omission of the U.S. Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952 (Rept. No. 564).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

S. 788. A bill to designate the Veterans' Administration hospital being constructed in the District of Columbia as the Melvin J. Maas Memorial Hospital (Rept. No. 565);

H.R. 206. An act to provide a realistic cost-of-living increase in rates of subsistence allowances paid to disabled veterans pursuing vocational rehabilitation training (Rept. No. 566); and

H.R. 208. An act to amend chapter 31 of title 38, United States Code, to extend to seriously disabled veterans the same liberalization of time limits for pursuing vocational rehabilitation training as was authorized for blinded veterans by Public Law 87–591, and to clarify the language of the law relating to the limiting of periods for pursuing such training (Rept. No. 567).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with an amendment:

H.R. 227. An act to amend title 38 of the United States Code to entitle the children of certain veterans who served in the Armed Forces prior to September 16, 1940, to benefit under the war orphans educational assistance program (Rept. No. 568).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with amendments:

H.R. 205. An act to amend chapter 35 of title 38 of the United States Code in order to increase the educational assistance allowances payable under the war orphans' educational assistance program, and for other purposes (Rept. No. 569).

FAVORING SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE (S. REPT. NO. 551)

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 49) favoring the suspension of deportation of certain aliens, and submitted a report thereon; which report was ordered to be printed, and the concurrent resolution placed on the calendar, as follows:

S. CON. RES. 49

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act, as amended (66 Stat. 204; 8 U.S.C. 1251):

A–8249034, Pilch, Jan.
A–4291563, Placzkiewicz, Stanley James.
A–12358710, Hoy, Hom Fook.
A–2563752, Ninomiya, Issaku.
A–4291730, Palumbo, John.
A–5972279, Rieger, Ferenz.
A–4262857, Rosen, Morris.
A–7962109, Tomczak, Michael.
A–1149855, Bohun, Sil.
A–5829164, Gricus, Franciskus.
A–4986241, Jiminez-Gomez, Rafael.
A–1199183, Kong, Dunn Chong.
A–11928583, Louie, King Fong.
A–4169178, Mejia-Cortes, Anacleto.
A–1614102, Rosenberg, Ben.
A–13165758, Wong, Wing Art.
A–4705363, Lubin, Irving.
A–3840332, Sanchez-Monroy, Jose.
A–5055592, de la Trinidad-Berroteran, Jesus.
A–1565564, Vargas-Barrera, Pedro.
A–7930331, Altman, Nathan.
A–7222730, Bach, Harry.
A–10162061, Goon, Phillip Que.
A–12360130, Som, Tom.
A–5848373, Arroyo-Olague, Pedro.
A–6777333, Cornez, Edward A.
A–4360830, Pulido-Hernandez, Julio.
A–3925714, Sobona, Karl.
A–13020489, Suey, Fun Jung.
A–6008514, Vda De Delgado, Antonia Rios.
A–5399916, Pospasil, Rose Antoinette.
A–5621715, Remenyfy, Alajas Aladar.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

John W. Gardner, of New York, to be Secretary of Health, Education, and Welfare; and

W. True Davis, Jr., of Missouri, to be an Assistant Secretary of the Treasury.

By Mr. EASTLAND, from the Committee on the Judiciary:

Abe Fortas, of Tennessee, to be an Associate Justice of the Supreme Court of the United States;

Oliver Gasch, of the District of Columbia, to be U.S. district judge for the District of Columbia;

Luther B. Eubanks, of Oklahoma, to be U.S. district judge for the western district of Oklahoma;

Robert E. Maxwell, of West Virginia, to be U.S. district judge for the northern district of West Virginia;

William R. Collinson, of Missouri, to be U.S. district judge for the eastern and western districts of Missouri;

Elmo B. Hunter, of Missouri, to be U.S. district judge for the western district of Missouri;

David M. Satz, Jr., of New Jersey, to be U.S. attorney for the district of New Jersey;

Sylvan A. Jeppesen, of Idaho, to be U.S. attorney for the district of Idaho;

Doyle W. Foreman, of Oklahoma, to be U.S. marshal for the northern district of Oklahoma; and

Forrest F. Walker, of Virginia, to be U.S. marshal for the eastern district of Virginia.

By Mr. McCLELLAN, from the Committee on the Judiciary:

Oren Harris, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas.

By Mr. SCOTT, from the Committee on the Judiciary:

Frank W. Cotner, of Pennsylvania, to be U.S. marshal for the middle district of Pennsylvania.

By Mr. JAVITS, from the Committee on the Judiciary:

William L. Taylor, of New York, to be staff director for the Commission on Civil Rights.

By Mr. BURDICK, from the Committee on the Judiciary:

Thurgood Marshall, of New York, to be Solicitor General of the United States;

William B. Bryant, of the District of Columbia, to be U.S. district judge for the District of Columbia;

John O. Garaas, of North Dakota, to be U.S. attorney for the district of North Dakota; and

Anson J. Anderson, of North Dakota, to be U.S. marshal for the district of North Dakota.

By Mr. KENNEDY of Massachusetts, from the Committee on the Judiciary:

Robert F. Morey, of Massachusetts, to be U.S. marshal for the district of Massachusetts.

CONSULAR CONVENTION WITH THE SOVIET UNION—MINORITY AND INDIVIDUAL VIEWS—PART 2 OF EXECUTIVE REPORT NO. 4

Mr. LAUSCHE. Mr. President, under authority of the order of the Senate of August 4, 1965, as in executive session, I ask unanimous consent that the individual views of the senior Senator from Connecticut [Mr. DODD], in which he explains his opposition to the Consular Convention with the Soviet Union be printed in conjunction with the minority views of myself, the senior Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from South Dakota [Mr. MUNDT], and the senior Senator from Kansas [Mr. CARLSON].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

S. 2376. A bill for the relief of Dr. Mario Presman; and

S. 2377. A bill for the relief of Dr. Cesar A. Mena; to the Committee on the Judiciary.

By Mr. McCLELLAN (by request):

S. 2378. A bill to amend section 202(b) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. MURPHY:

S. 2379. A bill for the relief of Parvaneh (nee Taheri) Sobhani; to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2380. A bill for the relief of Christos Kiriakopoulos; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 2381: A bill to amend the Universal Military Training and Service Act of 1951, as amended; to the Committee on Armed Services.

(See the remarks of Mr. THURMOND when he introduced the above bill, which appear under a separate heading.)

By Mr. RANDOLPH:

S. 2382. A bill for the relief of Wong Sai Choi; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 2383. A bill for the relief of Leocadio Pascua;

S. 2384. A bill for the relief of Perfecta Cabella Calpito;

S. 2385. A bill for the relief of Mrs. Ritsuko Takemura;

S. 2386. A bill for the relief of Mrs. Mor Yan Park; and

S. 2387. A bill for the relief of Mrs. Shima Kato; to the Committee on the Judiciary.

By Mr. McINTYRE (for himself and Mr. COTTON):

S. 2388. A bill to exempt from prohibitions against the use of the mails for lottery purposes matter deposited by or addressed to a State agency conducting a tax-exempt sweepstakes, and for other purposes; to the Committee on Post Office and Civil Service.

CONCURRENT RESOLUTIONS

TO AUTHORIZE PLACEMENT TEMPORARILY IN THE ROTUNDA OF THE CAPITOL THE STATUE OF THE LATE SENATOR DENNIS CHAVEZ

Mr. ANDERSON submitted the following concurrent resolution (S. Con. Res. 46); which, under the rule, was referred to the Committee on Rules and Administration:

S. CON. RES. 46

Resolved by the Senate (the House of Representatives concurring), That the Senator Dennis Chavez Statuary Hall Commission is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Dennis Chavez, of New Mexico, and to hold ceremonies in the rotunda on said occasion, and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

TO AUTHORIZE THE ACCEPTANCE BY CONGRESS OF THE STATUE OF THE LATE SENATOR DENNIS CHAVEZ

Mr. ANDERSON submitted the following concurrent resolution (S. Con. Res. 47); which, under the rule, was referred to the Committee on Rules and Administration:

S. CON. RES. 47

Resolved by the Senate (the House of Representatives concurring), That the statue of the late Dennis Chavez, presented by the State of New Mexico, is accepted in the name of the United States, and that the thanks of Congress be tendered to the State for the contribution of the statue of one of its most eminent citizens, illustrious for his historic renown and distinguished civic services; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of New Mexico.

TO PRINT AS A SENATE DOCUMENT THE PROCEEDINGS OF THE PRESENTATION, DEDICATION, AND ACCEPTANCE BY CONGRESS OF THE STATUE OF THE LATE SENATOR DENNIS CHAVEZ

Mr. ANDERSON submitted the following concurrent resolution (S. Con. Res. 48); which, under the rule, was referred to the Committee on Rules and Administration:

S. CON. RES. 48

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Dennis Chavez, to be presented by the State of New Mexico in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed five thousand additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which one hundred copies shall be for the use of the Senate and two thousand eight hundred copies shall be for the use of the Members of the Senate from the State of New Mexico, and five hundred copies shall be for the use of the House of Representatives and one thousand six hundreds copies shall be for the use of the Members of the House of Representatives from the State of New Mexico.

FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 49) favoring the suspension of deportation of certain aliens; which was placed on the calendar.

(See the above concurrent resolution printed in full when reported by Mr. EASTLAND, which appears under the heading "Reports of Committees.")

AMENDMENT OF SECTION 202(b) OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to take over the care and handling of excess real and related personal property until a determination is made as to its use or disposal. This bill is introduced at the request of the Administrator of General Services, as a part of the legislative program of the General Services Administration for 1965.

The Administrator reported to the committee that enactment of the bill will make possible economies in its operation by increased sales returns and better utilization of excess property throughout the Government. It is also contended that by permitting the General Services Administration to be responsible for care and handling such property will free the holding agency from such requirement and permit wider distribution of such property.

I ask unanimous consent that a letter addressed to the President of the Senate, dated July 14, 1965, from the Administrator of General Services which sets forth additional justification and background on the proposed legislation, be printed in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER (Mr. NELSON in the chair). The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2378) to amend section 202(b) of the Federal Property and Administrative Services Act of 1949, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., July 14, 1965.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of legislation to amend section 202(b) of the Federal Property and Administrative Services Act of 1949.

This proposed legislation is part of the legislative program of the General Services Administration for 1965.

Section 203(b) of the Federal Property Act provides that the care and handling of surplus property, pending its disposition, may be performed by the General Services Administration or, when so determined by the Administrator of General Services, by the executive agency in possession thereof or by any other executive agency consenting thereto. However, under section 202(b) each executive agency is responsible for the care and handling of its own excess property and there is no authority in General Services Administration for the care and handling of excess property held by other executive agencies.

The enclosed draft bill would provide such authority by amending section 202(b) of the Federal Property Act to provide that, when so determined by the Administrator, the care and handling of excess real and related personal property may be performed by General Services Administration.

This legislation is desirable because it will enable the care and handling of excess property under the control of other executive agencies by General Services Administration in those instances where the Administrator determines, upon the basis of contemplated plans for the future use or disposition of such properties, that economies will result.

These economies may be reflected in terms of increased sales return directly attributable to assuring that maintenance levels are commensurate with the potential uses of the properties and their consequent value. In other instances this same action will be reflected in decreased protection and maintenance costs. Engineering decisions made with current professional knowledge by the Government's property management and disposal experts will avoid uneconomic expenditures for protection and maintenance. Still other instances have occurred where another Federal agency had a foreseeable need for excess property but was unable for some period of time to obtain authorization for the transfer of the property. In such instances the property sometimes remained in an excess category for a longer period of time than the reporting agency willingly performed normal or more substantial protection and maintenance as may have been desirable. We believe it to be more appropriate in such instances that performance of protection and maintenance commensurate with proposed use of the property be a responsibility of GSA. A determination by the Administrator that such action is in the best interests of the Government would be a necessary prerequisite to assumption by GSA of the care and handling responsibility from the reporting agency.

In addition, the proposed arrangement will enable those agencies which determine that properties are no longer required by them for the performance of their program responsibilities to discontinue devotion of agency resources to nonprogram related functions. Any unexpended protection and maintenance funds appropriated to the owning agency prior to assumption of protection and maintenance responsibility by GSA would be transferred to GSA in those instances where the Administrator determines that GSA should assume such responsibility.

The proposed revision of section 202(b) (4) is a technical amendment for purposes of clarifying its language to conform to administrative interpretation.

The financial effect of the enactment of this measure cannot be estimated at this time.

The Bureau of the Budget has advised that, from the standpoint of the administration's program, there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

LAWSON B. KNOTT, Jr.,
Administrator,

(Enclosure.)

S. 2378

A bill to amend section 202(b) of the Federal Property and Administrative Services Act of 1949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202(b) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 384, as amended (40 U.S.C. 483(b)), is hereby amended to read as follows:

"(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of excess property, provided, however, that when so determined by the Administrator, care and handling of excess real and related personal property may be performed by General Services Administration, and (4) transfer excess property or dispose of surplus property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator."

MUTILATION OR DESTRUCTION OF DRAFT CARDS SHOULD BE A CRIMINAL OFFENSE

Mr. THURMOND. Mr. President, recently the public and officials of our country have been appalled by reports of mass public burnings of draft registration cards. It is not fitting for our country to permit such conduct while our people are giving their lives in combat with the enemy.

The law now makes it a criminal offense to forge or alter a draft registration card. Certainly it should be just as serious an offense to mutilate or destroy a draft card.

Last week, the chairman of the Armed Services Committee in the House of Representatives introduced a bill to make the mutilation or destruction of a draft card a criminal offense. In order that this matter may be expedited in the Senate, I send to the desk a similar bill and ask that it be appropriately referred. It is my hope that hearings will be held promptly and expeditiously on this proposal.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2381) to amend the Universal Military Training and Service Act of 1951, introduced by Mr. THURMOND, was received, read twice by its title, and referred to the Committee on Armed Services.

LOAN SERVICE OF EDUCATIONAL MEDIA FOR THE DEAF—AMENDMENT

AMENDMENT NO. 375

Mr. MURPHY. Mr. President, I send to the desk, for appropriate reference, for myself, the Senator from New York [Mr. JAVITS], and the Senator from Rhode Island [Mr. PELL], an amendment to S. 2232.

My amendment would enact into law a recommendation by the Advisory Committee on the Education of the Deaf contained in its February 11, 1965, report to the Secretary of Health, Education, and Welfare. This recommendation to create a continuing National Advisory Committee on Education of the Deaf is as follows:

> That a continuing national advisory committee on the education of the deaf be appointed by the Secretary of Health, Education, and Welfare. The committee's responsibilities should include: (a) stimulating the development of a system for gathering information on a periodic basis in order to make it possible to assess progress and identify problems in the education of the deaf; (b) identifying emerging needs and suggesting innovations that give promise of improving the educational prospects of deaf individuals; (c) suggesting promising areas of inquiry to give direction to the research effort of the Federal Government in education of the deaf; and (d) advising the Secretary on desirable emphases and priorities among programs.
>
> The committee should include representatives of the disciplines involved, of educators both of the deaf and hearing, and of the deaf themselves. Representation should not be institutional; rather, individuals should be selected on the basis of their abilities to make constructive contributions in such a forum.
>
> Most importantly, the committee should be expected to make creative contributions. It should not be permitted to become purely a watchdog of conventional programs.

The National Advisory Committee on the Deaf to be created by my amendment consists of 12 persons appointed on a staggered-term basis by the Secretary of Health, Education, and Welfare. The Committee's findings and recommendations shall also be transmitted to the Congress.

As I indicated, my amendment has its genesis in a recommendation of the Advisory Committee on the Education of the Deaf. This Advisory Committee was established by virtue of the HEW appropriation bill, Public Law 88–136, which was signed into law on October 11, 1963. However, it was not until March 1964 that the advisory group was appointed. Indicative of the bipartisan nature of the Advisory Committee is the fact that its chairman, Dr. Homer D. Babbidge, Jr., the distinguished president of the University of Connecticut, was an Eisenhower administration official in the Office of Education.

The Senate Committee on Labor and Public Welfare, in its May 25, 1965, report on the National Technical Institute for the Deaf Act—Senate Report No. 245—expressed the hope "that the Secretary of Health, Education, and Welfare will soon be in a position to make available his analysis of the Advisory Committee's report, and to include with his analysis a summary of the administrative actions to be taken and legislative proposals to be supported in the general area covered by the 'Report on Education of the Deaf.' "

It is now 6 months since the Advisory Committee submitted its report and almost 3 months since the Senate Committee on Labor and Public Welfare urged action on it by the Secretary of Health, Education, and Welfare. Impatience on the part of the Congress to get moving on these programs which could directly affect between 200,000 and 250,000 deaf Americans is understandable. My amendment is designed to set into forward motion this desired action which has too long been—and which continues to be—delayed.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred.

The amendment (No. 375) was referred to the Committee on Labor and Public Welfare.

TWO-YEAR EXTENSION OF INTEREST EQUALIZATION TAX—AMENDMENT

AMENDMENT NO. 376

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (H.R. 4750) to provide a 2-year extension of the interest equalization tax, and for other purposes, which was ordered to lie on the table and to be printed.

ESTABLISHMENT OF A DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—AMENDMENTS

AMENDMENT NO. 377

Mr. DIRKSEN (for Mr. MILLER) submitted amendments, intended to be proposed by Mr. MILLER, to the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes, which were ordered to lie on the table and to be printed.

SCENIC DEVELOPMENT AND ROAD BEAUTIFICATION OF THE FEDERAL-AID HIGHWAY SYSTEMS—AMENDMENTS

AMENDMENT NO. 378

Mr. INOUYE. Mr. President, as we consider legislation to control outdoor advertising on our Nation's highways, I want to acquaint my fellow Members of the Senate with the inspiring achievements in this area by a group of women in Hawaii who banded together a half-century ago to preserve and enhance the natural beauty of Hawaii.

They called themselves the Outdoor Circle and one of their early projects, undertaken in 1913, was to rid the city of Honolulu of billboard advertising. Even in those years, ugly billboards disfigured many of Hawaii's natural beauty sites, including the famed slopes of Diamond Head.

The battle was long and arduous and continued over a 14-year period. The women of the Outdoor Circle finally came up with an ingenious solution to the problem—they raised enough funds to purchase the local billboard company. Once they owned the business, they promptly scrapped it.

But there were soon other companies interested in erecting billboards in Hawaii and by 1927, the Outdoor Circle realized the need for legislative controls. A bill controlling the erection of billboards promptly passed both houses of the territorial legislature and was signed into law by the Governor.

Why were the women of the Outdoor Circle so effective? Their only real weapon was public opinion but they were able to marshal overwhelming support from those who cherished the natural beauty of the islands.

Today the absence of billboards and community opposition to them in Hawaii is a long-accepted tradition and custom.

Through the years, with the cooperation of civic-minded citizens, businessmen, local newspapers, and responsive government officials, the continuing vigilance of the Outdoor Circle has been rewarded with the attainment of its first goals—the preservation and enhancement of the natural beauty of Hawaii.

Further efforts by this organization led to a Honolulu sign-control ordinance and today all counties in Hawaii have similar ordinances governing the size, placement, and contruction of signs relating to business conducted on the premises.

Recently, the Outdoor Circle appealed to Gov. John A. Burns to update the existing statutes relating to outdoor advertising. An administration bill was introduced in both houses of the legislature and this resulted in the first statewide law governing outdoor advertising and one which established the principle that advertising be related exclusively to business conducted on the premises.

The Outdoor Circle is largely responsible for the development of a beautiful park system in Honolulu. It opened the first children's playground in the city, employed the first city tree trimmer, and for many years maintained a nursery which produced thousands of trees for plantings throughout the city.

Today the Outdoor Circle is concerned by the wording of S. 2084, which will soon come before this body. The key question is whether the proposed section (d) of the bill would permit billboards to be erected along Federal-aid highways in Hawaii in spite of a Hawaii State law (Act 233, Hawaii Session Laws, 1955) which prohibits commercial billboards. Section (d) reads:

> (d) Notwithstanding any provision of this section, signs, displays and devices may be erected and maintained within areas adjacent to the Interstate System and the primary system which are zoned industrial or commercial under authority of State law, or which are not zoned under authority of State law, but are used predominantly for industrial or commercial activities, as determined in accordance with national standards to be established by the Secretary.

Mr. President, I do not believe that this proposal would be construed as permitting billboards even where State law prohibits them because the obvious intent of the law is to restrict billboards and not to permit them where otherwise prohibited by State law.

But I do believe an amendment is in order, similar to one proposed by the California Roadside Council, to clarify this point. If this amendment is not added, I fear the possibility that billboard owners could argue that they are entitled to erect signs along Federal highways no matter what the State law provides. I do not think that the Congress wants to intentionally allow billboards where prohibited by State law.

At this time, therefore, I offer the following amendment to S. 2084 and respectfully request its consideration.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred.

The amendment (No. 378) was referred to the Committee on Public Works.

AMENDMENT NO. 379

Mr. FONG submitted an amendment, intended to be proposed by him, to Senate bill 2084, supra, which was referred to the Committee on Public Works and ordered to be printed.

INCREASED PAY FOR MEMBERS OF THE UNIFORMED SERVICES—AMENDMENT

AMENDMENT NO. 380

Mr. NELSON submitted an amendment, intended to be proposed by him, to the bill (H.R. 9075) to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services, which was ordered to lie on the table and to be printed.

PRINTING OF INTERIM REPORT ON CRUTCHO CREEK, OKLA. (S. DOC. NO. 47)

Mr. McNAMARA. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated June 30, 1965, from the Acting Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on an interim report on Crutcho Creek, Okla., in partial response to a resolution of the Committee on Commerce, U.S. Senate.

I ask unanimous consent that the report be printed as a Senate document, with an illustration, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS, CONCURRENT RESOLUTION, AND AMENDMENT

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the names of the Senator from New Jersey [Mr. Williams] and the Senator from Idaho [Mr. Church] be added as cosponsors to S. 2282.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that the name of the Senator from New Jersey [Mr. Williams] may be added as a cosponsor to amendment No. 339 to S. 1702.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that the names of the Senator from Maryland [Mr. Brewster] and the Senator from Kansas [Mr. Pearson] be added as cosponsors at the next printing of S. 2305, the domestic travel bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the senior Senator from Washington [Mr. Magnuson], the senior Senator from New York [Mr. Javits], the junior Senator from Washington [Mr. Jackson], the junior Senator from Minnesota [Mr. Mondale], and the senior Senator from Indiana [Mr. Hartke] be listed as cosponsors of Senate Concurrent Resolution 43 authorizing the printing as a Senate document of all floor remarks by Members of Congress in tribute to the late Adlai E. Stevenson, and that their names be listed among the sponsors at its next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills:

Authority of July 26 1965:

S. 2331. A bill to provide for repair by the District of Columbia, at the expense of the owner, of buildings violating the District of Columbia housing regulations, and to make tenants evicted from unsafe and insanitary buildings in the District of Columbia eligible for relocation payments: Mr. Douglas and Mr. Kennedy of New York.

Authority of July 29, 1965:

S. 2345. A bill to amend the Government Employees' Training Act so as to extend certain benefits thereunder to officers and employees of the Senate and House of Representatives: Mr. Fong, Mr. Inouye, Mr. Kuchel, Mr. Long of Missouri, Mr. Metcalf, Mr. Moss, Mr. Nelson, Mr. Scott, Mr. Tower, and Mr. Yarborough.

NOTICE OF PUBLIC HEARINGS ON FEDERAL SALARY LEGISLATION

Mr. MONRONEY. Mr. President, as chairman of the Committee on Post Office and Civil Service, I wish to announce that the committee will commence public hearings on Federal salary legislation on Monday, August 16, at 2 p.m. in room 6202 of the New Senate Office Building.

Scheduled to testify on Monday are Mr. John W. Macy, Jr., Chairman of the U.S. Civil Service Commission, and the Director of the Bureau of the Budget or his deputy.

Future hearings will be announced at a later date. Anyone wishing to testify should arrange to do so by calling the committee staff at 225-5451.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

John E. Maguire, Sr., of Florida, to be U.S. marshal, middle district of Florida, term of 4 years—reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, August 17, 1965, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF ANTHONY J. CELEBREZZE, OF OHIO, TO BE U.S. CIRCUIT JUDGE, SIXTH CIRCUIT

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, August 17, 1965, at 10:30 a.m., in room 2228 New Senate Office Building, on the nomination of Anthony J. Celebrezze, of Ohio, to be U.S. circuit judge, sixth circuit, vice Lester L. Cecil, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from North Carolina [Mr. ERVIN], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF EDWARD M. McENTEE, OF RHODE ISLAND, TO BE U.S. CIRCUIT JUDGE, FIRST CIRCUIT

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, August 17, 1965, at 10:30 a.m., in room 2228 New Senate Office Building, on the nomination of Edward M. McEntee, of Rhode Island, to be U.S. circuit judge, first circuit, vice Peter Woodbury, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from North Carolina [Mr. ERVIN], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 10, 1965, he presented to the President of the United States the following enrolled bills:

S. 24. An act to expand, extend, and accelerate the saline water conversion program conducted by the Secretary of the Interior, and for other purposes; and

S. 893. An act to amend the act of June 19, 1935 (49 Stat. 388), as amended, relating to the Tlingit and Haida Indians of Alaska.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2054) to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 959. An act to amend the Fire and Casualty Act regulating the business of fire, marine, and casualty insurance in the District of Columbia;

H.R. 1778. An act to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended;

H.R. 3864. An act for the incorporation of the Merchant Marine War Veterans Association;

H.R. 5597. An act to relieve physicians of liability for negligent medical treatment at the scene of an accident in the District of Columbia;

H.R. 8058. An act to amend section 4 of the District of Columbia Income and Franchise Tax Act of 1947;

H.R. 8466. An act to amend the Fire and Casualty Act to provide for the licensing and regulation of insurance premium finance companies in the District of Columbia;

H.R. 9918. An act to amend the Fire and Casualty Act and the Motor Vehicle Safety Responsibility Act of the District of Columbia;

H.R. 9985. An act to provide for the mandatory reporting by physicians and hospitals or similar institutions in the District of Columbia of injuries caused by firearms or other dangerous weapons;

H.R. 10274. An act to amend the act of October 13, 1964, to regulate the location of chanceries and other business offices of foreign governments in the District of Columbia; and

H.R. 10304. An act to provide for the mandatory reporting by physicians and institutions in the District of Columbia of certain physical abuse of children.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred as indicated:

H.R. 959. An act to amend the Fire and Casualty Act regulating the business of fire, marine, and casualty insurance in the District of Columbia;

H.R. 1778. An act to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended;

H.R. 5597. An act to relieve physicians of liability for negligent medical treatment at the scene of an accident in the District of Columbia;

H.R. 8058. An act to amend section 4 of the District of Columbia Income and Franchise Tax Act of 1947;

H.R. 8466. An act to amend the Fire and Casualty Act to provide for the licensing and regulation of insurance premium finance companies in the District of Columbia;

H.R. 9918. An act to amend the Fire and Casualty Act and the Motor Vehicle Safety Responsibility Act of the District of Columbia;

H.R. 9985. An act to provide for the mandatory reporting by physicians and hospitals or similar institutions in the District of Columbia of injuries caused by firearms or other dangerous weapons;

H.R. 10274. An act to amend the act of October 13, 1964, to regulate the location of chanceries and other business offices of foreign governments in the District of Columbia; and

H.R. 10304. An act to provide for the mandatory reporting by physicians and institutions in the District of Columbia of certain physical abuse of children; to the Committee on the District of Columbia.

H.R. 3864. An act for the incorporation of the Merchant Marine War Veterans Association; to the Committee on the Judiciary.

WALTER FRANCIS FARRELL, DISTINGUISHED CITIZEN OF RHODE ISLAND

Mr. PASTORE. Mr. President, Walter Francis Farrell, distinguished citizen of Rhode Island, passed away Friday, August 6, 1965, at the age of 77 years.

It is the glory of democracy that popular government can command—without remuneration—the best brains of civil life to advise in difficult areas demanding highest skill and judgment.

Especially in its fiscal needs, its policies of taxation and expenditure, the average State and its Governor leans heavily on the banking community.

I say this both as preamble and as part of my eulogy of the late Walter F. Farrell of Providence, R.I., preeminent banker, dedicated counselor in State and municipal finance, community leader, and community servant.

As one of the Rhode Island Governors who drew upon the genius of Walter Farrell, I speak the common gratitude of our people. As a personal friend through all these years I speak of the warm humanity of the man.

As an object lesson of worthy ambition to lift one's self to the heights—and yet always to find time for public service in causes of compassion and patriotism, the life story of Walter Farrell will be a memory to inspire—as it inspired all privileged to know him and his career.

If I record them here—and I shall ask unanimous consent that they may be here recorded—it is not to glorify one who is beyond praise. It is rather as a challenge—this chart of one man's life of service.

It is a challenge to youth that one's future can be fashioned by one's will, one's ambition, one's determination, and that such future can be sweetened by dedication to community service.

It is a challenge to the already successful man—that life is at its richest and fullest only when shared beyond self as the good neighbor, the good citizen, the good American.

So I make the mere recital of one man's life and labors in this half century that so many of us have shared. If it seems long, it is the measure of a full life, and each line his its own lesson. It is the newsman's view of a newsworthy life recorded in the Providence Evening Bulletin of August 7, 1965.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

W. F. FARRELL, RETIRED BANK OFFICIAL, DIES

Walter Francis Farrell, retired chairman of the board of the Industrial National Bank and an authority on municipal finance, died last night at the Hattie Ide Chaffee Home, East Providence. He was 77 years old.

Mr. Farrell had held a multitude of posts in the financial world during his banking career of a half century.

He rose from a clerk in the old Union Trust Co. in 1913 at the age of 25 to become president in 1927 of what was then the third largest bank in the State. Then only 38 years old, he was the youngest bank president in Rhode Island at that time.

When the Union Trust merged in 1951 with the Providence National Bank, Mr Farrell became president of the combination—the Providence Union National Bank & Trust Co. Three years later, when the Providence Union National was consolidated with the former Industrial Trust Co., Mr. Farrell became chairman of the board of the merged Industrial National Bank.

He retired as board chairman in January 1957, but continued as a director and member of the executive committee.

In his phenomenal rise in banking, his eminence as a fiscal adviser to numerous city and State agencies and his active creation of many large corporations, Mr. Farrell was largely self-taught.

He was born in Central Falls, May 11, 1888, the son of John E. and Caroline (Hale) Farrell, and with only a public school education he began his business career as an estimator for a construction firm. In 1912 he married Margaret L. McArdle and the next year became a clerk in the Union Trust Co.

There his rise was meteoric—assistant secretary shortly after he joined the bank, secretary in 1918, vice president in 1919, a director in 1923 and president in 1927.

Banking associates ascribed Mr. Farrell's rapid advancement to his eagerness to learn every facet of finance as he encountered it, his insistence upon perfection of factual detail and long hours of applications, belying the cliché of banker's hours. Until he was well into his 60's, he still worked Saturdays and most Sundays.

As an expert on municipal finance, he had served at various times as fiscal advisor to city and State governmental agencies. These included the Providence Sinking Fund Commission, the State board of sinking fund commissioners from 1927 to 1947, the public assistance reserve fund, the Governor's fiscal study commission, the advisory commission to the Rhode Island Development Council, the State committee on postwar problems in 1943, and a Governor's commission to study losses and recovery problems after the 1955 Blackstone Valley floods.

He was incorporator in 1957 and vice president of the University of Rhode Island Foundation, vice president of the Rhode Island Public Expenditures Council in 1943, financial advisor to the Providence Charter Revision Commission in 1936, chairman of the United Fund in 1944, vice president of the Providence United War Fund in World War II, treasurer of the Rhode Island Infantile Paralysis Foundation, executive board member of the Providence Community Fund, one of three trustees for the Rhode Island Tercentenary Jubilee in 1936, and a director of the Providence Governmental Research Bureau and of the Rhode Island Medical Society Physicians Service.

He had been president of the Rhode Island Bankers Association, an executive committee member of the American Bankers Association and a district members of the National Voluntary Credit Restraint Committee.

Among Mr. Farrell's corporate directorships were the Speidel Corp., Outlet Co., United Public Markets, Inc., Paulis Silk Co., Inc., of Pawtucket; the former Franklin Process Co., and its South Carolina and Tennessee units, and Pawtucket Times Publishing Co.

Mr. Farrell was appointed a member of the board of trustees of State colleges in 1955 and resigned in 1959. He was awarded the honorary degree of doctor of laws by the University of Rhode Island in January 1960.

Mr. Farrell was a member of the Turk's Head Club, University Club, Rhode Island Country Club, and Bankers of America. His home was at 560 Cole Avenue, Providence.

MICHAEL REUSS: BATTLER FOR RIGHTS AND EQUAL OPPORTUNITY

Mr. PROXMIRE. Mr. President, the son of Representative HENRY REUSS, of the Fifth District of Wisconsin, has recently been through some mighty trying experiences.

He went to Mississippi this summer to help teach Mississippi youngsters; to teach them how to read and write and what rights they now have under the civil rights bills we passed last year and this year.

Mike Reuss is quite a boy. He was an athlete and an excellent scholar at St. Albans School. He has been a guest at our home for dinner. We found him a quiet, well-mannered boy, courteous, thoughtful, a model of good behavior.

He is now a sophomore at Stanford University, and there is no question that he has as bright a future as any young American could have. Mike could have done whatever he wished with his summer vacation.

But he made a choice that is a great credit to him and to those of his generation who, with him, decided to take the risks and suffer the hot, rough work of teaching Negro children in Mississippi.

He was arrested for peaceful, nonviolent demonstration and spent some 10 days in jail several weeks ago. Then only last week he was arrested again for the same kind of protest. While he was being searched, the searching officer died of a heart attack, and for an incredible few hours Mike Reuss was charged with manslaughter.

He was of course cleared and freed. Then his lawyer and some of his associates were assaulted with shotgun fire in a little hut in retribution shortly after he was freed.

The Reuss case is big copy all over America and, of course, it is sensational copy in Mississippi. Considering everything, the continued presence of this remarkable young man in Mississippi is highly dangerous.

Yet he has decided to stay to continue his quiet work with children who need help in learning to read and write. And his father, Representative HENRY REUSS, has given his full assent.

Mr. President, this is a rare and welcome act of courage by both father and son. I proudly salute Representative HENRY REUSS, Mike Reuss, and the wonderful Reuss family. Their quiet, dignified, but persevering conduct in this regrettable matter has been a great credit to our State and our country.

I ask unanimous consent that an editorial in this morning's Washington Post paying tribute to Mike Reuss be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BY VALOR AND ARMS

Young Michael Reuss' adventures as a civil rights worker trying to help Negroes vote in Mississippi make the State sound like a part of the Congo. He was arrested for taking part in a protest demonstration and then charged with manslaughter after a highway patrol investigator died of an apparent heart attack while searching him. He was released when his father, Congressman HENRY S. REUSS, of Wisconsin, flew to his support. Then a house where his lawyer and some companion civil rights workers took shelter was made the target of a succession of shotgun blasts early Sunday morning. Respect for human life appears to be at about as low an ebb as respect for the law in Mississippi these days.

Representative REUSS, who flew to Mississippi from economic discussions in England as soon as he heard of his son's arrest, made it clear that his trip was not intended "to procure special treatment for him. I am sure he will want to take his chances along with other civil rights workers." The sentiment does honor alike to father and son; but one can hardly escape anxiety regarding the chances of civil rights workers in Mississippi these days.

Mississippians ought to recognize the sentiment which sent Michael Reuss to their State and which prompts him to remain there in spite of peril. It is a sentiment which has ennobled the history of Mississippi as it has ennobled the history of the Nation of which Mississippi is a part. It has its roots in a sense of responsibility for one's fellow men—the indispensable condition of democracy—and in an unwillingness to be pushed around or to see other people pushed around. Mississippians ought to understand this. The motto of their State is: "By Valor and Arms." Michael Reuss is helping to carry that motto into effect for them.

U.S. SOLDIER CAN DO THE JOB IN VIETNAM

Mr. PROXMIRE. Mr. President, a common illusion in this country is that the American soldier just is not up to the tough, guerrilla jungle fighting required in South Vietnam.

In a surprising and mighty encouraging article in this respect, Jack Raymond, the crack Pentagon correspondent of the New York Times, puts this stereotype to rest.

Mr. Raymond recently returned from a trip to Vietnam in which he had the chance to see the job the GI's and the Vietcong are doing out there. His conclusions on the vigorous way American troops are standing up could mean a great deal.

In spite of all the immensely powerful and sophisticated military developments of recent years, it is still true that in war—especially this kind of guerrilla war, much depends on the courage, strength, intelligence, and discipline of the individual fighting man.

Considering all that has been written about the softening effects of American life, and the alleged disinterest or downright hostility toward our efforts by some American critics, this article makes reassuring reading.

I ask unanimous consent that the article entitled "When GI Joe Meets Ol' Charlie" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN GI JOE MEETS OL' CHARLIE

(By Jack Raymond)

SAIGON.—"Mostly it's listening," the young Marine Corps corporal said. "You hold yourself stock-still in the jungle and you can't see much. It's dark and there's only trees and brush thick with vines.

"But you listen. Any sound that's out of the ordinary means something. Even insect noises change. Dogs in the village make telltale noises, barking or yowling when something attracts their attention and they can help or hurt you, depending on who's doing the moving. A man can't move through the jungle without making some kind of noise or provoking some bug or animal to make it for him. Americans make noise in the jungle—but so do the Vietnamese. Ol' Charlie, too."

Cpl. D. G. Williams, 19, of Winchester, Ky., wiry and boyfaced even after 2½ years in the Marine Corps, sat with some of his comrades of 1st Battalion, 3d Marines in a tent on the side of a hill near Danang and told how it was to fight "Ol' Charlie," the Vietcong, in the jungle.

He told about it with the air of a man born to it, a modern Bomba the Jungle Boy. But all up and down the confused battlefronts in South Vietnam he and other American jungle warriors emphasized that nobody is a born jungle fighter—not the Americans, nor the Vietnamese, including the Vietcong.

It takes training, equipment, good health and stamina, leadership and motivation—and experience. Inevitably the question arises whether American soldiers have a capacity for jungle fighting, since many of them—in greater numbers than seemed likely only a year ago—will be called upon to cope with the jungle as the U.S. commitment in South Vietnam changes over from a supporting to a leading combatant role.

The question does not apply so much to the troops that are here now, in the vanguard of that commitment. Most of the Special Forces, paratroopers, marines, and many others who do not belong to elite outfits have been specially trained and have been acquitting themselves with distinction.

The question does apply to the tens and perhaps hundreds of thousands of American troops expected to join them in this tropical war. It concerns the adequacy of their training, equipment, and physical well-being, for as one veteran sergeant here said, "This place is no longer a laboratory for battle or a training ground for the next war. The next war is now."

The question is not posed with any suggestion of strong doubt, but only in recollection of tragic situations that developed early in World War II when men were rushed to stem the Japanese in southeast Asia and the South Pacific. In the panic atmosphere that followed Pearl Harbor entire units were shipped to do tropical battle with a minimum of training and inadequate indoctrination for special conditions of climate, weather, and terrain—and it cost lives.

Nevertheless, Americans did accustom themselves to jungle fighting. They defeated the enemy in the tropics as elsewhere, but only after initial defeats and an unnecessary toll in malaria, foot ailments, skin diseases, diarrhea, heat exhaustion, and hepatitis—not to mention such relatively modest afflictions as snake and mosquito bites.

Conditions in South Vietnam are probably not as severe as in the Philippines, Burma, and New Guinea a quarter-century ago, but time may have served to exaggerate past sufferings and existing trials may make less of an impact.

In any case, not all of South Vietnam is jungle, although a third is covered by some form of wild vegetation. In the delta region of the south the distinctive features are marshy rice fields and mangrove swamps. The southern tip, Caumau Peninsula, is dense jungle and for the time being has been hopelessly abandoned to the Vietcong.

The narrow coastal plain that curves along the China Sea is hot enough—at least over 90° most of the time—and rainy and muggy when the monsoon shifts from the highlands to the west. Marshlands lie up against the white sand beaches.

In the central highlands, where heavy fighting is taking place, there are large stands of bamboo and hardwood trees. The rolling terrain rises to 3,000 feet above sea level and some of the mountains are as high as 7,000 feet. Much of the highlands region is considered good tank-fighting country when it is dry—but it is wet now in the summer monsoon season of incessant rain and low-hanging depressing gray clouds. The ground is soft underfoot.

There are wild animals in Vietnam—elephants, tigers, and leopards as well as smaller game, including wildcats. Monkeys are found in the coastal forests. Crocodiles thrive in the delta region. There is much talk of snakes—cobras and such—but they are rarely seen.

Despite this rather forbidding prospect for the troops that are due here, the experience of those who already are serving in Vietnam is somewhat encouraging. For they have shown that an American can perform well in jungle heat and rain, and can adapt himself quickly to the terrain, as anywhere else..

For one thing the troops sent here have been well-trained volunteers. They have had rigorous training in jungle warfare or other types of hardy combat and for the most part have completed special warfare training courses at Fort Bragg or Ranger courses at Fort Benning or have had a regular diet of tough training on Okinawa or Hawaii.

Moreover, they are keeping up with their training here. For example, members of the 173d Airborne Brigade, when not combing awesome jungles of zone D on combat operations, have been practicing parachute jumping.

The emphasis on training has paid off, a high-ranking officer in Saigon said, especially since American forces have taken a more active role in the fighting. In the American officer's view, the South Vietnamese are "often timid and slow, even when we put good equipment in their hands.

"Our officers and junior officers in these outfits here know their men, know how quickly they respond to orders and how they'll react to surprise. That's as important in the jungle as it is anywhere else."

Another officer's experience is also revealing. "I've found that I can go twice as far and twice as hard as most of the South Vietnamese," Col. Bruce Jones, 47-year-old adviser in the embattled Quangngai area, told an interviewer. An Army man for 25 years, Colonel Jones is a heavy-set, lumbering six-footer from Sheffield, Pa. His aides say he shows none of the weariness under the heat and strain of war in the tropics indicated by South Vietnamese half his age.

"Most of these men are small in stature and come from families that could not afford much in the way of adequate diet," he said. "Even with afternoon rests many of them cannot keep going for more than 4 days, and you know many Americans can work every day."

Others who have lived and fought with the South Vietnamese military forces make similar observations, although they are reluctant to draw invidious comparisons. "There's just a big difference between a 105-pound Asian and a 150- to 160-pound American," a general at headquarters in Saigon pointed out.

An experienced Army sergeant who has just come off 6 months' steady duty in combat operation with a South Vietnamese outfit said:

"Somehow it seems they take longer getting started in the morning. They rise and wash and dress and have breakfast as though they had all day. They just take their time, maybe 45 minutes altogether. When we Americans might be ready in 15 to 20 minutes.

"Well, suppose we go out on patrol that morning. They'll start off smartly like any good soldiers, rifles at ready and reconnaissance men in proper places, but if it's a hot day we find they are far more vulnerable to heat than average Americans. By midmorning they seem to need a break. Most Americans judge whether we need a break by what the situation is—whether there are Vietcong in the area or whether it might be better to go somewhere else, but the Vietnamese are more prone to time themselves.

"We both find it easy to skip lunch. You don't want to eat much in hot, humid weather. But if we do quit for a bite or a rest in the middle of the day the Asians customarily want to take a siesta. The American may lie down but in a few minutes he will be indulging in a bit of horseplay, whereas the Asian will simply lie down and even try for a snooze.

"If we get into a fight the Asians can be quite heroic but unlike Americans they are inclined to let the Vietcong break off. Americans would like to chase after the Vietcong but South Vietnamese are just as likely to suggest it's useless.

"The difference in stamina really shows up on the way back, when we have reached the farthest point on patrol—maybe we have been out a day, maybe four. On the way back, the Vietnamese will begin rushing, eager to get back to base. They'll start snaking through the jungle instead of combing it. Weariness begins to show in their faces and bearing. Rifles that they held so smartly at the ready when we set out they now hold limply and sometimes—and this is dangerous in case of ambush—sometimes they sling their rifles over their shoulder.

"Much of the difference is due not only to stamina but to training and discipline. If we have had adversities—if the weather's been bad, or we have had a tangle with Vietcong—the Vietnamese patrol unit is likely to start questioning whether completion of the mission is necessary and try to cut it short. The average American noncom would be ashamed, even afraid, to report he did not carry out the mission, but these people are fully prepared to do so and explain why.

"Of course, these are generalizations. As you can imagine, many South Vietnamese have proved tough and not all Americans by any means are great jungle fighters. But by and large the old adage prevails—a good big man can outdo a good little man."

"It is a question of motivation," Capt. Larry F. Spargo, 34-year-old Special Forces officer from Twin Falls, Idaho, said, enunciating the views of many Americans. "Our troops come here for 6 months, a year, maybe 18 months if they extend and want to stay with their outfit, but these fellows [the Vietnamese] have been fighting since the French were here. They're weary."

But certainly the question arises whether the Vietcong is not tired as well, since he has been fighting for a long time, too. And attached to that question is another: whether this wily master of ambush is really a master of jungle warfare.

The answer to the latter question is a resounding "no" from American forces here. "Vietcong successes are, for the most part, a reflection of the nature of the war rather than a reflection of any innate superiority as a jungle fighter," Maj. Thomas M. Henry, operations officer for the 5th Special Forces, pointed out. "The guerrilla has time to conserve his energy. He sets the stage for battle."

The Vietcong, of course, have well-trained forces increasingly well-equipped. Their unit leadership seems to be quite adequate, despite recent reports of lowered morale due to American aerial bombing and strafing.

As such experts as Major Henry and Captain Spargo point out, the Vietcong troops can bide their time, rehearse their troops, rest them and exercise them with a single ambush or assault in mind. The Vietcong can wait weeks—perhaps months—for a single ambush if they think it profitable and thus do not tax the energies of the men. Meanwhile, the South Vietnamese and Americans are expending energy serching for them. On the other hand, the Vietcong also have their weaknesses.

"Don't overrate the enemy," urged Capt. George Squilace, a 36-year-old marine from New York City. The Asian, and that includes the Vietcong in particular, is bothered by the heat and the jungle as much as we are—maybe worse.

"He is racked by the same ills and does not often have adequate medicine. We have been fighting them and capturing them. They make plenty of mistakes."

"We meet them on the trails," Staff Sgt. Dean Towne, 32, of Fallbrook, Calif., said. "And we move faster—we shoot faster than they do. And we find they leave sloppy trails, too—cigarette butts, fish traps and other signs of their presence.

"And they don't like to go out in the rain, either, and now they're finding out we go on night patrols and we don't meet them so often."

The American Forces seem to be satisfied with their equipment, particularly the Army jungle boot, which is made of leatherbound canvas, has a one-piece heel and sole (so the heel won't rip off) and two holes near the arch to let the water drain out after a mush through swamps and stream. Similarly other items of equipment, such as the poncho that also is used as a bed covering—the bed may be made of twigs and other underbrush—and the light cotton battle fatigues, are comfortable in hot or cool weather. Indeed, marines who arrived here with bulkier clothing, including bulletproof liners for blouses, have abandoned these for the Army's battle uniform.

The troops like their weapons. The paratroopers especially like the light M-16 rifle. The marines are satisfied with the M-1 and both the Army men and marines have found the shotgun valuable in jungle areas. They feel the heavy equipment, the M-113 personnel carrier, and the amphibious monsters are a help rather than a hindrance.

It is true that the personnel carriers and other military vehicles can be a nuisance in the paddies and jungles but they are still better than marching long stretches or carrying goods on human backs. In fact, the American soldier on patrol, with the exception of the food and radio equipment he carries, travels as light as his Asian counterpart. Furthermore, heavy as C-rations may be, they are less bulky than the rice pots carried by the Asians. As for the radio equipment, that is indispensable; no squad moves out on patrol without a set that can be used to contact home base or friendly aircraft overhead.

In sum, it is not a question of whether Americans are loaded down, as compared with the Asians. This is a war in which the guerrilla's advantage lies in deciding where a battle will take place. He prepares for it in secret. When he attacks he, too, has plenty of weapons and supplies. But in between he carries neither weapons nor extra supplies. He hides simply by being one of the population. Where and how he maintains his stocks has been his secret.

What is significant is not that the Americans have been hampered by equipment but that they have been able to position so much of it to support the patrols. For instance, members of the Third Marine Regiment, commanded by Col. Ed. Wheeler, of Port Chester, N.Y., have found the "Tipsy" especially valuable. This is the nickname for the ANTPS-21 (Army-Navy tactical personnel surveillance). It is a radar device effective at 20,000 meters and Colonel Wheeler's men have been using it to ambush the Vietcong ambushers.

Certainly the role of the helicopter in jungle warfare, as conducted by Americans, cannot be overlooked. Not only is the chopper used to deliver troops to patrol sites, to spray the area with rockets and machinegun bullets when the Vietcong is suspected in the vicinity, it is marvelous for the rescue of men in a tight spot.

Air Force Capt. William Y. Duggan, 30, of Austin, Tex., had reason to appreciate an Army helicopter when he was downed offshore 60 miles south of Saigon. He swam to a beach, walked in circles, even walked backward, and crawled around to confuse the Vietcong with false tracks, he later related. Then he dug a hole and covered himself only moments before Vietcong who had seen the plane go down came looking for him. They went away. Forty-five minutes later Duggan heard a helicopter. He got out of the hole, fired a flare, and the helicopter came down and rescued him.

Still another wonderful innovation in modern war in the tropics is the air-conditioning of at least one or two rooms in buildings at base camps. The number of outposts so equipped should not be exaggerated, but enough of them, their air conditioners powered by mobile generators, can be found in some startlingly remote places. And on many air bases where fliers and ground crews are constantly exposed to sun and heat there are air-conditioned trailers and clubrooms to help make life livable.

And neither rain nor clouds nor heat nor Vietcong seem able to stay the couriers of cold beer and fresh cigarettes—"to help make a man a better junglefighter," said one officer, winking broadly. Then he added seriously: "Do not draw hasty conclusions. We overran some Vietcong villages the other day and found one of their command posts stacked with cold beer and cigarettes, too. Morale is important." Also high on the list of morale boosters is mail from home. Most letters take only 4 or 5 days from the States.

As for food, the soldiers say they even like their field rations. Gone is the old K ration. The C ration, which can be hot or cold, seems to be flavorful—"especially when the taste is killed with the cheese ration," one soldier observed more for the sake of a joke than an argument.

"The rations are good and nutritious," Captain Spargo told an interviewer who visited his detachment at Phucovinh. Spargo, who is married and has three children, has been serving and fighting with a South Vietnamese detachment in jungles south of Saigon near Dongxoai, which was the scene of bloody battle last June. "But we often just eat the rice and fish of the men we are with in order to avoid envy," he said.

"And the mosquito repellent is important, too," Specialist 5 Michael Bingo, 22, of Rochester, N.Y., chimed in. "But I'll let you in on a secret," he continued. "You start sweating and get a little raunchy and the mosquitoes stop bothering you. In fact, even leeches begin to leave you alone."

All seem to agree that salt tablets taken regularly were important to the well-being of a man exerting himself in the jungle.

Apparently well equipped with material things for war in the tropics, the American soldier has personal, physical, and mental postures that also must be considered. Here again, unit training counts. But there is more to it than that.

"The average American is a pretty healthy, vigorous individual and he will think for himself," Major Henry pointed out. "The training is important because it makes the average soldier realize all he can do, even in the toughest circumstances." As an illustration he told the story of an American sergeant who was captured by Vietcong.

The Vietcong leader, overjoyed that he had netted an American along with South Vietnamese prisoners, began haranguing the sergeant. He worked himself into such a state that he turned to one of his men, who was holding the sergeant's own carbine, ordered, "Shoot him" and stalked off.

But the sergeant remembered there was no ammunition in the weapon, having fired the last bullet during the battle, so as soon as the Vietcong leader had gone the sergeant turned the other way and ran off into the jungle. He had almost disappeared before other Vietcong soldiers realized the appointed executioner was powerless and fired after the fleeing prisoner.

"The sergeant caught a slug in his bottom but that only assured he would run faster and get away," Major Henry related.

Ordinary Army training, as compared with that of elite outfits such as Special Forces, Marine Corps, and certain paratroopers, does not normally focus on hardships of war in the tropics. Before troops are committed to battle in South Vietnam they should have at least 2 months' training in individual and unit techniques for operating in the steaming heat of the jungles and wet, dismal marshes of ricefields.

While most American units get some of this training, most U.S. Armed Forces are still geared to cope with the Soviet Union as the primary potential enemy and Europe as the primary battleground. But it is in the less advanced areas of the world—Asia, Africa, Latin America—where the Communist policy of so-called wars of national liberation is inviting American military responses these days.

Knowing how to build a bed off the ground, to cook without making too much smoke, to keep clean, to make one's way through the jungle with or without compass, to shoot quickly and elude ambushers will spell the difference between life and death, victory and defeat in this new war.

The troops who are here have learned to use their salt tablets, conserve their energies, interpret the sounds of the squeaking lizards and shrieking birds, and burn the leeches off their bodies.

They have learned not to fear the dark but to take advantage of it.

They have learned that small units, 10 men, with a trustworthy leader are the key battle formations of the jungle.

They have learned to eat sparingly, walk lightly, and improvise swiftly when caught in inevitable ambush.

Many of these lessons they acquired here by experience, the most effective teacher. But principles of jungle warfare must be learned in advance. The American can take it in the tropics. But he must be adequately prepared if he is to dish it out victoriously in combat.

TRIBUTE TO LAWRENCE O'BRIEN

Mr. MANSFIELD. Mr. President, last week an excellent column by Mr. Joseph Kraft entitled "Applause for Dr. O'Brien" appeared in the Washington Post. I believe that Larry O'Brien has been the most valued member of the White House staff in its relations with the Congress as a whole, and more especially with the Senate.

His understanding and his political judgment are of the highest. His contributions toward easing the way for proposed legislation are well understood by all. He is universally recognized as a great political scientist—and I mean that term in its best sense. He has contributed much to the passage of legislation wanted by the administrations of Presidents Kennedy and Johnson. He has formed many solid and sound friendships with Members of the Congress on both sides of the aisle. He has worked with us on a basis of trust, tolerance, and understanding.

I ask unanimous consent that excerpts from the column to which I referred by Mr. Kraft be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

APPLAUSE FOR DR. O'BRIEN

(By Joseph Kraft)

* * * * *

The old system is now dead, and nothing proves it better than an obscure procedural vote taken in the House last week. It involved the new 21-day rule which makes it possible to call measures on to the floor if they have been bottled up for more than 3 weeks in the Rules Committee.

The measure at stake was repeal of a provision—14(b)—of the Taft-Hartley Law which authorized States to outlaw the closed shop.

* * * * *

Credit for this great change is normally given to the President because of his long experience with the Congress, and because of the great majorities he swept in with him last fall. And certainly no one would deny or disparage the President's role.

But the strategist of the change, the man who planned it 5 years ago, and who has worked it out day by day ever since, is the President's special assistant for congressional relations, Lawrence O'Brien. While all the political assistants all over the country were writing that hate was the normal state of relations between White House and Hill, O'Brien was already beginning to develop the possibilities of cooperation.

His chief innovation was to set up in the White House a small staff charged entirely with responsibility for congressional relations. The staff was organized along the lines of the various regional and interest groups in the Senate and House. It coordinated the congressional efforts of all Government agencies. It was in constant touch with the congressional leadership. "We don't even take a headcount," one of the leaders once said, "without O'Brien."

A first gain was a far more intimate working relationship between the administration and the little-known but extremely powerful giants in the House. As a supreme example, consider the case of the 1964 tax cut and the chairman of the Ways and Means Committee, WILBUR MILLS.

The administration, way back in 1962, proposed the tax cut to stimulate the economy; it was afraid that tying tax reform to the bill would kill the whole measure. MILLS, for his part, wanted a tax reform bill with a little cut added to smooth the way for reform.

Very slowly, month by month * * * the administration nursed MILLS along to its point of view. The bill that finally emerged from his committee, and that he steered through the House was almost all cut and no reform—just what Dr. O'Brien ordered.

A second gain was that the White House was in touch not only with the congressional leadership, but also with the backbenchers. The 16 Agriculture Committee Democrats who supported 14(b), for example, were not the committee leaders. On the contrary, the six who opposed the administration on 14(b) were precisely the senior members of the committee.

O'Brien is at last getting some public recognition for his achievement. Indeed, the President and his friends are showering him with compliments. An educated guess is that Mr. Johnson would like him to stick around in the White House job.

A good hunch is that O'Brien will leave to reenter Massachusetts politics. If nothing else the time is ripe for leavetaking. A way, a permanent way I believe, to promote cooperation between the Executive and the Congress has been worked out.

From now on * * * the big problem—the second phase of the Johnson administration and the true opportunity for the Republicans—will turn on the matter of applying effectively the measures that are already on the books.

DISASSEMBLEMENT OF MALAYSIAN FEDERATION

Mr. MANSFIELD. Mr. President, it is most unfortunate that the Malaysian Federation which was launched with so much hope so short a time ago is now being disassembled. The principal difficulties apparently involve the heritage of suspicion and mistrust between Singapore Chinese and Malayans. But there have also been other strains from the beginning of the Federation in the relationships of the indigenous peoples of Brunei, Sarawak, and North Borneo and the mainland Malaysians which have been exploited by Indonesia. It is not possible at this time to determine whether the present breakup will extend to these other areas as well as Singapore.

This Nation has had very satisfactory treatment of its limited commercial and other interests both in Malaya and in Singapore. It has not been involved in the political difficulties of either place in any way and discretion would certainly indicate that we ought to seek by every means—including and especially complete noninvolvement in the present political difficulties—to maintain these relations.

What eventually emerges in the way of relationships in the Malaysian region is the primary responsibility of the political leaders of Kuala Lumpur and Singapore, and those in the outlying island-components. Both the Tinko Abdul Rahman in the former city and Premier Lee Kuan Yew in Singapore are men of exceptional ability and it is to be hoped that they will be able to work through the present difficulties to a new and satisfactory association. To the extent that any outside nation is involved intimately in this situation, however, that nation is not the United States. In our own interests as well as in the interests of the people of the Malaysian region, the back seat is the place for us. That is not to say that we do not have a shared concern with other nations in the peace and development of the region. It does mean that to meet that concern and to safeguard our legitimate interests is by striving to do less rather than more in this serious political crisis.

I should like to call to the attention of the Senate an extract from a report of Senators BOGGS, PELL, former Senator Smith of Massachusetts and myself which was submitted to the Committee on Foreign Relations in February 1963, after completion of a mission to southeast Asia which was undertaken at the request of the late President John Fitzgerald Kennedy. This extract deals with the situation which existed in Malaya in the fall of 1962, a time which coincided with the beginning of the Malaysian Federation. The report reads as follows:

The same general principle of strict noninvolvement which is indicated as a sound basis for U.S. policies on Burma would appear also to apply to the emerging Malaysian Federation of Malaya, Singapore, Brunei, Sarawak, and North Borneo. There has been, as noted, a serious outbreak of violence in Brunei in connection with this transition. Moreover, since a number of groups, conscious of racial or tribal separativeness, will have to be joined in the Federation, other inner resistances may well develop. There are also international repercussions with respect to the proposed Federation. Already a serious strain has developed in Malayan-Indonesian relations and there have been disagreements between the United Kingdom and the Philippines.

Regardless of what may develop, it would seem to be desirable for the United States to make every effort to continue to maintain the position of noninvolved cordiality which has characterized our relations with Malaya since that nation achieved independence in 1957. There are United States-Malayan commercial ties, mainly involving raw materials which are of great value to both countries. A U.S. Peace Corps unit is now functioning in Malaya. But there is no aid mission in the usual form. Nor does there exist any rationale for such a mission from the United States to the emergent Malaysian Federation. There are already substantial supplies of modern skills and capital available in Malaya, in Singapore, and elsewhere in the proposed Federation. What might be needed in addition can surely be drawn from other nations of the British Commonwealth, notably from the United Kingdom which retains an immensely important economic position in all parts of the proposed Federation. To be sure, there may be developmental undertakings in the region of tangible and mutual benefit to participants and the United States might find advantage in joining in such undertakings. But in Malaya or in an emergent of Malaysia there can be no justification for the kind of one-sided aid involvement which has appeared elsewhere in southeast Asia. Nor can there be any point in direct involvement in the political complications which are developing in connection with the formation of the Federation. To the extent that these complications may involve nonregional nations, they would appear to involve, in the first instance, the Commonwealth nations and beyond it, the United Nations. If there is any responsibility at all devolving on the United States in this situation, it is a derivative responsibility arising from our membership in the United Nations and it should be discharged solely in our capacity as one nation among many in that body.

AMERICA'S CONCERNS

Mr. McGOVERN. Mr. President, the Louis Harris survey of what Americans are thinking, which we all follow closely during election periods, contained material Monday in which all of us who have been elected to office should be very interested.

Mr. Harris has done a survey of public concern over social and economic problems with very revealing results.

He found that 84 percent of Americans often or sometimes worry about fellow Americans who are hungry, 77 percent have been concerned about adequacy of medical care, 69 percent have worried about neglect of older citizens.

Next in the scale of concerns was the fact that the United States has food surpluses—and they would be far larger except for our production control programs—while people abroad are starving.

Two out of three Americans worry, in effect, about the adequacy of our food-for-peace program. There is no indication, of course, that the other third oppose food for peace. They simply have not worried about it as have the other two-thirds of our citizens.

It should be a matter of great satisfaction to the Members of this Congress that we have enacted legislation on poverty, medicare, improved care for the aged, civil rights, and other major concerns of citizens reflected by the Harris poll, that we have provided for a continuation of present levels of foreign food assistance and that there is pending legislation to strengthen our world food aid program.

It is my sincere hope that before this session of Congress adjourns, that if there is not time to enact a major world food and nutrition program and it must go over until next year, we will at least provide for the supplementation of present Public Law 480 provisions with proteins, vitamins, and minerals necessary to improve the nutrition of those whom we are assisting, and especially the children who, in a few years, will be determining the sort of government and the sort of society their now underdeveloped homelands will have.

I ask unanimous consent, Mr. President, to put the Harris survey of August 9, as it appeared in the Washington Post, in the Record.

There being no objection, the survey was ordered to be printed in the Record as follows:

THE HARRIS SURVEY: AFFLUENT AMERICANS STILL CONCERNED

(By Louis Harris)

Fears that material prosperity might make Americans complacent or insensitive about humanitarian problems appear to be unfounded.

To the contrary, there is a clear and urgent sense of social conscience in this country that goes well beyond self-interest. The old concept of the national interest as a collection of many diverse self-interests is being replaced by concern for the general quality of American life.

A recently completed survey shows, for example, a high level of national concern that people may go hungry or receive inadequate medical care, and that we are neglecting the needs of older people. What is more, the most affluent sectors of the population have the most concern about growing food surpluses in this country when others in the world are starving, about the pollution of rivers and streams, and about the rights of minority groups.

Americans, generally, while still responding to those conditions of life that affect them most directly, express concern over a number of problems that are not exclusively personal. A carefully drawn national cross section of the people was asked to express its reactions to a list of statements about shortcomings in our country: "As an American, have you often, sometimes, or hardly ever felt bad because":

National concern

[In percent]

	Feel concern	
	Often, sometimes	Hardly ever
Some people in United States still go hungry	84	16
Some people can't get proper medical care in United States because of money	77	23
Older people have been neglected	69	31
United States has food surpluses when people abroad are starving	66	34
Some people in big cities still live in slums	66	34
Way Negroes have been treated in United States	64	36
Way American Indians have been treated	52	48
Way some Jews have been treated in United States	45	55
Pollution of rivers and streams	43	57
Way some Catholics have been treated in United States	14	86
U.S. strictness in limiting immigration	11	89

A majority of the public expresses at least some concern on 6 of these 11 situations. Two-thirds or more say they feel bad about conditions that have been the subject of intense political debate—medical care, old-age assistance, urban housing, and Negro civil rights. The fact that the treatment of American Indians evokes more concern than the rights of Jews and Catholics is partly the result of feelings that discrimination against the latter has waned in recent times. Bars against immigration, as previous Harris surveys have indicated, simply do not touch the American conscience deeply.

The relative weights of self-interest and conscience begin to emerge when the same areas of concern are analyzed according to income groups.

The statement that there are still hungry people in this most abundant and affluent of societies, for example, concerns more than 80 percent of all income groups. But the twin issues of insufficient medical care and neglect of older people are of much higher concern to those who have economic needs in these areas.

Concern by income

[In percent]

	Under $5,000	$5,000 to $9,000	Over $10,000
People in United States still hungry	82	83	86
Lack of medical care due to money	84	79	69
Way older people have been neglected	72	70	59
Food surpluses here when others starve	49	66	76
City people still in slums	60	67	70
Way Negroes have been treated	54	64	74
Way American Indians have been treated	35	53	66
Way Jews have been treated	40	45	50
Pollution of rivers and streams	36	43	50
Way Catholics have been treated	23	12	11
U.S. limits on immigration	12	10	11

It is significant that those with the highest incomes show the highest overall sensitivity to the problems that plague our society. The lower income groups, on the other hand, concentrate their concerns much more on those issues where their economic problems are most pressing. The well-to-do in our society, one might say, can afford a nagging conscience about the quality of American life.

Among Negro, Jewish, and Catholic minorities in the survey, concern for minority groups was double that among the population as a whole. Nonetheless, the survey also recorded the fact that more Jews are concerned about the way Negroes are treated than about anti-Jewish discrimination. More Catholics are concerned about the treatment of Jews than about anti-Catholic sentiment.

YOUNG AMERICANS FOR FREEDOM AND U.S. FOREIGN POLICY

Mr. TOWER. Mr. President, on April 20, 1965, the Firestone Tire & Rubber Co. announced the abandonment of negotiations with the government of Communist Rumania for the construction of a $50 million synthetic rubber plant in that Soviet bloc nation. These negotiations had the approval of the State Department and, as announced last week by Presidential Press Secretary Bill Moyers, the support of President Johnson himself.

The negotiations by Firestone were dropped largely because of the actions of the national conservative youth group Young Americans for Freedom, which mounted an extensive national campaign to inform the American people of the dangerous implications of a U.S. company selling to a Communist country an entire rubber factory which would be of great military and strategic value.

As a member of the National Advisory Board of Young Americans for Freedom, I am proud to support the remarks made in the Senate on July 26 by the distinguished Senator from South Carolina [Mr. Thurmond]. In his speech the senior Senator from South Carolina, who is also a member of the YAF Advisory Board, pointed out that this highly responsible young conservative group has been commended by former Presidents Herbert Hoover and Dwight Eisenhower and by such national figures as former Vice President Richard Nixon; Senator Spessard Holland, of Florida; Senator Mike Mansfield, of Montana; and a host of Members of the Senate and House of Representatives. I, too, would like to join in commending Young Americans for Freedom for the great service they have done for America, especially at this critical time when our armed forces are locked in combat with communism in Vietnam.

I ask unanimous consent to insert in the Record at this point materials which explain the activities of Young Americans for Freedom with regard to the Firestone negotiations including, an article from Human Events, an editorial from the Chicago Tribune of July 28, 1965, a column by William F. Buckley, Jr., from the Washington Daily News of July 29, 1965, and a column by John Chamberlain from the Washington Post of August 3, 1965. I also ask unanimous consent to include a statement made by

Young Americans for Freedom in response to a request by the President that the State Department investigate the reasons behind the collapse of the Firestone-Rumanian negotiations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Human Events, Washington Report]

BIG CONSERVATIVE WIN

Lyndon Johnson is in the White House, the Americans for Democratic Action have a Vice President and liberals outnumber conservatives in Congress by a good majority. But conservatives throughout the country have just scored a stunning upset victory over these liberal elements who have been pushing America into selling its technical know-how to Communist countries.

The victory came unexpectedly when Firestone Tire & Rubber Co. of Akron, Ohio, curtly announced on April 20 that it had "terminated negotiations for a contract to design and equip a synthetic rubber plant in Rumania." The action was startling, considering Rumania's strong desire to trade with Firestone and considering the State Department's active encouragement of the $40 million deal.

Firestone refused to amplify its short announcement in any way, but businessmen in the tire industry say they know one reason the company ended the Rumanian affair: an avalanche of adverse public criticism.

Firestone offices in Akron remain stonily silent on the subject, but insiders report the company began to back away from the deal after receiving thousands of irate letters. Businessmen estimate the rubber firm lost millions of dollars because angry consumers and dealers started a boycott.

How the public pressure mounted against Firestone and how the company tried to combat it makes fascinating reading. What stirred up the initial storm was an article in January by Robert Dietsch, a Scripps-Howard reporter, detailing the story of the Firestone negotiations with Rumania. When this was elaborated upon by other newspapers, the attacks against the firm began to step up in furious fashion.

Letters sent to Firestone showed the American people boiling mad over this plan to increase trade with a Communist country while American soldiers were dying in Vietnam. In addition, the public realized the synthetic rubber was of obvious military value.

Moreover, Firestone began to be hurt financially as its chief competitor, Goodyear, started to pickup some of Firestone's longstanding customers. The American public, in fact, had begun to buy from Goodyear when that company had earlier publicly refused to trade with Rumania, remarking in its house organ, the Wingfoot Clan. "Even to a dedicated profit-making organization, some things are more important than dollars."

Finally, Firestone ran into a buzz-saw: the nationwide conservative youth group, Young Americans for Freedom. The Philadelphia chapter of YAF, headed by John LaMothe, began to create all sorts of trouble for the Firestone Co.

"After reading in Human Events about the Firestone Tire & Rubber Co.'s plan to build a synthetic rubber plant in Communist Rumania," writes Philadelphia YAF Treasurer David K. Walter, "the Philadelphia County Chapter of Young Americans for Freedom launched a drive to force Firestone to reconsider and withdraw these plans.

"Letters sent to the office of the president produced unsatisfactory replies. Philadelphia YAF then organized picketing of Firestone stores in the Philadelphia area." Picket signs appeared paraphrasing Firestone's slogan: "When Red wheels are rolling, the name is known as Firestone?"

The Philadelphia campaign soon became national, with YAF demonstrations in Los Angeles, Cleveland and cities on the east coast.

Firestone began to feel the heat. To quell the rising public passions against its Red-trade deal, the company attempted to counterattack:

The firm sent Bernard W. Frazier, its eastern public relations manager, down from New York to call off the YAF pickets in Philadelphia. Frazier made similar trips to other YAF chapters along the east coast. While Frazier attempted to "smooth things over," his remarks only infuriated YAF. At a meeting of Pennsylvania YAF at Harrisburg on March 27, Frazier argued that Firestone was only trying to build "bridges to the east." At one time he coyly avoided saying who would own the rubber plant, but finally admitted it would be completely owned by Rumania. Furthermore, he did not deny that Rumanian slave labor would be used in constructing and manning the plant.

Firestone representatives also tried to discredit Goodyear by repeating a statement picked up on the television program "CBS Reports" that Goodyear tires had been found on Chinese Communist vehicles. Goodyear, however, showed YAF that in the trade deals overseas it requires the purchasing companies to sign a statement saying that Goodyear goods will not be transshipped to Communist countries. If the Communists wind up with Goodyear tires, it is through no intent of Goodyear.

Firestone motivated into action BILL AYRES, a moderate Republican Congressman from Akron, where Firestone is located. Representative AYRES defended Firestone's trade deal with Red Rumania and reportedly put pressure on certain groups to stop their anti-Firestone activities.

Firestone, whose executives normally put up money for Republican candidates, also tried to pressure House Republicans into calling off "the conservative" picketing of the company. When YAF Executive Director Dave Jones received word about this pressure through a prominent Senator, he said: "You tell them a $10 million check to YAF couldn't get us to call it off."

In the end, however, it was Firestone that caved in. What many feel was the coup de grace was YAF's planned demonstration at the famous Indianapolis 500 auto race on May 31. Thousands of people from all over the country usually attend this sports classic and the publicity impact would have been enormous. YAF had planned to set up an Indianapolis office called the Committee Against Slave Labor to focus attention on the fact that forced labor would help build the Firestone plant. YAF was in the process of hiring a plant to haul a banner over the Indianapolis speedway stadium denouncing the deal and had planned to saturate the stadium with a half-million pamphlets sharply criticizing Firestone.

Firestone officials, however, got wind of the plan shortly after it was drawn up. Within days, the company threw in the towel, announcing its negotiations with the Rumanians had ended.

On April 22, YAF received a postvictory note: a letter to Dave Jones from Firestone's Bernard Frazier. The note announced the termination of the Firestone deal and asked YAF to bring "public attention" to it.

The Firestone story is bound to have national impact. It shows what can be accomplished by conservatives in the face of strong counterpressure. And it most certainly will have an effect on American businesses that desire to do business-as-usual behind the Iron Curtain. There are reportedly some 40 American firms dickering with Communist countries at the present time over deals similar to the Firestone-Rumanian one. But they had better be on their guard. YAF is planning to call attention to every one of them.

[From the Chicago (Ill.) Tribune, July 28, 1965]

FULBRIGHT DEPLORES

Senator J. WILLIAM FULBRIGHT, chairman of the Foreign Relations Committee, has kept his record clean. His record is that of always being wrong. Now he deplores as a foreign policy defeat something which most Americans would regard as just the reverse—the collapse of a deal to outfit Communist Rumania with a strategic installation for the manufacture of synthetic rubber.

FULBRIGHT says that the refusal of the U.S. rubber industry to go through with the deal means that "the United States failed the test" of "building bridges" to the Communist bloc. The Johnson administration has been trying to encourage more trade with Iron Curtain countries.

As a consequence of FULBRIGHT's complaint, the State Department has been ordered by the White House to see if the $50 million Rumanian deal can be salvaged. The Presidential Press Secretary, Bill D. Moyers, said that the Government had considered the deal to be in "the national interest." From that it is to be inferred that it is in the national interest to provide the Communists with the means of turning out heavy duty tires suitable for aircraft and military vehicles and to make good Soviet bloc deficiencies in this field.

Either of two American companies could have had the Rumanian contract. The Goodyear Tire & Rubber Co. refused to sell a synthetic rubber plant to the Communists even though, as it noted, "the State Department had sanctioned such traffic." It said that "you can't put a price tag on freedom" and that it felt the dangers far outweighed the benefits in the proposed deal.

Goodyear pointed out that, with American know-how, Rumania could play the role of an international agitator and disrupt the market for natural rubber from Malaysia, Liberia, and other underdeveloped countries. "The Communists," the company observed, "are not governed by marketing conditions in setting their prices, and in the past have, in fact, used cut-rate prices as an economic club."

Goodyear further stated: "The State Department, in commenting on the situation, has said that the Rumanians have assured the United States that they won't divulge to other Communist nations the polyisoprene secrets they purchase from us. With due respect for the State Department's belief in the Rumanians' promise, Goodyear would prefer not to entrust its production secrets to the Communists."

With Goodyear out of the picture, the deal was dangled before Firestone Tire & Rubber Co., but, according to FULBRIGHT, after showing an original interest, Firestone also broke off negotiations. FULBRIGHT charged that competitive pressures entered into this decision, and that an extremist and vigilante group propagandized against the deal. He identified this organization as Young Americans for Freedom, which is so extremist that it was condemned 2 years ago by former President Eisenhower.

Senator THURMOND, of South Carolina, replying to FULBRIGHT, said the real extremists are "those who would surrender, accommodate, and compromise with communism at this critical juncture in the free world's fight for freedom." Pointing out that the Rumanian Communist Party Congress, meeting with representatives of Russia and Red China, had just denounced American "acts of open war" in Vietnam, THURMOND said FULBRIGHT was condemning all those who speak out to let the country know how they feel about questions of foreign policy.

Senator Thurmond recalled that Senator Fulbright's last attempt at muzzling the military was all too successful. "Does he now want to muzzle the entire Nation?" Thurmond asked. That is a good question.

[From the Washington, (D.C.) Daily News, July 29, 1965]

Business as Usual

(By William F. Buckley, Jr.)

Senator William Fulbright, trying to make the point that private individuals and agencies sometimes get in the way of "official" foreign policy, has classified the Young Americans for Freedom as an "extremist political organization."

The Senator's complaint concerns the cancellation by the Firestone Tire Co. of the deal with Rumania to build there a synthetic rubber plant worth about $40 million. The Young Americans for Freedom acted on the assumption that surely if it is laudable to picket Woolworth's in Alabama for declining to serve hot dogs to human beings merely because they are Negro, it is laudable to picket commerce with a government that declines to let human beings out of jail and torture chambers merely because they believe in freedom.

Anyway, the pressure of YAF combined with opportunistic pressures by Firestone's competitor, the Goodyear Co., caused Firestone last spring to back out of the deal. Rumania and Senator Fulbright are furious.

Senator Fulbright's larger point—that individual agencies should not get in the way of American foreign policy—is not uninteresting, although it tends surely to reflect the latently totalitarian instincts of those who denounce in such immoderate language others who disagree with them.

Until the day comes when the Government of the United States owns all the corporations in America, it is the corporations' business, not the Government's, whether to trade with any other nation in the world.

True, as a matter of national policy the Government may clap an embargo: that is an exercise of a negative power relating to the national security. But to do the opposite, to require a corporation to trade with a foreign power, whether that power is friendly or unfriendly, is outside the sovereign authority of free governments. The Government may deny an export license to anyone who desires to ship a cyclotron to Cuba. But the Government may not require a corporation to ship a single stick of chewing to Cuba against its will.

The Young Americans for Freedom was organized in 1960 as more or less the conservative counterpart to the Students for Democratic Action. The group has been governed by a succession of young men and women who have steadfastly eschewed extremism and extremists of any sort.

Their publication, the New Guard—"something called the New Guard," was how Senator Fulbright described the journal that attacked the impending deal with Rumania—is carefully edited and highly responsible. It publishes the work of many students and scholars from around the country. Dozens upon dozens of Congressmen and Senators and professors are associated with its advisory board. All in all, it is about as "extremist" an organization as the chamber of commerce. Partisan yes, extremist no.

It is a continuing source of exasperation to some of our Florentine internationalists that there should continue to reside deep in the American conscience a sense of the moral unfitness of normal commercial and even diplomatic exchanges with governments which flout the elementary laws of civilization, and on top of that, seek to turn every exchange with the West into a means by which to increase their relative power over us, advancing, hopefully, on the day when they will, in the delicate phrase of Khrushchev, "bury us."

For Senator Fulbright these are sentiments to be mocked.

"Goodyear," he wrote, anticipating Firestone's difficulties, "suddenly got religion and grandly refused to traffic with the Red heathen." I do not know, not being Goodyear's confessor, just how suddenly it got religion. But is the term "Red heathen" only suitable for use by the College of the Ozarks?

Senator Fulbright's derisory dismissal of such impulses goes over very well with the longhairs who sit around the fellows' suites in our posher universities, wondering which of the two hegemonies, the Russians' or our own, is the less unbearable. But it does not go over very well, thank God, in most other parts of the United States.

[From the Washington (D.C.) Post, Aug. 3, 1965]

Fulbright the Bully

(By John Chamberlain)

If the gods on Olympus are still interested in the antics of the human race, they must be laughing themselves silly over Senator J. William Fulbright's recent fulminations against "the nuisance activity of a minor vigilante group which calls itself Young Americans for Freedom."

This Young Americans for Freedom is an organization whose aims, in the past, have been commended by big people in both political parties. Barry Goldwater and Senator Mike Mansfield have both said nice things about YAF, and so has Ike Eisenhower. The Connecticut chapters of YAF helped roll up a big vote for Democratic Senator Tom Dodd last autumn, which proves something about the bipartisan nature of the group. But YAF never in its wildest dreams thought it had the muscle which Fulbright has ascribed to it.

Well, it seems that last spring YAF, the mighty mouse, got after the Firestone Tire & Rubber Co. for its expressed intention to sell a $50-million synthetic rubber plant to Red Rumania. In YAF's corner was the Goodyear Tire & Rubber Co., which had turned down the Rumanians on a proposition similar to that which Firestone was offering the Red satellite.

Both YAF and the Goodyear Co. were motivated by a desire to back up Lyndon Johnson's Far Eastern foreign policy. It was the Goodyear contention that Rumania, as a self-proclaimed friend of Red China, could not be trusted to keep Goodyear and Firestone synthetic rubber manufacturing secrets or patents from being passed along to Peiping, where they could be used to bring about the bankruptcy of Malaysia's natural rubber plantations and thus, indirectly, help Sukarno's Indonesia to undermine the country that is back to back with South Vietnam.

But now, it seems, the administration wants to help "build bridges" to Rumania, and has instructed the State Department's George Ball to look into Senator Fulbright's charges that the Young Americans for Freedom and the Goodyear Tire & Rubber Co. caused Firestone to call off its Rumanian deal. YAF spokesmen are quite understandably bitter at being caught in the middle as the administration's foreign policy crashes head on into itself while going around the world in two directions.

But this is not the main reason why the gods on Olympus must be laughing. What is really funny about the whole business is that the Young Americans for Freedom were glorying in the fact that their attitude toward business deals with Rumania is precisely that of the AFL–CIO.

In their publication, the New Guard, the YAF boys had specifically pointed this out. They took their cue from the statement on East-West trade made by the AFL–CIO executive council at the Bal Harbour, Fla., convention on March 1, 1965. Specifically objecting to deals with Rumania, the AFL–CIO noted that "Rumania, which is supposed to be turning away from Moscow, has more political prisoners than any other satellite and lends aid and comfort to Peiping."

President Johnson, of course, may have his own subtle reasons for suddenly becoming inconsistent on the subject of a Rumania whose politicos have just renewed their affirmations of friendship with North Vietnam. By asking the State Department to probe Fulbright's charges about the YAF-Goodyear interference with foreign policy, he could be wigwagging to Kosygin and Brezhnev that a synthetic rubber plant and many other goodies like it might be forthcoming if only Moscow would change its tune on the Vietnamese war. Such wigwagging would be in accord with the recent Averell Harriman "vacation" trip to Moscow.

In case this is the L.B.J. motivation, Young Americans for Freedom and the Goodyear Tire & Rubber Co. have been cast in the role of sacrificial goats. But YAF still wants to know why the AFL–CIO executive council doesn't merit its own share of the goatdom.

Young Americans for Freedom Welcomes Presidential Investigation—Pledges National Citizens Campaign To Prevent Red Trade Deal

The national chairman of the 30,000 member conservative youth group, Young Americans for Freedom (YAF), today welcomed the request President Johnson made yesterday for a State Department investigation to determine the reasons why the Firestone Tire & Rubber Co. canceled negotiations to build a synthetic rubber plant in Communist Rumania. The YAF leader also promised a "national citizens campaign" to stop any further deal with the Rumanian Communists.

The YAF Chairman, Robert E. Bauman, said: "Yesterday we were the subject of an unwarranted and intemperate attack in the Senate by Senator Fulbright, of Arkansas. Today Young Americans for Freedom's actions have become the object of a State Department investigation ordered by the President. YAF will cooperate fully with the Government so that they can learn, as we have, just how strongly the average American citizen is opposed to trade with Communist countries which can be used to increase Communist military potential."

Bauman took issue with a statement made yesterday by Presidential Press Secretary Bill Moyers who said that the President approved of such trade with Communist nations. Bauman said: "Our YAF members around the Nation who picketed Firestone for their part in this trade deal did so because they believe that the best business when it comes to strategic trade with Communist countries is no business at all. We cannot believe that President Johnson, who has advocated such a firm stand in Vietnam, would at the same time support a trade policy, with Communists, which directly undercuts U.S. fighting men everywhere.

"When the President is given the full facts about the Firestone-Rumanian negotiations he will find out just how detrimental to the interest of the United States any such rubber plant construction in Rumania could be."

The YAF chairman pointed out that only last week the Rumanian Communist Party Congress, held in Bucharest, had denounced the United States role in Vietnam and pledged their full support to the Communist

Vietcong. Bauman stated: "Our Government, if it supports trade with the Communist Rumania, deserves the strongest possible condemnation by the American people, especially from the wives, parents, and loves ones of all those who have died in Vietnam."

Bauman said: "Young Americans for Freedom is confident that the President and the State Department will find the American people opposed to such trade with Communists. We pledge that we will mount a national citizens campaign to do whatever may be necessary to prevent such aid to communism.

REGISTERING AND VOTING BY COLLEGE STUDENTS

Mr. KENNEDY of New York. Mr. President, I wish to encourage young Americans, particularly those between the ages of 21 and 25, to vote. Even more strongly, I encourage those young Americans now in college who have a special responsibility that accompanies their special opportunity to develop and strengthen their minds and judgments for leadership roles in the years ahead.

Youth is on the march. In each Latin American country, most citizens are under 25. The leaders of many of the fledgling African states are in their thirties. They are going ahead in their own way and in their own time. Youth manned the barricades of East Berlin and of Budapest.

And here at home, as well, youth is questioning—and properly so—the structured conventional wisdom of its teachers and others in places of public responsibility.

The civil rights struggle, to name one area, is an outstanding example of youth on the march. A primary focus of this civil rights struggle is to secure for 19 million Americans, who are Negro, the unimpaired right of access to the polls. Among the major domestic struggles within the Congress since World War II have been those to secure voting rights to all. When young Americans in some areas of the country are braving injury and even death to gain voting rights, then those who, by accident of birth, are not denied the right to vote should use it. Equipped with this, there are many wrongs to right.

We need a return to the politics of public participation, of which voting is an indispensible element along with the sit-ins and teach-ins and the civil liberties activities.

As long as men come together to live, as long as they must learn the Greek ideal—to know at once how to govern and how to be governed—for that long, which is as long as men live, we shall not bring down the curtain on the great drama in which we are privileged to play our parts.

Emerson once said:

> God offers to everyone his choice between truth and repose. Take what you please. You cannot have both.

THE CHRONIC FOOD SHORTAGE IN INDIA

Mr. MONDALE. Mr. President, famine is no newcomer to the Republic of India. Her history is filled with years of bad crops, of food shortages, which have meant desperate hunger, often death, for untold millions.

Since gaining her independence almost 20 years ago, India has resolved to free herself from this massive human suffering. We in the United States have rightly pledged increasing support for this objective. And India has taken major strides—her industrial production, for example, has been increasing by about 9 percent a year.

She has also improved her agricultural output, but she has not increased it fast enough to match her growing demands for food, demands brought on particularly by her frightening rate of population increase. Thus it is that India is experiencing a hunger explosion, one which threatens to cancel out all of her gains since independence.

Because of her chronic food shortage, India has just decided to introduce food rationing in her cities, rationing which will limit each man, woman, or child to 12 ounces of wheat or rice a day.

Today India may have little choice but to do this. But we must help her make tomorrow brighter than today. I am convinced, Mr. President, that the United States must do more to help increase food supplies in India, and in other countries caught up in the hunger explosion. We must do this by supporting India's efforts to improve her agriculture, and we must prepare to expand our food-for-peace program. Without such steps by the United States, I fear that the future for countries like India could be even darker than the present.

Mr. President, I ask unanimous consent to place in the Record at this point an article by J. Anthony Lukas in Saturday's New York Times, entitled "India Will Ration Grain in Cities."

There being no objection, the article was ordered to be printed in the Record, as follows:

India Will Ration Grain in Cities—Sets a 12-Ounce Daily Limit To Counter Shortages

(By J. Anthony Lukas)

New Delhi, August 6.—India decided today to impose food rationing on her city dwellers.

In a major move to meet the country's chronic food shortage, the Government will limit men, women, and children in urban areas to 12 ounces of wheat or rice a day.

Twelve ounces of wheat will make six chappatis, the large slabs of unleavened bread that are the staple of the North Indian diet.

Twelve ounces of rice, covered with boiled vegetables, curd or curry, will provide about two meals in South India.

The national consumption average for food grains is now about 14.4 ounces, according to Government statistics.

The rationing system will put India's city dwellers under more controls than at any time since World War II, when nationwide rationing was in effect.

Initially, the rationing, which is expected to begin in 2 weeks, will affect only the eight cities with more than a million residents and certain highly industrialized areas.

However, it will eventually be extended to 114 other cities with more than 100,000 inhabitants. This will bring a total of 40 million persons, or one-twelfth of the country's population, under the rationing system.

The decision, announced today by Food Minister Chidambara Subramanium, is a triumph for the policies of Mr. Subramanium and Prime Minister Lal Bahadur Shastri.

The two men recommended a similar system last year. It was rejected by most of the country's 16 states.

Today's decision does not reflect any worsening in India's food situation. In fact, the situation is appreciably better this year than last, when serious shortages caused near-famine conditions in many parts of the country.

HARVEST 10 PERCENT BETTER

Although the food-grain harvest this year has been 10 percent better than last year's and the best on record, the Government wants to establish a food distribution system that will work in good years as well as bad.

Despite large-scale irrigation projects, the country's agricultural production is still heavily dependent on the weather. A 2-week delay in the arrival of the southwest monsoon caused some crop damage even this year.

At present, rationing is in force only in Calcutta, the country's second largest city, and in the cities and towns of the State of Kerala. It was also used temporarily last year in the city of Madras.

However, the 16 state Chief Ministers, at a meeting here today, decided to adopt the system as a national policy.

Prime Minister Shastri presided at the meeting. The 5-hour closed-door session, held in the Government auditorium, was also attended by Mr. Subramanium, Gulzari, Lal Nanda, the Home Minister; T. T. Krishnamachari, and Finance Minister; Bali Ram Bhagat, Minister of Planning, and other Government officials.

The decision must now be ratified by the full Cabinet. However, this is considered a formality.

EIGHT CITIES ARE LISTED

The first stage of rationing will apply to the following eight cities, all with more than a million inhabitants—Bombay, Calcutta, New Delhi, Madras, Bangalore, Hyderabad, Ahmedabad and Kanpur.

The next stage will embrace cities with populations over 300,000. The third stage, which the Government hopes to complete within 2 years, will extend the system to cities with more than 100,000 people.

On the basis of the experience during the first 2 years the Government will then decide whether to extend the system to cities with more than 50,000 inhabitants.

The ministers decided today that the ration for manual laborers would be increased by 10 percent.

By limiting consumption by all but manual laborers to 12 ounces, or 2.4 ounces under the national average, the Government hopes to do the following:

Limit consumption in surplus areas and thereby provide more grains for deficit areas.

Cut down on the import of grains, particularly of rice which must be paid for in scarce foreign exchange.

India imports 6 million tons of wheat a year under the U.S. agricultural surplus program. However, such imports are paid for in rupees.

Two million tons of rice are imported every year, chiefly from Thailand and Cambodia, and are paid for in foreign exchange.

PROPOSED REMOVAL OF TARIFF DUTY ON SYNTHETIC DIAMOND ABRASIVE CRYSTALS

Mr. McNAMARA. Mr. President, on behalf of the junior Senator from Michigan [Mr. Hart] who is necessarily absent today, I make the following observation with regard to H.R. 7969:

Mr. President, I am very much interested in that section of the Finance Committee report to accompany H.R. 7969, which pertains to so-called synthetic diamond dust. I say "so-called" because what we are talking about in section 27 of the bill is not what the layman would think of as dust. It would be better recognized as diamond abrasive crystals and is referred to in industry as bort or grit used for grinding wheels, cutting tools, masonry saws, and the like. Industrial diamond bort or grit is very important in industry and is particularly important from the standpoint of being a strategic material, absolutely necessary to our industrial economy and very important in any geared-up war emergency economy as evidenced by the fact that natural diamond has always been in the national stockpile.

Because of its industrial and strategic importance, I believe that the Commerce Department and the Department of Defense will have a definite interest in any proposed removal of the tariff duty on synthetic diamond. At such time as H.R. 7969 is considered by the House and Senate conferees, I trust that the interested Government departments will have been given an opportunity to offer their views on this very important matter.

ECONOMIC PROGRESS IN ALASKA

Mr. GRUENING. Mr. President, an excellent summary of recent developments and economic activity in Alaska is found in the August 16 issue of U.S. News & World Report. It ascribes some of this activity to the earthquake and properly so, but more pertinent would be to ascribe this activity to the coming of statehood 6 years ago and its beneficial consequences.

As a result of statehood, the fisheries, long Alaska's greatest economic resource and depleted almost to the vanishing point under Federal mismanagement while Alaska was a territory, have now experienced a strong comeback under the wiser conservationist policies of the State department of fish and game.

The Statehood Act likewise provided that Alaska should receive 90 percent of the oil royalties since Alaska is not a reclamation State and does not get the benefits of reclamation legislation as do other Western States.

Statehood voided the exclusion of Alaska from the benefits of the Merchant Marine Act of 1920, familiarly known in Alaska as the Jones Act.

Statehood brought the inclusion of Alaska in the Federal-aid highway program, from which it had been totally excluded from 1916 to 1956 and was only partially included in the 3 years preceding statehood.

Whereas prior to statehood 99.2 percent of Alaska's land was in Federal domain, the State is beginning to acquire some of the 103 million acres to which the Statehood Act entitled it.

In addition to that and other beneficial changes wrought by statehood, State agencies are making possible development which was not possible under Federal control.

While much remains to be done and Alaska still suffers and will suffer for some time to come the economic consequences of its 92 years of territorialism, with its discriminations and omissions, it is gratifying to see our State steadily moving into high gear and demonstrating thereby the eternal soundness of that basic American principle of government by consent of the governed, which statehood made possible.

I ask unanimous consent that the article from the U.S. News & World Report of August 16, entitled: "The New Alaska: Ready To Take Off," be printed at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, Aug. 16, 1965]

THE NEW ALASKA: READY TO TAKE OFF

(NOTE.—America's 49th State, a storehouse of resources, has been handicapped by its geographical position and by shortages of people and capital. Now, rebuilding after the 1964 earthquake, Alaska is humming with activity, confident of a bright future.)

ANCHORAGE.—Alaska's big earthquake of 1964, it is now becoming clear, jolted more than the earth.

The Good Friday quake shook up the people of the 49th State, shocked them into action. And, as a result, Alaska for the first time is getting more of what it always needed—people, money, construction and a diversity of jobs.

Fisheries, the State's biggest industry, have made a comeback. Forest products are providing more jobs than ever before. Oil and gas are hotbeds of activity, with new exploration and discovery mounting daily.

Tourist business is at a new peak. Hotels and motels are going up at a rapid rate. Transportation facilities are much improved.

Some problems, particularly the high cost of living, remain. But even this barrier to development is being whittled away, and some prices have come down.

The earthquake claimed 123 lives and caused vast property damage. But, most Alaskans agree, the temblor also set off an economic spurt.

"It got a lot of people to thinking about changing and improving," says an Anchorage real estate man. "We learned how to move materials fast."

REAL BOOM COUNTRY

Disaster aid and loans from the Government have poured $325 million into Alaska since the earthquake. This, with uncounted millions in private investment, is making the State what one Anchorage banker calls "a real boom country."

Kodiak is described by a fisheries official as "the hottest area in Alaska right now." It has three new hotels, one of them a former passenger liner, and new airport facilities.

Anchorage is getting $28 million worth of private and public construction this year. This includes the building of two high-rise hotels and an 11-story bank building.

Other expansion projects in this, Alaska's largest city, include docking and warehousing facilities and three new shopping centers.

People, too, are flocking to Alaska. Says an Anchorage hotel operator: "We were 80 percent filled all winter and haven't had a vacancy since April 1."

For the first time in Alaska's history, growth is on a broad basis, providing new goods and services and a diversity of jobs. There is a steady spread of the tax base once almost wholly dependent on Government spending.

OIL: 30,000 BARRELS A DAY

The oil and gas industry is becoming of increasing importance to Alaska. It is, says C. W. Snedden, Fairbanks publisher, "our biggest economic crutch."

On two occasions, sale of oil and gas leases provided the funds for meeting large deficits in Alaska's budget. The State received $14.5 million last year from royalties and other fees.

Since 1957, when the Discovery well was brought in by Richfield Oil, production has incerased to a rate of 11 million barrels a year. Current output from 62 wells exceeds 30,000 barrels a day.

So far this year, several new oil and gas wells of major size have been brought in, expanding sizably the 460-million-barrel reserve estimated at the start of 1965. Exploration and development spending this year will far exceed the $64.5 million spent in 1964.

New platforms being built over Cook Inlet will, for the first time, permit year-round drilling. Cook Inlet has 8-knot currents, 30-foot shifts in tide levels and temperatures that drop to 50° below zero—probably the most difficult and expensive drilling conditions in the world. Despite this, more than 20 companies have operations in Alaska, and the number is growing.

Alaska recently offered more than 750,000 acres for leasing north of the Arctic Circle, eastward from Point Barrow. Major oil companies have teams in the area and are bringing in equipment for drilling.

Availability of oil and gas has greatly reduced fuel costs in Alaska. For example, the Matanuska Maid Dairy is saving about $3,000 monthly in power costs at its new plant in Anchorage by using gas produced in the State.

HOW JAPAN HELPS

Japan's need for raw materials in increasing amounts is another boon to the expanding Alaskan economy. There has been a steady exchange of trade missions between Japan and Alaska in recent years.

Japan has provided most of the $70 million pumped into development of the Sitka Pulp & Lumber Co., which produces 520 tons of wood pulp a day for Japanese buyers. The same Japanese interests own the Wrangell Lumber Co., which exports a shipload of lumber, mostly spruce, every 40 days. The new Alaska Pacific Lumber Co. at Wrangell, a $4-million operation, is shipping its entire output of lumber to Japan.

Biggest project involving Japan is an agreement under consideration by the Union and Marathon Oil companies to supply the Tokyo Gas Co. with up to 230,000 tons of liquefied methane gas a year from Alaska. This would require investment, including cost of ships, of several hundred million dollars.

"Japan needs practically everything we have," says a State resources official. In 1964, the Japanese took 89 percent of Alaska's exports.

ALASKAN FISH STORY

Fisheries, the traditional resource of Alaska and its No. 1 industry, have made a big comeback under statehood, mostly in the Kodiak area.

Production of king crabs in 1964 was 86.7 million pounds, more than triple the 1960 catch.

The growing importance of the crab catch, an operation that goes on 10 months of the year, lessens the seasonal nature of the fishing industry.

Value of the salmon catch has jumped from $6 million to more than $94 million in the 1950–64 period.

Conservation and management of its fisheries is a constant problem for Alaska, as a growing number of Japanese and Russian catcher and factory ships are busy seining the seas of the northern Pacific.

"Japan is making a shambles of our conservation program," says a Federal fisheries official. "They have been robbing us for years," complains Gov. William Egan.

American fishermen are prohibited from fishing for salmon on the high seas with nets. Only on a limited number of days, depending on quantity and type of runs, are they allowed to fish for salmon at all. But there are no limitations, in use of gear or time of fishing on Japanese and Russian fleets.

Forest products, Alaska's second-biggest industry after fisheries, are a big and growing source of income. In the panhandle of southeast Alaska, a mild, moist climate encourages natural reproduction of cut-over areas within 3 years without planting. There are spruce and hemlock along nearly 1,000 miles of coastline from below Ketchikan to above Kodiak.

Forest-product exports, almost all to Japan, made up 82.5 percent of Alaska's total in 1964.

IRON-ORE DISCOVERY

Other natural resources hold a long-range potential for the future of Alaska, but they will require costly exploration and development.

Pan American Petroleum, a subsidiary of Standard Oil (Indiana), last year discovered iron-ore deposits of an estimated 1 billion tons about 200 miles southeast of Anchorage. Kennecott Copper plans to start drilling a shaft this autumn in an area near Kobuk, a village 50 miles north of the Arctic Circle. One company official's estimate is that Alaska could produce $5 billion worth of minerals a year.

WELCOME TRAVELERS

Tourists are discovering Alaska in increasing numbers. Reconstruction following the earthquake has produced a large number of new hotels and motels—so many that prices are beginning to drop.

Last year, 61,000 airline travelers passed through Anchorage en route between New York and Tokyo.

Tours now are coming to Alaska during 6 to 7 months of the year, instead of only during the 3 summer months. There are more places to stay, more things to do. Much of Alaska is not the ice chest so many have been accustomed to think it is.

Central Alaska, where the bulk of the people live, has temperatures from 75 below zero to 100 above, but can have pleasant weather for months. The southeast has cool summers, and winter temperatures not much below the range of Vancouver, British Columbia.

BETTER TRANSPORTATION

Improved transportation has been the big breakthrough for Alaska. Train ferries, barges carrying railroad cars and an improved State ferry system have increased the frequency of service and have lowered rates over a wide area of Alaska.

A Fairbanks grocer says shipping costs on canned goods are down 22 percent for vanload shipments. Trucks from Seattle reach Anchorage and Fairbanks in 80 hours. The Anchorage city dock in 1964 handled 159,000 tons of cargo, compared with 39,000 tons in 1961.

Studies are underway for paving the Alcan Highway, which runs 1,221 miles through Canada from Dawson Creek, B.C., and 302 miles through Alaska to Fairbanks. Only short stretches of this route are paved now. Cost of the improvements would be about $175 million, and the big question is who should pay what share.

Alaska is the only one of the 50 States with a homesteading program. But, says one would be-pioneer who tried it and sold out: "It's a terrible trap. It costs so much time, money, and effort to clear the land of trees, stumps, and rocks, and then it takes 3 years just to dry out the land to plant things."

The Federal Government holds about 98 percent of Alaska's land. Over the next 25 years, the State can select 102,550,000 acres—an area the size of California and Connecticut combined—for sale by auction, plus some additional land for special purposes. Appraisals run from about $5 to $2,000 an acre.

Land is sold for 10 percent down and 9 years to pay the balance at 5 percent interest, with a limitation of 640 acres. Leasing of land is not limited.

FROST PROBLEM

The big problem, once land is cleared, is that there are only about 100 frost-free days in farming areas. Most crops cannot be grown. Those that are suitable, such as cabbage and lettuce, all mature at the same time, creating harvesting and marketing problems. Alaska produces only about 7 percent of the food it consumes.

There are only some 400 farms in the entire State. About 70 of these are dairy farms, most with fewer than 50 acres. One food distributor who buys from farmers says: "Trying to farm in Alaska is a sad joke."

POWER FOR INDUSTRY

Power from the Yukon River is seen by many as the key to Alaska's future. Three dams would produce about 10 million kilowatts of power, half at the proposed Rampart site, 90 miles northwest of Fairbanks.

"Since agriculture is not possible in Alaska," says U.S. Senator ERNEST GRUENING, a Democrat, "we need industry, and Rampart will attract that. Rampart is the most important single force in developing Alaska." Mr. GRUENING predicts a population increase of 70,000 to 140,000 if the Rampart power project—still only envisioned—is built.

The cost of a Rampart dam, power facilities, and transmission lines to the U.S. border would be in excess of $2 billion. Low-cost power, say proponents of the project, would more than offset high-cost labor, and would attract industry.

Construction work and filling the reservoir would take 20 to 25 years. Studies of the project have been made by the U.S. Army Engineers and the Bureau of Reclamation. These are before the Department of the Interior for recommendations.

Opposition to the Rampart project centers on its high cost, on the possibility that nuclear power will be available sooner and at lower cost, and on the prospect of damage to wildlife by the lake to be formed behind the proposed dam. This lake would cover 10,500 square miles—larger than Lake Erie.

The area to be flooded is inhabited by about 2,000 people and hundreds of thousands of ducks and other wildfowl and animals. A survey by the Fish and Wildlife Service found that "nowhere in the history of water development in North America have the fish and wildlife losses expected to result from such a project been so overwhelming."

HUCKSTERS GALORE?

Obstacles other than agriculture and uncertain power resources must be overcome, most officials agree. Chief among these is a vicious circle of high wages and high prices. One retailer, who has trouble keeping a staff, states: "The whole 49th State is filled with hucksters who are wild for a buck."

The price-wage spiral was set off by Alaska's distance from labor, supplies, and services. Military construction set the pace for the economy. Contractors have had to accept the labor rates asked, says one builder who put up hundreds of housing units in Anchorage.

A double standard of wages developed, one for construction, the other for regular work. A carpenter paid $5.17 an hour for construction would be paid only $3.50 an hour for maintenance work at a lumber mill. A highly skilled sawyer in a lumber mill gets $4.86 an hour, compared with $5.13 for the lowest-paid construction worker.

A building-supplies dealer in Fairbanks pays his salesmen $1,025 a month straight salary. In Fairbanks, too, a bartender gets $35 for each 8-hour shift. Still, many young people are leaving Alaska, contending that "you can hardly keep a family on what you make," because of high prices.

"GUTS AND MONEY"

Still, "For those with imagination, drive, a bit of guts and some money, Alaska holds an adventuresome future," says a Juneau resident who likes hunting and fishing.

Those without special aptitudes may find it difficult, warns Edmund Orbeck, a labor leader in Fairbanks. "Unless outsiders have a job already lined up, they shouldn't come," he adds. "Anyone who does is looking for trouble." Unions give precedence to Alaska residents.

Food prices have been coming down, especially since the advent of chain supermarkets. Shopping for items that are sale priced, says one housewife, brings prices to about the same level as in Seattle, except for milk, which costs from 83 to 97 cents a half gallon. Most clothing prices run about the same as in "the outside."

High cost of housing remains the principal bottleneck to lower living costs. Even a modest house goes for $25,000 and up. The newest apartment building in Anchorage asks $425 a month for a two-bedroom apartment. A one-room efficiency brings $140 a month.

Rising taxes and the growing costs of local and State government services concern many Alaskans. If it weren't for the huge sums poured in by the Federal Government—$500 million in the last 12 months—their financial problems would be overwhelming.

A NEW UTOPIA?

When Alaska achieved statehood on January 3, 1959, optimistic Alaskans felt they had a chance to build "a utopian society." In the next few years, beset by problems of building a State government, many regretted the shift from territorial status.

Now, after 6½ years, visitors hear few laments. More and more Alaskans are sure that the 1964 earthquake was the takeoff date for the advancement of a new and successful society.

VIETNAM—THE NEED FOR MAINTAINING A STRONG U.S. MERCHANT MARINE

Mr. BREWSTER. Mr. President, the Vietnam crisis has graphically illustrated again the need for maintaining a strong U.S. merchant marine.

I have spoken before about the supply requirements of a modern army, which necessitated the use of 600 cargo ships for logistic support of our troops in Korea.

There is another critical use for American vessels, however, and that is for troop transport. Although Secretary of Defense McNamara said 4 years ago that all future troop transport would be by air, last week the entire 1st Cavalry Division, with 400 helicopters and all of its supplies, embarked for Vietnam—by ship.

Helen Delich Bentley, the maritime editor of the Baltimore Sun, reported on this embarkation and other possible requirements for use of the merchant marine in the Vietnam war effort. I believe that Mrs. Bentley's article is a valuable reminder of the increasing strategic importance of a strong American merchant fleet.

I ask unanimous consent that Mrs. Bentley's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIRST CAVALRY TO GO BY SEA—DIVISION TO EMBARK SOON FOR VIET WAR

(By Helen Delich Bentley)

WASHINGTON, August 3.—The 1st Cavalry (Airmobile) Division, its 400 helicopters and all of its support supplies, will be sent to Vietnam by sea with embarkation of the troops to begin next week.

Only a "limited number of advance personnel" will make the 6,000-mile trip by air.

President Johnson last week announced that he ordered the 1st Cavalry Division "immediately" to the Vietnam front. It will be the first full division on the battle scene, a Department of Defense spokesman said tonight. There are units of divisions but no full division there, he added.

PORTS NAMED

The first units of the 1st Cavalry Division, stationed at Fort Benning, Ga., will be embarked on the ports of Charleston, S.C., and Savannah, Ga., aboard at least two of the six troop transports that are being removed from their normal Atlantic operation to enter Vietnam service.

Loading of the helicopters will also take place next week aboard the Navy aircraft carrier *Boxer* in Mayport, the naval base adjacent to Jacksonville, Fla., and aboard Military Sea Transportation Service aircraft ferries at Mobile, Ala.

Aircraft engineering personnel will accompany the craft loaded on each of the vessels. In addition, some 35 to 40 "formerly strikebound" freighters have been chartered by the MSTS to pick up the support equipment needed for the 1st Cavalry Division and the units already in Vietnam.

TO GET SUPPLIES

Those loading for the division will pick up their supplies at East and Gulf seaports also beginning next week, it was said.

The six troop transports are capable of handling an entire division of 15,000 men by a simple conversion which requires about 24 hours of work by the ship's crew. It is referred to as "immediate emergency berthing" and enables the crew to make necessary changes to the cabins and troop quarters that will permit them to at least double their normal capacity when carrying military personnel.

COUP FOR SHIPPERS

The fact that the first major movement of troops being sent to the Asian battlefront is going by sea rather than air is considered a major coup for the shipping industry which has been waging an uphill campaign emphasizing the continuing need for passenger ships as well as cargo vessels for defense purposes.

More than 4 years ago, Robert S. McNamara, Secretary of Defense, told a congressional committee that there was no further need to build or subsidize American-flag passenger ships because all troop movements in the future would go by air.

A year later at the height of the Cuban missile crisis, the Defense Department had alerted the owners of American-flag passenger liners to stand by for their employment if troops were to be sent to the nearby Caribbean island.

The SS *United States*, which has been immobilized by a seamen's strike since June, is capable of transporting an entire division with all of its equipment after only 1 week of conversion work to transform her from a luxurious Atlantic liner to a troop transport.

TWO HUNDRED THOUSAND TRANSPORTED

The six troop transports which are being removed from their regular Atlantic service ferried 200,000 military personnel and their dependents between Europe and the United States last year. They are all operated by the Military Sea Transportation Service.

Should it become necessary to provide more space in each of these transports, they will have to be sent to shipyards so additional decks can be welded in their holds.

Then the capacity of each again will be doubled.

In addition to the 35 to 40 strikebound freighters, 15 additional cargo ships have been taken out of the reserve fleets and are being reactivated in private shipyards for participation in the Vietnam crisis.

The 1st Cavalry Division with the "Airmobile" inserted in the middle of its name is described as being "a new organization with a very large group of helicopters" and a "fast moving, light outfit."

ROGER BLOUGH EXPLAINS STEEL COMPETITION—HITS FOREIGN DUMPING

Mr. SCOTT. Mr. President, it is important that the United States, as a nation dedicated to the free enterprise system under which our economy has grown and flourished, not lose sight of the need to preserve the chief ingredient of this development—spirited but fair competition. Many of the laws to which our domestic producers are subject are dedicated to this end. Yet only the basic Antidumping Act of 1921 is available to insure that foreign producers, while protecting the price levels in their home markets, do not use U.S. markets as a dumping ground for their surpluses.

On this score, I noted with particular interest the "Letter to the Editor" from Roger M. Blough, chairman of the United States Steel Corp., which appeared in the May issue of Nation's Business. In it he outlined the many-faceted nature of present-day competition in steel, and cited the danger of continued pricing of imports at dumping levels. He pointed out:

> Competitors should compete under comparable pricing laws. If they do, there should be no objection to foreign steel competition.

Mr. President, this is the underlying approach of our continuing efforts to amend the U.S. Antidumping Act. It is basic to the support given S. 2045 by Senator HARTKE, the principal Democratic sponsor, and me, as the principal Republican cosponsor. The same holds true for many of our colleagues in Congress, including the 30 other Senate cosponsors of S. 2045, the 1965 Antidumping Act Amendment. As we consider its aims to make the U.S. law a fairer, more effective antidumping measure, let us keep in mind the consequences of dumping which interferes unfairly with this competitive mechanism that we have so long nourished.

I heartily invite my colleagues' attention to Mr. Blough's statement in the belief that its lucid analysis will be of benefit to discussions of the nature of the dumping problem and the threat of its growth with which many of our American industries, as well as American labor, are faced.

Mr. President, I ask unanimous consent that Mr. Blough's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES STEEL CHAIRMAN EXPLAINS COMPETITION

To the EDITOR:

To compete successfully in today's dynamic and ever-changing marketplace, it is not enough to produce a usable quality product. A company, to survive in today's competitive arena, must arm itself with every modern weapon available to it and, at the same time, have in reserve the most imaginative and resourceful minds in its field, probing and searching the unknown for the answers to its customers' present and future demands.

In the case of the steel companies, competition has meant a long succession of innovation, of intense struggle for markets. Yesterday's facts are not the facts of today, and today's facts are not those of tomorrow. For, as in other industries, the steel industry's customers, markets, marketing, materials, finance, technology, management, economics, and the labor force are ever in flux, ever changing.

In the competitive free enterprise system, market prices result from prices sought by the sellers and prices that buyers are willing to pay. For while a producer is free to seek whatever prices he thinks are attainable, the market always has the final word.

Steel, for example, sells at thousands of prices inasmuch as it is available in literally thousands of shapes, sizes, strengths, finishes, and chemical compositions. For the most part, steel products are tailormade to individual customer specifications. Steel prices frequently differ by region; they are not static; they fluctuate. To be sure, prices for particular products tend to converge under competition. But actual prices of steel products often vary among producers and from published prices.

Competition in steel, as in most industries, is worldwide. For practically all of the first six decades of the 20th century, the U.S. economy was a net exporter of steel mill products. Starting with 1959 and in every year since, imports have exceeded exports. Much of the imported steel has been sold at prices substantially below those prevailing in the country of origin and in the U.S.A. This practice of selling in export markets at prices below those prevailing in the exporting country, when accompanied by injury or threat of injury to the industry of the importing country, is regarded as "dumping" and is condemned by most nations. And although prohibited by the signatory countries to the General Agreement on Tariffs and Trade and by Federal law, such pricing of imports continues.

International trade is vital. No country today is self-sufficient, and every country benefits by buying and selling in world markets. But competitors should compete under comparable pricing laws. If they do, there should be no objection to foreign steel competition.

Steel is indeed a highly competitive business. It is subject to the many varied price and cost factors that confront all competitive industry. Interference with this competitive mechanism can only result in reduced benefits for the consumer and the investor, reduced job opportunities for the worker, and reduced economic growth for the Nation.

ROGER M. BLOUGH,
Chairman, Board of Directors,
United States Steel Corp.

NEW YORK.

FIVE YEARS AS A NATION: THE IVORY COAST

Mr. HARTKE. Mr. President, Saturday, August 7, was the national independence day for the Republic of Ivory Coast. This new nation under the able leadership of President Felix Houphouet-Boigny has earnestly undertaken its international responsibilities as a sovereign state. Six weeks after her independence in 1960, the Ivory Coast was admitted to the United Nations and was later elected to a seat on the Security Council for the term beginning January 1964. Within Africa the Ivory Coast commands great respect, for President Houphouet-Boigny since his early career in preindependence days has been a dynamic and devoted leader for regional cooperation on the African continent, maintaining that the only true road to African solidarity is through step-by-step economic and political cooperation with recognition of the principle of nonintervention in the internal affairs of sister African states.

To this nation which shuns involvement in cold war issues yet remains a friend of the West the United States has provided modest economic aid, supporting the Ivory Coast's program of rapid, orderly economic development. With an economy already more diversified than any other in west Africa, the Ivory Coast has undertaken to increase public expenditure and encourage greater private investment in the growing industrial sector, looking forward to 1970 as the terminal date for foreign assistance needs.

Mr. President, it has long been the belief of Americans that a people's interests are best served and the potentialities for liberty most promoted through self-determination of political and economic policy. It is this belief, inextricably bound up with our own heritage, that causes us to take pride in the achievements of such newly independent nations as the Republic of Ivory Coast. I know that many Americans join with me in saluting the people of the Ivory Coast as they celebrate their national independence.

THE CHALLENGE OF CIVIL RIGHTS

Mr. MONDALE. Mr. President, on Sunday night, August 8, 1965, I had the privilege of attending the Alpha Phi Alpha Fraternity Convention in Chicago, Ill. In an address to the convention, Vice President HUBERT H. HUMPHREY brought to our attention in meaningful fashion the real challenge facing the human rights movement in the United States. He emphasized that although we have created an adequate body of legislation for equal legal rights, we must begin to create a climate of equal respect in which the capacities of all men, whether Negro or white, for creativity and the pursuit of excellence may flourish and grow.

We should remember that the law, in addition to being a coercive force, must function as well as a teacher. By directing the actions of the citizen, it must produce a change in attitude. Without a change in public attitude, all the legislation in the world cannot guarantee racial equality. Up to now, we have accomplished the legal abolition of the practices of segregation, and we have obtained a grudging tolerance, a lowering of formal legal barriers, a removal of "white only" signs from drinking fountains, school doors, and waiting rooms. We must do more than achieve minimum compliance with the law, motivated more by the fear of jails than by an honest request for one's fellow man. While this is necessary and worthy of our first efforts, it is merely an initial goal.

Beyond this lies the true meaning of "integration." Beyond this lies acceptance—acceptance of every fellow citizen as a man with heart and mind, body and soul. This goal may remain unreached when every lunch counter in the Nation has dropped its formal barriers to Negro entry. It may remain unreached when every Negro is allowed the full and equal right to vote and participate in the political process of his State and city. It may, as well, remain unreached when the last Negro has stepped off the sidewalk and tipped his hat to the passing white man. But we must begin now to reach the day when we have a nation in which every man is accepted at his own worth.

Mr. President, I call the attention of the U.S. Senate to this remarkable speech, and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY VICE PRESIDENT HUBERT HUMPHREY, CONVENTION, ALPHA PHI ALPHA FRATERNITY, CHICAGO, AUGUST 9, 1965

It is an honor and a pleasure to be back with Alpha Phi Alpha tonight. In 1948, I spoke before your annual convention at Atlantic City.

At that time you were concerned with awakening Negroes to the potentialities of full citizenship and fine education, with providing money through scholarships and loans to the talented who could benefit most from advanced learning, and with fighting legal battles to strike down discriminatory barriers.

At that time I was about to first enter the U.S. Senate.

At that time this country was slowly becoming aware of the critical social issue of the postwar period—the full entrance of the Negro into American society.

Tonight, 17 years later, we have come a long way.

We have seen legalized prejudice and discrimination stricken from the statute books of America.

Many people of courage and dedication, with black skins and with white, have risked—and sometimes lost—their lives in assaulting the barriers of legalized discrimination.

The dignity and the compassion—the manifestation of true fraternal love—which has characterized these efforts is a source of pride to all Americans.

With the series of Supreme Court decisions culminating in the historic *Brown* v. *Board of Education* case in 1954—and with the sequence of congressional actions leading to the Civil Rights Act of 1964 and the Voting Rights Act of 1965—this initial phase of the civil struggle is now drawing to a close.

Much remains to be done until these decisions of our Government are fully implemented—and, as the President's civil rights coordinator, I can report to you tonight that determined efforts are being made within the Federal structure.

But now the American people have been called to answer another, more challenging question: Do we have the imagination, the commitment, and compassion to construct a society which gives full meaning to the phrase "full citizenship," where every citizen has an equal opportunity in fact—not just in law?

For the first time in history, this Nation possesses the intellectual strength and the economic resources to create the conditions in which every American can be a full partner in the enterprise of democracy.

We possess the knowledge and the wealth. But do we also possess the determination and the will to complete this task?

To be sure, a number of Negroes have overcome great handicaps and are able to compete on equal terms with other citizens. Indeed, all the men of Alpha—represented by such men as Thurgood Marshall, Whitney Young, Martin Luther King, John Johnson, and Judge Perry B. Jackson, Judge Sidney A. Jones, and Judge L. Howard Bennett—are notable representatives of the American Negro community today capable of both producing and enjoying the benefits of American society.

We know of the encouraging increase of Negro enrollment in college and in professional schools, of the rising income level among Negroes, of more challenging and responsible jobs available to Negroes, and of the declining rate of school dropouts among Negroes as compared to the population in general.

We know that Negro Americans are succeeding despite the handicaps of prejudice, of closed doors, of limited or nonexistent educational opportunities, and of the deep psychological wound of being a Negro in a period where this usually meant second-class citizenship and back-of-the-bus treatment.

But despite the advances of this Negro minority, we know also the pathos of countless citizens in this country. These people are almost a nation unto themselves—an underdeveloped country of urban ghettos and rural slums whose inhabitants are only dimly aware of the advances in civil rights and are only rarely touched by them.

President Johnson spoke about the stark dimensions of this other America in his Howard University address. He pointed to the uprooted, the unemployed, and the dispossessed. He pointed to staggering problems of unemployment, of disease, of illiteracy, of income, of infant mortality, of family disintegration, and of housing.

It is for this other America, living under a dark cloud of discrimination and prejudice, that we must now bend our efforts. We must realize that although our laws are more just than before, true justice remains, for many, a distant and unrealized promise.

Our task now is to meet the challenge of this second phase of the Negro's struggle—to secure economic and social justice—to secure self-sufficiency and self-respect.

We must give fulfillment to the promise of our laws and our words. For hollow phrases can only leave a bitter taste in the mouths of those who speak them and deep and abiding despair among those who hear them.

As we enter this phase of the Negro's struggle, two general problems must be isolated and confronted: problems of substance and problems of spirit.

We know that the problems of substance are complex and interwoven. We cannot identify a single aspect of the Negro's life and try to deal with it alone.

We cannot emphasize just the need for more jobs, or better housing, or improved education.

More jobs cannot come without better education.

Better education depends upon stable families and neighborhoods.

These in turn require better housing and health facilities. And better housing and health facilities call for better jobs.

These are all related problems which must be confronted together.

We must also face the problem of spirit which plagues the Negro. We must understand that generations of prejudice, deprivation, and subservience have induced in Negroes the debilitating qualities of profound despair, apathy, indifference, and distrust.

What can we expect when hope is resolutely crushed from the young, when there are no jobs even for the educated, and no homes in good neighborhoods even for the hardworking?

Our task is both delicate and vital.

We must try to replace attitudes of unimportance and inferiority with the qualities of self-respect and self-confidence. For progress will come not only with liberation from discrimination in housing, education, and jobs, but also with liberation of the spirit.

We must teach men to exercise their uniquely human capacities: the potentiality for creativity and the incentive to pursue excellence. We must create a climate of equal rights and equal respect in which these capacities may flourish. For only then will the majority of Negroes approach the goal that is critical in their fight—the goal of self-sufficiency and self-respect.

In this new, more difficult, and less dramatic campaign, no single problem will be more important than education.

I do not have to tell the members of Alpha that education is the keystone in the arch of freedom. Surely, if we are to help the disadvantaged help themselves, we must help them learn. We must marshal courage and determination and halt the tragic waste of our human resources.

We must make sure that the laws prohibiting school segregation are properly enforced. The U.S. Office of Education and the Department of Justice are today working diligently to eliminate segregation in those schools receiving Federal financial assistance.

And, in this regard, let me offer some plain talk:

We must understand that a school district cannot escape the constitutional mandate to desegregate merely by rejecting all Federal financial aid. Those districts which violate constitutional requirements will be subject to desegregation suits brought by the Department of Justice.

The choice for such districts is simply this: to continue receiving Federal aid and desegrate or to sacrifice Federal aid and desegregate anyway.

But we must go far beyond enforcement.

It should not be a matter of forcing people to do what is right. No. We must demonstrate clearly—to all Americans—that all Americans will benefit by better education for those who have been left behind.

We must also demonstrate clearly—to those who most need it, to those who have been forced to exist in the shadows of our society—that education is the way to lift themselves to something better.

Through the Elementary and Secondary Education Act, the Economic Opportunity Act, the vocational education amendments, and the Manpower Training and Development Act, this Congress and this administration have tried to create tools to help achieve this.

Now the President has called for a new Teaching Professions Act which would create a National Teachers Corps to provide outstanding teachers with a sense of mission to serve in both urban and rural slums.

Those who enlist in the corps will be sent to schools that most teachers regard as bad assignments—where children tend to be undisciplined, poorly dressed, and too often poorly taught as well.

Here is the chance to dispel forever the myth that children from deprived areas are unable to learn.

Here is the chance to prove that children—regardless of their immediate environment—respond to determined and creative efforts to illuminate their lives.

Our schools can rescue millions of Negro youngsters caught in the downward spiral of second-rate education, functional illiteracy, delinquency, despondency, and despair.

Our schools can help demolish the slums and ghettos themselves.

For each child is an adventure into tomorrow—a chance to break the old pattern and make it new.

We have the chance through education to transform decayed and decaying neighborhoods into places where people can live and work in health and safety.

The tools which the Federal Government has provided to assist in this process of education, and in the broader struggle against the problems of substance and spirit, rely on the initiative of our States and localities.

They demand, too, the intellectual and, in some cases, the financial resources of the private sector. Indeed, cooperation must be the keynote of our efforts—cooperation between public and private, between local, State, and national, between all concerned parties.

The Government is making new commitments in an attempt to arrest the pattern of social and economic disintegration. In November, a White House Conference on Civil Rights will bring national attention even more clearly to these great tasks.

But our Government's willingness to carry much of the burden will be of no avail unless concerned nongovernmental groups, such as Alpha Phi Alpha, give us enthusiastic support.

Charles Spurgeon Johnson, a distinguished member of this fraternity and one of the Nation's most eminent social scientists, stated it well when addressing college-educated Negro men and women.

"The compelling urgency is to move with haste from race relations to human relations. * * * The issue of the rights of the Negro minority, as with all other racial and cultural minorities in the Nation, is at this moment of history an urgent and imperative one of freedom and democracy within the Nation-State."

No longer can we concentrate solely on the most promising of the Negro young. We must meet the challenge of broad programs with broad action to help children of all classes, especially those oppressed by poverty.

Only when we have given our minds and our hearts and our will to the quest for equal opportunity will we be equal to our responsibility.

Only when the other nation of Americans can fully contribute to and share in the fruits of our progress will these Americans truly be citizens of this land.

Only then will we fulfill America's promise for all mankind: That free men, working together, can create a society of both opportunity and justice.

DEVELOPMENT OF MEDICARE LEGISLATION

Mr. MONDALE. Mr. President, on Thursday, August 5, 1965, the President of the United States, Lyndon B. Johnson, went to Independence, Mo., to sign the Social Security Amendments of 1965.

This trip was a warm gesture of gratitude and recognition to Harry S. Truman who as President in 1948 pioneered in the area of medicare legislation. This historic signing took place in the presence of another man who has played a singularly important role in the fight for a health-care law—the Vice President of the United States, HUBERT H. HUMPHREY.

It is indeed appropriate that the Vice President's name appears on the law in his capacity as President of the Senate. It is, indeed, appropriate that he witnessed the successful culmination of nearly 20 years of effort to bring greater security and well-being to our senior citizens.

As Senator from Minnesota, HUBERT H. HUMPHREY either sponsored alone or was a cosponsor of a medicare bill in every Congress in which he served covering the years 1949–64. During the 1st session of the 81st Congress in 1949 the Senator from Minnesota joined in sponsoring S. 1679 which included a comprehensive health-care plan. Again in the 82d, 83d, 84th, 85th, 86th, 87th, and 88th Congresses, the Senator from Minnesota continued the struggle on this vital program.

When he introduced S. 1511 on February 3, 1959, during the 86th Congress, Senator HUMPHREY set forth the moral and ethical arguments in favor of medicare under the social security system:

> One of the most important and pressing social problems which we face today is finding means to insure a life of dignity and decency for our older Americans. We in this great and wealthy country have a social and moral obligation to provide adequate means whereby the elderly may enjoy a decent standard of living and may be free of constant anxiety over what will happen in time of serious illness.

Surely these words expressed the feelings of millions of American citizens whose support this year finally transformed medicare from legislation into law.

Mr. President, our Vice President played a truly pioneering role in the development of medicare legislation. Today I rise to thank him and pay tribute to him. I am confident that few laws passed by the Congress in recent years brought him more personal satisfaction.

I ask unanimous consent that a summary of each of the 14 medicare bills Senator HUMPHREY sponsored during his tenure in the Senate be printed at this point in the RECORD. This record will stand as public testimony to his vision and contribution to assuring that America's elderly citizens have full opportunity for a life of health and dignity in their later years.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

MEDICARE BILLS SPONSORED OR COSPONSORED BY SENATOR HUBERT H. HUMPHREY, 1949–64

THE 81ST CONGRESS, 1ST SESSION

S. 1679. Messrs. Thomas of Utah, Murray, Wagner, PEPPER, Chaney, Taylor, McGrath, and HUMPHREY. April 25, 1949 (Labor and Public Welfare):

National Health Insurance and Public Health Act: Declares the purpose of Congress is to relieve the shortage of qualified personnel in the health professions, to expand medical research, to aid in construction of more hospital facilities, to expand child health and maternal care, and to establish a prepaid personal health insurance plan to be paid for by the people in proportion to their income.

Medicare provisions of the bill were included in title VII which provides for prepaid personal health service benefits, which shall include: medical, dental, home-nursing, hospital, and auxiliary services (laboratory services, X-ray, radium, physiotherapy, optometrists and chiropodists, expensive drugs, and eyeglasses).

A patient shall have free choice to select the person he desires to render personal health services if the practitioner, medical group or hospital consents. The management of a participating hospital shall not be subject to control.

Any person who (1) has received at least $150 during the first 4 of the last 6 calendar quarters preceding the benefit year; or not less than $50 in wages in each of 6 calendar quarters during the first 12 of the last 14 calendar quarters preceding the benefit year (exclusive of a total disability of 6 months); (2) is entitled to an old age and survivors' insurance benefit or to a civil service retirement annuity; (3) is a dependent of a person eligible under (1) or (2), ante is eligible for benefits.

Individuals not automatically insured, including persons who are eligible for public assistance, may be covered through premiums paid on their behalf by public agencies. Federal grants to the States under the Social Security Act are made available for this purpose [amending U.S.C. 42: 303(a), 306, 403 (a), 406, 1003(a), 1006].

THE 82D CONGRESS, 2D SESSION

S. 2705. Messrs. Lehman, Murray, MAGNUSON and HUMPHREY. February 21, 1952 (Finance): Social Security Act Amendments of 1952 (included among other provisions, the following provisions closely relate to the concept of medicare):

Establishes a program of cash sickness benefits for workers who (1) are unable to perform their most recent or customary work by reasonable illness, injury or impairment, (2) are not entitled to old-age and survivors or disability benefits, (3) have filed for the benefits, (4) served a waiting period of 1 week before filing, (5) have been paid wages in at least two quarters of the base period and received wages totaling not less than $130 in the quarter of the base period in which the total of their wages was the highest, and (6) worked for a qualifying period of 1 year. The basic weekly benefit for an unmarried worker ranges from $8 to $30, and for a family with three or more dependents, from $9 to $45, depending upon the amount of wages in the quarter of highest earnings in the base year. The maximum of cash sickness benefits that may be received shall not exceed 26 times the weekly benefit amount.

S. 3001. Messrs. Murray and HUMPHREY. April 10, 1952 (Finance):

Old Age and Survivors' Hospitalization Insurance Act: Provides that any person eligible for old age and survivors insurance shall be entitled to receive hospital benefits equal to 60 calendar days in any year. Agreements shall be made by the Government with hospitals (except tuberculosis or mental) for reimbursement of expenses to the hospitals for treatment granted. Hospitalization is defined to include all services ordinarily given a patient by a hospital, and semiprivate room accommodations. If the patient chooses other accommodations or receives other services, he shall be liable personally. Entry into a hospital under this act shall be conditioned on certification by a physician that hospitalization is necessary. No information concerning a patient may be made public by any hospital signing an agreement under this act. Any such services received under these provisions by a person who is entitled to workman's compensation shall be reimbursed to the Old Age and Survivors Insurance Trust Fund out of any such compensation received. The provisions of this act shall be administered insofar as practicable through State agencies. Whenever any State does not make, or continue in effect, a satisfactory agreement with the Administrator, he shall deal directly with private nonprofit organizations exempt from Federal income taxation which are already operating voluntary insurance plans of this type. Other technical regulations.

THE 83D CONGRESS, 1ST SESSION

S. 1966. Messrs. Murray, HUMPHREY, and Lehman. May 25, 1953 (Finance):

Old-Age and Survivors' Hospitalization Insurance Act: Provides that any person eligible for old-age and survivors' insurance shall be entitled to receive hospital benefits equal to 60 calendar days in any year. Agreements shall be made by the Government with hospitals (except tuberculosis or mental) for reimbursement of expenses to the hospitals for treatment granted. Hospitalization is defined to include all services ordinarily given a patient by a hospital, and semiprivate room accommodations. Gives free choice of hospital by patient. If the patient chooses other accommodations or receives other services, he shall be liable personally. Entry into a hospital under this act shall be conditioned on certification by a physician that hospitalization is necessary. No information concerning a patient may be made public by any hospital signing an agreement under this act. Any such services received under these provisions by a person who is entitled to workman's compensation shall be reimbursed to the Old-Age and Survivors' Insurance Trust Fund out of any such compensation received. The provisions of this Act shall be administered insofar as practicable through State agencies. Whenever any State does not make, or continue in effect, a satisfactory agreement with the Administrator, he shall deal directly with private nonprofit organizations exempt from Federal income taxation which are already operating voluntary insurance plans of this type. Provides such benefits for farmers and noninsured aged individuals who have reached 65 years of age. Other technical regulations.

S. 2660. Messrs. Lehman, Murray, JACKSON, HUMPHREY, Kennedy, DOUGLAS, Green, MORSE, PASTORE, Neely, and MAGNUSON. July 1, 1953 (Finance): Social Security Amendments of 1953 (included among other provisions the below provisions related to the medicare concept):

Provides for cash sickness benefits for a person who is temporarily disabled by illness, injury or other impairment, who is not entitled to old-age and survivors' insurance, has had a waiting week of 7 consecutive days, has filed an application therefor and has performed no services for cash remuneration during such period. Sets up a schedule of payments hereunder based on highest average quarterly wages and adjusted to provide for dependents which schedule runs from $8 per week for wages averaging $130 per quarter where there are no dependents to $9 per week on the same base where there are three dependents, up to $30 per week on a wage base of $834 more per quarter where there are no dependents to $45 per week on the same base for three or more dependents.

Deems an individual insured for purposes of cash sickness benefits if he has been a wage earner for a four calendar quarter base period, and has received wages in at least two of such quarters in an amount totaling not less than $130 in his highest wage-earning quarter. Precludes receipt of other benefits under old-age and survivors' insurance or workmen's compensation while receiving cash sickness benefits.

THE 85TH CONGRESS, 1ST SESSION

S. 1209. Messrs. DOUGLAS, MCNAMARA, Green, Bush, HUMPHREY, YOUNG, Ives, Kennedy, DIRKSEN, NEUBERGER, MORSE, COTTON, JAVITS, Bridges, JACKSON, MAGNUSON, SALTONSTALL, Langer, and Potter. February 14, 1957 (Finance): Sets forth a new formula whereby States may receive Federal funds for medical care programs under the public assistance provisions of the Social Security Act. Permits a State to receive in Federal matching funds what it could get under the present act if it chose to hold its medical payments to $6 and increase its cash payments so as to maximize the Federal contribution.

THE 85TH CONGRESS, 2D SESSION

S. 3646. Mr. HUMPHREY, April 21, 1958 (Finance):

Social security amendments: Provides insurance against the cost of hospital, nursing home, and surgical care to all potentially eligible for old-age and survivors' benefits, whether or not cash benefits have been applied for and are being received. Payments may be made for hospital services furnished an individual for 60 days of hospitalization in a 12-month period or for hospitalization in a nursing home for 120 days in a 12-month period less the period of actual hospitalization.

Patients are free to choose the hospital or nursing home to be attended, or the surgeon performing surgical services, providing the surgeon is certified by the American Board of Surgery or is a member of the American College of Surgeons.

Permits hospitals and nursing homes to enter into agreements for payment from the Federal old-age and survivors' insurance trust fund for the cost of hospital or nursing home services furnished to individuals being treated under the provisions of this act provided such are duly licensed by the State in which located.

THE 86TH CONGRESS, 1ST SESSION

S. 1151. Mr. HUMPHREY, February 23, 1959 (Finance):

Social Security Amendments of 1959: Provides insurance against the cost of hospital, nursing home, and surgical care to all potentially eligible for old-age and survivors' benefits, whether or not cash benefits have been applied for and are being received. Payments may be made for hospital services furnished an individual for 60 days of hospitalization in a 12-month period or for hospitalization in a nursng home for 120 days in a 12-month period less the period of actual hospitalization.

Patients are free to choose the hospital or nursing home to be attended, or the surgeon performing surgical services, providing the surgeon is certified by the American Board of Surgery or is a member of the American College of Surgeons.

Permits hospitals and nursing homes to enter into agreements for payment from the Federal old-age and survivors' insurance trust fund for the cost of hospital or nursing home services furnished to individuals being treated under the provisions of this act provided such are duly licensed by the State in which located.

Excludes the medical and hospital benefits from persons who are eligible to receive workmen's compensation.

Excludes these medical and hospital benefits from persons covered by workmen's compensation laws, unless equitable reimbursement to the Federal old-age and survivors' insurance fund for the payments hereunder with respect to such services have been made or assured pursuant to agreements or working arrangements negotiated between the Secretary and the appropriate public agency.

In administering the provisions of this act the Secretary shall consult with a National Advisory Health Council, created by this act.

Permits the Secretary to utilize the services of private nonprofit organizations which provide hospital, nursing home, or surgical services.

THE 86TH CONGRESS, 2D SESSION

S. 3503. Messrs. McNamara, Kennedy, Clark, Randolph, Symington, Humphrey, Williams of New Jersey, Magnuson, McGee, Young of Ohio, Douglas, Gruening, Long of Hawaii, Murray, Hart, Morse, Hennings, Jackson, and Pastore, May 6, 1960 (Finance):

Retired Persons Medical Insurance Act: Provides that every individual who has attained retirement age, is retired, and is eligible to receive old-age and survivors' benefits, shall be eligible to receive medical insurance benefits. Authorizes payments for hospital services, nursing home services, diagnostic outpatient services, and very expensive drugs. Sets forth limitations on benefit payments, defines the types of services for which medical benefits will be paid. Requires the Secretary of Health, Education, and Welfare to publish a list of providers of such health services which meet prescribed standards and which have filed agreements to make no charge to or on account of eligible individuals for services hereunder. Excludes mental or tuberculosis hospitals from such list. Authorizes the Secretary to pay each provider of health services for services actually rendered. Preserves free choice of services by the patient.

Creates a National Medical Insurance Benefits Advisory Council to assist in the formulation of policy and promulgation of regulations hereunder, authorizes the Secretary to use the services of private nonprofit tax-exempt organizations skilled in dealing with hospitals in matters relating to hospitalization and payment therefor. Empowers the Secretary to make all necessary rules and regulations hereunder.

Creates a Federal medical insurance trust fund on the books of the Treasury. Provides for transfer of funds thereto.

Provides medical benefits for the retired aged who are not eligible for benefits under the foregoing, if they are residents of the United States. Imposes numerous increases in social security taxes.

THE 87TH CONGRESS, 1ST SESSION

S. 909. Messrs. Anderson, Douglas, Hartke, McCarthy, Humphrey, Jackson, Long of Hawaii, Randolph, Engle, Magnuson, Pell, Burdick, Mrs. Neuberger, Messrs. Morse, Long of Missouri, Moss, and Pastore; February 13, 1961 (Finance):

Health Insurance Benefits Act: Adds title XVI, Health Insurance Benefits for the Aged, to the Social Security Act.

Disavows Federal interference with the supervision or control over the practice of medicine or the manner in which medical services are provided, or over the selection, tenure, or compensation of any officer or employee of any hospital, skilled nursing facility, or home health agency, or supervision or control over the administration or operation of any such hospital, facility or agency.

Grants persons entitled to have payments made under this act free choice as to the inpatient hospital services, skilled nursing home services, home health services, or outpatient hospital diagnostic services from any provider of these services with which an agreement is in effect under this title.

Provides that payment for inpatient hospital services furnished an individual during any benefit period shall be reduced by a deduction of $20, or, if greater, $10 multiplied by the number of days, not exceeding 9, for which he received such services during such period. Provides that payment for outpatient hospital diagnostic services furnished an individual in connection with any one diagnostic study shall be reduced by a deduction equal to $20.

Limits payment for services furnished any individual during a benefit period to (1) 90 days inpatient hospital services; or (2) 180 days skilled home nursing services; or (3) 240 home health service visits.

S. 1223. Mr. Humphrey; March 7, 1961 (Finance): Specifically allows eligible persons to receive prescription services under the Social Security Administration State programs of medical assistance for the aged.

S. 1225. Mr. Humphrey; March 7, 1961 (Finance): Provides that individuals eligible to receive medical assistance to the aged under State programs of the Social Security Administration shall have the freedom of choice of physicians.

THE 88TH CONGRESS, 1ST SESSION

S. 727. Mr. Humphrey; February 6, 1963 (Finance): Specifically allows eligible persons to receive prescription services under the Social Security Administration State programs of medical assistance for the aged.

S. 880. Messrs. Anderson, Humphrey, and others; February 21, 1963 (Finance):

Hospital Insurance Act: Adds title XVII, hospital insurance benefits for the aged, to the Social Security Act. Makes medical care available to persons covered by social security at retirement age, and to persons not covered by social security at age 65.

Disavows Federal interference with the supervision or control over the practice of medicine or the manner in which medical services are provided. Grants persons entitled to benefits free choice as to the inpatient hospital services, skilled nursing home services, home health services, or outpatient hospital diagnostic services from any provider with which an agreement is in effect.

Provides that payment for inpatient hospital services furnished an individual during any benefit period shall be reduced by $20 or, if greater, $10 multiplied by the number of days, not exceeding nine, for which he received services. Provides that payment for outpatient hospital diagnostic services furnished an individual in connection with any one diagnostic study shall be reduced by a deduction equal to $20.

Limits payment for services furnished any individual during a benefit period to (1) 90 days inpatient hospital services; or (2) 180 days skilled home nursing services; or (3) 240 home health service visits.

Requires the Secretary of Health, Education, and Welfare to consult with the Commission on Health Insurance Benefits, appropriate State agencies, and recognized national bodies relative to conditions of participation by providers of services. Authorizes the Secretary, pursuant to agreement, to utilize the services of States agencies to determine compliance by providers of service with conditions of participation.

Establishes a 14 member Health Insurance Benefits Advisory Council for the purpose of advising the Secretary on matters of policy in the administration of this title and in the formulation of regulations.

Creates on the books of the Treasury a Federal health insurance trust fund.

Allows the State or private health insurance companies to supplement the protection provided under this act, and directs the Secretary to consult with appropriate State and public and private organizations to this end.

Amends the Social Security Act and the Internal Revenue Code to reflect increases in the earnings and tax base and tax rate. Makes numerous technical amendments to these acts.

LA FOLLETTE FIGHTS CONSUMER FRAUD IN WISCONSIN

Mr. PROXMIRE. Mr. President, all of us are consumers, and yet somehow the interest of consumers is all but ignored in the Halls of Congress, in the corridors of executive agencies, even in the deliberations of the very regulatory bodies whose only excuse for existence is the protection of the consumer. It is the producer, the seller, the one whose interests are often in contradiction to the consumer who is organized to pass legislation and win favorable interpretation of legislation who usually seems to run this country.

The attorney general of Wisconsin, Bronson La Follette, is one of the rare public officials who recognize the necessity of protection for the consumer and who is ready, willing, able, and in the official position to do something effective about it.

In a recent article in the Midland Cooperator, of Superior, Wis., Attorney General La Follette, explains that consumers are being defrauded daily throughout the country and very little is done about it. Some States have given their attorney generals the authority to act, but many States have failed to do so.

As La Follette writes, fortunately, the legitimate business community in many States supports action of the attorney generals in those few States that have given him the power to act against consumer fraud. But there is a great national vacuum—beckoning to the fastbuck sharpie, the chiseler. There is a failure of lawmakers to protect consumers from direct, deliberate theft—by fraud.

I ask unanimous consent that the article by Attorney General Bronson La Follette from the Midland Cooperator of Superior, Wis., be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

NEED LAWS TO PROTECT CONSUMERS

(By Bronson C. La Follette, Wisconsin Attorney General)

Consumer fraud is one of the most important problems facing America today. Hundreds of thousands of dollars per year are taken from honest but gullible citizens by unscrupulous dishonest practitioners of consumer fraud. Existing statutes make it a crime in Wisconsin for any one to obtain title to property of another by intentionally deceiving him with a false representation which is known to be false, made with intent to defraud and which does defraud the person to whom it is made.

Every single day of the year hundreds of violations of this statute occur without anything being done about it. My office receives hundreds of complaints a year involving someone being defrauded as a result of a false or fraudulent representation. And last year the Trade Practices Division of the Wisconsin Department of Agriculture processed in excess of 3,000 of such complaints. The schemes range from fraud in the sales of furnaces and vacuums to phony correspondence school courses. The referral sales racket is a common inducement used to market these items.

Unfortunately, even though most of these cases constitute a violation of existing criminal statutes, the remedy of the use of the criminal law is not satisfactory to meet the problem. The district attorney usually is reluctant to prosecute. A criminal case is a tremendously burdensome and time-consuming effort. The burden of proof must be beyond a reasonable doubt. In order to get a good case for prosecution the State permits the defendant to continue in operation so as to build up a good file of complaints against him. Thus, many more people are allowed to be defrauded so that a good case can be presented. Many times the perpetrators have fled the country or the State before action is taken. If the district attorney can be persuaded to prosecute, which is unusual, in most cases the judge will merely grant the defendant probation since his crime is not one of violence but involves commercial transactions. Usually there is little chance for restitution to the victim; so there is no effective present remedy to protect the general public.

In essence, then, the problem is one of providing citizens who are victims of fraud an adequate remedy. In many States the attorney general, with the grant of necessary legislative power, has provided such a remedy. As the people's lawyer it is the duty and the responsibility of the attorney general to do so. In Illinois, Iowa, Minnesota, California, and several other States legislation has been passed to authorize the attorney general to obtain injunctive relief in consumer fraud cases. Such legislation is a vital weapon to deal with this growing problem.

In Illinois, since the Consumer Fraud Bureau in the attorney general's office was established in 1961, over 15,000 cases have been processed with a collection of over a million dollars on behalf of defrauded citizens of that State. Only a hundred cases had to go to trial. The Illinois attorney general uses his injunctive power to gain conciliation between the complaining party and the seller. The seller then must pledge that he will refrain from engaging in unlawful trade practices in the future. This has proved to be most successful and is the kind of remedy which is needed in all the States, including Wisconsin.

Fortunately, the legitimate business community in these States has supported the attorney general in efforts to gain adequate consumer fraud legislation. The fact that there are hundreds of dishonest operators roaming the countryside in Wisconsin looking for gullible victims represents a direct threat to the honest businessmen competing for the consumer dollar.

The addition of an effective tool of proven value in combating the evils of consumer fraud which already is a crime in Wisconsin is to be welcomed by the legitimate business community in Wisconsin. Such action is also necessary to enable Wisconsin to keep pace with our neighboring States lest all of the con-artists be driven out and into our State.

CHAMPIONSHIP SOUTH CAROLINA AMERICAN LEGION HIGH SCHOOL ADDRESS

Mr. THURMOND. Mr. President, I have come to the conclusion that our young people, by and large, are more concerned today about the future of this country than is the present generation which is holding the reins of government. So many of our young people seem to understand and realize that it is their future which is being mortgaged today by increased deficit spending and it is their freedom which is being threatened today by the steady advance of socialism and communism and the form of totalitarian rule which necessarily accompanies socialism and communism.

I have been particularly impressed with an outstanding address recently delivered by a young South Carolinian who has already been told that he has but a few years left in which to live because of an incurable heart condition. This young man is Richard Johnson, of Nesmith, Williamsburg County, S.C. This year he won the South Carolina championship in the American Legion high school oratorical contest for addresses based on the Constitution of the United States. His talk is entitled "The Heritage We Must Defend" and summarizes in a relatively few words the crux of the threat which the forces of freedom face in our country today and throughout the world.

Mr. President, I ask unanimous consent that Richard Johnson's award-winning address, which was reprinted in the Columbia Record of Columbia, S.C., on July 31, 1965, be printed in the RECORD at the conclusion of these remarks. I commend it to the reading of all Members of Congress and all readers of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE HERITAGE WE MUST DEFEND

(NOTE.—"The Heritage We Must Defend" is the address delivered by 18-year-old Richard Johnson to win the 1965 South Carolina championship in the American Legion high school oratorical contest for orations based on the Constitution of the United States. Dick is from Nesmith and is a rising senior at Indiantown High School in Williamsburg County. This was his third year of competition. He was runnerup last year. Suffering from an incurable heart condition of which he is aware, he has a life expectancy of only 22 to 23 years. He intends to enter next year's contest with little hope of collecting the full 4-year scholarship that goes to the national winner.)

(By Richard Johnson)

Man was born to be free, born to the power to rule himself, born to the great liberty of spirit that freedom brings.

But few men have ever seen the realization of this inborn right. For many centuries men permitted themselves to be ruled by others, even losing the ability to influence the power that governed them. But still there continued that one burning desire, that one unquenchable hope that no amount of tyranny can suppress: freedom.

Men's desire for freedom caused them to work toward attaining it, and finally two great democracies of the past, Greece and Rome, brought this long-deserved right to a few men. And such a freedom this was. Greece had the greatest and purest form of democracy that the world has ever known. The early Romans formed a system of representative government that was the forerunner and model for our own American democracy. In Greece and Rome, the long-sought freedom was finally achieved. It seemed as if man had at last secured his God-given right.

However, those democracies disappeared—suddenly, and silently, because there was no great war in which an opposing nation overran these democracies and swept away their freedoms. There was no great conquest, no great economic or social collapse. Yet, so swiftly the liberties of those great nations were scattered to the winds. What happened to cause this, and, more importantly, what lesson can we learn from it?

Our forefathers knew tyranny, but they, too, had a desire to gain their freedom. They took a great gamble and won it, beginning the great American story. And then, through the Constitution of the United States, they secured this freedom for their descendants in generations to come. It was, and is, a freedom unparalleled in all history. Some men have known a greater democratic system, but none have ever seen a greater and more abundant measure of freedom than exists in America. With this freedom, we have marched forward through the annals of man and have become the greatest nation on earth. Ours is a land where we worship as we please, where we write and speak and think as we please. Ours is a land where criticizing the Government is not a punishable offense as it is in many other countries, but a common, accepted exercise of our rights under the Constitution. In America, there is that undefinable something that makes the soul nobler, and pushes one on to greater and greater heights. For these reasons, this freedom is precious to us all, and it is precious also because we realize that so many men have fought and sacrificed and died to hand it on to us.

However, every good story has a villain, and America's is no exception. There is a force within us that seeks to destroy America as we know it, a force that is pressing on to erase the work of so many men and centuries. This force is socialism, and with it, communism. Think of every good and noble thing we know; think of all the freedoms we enjoy. Then imagine a life without them, and you have the kind of existence that the Socialists and Communists would press upon us. They would destroy man's initiative by taking away his right to work for himself. They would so closely regulate man that he would become nothing more than a machine, existing solely to serve the state. He would be responsible for his every action to the state. He would endure an existence that would have no meaning or purpose at all. We would be the masses, the tools of a power whose ultimate aim is repudiation of belief in God and individual responsibility.

But in America's story, the "hero" does not have to win. We can lose to the forces of socialism. Just as the democracies of Greece and Rome fell, so can our democracy, if we do not learn well the lesson of why they fell. For in those great democracies, it was the people themselves who handed away their freedoms. They became lax, and refused to keep up the spirit that had made them great. Under the soothing voices of politicians who promised "something for nothing" they continuously voted their individual responsibility to the government, thus creating a creeping and steadily growing welfare state. They became so immoral, so degenerate, and so lacking of strong fiber that they were powerless to stop the tide they had started. Their government was then transformed from the role of servant of the people to that of master of the people.

This is the lesson we must learn to keep our America free: That is the people who bargain away their freedoms, and not the government that takes them away.

If our democracy is to endure, we must be stronger than the Greeks and Romans. Where they gave way, we must stand up. As they voted away responsibility to achieve a false sense of security, we must realize that the greatest security lies in always shouldering our burdens and responsibilities. We must keep our morals and spirit strong and firm, that we may effectively fight freedom's enemy. We must always be on our guard, for ours is a slow and silent, creeping enemy, an enemy that by its slowness and deliberation thinks to catch us off guard. We have a dangerous enemy. It shall not win by capturing towns and cities and rivers, but by taking over our minds. We must be equal to our task. We may rest assured that the Socialists and Communists will not relent in their drive to take away our freedom and to force us into slavery; so we must never relent in our drive to "preserve, protect, and defend" our freedom. We must be as strong as our enemies, and as valiant as the cause for which we fight.

Gentlemen, even as "we the people" have established our freedom, "we the people" must protect it and fight for it. Dedicated Americans, with all the support and resources of our Nation behind them, have fought to protect our freedom in two world wars; we are now called and challenged to fight America's greatest enemies of socialism and communism. Your generation is challenged to maintain our freedom so that my generation shall have something left on which we may build. No American can afford to shrink from his duty, for by our actions, we shall either secure freedom forever, or plunge it in to the darkest of depths. The challenge calls for greatness. Let us have the spirit to face it.

SOUTH DAKOTA IS HOST TO INTERNATIONAL CONFERENCE OF EXTENSION LEADERS

Mr. MUNDT. Mr. President, under direction of our South Dakota State University in Brookings, S. Dak., our State, from July 22 to August 23, 1965, is playing host to the first international conference of its kind sponsored by the United States for extension leaders throughout the world and all those vitally concerned with rural youth and rural family living everywhere. It is a most unusual and constructive event which rightfully is attracting a great amount of interest both nationally and internationally.

On January 22, in the beautiful Benjamin Franklin Ceremonial Dining Room of our State Department here in Washington, a luncheon was held to welcome these international visitors to this country and to set the stage for the international conference in South Dakota which was soon to follow. As senior Senator from South Dakota and the instigator of the idea which blossomed out into this great conference, I was asked to serve as the presiding officer at this luncheon and to deliver an address of welcome to the visitors from abroad. Scheduled to speak for the U.S. Government were Secretary of State Dean Rusk and the Vice President of the United States, HUBERT H. HUMPHREY. I ask unanimous consent that a copy of the printed program be printed in the RECORD at this point.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

RECOGNITION LUNCHEON, INTERNATIONAL CONFERENCE OF EXTENSION LEADERS, JULY 22, 1965, 12 NOON, THE BENJAMIN FRANKLIN ROOM, DEPARTMENT OF STATE

PROGRAM

Presiding: The Honorable KARL E. MUNDT, U.S. Senate.

Presentation of the Secretary of State.

Welcoming Remarks: The Honorable Dean Rusk, Secretary of State.

Introduction of the Ambassadors or their representatives.

Presentation of the Vice President of the United States.

Address: The Honorable HUBERT H. HUMPHREY, Vice President of the United States.

Mr. MUNDT. Mr. President, due to a sudden conflict on his schedule, Secretary Rusk was unable to attend and address the luncheon but he sent his able Under Secretary for Economic Affairs, Thomas Mann, to represent him.

I ask unanimous consent, Mr. President, that at this point in the RECORD there may be printed the transcribed report of my address of welcome and the official addresses as presented by Secretary Mann and by Vice President HUMPHREY.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR KARL MUNDT, REPUBLICAN OF SOUTH DAKOTA, MASTER OF CEREMONIES AT LUNCHEON IN HONOR OF DELEGATIONS ATTENDING THE INTERNATIONAL CONFERENCE OF EXTENSION LEADERS

Honored guests from other countries, welcome to the United States.

Honored guests at the head table, we are happy to have you with us today, and welcome, also, to the many others who have come to share this hour with us.

Since the beginning, the end certainly, of World War I, the world we have lived in has changed, I believe, more than the world has changed from the time of Julius Caesar until the 20th century. We have developed the ability to send machines out through space, to photograph distant planets, to explore the surface of the moon, to reflect sound and pictures around the earth. Yet, in spite of these great technical advances, we still find people in this world who live in cultures reminiscent of the times and places of Moses, Genghis Khan, Gotama Buddah, and of Mohammed.

Many who live under these retrogressive conditions today are people who still try to wrest a living from the land using ancient methods and in many instances long outdated equipment. Consequently they are unable to develop the knowledge required to maintain and preserve the new foods; confronted by a shortage of adequate nutrition, or lacking variety in family diets.

For many others, the opportunities to grasp the advantages of a modern world are still outside their present grasp.

The question is then how can be bring our fellow human beings some needed advances, so that their daily living requirements can be updated to compare favorably with the mechanical and technical and scientific miracles which have developed in this world?

The purpose of this international seminar then, is to find some of these answers to the problems I have mentioned. The idea which burns like a flame before us is to try to help needy humans everywhere.

To enrich the impoverished with new knowledge, to give to many the tools of experience and training with which they can carve out a brighter future for themselves.

This is the great purpose to which this seminar—with all of its participants—is dedicated. Its goal is to help all people in every country, but especially rural people in developing countries to develop the know-how, the programs and the rewarding tools of technical development which will help them develop a better life, those who derive their living from the soil. We aim at sharing with each other all available techniques by which people can help themselves to a better life and a steadily improving standard of living.

I am proud that my home State of South Dakota, one of the great rural States of America, will be host to such an outstanding group of world citizens.

I am gratified that we are moving together toward the goal of greater understanding and the exchange of knowledge among nations—a goal toward which most of the people in this room have worked for many years. I recall some of you being of great assistance as far back as 1947 and 1948 when the 80th Congress approved the Smith-Mundt Act which first included the legislative provisions for these people-to-people programs. The provisions of that act (Public Law 402 of the 80th Cong.) have helped greatly in making this conference possible.

We welcome you as we start working together from many areas of the world, to learn from you and to share with you information which we hope is going to be for the permanent betterment of mankind.

Our first speaker, as your program indicates, is to be our illustrious Secretary of State, Dean Rusk, who has been detained at the White House and notified us shortly before the luncheon that a White House Conference was going to be held through the noon hour and he would be unable to be here personally, and so he has done us a great honor by sending a most competent stand-in to take his place, a man who serves in the State Department as Under Secretary for Economic Affairs, a career diplomat, who has served in many other areas of the world, a man most interested in the kind of programs in which we are going to devote our attention here at this conference because we deal primarily, of course, with economics or be it essentially agriculture economics. It's a real honor for me to introduce then as our first speaker from the executive department, an old friend of mine, the Honorable Tom Mann, Under Secretary for Economic Affairs.

THOMAS MANN (Under Secretary of State for Economic Affairs). Senator MUNDT, Mr. President, your excellency, ladies, and gentlemen, on Mr. Rusk's behalf I want to express his regrets at not being able to be with us today. He was called to the White House on urgent business and, except for that, he would have been here, especially since the subject that we're meeting about today is very close to his heart. In his name, I wish to welcome all of you and especially our honored guests from various lands to this town and to wish you well in the seminar that you will be attending in the State of South Dakota.

You will be talking and studying about a subject in which there is great change and, I think, the greatest promise in our lifetime; mainly, the methods for improving the standards of living of the people who live in rural areas. In the United States in my time, which is longer than I like to admit, we have seen electricity come in this country, to the countryside. We have seen educational opportunities advanced and your rural youth programs launched. We have seen health facilities made available to our rural people for the first time. We have seen seed and fertilizer credit extension services and all the other things that go to make up a complete land reform program which supplements our land distribution program which occurred many decades ago; in fact, beginning with the Revolutionary War in 1776. We have seen roads built and, above all, equal opportunity given to the rural youth to go as high in society and to contribute as much to humanity as their talents would permit. I think there is no more important subject in the world today which has seen so many of its people living on the farm in the time of the population explosion, of dimensions never before known.

Welcome to the United States. I am sure that we will learn from you as you go to South Dakota, and I hope you will see and hear things there about our own experiences that will be helpful to you in your countries. Welcome again to this country and may you feel at home. Thank you very much.

Senator MUNDT. Following Secretary Mann's address it was my privilege to present Vice President HUMPHREY to the luncheon with the following words:

"Since you are soon to be visiting in that great farm State of South Dakota, it is especially appropriate that I can now present to you the Vice President of the United States who himself was born in a little country town not very far from the campus of the State University of South Dakota where you will soon be domiciled. HUBERT HUMPHREY is an old friend friend of mine, an effective friend of agriculture, a sincere and eloquent advocate of better mutual understanding throughout the world. He and I were among the original cosponsors of Public Law 480—the Food for Peace Act—of which you have heard much and which we both hope can increasingly be used in the promotion of both better living and better international relations. It is indeed a pleasure for me to present to you the Vice President of the United States, HUBERT H. HUMPHREY.

TRANSCRIPT, ADDRESS BY VICE PRESIDENT HUBERT HUMPHREY, INTERNATIONAL CONFERENCE OF EXTENSION LEADERS, THURSDAY, JULY 22, 1965

Vice President HUMPHREY. Thank you very much, Senator MUNDT. Secretary Mann, distinguished ambassadors, and representatives of the many countries that are gathered here today for what I consider to be one of the more important meetings held in this Nation's Capital City.

Senator MUNDT and I have had a very fine and warm relationship over many years. We're not of the same political party, but we respect our sovereignties. He doesn't cross over to Minnesota to attack me nor do I cross over into South Dakota to counterattack.

I've had the privilege of serving with the Senator for many years in the Congress. I greatly respect his dedication to not only our country and the cause of freedom and justice throughout the world, but also to the people of rural America and the rural areas in the world.

I want to visit with you today about this conference and to tell you a little bit about my views relating to extension work. My family background is rural. My father was a businessman in a rather small town that served a rural area. He was born on a farm. My mother's parents were immigrants and came to South Dakota and established a farm home. I literally grew up in rural America. I feel very close to it.

My interest in agriculture is not academic. It is sentimental, personal, economic, and spiritual. I feel that an agricultural society is a sort of balance wheel for any growing and changing country. The strong roots of agriculture do much to give stability, give a sense of direction and purpose to any group of people, to any nation or any combination of nations.

I noticed in the literature that I received in reference to the International Conference for Extension Leaders that those of you who will participate in the conference will travel from this capital city across vast areas of America to the city of Brookings, S. Dak., where you will, of course, participate in the seminar and the conference at South Dakota State University.

This is a fine university. I have always looked upon it with a sense of parochial pride, having been born in South Dakota and reared there. And I must say that it is mighty close to one of the best universities in the world, namely the University of Minnesota. I said to KARL awhile ago, "Why is this conference going to South Dakota State University?" Then I remembered his influence in the Congress and a few other things, and I withdrew the question. I said, "Why didn't it go to the University of Minnesota?" He said, "Do you have an agricultural school there?" Can you imagine a man saying that. I want to say we have a mighty good one.

I've been told you'll have 5 days to travel from Washington, D.C., to Brookings. I am so pleased that you are going to take enough time to really see America, at least a great part of it. I hope it will give you the same inspiration it gives me. I confess to you that when I become weary here in Government, as we all do in public life, there are times when we begin to wonder about it. The best thing that ever happens to me is when I can go back home to touch the earth once again and gain the strength that comes from it, to meet with the people out in the country, to talk to them in a manner which gives me renewed confidence.

This is a meeting for the mutual exchange of ideas. We look forward to learning from your experiences and hope that you will learn a little something from some of ours. I've never believed that we ought to have programs stamped "made in the U.S.A." and tell people to take them just that way. Nor do I believe that we ought to adopt a program here made particularly for your country. What I think we ought to do is to learn from one another and adapt our programs to our respective needs and cultures.

Now I've traveled in many of the countries represented here and I've witnessed firsthand some of the contributions made by your own teachers, your own extension leaders, and your own extension programs. I want to salute you for the progress that you have made.

We have to gain a sense of understanding and tolerance of what we are trying to do. We have to grow together. Everybody does not grow at the same rate. Everybody does not have the same experience. This is a country not old but it is a country that has had its same national identity for almost 200 years. And this indeed is quite an advantage. So when we talk of extension here and extension in some of your countries, we are talking about different experiences. But I think you will find some common denominators.

One common demoninator is this. Agriculture is a basic industry. You have to eat even before you have steel plants or great modern capital goods plants. And it is a basic industry in nearly every country. And agricultural development is usually the forerunner to the development of other segments of a nation's economy. And I find all too often, that many of us want to project ourselves deep into the 20th century before we have had a chance to catch up with some of the fundamentals. You cannot have a Ph. D. degree before you finish high school. This is the same as saying that you need agricultural development just as we need it here in America before we can have a rich, prosperous, and industrial society.

I say this primarily for my fellow Americans, because justice for the farm producer means justice for the worker, justice for the corporation, means economic prosperity for the country. You cannot have a three-legged stool with one of them sawed off and expect to have much stability or one of them shorter than the other. And that three-legged stool is management, labor or capital, and agriculture.

And so Senator MUNDT and HUBERT HUMPHREY have been battling for years along with others in the Congress of the United States out on the public platforms to get what we call "equality of treatment" for, justice for our agricultural producers. And I think this is the cry all over the world. The producer of raw materials feels somehow or another that he is never given the same break—the same fair break—the same fair deal that somebody else gets. So I hope that when you confer that you will even give thought to how you can improve those matters in your country just as we are attempting to improve them here in America.

Now there are many factors that bring about agricultural development and stimulate growth. But of greatest importance is the development and application of new and improved knowledge.

"Research"—that's a word that is being drilled into all people today. Research is needed to find new and better ways of producing and distributing food and fiber. Education and training are required to put these findings into the hands of those who produce the essentials of life. Education is the moving force behind the progress of man, his nation, and his world.

Yesterday we concluded the White House Conference on Education here in Washington, D.C. I was privileged to participate in it. I believe it was H. G. Wells who said that "civilization is a race between education and capacity." I've never known a nation that went bankrupt investing in education. I've never known a nation that was poor because it poured its resources into education and training.

Here in America we have been doing a little checking up and we've found out that we haven't been doing enough. We've found out that we've had millions of children, if you please, who have been inadequately educated. We find that this is a drag on our economy. That it's not only morally wrong, it's not only unjust, but it's economically bad. So we're beginning to pour in resources into training and education. There's no way in the world that we can improve our economic base and no way that we can improve agriculture without modern educational techniques and application.

Much of the universal hope for worldwide peaceful, social, and economic progress—and that's what we're interested in—lies in extension education. For what people do for themselves when they put knowledge to work is what makes a strong and prosperous economy and a great and growing nation.

When leaders of national educational programs from all over the world, such as we have here, travel together in search of the best ways to help people, we are on our way to the time when hunger, poverty, and privation might be abolished and men and nations might be free.

I'm speaking to leaders here today, and I want to speak to you in those terms. There is no excuse for hunger in the modern world. There was a time that you could have said there was nothing we could do about it. There's really no excuse for disease in the modern world—that is, catastrophic disease—because we now do know—if we're willing to share the knowledge and put it to work—how to cure, how to heal the sick, how to feed the hungry, how to teach the illiterate, and indeed how to make the blind see. We know how to do it and we ought to get it done.

How I wish that we could pour more of our resources into these great efforts. I think that if we could do it—if we could just once turn around and get this job done—that so many of our problems would at least be manageable.

Now, I know what the Extension Service can do. I've watched it at work. I've seen county agricultural agents at work. I've worked with them. I've seen them advising farmers on how to grow more bounteous and higher quality crops. I have seen home economists showing homemakers how to feed and clothe their families better. And I have seen our 4-H Club leaders guiding the youth of our Nation to do better things for tomorrow.

We have thought of education as a slow process. It takes at least 12 years and sometimes 20 to train our young people for a career. But today it is not enough to be able just to learn. We must also share the learning, to be able to teach, to teach what we learn to others and to do so in a practical way—right out there in the battlefield amid social discontent, and social problems.

I said to this group of educators from our great universities that I get a little weary—may I say in the presence of educators—of university professors who are the best we have in terms of teachers. They're the finest. I get a little weary of them sitting aloft from the battle. I say, "Look, get down in there with your knowledge, get bustled around a little, come out with a few bruises, meet the problems right out there where they are." That's where we need the better teachers, we need the best teachers in this country in our slums. We need better teachers in areas of rural poverty. We need better teachers where people have been denied. We have to turn things upside down. We've had the better schools where the people have had the most. We need the better schools where the people have had the least. That's the only way we are going to change.

We also know that extension is an informal educational process. Extension education is not a new idea. Man has shared his knowledge and experiences with his neighbors for centuries.

But what is relatively new is to apply this philosophy of informal education to an organized system. This organized system is the Extension Service. It employs the powerful resources of Government with its institutions of research and education for the benefit of greater numbers of people. This unique type of education began here in our country a little more than 50 years ago with the establishment of the Cooperative Extension Service. But its roots lay in legislation signed in 1862 by President Abraham Lincoln. This legislation created the U.S. Department of Agriculture and the land-grant college system. If I were to try to put my finger upon the secret of the productive abundance of American agriculture, I would point to the land-grant college and the extension system. The Department of Agriculture, the universities and the Cooperative Exension Service have played a vital, important, and significant role in the development of our Nation.

We've been able to release the manpower from our farms to go to our cities, to go to our factories, to go to our universities, to go to our laboratories Today, we have a very small percentage on our farms, and we produce more than ever before.

We look with pride on the achievements of this three-way partnership of university teaching, research, and extension. That means learning and doing. After 1930, when we faced very serious economic trouble, of depression and drought, American agriculture made sweeping reforms and adjustments to improve its technological and economic position. Obviously, the tremendous progress of American agriculture could not possibly have occurred without the fundamental work of the educational system which you represent, in which you've demonstrated interest. And that educational system had been at work for four or five decades—the Extension Service.

There is a basic principle that has grown out of this half-century of extension work. This is the recognized importance of developing and offering programs in response to the needs and the wishes of the local people. Our educational efforts are built from the people up—not from the Government down. And every time I see an agricultural program that fails here or elsewhere, I can tell you where it started, just as surely as you're gathered in this room. There's never been a person born that could figure out an agricultural program from on top. You have to figure it out from the bottom on up and the sooner they learn that individually and collectively, the sooner we'll start to serve the people because agriculture is a very personal, intimate, localized, fraternalized type of business and occupation.

The fact that local people have played a major role in guiding these educational efforts has contributed much to the acceptance and ultimate effectiveness of Extension work. Look at our great cooperatives all over the world. Without the cooperative movement in this country, I don't know what our farmers would do. The cooperative movement is people pooling their efforts, pooling their knowledge, learning together, working together, marketing together, producing together, distributing together. And they learn a great deal from each other. The Secretary mentioned our electricity. Why there are enough potential power sites in the world, my dear friends, for every farm family, every rural family in this entire globe to have electrical power. Make no mistake about it. We could convert some of the resources that are used for other forms of power into rural electric power, what a happy day that would be. And farm credit, supervised credit—what a desperate need for this. In the eyes of the local people, therefore, the extension program becomes their program not the Government's, not a university program.

One of the great strengths of extension work in this country is in its total approach to the problems of the farmer, the homemaker, the youth, and the community. It is impossible to separate the occupational interests of the farmer or the city dweller from his home and family interests.

The 4–H and other youth programs have been an integral part of this extension work. And a ringing testimonial to the great work of the 4–H Club movement has been the worldwide acceptance of its ideals, principles, and methods. Similar youth organizations have now been formed in 75 other nations. To date more than 6 million youngsters are participating in these clubs. If you want to find the best farm producer in your country, just find yourself a 4–H clubber. More than 4 million of these 6 million are to be found outside of the United States. So I salute you. Your work is of monumental importance. Your work to accumulate facts about worldwide extension will serve as a mighty reference source for others.

The development of principles and guidelines for extension work that you will develop in conference will serve immeasurably to help all people through extension education.

Your new acquaintance with people of other nations will open up many vital channels of communication. And I am hopeful that you may before you leave this great area that you are going to visit that you may consider a creation of worldwide association of extension workers. You'll have much to talk about regardless of ideology, of geography, of country or form of government, you'll be able to break through. Because, make no mistake about it, the rural people of the world have been denied. They are the victims, may I say, all too often, of being the forgotten people. And they need to have a friend, and that friend needs to be one that works with them day in and day out. And that extension worker can be that friend who can put a band of friendship and fellowship across this globe that will go beyond political parties or national sovereignties or political ideologies.

And most important, your educational and leadership qualifications obligate you to travel new roads of thought. Extension must continuously seek new and better methods. The old must be reexamined, the new must be tried.

The worldwide extension program is people—not commodities. Together we seek not only to eliminate the specter of hunger from the face of this earth—which we can do—but to reduce the drudgery of those who live on the land and toil the land. We do this that home and family life might be enriched and that all men might be free to enjoy the fruits of their work.

Our motives are unselfish. Our methods are abundantly clear.

The means lie in our ability to help people help themselves. It is in this confidence and dignity that mankind will progress and your land and mine will be a better place in which to live in peace and prosperity.

May I say that there'll be no peace for any of us until mankind has the hope of a better life. And that hope for a better life is in the hands of the teachers and educators. Yes, of the extension worker. We're the peacemakers, and we haven't done our job well enough. And if we do a better job of building this bond of fellowship, of knowledge, of understanding across this great globe of ours, no one will be able to destroy it. So I charge you with the responsibility of doing your job in building the peace that all of us so desperately desire.

Thank you.

UNITED STATES-CANADA AUTOMOTIVE PRODUCTS AGREEMENT

Mr. NELSON. Mr. President, H.R. 9042, the enabling legislation for the automotive products trade agreement with Canada, is now on the calendar of the House of Representatives. Today, I wish to discuss this bill, along with the more general subject of our automotive trade with Canada.

On its face, this legislation merely proposes to eliminate U.S. duties in reciprocation for a similar Canadian move. This Canadian-United States agreement has been referred to as a step toward more liberal trade.

It is true, of course, that the trade in autos and auto parts between the United States and Canada has been hindered by trade restrictions. The chief impediment, however, has not been U.S. duties; the problem has been the attempt by Canada for several years to hold on to its inefficient auto industry and, more recently, to secure for itself a larger share in the U.S. auto parts market.

To understand the fundamental issue of trade policy which is involved here, we must go back to the original appointment of a Royal Commission on the Automotive Industry by the Canadian Government in 1960. Canada was concerned about the lack of growth of her own auto industry and the unfavorable balance of her automotive trade with the United States. Prof. V. W. Bladen, as the sole Commissioner, was to recommend measures to provide increased employment in the production of vehicles for the Canadian market and export products.

Professor Bladen recommended an "extended content" plan under which Canadian companies would be permitted to import all motor vehicles and parts duty free, so long as the percentage of Canadian content in their total Canadian sales remained above a certain level. Exported Canadian automotive products were to count in the determination of this Canadian content—for example, the definition of content was "extended" to include parts exported to other countries, as well as parts actually contained in cars sold in Canada. The Bladen extended content plan in this way sought to stimulate the export of Canadian auto parts.

By November 1963, the Bladen plan had been substantially put into effect in the form of Canada's duty remission scheme. Under this scheme the duty on each dollar's worth of parts imported from the United States was refunded if the Canadian auto assembler which imported the parts arranged for the export of a dollar's worth of Canadian made parts to the United States. The key to this plan was the fact that most Canadian assemblers are merely subsidiaries of the major American auto companies. The plan worked because it was clearly in the interest of the American companies to import parts from Canada if it meant that their Canadian subsidiaries would save on import duties. The

Canadian Government and the auto companies found the scheme quite satisfactory.

This Canadian effort was not directed toward more liberal trade but toward precisely the opposite end. It constituted not just protection for the Canadian auto industry, but outright subsidization by the Canadian Government.

Under the duty remission scheme, the value of Canadian exports of auto parts to the United States increased from around $9 million in 1962 to $30 million in 1963 to about $65 million in 1964. The value of complete automobiles exported by Canada to the United States also rose, from $3 million in 1962 to $4 million in 1963 to $24 million in 1964. The plan was fulfilling its expressed purpose.

The impact of all this on the independent parts manufacturers in the United States was a serious one. They found an important part of their market suddenly cut from under them by Canada's subsidization of its own exports. Their major automotive customers were buying more and more from their Canadian subsidiaries, even though the American firms continued to offer lower prices.

These independent parts manufacturers naturally felt that they were up against an unfair trade arrangement, and an appeal was made to the Commissioner of Customs to apply what they considered a legitimate and necessary device to protect them against the Canadian scheme: the imposition of countervailing tariffs under section 303 of the U.S. Tariff Act of 1930. Section 303 has as its philosophy that no U.S. industry should have to compete against the subsidy of a foreign government. A countervailing tariff applied under this section would increase U.S. duties on automotive products imported from Canada to the extent that they have been subsidized by the Canadian Government.

The executive branch was not eager to apply this countervailing tariff, but the Canadian tariff remission plan clearly could not be allowed to continue. It was under these circumstances that the two Governments, along with the major auto companies, began searching for an alternative solution. Without the appeal for countervailing tariffs hanging over their heads, I doubt if anyone would have seen a need to create a "single great North American industry" in automotive products—a need now offered as the rationale behind this agreement. As Secretary of Commerce Connor said in testimony on this bill:

> The countervailing duty provision certainly brought the Government face-to-face with the problem and led to the exploration of other alternatives.

The present Canada-United States auto agreement is one of those alternatives designed to allow Canada to continue to increase its share of the automotive market. Canada has ended its tariff remission scheme and in its place both the United States and Canada have agreed to eliminate their tariffs on autos and auto parts—provided that the manufacturers to whom the agreement applies agree to four conditions: They must maintain Canadian dollar content in vehicles produced in Canada at more than the Canadian content in the 1964 base year; they must increase Canadian value added in proportion to increased sales; they must maintain at least the same ratio of production in Canada to sales in Canada as existed in the base year; and, in addition to all this, they must agree to increase Canadian value added by a further previously agreed upon amount between the 1964 and 1968 model years. The additional increases in Canadian value added, agreed upon between the individual producers and the Canadian Government, come to a total of $241 million. Thus, the auto producers are required by this agreement not only to maintain their current percentage of Canadian content, but to increase that percentage by an additional $241 million.

The effects of these private arrangements between the Canadian Government and the major auto companies are a vast unknown in the future of the U.S. auto industry. One of the main premises of this agreement seems to be that the Canadian market for automobiles will expand at a much more rapid rate than it would without the agreement—but when and by how much? are questions on which there are still only vague notions or hopes. The most objective analysis of the probable economic effects of the agreement I have found is in the report of the U.S. Tariff Commission to the Committee on Ways and Means of the House of Representatives on H.R. 6090, an earlier form of the enabling legislation for this agreement. I commend this report to the attention of every Senator; it is a basic document on this issue. The Tariff Commission's report states:

> The rationalization of United States-Canadian parts production, by introducing economies of scale in the Canadian production, would reduce Canadian costs, and might in time result in a narrowing of the margin between United States and Canadian motor vehicle prices.

However, the report goes on to point out that the agreement may actually serve to prevent rationalization, and keep costs at an artificially high level, by requiring auto companies to maintain an arbitrarily determined percentage of Canadian content.

For the time being, it is clear that auto prices in Canada will remain where they are today—much higher than those in the United States—and that Canadian consumption of automobiles is not likely to make any sudden extraordinary growth.

The unavoidable corollary of this is that the promised increase in Canadian production will be in the form of additional vehicle parts for export to the United States for use in the production of American cars. The Tariff Commission comments in its report:

> It obviously is neither feasible nor advisable to suggest here which avenues the Canadian producers (or, more realistically, the international enterprises of which they are part) will follow. In broad perspective, however, it would seem likely that a substantial share of the required increase in Canadian automotive output must be exported to foreign markets—either to the United States or third countries.

It should be clear that the only real market for the export of Canadian auto parts is the United States. There is no other country which buys any considerable quantity of North American style cars. In effect, therefore, the latest arrangement does not differ at all from its predecessor, the Canadian duty remission scheme, which faced the probable imposition of a countervailing tariff; the Canadian subsidiaries of the major auto companies are still getting a bounty or grant from the Canadian Government in return for a guaranteed increase in Canadian automotive production—an increase which will almost certainly come in the form of exports to the United States.

It is not liberal trade policy but in fact highly restrictive trade policy to deprive the efficient U.S. independent parts manufacturers of a vital portion of their parts markets. Under circumstances of really free trade, the North American auto industry would be rationalized simply by the gravitation of auto production toward the most efficient producer, which is, in this instance, the United States. This would undoubtedly be the result if the extraordinary measures now being taken by the Canadian Government were rescinded.

The whole recent history of U.S. trade policy has been away from the kind of discriminatory and restrictive trade represented in this agreement. Under free trade the United States may be called upon to allow jobs and production in a certain industry to shift from here to another country, but only when that other country has a competitive advantage in that product. Never before have we cooperated in such a shift of jobs—existing or potential—in order to preserve and enlarge a foreign industry which could not otherwise compete.

More fundamentally, it is a significant departure from past trade policy to grant special treatment on a bilateral basis. The United States now has unconditional most-favored-nation commitments to the more than 60 contracting parties to the General Agreement on Tariffs and Trade—GATT—and to the contracting parties to its four remaining nonpreferential bilateral agreements—Switzerland, Venezuela, Argentina, and Iceland. As it stands, the automotive products agreement is a clear violation of the principles of the GATT.

Let us face frankly the fact that we are violating well-established principles of trade policy in agreeing to what is basically a private understanding between the Canadian Government and the auto companies. The reason we are doing so is not difficult to see: Canada is our closest and most friendly neighbor, and one with whom we have an immensely favorable balance of trade. The Canadian Government is apparently determined to maintain and augment her auto industry regardless of the economic difficulties involved, so that the President has been faced with a question of assisting these Canadian plans or adding another irritant to United States-Canadian relations. As Assistant Secretary of

State G. Griffith Johnson told a Senate Foreign Relations Subcommittee:

> I think we are in a position of having to recognize that the Canadians had a national objective of increasing the level of manufacturing equipment.

It was not the danger of economic stroke and counterstroke between the United States and Canada which kept this Nation from imposing a countervailing tariff, for Canada has far more to lose in such a conflict than we do. Much more important, I am sure, was the fear expressed by President Johnson that "our broader good relations with our Canadian friends would have suffered serious strain."

In terms of foreign relations, then, this may have seemed like the more prudent course of action. The argument of the proponents of the agreement seems to be that our interests are so closely bound up with those of Canada that we should be willing to sacrifice established American business, jobs, and production which would be simply handed over to Canada under the arrangements which have been made.

I value our good relations with Canada as much as anyone else in the Senate; but I have grave doubts about the wisdom of encouraging any nation—even our closest neighbor—to believe that we will purchase its good will at the price of our own economic interest and the principles of trade enshrined in our present international trade commitments.

An international industry cannot be truly rationalized by establishing an artificial quota system. We should think very carefully about the precedent being set here before giving congressional approval to the trade arrangements already privately made by cutting our own modest duties on automotive imports. This is a trade policy which can lead only to disaster.

THE JOHN BIRCH SOCIETY AND THE RADICAL RIGHT

Mr. McGOVERN. Mr. President, at a recent meeting in Chicago attended by the apostles of rightwing extremism and ultraconservatism, Mr. Robert Welch, retired candy manufacturer from Belmont, Mass., and founder and titular head of the John Birch Society, dramatically asserted:

> Not only is the country one vast insane asylum, they've let out the worst patients to run the place.

Incredible as such a statement may appear to the average American citizen, it was only one of many absurd charges that Mr. Welch made during the course of his speech. He characterized Chief Justice Earl Warren, of the Supreme Court of the United States, as "the idol of the Communists." To the cheers and applause of those in attendance Welch charged that the civil rights movement is being guided by Communists to dismember American society. He said that the Communist master plan calls for an independent Negro-Soviet republic to be carved out of the United States. Said Welch:

> If the plan succeeds thousands of white citizens will be murdered in the South. Tens of thousands of good Negroes themselves will be tortured and murdered.

Such patently absurd and dangerous statements are nothing new for Robert Welch and the John Birch Society. Welch is the same man who once charged former President Eisenhower with being a "dedicated, conscious agent of the Communist conspiracy." He has leveled similar charges against many of our most patriotic and dedicated leaders and citizens, including the late Secretary of State, John Foster Dulles, and Gen. George Marshall through whose genius our European allies were enabled to recover rapidly from the scourges of the last world war to join as our effective partners in the struggle to preserve freedom around the world.

Of the NATO alliance, so essential to the preservation of this liberty throughout the free world, Mr. Welsh has said:

> With regard to that brainchild of Dean Acheson, godchild of Harry Truman, and eventual ward of Dwight Eisenhower, we have repeatedly insisted for years that it was probably the biggest—and certainly one of the most expensive—hoax in all human history.

Robert Welch is the same man who describes democracy as "merely a deceptive phrase, a weapon of demagoguery, and a perennial fraud." He warns his followers to understand that "the John Birch Society will operate under completely authoritarian control at all levels."

And so it goes. "Impeach Earl Warren." "Get the United States out of the United Nations and the United Nations out of the United States." "Abolish the income tax." These are the cries of the radical right, of Robert Welch and the John Birch Society which he controls.

Mr. President, I shudder to think of the fate of our country, and indeed of the entire free world, if the principles of Robert Welch and the John Birch Society should ever be put into practice. Almost every major position which the John Birch Society takes is precisely that which the Communists would most want us to take. I can think of nothing which would please the Communists more than to have us abandon our NATO commitments. I can think of nothing which would please them more than to have us withdraw from the United Nations so that they could exercise their influence there unrestrained and unopposed. I can think of nothing which would please the Communists more than for us to stifle the constitutional rights of Negro American citizens.

The simple truth of the matter is that the radical right and the John Birch Society are doing more to aid communism than the Communists themselves. The simple truth is that they are doing something which the Communists have never succeeded in doing. They are waging a massive campaign to undermine the faith and confidence of the average American citizen in the institutions, heritage, and leaders of our Nation.

This campaign is, regrettably, a highly organized one. The John Birch Society is a monolithic organization, using all of the techniques of the Communist system, including indoctrination, small "cell" groups, politely called "chapters," and total leadership and command centered at the top, in the person of Mr. Welch. Reading rooms are operated across the Nation. Libraries and bookstores are filled with the trash and propaganda of the radical right, which was so widely circulated during the last election campaign. Speakers are availiable to tour about, handing out the Birch Society line. Front groups, similar to those employed by the Communists, are established.

A respected Catholic author, Father Robert A. Graham, has said:

> The real danger of the John Birch Society lies not in its organization and methods but in its impact upon the American national life at this moment. It is proving to be an instrument of division and a threat to the national morale. For, to justify its claim that the country is infiltrated by Communists, the John Birch Society has embarked on an unprecedented and arrogant campaign against almost all our leaders, Democrats or Republicans, liberals or conservatives.

In the words of our distinguished majority leader, Senator MANSFIELD:

> Every decent and right-thinking man should stand up and be counted against that kind of slander and that type of organization.

By focusing on the alleged internal conspiracy to take over our Nation, a conspiracy which has absolutely no basis in fact, the John Birch Society does irreparable harm. By presenting the American public with a strawman to knock down, it tends to neglect completely the real threat which communism poses, that of destroying freedom and liberty in the underdeveloped nations of the world through subversion and infiltration.

Mr. President, as I said in a statement on the floor of the Senate back in January, the groups of the radical right have lost faith in our democratic institutions. Of none is this more true than the John Birch Society. It has lost faith in the leadership of both our great political parties. It has lost faith in the capacity of the American people to see and understand the truth without regard to propaganda. It has lost faith in our great churches and in our educational institutions. It represents an attack on all of the things that true patriots hold dear.

The growth of John Birch Society activities is reflected in its annual financial reports. In 1959, the organization's first full year of operation, it reported no paid officers and only 14 paid employees. Its total income was $129,000. In 1960, the figure had risen to $198,000. In 1961, the society nearly tripled its gross income—to more than $534,000—and sharply increased its staff. In 1962, gross income rose to $737,000, and in 1963 passed the million-dollar mark.

During 1964, the society's total revenue was over $3 million. The John Birch Society's increased income represents expansion in publishing and propaganda, rather than in membership. Nonetheless, membership in the John Birch Society today is estimated at anywhere between 20,000 and 100,000. Welch himself recently told an audience at Amherst College that the national membership now stands between 80,000 and 100,000. The society had a long-range goal of 1 million members when it was founded by Welch 6 years ago. The Birch Society now runs 300 American opinion libraries and bookstores, and hopes to bring this figure up to 1,000 shortly. In a pamphlet issued with the March issue of the society's bulletin, a political action campaign was set forth, with a goal of $12 million for the 1966 elections.

One might have hoped that the results of the recent national election would have dulled and slowed the progress of the venom injected into the American bloodstream by the John Birch Society and the other organizations of the radical right.

That simple, sad truth is that this has not been the case. Recent months have witnessed a sharp increase in the tempo of John Birch Society activity. All across the Nation, communities have found themselves face to face with the pressure tactics and methods of the Birch Society. Far too often, they have been unable or unwilling to combat this pressure.

For many years community leaders and public officials were content to dismiss the John Birchers and their fellow travelers with the phrase, "Oh, they're misguided, but after all they're just a bunch of patriotic Americans."

We have now reached a point where it is time for true American patriots to expose the John Birch Society for what it really is, an organization which is far outside the mainstream of American political thought and heritage. The time has come for responsible American citizens in communities throughout our country to stand up and combat the phony and dangerous extremist doctrines of the John Birch Society. We must not permit to go unchecked any longer the society's attempts to take over and indoctrinate the schools, libraries, church groups, and PTA's of our communities.

We must learn to take it for granted that local groups and institutions are targets for extremists. In late 1960, the Birch Society publication, American Opinion, urged its readers to "join your PTA. Get your conservative friends to do likewise, and go to work to take it over." A couple of months ago, Mrs. Jennelle Moorhead, president of the National Congress of Parents and Teachers, warned that extremist groups were attempting to infiltrate PTA's in 35 States, creating "a clear and present danger to freedom and democracy." Mrs. Moorhead noted that rightwing, extremist organizations have engaged in letter writing campaigns to newspapers, charging the national PTA with supporting "extended welfare aid to foster illegitimacy" and advocating "Communistic-tainted textbooks for leftwing authors." While commenting that such charges "seem too ridiculous to merit comment," Mrs. Moorhead wisely stated that "when they continue to be heard, we know a counterattack is necessary."

The Birchers and their cousins have made our local school boards and textbooks a target for their attacks. They have tried to undermine public confidence in our educators and school board members and then take over the boards and the selection of teachers and textbooks.

Two noted authors, Harry and Bonaro Overstreet, long known for their excellent books on the dangers of communism, have recently written an outstanding work, "The Strange Tactics of Extremism," which details the equally frightening dangers of the radical right. To combat the dangers of the extreme right, they suggest that citizens keep an eye on the local school and library boards. The PTA, they state, "is a prime target of Robert Welch, as are the Boy and Girl Scout movements." In a recent speech in Washington, Mrs. Overstreet stressed that in local meetings, there should be a fixed closing hour and also a rule that no resolution can be voted on at the same meeting in which it is introduced. Watch out for a "number of new members who rise to support each other's statements," she warned.

Mr. President, I firmly believe that for far too long we have underestimated the danger to the American political and social fabric which organizations such as the John Birch Society pose. I speak today because I believe that it is essential that responsible individual citizens and community leaders take action now to combat the growing influence of these organizations.

Mr. President, an even more extreme organization than the Birch Society is the Minutemen—a group of men who have taken up arms in a misguided effort to defend what they call freedom. An indication of the highly unstable nature of this and similar groups was revealed in a recent kidnaping effort involving the national coordinator of the Minutemen. I ask unanimous consent that a news account of this incident appearing in the New York Times of July 7, 1965, be printed at this point in the RECORD.

Mr. President, I also ask unanimous consent that a "Check-List for Community Action To Fight Extremism" and an excellent bibliography of material available on the rightwing may be included at this point in the RECORD. I further ask unanimous consent that an outstanding series of articles on the John Birch Society, written by a fine journalist, Mr. Raymond R. Coffey, may be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 10, 1965]

KIDNAPINGS LAID TO TOP MINUTEMAN—HE SURRENDERS AFTER FBI JOINS DAY-LONG SEARCH

(By Donald Janson)

KANSAS CITY, Mo., July 9.—Robert Bolivar de Pugh, national coordinator of the rightwing Minutemen organization, turned himself in late today to face kidnaping charges.

He was arraigned before Magistrate Louis Mazuch in Jackson County Court and released on $5,000 bond pending preliminary hearing July 20.

Earlier today the Federal Bureau of Investigation had joined the search for the 42-year-old ultraconservative.

Mr. de Pugh is charged with kidnaping two young women and holding them captive for 2 weeks while seeking to persuade them to seduce Government officials for purposes of blackmail.

GONE UNDERGROUND

Lawrence F. Gepford, Jackson County prosecutor, filed the charges yesterday. This morning, he said a de Pugh follower told one of his investigators that the Minutemen chief had gone underground and you'll never find him.

This afternoon the office of the U.S. Commissioner here issued a warrant for the arrest of Mr. de Pugh, a chemist who lives in Morborne, Mo., on charges of fleeing the State to avoid prosecution.

The young women are Patricia Lucille Beal, 21, of Lake Lotawana, Mo., and Linda Frances Judd, 16, of Independence, Mo.

"He told us that the Communists have taken over the Government and he would use us, and other girls like us, to return the Government to the American people," Miss Judd said in a signed statement.

The Minutemen foresee a Communist takeover of the United States, abetted by an administration that they contend is soft on communism.

In preparation for the expected takeover, bands of Minutemen around the country take regular target practice and train in outdoor survival techniques. They plan to take to the hills in a guerrilla resistance movement, thwart the Communists and install a patriotic government.

Miss Beal stated that Mr. de Pugh "showed us through papers he had" that the last four past Presidents and many other Government officials "were Communists."

YOUNG GIRL LEFT HOME

She said she had moved into an Independence apartment last April. The building is used by Minutemen.

Because she owed money for rent, she said, she agreed to fold for mailing, copies of Minutemen publications.

Miss Judd said she had left home and spent the night of last June 3 in Miss Beal's apartment.

Early the next morning, the young woman said, Mr. de Pugh awakened them, displayed a revolver, and advised them to leave with him before the police arrested Miss Judd as a runaway and Miss Beal for harboring her.

They said they had been kept in a home in Richmond, Mo., near Norborne. There they said, they were taught judo and apprised of Minutemen plans for them. Finally, they added, they were taken to a printshop in Independence that is the Minutemen headquarters for western Missouri.

They said they escaped June 19. They were picked up by the Independence police and told their story to the Federal Bureau of Investigation.

A CHECKLIST FOR COMMUNITY ACTION TO FIGHT EXTREMISM

Make an inventory—including names, addresses and telephone numbers—of organizations and individuals who provide community leadership. Such a list would include civic, business, religious and political leaders and principal officers of such organizations as PTA's, League of Women Voters, service clubs, communications media, student organizations, American Association of University Women, American Association for the United Nations, professional societies, chambers of commerce, ethnic and nationality groups, civil rights organizations, organized labor, senior citizens, etc.

Call a meeting of such leaders to discuss the extremist threat to democracy and freedom in your town, and to establish committees to meet the threat.

Plan action to oppose, challenge, and expose the statements and actions of extremists. They have every right to speak and write as they please, but they should be challenged by responsible people when they unfairly attack people or organizations.

When extremists schedule public meetings, arrange for comment in the press and on radio and TV quoting responsible community leaders on the nature and intent of the organization. Arrange for informed persons to attend such meetings prepared to ask questions of speakers.

Plan a program designed to inform people in your community about extremists. Do not forget to provide facts to editors and broadcasters. One source for factual information is Group Research, Inc., which publishes a directory on the subject. Most State AFL–CIO organizations have a copy of this directory. You can also develop a library of films, books, and articles on the subject.

Develop a speakers' bureau whose members can be made available to talk to church groups, fraternal, civil, and service organizations, and to schools either on the topic of extremism or to answer extremist attacks.

Monitor local radio and TV stations to keep abreast of what extremist broadcasters are saying, then demand equal time to answer their charges. Similarly, seek time from broadcasters or from sponsors of public affairs programs in the community to alert people to the dangers of extremism.

Use the "letters-to-the-editor" columns of newspapers to discuss the general issue, and monitor these columns so that extremist letters are answered promptly.

Check community and school libraries to request that when extremist literature is on the shelves, countering materials also be displayed.

Establish and maintain regular procedures for meetings of your organization so it can't be taken over by extremists packing a meeting.

BIBLIOGRAPHY OF MATERIAL AVAILABLE ON THE RIGHTWING

Following are films, pamphlets, reprints of articles, books, and reports available on extremist organizations and methods of combating their activities in the United States. All are current and in stock at locations listed in the descriptions.

FILMS

"The Extremists": A filmstrip exploring the wide range of extremist organizations that comprise the radical rightwing in the Nation today—their goals, range of propaganda activities, political and economic activities, and source of funds. Produced in 1964 by COPE with a film discussion guide—25 minutes. Available from the AFL–CIO film division, 815 16th Street NW., Washington, D.C. May be purchased for $50, rented for $3; reserve at least 10 days in advance.

"Rumor": The case history of a rumor, how it starts, spreads, and its results. An excellent discussion starter for adult and secondary school groups, 16-millimeter sound, 5½ minutes, black and white, cleared for TV. Available from the Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y. May be purchased for $250, borrowed for $2; reserve 3 weeks in advance listing alternate dates.

"Rumor Clinic": A picture program enabling the audience to participate in starting and spreading rumors within a room. Examines the nature of rumors and helps people become rumor conscious. Four frames, 35 millimeter, silent, black and white. Available from the Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y., $1.

PAMPHLETS

"Combating Undemocratic Pressures on Schools and Libraries: A Guide for Local Communities." Guidelines for communities to follow in dealing with pressure groups which demand sudden and drastic changes in school curriculums and personnel, and library policies and personnel. Available from American Civil Liberties Union, 156 Fifth Avenue, New York, N.Y., 10 cents; quantity prices on request.

"The Dan Smoot Reports—Documented Truth or Doctored Propaganda?": An analysis of one rightwing group's attacks on the National Council of Churches. Available from the National Council of Churches, 475 Riverside Drive, New York, N.Y., 5 cents.

"Don't Be Fooled—The Target Is You": A description of rightwing attempts to infiltrate American trade unions, schools, and community organizations with suggested methods of counteracting their activities. COPE publication No. 130c. Available from the AFL–CIO Committee on Political Education, 815 16th Street NW., Washington, D.C.; no charge for single copies.

"Extremist Groups: A Clear and Present Danger to Freedom and Democracy": Suggested methods of combating extremist attempts to infiltrate PTA's, schools and libraries. Available from National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.; 15 cents; 10 copies, $1; discount on quantity orders.

"The Freedom To Read": Techniques which publishers and librarians can use to counter extremist attempts to suppress freedom of information. Available from the Public Affairs Committee, 381 Park Avenue, South, New York, N.Y.; 25 cents single copy; quantity prices available on request.

"The Radical Right": A 12-page fact sheet analyzing attacks of the radical right on churchmen, churches, and local councils, surveying current books about extremism, reviewing books produced by the radical right, and providing a concise directory to extremist groups and radical right broadcasters, and including a brief bibliography. Available from the office of information, National Council of Churches, 475 Riverside Drive, New York, N.Y.; single copies 25 cents, 50 copies $4.50, 100 copies $8, 1,000 copies $70.

"The Right-Wing in the Race Crisis": A study of the rightwing's appeal to prejudice, its links with segregationists, and its attempts to scuttle civil rights in 1964. Available from the National Council of Jewish Women, One West 47th Street, New York 36, N.Y.; no charge for single copies.

"Sowing Dissension in the Churches": An analysis of the aims and activities of several rightwing individuals and groups engaged in attacks on church leadership. Prepared by the Episcopal Church Center in New York. Available from the National Council of Churches, 475 Riverside Drive, New York, N.Y.; 7 cents.

"What Is Extremism?": Answers to 10 questions designed to identify extremist-inspired programs and to suggest constructive ways to counteract them. Available from the Institute of Human Relations, 165 East 56 Street, New York, N.Y.; 10 cents for single copy, $7.50 per 100 in bulk.

"What's Right and Left?—A Guide for Responsible Anti-Communists": A study of the effectiveness of extremists on both the right and the left. Available from Freedom House, 20 West 40th Street, New York, N.Y.; 10 cents.

"What's Wrong With the Far Right?": An analysis of the far right's misinterpretation of world events, reliance on quick remedies, use of slogans, and ineffectiveness in combating communism. Underlines the need and techniques of counteracting them effectively. Available from Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.; 25 cents; bulk reductions over 100 copies.

BOOKS

"Danger of the Right," Benjamin R. Epstein and Arnold Forster, Random House, 1964, $4.95, soft cover $2.95. Examines the facts, figures, and leading personalities whose activity and support has made the rightwing a noticeable force on the American political scene.

"The Far Right," Donald Janson and Bernard Eisman, McGraw-Hill, 1963, $5.95. An examination of the people and events which have helped extremism to gain prominence in scores of communities throughout the country.

"Men of the Far Right," Richard Dudman, Pyramid Books, 1962, 50 cents. The political profiles of more than 15 leading practitioners of rightwing fanaticism are revealed in a series of penetrating studies. The author is Washington correspondent of the St. Louis Post-Dispatch.

"The Strange Tactics of Extremism," Harry and Bonaro Overstreet, W. W. Norton & Co., 1964, $4.50. A thorough documentation of rightwing organizations and tactics which presents a detailed analysis of the John Birch Society, and Dan Smoot report, the Circuit Riders of America, and other similar rightist groups.

REPRINTS

"Communism and the National Council of Churches" (from Eternity magazine, September 1960): An investigation of rightwing attacks on the National Council of churches. Available from the National Council of Churches, 475 Riverside Drive, New York, N.Y.; 5 cents.

"Democracy and the John Birch Society" (from the Anti-Defamation League Bulletin by Benjamin R. Epstein): A description of John Birch Society methods and philosophy. Available from the Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y.; 5 cents.

"Doomsday Merchant on the Far, Far Right" (from the Saturday Evening Post): A review of the efforts of Oklahoma evangelist Billy James Hargis, his Christian Crusade and National Anti-Communist Leadership School, to save all America from what he considers to be the imminent takeover of America by the Communists. Available from National Council of Churches, 475 Riverside Drive, New York, N.Y.; 10 cents.

"The Fright Peddlers" (from the CONGRESSIONAL RECORD, May 2, 1963): A Senate speech by Senator THOMAS H. KUCHEL, Republican, of California, reviewing letters and pamphlets used in rightwing mail crusades to intimidate Congressmen and the public. Single copies may be obtained by writing to the Senator at the Senate Office Building, Washington, D.C.

"How To Cope With Attacks From the Fanatic Fringe" (from School Management): A detailed guide for school administrators and local school boards. Available from the Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y.; 15 cents.

"The John Birch Society—Fundamentalism on the Right" (from Commentary, August 1961): A description of the John Birch Society, its ideology and tactics. Available from the American Jewish Committee, Institute of Human Relations, 165 East 56th Street, New York, N.Y.; 10 cents single copy, $7.50 per 100.

"None Dare Call It Treason" (from the CONGRESSIONAL RECORD, Sept. 10, 1964): A review of the controversial rightwing book "None Dare Call It Treason," by the National Council for Civic Responsibility as inserted in the RECORD by Representative CHARLES A. VANIK, Democrat, of Ohio. Available from the Democratic National Committee, Public Affairs Division, 1730 K Street NW., Washington, D.C.; no charge for single copies.

"The Radical Right and the Rise of the Fundamentalist Minority" (from Commentary, April 1962): An analysis of the relation of Protestant fundamentalism to the ultraconservative movement in America. Available from the American Jewish Committee, Institute of Human Relations, 165 East 56th Street, New York, N.Y.; 10 cents single copy; $7.50 per 100.

"The Radical Right Is Still on the Rampage" (from the CONGRESSIONAL RECORD, Jan. 12, 1965): First in a series of speeches on the floor of Senate by Senator FRANK CHURCH, Democrat, of Idaho (on the rightwing's activity in last November's election and its continued organizational and financial growth. Seven Democratic Senators also discuss the role of the far right in their campaigns this past fall. Available from the Office of Senator FRANK CHURCH, 405 Old Senate Office Building, Washington, D.C.; one to five copies free of charge; 2 cents each for 6 or more copies.

"Report on the Rampageous Right" (from the New York Times magazine, by Alan Barth): An analysis of today's conservative extremists, who they are, what they stand for, and why. Available from the Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y.; 10 cents.

"Rightiest Revival: Who's on the Far Right?" (from Look magazine, Mar. 13, 1962): A discussion of the leaders of the far right, their beliefs, motives, means of support, and followings. Available from Look magazine, 488 Madison Avenue, New York, N.Y.; limited number of copies available at 10 cents each.

"Scaremongers and the National Council of Churches" (Christian Advocate, Sept. 24, 1964): Nine practical suggestions on what to do when rightwingers start attacking the National Council of Churches in your community. Available from the National Council of Churches, 475 Riverside Drive, New York, N.Y.; 3 cents.

"The Sunday Puncher" (from the Greater Philadelphia magazine, August 1964): A backgrounder on Rightwinger Carl McIntire, the "Twentieth Century Reformation Hour" which sponsors his broadcasts across the country, and their antipathy toward the National Council of Churches and other organizations. Available from the National Council of Churches, Office of Information, 475 Riverside Drive, New York, N.Y.; 7 cents.

"Thoughts on Extremism" (from the Catholic News, Feb. 24, 1962): A Catholic critique of political extremism. Available from the Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y.; 5 cents.

"Ultraconservatism in the 1964 Presidential Election" (from the St. Louis Post-Dispatch, Dec. 5–12, 1964): Series of articles on the influence of ultraconservative elements in the 1964 Presidential election. Covers the growth of the Goldwater for President movement, the relation of the rightwing and the Republican Party, and speculates on the future of the rightwing. Available from Arthur Bertelson, managing editor, St. Louis Post-Dispatch, 1133 Franklin Avenue, St. Louis, Mo.; 30 cents each.

"What Is an Extremist?" (from Look magazine, Oct. 20, 1964): Aids in identifying extremists, their beliefs, goals, and threats to the American tradition. Available from the National Education Association, Commission on Professional Rights and Responsibilities, 1201 16th Street NW., Washington, D.C.; single copy free of charge, quantity prices on request.

"Who Is Doing the Devil's Work in American Politics?" (from the CONGRESSIONAL RECORD, May 20, 1963): Speech in the House of Representatives by Representative RONALD BROOKS CAMERON, Democrat, of California, with comments by other Democratic House Members, on the Americans for Constitutional Action, its links with the John Birch Society and other rightwing groups, and its political activities. Available from the Democratic National Committee, public affairs division, 1730 K Street NW., Washington, D.C.; no charge for single copies.

"Why I Can't Join the John Birch Society" (from Look magazine, Nov. 3, 1964): An analysis and point-by-point refutation of the John Birch Society and its materials. Available from the National Education Association, Commission on Professional Rights and Responsibilities, 1201 16th Street NW., Washington, D.C.; no charge for single copy; quantity prices on request.

NEWSLETTERS

"Group Research Report": Semimonthly, 4-page newsletter following current events about the rightwing. Available from Group Research Inc., 422 Bond Building, 1404 New York Avenue, Washington, D.C.; $25 yearly.

[From the Fargo Forum and Moorhead News, February 1965]

MONTHS SINCE GOP NATIONAL CONVENTION HAVE BEEN BOOM TIMES FOR BIRCH SOCIETY

(EDITOR'S NOTE.—Reporter Raymond R. Coffey has examined the leadership and political doctrine of the John Birch Society, its phenomenal growth, its public relations campaign, its strength and activities and what critics of the society say.)

(By Raymond R. Coffey)

On one score at least, it appears there can be no argument with Robert Welch, founder of the John Birch Society.

"Our members took the election in stride, as merely an incident in our long-range activities for the Americanist cause," he wrote in the society's December bulletin.

He may have been guilty only of understatement.

Some nonbelievers have viewed Barry Goldwater's November 3 Waterloo as a mortal blow to the radical or extreme rightwing.

But not the John Birch Society and similar ultra-right groups.

Welch has said that 100 Birchers were among the delegates to the Republican convention that nominated Goldwater—far out of proportion to their total numbers within the party—and that their influence was "strongly felt."

The months since that convention have been boom times for the society and it appears the Birch influence may be even more strongly felt across the land in the days to come.

The society's growth can be seen, first of all, in its financial reports and in the expansion of its operations, particularly in the Chicago area.

In 1959, its first year of operation, the national society had 14 paid employees and total income of $129,000.

By 1963 income had risen to around $1.5 million and last year, according to Welch, it was about $3.2 million.

The paid staff now includes about 60 coordinators in the field and about 140 other employees, including about 100 in the home office at Belmont, Mass., according to John H. Rousselot, the society's public relations director.

In addition, the society now distributes its literature through about 240 American Opinion bookstores and libraries.

It has full-time offices in Glenview, Ill., New York, Washington, San Marino, Calif., and Houston.

Since the beginning, membership lists have been secret and estimates have ranged from 30,000 to more than 100,000. The truth is somewhere in between.

Rousselot says the membership fees of $24 a year for men and $12 for women normally account for about one-third of the society's total income.

On the basis of an average of $18 a member and a third of the $3.2 million total income reported by Welch for 1964, that would work out to something like 59,500 members nationwide.

However, that is probably a little high since, also according to Rousselot, the income from literature sold by the society during the election campaign ran higher than usual.

California is by all accounts the society's strongest State. Other strongholds, Rousselot says, are Illinois, New Jersey, Texas, Arizona, Florida, Alabama, Louisiana, and the State of Washington.

As further indications of growth, Welch says in his bulletin for January, that the society plans to establish a lobbying office in Washington to be headed by Reed Benson, son of former Agriculture Secretary Ezra Taft Benson.

He also reported plans to add about 50 persons to the home office staff.

To get a good idea of how the society is thriving in these post-Goldwater days, a person need go no farther than the Chicago suburb of Glenview.

There, in a suite of offices in a low, brick building at 600 Waukegan Road, are the Illinois and Midwest headquarters of the society.

Until several weeks ago the society's Illinois operations were run largely from the Chicago home of Robert J. Koenig, major coordinator for a six-State midwestern region.

Now, in addition to office space, the society has also acquired a full-time paid public relations director, Roger Morrison, for the Midwest.

The society has American Opinion bookstores in Glenview and Oak Park, another Chicago suburb.

There are similar stores or libraries at Rockford, Ill., and Alton, Ill., and the society has plans for others on Chicago's North Side and in south suburban Homewood.

Koenig says the society hopes to have 30 such bookstores—which are not operated directly by the society but rather on a kind of franchise basis—in the Chicago area.

Along with the writings of Welch and other superconservatives, the bookstores deal in such items as postcards saying "save our Republic—impeach Earl Warren" and another showing the United Nations building under the heading, "the house that (Alger) Hiss built."

For lighter moments there are games the whole family can play, such as "Constitution—the allegiance game" and "Victory Over Communism, the first all-American family game for children and adults."

The six States directed from the Glenview headquarters are Illinois, Indiana, Michigan, Ohio, Kentucky, and Missouri.

As another indication of growth, Illinois coordinator Norman Thomas has recently had eight southwestern counties trimmed from his territory because he couldn't keep up with all the demands for his services.

Every night of the week and twice on Sunday Thomas and other Birch leaders travel around the Chicago area and the rest of the State giving 4-hour "presentations" of the Birch creed for prospective members.

Two of the 24 Birch council members, the society's top leaders, listed in a 16-page color supplement distributed recently, are Chicagoans, industrialist Stillwell J. Conner and Slobadan M. Draskovich, onetime Yugoslav War Minister who is now a rightwing publisher and lecturer.

Conner is the brother-in-law of Koenig, Midwest coordinator.

A third council member from Illinois is Prof. Revilo P. Oliver, of the University of Illinois, who has suggested that President Kennedy was assassinated for falling behind in the Communist-dictated timetable for taking over the United States.

Public relations man Morrison says he sees the society as the "leading organization in the conservative movement" and anticipates continuing and accelerated growth in this area.

[From the Fargo Forum and Moorhead News, Feb. 23, 1965]

FORMER CONGRESSMAN JOHN H. ROUSSELOT IS BIRCH SOCIETY'S BEST FOOT FORWARD

(By Raymond R. Coffey)

John H. Rousselot is the John Birch Society's best foot forward.

He is unrelenting, charming, cheerful, courteous, handsome, well tailored, polished, poised, fluent, and—compared with the society's founding ruler Robert Welch—brimful of sweet reason.

He is also a man to watch in the burgeoning postelection development of the far right.

A defeated former Republican Congressman from southern California, Rousselot, 37, is now the $30,000-a-year public relations chief of the Birch Society with headquarters in San Marino, a wealthy suburb of Los Angeles.

He is not a member of the society's top council, but many in the society say they consider him the leading contender to succeed the 66-year-old Welch when he steps down.

Welch, a native of North Carolina who has lived in the Boston area for about 40 years, is a former candy company executive who has given up his business career to promote his brand of anticommunism and conservatism.

He founded the Birch Society at a 2-day meeting in Indianapolis, December 8–9, 1958. He is a balding, intense man who is anything but a polished speaker and who can be crotchety, curt, and imperious.

Rousselot, by contrast, is all charm and diplomacy. Whatever his future, there is little question that Rousselot is responsible to a major degree for what some call the society's "new look" and its apparent substantial growth in recent months.

"He has given the society an aura of respectability," said an official of the Anti-Defamation League, which has assailed the Birch Society as an extremist group.

Friendlier sources agree. No one in the society ever really criticizes Welch, who is referred to almost reverently.

But many offer opinions to the effect that Rousselot "is a better speaker than Mr. Welch" or Rousselot "comes over better on television" than Welch, whose manner often provokes outrage and whose rhetoric might be described as Gothic endurance.

Still, this is not to say that Rousselot departs from Welch on any essentials of Birch dogma. It is a matter of technique, the ingratiating approach.

Welch, for example, is probably best known for his blunt suggestion that former President Dwight D. Eisenhower was a "dedicated, conscious agent of the Communist conspiracy" and that the late Gen. George C. Marshall was a traitor.

No ifs, ands or buts. And no way to win friends or influence people—at least not fairly reasonable people.

Rousselot, on the other hand, has a run and hit approach that produces a kind of diluted exasperation, a feeling that "well, maybe he's wrong but he sure is a nice guy."

During a long interview with a Chicago Daily News reporter in his office, for example, he agreed that President Johnson and Vice President HUBERT HUMPHREY probably are not Communist agents.

But then he added that HUMPHREY would have to be "classified as a rabid Socialist" and that Mr. Johnson has "voted for socialism more often than for free enterprise."

He said it with a smile that was pure sincerity and his blue eyes were as unblinking as if he had just announced something as incontrovertible as the time of day.

Similarly he acknowledged that some people might not agree with Welch's judgment of Mr. Eisenhower. And patiently he explained that, of course, Birch members need not agree with everything their leader says.

But—like everyone else interviewed in the society—Rousselot stopped short of saying that he himself disagreed.

And what about the article in the Birch magazine in which Prof. Revilo P. Oliver, a Birch council member, suggested that President Kennedy was slain because he had fallen behind in the Communist timetable for taking over the United States.

"The John Birch Society has never taken the position that Jack Kennedy was a Communist agent," Rousselot said.

Then he added, "We think he yielded, as past Presidents have, to Communist pressures."

Furthermore, Rousselot said, Oliver's article did not say that Kennedy was some sort of Communist agent or under Communist influence—just that it was a "possibility."

It is this Rousselot approach—the sinister innuendo delivered behind a reasonable smile—that foes of the Birch Society see as a principal reason for the society's recent surge of growth.

Thus, the "new look" makes things easier for people to digest. Rousselot himself agrees that the society has come in recent months to be viewed with less alarm and more acceptability.

He attributes part of this to the public relations program he directs. Particularly, he says coverage of the society by the press and television has "improved" lately.

The Rousselot approach is also on view at lower echelons within the society.

The Illinois coordinator, Norman Thomas, for example, is a cheerful, witty, crewcut young man who used to sell advertising and now sells the John Birch Society.

"That's just my stage name," he quips when someone notes he has the same name as the eminent Socialist. "My real name is Walter Reuther."

He is an altogether pleasant man and he looks and sounds like a hard man to put anything over on.

Then he starts talking about French President Charles de Gaulle, for example, and you get some idea of what divides Birchers from other people—and how deep the "new look" really runs.

Most of the world views De Gaulle as almost a monarchial rightist dedicated only to the graudeur of De Gaulle and France. Not Thomas, he is sure the day is not far off when Robert Welch will be proved right in the belief that De Gaulle is a Communist.

"That cotton picker (De Gaulle) is working the other side," Thomas says. "I don't say you'll find a red card in his wallet, but I don't think it will be too long before" De Gaulle is unmasked to all the world as a Communist.

Thomas even thinks he knows how it happened.

He said he has been told by a man named Blumenfeld who is allegedly an expert on such things that De Gaulle "was converted to communism in 1917 when he was taken prisoner in World War I and was put in a prison camp with some Russians," including someone Thomas identified as "the Red Marshal."

Robert J. Koenig, the midwest coordinator, fits the same pattern. He is a friendly, almost painfully sincere man, a Loyola University (Chicago) graduate, World War II Navy officer, an effective speaker who sometimes himself conducts the society's "presentations" for prospective new members.

At one such recent meeting in Chicago's Edgewater Beach Hotel, Koenig took great pains to state that Welch's book, "The Politician"—in which he makes his charges about Mr. Eisenhower and communism—has no official connection with the society.

But then he offers the book for sale, at $1 a copy, to the potential recruits and he pointedly does not repudiate the contents.

Thus, despite the "new look" in the society, Rousselot says, "we haven't changed our policies."

That is certainly so.

[From the Fargo Forum and Moorhead News, Feb. 24, 1965]

WELCH EMPLOYS PRINCIPLE OF REVERSAL IN JOHN BIRCH LITERATURE, CONVERSATION

(By Raymond R. Coffey)

In the Blue Book spelling out the basic gospel of the John Birch Society, founder Robert Welch describes the million members he is seeking as "good patriots, who are also men and women of good will and good character and humane conscience."

One other requirement, it would seem to an outsider, is a good dose of credulity.

For, beyond paying the fairly modest dues of $24 a year for men and $12 for women, Birch members must come prepared to believe things that many people regard as fairy tales.

To make this easier Welch has described a theory of analysis that he calls the "principle of reversal."

Welch says the Communists use this principle, which works—if that is the word—thus:

Former U.N. Secretary-General Dag Hammerskjold, to take just one example of Birch doctrine, was a Kremlin agent. True, the Russians denounced him regularly and violently. But that was only so the United States and other countries would come to his defense and keep him in the U.N. post where he could serve the Kremlin.

As Arnold Forster and Benjamin R. Epstein note in their book, "Danger on the Right," this sort of "reality in reverse" thinking bears a close resemblance to the totalitarian double-think described in George Orwell's book, "1984."

It is, however, the sort of nonthinking and nonlogic that pops up consistently in Birch literature and conversation.

It also illustrates the fact that, despite the new look public relations effort of John Rousselot and others, the Birch Society has not changed its basic policies or direction.

Essentially, Welch—who in terms of policy is the Society—sees the world being overwhelmed by a gigantic Communist conspiracy that already exerts tremendous influence in the U.S. Government and every aspect of American life.

Everyone is suspect and, if the Communists attack anyone, all the more reason to suspect him under the principle of reversal.

The theory goes that if you are against the Birch Society, you are not against communism. Or, as Welch put it in a recent bulletin, more and more people are coming to realize that only the Birch Society can save the world from Communist slavery.

Specifically, the Society is still calling for the impeachment of U.S. Chief Justice Earl Warren and for getting the United States out of the United Nations and the U.N. out of the United States.

It also continues to hammer at the civil rights movement as Communist-directed and at the civil rights law as unconstitutional.

It sees the income tax as Marxist and proposals to ease immigration laws as Communist-inspired. The national PTA is under fire and such programs as mental health and water fluoridation are all part of the "collectivist" conspiracy.

Prospective new members are still indoctrinated with a filmed speech by Welch made in 1959 and it all has the sound of doomsday.

For example, he says as the film begins, that unless the tide can be turned, it will be only a "few more years" before the Communists complete their takeover of the United States.

The map "is already drawn," he asks members to believe, for dividing the 50 States up into four provinces in a "worldwide Communist dominion."

No one laughed as the film was shown to a roomful of about 50 people recently at Chicago's Edgewater Beach Hotel.

Welch says that Norway and Finland are already effectively in the control of the Communists, which may be news to the Finns and Norwegians.

On the other hand, he says, the late and murderous dictator Rafael Trujillo of the Dominican Republic probably gave that country the best government any Latin American nation has had in recent times.

Birch literature is along the same lines.

Stillwell J. Conner, a Chicagoan and member of the top Birch Council, has written an article, "The Catholic Church and the John Birch Society," which can be purchased in Birch book stores.

Conner is president of Modern Sleep Products Co., which also has a plant at Marshfield, Wis.

In it he notes that the Christmas message of Pope Pius XII in 1956 has often been pictured as a "carte blanche approval" of the U.N.

He also concedes that it is true that the Pope said "we desire to see the authority of the United Nations strengthened."

Despite this, the Birchers, a heavy proportion of them Catholics, are fiercely opposed to the U.N.

How does that square? Simple. Under the principle of reversal, the Pope just didn't mean what he said.

Or, as Conner puts it:

"The Pope, far from endorsing the actually existing United Nations, was indicating to the world its most grave defect, namely, its disinclination to enforce the absolute right of freedom for the Hungarian nation because of the false realism" of many of its members.

"He did not call for a 'strengthening' of the false realism in the U.N. that so saddened him but clearly asked for Christian realism."

Having thus straightened out anyone who might have had the notion that the Pope meant what he said, Conner goes on to state that a "myriad" of historical facts "prove beyond a doubt that [the U.N.] is an instrument for Communist world domination."

Beyond the top echelons of the ultraright society there are also strong evidences that the "new look" promoted by the society's public relations corps has not really changed things basically.

In Hollywood, for example, not many miles from Rousselot's San Marino, Calif., office, there is a rightwing gathering place called Poor Richard's Book Shop which—by almost anyone's definition—would qualify as a peddler and promoter of extremism.

The store is at 5403 Hollywood Boulevard, at the rear of an insurance agency operated by Frank X. Ranuzzi, who describes the store as privately owned and as "the first 100 percent anti-Communist book store in the United States."

Ranuzzi says he has been a member of the Birch Society since 1959 and the store carries a full line of the society's literature.

The store has a whole section of floor-to-ceiling shelves filled with such titles as "The Art of Shooting," "Explosives and Homemade Bombs," "We Shall Fight in the Streets," "Blaster's Handbook," "Modern Guerrilla Warfare," and "How To Go Live in the Woods on $10 a Week."

Ranuzzi, in conversation, was about as fierce as some of the book titles—and a far cry from the picture of polite reasonableness presented by Rousselot and other advocates of the "new look."

His view of things goes like this:

"Sure, the press is lefty * * * those Congolese butchers. They're Communists but that's played down in the press * * * did you see that picture of Martin Luther King at a Communist school? * * * I don't like [President] Johnson * * * I don't think much of any President that would have a [Walter] Jenkins at his side for 20 years * * * the press is controlled by the same people that control our Government, the internationalists.

"Don't you know that [New York Governor Nelson A.] Rockefeller is putting some of that foreign aid money back in the Rockefeller pockets?

"The Communists have infiltrated our Government. You know they have. The John Birch Society is not secret. The B'nai B'rith won't give you their membership lists either."

[From the Fargo Forum and Moorhead News, Feb. 25, 1965]

HERE ARE FACTS ABOUT STRUCTURE, AIMS AND METHODS OF THE JOHN BIRCH SOCIETY

(By Raymond R. Coffey)

At the conclusion of a recent recruiting session for prospective John Birch Society members, a man in the audience turned and said to the man next to him:

"I'm sold. It's anti-Communist and it's based on religious principles. What more can you ask?"

That is pretty much the simple, uncomplicated way Birch members generally seem to feel about their far-right organization.

Outside the ranks, however, serious questions are raised about the Birchers' goals and methods.

Critics contend the Birchers use some of the same tactics, such as infiltration and front groups and intimidation, that the Communist employ.

What are the facts about the society's structure, aims, and methods?

To begin with, even its leaders agree that it is entirely monolithic. (Totalitarian is the word used by critics.) There are no elections. Founder Robert Welch and other major leaders appoint officers even down to the leaders of 10- or 20-member chapters.

Unlike many other radical-conservative organizations, the Birch Society does not have tax-exempt status and contributions to it are not deductible.

Only Welch makes policy statements and he, through the "agenda" printed in monthly bulletins, directs the activities of members.

John H. Rousselot, the society's public relations chief, says it is principally an "educational" organization which seeks to put over its views through pamphlets distributed in its libraries and bookstores, through a speakers' bureau, letter writing campaigns, anti-Communist seminars and the like.

According to Rousselot, the society has no plans for eventually getting directly into politics or endorsing candidates.

On the other hand, he said, "it doesn't displease us" when Birch members do run for office and get elected.

Likewise, Rousselot says the society has no deliberate plan for making itself the "hard-rock core or control point" for the entire ultra-conservative movement, though Birch members have already gained major influence in similar organizations.

In practice, however, Rousselot seems to be somewhat modest about Birch operations.

The society, for example, says it is not secret, but unquestionably some of its operations are carried on behind the masks of "front" groups.

In the society's May 1964 bulletin, members were urged to take out advertisements opposing the civil rights bill.

The suggested text described a vote for the bill as "a nail for the coffin of the American Republic." And the ad was to be signed thus:

"This advertisement has been paid for as a public service by the Blanktown committee to preserve the American Republic, 1122 Main Street, Blanktown, any State."

This presumably comes under the "education" function of the society which, in effect, was urging the formation of a "front" and the ad text nowhere mentioned the society.

In the society's Blue Book, Welch himself called for the creation of "little fronts, big fronts, temporary fronts, permanent fronts, all kinds of fronts" and even suggested specifically "a committee to investigate Communist influences at Vassar College."

The society currently is pushing organization of fronts under such names as "the movement to impeach Earl Warren" and "support your local police."

In the bulletins, Welch also organizes letter-writing campaigns and other protests against, for example, the sponsors of TV programs that he considers pro-United Nations or against plans to fly the U.N. flag on public buildings.

Birch members also tend to become involved in more spectacular activities, for which the society is not always ready to take credit.

Much publicity, for example, has been given to an effort by Birchers on the Santa Ana (Calif.) police force to oust their chief. Rousselot acknowledges the officers involved were society members but says the action was not a society project.

He also says he thinks that being a member of the society can make a man a better police officer.

Very little attention, however, has been paid to an even stranger series of events in Santa Ana, a Birch stronghold.

Last fall, the candidates for the State senate seat in the Santa Ana area were Democrat Robert Battin and Republican John Schmitz—who is a Bircher.

For days before the election, Battin charged, he had heard rumors that he would be arrested just before election day. He went so far as to try to get an injunction or other protection from the city judge of Santa Ana and the district attorney.

Then, on the Saturday night before the election, a man named Frank La Magna came to Battin's home with two policemen, William Weatherly and Gary Kuncl, and La Magna made a "citizen's arrest" of Battin.

La Magna, a supporter of Schmitz, charged that Battin had tried to run him down with a car when he caught Battin putting up Battin posters over those of Schmitz.

Battin charged that the two officers and the policeman who booked him, C. D. Hanson, were Birch members and that the arrest was a Birch plot in behalf of Schmitz.

Schmitz won the election. Later, the district attorney refused to issue a warrant against Battin on grounds of insufficient evidence.

Barely a week goes by without some such goings-on in the California wonderland.

Just before Christmas, for example, the mighty Bank of America had been permitting volunteers to sell Christmas cards for United Nations International Children's Emergency Fund (UNICEF) in the lobbies of its branches at Pacific Grove and Carmel.

Then, according to a bank official, Dan King III, a Birch section leader, protested that if the card sales were not halted the bank would be picketed by Minutemen.

King claimed that selling the cards was "just another case of surrendering to the Communist-controlled U.N."

He and other Birch leaders denied mentioning the Minutemen—superextremists who have formed a guerrilla army of their own.

Beyond its own sphere of operations, the Birch Society is in a position to exercise strong influence on the whole far-right movement, though Rousselot says it has no plan to take over the movement.

Birch leaders are heavily represented in the hierarchies of most similar organizations.

For example, Thomas Jefferson, a member of the Birch council, is a leader in We, the People. Anderson and F. Gano Chance, another Birch council member, are trustees of America's Future.

D. B. Lewis, a Birch endorser and manufacturer of pet foods, sponsors the radio programs of the Dan Smoot report.

Clarence Manion, another Birch council member, produces the "Manion Forum" radio program and newsletter.

And there are Birch members among the leadership of the Liberty Lobby, Christian Freedom Foundation, Americans for Constitutional Action and other groups.

One new conservative group of more moderate outlook, however, the American Conservative Union, formed several weeks ago in Washington, will have no part of the Birchers.

Its founders include former U.S. Representative Donald Bruce of Indiana, writer William F. Buckley, Jr., and novelist John Dos Passos.

Bruce, the chairman, says the group decided not to include Birchers in its leadership because the ACU has "a view of world affairs substantially at variance" with that taken by Welch.

This has not slowed the Birchers.

ELECTORAL REFORM

Mr. CURTIS. Mr. President, for a number of years I have supported the proposal that we amend the Constitution providing for a fair and just division of the electoral votes within the States in the election of the President and Vice President.

Under our present system, the candidate for President who carries a State gets all of the electoral votes. If the losing candidate in that State gets 48 or 49 percent of the popular vote, he receives none of the electoral votes. In other words, such a losing candidate would get no more electoral votes in that particular State than if he obtained none of the popular vote.

Whenever we have a system that puts the electoral votes of a State on an all or nothing basis, the result is not in the public interest. It discourages the two party system. It might invite the taking of an unsound position by a candidate or a party for fear of losing the entire electoral vote of a State.

The Legislature of Nebraska, in the passage of Legislative Resolution 42, has gone on record in favor of this reform. I hope that the action of the Legislature of Nebraska will be an inducement for others to join in support of such a constitutional amendment.

Mr. President, I ask unanimous consent that Legislative Resolution 42 be printed as part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

LEGISLATIVE RESOLUTION 42

Whereas under the Constitution of the United States presidential and vice-presidential electors in the several States are now elected on a statewide basis, each State being entitled to as many electors as it has Senators and Representatives in Congress; and

Whereas the presidential and vice-presidential electors who receive the plurality of the popular vote in a particular State become entitled to cast the total number of electoral votes allocated to that State irrespective of how many votes may have been cast for other elector candidates; and

Whereas this method of electing the President and Vice President is unfair and unjust in that it does not reflect the minority votes cast; and

Whereas the need for a change has been recognized by members of Congress on numerous occasions through the introduction of various proposals for amending the Constitution: Now, therefore, be it

Resolved by the members of the Nebraska Legislature in 75th session assembled:

1. That application is hereby made to Congress under article V of the Constitution of the United States for the calling of a convention to propose an article of amendment to the Constitution providing for a fair and just division of the electoral votes within the States in the election of the President and Vice President.

2. That if and when Congress shall have proposed such an article of amendment this application for a convention shall be deemed withdrawn and shall be no longer of any force and effect.

3. That printed copies of this application be transmitted to the Senate and House of Representatives of the United States, and to our Senators and Representatives in Congress.

PHILIP C. SORENSON,
President of the Legislature.

Attest:

HUGO F. SRB,
Clerk of the Legislature.

POLLUTION IN LAKE ERIE

Mr. KENNEDY of New York. Mr. President, I ask unanimous consent that two articles appearing in the New York Times on August 6 and 7, 1965, on the Federal Water Pollution Conference being held for Lake Erie be printed in the RECORD.

The 11.2 million residents of the United States and Canada who live on the shores of Lake Erie are watching closely the actions of their Federal, State, and local governments at this Conference.

The increasingly rapid pollution of Lake Erie over the last 15 years must be reversed if this magnificent national heritage is not to be fouled beyond reclaim.

The Federal Water Pollution Conference for Lake Erie is making a number of recommendations to eliminate pollution. I hope that they are adopted by all of the conferees.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 7, 1965]

THREE STATES APPROVE PLAN ON LAKE ERIE—MICHIGAN, OHIO AND INDIANA MAP 4-YEAR PROGRAM TO CLEAN POLLUTED WATER—BUFFALO HEARINGS SET—OFFICIALS OF NEW YORK AND PENNSYLVANIA ABSENT FROM CLOSING CLEVELAND SESSION

(By Gladwin Hill)

CLEVELAND, August 6.—Michigan, Ohio, and Indiana approved today a program for cleaning up Lake Erie, whose deterioration through pollution has long alarmed public officials, conservationists and scientists.

The program implies outlays of billions of dollars in the States of the Erie Basin, primarily for improved municipal and industrial waste treatment facilities. A 4-year schedule for accomplishing this was proposed, and the States agreed to submit detailed remedial schedules within 6 months.

The action came at the end of a week-long Federal hearing into the facts of the pollution of the lake, a major national source of water.

Representatives of New York and Pennsylvania, the two other States of the basin, were absent from the final deliberations. They left the proceedings yesterday, pleading the pressure of business elsewhere. New York and Pennsylvania are scheduled to present their views at a continuation of the hearing starting next Tuesday in Buffalo.

MAJOR FEDERAL VICTORY

The remedial "conclusions and recommendations" were endorsed by water and health officials of the basin's three Western States and by Federal representatives. They are subject to reevaluation after the Buffalo sessions, but the endorsers indicated informally that they felt committed to the outlined measures regardless of what New York and Pennsylvania did.

This bulked as a major victory for the Department of Health, Education, and Welfare in its decade-old program to reduce widespread pollution of waterways throughout the Nation.

Under Federal law, polluters of interstate waters can be required to adopt and carry out corrective programs after hearings like the current one are held. The Lake Erie proceeding is the 35th and largest of the Federal pollution abatement actions initiated since 1956.

Michigan and Ohio are authoritatively estimated to be the source of as much as 90 percent of the pollution in the 240-mile-long lake, with New York, Pennsylvania and Indiana making appreciable contributions.

ERIE AND BUFFALO CITED

The pollution ranges from untreated sewage to such chemical wastes as chlorides, acids and oil from industrial establishments. All told, around a ton a minute of contaminants pours into the lake. Particularly troublesome are phosphates, a prominent ingredient of sewage, which have caused a runaway growth of seaweed-like algae and have upset the lake's biological balance.

The metropolitan areas of Erie, Pa., and Buffalo, have been cited by U.S. Public Health Service investigators as significant sources of pollution.

The program endorsed today contained several radical steps.

It called for secondary treatment of sewage, or comparable measures to eliminate major pollutants in all communities. Secondary treatment is the neutralization of up to 90 percent of the contaminants by biological or chemical processing. About half the communities in the country have secondary treatment facilities, but two notable exceptions are Detroit and Buffalo.

The program also called for prohibiting combined sewer and storm-drain systems in all new urban development. Under the nationally prevalent arrangement of combining the two systems, a downpour overtaxes sewage treatment plants and large amounts of untreated sewage and storm water have to be bypassed directly into such outlets as rivers and lakes. With separate storm drain systems, the normal flow of sewage through a treatment plant is not disrupted by a storm.

The program calls for industrial plants to install facilities for "maximum reduction" of their discharge of a dozen major categories of contaminants. These range from phenols, which taint drinking water, to excessive heat, which often kills fish.

The hearing conferees endorsed large sections of a Public Health Service report based on 2 years of scientific study of Lake Erie, and remedial recommendations therein.

They took under consideration a proposed schedule, advanced by the hearing chairman, Murray Stein, the Federal water pollution enforcement chief. It called for:

Completion of municipal waste treatment plans and specifications by August 1966.

Completion of financing by February 1967.

Start of construction by August 1967.

Completion of construction by January 1969.

Completion of industrial waste treatment facilities by January 1969.

The prospective cost of secondary sewage treatment facilities in Detroit alone has been estimated by municipal officials at more than $100 million.

The New York representative at the hearing until yesterday was Richard D. Hennigan, director of the State health department's bureau of water resources services. The Pennsylvania participant, who also left yesterday, was Richard Boardman, representing the State department of health.

[From the New York Times, Aug. 6, 1965]

CONCERNS TO GIVE POLLUTION DATA—COMPANIES REVERSE POLICY IN UNEXPECTED MOVE

(By Gladwin Hill)

CLEVELAND, August 5.—Significant progress in the nationwide effort to overcome water pollution was registered today.

A number of industrial concerns agreed to provide the U.S. Public Health Service regularly with data on the composition and quantity of their waste discharges into public waterways.

Many concerns have made a practice of withholding such information on various pretexts. The result has been to handicap and retard State and Federal efforts to pinpoint pollution sources so that suitable remedial programs might be formulated.

The development came on the third day of a Federal hearing that is the initial phase of formal proceedings to abate the severe pollution of Lake Erie.

MISSING REPRESENTATIVE

The session was punctuated by the sudden disappearance from the hearing of New York's representative in the five-State conference, Robert D. Hennigan, director of the New York State Department of Health's Bureau of Water Resource Services.

Mr. Hennigan, an assiduous participant in the preceding 2 days' sessions failed to appear today without notice.

Murray Stein, Federal water pollution enforcement director and chairman of the hearing, jocularly remarked that it was the first time in 35 such proceedings over a decade that an official participant had "taken French leave" and "stolen away in the night."

An official search party ascertained that Mr. Hennigan had checked out of the Sheraton Hotel, scene of the hearing, at 6 p.m. last night.

This afternoon Dr. Meredith Thompson, New York's assistant commissioner of environmental health services, telephoned from Albany saying Mr. Hennigan had been called back to an emergency meeting on Hudson River water problems. He observed that ordinarily "New York State representatives do not leave meetings without communicating."

STATE DEFAULTS AT SESSION

Attendance at the hearing is not compulsory, but absence means a State defaults in participating in any conclusions the conference may reach at a session about remedial programs. Such programs become enforceable by law.

In this instance, some preliminary findings may be announced at a session tomorrow, but final conclusions will await a second hearing that will open at Buffalo on Tuesday.

Governor Rockefeller and others are expected to present New York's views on the Lake Erie problem at that hearing.

The other States involved are Michigan, Indiana, Ohio, and Pennsylvania.

Dozens of spokesmen for governmental agencies, industry, and civic groups have also been testifying about the serious contamination of the 240-mile-long lake and means of arresting it.

The consensus is that the main solution is quick improvement of the treatment facilities for the municipal and industrial wastes that pour into the lake between Detroit and Buffalo at a rate of about a ton a minute.

DATA CONCEALED

A Federal inventory of these sources has been obstructed by the refusal of some corporations to divulge waste data. An Ohio law has sanctioned this concealment.

Some companies have contended that the information involved "trade secrets," others that the data "might be misinterpreted." But the real motive in most cases, responsible Federal officials say, was simply to conceal the amount of a company's pollution.

At a Mahoning River pollution hearing in Youngstown, Ohio, in February, the United States Steel Corp., the Republic Steel Co., the Youngstown Sheet & Tube Co., and several smaller concerns refused to give Federal investigators requested information.

Such secretiveness has been repeatedly thwarted by sampling industrial plants' effluents from boats, but this is a protracted and expensive process.

A tacit renunciation of secretiveness about effluents came about unexpectedly at today's session.

A succession of executives from the Cleveland industrial complexes told the panel of Federal and State representatives that they would make public full information about the quantity and character of their companies' waste discharges.

They included representatives of United States Steel, Republic Steel, the Sun Oil Co., the Harshaw Chemical Co., the Standard Oil Co. of Ohio, the Sherwin-Williams Co., and E. I. du Pont de Nemours & Co.

The Jones & Laughlin Steel Corp., while presenting no testimony, sent a message endorsing the policy.

WORKS OF PEACE IN SOUTHEAST ASIA

Mr. HARTKE. Mr. President, 20 years ago last July 31 the cruiser *Indianapolis* was hit by a submarine torpedo in the last days of the war in the Pacific. When that ship, named for the leading city of my State, went down she took with her 880 men in the greatest sea disaster in the history of the Nation.

On the anniversary of that event, there assembled in the city of Indianapolis survivors of that sinking in a commemorative reunion of those who served on the cruiser *Indianapolis*. The speaker for the occasion was a distinguished Indianapolis man, now holding a high post in the Federal Government, Joseph W. Barr, our Under Secretary of the Treasury. The purpose of his address, he told the group, was "to widen the borders of peace and extinguish the flames of war in our times."

His speech, concentrating on the manner in which we have constructed since that time a world which is interlinked by a variety of new international organizations in the realm of economics, is one which makes a contribution to that purpose. Therefore, I ask unanimous consent that this address may appear in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EXTENDING PEACE

(An address by the Honorable Joseph W. Barr, Under Secretary of the Treasury, at the reunion of survivors of the U.S.S. *Indianapolis,* Indianapolis, Ind., July 31, 1965)

We are gathered here tonight to pay the humble respects of the living to the honored memory of 880 gallant men who died in the greatest disaster at sea in the history of the U.S. Navy, the sinking of the cruiser *Indianapolis.*

I think that in the calamity that overtook the great ship whose name honored our fine city, just 20 years ago this midnight, there are elements of tragedy and of irony that stand as signal lessons to the world of today. The tribute that I will try to pay to this gallant ship and her brave men—the survivors as well as the dead—will be an attempt to put these lessons to use in our efforts to widen the borders of peace and extinguish the flames of war in our times. This is the only adequate kind of tribute we could make to the *Indianapolis* and her men.

The *Indianapolis* was torpedoed just after midnight on July 30, east longitude, 1945, with the end of World War II only a few days off. It was hit by a submarine only a year old, F–147, with the then most modern weapons, a well-trained crew and a competent commander, which had hunted a full year without any luck. If the bad luck of the Japanese submarine I–58 had held that night—when the hit it scored was made possible only by the coincidence of several extremely lucky factors—the *Indianapolis* and her men would have survived the few more days until peace came.

If we lift our eyes from this dark tragedy just before the dawn of peace and look about us today, it is as though not just 20 years had passed, but as though we were in some new and splendid millenium.

We cannot pause for more than the briefest indication of what those changes have been. In terms of today's prices, our gross national product is twice what it was in 1945, and our standard of living, despite a rapidly growing population, is more than twice as high, measured by personal consumption expenditures. In addition, through the use of part of our income as taxes, we have greatly increased the quality of our lives. We have done so in many ways, such as a fivefold increase in outlays for education, great new outlays on highways, and on hospital and water supply construction. Meanwhile, we spent a tenth of our income to make our defenses unassailable. At the same time, we made the large outlays necessary to let the United States take over the lead in mankind's newest and most marvelous adventure, the plunge into space.

As wonderful as they are, these improvements in our country and like advances in many other parts of the developed free world, do not measure the most significant change in our lives in the last 20 years.

I am referring now to what, in my opinion, history may single out as one of the great turns toward the realization of humanity's potential.

But for all its significance, this turn has been rather generally overlooked, because for the past two decades we and the rest of the world have been so occupied and disturbed by the terrible possibilities for total destruction contained in nuclear weapons.

Nevertheless—and this is the historic change I have in mind—in these same two decades, a great and vital part of the world has made a great and vital advance toward permanent peace.

With pride and affection for our wonderful and unique Nation, we can note that this most promising of world developments took place at a time when the United States was strong and nearly all the rest of the world was weak. I do not believe history affords another example of a nation that possessed everything needed for world conquest, but which used its advantages instead to lead its friends and allies away from war, and into the paths of peace, sharing its substance with them to make them strong where they were weak, and, having restored their strength, taking its place among them as a no more than equal competitor.

This is a record that those in conflict with us now, whom we have invited to the conference table, should ponder very thoroughly.

The part of the world to which I refer includes, besides the United States, Western Europe, Canada, Japan, Australia, and New Zealand—the more economically advanced free world nations—and their neighbors.

I think—and I believe that many, many others are coming to the same conclusion—that we can begin to assert with conviction that among the nations of this most productive, best provided, most rapidly advancing part of the world, war has been renounced as an instrument of policy.

Abandonment of war as an instrument of policy, is not, of course, a measurable ascertainable matter. Nevertheless, my view is based upon a practical and mundane fact, the fact that among these nations, during the post-war years, there has been a rapid growth of the means for keeping the peace.

These means are a network of consultative, cooperative, collaborative institutions, and the will to use them constructively.

Time permits no more than a listing of the most outstanding of these institutions. The Organization for European Economic Cooperation was set up as the funnel through which Marshall plan assistance by the United States would reach Europe. It was conceived with the idea that the cooperative management of the aid funds—by the recipients—would demonstrate that even where, as in Europe, rivalries are very old and deep, collaboration in a constructive task can make collaboration a way of life. This is proved by the successors in Europe to OEEC: the European Economic Community, the European Free Trade Association, Euratom the Council of Europe, common space exploration arrangements, and many others. The fact that there is vigorous disagreement among some of the Western European powers today, but that there is no longer even any thought of war, is further proof. These disagreements show besides that collaboration can take place without killing competition.

On the broader, free-world-wide scale, there are many other examples, including:

The Organization for Economic Cooperation and Development, the International Monetary Fund, the International Bank for Reconstruction and Development and its offspring affiliates such as the International Finance Corporation, the North Atlantic Treaty Organization, the General Agreement on Tariffs and Trade, the Alliance for Progress, international agreements seeking to stabilize the supply and price of key commodities such as coffee, tin and wheat, the Organization of American States, the International Development Association, the U.N. Trusteeship Council and International Court of Justice.

All these organizations, and many others are weaving a strong fabric of peace. This is not done by great single acts, but by thousands of little daily actions—exchanges of information, mutual and mutually respected criticisms and suggestions, the sharing of burdens, advance discussion of policy and the common making of policy, in place of the imposition of the policy of the strongest. This has become our accepted way of life.

It is not a way of life that rules out disagreement. As I have already indicated, you need only to read a newspaper any day to see the contrary. But it is a way of life that opens nations to the opinions and criticisms of others, and it is a way of life that requires a willingness to listen to one another's views, and a way of life that calls for constructive reaction to the other nation's problems. Now, this is not only a peaceful way of life. It is also one that grows upon you as you go along because it is constructive. Everyone who is a party to it has an increasingly high stake in maintaining it because of the building up of the benefits that flow from the sharing of burdens and from constructive problem solving.

To illustrate the point that I have been making, let me call your attention to the fact that the Secretary of the Treasury, the Honorable Henry H. Fowler, on July 10 described in the following words a potential problem the world may face as the United States brings its balance of payments into equilibrium: "without additions to the reserve dollars that our deficits have so long supplied, the world will need a new and assured source of growing liquidity to support increasing world trade and investment." Secretary Fowler went ahead to state: "I am privileged to tell you this evening that the President has authorized me to announce that the United States now stands prepared to attend and participate in an international monetary conference that would consider what steps we might jointly take to secure substantial improvements in international monetary arrangements."

In these statements our Government is indicating to the world not only its determination to solve our own payments problem, but our willingness to consult with all free nations and to solicit their viewpoints to make certain that the growth of world trade and investment is not impaired.

It is for reasons such as these that I believe the growth of interdependence has gone so far as in the free world that it can be said with realism that we have learned to live with peace, and that there is no reason to think that the nations participating in the consultative, collaborative process I have been describing will ever turn again, among themselves, to destructive, rather than constructive, solutions of their problems.

It is in this light that the tragic, ironic lessons of the death of the *Indianapolis*—and of World War II as a whole—stand out.

Had such a consultative, mutually responsive and constructive international society existed in the 1930's, World War II could have been prevented.

That is the bitter lesson we cannot avoid if we compare today to yesterday. But I have not taken your time up to this point to make a philosophical comment. Nor have I been describing the improvements in our individual, national, and international lives in a mood of self-congratulation. It is not yesterday that I have in mind, and not only the better world of today, but the still far better world of tomorrow; I am not thinking only of that part of the world that has already learned to stop fighting and to start building, but of an extension of it to new and very important ground.

We are convinced that the safer, more productive and faster growing and improving world which we have been bringing into being in much of the free world will prove so attractive that in time it will spread to the whole world.

But the United States is acting now to extend it immediately where immediate extension is most urgently needed. President Johnson took this step in his historic address on the pattern for peace in southeast Asia, on April 7, at Johns Hopkins University. Discussing and defining the responsibilities of the United States in Vietnam, President Johnson made it clear that we would not be defeated, we would not retreat, that the use of force would not pay. He then offered to the peoples of southeast Asia—including North Vietnam—an opportunity to build rather than destroy, to enter into the weaving there, as we have here—and with our help—of a strong fabric of peace and progress in southeast Asia. The President pledged himself to seek a billion dollars from the Congress to give effect, in the form of constructive works of economic betterment in southeast Asia, to his offer.

Only 3 days ago, on July 28, the President repeated and emphasized this pattern for peace.

In effect, what we are saying is:

The days of aggression and terror and war itself are numbered. Here in our world we are learning to live at peace. All of us are immeasurably better off for it. We offer you our help, and we welcome you into our open, constructive world of peaceful improvement of the human lot. Stop the fighting, and let us all together start the building.

Let me say, as the President said on July 28, that this offer is not made "as the price of peace, for we are always ready to bear a more painful cost, but rather, as a part of our obligations of justice to our fellow man."

I want to spend most of my remaining time with you discussing the economic program that the United States holds forth to the people of Vietnam and the other peoples of southeast Asia. First, however, I want to go over with you, as the President does whenever he discusses Vietnam, the reasons we are fighting there.

"Why must young Americans, born into a society exultant with hope and with golden promise, toil and suffer and sometimes die in such a remote place?" the President asked in his remarks last Wednesday. And he answered: "The answer, like the war itself, is not an easy one, but it echoes clearly from the painful lessons of half a century. Three times in my lifetime, in two World Wars and in Korea, Americans have gone to far lands to fight for freedom. We have learned at terrible and brutal cost that retreat does not bring safety and weakness does not bring peace.

"It is this lesson that has brought us to Vietnam. This is a different kind of war. There are no marching armies or solemn declarations. But we must not let this mask the central fact that this is really war.

"It is guided by North Vietnam and it is spurred by Communist China. Its goal is to conquer the South, to defeat American power, and to extend the Asiatic dominion of communism.

"There are great stakes in the balance.

"Most of the non-Communist nations of Asia cannot, by themselves and alone, resist growing might and the grasping ambition of Asian communism.

"Our power, therefore, is a very vital shield. If we are driven from the field in Vietnam, then no nation can ever again have the same confidence in American promise, or in American protection.

"In each land the forces of independence would be considerably weakened and an Asia so threatened by Communist domination would certainly imperil the security of the United States itself.

"We did not choose to be the guardians at the gate, but there is no one else."

And in his pattern for peace address in April, the President put it:

"We fight because we must fight if we are to live in a world where every country can shape its own destiny, and only in such a world will our own freedom be finally secure * * * the infirmities of man are such that force must often precede reason, and the waste of war, the works of peace.

"We wish that this were not so. But we must deal with the world as it is, if it is ever to be as we wish."

These gentle and generous reasons for our restrained, carefully measured-out use of force in Vietnam are in keeping with the constructive peace the President proposes.

What, then, are these works of peace?

First of all, we should remember that what has now been proposed does not stand alone, that we have already made very great contributions to development in southeast Asia.

Our military assistance in keeping the area from being converted into a small morsel to be gobbled up by the hungry communism of

Asia is undoubtedly the biggest single assistance we have given. Without it today South Vietnam, and much if not all of the rest of the area, would lie stripped and impoverished in the poorhouse that is Asian communism, deprived even of the right to use its own resources for its own benefits.

But we have not only been preserving the resources of southeast Asia. We have also been adding to them in very great measure. American economic assistance has gone to many countries of southeast Asia, including Burma, Indonesia, Laos, the Philippines, Thailand, and Vietnam, over most of the past two decades. The single biggest recipient of our economic assistance in this area has been Vietnam.

It is in this setting that the President proposes an accelerated program of development assistance in southeast Asia. In proposing this program last April as the pattern for peace in that troubled and for the most part impoverished part of the world, the President said:

"The first step is for the countries of southeast Asia to associate themselves in a greatly expanded cooperative effort for development. We would hope that North Vietnam would take its place in the common effort just as soon as peaceful cooperation is possible."

As part of the cooperative action of the southeast Asian people themselves, President Johnson has accepted, and has proposed U.S. participation in, the Asian Development Bank that is now being brought together. I had the pleasure of attending a meeting at Washington earlier this week at which representatives from the Philippines, South Vietnam, India, Pakistan, and Iran explained their plans for the Bank to U.S. officials.

I have rarely, if ever, attended a meeting more full of enthusiasm, and I may say, of more promise in the approach to a great task. I think it is a project that will succeed. To help it succeed, the President has proposed not only U.S. financial participation, but has designated Eugene Black to serve as his personal representative, and to share with the Asian organizers of the Bank the vast experience Mr. Black accumulated as President of the World Bank for 15 years.

Subject to congressional approval, the United States will subscribe some $200 million to the capital of the Asian Development Bank. This would be 20 percent of the proposed capital of the Bank. The Asian countries are to contribute some $600 million altogether and others—including, if they will come in, the U.S.S.R.—are to put up $200 million.

The Asian Development Bank is thus to be not only Asian in concept and in management, and for the benefit of Asia, but is also to be mainly Asian financed. It will cut across the world's main geographic and cultural dividing lines. In these ways, the Asian Development Bank holds promise of serving not only Asia, but of performing a signal long-term service to the world as a whole. And from our point of view, we would be joining hands with the Asians in their own chosen project.

Here we see the beginning of a web that with patience and prudence—and the more quickly and the more surely if we can move from the battlefield to the conference table in Vietnam—can be developed into the same kind of strong fabric of lasting peace and progress that has been woven so swiftly in the free world since we turned our back on our battlefields, and turned our faces to the building of a world in which humanity can begin to realize its untold potential.

As President Johnson has said, and has emphasized and reemphasized, "We will not be defeated" in Vietnam, "we will not grow tired, and we will not withdraw either openly or under the cloak of a meaningless agreement."

But we are willing to enter into "unconditional discussions" for an honorable peace, "with any government, at any place, at any time."

In stating this, the President said, when making known his pattern for peace in southeast Asia: "This generation of the world must choose: destroy or build, kill or aid, hate or understand. Well, we will choose life. And in doing so, we will prevail over the enemies within man, and over the natural enemies of all mankind."

No nation ever fought with more resolution than we fight in Vietnam. No nation ever fought with less desire for conflict, and less liking for the use of force. And no nation ever offered a brighter peace.

The **PRESIDING OFFICER**. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. **ROBERTSON** obtained the floor.

Mr. **MANSFIELD**. Mr. President, will the Senator from Virginia yield, without losing his right to the floor?

Mr. **ROBERTSON**. I yield with that understanding.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The **PRESIDING OFFICER**. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

The **PRESIDING OFFICER**. Without objection, the Senate will resume the consideration of the bill.

The Senate resumed the consideration of the bill which had been reported from the Committee on Government Operations with amendments on page 2, line 15, after the word "housing,", to strike out "and"; in the same line, after the word "development", to insert "and mass transportation"; in line 18, after the word "cooperation", to insert "to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy;"; on page 3, line 24, after the word "problems", to insert "consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of urban and metropolitan development programs and projects;"; on page 4, line 8, after the word "activities", to insert "encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department;"; in the headline, in line 21, after the word "Officers", to insert "And Officers"; on page 5, line 5, after the word "time,", to insert "One of the Assistant Secretaries shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market."; after line 17, to insert:

(c) There shall be in the Department an office to be known as the Office of Urban Program Coordination, which shall be headed by a Director, who shall be appointed by the Secretary. Such Office shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

And on page 7, after line 5, to insert:

(c) The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949, as amended (79 Stat. 135) or by statute.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Department of Housing and Urban Development Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's urban communities and metropolitan areas in which the vast majority of its people live and work.

To carry out such purpose, and in recognition of the increasing importance of housing and urban development in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development; to encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems; consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of urban and metropolitan development programs and projects: encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban development activities; encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department; and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS AND OFFICES

SEC. 4. (a) There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time. One of the Assistant Secretaries shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

(b) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for assistant secretaries for administration of executive departments.

(c) There shall be in the Department an office to be known as the Office of Urban Program Coordination, which shall be headed by a Director, who shall be appointed by the Secretary. Such Office shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

TRANSFERS TO DEPARTMENT

SEC. 5. (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (94) of section 303(e) of the Federal Executive Salary Act of 1964 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in section 7(c) hereof.

(c) The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949, as amended (79 Stat. 135) or by statute.

CONFORMING AMENDMENTS

SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development."

(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof:

"Eleventh. The Department of Housing and Urban Development."

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided,* That any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the Federal Executive Salary Act of 1964.

(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed $100 per diem for individuals.

(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said fund, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

(g) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

SEC. 9. (a) No cause of action by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of this enactment. Such causes of action may be asserted by or against the United States or such official of the Department as may be appropriate.

(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the pendency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers, and duties transferred under section 5(a) of this Act shall lapse.

SEPARABILITY

SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed, by and with the advice and consent of the Senate, shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, the proposal to raise the Housing and Home Finance Agency to the status of an executive department is an unnecessary and a wasteful step. The primary purpose is to bring pressure upon Congress to increase spending for city housing, urban renewal, and transportation. Current news items indicate that the new Cabinet officer would start with a $7 billion budget, referring to the new housing bill recently written into law. That estimate is a misnomer because the public housing authorized by that bill will eventually cost more than $7 billion. When some Member of the Senate estimated that the housing bill would cost $15 billion, the Senator in charge of the bill frankly admitted that no one could form an exact estimate of what the bill could cost because of the open end authorizations and the authority to draw funds directly from the Treasury.

Last week, the Federal Reserve Board estimated that the current boom would last all of this year and perhaps go well into next year and at the unprecedented level of $660 billion. Also, the national produced income is at an all-time high and likewise the number gainfully employed. So we find those who look only at the rosy side of the medallion predicting that we can have both guns and butter.

No one seems to know what the guns will eventually cost, but even on the basis of the current level of war expenditures, I predict that we are not going to have both guns and butter except on the basis of a higher price for butter. In other words, I estimate current budgeted expenditures, exclusive of social security, of $107 billion and revenue at $94.7 plus, leaving an anticipated deficit of $12.3 billion. Yet, we are asked to create a new spending agency to put pressure on Congress for new public housing units, each one of which over a period of 40 years will cost the Government $14,000, for more contributions to those who wish to rent a house better than their income can finance, and to make contributions to the redevelopment of our cities with mass transportation grants of 50 percent or more and urban renewal grants up to 75 percent.

The proposal to create a new Department of Housing and Urban Development is unnecessary because it does not create any new functions not already being performed by the various bureaus that make up the HHFA. The House committee said in its report:

> It does not modify or repeal existing programs; it does not propose new ones.

It is wasteful because the tendency of all full-scale departments has been to grow. One of the first acts of the Eisenhower administration was to create the Department of Health, Education, and Welfare, which began its existence with a budget of $1,927,432,261 for the fiscal year 1954.

Eleven years later that Department had a budget for 1965 of $6,985,726,000. Of course, it will be said—and properly so—that in the meantime Congress has authorized new welfare programs and expanded old ones.

I do not necessarily find fault with the merits of these programs. I say only that the tendency of departments is to grow, and we may assume that the presence at the Cabinet table of a Secretary of Health, Education, and Welfare has enabled those functions to get a larger share of the Federal budget than they otherwise would have received.

Is it not reasonable to assume that when another chair is moved up to the Cabinet table in the White House, to be occupied by the Secretary of Housing and Urban Development, he, too, will be in a position to claim a larger share of the budget?

On the basis of what we have seen happen in other departments, I am not much impressed by the figures given to the House committee by the Budget Bureau to show that there would be a net savings of $50,000 a year in salaries by converting HHFA into an executive department.

Even if there should be such a reduction in the first year, I predict it will not be long until the payroll of this new Department begins to climb.

The Senate Committee on Government Operations said in reporting this bill that the urban areas of the country, both large and small, are in trouble, with local taxes running about 140 percent higher than 15 years ago. The same is true of State taxes, the committee added.

The only inference I can draw from this argument is that, with a Department of Housing and Urban Development, the Federal Government will do more to help cities meet their financial problems.

Just a few weeks ago this Congress showed its willingness to help meet these urban needs by passing a $7.5 billion housing program, a substantial part of which was for urban renewal. I did not vote for that bill, Mr. President, because the Federal Government also has its financial troubles. It is not only in the red, but faces military expenditures in Vietnam that will throw the Federal budget further out of balance next year.

In his message asking for this bill the President estimated that by 1975 we will need over 2 million new homes a year. The present need is for about 1.6 million. He said we will need schools for 10 million additional children, welfare and health facilities for 5 million more people over the age of 60, and transportation facilities for the daily movement of

200 million people and more than 80 million automobiles.

Undoubtedly, these estimates will be borne out. But if the creation of a new Federal department to study these needs means that the Federal Government will assume more and more of the burden; it is not going to cost any less. It would mean only a transfer of debt from the State and local to the national level.

It might be well to consider, also, where we are going to stop in the creation of new departments.

For example, the National Aeronautics and Space Administration is a rapidly expanding independent agency, and if it succeeds in putting a man on the moon in the next few years it would not be surprising if NASA asked for a seat at the Cabinet table.

Mr. President, I am opposed to the bill, and, while the indications are that the Senate will concur in the House action, I believe that such action is ill advised. I shall vote against the bill.

FORTAS' CONTRIBUTION TO CIVIL LIBERTIES

Mr. PROXMIRE. Mr. President, the Senate will soon be called on to consider the appointment of Abe Fortas to be Associate Justice of the U.S. Supreme Court. Mr. Fortas has had a remarkably influence on the development of law in the United States.

As unpaid counsel for the indigent defendant Clarence Earl Gideon, Mr. Fortas successfully argued that it is a basic constitutional right for every citizen to have a lawyer when charged by any State with a felony. In the now famous case of Gideon against Wainwright, the Court ruled that the State must provide, at its own expense, the indigent with counsel.

Prior to the Court's ruling in that case, the prevailing rule, as established in Betts against Brady in 1942, compelled the States to provide counsel only in a capital case. How could the distinction between capital and noncapital cases be upheld? The 14th amendment protects individuals from deprivations by the State, of liberty, as well as life, without due process. Yet for 20 years the distinction was somehow upheld.

Then, in 1962, Abe Fortas pointed out with great particularity and clarity in his brief in the Gideon case that—

> An accused person cannot effectively defend himself. The assistance of counsel is necessary to due process and to a fair trial. Without counsel, the accused cannot possibly evaluate the lawfulness of his arrest, the validity of the indictment or information, whether preliminary motions should be filed, whether a search or seizure has been lawful, whether a confession is admissible * * *. He cannot determine whether he is responsible for the crime as charged or a lesser offense. He cannot discuss the possibilities of pleading to a lesser offense. He cannot evaluate the grand or petit jury. At the trial he cannot interpose objections to evidence or cross-examine witnesses * * *. He is at a loss in the sentencing procedure.
>
> An indigent is almost always in jail unable to make bail. He cannot prepare his defense.

The argument convinced the Court. The right to counsel in criminal cases, as guaranteed by the sixth amendment, was extended to the States. The rights of the individual were immeasurably strengthened. Yet for his work, for his energy, for his time, and for the resources of a large part of his office, Mr. Fortas did not receive any compensation at all—except the knowledge that all citizens of our Nation are freer because of his efforts. This is the labor of a man who believes in individual rights and freedom; of a man who, I am sure, will give these cherished values the highest place in his judicial philosophy.

Abe Fortas was responsible for another legal landmark in the famous Durham case, tried before the U.S. court of appeals here in 1954. Although the ruling in that case—concerning the slippery and elusive concept of criminal insanity—has not received national constitutional scope, its repercussions have nevertheless been felt nationwide.

The test for insanity used in most Federal and State courts at the time of the Durham case was formulated toward the middle of the 19th century in England. The so-called M'Naghten rule stated as an exclusive test of criminal responsibility:

> The jurors ought to be told in all cases that every man is to be presumed sane, and to possess a sufficient degree of reason to be responsible for his crimes, until the contrary be proved to their satisfaction; and that, to establish a defense on the ground of insanity, it must be clearly proved that, at the time of the committing of the act, the party accused was laboring under such a defect of reason from disease of the mind, as not to know the nature and quality of the act he was doing, or, if he did know it, that he did not know he was doing what was wrong.

But ever since 1838, well before the M'Naghten case, the "nature and quality" or "right-wrong" tests have been criticized. In 1928, Mr. Justice Cardozo said in a speech before the New York Academy of Medicine:

> Everyone concedes that the present (legal) definition of insanity has little relation to the truths of mental life.

Here and there some changes were made, but nothing fundamental enough to eradicate the basic defects of the M'Naghten test itself. But Monte Durham, who had a long history of mental instability, won his case on appeal against the restrictive M'Naghten rule. And Abe Fortas, through his successful argument, brought about a significant change in the legal way of looking at insanity. Circuit Judge David L. Bazelon wrote that the new rule "is simply that an accused is not criminally responsible if his unlawful act was the product of mental disease or defect." Now known as the Durham rule, it has had a significant effect in many jurisdictions throughout the country.

If Abe Fortas had not cared about his client and about insuring that the law keep pace with the advances of our scientific knowledge, this rule would not have come when or as it did. And in the Durham case also, Mr. Fortas acted as a court-appointed, nonpaid attorney.

There has been some criticism of this nomination on the grounds that we are appointing a friend of the President. The President's unbounded confidence in Mr. Fortas' abilities is no secret. The President indicated at his press conference last week that he practically drafted Mr. Fortas for the post.

But I do not think that because a man happens to have known a President well and to have had his confidence, he should be discriminated against. Felix Frankfurter had the confidence of President Roosevelt and I do not think that many today would argue against Mr. Justice Frankfurter's appointment. John Marshall was well known to John Adams when he was appointed shortly before the end of President Adam's term of office. And Chief Justice Marshall was one of the greatest Justices this Nation has had.

Anyone who studies the background of Mr. Fortas and his remarkable record of achievement cannot fail to be impressed. Mr. Fortas will be an excellent Associate Justice of the Supreme Court of the United States.

THE MIRACULOUS RISE OF NICHOLAS KATZENBACH

Mr. PROXMIRE. Mr. President, in this decade of the sixties it would be hard to find a department of Government that is more of a storm center, or more crucial to the progress of both freedom and order than the Department of Justice; and it is difficult to name a Government official whose work in this period of the sixties is more crucial for the rights and the physical safety of Americans than the Attorney General.

Attorney General Nicholas Katzenbach has occupied that post for only a brief time, but already the job which he has done has been expertly assessed. One of the most interesting and penetrating evaluations was recently written by Willard Edwards of the Chicago Tribune. Mr. Edwards, a superb reporter with many years of experience in Washington, not only reports in depth on Katzenbach, the man, in this article but also evaluates the job he has done.

I ask unanimous consent that this article entitled "The Miraculous Rise of Nicholas Katzenbach" be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Miraculous Rise of Nicholas Katzenbach

(Note.—Attorneys General usually are men of long and successful political experience. Many managed the campaigns that put their Presidents in power. In 1960 Nicholas deB. Katzenbach didn't even vote. Yet today he runs the most politically sensitive department in Washington with the courage, coolness, brains, and savvy that have made him a key figure in the administrations of two hard-to-please Presidents.)

(By Willard Edwards)

A vague discontent with his placid existence sometimes stirred the breast of Professor Nicholas deBelleville Katzenbach at the end of 5 years at the University of Chicago.

He really had no excuse for this occasional sense of frustration, he repeatedly assured himself. He was respected and honored in the academic community, having attained a full professorship at the age of 34. His lectures on international law were acclaimed as models of clarity and scholarship.

He lived in a big old house at 4925 Woodlawn Avenue with a lovely wife, four children, and two dogs. His income was entirely adequate. A transplanted easterner (associate professor of law at Yale 1952–56), he had quickly adjusted to his new environment. His colleagues found him genial, easy-going, humorous.

But he was approaching the venerable age of 38 in 1960 and, like many moderately successful men of ambition and imagination at that period in life, he found himself wondering if he was destined to settle down into a comfortable but humdrum routine, devoid of action and excitement.

"Do I want another 30 years of this?" he asked himself. He privately uttered an emphatic negative.

Escape from this cloistered serenity, however, appeared impractical, if not impossible. As an air force flyer in World War II, Katzenbach had been imprisoned after a crash and twice wriggled out of the clutches of Italian and German captors, only to be brought back. His present captivity presented problems as difficult to overcome.

The professor had an urge for public service, inherited from a father who was attorney general of New Jersey and a mother who served on that State's school board for 43 years.

The family is an old one in the State. The Katzenbachs came from Germany in the Revolutionary War period and a deBelleville from France, who settled in New Jersey, had been a personal physician to the brother of Napoleon Bonaparte.

In private law practice in Trenton, N.J., at the age of 28, Katzenbach had contemplated a political career. His ventures in that direction met with vast indifference so he went off to join the Yale law school faculty, resigning himself to an academic career which shifted to the Chicago campus in 1956.

The simple truth, Katzenbach had to confess to himself, was that no avenues to government or political service were open to him. He had no experience in either field; he had no friends with influence to help him get started. He was utterly unknown in those circles where the affairs of Nation and State are transacted.

A presidential political campaign was boiling up in 1960 but he could think of no way to get into it. With a sigh, he accepted a Ford Foundation fellowship to study legislative law and went off to Geneva, Switzerland.

There, he spent the next few months far from the turbulence of one of the closest presidential contests in history, climaxed by the hairbreadth victory of John F. Kennedy over Richard M. Nixon.

A Democrat, Katzenbach rejoiced, regretting that he had not even voted, far less aided in the campaign. He had sufficient perception of political standards to know that his absentee role would be no aid to service with the new administration—that plus the fact that none of its leaders had ever heard of him.

A few days later, however, he noted a Geneva newspaper report that Byron (Whizzer) White, a former All-American football star, had been selected as Deputy Attorney General by Robert F. Kennedy, the President-elect's brother, who was preparing to take over the Justice Department.

White was an old friend from Katzenbach's days at Yale Law School. The impulse seized him to phone Washington from a Swiss skiing station. He caught the next plane home. On the flight, he kept telling himself not to set his hopes too high. A minor legal post would be most satisfactory.

Not in his wildest dreams (or in the dreams of anyone connected with the Kennedy forces) did the unknown law professor envision the incredible series of events to follow.

Within 2 months, he was Assistant Attorney General in charge of the Office of Legal Counsel, lowest ranking of the nine assistants in the Justice Department, but a position higher than he had hoped for. White had suggested Katzenbach to BOBBY KENNEDY for the job and that was all that was necessary.

Within another 15 months, in May 1962, he was Deputy Attorney General, succeeding White who had been named a Supreme Court Justice. BOBBY, who had not met Katzenbach until the eve of the Kennedy inauguration, was so impressed by his ability that he elevated him to the No. 2 spot in the Department over the other eight assistants.

Two years and four months later, in September 1964, Katzenbach was acting Attorney General, taking over the duties of that office after KENNEDY resigned to run for the U.S. Senate in New York.

Five months later (and here the chronicle of advancement violates all the rules of political probability), Katzenbach was nominated by President Johnson as Attorney General of the United States, the youngest and certainly the most surprising member of his Cabinet. He was sworn into office last February 13.

Today, at the age of 43, the professor who couldn't get into politics runs the most politically sensitive department in Washington. He's master of an empire with 32,000 employees at his command. He's the chief law enforcement officer of the land. His secret desire for a more stimulating and action-packed career has been more than satisfied.

Katzenbach played a key role when the Kennedy administration was panicked by the Bay of Pigs disaster. He was summoned to emergency action in the crisis resulting from the discovery of Russian missiles in Cuba. He led U.S. marshals in the racial rioting at Oxford, Miss., and faced down Gov. George Wallace, of Alabama, in a televised confrontation which made his face and figure familiar to millions of Americans.

Ahead of him lie massive problems—a constantly rising flood of crime, which, if it maintains its present rate of increase at 10 percent a year, will soon bring chaos; and racial violence which, he fears, could hit any one of 25 or 30 cities this year.

These are comparatively new burdens, added to the duties of a department which has a staggering array of functions. The Justice Department, through its antitrust unit, has power to make giants of industry cringe. It operates the Federal prisons, controls the operations of the Federal Bureau of Investigation, screens all appointments to the Federal bench, prosecutes a variety of crimes ranging from tax frauds to narcotics violations.

These are tremendous powers to be entrusted to one man and Presidents have usually chosen Attorneys General who are close friends with a political background. Delicate decisions, involving prosecution of the administration's friends or foes, frequently arise. In such cases, it is preferable to have a trusted intimate who fully senses the political implications of action or inaction. Several of Katzenbach's predecessors, like BOBBY KENNEDY, managed the campaigns of the Chief Executive who selected them.

Katzenbach not only lacked political experience; he was definitely not one of President Johnson's intimates. He had, for example, only a nodding acquaintance with Bobby Baker, Johnson's good right arm in the Senate, whose financial operations have been under investigation by a Federal grand jury for more than 8 months.

Some observers have speculated that this status as an outsider may eventually have been an item in Katzenbach's favor when the President was mulling over his choice of an Attorney General. Whatever action may be taken by the Justice Department in the Baker affair, Johnson will not be plagued by charges that the decision was made by an interested party.

This factor might have been a minor consideration in Katzenbach's appointment, but the general agreement is that Katzenbach got the post because a half-dozen others were disqualified, one by one, during the 5 months the President took to make up his mind. Political considerations dictated the eliminations.

The President, it is said, was about to nominate Edwin L. Weisl, Sr., his former counsel on a Senate investigating committee, who had become Democratic national committeeman in New York. Johnson leans heavily on Weisl for political advice and has faith in his loyalty.

Then BOBBY KENNEDY became a political power in New York as U.S. Senator and it appeared that the President would need Weisl more in New York than he did in Washington. The Kennedy-Johnson relationship is not quite a feud but it could easily become one. Weisl stayed in New York as a check upon the young Senator's ambitions. The President later gave Weisl's son a post as Assistant Attorney General.

In the guessing game which developed in the 5 months following Kennedy's departure, the names of men like Senator THOMAS J. DODD, of Connecticut, Abe Fortas, a veteran of the New Deal era, and Leon Jaworski, a Houston, Tex., lawyer, were reported under consideration. Anyone with a legal background, who could claim he had been a Johnson supporter in 1960 and earlier, was fair game for the gossips.

Few gave a thought to Katzenbach and he, himself, had no illusions about his chances. As the waiting period lengthened, however, he began to wonder if, by a process of elimination, the President might not get around to considering the qualifications of the man handling the job.

Early one morning, as he was watching television, Katzenbach heard a newscaster report from Johnson City, Tex., that Clark Clifford, a Washington lawyer and intimate of L.B.J., would be the next Attorney General. When he left the house a few minutes later, instead of the big Cadillac limousine which customarily transported him to the Justice Department, he found his chauffeur waiting in a smaller sedan.

"I know the word spreads fast in this city," he told his driver in mock amazement, "but I didn't know the comedown would be this quick." The big car, it developed, was in the garage for repairs.

Katzenbach tells this story on himself with the same good humor that has fortified him on many another occasion. Asked to recall some incidents of his Chicago career, he embarked upon a long tale involving the theft of his two dogs. He was fully conscious of the ironic flavor of this anecdote about a naive college professor who, within 5 years, would be labeled "the Nation's chief crime-fighter" in newspaper accounts.

The dogs, an Irish setter and a white poodle, disappeared one night and soon thereafter Katzenbach got a telephone call. Was there a reward for their return? How about $10, asked the owner. Two hundred and fifty would be more like it, the caller said sternly.

In the lengthy negotiations which followed, featuring mysterious meetings on street corners, Katzenbach became aware that he was the victim of a ring which specialized in returning lost dogs to their owners for a price. He appealed to the police, who were not too helpful. Two months later, after numerous contacts with an assortment of fascinating characters whom he assumed to be members of the underworld, he had his dogs back. The cost was exactly what he had been assured it would be—$250.

He was a little taken aback when his original caller telephoned him again a few nights later.

"What now?" he asked, apprehensively.

"No more trouble about dogs," he was assured. "But I notice you've got a good looking wife. Would she be interested in a nice, hot ranch mink?"

(The former Lydia Phelps Stokes of Washington, D.C., whom Katzenbach married June 8, 1946, rated the admiring comment. She is a tall brunette whom the future Attorney General met when he was an usher and she a bridesmaid at the wedding of his former college roommate, John Douglas, son of Senator Paul Douglas, of Illinois. She didn't get the mink.)

Katzenbach may or may not have been thinking of this episode when on Febuary 8 of this year he was under questioning before the Senate Judiciary Committee on his qualifications to be Attorney General.

Chairman James O. Eastland, Democrat, of Mississippi, asked about crime conditions in Chicago.

"Chicago is a major area of organized crime and we have made less progress in Chicago than we have in other areas," Katzenbach said. "To date, our success in Chicago has been with minor hoodlums for the most part. We have made progress in gambling and narcotics. * * * I would not be honest with you if I said that we have done any more than keep our head above water."

Fully aware that he was a novice in dealing with hoodlums, Katzenbach, soon after becoming Acting Attorney General, plunged into a study of crime files in the Justice Department. He was determined to be an expert among the experts he finds all around him, including J. Edgar Hoover, chief of the FBI, who is technically a subordinate.

Then, he summoned to Washington the 60 staff attorneys and investigators from around the country who had been picked by Kennedy to lead the war against crime in the United States. They came, expecting not without justification to be called upon to instruct their new leader in the intricacies of syndicated crime. They were amazed to find him fully conversant with the minute details of underworld organization.

This ability to absorb information in quantity lots was discovered by Katzenbach in a German prisoner-of-war camp.

He had been a junior at Princeton when Pearl Harbor came and he joined the Army Air Force. Commissioned and sent to the Mediterranean theater, he was on his 19th mission as a navigator when his B-25 was shot down in flames, crashing into the sea. After 26 hours on a liferaft, he was picked up by the Italians and spent more than 2 years in prison camps.

During the final months of his confinement in Stalag Luft 3, south of Munich, Katzenbach conceived the idea of finishing up his college education. The prison camp library was well stocked and he picked out more than 200 volumes to study. When he got home in 1945, he talked Princeton into letting him take examinations to win his degree, skipping 18 months of classes. He wrote a thesis on a wage control plan, passed 14 examinations, and got his degree cum laude within 6 weeks. Yale Law School (another degree cum laude) was a breeze after that and he put in 2 years as a Rhodes scholar at Oxford.

It didn't take Bobby Kennedy long to discover that his new Assistant Attorney General had a brain, liked hard work and action, and remained cool under stress. The first test came almost immediately, in the spring of 1961, when the new administration staggered under the impact of the Bay of Pigs debacle. Katzenbach helped engineer the prisoner exchange with Castro which helped to soften some of the impact of the sorry episode.

This was a complicated maneuver. Big drug firms had to be convinced that they could donate, without legal penalty, medicines demanded as ransom by Castro. Castro had to be convinced it was a private, not a Government effort. Katzenbach is prouder of his role in this affair than of some of his more spectacular negotiations later.

Two years later, when the Cuban missile crisis broke, he was suddenly called from his home to draft a legal brief supporting President Kennedy's plans to throw a quarantine around Cuba. He dictated all night to stenographers who worked in relays.

When one of the girls fell asleep it was discovered that pages of her notes were illegible. Katzenbach calmly repeated the lines she had missed. Bobby Kennedy, who would unquestionably have hit the roof under similar provocation, was impressed.

When James Meredith's entry into the University of Mississippi provoked a 15-hour riot in September 1962, Katzenbach was sent to the scene to direct an army of marshals and national guardsmen. All through the bloody turbulence Katzenbach reported to the White House by telephone. The composure of his messages drew comment.

Katzenbach could obviously keep his head under fire; the time came in June 1963, to find out just how tough he was. Governor Wallace, of Alabama, was announcing that he would stand in the doorway of the University of Alabama and stop the registration of two Negro students. Katzenbach was sent to confront him and his tall frame, bald head, and stern gaze became familiar to a great American audience in the televised encounter which followed.

Katzenbach, a chain smoker, remembers that occasion mainly because he had to "act dignified" and a cigarette would mar the act.

"It was hot, over 100°," he recalls, "and I was angry and frustrated because Wallace was putting on a show to make himself look like a big man. I hadn't written out any statement in advance so I just improvised. When I told him I wasn't interested in his show, he just glared."

Katzenbach had earlier conceived the strategy of sending the two students to their dormitory rooms rather than forcing their way through the door past Governor Wallace. The idea was to mock Wallace's performance as hollow. Later, the two students registered without difficulty.

"In the most tangled thickets of the law," wrote Bobby Kennedy later to the Senate Judiciary Committee, "and in the most profound of national crises, I and the entire Department came to lean heavily on his wise counsel, his deep understanding, and his unfailing fortitude."

Katzenbach's predecessor holds few men, especially of his own age, in such high esteem. He was voicing a sincere tribute to a troubleshooter who had rarely been without trouble.

On Capitol Hill, Katzenbach became noted for another quality—an infinite patience with congressional leaders torn by conflicts over the civil rights controversy.

Through long days and nights, he negotiated with the lords of both parties, adjusting the Civil Rights Acts of 1964 and 1965 to a final form which could achieve legislative endorsement.

Senator Dirksen, of Illinois, the Republican minority leader, who has watched executive department heads come and go for three decades, labored with Katzenbach for months and came up with this verdict:

"He's a brain. He can master the details of the most complex bill. More importantly, he's levelheaded, keeps his feet on the ground, rolls with the punches and takes on all comers."

Katzenbach lost his temper only once—when a Texas Congressman, Representative John Dowdy, Democrat, said he'd been informed that Katzenbach had "cleared" the constitutionality of the Voting Rights Act with five Supreme Court Justices, including Chief Justice Earl Warren.

This accusation of "the grossest impropriety" was described by the Attorney General as "so incredible and irresponsible a statement" that it would have been unworthy of comment if made by anyone other than a Member of Congress. He called the charge "utterly false" and Dowdy subsided.

Dirksen and other congressional leaders, Democratic and Republican, agreed that Katzenbach was incapable of such an act and endorsed his wrathful reaction. They have some reservations about the new Attorney General, however, which will not be resolved until he has been longer in office. They will watch with interest, and so will the business community, to see how he uses the antitrust laws which give the Justice Department a great power to police the American economy.

Katzenbach ridicules newspaper reports pretending to reveal either a soft or tough antitrust policy in the Justice Department. What does it matter, he says, if the Department philosophy is either too timid or too militant—"the Department proposes and the Supreme Court disposes." There can be no uncertainty, he says, about prosecuting such illegal activities as price-fixing but there is a great area of uncertainty about business mergers which are constantly increasing—by 20 percent in 1964 over 1963. Less than 1 percent of these have been questioned by the Department, he noted. He thinks clearer guidelines are needed.

He is seeking the cooperation of industry in establishing these guidelines, pledging an informed recognition of the nature and legitimate requirements of business. Afflicted as he is with a tendency to look at both sides of a question, the speculation is that he will not become notorious as a trust buster.

After moving in the storm center of the racial struggle for more than 2 years, Katzenbach has some pungent views on the tactics employed by certain leaders which are not pleasing to him. With his own stature as a foe of discrimination unassailable, he can voice criticisms avoided by timid politicians.

On the day he was interviewed, a line of picketers marched in front of the Justice Department Building, carrying signs marked "Stop brutality in Mississippi" and "Put justice back in the Justice Department." They were young and they were enjoying themselves, singing and laughing.

Such futile demonstrations depress Katzenbach. He is against demonstrations for demonstrating's sake. A march of southern Negroes can be a dignified act, he says, but he has some doubts about the ministers who desert problems in the North to fly to Selma, Ala.

"They are less quick to see the problem back home," he says. "If they don't, the problems are going to get worse. Better education, better housing, better job opportunities require local leadership. We have a militant group of ministers here in Washington but I doubt if they are doing all they could to solve these problems here and I know we have them."

His patience was severely tested in March when a chanting group of some 25 Negro and white demonstrators invaded the corridor outside his fifth floor office, demanding Federal intervention in the Alabama civil rights struggle. They sat down and stretched out on the floor, swearing they would not move until Federal protection was provided for the march from Selma to Montgomery.

Katzenbach, in his shirt sleeves, came out and tried to talk them into leaving. He hunkered down to talk to them and at one point got down on his hands and knees.

"I can understand your feelings but your sitting here will not influence my decision," he told them. "I'd appreciate it if you left pretty soon so I can get my work done."

The singing did not lessen during his talk and one youth later apologized to Katzenbach for "the shameful way they treated you." Police and building guards, pushing and dragging, finally removed them.

He has sympathy for youthful demonstrators if they are sincerely concerned and not out for a lark. In a commencement address at Tufts University June 6, he expressed a preference for young people who throw themselves into an area of social controversy over those who ignore such problems. But he had scorn for those who involve themselves unthinkingly or for diversion.

"Picketing becomes pointless, silly, and even harmful when it serves only as a substitute for goldfish swallowing or a panty raid, or as a catharsis for a dull weekend," he told the graduates.

Although he is concerned about the probability of renewed racial violence this summer, Katzenbach's overriding worry is the steadily increasing crime rate in the United States. He sees real danger ahead unless a major attack upon this problem achieves some success.

Although he dissents from violent criticisms of the courts as seemingly more concerned with the constitutional rights of criminals than of the citizens they attack, he is aware that there is a discrepancy between the lawbooks and reality.

He sympathizes with the police who are frequently frustrated by court rulings which free criminals on technicalities.

"There is a tendency in this country to beat the police over the head," he says. "There is a terrible failure of communication between police, bench, and bar. The police have a persuasive case which has not been articulated. I do not believe the police of the country have put their case well. By and large, they wind up getting the short end of the stick.

"On the other hand, we can't just pass laws to make the cops happy, only to see them ruled unconstitutional."

Katzenbach has set up an office of criminal justice in his Department, which is studying what the criminal law is, what it should be, and the reforms necessary. It is working now on the District of Columbia crime problem, which has been aggravated by a ruling barring confessions obtained by police during a period of unnecessary delay before booking.

Police, as a result, have been charging suspects almost immediately after arrest. This hinders questioning and it also sometimes results in a serious injustice to an innocent person, too hastily charged. The law, Katzenbach says, must provide an answer somewhere in the middle, permitting the police to do some questioning and still protecting the individual.

He tells a true story to illustrate the hypocrisy of some who attack such police procedures as stopping a suspect and frisking him for evidence.

A young law professor from New York left his briefcase in his locked car and was shocked, when he returned, to find it gone. He called police who searched the neighborhood and discovered a man peering into parked cars. They stopped him, frisked him, and ordered him to open up a car, which he admitted was his. In the trunk was the missing briefcase.

The agitated professor grabbed the man, shook him, and yelled, "Don't you realize there are months of irreplaceable work in that briefcase?"

"His concern was understandable," Katzenbach says. "The briefcase contained his only copy of a long paper he had written on New York's stop-and-frisk law—attacking the law."

In the long run, Katzenbach believes, the crime rate will not subside unless major public support is enlisted.

"Fear of violence forces hundreds of thousands of Americans to live a circumscribed life," he says. "They are afraid to use public streets, parks, buses, or subways after dark. Much of this fear and much of the violence could be dissolved if more people were willing to step forward to help."

As long as American citizens watch crime in the streets but refuse to be witnesses because they don't want to be involved, crime will not be checked, Katzenbach says. People must accept responsibility of the preservation of law, risking loss or pain for a fellow citizen so that he, in turn, might on another occasion be willing to aid.

To a young girl who wrote, asking him to explain the law, he put it simply:

"Law is like the rules you set for your games. If one of your playmates cheats, it spoils the game for the rest of you. So all of you try to follow the rules because you know it is the rules that hold the game together.

"Law is just like that. It is the glue that holds our country together. If all of us always did exactly what we wanted to do, our country would fall apart. Most people respect the law. But there are always some who will try to do what they want to do—cheat or steal or even murder. It is up to the attorney general to keep those people from breaking the law, to catch them when they do, and to encourage respect for law all over the country."

Organized crime corrupts government at State and local levels and increases crime in the streets, Katzenbach says. The rise in crime among young people is due to unemployment among school dropouts, "one of the biggest problems the country faces." But youth crime is also a suburban problem, unrelated to poverty, and in this area, he believes, parents more interested in themselves than in their children, are to blame.

Most of the people crying for national leadership in the fight against crime do not realize that criminal acts like burgary, theft, assault, and robbery are outside the jurisdiction of the Federal Government. Not too long ago, the Justice Department was a legal agency which played a passive role, responding to the calls of its client, the U.S. Government, when necessary.

Under Kennedy's leadership it launched a drive against labor racketeering and organized crime and now it is being called upon to battle all forms of crime on a national level. President Johnson has demanded that Washington, which has climbed from eighth to fourth among the cities of comparable size in its crime rate, be made safe for citizens. No progress has been reported so far except in the wrong direction.

Katzenbach has great hopes for the forthcoming Presidential commission on crime, a policy-shaping organization. He has started a grant-in-aid program to help State and local police departments and correctional institutions. This is a departure from tradition that could make him the national leader against crime and its causes.

His fertile mind has produced a great variety of additional suggestions. He has proposed new laws forcing immunity on reluctant witnesses and reform in the bail process. He believes the police are entitled to new weapons to replace the pistols, nightsticks, and handcuffs which have been in use for a century. Why, he asks, not give a policeman a weapon which could stun a man into unconsciousness, freeing him from the necessity of shooting to kill?

As he sits in his huge office (where the irrepressible Bobby Kennedy occasionally let off steam by lobbing a football), Katzenbach has wry recollections of the craving for excitement he sometimes experienced when he was teaching his classes at the University of Chicago 5 short years ago.

It is no exaggeration to say that his problems are as massive and dangerous in their implications as those faced by any officeholder in government, not excluding the President. There are more murders in the United States in 1 month than the total of casualties to date after 4 years of American involvement in the war in Vietnam. Seven thousand major crimes are committed every 24 hours.

Katzenbach is serving under a President who is impatient for action on the crime front, aware that a Great Society must also be a safe society. The most powerful and prosperous nation cannot long survive uncurbed lawlessness and moral decay.

Nor can an Attorney General in the Johnson administration, especially one without political sponsorship or following, long survive a constantly increasing crime rate without producing evidence that he can lead a devastating counterattack.

Katzenbach knows that directly beneath him in the No. 2 spot as Deputy Attorney General is Ramsey Clark, 37, the son of the President's old friend from Texas, Supreme Court Justice Tom Clark. The younger Clark has served as a special aid to the President and it is accepted in Government circles that he keeps an eye on Katzenbach and reports to the White House on Justice Department activities. If Katzenbach does not click, Clark is the heir-apparent.

The Attorney General is seemingly unperturbable under the burden of his responsibilities. The only worry he will confess is over the 225 pounds which now pad his 6-feet 2-inch frame as the result of a sedentary life. He was an ice hockey star at Princeton and loves skating, skiing, and boating.

At 43, he is little changed in appearance from the college professor of 1960. But once famous for informal attire, rumpled clothing, a taste for color-clashing ties and shirts, he now wears well-pressed, dark suits and discreet accessories.

His calm confidence may come from a conviction that the fates which have been exceedingly kind to him are not about to desert him now. Nobody has come up faster in Washington and few would dare predict that the ascent has ended.

WORLD TRADE COULD SHRINK AS INTERNATIONALLY AVAILABLE CASH DWINDLES

Mr. PROXMIRE. Mr. President, in the last few years the big economic story has been the remarkable growth of the free world: the growth of individual economies in Western Europe, in Japan, in the United States, and more recently in the underdeveloped areas such as South America.

This growth has been fueled and fostered by the increase in world trade. World trade and world economic growth have thrived—and this is mighty ironic—on the American loss of gold and dollars.

The act is that the adverse balance of U.S. payments has provided precisely the international liquidity that has been quintessential to international economic development.

There is every reason to hope and expect that world trade and free world economic growth may proceed in the next decade as handsomely as it has in the past. But if it is to do so, it will take a continuing increase in liquidity, and, as every Senator must know, that increase in liquidity will not come from a continuing deficit in the American balance of payments.

With the interest equalization tax and the voluntary restraint on loaning capital abroad, we may already have brought the adverse balance of payments to a halt. If we have not, the President can and will propose other measures, and this Congress will enact them, that will do the job. If all else fails, the job will be done for us when we run out of gold, and with our loss of gold lose much of our financial influence and muscle.

But what happens to the ready cash, the liquidity necessary to finance increasing world trade and economic growth in the meanwhile? Do we accept the price of an international deflation and depression? Or do we find another way of providing the liquidity?

Of course, this situation is what provided the administration and Treasury Secretary Fowler to call for an international monetary conference to find ways and means of providing the liquidity we need. Unfortunately, such a conference will take time to find a solution, especially because our own experts are so badly split on what to do.

But meanwhile it is essential that we recognize, while we correct our own adverse balance of payments, what the full consequences of doing so may be; and how urgent it is that we give the kind of sympathetic support to the efforts of our country to find a solution to an international financial situation that could lead to an unnecessary depression.

In a recent editorial the Washington Post calls for a frank recognition of the implications of this situation, and the New York Times in this morning's lead editorial has a remarkably well balanced analysis of the problem.

The New York Times notes that the world's supply of gold and key currencies required to support investment and trade showed a slight decline in the first half of this year. This should be viewed along with these facts:

First. There appears at present to be ample international liquidity for present needs.

Second. World trade is growing so rapidly that the present supply is unlikely to continue to be adequate for more than a year or two.

Third. It will take some time, perhaps several years, to reform the international monetary system sufficiently to provide the kind of regular growth in liquidity we need.

Fourth. Improvement in the U.S. balance of payments is essential, but the improvement itself will worsen the international liquidity crisis.

I ask unanimous consent that the editorial from the New York Times, entitled "The Liquidity Riddle," and the editorial from the Washington Post entitled "Time for Reappraisal," be printed in the Record at this point.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

The Liquidity Riddle

Fresh fuel has been added to the debate over international liquidity by the International Monetary Fund's disclosure that the world's supply of gold and key currencies required to support investment and trade showed a slight decline in the first half of the year. Those who have been warning about the threat of a liquidity shortage that could cripple trade and economic development will see this decline, the first in many years, as proof of their contention. But those who think liquidity has been expanding too fast will see the drop as a sign of a return to moderation.

The steps taken by the Johnson administration to stem the outflow of dollars abroad had little to do with the first-half decline in the money supply available to the free world economy. It was caused, in part, by increased private demand for gold by holders of dollars and sterling and, in part, by official buying of gold with dollars. To the belittlers of a shortage this is evidence that neither European speculators nor central bankers are perturbed by a shrinkage in dollars, which until now has been a major source of supply. Yet the shortage school insists that if the United States can follow up its initial success in halting the dollar drain, the present decline in liquidity will give way to a severe and painful shrinkage.

The debate illustrates the absence of simple answers to the liquidity riddle. What is clear is that, despite the measures taken by Washington and the decline reported by the IMF, there is ample liquidity at the moment to support current trade and investment. But the real danger never has been a sudden disappearance of dollars that could throw the world into a deflationary spiral. It is the uneven distribution of liquidity, which is now created or extinguished haphazardly: The developing countries are chronically short of reserves and some of the countries with large stocks of gold and dollars are unwilling to make full use of them. Under these circumstances world trade and development could slump even though the total amount of liquidity remained high.

Secretary of the Treasury Henry H. Fowler has recognized this danger. He is mindful that the present system must be preserved by righting the imbalance in the United States balance of payments, but he is also seeking to improve the system through his call for an international monetary conference to consider reforms. The response he has received from the Europeans has not been overly enthusiastic, yet they too recognize a need for a stronger and more stable mechanism—one that provides better and more automatic safeguards against monetary crisis.

The decline in money supply registered in the first half may be inconclusive. But it does give a fresh reminder that the international monetary system must be reformed to insure that the shrinkage and the maldistribution in liquidity do not become acute.

Time for a Reappraisal

It is an article of faith in the highest echelons of the administration that the current surplus in the U.S. balance of payments poses no immediate threat to the economic stability of the free world. But there is a substantial body of evidence that casts doubt upon the validity of that crucial assumption and, indeed, upon the wisdom of continuing the programs designed to reduce the outflow of dollars.

In calling for an international monetary conference to reform the world system of payments, the administration has made abundantly clear its conviction that large and persistent surpluses in this country's balance of payments would eventually precipitate a worldwide deflation by drying up the principal source of international liquidity, the outflow of dollars. But while the longer run danger is recognized, it is the custom to deny that the current swing in the U.S. payments position threatens the stability of the closely interrelated network of national economies.

But even a cursory examination of the more obvious bits of evidence suggest that this is a dangerously wrongheaded view. It is hardly a coincidence that Japan's economic difficulties began when the Treasury proposed the imposition of the Interest Equalization Tax, a measure which rendered it difficult to borrow in this country's money markets. Australia is suffering from the same blow. And while the chronic malady which afflicts sterling should not be ascribed to this country's balance-of-payments restrictions, it is clear that they have further weakened Great Britain's economic position.

There has been no dearth of warnings about the untoward effects which would follow up eliminating the dollar deficit, and now they are being echoed in the Halls of Congress. Senators McCarthy and Hartke, in a statement to the Joint Economic Committee, called for "a modest, controlled balance-of-payments deficit in the neighborhood of $1 billion" as a means of averting a shortage of international liquidity. More recently, James L. Robertson, the distinguished member of the Board of Governors of the Federal Reserve System, the man who supervises the voluntary program to restrict bank lending abroad, told the Senate Banking Committee that a continuing dollar deficit is needed to fulfill the requirement of an expanding world trade.

In view of the pressures exerted by the continental central banking officials who tirelessly charge that this country is pursuing profligate policy, it may have been necessary to demonstrate that the dollar outflow could in fact be reduced. But the goal should never have been the complete elimination of the deficit or the swing to a surplus.

If the Europeans who oppose international monetary reform are not impressed by the recent shift in the U.S. payments position, they are hardly likely to be convinced by a continuing series of surpluses. Therefore, the time has arrived when this country should begin to dismantle the system of controls that have reduced the outflow of dollars. Those controls violate the principle of a liberal international order to which this country has long given up lipservice. Imposing them for much longer is certain to elicit enormous pressures from the corporations which are being deprived of attractive opportunities to earn profits from foreign operations. And most important, if the efforts to stanch the outflow of the dollar continue, we shall only succeed, like Samson, in bringing down the roof of the temple.

The House by an unfortunately lopsided majority voted to extend the interest equalization tax through July 1967. Simple prudence demands that the Senate, before considering that measure, undertake a thoroughgoing reappraisal of our balance-of-payments policy.

LATIN AMERICAN COMMON MARKET PROPOSALS

Mr. JAVITS. Mr. President, I call the attention of my colleagues in the Senate to a very important report in yesterday's New York Times, August 9, on the discussions between President Johnson's special mission to Brazil and Brazil's Minister of Planning, Roberto de Oliveira Campos.

In these conversations, Senor Campos has emphasized the need for U.S. support for a Latin American Common Market through our participation in commodity price stabilizing agreements and through U.S. tariff concessions on Latin American manufactured goods.

Earlier this year, on April 5, I spoke in Mexico City on this same theme. I point out that later during that same month, in response to a request by Eduardo Frei, the President of Chile, four leading Latin American economists, Raul Prebisch, Jose Antonio Mayobre, Felipe Herrera, and Carlos Sanz de Santamaria, prepared a document entitled, "Proposals for the Creation of the Latin American Common Market," which has given important, official support to the Common Market idea. I urge further that the idea of a Latin American Common Market and a Western Hemisphere free trade area should be strongly supported by our own Government, since without its active support, these plans could not be implemented. In this regard, I welcome the report in yesterday's news article which mentions that in its recommendations for a proposed Latin American Common Market, CIAP, the Inter-American Committee for the Alliance for Progress, calls for the direct support of the United States in the formation of such a market.

The article points out that the Brazilian economic officials have expressed concern about any cutback on our commitments under the Alliance to supply development aid and private enterprise as a result of our balance-of-payments problem. Latin American countries as developing countries are exempt from the President's voluntary balance-of-payments program and the interest equalization tax. I fully support this policy. U.S. commitment to the Alliance for Progress also must remain strong.

Mr. President, I ask unanimous consent at this point to insert in the RECORD an article from the New York Times entitled, "U.S. Trade Concessions Urged for Latin American Countries," and a copy of my speech delivered before the American Chamber of Commerce in Mexico on April 5 of this year, entitled, "Political Action Vital for Latin American Integration."

There being no objection, the article and speech were ordered to be printed in the RECORD, as follows:

U.S. TRADE CONCESSIONS URGED FOR LATIN AMERICAN COUNTRIES

(By Juan de Onis)

RIO DE JANEIRO, August 8.—President Johnson's mission has received forceful arguments from Brazilian officials urging U.S. trade concessions to Latin America as a condition for hemispheric economic development.

Minister of Planning Roberto Campos placed major emphasis on U.S. support for commodity price stabilizing agreements and opening of the U.S. market to Latin American manufacturers in a meeting with the mission headed by Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, chairman of the Senate Foreign Relations Committee.

Direct U.S. support for the formation of a Latin American Common Market, permitting the installation of more developed industries in this area, was also supported by Brazilian officials.

Economic "solidarity," as a condition for hemispheric political security against communism, is expected to be a major issue in the second inter-American conference, originally scheduled to be held here this month, but postponed, probably until November, because of the continuing Dominican Republic crisis.

DIRECT SUPPORT

The Inter-American Committee for the Alliance for Progress, an official coordinating agency, has prepared recommendations on the proposed common market that are being sent to all Latin American presidents. These recommendations include direct U.S. support for the formation of the market, according to an informed source.

In the informal discussions with Brazilian economic officials, Senator FULBRIGHT pointed out that the U.S. Congress was responsive to the protectionist interests of American industry and had agricultural constituencies where Latin American production represented competition, such as sugar, cotton, or meat.

Mr. Campos raised the problem posed for U.S. overseas investment in Latin America, both public and private, by the current preoccupation in Washington with the balance-of-payments lag, in view of gold and reserve losses to European countries.

Mr. Campos said that the remedy to this problem could not be found in cutting back on development aid to Latin America or discouraging private investment, which he said was essential for meeting the goals of the Alliance for Progress.

The Alliance for Progress is a 10-year program, initiated in 1961, to accelerate Latin American economic and social development. The United States pledged $10 billion in public money for the program and estimated another $10 billion in private foreign investments.

POLITICAL ACTION VITAL FOR LATIN AMERICAN INTEGRATION

It has been more than 3 years since the signatories of the Declaration of Punta Del Este agreed to accelerate the integration of Latin America so as to stimulate economic and social development in the continent.

In these years we have witnessed substantial gains in the economic integration of Latin America. We have seen both the Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM) make susbtantial cuts in tariffs, and intraregional trade has increased.

Despite these accomplishments, despite these gains, true economic integration and the harmonization of economic policies has not been achieved, particularly in LAFTA. In short, reality has not been able to match the plan of Punta Del Este; actions have not yet been able to fulfill the manifest destiny of Latin America—a continental economic union, cemented by mutual interest, and designed to allow the peoples of Latin America to realize the potential of their resources, natural and human.

It is evident that this destiny of true economic integration of the Americas can be realized only through full political commitment to it at the highest levels and with the strong support of democratic political parties, trade unions, men of influence in all walks of life, and the peoples concerned. Even though the Inter-American Committee on the Alliance for Progress (CIAP), ministerial groups, experts, and private enterprise hemispherewide organizations such as the Inter-American Council for Commerce and Production (CICYP) fully realize this need, such commitment has not been made evident today to any appreciable degree.

Unless widespread political support develops the great gains of LAFTA, CACM, and the Alliance for Progress could be disipated with the most damaging consequences to the future of freedom and well-being in the hemisphere.

I invite today, therefore, leaders of democratic political parties and trade unions of the Americas—which excludes the extremist right and the Communist left—and Latin American personalities devoted to the cause of democratic reform and unity to join me in the establishment of an Action Committee for an Economic Union of the Americas.

This committee should dedicate its heart and soul and its influence to bringing about a true continental economic union by rallying strong political support behind the idea of a treaty for a Latin American Common Market, composed of all the nations of Latin America, to be followed, in due course, as the Latin American members agree, by a treaty for a Western Hemisphere free trade area, including the United States and Canada.

To those who would dismiss this call as being unrealistic—or at least premature—let me refer you to the comment that was the fashion in the capitals of Europe in the future of Western European economic integration in the early 1950's: "A common market of all Europe is a wonderful idea, and it may even happen someday, but how can anybody expect it to succeed when the nations of Europe have been rivals for centuries?"

Who indeed, would have thought that in the next decade, a European Common Market would become one of the most powerful economic forces in the world? Who indeed, but Jean Monnet and his Action Committee for the United States of Europe. The committee I propose today, like Monnet's group would derive its strength from a membership agreed on the necessity of achieving the goal of a continental economic union, and committed to influence their respective parliaments, trade unions and public opinion in general, to realize that goal.

The problem of political leadership in Latin American economic and political unification is becoming clearer daily to the governments and people of the Hemisphere. What is needed now is a final well-organized drive to overcome that inertia and that provincial view of nationalism which separates the Hemisphere from the realization of these goals.

The experience of the Monnet group in Europe can teach us much about how such goals can be realistically achieved.

Monnet's group came into existence in late 1955 following the Messina Conference of the Foreign Ministers of the six countries of the European Coal and Steel Community, which recommended the initiation of "a common European market, free from all customs duties and all quantitative restrictions" on the basis of "appropriate institutional means for the realization and operation" of enlarged economic organisms. The ministers created an intergovernmental committee under Paul Henri Spaak to draft the relevant treaties or arrangements.

As in the case of Latin America today, the European integration movement was well underway at this time and had succeeded in the creation of the European Coal and Steel Community. LAFTA, the Central American Common Market, CIAP, and the Inter-American Bank represent the victories so far of the economic integration movement in the hemisphere.

But the parallels between Europe in the early 1950's and Latin America today do not stop here. Monnet and his group realized that there was a lack of organized, Europewide political support to insure that governments would implement the recommendations of the Spaak committee.

Similarly, more and more dissatisfaction is being heard today over the lack of political support for the meaningful economic integration of Latin America. There has not been an important inter-American conference during the past several months which did not recommend in one form or another a means to remedy this lack. What has been absent, however, is a focal point—a central group—that could give direction and purpose to the diverse groups working toward the same goal.

Similar ferment in Europe—a similar feeling that not enough was being done—brought about the creation of Monnet's action committee in late 1955. It brought together a coalition of divergent forces which were agreed on one point, the important one—

the need for European unification. It created conditions which made certain that any draft treaty put together by the Spaak committee would fall on the ears of receptive parliamentary and public opinion. Its members were party and union leaders of the democratic left who were agreed on the principle of economic integration and who were prepared to build up the necessary political support to make this goal realizable, without further delay. Largely through the work of this group, the Spaak committee's draft treaty establishing the European Economic Community and the European Atomic Energy Community was approved in Rome by the foreign ministers of the six nations joined in the European Coal and Steel Community.

It is my belief that a similar action committee in Latin America in 1965 can have the same effect as Monnet's European group in 1955. Certainly there are many divergent forces in Latin America. But there is ample evidence that there is one central idea which is gaining credence in all sections of the hemisphere—the need for Latin American economic unity.

This is true, because many Latin American economic and political leaders are now becoming aware that the process of Latin American economic integration is not proceeding fast enough and many basic problems remain. For example:

1. Seventy-five percent of Latin America's foreign exchange income is still generated through exports of oil, coffee, meat, cotton, copper, sugar, wool, iron ore, and bananas.

2. Developed countries—especially in Europe but including the United States—continue to impose restrictive measures on Latin American exports such as coffee, lead, zinc, and oil—a situation which has been condoned by Latin American exporters desiring the benefits of selling in protected, high-price markets.

3. Wide disparities remain between the development of economic sectors within individual countries as well as between the levels of development of individual countries of Latin America—per capita annual income ranges between $1,120 in Venezuela to less than $100 in Bolivia.

4. Development planning often takes place without the full participation of the private sector.

5. The heavy external debt burden of many Latin American countries impedes their economic development efforts.

6. Intra-LAFTA trade still constitutes only 8 or 9 percent of the LAFTA countries' total trade. Intra-CACM trade accounts for only 13 percent of that region's total trade.

7. The tariff cutting procedure in LAFTA is permissive rather than automatic or across-the-board which allows member countries to protect indefinitely against effective competition the most sensitive areas of their economies.

8. Industrial integration among countries is still only in the talking stage.

9. Real monetary and fiscal stability is still lacking in many of the member countries of LAFTA.

10. Expansion of intra-LAFTA trade in manufactured goods has been quite limited due to the reluctance of the more advanced member countries to reduce their high tariffs on such goods because of a fear of exposing their heavily subsidized industries to competition from abroad.

It is becoming more evident each day that the resolution of Latin America's economic problems can best be effected within the framework of a genuine Latin American Common Market, within which goods, persons, and capital can move more freely. With the emergence of a common external tariff and a phased, across-the-board reduction of tariffs on intraregional trade, there would emerge in such an arrangement a mass market of 220 million people with a combined annual gross national product of between $70 and $80 billion, $18 billion of foreign trade, and $2.5 billion in gold and foreign exchange reserves.

Such a common market with a unified commercial policy would greatly increase Latin America's leverage with the industrial countries of Western Europe, North America, and Japan in the field of trade. It would also provide a powerful pull on private capital from the United States, Western Europe, and Japan, which is essential for Latin America's more rapid industrial development. It would permit the establishment of a rational, regional transportation system, in coastal shipping as well as inland road and rail transportation. It could provide a great stimulus to economic growth through the strengthening of competition in the region, and the expansion of additional local manufactures. Further diversification in production of domestic manufactures would help to reduce Latin America's dependence on the exportation of primary commodities.

At the same time, the process of establishing a Latin American Common Market can receive great impetus from the industrially advanced nations of the world. These nations under the leadership of the United States, have already recognized the importance of trade to developing nations and the need to take urgent action to improve their terms of trade. In a statement of May 1963, the ministers of the contracting parties of GATT agreed that in the forthcoming GATT negotiations every effort would be made to reduce barriers to the exports of developing countries and that the more advanced industrialized countries would not expect to receive reciprocity from the developing nations.

I strongly believe that in line with the May 1963 GATT ministerial declaration the United States could now call on the industrialized nations of GATT to extend preferential treatment to specified American exports. The United States itself could take the lead by taking such a step, provided that the other GATT nations involved follow suit and that Latin American nations agree to accelerate the process of Latin American economic integration in a competitive atmosphere. Low-cost efficient modern industries, established in regions which offer the best combination of accessibility to markets, resources and trained manpower, and ready to face competition from abroad, are the best assurance that competitive conditions would prevail during this process.

Once such a Latin American Common Market is a reality, and in agreement with its member countries, the United States and Canada could effectively establish a new economic relationship with it. Such a relationship could take the form of a Western Hemisphere free trade area—but limited at first to raw materials. Under this arrangement, the United States, Canada, and the Latin American Common Market would reduce their trade restrictions—both tariffs and import quotas—on raw materials originating in the Western Hemisphere on a phased annual basis until such trade restrictions, say in 10 years, were at zero.

As the Latin American Common Market becomes more industrialized and is able to compete with the more efficient industries of Western Europe, Japan, and the United States, this limited Western Hemisphere free trade area could be expanded to cover specified manufacturers and semimanufacturers and could develop further by negotiating arrangements with other regional trading groups, such as the European Economic Community. Its existence would also insure that the Latin American Common Market would be outward looking, and competitive.

If such an economic union is to succeed, however, Latin American nations must improve the climate for private initiative, while at the same time providing for social justice. These ends are not in the least incompatible. But we must recognize that Latin America would be trying to achieve in a decade what we in the United States, after a century of trying, have not perfected—the operation of private business in the public interest. What is needed is a new spirit both on the part of government and of private enterprise in the achievement of common goals of progress without sacrificing their own self-interest. In many Latin American countries, leadership in developing such a spirit has been demonstrated to a heartening degree.

Proof that businessmen of the hemisphere are becoming more and more conscious of their responsibility to play a major part in solving the profound problems facing Latin America was evidenced in the meeting last month of the Executive Committee of the Inter-American Council of Production and Commerce (CICYP). The Committee decided to form a committee to represent private enterprise before LAFTA and to send a delegation to the upcoming LAFTA foreign ministers' conference as well as to promote a multilateral system of investment guarantees for private capital in Latin America and to undertake a number of measures to expand Latin American export possibilities in cooperation with the Inter-American Committee for the Alliance for Progress.

This proof is also provided in the formation of the multinational, multiprivate enterprise investment company last September to implement the Atlantic Community Development Group for Latin America (ADELA), which I had the honor to initiate. ADELA is designed to revitalize private enterprise in Latin America by bringing the capital and the talents of many enterprises in many nations into a partnership with Latin American business.

The implementation of ADELA represents a unique experiment. It recognizes that even all the governments of the free world together are not possessed of the combination of capital, skills, initiative and knowledge needed for the successful economic development of Latin America without the indispensable aid of the private sector.

Latin America has the resources and I believe many of its political and business and trade union leaders now have demonstrated their desire to bring about an economic union which will benefit all the peoples of the continent. It is my hope that an Action Committee for the Economic Union of the Americas will now be formed to translate these resources and these desires into organized action to make Latin America the great, independent free world economic force it has every right to be.

PARTNERS OF THE ALLIANCE COMMITTEE

Mr. JAVITS. Mr. President, I invite the attention of my colleagues to a report on a recent conference which took place in Buffalo, N.Y., on July 19 to establish a committee for a partners of the alliance program between Paraguay and western New York.

New York State's participation in this program has grown out of the University of Buffalo's experiences in AID-sponsored programs at the National University of Asuncion in Paraguay under the leadership of the president of the University of Buffalo, Dr. Clifford C. Furnas. It is also a fact that on the Niagara frontier, 45 corporations are doing business in 14 Latin American nations. It is this spirit of cooperation between the two areas which has lead to western New York's participation in the partners of the alliance program.

This partnership is part of a new, expanding program of the alliance whereby many different States in the United States—some 26 to date—have undertaken joint, cooperative programs with partner countries in Latin America with the coordination and advice of AID.

I salute this effort on the part of New York State and look forward to its success and growth in the future.

I ask unanimous consent that the summary report may be printed in the Record at the conclusion of my remarks.

There being no objection, the summary was ordered to be printed in the Record, as follows:

A Summary of the Exploratory Session Regarding Establishment of a Western New York Committee for the Partners of the Alliance Program, July 19, 1965

(The Buffalo Club, Clifford C. Furnas, president, State University of New York at Buffalo, presiding.)

Dr. Furnas opened the meeting with remarks on the new U.S. appreciation of the importance of Latin America. He cited the need for solidarity, understanding, rapport and a community of purpose among the nations of this hemisphere. He explained that fulfillment of this need is the objective both of the Alliance for Progress and of the Partners of the Alliance program in which western New Yorkers are being asked to participate.

The purpose of the meeting, he said, was to consider a mutual aid partnership between Paraguay and western New York as part of the general activity of the Partners of the Alliance. Although the partnership would be coordinated by the Agency for International Development (AID), the arm of the Federal Government responsible for mutual assistance programs throughout the world, it would be arranged between individuals and private organizations in the two countries.

Such activity to foster free development in Latin America, Dr. Furnas said, is important not only to our national security but also to our economic well-being nationally and on the Niagara frontier. U.S. exports to Latin America each year total $10 billion. Imports amount to $8 billion. On the Niagara frontier alone, 45 corporations are doing business in 14 Latin American nations.

To provide insight into the potential effects of the proposed western New York-Paraguay partnership, Dr. Furnas and other representatives of the outlined U. B.'s experiences in AID sponsored programs at the National University of Asuncion. The university has been working there to modernize and improve medical and nursing education. The project has been operative since 1956 and has been so successful that a similar program in general studies is now under consideration. The University of Asuncion at the present time has no general education programs, but admits students from secondary schools directly into its professional areas.

Mr. John P. Wiley, director of the AID mission to Paraguay, explained that private citizens in western New York are being asked to become partners of Paraguay because of the spirit of cooperation between the two areas which has been developed by the university's activities there.

He noted that one private assistance program similar to those now being proposed has already been carried out. This was the good samaritan project directed by Dr. Francis Smith of Buffalo that resulted in the collection of $30,000 in medical equipment which AID shipped to Asunción.

He emphasized that the people of Paraguay are extremely responsive and enthusiastic about assistance which enables them to help themselves. This is the type of aid the Partners program will provide.

Under the partnership, Mr. Wiley said, both Paraguay and the Niagara frontier would appoint committees of businessmen, educational and cultural leaders representing areas in which the potential for effective cooperation exists.

The local committee would then go to Paraguay, meet with its counterpart group, and decide upon worthwhile projects. Expenses for the initial visit will be underwritten by AID.

Mr. James H. Boren, director of the Partners for the Alliance, pointed out that the program being proposed was a true alliance, not an adoption or handout program. Mr. Harvey Witherell, Paraguay Desk, AID, Washington, D.C., supplied printed material about Paraguay.

The program has already been entered into by citizens in 26 States and has successfully provided help, such as pumps for wells dug by natives, roofs for schools already built out of natural resources at hand, books for libraries, and steel cables for bridges. These are all things which the Paraguayans could not provide for themselves.

In turn, the Latin American people participating have given assistance for such activities as an investment conference in Texas and the improvement of Spanish instruction in the schools of Oregon.

Under its proposed partnership with Paraguay, the Niagara frontier would offer similar aid in needed areas to that nation and citizens of Paraguay would make contributions useful to western New York. Federal agencies would be involved only as coordinators and catalysts.

Following this explanation of the proposed activities, the AID officials asked for the group's reaction. Mr. George F. Rand, Jr., vice president, Marine Trust Co., Mr. John E. Clark, past president of the Buffalo Chamber of Commerce, and Dr. Richard L. Whitford, assistant to the president, State University College at Buffalo voiced enthusiasm for pursuing the project. Telegrams from New York Senators Javits and Kennedy were read, offering their good wishes and assistances for the project. There was a consensus that steps should be taken to go ahead with the program.

Dr. Furnas proposed that one or two months now be allowed for further consideration of how western New York might actively undertake the partnership. He suggested that another meeting be called in early fall to establish the actual working committee (up to six people) which would then go to Paraguay to explore the possibilities.

Mr. Wiley said he would take steps to organize the counterpart committee in Paraguay.

CIVIL RIGHTS PROGRESS

Mr. JAVITS. Mr. President, a little more than a year ago, the Civil Rights Act of 1964 became law. It was probably the most far-reaching piece of social legislation to be enacted in decades, and certainly the most sweeping civil rights measure ever passed.

The law was put into effect with speed and with great hope but, admittedly, with no little apprehension. The summer of 1964 will long be remembered as a trying time—a time of tension and of testing. But while the spectacular was constantly in print, while the Nation riveted its attention on riots and resistance, compliance was quietly beginning.

Jack Germond, a perceptive and thoughtful journalist with Gannett Publications, recently traveled through the South, analyzing the impact of the 1964 law on the area. His conclusions are both encouraging and hopeful in that he saw widespread acceptance and compliance with the law. Let us praise those responsible, and hope it will continue.

I ask unanimous consent that Mr. Germond's series "The Road to Integration: The Civil Rights Act a Year Later" which appeared in the Elmira, N.Y., Star Gazette, be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Elmira (N.Y.) Star-Gazette, July 7, 1965]

The South Revisited: Civil Rights Act Bringing Results

(By Jack W. Germond)

McComb, Miss.—"There is only one responsible stance we can take: That is for equal treatment under the law for all citizens regardless of race, creed, position or wealth."

This declaration sounds as if it might have come from a Presidential message on civil rights.

But, in fact, it comes from a "statement of principles" written here last winter and then signed—publicly—by 650 of the leading citizens of this unprepossessing southwest Mississippi town.

It was a significant statement for McComb and Pike County because it represented a turning point after a summer and fall in which the community had become a jungle of racial terrorism in which bombs, burnings, gun blasts, fiery crosses, ammonia hurled into the face and the clenched fist were common means of communication.

The statement was significant, too, as a symbol of the growing realization that the South, after a century of anguish, seems to be turning a corner in its race relations.

The McComb story is a familiar one to those involved in the civil rights struggle, on either side.

But all across the South, in the great cities and dusty crossroads settlements, there are less spectacular but equally valid signs of a new climate.

In Georgia a Negro eats a quiet meal in a good restaurant without drawing even a stare. In Louisiana a Negro cashier takes your dime in payment for a cool drink at an integrated drugstore counter.

In Jackson, Negro and white patients share their misery in an integrated ward of University Hospital. In Birmingham the chamber of commerce votes to admit three Negro members.

None of these things would have been likely a year ago. That they happened is testimony to the fact that the 1964 Civil Rights Act—the broadest in the Nation's history—has been a success.

Generally it has been received with far more grace and compliance than its supporters and enforcers expected. ("I was one of the optimistic ones," said a Justice Department official, "and I never thought it would work as well as it has.")

And generally it has caused far fewer problems than its opponents seemed to fear. (Said a chuckling southern politician: "It hasn't turned out to be the end of the world, after all.")

Most important, the law has been a decisive influence in the new climate now being felt across the South.

In McComb, for example, the immediate spur to the statement of principles was terror and violence. But the law was the crucial factor in the willingness of the community to act against it.

Said one signer: "That law was the thing that made it clear the way things were going to go. We had to decide how we were going to go along, peacefully or at the point of a Federal gun."

The act has been important principally because it has given the South's minority of progressives, its heretofore silent moderates, and its many peace-loving noncombatants a way to get off the hook.

It has been a device that allowed them to make changes or yield to them without stepping out in front. They are obeying the law and not voluntarily destroying the southern way of life.

Atlanta restaurant proprietor Charles Dressler put it this way:

"I don't care who comes in here, and I never have cared very much, so long as they're respectable and pay their checks. But you've got to understand, I wasn't going to be the one to start the integrating. I'm no fool; I've got to live here and keep a business going."

The law also has been a valued whipping boy. The administrator of a recently integrated hospital reported: "Some of our patients object, and they do object strongly. The simplest thing for us to do is just tell them it's the law, and that ends the argument. There's no sense jawing at us."

The 1964 act is beginning to have an effect indirectly on southern politics as well. It has, in the official sense, at least, settled the question of racial separation in such things as voting and schooling. Thus, it has freed the politician to move on to other issues.

A Deep South newspaperman of long experience says:

"Our politics has always been based on race and that is an emotional issue, so our campaigns were run to appeal to the emotions. Now we can make our decisions on other things—the abilities and programs of the candidates. There's nothing they can do now about this race thing anyway, and everybody knows it."

The voting rights section of the act has been the least successful in the first year. It was designed to speed registration but, as Selma demonstrated, it has not made enough of an improvement. That's why Congress is coming up with another voting rights law this year.

But the 1964 act did make it clear that the Federal Government is determined to give the Negro in the South the franchise, and the politician is well aware that there are 2.8 million unregistered Negroes of voting age in the Deep South—enough to make the difference in most States for years to come.

The urge to move ahead "to other things" in politics is paralleled in business. One sign of this has been the rash of resolutions adopted by chambers of commerce and manufacturers' associations urging compliance with the 1964 law.

Many businessmen are convinced that acceptance and compliance are essential if the South is to catch up economically. Harvey Steele, an Atlanta executive for an international firm, says:

"I came down here 5 years ago and I never regretted anything so much in my life, at least for the first few years. We couldn't get any good people to come down here. You'd offer them a transfer and they'd say 'what about all that trouble?' And then decide to stay where they were. That's changing."

A Mississippi city chamber of commerce executive recalls:

"We were trying to attract industry but we couldn't get by this thing (the race problem). That's all they seemed to care about. Now they think it's just about over, and we can talk about all the good water we've got and the labor pool."

This concern with image is reflected, in an inverse way, by resentment among a surprising number of Alabama whites toward Gov. George C. Wallace, the most inflexible segregationist in southern politics today.

Although they don't question the political value of Wallace's position, they wonder whether it's good for the State. Said a Birmingham businessman: "He's giving us a bad name. We don't want to be everlastingly the last ones to give in about everything."

(The concern with image also shows up in conspicuous defensiveness in Alabama: a bank distributes auto plates declaring "We're Proud of Birmingham," as if there were reason not to be. A Tuscaloosa salesman snaps at a visiting reporter: "Why are you people always poking into Alabama. We aren't all for Wallace here.")

The first stirrings of this new climate do not mean, however, that everything is rosy in Dixie. Far from it.

The law has forced some changes, but it has not obliterated the patterns of a century. Hate, contempt, defiance are expressed in a hundred ways, large and small.

The epithet "nigger" still falls easily from southern lips. A schoolteacher is fired for civil rights activity. Homes are fired and Negroes beaten senselessly. The professional at a public golf course ostentatiously replaces the water fountain with a bottle and paper cups.

In short, the success of the law in its first year cannot obscure the fact that its opponents were right about one thing: You cannot change what's in the hearts of people with legislation.

A genial, cigar-smoking salesman wearing a "never" button sums it up: "I know it's coming but I don't have to like it and I'm not going to."

By the same token, however, the law has freed the gentle of mind, those who never had worked up a real hate, to go along peacefully.

"I don't like them, I guess," a motherly waitress considered, "and I never thought I'd be serving their food but they've got to eat, too, I reckon."

The optimists think the law will cut through the hostility and suspicion by forcing association between the races.

The director of the community relations service, former Florida Gov. LeRoy Collins, points out that the law only "legislates behavior" and predicts that people eventually will change their attitudes and prejudices to conform to this behavior pattern.

This may be sanguine. Antidiscrimination laws have been on the books in Northern States for decades without breaking down the real barriers between black and white.

The one certainty now is that the law has made southerners, except for the hard core who lead the Ku Klux Klan and Citizens Councils, realize that all the devices and techniques of past resistance—the southern manifesto, nullification, interposition, private schools, violence—have been found wanting.

Oliver Emmerich, editor of McComb's Enterprise-Journal, put it this way in an editorial:

"In McComb and in the State of Mississippi as a whole we repeatedly have resorted to meaningless negation. We have gone from one unreality to another trying to solve our racial difficulties. * * * The choice is between sacred cows and the Constitution."

[From the Elmira (N.Y.) Star-Gazette, July 8, 1965]

The South Revisited—2: Public Accommodations Rule Brings Amazing Compliance

(By Jack W. Germond)

Atlanta, Ga.—Three crackers from south Georgia walked into a downtown motel here, and one asked the desk clerk:

"You got any of them staying here?"

Before the clerk could reply, one of the others told his friend: "Never mind. Go ahead and register. They're liable to be almost anywhere these days."

This exchange inadvertently summed up the amazing compliance of the Deep South with the section of the 1964 Civil Rights Act that was most controversial when it passed just a year ago: Public accommodations.

Negroes and whites, in and outside of the civil rights movement, are agreed almost unanimously that the section—title III—has worked far better than anyone expected.

Ruby Hurley, southeastern field director for the National Association for the Advancement of Colored People, says compliance "has been much better than we anticipated."

Charles Evers, brother of the late Medgar Evers and head of the "Jackson movement," concedes: "I'd have to say I was surprised."

"We've never had any real trouble here at all. Of course, people look at you sometimes with their eyes bulging out a little, but that's all."

The NAACP had expected particular problems with one large southern chain of cafeterias. The day the law took effect the group had testers and potential pickets waiting at each branch.

To their surprise, everyone was served—even cordially—and there never has been a report of a serious incident with any of the chain's restaurants to this day.

The pattern of compliance is not, however, completely even—not by any means.

Generally, for example, the chain motels and restaurants are less likely to resist than those that are locally owned.

Restaurants in larger cities have been quicker to comply than those in smaller cities, and in some very small communities there has been virtually no compliance at all.

The large and expensive restaurant is likely to serve the Negro customer without a hint of reserve in attitude or service. But the fly-specked cafe that specializes in greasy doughnuts is likely to be a tough nut.

And what the restaurant operator will go along with, the cheap tavern owner probably won't accept, law or no law.

A pattern of obvious devices to discourage the Negro patron already has emerged across the South.

Some restaurants, contrary to law, keep two sets of menus on hand. The one given to Negroes in one such place lists coffee for 50 cents, a cheeseburger for $2 and pie for $1.50.

Others keep reserved signs bearing the names of real or fictitious customers on every table.

Some make a point of a bad meal for the Negro. One waitress cackled: "We had one come in here. I put salt in his iced tea and you should have seen his face."

Many have been converted to "private clubs."

Some of these are patently spurious—a drugstore lunch counter that will serve anyone white, "member" or not.

A few seek some legitimacy by charging families $40 or $50 a year dues and excluding outsiders, unless someone "knows" them.

The simple pressure of threats, of violence or economic reprisal, is important in communities that do not have active civil rights organizations.

One Negro teacher said: "I know I should go downtown to that restaurant and order some supper, but I'm just plain scared. The sheriff has passed the word that he doesn't want any disorderly conduct, and he just might call it that if I lit a cigarette. That would cost me my job."

A rural Negro, asked if he had tried to eat in a downtown restaurant, replied: "No, sir. That's all right for you maybe but I have to live here, day and night both."

A common practice has been segregation within the integration the law has forced. Thus, some restaurants keep a special table for the occasional Negro. Others direct Negro busboys to act as waiters when a Negro appears.

One motel in Jackson has a reputation for giving Negro civil rights leaders who stay there rooms in one wing facing the back parking lot, away from the swimming pool.

(Northern newspapermen get the same rooms.)

One hotel in another city followed a similar policy so rigidly that an NAACP official got the same room three times running on visits several weeks apart.

"I finally started specifying different floors," he recalls wryly. "Now I've contaminated about half the rooms in that hotel."

There also has been some outright defiance. The Justice Department has filed suits in at least 17 cases. And there are many others that display "white only" signs or simply refuse to serve Negroes who have not yet become legal targets.

Despite the rough spots, however, the compliance has not only been widespread but pleasant.

"If anything, they often are too cordial," one sophisticated Negro said. "It's as if they had made up their minds that you won't leave with any complaint."

The key to this compliance is clearly the fact that the law acts—or eventually will act—to put everyone in the same boat.

Restaurant owners all across the South are frankly relieved to have the question more or less settled.

"When they were demonstrating against places," one Louisiana cafe proprietor said, "you didn't know what to do. This law is a relief. I have to feed them and so does he (a competitor across the road) and everyone else. You don't have to be a villain or a hero."

Negroes insist that the economic factor is an important one in the general compliance.

"They've learned that money is green, no matter what color you are," said one Negro accountant.

Negroes also contend, and some restaurant workers agree, that Negroes who go to good restaurants are likely to be big spenders and bigger tippers than their white counterparts.

"It's like this," Evers says. "If a man grows up without any shoes to wear, he'll probably see to it that his children have four or five pair. He's making up for something."

Then, nodding to a shabby reporter, he added: "I'm less able to do it but I buy better clothes than you do. It's the same thing with these restaurants and motels."

The key to the hard-core resistance, whether it be outright or devious, is almost invariably the attitude of white customers.

One Alabama roadside cafe proprietor said: "I'm ready to give in whenever the other people along here give in. But if I did it now, I'd lose all my business."

In the small towns and rural areas, the threat of hostile white customers also discourages Negroes from trying to exercise their rights—except, of course, in case of organized tests.

One story that spread rapidly through the South was about a Negro Army officer who returned to his hometown of Canton, Miss., after several years of absence. He took his wife to what had been a Negro night club when he left.

But the club had been converted to white patronage and ownership in his absence, and the officer no sooner walked in than he was set upon by other customers and beaten almost to death. He was never able to explain his mistake.

"I heard about that," a Meridian Negro said, "and I said to myself 'uh-uh, not me.'"

THE SOUTH REVISITED—3: U.S. FUNDS ARE SPUR TO SCHOOL INTEGRATION

(By Jack W. Germond)

CARROLLTON, GA.—The annual budget of the Carroll County public schools is some $2.5 million.

Under the new Federal school aid program the county stands to get almost $250,000 in new money next fall, and there is the promise of a great deal more in the years ahead.

But to get Federal money, the county must desegregate its schools, something it hasn't been willing to do in the past.

When you ask School Superintendent E. J. Kuhn what he intends to do, he smiles and replies: "Now what would you think we're going to do? That's a lot of money."

The result: This fall 46 of the 1,232 Negroes enrolled in Carroll County will attend previously all-white schools.

This small beginning toward integration will be repeated in district after district all across the South in September.

It is a product of a section of the 1964 Civil Rights Act that received minimal attention when the bill passed a year ago but now is being recognized as its most potent provision.

This is title VI in essence—despite a few ifs, ands, and buts—it says that States and localities cannot receive Federal funds for any program in which racial discrimination is practiced.

And this—the Federal dollar—is turning out to be the ultimate weapon against segregation.

No one really knows now how many previously intransigent school districts will surrender this fall because of title VI. Nor do they know how many youngsters will be affected.

But everyone who is informed on the situation, in the South and in Washington, is convinced there will be more integration this fall than in the entire decade since the Supreme Court's decision of 1954.

This is a conservative enough projection, for last year less than 3 percent of the Negro children of the South were attending integrated schools.

Although title VI will have its most conspicuous impact on the schools, it covers almost 200 Federal aid programs that provide money for everything from welfare, health, urban renewal and the national guard to sewers, libraries, farm extension programs and airports.

At the moment Federal spending under these covered programs runs more than $18 billion a year. The 11 Deep South States alone are in line for $3.5 billion in the new fiscal year—if they get in line.

The weapon is most effective in the Southern States that have been most resistant to change because, ironically, they are the ones most dependent on the Yankee dollar.

Thus, Alabama gets more than 22 percent of its total public income from the Federal Treasury. Mississippi gets 21 percent; Louisiana, 20, and Georgia, 19.

This year the same States will be entitled to $30 to $42 million each under the school aid program alone.

The signs of economic weakness are everywhere.

Item: The Mississippi Economic Council has set a goal reflected by the slogan "75 by 75." What this means is that the State hopes to achieve a per capita income of 75 percent of the national average by 1975. A Mississippi editor calls it humiliating.

Item: In Meriwether County, Ga., the $33,000 the county has been receiving in Federal school aid even before the big new program represents one-fifth as much as the local tax base provides.

An Alabama school superintendent summed up the position of countless localities:

"The choice is to desegregate now and get the money or turn down the money and have to desegregate anyway under a court order. That's no choice at all."

In Georgia, another superintendent says: "You know I have to satisfy the people of this county if I'm going to keep my job. And I can't satisfy them if I reject the means of having art classes and a gymnasium and a music teacher and then we end up having to mix the schools anyway."

Says another: "We're anxious to comply. We think it's the wrong thing to do, but we have to have the help, that's all there is to it."

School districts can qualify in one of three ways—by filing an assurance form (generally acceptable only from districts, such as those in the North, where there is no serious problem), by submitting a court order under which they are operating or by submitting a plan for desegregation.

More than 90 percent of the 5,100-plus districts in the Deep South and border States already have submitted one of these and others are pouring into the Department of Health, Education, and Welfare in Washington.

And 85 percent of the few plans that have been "accepted" by HEW so far are for districts that had no desegregation at all previously.

All the States—Alabama was the last—also have submitted compliance agreements, although there has been some niggling and haggling. Mississippi insisted on revising the language of the form, and Louisiana sent in a resolution rather than the form.

At this point, the key to how much desegregation is accomplished seems to be how firm the Federal Government shows itself to be.

Some Negro leaders of the civil rights movement are doubtful that the administration will stand fast. But enforcement officials already are talking privately about cases in which they have held up Federal money—ostensibly because of "technical" problems—as a thinly veiled warning to the southern recipients.

The southern whites are watching closely, too. One school official said: "We sent up a plan and we're ready to go along if we have to. But we're hoping they'll let up on us a little." Then, smiling, he added: "This plan is flexible if they do."

On schools, HEW has set guidelines requiring complete desegregation of all grades by the fall of 1967. But it will allow as little as four grades this fall as evidence of a "substantial good faith start."

This is intended to assure that the first year will go beyond the "tokenism" that has been so common in the past.

There is, however, widespread suspicion among the Negroes that there is room for tokenism in one of the acceptable plans—the so-called "freedom of choice" alternative.

This allows the pupil to choose his own school and requires that where overcrowding results or no choice is made, he be assigned to the nearest school. (It is such a plan that Carroll County promulgated and that produced the 46 transfer applications, all of which will be approved.)

The picture so far is uneven. For example, in another Georgia community, Americus, the city school system received 87 applications for transfer but there were none in the county. The suspicion here is that some intimidation was responsible.

But whatever zigs and zags lie ahead, there is a broad consensus among Negroes and whites, officials and laymen, here and in Washington that title VI has broken the back of the resistance to the desegregation of schools.

One indication of the handwriting on the wall is the first progress that has been made, since the section took effect Jan. 3, in breaking the barriers in hospitals.

HEW has received dozens of complaints, and only 10 or 15 hospitals in the Deep South are rated as acceptable at this point. But significantly only one small hospital, in Florida, has given the Federal Government a flat no and agreed to do without Federal money.

The compliance has been surprisingly good in a few. Jackson's University Hospital, for example, has undergone extensive physical changes and altered its procedures to the hard-to-get complete satisfaction of the local Negro leadership.

"We're watching it all the time," says Charles Evers, head of the Jackson movement and Mississippi secretary for the National Association for the Advancement of Colored People. "We get reports all the time—many of them from whites—and there doesn't seem to be any problem."

One of the forces for hospital compliance is the fact that many of them are linked with universities. If they fail to meet the Federal standards, the entire university's Federal aid is in jeopardy.

The white patients apparently are not happy. One visitor in the waiting room at Jackson told a reporter: "It's a disgrace, integrated wards when people are sick. But there really isn't any other place to go."

[From the Elmira (N.Y.) Star-Gazette, July 10, 1965]

The South Revisited—4: Chasm Still Exists Despite Racial Gains

(By Jack W. Germond)

Chunky, Miss.—Willkie Harrison is a lean and taciturn Negro who farms a small tenant place near the Chunky River.

At 52 he has never eaten a meal in "a proper restaurant"—although he sometimes stops at a colored barbecue shack in Meridan—and he doesn't think he ever will.

Harrison has heard about the Civil Rights Act of 1964 and its public accommodations section. But he does not relate it to the life he leads in a drafty, unpainted house that leans heavily to one side.

"I don't go into town but once in awhile anyway, and I've got no money for restaurants," he tells a visitor, adding with a grin: "Besides, my wife fixes the best chicken I've ever put in my mouth."

A few counties farther west of the Alabama border J. B. (Heavy) Russell leans formidably on the bar of his tavern and makes a point emphatically:

"No Nigger has ever walked in here and the day he does he's going to be one sorry Nigger."

What about the law?

"You let me worry about the law, boy."

These are examples, admittedly extreme, of the chasm that continues to exist—and perhaps will exist for decades—in the South, despite the gains that have been achieved since the Civil Rights Act was approved just a year ago.

In Jackson, a housewife who lives in a prosperous-looking apartment stops on the street to consider. Yes, she says, she and her husband eat out fairly often, two or three times a month. But, no, they have never encountered any fellow patrons who are Negroes.

Has she recognized any change since the law passed?

"Well, of course, the schools are going to be different, but there aren't any of them living around this area anyway."

In Birmingham the operator of a restaurant in one of the largest downtown hotels can tell you just how many Negro customers they have had in the year since the law passed:

"There was only the one and he wouldn't of been here except some of those people from Huntsville (Federal workers) brought him."

And in Baton Rouge a regular customer of an excellent steakhouse can tell you: "They had just four of them here. They came in all at once. He (the manager) gave them one of the private rooms, fed them and offered them a receipt (on the assumption they were 'testing' compliance for some group) and that was all."

The fact is that the law, for all the changes it has made in public accommodations and promises to bring in the schools and hospitals, has not yet really touched the lives of most southerners.

The newly effective section on employment discrimination will, of course, reach many more. But there are significant factors that mean it will continue to be a minority.

There are imposing economic and educational barriers. And there are even more towering social barriers. And finally there are the hard-to-shed chains forged by a century of hostility and suspicion and of myth and misinformation.

The educational barriers perhaps will be the "easiest" to overcome. That is the significance of the Civil Rights Act's value in forcing integration of the schools at the price of losing essential Federal financial aid.

Eventually generations of Negroes and whites will grow up with a common ground in their schooling.

But today the Negro has a long way to go, for he is badly unprepared for integration in many communities. Despite the protestation of "separate but equal" facilities, he is going to be at a disadvantage.

A school superintendent in Georgia pulls out the folder on Negro pupils who will be the first to integrate his system.

"They're going to have a hard time, some of them," he says. He pulls out one of the transfer forms and comments: "straight A's here. She'll be all right."

Then he pulls out another: "mostly C-pluses." He shakes his head.

The Negro leadership is aware of this, too. The National Association for the Advancement of Colored People is sponsoring a tutoring program this summer in the hope of smoothing the way for integration.

But the NAACP is not everywhere, and no one thinks it will reach many of those who need help most.

There is a parallel across the South in the question of filling the jobs that will open up with the enforcement of the equal employment section of the law that is just taking effect.

One prominent Negro professional man said: "We're going to have trouble for awhile because they are going to say that the people aren't able to do the work, don't have the skills, and they're going to be right some of the time.

"A white man I know downtown called me and said he was willing to hire some (Negro) girls I could recommend—he's got an insurance office, you know—and it wasn't easy to find them. We have to help people get ready."

But whatever the educational and technical barriers, they are minor compared to the obstacle of the unreasoned suspicion and hostility that has been built by the longstanding and rigid separation of the races in the South.

A white man describes the first Negro who showed up to play when a public golf course was integrated: "He just strutted around all stiff-legged like he owned the place."

The possibility that the Negro golfer had an odd walk never entered his mind.

And a Negro, asked if he had tried a certain downtown restaurant in Jackson, replied:

"Sure, I went there and you should have seen the garbage they gave me. I had shrimp and the dough on it was an inch thick and it was cold and greasy."

That this was simply a lousy restaurant never entered his consideration.

A Deep South newspaper editor says:

"We've always insisted we were the ones that really knew the Negro. That's one of the greatest myths of all time and we're finding it out. And they don't know us either. That's why everyone is so touchy, circling around each other all the time. Nobody knows what to expect."

Perhaps the most serious barrier to integration in the South, and one that the law cannot overcome, is the paralyzing store of misinformation that is used to buttress diehard resistance.

Some of this is obvious, like the outpourings of the Ku Klux Klan and the Citizens' Councils. It shows up in such things as the billboards all over Louisiana of a section of an audience at some meeting with the legend: "Martin Luther King at Communist training school." (This one also is available in post card form.)

But more insidiously it shows up in the huge white middle class whose opinion is crucial to better race relations.

A visitor finds a friend of 20 years' standing, a professional man, repeating scurillous and outrageously preposterous stories about the personal lives of the President, the Chief Justice, and the entire Kennedy family.

The man who is repeating these is not a vicious man in most circumstances. But neither is he ready yet for the change that is coming in the South.

CROSS-FLORIDA BARGE CANAL BENEFIT-COST RATIO EXAMINED

Mr. PROXMIRE. Mr. President, the Cross-Florida Barge Canal is one of the more controversial projects in the Public Works appropriation bill. Many responsible and respected persons have concluded that the canal would be a waste of money. This conclusion is endorsed and documented in an excellent article written by Col. F. W. Hodge, president pro tem of the Citizens for Conservation of Florida's Natural and Economic Resources. The article was published in last month's issue of Business and Economic Dimensions, the journal of the College of Business Administration's Graduate Faculty at the University of Florida.

Quite rightly, Colonel Hodge rests his case on deficiencies in the benefit-cost ratio claimed for the canal. His article is an example of the objective, unemotional analysis which should be used by Congress in examining every public works project. I have found Colonel Hodge's article most useful in the study of the Cross-Florida Barge Canal.

In order that every Senator may judge for himself the arguments against the canal, I ask unanimous consent to have the article to which I have referred, together with the short editorial comment, printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Cross-Florida Barge Canal

PART I—AN OPPOSING VIEWPOINT

(Despite the fanfare that accompanied the start of construction of the canal, skeptical views are being voiced increasingly both in Washington and at home. Dimensions has yielded to the temptation, usually resisted with ease, of presenting the case of the opponents of a federally financed local development project. In a subsequent issue the proponents' arguments will be published. Colonel Hodge has a degree in economics from Cornell University and has undertaken graduate work at Columbia while in the service. He has been president of the Alachua Audubon Society and is now president pro tempore of Citizens for the Conservation of Florida's Natural and Economic Resources. While not disputing the benefits the canal will bring special groups, he maintains that the cost is high to taxpayers in general and to Florida residents in particular.

(By F. W. Hodge, colonel, U.S. Army, retired)

During the administration of Thomas Jefferson, his Secretary of the Treasury, Albert Gallatin, suggested an inquiry into the feasibility of uniting the St. Mary's River, on the east coast, and the Mississippi. During the temporary occupation of Florida by American troops in 1818, John C. Calhoun, then Secretary or War, seized the occasion for directing some partial examinations near the headwaters of the St. Mary's and the Suwannee with a view to inland water communication between the Atlantic and the Gulf of Mexico.[1] Ever since that time there has been a continuing interest in linking these two bodies of water by some type of inland waterway.

Some of the reasons set forth by early proponents of a canal, such as the protection of our commerce in time of war, avoiding the dangerous West Indies, eluding the attacks of pirates, and the facilitation of transporting the mail from New Orleans to Washington, have lost their validity with the lapse of time, the uses of alternate means of transportation, and the growth of Florida's population and economy. Nevertheless, the dream of a cross-Florida waterway has persisted up to the present day, and the Cross-Florida Barge Canal is now an authorized project for which $5 million has been appropriated to date and $10 million more awaits only Senate approval.

A water resources project such as this becomes eligible for Congressional authorization provided it has a benefit-cost ratio of one to one,[2] under a formula currently in use by the Corps of Engineers. Some intracoastal waterways have shown an excellent benefit-cost return under this formula. A good example is the western portion of the Gulf Intra-Coastal Waterway from Corpus Christi to New Orleans. This project, which carries principally petroleum and chemicals originating along its route, hauled 4.5 billion ton-miles of barge traffic as early as 1949. (As an indication of the enthusiasm with which some view the Florida project, 4.5 billion tons is only 45 percent of projected traffic density in the year 2000.)

Historically, however, freshwater canals have generally cost more than the benefits returned.[3] A notable exception was the Erie Canal during the first half of the 19th century. On the other hand, the St. Lawrence Seaway, which had an estimated benefit-cost ratio of 2.94 to 1 and also charges tolls (tolls are not charged on other inland and intracoastal waterways), has consistently failed to meet its annual costs. Opened in 1959, its first year benefits were $5 million less than those required and anticipated,[4] and consistent failures have been recorded ever since.

Benefit-cost ratio of the Cross-Florida Canal

It is proposed to examine the Cross-Florida Barge Canal's annual charges and annual benefits contained in the June 1962 report of the chief of engineers as forwarded to the chairman of the Senate Appropriations Committee. First a word is in order about the projected total cost of constructing the canal and related facilities because some of the annual charges, such as interest costs, are a function of the total amount invested.

Estimated time of construction is 6½ years and the assumed interest rate is 2.625 percent. The first cost figures as shown by this report are as follows:

Federal:	
Corps of Engineers	$145,300,000
Coast Guard (navigation aids)	200,000
Subtotal	145,500,000
Non-Federal	12,400,000
Total	157,900,000

These figures make no allowance for interest charges during the period of construction. The District Engineers Office at Jacksonville, however, very properly included interest charges and called the combined figures total investment. Making an increased allowance for interest due to increased time length of construction, 11 years as noted below, the total investment would be increased to $171 million.

The report estimates total annual charges of $7,039,000, excluding interest during the construction period, and total annual benefits of $8,256,000, as itemized in the following table. This results in a benefit-cost ratio of 1.17 to 1.

Item: Annual navigation benefits:	*Amounts*
Transport savings	$7,016,000
Commercial fishing	$70,000
Contractors' floating plan	$30,000
New vessels deliveries	$115,000
Recreational boating	$118,000
Subtotal	$7,349,000
Collateral benefits:	
Flood control	$257,000
Land enhancement	$650,000
Subtotal	$907,000
Total annual benefits	$8,256,000
Total annual charges	$7,039,000
Benefit-cost ratio	1.17

This figure of 1.17 is already too optimistic since it was based on a construction period of 6½ years. Since the time element depends on annual appropriations by the Congress, the date of completion is indefinite. The latest forecast by Florida's Secretary of State is the mid-1970's. This makes the probable construction period 11 years and thus delays the time when benefits will start and increases further the interest charges during construction which should be included above. Furthermore the interest is calculated at the unrealistically low rate of 2.625 percent. The interest rate on long-term Federal securities has been in excess of 4 percent for some time.

In order to appraise the benefit-cost ratio of 1.17 in more detail, it will be useful to examine the individual benefits.

Transportation savings ($7,016,000): Additional light needs to be shed on the Corps of Engineers' estimate of transportation savings of $7,016,000. Charles A. Welsh, director of the Graduate Program of Business Administration at Rollins College, believes the figure will be substantially lower.[5] At the engineers' optimum savings of 9.2 mills per ton-mile on other projects, Welsh based his computation on the 1958 engineer restudy, and arrived at figure of $3,163,031 for transportation savings. Based on the engineers' 1962 report, which claims average annual traffic over a 50-year period to be 2,820,000 tons, the transportation savings figure would be: 2,820,000 times 107 miles times 9.2 mills or $2,776,008. This assumes that all tonnage will travel the entire length of the canal, which may not be the case. It appears, therefore, that the savings claimed per ton-mile must far exceed the 9.2 mill optimum used by the engineers on other projects.

Moreover, almost the entire amount of estimated savings will accrue to commercial barge lines and other private industries such as petroleum, fertilizer, chemicals, and paper corporations which operate their own barges. Together these private enterprises account for 81 percent of the engineers' base year traffic and savings. According to the economists cited in this article, then, $5,682,960, or 81 percent of $7,016,000, are not true savings to the taxpayers since they do not benefit the economy as a whole. Furthermore these claimed savings are based on an average traffic of 2,820,000 tons per annum, a figure which the engineers estimate will not be reached until the year 2000.

In this connection, Prof. Otto Eckstein says, "In order to accept the present measure of navigation benefit, it must be shown that the savings in cost which present procedures measure, are savings in cost for the Nation as a whole, besides being savings from the point of view of the shipper. There is strong evidence that present procedures do not measure the savings from the national point of view."[6]

Eckstein's observation is reinforced by Fair and Williams who say, "Advocates of a users' charge point out that a waterway on which large sums have been spent may well be used almost exclusively by a few large firms which transport large volumes of coal, ore, sulfur, petroleum products and building materials. The extent to which the public benefits is debatable because the delivered prices of products shipped by barge are often no lower than if they had been shipped by rail."[7] Prof. Russell Westmeyer more emphatically states, "The fact that water carriers pay nothing for the use of improved channels and make only a partial payment for the use of publicly owned terminals, does not eliminate the cost of providing these facilities, for the cost is there and must be met by someone if river and canal carriers are to operate. What happens, of course, is that a substantial cost of river and canal transportation is shifted onto the shoulders of the taxpayers."[8]

Additional confirmation of this shift in costs was found by Welsh, who wrote, "An examination of Interstate Commerce Commission Decisions 206 ICC 445, 235 ICC 115, and 297 ICC 383 very definitely indicates that the general public—the taxpayers providing the construction and maintenance funds for navigation projects—does not receive any discernible portion of transportation savings."[9] It appears fairly conclusive, therefore, that whatever benefits accrue from the Cross-Florida Barge Canal, in terms of annual cost savings, will largely go to maximize the profits of a few large users at the expense of the general public.

The late President Kennedy was one of many advocates of a user's fee on Federal waterways to shift some of the operating costs from the taxpayers to the private corporate users. Such a charge is anathema to fleet barge owners who quite obviously profit at the expense of the taxpayers. Regarding the proposed user's charge, Edward Kienle, managing director of the National Waterways Conference, Inc., said at a meeting of bargeline supervisors in Aurora, Ill., in 1962, "Federal cost recovery objectives vary from a low of $72 million a year to a high of $200 million. The rivers and canals are now carrying about 120 billion ton-miles a year.

---

[1] The Southern Review," vol. 6, November 1830, Charleston: A. E. Miller, p. 44.

[2] House of Representatives Subcommittee on Evaluation Standards, Report to the Interagency Committee on Water Resources, 1958.

[3] Russell Westmeyer, "Economics of Transportation," New York: Prentice-Hall, 1952, p. 473.

[4] William R. Willoughby, "The St. Lawrence Waterway, a Study in Politics and Diplomacy," Madison: University of Wisconsin Press, 1961, p. 140.

[5] Charles A. Welsh, "The Economic Prospects of the Cross Florida Barge Canal Project," 1959, p. 75.

[6] Otto Eckstein, "Water Resources Development," Cambridge: Harvard University Press, 1958, pp. 168–9.

[7] Marvin L. Fair and Ernest W. Williams, Jr., "Economics of Transportation," New York: Harper, 1959, p. 125.

[8] Westmeyer, op. cit., p. 460.

[9] Welsh, op. cit., p. 68.

A $72 million levy against this traffic would thus average out at about six-tenths of a mill per mile. Something well over one-third of barge transportation would collapse under the shock." [10] Consequently, it appears that any serious attempt by the Federal Government to recover cost through a user's tax would negate the benefits of the canal even to those special-interest groups who profit most directly.

Commercial fishing ($70,000): It seems evident that this volume will not change the price of fish to the consumer, and therefore cannot be considered as a benefit to the national economy.

Contractors floating plant ($30,000): This is subject to the same criticism as that used in the case of commercial fishing.

New vessel deliveries ($115,000): Again the amount is so insignificant that it cannot affect the price of new vessels and therefore results in no national economic benefit.

Recreational boating ($118,000): The only claimed navigational benefit which is valid according to Eckstein and others is $118,000 for recreational boating since this is presumably available to the general public.

Collateral benefits ($907,000): Collateral benefits were not claimed in the Corps of Engineers Report for 1958, but have suddenly become a major factor in the current report, thus boosting the benefit-cost ratio above that of previous studies. The claim of flood control benefits of $257,000 annually at first glance seems to have some merit and will be examined again later on. This is an intangible benefit, however, and does not represent a stream of dollars flowing into the Department of the Treasury. It must also be remembered that this claimed savings is effected by the permanent flooding of the Oklawaha River Valley.

Another collateral benefit of a very questionable nature is $650,000 per year for land enhancement. Prof. Robert Haveman of Grinnell College says, in a study to be published with a foreword by Senator **WILLIAM PROXMIRE**, of Wisconsin, that this is one of the most significant sources of overestimating benefits. Eckstein calls it double counting of benefits already measured by direct benefits. If, in this particular case, the engineers claim this benefit is due to increased shoreline, exception must be taken because: (1) benefits, if any, will accrue only to the owners of such shoreline (this is also offset by losses to owners of the present waterfront); (2) clearing of the Rodman and Eureka pools is based on the current engineering manual, EM415-2-301, change 1, dated April 3, 1961. Clearing would consist of a 400-foot strip along the canal, a 1-mile strip upstream from Rodman Dam spillway, and at bridges where required. This means that most of the shorefront will be on shallow water (1½ to 2 feet deep in much of the area) full of dead trees such as are to be seen today in the Withlacoochee backwater. The Chief of Engineers hopes to do some additional clearing, but this has not been defined, nor will it raise the water level along the shorefront. Under these circumstances, no land enhancement can be imputed to the construction of the canal.

Fish and Wildlife Service comments

With respect to the destruction the Cross-Florida Barge Canal will cause to the valleys of the Oklawaha and Withlacoochee Rivers, the best authority available is a report published by the Fish and Wildlife Service of the Department of the Interior.[11] A few, but not by any means all, of the adverse comments are quoted below:

"Some of the dredging in the vicinity of the St. Johns River would traverse and thus destroy limited areas of good quality swamp and upland hardwood habitats which support deer, turkey, and squirrel. Where the project traverses dry land areas—especially in the area of the summit pool—game habitats destroyed will consist of relatively low-quality pine and scrub oak."

"Construction of Rodman and Eureka Dams would inundate about 45 miles of the Oklawaha River and 27,350 acres of adjacent bottom lands. This inundation will destroy the river-type fish habitat and productive hydric hammock game habitat and low-quality waterfowl areas. The most seriously affected game would be the wild turkey. Inundation of thist portion of the Oklawaha River would destroy its high-quality turkey habitat. Because uplands adjacent to the reservoir have lower carrying capacity, the turkey population would be drastically reduced."

"Construction of Rodman Dam would have a detrimental impact on the heavily fished 10-mile stretch of the Oklawaha River downstream from the structure. Based on period-of-record flows from 1943 to 1961, project water requirements would produce nearly zero discharges below Rodman Dam 15 percent of the time. In our opinion a minimum flow of 500 cubic feet per second would be needed below Rodman Dam to maintain the existing fishery in the Oklawaha River. Flow of this magnitude would not be available an additional 30 percent of the time if the project were operating at maximum. Additional damage to this section of the Oklawaha River would be effected by the proposed pilot spillway channel."

"Dredging from the Inglis lock to the westerly project limit in the gulf would have diverse effects. A loss of varying quality marsh and hardwood hammock habitats supporting waterfowl, deer, and squirrel would result from dredging and spoiling. Intersection of the Withlacoochee River by the canal would offer an additional outlet, thereby lessening existing flows in the natural channel. This would result in saltwater intrusion upstream as far as Inglis lock, with related losses to freshwater fish resources. The movement of saltwater fishes into the canal is not expected to be large enough to support a significant fishery."

"Construction of the channel in the Gulf to a point 6 miles offshore would result in loss of a sizeable amount of littoral zone through dredging and spoil disposal."

It is abundantly clear from the Fish and Wildlife Service report that losses due to permanent flooding are far in excess of the cost of land acquisition and the loss of taxes. Permanent flooding would take place not later than the completion of the canal. Anticipated annual flood-control benefits of $257,000, according to the Engineers' report are based upon a projection of future exploitation of "flood areas well suited to development for agricultural purposes." Thus the flood-control annual savings of $257,000 become meaningless as a benefit, since development of areas presently subjected to periodic flooding depends on future investment of private capital.

The Fish and Wildlife Service also casts some additional illumination on the claim for land enhancement benefits of $650,000 per year. "'Lands adjacent to project reservoirs and the canal alinement,' states the final paragraph of the report 'offer an opportunity to mitigate project-incurred wildlife losses, if properly managed. However the apparent intent of the Florida Canal Authority to secure easements in lieu of fee title acquisition would eliminate the possibility of managing these lands for wildlife purposes.' It would also prevent their lease or sale by public authorities for shore front homes, or for "multiple-use public access areas which should be 30 to 40 acres, and there should be one such area developed for each 10 to 12 miles of shoreline."

Ancillary benefits

It is the natural hope of proponents of the Cross-Florida Barge Canal that its completion will result in an unprecedented industrial expansion, thus broadening the State's economic and tax base. However, products usually shipped by barge canal—petroleum, fertilizer, chemicals, wood products—tend to be bulky and have low monetary values per unit of volume. Such materials are not usually susceptible to intensive labor input for conversion into finished products and hence barge transportation will not lead to large additional economic opportunities to Floridians.

Moreover, the types of industry which might be attracted by a canal are not desirable in an area in which there is an already established and valuable tourist base, citrus industry, and extensive cattle ranches and stock farms. Already many communities have lodged bitter complaints against phosphate plants which experts claim are damaging citrus crops and are harmful to the cattle industry.

Dr. John F. Sly, of Princeton University, addressed the Florida Industrial Council at Orlando in April 1964 on the subject of economic trends in Florida. In part he had this to say: "You are interested in improving Florida's position as an industrial State. Sometimes I wonder why there is this great urge for industrialization. In the private sector it means a higher standard of living for those who profit; and in the public sector it means larger tax bases to support more and better public services to attract still more people. These are laudable objectives and they are being worked at intelligently and successfully.

"But there is another side. No one wants to turn Orlando, St. Petersburg, or Tallahassee into another Newark, Jersey City, or Trenton. We are looking for what we call polite industries—no smoke, no dust, and a high quality of professional and technical personnel. Competition is heavy in these fields. The new industrial plants that have recently located in Florida seem, however, to fit rather well into the polite category—food, furniture, electrical machinery, fabricated materials, printing and chemicals, with added employment predominating in food and electrical machinery.

"There is this question, however; how much industrialization do you want? Sixteen percent of nonagricultural employment is now in manufacturing. While the Florida Council of 100 is steadily pushing this ratio up, would it not be wise to have another Florida Council of 100 equally dedicated to the development and preservation of Florida's great natural and social values, which, in spite of all the impressive economic indexes, is what really brings people here?"

To those who are in accord with Dr. Sly's views it may very well appear that a barge canal is more of a detriment than an asset. The same industrial trend is also noted in a report of the University of Florida Engineering and Experiment Station published in November 1964. The report states that Florida's industrial expansion in all cases is basically modern, oriented toward research and development, highly technological and requiring large concentrations of engineers and scientists. "This new Florida industry is science-based, space related in many instances, strongly electronic in many others and almost totally national in its market," the report states in part. Again, a canal is not a contributory factor to this most desirable type of industry.

National experience

In essence, the Florida Barge Canal project is likely to be typical of such projects about which transportation authorities express much doubt. "Army Engineers traditionally underestimate costs," says David Mackie.[12] Professor Haveman writes, "Because of the built-in tendency toward the overestimation of future benefits, the well-recognized underestimation of construction costs in spite of contingency allowances, and the general lack of a well-defined approach to the problem, it appears that any real adjustment for risk and uncertainty is either nonexistent or negligible."

---

[10] Ibid., p. 74.

[11] U.S. Department of the Interior, Fish and Wildlife Service, Bureau of Sport Fishing and Wildlife, Region 4, Atlanta: Feb. 26, 1963, "A Fish and Wildlife Report on the Cross-Florida Barge Canal Intra-Coastal Waterway."

Haveman also states that one of the most significant sources of overestimating benefits is the inclusion of secondary or indirect benefits, "such as the increase of property values because of the increased activity caused by navigation improvements." On this subject Eckstein says, "First, indirect benefits from the enhancement of property (values) represent double counting; the value of sites which have access to more favorable transportation methods is merely the capitalization of the lower charges on water transport, and these benefits are fully measured by the direct benefits." [13]

With respect to underestimates of costs, Welsh cites U.S. House of Representatives, 82d Congress, 1st session report to the Committee on Appropriations from the Subcommittee on Deficiencies in Army Civil Functions.

In part, this report states, "The cost estimates at the time of authorization of these (187) projects was $2,638,517,000 and their cost (through) fiscal year 1952 is $5,912,451,000." [14]

Although Professor Haveman notes that the Corps of Engineers estimates have improved since that time, Senator PROXMIRE states in the foreword to Haveman's study, "Professor Haveman has selected 10 States which enjoyed some 147 projects between 1947 and 1962 involving the expenditures of some $2.644 billion. He found that applying the evaluation techniques of highly competent economists, 63 of these 147 projects, representing $1.169 billions of Federal funds, or 44 percent of the total, should never have been undertaken." [15]

In October 1964, Senator PROXMIRE issued a press release concerning a study he had made personally of 380 water resources projects in which he said, "These projects involve total costs of over $16 billion. Yet 220 of these projects costing $7.5 billion could not be justified by normal business standards. The 220 projects have been selected because the estimated benefits, according to the corps and bureau, are less than double the anticipated cost. I have consistently found that projects with an alleged benefit-cost ratio of less than 2 to 1 provide returns less than their cost. Costs of public works are invariably much greater than originally estimated because of poor estimates and inflationary pressures. On the other hand, true benefits to the Nation typically run way below agency estimates. Opposition to this pure blubber in the pork barrel is increasing in the Congress and the Nation."

Summation

What was a laudable dream having economic merit a century ago (and dreams are notoriously persistent), now has the aspects of an economic nightmare. The probabilities are all too obvious that the ultimate cost of the Cross-Florida Barge Canal will far exceed its estimated cost. Conversely, with the changes in means of transportation which seem probable by the year 2000, there is serious doubt that the anticipated traffic will develop. It must also be remembered, that even if the forecast benefit-cost ratio of 1.17 to 1 is attained, the benefits will accrue to the few at the expense of the general public. This can in no sense be regarded as a benefit to the national economy.

Those things which are positively foreseen, both by the reports of the Corps of Engineers and of the U.S. Fish and Wildlife Service are: the inundation of 45 miles of the Oklawaha River Valley; the creation of shallow, dead-tree-studded lakes; the loss of hardwood hammocks with their wild game; the destruction of freshwater fisheries at each end of the canal; saltwater intrusion from the Gulf Coast up to the Inglish Lock; and reduction of depth of the Withlacoochee River in its course through Yankeetown and out to the gulf.

What is not positively foreseen but which is a matter of serious concern to many informed people is the extent of pollution from seepage from the canal into the limestone. Some water resource projects (notably one in the lake area adjacent to Bainbridge, Ga.[16] have also had a detriment effect on ground water levels in contiguous areas. Unfortunately this latter consideration will be a matter of conjecture until the summit pool is filled and this is not scheduled to take place until the last segment of the canal is completed.

It can only be concluded that the continuation of this project is a distinct disservice, first, to the State of Florida and its citizens, and secondly, to the taxpayers of the entire United States.

COMPETENT, FAIR FPC COMMISSIONERS PAYS OFF IN LOWER GAS RATES

Mr. PROXMIRE. Mr. President, last Thursday, the 5th of August, the Federal Power Commission issued a milestone decision on the Permian Basin area rate proceeding. This decision established for the first time a permanent system of gas producer regulation by fixing a structure of uniform ceiling prices applicable to the gas produced in the Permian area. In addition, the Commission adopted a two-price system in order to encourage the search for new gas reserves. Mr. President, the importance of this decision cannot be overestimated.

I have often spoken in this Chamber in support of the actions of such public spirited Federal Power Commissioners as Joseph Swidler, Charles Ross, and William Connors. I have continuously sought to keep in office these men and others with a similar desire to serve the public interest on the Federal Power Commission. Mr. President, the decision handed down last Thursday is part of the rich harvest which the American consumer is reaping and will continue to reap from the work of Commissioners of this caliber.

As a result of this decision, a ceiling price of 14.5 cents per thousand cubic feet is established for all gas supplies except newly discovered reserves of gas found separately from oil. In order to provide an incentive for producers to take full advantage of recent technological advances to uncover new deposits of gas-well gas, a ceiling price of 16.5 cents per thousand cubic feet was set on these supplies. The Commission felt that both these ceiling prices would insure a reasonable profit for the producers, would provide incentive for further prospecting, and would protect the consumer from rapid escalation of gas prices.

Although it is not within my ken, and perhaps not within that of any other Members of this body, to pass judgment on the exact solution arrived at by the FPC, it is important to emphasize the thoroughness with which the Commission studied the problems involved. No less than 4½ years were spent holding hearings, examining reports, deliberating, and listening to oral arguments before the FPC issued its opinion. Long and detailed questionnaires were sent to all producers inquiring about all aspects of their cost structures. It was largely on the basis of the data gained from these and other questionnaires that the Commission made its decisions. However, though the composite cost was the bedrock on which the area rate was established, other factors such as marketing operations and supply and demand were taken into consideration. Mr. President, it is because of the thoroughness of the Commission's work, no less than because of my confidence in the genuine public interest of the majority of those on the Commission, that I believe the decision reached in the Permian Basin Area case is in the best interest of this country.

The innovation of setting a rate for an entire area rather than for each individual producer is of great significance. The Commission's legal authority to fix rates on an area basis was well documented in the opinion. Among the numerous Supreme Court decisions cited, the most important was one on May 20, 1963, in which the Court upheld the FPC plans for Federal regulation of natural gas producer prices on an area price basis. The practical advantages of this method of decisionmaking are principally threefold. First, it allows the Commission to devote far more time to each decision than it could, if it were necessary for it to make separate decisions for each of the hundreds of producers. Second, it rewards efficiency within the industry. For example, if a producer finds large reserves, he will achieve greater profits than the producer whose exploration efforts result in dry holes or marginal wells. Third, within the framework of the ceiling prices, there is wide range for taking account of variations in the quality of the gas produced. According to the guidelines included in the opinion, prices will be related not only to volume, but also to units of energy, quantity of impurities, and pipeline pressure.

Of course, Mr. President, there are many people, especially among the producers, who oppose any regulation of the gas industry at all and who believe that Adam Smith's invisible hand will watch over the interests of the consumer auomatically as the producers compete in the free market. But I ask, Mr. President, can we expect the pipelines and the consumers to be protected against unjustified increases in the price of gas when a handful of producers control our major gas reserves? Can we honestly

---

[12] Frank H. Mossman and Newton Morton, "Principles of Transportation," New York: Ronald Press Co., 1957, p. 158.

[13] Ibid, p. 178.

[14] Welsh, op. cit., p. 32.

[15] "Southern Economic Journal," Chapel Hill: University of North Carolina Press, 1964.

[16] Welsh, op. cit., p. 38.

believe that the pipelines will have any measurable competitive leverage on any one producer who asks exorbitant prices when the pipeline's enormous assets are tied to relatively limited producing areas? In short, can we expect the interests of the consumer to be served when the producers of a source of energy vital to the public interest are freed from all Government regulation?

Mr. President, it is my conviction that careful regulation of the gas industry is a crucial aspect of the FPC's regulatory responsibilities. The decision recently reached in the Permian Basin Area case is an important step in carrying out this responsibility. Because of the inherent interest of this decision, and because of its anticipated impact on future decisions of the FPC, I ask unanimous consent to have the two releases of the FPC last Thursday relating to this decision printed in the Record.

There being no objection, the releases were ordered to be printed in the Record, as follows:

FPC Issues Opinion in Milestone Permian Basin Case, Establishing Permanent System of Producer Regulation by Fixing Uniform Ceiling Prices for Gas in the Area; Adopts Two-Price System To Encourage Search for New Gas Reserves

Washington, D.C., August 5, 1965.—The Federal Power Commission today issued its opinion in the milestone Permian Basin area rate case, establishing for the first time a permanent system of gas producer regulation by fixing a structure of uniform ceiling prices applicable to gas produced in the area.

The Commission adopted the area approach as a new concept in ratemaking best adapted to its responsibilities for regulating sales by natural gas producers. A two-price system was prescribed—a higher price for new gas-well gas—"to encourage the search for new gas reserves at minimum overall cost to consumers" and a lower price for all other gas, including residue and casinghead.

Gas-well gas is found separately from oil, while oil-well gas, also called casinghead gas, is produced from oil wells. Residue gas is what remains after oil-well gas or gas-well gas has been processed to remove liquids. In Permian, about 97 percent of the residue gas comes from oil-well gas, which accounts for about two-thirds of production.

The Permian Basin underlies three southeastern New Mexico counties and two Railroad Commission Districts in southwest Texas.

The FPC's decision concludes that new gas-well gas should be priced at a ceiling of 16.5 cents per thousand cubic feet, with the ceiling price for all other gas supplies set at 14.5 cents. The ceilings include production taxes, which amount to about 1 cent for gas produced in Texas. The ceiling prices for gas produced in New Mexico will be lower, reflecting the lower production tax level in that State.

The Federal Power Commission's opinion was signed by Chairman Joseph C. Swidler. The other three participating Commissioners joined in the opinion and filed separate statements of their concurrence and limited dissent. Commissioner Lawrence J. O'Connor, Jr., filed concurring views and dissented on the question of British thermal units quality adjustments. Commissioner Charles R. Ross filed a concurring statement and a dissent on the proper division date between new and old gas. Commissioner David S. Black filed a concurring statement on the issue of rate of return. Commissioner Carl E. Bagge did not participate.

The Commission traced the history of the development of the area approach since the first Phillips opinion in 1954 and documented its legal authority for fixing rates on an area basis, citing numerous decisions of the U.S. Supreme Court.

The Commission observed that a uniform area pricing system is adapted to the economics of the natural gas industry. The producer who finds large reserves will achieve greater profits than the producer whose exploration efforts result in dry holes or marginal wells. Individual returns will vary greatly, but this is as it should be, provided that profits in the aggregate are at a reasonable level. The Commission noted that administrative feasibility is a vital element in the effectiveness in any method of regulation and that the area approach enables the Commission to determine in a single proceeding rates which otherwise require hundreds of individual cases.

The Commission concluded that, in light of its experience, the area approach is best adapted to the discharge of its responsibilities for protecting natural gas consumers while providing the greatest incentive to producers to continue their search for needed additions to our gas supply.

The touchstone of the two-price system adopted by the FPC is the newly-documented ability of the industry to channel exploration investment toward finding gas rather than oil. A separate and higher price for new gas-well gas "will encourage exploration at deeper horizons directed toward finding gas." It will be payable only "to producers who discover gas-well gas and dedicate their discoveries to the interstate market." The lower price for all other gas will prevent "windfall profits" that would result from a singe price high enough to elicit new gas-well gas supplies.

The FPC's pricing system divides Permian Basin gas into two categories:

New (since January 1, 1961) gas-well gas, and residue gas derived from it, with a 16.5-cent ceiling (including production taxes) for gas produced in Texas, and 15.5 cents, plus production taxes, for New Mexico gas.

Old (pre-January 1, 1961) gas-well gas, all oil-well gas and any residue gas derived from either, with a 14.5-cent ceiling for Texas gas (including production taxes) and 13.5 cents plus production taxes in New Mexico.

The FPC ceilings apply to pipeline quality gas. Prices for inferior quality gas will be fixed below the area ceiling prices on the basis of quality standards established by the Commission. For new gas-well gas the Commission also provided for upward adjustments (above 1050 British thermal units per cubic foot) and downward adjustments (below 1,000 British thermal units) to reflect British thermal unit content.

The major producers participating in the Permian proceeding sought a one-price ceiling for all gas of about 20 cents per thousand cubic feet.

All the rates of respondents for sales in the Permian Basin in excess of the ceiling price, as adjusted for quality, must be reduced to the ceiling effective as of September 1, 1965. The producers were given additional time, however, to make the necessary filings. Refunds will be required of all amounts collected subject to refund in excess of the applicable area rates in the rate increase case dockets consolidated in the Permian case.

The Commission imposed an approximate 2½-year moratorium—until January 1, 1968—on any increases above the applicable area rates established by today's opinion. The FPC said this action was necessary to achieve effective control over producer prices and that the 2½-year period was the minimum time required to afford price stability that will be beneficial to consumers and the industry alike.

The FPC used a cost determination based on overall producer experience as the bedrock in establishing its ceilings, with gas-well gas as the yardstick, based on current costs of finding and producing it, and allowing a 12-percent rate of return on average net investment. Although the FPC utilized costs as a major factor in determining the area rates it emphasized that costs were not the sole factor in its determination.

The Commission rejected the producers' contract prices as the regulatory standard holding that the examination of such prices "is only the beginning and not the end of our task." The maintenance of a particular reserve to production ratio (total known reserves compared with current annual production) was also rejected as the barometer for justifying contract prices. The Commission observed that the decline in the R/P ratio is an adjustment to economic levels which is not necessarily a cause for concern for many years to come and will probably continue "regardless of the price of gas set by the Commission."

On the question of small producers, the Commission concluded that there is a need for distinctive treatment, but outright exemption was not necessary or desirable. Instead, the Commission concurrently initiated a rulemaking proceeding designed to provide small producers with certificates which would relieve them from filing requirements in connection with all future sales made within the established area ceiling prices. Small producers were defined as those producing less than 10 billion cubic feet of gas annually. Small producer sales were also exempted from any adjustments for quality because the burden and expense would in most cases exceed the amount of the adjustment.

The FPC at the same time fixed a minimum rate of 9 cents for Permian Basin gas of standard pipeline quality, with adjustments to reflect deviations from the quality standards established. Producers now bound by contracts to a lesser amount may file for the minimum rate without the purchaser's approval.

The ceilings set by the Commission apply only to the 336 producers which are respondents to the Permian proceeding. However, the FPC in a separate action today indicated that its determinations should also probably apply to other producers making interstate sales from Permian. It issued a general order directing them to show cause within 90 days why the rates also should not apply to them. Producers with pending rate increases would face the same refund obligations as the respondents.

The Commission said the prices it fixed should apply to all gas dedicated to the interstate market while the applicable area prices are in effect even if lower rates should be set in a future proceeding. Any lower ceiling should affect only new gas dedicated after the ceiling price has been reduced, the FPC said.

The FPC established procedures for producers seeking an opportunity to show special circumstances warranting relief from the established ceiling prices. The FPC also indicated it would consider similar petitions for special relief in connection with refunds. The Commission indicated that if a producer could show that his out-of-pocket operating expenses are greater than the ceiling, he should be entitled to relief. On the other hand the Commission made clear that more must be shown than that the individual producers' costs exceed composite costs. The Commission said it would not permit these petitions to be used as a backdoor approach to individual company cost-of-service determinations. The Commission did not speculate on the precise special circumstances that would entitle a producer to special relief.

The Commission's opinion adopts in part recommendations by FPC presiding examiner Seymour Wenner, who in his September 17, 1964, initial decision in this case first proposed the two-price system. The examiner, however, recommended a series of five different ceilings, ranging from a low of 10 cents for old oil-well gas to a high of 16.75 cents for new gas-well gas.

The Commission instead determined that "as an important step toward simplified and realistic area price regulation" all gas should be priced on the same basis except for the higher price it established to spur the search for new gas-well gas.

The Permian Basin is one of the Nation's major gas producing areas, supplying markets in 12 States with 85 percent of the interstate sales destined for California. Permian accounts for about 11 percent of all gas moving into interstate commerce.

Because of its importance, Permian was chosen as the leadoff case in the FPC's historic area pricing program, initiated in September of 1960, which eventually will encompass all the Nation's major gas producing areas. The other proceedings which, together with the Permian, account for about 75 percent of all gas sold into interstate commerce, are now underway.

The FPC in another separate order issued today disposed of four certificate applications, seeking authority for Permian Basin gas sales, which involved the initial price question. All four sales are now being made under temporary authorizations. The Commission granted the certificates at an initial price of the applicable area ceiling as adjusted for any quality variations in this gas. All four certificates were made subject to the 2½ year moratorium on any rate increase filings.

The Commission's 139-page opinion includes the following major determinations:

TWO-PRICE SYSTEM

The Commission said the two-price system will encourage the industry to expand and perfect its ability to drill directionally so that revenues from gas consumers can increasingly be devoted to finding additional gas reserves. On the other hand the price for flowing gas can be fixed at levels that will prevent "excess and unnecessary revenues" for sales when "there is no special exploratory activity directed to gas discovery." The FPC concluded that the large producers have shown an increasing ability to direct their drilling activities to either gas or oil, as they desire. The ceiling price for new gas-well gas does not include any special amount as a separately designated incentive, the Commission said. The inducement, it added, is "of an inherent nature" and is not represented by any sum earmarked for that purpose. The incentive is built into the two-price system, the Commission continued.

In the absence of a regulatory pattern which encourages the search for gas, the FPC saw no guarantee that the present generally satisfactory pace of exploration will continue, much less increase to meet growing demands. "New gas discoveries are the lifeblood of the industry and are also essential to consumers who are tied to natural gas," the Commission declared. The future needs of the gas market can no longer be satisfied by the incidental discoveries in the search for oil, the FPC said. Accordingly, it added, there will be a greater dependence on exploring for gas wells to bring forth needed future supplies "and this fact supports our conclusion to fix a higher ceiling for new gas-well gas which will encourage exploration at deeper horizons directed toward finding gas."

MORATORIUM

In establishing the moratorium on rate increase filings until January 1, 1968, the FPC said that without it the producers could file above-ceiling rates and collect them subject to refund. "Without a moratorium, the conclusion of one area proceeding would only signal the beginning of the next and just and reasonable rates for consumers would always be one area proceeding away," the Commission declared. The FPC held that its authority under the statute is not so limited that "its regulatory efforts must be futile where after a long and full hearing, we have determined the just and reasonable rates to be set in the future." Citing court precedent, the Commission said this authority "is neither novel nor unique," and that its action is required by "orderly administration of the Natural Gas Act."

QUALITY DIFFERENTIALS

In providing for price adjustments to reflect quality differentials, the FPC pointed out that the price of gas cannot be related to volume alone, but must be related to units of energy, free of impurities, and at pipeline pressure. Without quality guidelines, "a large loophole for evasion of the ceiling prices would lie open," the Commission declared.

Quality standards established by the FPC for gas in the Permian Basin to qualify for the full ceiling price are:

Sulfur content: Less than 10 grains of hydrogen sulfide or 200 grains of total sulfur per 1,000 cubic feet.

Water: No more than 0.009 of a pound per 1,000 cubic feet.

Carbon dioxide: Not to exceed 3 percent by volume.

Other impurities: If other impurities, such as oxygen, dust, dirt, and gums are present in sufficient amounts so that the pipeline incurs processing costs in removing them, they will be considered excessive.

Pressure: An 800-pound pressure standard was adopted since most equipment in Permian is geared to this pressure.

British thermal unit content, or heating value: British thermal unit content has not been a problem in the Permian Basin in the past but for new gas-well gas the Commission allowed upward adjustments to reflect heat content of more than 1,050 British thermal units per cubic foot, and required downward revisions if less than 1,000 British thermal units. The weighted average for Permian gas-well gas is 1,042 British thermal units, with very little gas below 1,000 British thermal units.

When gas falls short of the FPC-prescribed quality standards in other respects than B.t.u. content, the ceiling price will be adjusted downward by the net cost of processing the gas to bring it up to pipeline quality. For new gas-well gas it also will be adjusted upward to reflect high B.t.u. content. Those who qualify as small producers will not be required to make the quality adjustments for the small producer sales as defined in the rule proposed today.

SMALL PRODUCERS

Special treatment of small producers offers scope for streamlining the regulatory process without risk of substantial impact on consumer prices, the FPC said. However, the Commission said that while it was convinced of the need for distinctive treatment of small producers, outright exemption is neither necessary nor desirable, even assuming it is legally permissible. The objectives can better be achieved within the framework of regulation, the Commission declared. The FPC noted that small producer sales, while representing only 15 percent of the aggregate interstate supply, are 80 percent of the gas supply of 1 pipeline and from 9 to 60 percent of the supply of the 25 largest pipelines. Further, the FPC said, penetration of rate ceilings even on a small scale could seriously disrupt a pattern of uniform area ceilings. By providing for small producer certificates, as proposed in the rulemaking order issued today, the Commission indicated that relief will be afforded to small producers making small producer sales within the ceiling. Sales by small producers in which large producers have a substantial interest (more than one-eighth) will not be exempt. The certificates will provide a means to clear the FPC dockets and facilitate effective regulation. The small producers—those selling less than 10 billion cubic feet of gas annually—will be required only to file an annual one-page statement of basic sales information. They will not have to file for rate increases on small producer sales up to the area ceiling. The Commission noted that its small producer classification will include almost 250 producers and leave only about 40 major companies still subject to filing requirements for individual sales in the Permian Basin. Nationally, this breaking point would classify about 2,000 producers as small and about 75 as major, the FPC noted. However, the Commission emphasized that small producers in an area other than Permian will not be eligible for coverage until an area rate is fixed in their area.

COST BASIS FOR AREA PRICE

The Commission concluded that a composite cost showing is the basic ingredient on which a regulated price must be established. "If the area rate approach is to rest on a solid foundation," the FPC declared, "there must be an objective test by which the industry, the consumers, and the courts can appraise the fairness of the price we fix." The conclusion that a cost determination is the bedrock on which the area rate is to be established does not mean that other factors should not be considered, the Commission said. The FPC said it must exercise its judgment and determine a rate in light of all the evidence, arriving at one which will elicit exploration activity adequate to provide the increased gas supplies required by consumers in the future. There is also a need to exercise judgment in the rate design to avoid unnecessarily sharp and abrupt departure from existing pricing patterns and the business and community dislocation which could result, the Commission said.

The FPC used the cost of gas-well gas as the yardstick for all prices, noting that oil-well gas and other associated gas are found largely as a byproduct of oil. Historically, oil-well gas has not been priced on a cost basis and any cost-finding technique which assigns large sums for exploration and development to oil-well gas is not realistic, the FPC said. Gas-well gas costs are much more meaningful because they are far less dependent on allocations between gas and oil, the Commission said.

COST OF NEW GAS-WELL GAS

The Commission concluded that the preferable approach for new gas-well gas is one geared to the recent cost of finding and producing gas rather than the historical cost based on production volumes. A price based on current costs "should provide the economic incentives to find and sell gas under prevailing conditions at rates which are keyed to industry needs and at the same time protect the interest of consumers," the Commission asserted.

The FPC found the cost of 1,000 cubic feet of new gas-well gas to be 16.43 cents per thousand cubic feet. In arriving at this figure, the Commission made determinations on exploration and development costs; production operating expenses; credit for revenues from the sale of liquids stripped from the gas; regulatory expenses; depletion, depreciation, and amortization of production investment costs; return on production investment; return on working capital; royalties; and production taxes. The FPC concluded that the cost of new gas-well gas should be determined on the basis of nationwide data although it made clear that it was here determining only a price for the Permian Basin. The Commission concluded that no adjustments were required in the cost based on nationwide data in establishing the Permian price for new gas-well gas, although adjustments for noncost factors may be appropriate in other areas. It rounded off the 16.43-cent ceiling to 16.5 cents for Texas gas, including the production tax. For New Mexico the ceiling is 15.5 cents plus applicable production taxes. These prices also apply to residue gas derived from new gas-well gas.

COST OF ALL OTHER GAS

The FPC used the cost of old gas-well gas as a basic yardstick in establishing a single ceiling for all other gas, referred to in the opinion as "flowing gas." FPC made its cost computation for flowing gas on the basis of its staff's historical cost-of-service presentation for the area. The Commission found this method the most solid basis for determining the cost of flowing gas and noted that a different approach for flowing gas was required because unlike new gas-well gas the price of flowing gas cannot substantially increase supplies already dedicated to interstate commerce nor can it materially affect the supply of such gas discovered as a byproduct of oil. The Commission utilized the relative cost method fo rallocating production costs from gas condensate reservoirs. It also utilized the 16.5-cent cost of gas computed previously by an independent cost-finding technique in arriving at an economic relationship between gas and oil to allocate exploration and development costs. The Commission arrived at a total cost of 14.39 cents which was rounded off to 14.5 cents for Texas gas, including the production tax allowance. In New Mexico, where taxes are lower, the ceiling price was fixed at 13.5 cents, plus State taxes. The results were verified by a trending back of the cost of new gas-well gas, a method adopted by the examiner but used by the Commission only as a check.

RATE OF RETURN

The Commission allowed a 12-percent rate of return on investment for both new gas and for flowing gas. In dealing with new gas-well gas, the FPC pointed out that it must operate within long-accepted judicial guidelines and that as a starting point it considered its experience with natural gas pipelines, which are currently being allowed overall returns principally in the 6¼ to 6½ percent range which translates into a yield of 10 to 12 percent on equity. Noting that producers generally are 85 percent equity companies, the Commission pointed out that production operations inherently involve a greater degree of risk than transportation. While recognizing these special risks, the FPC said they are not as great as the producers claim. The producers sought a return of 16 to 18 percent. After an extensive review of producers' earnings experience, for Permian and nationally, and for integrated and nonintegrated companies, the Commission concluded that a 12 percent return "protects gas consumers against excessive prices but it is not so low that it fails to respond to the needs of the industry." For flowing gas, the FPC pointed out that there is not the same degree of risk since the great bulk was found as an incident to the search for oil. However, this is balanced by the fact that much of the flowing gas is below pipeline quality and will not command the ceiling price, the Commission said.

COMPETITION

The Commission rejected the producers' contention that it should simply accept the negotiated contract prices because they had been reached as a result of competition. The FPC said that while the history of negotiated prices is an important element in its decision, adoption of the producers' proposal would amount to an abdication of its regulatory responsibility. There is nothing in the record to suggest that competition among producers in making sales to pipelines "is in any way adequate to assure that the public will secure gas at just and reasonable prices in the absence of regulation," the FPC asserted. The entire history of pipeline purchasing activities has been characterized by the overriding needs of pipelines to contract for large blocks of uncommitted reserves essential to maintain their competitive position in developing markets and their inability to accomplish this objective except at ever-increasing prices, the Commission said. There is no basis for concluding that there would be any effective producer price competition even if the pipelines were in a position to actively encourage it, the FPC said. Until the FPC outlawed it, the entire contract pattern in Permian was based on indefinite escalation clauses calculated to assure that all producers would be treated alike and receive the highest going rates, the Commission pointed out. If there is a case to be made for effective competition among producers in establishing just and reasonable rates, the FPC said, it has not been made on this record. An examination of contract prices is "only the beginning and not the end of our task in establishing the proper criteria for determining just and reasonable rates," the FPC declared.

SPRABERRY CONTRACTS

The Commission reversed the presiding examiner on his determination that the so-called "Spraberry" contracts should be outlawed. These contracts provide for the purchase of casinghead gas by the pipeline, which processes the gas and pays the producer a percentage of the proceeds from the sale of the extracted liquids plus a fixed price for the residue gas delivered to the pipeline. The FPC held that this type of contract is subject to its jurisdiction, but that this does not mean that it must reject a common form of contract which has been found useful in the industry. "We believe that regulation should utilize industry practices developed by the parties to meet industry problems to the extent consistent with maintaining effective regulation," the Commission declared. The FPC noted that Spraberry contracts govern about 20 percent of gas sold in the Permian Basin. There is no evidence that the pipelines' costs of gathering and processing casinghead gas purchased under Spraberry contracts are greater than the revenues realized by the pipelines from the liquids extracted, the FPC said. As long as the liquid revenues to the pipeline equal or exceed the processing and gathering costs, the consumer will be adequately protected by the established ceiling for residue gas, the FPC said.

DIVIDING DATE FOR NEW AND OLD GAS

The FPC based its selection of January 1, 1961, as the dividing line between new and old gas-well gas on several grounds. Historical cost-of-service data used in the proceeding is based on the 1960 test year, and the "directional" concept of being able to direct drilling toward either gas or oil first became apparent about that time, the FPC indicated. The Commission also noted that its guideline ceilings were established in September 1960 and that its pricing policy has given different treatment to gas dedicated since that date. The FPC said that all things considered, the dividing line should be as of the end of the 1960 test year.

Commissioner O'Connor concurred in the Commission's opinion, endorsing the consideration of costs for purposes of the initial rate proceeding. He expressed his additional views for the simplification of the trial and disposition of future area rate proceedings.

"The record in this case fully establishes," Commissioner O'Connor said, "that the contract price at which most producers are able and willing to operate is just and reasonable." Stating that the contract price is the best measure of the inducement required to elicit an adequate supply, he added that "Composite costs best serve as a check on average field prices to preclude significant price departures." He said that "our judgment should rest primarily on the market place where we can rely on competition to determine just and reasonable rates." In concluding, he emphasized that "Our proceeding has established a significant point: there is no substantial difference between market and costs in the Permian."

Commissioner O'Connor dissented on the limited issue of the B.t.u., adjustment determination. He objected to the "50-B.t.u. gap" that resulted from the FPC's providing upward adjustments from 1,050 B.t.u.'s, and downward adjustments from 1,000 B.t.u.'s, Commissioner O'Connor urged a standard of 1,000 B.t.u.'s, which he said was the uniform contract standard for B.t.u. adjustments in the Permian Basin and on a nationwide basis. He also argued that the upward B.t.u. adjustment should be applied to all gas, not just new gas-well gas.

In urging simplification of the regulatory methods. Commissioner O'Connor said the record established that average market prices in the Permian are just and reasonable. He pointed out that the law does not dictate a single methodology in fixing producer rates and said the absence of traditional public utility characteristics in natural gas production presents problems that are directly antithetical to transmission or distribution. "Regulatory authority must be employed as the characteristics of the industry dictate," he stated. Commissioner O'Connor also noted that "Congress and the courts have refused to confine permissible principles of procedure to a narrow corridor."

The problem is one of fixing a price based, not only upon what must be performed, but primarily on what will induce the product, he continued. It is not so much actual cost as it is market cost, he said, and not only prudent return but incentive prices, and not just cost of service but also cost of supply.

Commissioner O'Connor declared that area rates must have a single overriding purpose—to control the available supply of natural gas. The rates must be high enough but only high enough to accomplish this policy, he said. In the context of area pricing, he declared, just and reasonable rates can best be used as a measure to elicit the necessary supply.

He said that the focus in this proceeding on costs makes it both necessary and proper that the financial requirements of the industry be determined, but that the FPC has more flexibility than suggested by the major emphasis on cost-plus regulation—stemming from a conviction that costs must always be the primary basis for regulation. Commissioner O'Connor said it was clear that the allowed rates bear a "close and substantial relation" to the weighted average prices negotiated in the field. The cost-plus rate and the negotiated contract price fall within that zone of reasonableness essential to regulation, he said. "Therefore," he continued, "it is not required in future proceedings that costs be the beginning and the end of just and reasonable rates. The time is ripe to abandon costs as the sole referential. Among the alternatives competition has been shown to be sufficient to provide an appropriate and compelling measures of just and reasonable rates."

In reviewing the inherent limitations and estimates in cost-plus regulation, Commissioner O'Connor cited the difficulties in collecting and presenting data, and pointed to the deficiencies in the use of questionnaires, primarily that of obtaining adequate coverage. He added, however, that they had served a purpose in establishing that negotiated field prices are within the permissible zone of reasonableness. After cost components are adopted, he continued, "the circular ceremony known as cost allocation begins." The FPC avoided some of the pitfalls, he indicated, but this still requires an exercise of judgment within a fairly broad range. Strict adherence would produce a spectrum of rates "so wide and variant" as to be capable of producing clearly unrealistic results, Commissioner O'Connor asserted. Finally, he said, statistical costs still must be related to reserve additions before the desired costs per Mcf can be found. An understatement of reserves found causes high per unit costs, he pointed out, and an overstatement has the reverse results, yet the estimation of reserve figures requires considerable subjectivity.

The statutory function of rate regulation is to arrive at reasonable results, Commissioner O'Connor said, and the use of composite figures to explain economic behavior is a useful analytic system. However, he continued, they are not the only independent referentials that can be used. It would be helpful if ascertainment of a producer's investment were to be presented on a basis conforming to sound accounting practices, he indicated, adding that the yield concept deserves full consideration in future proceedings as a reasonable alternative that might be preferable to traditional methods.

Commissioner O'Connor rebutted the accusation of "drastic inflationary cycles" of wellhead prices in the last 20 years, declaring that all available information and discussion "lead persuasively to the conclusion that field prices are set after vigorous bargaining within a context of numerous restrictive economic forces." He emphasized that "where price dictation exists, it is seldom with the seller." It is clear that the wellhead price increases of the 1950's began at levels not even remotely near the cost or value of separately found reserves, he said.

In addition to natural gas "coming into its own about that time," Commissioner O'Connor cited four factors that led to increases—the constant rise in interstate demand requiring a constant reserve capacity increase; the resulting activation of indefinite escalation clauses; the extensive renegotiation of escalation clauses by pipelines to preclude a repetition; and the competitive buyer's market existing temporarily when pipelines entered new purchasing areas to negotiate contracts at prices somewhat above the market. He noted that the higher prices in the latter instance indicate producers cannot achieve such prices without a competitive purchasing structure. He indicated that by utilizing the rationale in today's opinion the FPC could have established maximum prices of 7.2 cents in 1947 and 12.5 cents in 1956, whereas the average wellhead prices in the Permian for those years were 4 cents and 9.7 cents respectively.

Commissioner O'Connor emphasized that the experience of the industry is that pipeline negotiators drive as hard a bargain as is possible. Furthermore, in reviewing price trends from 1922 to 1960, he said such prices showed a germinal period of relatively high rates followed by successively declining periods, bringing depressed prices. A low point was reached during World War II, followed by a period of successive increases during the postwar period responsive to increased demand, he noted. The moving average price in 1954, when Federal regulation began, was 1 cent lower than in 1922, and the 1950–60 increase was only 0.9 cent greater than the seldom emphasized decrease from 1922–40, he pointed out. Furthermore, during the last 30 years demand increased more than 700 percent, he pointed out. Commissioner O'Connor said the increasing demand for interstate gas dictated that annual additions not only equal production, but that a reserve cushion be added as a safety margin. Prices had to rise, he declared, not only to meet costs but to finance the annual capacity increase.

Commissioner O'Connor also noted that the wellhead price increase was but a slight portion of the rise in burner tip prices. For the years 1950–60, he said, the record establishes that wellhead prices rose only 7.5 cents while residential prices rose 34.4 cents. He also cited record evidence showing the price rise was not inconsistent with contemporaneous trends. He used statistics for annual indices of retail fuel prices, which showed that with an index of 100 for the base year of 1945, natural gas rose by 1960 to 147.2, whereas fuel oil rose to 179.6, bituminous coal rose to 191.9, and anthracite coal to 185.3. He also used a chart showing the rise in wellhead prices was not excessive in relation to the rise in the interstate demand, wholesale price trends, price trends for competitive fuels, or in average hourly earnings. Commissioner O'Connor said it was clear that there is such a measure of effective competition that in future proceedings producers can be accorded a relative degree of independence to the end that contract prices determine ceiling rates.

There is no evidence of monopolistic power by Permian producers, he declared, and certainly no basis for a presumption that there is no competition. He emphasized the large numbers of major producers in the Permian and the vast range in initial prices over a decade to establish that there is no monopolistic price dictation. He also pointed out that indefinite escalations are "universally condemned," and that controls will preclude any further increases by such escalations. Further, he indicated that the national energy market is in a state of equilibrium. "For these reasons," he said, "I rely upon the reasonable market prices in addition to the cost consideration in our decision."

The record provides substantial evidence that in the future the FPC should perfect a system of producer regulation that considers costs, but relies on competitive forces which in themselves provide an independent determinant to prices apart from what producers might prefer to dictate, Commissioner O'Connor asserted. This focus on contracts would remain constant unless there were important departures in direct relation to current experiences and production volumes, projections, exploration and development expenditures, drilling success ratios, market demand reserve additions, and the general cost index of the national economy. Of these factors, the most important is the reserves added each year, being the crucial measure of the ability of just and reasonable rates to elicit the necessary supply, Commissioner O'Connor said. The other important factors are exploration and development expenditures and drilling success ratios, he stated. Both are joint oil-gas costs, and substantial deviations over a long term would require corresponding rate adjustments, he said.

These relationships can best assist the FPC in a determination of whether regulatory controls are successful in meeting current and projected needs, Commissioner O'Connor said. If adequate reserves were being found, an uncomplicated and practical decision would be one which imposed a single ceiling approximating the initial price mode or median for new contracts, he said. If additions were excessive, the ceiling could be lowered, and if deficient, it would be raised, and this policy could be implemented with a minimum of time and expense, greatly relieving the regulatory burden and reducing Federal expenses, he declared.

For determining the reasonable market prices, Commissioner O'Connor stated that "an analysis of market prices establishes that contracts have apparently approached costs for the natural gas industry in the Permian, and for the past 5 years, have maintained a level close to the cost analysis we here adopt." Citing record evidence of the contract prices, Commissioner O'Connor emphasized that, under contracts since 1960, the larger volumes of gas well gas were flowing "at rates ranging from 15.5 to 17 cents with the largest volumes at 16 cents." Thus, he stated, "the 16.5-cent rate established by our cost analysis is clearly within the range of contract prices."

He further stated that "The weighted average contract price for new gas well gas is 14.76 cents, apparently after certain proportionate adjustments to reflect deficiencies." Since the reasonable amount of the average adjustment would be in the range of from 1 to 1.7 cents, he said, a ceiling of between 16 cents and just under 16.5 cents is indicated. Analysis of the record evidence on the contract prices for pipeline quality gas establishes that the 16.5-cent rate is clearly in line, he concluded.

Commissioner O'Connor also relied on the contract prices for his price for flowing gas. He emphasized that directionality is presently acceptable as an exploratory device of the industry. Therefore, he would utilize the two-price system as a device to elicit supply. He joined in the 1960 division date as the year in which directionality had established itself.

Turning to the contract evidence for 1960, he said, the record establishes "that the weighted average revenues received for all gas-well gas flowing in 1960 was 13.05 cents." By applying an appropriate upward adjustment for quality deficiencies a price in the range of 14 to 14.5 cents is established. Therefore, it can be concluded on the present record," he stated, "that the cost-plus rate of 14.5 cents for flowing gas is the just and reasonable rate."

In conclusion, Commissioner O'Connor stated that "costs are most useful as a basis for comparison to the contract prices," and either method is presently permissible for purposes of area ratemaking. Although an orderly conclusion of pending area cases is required, he said, contracts should provide an expeditious basis for setting just and reasonable rates in all other areas.

Commissioner Ross urged future potential refinements to both methodology and basic data for area rate proceedings. He dissented only on the selection of January 1, 1961, as the dividing line between new and old gas, arguing that it made "no sense" and that the line should have been set as of the date of the Commission's opinion.

Commissioner Ross strongly suggested that future area rates should be established in the context of a nationwide proceeding. He pointed out that the price for new gas is based on nationwide rationale and data, and that this same basis is used to support the prices for all other gas. He pointed out, further, that the search for gas is conducted on a national basis both by producers and pipelines, and that evaluation of location on price can be determined much more effectively in a proceeding which considers the interrelationships of the various supply areas with the markets they serve.

From an administrative point of view, a nationwide proceeding "is a practical necessity," Commissioner Ross declared. He said that a national proceeding would obviate the necessity "of plowing the same old ground time and time again." While special area rate proceedings have advantages for the first couple of cases, the law of diminishing returns rapidly takes over, he asserted.

Other recommendations by Commissioner Ross included:

The continuing use and refinement of the application of econometric and other advanced analytic techniques to the difficult task of producer regulation in future proceedings. The FPC staff submitted econometric studies in this case, he noted, marking the first attempt to analyze and test the complex interaction of regulatory and market factors with the aid of advanced statistical and mathematical techniques. While adoption of the two-price directional concept in this proceeding made it inappropriate to use the results of these studies, Commissioner Ross said that when better developed, this type of analysis will provide both a practical and legal foundation for better producer regulation.

Further consideration of project accounting as a method of pricing new gas. This method visualizes a project cost model which requires a true yield rate of return. In contrast, the method used by the Commission in the Permian case, which he said is a form of cross-section accounting method, is directed toward finding a rate of return under a comparable earnings test. In this case, Commissioner Ross said, the Permian rate of return evidence on a true yield basis was not adequate to support use of the project accounting method. However, he said it was ripe for further consideration.

Commissioner Black in his separate statement on rate of return cautioned that "the importance of a careful rate-of-return determination cannot be overemphasized," noting that every percentage point of return equates to nearly $4.5 million annually to purchasers of Permian Basin gas. He concluded "with some reluctance" that, while the record did not strongly support such a conclusion, on the evidence in the present proceeding the 12-percent rate allowed by the Commission is not excessive. However, he emphasized his "strong hope that the Commission's determination of rate of return will not be understood as some kind of immutable standard which we have developed in this pilot decision."

Commissioner Black noted serious deficiencies in the presentation of both the examiner and the staff on the rate of return question. The FPC staff had recommended 9.5-percent return, and Commissioner Black, in citing evidence offered to support this figure, said that while the statistics used are subject to infirmities, they indicated that the Commission's 12-percent allowance is very probably a generous one.

The examiner's adoption of a 12-percent rate of return was, he felt, based on a "woefully inadequate * * * sampling" of nonintegrated companies whose sales were but an "infinitesimal part of the total" sales of the Permian Basin. In contrast, he indicated, the Commisssion employs as the starting point the rates of return allowed jurisdictional pipeline companies and then seeks to translate the added risk inherent in natural gas production in terms of percentage points of return on investment. But, Commissioner Black said, this translation "has only marginal support in the record and we should acknowledge this to be the fact."

The most important single reason for a liberal rate of return in Permian is that the greater part of the gas is substantially below pipeline quality, he said, and with the price adjustments to reflect these quality differentials, much of it will not command the ceiling prices. The 12-percent return may be justified by the special risk that producers will continue to find large amounts of substandard gas, Commissioner Black concluded.

Fact Sheet—Permian Basin Area Rate Proceeding

The Permian Basin area rate proceeding covers 3 of the FPC's 23 pricing areas—the Permian Basin area of New Mexico and Texas Railroad Commission District Nos. 7–C and 8.

Counties:

New Mexico—Permian Basin (3): Chaves, Eddy, and Lea.

Texas R.R.C.D. No. 7–C (14): Coke, Concho, Crockett, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sutton, Terrell, Tom Green, and Upton.

Texas R.R.C.D. No. 8 (41): Andrews, Bailey, Borden, Brewster, Cochrane, Cottle, Crane, Crosby, Culberson, Dawson, Dickens, Ector, El Paso, Floyd, Gaines, Garza, Glasscock, Hale, Hockley, Howard, Hudspeth, Jeff Davis, Kent, King, Lamb, Loving, Lubbock, Lynn, Martin, Midland, Mitchell, Motley, Pecos, Presidio, Reeves, Scurry, Sterling, Terry, Ward, Winkler, and Yoakum.

Virtually all of the Permian Basin interstate production goes to three pipeline purchasers—El Paso Natural Gas Co., of El Paso, Tex., 73 percent; Northern Natural Gas Co., of Omaha, Nebr., 18 percent; and Transwestern Pipeline Co., of Houston, Tex., 9 percent.

The Permian Basin accounts for about 11 percent of all gas moving into interstate markets. Revenues from Permian Basin jurisdictional sales by producers to pipelines amounted to about $126,035,035 in 1960—or about 10 percent of the $1,265,381,342 in revenues from nationwide jurisdictional sales by producers to pipelines in that year.

The proceeding involved 336 respondents and 47 interveners. There are approximately 1,400 producers in the Permian Basin. There were 251 days in hearing, 30,839 pages of transcript and 337 main exhibits plus numerous supplemental exhibits. Measured by hearing days, the case is the longest ever held by the FPC, and on the basis of the size of the transcript it is one of the largest.

CHRONOLOGY

September 28, 1960: FPC issued "Phillips" ruling (Opinion No. 338) holding that individual company ratemaking is unworkable for producers. General Policy Statement 61–1, issued concurrently, set out interim price ceilings for 23 producing areas. Interim ceilings for the 3 areas involved in the Permian Basin hearing were 16 cents per thousand cubic feet for new sales and 11 cents as the level at which increases in existing rates would be suspended.

December 23, 1960: Permian Basin area rate hearing ordered.

March 6, 1961: First prehearing conference held in Midland, Tex. Later met in Midland on March 7 and 8 and in Washington, D.C., on April 12, 13, and 27.

May 26, 1961: Examiner's report to Commission on prehearing conference.

September 7, 1961: Prehearing conference, Washington, D.C.

October 11, 1961: Hearing begins in Washington, D.C.

September 12, 1963: Hearing concluded.

November 22, 1963: Initial briefs deadline. Filed, jointly or separately, by 50 parties.

January 15, 1964: Reply briefs deadline. Filed, jointly or separately, by 21 parties.

September 17, 1964: FPC Presiding Examiner Seymour Wenner's initial decision issued, adopting new two-price system designed to speed search for new gas, based on "directional" concept that exploratory activities can be directed toward search for gas reservoirs separately from oil reservoirs, thus making supply of "gas-well gas" responsive to price. Examiner would establish series of ceiling prices for Permian Basin ranging from low of 10 cents per 1,000 cubic feet for old casinghead gas to high of 16.75 cents for new "gas-well gas."

November 23, 1964: Deadline for exceptions to examiner's decision.

January 15, 1965: Deadline for replies to exceptions to examiner's decision.

February 8 through February 10, 1965: Oral argument before members of Federal Power Commission.

August 5, 1965: FPC opinion issued (Opinion No. 468), with related rule-making order, show-cause order, and order issuing certificates.

Federal Power Commission—Summary of Permian Basin ceiling rates allowed by the FPC, recommended by the examiner, and advocated by the major parties [1]

[In cents per thousand cubic feet of gas]

	New gas well	New residue		Old gas well	Old residue	New casinghead	Old casinghead	Prescribed quality differentials	Minimum rates
		Gas-well gas	Oil-well gas						
Federal Power Commission [2]	16.5	16.5	14.5	14.5	14.5	14.5	14.5	Yes [3]	9 cents.
Presiding examiner	16.75	15.0		13.5	13.5	11.0	10.0	do [4]	7 cents for casinghead, 9 cents for other gas; buyer's OK required.
State and Public Utilities Commission of California	14.75	13.5		13.5	13.5	10.0	10.0	do [5]	Opposed.
State of Texas and Texas Independent Producers & Royalty Association.[6]	20.0	20.0		20.0	20.0	20.0	20.0	do [7]	13.5 cents for all gas.
Independent Petroleum Association of America	(8)	(8)		(8)	(8)	(8)	(8)	(8)	(8)
Major producers [9]	20.0	20.0		20.0	20.0	20.0	20.0	Opposed	Do not except to examiner's recommended minimum rates, but oppose requirement of buyer's OK.
California distributors [10]		13.5		13.5	13.5	10.0	10.0	Yes [7]	Do not except to examiner's recommendation.
Federal Power Commission staff	14.25	13.25		13.25	13.5	9.5	9.5	do [11]	Does not except to examiner's recommendation.

---

[1] Several parties made no area rate proposals, asserting a right to individual company reatment.

[2] The FPC's ceilings include production taxes. The ceilings for gas produced in New Mexico will be lower, reflecting the tax level as of the effective date of the FPC's opinion.

[3] The FPC ceilings apply to "pipeline quality" gas. Prices for inferior quality gas will be fixed below the ceiling prices on the basis of quality guideline standards. Upward and downward adjustments provided for B.t.u. content.

[4] Quality differentials only for pressure in new residue gas: Minus 1.5 cents for gas which will require only 1 stage of compression; minus 2 cents for less than 2 stages of compression.

[5] Quality differentials as indicated in docket No. R–200.

[6] Texas Independent Producers & Royalty Owners Association, joined by the West Central Texas Oil & Gas Association.

[7] Favor prescribed quality differentials in principle, but do not specify amounts for this proceeding.

[8] No ceilings. Contract prices should prevail.

[9] Plus several small producers who adopted the major producers' proposals.

[10] The California distributors excepted to some of the Examiner's new gas-well gas determinations but did not specify a ceiling reflecting those exceptions.

[11] Differentials of minus 1 cent for sour gas; minus 5 cents for gas with high carbon dioxide content; minus 1.5 cents for residue gas which will require 2 stages or more of compression, and minus 2 cents for residue gas with less than 2 stages of compression

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. RIBICOFF. Mr. President, I am pleased to bring to the floor of the Senate the bill, S. 1599, to establish a Department of Housing and Urban Development. The history of our Government—and, indeed, of our Nation—would be brightened by the enactment of this landmark legislation.

Ours is an urban society. The great majority of Americans live in cities, and their suburbs. The bulk of our Nation's wealth is created, each day, in these cities. The health of our society hinges on the well-being and progress of our cities—their suburbs—and the people who live in them.

This is a fact of modern life. For our urban population is expanding—exploding, if you will. When our Constitution was adopted, only 5 percent of our people lived in urban areas. Today, 70 percent of Americans live in cities, towns, and suburbs, and by the end of this century, over four-fifths—or 350 million people—will be living in our urban areas. Remember, Mr. President, we are only 35 years from the 21st century.

Still, we try to deal with 21st century problems in 18th century ways. Our cities, towns, and suburbs—regardless of their size—are in trouble. Beset with problems stemming from rapid growth and change, they struggle to serve our people.

Mr. MANSFIELD. Mr. President, will the Senator from Connecticut yield, without losing his right to the floor?

Mr. RIBICOFF. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, older communities—and these include many of our smaller towns—are faced, at one and the same time, with problems of inherited slums and blight, and of rapid new growth. Even our youngest and smallest towns confront urgent problems arising from present or imminent growth.

The costs of local service are rising at an alarming rate. Local taxes this year are running about 140 percent higher than just 15 years ago. They are rising even higher, and the same is true of State taxes. The burden on State and local governments to meet the need for more services grows heavier day by day and month by month.

And there is no end in sight to the need for more schools, more highways, more hospitals, more sewage and water facilities, and more and better programs to house our urban population and improve our communities. No more complex and pressing problem faces us than the problem of how local communities, large and small, are to meet their urgent needs.

Yet for a decade we have failed to come to grips with this problem. For a decade we have debated whether we should establish a department concerned with housing and urban development.

During these 10 years that the proposal to establish such a Cabinet-level agency has been before Congress—during this decade of deliberation—a new generation of slum children has reached school age. The shortage and the pollution of water supplies and thousands of tons of smog a day continue to threaten our health and safety. Clogged city streets and inadequate transportation continue to plague the resident, the shopper, and commuter. Roadside slums, junkyards, and neon nightmares disgrace us.

Still, bills to establish a department concerned with housing and urban development have been introduced in every Congress since the 84th. And two predecessor bills have been favorably reported to this body—one in 1960 from the Committee on Banking and Currency and one in 1961 from the Committee on Government Operations.

Congress has recognized the problems of urbanization and made provisions for the solution of many of them. But it has up to now ignored the question of the proper administration of those provisions. It is now time for us to deal with the complexities that confront our urbanized Nation. We must keep in mind that our urbanization is not defined in terms of numbers alone. We are talking about more than geography and numbers; we are talking about a way of life.

My friend, the able senior Senator from Pennsylvania, was the author of the bill to establish a Department of Housing and Metropolitan Affairs that was favorably reported to the Senate 5 years ago. At that time, he pointed out that State and local debt had risen 309 percent since World War II, or 62 times as fast as Federal indebtedness—which had risen only 5 percent. Since then, the strain of continuing growth across town and county and even State lines has become even more intense. And there is no end in sight.

As President Johnson has put it:

> In our time, two giant and dangerous forces are converging on our cities: the forces of growth and of decay.
>
> In the remainder of this century—in less than 40 years—urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States.
>
> Yet these new overwhelming pressures are being visited upon cities already in distress. We have over 9 million homes, most of them in cities, which are run down or deteriorating; over 4 million do not have running water or even plumbing. Many of our central cities are in need of major surgery to overcome decay. New suburban sprawl reaches out into the countryside, as the process of urbanization consumes a million acres a year.

Now, the President of the United States has asked the Congress to give greater force and effectiveness to our efforts in the cities by establishing an 11th executive department and bringing its chief to the Cabinet table. Now, for the first time, the merits of the proposal will be formally debated by the Senate.

History will judge our work in the Senate, and history will tell whether we insist on misunderstanding the present—or follow a sensible path to the future.

THE ISSUES BEFORE US

The forces of urban growth and decay bring with them opportunities as well as problems. One is the opportunity to overhaul and to improve an important part of the organizational machinery of the Federal Government—the opportunity to position that part in good working relationship to the rest. This machinery should be in the finest working order if the Federal Government is to do its share effectively in guiding the forces of urban growth—and in helping to check the forces of urban decay.

The issue before us today is neither more nor less than one of good executive management in dealing with a major problem of the 20th and the 21st centuries. We should not mistake this issue.

Mr. President, let us consider first what the bill before us does not do. This bill does not provide for any new Federal programs for dealing with housing and urban development problems. This bill will not perceptibly increase or diminish Federal expenditures, except that, of course, better coordination and lessened duplication and tighter executive control may save a substantial proportion of administrative and program funds. This bill does not enlarge the functions of the Federal Government, nor diminish in the slightest the functions and powers of our States and localities. It is not a threat to private enterprise.

Nor is this bill a cure-all for our everyday urban problems. A governmental reorganization by itself can never work such a remarkable miracle.

Mr. President, what this important bill does is to provide the Federal Government with the needed machinery for doing a vital and difficult job.

The Federal Government had entered into an enduring partnership with State and local governments and with private enterprise to tackle our problems of urban growth and urban blight. It has done so under enabling legislation authorized over many years by the Congress of the United States. Every program that would be entrusted to the new Department of Housing and Urban Development is carefully hedged about by statutory safeguards, and is designed to support and to complement activities of State and local government, and of private enterprise. Each such program is addressed to a basic aspect of our technical, urban society.

Vice President HUMPHREY has succinctly summarized the present outmoded administrative structure for dealing with our urban responsibilities in an article in the July 3 Saturday Review. His analysis comes to us from a background of experience, not only as our distinguished colleague, but also as twice the mayor of Minneapolis, and now as the President's liaison officer with our cities and their mayors. I ask unanimous consent that the Vice President's article be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAKING CITIES FIT FOR PEOPLE

(By HUBERT H. HUMPHREY)

(EDITOR'S NOTE.—The following guest editorial, by the Vice President of the United States, discusses the proposed Federal Department of Housing and Urban Development.)

Robert Herrick said in the 17th century that great cities seldom rest: if there be none to invade from afar, they will find worse foes at home. We know those foes today. They are slums, crime, a lack of playgrounds and parks, overburdened schools, inadequate transportation, crowding, lack of clean air, and inequality of opportunity.

It was only 45 years ago that people in American cities first began to outnumber people on our farms. By 1960 only 11 States had more rural than urban population.

But most of these States will not remain that way very long. The urban population of North Dakota, our most rural State in 1960, jumped 35 percent in the 1950's. Alaska's urban population increased 150 percent, and three other States—Arizona, Florida, and Nevada—more than doubled their urban population during this period.

By 1970 we can except that three-fourths of our people will be living in towns, cities, and suburbs, compared to 70 percent in 1960. Most of our people will be concentrated in metropolitan areas. At the end of 1964, two-thirds of our population lived in 219 such areas, an increase from 59 percent in 1950. By 1980 that proportion will increase to three-fourths and by the year 2000 to four-fifths.

There have been several patterns of metropolitan growth. One has been mass migration from farm to city. One has been mass migration of Negroes out of the South—virtually all of it to central cities. Another has been mass migration of middle- and upper-income people from the core city to the suburb. And great growth has come from a higher birthrate and from longer life expectancy.

This growth has imposed new and unprecedented burdens on local government for schools, housing, streets and highways, commercial expansion, transit, and welfare programs.

In the past 10 years, State and local debt has more than doubled, while Federal debt has risen only 15 percent.

State and local government employment jumped from 4,600,000 in 1953 to more than 7,000,000 employees in 1963. During the same decade, State and local public expenditures more than doubled, increasing by 132 percent to $65 billion in 1963. Major among these were expenditures on transportation, education, highways, sanitation, and parks and recreation, with increases from 140 percent to 165 percent during the 10 years. Interest on State and local public debt jumped by 258 percent.

Along with these sharp rises in costs of public services and facilities, the growth of these urban areas has also created explosive racial and economic pressures.

I remember during my two terms as mayor of Minneapolis, at the close of World War II, the strains placed on our city by changing population patterns. Those strains were small compared to those today. Example: In the Minneapolis-St. Paul metropolitan area, nearly three-fourths of the people lived in 1950 within the city limits. Today those cities' populations remain constant, while population in their suburbs has more than doubled. The same pattern is common to nearly all our major metropolitan areas.

The picture is clear: There has been a shift of middle and higher income groups into the suburbs, out of the taxing jurisdictions of the inner city, while too many of the poor and disadvantaged have remained behind or moved in from the poorer rural areas.

Although the suburbs have provided cheaper land and lower cost housing for many middle-income families, as well as for the more prosperous, they have been populated largely by those able to afford better housing. Those at or near the poverty level have remained concentrated in the slums and poorer sections of the central city. Faced with deterioration and decay, the inner city has found itself with greater tasks to undertake and with fewer ready sources of money. At the same time, the suburbanites have had their hands full creating public facilities and services in communities that were open grass fields a few years ago.

Behind the statistics and population patterns have been thousands of personal and community tragedies, many of them created by those of good intention. There are the impersonal housing projects that in many cases have displaced families and destroyed the traditional fabric of neighborhood life. There are the freeways that have torn through people's homes and businesses, cut through parkland, and done no more than add to the noise in our streets and poison in our air. There are the shortsighted zoning decisions that have blighted neighborhoods and reduced property values.

Because of these discouraging experiences, it would be easy to say that many of our metropolitan problems stem from apathetic or inept local government. In a few places this is true. But in most it is not.

I have been working, at President Johnson's request, with the Nation's mayors, county officials, and city managers. Almost without exception I have found these men and women to be dedicated, competent, and deeply concerned with the problems pressing on their constituencies. Most of them have long since initiated constructive programs of their own in an attempt to keep pace with the urgencies facing their cities. But they have been fighting massive problems with dwindling resources. And they have not had any single place to turn for counsel and assistance.

One of their major difficulties, they tell me, is that no one Federal department or agency has had either authority or responsibility to work with mayors and county officials in areas where they need most help. Our mayors and county officials have not, in many instances, been able to get advice or a rapid answer in Washington—much less Federal funds.

In 1963 the Advisory Commission on Intergovernmental Relations identified over 40 separate programs of aid for urban development, administered by some 13 Federal departments and agencies. Small wonder that the committee reported that "the effect of inconsistencies is felt most keenly in urban areas where programs of all kinds at all levels of government most frequently come together."

It cited particularly inconsistency and conflict between policies, or lack of them, in relocating people displaced by public activities. While a community plans for the relocation of people displaced from a renewal area, not infrequently still another public project, undertaken with Federal help, displaces additional numbers with no rehousing plan—and may even eliminate some of the housing urgently needed to meet the problem.

Jet airports may be announced in residential growth areas, driving down values of homes financed with Federal mortgage insurance or guarantees. A right-of-way for a federally aided highway may be purchased, cutting through an area that another agency is seeking to acquire and preserve as public parkland.

One test of democratic government is its ability to respond rapidly to changing conditions.

In 1953 the Department of Health, Education, and Welfare was created to provide top-level Federal policy and direction in meeting the human and social needs of our citizens. HEW treats, to a large degree, the symptoms of urban disease.

But until recently there has been no similar recognition of the need for a top-level Federal department to help meet the physical and environmental problems of metropolis—in many cases the causes of urban disease.

Today most of the key programs having to do with urban development, improvement, and housing are lodged at a secondary level of government, in the Housing and Home Finance Agency. This independent agency was created in 1947, under President Truman, to administer the housing programs of the FHA and the Public Housing Administration as continuing peacetime activities.

Since that time all manner of programs have been added to HHFA's responsibilities, including urban renewal, urban planning, mortgage supports, public works, college housing, mass transportation, open space, and housing for the elderly. Its broad major responsibilities now cover at least 10 distinct and definable areas of activity. If you add the many special programs administered under the agency, the number would more than double. Its programs today involve some type of Federal support for more than $70 billion in private and public investment in housing and urban development.

About 77 percent of this—more than $54 billion—is private housing mortgage investment insured by the FHA. Public housing accounts for about 10 percent—$7 billion—in capital investment by local public bodies, secured by annual contributions pledged by the Federal Government. Federal grants reserved or committed for renewal of our urban areas total about $4.5 billion, and loans for college housing nearly $3 billion. Lesser amounts include loan or grant commitments for such programs as housing for the elderly, public works planning and construction, open space acquisition, urban planning assistance, mass transportation, and mortgage financing support for GI home loans.

The Housing and Home Finance Agency was never intended to fill its present job. It is a loosely knit instrument. According to law, three of its officials are appointed by the President and report directly to him. In a legislative sense, at least, there is no one official in command.

When the President meets with his Cabinet he cannot find out what or how the Federal Government is doing overall in assisting towns, cities, and metropolitan areas. The agency most concerned with these areas is not even represented at the Cabinet table.

In the past several years much has been done through executive cooperation and coordination to mesh various urban-related problems throughout Government. Glaring conflicts have been avoided. But this has been done the hard way, through bits and pieces of agreements and consultations among officials and staff at many levels, in many agencies.

Ad hoc committees and interstaff memorandums are no substitute for Executive decision and direction.

In 1961 President Kennedy became the first President to propose creation of a Cabinet-level Department of Urban Affairs. Committees of both the Senate and the House of Representatives reported the bill favorably, but it did not reach the floor in time for action at that session of Congress. When the proposal was resubmitted in 1962 as a reorganization plan, it failed to receive House approval. Much of the opposition expressed, as the record shows, was based on misconception of what the plan would do or considerations unrelated to the merit of the proposal.

Today the reasons advanced for opposing a new department are that it would be too costly; that it would mean Federal domination over local communities and States; that it would benefit only the large cities; that the Government is already too big, and this department would make it bigger.

I disagree with these contentions.

The Department bill would authorize no increase in expenditures; instead, it would simply mean that the Government's money would be better spent. It would add no authority to the Federal Government it does not now exercise. It is important to the larger cities but, if anything, even more so to the smaller communities less able to cope with their growth problems—indeed, the great proportion of communities using these programs are small towns, down to the village level. And the argument against big government gives no consideration to the fact that the country and its urban needs and problems are far bigger than we were able to foresee even a decade ago.

The needs of our urban areas have not diminished; they have become more pressing. President Johnson's proposal for a Department of Housing and Urban Development must be considered in this knowledge.

The President seeks from Congress the authority to bring good management to Federal responsibilities in our metropolitan areas. He asks for coordinated direction of these activities by a single Government department. And he asks for a place at the Cabinet table for the head of that Department.

The bill itself says in part that the Department of Housing and Urban Development shall undertake "maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan development," and "the solution of problems of housing and urban development through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation."

Are our metropolitan areas important enough to merit top-level consideration in the Federal Government?

The answer is certainly yes.

We have long since given Cabinet status to our national concern for our natural resources, our agriculture, our trade and commerce, our labor force, and the social health and educational needs of our citizens.

Surely our cities and metropolitan areas—where three-quarters of us live—are worthy of the same attention.

Mr. RIBICOFF. Mr. President, I must add that proposals to strengthen the organizational machinery of the Federal Government in the field of housing and urban development have long found vigorous support in this Chamber among Members who have themselves served as mayors of their cities or as Governors of their States. The former mayors and former Governors among us realize that our cities and States will not find their powers diminish because the Federal Government has perfected its governmental machinery. On the contrary, they feel it will enormously help State and local governments.

As a former Governor of a densely populated State, I can testify that a tremendous job remains to be done at the Federal, State, and local levels. This job must be done—and done well—if our urban areas are to fulfill their promise of providing a decent environment in which our people may live and work and take their leisure. I am sure my views are shared by the able senior Senator from Rhode Island who, too, has served as Governor of an urban State. And, you will recall the leading role of the able junior Senator from Maine, and former Governor of his State, in sponsoring President Kennedy's Reorganization Plan No. 1 of 1962 which would have accomplished virtually the same purpose as the bill before us today.

So, Mr. President, the question before us today is not what the Federal Government will do in the field of housing and urban development, or whether it should be doing it. The question before us is only whether the Federal Government will be able to act more effectively and more efficiently.

HISTORY OF S. 1599

Let me turn now to the bill itself and its history. It was transmitted to the Congress by the Director of the Bureau of the Budget on March 23, and was introduced by me on March 25 with the joint sponsorship of Senators BREWSTER, CLARK, DODD, DOUGLAS, GRUENING, HART, JAVITS, KENNEDY of New York, LONG of Missouri, MUSKIE, PELL, TYDINGS, and WILLIAMS of New Jersey. Extensive hearings were held on the bill between March 31 and May 19.

The administration's testimony was presented by the then Budget Director, Kermit Gordon. The senior Senators from Pennsylvania and New York testified for its enactment. Also appearing in support of the bill—and their support was most vigorous—were representatives of the following organizations: National Association of Housing and Redevelopment Officials; U.S. Conference of Mayors; National League of Cities; National Association of Home Builders; National Housing Conference; National Association of Counties; American Institute of Planners; American Federation of Labor and Congress of Industrial Organizations; United Presbyterian Church, U.S.A.

Appearing against the bill were representatives of the American Farm Bureau Federation and the National Association of Real Estate Boards. Witnesses testifying on behalf of the Mortgage Bankers Association of America, although expressing doubt as to the need for the bill, took no position either for or against it but recommended certain changes with respect to the status of the Federal Housing Administration if it is enacted.

Many other statements, both for and against the proposed legislation, were received and appear in the printed subcommittee hearings.

SUMMARY OF THE BILL

The bill recites that the establishment of the Department of Housing and Urban Development is desirable in order to—

First. Achieve the best administration of the principal Federal programs which provide assistance for housing and for the development of our communities.

Second. Assist the President in achieving maximum coordination of the various Federal activities which have a major effect on urban or suburban development.

Third. Encourage the solution of problems of housing and urban development—including mass transportation—through intergovernmental cooperation at the State, regional, and local levels and through private action.

Fourth. Encourage the maximum contribution that may be made by vigorous private homebuilding and mortgage-lending industries to housing, urban development, and the national economy.

Fifth. Provide for full and appropriate consideration at the national level of the needs of the Nation's communities and their inhabitants.

Under the bill the new Department would be headed by a Secretary who would be appointed by the President with the advice and consent of the Senate, as would be an Under Secretary, four Assistant Secretaries, and a General Counsel.

The Secretary would be given responsibilities for—

First. Advising the President with respect to Federal programs relating to housing and urban development.

Second. Developing and recommending to the President policies for fostering the orderly growth of the Nation's urban areas.

Third. Exercising leadership at the direction of the President in coordinating Federal activities affecting housing and urban development.

Fourth. Providing technical assistance and information, including a clearinghouse service, to States, counties, villages, and other localities in developing solutions to problems of urban development.

Fifth. Consulting with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and State programs for encouraging regional cooperation in planning and conducting local development.

Sixth. Encouraging comprehensive planning for community development by States and localities with a view to achieving coordination of Federal, State, and local urban development activities within the local areas covered by such comprehensive planning.

Seventh. Encouraging private enterprise to serve as large a part of housing and urban development needs as it can.

Eighth. Conducting studies with respect to problems within the new Department's sphere of responsibilities.

The bill makes it clear that the activities of the new Department would run to the housing and other physical development problems of communities, both large and small, without regard to their population or their corporate status, except as may be expressly provided by substantive law.

There would be transferred to, and vested in, the Secretary of the new Department the functions of the Housing and Home Finance Agency and its Administrator. These include the urban renewal, urban planning, and open-space programs of the Urban Renewal Administration. They also include the programs of the Community Facilities Administration relating to public works planning advances, public facility loans and grants, college housing loans, and elderly housing loans, along with the Housing Agency's more recent urban mass transportation programs.

The bill would also transfer to the Secretary the authority now vested by law in the Federal Housing Commissioner for mortgage insurance programs and in the Public Housing Commissioner for aids to low-rent housing. The Federal National Mortgage Association, a corporate entity which provides a secondary mortgage market and special assistance for FHA-insured and Veterans' Administration-guaranteed mortgages, would be transferred to the new Department in its present corporation form, with the Secretary replacing the Housing Administrator as Chairman of the FNMA Board.

One of the Assistant Secretaries would be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

There would also be in the Department an Office of Urban Program Coordination, headed by a Director who would be appointed by the Secretary. The Office would assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the Federal Government which have a major impact on community development.

The bill also provides that the President shall undertake studies of the organization of Federal housing and urban development programs, and shall report his findings to the Congress, along with his recommendations concerning the possible transfer of functions and programs to or from the Department.

The effective date of the bill is fixed at 60 days from the date of its approval, or on such earlier date after approval as the President may specify.

CRITERIA FOR ESTABLISHMENT OF AN EXECUTIVE DEPARTMENT

In his testimony on behalf of this bill, the Director of the Bureau of the Budget conceded that there are no exact criteria that can be easily or mechanically applied for determining at which stage of its development an agency or group of functions may merit departmental status. However, he pointed out that the Congress has generally applied certain tests in considering proposals to establish new executive departments.

These tests have related primarily to the first, permanence; second, size and scope; third, interrelatedness; fourth, complexity; and fifth, national significance of the programs to be administered. These are also the criteria that were applied by the Committee on Government Operations to the proposal now before us.

Departmental status has been given in the past to those agencies which—

First. Administer a wide range of permanent and complex programs directed toward a common purpose of national importance; and

Second. Are concerned with policies and programs requiring frequent Presidential direction and representation at the highest levels of government.

The proposed Department of Housing and Urban Development fully meets each and every one of these criteria. Programs to be administered by the new Department are often criticized on matters of detail, and often amended, but there is widespread, bipartisan support for the programs themselves or for alternative programs to accomplish the same purposes. The Congress has time and again given clear indication that it considers the transferred programs permanent; and that statutory expiration dates and dollar limitations on authorizations are merely the devices by which we very properly exercise our traditional function of periodic review so that we can perfect the laws from time to time.

Similarly, even those who would make the most extensive changes in the enabling laws agree that the programs to be transferred to the new Department are vast in size and scope and that they are complex and interrelated.

It is abundantly clear, too, that the programs of the new Department have a tremendous impact on the national well-being of our people. All the planning, housing, urban renewal, and other community development programs of the new Department would be focused on helping in the provisions of good housing in good neighborhoods in well-planned communities with adequate open space and adequate mass transportation. Thus the programs are directed toward a common purpose of major national importance.

Not only do the programs that would be assigned to the new Department have a major direct impact on the health and well-being of our people, but they have a tremendous impact on the Federal budget and on the entire national economy. As of the beginning of fiscal year 1965, the financial involvement of the Federal Government in all of the programs that would be transferred to the new Department was estimated at about $67.5 billion. Since World War II, housing and related community facilities have accounted for a larger share of the net increase in investment than any other economic activity.

Furthermore, homebuilding, which is so greatly influenced by Federal housing programs and by general Federal fiscal policies, is a major industry which affects the entire economy more than through its own expenditures. It acts as a multiplier in generating income. For every man working on a residential construction site, one other is engaged elsewhere in producing the countless items of material and equipment which go into the structure. Also, a new home generates many purchases of household equipment and furnishings.

Clearly, too, the activities of the proposed Department require attention and direction and representation at the highest level of government. By way of example, it is essential that the debt management activities of the Treasury Department be coordinated with the secondary mortgage market operations of the Federal National Mortgage Association and with a multitude of other Federal housing activities. Similarly, programs assigned to the new Department must be related to and coordinated with the programs being carried on by other agencies of the Federal Government which affect urban development. These include, to mention only some, Federal highway programs administered within the Department of Commerce, water, and air pollution programs administered within the Department of Health, Education, and Welfare, and outdoor recreation and conservation programs administered within the Department of the Interior.

THE ROLE OF HOUSING AND THE PLACE OF THE FHA IN THE NEW DEPARTMENT

During the hearings, a misunderstanding on the part of some witnesses came to light. They felt that the conversion of the Housing and Home Finance Agency into a Department of Housing and Urban Development would increase the importance of urban development in the Federal Government at the expense of the role of housing. That is to say, they felt that housing would be neglected in the new Department.

This misunderstanding is based on two erroneous premises. First of all, the change of name merely reflects a change that has already taken place in the functions of the present Housing Agency. The Agency, which is concerned with housing, urban renewal, community facilities, open space, and mass transportation, has long been a housing and urban development agency in all but name.

Second, housing functions and urban development functions are not separate and rival activities, but are complementary to each other. Obviously, a good home is not to be found in a badly planned neighborhood where shopping, sewer, water, and transportation facilities are inadequate and where recreational opportunities are lacking. Thus, the mission of the Department would be a single mission—that of providing good homes in good neighborhoods served by adequate public and community facilities.

Other witnesses appearing before our committee expressed understandable concern that the Federal Housing Administration would somehow be downgraded in the Department.

For some 30 years, the FHA's regular mortgage insurance programs have provided a steadying influence on the national flow of credit for sales and rental housing and for home repairs. With relatively minor modifications, FHA mortgage insurance, in addition to serving general housing needs, has helped serve the special housing needs of World War II military personnel and defense workers; has helped overcome the severe postwar housing shortage which faced our returning World War II and Korean war veterans; has helped gain widespread acceptance in the private financial market for cooperative housing; and more recently, has helped provide for housing in urban renewal areas and housing serving the special needs of persons displaced by urban renewal and of the elderly. These FHA programs have enlarged the role of private enterprise, assisting it to serve an ever-broadening share of the total housing market.

Accordingly, the committee found itself in full accord with recommendations made by the homebuilding and mortgage lending industries that there be incorporated in the legislation express provision for the private mortgage market functions of the new Department to be administered at an appropriately high level.

The bill as introduced provided for four Assistant Secretaries in the new Department to be appointed by the President, with the advice and consent of the Senate. The committee has adopted an amendment requiring that one of these Assistant Secretaries "shall be designated to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market."

This amendment assures that the extremely important programs of the FHA, as well as those of its closely related sister agency, the Federal National Mortgage Association, will be administered at the assistant secretarial level.

Both of these agencies were created pursuant to—and administer programs authorized by—the National Housing Act. Indeed, a major function of the FNMA is to provide a secondary market for the mortgages insured by the FHA.

This amendment provides adequate assurance to all that private mortgage market programs will be administered at a sufficiently high level in the new Department. The programs are, in fact, upgraded under the bill. Besides being administered at the assistant secretarial level, they will receive the benefits of attention and coordination by a member of the President's Cabinet.

Other witnesses had proposed, as an alternative to our committee amendment, that the FHA be transferred to the new Department with all its functions vested in a Federal Housing Commissioner appointed by the President. The Commissioner would exercise his functions "under the supervision and direction of the Secretary."

Our committee found the following important similarities in the two proposals:

First. Under both the committee amendment and the alternative proposal, the functions of the FHA would be administered at an appropriately high level, with the administering official being appointed by the President, confirmed by the Senate, and being paid at the assistant secretarial level of the executive salary schedule.

Second. Under both, the functions would be performed subject to the supervision and direction of the Secretary of the new Department. The committee also found differences between the two proposals:

First. Under the committee amendment, the title of the administering official would be Assistant Secretary, whereas it would be Commissioner under the alternative proposal, with the alternative carrying a connotation of somewhat lower rank.

Second. And far more significant, the alternative proposal gives the appearance of establishing a semiautonomous FHA in the new Department. It does this by vesting the ultimate legal authority for the programs in the Commissioner, who is the subordinate official, rather than in the Secretary who is the head of the Department. And yet, it concedes to the Secretary full powers of supervision and direction.

The committee felt that the alternative proposal, by placing ultimate legal authority in a subordinate official, was patently self-contradictory. In view of the fact that the Secretary would have full power of supervision and direction under both the committee's amendment and under the alternative proposal, the only real difference that results from placing the ultimate legal authority in the subordinate official is to create an element of uncertainty and confusion with respect to the nature of the Secretary's supervisory powers.

Let me say here and now, as a former Secretary of a department, that I will never be a willing party to writing legislation that creates uncertainty and confusion concerning executive powers; I will never help write legislation that attempts to place final legal authority in one official, a subordinate, while leaving final responsibility in another official, who is the head of the department.

It is an elementary principle of good public administration that authority must be commensurate with responsibility. This principle was clearly stated by the first Hoover Commission when it recommended:

> Under the President, the heads of departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

One more word about the FHA. The FHA has, over the years, become a household word in this Nation. It has become known not only to mortgage bankers and homebuilders but to the public at large—including millions of people who have received the benefits of FHA mortgage insurance or FHA home improvement loans. There is great value in preserving this name, and I wish to assure the Senate that this will be done.

By letter dated June 10, and appearing at page 298 of the hearings, Mr. Charles L. Schultze, Director of the Bureau of the Budget, wrote, in response to my inquiry, that the Bureau is fully aware of the value of preserving the familiar terminology of the Federal Housing Administration. The Budget Director assured the Congress that the Secretary of the proposed new Department, whomever he may be, will so organize the Department as to provide "that the basic mortgage insurance functions will undoubtedly continue under the Department to be identified officially with the name Federal Housing Administration."

THE SCOPE OF THE DEPARTMENT

Our committee, of course, recognized that there are many Federal programs with a major impact on our urban areas that would not be assigned to the new Department. The bill is not intended to create a Department to administer all programs which concern our cities.

Indeed, there is not now a single department of the Federal Government that has jurisdiction over every Federal program that importantly affects its work. Inevitably, in a civilization as advanced and complex as ours, departments of Government that are primarily concerned with health, with natural resources, with commerce and transportation, and with urban development will find that their programs impinge on each other.

As the Director of the Bureau of the Budget stated:

> The question of assigning a particular function to one agency or another is seldom clear cut. Almost always rationalizable alternatives are available, and frequently the choice is difficult.

I should be less than frank were I not to inform the Senate that these questions were indeed among the most difficult that this legislation presented to our committee.

As I have said, then, the primary mission of the new Department would be to encourage the provision of good homes in good neighborhoods adequately served by public and community facilities. The Director of the Bureau of the Budget expressed a similar view in writing to the Committee in answer to an inquiry when he said:

> The primary mission of the Department is to carry out major functions relating to the improvement of the physical environment of the urban community and to provide a focus for executive branch efforts in this direction.

I do not imply, however, that the committee believes, or that I believe, that urban development will be perfectly organized within the Federal Government upon the enactment of this bill. On the contrary—because improvements should be constantly sought, and because the fabric of the Federal Government is of complex design—the committee added to the bill as introduced an amendment which provides:

> The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department.

In the field of housing, the bill makes no provision for transferring the Veterans' Administration home loan guarantee program or the Federal Home Loan Bank Board's programs to the new Department.

Problems relating to consistency between VA home loan guarantees and FHA mortgage insurance were solved many years ago. At this late date, more difficulties than benefits would result if we attempted to combine the long-range FHA insurance programs with the declining VA guarantee program. In the case of the Federal Home Loan Bank Board, the Committee on Government

Operations concurred in the view of the Bureau of the Budget that there is no compelling reason for reexamining the determination made by the Congress in 1955 that the FHLBB should be an independent agency. That determination was based on the fact that the Board's work is in large part regulatory or quasi-judicial.

In any case, the issue is whether the functions that would be transferred to the new Department meet the criteria for establishing a new Department. Clearly they do. The issue now before the Senate is not whether additional functions ought to be transferred to the new Department. That determination can well await the President's study and recommendations called for by the bill.

The utter impracticality of organizing a single Department that would have jurisdiction over everything of importance to urban areas has led to a proposal. This is that there be established in the White House a coordinating office concerned with community development. It may be that the President will find merit in this proposal for reorganizing his White House staff; if so, he has ample authority to proceed. But, as I see it, the organization of the President's staff does not concern us here. And the merits of such a White House reorganization do not determine the merits of this bill.

The programs that would be transferred to the new Department meet all the criteria for the establishment of a Cabinet Department. This would be true regardless of whether the President might also find it useful to establish a White House office to assist him in dealing with various urban issues. For that matter, the establishment of the Department would, in itself, provide the President with one agency to help him in the coordinating of all Federal urban development programs. Several provisions on program coordination in the bill make this clear.

One of these provisions was added by the committee. It would establish an Office of Urban Program Coordination in the Department. This Office would assist the Secretary in carrying out his responsibilities to the President—responsibilities with respect to achieving maximum coordination of the programs of various departments and agencies of the Government having a major impact on community development. The Director of this Office would, subject to the direction of the Secretary, establish and maintain close liaison with the Federal departments and agencies concerned, and would consult with State and local officials regarding urban development programs. The Director would have no power other than the power he derives from the Secretary; nor would the creation of this coordinating office within the Department in any way increase the power of the Secretary. His authority would flow from existing substantive law and from the President.

Secretaries of all the existing departments often speak for the President and exercise influence with respect to matters of concern to them within the entire executive branch. So would the new Secretary be expected, in the language of the bill, to exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development.

CONCLUSION

Mr. President, I strongly urge the approval of this bill. Destiny—and our American resources and skills—have speeded our technical and urban growth. As a result we enjoy abundant blessings—and suffer some problems and difficulties.

Perhaps these very difficulties will prod us further to use our resources and skills to keep in step with the forces that have made us a great—and an urban—Nation.

Mr. President, the matter is now before us. Should we redesign the machinery of our Federal Government so that it will most effectively, efficiently, and economically do its work? Should we create the instrument we need in this time of great and rapid growth?

I feel we should.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as amended be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RIBICOFF. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Massachusetts [Mr. SALTONSTALL] proposes an amendment on page 4, line 8, after "activities;" it is proposed to insert the following: "upon the request of the Governor of any State, within sixty days of such request, hold an informal public hearing in any community of such State with respect to the manner in which any program of assistance to a State or local public body or agency administered by the Department is proposed to be, or is being, carried out in such community;".

Mr. SALTONSTALL. Mr. President, the purpose of my amendment is very simple. It involves a question of procedure.

Under the bill as presented by the distinguished Senator from Connecticut [Mr. RIBICOFF], the new Secretary would have to consult and cooperate with various State governments. However, that is as far as the provisions of the bill go.

My amendment proposes to go a little further than that and to state:

> Upon the request of the Governor of any State, within 60 days of such request, hold an informal public hearing in any community of such State with respect to the manner in which any program of assistance to a State or local public body or agency administered by the Department is proposed to be, or is being, carried out in such community.

My amendment would permit the Governor of a State to request an informal public hearing in any community within his State regarding the way in which any program administered by this new Department is proposed to be or is being carried out in any such community. Such a hearing would have to be held within 60 days of a Governor's request so undue delay in the progress of any project would not occur.

I would not anticipate that a Governor would exercise his right to request a hearing very often. The majority might never do so. But the inclusion of this provision would give him an opportunity to request one whenever he felt the circumstances warranted it. This bill provides that the Secretary shall "consult and cooperate with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of urban and metropolitan development programs and projects." It also provides that the Director of the Office of Urban Program Coordination shall consult with State, local, and regional officials and consider their recommendations with respect to programs affecting urban problems. These provisions are highly desirable because the States have a direct interest in the proper development and growth of the communities existing within them. We tend today to downgrade State government, and this, in my opinion, is harmful to us all.

My proposal would bring the Governors of our States somewhat deeper into the process of assisting in achieving coordination in the rapidly expanding urban development program. This is especially desirable at a time when the Federal Government, through the new Department of Housing and Urban Development and the local governments, through newly enlarged planning development agencies, are strengthening their machinery concerned with urban development. It is essential that our statehouses participate in the coordinating process, since rapid urban growth has resulted in development projects which increasingly have important impact across city and county lines.

The amendment would affect projects aided by the new Department, such as public facilities, public housing, and urban renewal projects, which assist State or local public bodies or agencies. It would thus not affect programs such as those of the Federal Housing Administration and the Federal National Mortgage Association.

You will note that the language of the amendment specifies an informal public hearing. It is not my intention to require a formal hearing conforming to the provisions of the Administrative Procedures Act, and that is why the word "informal" has been added.

The proposed Department would administer four or five different housing bills. It would administer the bill which the President is expected to sign today. However, the Department would not cover all bills relating to housing or urban development.

I should like to go further than this amendment and give the Governor more power. However, to do that, we would have to change the law with respect to a number of rather extensive programs. It would be difficult for us to do that without extended hearings in great detail on each of the bills.

Therefore, I have filed the amendment in this way. I have discussed the amendment with the distinguished Senator from Connecticut. I hope that he will be able to accept the amendment in its present form.

All that the amendment would do would be to give the Governor an opportunity to initiate a public hearing. It provides an opportunity for our Governors to do more than participate in consultations, when he feels a project would benefit from further examination. He could insure an informal public hearing. The Department would receive benefit from that public hearing, and the Governor of the State would have the opportunity to present any objections, recommendations, changes, or amendments.

My amendment would give the people of a community and State the opportunity to discuss a subject before it is approved.

Mr. RIBICOFF. Mr. President, I have discussed the amendment with the distinguished Senator from Massachusetts, who, like myself, was the Governor of a great State, and, who realizes the problems that many States face.

There is no question that many of these programs in local communities become the subject of heated and deep controversy. I believe that the suggestion of the distinguished Senator from Massachusetts is sound.

This amendment would afford an opportunity to the Governor, when faced with the turmoil involved in a serious problem in any community, to allow the Federal officials who would be responsible for the program to come to the community, to hold a hearing, and to listen to both sides of the controversy.

I commend the Senator for formulating his amendment. On behalf of the committee, I accept the amendment offered by the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Connecticut.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Alabama proposes an amendment, on behalf of himself, Mr. McCLELLAN, Mr. MUNDT, and Mr. TOWER, to S. 1599:

> On page 5, after line 8, to insert the following new paragraph:
>
> "There shall be in the Department a Federal Housing Administration headed by a Federal Housing Commissioner, who shall be appointed by the President, by and with the advice and consent of the Senate. The Federal Housing Commissioner shall have such duties and powers as may be prescribed by the Secretary."

Mr. SPARKMAN. Mr. President, the amendment would add language to the bill to require that the new Department of Housing and Urban Development contain a Federal Housing Administration headed by a Federal Housing Commissioner appointed by the President. The Commissioner would have such duties and powers as prescribed by the Secretary of the new Department.

This is a very simple amendment with one purpose—to preserve the present name and functions of the Federal Housing Administration.

I have introduced this amendment because of my concern for the treatment of the Federal Housing Administration and possible harm to its programs over the years under the proposed language of the bill. For over 30 years, the Federal Housing Administration has been the backbone of our housing programs. Starting with a limited program to insure mortgages on individual homes, the FHA's responsibilities have gradually been broadened as this agency has demonstrated its ability to stimulate private mortgage investment in an ever-increasing range of housing activities. I am proud to have been chairman of the Housing Subcommittee of the Senate Banking and Currency Committee which has helped provide solutions to the housing problems of this Nation both urban and rural. Because of my experience on this committee, I am particularly aware of the importance of this agency's activities. I am gratified that this program has so proven itself that the Government Operations Committee could state in its report on S. 1599 on page 26, that "rarely, if ever, is a voice now heard to advocate the repeal of the Federal Government's basic programs of mortgage insurance for private housing." FHA has, indeed, so proven itself that the concepts of its operations can be said to be uniformly supported by all Members of Congress; although, we may at times be divided with respect to the details of certain of its programs.

I think it is equally important to recognize that industry has supported the Federal Housing Administration and its activities to an increasing extent over the years. In its earliest days, FHA's mortgage insurance was viewed with skepticism by many in the financial community. However, as the years have gone by, FHA through its sound management following actuarially defensible criteria has established itself with a wide range of investors and brought well over $90 billion worth of their money into the mortgage market. Even today new forms of investment such as our growing pension funds are just beginning to invest in volume in FHA insured mortgages. I cannot emphasize enough, with the increased need for housing facing us in the coming generations, how important it is to maintain this vital flow of private investment in home mortgages.

The Government Operations Committee has shown appropriate concern for this matter and on page 14 of the report urges the Secretary to utilize such programs as mortgage insurance to encourage and supplement private credit, recognizing the fact that the private market must continue to account for the great bulk of all housing and credit extensions. They go on further to say that this type of emphasis in the administration of the mortgage market programs of the department is essential not only to preserve and strengthen the ability of the free enterprise system to allocate resources efficiently, but also to avoid placing unnecessarily large burdens on other programs of the department.

The amendment I offer is designed to assist in encouraging and supplementing this private enterprise objective. The five organizations representing the major producers, servicers, and holders of both conventional and Government guaranteed and insured mortgages have all pleaded for an amendment to preserve the status of FHA. These organizations are: The U.S. Savings & Loan League; the American Bankers Association; the National Association of Mutual Savings Banks; the Mortgage Bankers Association of America; the Life Insurance Association of America.

Let me point out that none of these organizations has opposed the creation of a Department of Housing and Urban Development. All they have asked is that adequate recognition be given to the ability of private enterprise to contribute to our efforts and that the future of FHA, which has served so well, be assured by appropriate language in the bill and not be left to the discretion of present and future administrators.

During this year I think all of us have been aproached on numerous occasions by representatives of these groups expressing their concern for the future of FHA under this legislation. Various amendments to the legislation have been proposed and considered by the committee. One of these providing for an Assistant Secretary to administer private mortgage finance programs has been adopted by the committee. Another proposed by the Mortgage Bankers Association and other groups which would have transferred the Federal Housing Administration intact to the new Department vesting in the FHA Commissioner all duties and authorities accorded to him under the National Housing Act has been turned down by the committee. My amendment offers a compromise between these two positions. It has not, to my knowledge, been considered by the committee. Because I agree that proper language in the bill establishing the status of the Federal Housing Administration is necessary, I offer it here for consideration today.

Surely all of us are agreed that the important FHA mortgage insurance activities should be continued. Despite the fact that the bill before you makes no specific provision for the continuation of the FHA name or the office of an FHA Commissioner, we are advised that the Director of the Bureau of the Budget has written giving his impression that the Secretary would continue the basic mortgage insurance functions of FHA intact. A portion of his letter is quoted on page 9 of the committee report. Let me point out that this statement is not really meaningful for this bill deals only with organization and not with programs. Barring changes in the National Housing Act the Secretary would have no alternative but to continue these basic mortgage insurance functions. What we are concerned with is the administrative entity within the Department which will carry on these basic mortgage insurance functions. We are interested in seeing a coherent group of people working together in an environment attuned as much to private enterprise considerations as to the social evils that our programs are designated to correct. This has been the success of the FHA program which has made the FHA insured label on a loan like the word "sterling" on silver. When you deal with savings banks, insurance companies, pension funds, and others who hold in trust the savings of thousands of small people, you are not dealing with businessmen who rely solely on a Government guarantee. You are dealing with people who, because of their position of trust, must consider not only the value of that guarantee but the quality of the paper which it guarantees. I believe it is important that we provide language in this bill which makes it mandatory to continue a Federal Housing Administration and a Federal Housing Commissioner within the Department, so that no one in future administrations will feel that they can ignore the report language and rely on the vagueness of the legal language of the bill as it stands presently.

The Government Operations Committee in its report on page 8 indicates that it took a strong exception to the amendment proposed by the Mortgage Bankers Association on the basis that it would vest authority in a subordinate official independent from that of his superior. They state in their report that they consider it "patently self-contradictory to place ultimate legal authority in a subordinate official rather than the head of an agency." I want to point out that the amendment I propose would not do this. The language is specific in this amendment that the FHA Commissioner would have such duties and powers as may be prescribed by the Secretary.

In summary, I believe that my amendment overcomes the major objections which the committee had to the amendments proposed previously by the Mortgage Bankers Association and other industry groups, and at the same time translates into law the intentions for administrative organization which have been expressed by the Director of the Bureau of the Budget. It would give us lasting assurance that the FHA would continue to function as a coherent organization carrying on the mortgage insurance functions which we in the Housing Subcommittee feel are so important to the ultimate success of the achievement of our housing objectives. Let me also point out that in considering bills to create a Cabinet post in previous years both the Senate and House Government Operations adopted amendments similar to this for reasons similar to those I have given. I believe it would be entirely appropriate to do so again.

I believe it is a good amendment. It would not interfere with the operation of the new Department in the event it were established. At the same time we would preserve the integrity and the very heart of the whole housing construction program, which has, by and large, sustained the entire Federal program for housing and urban development.

FHA, with its companion organization, FNMA, are self-supporting Government institutions which have provided a tremendous housing program to this country, without costing the Government one cent.

All we seek to do is to preserve the integrity of the FHA organization within the new Department.

Mr. RIBICOFF. Mr. President, over the past month I have had considerable discussion on this question with the distinguished Senator from Alabama. I do not believe there is a person in the entire United States, let alone in Congress, who is as knowledgeable in the field of housing as the distinguished Senator from Alabama.

I was concerned, at one time, with vesting authority in the FHA Commissioner which would be separate and distinct from that of the Secretary.

I know from my own experience as Secretary of Health, Education, and Welfare that this is a situation that never should be allowed to prevail, because the Secretary should be the person with the final authority in any Department.

One of the defects in the organization of the present Housing Agency is that the Administrator has only the power of "general supervision and coordination" in connection with the activities of FHA and PHA.

The Commissioners of FHA and PHA each have independent statutory authority with respect to the operations of the organizations they head and the administration of the programs assigned to these organizations.

The bill transfers these authorities to the Secretary.

It is essential that the head of the Department have authority commensurate with his responsibility to Congress and the President under the bill for achieving the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's urban and metropolitan areas; assisting the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan community development; encouraging the solution of problems of housing and of urban development through State, county, town, village, or other local and private action; and providing for full and appropriate consideration, at the national level, of the needs and interests of the Nation's urban and metropolitan areas and of the people who live and work in them.

In this connection, the first Hoover Commission recommended:

> Under the President, the heads of Departments must have full responsibility for the conduct of their Departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

I am in full accord with this view and therefore opposed the original amendment which vested authority in the Housing Commissioner under the Secretary's supervision and direction.

What the Senator from Alabama has done in his amendment as it is now drafted is to definitely set out that the duties and powers of the Federal Housing Commissioner would be those which would be prescribed by the Secretary. He would have no independent authority over and above that of the Secretary. Therefore, the reason for my objection to the original amendment has been removed.

In behalf of the members of the committee I am pleased to accept the amendment of the Senator from Alabama and to take it to conference.

Mr. SPARKMAN. Mr. President, I am grateful to the Senator both for his comments regarding me, and for his willingness to take the amendment to conference. I believe it is a good amendment. It has been worked out in such a way that it will not interfere with the orderly operation of the Department.

I earnestly hope that the conference will agree to it.

Mr. MUNDT. Mr. President, I have associated myself as a cosponsor of this amendment. I have done so because I feel that the reasons behind such a proposal are logical and compelling.

From a functional analysis of the concept of Housing and Urban Development, it is clear that such a Department should include the Federal Housing Administration. This important agency has been the bulwark of the free enterprise system in its efforts to provide the private investment needed in the home mortgage field. It is presently responsible for over $90 billion of investment funds in the mortgage market. Such a sizable contribution has lightened the burden of other Government departments that also deal in housing programs. The FHA should and will continue to provide this needed source of revenue, but I think all of us will admit that the overall effectiveness and coordination of the housing program would be weakened if the FHA were not included in this proposed Department of Housing and Urban Development and all the horses would not be working in the same harness, so to speak.

Sponsors of this legislation have indicated that the Secretary would continue the basic mortgage insurance functions of FHA. I do not believe that we should leave such a basic decision, which includes the future of a tried and true organizational concept, to the whim of subsequent administrators. We want to insure not only the continuation of a function—mortgage insurance—but also that that function will continue to be handled by an agency which will rely upon private investment. This amendment will provide such insurance by closing a loophole in the proposed bill.

Mr. President, the adoption of this amendment will also retain in Congress some of the responsibilities for the housing programs. It will make the FHA Administrator answerable for the policies of that agency when he appears before us.

Why is this necessary? The reason is that there is every likelihood that the housing functions of this Department could be neglected in favor of other urban programs—many of which would reach giveaway proportions, if the dream of the promoters comes true.

The opening statement by the distinguished chairman of the subcommittee, Senator RIBICOFF, outlines some of the far-reaching authorities which this Department may demand in the future. While the sponsors of the bill piously disclaim that this bill will do nothing else than promote the Housing and Home Finance Agency to a Cabinet status, it is doubtful that anyone really believes this.

Senator RIBICOFF in his opening statement said, in outlining some of the problems of the cities:

> And there is no end in sight to the need for more schools, more highways, more hospitals, more sewerage and water facilities, and more and better programs to house our urban population and improve our communities.

He then went on to say:

> The pollution of water supplies and thousands of tons of smog a day continues to threaten our health and safety. Clogged city streets and inadequate transportation facilities continue to plague the shopper and commuter. Roadside slums, junkyards, and neon nightmares disgrace our civilization.

Now, if the promotion of the HHFA to Cabinet status will solve any of these problems, then Congress ought to know more about how it will be done. Surely it cannot be done under the present authority of that Agency—and no one proposes, now, to give it that authority. It can only be conjectured that the blueprint for expansion of that Agency's power has been drawn and quietly pigeonholed for later presentation.

I think our committee should have questioned the head of that Agency about such objectives. We should have asked the Administrator, who has been prominently mentioned as the first new Secretary of that Cabinet post, what he may want in the way of new authority, or what powers he feels he will have by sitting in a Cabinet chair that he does not now have. I do not understand why Mr. Weaver was passed over as a witness when he ought to be the one best authorities on the entire problem.

For these reasons, I feel that the trend toward pouring more money into the big cities for problems other than housing will accelerate. I fear that housing may fall by the wayside, that the functions of FHA may not be fully implemented, and, therefore, suggest the safeguard of this amendment.

In closing let me emphasize what has been mentioned by other sponsors of this amendment. We are heading into an era of greatly expanded housing needs. Literally thousands of low- and middle-income families will be building new homes. To construct such homes mortgage insurance will be needed. In the past the FHA, which has developed the confidence of the business community as represented by thousands of small investors in insurance companies and pension plans, has demonstrated that they can meet this need. Now is not the time to experiment with a concept, tamper with the organization of an agency, or provide an opening for the dilution of our housing resources.

Mr. TOWER. Mr. President, I support, as a cosponsor, the amendment offered by Senator SPARKMAN. One of the objectives in establishing the Department of Housing and Urban Development is to be the creation of an agency which would "encourage the maximum contributions by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy."

And Mr. President, I am convinced that the retention of the Federal Housing Administration as an administrative entity within the Department will indeed stimulate the maximum efforts of private enterprise in the field of housing.

The FHA has played an outstanding role in underwriting private mortgage investments since its inception in 1934. It can well be said that the FHA has been the backbone of our housing programs now for over 30 years, and its success has made the "FHA-insured" label on loans comparable to the word "sterling" on silver.

The FHA has demonstrated its ability to stimulate private mortgage investment in a variety of housing programs. The result has been the increasing support of industry. And, while viewed with skepticism by many in the financial community at its beginning, it has established itself through sound management with a wide range of investors, including insurance companies, mutual savings banks, and in recent years, pension funds.

Today, we have a plentiful supply of funds available for investment and a desire to see them invested within our country, rather than overseas. We should, therefore, do everything within our power to preserve the FHA as an effective means of channeling private funds into the housing market.

In addition to our need for domestic investments, our increasing need for housing in the coming generations compels us to maintain this vital flow of private investment in home mortgages. The private market must certainly continue to account for the great bulk of all housing and credit extensions.

The construction industry has been greatly stimulated by the existence of the FHA and itself hires many of our unskilled and semiskilled workers, providing them with opportunities for self-improvement through apprenticeship programs. Thus, we can see that the effects of FHA activities are indeed far-reaching.

Mr. President, it would indeed be foolhardy for us to tamper with the organization of an agency which has proved its ability to stimulate private investment in homes, apartments, elderly housing projects, nursing homes, and all of the other things which make up the FHA programs.

We must keep in mind that the FHA has served us well and that it operates without cost to the taxpayer, supporting itself entirely out of income from premiums and fees. It provides an effective device for channeling mortgage funds from "credit surplus" to "credit short" areas and serves a broad range of income groups.

In effect, the FHA has handled virtually the entire burden of housing problems of the past, and certainly should not be relegated to the status of a subordinate when it continues to provide a unique function necessary to the well-being of any broad housing program. And in order to perform this function in accordance with its past and present high standards, it is necessary that the FHA remain an administrative entity, although a working part of our new housing development program.

The many aspects of our economy affected by the FHA would suffer a tremendous blow if its efforts were diminished in any way. We cannot afford to let this happen. Our perspective must not be dulled by our concern with providing better housing for our needy. It must instead be sharpened if the problem is to be solved. Private enterprise has made great strides in the elimination of poverty in the past and should not be hindered in this pursuit in the future. The weakening of the FHA, in my opinion, would also weaken our private enterprise system and the subsequent benefits provided our economy as a whole.

Therefore, Mr. President, I urge the Senate concur in adopting this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I am strongly in favor of S. 1599, a bill to establish a Department of Housing and Urban Development. I believe the Committee on Government Operations has done an excellent job in reviewing this important piece of legislation. The committee report, which recommends our favorable consideration of the bill, is a scholarly and objective examination of the basic issues involved in this proposal.

The idea of a Department of Urban Affairs is nothing new. As a matter of fact, it has been pending before the Congress for 10 years, the first proposal having been introduced in the 84th Congress.

Volumes of testimony have been taken, and it is fair to say that the proposal is one of the most thoroughly analyzed subjects of our day.

Perhaps it was inevitable for Congress to take its time on this matter, for the creation of a Cabinet-level department involves more than the reorganization of the executive branch or tidy administration. It is also a formal ratification of the Department's function and a recognition of its lasting importance. It is, in a real sense, the final stamp of legitimacy.

The history of our Cabinet departments parallels the history of our country. We have come a long way from the days of Washington's administration when the entire State Department consisted of Thomas Jefferson and four clerks. At that time, the Attorney General was actually a private attorney hired on a retainer basis for the sum of $1,500 per year.

Our early problems of internal improvement and westward expansion led to the establishment of the Department of the Interior in 1849. The millions of farmers who carved out their homesteads on our western plains were served by a Department of Agriculture which achieved Cabinet status in 1889. The rapid industrialization of our country and the rise of the labor movement saw the creation of the Departments of Commerce and Labor in 1913. And the efforts of the New Deal to help each citizen to participation in the abundance of American life led to the creation in 1953, during a Republican administration, of a Department of Health, Education, and Welfare.

Today, many of our most important and perplexing problems are associated with the growth of the American city. We have changed from a rural society to an urban society. Seven out of every 10 Americans live in urban areas; only 1 in 10 lives on a farm.

This rapid growth of the city has left in its wake a host of problems with which our communities are struggling. They include clearing slums and building decent housing for low-income families; reserving adequate space for parks and recreational areas in our overcrowded metropolitan centers; designing and building transportation systems which are the servants and not the masters of their customers; guiding and controlling urban sprawl in order to serve the needs of the entire community; investing in basic community facilities to meet the requirements of future growth; rebuilding and revitalizing our central cities; and keeping our rivers, our lakes, and the air free from pollution.

Cities, Mr. President, were built for people, to serve the needs of people. They are not a cancer upon civilization, but the very expression of our society. Much of our wealth, talent, and cultural achievements are located in our great urban centers. The health of our Nation can be measured by the health of our cities. If we permit our cities to decay—if we fail to preserve their vitality and diversity—if we fail to accord urban problems their proper recognition at the Federal level—our entire Nation will falter and decline.

And so I welcome the proposal to create a Department of Housing and Urban Development. What this bill does is to elevate the existing Housing and Home Finance Agency to Cabinet status. We are not enacting any new programs nor are we creating a new bureaucracy. We are not even transferring or consolidating urban related programs in a single agency, although this certainly deserves further examination.

We are, instead, merely changing the name of the Housing and Home Finance Agency and raising it to Cabinet status. This is the Agency which has insured home mortgages for millions of American families through the FHA; it has helped thousands of impoverished families to obtain a decent place to live through the public housing program; and it is helping hundreds of cities and towns to make their communities better places in which to live.

The fact of Cabinet status, however, will do much to rededicate our efforts to help the American city solve its problems. It reaffirms our desire to continue our housing and urban programs. It increases the degree of importance we attach to urban affairs. It provides a long delayed recognition that the priority accorded urban problems is on a par with the other programs conducted by our established departments of Government.

I believe the time has come, Mr. President, to ratify the 20th century. I believe it is time we had a Department of Housing and Urban Development. This bill has my unqualified support and I commend it to all my colleagues.

Mr. MONDALE. Mr. President, the Senate is now considering a bill to create a Cabinet-level Department of Housing and Urban Development. Despite its title, this new Department is not simply for our large metropolitan cities alone. It is also of major importance to our fast-growing suburban areas and to the smaller cities of America.

The new Department of Housing and Urban Development will bring together under one roof existing agencies dealing with urban problems, for example, the Community Facilities Administration, the Federal Housing Adimnistration, and the Urban Renewal Administration. Streamlining the needlessly complex bureaucratic structure that presently exists will eliminate much waste, confusion, and inefficiency. And it will coordinate and improve the existing programs, bringing us out of the administrative horse-and-buggy age into the space age. Bringing these agencies together under one roof and giving the new agency high-level Cabinet status will allow us to focus our energies and efforts on the growing problems of urban and suburban life.

Beyond this advantage, the Department will be required to provide technical assistance and information, including a clearinghouse service, to aid non-Federal agencies in developing solutions to local urban growth problems. In addition, the Department will undertake to encourage State and local agencies to discuss and formulate comprehensive planning for the needs of their areas so that the problems of growth and decay can be discussed and met with full participation of those from the cities and the suburbs.

When our U.S. Constitution was adopted only 5 percent of our people lived in urban areas. Today 70 percent of us live in urban and suburban areas and within 35 years both the geographical size and the populations of our urban and suburban areas will double.

In the Twin Cities area, for example, nearly three-fourths of the people lived within the Minneapolis and St. Paul City limits in 1950. Today the population of the two cities remains constant, but the population of the suburban areas has nearly doubled.

And with the trend of population in Minnesota from rural to urban—from 66 percent rural in 1900 to less than 38 percent today—the problems of Minnesota urban and suburban areas have doubled and tripled.

Our cities are showing natural signs of old age, while our suburbs suffer from sprawling growth and boisterous expansion. Anoka County, once predominantly farm country but today a major Twin Cities suburban area, had a population increase of nearly 142 percent between 1950 and 1960. And it is still growing.

These booms create problems. And our local areas are hard pressed for the funds to meet the rising costs of providing such necessary municipal and local services as clean water, efficient sewage disposal, schools, roads and streets, snow removal, and police and fire protection. Local tax rates across the Nation this year are running about 140 percent higher than just 15 years ago. The same is true of State taxes.

These overwhelming pressures upon our urban areas are real and dangerous. Central cities have rundown and deteriorating housing and buildings—some lack plumbing, running water, and are substandard. Our suburbs across the Nation are consuming 1 million acres of new land each year, mushrooming beyond belief. They will soon be needing 2 million new homes a year, schools for 10 million additional children each year, transportation facilities for the daily movement of 200 million people and more than 80 million automobiles.

These needs are obvious and real. And they can only be met if State, local, private, and Federal initiative all combine in an intensive, concerted effort to solve these problems. The magnitude and complexity of these problems is so great that a fragmented and piecemeal approach will no longer be sufficient if the Federal Government is to be an equal partner with States, cities, and private groups in meeting these needs.

Many years ago we created a Department of Agriculture to deal with rural affairs. Today there is the same need to create a department to deal with urban affairs. Thus, I am most happy to be able to vote for a bill which will allow the Federal Government to fully and effectively meet its responsibilities in this area in partnership with our States and cities and suburbs.

Mr. KENNEDY of Massachusetts. Mr. President, the most remarkable thing about this piece of legislation, establishing in our executive branch a Cabinet-level Department of Housing and Urban Development, is that it is still pending legislation. Every Congress since the 84th has included a similar proposal. President Kennedy in 1961 sent Congress draft legislation on this subject, and reiterated its importance in messages to Congress in 1962 and 1963. And President Johnson both in 1964 and in March of this year reemphasized to Congress the need for such an establishment.

Each time the issue has come before us the case has been made and, I think, persuasively so, in favor of enactment. And, each time that we have hesitated, in my judgment, we have failed in our responsibilities to the 135 million Americans who live in urban America. We can ill afford to procrastinate any longer.

So much has been said and written in the last few years about the crisis of our cities that it would serve no good purpose for me to belabor what must be by now obvious to all of us.

The facts can be simply stated. Ours is an increasingly urban Nation expanding at an explosive rate. This massive expansion in urban population coupled with the problems created by an unplanned but rapidly advancing technology are placing enormous pressure on our cities, towns, counties, and States. There is an unending need for more and better facilities—schools, highways, hospitals, sewerage systems, reservoirs, and more and better planning programs for housing and community development.

The end objective of all these urban programs remains as Congress declared it in 1949:

> A decent home and a suitable living environment for every American family.

But our time is running out. This objective seems more distant today than when it was first proclaimed some 16 years ago. Unplanned growth and decay are outstripping our efforts at orderly planning and renewal. Our cities and local and State governments lack both the resources and often the jurisdictional authority to devise adequate solutions to this array of uniquely 20th century problems. The cost of local services often outstrip the capacity of the local taxpayers to support them, and metropolitan Boston provides a good illustration of how political jurisdictional limitations prevent areawide solutions. Although the Metropolitan Boston area includes more than 80 independent governments, the entire eastern part of the State from Newburyport to Worcester to New Bedford is really a single independent regional unit. The same could be said for virtually every other urban complex in our country. Yet these complexes lack the jurisdictional authority necessary to coordinate their planning.

The entry of the Federal Government into this area was thus inevitable. But Federal assistance efforts have been piecemeal and sporadic. Since the Housing and Home Finance Agency was created 18 years ago to coordinate FHA mortgage insurance programs and Federal aid to local public low-income housing projects, more than 40 Federal programs have been established—many widely different in techniques and subject matter—to deal with various facets of community development. Unfortunately the value of these programs has been substantially diminished by the lack of coordination among them.

During my service as a Senator, I have seen the difficulties which arise out of separate administration of these diverse programs. Time and again, mayors and officials of cities and towns in Massachusetts have come to Washington with comprehensive plans for their communities. These plans may involve urban renewal, slum clearance, housing, and other matters, but they are all part of one coordinated plan of community development. These officials find when they bring their unified plans to Washington they must apply at six or seven separate agencies, they must make separate applications and wait for separate decisions.

The end result of this fragmentation is an enormous waste of time and effort both on their part and on that of the Federal Government. But our urban problems are too serious to afford such waste.

Communities must be able to find in the Federal Government a central clearinghouse which can provide technical assistance and information and coordinate Federal assistance and planning of community development activities. Such a clearinghouse will make it possible, for the first time, for communities to be made aware of all the existing Federal aid programs available to them in their planning. A central urban Department will provide the encouragement and the incentive for each of our metropolitan areas to develop their own comprehensive development plans and such a Department would be equipped to conduct extensive creative studies in search of better urban programs.

Finally, and of most importance, giving this Department Cabinet-level status will make possible a three-pronged attack on urban problems. By placing in the highest council of the Federal Government a spokesman for the Nation's urban interest, we highlight what has been apparent for many years—that the measure of success of our American civilization will be a function of our capacity to create an urban life of high quality for our citizens.

At the same time, we make it possible for urban planning and development to be coordinated with the programs of other Cabinet departments which bear on the future of our cities.

Finally, and contrary to the views voiced by opponents of this legislation, I believe the creation of a Cabinet-level Department will strengthen, not weaken, the partnership between Federal Government and the States and cities.

As the report of the Committee on Governmental Operations explained:

> The establishment of the Department does not in any way connote any bypassing or reduction of the constitutional powers and responsibilities of the States under our Federal system of Government.

Indeed, it is my view that the effect of the establishment of the Department will be to stress the importance of urban development at all levels of government, thereby increasing the status of such Department at the State level and thereby increasing the degree of coordination possible at all levels.

It is for that reason that I applaud the committee's initiative in adopting an amendment to the bill expressly providing for cooperation between the new Secretary and the State governments. It may well be that these considerations will provide an important impetus to the development of the regional planning which many of us here in the Senate consider so vital to the future.

Similarly, those of us in the Senate representing States in the northeast corridor alone will be involved with the mass transit of 15 million people in an area covering less than 2 percent of our country. To accommodate these future needs we must be planning now and coordinating and integrating such transportation plans into an overall program for urban development.

I do not wish to be misunderstood. I am not suggesting that the mere creation of a Cabinet-level Department is the answer to all the problems associated with urbanization. Solutions to these problems will require all the leadership, patience, intelligence, and imagination of which we are capable. But the creation of such a department is most assuredly a move forward in the right direction.

More than a century ago, the Department of Agriculture was created to deal with the problems of rural America, and faced with the new frontier of the West, the Department of Interior was established to channel our territorial expansion in a constructive and equitable manner. Today, urban America is our new frontier and the time has long since passed when we can afford to ignore that basic fact.

We should pass this legislation without further delay.

A DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IS NEEDED

Mr. GRUENING. Mr. President, the bill we are considering today would create a new and needed Department of Housing and Urban Development. I support S. 1599 and believe its enactment will help the Nation develop a workable program under which our urban communities and metropolitan areas can be modernized and properly planned.

We know that the need exists for such a department. The vast majority of our citizens live in urban areas, and in the decades ahead we may expect the problems of these areas to increase.

The Committee on Government Operations, of which I am a member, considered S. 1599 carefully. The able chairman of the Subcommittee on Executive Reorganization [Mr. RIBICOFF] knows first hand the difficulties encountered in the heavily populated areas of the urbanized Atlantic seaboard.

But the headaches of urbanized living are not confined to the eastern sector of our vast Nation. We are an urban Nation. More than two-thirds of our population today, more than 130 million Americans, live in urban areas which cross city, county, and State lines. Urban sprawl is not the exclusive possession of one community. East coast Americans in increasing numbers live nearly house to house, door to door from north of Boston as far south as Norfolk.

In the West, a similar sort of megalopolis covers much of the Pacific coast in the State of California.

In his eloquent message on the cities which President Johnson sent to the Congress on March 2, the President said that the modern city can be the most ruthless enemy of the good life, or it can be its servant.

The choice is ours. I believe we will make the proper choice and give our approval to S. 1599.

In his message on the cities the President said:

> In the remainder of this century—in less than 40 years—urban population will double, city land will double and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States.

Our need is acute. The challenge we face is enormous, but I am convinced that we can meet it and meet it we must.

For far too long we have talked about meeting the needs of our urbanized areas.

In 1962 on February 20 I spoke in favor of the President's Reorganization Plan No. 1 of 1962 which proposed the creation of a department similar to the one we are discussing today. At that time I said:

> Commuters from Connecticut and New Jersey work in New York City offices. Their homes in urban areas are not in New York State. Similar conditions prevail as Philadelphia secretaries often live in nearby New Jersey, or as Chicago businessmen return home in the evening to their houses on the outskirts of Hammond, Ind.

These conditions exist today—3 years later. They have not changed, indeed, they have become aggravated because our population has not remained stable. The 184 million persons comprising our population have grown to more than 192 million.

We need to coordinate the services we have which can help communities plan to meet their growing needs. We need to make our Federal aids more manageable and we must let the communities know these aids exist and are obtainable, not bound in meaningless redtape.

Report No. 536 which accompanies S. 1599 contains a finding by the Congress that the establishment of a Department of Housing and Urban Development is desirable in order to—

> Achieve the best administration of the principal Federal programs which provide assistance for housing and for the development of our communities;
>
> Assist the President in achieving maximum coordination of the various Federal activities which have a major effect on urban or surburban development;
>
> Encourage the solution of problems of housing and urban development through intergovernmental cooperation at the State, regional, and local level and through private action; and
>
> Provide for full and appropriate consideration at the national level of the needs of the Nation's communities and their inhabitants.

The needs of the Nation anticipated in the less than 4 decades before we arrive at the year 2000 A.D. include new schools, new homes, and new roads, new sewers, new transportation systems, to name but a few. We can start down the road to meet these needs by approving S. 1599.

A Department of Housing and Urban Development would benefit Alaska. Farming there, thus far, has been limited so our rural population is sparse. Hence, the division between urban and rural scarcely exists in Alaska, though many communities are small, being only villages. Between them are vast, uninhabited spaces of national forest or public domain. Suburban areas have mushroomed near the larger cities along such highways as lead out from them.

Our League of Alaskan Cities endorsed the concept of uniting the programs for the urban areas some time ago because its able staff knows the value of such a department to our fast growing cities.

The legislation came up 3 years ago and was defeated by a small margin. But the problem that it aims to remedy has grown as has the public consciousness thereof. If more were needed to insure passage of this needed and overdue legislation it is supplied by President Johnson's dynamic leadership.

Mr. KENNEDY of New York. Mr. President, I hope the Senate will vote to approve the creation of a Department of Housing and Urban Development.

It is important to view this legislation not as an end in itself, but as a beginning. Cabinet-level status for all of the housing, urban renewal, and mass transportation planning functions of the Housing and Home Finance Agency is, of course, long overdue. Over 70 percent of our population now lives in urban areas. The Federal programs which affect the growth and decay of the environments of 135 million Americans deserve the added stature that Cabinet-level administration will give to them.

But S. 1599 offers more than that. It offers a hope for the development of coordination among all of the departments and agencies of the Federal Government which administer programs that relate to the urban development process. It specifically contemplates that the Secretary of Housing and Urban Development and his subordinates will play a part in coordinating the urban affairs of the entire Government. Full coordination will not be achieved immediately and automatically, but the bill does point the way. It makes clear that the Secretary of Housing and Urban Development is to be the President's sensory apparatus for all Federal programs which affect community development. And the committee report charges the new Secretary with a duty to engage in continuing evaluation of the relationship between the programs he administers and the complementary or overlapping programs that are administered elsewhere in the Government. The report further suggests the adoption of procedures and regulations to take account of these crossovers, so that a formal organization for coordination can be developed. This effort will take time, but at least we are now creating the mechanism for beginning it.

S. 1599 offers a starting point for at least four different kinds of coordination:

First. Coordination within the Federal Government as to broad policy aims in regard to community development.

Second. Coordination within the Federal Government in the administration of specific programs relating to community development.

Third. Coordination of Federal, State, and local efforts affecting community development.

Fourth. Coordination at all levels, particularly at the local level, in the planning of particular projects.

The bill is a starting point in another major aspect. It directs a continuing study of urban development programs throughout the Government, with a view to possible broadening of the mission of the new Department. Of course, it is not possible to bring every Federal program which affects the urban development process into this Department—the new Department would soon swallow up the rest of the Government if that were contemplated. Nevertheless, there are undoubtedly other programs which should be in the new Department, and the bill takes that possibility into account.

I want to compliment the Senator from Connecticut [Mr. Ribicoff] on the able way in which he handled this matter in committee. I served under his chairmanship on the subcommittee which considered the bill, and I, therefore, had the opportunity to observe the manner in which he patiently resolved conflicting views and kept the bill on the track. The end result, in my judgment, is an improved bill, one which will be a major step forward in the Federal Government's way of dealing with urban problems.

I urge the Senate to pass this important measure.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I have discussed with the distinguished minority leader, the Senator in charge of the bill, and other interested Senators, the possibility of a unanimous-consent agreement which I am about to propound.

Mr. President, I ask unanimous consent that at the conclusion of the prayer tomorrow, there be a time allocation of 1 hour on each amendment, the time to be divided between the proponent of the amendment and the distinguished Senator from Connecticut [Mr. Ribicoff], the Senator in charge of the bill, and 1 hour on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective after the prayer on Wednesday, August 11, 1965, during the further consideration of the bill S. 1599, to establish a Department of Housing and Urban Development, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Connecticut [Mr. RIBICOFF]: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

ORDER FOR RECESS UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is anticipated that later today the Senate will proceed to the consideration of the proposed amendment of the Atomic Energy Act of 1954; and shortly thereafter the Peace Corps conference report.

Following the conclusion of the consideration of the pending bill tomorrow, the military pay bill will be made the pending business. We hope to dispose of that bill tomorrow as well.

DESIGNATION OF THE PERIOD FROM AUGUST 31 THROUGH SEPTEMBER 6 IN 1965 AS "NATIONAL AMERICAN LEGION BASEBALL WEEK"

Mr. MUNDT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate Joint Resolution 100, which has now been reported to the Senate.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 100) to provide for the designation of the period from August 31 through September 6 in 1965 as "National American Legion Baseball Week."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. MANSFIELD. Mr. President, the joint resolution is a well-deserved tribute to the State of South Dakota and to the city of Aberdeen, which has been a hotbed of American Legion baseball.

It is also a tribute to the sagacity, the perseverance, and the determination of the distinguished senior Senator from South Dakota, as well as the fulfillment of a promise kept by the distinguished Senator from Illinois [Mr. DIRKSEN], chairman of the Subcommittee of the Committee on the Judiciary, which reported the measure. The Senator from Illinois is a man who is known throughout the Nation for keeping his word, which he has just done again.

Mr. DIRKSEN. I thank the Senator.

Mr. MUNDT. I, too, thank the majority leader; and I may add that it is also a promise concurred in by our distinguished majority leader. No Senator could feel better and more reassured than one who had received the promise of the majority leader and the minority leader.

So while Senate Joint Resolution 66 was played in extra innings in an overtime game, I was never concerned about the final outcome. I am sure that the Senate will now approve Senate Joint Resolution 100, the successor joint resolution, which contains identically the same language as the original Senate Joint Resolution 66.

The purpose of the joint resolution is to authorize and request the President of the United States to issue a proclamation designating the period from August 31 through September 6, 1965, as "National American Legion Baseball Week." I think it is altogether fitting and proper that we do so, and I hope the Senate will join with me in giving deserved recognition to an event that is the culmination of a worthy program by the American Legion, for during that period the annual American Legion world series will be held in Aberdeen, S. Dak.

It was 40 years ago that a nationwide organization of American Legion junior baseball was first proposed as a program of service to the youth of America at the annual department convention of the American Legion held in Milbank, S. Dak. Today a monument commemorating the birthplace of this meritorious program stands in the city of Milbank.

As a result of this proposal the American Legion did provide such a service, and that service has in turn provided a fortunate Nation with the twin blessings of entertainment and worthwhile activity.

From this suggestion of the Legionnaires of South Dakota, a program has evolved that must take its place among the leaders for providing an opportunity for the youth of our Nation to acquire physical fitness, to develop personal responsibility and good citizenship, and to learn the value of teamwork and mutual cooperation. Since its inception more than 15 million youths of 18 years of age and under have participated in this worthy endeavor, and in so doing have been exposed to those elements of our national heritage which we all value and for which the American Legion has stood throughout the years.

In this regard I am reminded of a quote from a great American, the late General of the Army, Douglas MacArthur, on the value of athletics to the preservation of our Nation's freedom:

> Upon the fields of friendly strife are sown the seeds that upon other fields, in other days, will bear the fruits of victory.

In citing this, I do not think I am being remiss in mentioning the strictly baseball aspect of this program second, for in the context of today's world the values that I have just listed—fitness, responsibility, citizenship, cooperation—have taken on added significance. We hear much about the degeneration of the physical fitness of present day teenagers, a fact that is demonstrated by the report that one-third of our Nation's youth fail to pass military physical fitness tests. We have, in fact, inaugurated a national program to try and uplift the overall standards. We hear much about the increase in juvenile delinquency. We have, in fact, conducted studies to see if there in some way to solve this perplexing issue. While we struggle with these problems and belatedly admit they exist, here is an organization with a program that for 40 years has provided us with the tools to combat them and which today stands ready to continue its efforts in this field. Where we would be without the work that the American Legion has accomplished in this area is hard to determine, but we would undoubtedly face problems of greater magnitude than we do today. Without their assistance in the future, assistance that is volunteered by many at the expense of personal sacrifice, we would be faced with an even larger chore.

For this reason alone, I believe the Nation owes a public debt of gratitude—gratitude that could be manifested by the passage of this resolution honoring their efforts.

And yet, it is the game of baseball itself which will remain most closely associated with the American Legion Junior League program, and this is understandable for baseball has been accurately called the national pastime.

Who among us has not been caught up in the excitement of this sport that is native to our shores? Since its invention by Abner Doubleday it has occupied millions of Americans, either as participants or spectators. Indeed, the feeling of Americans toward this game is perhaps best summed up by Robert Smith in his book "Baseball," when he said:

> There are several million people in the country who will take baseball seriously as long as they are alive. There are men just past their youth who will brood for days over a sudden disappearance of their ability to bend quickly for a ground ball, meet a pitch squarely with the bat, or beat a slow throw to first base. There are girls, boys, women, and men who will abandon food, work, study, or play to hear how the local baseball team has done.
>
> And there are hundreds of thousands of Americans who count few things sweeter than to climb high in a baseball park, in

> the gentle sun, to smell the baking dry wood of the bleachers; to hear close at hand the inimitable ringing clack when a bat meets a thrown ball with perfect timing and sends it true as a gunshot into the close-clipped field, to observe the ineffable grace with which an infielder moves from his position, scoops a swiftly bounding ball into his glove, cocks his arm, and slings the ball in a sizzling low arc across to the base; or to approve the magic agility with which an outfielder, traveling in the same direction as the ball, clutches the flying sphere and pulls it down like a trapped bird to make the out.
>
> Here, for a little more than an hour, a man can forget the dread march of the months and be as young again as when he first stepped trembling into the batter's box or first made a frightened grab at an angry spinning ball and held it tight.

The American Legion baseball program has proven to be the chief ingredient in keeping this wonderful sport flourishing. It has provided entertainment for millions of local fans who follow their local teams and it has been the springboard to success for hundreds of major leaguers. Proof of this, I believe, is the caliber of ballplayer that is represented on the rolls of the American Legion Baseball Graduate of the Year, an award that was inaugurated in 1957. Included among the names are Warren Spahn, Bobby Richardson, Stan Musial, Ted Williams, and Brooks Robinson. When you include such recent stars as these with the giants of the past who were also graduates of this program, men such as Bob Feller, Kirby Higbe, Phil Cavaretta, et cetera, you have a veritable hall of fame all in itself.

If there is one clinching argument for the worthiness of this program, I believe it comes from the young men who participate themselves. Indicative of their feelings are these words of Richard Dash, of the Long Beach, Calif., 1963 team champions, voted the Legion's outstanding player of that year, who said:

> This summer, the American Legion afforded over a quarter of a million boys invaluable lessons in sportsmanship, character development, and Americanism. * * * I was impressed with the cordial reception given to all members of every team by the fans, and the friendly relationship among all the players without discrimination. This attitude, I feel, is true Americanism.

Now the sponsors of this program have voted to bring it to South Dakota, the land of its birth, on this, its 40th anniversary. It is an event all South Dakotans look forward to with eager anticipation. It will be an event that all Americans will look backward at with justifiable pride. The State of South Dakota stands ready to roll out the red carpet and exhibit the hospitality for which we are so famous.

Spearheading the arrangements will be the Sidney L. Smith Post No. 24 of the American Legion which will act as the sponsor for this series. They are leaving no stones unturned in their efforts to make this homecoming of the American Legion Junior League program the best in the history of the series. Blessed with as fine a baseball park as you will find in the Midwest and possessing an inherent love for the game, the people of Aberdeen have responded magnificently to the challenge of playing host to the Nation's finest Legion baseball teams and their fans. Legion officials from the national headquarters have indicated their amazement with the rapid progress the city has displayed in setting up the organization for this gigantic spectacle.

While this will be the first national finals tournament ever played in South Dakota, Aberdeen has a long and successful history of tournament baseball sponsorship. The Hub City staged its first national level tournament in 1946, hosting a three-team sectional. In 1949, 1951, and 1953 they held regional tournaments and in 1962 hosted the South Dakota State tournament which set all-time high records in gate receipts and attendance for a 3-day State Legion tournament anywhere in the Nation.

It is fitting that the Sidney L. Smith Post No. 24 was chosen for the honor of sponsoring this event not only for its proximity to Milbank but also because they have been among the pacesetters in participating in the Legion program.

Over the years it has sponsored youth baseball far beyond the one-team limit of the national program. It had seven sandlot teams back in 1925 when the national program was conceived. By 1936, the Post was sponsoring 16 teams in local competition, with 1 certified for the national competition, and about 250 boys in the local program. Now, in 1965, Aberdeen Post 24, located in a city of only 25,000, has 1,400 boys playing sponsored ball. The team that is certified for national competition, the "Smitties," has carried the State's banner into regional play on numerous occasions and several times have advanced to national competition.

Mr. President, although we South Dakotans are proud of the fact that we were the founders of American Legion baseball and that its anniversary will be celebrated in our State this year, we are even more proud of the fact that the program has grown to be a nationwide event. We feel, and I am sure Senators will agree, that Junion Legion Baseball Week should be a national event. It will be a fitting tribute to the thousands of Legionnaires throughout America, who year in and year out, devote much time, leadership, and hard work to raise funds to field Legion teams and to provide the supervision that has accomplished the character-building qualities so notable in this most worthwhile program. It will be a fitting tribute to the young men who throughout the years have provided the thrills that make this game the great game that it is. It will be a fitting tribute to a national institution.

I, therefore, urge the adoption of this resolution.

I ask unanimous consent that an article entitled, "Legion Baseball Finals Set for Aberdeen, S. Dak., August 31," published in the August 1965 issue of News of the American Legion, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Legion Baseball Finals Set for Aberdeen, S. Dak., August 31

(Note.—Tourney returns to State where national program began 40 years ago; Post 24 in Aberdeen plays host, posted $18,500 guarantee in May; History of program over four decades reviewed.)

The American Legion's national youth baseball program marks its 40th anniversary this year. Appropriately, the national finals will be held in the State where it began—South Dakota. The eighth regional champions, survivors of thousands of teams in local tourneys, will compete for the national championship in Aberdeen, S. Dak., between August 31 and September 6, with Aberdeen's Sidney L. Smith, Post 24, as sponsor.

It was in Milbank, S. Dak., in 1925, that three men in particular started the wheels rolling to create the national program. American Legion posts all over the State had been sponsoring sandlot baseball teams for boys on their own. The training in teamwork that they'd been able to impart, and the gratitude of the youngsters and their parents and fellow townsmen toward South Dakota's Legion posts for their volunteer youth leadership, had convinced Deputy Commander Frank McCormick that the Legion should get out of the hit-or-miss sandlot stage and create an official youth baseball program. (This was long before Little Leagues, Babe Ruth Leagues, etc.) Maj. John L. Griffith felt the same. Major Griffith was a commissioner of the Western college athletic conference (Big Ten) and a vice president of the National Collegiate Athletic Association.

McCormick brought Major Griffith to the 1925 State Legion Convention, held in Milbank, S. Dak. Speaking with the authority of a national leader in athletics, Griffith urged the convention to approve a Legion-sponsored boys baseball program. Frank Sieh, of Aberdeen (where this year's tournament will be held), drafted a resolution to create such a program. The South Dakota convention adopted it, and Sieh, as a member of the Legion's National Americanism Commission, then shepherded the resolution through the National Convention of that year.

Major Griffith has since died, but both McCormick and Sieh will attend this year's tournament to view the climax of the 40th anniversay edition of their brainchild.

In the town of Milbank, where the 1925 Department convention was held, a monument was put up by Birch-Miller Post No. 9, bearing the following inscription: "In this city on July 17, 1925, by action of the South Dakota Department of the American Legion, the nationwide organization of Legion Junior Baseball was first proposed as a program of service to the youth of America." Milbank and its monument are situated on a major highway within an hour's drive of Aberdeen.

Aberdeen's Post No. 24 well merited sponsorship of the 40th anniversary little world series. Over the years it has sponsored youth baseball far beyond the one-team limit of the national program. It had seven sandlot teams back in 1925 when the national program was conceived. By 1936, the post was sponsoring 16 teams in local competition, with 1 certified for the national competition, and about 250 boys in the local program. The following year it had 460 boys organized. Now, in 1965, Aberdeen Post No. 24 has 1,400 boys playing sponsored ball, with 1 team, the "Smitties," certified for national competition.

The post's current Legion baseball program shows the following statistics: 14 paid supervisors; a 7-man athletic committee that operates the program; a budget of $12,000 made up of a $3,000 contribution from the city of Aberdeen; $3,800 from the Aberdeen Community Chest, and the balance made up by the post; and 51 uniformed teams playing a regular schedule.

In 1961 Post No. 24 received a national citation from the National Recreation

Association for its work with the youth of the community.

The post is also well qualified to host the national tournament. It ran a sectional tournament in 1946, regional tournaments in 1949 and 1953, and the South Dakota State tournament in 1962 which set all-time high records in gate receipts and attendance for a 3-day State Legion tournament anywhere in the Nation. It was awarded another regional tourney in 1950, but lost it when the ball park's grandstand burned down.

Having been awarded the 1965 national finals 2 years ago, the members of Post 24 went to work to make it a success with great energy. Four months before tourney time its general baseball chairman, Ed Ridgway, handed over a check to the national organization for the minimum guarantee of $18,500.

California teams have won the national Legion championship 10 times and have been runnerup 4 times in the 38 national tournaments. Upland, Calif., post No. 73 won last year in Little Rock, Ark., and Long Beach, Calif., post No. 27 won in Keene, N.H., in 1963.

In 1926, the first year of national Legion baseball, only 15 States were represented. Insufficient funds washed out the competition the following year—the national convention was being held in Paris. There was, however, enthusiasm in the department competitions.

In 1928, the director of the Legion's National Americanism Commission, Dan Sowers, presented the Legion's story to the executive council of major league baseball, which agreed to underwrite the Legion's program to the extent of $50,000 a year. Except for 2 years, the major leagues have since supported Legion baseball. They presently underwrite the national program up to $60,000.

The 1929 season founded every State in the Union in the competition, and the National Broadcasting Co. broadcast the finals nationwide.

In 1931 there appeared in Legion championship play a player who was to become a top leaguer. Kirby Higbe pitched a 14-inning final game for Columbia, S.C., and lost it, 1-0. Ten years later he was the National League's top pitcher. Then came Phil Cavaretta of Chicago, "Crash" Davis and Buddy Lewis of Gastonia, N.C., Howie Pollet of New Orleans, Jim Hegan of East Lynn, Mass., Herman Wehmeier of Cincinnati, and J. W. Porter of Oakland, Calif. Except for Pollet, each played for a Legion national championship team. Presently, about half of the players in the major leagues formerly played Legion baseball.

In 1938 the finals were broadcast over more than 3,000 radio stations, bringing the series to every part of the country. That year, major league umpires were used for the first time.

By 1941 American Legion baseball had become a way of life for many young Americans. The program was restricted in the World War II years, but thereafter it grew. In 1949 the selection of an "American Legion Player of the Year" was originated, with the cooperation of Robert Quinn, then director of the National Baseball Hall of Fame at Cooperstown, N.Y.

Each year at the conclusion of the Little World Series several awards are given. Cups and pennants go to the champion team and the runner-up. The batting champion of the finals and regionals is recognized. A player is chosen for the James F. Daniel, Jr., Memorial Sportsmanship Award. And the American Legion Player of the Year is selected and given an award. His photo is enshrined in the Baseball Hall of Fame at Cooperstown, and he is a guest of honor at the hall of fame game played at Cooperstown the following year.

What do the young men think of Legion baseball? Richard Dash, of the Long Beach, Calif., 1963 team champions, voted the Legion's outstanding player of that year said: "This summer, the American Legion afforded over a quarter of a million boys invaluable lessons in sportsmanship, character development, and Americanism. * * * I was impressed with the cordial reception given to all members of every team by the fans, and the friendly relationship among all the players without discrimination. This attitude, I feel, is true Americanism."

The young competitors who will play at Aberdeen in the finals starting August 31 are the survivors of a starting field of almost a quarter of a million Legion players. The 18-and-under athletes and their coaches and managers will be housed in Kramer Hall at Northern State College, a modern dormitory about 50 yards from the ball park. The teams will eat at the college cafeteria.

The 14 or 15 games of the finals will be played in Aberdeen Municipal Ball Park, normally inhabited by the Aberdeen Pheasants of the Northern League, a professional farm team of the major league Baltimore Orioles. The ball park is, according to E. W. Ridgway, Post 24's general baseball chairman, one of the best lighted fields in the Midwest and seats about 7,000. Ridgway, a former Legion player and past department vice commander, has shouldered the bulk of the promotion for these finals for the past 3 years.

Advance ticket sales are over $8,200, while more than $11,000 worth of advertising has been sold for the souvenir program. Local newspapers, radio and TV are promoting the finals.

A series book of tickets in the covered grandstand, which seats 1,836, will sell for $12.50. All grandstand seats are reserved. A series book of tickets for the unreserved bleachers will sell for $10. Mail orders may be sent to: American Legion Baseball Committee, Post Office Box 1328, Aberdeen, S. Dak. Tickets may be bought in person at the Veterans Memorial Building, Aberdeen.

Senators KARL MUNDT and GEORGE MCGOVERN and Gov. Nils Boe say they will attend the pretourney banquet (open to the public) to be held August 30 in the Aberdeen Civic Arena, which seats 1,500.

Governor Boe, a member of Sioux Falls Post No. 15, has proclaimed the week of August 29 to be American Legion Baseball Week. Representatives BEN REIFEL and E. Y. BERRY will also attend the banquet.

The Kyburz Construction Co. donated a polyethylene cover for the infield during the little world series. The Service Clubs of Aberdeen in a joint project will supply the baseballs for the series, and host the pretournament Ford Motor Co. banquet. Not to be overlooked is the South Dakota School for the Blind, adjoining the ball park. "Should any of the umpires working this tournament need asistance," says Post No. 24's brochure, "we will be able to cooperate with them through our blind school facilities."

Aberdeen, located about 125 miles west of the Minnesota line and 35 miles south of the North Dakota line, has a population of about 25,000. Temperatures range between 60 to 80° in August and 50 to 71° in September.

The city is served by North Central Airlines and the Milwaukee R.R., Greyhound Lines, and Jackrabbit Lines provide bus service. The city is located on two Federal highways. Highway 212 (The Yellowstone Trail) runs from the east coast to the west coast. The American Legion Highway (U.S. 281) runs north and south through Aberdeen from Canada to Mexico.

This sporting town is in the heart of the pheasant hunting belt. (Legion hunters last winter bagged 200 birds for veterans hospitals, and another 100 for a pheasant feed for the 8 Legion baseball teams.) All types of agriculture are prominent in the city's economy, the basis being livestock feeding and the growing of feed grains and wheat. Aberdeen's most famous family is the Andrew Fischers, who on September 14, 1963, produced quintuplets—four girls and a boy—to add to five older children.

AMERICAN LEGION BASEBALL'S NATIONAL CHAMPIONS

SITE, YEAR, WINNER

Philadelphia, Pa., 1926; Yonkers, N.Y.
(No National Tournament), 1927.
Chicago, Ill., 1928; Oakland, Calif.
Louisville, Ky., 1929; Buffalo, N.Y.
Memphis, Tenn., 1930; Baltimore, Md.
Houston, Tex., 1931; Chicago, Ill.
Manchester, N.H., 1932; New Orleans, La.
New Orleans, La., 1933; Chicago, Ill.
Chicago, Ill., 1934; Cumberland, Md.
Gastonia, N.C., 1935; Gastonia, N.C.
Spartanburg, S.C., 1936; Spartanburg, S.C.
New Orleans, La., 1937; East Lynn, Mass.
Spartanburg, S.C., 1938; San Diego, Calif.
Omaha, Nebr., 1939; Omaha, Nebr.
Albemarle, N.C., 1940; Albemarle, N.C.
San Diego, Calif., 1941; San Diego, Calif.
Manchester, N.H., 1942; Los Angeles, Calif.
Miles City, Mont., 1943; Minneapolis, Minn.
Minneapolis, Minn., 1944; Cincinnati, Ohio.
Charlotte, N.C., 1945; Shelby, N.C.
Charleston, S.C., 1946; New Orleans, La.
Los Angeles, Calif., 1947; Cincinnati, Ohio.
Indianapolis, Ind., 1948; Trenton, N.J.
Omaha, Nebr., 1949; Oakland, Calif.
Omaha, Nebr., 1950; Oakland, Calif.
Detroit, Mich., 1951; Los Angeles, Calif.
Denver, Colo., 1952; Cincinnati, Ohio.
Miami, Fla., 1953; Yakima, Wash.
Yakima, Wash., 1954; San Diego, Calif.
St. Paul, Minn., 1955; Cincinnati, Ohio.
Bismarck, N. Dak., 1956; St. Louis, Mo.
Billings, Mont., 1957; Cincinnati, Ohio.
Colorado Springs, Colo., 1958; Cincinnati, Ohio.
Hastings, Nebr., 1959; Detroit, Mich.
Hastings, Nebr., 1960; New Orleans, La.
Hastings, Nebr., 1961; Phoenix, Ariz.
Bismarck, N. Dak., 1962; St. Louis, Mo.
Keene, N.H., 1963; Long Beach, Calif.
Little Rock, Ark., 1964; Upland, Calif.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 100) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Whereas a nationwide organization of American Legion junior baseball was first proposed as a program of service to the youth of America at the annual department convention of the American Legion held in Milbank, South Dakota, in 1925; and

Whereas since the organization of this program, which has been established throughout the United States, there have been more than fifteen million youths of eighteen years of age and under who have participated in the program; and

Whereas the American Legion junior baseball program performs a vital service to our youth by offering them outstanding opportunities to acquire physical fitness, to develop personal responsibility and good citizenship, to learn the value of teamwork and mutual cooperation, as well as to acquire individual proficiency and an opportunity to advance to a professional career in the sport of baseball; and

Whereas the annual American Legion World Series for 1965 will be held at Aberdeen, South Dakota, during the period from August 31 through September 6: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in honor of the fortieth anniversary of the founding of the American Legion baseball program, the President is authorized and requested to issue a proclamation designating the period from August 31 through September 6 in 1965, as "National American Legion Baseball Week", and inviting the Governors of the several States to issue similar proclamations.

The preamble was agreed to.

Mr. MANSFIELD. Mr. President, I should like to ask whether the ball game on this particular issue is now over.

Mr. MUNDT. It is one of those rare occasions when Washington wins the ball game.

Mr. DIRKSEN. I could not tell. Perhaps the ball game has only begun.

TRAGIC PARALLEL SEEN BETWEEN UNITED STATES AND ROMAN EMPIRE

Mr. THURMOND. Mr. President, on July 30, 1965, Mr. Al Willis, of Spartanburg, S.C., delivered a very eloquent and important talk before the Rotary Club of Gaffney, S.C. The talk was entitled "Tragic Parallel Seen Between United States and Roman Empire" and has been reprinted in the Gaffney Ledger of Gaffney, S.C., on July 30, 1965.

This is an address which should be read by every American and particularly studied by Members of the U.S. Congress. I therefore ask unanimous consent that the text of Mr. Willis' address be printed in the RECORD at the conclusion of these remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TRAGIC PARALLEL SEEN BETWEEN UNITED STATES AND ROMAN EMPIRE

(The following talk was given before the Gaffney Rotary Club Tuesday by Al Willis, of Spartanburg.)

The philosopher Santayana put it much more succinctly than I when he said, "The man who does not know and understand history will be forced to relive it."

With your permission and indulgence, therefore, I would like to take you back into history for a few moments this evening, then draw for you what has been termed "a tragic parallel," a parallel that we cannot change. We have bungled the job. It is already too late for us to do anything about it.

Over 2,000 years ago was created on the face of this earth a republic, a great republic, a powerful republic: the Roman Empire. Still standing this very day, two centuries later, are remnants of Rome's greatness. The original pavement of her highways can still be seen across the length and breadth of Europe. Over 70 miles of the great wall she built for defense is still standing. In Italy, France, even parts of Asia, can still be found mosaic floors, evidence of centrally heated houses, great palaces, stadiums, large segments of her magnificent system of aqueducts, engineering marvels that could only come from a superior society.

What in the world happened to this great republic? Let us find out.

Rome was a deadly efficient nation. Its Government officers and employees became so efficient that they gradually began to take over local city and territorial governments, destroying all sense of social responsibility of the local leaders. "Let the Federal Government do it," they said. The submerged freeman of the lower classes began to exist on public relief, paid for by Roman taxes.

Early Rome was famous for its self-reliant and independent freeman. But as the size and the paternalism of the Roman Government grew, that rugged individualism swung to the other extreme and Rome became a nation of people dependent entirely upon the state to solve their problems for them.

As Rome gradually changed its form of government from a republic to a democracy, those in office found they could buy the votes of the people through state controlled programs of welfare.

During its latter years, in an effort to shore up the rotting timbers of a decaying nation, two Roman senators came up with an interesting program:

1. A moratorium was declared on debts.
2. Interest already paid could be deducted from the principal and the balance made payable over a period of years.
3. A small holdings act decreed that no landowner could own more than 300 acres of land.
4. A farm labor act was designed to require farmers to employ a portion of the unemployed on their farms.
5. A federal land bank was established, wherein farmers were paid for not planting.

Does any of this sound familiar?

The politicians of Rome found that there were three important groups of voters they needed to retain power.

1. The small farmers who wanted support from the state because they were not capable of running their farms without help. And in an agrarian society such as theirs, the small farmers corresponded to the average man of today.
2. The unemployed, whose votes could be bought with "bread and circuses."
3. The shopkeepers and businessmen who controlled the money.

Consequently, the politicians tailored projects to buy the votes of these three classes. They developed a program of land allotment for the farmers. For the poor they provided for the sale of wheat below market prices. For the small businessman they granted money to establish businesses in new-conquered territories. For the big businessman they provided government contracts for public works and loans to relieve unemployment at government expense.

Rome devaluated its money by plugging the center of gold coins with lead and declaring them to be of the same value as the original coins * * * and the money soon became worthless.

And from that point in Roman history, the empire began its rapid decline. It repudiated its own system of checks and balances and limited government power and became dominated by the votes of pressure groups. And the people became apathetic and indifferent to politics as long as they got their share. In an abundant economy, the people began to lose their spiritual values and placed increasing importance on the material.

Abundance finally became more than the Roman people could handle and, from within, the Roman Empire crumbled. It had run the gauntlet from bondage to spiritual faith; from spiritual faith to great courage; from great courage to liberty; from liberty to abundance; from abundance to complacency; from complacency to apathy; from apathy to dependency and from dependency back to bondage.

And that is the capsule history of a proud and mighty empire.

And just what does this history have to do with you? Oh, how I hope, that you can see the "tragic parallel," the parallel between the history of Rome and the history of the United States of America.

The United States was once made up of self-reliant men who lived under limited government. But the United States, like Rome, is changing from a republic to a democracy, where votes of the people are more important than the principles under which those people are entitled to live. We, like the Romans, have decided that politics is something we can't fight, and what's the difference if we get our share? We have decided that it is easier to have the Government take care of us than it is to take care of ourselves. We have bought exactly the same program which was sold to the people of Rome 2,000 years ago. As the Romans lost their spiritual strength, so are the citizens of the United States losing theirs. And the ends will be exactly the same unless someone puts a stop to it.

And who is that someone? That's a good question.

And the answer is very difficult to come by. Obviously, it cannot be done by any individual in this room. Certainly, it cannot be done by all the people in this room, or in this city. Apparently, it cannot be done by anyone in this generation.

For this generation has gone too far in the wrong direction. We have conformed to the theory that a benevolent government can take care of us and do for us the things we are too lazy and too complacent to do for ourselves—and we should be thoroughly ashamed.

And make no mistake about the fact that our generation has chosen this theory of government and this way of life. It was not forced upon us. It was chosen in the true democratic fashion. And we confirmed our choice last November 3 in practically every ballot box across the Nation. We chose a Government which would take care of us. We decided ourselves. No Khrushchev or Kosygin or Castro took over the reins of our Government by violence. We chose to be wards of the state.

Over the last 30 years our generation has decided that security is more important than freedom. Our generation has decided that it is perfectly all right to foster a society in which a Bobby Baker or a Sherman Adams can amass a fortune through influence peddling and when the investigation touches people in high places it is quite easy to sweep the whole mess under the rug.

Our generation has decided that financial integrity means "spend yourselves rich, raise the national debt limit, and charge the whole thing off to our children and our children's children."

Our generation has decided that poverty can best be eliminated by taking away man's right to stand on his own feet and earn his own way. My generation will end poverty by giving to the poor, to the rich, to the young, to the old, to the successful and the unsuccessful, to the minority groups, and on and on.

Our generation has decided that prayer to the God under which this Nation was founded is illegal in the public schools and that the Constitution and the Bill of Rights are outdated documents which must be changed, not by the prescribed method, mind you, but changed by executive decree and judicial trickery.

Our generation has led itself to that part of the evolutionary process called apathy, and apathy is the legacy we leave to our young people today.

This very moment on July 27, 1965, we are adding to that legacy of dependence upon Government in the Halls of Congress. Right this minute, the House of Representatives is putting its rubber stamp of approval on a bill which will, among other things, subsidize rent for those the Government terms unable to pay.

(It works this way * * * anyone who qualifies for public housing and cannot find public housing will be paid the difference between 25 percent of their income and the rent they must pay.)

Finishing touches are now being placed on the new social security bill, medicare being only one part of the giveaways contained therein.

I don't recall that you in Gaffney have yet started your Project Head Start, but we in Spartanburg now proudly fly a third flag over city hall. It flies just under the American flag and the State flag, and proudly proclaims that we now provide tax-paid babysitting. (And, by the way, teachers and nurses in the New York State Project Head Start are now paid $9 and $9.20 an hour in these projects.)

Yes, the legacy grows—we trade freedom for security. Now, perhaps as individuals, you are now saying, "The man is an alarmist * * *. I'm a free American who doesn't depend on the Government for a thing." OK, let me take you through a typical day in your own life.

The coffee you drink for breakfast is controlled by a Government-negotiated world coffee agreement. The cream in the coffee and the milk the children drink is controlled by a Federal milk-marketing order. The sugar by a Federal Sugar Act. The corn for your cornflakes was raised on a farm whose farmer was told by a Federal bureaucrat how much he could raise and how much he would sell it for * * * the same for the wheat in your bread. And your eggs came from chickens raised on Government-controlled feed grains. While dressing after breakfast, please remember that the cotton in your shirt or dress is raised under Federal control. The wool in your suit has a Federal program and the manufacturer of the suit is controlled by the Interstate Commerce regulations.

There is not time even to touch on all the Federal regulations you will meet during your daily work (businessmen must now fill out over 1 billion Government forms a year—there are now 5 for every man, woman, and child.

Yes, my friends, the Federal Government is now with you 24 hours of every day. We began this dependency upon the Federal Government back during the days of the great depression of the 1930's * * * and we have continued to make ourselves ever more dependent until, under the guise of "social legislation for the good of all," we are becoming increasingly under the control of a strong central government all too willing to do for us the things we should do for ourselves. Then tell us how and when to do those things.

It has been well said that the greatness or weakness of a society depends in the final analysis, upon the outlook and attitude of the individuals which comprise it (and that the course and destiny of a society depends upon the individuals who make it up).

Our distinguished senior Senator, STROM THURMOND, in a recent speech in Aberdeen, S. Dak., has prescribed some guidelines by which we can attain that individual spirit of freedom. I would like to pass them along to you now.

We must choose to fight for a recognition of the supremacy of God in national and individual affairs; for without Divine guidance we can accomplish nothing.

We must choose to fight for constitutional Government, for our Constitution is the best charter men have yet devised by which they can govern themselves.

We must choose to fight for freedom rather than security, for without freedom our existence is meaningless.

We must choose to fight for honesty and integrity in public and private for without them our society is doomed to degradation.

We must choose to fight for law and order, for without these society is reduced to mob rule.

We must choose to fight to keep this Nation strong economically through the free system, for without responsible stewardship, we forfeit our stability.

We must fight to keep our Nation militarily strong, for without strength we cannot maintain freedom nor peace.

But most important of all, we must recognize that within ourselves are the most dangerous potential enemies, spiritual poverty, preoccupation with materialism, complacency, and apathy.

These are formidable guidelines. They demand sacrifice, they demand courage, they demand wholehearted participation in the affairs of government on local, State, and National levels.

Our generation has evidently chosen not to accept the challenge offered in these guidelines. Well, freedom for Americans began with one man firing a single shot, the shot heard around the world. No government fired that shot, no paid soldier pulled the trigger. The shot was fired by an individual, and the shot proclaimed "I am a free man." Yes, freedom began with an individual.

So, if there is in this audience today, someone with teenage children, perhaps you will be good enough to explain to them what I have tried to say to you.

Since this generation has chosen to abandon freedom, perhaps someone in the next generation will choose to stand up as an individual and fire a shot heard around the world, a verbal shot, if you please, which will choose freedom over security.

I dearly hope so.

A CHRISTIAN MINISTER SPEAKS OUT ON VIETNAM POLICY

Mr. THURMOND. Mr. President, because of the fact that a number of clergymen have been participating in some of the "peace at any price" demonstrations against taking a firm stand in Vietnam, an impression has been created that a firm stand in Vietnam may be un-Christian and does not, therefore, meet with the approval of the clergy in this country.

The Calhoun Times of St. Matthews, S.C., has printed in its August 5, 1965, issue an outstanding defense of U.S. involvement in Vietnam by Rev. Wallace N. Taylor, pastor of the First Baptist Church of St. Matthews.

I ask unanimous consent, Mr. President, that Reverend Taylor's statement be printed in the RECORD at the conclusion of these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the St. Matthews (S.C.) Calhoun Times, Aug. 5, 1965]

REVEREND TAYLOR SPEAKS OUT ON VIETNAM POLICY

(EDITOR'S NOTE.—The following letter was written by the Reverend Wallace N. Taylor, pastor of the First Baptist Church of St. Matthews. It was written by Reverend Taylor in response to a form letter he received from Edwin T. Dohlberg for the Clergymen's Emergency Committee for Vietnam. We commend Reverend Taylor for the stand he has taken on the matter. Our only wish is that we had more ministers for Christ who would also take this stand rather than joining in civil rights debacles and the like. Reverend Taylor's letter is as follows:)

SPEAKING OUT: A CLERGYMAN'S DEFENSE OF OUR INVOLVEMENT IN VIETNAM

In recent weeks we have had a great deal of discussion on the U.S. involvement in Vietnam. Recently many young men and women demonstrated in Washington, carrying placards upon which were printed "Get Out of Vietnam," "We Won't Fight in Vietnam," and so forth. In participating in this demonstration these young people have been encouraged from various sources.

One of these sources has been the clergymen. Many of the clergymen have been saying, "we should get out of Vietnam." Recently I received a letter from Dr. Edwin T. Dohlberg, former president of the National Council of Churches. I understand that this letter was sent to a number of ministers. Writing for the "Clergymen's Emergency Committee for Vietnam" of the Fellowship of Reconciliation, Nyack, N.Y., he urged us to express ourselves "as it was important that the President should know how the leaders in our Nation's religious life feel about this country's involvement in Vietnam." The religious leaders were being asked to help communicate this information to the White House. It was further stated that according to the New York Times, President Johnson "carries around in his pocket a series of private polls of public opinion on American policy in Vietnam."

In Dr. Dohlberg's letter we were asked to check one of the following:

1. I favor intensifying and extending the war in Vietnam.

2. I would like the United States to initiate efforts now to negotiate peace in Vietnam.

It may be noted that neither option gives any hint that there is anything evil about Communist aggression nor that the United States should be commended for coming to the defense of self-determination of a small nation. It might be pointed out that clergymen who are opposed to our involvement in Vietnam aren't always opposed to the use of Federal force. In the recent demonstration in Alabama many of these same clergymen—who oppose our involvement in Vietnam—were highly in favor of the show of Federal force in Alabama.

I strongly protest the kind of pressure now being exerted upon President Johnson by many ministers urging us to get out of Vietnam. Not long ago in Australia a group of ministers were reported to have made their protests of the U.S. involvement in Vietnam known to one of their national leaders. He rebuked them and told them they did not know all that was involved. Many clergymen appear today to think themselves to be infallible and qualified to speak on any subject.

We are in Vietnam because North Vietnam does not respect the sovereignty of South Vietnam and North Vietnam is committed to aggression. To permit Communist aggression in Vietnam is to say to the Communists, we will permit aggression anywhere in the world wherever you make a move. Many of our clergymen seem to want peace at any price and never condemn Communist aggression or ever seem to understand the nature of its threat. In Vietnam as elsewhere we should stand to defend freedom against aggression and slavery.

As a Christian I see no conflict in my position in regard to what the Bible teaches regarding war. In fact, while studying for the ministry in 1943, I left college and went into the Army. I served in combat in Europe with the 26th Infantry Division receiving three battle stars, the French Fourragere and the Purple Heart. I had four brothers who served in the Armed Forces and would have felt ashamed to stay home and let them offer their lives for my freedom. I see no conflict in a Christian serving in the Armed Force nor of using these forces anywhere they need to be used to stop aggression.

While I do not glory in war, I feel that there may be occasions when it is the lesser of two evils. There are occasions when a particular war may be a just war, and it would be a Christian's duty to engage in it. Sometimes we are confronted by two alternatives, neither of which is Christian, both are evil but one is less evil than the other. Sometimes it is less evil to go to war than to go and let the enemy hold in slavery millions who want to be free.

From a Biblical viewpoint we notice that the children of Israel were commanded to engage in warfare. In the New Testament there is no specific word against warfare. After Christ healed the Roman captain's servant (Luke 8:13), he commended the soldier for his faith and said nothing to him against his military profession. John the Baptist had Roman soldiers to ask him what they must do to prepare for the Messiah; he told them but gave them no lectures on the sinfulness of soldiering and the wickedness of war (Luke 3: 14). In the Book of Acts, chapter 10, is recorded the conversion of Cornelius. There is no mention that as a Christian he could no longer serve his country as a soldier.

If a nation would preserve its independence today, it is necessary for it to maintain a national police force. The purpose of such a force is to preserve order, peace, and to protect its rights and the rights of smaller nations. When justice, peace, and integrity are endangered, a nation must use its army.

In the world crisis today there are spiritual values that are at stake. We must resist that which would destroy us and destroy as well the faith that has made our Nation great. Judging from what communism has done wherever it now enslaves, we should face frankly the fact that should it control the world, the Christian witness could survive only through the suffering and martyrdom of faithful disciples. Freedom for ourselves and for our children are worth dying for. Thank God for our men now giving themselves in Vietnam for our freedom. We should stay in Vietnam as long as it takes to let the Communists know we won't stand for aggression. If need be we should intensify our efforts there to win the war against aggression.

Pacifism has been tried as a national policy by other nations throughout history only to find that sooner or later you have to stand up to aggression or a nation will lose its freedom. For a nation to be weak and irresolute is to invite failure. If the Communists understand only the language of military power then we must give them a lesson in their own language.

Should we get out of Vietnam? No, a thousand times no—not until the Communist world sees that we mean business and ceases their aggression.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. THURMOND. Mr. President, there is no stated need by which the creation of a new Cabinet Department of Housing and Urban Development can be justified.

Two words which are much in the news these days are appropriate in considering S. 1599, which would create such a department. These two words are "proliferation" and "escalation."

The creation of a new Cabinet-rank Department of Housing and Urban development is but a further step in the "proliferation" of Government agencies and resultant employees. The proposed new Department would perform no functions which are not already being performed by existing Government agencies. It must be assumed that the duties and responsibilities of existing agencies are being performed adequately, or else their continued existence or present staffing would have to be considered in jeopardy.

If this legislation is approved, "escalation" of the duties and responsibilities of the agency will naturally follow. The Cabinet-ranking Department has a way of generating proposals and ideas designed to extend its influence and further ingrain its power over new and expanded areas of concern. Many of these would be responsibilities and duties not contemplated upon the creation of the Department.

The bill presents a fundamental question of policy and constitutional authority. Although there is a multitude of Federal programs now on the books relating to urban and municipal problems, the primary authority and responsibility for dealing with these problems on a day-to-day basis remains with local officials. Over the past few years, the Federal Government has encroached upon these local responsibilities to an ever-increasing extent. The pending bill, if enacted, would indicate a shift in the primary responsibility from local to Federal officials. This would be detrimental to effective and responsive local government.

The primary justification advanced for the creation of the Department of Housing and Urban Development is the rapidly increasing urban population and the increased urban problems which are created thereby. This is said to require a Cabinet-level voice to represent the interests of this segment of our population. To fortify this conclusion, reliance is had on statistics which show that at the time of the adoption of the Constitution, only 5 percent of the population was in the urban areas. Today, the urban population has grown to 70 percent. From now to the year 2000, it is estimated that approximately 80 percent of the population increase will occur in urban areas.

Admittedly, these are impressive statistics. Nevertheless, an important point is conveniently overlooked in dealing with people only as statistics. The increase in urban population is accompanied by an increase in productivity and in the tax base needed to meet the financial burdens of the area. The increase in population provides all the potential resources required for the urban areas to meet their own responsibilities, if they are correctly utilized. By no means least among the potential gains from population increases is the manpower, both mental and physical, required to cope with the challenge.

Mr. President, I want to stress the use of the term "responsibility." Not only do the urban areas have the authority to solve their own local problems, but they have the duty and responsibility to do so.

The pending bill would do no more than to superimpose a Cabinet position upon existing Federal agencies. The Cabinet position is designed to be the focal point in the administration and coordination of urban programs now on the books. While the proper interagency coordination of urban programs is a desirable goal, this is not the best, or even a proper way of achieving the desired result. There are dangers inherent in such a position which mitigate against its creation.

Coordinating all Federal programs affecting urban areas under one department head would create a vehicle so powerful at the national level as to make a mockery of local authority and responsibility. Cities, towns, and counties would tend to rely more and more on assistance, both financial and otherwise, from the national level for the solution of local problems. Local initiative would take a back seat to Federal direction and supervision.

Another danger inherent in the proposal to centralize all urban affairs under a Cabinet officer is the bypassing of State officials. The Department of Housing and Urban Affairs would, in most instances, deal directly with local officials and the responsible officers of the State would have little, if any, voice in the affair. The better approach would seem to be encouraging the States to assume a more responsible attitude toward their political subdivisions. When the National Government is organized to exert more power over urban activities, State involvement will naturally decrease. The authoritative and responsible role of the States in assisting in local urban affairs would be ended. Intergovernmental relations would become a matter of two levels of operations, Federal-local, and lead to a dominance by the National Government, which must be avoided.

Mr. President, the proposed new Cabinet Department of Housing and Urban Development is not desirable because it prescribes a permanent expanding role for the National Government in areas where private enterprise would and should do the job. Urban renewal funds, which would be under the jurisdiction of the new Cabinet Department, are being increasingly used for nonhousing renewal. There are many Members of Congress who question the desirability of using a larger percentage of these funds to build office buildings and other such projects. There is a strong likelihood that an expanded urban renewal program under the Department of Housing and Urban Development will more and more concern itself with the construction of urban and commercial facilities rather than housing.

The Department of Health, Education, and Welfare is a striking example of the type of escalation which can be expected if this new Cabinet-level Department is created. In the few short years since its creation, the Department of Health, Eduaction, and Welfare with all its subsidiary agencies has increased its expenditures by more than 300 percent. The employment in the Department has more than doubled and the payroll costs have almost quadrupled. It is obvious that the same growth rate will result if Congress creates a new Cabinet-level Department of Housing and Urban Development.

Mr. President, aside from those reasons, I remind the Senators that many of the programs to be administered by the new Department are of doubtful constitutionality.

Nowhere in the Constitution of the United States is there reference to the authority of the National Government to subsidize city or county government, or the government of any other subdivision of a State.

There is, therefore, very serious question as to whether a bill such as this would be constitutional.

For these reasons I am opposed to S. 1599. I ask the Senate to reject the bill.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The Senator from Oklahoma is recognized.

Mr. HARRIS. Mr. President, as a member of the Subcommittee on Executive Reorganization of the Committee on Government Operations, I should like to respond briefly to the arguments made by the distinguished senior Senator from South Carolina. These arguments are matters of substantial concern for us all. They were considered most carefully by both the subcommittee and the full Committee on Government Operations.

The pending bill is a very simple one. It would not increase the jurisdiction of the departments involved, nor would it carry with it the requirement that additional funds be spent. However, it would simply, for reasons of efficiency, responsiveness, and responsibility on the part of the Government, place these various activities concerned, functions already being performed by the Federal Government, under one department with Cabinet status, and, furthermore, focus emphasis upon the tremendous needs in the urban areas of the country.

The agricultural and rural needs of the country have long been recognized by virtue of the provision of Cabinet status for the Department of Agriculture. I come from one of the great agricultural States of the country. I believe that it is well for the rural and agricultural needs of the country to be handled by a department with Cabinet status. But, Mr. President, some 70 percent of the people of this country now live in metropolitan areas. It is estimated that before very long 80 to 85 percent of the people of this country will live in metropolitan areas.

I am not certain that that is a good thing. I wish that people still lived back in the rural areas and in the small towns to the degree they used to. Their problems then were much less than they are now in the great centers of mass population. However, the fact is that they do not live in the rural areas and small towns to the extent they once did. The people live in metropolitan centers. The Government must face up to the facts of life. I believe that the Government must today give Cabinet status to those functions of the Federal Government in which an attempt is made to come to grips with the great problems of our urban areas and the centers of mass population.

The other argument was that this would reduce the authority of the States and municipalities. Some other opponents consider that the new Department of Housing and Urban Development would be a rival to State and local governments.

I point out that the distinguished and able chairman of our subcommittee, the Senator from Connecticut [Mr. RIBICOFF], is himself a former Governor of his great State.

In addition to that service, and service in the U.S. Senate, the Senator from Connecticut has also served as a Cabinet officer. The Senator from Connecticut understands rather well the respective responsibilities of States, municipalities, and the Federal Government. That philosophy, recognizing the rights and responsibilities of all divisions of government, is written into this bill. Furthermore, the distinguished Senator from Maine [Mr. MUSKIE], a member of the full Committee on Government Operations, is chairman of another subcommittee of the Committee on Government Operations, the Subcommittee on Intergovernmental Relations. He also knows rather well the responsibilities of the various governmental divisions. That is very carefully protected in the bill.

The bill, and the new department, would in no way change either the Federal law or the State or local laws which govern the relationship between the Federal Government and States and localities.

The present program of Federal aid to localities in the field of housing and urban development requires federally aided projects to comply with State and local laws. Indeed, the aided projects are carried out either by private enterprise, which is subject to State and local law, or by State or local governmental agencies, which are themselves the creatures of State law.

All that the pending bill would do would be to organize Federal functions affecting urban development in such a way as to enable the Federal Government to work more efficiently with State and local governmental agencies.

Many State and local governments have already reorganized their own housing and urban development functions in a manner similar to that now proposed for the Federal Government.

Growing State interest in urban development is recognized by a provision of the bill which would require the Secretary of the Department to consult with State governments with respect to State programs for assisting communities in developing solutions to urban and metropolitan development problems.

Another provision in the bill makes it clear that the activities of the new department would run to the housing and other development problems of local communities, both large and small, without regard to their population or their corporate status, except as may be expressly provided by substantive law.

Being deeply concerned about the growing problems in the centers of mass population, I join many other Senators in support of this bill.

It has been pointed out time and again that most of our population now live in our cities, and that during the next 15 years, the population of our cities will increase by 30 million people.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HARRIS. I yield.

Mr. RIBICOFF. I commend the junior Senator from Oklahoma for the constructive work he has performed in helping to bring this bill to the floor of the Senate.

The Senator from Oklahoma attended our hearings. He worked diligently with us in the marking up of the bill. His amendments to the bill emphasizing the importance of free enterprise were highly constructive. They were agreed to by the subcommittee and the full committee.

The Senator from Oklahoma was deeply concerned that we did not forget the role of private enterprise in the developing of our great urban areas. We must not forget, that while Government programs and policies continue to grow, the problems of our cities need the help and cooperation of private enterprise and private industry.

It was this understanding of the basic problems of America, in our communities large and small, that prompted the distinguished Senator to introduce his amendments. I take this opportunity to commend the junior Senator from Oklahoma for the constructive work he has done on this bill.

Mr. HARRIS. I thank our distinguished chairman and more than reciprocate by saying his chairmanship was most fair and thorough in the consideration of this important measure. Except for his great interest and background, I am certain the bill would not be before the Senate in the fine form in which it now is.

We are not getting the job done now. The problems of our metropolitan centers are becoming more serious. All around us is evidence that we are not adequately meeting these problems, the shortage of housing—particularly in low-income brackets—the shortage of water in many areas, the traffic congestion, and the lack of adequate transportation systems in many major cities, the pollution of our streams, the dangerous pollution of the air we breathe, the crowded classrooms in our public schools, the spreading of slums, the strain on our present health and welfare facilities, all these are apparent to those who look closely at the situation.

Many of our cities are reeling under the burden of financing the rapid growth and fighting the forces of decay. Municipal taxes have increased 140 percent in the past 15 years, with similar increases in State taxes, and some cities are limited by law on the amount of revenues which they can raise.

Governmental activities seeking to cope with problems such as housing, transportation, water supply, and urban development now are handled by a myriad of uncoordinated Federal agencies. The purpose of this bill—S. 1599—is to bring these agencies together in a common and coordinated effort, with Cabinet status, and I believe that its passage will be most helpful in bringing about an orderly development and redevelopment of our major cities.

Transferred to the new Department of Housing and Urban Development under this bill will be the functions of the Housing and Home Finance Agency and its Administrator, including the urban renewal, urban planning, and open-space programs of the present Urban Renewal

Administration and the urban mass transportation program, the public facility and other loan programs of the Community Facilities Administration. Also brought under the new Department will be the authority now vested in the Federal Housing Commissioner and the Public Housing Commissioner. The Federal National Mortgage Association would be merged into the new Department.

This bill received close and careful study by the Senate Government Operations Committee and Executive Reorganization Subcommittee, on both of which I serve. The Executive Reorganization Subcommittee, under the able and thorough chairmanship of the distinguished Senator from Connecticut [Mr. Ribicoff], held extensive hearings on the bill, hearings which, I believe, brought out the definite and immediate need for such legislation.

Several amendments were adopted, including one which I authored to encourage private enterprise in the housing field and another I was very interested in to preserve the identity of the Federal Housing Administration. I believe the bill was strengthened by committee amendments, and it is my hope these amendments will be retained.

For more than a decade Congress has considered bills to establish an executive department concerned with housing and urban development. Our cities have grown bigger, and their problems have grown bigger during this period. I submit, Mr. President, that the time for consideration has passed and the time for action has arrived.

NEW ERA FOR METROPOLITAN MAN

Mr. JAVITS. Mr. President, the forgotten man in America in the 1960's is the metropolitan man, and this bill, to establish a new executive Department of Housing and Urban Development, moves us today a long way toward helping to recognize the metropolitan man. The bill represents the dawn of a new era for the metropolitan man and offers new hope for the solution of his many complex problems.

To me today is analogous to the time when there was created a Department of Agriculture to represent an important productive part of our country; when we organized the Department of Labor and recognized the need for considering the desires and needs of organized labor on a Cabinet level.

The pending bill represents a recognition of the problems of the metropolitan man. The metropolitan man who lives in crowded housing, travels to work on an outdated and failing commuter train that is rarely on time, who struggles bumper to bumper to faraway recreational facilities has not received the attention which he deserves. The young family fleeing to the suburbs to escape slums, high crime rates, polluted air, and a myriad of other city problems deserves immediate help for his problems. Intelligent and resourceful planning by both government and private enterprise can solve these problems. The bill, of which I am presently a cosponsor and have supported in the committee and whose objectives are similar to S. 3292, which I first cosponsored along with Senators Clark of Pennsylvania and Williams of New Jersey in the 86th Congress, gives long overdue recognition to the importance of metropolitan and urban problems in this Nation's economy. It provides machinery to assist the President in coordinating the many complex Federal programs—particularly in the housing and urban physical development fields—but also in other areas of urban interest.

Over 70 percent of our population—135 million Americans—live in urban areas. When the Constitution was adopted, 5 percent of our people lived in urban areas. Fifty years from now, it is expected that 320 million of a possible 420 million population will live in such areas. It is certainly time for the critical problems affecting this exploding segment of our population to be given the highest priority attention by a Cabinet department. As the President's message to the Congress on March 2, 1965, on urban problems depicts the metropolitan crisis—two giant and dangerous forces are converging on our cities—the forces of growth and decay. The strip of land from southern New Hampshire to northern Virginia contains 21 percent of America's population in 1.8 percent of its area. On the west coast, the Great Lakes and the Gulf of Mexico, other urban centers are growing. The problems of the metropolitan man in exploding America are deserving of the upgrading which this new executive department will provide.

The bill which we are working with today does not provide the answer to all the problems of the metropolitan man. As the then Director of the Budget, Kermit Gordon, testified before the Executive Reorganization Subcommittee on March 31, the bill does not seek to propose any new programs;

> It does not modify or repeal existing programs. It deals entirely with the President's need for an administrative instrument to facilitate both the formulation and the execution of public policy in the broad fields of housing and urban development.

The Senator from Connecticut [Mr. Ribicoff] is to be highly commended for his outstanding work to secure favorable action on this bill and equally so for his recognition that much remains to be done with respect to the organization of a Department of Housing and Urban Development. The bill which the committee reported out is a stronger bill than in its original form in that it recognizes the need for considering the inclusion in the Department of other Federal agencies whose functions concern the development of urban areas. The bill also provides machinery through the creation of an Office of Urban Program Coordination, which I proposed, for the coordination of the some 60 Federal programs of various departments and agencies having a major impact on community development. This Office, created to assist the Secretary of the Department in carrying out his responsibilities, is intended to enable the Department to keep in touch and coordinate all urban development programs operated by the Department and those operated outside, such as the interstate highway program, the area redevelopment program, airport planning and development, transportation programs in the Department of Commerce, and physical development programs in the Department of HEW as well as the antipoverty program.

The need for increasing the coordination role of the Department had been strongly emphasized in the House of Representatives and in testimony before the Government Operations Committee of both Houses. In describing the purpose of this new Office of Urban Program Coordination, the committee report states:

> The committee believes that the Office will be an extremely important source of assistance to the Secretary in enabling him to carry out his coordinating responsibilities. In providing assistance to the Secretary of the Department, the Director of the Office would, under the committee amendment, make such studies of urban problems as the Secretary shall request, and would develop recommendations relating to the administration of Federal programs affecting community development. The Director would, in carrying out his responsibilities, (1) establish and maintain close liaison with the other Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to community development programs.

The need for eventually bringing under the jurisdiction of the Department many of the other urban programs should not be overlooked in acting on the bill today.

Another amendment which I proposed was the creation of an Urban Interagency Advisory Council composed of certain Cabinet Secretaries and heads of independent Federal agencies concerned with community development programs to advise the Secretary of the new Department with respect to developing proposals for improving existing and creating new programs for the various Federal agencies. Rather than requiring that the composition of this advisory group be locked into the statute, it was suggested that such a body could be created with greater flexibility by means of an Executive order and in view of this belief the amendment was not pressed. Accordingly, I hope that such an Urban Interagency Advisory Council will be established to insure maximum effectiveness and coordination of programs affecting urban areas.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. RIBICOFF. I take this opportunity to commend the Senator from New York for his long interest and constructive work to make possible the proposed Department. In all fairness it should be pointed out that the Senator from New York realized that there are omissions from the bill and the fact that there remains much to be done in coordinating efforts.

I believe that the amendments of the Senator from New York, which were adopted unanimously by the subcommittee and the full committee, makes this a better bill. The Senator from New York, as always, is a constructive force in marking up his bill, and his suggestions were very much valued and I wish to praise the outstanding work he did to make the bill possible and to bring it to the floor today.

Mr. JAVITS. I am very grateful to the Senator from Connecticut. I know of nothing I would rather be commended for than for my interest in this bill. I am a child of the big city, and I know what it means to live there, and how complex and difficult are a city's problems.

The Senator from Connecticut has performed an outstanding job of leadership and creativity in marshaling the necessary support for the bill and in blending the ideas and in helping to construct a better bill than we have ever had before on this subject.

The pending bill may prove to be one of the finest efforts the Senator from Connecticut has ever made in his most distinguished career as Governor, Cabinet member, and Representative.

While the Federal Government can do much in solving the problems of the metropolitan man, State and local governments, closest to the people can do much also. The bill expressly encourages the role in community development of States and localities and sections 2 and 3 of the bill specifies that the new Department is intended to work with and assist the States and county governments in coping with their responsibilities to urban growth. The President's message on urban affairs recognized that the vast bulk of resources and energy, of talent and toil, in solving community development programs will have to come from State and local governments.

It is vitally important that the States and local authorities utilize to the fullest their capabilities and do not, merely because of the creation of this new Department, defer to the illusion that a new executive department in Washington will solve all their development problems. Local government enterprise as well as private enterprise have important roles in the problems of our metropolitan areas as S. 1599 clearly recognizes, and such efforts must be stimulated. Local creativity should not be impeded by the philosophy of "let Washington take care of the whole problem." The constructive partnership of Federal, State, and local governments in this area must grow. We cannot afford a let down of local and private initiative.

The Federal Government has not moved as quickly as some would have wanted to meet the Nation's responsibility to the cities. Today millions of Americans live in giant metropolitan areas which ignore State lines. For example, the metropolitan area of New York extends into Connecticut and New Jersey—with each State having its own problems in the fields of housing, transportation, community facilities, recreation to name only a few. It is clear that no one State can legislate for such a metropolitan area.

I believe that the newly created Department ought to place a major focus on regional planning for our metropolitan areas. While S. 1599 does expressly encourage regional planning, it is vitally necessary that efforts to further implement regional development be undertaken by the Department. While a number of programs such as the section 701 planning grants under the Housing Act, mass transit assistance, and community facilities programs operated by the Department contain regional planning requirements, the Department should, on its own, implement regional coordination and planning. I believe this might be carried out by the new Department through creation of metropolitan councils established within each of 12 geographical regions, similar in size to the Federal Reserve System areas, composed of Federal, State, local, and community leaders. Each metropolitan council would concern itself with the particular problems of its area and would provide specific regional planning recommendations for the tailoring to the respective area of Federal programs such as urban renewal, community facilities, area redevelopment, interstate highways, and mass transportation. The regional councils would study the particular area problems and provide reports and information to the Secretary of the new Department. The metropolitan councils could also operate grant programs financed by the respective areas.

In the New York area, several regional authorities already exist: The bistate Port of New York Authority, and the tristate Committee of the Governors of New York, New Jersey, and Connecticut to coordinate transportation planning. Metropolitan councils could work along with such existing authorities and supplement their contributions.

I hope that the Secretary of the new Department will give careful study to this proposal of metropolitan regional planning machinery such as metropolitan councils and will do all possible to implement the express intent of S. 1599 to further this concept.

Mr. President, with further reference to the serious need for coordination of urban programs to which I referred, I ask unanimous consent that there may be made a part of my remarks a list of some 60 programs in the various Government agencies concerned which might be coordinated by the Office of Urban Program Coordination within the new Department. A compilation of such programs is contained in the report of the Government Operations Committee of the House of Representatives on a similar bill, in pages 46 to 49 of that report.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY

Housing for the handicapped.
Community facilities grants and loans.
College housing loans.
Public works planning.
Low-income housing demonstrations.

Office of Transportation

Mass transit.

Public Housing Administration, Urban Renewal Administration

Urban renewal.
Open space and land preservation.
Urban planning.

AGRICULTURAL DEPARTMENT

Agricultural Marketing Service

Special milk program for children.
School lunch program.
Direct distribution of surplus food.
Food stamp program.

COMMERCE

Area Redevelopment Administration

Public works acceleration.
Public facility grants and loans.
Industrial and commercial loans.

Bureau of Public Roads

Interstate Highway System.
Relocation payments.
Highways.

Community Relations Service

Civil right disagreements.

DEFENSE

Department of the Army

Civil defense.
Flood emergencies.
Flood control land revenue sharing.
Water reservoirs.
Park and recreational facilities.
Beach erosion control and shore protection.
Flood control and prevention.

HEALTH, EDUCATION, AND WELFARE

Office of Education

Civil defense.
Federally affected public schools.
Manpower development and training.
Higher education facilities.
Vocational education—specific fields.
Vocational training.
Sciences, mathematics, and modern foreign languages.
Educational guidance, counseling, and testing.
Educational statistics of State and local governments.
Education of mentally retarded and other handicapped children.
Captioned films for the deaf.
Library services and construction.
Educational research, surveys, and demonstrations.
Educational television, radio, motion pictures, and related media.
Student loan funds.
Guidance institutes.
Institutes for advanced study.
Work-study programs.
Adult basic education.
Desegregation of public education.
Basic scientific education grants.
Basic research grants.

Public Health Service

Community mental health centers.
Mental health activities.
Mental retardation facilities.
Community health services.
Community health activities.
Air pollution control and prevention.
Radiological health research and institutional training.
Radiological health.
Waste treatment works construction.
Water pollution control programs.
Occupational health.
Vital statistics.
Health professions education.
Hospital and medical facilities.
Health research facilities construction.
Narcotics.
Nurse training.
Public Health personnel.

Welfare administration

Public assistance programs.
Training of public welfare personnel.
Child welfare services.
Maternal and child health services.
Crippled children's services.
Juvenile delinquency and youth offenses control.
Teaching materials for the blind.
Work experience programs.
Refugee assistance.

INTERIOR DEPARTMENT

Outdoor recreation

Outdoor recreation projects.

Bureau of Reclamation

Water reservoirs.
Irrigation.
Water resources research.

LABOR DEPARTMENT

Bureau of Employment

Unemployment compensation.
Employment Service and Unemployment Compensation Administration.

Bureau of Labor Standards

Labor standards.
Work training programs.
Manpower development and training.

FEDERAL AVIATION AGENCY

Airport planning and development.

OFFICE OF ECONOMIC OPPORTUNITY

Community action

Assistance for migratory agricultural workers.
Community action programs.

Job Corps

Vocational training and basic education.

Mr. JAVITS. The other point which I should like to mention is the fact that the new Department is directed—and I emphasize the word "directed"—by section 3(b) to do two things:

First. To consult and cooperate closely with State governments—and I hope that the mandate will be taken seriously by the new Secretary.

Second. Provision in 3(b) which is important, is the encouragement given to private enterprise. We specifically spell it out—that private enterprise serve a larger part of urban development needs. Again I hope that the Department will understand the seriousness with which we take this particular provision.

Mr. President, I hope very much that whoever the President appoints as the Secretary, whose nomination will be confirmed by the Senate, will have a deep understanding of the fact that perhaps the hallmark of this whole century will be the culture and development of the cities in art, music, literature, education, as well as in the physical development and that millions of people in close relation to each other can live together not only in peace and mutual understanding, but also in comfort and happiness. This will be one of the greatest things which will have been proved by this century; and the new Department of Housing and Urban Development upon which we are acting today will go a long way toward helping make it a reality.

AMENDMENT TO ATOMIC ENERGY ACT OF 1954

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business may be laid aside temporarily, and that the Senate turn to the consideration of Calendar No. 513, H.R. 8856.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8856) to amend section 271 of the Atomic Energy Act of 1954, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

Mr. PASTORE. Without losing my right to the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, H.R. 8856 would amend section 271 of the Atomic Energy Act of 1954, as amended. The five-member Atomic Energy Commission unanimously supports this bill, as does the Justice Department. The Joint Committee on Atomic Energy unanimously recommends that this bill be enacted, and the House of Representatives passed it overwhelmingly on July 29, by 275 to 125—to use a worn-out statement, better than a 2 to 1 vote.

H.R. 8856 would amend section 271 of the Atomic Energy Act for the purpose of clarifying the language of that section to conform to the intent of Congress. I might add, incidentally, that this bill is identical to a bill—S. 2103—presently on the calendar, cosponsored by Senator HICKENLOOPER and myself. As amended, section 271 would provide that nothing in the Atomic Energy Act of 1954, as amended, shall be construed to affect the authority of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power produced through the use of nuclear facilities licensed by the Atomic Energy Commission. This bill would also make it clear that nothing in section 271 shall be construed to confer on any Federal, State, or local agency any authority to regulate, control, or restrict activities of the Atomic Energy Commission.

This bill is necessary because of a decision last May by the U.S. Court of Appeals for the Ninth Circuit—overruling a lower Federal court—which held that Congress had intended by enacting section 271 of the Atomic Energy Act to subject the Atomic Energy Commission to local ordinances pertaining to the generation, sale, or transmission of electric energy. The court was of the view that absent such congressional intent, the AEC would not be subject to such local ordinances, because of AEC's immunity as a Federal agency under the supremacy clause of article VI of the Constitution.

I ask unanimous consent that the statement of the Senator from Iowa [Mr. HICKENLOOPER] on the subject of the intent of Congress be printed in the RECORD at this point. The statement is found at pages 51 to 53 of our committee's hearings.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT SUBSEQUENTLY PLACED IN THE RECORD BY SENATOR HICKENLOOPER

Mr. Chairman, I wish to submit a statement concerning S. 2035, the bill which Senator PASTORE and I introduced on May 25, 1965, to amend section 271 of the Atomic Energy Act of 1954. The purpose of my statement is to explain why I joined in introducing this bill and what I believe it would accomplish.

As you know, Mr. Chairman, the Stanford linear accelerator project was recommended by the joint committee and authorized by Congress in 1961 at a cost of approximately $114 million. When it is completed in 1966 it will be the world's largest electron accelerator. This accelerator will be a tremendously valuable research tool for scientists of our country and should contribute significantly to our understanding of some of the most fundamental questions of nature. The Federal Government has a huge investment in this project. I understand that every day's delay in putting this project into operation would cost the Federal Government many thousands of dollars in interest alone on its investment in this facility.

There has been considerable controversy over the construction of the electric powerline necessary to service the Stanford linear accelerator. I do not feel it would be useful at this time to review the pros and cons of AEC's position on constructing an overhead powerline for this purpose. This committee has explored this subject in great detail. We held a hearing devoted to this matter in January of last year.

As you know there has also been considerable litigation on this subject. The latest development in this litigation is a ruling by the U.S. Court of Appeals sitting in California, on May 20, 1965, to the effect that a provision of the Atomic Energy Act of 1954—section 271—prevents the AEC from constructing or operating an overhead powerline to service this facility. It is because of this decision, and its sweeping effect, that I cosponsored S. 2035.

I have looked over the court's opinion and decision and have discussed it with the staff of the joint committee. Frankly, I do not understand why the court has interpreted section 271 the way it has—that is, to subject the AEC, in performance of its statutory responsibilities, to the regulatory authority of a local subdivision of a State. I think section 271 is clear. It says exactly what we intended it to mean at the time I cosponsored the Atomic Energy Act of 1954 which contained this section.

"Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power."

It is clear to me that this language does not confer any authority on any "Federal, State, or local agency." It was intended neither to add to nor detract from any existing power which such a body had. As I said during the Senate debates on the bill containing this section:

"Section 271 of the bill already covers the authority and regulations of the Federal Government through the Federal Power Commission, which already exists over electricity, and its transmission; and it recognizes the rights of the States, where their rights occur, and recognizes the rights of the local agencies where their rights exist. Now, that is already in the bill.

* * * * *

"What section 271 does is to make clear that this act does not interfere in any way with the jurisdiction of the Federal Power Commission * * * or with State agencies where they have jurisdiction, or with local agencies where they have jurisdiction.

* * * * *

"We say that nothing in this act shall interfere with or affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power. We say that this act does not interfere with the rights and the power and the authority of any Federal, State, or local regulatory body whatever; and the power and the authority which may be there now for the transmission of electricity or the generation of electricity or whatever the authority may be is not changed." (Congressional Record, vol. 100, pt. 9, p. 12198.)

I might add, incidentally, that what we were specifically concerned with when we included section 271 in the bill was the regulation of persons producing electric power by nuclear means. Our intent was to make it absolutely clear that the Atomic Energy Act's special provisions on licensing of reactors did not disturb the status quo with respect to the then existing authority of Federal, State, and local bodies to regulate generation, sale, or transmission of electric power.

Notwithstanding what I am convinced was our intent in passing section 271, the court apparently has interpreted this language to confer authority upon local governmental bodies (which they otherwise would not have had), in this particular case, the city of Woodside and the county of San Mateo, Calif., to regulate a Federal agency—the Atomic Energy Commission. The court also says that unless section 271 can be read to confer this authority upon these local bodies, they would not have jurisdiction over the AEC because of the general sovereign immunity of the Federal Government, including its agencies and instrumentalities, from State or local control under the supremacy clause of the Constitution.

Since the court has interpreted section 271 to confer a positive authority upon governmental bodies, I thought it was imperative that I join in introducing S. 2035 which simply restates what section 271 said all along; namely, that this section shall not be deemed to confer upon any Federal, State, or local agency any authority to regulate, control, or restrict any activities including those of the Commission, which authority such Federal, State, or local agency did not otherwise possess.

I think it is important that this bill be adopted, to make it clear that section 271 of the Atomic Energy Act of 1954, as amended, does not confer any authority upon any agency—Federal, State, or local—which such agency did not have before. Moreover, it is important that Congress act quickly on this because the implications of the court's decision go far beyond this particular controversy involving the Stanford linear accelerator powerline. If the court's interpretation of section 271 should be permitted to stand without correction, other vital activities of the AEC, many of them directly related to the national defense and security, would be subjected to the control of local bodies. I don't think we can afford to allow this incorrect interpretation to stand as an open invitation to attempts to regulate Federal defense activities at other installations around the country.

In summary, Mr. Chairman, I urge favorable consideration of the bill which the distinguished senior Senator from Rhode Island and I have introduced.

Mr. PASTORE. Mr. President, the net effect of the court's decision is that AEC cannot construct and operate an overhead powerline for the Government's $114 million Stanford linear accelerator at Palo Alto, Calif., and that this line must go underground instead at vastly increased cost to the Government. Perhaps more important, the court's decision creates the possibility that other local governing bodies around the country may attempt to regulate defense installations operated by the AEC.

If the interpretation of section 271 set forth in the court's decision became binding generally, major adverse consequences throughout the entire range and scope of the AEC's programs could result. In the opinion of all the members of the Joint Committee, including all of us who participated in the drafting of section 271 and the debates on this language, the court misunderstood the intent of Congress underlying this section. This misunderstanding led the court to the erroneous conclusion that Congress intended to waive the AEC's constitutional immunity from local ordinances. The reasons why this section was included in the law are explained in detail on pages 5 and 6 of the committee's report, and are also concisely summarized in the statement in support of the amendment of this section by my distinguished fellow committee member, Senator Hickenlooper, which appears on page 51 of our hearing record, which is now a part of the Record.

H.R. 8856 would simply provide further guidance to the courts by clarifying the language of section 271 to conform to the original intent of Congress. The language would then make it completely clear that Congress did not intend by this section to subject the AEC to local ordinances governing generation, sale or transmission of electric energy. AEC would therefore be placed on a par with other Federal agencies in this respect. Accordingly, the AEC could proceed to construct and maintain an overhead powerline for the Stanford Linear Accelerator notwithstanding local ordinances which purport to require that this line be placed underground.

Mr. President, the effect of this bill, and the reasons why the Joint Committee on Atomic Energy recommends its enactment, are fully explained in the comprehensive report filed by our committee. I will therefore simply point out a few salient facts about H.R. 8856.

IMPACT OF THE COURT DECISION ON ALL AEC ACTIVITIES

Because of the interest which has been generated concerning the dispute over the Stanford accelerator powerline, it is easy to overlook perhaps the most pressing reason for the passage of this bill. I refer to the potential threat that is posed by an interpretation of the Atomic Energy Act which would allow every local governing body to control AEC's own facilities for the generation or transmission of electric power. The effect of such an interpretation of congressional intent is most serious. The Chairman of the AEC, Dr. Glenn Seaborg, again called this to the attention of our committee in a letter dated July 14, 1965 which was inserted in the daily Record on July 27, at page A4121. Dr. Seaborg said:

> In reviewing the debate on the floor of the House last Monday concerning the bill to amend section 271 of the Atomic Energy Act, we noted confusion on the part of some participants concerning the urgency of the need for passage of this legislation.
>
> I want to make clear that the Atomic Energy Commission is greatly concerned that if the bill is not passed, there may be, at any time, interferences with the conduct of major AEC program missions due to the limitations placed on this agency's authority by the decision of the Ninth Circuit Court of Appeals. Many AEC installations, including those involved in production of weapons and weapons materials, which are heavily dependent upon the availability of reliable sources of electric power, have been placed in jeopardy by that decision. The subject bill would remove that potential threat and restore to AEC the same powers possessed by other Federal agencies. The Atomic Energy Commission therefore supports the early passage of this bill because of its impact on the national defense and security.

Mr. President, at this point I ask unanimous consent to have printed in the Record another letter written by Dr. Seaborg, addressed to me, dated August 3, 1965, which is more or less the same in substance.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Atomic Energy Commission,
Washington, D.C., August 3, 1965.
Hon. John O. Pastore,
U.S. Senate.

Dear John: As you know, the bill to amend section 271 of the Atomic Energy Act passed in the House by a vote of 275 to 125. The Atomic Energy Commission strongly urges its passage in the Senate as soon as possible.

The Commission is greatly concerned that without this legislation there may be, at any time, interferences with the conduct of major AEC program missions due to the limitations placed on this agency's authority by the decision of the Ninth Circuit Court of Appeals. Many AEC installations, including those involved in production of weapons and weapons materials, which are heavily dependent upon the availability of reliable sources of electric power, have been placed in jeopardy by that decision. The bill would remove that potential threat and restore to AEC the same powers possessed by other Federal agencies. The Commission therefore supports the early passage of this bill because of its impact on the national defense and security.

The essential facts as to the urgency of the need for additional power for the SLAC project are as follows:

The existing 60-kilovolt power supply will be inadequate for project needs by the end of calendar year 1965. Construction of the accelerator is expected to be completed by about March 1966. Unless 220-kilovolt power is available by then from an additional power line, maximum scientific productivity of research from this $114 million national facility will not be obtained and will not be reached until adequate power is obtained. An overhead transmission line can be constructed in about 6 months time. An underground line will require approximately 24 months to construct. Even if started now, undergrounding of the line would result in a delay in commencement of productive operation of the accelerator by approximately 18 months.

As you know, the Commission has already testified as to the foregoing, but I believe it important to reiterate these points.

Cordially,

Glenn T. Seaborg.

Mr. PASTORE. Mr. President, as stated in our committee's report, even if there were no dispute over the Stanford powerline this bill should be enacted without further delay.

I wish to emphasize that we are not using this as a subterfuge. I wish to make it abundantly clear that this law does affect the area in California which is in dispute, namely, Woodside, and San Mateo.

THE NEED FOR LEGISLATION NOTWITHSTANDING THE POSSIBILITY OF FURTHER JUDICIAL REVIEW

There have been questions raised as to why Congress does not simply do nothing about clarifying section 271 until all possible judicial remedies have been exhausted by the Government.

I have made the recommendation that the AEC pursue this case to the Supreme Court. Whether or not they will do so, is an administrative decision.

Some have asked whether it is proper for Congress to reaffirm what it meant when it enacted section 271, until the Supreme Court has passed on this matter. There have been charges that this is ex post facto legislation; that Congress is wrongly being asked to "change the rules of the game"; and so forth.

In answer to these questions I shall reiterate several essential points.

This bill merely clarifies what Congress meant all along when it passed section 271. Is it reasonable for Congress to sit back and leave to the courts the resolution of a problem which involves solely the intent of Congress? Of course not. To do that would be to abdicate our responsibility.

I emphasize at this point that we have not come to this conclusion in hate or in haste. We have debated it thoroughly. The Joint Committee is composed of nine Members of the House—Republicans and Democrats—and nine Members of the Senate—Republicans and Democrats—and there was not one vote that this should not be done in the public interest.

What is being proposed here is fully consistent with established legal principles and past practices.

We have authorized and we have appropriated and we have practically spent already $114 million for this 2-mile accelerator, which is a longer distance than is to be covered by the lines in the town of Woodside.

We have unanimously reached the conclusion that what we have proposed should be done in the public interest.

I wish to emphasize at this point that there is nothing more disconcerting, more distasteful, or more obnoxious to me than to become the protagonist for an issue and to find on the other side of that issue serious, sincere, and beloved Senators such as the senior and the junior Senators from California. I wish them to understand that while I realize that they disagree with the proposal, I have the highest respect and regard for their point of view. If I came from the State of California, perhaps I would be standing in the position which they now occupy. But they must understand that we are not being parochial; we are not being hateful; we are not being vengeful. We are trying to do our job in good conscience. What the proposal amounts to is a question of $4 million which the taxpayers would have to pay, and that we feel they should not have to pay, if the installation goes underground rather than above ground.

I have on my desk a cutaway section of the conduit that would have to go underground. It is about 9 inches in diameter. There are three cables inside the conduit. It is heavily insulated cable. Senators will notice that the cable itself is about an inch in diameter.

What would have to go underground? What kind of installation would be necessary to put the conduit underground? All the air would have to be sucked out of the conduit, and dry oil would have to be injected. It cannot be oil having any moisture in it, because then there would be the danger of a short circuit. The dry oil would have to be pumped through the conduit in order to keep the wires cool. That is an operation which would not have to be employed if the installation were kept above ground.

Mr. President, we have not reached our conclusion frivolously and hastily. A question of money is involved.

The argument is being made that we would destroy the esthetic qualities of that region. That argument grieves me. I can understand why such an installation would disturb the people in that area who have invested, in some instances, perhaps, a quarter of a million dollars in their homes. I say, "God bless you if you can own that kind of home."

But the State of California is studded with high tension wires. If the precedent that all very high voltage wires—220 kilovolts and higher—must be placed underground were accepted, then I say to the Senators from California, "Do you realize that such a precedent would mean the crucifixion of industry in your State?"

High voltage wires of 220 kilovolts run alongside the town of Woodside today. At one point, as the chart in the rear of the chamber shows, they touch and go through the town of Woodside. I am indicating on this large chart that a high voltage line touches and runs through the edge of the town of Woodside today.

There are 2,488 poles existing today in the town of Woodside. I am indicating them on the chart.

I hold in my hand a picture of poles that exist in that area. I say, "Since 1956, when you became a township, you have built over 200 poles."

That is no new experience. After the town passed an ordinance, I understand that certain exceptions were granted to build other poles above the ground.

Mr. Clapp, who represents people in that area, is a dedicated lawyer. I do not blame him for taking the position which he has taken. I, too, was once a lawyer and tried cases. I compliment Mr. Clapp for his enthusiasm and his logic. But, after all, it is not his responsibility to spend the taxpayers' money. He does not have to account for the money. We do. We must account for it. That is the responsibility of the Congress.

When it was suggested to him, "You have built poles in that area after you incorporated the town in 1956" he replied, "Oh, but that serves our people."

The disturbance can be tolerated when the installation serves the people of that area, but not if it serves all the people of the country.

People in that area cannot stand the overhead lines if they are to serve the linear accelerator, which has been installed to do what? Will it help the national defense? Who knows? We are living in a highly scientific age. We are building ships to bring man to the moon. I have yet to find a scientist who can tell me why we should go to the moon. But I have not talked with one who has not said, "When we get there, we do not wish to find a Russian there." That is the challenge of our times.

We are speaking about a linear accelerator which is the largest electron accelerator in the world. It has been built to train whom? To train our scientists.

To do what? To give supremacy—supremacy in this highly scientific and technical world, so that we shall not be out-run by Moscow and Peiping.

That is the reason why our Government has invested $114 million in the accelerator. We could have gone any place else in the country. It disappointed me when I learned that the accelerator did not come to Rhode Island. While we, too, in Rhode Island have some aesthetic qualities we like to defend, we would have accepted the poles.

But it went to Stanford University. Why? Because we thought it was one of the best educational and cultural colleges in our country. I say "Thanks" to the men who funded the facility and endowed it, and "Thanks" to the State of California for keeping it up. That is the reason why we put it there.

I now yield to my friend the junior Senator from California.

Mr. MURPHY. Mr. President, first, I wish to compliment the distinguished Senator from Rhode Island for a most dramatic presentation.

Mr. PASTORE. One never knows—he might be a great actor himself.

Mr. MURPHY. In the last 30 years in California I have seen some great artists. There are some on the West Coast who have not seen everything until they have seen my good friend from Rhode Island.

In representing the people of my State of California, I point out that it is unfortunate that the discussion is at present concentrated on the town of Woodside, and we are debating 6 miles of overhead powerline in Woodside.

California has a long seacoast. From time to time more and more atomic energy installations will be built. The construction of atomic installations is of great concern to the people of the State of California. They are concerned about the selection of such locations.

Stanford University was an ideal location for the linear accelerator. Incidentally, Stanford University is a privately endowed institution. It is not kept up by the taxpayers of the State. The work that the university has done in this field and in these areas made it wise to see that the accelerator was put in that location.

I am sure that my senior colleague will have much more to say on the subject than I have, but the question I should like to raise is related to the location of future installations. At the present time two or three such locations are of concern. There is one installation that is not far from my hometown. It has been built on what has been declared by 50 well-known geologists to be a very dangerous fault. It has been located there arbitrarily and against the wishes of the people of the community which surrounds it.

Plenty of other locations might be as practical, usable, and available.

There is one below it at San Onofre, which is part of the Marine Corps camp at Camp Pendleton. There has been some concern as to the location there. About 20 miles of beach line are available at that location. It belongs to the Government.

I am sure that there are 8, 10, or 12 other locations that might have been selected.

My concern, and that of my senior colleague, result from a great deal of pressure, through letters received from people in our State who are concerned about the particular installation at Woodside. But there is the overall picture which I hope the distinguished Senator will realize is of concern to me, and which is not particularly involved with Woodside or Stanford, but is involved in the overall development. I am certain that as the years pass there will be more and more of these installations.

Mr. PASTORE. I realize that, but the Senator must realize that we have achieved supremacy in nuclear and thermonuclear weapons, and we have installations operating all over the country. I know of no AEC installation where high-voltage lines of this kind have gone underground.

I realize this is not an atomic energy installation in the sense that weapons are being made there. I hope I will not be misunderstood as to that; but after all, the question of beautification arises. I have received many letters and have read some editorials written by persons who say, "If this proposal is to be included in a beautification program, why not put the wires underground?"

First, there was a conference at the White House, and the panel which was considering this subject was clear in stating that a distinction must be made between a distribution line and a high-voltage line.

As I have already explained, the trouble in this instance is heat. When the lines are placed underground, it is necessary to take many factors into consideration. In case of a breakdown, a monumental task ensues.

Mr. MURPHY. I understand.

Mr. PASTORE. There might be a delay of approximately 1 month.

I realize that the people in Woodside and San Mateo would rather not have this line at all. Perhaps they do not care whether the accelerator is located at Stanford University. Perhaps they could care less. That is water over the dam. A strong pitch was made for this accelerator to be located in California and specifically at Stanford University.

We have believed in it. We have authorized the money, and we have appropriated the money. There it is.

I went out there and looked at it. I have been talking about this installation for a long time.

The junior Senator from California will recall that when I introduced the bill, I apprised him of the fact that this subject would be coming up. Nothing has been swept under the rug. Nothing has been pushed under the table. There has been no deception. We have been open and above board, because we are all interested in the same objective—the public interest.

I discussed the subject with my good friend the senior Senator from California [Mr. KUCHEL]. Last year he asked me to visit the location during the summer recess. I went out of my way to go to Woodside.

I realize that some people would rather not have the installation there, but it is not so bad as they are making it seem.

First, we are taking great pains. Consider the monstrous towers such as have been erected in California. They are there by the hundreds because much of the current comes from Boulder Dam. I do not have to get into that; we can take judicial notice of it.

The fact is that I went there and looked at the arrangement. In the beginning the discussion was about the monstrous towers, and that it would cost about $668,000 to install them. A dispute arose. It was suggested that they be streamlined. Now it is estimated that the expense will be about $1,050,000.

What is planned is shown on the pictures in the rear of the Chamber. They show the approximate design of the poles. The structures will be similar to those on the picture in the rear of the Chamber and will consist of one-pole, two-pole, or three-pole structures, depending on the curve that has to be made. There would be only three such structures in Woodside.

The number of structures would be: 11 in San Mateo, 3 in Woodside, and 22 in Stanford.

The length of the line in San Mateo would be 2.1 miles, in Woodside it would be .6 miles, and in Stanford it would be 2.7 miles.

The trustees of Stanford University are much interested in the esthetic beauty of the arrangement, because most of the poles are to be placed there.

Ordinarily the undergrowth is cut away so as to provide a walkway for better accessibility. Every precaution possible is being taken.

The plan is to string the wires by helicopter, and only those trees that interfere with the wire itself would be trimmed. Every precaution possible would be taken.

The argument is made that the wires should go underground. If they are placed underground, it will be necessary to take another route. All along the route which the town of Woodside wants the Federal Government to go underground shown in the picture are the existing Woodside poles. They are the poles erected by the community. But the community wants the Government to place the Government's lines underground.

I say that if it were a brand new innovation to put up poles in Woodside or San Mateo County, we might say that the people had never seen a pole before. But see the poles they already have there, as shown by the picture. Poles are already there.

But it is asked: "Must you add insult to injury?" Of course not.

I repeat. We are talking here of substantial added cost to the Government. We have talked and talked and talked. We have negotiated, negotiated, and negotiated. We have not reached a conclusion. What will happen?

The Government brought a condemnation suit in the Federal district court, and the Federal district court sustained the Government. An appeal was taken to the court of appeals. The court of appeals overruled the district court and gave its interpretation of section 271, which brings us here. This is fresh in our minds because I helped manage the bill in Congress. I was in Congress in 1954. I knew what the intent of Congress was. We discussed it pro and con. It was clear why we did this. We wrote section 271 into the law as a protection. We provided that a nuclear facility that is licensed by the Government and begins to sell electricity from that nuclear facility is subject to supervision so far as rates and distribution are concerned, like any other electricity manufactured by conventional or fossil fuels. That is why that section was placed in the law.

What did the court of appeals say?

The court of appeals said that when Congress passed section 271 it took away from the AEC the right under the supremacy clause of the Constitution that is enjoyed by every other agency of the Government.

The AEC is the agency that makes nuclear weapons. It is the agency that makes sure that we can overwhelm our adversaries. Yet it is said in effect that in 1954 Congress deliberately took away the power of the AEC to condemn.

I ask, how far can we get away from the legislative intent? Frankly, if that is what we said and meant we should have had our heads examined. But let me be clear—we did not mean that at all.

It is clear why section 271 was included in the act. All that is necessary is to read the statement made by the distinguished Senator from Iowa [Mr. HICKENLOOPER]. He explained what was meant by this language. He was very clear.

Mr. BENNETT. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. BENNETT. As a Republican member of the Joint Committee on Atomic Energy I wish to indicate my support of the position taken by our vice chairman, who has been discussing the whole problem.

I believe it might be interesting to have all the figures appear in one place in the RECORD.

Mr. PASTORE. That is satisfactory.

Mr. BENNETT. There is no need to restate the arguments in favor of the legislation, but I believe it would be useful to dispel some of the illusions that are sought to be created by the local opponents of an overhead powerline for the Stanford accelerator.

They have tried to picture this powerline as a blight upon a community struggling to maintain its rustic character against the encroachments of civilization.

The fact is that there are already about 2,488 powerline and telephone poles in Woodside today. The town of Woodside has informed the Joint Committee that 277 poles were erected between 1956, when the town was incorporated, and 1964. Twenty-six poles were erected in Woodside between June 1963, when a land use permit for the Stanford accelerator powerline was applied for, and April 1964. Four poles were actually erected in Woodside since March 1964, the date of enactment of Woodside's first ordinance prohibiting construction of overhead wires, and an additional 59 poles were erected in adjoining San Mateo County within about 5 miles from the proposed overhead line route.

Mr. President, the poles have been going up in these communities at the very time that the local residents have been complaining about the AEC's ornamental pole structures, of which there would be only 36 in the area. As the vice-chairman has stated, there are to be only 3 within the town of Woodside. They have been trying to make the Federal Government pay an extra $4 million, minimum, to bury the lines.

Incidentally, I believe that we should understand that there is no posible basis for comparison between the cost of burying distribution lines, underground—the ordinary distribution lines that are found in communities—and the cost of burying very high-voltage lines which have to be treated in the manner illustrated by the vice chairman.

Moreover, the latest information available to the Joint Committee on Atomic Energy indicates that the town of Woodside is still operating under a temporary ordinance which prohibits overhead lines. This temporary ordinance will expire in less than a year.

Those people apparently do not yet have enough faith in the system to enact a permanent ordinance or require that hereafter all poles shall be placed underground.

There was one temporary ordinance passed in April 1964 for 1 year. As I understand, the year expired, and it has been extended for another year in the hope that the problem will be solved. About April 1966 it will expire and they could then allow their own citizens to continue to erect lines above ground as they have done in the past.

I believe that the facts brought out in the report of the committee, and in the hearings, should portray this dispute in its proper perspective. The facts should serve to demonstrate that any claims for special treatment for the Woodside residents, as distinguished from residents of other communities, are without foundation.

Mr. President, if the senior Senator from Iowa [Mr. Hickenlooper] were present, he would make a statement at this point. However, the senior Senator from Iowa is in South America on official business with a group from the State Department. Therefore, I ask unanimous consent that the statement which the senior Senator from Iowa would have made be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Hickenlooper Relative to H.R. 8856

I support the enactment of H.R. 8856 and endorse the explanation of this bill which has been made by the vice chairman of our committee, Senator Pastore.

The reasons why I cosponsored this bill are set forth in my statement on page 51 of our committee's hearing record. Basically, I feel this bill should be enacted because the court of appeals misunderstood the intent of Congress underlying section 271 of the Atomic Energy Act.

I was vice chairman of the Joint Committee and the Senate floor manager of the bill which added this section to the Atomic Energy Act in 1954. We included section 271 in the law to make it explicit that licensees of the AEC who produced power through the use of nuclear facilities would otherwise remain subject to the authority of all appropriate Federal, State, and local authorities with respect to the generation, sale, or transmission of electric power. There was no intention, by including this section in the law, in any way to limit the sovereign immunity possessed by the AEC as a Federal agency, by virtue of the supremacy clause of article VI of the Constitution.

As has already been explained by the distinguished senior Senator from Rhode Island, the court's misunderstanding of congressional intent has raised the specter of local attempts to regulate Federal defense activities at other AEC installations around the country. In addition, the net effect of this misunderstanding is to prevent AEC from supplying power to the Stanford accelerator unless many additional millions of Federal funds are expended to place the necessary powerlines underground.

For all these reasons, I urge prompt enactment of this bill.

Mr. PASTORE. Mr. President, I yield to the distinguished Senator from New Mexico.

Mr. ANDERSON. Mr. President, I am most happy that the Senator from Utah has had the statement from the senior Senator from Iowa [Mr. Hickenlooper] printed in the Record.

The Senator from Rhode Island recognizes, as does the Senator from New Mexico, that the senior Senator from Iowa is the senior member of the committee on the Republican side, of both the House and Senate Members.

I was present at the committee meeting when the Senator from Iowa stated his understanding of what the record was. The Senator from Rhode Island has stated his recollection of it.

I was impressed to hear the senior Senator from Iowa speak out as forcefully as he did and state that the Congress intent was completely contrary to the dictum of the court.

I am happy that the Senator from Utah has had printed in the Record the statement of the Senator from Iowa. I believe that it is very important.

Mr. PASTORE. Mr. President, I yield to the Senator from Utah.

Mr. BENNETT. Mr. President, the Senator from Utah came to the Senate at a later time than did his colleague. Was not the senior Senator from Iowa a member of the Joint Committee at the time when the bill was passed in 1954?

Mr. PASTORE. He was one of the original members when the committee was formed in 1946.

Mr. BENNETT. There is no question as to the extent of his knowledge concerning this field.

Mr. ANDERSON. Mr. President, not only was the senior Senator from Iowa a charter member of the committee, but he also took a great interest in the passage of the current law in 1954. Many questions were raised during the debate on the law in 1954. At that time there was a sharply divided Senate. We passed the measure. It went to conference. The conference report was rejected.

The Senator from Iowa was vitally concerned with the entire question. He knows of his personal knowledge what each section of the bill meant. He went over the ground time and time again, not only in the committee, in which there was violent argument, but also on the floor of the Senate, where there was also violent argument.

The senior Senator from Iowa knows what section 271 of the bill meant; and he knows what I believe the bill meant.

Mr. PASTORE. Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, it may be that I find myself in a little peculiar position today. To the best of my knowledge, I have never been accused of carrying a torch for any utility company. I do not like power poles. I greatly prefer trees to these poles that are being set in the ground to carry power to the atomic energy research plant at Stanford.

I very much sympathize with the citizens of Woodside who have come to a belated decision that they do not like poles either, although a great many of them seem to have been planted up to this time.

I am rather afraid that we have a situation here in this area which is not too uncommon. A condition which prevails in many other parts of the country as well has occurred. An area will go after a Government installation hammer and tongs, and when they get it, they seem to be a little unwilling to accept some of the disadvantages that go along with it.

I am sure that the county in which the atomic energy research plant is located—and I am inclined to think the city of Woodside and the county of San Mateo—would fight like everything if anybody were to try to take the plant away from them. However, it appears that there is a price to be paid.

In this case, Woodside will have to look at three more structures in addition to the 2,488 poles that they now have. They do not have any admiration for the utility poles in that village. San Mateo County will have 11 more structures in addition to thousands of poles they now have. However, under the circumstances, inasmuch as the House overwhelmingly passed the bill, and inasmuch as the Joint Committee on Atomic Energy presided over by one of California's distinguished citizens—has approved the bill, I feel it is my duty to support the amendment to section 271 pending before the Senate.

Mr. PASTORE. Mr. President, I yield to the Senator from California.

Mr. MURPHY. Mr. President, I have spoken to the Representative from that area of California. So that the record will be in accordance with the facts, there have been no poles placed in disregard of the ordinance at Woodside. They had not been ordered to be placed previous to the adoption of the ordinance by the citizens of Woodside.

In other words, these are poles that were placed in the ground since the passage of the ordinance. These are the poles that were discussed in the House of Representatives.

In order to keep our record straight, there have been no poles added in disregard of the ordinance.

I point out also that in California, as is the case with many other things, our State moves forward very quickly. It will be found that it is becoming the custom to place facilities underground so as to eliminate the condition which has been exhibited by the distinguished Senator from Rhode Island in the carefully selected photograph on the far side of the Chamber. This custom has been pursued so that the condition will be eliminated in the future.

We have tried to go along with the President's program on beautification. It will be found that the facilities in most of the new developments—in community after community—which were overhead in the past, will be placed underground in the future.

These are conditions which have existed in the past. We are trying to change them, just as we are trying to change the pollution of our rivers and trying to work on the air pollution program in California.

We want to conform with the conditions that are best.

I want the Senator to understand—and I speak also for my senior colleague—that there is no intention on our part, in standing here, to do anything other than what we consider to be to the best interest of our constituents in the State of California.

There is no desire on our part in any way to take away any needed power of the Federal Government. There is no desire on our part to hamper any future progress of atomic energy.

On the contrary, our State of California can boast of having provided much of the progress that has been achieved in the past.

There was reference to the picture of the moon. Most of the work done in this effort has been originated and consummated in the State of California.

As I stated earlier, it is not a consideration. As I read the bill, I do not find the name of the town "Woodside" mentioned in the bill. Yet we have continually talked about the town of Woodside and one 6-mile area.

Woodside happens to be experiencing a condition which was brought to my attention, and I am sure to the attention of my senior colleague. It has to do with the actual conditions of future Government installations.

I believe the Senator from Rhode Island will agree with me that the ideal way is that the Federal Government, the local governments, and the communities should act together in a friendly fashion.

About 22 or 23 years ago, at the beginning of World War II, an important installation for photography was built in the hills back of Hollywood. It was built there because the facilities were easily obtainable. It was built back in the hills because it was to be secure. It was secret. Some people objected to it. Some troublemakers spread the story that it was going to be a bomb installation. I went with a colonel in the Air Force and helped with the community facilities, just as I did with respect to the representatives of Stanford University, the communities, and representatives of the Atomic Energy Commission, to try to reach a solution, where the three together could consider the problem and try to find an answer.

I am certain that this idea did not originate with me. I am certain that my senior colleague envisioned it before I ever came to the Senate.

It is not our intent to impede the progress of an accelerator or a reactor which will be built, but to express the hope that when this bill is finally passed it will be in such condition that the installation can conform to local conditions, that it will not be a question of changing completely the character of the countryside and community, and that installations of the Atomic Energy Commission will not go in highly populated centers.

These matters will have to be settled and need the attention of the committee.

There are two or three locations, one of which I am objecting to strenuously now, because it is in the kind of community where there should not be an atomic reactor.

It is not my purpose to impede atomic research. I want that to be clear on the RECORD.

Mr. PASTORE. I thank the Senator from California. I quite agree that in this case there is more involved than Woodside. That is the reason why we are here with this bill. I had hoped this entire problem could have been adjusted. I have been trying to adjust it.

I could not possibly accept an amendment that would exempt Woodside; and I will tell the Senators why.

Geographically, this country is very large. We are the most highly industrialized nation in the world. We have a great affluent society, the greatest in the world. There is a greater demand in this country for electric power than there is in any other nation of the world, for obvious reasons which I do not have to elaborate on. In this whole country, how many miles of underground high-tension wire is there? It is a small amount. Los Angeles has some. There is some in San Francisco and some in New York City. The State of California is studded with high-voltage and low-voltage lines. If California did not have high-voltage lines, it would die industrially.

Mr. MURPHY. If the Senator will yield, the Senator's statement is a little overdramatized.

Mr. PASTORE. I am a dramatic man.

Mr. MURPHY. There are high tension wires in California from Boulder Dam, but California is a large State. When the Senator says it is studded with those lines, I think he is overemphasizing.

Mr. PASTORE. The Senator has said he is not as much concerned about Woodside as about Malibu and other places he mentioned. The question remains—and I will leave this to the Senator's judgment, and I am not indulging in a cliche—Are we going to say it is all right to install high tension lines in a less affluent community, but we must install them underground in a more affluent community? Are we going to put all the very high voltage wires underground? It would cost many billions of dollars. When we make an exception for a U.S. installation with regard to atomic energy, does the Senator think we would ever be able to go above ground, once having gone below ground? Once we started it, where would be the end? There may be much merit in the argument of the Senator, but the fact remains that the Senate is a permanent body, and I hope it will be so to eternity. The precedents that are set here are the precedents of the people.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BENNETT. The Senator started pointing out how few high-voltage lines of 220 kilovolts and above were below ground, but he went on to something else without giving us the figures. Will the Senator tell us how many miles of underground very high voltage lines there are in the United States?

Mr. PASTORE. I would say about 25 miles; and one town is applying for 5.4 miles of underground installation—one-fifth, or 20 percent of those existing.

The Senator has said we should comply with the wishes of the people. I live within a stone's throw of an airport in my State. I know every plane that takes off and every plane that lands there. Does the Senator think I like it? But that airport has to be somewhere. Somebody has to endure the hazards. This is a responsible decision to make.

The Senator from Utah [Mr. BENNETT] came to the Senate at about the same time I did. My friend the Senator from New Mexico [Mr. ANDERSON] has been here more years than I have. The dean on the Republican side, the Senator from Vermont [Mr. AIKEN] is also on the committee. We listened and we studied. This action is unanimous. So do not tell us we are unreasonable, or that what we are doing is unreasonable.

Whom are we trying to protect? The U.S. Government. We do not want to spend millions of dollars more than necessary. If we do it here, it will cost much more on other installations. There is not one other agency of the Government that has lost its power under the supremacy clause of the Constitution. But the court has said that AEC has lost this power under section 271 of the act. How ridiculous can we be? If we did it—which I do not believe we did—let us right it today. That is the reason why

I am pleading the way I am, because we do not know what we have to face in the future. The interest of the people is paramount, not the interest of Woodside alone.

Consider what Stanford means to Woodside. I talked this over with Mr. Clapp, the attorney for Woodside, who said, "We do not look at it that way. Consider what Woodside means to Stanford." I said, "I heard that one before about General Motors."

Mr. ANDERSON. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I am glad to yield.

Mr. ANDERSON. The Senator from Rhode Island referred to the fact that the precedents are important. I remind the Senator that there is consideration to build a 200-Bev. accelerator somewhere in the United States. Would the Senator bar supplying overhead power to the 200-Bev. accelerator wherever it may be built or for that matter any power because someone objects?

Mr. PASTORE. I hope that the Senator from New Mexico realizes what that interpretation means, that any community can pass a law and say, "You cannot go above ground. You cannot go below ground." We could not do anything about it. As it stands now, we cannot even go underground. We have no authority, according to the court. How stupid can we be? Where are we going to go to defend this Nation? Where are we going to preserve the peace of the world, if we are being told that we do not have existing power in this agency? I am astonished.

I believe that I have said everything that needs to be said.

Mr. MURPHY. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. MURPHY. I should like to reiterate, at the risk of becoming redundant, that I have not mentioned Woodside. I have not seen it mentioned in the bill.

Mr. PASTORE. I realize that.

Mr. MURPHY. I have not suggested, nor do I suggest, that in all future construction by the Atomic Energy Commission, that powerlines, transmissions in or out, have to be underground. I have merely talked about the rights of the communities concerned—the State and the local communities, at least, to be properly considered so that the Atomic Energy Commission will not, as they have in at least one instance besides Woodside, come into a community and said, "Here we will locate an installation, regardless of whether the people object."

There is no necessity for it being there. It will mean locations which are much more and much better. I am sure the whole thing at the outset was a misunderstanding and was due to the eagerness on the part of someone, not the Federal Government. But this is a new experience that we are going through.

Mr. PASTORE. I would not say that, let me say to the Senator from California. I was Governor of my State, and we never——

Mr. MURPHY. If the Senator will yield further——

Mr. PASTORE. We never used any property for any public purpose without some remonstrances.

Mr. MURPHY. I am talking about the whole aspect of atomic energy. I asked my office 10 days ago for a series of answers to questions from the Atomic Energy Commission having to do with past performance in these installations, not Woodside, but the ones already built, because I wish to find out exactly what the conditions are, what the progress has been, and what has been the output of the efficiency. I know all the problems concerned with the work. I repeat, this program is not concerned with Woodside. It was brought to my attention because they happen to be constituents, but it has to do with future policy so that the Government and Federal officers in local organizations can act together with the least possible friction.

Let me say to the distinguished Senator from Rhode Island that I come lately to the Senate. I am from the outside. We might say that I am a "new boy."

I am sensitive to the reaction from the outside. From time to time, people get the feeling that the Federal Government now says, "We are going to do it, regardless." I do not believe that is the meaning. I do not believe that is what the Senator from Rhode Island and other members of the committee had in mind. I believe they say "We are going to do it" where it is necessary, where it is practical, and where it is in the best interests of the people to do so.

Mr. PASTORE. We have tried that. We have been in negotiations with——

Mr. MURPHY. It has worked, has it not?

Mr. PASTORE. No; it has not worked.

Mr. MURPHY. The Senator is talking about Woodside.

Mr. PASTORE. I am talking about Woodside.

Mr. MURPHY. I am excluding Woodside.

Mr. PASTORE. I know. Perhaps we can go to another community.

Mr. MURPHY. No; that is not my intention. What I am trying to do is to exclude this particular community from consideration of the bill. As I pointed out, this community is not mentioned in the bill.

Mr. PASTORE. What are we going to do with the $114 million in Stanford? Who is going to sustain that loss?

Mr. MURPHY. I presume that it will be decided to rebuild the reactor out there, and that the powerline will be connected. We could then——

Mr. PASTORE. When? We have been trying it for more than a year. When?

We have exhausted every channel. Several members of the Joint Committee and staff have visited the location. I was there. The Senator from California [Mr. KUCHEL] asked me if I would not go out there and take a look. I did take a look. I talked with many people and went to many meetings. We have exhausted every remedy. The question is precisely this: Shall we go above ground, or shall we go below ground?

Woodside says, "Below."

The United States says, "Above."

Who is going to win this battle?

That is the situation at present.

Mr. MURPHY. If the Senator from Rhode Island insists that the whole battle is on Woodside——

Mr. PASTORE. Yes, in this particular case.

Mr. MURPHY. That is the only one of many questions that will arise. I might suggest to the Senator, as the youngest Senator from California, that I have not been to Woodside. Perhaps I shall go there.

Mr. PASTORE. I wish the Senator would.

Mr. MURPHY. After the experience I have had in the Chamber today, I may find somewhere the power of persuasion to tell those people that they had better understand that this has to be done in the public interest.

Mr. PASTORE. The minute the Senator returns, if he is successful, I shall introduce a resolution to grant the Senator the Carnegie medal.

Mr. ANDERSON. If we try to eliminate—or put in a provision eliminating Woodside from the bill—they could say, "We were specifically excluded in the bill; we are exempt."

Mr. PASTORE. We could have done that if we had wished to exclude Woodside. However the $114 million installation is standing still. Something has to happen one way or the other. We have been trying to get this thing to happen for a long time. We have talked to and fro. We have had meetings. Representative HOLIFIELD went out there. Representative HOSMER accompanied him. He is a Republican. Republicans and Democrats on both sides of the aisle have been out there. Representative HOSMER and HOLIFIELD come from California. We do not wish to do anyone any injury. How far can we go before we resolve this problem?

We have reached the point where we must do something.

Mr. JACKSON. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. JACKSON. I wish to associate myself with the remarks of the Senator from Rhode Island. He went into this subject in great detail. I should like to observe that the estimates we had in the committee hearings indicated that the cost ratio between following what the people of Woodside had in mind, and the costs of the overhead transmission line were up to 10 to 1. This is the estimate submitted by Mr. Joseph Swidler, Chairman of the Federal Power Commission. He made that estimate in a letter which he sent to the committee and which was included in the RECORD.

I point out also that the estimate submitted by the California Public Utilities Commission—this is the California agency—indicated that the cost ratio would be approximately 5 to 1. This is the estimate of the California Public Service Commission.

Mr. PASTORE. If I may interrupt the Senator at that point, the minute we spend one-half million dollars a mile as against the basic cost of going above ground, we must add that to the rate.

That will mean $200,000 a year that the taxpayers will have to dish out for the added charge for the electricity rate. It does not end alone with the construction.

The investment becomes greater, the maintenance becomes greater, and the base is predicated on a fair return to the investor which will increase; and when that increases, the amount of money we have to pay in the rates will increase as well with that; so that is what we are up against, too. Let us realize that this does not only mean $4 million in construction. This means an added charge of $200,000 a year in increased rates to pay for the added construction and maintenance costs.

Mr. JACKSON. The Senator is absolutely correct. It has a direct impact on the rate structure. It seems to me that the precedent which would be established here would be one that would haunt the Senate for a long time to come. I believe that we all wish to be reasonable. This is what the committee endeavored to do. It seems to me that the resulting decision is sensible and reasonable, under all the circumstances.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed in the Record the letter from the Justice Department to Representative Holifield; also a statement entitled "New Distribution Poles Installed in Woodside Since March 9, 1964." The latter is to document the fact that Woodside has permitted poles to be installed in the town after passage of their temporary ordinance of March 1964 prohibiting any additional overhead lines.

There being no objection, the letter and statement were ordered to be printed in the Record, as follows:

Department of Justice,
Washington, D.C., July 16, 1965.

Hon. Chet Holifield,
Chairman, Joint Committee on Atomic Energy, Congress of the United States, Washington, D.C.

Dear Mr. Chairman: This is in response to the request of counsel for your committee of our views as to the propriety of changing the language of section 271 of the Atomic Energy Act of 1954, as amended (42 U.S.C. sec. 2018), despite the fact that its interpretation is presently before the courts. We have also been asked for an estimate of the time required to resolve this question in the courts, assuming further proceedings are to be taken by the Federal Government, in the absence of clarifying legislation.

The proposed legislation now under consideration is intended to clarify the law in order to make clear the original intent of Congress in enacting section 271. We are informed that the Atomic Energy Commission is of the opinion that its program requires that the transmission facilities become available without further delay and that the Commission supports the early passage of this bill because of its impact on the national defense and security. In view of this, the enactment of the proposed legislation at an early date would not be improper despite the fact that further judicial review of the ninth circuit decision could yet be sought and would provide the only means of meeting the emergency situation.

The time involved in seeking further judicial review of the court of appeals decision absent clarifying legislation can only be estimated. Though such petitions are normally denied, there is a possibility that the court of appeals might grant a petition for rehearing. The Government has until August 18, 1965, to file such a petition. A decision by the court of appeals as to whether to grant any such application might reasonably be expected within 10 days or so after the filing of a petition for rehearing. If such a petition were granted, additional time for briefing might be allowed and thereafter a date for oral argument would be set by the court of appeals. A ruling could reasonably be expected within about 30 days after the oral argument.

If the court of appeals denies a petition for rehearing, or if it is granted and the decision is unchanged, further judicial review of the decision by the court of appeals could be had by the filing in the Supreme Court of a petition for a writ of certiorari. The time for filing such a petition would expire 90 days after final action by the court of appeals. The Supreme Court would probably not act on a petition for a writ of certiorari until sometime between December 1965 and February 1966, depending upon the time consumed by the foregoing processes. If certiorari were granted, considering the time required for briefing and argument, it is possible, under normal procedures, that the Court would not dispose of the matter until June of 1966, or, under some circumstances, until the latter part of 1966. Thus, absent clarifying legislation, the delay in pursuing further judicial review would be substantial.

Very truly yours,
Edwin L. Weisl, Jr.,
Assistant Attorney General, Lands Division.

New Distribution Poles Installed in Woodside Since March 9, 1964

1. A 40-foot pole at 2000 Portola Road (Mountain Home Ranch) at the north end of the large structure being erected on the old sawmill site behind the historical monument on Portola Road (Schroll). This pole was erected after a variance to the underground ordinance had been granted by the city council. (See council minutes of July 13, 1964, and Aug. 10, 1964.)

2. A 35-foot pole at 198 Churchill Avenue located at the entrance of the W. E. Jason property. This pole was set on April 13, 1964.

3. A 30-foot pole at 85 Robles Drive (G. P. Kimball) located west of Mountain Home Road and south of Roberta Drive. This property known as the Los Robles subdivision is being parceled out to individuals. A variance was granted by the city council in this instance after appeals were made on January 11, 1965, February 8, 1965, and March 8, 1965.

4. A 25-foot pole at 1255 La Honda Road opposite to the entrance to the Blackington property. This pole was set in October 1964 to relieve strain along the existing line.

* * * * *

Since March 9, 1964, there have been replacement distribution poles set in Woodside that Pacific Gas & Electric estimates to be somewhere between 40 and 50.

Mr. PASTORE. Mr. President, to conclude my remarks, we must also consider the effect of our ignoring this problem on the operation of the Government's accelerator at Stanford. This facility must have power. I will quote again from Dr. Seaborg's July 14 letter to our committee appearing at page A4121 of the July 27 daily Record:

> The existing 60-kilovolt power supply will be inadequate for project needs by the end of calendar year 1965. Construction of the accelerator is expected to be completed by March 1966. Unless 220-kilovolt power is available by then from an additional powerline, maximum scientific productivity of research from this $114 million national facility will not be obtained and will not be reached until adequate power is obtained. An overhead transmission line can be constructed in about 6 months' time. (An underground line will require approximately 24 months to construct. Even if started now, undergrounding of the line would result in a delay in commencement of productive operation of the accelerator by approximately 18 months.)

Our committee unanimously believes all the facts in this case point to the need for Congress to act now to clarify this law, even though the Government might still secure further judicial review of this case. This is the best procedure to follow from the standpoint of the national interest and a proper legislative-judicial relationship.

The executive branch supports this view. I have already read the statement of the AEC's Chairman. I also wish to refer again to a portion of a letter to our committee from the Justice Department, dated July 16, 1965, which was first placed in the daily Record on July 26, at page A4052:

> This is in response to the request of counsel for your committee for our views as to the propriety of changing the language of section 271 of the Atomic Energy Act of 1954, as amended * * * despite the fact that its interpretation is presently before the courts. We have also been asked for an estimate of the time required to resolve this question in the courts, assuming further proceedings are to be taken by the Federal Government, in the absence of clarifying legislation.
>
> The proposed legislation now under consideration is intended to clarify the law in order to make clear the original intent of Congress in enacting section 271. We are informed that the Atomic Energy Commission is of the opinion that its program requires that the transmission facilities become available without further delay and that the Commission supports the early passage of this bill because of its impact on the national defense and security. In view of this, the enactment of the proposed legislation at an early date would not be improper despite the fact that further judicial review of the Ninth Circuit decision could yet be sought and would provide the only means of meeting the emergency situation.

The Justice Department also estimated the time which would be consumed in further judicial proceedings and concluded:

> Absent clarifying legislation, the delay in pursuing further judicial review would be substantial.

It is apparent that a failure on the part of Congress to act now would be a serious repudiation of our responsibility both to the judicial and the executive branches of the Government.

NATURAL BEAUTY AND RELATIVE COSTS

Those who favor an underground powerline for the Stanford accelerator have made much of the supposed inconsistency between the action of the Government in this particular instance, as compared with other Federal programs designed to preserve the natural beauty of our surroundings.

I wish to make it quite clear that we on the Joint Committee feel the Federal Government has a responsibility to take every reasonable step to preserve and enhance the natural beauty of the area to be traversed by the Stanford powerline. The actions taken by our committee over the last few years—including public hearings, conferences, and visits to the area—are concrete evidence of our committee's continuing concern with this matter and the views of the local residents. We believe the Federal Government has taken every reasonable step to accomplish this goal, including the AEC's announced willingness to spend large amounts to construct relatively short, esthetically designed, ornamental powerline structures and to avoid cutting a swath through the trees and other growth in the area.

Mr. President, our committee also has a responsibility to assure that our Nation's atomic energy program is conducted efficiently and without waste of public funds. An overhead powerline, on standard towers, could have been provided for this project for only $668,000. This would have provided not only the cheapest, but also the most reliable power for the accelerator. To improve the esthetic appearance of this overhead line the AEC is willing to erect the line on ornamental power poles at a cost of about $1,052,000, even though this is somewhat more expensive than using standard towers. However, the cost of underground powerline is about $5.4 million, without even counting the costs associated with the delay involved in constructing such a line. Our committee cannot, in good conscience, after weighing all of the factors, recommend to the Senate that the American taxpayer assume the burden of the additional costs for an underground line—estimated at well over $4 million.

Moreover, our committee's recommendation is fully consistent with the recommendations of the panel on underground installation of utilities of the White House Conference on Natural Beauty. The White House conference panelists were very careful to distinguish between low-voltage distribution lines, typical in residential communities, and high-voltage transmission lines of the type in question here—that is, 220 kilovolts—insofar as burial of these lines is concerned.

In short, the experts have concluded that the burial of high-voltage transmission lines for so-called esthetic reasons is not warranted, because of the greatly increased costs.

Mr. President, all of what I have said points to a simple conclusion—Congress should pass this proposed legislation without further delay. I reiterate that the Joint Committee unanimously recommends this bill and that the other body has already overwhelmingly approved it.

I strongly urge that the Senate pass this bill.

Now as to how this legislation will affect the Woodside controversy, let me say that during the hearings before our committee on H.R. 8856, and elsewhere, there have been claims made by lawyers for the town of Woodside that there are various statutory and even constitutional objections to the AEC's proceeding to condemn land and to construct and maintain an overhead powerline to service the Stanford linear accelerator, apart from the court of appeals' interpretation of section 271 of the Atomic Energy Act.

I want to make it crystal clear that our committee does not believe these arguments by the town's lawyers have any validity. Neither did the court of appeals, which decided this case, nor the lower Federal court. Neither does the Justice Department nor the Atomic Energy Commission.

More recently, the town's lawyers have argued that, if enacted, H.R. 8856 somehow would have no applicability to the particular proceeding which led to the Ninth Circuit Court of Appeals' decision of May 20, 1965, concerning the Stanford powerline; and that Congress cannot pass a law which would apply to the existing powerline controversy between AEC and the town of Woodside and county of San Mateo. Those arguments are equally baseless.

As stated in our committee's report:

> The bill (H.R. 8856) would make it clear that Congress did not intend to strip AEC of the power it would normally possess, under the Atomic Energy Act of 1954 and in accordance with the supremacy clause of article VI of the Constitution, to construct and operate an overhead transmission line to service this facility. Accordingly, the AEC could condemn the necessary easements for an overhead electric power transmission line for this purpose, and could construct and maintain such powerline, either with its own forces or through contractual arrangements, notwithstanding any State or local laws or regulations to the contrary, including those of the town of Woodside and the county of San Mateo at issue in the case before the court of appeals (p. 6).

Our report further states:

> The committee also unanimously favors this bill because it will allow the AEC to proceed expeditiously with its present plans to construct an overhead line to service (the Stanford linear accelerator) (p. 7).
>
> The amendment of this section (sec. 271) effected by this bill is intended as a clarification of the meaning of section 271 as originally enacted. Accordingly, it does not represent a change in this law applicable only to future judicial proceedings, but is intended to apply equally to any judicial proceedings currently in existence (p. 10).

Mr. President, Woodside has no special exemption from this proposed legislation. Enactment of H.R. 8856 will demonstrate clearly that the intent of Congress conforms with these excerpts from our committee's report.

Mr. KUCHEL. Mr. President, I regret very much that a controversy now arises in Congress which pits the might of the Government of the United States against a city in the State from which I come.

It seems to me that the city of Woodside, Calif., should be saluted for trying to protect the scenic beauty that Almighty God gave to the area in which Woodside is located, and for trying to improve the surroundings of the citizens who live there.

In that respect, the city of Woodside, Calif., is not unique. Cities, large and small, in my State in recent years have gone forward to enact local laws and local ordinances in an attempt to improve the environment of their citizens.

I note also that cities across the entire Nation have done likewise.

Not very long ago the President of the United States, sent to Congress his recommendations that Congress adopt legislation giving local communities an incentive to beautify the areas of their people. That legislation is pending in Congress.

Let me read a paragraph from President Johnson's message to Congress on February 8 of this year:

> There is much the Federal Government can do, through a range of specific programs, and as a force for public education. But a beautiful America will require the effort of government at every level, of business, and of private groups. Above all it will require the concern and action of individual citizens, alert to danger, determined to improve the quality of their surroundings, resisting blight, demanding and building beauty for themselves and their children.

I very much doubt that any apology need be entered on behalf of the city fathers of Woodside for trying to improve the beauty of the area in which their own citizens live.

The other day, on July 12, 1965, Federal Housing Administration Commissioner Philip N. Brownstein announced that the FHA will require the burial of utility lines in future subdivisions.

That is a governmental agency setting down a new policy with respect to utility lines.

If the Government of the United States, through a Federal agency which is interested in housing, lays down that sort of prospectus for the future, how can we berate the people of Woodside for trying to do the same thing in their area?

What are the facts? The facts are that the Atomic Energy Commission saw fit to choose a great educational institution in California in which to place a 2-mile-long nuclear accelerator for the benefit of the people of the United States and perhaps, beyond that, for the benefit of mankind generally.

All of us in California are proud that my State, and a university in my State, should become the recipient of that decision.

However, it was a national decision. It was made by the Atomic Energy Commission and in the national interest.

In the negotiations which subsequently took place, the Atomic Energy Commission determined that it needed to purchase great quantities of electricity, and it turned to a great private utility in my State, the Pacific Gas & Electric Co. It entered into a contract with the Pacific Gas & Electric Co. to furnish electricity to the nuclear accelerator, located on the Stanford University campus.

The Pacific Gas & Electric Co. agreed that it would negotiate for all the local permits necessary to bring the electricity to the Stanford linear accelerator. It appeared before the San Mateo County Planning Commission, and the planning commission of Woodside. Both the city and county had ordinances which made it illegal to erect new overhead powerlines.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KUCHEL. I shall yield in a few minutes. First I should like to spell out my case.

Mr. PASTORE. I should like to have the Senator yield to me on that particular point.

Mr. KUCHEL. I shall yield in a few moments, and then the Senator can cross-examine me.

Both the county and city told the utility company that it would have to comply with the ordinances. Of course it would have to comply with the ordinances. What happened?

The Atomic Energy Commission said to the company, "Step aside. We will do it for you."

I see my friend, the able Senator from New Mexico [Mr. ANDERSON] on the floor. Let me repeat what happened. The Atomic Energy Commission said, "Step aside. We will go in and we will do the condemnation, and we will bypass the attempts of the local government." They said they would bypass the attempts, however meager they were, of the local government in my State to enhance the beauty of the surroundings.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KUCHEL. I should like to spell out my case first.

Mr. PASTORE. I suggest that the Senator spell it out correctly.

Mr. KUCHEL. At that point the matter went to court.

On the 20th of May 1965, the second highest court in the land, the circuit court of appeals, ruled with the city of Woodside.

Four days later, into the Senate and into the House of Representatives Members of Congress introduced bills to reverse the decision of the circuit court of appeals. That is what is being attempted now. The attempt here is to bypass the court.

I recognize the indispensable necessity of the supremacy clause of the U.S. Constitution. I recognize the great importance of the Atomic Energy Commission. I have the greatest respect for the Chairman of that Commission, Glenn Seaborg. I also have respect for what the President of the United States is trying to do in the field of beautification of America.

I have the same respect for the cities of America, including the city of Woodside in my State, for attempting to reach the same goal.

I have before me a letter, which I shall insert in the RECORD, from the Pacific Gas & Electric Co., which shows that the powerlines can be placed underground with an additional expenditure of $1,600,000. I wish to repeat that figure. The Pacific Gas & Electric Co. says that the cost of putting the lines underground will be an additional $1,600,000, not $4 million, to which the Senator from Rhode Island has referred. Let the record be clear.

Mr. PASTORE. The Senator has used my name. Will he yield to me on that point?

Mr. KUCHEL. In about 2 minutes I shall start yielding.

Mr. PASTORE. After that, I do not care whether the Senator yields to me or not.

Mr. KUCHEL. I have a number of comments that were made in the free press of America.

I ask unanimous consent that the letter from the Pacific Gas & Electric Co., and a copy of the letter which I wrote to the President, and several editorial comments be placed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KUCHEL. What I had hoped I might do would be to appeal to my colleagues and to the Atomic Energy Commission to approve an amendment to the bill which would authorize the expenditure of $1,600,000 for the purpose of supplying a part of the money to accomplish the intent of the local ordinances and to place these powerlines underground.

Let the record clearly show that the city of Woodside—a small community—has agreed to raise from its own people $150,000 as its payment, with the Pacific Gas & Electric Co. prepared to pay the rest of the money, over and above the $1,600,000, necessary to accomplish placing the powerlines underground.

I regret that I have been unsuccessful in attempting to find such a happy solution.

Earlier it was said that the proposed legislation would do more than affect Woodside. Of course it would. I hope that some day in all our land all new powerlines will be placed underground. I hope that some day in all our land, as new people come into the area of the Senator from Rhode Island or into my area they will enter communities which take pride in whatever beauties God Almighty gave to them and will desire to preserve and protect them.

Earlier in the debate the distinguished Senator from Rhode Island read a letter in which some comment was made with respect to the necessities of defense. Defense is No. 1 for the life of our Republic. No one denies that. The Senator from California has voted for every single nickel that has ever been asked for by an agency connected with the defense of our country, and he intends to continue doing so.

I wish to read a part of the letter which the able Senator from Rhode Island previously read:

> Many AEC installations, including those in the production of weapons and weapons material, which are heavily dependent on the availability of reliable sources of electric power, have been placed in jeopardy by the decision.

Referring to this decision. Surely placing powerlines underground in California will not place in jeopardy the defense posture of the Government of the United States or the Atomic Energy Commission.

I have talked with the distinguished Senator from Rhode Island. He understands as easily and as clearly as I do the problem that is raised. But since I have met with rebuff in relation to the type of amendment which I hoped might be offered, I shall ask my able friend a question. After asking the question, I shall be glad to try to answer any questions he has. I wonder if the Senator would consider accepting an amendment which would add at the end of the bill the following language:

> *Provided further*, That nothing in this section shall be construed to affect any zoning ordinance of the State, or local subdivision thereof, which prohibits overhead electric powerline transmission facilities, unless the Commission determines that the enforcement of any such ordinance would adversely affect the security or defense interests of the Nation.

If the Senator would accept that amendment, there would be no question in the debate or in this controversy that the defense and security interests of the American people were involved. If they were, the Commission would say, "We will not comply." But if they were not, the Commission ought to comply, and the proposed language would indicate that it would be required to comply.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. BENNETT. Does the Senator feel that the transmission of power to the Stanford accelerator—the case we are discussing today—is outside the defense needs of the United States, and that his amendment therefore would exempt the city of Woodside?

Mr. KUCHEL. I merely wish the Commission to respect local zoning ordinances, unless it finds that the security and the defense interests of the United States are involved. Otherwise I want the local zoning ordinances to be respected in that field.

Mr. BENNETT. Then the Senator would leave it to the Commission or the President to decide whether the transmission of power to the Stanford accelerator is in the interest of national defense?

Mr. KUCHEL. Yes.

Mr. BENNETT. Suppose the President or the Commission should say, "Yes; we find it in the interest of national defense." Then the town of Woodside would again shriek to high heaven that no weapons are being made at Stanford, and that there is no relation between the accelerator and national defense. I do not believe the proposal would solve our problem.

Mr. KUCHEL. I respectfully suggest that the amendment would go a long way toward solving our problem. I have offered it in good faith. I ask my able friend, the chairman of the committee, if he would accept it.

Mr. PASTORE. The Senator from California knows that I could not possibly accept the amendment for the obvious reason that was posed in the question asked by the Senator from Utah. If the Senator from California [Mr. KUCHEL], astute as he is, did not think the amendment would exempt Woodside, he would not offer the amendment.

Let us face it. I cannot accept the amendment for the reasons I have already stated. I do not know how clear I can make it. We have a situation on the floor of the Senate. The Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. AIKEN], and the Senator from Iowa [Mr. HICKENLOOPER] are Republican stalwarts on the Joint Committee on Atomic Energy. From the House there are Representative HOSMER, Representative ANDERSON of Illinois, and Representative BATES. We all were in on the study, and we studied the question thoroughly. We were hopeful that something could be agreed upon. We have not been able to accomplish it, and I do not believe that it will be accomplished.

I regret very much to say that I cannot accept the amendment for the reasons I have already stated. Let us face it. If we make an exception with relation to Woodside, we shall have fixed a precedent that would come back to haunt us.

Let me say this to my good friend, the senior Senator from California: I do not know anyone who could have tried harder or work as diligently as he to try to help the town of Woodside and San Mateo County. Since this controversy arose over 2 years ago, he has spoken to me and other members of the committee on many occasions. He succeeded in interesting Dr. Glenn Seaborg and each of the Commissioners personally in this matter. He has been an articulate and strong advocate for his constituents. He could not have done more.

It is perhaps too bad that originally we decided to go to Stanford. Perhaps we would have avoided the problem if we did not go to Stanford. But we went to Stanford. It is too bad that we invested $114 million in a project that is not being used. As I understand, even if we decided to place the installation underground, 18 to 24 months would be required to install the conduit. That is not the point that disturbs me. I should like to answer the question of the Senator from California as to what is disturbing me. The Senator said that the ordinance had already been passed when the Pacific Gas & Electric Co. negotiated with the township. That is not correct. In the report there is a chronology, which I ask unanimous consent to have printed in the RECORD.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Is there objection?

There being no objection, the chronology was ordered to be printed in the RECORD, as follows:

APPENDIX 1—POWER TRANSMISSION FOR STANFORD ACCELERATOR CHRONOLOGY

January 7–9, 1963: P.G. & E. was granted use permits by the planning commissions of San Mateo County and the city of Menlo Park for the 60-kilovolt wood pole line required to supply electric power for the construction of the Stanford linear accelerator.

January 10, 1963: P.G. & E.-AEC contract for supply of power required for the construction and operation of the accelerator was signed. The contract stipulates a 60-kilovolt wood pole line, and a 220-kilovolt powerline along the Searsville route.

January 24, 1963: P.G. & E. had a preliminary meeting with the Woodside Planning Commission. It requested that P.G. & E. consult with Woodside's staff planner and with the planning officials of San Mateo County to develop the best possible location for an overhead line.

June 1963: P.G. & E. filed applications with the planning commissions of Woodside and San Mateo County for use permits for a double circuit, 220-kilovolt line, capable of delivering 300 megawatts to SLAC over either of the two circuits. The estimated cost of this line was $668,000.

June 27, 1963: The Woodside Planning Commission held a hearing on P.G. & E.'s application. The Woodside Planning Commission requested additional data. It also asked why the overhead line could not parallel the proposed Junipero Serra Freeway.

August 7, 1963: P.G. & E. filed an amended application to cover, also, a line along the Junipero Serra route, either on towers or on dual circuit poles. The estimated cost of the tower line adjacent to the proposed freeway was $951,000, and the estimated cost of the tubular steel poles on this route was $1,012,000.

August 15, 1963: Upon being informally advised that P.G. & E.'s applications were encountering serious opposition because of a desire that the transmission line be placed underground, AEC's general manager wrote to the Woodside Planning Commission to state his belief that the extra cost that AEC would be compelled to bear if the line were buried could not be justified. He reviewed the history of the project and stated other facts bearing on the problem.

August 22, 1963: The Woodside Planning Commission held another hearing to consider the additional data and the alternate application. At this hearing P.G. & E. presented a study of the problem of installing an underground line to SLAC. Among other things, this study indicated that the estimated cost of an underground line equivalent in capacity to the overhead tower line was $6,440,000.

September 26, 1963: The Woodside Planning Commission denied P.G. & E.'s applications for a use permit for an overhead line on either the Searsville or the Junipero Serra route. Findings were to be prepared to this effect.

October 24, 1963: The Woodside Planning Commission made findings and formally denied P.G. & E.'s applications for both routes. The following are pertinent excerpts from the minutes fo this meeting of the Woodside Planning Commission:

"The proposed use is not needed to serve any portion of the town of Woodside and is intended to serve only the Stanford Linear Accelerator Center (SLAC).

"The proposed use will not contribute directly to the general well-being of the neighborhood or community in that its only purpose is to supply power to a facility which is located outside the town boundaries. It is recognized that SLAC may prove to be of benefit nationally, and thereby very indirectly contribute to the general well-being of residents of the town of Woodside; however, this does not appear to be a sufficiently certain or direct benefit to justify the granting of the permit, particularly in view of the fact that the major adverse effects of the transmission lines would be borne by the town of Woodside while any benefits resulting would accrue to the Nation as a whole."

October 19, 1963: The Woodside Planning Commission sent its recommendations to the Woodside Town Council.

November 13, 1963: P.G. & E. appealed the planning commission's decision to the Woodside Town Council. During this appeal, Mr. Herman Halperin, an independent consulting engineer on electric power, proposed a compromise single circuit, 220-kilovolt, 300-megawatt line on a new type of tubular steel poles rather than towers. P.G. & E., Stanford, and AEC were willing to accept this compromise line.

January 2 and 7, 1964: P.G. & E. filed applications for use permits for the compromise line on tubular steel poles with the Planning Commissions of Woodside and San Mateo County.

January 9, 1964: AEC staff met with Mr. Paul N. McCloskey, Jr., special counsel for the town of Woodside, at his request. He represented a group of citizens who were opposed to an overhead line.

January 22 and 23, 1964: The Planning Commissions of Woodside and San Mateo County denied use permits for the compromise line.

January 29, 1964: Hearing before the Joint Committee on Atomic Energy.

February 14, 1964: Woodside Town Council approved a resolution to raise funds for placing a powerline underground. The town proposed to raise $150,000 if this could be done legally.

February 1954: P.G. & E. appealed to the county board of supervisors the denial by the Planning Commission of San Mateo County of P.G. & E.'s application. P.G. & E. also appealed to the Woodside Town Council the denial of the Woodside Planning Commission of a use permit for a single circuit line on tubular steel poles along the Searsville route.

February 27, 1964: At a special meeting the San Mateo Board of Supervisors returned to the county planning commission for reconsideration P.G. & E.'s applications for a use permit.

March 7, 1964: The Chairman of the AEC wrote to the mayor of Woodside and to the county manager of San Mateo County, recounting the background facts and explaining AEC's position.

March 9, 1964: The San Mateo Planning Commission granted the conditional use permit to P.G. & E. for tubular steel poles along the Searsville route. The Woodside Town Council denied P.G. & E.'s appeals from the denials by the Woodside Planning Commission. The town of Woodside passed a temporary interim zoning ordinance prohibiting the overhead installation by anyone, including the United States, of electric lines of 50,000 volts or greater capacity.

March 16, 1964: The Chairman of the AEC wrote to the mayor of Woodside and to the county manager. This letter indicated that AEC was hopeful that it would not be necessary for the Government to acquire portions of the right-of-way in the unincorporated area of the county, and that a county use permit to P.G. & E. would enable AEC to construct, through Woodside, the tubular steel poles that P.G. & E. would install in the unincorporated area of the county under a county use permit.

March 24, 1964: Condemnation action was begun by the U.S. attorney.

April 13, 1964: Town of Woodside enacted temporary interim zoning ordinance prohibiting all overhead transmission or distribution lines, effective for 1 year.

April 21, 1964: Conditional use permit issued by San Mateo County Planning Commission on March 9, 1964, denied by San Mateo County Board of Supervisors, 5 to 0.

April 30, 1964: Declaration of taking for necessary right-of-way both in the town of Woodside and in San Mateo County filed in U.S. district court in San Francisco by Department of Justice at request of AEC.

June 12, 1964: Federal district court dismissed answers of town of Woodside and other defendants in condemnation proceedings. Court rule that section 271 does not bar the Government's action. The town of Woodside and others subsequently appealed this ruling to the Court of Appeals for the Ninth Circuit.

July 17, 1964: AEC notified the Joint Committee that it had decided to proceed with design of tubular steel poles for use in carrying a single-circuit, 220-kilovolt line over the Searsville route.

July–August 1964: Hearings held on complaint by town of Woodside and others against Pacific Gas & Electric Co. to compel construction of an underground line to SLAC, before California Public Utilities Commission.

February 9, 1965: California Public Utilities Commission ruled that complainants are not entitled to any relief.

March 4, 1965: AEC advised Joint Committee of final design for power poles.

March 8, 1965: Town of Woodside extended its temporary interim zoning ordinance for another year.

April 15, 1965: Bids received for construction of Government portion of SLAC powerline.

May 20, 1965: Court of Appeals reversed lower court decision, and ruled that section 271 of the act prevents AEC from constructing and maintaining powerlines.

May 25, 1965: H.R. 8443, H.R. 8444, and S. 2035 introduced to clarify intent of Congress underlying section 271.

May 27 and June 2, 1965: Hearings held before Joint Committee on Atomic Energy on H.R. 8443, H.R. 8444, and S. 2035.

June 14, 1965: Town of Woodside passed resolution reaffirming its willingness and intention to make an equitable contribution to the undergrounding of electric distribution and/or transmission facilities and allocating the sum of $150,000 therefor.

June 17, 1965: Stanford University trustees adopted resolution reaffirming their position of February 20, 1964.

Mr. PASTORE. Negotiations were started in 1963 by the Pacific Gas & Electric Co. The Woodside ordinance before the court of appeals was passed on April 13, 1964. Condemnation started on March 24, 1964, and the town of Woodside adopted that ordinance about a month later.

The problem is not as simple as the Senator has suggested. The Government has been thwarted. There is no question about it.

The people of Woodside do not want the high-voltage wires in their area. I understand that. I understand that I must be pitted against my two distinguished friends the Senators from California. I understand that as well. But, after all, the Senator from California [Mr. KUCHEL] must understand, too, that on the Joint Committee on Atomic Energy are 18 members of both branches of Congress. They represent both parties. Two members are from California. They are unanimous in their views. How can I at the present time accept an amendment which would defeat the very crux of the bill? I could not possibly do it.

Mr. KUCHEL. May I inquire, as I am trying to assemble my records whether it is not true that the county of San Mateo had a similar ordinance at some date in 1950?

Mr. PASTORE. On March 9, 1964, the San Mateo Planning Commission granted a conditional-use permit to the Pacific Gas & Electric Co. for tubular steel poles along the Searsville route.

The town of Woodside passed a temporary interim zoning ordinance prohibiting the overhead installation by anyone, including the United States, of electric lines of 50,000 volts or greater capacity. This was superseded by the April 13 ordinance I have already mentioned.

Mr. KUCHEL. All I wish to say——

Mr. PASTORE. The Senator is talking about San Mateo?

Mr. KUCHEL. I was at that point. All I wish to do is to read from the text of the opinion.

Mr. PASTORE. Of the court?

Mr. KUCHEL. Of the circuit court of appeals in this case, as follows:

> At least as early as 1950, San Mateo County had a zoning ordinance——

Mr. PASTORE. Will the Senator read that again, please?

Mr. KUCHEL. I will start again.

> At least as early as 1950, San Mateo County had a zoning ordinance which required a public utility to secure a conditional use permit from its planning commission——

Mr. PASTORE. That is different.

Mr. KUCHEL. I continue reading:

> and the board of supervisors if it sought to construct power transmission lines. Upon its incorporation in 1956, Woodside continued the county pattern of regulation. In 1958, the town adopted a zoning ordinance prescribing the same regulatory procedure.

I say to the Senator from Rhode Island that was what I relied upon.

Mr. PASTORE. That is true, but that refers to the authority to grant a use permit. Under that authority P.G. & E. made application.

Mr. KUCHEL. Am I not correct in my understanding that, also under that authority, the local city and county said, "No, not unless the wires are put underground"?

Mr. PASTORE. I cannot answer that question categorically. I have no particular information on that point and would not want to engage in a discussion of it.

However, it strikes me that apart from that, section 271 is part of a law, passed in 1954, that granted certain authority to the Atomic Energy Commission. It made certain exceptions as well. We were conscious that it was not desired that the AEC should engage in the business of regulating electricity as such. That is how this question arose. There was a prolonged debate on the floor of the Senate.

I was in the vanguard of that debate because I was a member of the committee. We were trying to keep the AEC out of the business of regulating electricity. That is what gave birth to section 271.

We provided that nothing in the act would affect the local supervising authority's right to control the manufacture of electricity generated by nuclear facilities.

Does the Senator see what I mean? We were trying hard to avoid any differentiation. That is where the Senator from Iowa [Mr. HICKENLOOPER] came in the picture. That is not the construction the circuit court of appeals gave it.

The circuit court of appeals said in effect that notwithstanding electricity was needed to serve an essential establishment of the Atomic Energy Commission, the AEC's right to condemn an easement—or a transmission line—and to construct and operate the line, had been given away by Congress. Why would we ever have done such a thing?

Mr. KUCHEL. May I answer the Senator?

Mr. PASTORE. The Senator from California says that this is interference with the judicial process. Is it? Is not that our responsibility?

There are 435 Members of the other body, many of whom are intimately familiar with the background of this law, and the same is true of the 100 Members of this body. We were here. We wrote the words. We argued the point.

The 18 Members of the Joint Committee, 9 from the House and 9 from the Senate, are unanimous. But the circuit court of appeals said, "Congress gave away the essential authority under the supremacy clause for the Atomic Energy Commission to operate."

Does the Senator from California believe that we did that?

Mr. KUCHEL. I will tell the Senator from Rhode Island what I think. I think the Senator is wrong in the comments just made.

I did not believe that Congress desired at any time to put the Atomic Energy Commission in the position of transshipping electricity. Indeed, the Atomic Energy Commission entered into a contract with a private utility to deliver the electricity to the accelerator.

It was at that point that the public utility, obviously required to accede to local ordinances, found that it could not proceed without putting the lines underground and, therefore, stepped aside and permitted a Federal agency to announce, "We are going to condemn. We wanted a private company to go ahead and get the approval of the local city and county; but since the private company cannot do it, we will do it."

Mr. PASTORE. Oh, but the Senator misses the point completely. Does the Senator realize that under the ruling of the circuit court of appeals we could not even condemn to go underground if the local authority would not permit this? The court said we would not have the authority.

Let me ask the Senator whether we could in view of this ruling, put the wires above or below ground unless we got the consent of the people from Woodside? The answer is: No; we could not do it. We have been stripped clean. We have no authority under the supremacy clause. You talk about aboveground and underground. We could not condemn now and go underground, under the Senator's interpretation. We would be required to get the consent of the township even to go underground.

We never meant to strip the authority of the Atomic Energy Commission in the fashion stated by the court. I want to make that completely clear.

Mr. KUCHEL. I do not interpret the decision as the Senator from Rhode Island just indicated he does. I shall read some of the closing paragraphs from the decision.

Mr. PASTORE. I shall be pleased to have the Senator read it.

Mr. KUCHEL [reading]:

> Had the construction of this transmission line been left with the P.G. & E., that company would have been obliged to comply with the ordinances in question, notwithstanding

> the fact that the line is to serve AEC. The Government concedes this much. Had P.G. & E. built underground lines in conformity with the local authority and regulations, it could have recovered the cost thereof from AEC. The Federal agency proposes to avoid this cost by constructing the line itself.
>
> Since the easements being acquired are assignable, that agency will be able to turn the operation of the line over to P.G. & E. At the oral argument, counsel for the Government stated that it was hoped that such an arrangement could be made.

Mr. PASTORE. The Senator is not now talking about legal jurisdiction; he is talking about an "arrangement." That is an agreement.

Mr. KUCHEL. I am merely reading a decision. These are not my words.

Mr. PASTORE. That is true. But what the Senator has read proves my point.

Mr. KUCHEL. I continue to read:

> In the process, and solely for that purpose, there will have been accomplished a complete disregard of local ordinances pertaining to the character and operation of electric power transmission lines.

What I am saying is that the court has taken all the facts it should have taken in the case, including the fact that the Atomic Energy Commission will condemn and then turn around and let a private utility operate. Taking all those facts into account, the court then said:

> We hold that section 271 precludes the AEC from, in this manner, proceeding in defiance of the ordinances of Woodside and the county, ordinances not challenged as to validity and operative as to any other public utility operating in the area.

I shall make one further comment. I should like to have the Atomic Energy Commission given clear authority in this field. I speak as an American. When the national interest is not subverted or broken by cooperating with local government, what is wrong with the National Government undertaking to cooperate with local government?

A few moments ago, my able colleague from California spoke about the areas along our 1,100-mile coastline.

Our State is attracting additional people each year to go there and live. We are interested in beautification, not only from the standpoint of one particular city, but also from the standpoint of our entire State. Nineteen million people live in our State today. They are coming from other States at the rate of 600,000 a year.

Should we not salute the leaders of local government for trying to make it a little more decent for their citizens to live in the Californian communities, and, when it is possible, for the Federal Government, the Atomic Energy Commission in this case, to cooperate with local government? Why should it not do so?

Mr. PASTORE. The point that the Senator from Rhode Island raised a moment ago was that there is no intention to hand the line back to the P.G. & E. We asked AEC this, and on page 63 of our 1965 hearings, AEC's Deputy General Manager said:

> However, any such sale—of the line—would have to be conditioned on P.G. & E. securing the necessary local permits and whatever else might be necessary for it to own the line. There are no plans for sale of the line.

In the beginning it was anticipated that there would be no difficulty connected with supplying electricity to two accelerators. It was left up to P.G. & E. The P.G. & E. is one of the biggest utilities in the country.

It was left up to the P.G. & E. to negotiate with the authorities. When they were rejected, they came back to the AEC. The Atomic Energy Commission has a problem. The lines must be built. The AEC began condemnation proceedings only after trying to resolve this dispute.

After the AEC commenced condemnation proceedings, the township passed a law which would prohibit the installation of any wires above ground. However, the fact is that all that the Senator from Rhode Island is saying is that when the circuit court of appeals made its decision, it stated unequivocally that under section 271, any rights of supremacy under the Constitution were taken away from this particular Federal agency.

That means that there cannot be condemnation for lines above ground or underground, if the local authorities do not consent.

I realize that we can enter into an agreement, a satisfactory bilateral agreement with the township to go underground. Perhaps they would grant permission. However, the point I make is that the opinion of the circuit court of appeals in effect took away from the AEC any rights which they had to condemn.

Mr. KUCHEL. I deny that.

Mr. PASTORE. I know that the Senator denies that. However, that does not prove anything.

Mr. KUCHEL. It merely means that the Senator from Rhode Island and I do not agree.

Mr. PASTORE. The Senator does not shock me with that statement.

Mr. KUCHEL. We do not agree.

Mr. PASTORE. If we agreed, I would have had an easy job.

Mr. ANDERSON. Mr. President, the Atomic Energy Act of 1954 was probably more thoroughly debated and more carefully discussed than was any piece of legislation since the Atomic Energy Act of 1946.

It was the Cole-Hickenlooper Act.

The Senator from Iowa [Mr. HICKENLOOPER] handled the bill on the floor. There was a prolonged debate. It was referred to as a filibuster. I participated in the debate.

Mr. KUCHEL. It was a filibuster.

Mr. ANDERSON. I participated in the debate. I did not think it was a filibuster. There was a great deal of discussion.

The only way that we were able to break the deadlock was to divide some of the amendments among various Senators.

The former Senator from Oklahoma, Senator Kerr, took charge of one of the amendments which had to do with REA. The former Senator from Colorado, Senator Johnson, handled an amendment which had to do with the power to condemn.

We thought we knew what we were doing. We carried the day finally on the floor.

This situation involved 10 Republican Senators and 8 Democratic Senators. The Republican majority was in control.

The measure went to conference. Even though we passed the measure in the Senate, we were turned down in the conference. The measure was sent back in a form which we did not want.

Then the Senate conferees came to the Senate floor and there was another debate, which lasted for several more days. We rejected the conference report and sent the measure back to conference.

Mr. KUCHEL. Was the Senator from New Mexico filibustering then?

Mr. ANDERSON. I was not. I was engaged in a rather long debate. We had a fine time. The claim was made that it was a filibuster.

The senior Senator from Iowa had his name on that bill. It was the Cole-Hickenlooper bill. The Senator from Iowa knows exactly what we were doing. He testified that nothing of the nature suggested by the court was involved.

From my knowledge of what we intended when we drafted and passed section 271 back in 1954, I can only say the Ninth Circuit Court of Appeals misconstrued our intent.

Mr. KUCHEL. Mr. Presidtnt, I say to my able friend that I have read the decision of the circuit court of appeals not once, but several times. I agree with it.

I believe that the logic that it raises is irresistible.

Mr. ANDERSON. If the Senator would take the time to read the debate that was had in 1954 in the Senate, he would understand what the Senate was trying to do. It was not what the court said.

Mr. KUCHEL. Mr. President, I do not believe that the Senate or the House of Representatives, in the wildest stretch of their imagination, ever conjured up a series of facts under which the Atomic Energy Commission would want to have a private utility proceed and, finding that the private utility could not proceed, do it itself and then enter into another agreement with the private utility.

Mr. ANDERSON. The Atomic Energy Commission does not intend to do that. I refer you to page 63 of our hearing record on this point.

It happens that when the AEC got part of the way along with the project, the town of Woodside passed the ordinance. Then, of course, the P.G. & E. had to step out.

Mr. KUCHEL. At the time of the decision, the ordinance of the town of Woodside had been adopted.

Mr. ANDERSON. What happened was that originally the P.G. & E. built their loop lines. However, they built the lines around 1956. It was after they got that line built and tried to tap off from it that we had trouble. It had nothing to do with underground lines. Not a word was said about underground lines until after an attempt was made to obtain power for the accelerator.

Mr. KUCHEL. It is the ordinance referred to in the circuit court of appeals decision that is the basis for the entire litigation.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a letter from the acting mayor of the town of Woodside, together with some comments from the distinguished television and radio commentator, Edward P. Morgan.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. KUCHEL. Mr. President, on behalf of my colleague from California, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed by the senior Senator from California [Mr. KUCHEL] and the junior Senator from California [Mr. MURPHY] as follows:

On line 2, page 2, strike "." and add the following:

"*Provided, further,* That nothing in this section shall be construed to affect any zoning ordinance of a State, or local subdivision thereof, which prohibits overhead electric powerline transmission facilities, unless the Commission determines that the enforcement of any such ordinance would adversely affect the security or defense interests of the Nation."

Mr. KUCHEL. Mr. President, I ask Senators to agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. KUCHEL. Mr. President, before and during this debate, I have not been entirely unaware of the avalanche of power which has been arrayed against us in favor of the pending legislation.

My able colleague from California and I have tried to the best of our ability to find an honest and decent solution along the lines we have discussed today. It is a tragic thing to brush aside the attempt of a city, large or small, trying to improve itself and the lot of its people by preserving—or attempting to preserve—the beauties of nature within its boundaries.

I ask my able friend, the senior Senator from Rhode Island, if there is anything that he could say to the Senate, and to my colleague and me, with respect to any possibility of a solution.

Mr. PASTORE. Mr. President, I would point out that, taking everything into account, and realizing the sensitivity of people in this area of the country—and I repeat that theirs is a serious and a sincere position; I do not question that at all—we did not act frivolously or lightly in this matter. We studied that very point. We even visited the area. We considered the problem from every possible angle to make sure that equity and justice would be done.

I would hope that if, after the passage of this bill, it is the intention of the AEC and the administration to continue condemnation proceedings, before they do so, they would have exhausted every avenue of reasonable compromise to see if some agreement could not be reached, always remembering that we have a tremendous investment in the accelerator which must be properly utilized.

Mr. ANDERSON. Mr. President, I have discussed this amendment with Dr. Seaborg, the President of the United States, and others. I would hope the passage of the legislation would settle the issue. I would hope that the Atomic Energy Commission will proceed in every possible way to see if the matter can be settled by compromise, rather than by condemnation. There are only 36 pole structures, at the most, involved. Maybe they can cut down the number of poles. But we must have this power.

I see this bill as a mandate to the Atomic Energy Commission to try to accomplish its purpose by peaceful means. I hope the people of Woodside will cooperate.

Mr. KUCHEL. I thank my colleagues for their comments in this regard.

EXHIBIT 1

PACIFIC GAS & ELECTRIC CO.,
San Francisco, March 24, 1964.

Re Stanford Linear Accelerator Center 220 kilovolt line.

Mr. PAUL N. MCCLOSKEY, Jr.,
McCloskey, Wilson & Mosher,
Stanford Professional Center,
Palo Alto, Calif.

DEAR MR. MCCLOSKEY: In order that the record may be clear, it seems desirable to comment on your letter of March 11, 1964, to me and others suggesting a combination overhead-underground line:

1. As I stated in the postscript to my letter to you of March 9, 1964, service from Ravenswood station has been considered and does not provide a practical solution for this problem. The logical source of a line involving underground construction would be Jefferson substation. Such being the case, I would call attention to the fifth paragraph of your letter. The figures it ascribes to P.G. & E. and its implication of company acceptance of a route from Ravenswood substation are inaccurate.

2. With respect to the Jefferson-SLAC route, P.G. & E. estimates the cost of a single circuit, 180 megawatt, combination overhead (1.71 miles)—underground (4.75 miles) line from Jefferson substation to be $2,217,000, and the cost of a single circuit, 300 megawatt line, along the same route to be $2,762,000.

3. As stated in (1) above, even if the Jefferson-SLAC route were agreed upon, over $800,000 still must be raised to finance a 180 megawatt combination line.

Very truly yours,

R. W. JOYCE.

[From the Redwood City (Calif.) Tribune, Feb. 20, 1964]

LET US NOT FORGET: P.G. & E.'S FINEST HOUR—S. O. S. WOODSIDE—THE POWERLINE FIGHTS ELECTRICITY VERSUS ESTHETICS—HIGH TOWERS SCAR HILLS, FOES CLAIM

(By Bruce B. Brugmann)

A scar on the jugular of the deep peninsula * * * we have irrevocably committed the most beautiful part of the county to esthetic rape for all time * * * live in infamy forever * * * a travesty of justice * * * annihilate the beauty.

These were the angry words of opposition which preceded the building of the Monte Vista-Jefferson powerline.

The sequel is now being argued in San Mateo County Superior Court.

The fascinating thing about any power play involving lines and towers and poles is the rigid stance which the defense and the prosecution inevitably assume. Everybody may seem affable and amenable to compromise, but the issues quickly reach bedrock: The problem of trying to reconcile the provision of electricity with the retention of natural beauty.

The surfaces may seem technical and complicated, but the issues center upon often irreconcilable essentials—economics versus esthetics, necessity versus amenity, the power of eminent domain versus the public opinion of neighborhoods.

Woodside partisans abhor the overhead powerlines—"the goddamn lines," as a well-dressed man exclaimed at the town meeting the other night—as something which offers neither pleasure nor pride.

Representatives of the Pacific Gas & Electric Co. and the Atomic Energy Commission often seem amazed and annoyed at the atttiude their products create, in their view, the towers and lines are functional, utilitarian, productive and not that bothersome. After the town voted to quadruple its tax rate to stave off overhead lines, a P.G. & E. official privately expressed disappointment that the council didn't seriously discuss an alternative proposal to use tubular poles.

Since 1952, the friction generated between these two attitudes could, if properly transmitted, produce enough power to maintain the Stanford Linear Accelerator for the foreseeable future.

Events leading to the current power Armageddon started about 12 years ago when the county granted a use permit for a 110-kilovolt powerline on a 50-foot easement. The line would run from its Monte Vista subdivision to the Jefferson substation, on Canada Road, about 19 miles through largely forested hillside country. It has since become known as the Monte Vista-Jefferson line.

P.G. & E. first proposed to locate the line along the route of the proposed Junipero Serra freeway, but this location was opposed by the San Mateo County planning commission, according to P.G. & E. The utility complied with the commission's request that the line be placed in the foothills far from a residential area, a P.G. & E. spokesman said.

Hearings were lengthy and stormy, but the permit was approved by the county planning commission on March 19, 1952, and confirmed by the board of supervisors on April 29, 1952.

The permit specified that the line be kept as much as possible out of sight of motorists on Skyline Boulevard.

The disputed Woodside tap is proposed to drop 6 miles from the line to the accelerator.

P.G. & E. decided to increase the size of this line from 110 to 220 kilovolts about the time Congress approved accelerator proposal in 1961. (This change was significant. A 220-kilovolt overhead line is capable of transmitting more than 300 megawatts while a 110-kilovolt line can transmit only 80 megawatts. Correspondingly, while a 110-kilovolt line can be constructed on a 50-foot easement, the 220-kilovolt line requires a 100-foot easement.)

P.G. & E. applied to the county for amendments that would accommodate this larger line. They were granted, but not before residents complained that the utility was clearing land on much of the route, including property where easements had not yet been acquired.

P.G. & E. claims the right to cut any trees which might hamper its lines.

"During the last 3 days," Donald Aitken told the planning commission, "property owners have been kept busy chasing off workers one by one, all down the line." He said one resident was shocked to find a 100-foot swath already had been cut across his land.

The chasing was not effective. P.G. & E. with the help of helicopters and a crash work schedule, had its line in before residents could stop the utility in the courts.

Residents complained bitterly that P.G. & E. had railroaded in the line, that it was not needed and that the power could have been supplied by a route which did not intrude on scenic areas. One boy took matters into his own hands and shot out some insulators.

Long-time observers of the power fight maintain that the notable lack of success of opposition to the Monte Vista-Jefferson line was because the residents, though tightly and vocally organized, were few in number and without the support of neighboring municipalities or conservation groups. Woodside did not take up the call to arms until the tap line threatened to cross its boundaries.

P.G. & E.'s condemnation suits are being fought now in San Mateo County Superior Court. P.G. & E. is seeking to condemn an extra 25 feet on either side of its towerline, largely for maintenance purposes. The condemnation is opposed by 20 landowners representing seven parcels. Their attorney is Paul N. McCloskey, Jr., who also is tilting with P.G. & E. over the disputed Woodside routing.

The court cases are being watched closely because they provide much of the emotional and factual background to the present controversy over lines to feed the accelerator.

McCloskey is contending in court that P.G. & E. decided, in effect, to build the bigger powerline under the guise of servicing the accelerator. He has introduced minutes of a meeting of P.G. & E.'s electrical engineering advisory committee on January 30, 1962, in which this statement appears:

"It is believed that the present route is the last major overhead right of way which can be obtained through this area."

McCloskey is arguing that P.G. & E. thus decided to make use of the original permit for the right of way rather than bring in power from existing substations—Cooley Landing, Bair, San Mateo or Martin—or some alternate route. McCloskey has suggested a line from the proposed Ravenswood substation in East Menlo Park to the Jefferson substation near Redwood City.

Frank P. Schullert, P.G. & E. underground transmission expert, testified last week that an underground line from the proposed Ravenswood substation to the accelerator would have no greater problems than an underground line from the Jefferson substation to the accelerator.

McCloskey said that Victor Siegfried of Atherton, an engineer used by Stanford in its planning phase for the accelerator, has recommended a double circuit-220-kilovolt underground line from Ravenswood. This line would be capable of transmitting the full 300-megawatt ultimate needs of the accelerator at a cost of roughly $3.2 million, Siegfried said.

P.G. & E. has long contended that it needed the big line to serve the accelerator and the coast and hills area and that it could best be done on the original right of way.

The California Public Utilities Commission ruled on May 7, 1963, that the line was "not averse to the public interest."

McCloskey has argued that the effect of bringing these lines into the Jefferson substation has been to create a capacity there of 1,600 to 1,800 megawatts—about five times as much power as all of the other substations combined in 1963.

McCloskey insisted that alternate routes could have been used so as to avoid building the Jefferson station into "a forest of poles" and intruding into wooded areas.

John Burton, P.G. & E. esthetics expert, testified yesterday that high voltage transmission lines with a carrying capacity of 220,000 volts have been installed in public streets within the past year in Phoenix, Ariz. The lines were erected on modern tubular steel poles, the first time in history that a powerline of this magnitude was built in public streets on such poles.

[From the New York Times]

High Power

Apparently word of President Johnson's concern for conserving the natural landscape has not reached the Atomic Energy Commission.

The AEC is determined to win its fight to string high-power transmission lines anywhere it pleases. For more than a year, the commission has been engaged in a struggle over this issue with the residents of Woodside, Calif., a town 30 miles south of San Francisco. The agency wants to take possession of a strip of land 100 feet wide and 5.3 miles long, running through picturesque hills and heavy woods, and erect an overhead line on poles and towers ranging from 70 to 120 feet high. The line would carry electricity to a linear accelerator being built at Stanford University.

The residents of Woodside, pointing out that county zoning forbids overhead powerlines, urged the AEC to place the lines underground, rather than scar the countryside. Instead, the AEC went to court—and lost. On May 20, the Federal court of appeals upheld Woodside, basing its decision on a section of the 1954 Atomic Energy Act. Undaunted, the AEC turned to its friends in Congress. On May 25—the same day that the White House Conference on Natural Beauty opened—Senators Pastore and Hickenlooper and Representative Holifield, the ranking members of the Joint Committee on Atomic Energy, introduced a bill to exempt the AEC from such local and State zoning regulations. Hearings were scheduled immediately with no advance notice.

Estimates of the cost of putting the lines underground range from $2 to $4 million, but either figure is small compared to the total cost of the linear accelerator. Moreover, Woodside, a wealthy town, has offered to quadruple its taxes for the next year to help pay part of the added costs for the underground line.

These local considerations, however, are less important than the principles involved. Even in the absence of a Presidential push for protecting the natural environment, Federal agencies should respect local conservation requirements. No committee of Congress should attempt to rush through a law with the imperiousness the Joint Committee on Atomic Energy is showing. The public looks to Congress to curb rather than to abet high-powered bureaucratic arrogance.

[From the Press-Courier, June 2, 1965]

Woodside and Goliath

It's hard for David to rise up and smite Goliath when Goliath is a glamorous agency of the powerful Federal Government. Yet, the little city of Woodside has done just that in fighting a proposal of the Atomic Energy Commission to cut a 100-foot swath through the town and erect huge steel towers to carry 220 kilovolts of power down a mountainside to a nuclear gadget at Stanford.

Woodside is a plush community whose residents live there partly because of the beauty of their surroundings. The beauty would be utterly destroyed by the powerline. Residents are willing to quadruple their tax rate, from 25 cents to $1 per $100 of assessed valuation, to raise $150,000 toward the additional $1.5 million estimated cost of burying the powerline underground. Meanwhile they have won a case in the U.S. Circuit Court of Appeals, which ruled that the Federal AEC Act forbids transmission of power by means forbidden by local ordinance. And Woodside has an ordinance prohibiting transmission lines of over 50 kilovolts.

The Atomic Energy Commission's answer to the court decision will be an attempt to have the law changed. We hope Congress listens to Woodside instead.

In relation to the total $114 million cost of the AEC project at Stanford, the $1.5 million extra to bury the line is small. One suspects that the AEC opposes the extra expense mainly because it was someone else's idea.

President Johnson recently asked for a national campaign to beautify the countryside. The seriousness of his interest will be subject to question if he permits one of his own agencies to scar an already lovely area.

More important, however, is the issue of the extent to which Federal agencies should be forced to respect local interests. Since the powerline can be brought in without harm to Woodside, there is no excuse for not doing so. To continue with the idea of transmission powers portrays the Federal Government as a mindless dinosaur blundering along on nothing but its own momentum.

Excerpts From Newsweek, June 7, 1965

And in a classic case of public-private conflict, the Atomic Energy Commission is preparing to ram a transmission line through the rolling hills of Woodside, Calif.

[From the Redwood City (Calif.) Tribune, June 1, 1965]

Point of No Return: Conservation's Finest Hour Near in Powerline Battle?

(By Bruce Brugmann)

Conservation's finest hour may be near in the deep peninsula.

If the green garland goes to those with the stoutest hearts and the sharpest swords, then it should hang forever above the front door of Neuman's general store in Woodside. This is indeed the town that shows 'em how.

The powerline fight is back where it all began, in Washington, but this time Woodside marches to a different drummer. Behind Woodside there is a stunning victory in the Federal courts, an immense thrust of public opinion, almost unanimous editorial endorsement in the bay area and President Johnson's policies to keep America beautiful.

For months, the triumvirate of P.G. & E., the AEC and Stanford University has been treating Woodside partisans on the basis, as one Woodsider put it, "of us and all you idiots." Woodside's pastoral concerns were, by turn, amusing, nettlesome, antagonistic, and absurd when they weren't, in the words of P.G. & E. and Stanford's David Packard, a self-serving attempt to "save the land for the developers."

The court decision has changed all this. A three-man panel of the U.S. circuit court of appeals, in a unanimous opinion handed down only a week after oral arguments, upheld Woodside on three key points. The crucial paragraph:

"In their effort to preserve the natural integrity of this area, Woodside and the county and pursuing the same goals as those sought under established Federal policy, as manifested in other acts of Congress.

"What both the Federal Government and these local units of government are striving for in this direction is in the highest tradition of forward-looking government and fully compatible with, if not compelled by, the general public interest."

In upholding Woodside's legal arguments, the opinion cited a special provision of the congressional act which established the AEC in 1954:

"Nothing in this chapter shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power."

Thus, the opinion stated, "it would appear that section 271, by necessary implication, precludes the AEC from constructing and operating this overhead line." The Government had argued that section 271, in the light of its legislative history, referred only to the transmission of energy by nuclear means.

The opinion quoted Senator BOURKE HICKENLOOPER, Republican, of Iowa, Senate sponsor of the 1954 act, as saying that "electricity is electricity" and that, once it is produced, it is subject "to the proper regulatory body." These remarks, the opinion continued, "fairly indicate that the prime purpose of Congress in adding section 271 * * * was to make it clear" that nuclear-produced power was subject to the same regulation as conventionally produced power.

In concluding this point, the opinion said that "there is no indication" that, if the AEC is required to conform to local ordinances, "any overall objective of the act will be defeated or impaired."

In short: The AEC must abide by local underground ordinances. In upholding Woodside's argument that an underground line was feasible and its cost was reasonable, the judges said this:

"Considering the magnitude of the SLAC project as a whole, and the fact that no engineering or other practical difficulty seems to be involved, the $2 million or so (possibly $5 million) of additional money which would have to be expended to go underground can hardly be regarded as constituting a substantial impediment to this AEC research program."

(Like all such research programs, the cost of this facility has mushroomed to $114 million and, just recently, has increased another $5 million.)

"On the other hand," the opinion said in upholding Woodside's crucial conservation points, "if sights are raised above the specific objectives of the Atomic Energy Act itself, to encompass national policy generally, there is good reason for believing that Congress meant what it said when it enacted (the section requiring local controls)."

The opinion quoted from the 1961 Federal Housing Act (which establishes standards for preserving open space) and the recent Interstate Defense System Act (which restricts billboards and allows 3 percent of the total highway outlay to go for purchasing adjacent strips of land). Needless to say, the application of this 3-percent formula to the accelerator would provide upward of $3,420,000 for an underground line.

The judges concluded that Woodside's position was "fully compatible with, if not compelled by, the general public interest." They quoted from Supreme Court Justice William O. Douglas' historic 1954 decision, a document which ought to be required reading for every peninsula city council and city attorney:

"The concept of the public welfare is broad and inclusive * * * The values it represents are spiritual as well as physical, esthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well balanced as well as carefully patrolled."

In its concluding argument, the opinion noted that P.G. & E. could not have built an overhead line in defiance of underground ordinances and that it could be built overhead only through the Federal condemnatory powers of the AEC. The Government, the opinion pointed out, admitted in oral arguments that it was planning to build the line, then assign its operation to P.G. & E.

"In the process, and solely for that purpose," the opinion stated, "there will have been accomplised a complete disregard of local ordinances pertaining to the character and operation of electric power transmission lines."

There you have it. The second highest court in the land has agreed with Woodside that an underground line is proper, reasonable and in the general public interest. This is a historic decision that will have repercussions where people flick on a light switch or pick up a telephone.

EXCERPT FROM THE READER'S DIGEST

In California, there are plans for aiming a high-voltage power line smack through the beautiful residential community of Woodside.

[From the Washington (D.C.) Post, June 8, 1965]

BEAUTY AND THE AEC

The threats to the American landscape include, unfortunately, the Federal Government itself. While President Johnson is very emphatically a defender of the continent's natural beauty, the Government over which he presides is notoriously a house of many mansions. Its great regulatory powers, and its massive construction budgets, are most commonly controlled by agencies of specific and narrow interests that offer no very profound consideration to the esthetics of the countryside.

When a New York power company decided to build a massive generating complex at Storm King Mountain on the Hudson River, protesting citizens discovered that their only appeal lay with the Federal Power Commission. But that Commission is primarily responsible for guaranteeing sufficient generating capacity. Now the Atomic Energy Commission wants to string a high-voltage line, in violation of local laws, across a strikingly beautiful mountainside not far from San Francisco. The opponents, who are numerous, have discovered that their last appeal lies with the Joint Congressional Committee on Atomic Energy, which is preparing legislation to permit the Atomic Energy Commission to override the local ordinances. The Joint Committee appears, not unnaturally, a great deal more concerned with hooking up the new high-energy accelerator at Stanford than with protecting the Pacific skyline.

The President cannot be expected personally to take up every intricate dispute between beauty and the builders. But he can devise an appeals procedure so that single-minded Federal agencies and congressional committees would no longer sit as the final judges of their own construction projects.

HELP NEEDED FROM JOHNSON

In contempt of local interests and laws, in the face of a decision by the second highest court in the land, and in direct conflict with President Johnson's program of national beautification, the Joint Committee on Atomic Energy has drafted a measure that would nullify existing laws and court decisions and permit the AEC to ignore all efforts of all Federal, State, and local agencies to regulate control or restrict its activities.

The act which created the AEC specifically acknowledges its subservience to such authority and the U.S. circuit court of appeals recently upheld the authority of the city of Woodside to enforce an ordinance that would compel the AEC to place a disputed transmission line underground. It is this act and this decision that the AEC would evade through the proposed congressional action.

This attempt to confer supreme powers upon the AEC and thus stultify the law is of a piece with an earlier bit of trickery employed in connection with the Woodside powerline. Construction of the line was at first a project of the Pacific Gas & Electric Co., and would thus be plainly and indisputably subject to the local regulations requiring an underground installation. To escape the additional costs, the AEC thereupon took over the construction, but with the admitted intention and hope of turning over operation of the line to P.G. & E.

With this kind of devious manipulation doubtless in mind, Senator KUCHEL recently spoke out against the AEC as "wrong as a matter of policy and wrong as a matter of law." He intends to lead the fight against the Joint Committee's bill when it reaches the floor of the Senate, and Congressman J. ARTHUR YOUNGER will lead the opposition in the House. But the AEC has powerful friends in Congress, as attested by the Joint Committee's action. Thus, hopes for preserving the peninsular hillsides seem to rest with President Johnson, who is asking Congress for hundreds of millions to conserve natural beauty.

The AEC defends its stubborn insistence upon overhead installation purely on the grounds of economy. But as Senator KUCHEL has observed, the American public would not begrudge the proportionately small sums required to set the line underground. Deep and wide opposition in this matter is not directed against the project itself, but against the high-handed, defiant, and imperious methods the AEC and Joint Committee are employing. Public resentment and antagonism have been aroused by what the New York Times sees as "high-powered bureaucratic arrogance."

[From the Los Angeles (Calif.) Times]

POWER PLAY: WOODSIDE VERSUS THE AEC

Woodside, Calif., has a very small population but a very large sense of principle.

Residents of Woodside, for instance, believe that even the Atomic Energy Commission should obey the Federal statutes requiring compliance with local ordinances. Specifically, they insist that the Commission should not violate Woodside city laws by installing overhead powerlines to the AEC's linear accelerator project at Stanford University.

The second highest Federal court in the land agreed with Woodside. In a unanimous decision, the U.S. circuit court of appeals ruled that under the Atomic Energy Act of 1954 the Commission does not have the power to override local ordinances "with respect to the generation, sale, or transmission of power."

AEC officials had protested that underground installation of the powerlines as required by Woodside (and other surrounding communities) would substantially increase the cost of the service. This is true, although the estimates vary. Pacific Gas & Electric said it would help make up some of the difference and the town of Woodside voted to contribute $150,000 by quadrupling its municipal tax rate.

The Atomic Energy Commission, however, decided that instead of complying with the law, it would change it.

Bills were quickly introduced to amend the current statute to allow the AEC to ignore local regulations. This week the ex post facto legislation was heard by a Joint Atomic Energy Subcommittee, where it received predictably strong support.

The arguments, however, smacked more of expediency than equity. In effect, the bills would set the pattern for any Federal agency to demand overhead powerlines whatever the local regulations. President Johnson's plea to preserve natural beauty had apparently fallen on deaf ears—or on ears more sensitive to demands for an unnecessary expansion of AEC power.

Woodside may lose its fight, if the AEC bills can be pushed through Congress. But a lot of other cities, big and small, also will have lost.

JUNE 10, 1965.

The PRESIDENT,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: On May 20, 1965, the U.S. Court of Appeals for the Ninth Circuit handed down a decision holding that section 271 of the Atomic Energy Act of 1954, as amended, precluded the Atomic Energy Commission from acquiring by condemnation in Woodside, Calif., and adjacent unincorporated areas in San Mateo County, easements for the purpose of constructing electric transmission lines, in defiance of the zoning ordinances of Woodside and the county. The zoning ordinances prohibit construction of overhead electrical transmission lines of 50,000 volts or greater capacity.

I quote two paragraphs from the decision which I believe clearly set out the activity contemplated by the Commission and the position taken by the court:

"Had the construction of this transmission line been left with P.G. & E. that company would have been obliged to comply with the ordinance in question, notwithstanding the fact that the line is to serve AEC. The Government concedes this much. Had P.G. & E. built underground lines in conformity with the local authority and regulation, it could have recovered the cost thereof from the AEC. The Federal agency proposes to avoid this cost by constructing the line itself. Since the easements being acquired are assignable, that agency will be able to turn the operation of the line over to the P.G. & E. At the oral argument counsel for the Government stated that it was hoped that such an arrangement could be made.

"In the process and solely for that purpose there will have been accomplished a complete disregard of local ordinances pertaining to the character and operation of the electric power transmission lines. We hold that section 271 precludes the Atomic Energy Commission from in this manner proceeding in defiance of the ordinance of Woodside and the county, ordinances not challenged as to validity, and operative as to any other public utilities operating in the area."

On May 25, 1965, only 5 days after the court's decision, several members of the Joint Committee on Atomic Energy introduced legislation to amend section 271 of the act of 1954 to, in effect, reverse the ruling of the court and "correct a misinterpretation of the Atomic Energy Act." On May 27 and June 2 hearings were held by the Joint Committee.

The apparent determination by the Joint Committee to overrule the court of appeals, and to permit condemnation of the property in the city of Woodside and the surrounding unincorporated areas in San Mateo County to construct overhead electric transmission lines in violation of the local ordinances has caused great concern in my State of California. This concern has been expressed by many editorials, articles, telegrams, and letters from all areas in California, including the League of California Cities and the National Association of Counties.

I sincerely believe that the Atomic Energy Commission has acted unwisely in this matter and that the Joint Committee on Atomic Energy is acting unwisely in seeking to amend the act of 1954 in this manner. I believe that you should consider seriously the effect this legislation will have on your policies respecting the maintenance of the natural beauty of our great country.

I would like to repeat here a portion of the remarks I made in my appearance before the Joint Committee on June 2:

"We introduced an amendment in the U.S. Senate to provide that States in the American Union might be given an incentive to protect the natural beauty through which the interhighway would thereafter travel. One by one States have acceded to the policy of the Federal Government as enunciated in that legislation and I think it has been in the interest of this country. At any rate, just last week the President of the United States, referring to that legislation, asked this Congress to appropriate moneys not in millions, not in tens of millions, but in hundreds of millions of dollars in an attempt to further a program of beautification in this Nation. I support that kind of legislation and I think the members of this committee likewise do.

"I must say, and I have said it earlier this week, in my mind I think it is ludicrous at the same time the administration with one hand recommends a greatly enlarged policy by the Congress of beautifying this country and preventing its despoliation, another agency comes here and attempts to have the Congress shear away a decision which was rendered just a few days earlier by the Circuit Court of Appeals.

"I recognize the supremacy of the Federal Government but I suggest that if we are about ready to come of age in this land, if we are to think of something more than building great buildings and great superhighways, if we are about to embark on a program of keeping what nature has given to us, if we are in the interest of mankind and science undertaking the expenditure of $114 million to construct a wonderful great, scientific, 2-mile-long nuclear accelerator I suggest that the people of the United States will not begrudge the appropriation of that small percentage of additional dollars by which we will respect the local ordinance of a local city which is following and which has been following, and which tries now to follow the same policy which the President laid down just a few days ago."

If it should be determined to be in the best interest of the welfare of the United States to give to the Atomic Energy Commission the power to overrule local ordinances, it also should be made clear that such authority should not extend to override zoning ordinances adopted to protect the beauty of our countryside if, as here, a reasonable alternative is available.

I know that it is the policy of your administration to seek Federal-State cooperation in attaining a beautiful America. As you so correctly stated in your message to the Congress on February 8:

"There is much the Federal Government can do, through a range of specific programs, and as a force for public education. But a beautiful America will require the effort of government at every level, of business, and of private groups. Above all it will require the concern and action of individual citizens, alert to danger, determined to improve the quality of their surroundings, resisting blight, demanding and building beauty for themselves and their children."

I think it is to the credit of the cities of California that one by one they are adopting this kind of ordinance in order more to sustain, to maintain and to enhance the beauty of their own municipalities where people live. I think it would equally be to the credit of the Federal Government to cooperate in this endeavor and to appropriate sufficient funds to put underground the unsightly power poles and lines that would mar the outstanding beauty of the town of Woodside and the hills and countryside of the county of San Mateo in California.

The court very clearly expressed my feelings in this matter as follows:

"Considering the magnitude of the SLAC project as a whole, and the fact that no engineering or other practical difficulty seems to be involved, the $2 million or so (possibly $5 million) of additional money which would have to be expended to go underground can hardly be regarded as constituting a substantial impediment to this AEC research program. On the other hand, if sights are raised above the specific objectives of the Atomic Energy Act itself, to encompass national policy generally, there is good reason for believing that Congress meant what it said when it enacted section 271.

"The described route lies in a scenic mountainside area characterized by steep gradients, a thin crust of soil, heavy rainfall, acute erosion problems, fire hazards, and stands of redwood trees more than 100 years old. Congressman Hosmer told Congress that the area surrounding the campus of Stanford University, where the overhead line would be built, 'is one of the loveliest areas of California and perhaps the Nation.' He added, 'one finds many beautiful homes placed on 3-acre minimum lots.' As before stated, utilization of the easements contemplates not only erection of power transmission lines but the denuding of the 100-foot wide easement of trees and vegetation.

"In their effort to preserve the natural integrity of this area, Woodside and the county are pursuing the same goals as those sought under established Federal policy, as manifested in other acts of Congress. What both the Federal Government and these local units of government are striving for in this direction is in the highest tradition of forward-looking Government and fully compatible with, if not compelled by, the general public interest. As the Supreme Court said, in *Berman* v. *Parker*, 348 U.S. 26, 33, in speaking of the legitimate purposes of Federal condemnation:

" 'The concept of the public welfare is broad and inclusive * * *. The values it represents are spiritual as well as physical, esthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well balanced as well as carefully patrolled.' "

I would, therefore, urge you to review carefully the hearings of the Joint Committee on Atomic Energy and, if you should determine that the legislation proposed should be adopted, that you should also consider the advisability of requesting an appropriation sufficient to comply with the ordinance of Woodside and San Mateo County, and the wishes of the vast majority of those residing in northern California, to place the transmission lines underground.

With sincere respects,

THOMAS H. KUCHEL.

EXHIBIT 2

TOWN OF WOODSIDE,
Woodside, Calif., August 2, 1965.

Hon. THOMAS H. KUCHEL,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KUCHEL: There has entered into the Woodside powerline controversy considerable emotionalism on the part of the AEC and, in fairness, on the part of Woodside. We know you have made every effort to sort out the facts and properly weigh the real issues. Perhaps you will take a moment of your busy time to review our viewpoint. We are admittedly biased but we too try to be realistic and fair.

Some time ago it became evident that consideration must be given to environment and to the esthetics of our environment if we shall continue and prosper and advance civilization. The recognition of this is easy. The difficult problem is assessing the proper balance between the cost and the value of esthetics. It is natural, and to be expected, that we in Woodside weigh the value of maintaining the beauty of the mountainside above our community greater than does Congressman Hosmer or Holifield.

Much has been made of the fact that we have approximately 2,400 transmission poles in Woodside. We don't think it fair to condemn us for this. This community has a history as early as any in California and our poles were nearly a necessity. No we are not proud of them and we want to get rid of them. Because an expressway has a number of unsightly billboards is no valid argument to allow more to be built.

In 1950 we successfully fought a high tension line that was proposed through Woodside and managed to have it rerouted. This was one of the principal factors in bringing about our incorporation in 1956. We felt the need for local government in order to control our destiny and ward off the efforts of those who would place too great a value on the dollar profit by development and too low a value on the esthetics of our environment.

We have not been blind to our 2,400 poles. We do feel, however, we have moved as fast as is practical on doing something about them. The cost of undergrounding has been reduced many fold since our incorporation. Regardless of the legislation that will be enacted by Congress we will proceed to eliminate overhead transmission of power and communication lines. As a result of meeting with the P.G. & E. on June 28, July 6, and July 12, they will advise us a week from today their costs and contribution policy toward undergrounding existing lines.

With regard to the plans to place but three new poles within Woodside we contend we have a legitimate interest in our view. The community, not necessarily bounded by Woodside's territorial limits, is effected by the change and the view the transmission line would create. We would be as opposed if the line bypassed Woodside but would, of course, lack any jurisdiction by the town.

It is hoped that in your wisdom as our representative you can come up with a solution to the problem. Perhaps the AEC could be given powers which they believe they should have tempered by the review of an appropriate committee charged with the protection and development of the esthetics of our environment.

Sincerely,

ROBERT F. GILL,
Acting Mayor.

EDWARD P. MORGAN AND THE NEWS, MAY 27, 1965

It's all very well for poets to rhapsodize about beauty but until politicians, promoters, and the public get the message that there is profit in it, of one kind or another, the country's commitment to preserving and restoring America the beautiful will only be skin deep. This perhaps was the central lesson of the recent 2-day White House conference on natural beauty and as such it was an important one.

We are not going to save the face of America merely by putting potted geraniums on a street corner of the Harlem slums here in New York or cutting down the hideous forest of highway signs that obscure the views of the countryside—commendable as these small steps themselves may be. What is called for is a change in our environment—not just our physical but our mental environment. This can and must be done but it will take some doing in depth. Two current developments vividly illustrate how perilously easy is the slip between the cup and the lip or, if you please, between the lip of promise and the cup of fulfillment.

Yesterday President Johnson fired off to Congress four bills aimed at clearing the clutter of billboards from the Nation's highways, eliminating unsightly auto junkyards, beautifying roads, and increasing recreation areas. However to take just one aspect of this bundle, there was, to quote an editorial in today's New York Times, a loophole as big as a billboard in the legislation to combat highway advertising. It would not prevent the "commercial" zoning of a farmer's field which could then still grow a bumper crop of billboards. Oddly enough, the White House panel report on outdoor advertising made recommendations stronger than the administration's bill but, without explanation, they were watered down before they reached the President. His own position was reportedly closer to that of the panel's solitary dissenter, Philip Tocker, of Waco, Tex., who also happens to be board chairman of the Outdoor Advertising Association whose lobbying against highway billboard regulation has been highly effective in Congress for years. It may well be the President was using his fine art of compromise to avoid a Capitol Hill fight and still strike a substantial blow against the encroachment of advertising on major road routes. Whatever the case, progress is going to be difficult.

The other set of circumstances is even more ironic in terms of trying to protect beauty from the beastlines of progress. California's rich San Mateo County and several communities in it, including the town of Woodside, now have ordinances in effect rigridly controlling and in some instances banning outright the construction of overhead light, power and telephone lines. But Woodside lies directly in the projected path of high-voltage cables to power the nearby multi-million-dollar linear accelerator being built by the Atomic Energy Commission for Stanford University. Overhead construction would cut a swath 100 feet wide and approximately 6 miles long along a skylight ridge between the Pacific Ocean and the upper reaches of San Francisco Bay through a magnificent stand of 100-year-old redwood trees, over a scenic little lake and across a new interstate highway—which President Johnson is now determined to beautify.

Woodside city fathers said the line had to be built underground. The AEC balked but last week the U.S. circuit court of appeals upheld the Woodside ordinance. Now the administration, of all people, is trying an end run around the court and the town. With impressive speed the Joint Atomic Energy Committee opened hearings in Washington today on a bill to amend the atomic energy code so the Commission could, in effect, construct power lines wherever it wished. Paradoxically the White House Conference on Natural Beauty itself developed evidence that more research is needed on burying high-voltage lines, that as of now the cost ratio may be as high as 20 to 1 over stringing them above ground. This evidence was introduced at today's hearings, dramatizing the dilemma for Lyndon Johnson between beauty and the budget.

But two central facts emerge from these two situations just cited. One is that in the past whenever and wherever conservation and esthetic values were confronted with the established American pattern of free enterprise, the latter almost invariably won—hence the polluted rivers, denuded forests, disfigured highways, standardized uglification of town and countryside, all in the name of growth and good business.

The other fact is that the juggernaut of governmental bureaucracy, either on its own or coupled with some industrialized or institutionalized power complex, can ride roughshod over the most carefully laid plans for conservation and beautification. Witness the powerful informal alliance of the Bureau of Public Roads, Detroit automakers and the roadbuilding industry; or, in this case between the Atomic Energy Commission and Stanford University. This does not mean the case for a more beautiful America is hopeless. It does dictate a radical change in our sense of values. We can afford the improvements we need. We must realize it is profitable, in both the esthetic and the material enrichment of life, to demand them. President Johnson has begun the reassessment. Now it's up to everybody to follow through.

This is Edward P. Morgan saying good night from New York.

Mr. ANDERSON. Mr. President, I support the enactment of H.R. 8856.

This legislation is necessary for reasons which transcend the dispute over the Stanford accelerator powerline. Although the desire of the local residents to safeguard their private interests is understandable, Congress must act in the interest of all Americans.

Moreover, it is important for Congress to act now to avoid the possibility of more lawsuits springing up around the country as the result of the court of appeals decision in this powerline controversy. If we were to follow the line of reasoning that nothing should be done pending final decisions in all these lawsuits, the result of our failure to act could make this problem far worse than it is now.

We must also carefully consider the effect of delay in providing power to the Stanford accelerator. The accelerator's construction has proceeded on schedule. As of January 1966, there will be a requirement of approximately 25 megawatts of electrical power for the accelerator.

The Pacific Gas & Electric Co. presently guarantees only 18 megawatts of power to SLAC on the existing line. Thus, we can see that beginning in January 1966, only 5 short months from now, more power will be required for this $114 million U.S. investment than is currently available. Construction of an overhead 300 megawatt powerline will take 6 months from the initiation of the construction activity. We are, therefore, already late in being able to provide the necessary power to SLAC by the first of January. Providing this power by the end of January is possible if we start the construction of an overhead powerline now. It is also possible that the 60 kilovolt line which now goes to the accelerator can be made to provide 30 megawatts of power.

It is expected that the requirement for 30 megawatts of power will be exceeded by the Stanford accelerator prior to March of 1966. Thus, 7 to 8 months from now the Stanford Linear Accelerator will necessitate more than 30 megawatts of power. This is more power than can be brought in with existing lines and facilities. If an overhead line is available by March of 1966—and it can be if construction were to start soon—there would be no power problems for this unique research facility.

If the AEC were forced to go underground, however, the Pacific Gas & Electric Co. has estimated that the construction time, including the design and engineering, would take 18 to 24 months. If AEC goes underground starting now, the earliest time that the required power could be available for Stanford Linear Accelerator would be February of 1967. This is almost a year later than the power is required and, as Pacific Gas & Electric Co. has pointed out, the construction of an underground line may take even 6 additional months beyond this minimum period, delaying until August 1967 required power for Stanford Linear Accelerator.

The Atomic Energy Commission has stated that the costs for personnel for the Stanford Linear Accelerator, whether it is in operation or not, is $1.5 million per month—$18 million per year. This $18 million per year, without power, may keep the scientists together in the laboratory, but it will not provide the research information that this facility was designed to produce.

You are aware of the fact that capital unused is money lost. At 6 percent simple interest per year, a $114 million investment represents almost $7 million per year. In addition, therefore, to the $18 million per year to maintain this facility in a state of idleness, we will also be wasting the equivalent of $7 million per year on the unused capital investment.

Twenty-five million dollars per year then is the cost rate of delaying the construction of an overhead powerline to the Stanford Linear Accelerator. The minimum delay for going underground is 1 year, and it may be a year and a half. The comparable cost in the latter event would be $37 million. It should be clear from what I have said that any further delay in enactment of H.R. 8856 will be very costly to the American taxpayer.

The **PRESIDING OFFICER.** The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 8856) was passed.

Mr. PASTORE. Mr. President, I ask that the Senate bill, S. 2103, which is identical to this bill, be indefinitely postponed in view of passage of the House bill.

The **PRESIDING OFFICER.** Without objection, the Senate bill will be indefinitely postponed.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 7997) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1966, and for other purposes, and it was signed by the Vice President.

APPORTIONMENT OF APPROPRIATIONS FOR NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

Mr. McNAMARA. Mr. President, I ask the Chair to lay before the Senate the amendments of the House to Senate Joint Resolution 81.

The **PRESIDING OFFICER** laid before the Senate the amendments of the House of Representatives to the resolution (S.J. Res. 81) to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways, which were, to strike out all after the resolving clause and insert:

> That subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $2,900,000,000 for the fiscal year ending June 30, 1967," and inserting in lieu thereof "the additional sum of $3,000,000,000 for the fiscal year ending June 30, 1967,".
>
> SEC. 2. The Secretary of Commerce is authorized to make the apportionment for the fiscal year ending June 30, 1967, of the sum authorized to be appropriated for such year for expenditures on the National System of Interstate and Defense Highways, using the apportionment factors contained in table 5 of House Document Numbered 42, Eighty-ninth Congress, but the Congress reserves the right to disapprove the cost estimate for completion of such National System submitted by the Secretary on January 11, 1965, and contained in such document.
>
> SEC. 3. The Secretary of Commerce is authorized to make a comprehensive study of the needs of the Federal-Aid Highway System, including the National System of Interstate and Defense Highways, after 1972. Such study shall be made in cooperation with State highway departments and shall include but not be limited to costs, possible extensions of such Interstate System, and such other considerations as the Secretary may deem advisable. The Secretary shall submit a report of his findings to Congress not later than January 1, 1967.
>
> SEC. 4. (a) Chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following new section:
>
> "§ 135. Highway safety programs
>
> "After December 31, 1967, no funds shall be apportioned under section 104 of this title to any State which does not have a highway safety program, approved by the Secretary, designed to reduce traffic accidents and deaths, injuries, and property damage resulting therefrom, on highways on the Federal-aid system. Such highway safety program shall be in accordance with uniform standards approved by the Secretary and shall include, but not be limited to, provisions for an effective accident records system, and measures calculated to improve driver performance, vehicle safety, highway design and maintenance, traffic control, and surveillance of traffic for detection and correction of high or potentially high accident locations. Funds withheld under this section from apportionment to a State shall immediately be apportioned among the other States in accordance with section 104 of this title."
>
> (b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:
>
> "135. Highway safety programs."

And to amend the title so as to read: "Joint resolution to amend the Federal-Aid Highway Act of 1956 to increase the amount authorized for the Interstate System for the fiscal year ending June 30, 1967, to authorize the apportionment of such amount, and for other purposes."

Mr. McNAMARA. Mr. President, I move that the Senate disagree to the amendments of the House and ask for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the presiding officer appointed Mr. RANDOLPH, Mr. McNAMARA, Mr. MUSKIE, Mr. FONG, and Mr. PEARSON conferees on the part of the Senate.

COMMENDATION OF POLICE FOR PROTECTING THE CAPITOL

Mr. THURMOND. Mr. President, I rise to commend our Capitol Police force, the Metropolitan Police and all other law officers who assisted yesterday in protecting the Capitol against a purported takeover by the so-called Assembly of Unrepresented People. Our policemen were prepared for this onslaught against the Capitol, starting at 6 a.m., and many continued on their duty stations until 2 o'clock this morning. They had to take much abuse from the members of the mob, and efforts were made to provoke the policemen. However, the policemen conducted themselves in a most exemplary manner and accomplished their mission.

The U.S. Government cannot permit a march on the Congress by a group bent on taking over and producing a state of anarchy. Long ago it was determined in this country that our people were going to govern themselves through a system of representative government which would be based on the rule of law. In the interest of freedom, national security, and stability, we can never submit to mob rule in America.

We are witnessing today a breakdown of law and order in this country primarily because leaders of our Nation have encouraged mobocracy and anarchy by giving the green light to demonstrations and riots in the name of civil rights and peace at any price.

These people who attempted to march on the Capitol yesterday—and I understand they are to march again today—should be shipped over to Vietnam where they could be permitted to march in the frontlines with our fighting men who have as their mission the establishment of peace and order for the South Vietnamese people who are fighting to maintain their freedom against Communist aggression. In fact, the editor of the Greenville News of Greenville, S.C., Mr. Wayne Freeman, has made a very good suggestion for use of these demonstrators in Vietnam. He says they should be recruited "for labor battalions digging latrines and trenches as close to the enemy positions as would be safe for the guard details that would be necessary to get them there."

Mr. President, I endorse this suggestion, and I feel quite confident that the police that have to wrestle with these beatniks and pacifists would probably also endorse this editorial suggestion.

In closing these remarks, Mr. President, again I extend my heartiest congratulations to our police force and to the Sergeant at Arms, Mr. Joe Duke, for their dedicated and effective service in preserving law and order on Capitol Hill.

Mr. President, I ask unanimous consent to have the full text of the editorial I cited from the Greenville News of August 9, 1965, and entitled "Reaping What They Have Sown," printed in the RECORD at the conclusion of these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REAPING WHAT THEY HAVE SOWN

It is written in the Book of the Prophet Hosea that, "They have sown the wind, and they shall reap the whirlwind," and in the Book of Galatians that "Whatsoever a man soweth, that shall he also reap."

By their actions, their words and deeds, the Federal courts, the Congress, and the executive branch of Government as well, have sown among susceptible and opportunistic segments of the population of the United States a disrespect for law and order for the established institutions of the Republic.

They and, unfortunately, the majority which depended upon them for reason, balance, and protection, are beginning to reap in at least a small measure that which they have sown. And part of the reaping is taking place in the Capitol itself.

There is something bitterly ironic, tragic, and pathetic in the steps which Congress has been hastily taking to protect its own hitherto sacrosanct halls from a threatened invasion of draft-card-burning nonviolent demonstrators chanting slogans pertaining to peace and civil rights.

The irony is that what has been happening in Washington during the last few days is only a natural result of what the judicial, legislative, and executive branches did to encourage peaceful civil rights demonstrations in the South and in striking down local laws with which local and State police tried to deal with the demonstrators.

The pathos is that, all of a sudden, Congress realizes that the same techniques used against city halls and courthouses in small towns in the South—and few up there seemed to care much—can also be used against the White House and the Capitol itself. And the creators of the faceless mob seem to be panicky about it.

The tragedy is that the nonviolent civil rights movement has now grown into something quite different—a Communist dominated conspiracy, for the events in Americus, Bogalusa, the west coast ports of embarkation, and now the National Capital, are related.

More Members of Congress seem to realize this now. They should have paid attention when southern leaders and the southern press were trying to tell them what was going on.

President Johnson recently expressed great concern over the rising rate of both minor and major violations of the law and has called for a war on crime.

Does he not realize that the drastic increase in the crime rate is due in no small measure to the Federal court decisions granting immunity to civil rights demonstrators and punishing the police rather than the violators—and to the long series of decisions freeing murderers, rapists, and robbers on legal technicalities?

Some groups in their ignorance have become convinced they are immune to the law, especially local law. Others are convinced that a smart lawyer can get them out of any kind of mess. So they ignore the law and insult the law enforcers when they pay them any attention at all.

The draft-card-burning bit came to light in Mississippi's Freedom Democratic Party which tried to displace that State's delegation at the 1964 convention and, even now, is trying to unseat the State's delegation to Congress.

But that group was not alone in the conspiracy. Other civil rights groups had a part in it also, and behind them is something more sinister.

The mob which tried to block the way of troops being moved from a train to a ship to go to Vietnam and elsewhere in southeast Asia shouldn't be hard to identify as to origin and leadership. Who but the Communists had anything to gain?

The demonstrations in Washington over the weekend seem to have fallen short of what the leaders boastfully predicted and the politicos feared. But they were big enough to indicate that there may be a lot more to the iceberg than appears above the water.

And the fact that any group can threaten to defy the selective service law and to occupy the House Chamber shows the utter folly of the Supreme Court decisions which have gutted Federal laws aimed at forbidding individuals or groups to teach or advocate the violent overthrow of the Government.

Congress has been rushing laws aimed at making destruction of draft cards a major crime. We doubt that it would stand a court test, unless the Supreme Court, too, has finally gotten the message.

The situation is grave enough for the Federal authorities to invoke the existing laws against sedition and treason. Congress has not so declared it but the Nation is at war. A soldier in uniform who did what the agitators are trying to get Negroes subject to the draft to do, and who are urging Negroes in the services to stage hunger strikes, would be subject to a court-martial at least.

A soldier who behaved in such a fashion in battle would be subject to being shot to death on the spot by the nearest ranking officer.

As for the draft-card burners, they deserve to be drafted, not for service in uniform alongside honorable men, but for labor battalions digging latrines and trenches as close to the enemy positions as would be safe for the guard details that would be necessary to get them there.

MAN ARRESTED FOR FOURTH TIME THIS YEAR ON CHARGE OF RAPE IN THE DISTRICT OF COLUMBIA

Mr. THURMOND. Mr. President, I call to the attention of my colleagues an article from the Evening Star of August 9, 1965, reporting on a man being arrested for a fourth time this year on a charge of rape in the District of Columbia. This time the man was actually caught in the act of committing the crime. According to another report in the Washington Post of this morning, the police brought in the arrested man on three previous occasions, but one indictment was dismissed by the District Court on a technicality and another indictment was dismissed because the complainant committed suicide prior to the time of the trial.

Mr. President, on June 29, 1965, I made a speech in the Senate on the increasing crime rate in America and my remarks were based around an article from the Evening Star reporting on the release of this same man who has been arrested for the fourth rape charge this year. This article reported that the judge had to release the defendant "reluctantly." In commenting on the action, Judge George L. Hart, Jr., refuted the idea that decisions of the courts in the District of Columbia have nothing to do with the crime rate in Washington. He stated, and I quote:

> The U.S. court of appeals sets the law. This court has to follow it * * * this man has not been found guilty, but certainly justice seems to cry out that he should face a jury of his peers.

I do not know all of the specifics in this matter, Mr. President, but this case is illustrative of many of the cases here in the District of Columbia and throughout this country in which the rights of the individual have been placed above the rights of society in administering justice in our land.

J. Edgar Hoover, the president of the American Bar Association, and countless others who are learned in the law and who are recognized authorities in the field of law enforcement have warned time and again against decisions by the U.S. Supreme Court which have served to effectively tie the hands of our police officers in trying to bring criminals to justice and protect the public against the ever-increasing crime rate in this country.

I ask unanimous consent, Mr. President, that this article from the Evening Star be printed in the RECORD at the conclusion of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAN SEIZED ATTACKING WAITRESS

A laborer with three arrests for rape this year was charged with rape and robbery early today after police said they found him attacking a woman in a garage in Northeast Washington.

Police charged Thomas H. Washington, 22, of the 200 block of Kentucky Avenue S.E., with rape and robbery of a 24-year-old waitress.

The woman told police she was walking home at 3:30 a.m. when a man approached her in the 1000 block of C Street NE., threw his arms around her neck and told her he would kill her if she screamed.

As she struggled with the man her hand was cut by a linoleum knife he held, and as he dragged her into an alley garage with his hand over her mouth she left a trail of blood from her wound.

Meanwhile, someone had called police and reported seeing a woman being dragged into the alley. Detectives, uniformed officers, and members of the canine corps responded and followed the trail of blood to a garage in the 300 block of 11th Street, where they found the attack taking place.

Police said that as they came upon the pair Washington put $24 he had taken from the woman back into her hand.

Police said Washington had been charged with raping two women in February and raping one of them a second time in May.

Mr. THURMOND. Mr. President, I wish to thank my friend the distinguished Senator from Oregon for his courtesy in yielding to me.

Mr. MORSE. It is always a pleasure to cooperate with the distinguished Senator from South Carolina.

VIETNAM

Mr. MORSE. Mr. President, yesterday, the White House sponsored another of its attempts to disguise the war in Vietnam to make it palatable to Members of Congress. All the same old dogmas were repeated, just as though nothing had changed since Mr. McNamara went over to Vietnam in October of 1963, and told us when he returned that things looked so good the boys would all be back home by 1965.

Ambassador Taylor went through his customary ritual of evading the entire issue of why and how the United States has flopped completely in the Taylor-inspired enterprise of aiding and advising the Vietnamese in a guerrilla war. The Taylor concept of fighting insurgencies has totally failed in Vietnam, under his guidance and direction. He has proved that the United States cannot win guerrilla wars, at least not under the policies of a Taylor. All we do is what we have done in South Vietnam, and that is to drop all pretense of helping one side, and making the war a western-style affair with large conventional American forces, including use of the Strategic Air Command.

Thanks to General Taylor and Secretary McNamara, the Communists have proved to the world that the United States cannot cope with insurgency on its own terms, but can only fight it by turning a guerrilla war into a conventional one fought by American forces.

Of course, nothing of that kind was admitted at the White House yesterday. General Ky was pointed out to us as still being the titular head of South Vietnam. It is a largely honorary office, of course, and General Ky must always bear in mind what happened to President Diem when Henry Cabot Lodge arrived in Saigon as American Ambassador.

But the war is an American war. No longer do we advise; in fact, we give some status to the South Vietnamese Army as advisers. They are to conduct their end of war by being attached to American Army units to interpret and give us advice on how to proceed in relations with the local natives.

The recitation of how things are improving in Vietnam is a depressing thing to hear when a comparison with a year ago, or 2 years ago, or 4 years ago, or 10 years ago, shows only that the American position and the position of the South Vietnam Government have steadily eroded and deteriorated. It is a remarkable thing to be able to go up to the White House periodically and hear how things are improving when each visit is occasioned by a new step the United States has had to take in order to stabilize a deteriorating situation. It is an Alice-in-Wonderland exhibition of how the unpleasant can be evaded and the failures ignored.

POLITICAL FRAMEWORK OF WAR EFFORT BEING IGNORED

In light of this most recent exhibition, I have no hope or confidence whatever that the conventional war we are now undertaking in Vietam under the same men who failed to win a guerrilla war, will have any more favorable result. For another element in the so-called briefings of the administration is a total vacuity on the political surroundings of the struggle itself.

It has been the ignorance of the politics of war that has brought us into this situation. But the same ignorance continues at the highest levels, and one need only report that no mention was made of the collapse of Malaysia at the White House briefings until the question was raised by a Senator.

To the administration, the war in Vietnam is a matter of military tactics. That is the sad but plain truth. We have based our policy there on nothing more than military tactics and we have been losing. We are continuing to base our policy there on military tactics and we are going to continue to lose.

Look at the map of Asia, at the famous dominoes. If the dominoes are falling, they are all falling on top of the United States. The Malaysian federation is collapsing. The American effort to hold up Vietnam as a bulwark against Communist expansion has been completely outflanked. All that were left of the dominoes on the Asian continent were Thailand, South Vietnam, and Malaysia. Now, it appears to be only a matter of weeks before the only ones will be Thailand and South Vietnam.

Press reports today indicate not only that Singapore expects to establish trade and diplomatic relations with Indonesia and China, but that other noncontiguous areas of Malaysia may very likely break away also. The disposition of the large British military installations in Singapore is in total abeyance, and there is already talk that Britain may abandon those installations and reestablish its defenses on Australia.

The implications of the dissolution of Malaysia brings into question the entire purpose of the American war in Vietnam. The ramifications are truly far reaching. Malaysia is still held up as a model of how guerrilla war can be fought and won. I have no quarrel with the model. But it is obviously no model for how a victory over guerrillas can be consolidated. It leaves totally unsolved the question of how a Western nation—be it Britain or the United States—can arrange to leave behind it an Asian political organization of its own choosing.

I do not suppose that the Malay peninsula itself will again become the battleground of a Communist insurgency. I pray it will not. But the failure of the various ethnic and widely scattered states to make a go of nationhood is not simply a victory for China or Indonesia, but a total defeat for the Western concept that governments of Asians can be controlled and manipulated to serve Western purposes.

Malaysia was an artificial state, created by Britain to serve British interests. In that respect, it was the Jordan of the Far East. Now, its wealthiest element is gone, and the racial balance that held the country together this long is destroyed. Indonesia, which is totally anti-West and pro-Chinese, has scored an undeniable political victory. Anyone who thinks that Sukarno is not going to be vastly more influential in Asian affairs as a result of these events is whistling past the graveyard. And anyone who thinks that the war in Vietnam is unaffected by these events, not to mention the events that may yet flow from them, is deluding himself.

Yet all this caused not an eyebrow to be raised down at the State Department. The Secretary of State did not even see fit to mention it in his turn at the briefing yesterday. When asked about it, he dismissed the whole affair as relatively insignificant. Obviously, the State Department, too, sees the war in Vietnam as one of military tactics. Its virtual resignation from its duties is a major reason why no large nation anywhere in the world has joined us in Vietnam. The Secretary of State is gratified that Thailand and the Ivory Coast are expressing verbal support for us. He is delighted that 36 flags are "with us" in Vietnam, although he neglects to mention that they do not fly over much more than 36 flagpoles.

Mr. President, he talks about some contribution from Australia. But, by and large, when the State Department talks about 36 flags flying in South Vietnam, the manpower those flags represent is insignificant.

I find no sense of feeling that we are getting any allied support by way of token support.

Let the American people also recognize that a vast propaganda drive has been directed toward those nations by the Government of the United States.

Let the American people understand that the Government of the United States has been putting great pressure upon government after government to give us at least some symbolic support in South Vietnam so that the Secretary of State can make the statement that we have so many flags there, that now there are 36 and it may very well go up to a larger number. But, the test so far as the mothers and fathers of America are concerned, and so far as the boys of America who are dying in South Vietnam are concerned, is how much manpower, muscle, and blood those flagpoles represent in South Vietnam.

I am not going to be hoodwinked by State Department and Defense Department propaganda. Nor am I ever going to be silenced as a result of the deception of the State Department and the Defense Department in regard to their propaganda, short of a declaration of war.

Only when that war is made constitutional and the President and the Congress live up to their constitutional obligations by putting before the American people the issue as to whether or not we shall go to war, by way of a declaration of war, and such declaration is passed by Congress, will the lips of the senior Senator from Oregon ever be silenced in the continual plea for peaceful approaches to this threat of a third world war.

We are making history. I want my country to write a different chapter of history than it is writing now in respect to its absolutely inexcusable and illegal course of action in Asia. We stand not only in violation of the Constitution of the United States, but, in open violation of the Charter of the United Nations.

One must ask the administration, Where are India, Pakistan, Japan, and Indonesia?

These are the five great non-Communist powers that will dominate Asia for decades and decades to come. They oppose U.S. intervention in Asian affairs, and I include Japan because her people oppose it. I would have the American people remember my warning again today that if we continue this policy, no matter how many decades it takes for them to drive us out of Asia, they will eventually drive us out of Asia. We shall finally end reaching the negotiated settlement that we ought to seek to reach now without the sacrificing of thousands of Americans whom we are on the way to sacrifice in the months ahead, unless the American people say to this administration, "Halt your war in southeast Asia."

Only the American people are the remaining power that can stop this tramp, tramp, tramp to world war III, being led primarily by the United States.

So where are India, Pakistan, Japan, and Indonesia? There is not a mention of them from the Secretary of State, though they are the great powers of Asia. Canada, France, Germany, Italy, the Netherlands—where are they? No mention of them either, although they are the great powers of Western Europe. Not even a mention of Great Britain, although she is the only significant country in the world that is actively supporting our activities in Vietnam, and now her support, too, is drawn deeply into question.

We reached the stage yesterday where the Secretary of State drew encouragement from the fact that Burma and Cambodia were not opposing us as bitterly at the moment as they have in the past. That is the most than can be said for the state of our relations among affected nations on the question of Vietnam.

ROLE OF UNITED NATIONS

The most depressing aspect of the administration's position is its continued failure to lay the Vietnam war before the United Nations. Some lipservice was given to our obligation to the Organization in recent weeks by the exchange of letters via Ambassador Goldberg. But they have been nothing but a buckpassing. They have sought to pass the buck to the Secretary General, U Thant.

In his capacity as Secretary General, U Thant has consistently reflected the position of his own country of Burma. He wants to be left alone in his neutralism. Like Burma, and like so many other new nations of Asia and Africa, Thant gives me the impression of having no capacity at all for dealing with the issues among the great powers. To him, the issues for the U.N. are those affecting emerging nations, particularly their economic and cultural development.

But problems of war and peace are too much for him, because the real threats to world peace are the conflicts among the United States and Russia or the United States and China.

Burma is a small country; like Cambodia and many of its other neighbors, it senses that it must accommodate to the prevailing presence of a large and powerful nation. It does not want to be torn apart, like Vietnam has been torn apart, by becoming a battleground for American and Chinese interests and conflicts.

U Thant reflects his country's position exactly. He appears to be afraid of great power issues, as are so many of the new nations and their representatives at the United Nations. To them, the U.N. is a place to come to condemn all Western countries, Communist and non-Communist alike, for the paucity of their economic aid. But it is not an organization to keep peace. That, in their view, must be done by the great powers.

If we take any question to the United Nations which might lead to giving more and more American money to more and more small nations, we get an enthusiastic response. However, when we take to the United Nations the issue of peace, involving the threat to peace which exists because of the conflict that has developed among the great powers of the world, the small nations want to be left alone.

We cannot justify leaving any member of the United Nations alone, in respect to its clear treaty obligations to follow a course of action through procedures of the United Nations that will help create and enforce peace.

This is why I have been heard to say before that the only advantage to the great powers of the U.N. is its peacekeeping function. If it fails this mission, then the U.N. has little value for the United States, or for the Soviet Union, or Western Europe, either.

It is traditional to have a Secretary General from a relatively neutral country. But the Secretaries General from Norway and Sweden were not afraid to tackle the big issues. They may have felt themselves above the battle in terms of their personal views, but they never felt above the great power battles in terms of the function of that organization.

So we heard it said at the White House that the United States had asked the U.N. and U Thant to make any contributions they could to the settlement of the war, and they had come up with nothing. I do not know why they think U Thant would come up with anything, anyway. He never has exercised any capacity for dealing with issues that have threatened world peace. I think he prefers not to have the United Nations exercise any peacekeeping function at all.

That is the position of many new nations. They want China and Russia, and the United States to settle their differences between themselves and leave the new nations out of it.

What will befall all these bystanders if Russia and China and the United States fail to settle their differences peacefully—as we have failed in Vietnam—is something they prefer not to think about.

They prefer not to consider what will happen to Burma and Cambodia if the war in Vietnam continues to escalate, and results in a massive war between the United States and China or between the United States on one side, and China and Russia on the other.

But whatever the inadequacies of the Secretary General to deal with the main purpose of the United Nations, the United States has no out in leaving the matter up to him. We are a party to the dispute in Vietnam, and as such we have clear and definite obligations under the U.N. Charter to lay such a dispute before the Security Council. U Thant is not a party to the dispute; other U.N. members are not parties to the dispute. But we are. And as such, article 37 applies directly to us. How many times in the last 2 years have I read this article and other articles of the charter to the Senate? How many times during the last 2 years have I pointed out that, after all, the procedure for laying this threat to the peace of the world before the Security Council is a very simple procedure? All the President needs to do is to instruct his Ambassador to send a letter to the current President of the Security Council, asking for a meeting to consider the threat to the peace in Vietnam. It is that simple. We do not even have to propose a solution, or a particular U.N. action.

Listen again to article 37. It states:

> Should the parties to a dispute of the nature referred to in article 33 fail to settle it by the means indicated in that article, they shall refer it to the Security Council.

There is nothing permissive about that language; it is mandatory language. The United States has failed to carry out the mandate of article 37 of the charter, and therefore stands in violation of it.

We are constantly being told that we are not the only violator. Of course not. The Communists violate it, too. But that is some company to be keeping.

Mr. President, it does not make any difference, so far as our legal obligations are concerned, how many other nations are also violators. We profess to stand for an order of law. We ought to practice our professings.

So I say all the letters to U Thant asking him to help us bring North Vietnam to the negotiating table will not fulfill that American obligation under article 37.

Today's New York Times reports:

> The search for a Vietnam peace formula undertaken by six Security Council members has reached a standstill, diplomatic sources said tonight.

The story indicates that the six nonpermanent members of the Security Council were divided on whether Vietnam should be made the subject of debate.

The six nations are Jordan, Malaysia, Netherlands, Ivory Coast, Bolivia, and Uruguay.

The New York Times story continues:

> Privately, some diplomats have expressed irritation that the United States has placed the Council members in an impossible situation. They complain that, without asking for a debate, the United States has seemed to be expecting some action from the Council and they do not see what the Council usefully can do at the moment.

Of course, what the Security Council can usefully do at the moment is to fulfill its obligations under the United Nations Charter to take under consideration threats to the peace. That is what it is there for. In fact, that is all in the world it is there for.

I should like to say to those members of the Security Council, the nonpermanent as well as the permanent members, "Each and every one of you has the clear legal obligation to raise the matter before the Security Council. The fact that you have not, or, if it is true as the New York Times story seems to indicate, you are not anxious to, my country, as a belligerent, under article XXXVII has a clear duty to raise it."

We have walked out on that obligation.

The Security Council has no other function, I say, under the United Nations Charter. If it is unwilling or afraid even to debate the greatest threat to peace which exists in the world today, then I suggest that it disband and that its members go home and stop pretending to be representatives of the United Nations.

The Security Council, the Secretary General, and the United States of America are trying to outdo each other in the passing of the buck. Among them, they are signing the death warrant of the United Nations. It already has little enough international respect without this game of musical chairs over the question of who has the first responsibility.

They all have a responsibility which they are failing to live up to. Their failure must be the despair of mankind.

But as a U.S. Senator, I have no control or authority over the actions of the Secretary General or the other members of the Security Council. I do have a voice, however small, in the Government of the United States, and I shall continue raising it to demand that the United States not proceed further into this Asian war in disregard and in disobedience to the solemn treaty which we signed in 1945.

I am not interested in the feeble excuses offered by this administration, which are no more than the feeble excuses for the past 2 years that U Thant has not come up with any ideas. U Thant is not the idea man of the U.S. Government. We are supposed to have people in our own Government with ideas, and I hope we have one or two left somewhere who still have the idea that the United States ought to live up to its U.N. Charter obligations.

Oh, we are told that delicate negotiations must be undertaken on a private basis among members of the Security Council to work out some course of action that can produce progress. Well, that is normal procedure. But why have we been fighting a war for 4 years, and only now saying that some delicate negotiations would be necessary before we could go to the U.N.?

It is obvious that even now we have not made any decision to seek United Nations jurisdiction, because if we had, we would be engaged in such negotiations ourselves and would not be leaving the matter up to U Thant and to the six nonpermanent members of the Security Council. If we were intending to fulfill our obligations under the charter, we would be deeply engaged in negotiating with other members of the Security Council on taking up the Vietnam problem and working out some possible action for the Council to take.

My question is, What does our administration have to say about article 37? How long is it going to be willing to follow a policy that is every bit as much in violation of the charter as was the Soviet Union in Hungary? Indeed, our record in Vietnam shows that we are making war with as much disregard for the United Nations as are the Vietcong and North Vietnam.

When he was majority leader, the Senator from Texas, now President of the United States, was renowned for refusing to let anything come to a vote until he had worked out some compromise that he knew would guarantee success. We hear that policy applied now to the Security Council, and the public is told by the Secretary of State that it would be embarrassing to the United States to have an acrimonious debate at the Security Council and a veto of a proposed course of action.

But this can only mean the administration is not embarrassed at being an outlaw nation under the charter. It can only mean that we are less embarrassed at embarking on war in violation of our treaty commitment to the U.N. than we would be at having a U.N. peace move turned down.

This is nothing but doubletalk. It is pure doubletalk to say that we cannot go to the U.N. until everything is worked out in advance. We are not even trying to work anything out. We have only asked U Thant and other members for some ideas.

The United Nations is not the U.S. Senate; and a conflagration in Asia is not a piece of proposed legislation in the American Congress. Surely even the former majority leader would not be embarrassed to be vetoed in the United Nations on a sincere peace proposal.

I know the sotto voce argument that is being made. It is that relations with the Soviet Union are at stake, and if we press anything at the U.N. without prior Soviet approval, we will only exacerbate other pending issues with Russia, such as disarmament.

In my judgment, that is a complete non sequitur. I find it hard to understand the argument that we must not do anything to put Russia on the spot. I am for putting Russia on the spot. For 2 years, I have urged putting Russia on the spot. I have urged my Government to take this issue to Russia in the Security Council—and to France, too. No one knows what the position of France would be in the Security Council. We should find out which nation, if any, in the Security Council is not willing to observe the peacekeeping obligations of the charter. I do not buy the argument that that would make it difficult for Russia in regard to her relations with China.

It is important that we make clear to Russia that we think Russia and the United States should each and both assume their obligations under the United Nations.

That is a good lesson for China also.

No, Mr. President, I have never bought the argument of the Department of State that we must not proceed because it would mean in effect that being a law-abiding nation and keeping our obligations might make it difficult for poor Russia.

Such an argument would be almost humorous if it were not such a tragedy. It would be almost humorous if it were not for the fact our failure to prosecute to the maximum extent possible our obligation under the procedures of the United Nations involves the killing of American boys.

I find myself aghast at the statements of spokesmen for this administration that we have got to continue as we are for the time being. For that "time being" and for that period, I say that many American boys are going to die—and not only American boys, but thousands of other human beings.

I am aghast that so many persons seem to think that because political ideology of a group of human beings is not liked, it is all right with God to kill them. Every human being is a creature of God, and every human being is a child of God. I cannot reconcile this philosophy of this administration, at least with the religious teachings on which I was nurtured in the development of my spiritual beliefs.

I believe we have a clear moral and spiritual obligation to follow our obligations under the charter to which our country has affixed its signature; that we ought at least to exhaust all the procedures available to us in an endeavor to reach peace through the application of the procedures of international law before we accelerate a war which will lead to the killing of increasing numbers of human beings on each side of that war, undeclared and illegal, in the months ahead, while apparently we wait for U Thant to come up with an idea that would lead us to peace.

In my judgment, we shall wait a long time, and the blood will flow in streams, before we get a solution through the present policies of the United States in the United Nations.

Our relations with the Soviet Union are already poisoned by the war in Vietnam. The Soviets have already put into the deep freeze almost every subject under discussion between our countries. They are using the disarmament discussions as a forum to attack us for our war in Vietnam.

Each escalation of the war in Vietnam will see a further deterioration in our relations with the Soviet Union. The more we put into the war against North Vietnam, the more the Soviet Union is obliged to come to their aid. Keeping the war out of the U.N. so that we can fight it unencumbered by opinions that might be expressed there is only another case of ignoring the political surroundings of the whole issue in southeast Asia.

If the war continues on its present course, and the escalations by the United States are matched by North Vietnam, and ultimately by China, we shall not have anything more to worry about in our relations with the Soviet Union because she will be a belligerent on the other side.

So I am astonished, and I fear much of the world is astonished, to hear the Secretary of State say that for an American-sponsored peace proposal to be vetoed at the U.N. would be embarrassing to the United States. Apparently, to the State Department it is another case of saving face. But the face of peace does not need saving. To make a bona fide peace proposal to the Security Council, whether it is vetoed or not, will save a lot more face for the United States than more war in violation of the U.N. Charter will save.

CONGRESS MUST REMAIN IN SESSION

I restate to the American people today that they must make clear to the Members of Congress that it is their job to stay on the job until January 1, when the 2d session of the 89th Congress will convene.

The administration is presenting us with sophistries and excuses for the prosecution of the war.

The only conclusion that can be drawn from the briefing given Congress yesterday is that the war will continue as before for some time. The President has already counted the days that Congress will be out of Washington, assuming it leaves on Labor Day. He is willing that the war be prosecuted at existing levels during that time, while we give U Thant a chance to persuade North Vietnam to negotiate.

We do not plan to make the job any easier by halting the bombing or by easing our own war effort. But we would give U Thant 116 days to make a peace in Vietnam.

After that, when Congress returns in January, I am satisfied that the American war in Asia will be put into high gear. That is the warning that I issue to the American people today.

I urge the American people to make perfectly clear to Members of Congress that they should remain in session all this fall to carry out their constitutional obligation to be available at all times to exercise constitutional checks upon the President, the State Department, and the Department of Defense in connection with the prosecution of the war in Vietnam.

I am not asking for any sacrifices from Members of Congress. They are all well paid. I do not know of any of us who is underpaid. We ought to earn our money. We will not be earning our money in days of great national emergency when we are outside Washington.

The major business of the Government, as far as the vital interest of the people of this country is concerned, happens to be the war in southeast Asia.

My advice to Members of the Congress is that they will find, if they adjourn sine die on Labor Day, or shortly thereafter, large numbers of their constituents will want to know why they are back home and why they are not in Washington attending to the business of Congress in connection with its responsibility to maintain its congressional checks under our form of government, in days of emergency, upon the executive branch of the Government.

I am satisfied that if we follow a program of adjourning sine die on September 1, and coming back 116 days later, that then the national emergency will be declared. Reservists and Guardsmen will be called up and all the statutory powers that come into play upon the calling of a national emergency will be exercised. The United States will be placed on a war footing that will be entirely comparable to that which existed during the Korean war.

I base that judgment and opinion on the fact that, unless we remain in session and do what we can to check the escalation of that war, preparation for the escalation will go on. As the preparations continue, we are more and more endangered of returning in January only to be faced with an accomplished fact.

I also predict that all of this will take place without the United States ever once laying the war before the United Nations in accordance with the United Nations Charter.

After that, there will be no turning back, and there will be no effort to seek United Nations or other third party negotiation. After that, it will be a war to the end, but to the end of what, the White House briefing does not yet say.

Under the best possible circumstances, the use of a million or so U.S. troops could suppress the Vietcong. That assumes that North Vietnam does no more than she is doing now to help them, and it assumes that neither China nor Russia steps up their aid to the Vietcong.

These are assumptions that are a million-to-one shot. I do not believe for a minute that North Vietnam, China, or Russia will limit their aid to the Vietcong to current levels when we increase our participation.

I warn the American people that they and their Congress are being prepared for an all-out war in Asia. That is what it will be, if third parties do not succeed in achieving negotiations before the end of this year. We are being prepared for the sending of hundreds of thousands of our forces into southeast Asia, where they will die like flies unless China and North Vietnam and Russia do us the favor of staying out of a war that is being fought on their doorstep.

Even if they do stay out, what are the prospects for the future? What are the chances that South Vietnam can ever maintain itself as an independent nation? The example of Malaysia darkens what was already a very dim outlook. Malaysia was an artificial creation, just as South Vietnam is an artificial creation. I do not believe that the United States will do any better with its handiwork than Britain has done.

Eventually we, too, will be faced with the necessity of drawing our military outposts back out of the Asian mainland to areas where our way of life not only is better understood and received than it is on the mainland of Asia, but also where it is politically and militarily more defensible.

The United Nations could help us to do that. But the Strategic Air Command and a million American marines will never help us remain on the Asian mainland. They will only swell the number of Asians who will fight to the death to drive us out.

The American people had better start warning Congress to remain in session this fall. They had better begin to communicate to their representatives in Congress whether they contemplate a costly, long-term Asian war in their future and in the future of their children.

The administration has served warning on Congress that it is eager to see it leave town so that the war can proceed and the halfhearted efforts to encourage someone else to find a negotiated settlement can remain undisturbed in their present rut until January.

The administration desires to be free of criticism during that period so that when Congress returns in January, the administration can say that all peace efforts have failed and there is nothing to do but to make a real war out of it. That is the prospect. Only the American people can change the course of the war in Asia. The time remaining for changing the course of the war is fast running out.

Mr. President, I close by making the same suggestion that I have made over and over again for 2 years. The United States, through its Ambassador, should send a letter to the Security Council of the United Nations in accordance with the procedures of the charter itself, which we signed, in which we should ask that there be laid before the Security Council, for its jurisdiction, the threat to the peace in Asia and the world which has been created by the warmaking that is going on in Vietnam. We should make clear in that letter that we will cooperate with the Security Council in carrying out whatever peacekeeping policies are agreed upon by the Council for bringing an end to the war and substituting the force necessary, on a multilateral basis, to keep the peace.

Those forces will occupy an entirely different status. They will not be warmaking forces. They will be peacekeeping forces. True, they will fight if fired upon, just as similar United Nations peacekeeping forces in the Gaza strip have functioned for years and prevented, in the Middle East, an outbreak of a major war; just as the United Nations forces now on Cyprus are functioning to keep the peace. They are not there to make war. However, they will respond if fired upon.

The same procedure was followed by the United Nations peacekeeping force in the Congo when the United Nations moved into the Congo.

We have other examples, but of a lesser degree, in which the Security Council has intervened to keep the peace when there was a growing threat of breach of the peace.

This is the course of action I plead that my Nation follow. This is the course of action which is the treaty obligation of my Nation. It is this course of action that my Nation has defied ever since it has been making war in Asia, seeking to alibi its action on the ground that the Communist nations, too, are making war. That fact does not change the fact that we are a member of the U.N. and an open violator of its charter.

So I say most respectfully to my President, for whom I have great admiration personally, and with whom I find myself in agreement on most issues, but completely in disagreement with respect to this aspect of our foreign policy, "Change your instructions to Ambassador Goldberg." Stop making him a letter carrier. Send him back to the United Nations with a resolution to be submitted in behalf of the Republic of the United States and its people to the United Nations, asking the United Nations, through the Security Council, to formally take jurisdiction over the threat to world peace in southeast Asia, and carry out its obligations to maintain peace in this area of the world, where a war is going on that may very well develop into a nuclear war that will endanger the survival of most of mankind.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an article from this morning's New York Times entitled "U.N. Peace Hunt at a Standstill," written by Kathleen Teltsch; another article from this morning's New York Times entitled "Singapore Plans To Seek Accords With Communists," by Seymour Topping; and another article from this morning's New York Times entitled "Britain Assesses Singapore's Move—Review of Defense Accord With Malaysia Indicated." These are articles that I cite as background supporting material for some of the observations in my speech.

I also ask unanimous consent that there be printed in the RECORD statements and the program of the Assembly of Unrepresented People that met in Washington to protest the war in Vietnam.

There being no objection, the articles and statement were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 10, 1965]

U.N. Peace Hunt at a Standstill—Six Council Members Split on Full Debate of Vietnam

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., August 9.—The search for a Vietnam peace formula undertaken by six Security Council members has reached a standstill, diplomatic sources said tonight.

Private negotiations will go on, these sources said. However, it was reported that the six were split on whether the Vietnam issue should be aired at an open, formal meeting of the Council.

The six—Jordan, Malaysia, the Netherlands, Ivory Coast, Bolivia, and Uruguay—began their private talks in response to a letter July 30 from Arthur J. Goldberg, the U.S. delegate. This letter did not ask for a Council session but appealed to members to help find an acceptable solution and was taken up by some states as compelling them to respond.

The Soviet Union is known to have been sounded out by at least one of the six over the weekend, but a delegation source would say only that the Soviet attitude was not very encouraging.

In considering a U.N. debate, at least some members expressed reluctance to see the Council summoned because it would precipitate a Soviet-American clash. Others have insisted that they have a commitment to fulfill and should seek a meeting, regardless of this possibility.

IRRITATION EXPRESSED

Privately, some diplomats have expressed irritation that the United States has placed the Council members in an impossible position. They complain that, without asking for a debate, the United States has seemed to be expecting some action from the Council and they do not see what the Council can usefully do at the moment.

Disputing this view, a U.S. spokesman has indicated that the intention was to put the matter "in the lap of the Council," not with the idea that it would act at once but that it would gear itself for future needs.

As an alternative to a formal debate with its dangers of cold-war wrangling, some of the six Council members hope for private negotiations either by Secretary General Thant or by outside mediation efforts. However, a diplomatic source said Mr. Thant had indicated that he saw no immediate prospect of following up the initiatives he has made in the past, which have been rejected by one side or the other.

[From the New York Times, Aug. 10, 1965]

United States Denies It Rejected Bid

WASHINGTON, August 9.—The State Department denied today that the Johnson administration rejected last fall a proposal by North Vietnam for peace talks aimed at ending the Vietnam war.

"We are not aware of any initiative that could have been described as a bid for peace talks," said the State Department press officer, Robert J. McCloskey, at a news conference.

He had been asked for comment on an article published by the New York Herald Tribune Sunday that said such a Communist peace overture was made through a non-Communist Asian diplomat and was rejected by the administration.

Mr. McCloskey was then asked about reported Communist approaches through Secretary General Thant and through Adlai E. Stevenson, the late U.S. delegate to the United Nations.

"There had been reports of feelers and soundings," Mr. McCloskey said. "We have had contacts through third parties, but were not satisfied we had ever received a bid for peace talks."

[From the New York Times, Aug. 10, 1965]

Singapore Plans To Seek Accords With Communists—But New Independent State Will Continue Cooperation With Britain in Defense—Indonesian Tie Weighed—Secession From Federation Laid to Tension Between Chinese and Malays

(By Seymour Topping)

SINGAPORE, August 9.—Prime Minister Lee Kuan Yew declared today that newly independent Singapore would cooperate with Britain in defense matters, but would seek new understandings with Communist countries and with Indonesia.

The Prime Minister said Singapore wanted trade ties with all Communist countries, would accept a trade mission from the Soviet Union and was ready to reestablish consular relations with Indonesia. He made these arrangements conditional on respect for Singapore's sovereignty.

The 43-year-old Prime Minister, who is of Chinese parentage, made his policy statement during a tearful explanation of the weekend events that resulted in the surprise withdrawal of Singapore from the Federation of Malaysia at 12:01 a.m. today and its establishment as an independent nation.

RELATIONS STRAINED

The secession has put a severe strain on relations between the three remaining members of the Federation of Malaysia, which was founded September 16, 1963, under the aegis of the British Commonwealth.

The remaining members are Malaya and the Borneo States of Sarawak and Sabah. Indonesia, in a militant "crush Malaysia" policy has sought to detach the Borneo States, which are defended by more than 7,000 Commonwealth troops, from the Malay-dominated federation government in Kuala Lumpur.

Speaking at a televised news conference in an emotion-choaked voice, Prime Minister Lee asserted that the Malay Government had forced the secession of his island state of 2 million people, predominantly Chinese. He said that Prince Abdul Rahman, the Malay leader who is Prime Minister of the Federation of Malaysia, had indicated that communal strife might explode between Chinese and Malays if Singapore insisted on remaining in the federation.

In Kuala Lumpur, Prime Minister Rahman said he had found it impossible in secret talks Saturday and yesterday to reach agreement with Prime Minister Lee.

"Obviously," he said, "the present setup could not go on."

The Prince has been under strong presure from ultra-nationalist Malay leaders of his Alliance party to take militant action to block efforts of Mr. Lee to expand his political influence from Singapore into the rest of the federation.

The ultranationalists have interpreted Mr. Lee's activities as a challenge by the Chinese residents to Malay political paramountcy.

COMMUNAL VIOLENCE FEARED

Prince Rahman, who has sought to moderate the quarrel, noted in a speech this morning before the Malaysian Parliament that irresponsible people, "unfortunately from both sides," had been making utterances that might cause a communal holocaust.

The Malaysian police in Singapore, now transferred to the control of Prime Minister Lee, reinforced patrols tonight in Geylang and other sensitive areas of the city where rioting last year between Malays and Chinese resulted in the killing and wounding of hundreds. No serious incidents were reported.

Singapore's population is 75 percent Chinese and 12 percent Malay, Indians, Pakistanis and Ceylonese, who make up about 10 percent, and the rest, mostly Eurasians, have not been directly in communal tensions.

Prime Minister Lee appealed tonight to the Malay population to remain calm.

"We shall be united regardless of race, religion, or culture," he said. "We are going to have a multiracial nation. We shall set the example."

Under the Independence of Singapore Agreement, reached between the Government at Kuala Lumpur and Singapore, there will be close cooperation in matters of commerce and defense between the two states. However, passports soon will be required to pass over the causeway that links the island of Singapore with Malaya.

Singapore is obligated under the agreement to continue to afford to the British Government bases on the 217-square-mile island "for the purposes of assisting in the defense of Singapore and Malaysia and for Commonwealth defense and for the preservation of peace in southeast Asia."

The British maintain their Far East military headquarters in Singapore under the command of Air Chief Marshal Sir John Grandy. They also operate the Changi Air Base and the Singapore Naval Base.

MOVE SURPRISED AMERICANS

The secession announcement made in Singapore and Kuala Lumpur shortly after 10 o'clock this morning, produced stunned reactions throughout Malaysia. British officials had only a few hours' notice and American officials were caught completely by surprise.

In Kuching, the Sarawak Government announced after an emergency Cabinet meeting that Singapore's secession would "not in any way affect our policy and position within Malaysia." The Sabah Government reserved comment until the return of Peter Lo, the Chief Minister, from Kuala Lumpur.

Political observers were dubious that the federation would survive the shock of Singapore's withdrawal. Apart from the pressures exerted by Indonesia through the threat of guerrilla raids, Singapore's secession upset the political balance that pulled the federation through past crises. With the two million Singaporeans out, the Malays have become heavily preponderant over the indigenous peoples of the Borneo States.

One of the aims of the Malay leaders in forcing Singapore out had been to overtake the Chinese, who had gained a slight edge in numbers in the total Malaysian population of about 10 million.

[From the New York (N.Y.) Times, Aug. 10, 1965]

Rahman Cites Tensions

(By Seth S. King)

KUALA LUMPUR, MALAYSIA, August 9.—Prince Abdul Rahman told a stunned House of Representatives today that Singapore was being "separated" from the Federation of Malaysia because it was impossible to go on working with the ethnic Chinese leaders of the island state.

Both houses of the Malaysian Parliament voted later, without opposition, to reject Singapore and recognize her as an independent country.

The move came as a complete surprise. Even the British upon whom Malaysia is almost totally dependent for protection against Indonesia, were not told of the plan until last night. Prime Minister Rahman said some of his own Cabinet members did not know about the move until today.

Prime Minister Rahman said the decision was made by a small group of Government leaders Friday night, a day ofter he returned from 2 months abroad. On Saturday, Prime Minister Lee was summoned to Kuala Lumpur. An agreement on separation was signed that night.

RELATIONS HAD DETERIORATED

Prime Minister Rahman told Parliament that relations between Kuala Lumpur and Singapore had become so bad that he had had only two courses of action open. One to take "repressive measures" against the leaders of the Singapore government. The other was to amend the constitution and drop Singapore from the federation.

"I believe the second course of action is the right one, sad as it may be," he said. "We had pledged to form Malaysia with Singapore. But having given it a trial, we found that if we persisted in going on with it there would be more trouble to Malaysia than what Singapore is worth to us."

CHALLENGES BY KUALA LUMPUR

In recent months the People's Action Party, led by Prime Minister Lee and centered in Singapore, had been challenging the multiracial Central Government on many issues. Mr. Lee had become the principal spokesman for the scattered small parties making up the opposition.

The disagreements had an undertone of racial discord between the Malays and the ethnic Chinese.

In a speech following Prince Rahman's, Tan Siew Sin, an ethnic Chinese who serves as Minister of Finance, said:

"A Chinese-Malaya clash in Malaysia, with the two races roughly equal in numbers and in many places inextricably mixed, would have been the kind of holocaust beside which racial riots in other countries would be a mere picnic."

Singapore and Kuala Lumpur agreed to continue cooperation in economic affairs "for their mutual benefit." They also agreed to establish a joint defense council.

Singapore will now be free to conduct her own foreign affairs. At a news conference Prince Rahman said Malaysia would sponsor Singapore's application for membership in the United Nations and the British Commonwealth.

At present, Singapore is economically self-sufficient. But her promising industrial growth has been based on the prospect of a Malaysian common market in which Singapore's goods would be sold without duty in the three other states. Singapore is also totally dependent on reservoirs in Malaya for her water supply.

One clause of the separation agreement stipulates that neither Singapore nor Kuala Lumpur will sign treaties or other agreements affecting both without the agreement of the other state.

This, in theory, would prevent Singapore from unilaterally making peace with Indonesia or signing a treaty with Communist China.

But Mr. Lee faces a Peiping-oriented opposition that could, now that the Malaysian plan has been overturned, seriously threaten the People's Action Party's control of the Government.

[From the New York Times, Aug. 10, 1965]

BRITAIN ASSESSES SINGAPORE'S MOVE—REVIEW OF DEFENSE ACCORD WITH MALAYSIA INDICATED

LONDON, August 9.—Singapore's decision to leave the Malaysian federation thrust a wide range of problems at Britain today.

It called into question Britain's defense agreement with Malaysia, British policy in the area and Singapore's relationship with Britain as a member of the Commonwealth.

Although many of the members of the government were on holiday when the news came, the Commonwealth Relations Office said it had been informed of Singapore's decision in advance.

[Radhakrishna Ramafil, the Malaysian representative at the United Nations, was stunned when he heard a radio report of Singapore's secession. Later, at his office, he found a cablegram from his government instructing him to advise the Secretary General, U Thant, of the move.]

WILSON ON VACATION

There was no indication that Prime Minister Wilson, on holiday in the islands off Britain, was planning to return to London.

Arthur Bottomley, Secretary of State for Commonwealth Relations, was in Accra, Ghana, and Michael Stewart, the Foreign Secretary, left for the Scilly Islands today.

Despite the statement by the Commonwealth Relations Office, it was believed that any advance notice had come only hours before the announcement from Singapore.

DEFENSE PACT TO BE STUDIED

The office said Britain's defense agreement with Malaysia "and possibly other aspects of our relations may have to be reconsidered, but we cannot say anything definite or indicate what changes, if any, may be needed until the matter has been considered in detail."

One of the "other aspects" of relations with Singapore, which has been associated with Britain since 1819, when it was ceded to the British East India Co. through the efforts of Sir Stamford Raffles, is whether Singapore will remain in the Commonwealth, of which Malaysia is a member. Observers here assumed that Singapore would want to remain.

The big problem is Britain's defense policy in Malaysia as it pertains to Indonesia, which contends Malaysia was set up by Britain as a device to encircle and eventually overwhelm her. Indonesia has sent guerrillas into Malaysia and fierce clashes have ensued. British troops have helped Malaysia under the defense pact.

Late tonight the Commonwealth Relations Office issued a statement announcing British recognition of Singapore as an independent state.

Britain's interest in eventually shifting her strategic base in the Far East from Singapore to Australia was viewed here as having received strong new impetus from Singapore's secession.

The British base is now an economic necessity for Singapore, whose trade with Indonesia has stopped.

The secession agreement provides for the continuation of the base.

But observers believe that if Indonesia recognizes Singapore's independence, as seems likely, trade will be resumed so that ultimately the base will not be so important to Singapore's economy.

[From the New York Times, Aug. 10, 1965]

AUSTRALIANS DISMAYED

SYDNEY, AUSTRALIA, August 9.—News of Singapore's withdrawal from Malaysia was greeted with dismay today by Australians.

It was feared that the break would weaken the capacity of both Singapore and Malaysia to resist Indonesian pressure and make more difficult Australia's commitment to assist them militarily and economically.

Paul M. C. Hasluck, Minister for External Affairs, issued a statement in Canberra expressing regret that the union "had not worked out" but voicing the hope that "there security and stability would remain sound."

Australia has dispatched a battalion of troops and air force and naval units to help protect Malaysian territories from Indonesia and has also been providing economic aid.

[From the New York Times, Aug. 10, 1965]

JAPANESE SURPRISED

TOKYO, August 9.—Singapore's secession caused surprise and concern in the Foreign Ministry and in some business quarters here.

Foreign Ministry sources said there seemed to be no legal problems involved in Japan's recognizing Singapore as an independent state. But they said Japan faced further difficulties in her efforts to mediate the dispute between Malaysia and Indonesia.

The sources said Japan's business ventures in the region might feel major effects from the secession, depending on the future course of economic relations between Malaysia and Singapore.

[From the New York Times, Aug. 10, 1965]

UNITED STATES WEIGHS RECOGNITION

WASHINGTON, August 9.—The State Department has under consideration recognition of Singapore as an independent nation.

U.S. officials privately expressed concern that the secession would weaken Malaysia's capacity to resist Indonesia incursions. This concern was heightened with the news that Singapore would follow a neutral policy and recognize both Indonesia and Communist China.

ASSEMBLY OF UNREPRESENTED PEOPLE

This assembly does not contain representatives. Nobody has been elected to it. It might be better called an assembly for unrepresented people.

We hope people who take part in workshops will talk about the work they are doing or would like to do. We think there are a lot of people doing good work that other people do not know about. We hope the assembly will help these people find out about each other. We hope they will discuss concrete ways in which they can support each other. We hope that groups who already have plans for the late summer and fall will circulate them so that other people can see how they can support them. We hope new programs will come from some of the workshops.

HOUSING

If you do not have housing tell a registrar. There will be a central registration table at the Sylvan Theater (indicated by X on the map) Saturday and Sunday. There will be a registrar at each workshop.

At the registration desk a card with your host's name, address, and telephone number will be given you. Call your host and tell him when you are coming. Get directions to his house. The host is expected to give you a place to sleep. You must provide your own food.

For those who can afford it, housing is available at: Gauntt House, 1716 North Street NW., HU 3–9791, $2 per night. Cairo Hotel, 1615 Q Street NW., HO 2–2104, $6 per night (double).

FRIDAY, AUGUST 6, SCHEDULE

The 4-day Assembly of Unrepresented People begins with a solemn, silent, unmoving vigil line in front of the White House in prayerful commemoration of the 20th anniversary of the dropping of the atomic bomb on Hiroshima.

At 11 a.m.: Assemble in front of White House (registration). Watch for wandering registrars with armbands.

Noon: Silent prayer vigil in front of White House.

At 12:30: Mass meeting at the Federal Office Building or in Lafayette Square across from White House.

Speakers: (1) Joan Baez; (2) Rabbi Feinstein; (3) Robert Parris; (4) A. J. Muste and others.

SATURDAY, AUGUST 7, WASHINGTON MONUMENT

At 9 to 11 a.m.: Assemble at Sylvan Theater (on the Monument Grounds) for folksing.

(Registration will also be at this time. Register at information table by Sylvan Theater or with roving registrars.) (Refer to map X, not printed in the RECORD.)

At 11 to 12: Lunch break (bag lunches will be sold in the area).

At 12 to 6 p.m.: Workshops (number indicates location, see map).

1. The House Un-American Activities Committee.
2. Washington, D.C.: Area problems.
3. Apartheid in South Africa.
4. ———.
5. Dominican Republic.
6. Conscientious objection to war.
7. Religion and social action.
8. Puerto Rico.
9. ———.
10. The congressional challenge and the Mississippi Freedom Democratic Party.
11. Community organization.
12. Free university.
13. Free student union.
14. ———.
15. ———.

At 8 to 10 p.m.: Possible regional meetings in area churches.

WASHINGTON MONUMENT, SUNDAY, AUGUST 8

At 9 to 11: Folk-sing at Sylvan Theater on the monument grounds.

At 11 to 12: Lunch break (lunches will be sold in area).

At 12 to 5: Constituency workshops. (Letters designate areas on map.)

A. Community people: (7) Union members; (8) unorganized labor; (9) community organizers; (—) Housewives (next to 9).

B. Academic community: (1) College faculty; (2) high school teachers; (6) grade school teachers.

C. Student community: (3) High school students; (5) college and university students.

D. Other: (10) Folk singers; (11) doctors; (12) lawyers; (13) labor organizers and labor people; (14) writers, artists; (15) peace workers and peace people.

At 7 p.m.: Meeting of all participants with reports from all the workshops. The agenda for the assembly on August 9 will also be decided on at this meeting. Any action to be taken on Monday will be the decision of the assembly on Sunday night. Place of meeting will be announced Saturday morning.

MONDAY, AUGUST 9

At 11 a.m.: Assemble at area to be designated Sunday night. Declarations of peace will be read on this day.

DECLARATION OF PEACE, AUGUST 9, 1965

Because for 20 years the people of Vietnam have been tortured, burned, and killed; because their land and crops have been ruined and their culture has been destroyed; and because we refuse to have these things done in our name, we declare peace with the people of Vietnam.

Because millions of Americans had hoped and expected that their votes in the 1964 presidential election would move our country away from war toward peace, and because these hopes and expectations have been betrayed in Vietnam, we declare peace with the people of Vietnam.

Because the Congress of the United States, without adequate discussion, has permitted the waging of an undeclared war, we symbolically assume its responsibility for this day in the name of those people of the United States and of the world who oppose this war, and declare peace with the people of Vietnam.

Because we believe that the steady escalation of the war in Vietnam threatens all people with nuclear death, we declare peace with the people of Vietnam.

Because we believe that people all over the world must find ways to make peace with each other and to keep their governments from ever waging war, we declare peace with the people of Vietnam.

We commit ourselves to a continuing effort to implement this declaration of peace.

You are invited to write a declaration of your own.

In case of emergency, call: Washington Summer Action, 819 Independence Avenue SE., phone: 543-2203.

Mr. MORSE. I yield the floor.

THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Mr. COOPER. Mr. President, the Elementary and Secondary Education Act of 1965 will be administered under regulations issued by the Office of Education. I understand draft regulations have been circulated to State superintendents of schools and others, discussed at local meetings throughout the country, and that final regulations may soon be issued by the Secretary.

I am deeply concerned that under these regulations a principal purpose of the act—to lift the quality of education in the neediest school districts, those having the largest proportion of children from low-income families—may not be met. I am worried that the funds provided by the act may be diverted from the first priority needs of these districts. Supplemental projects, however desirable, are not fundamental it seems to me, and in many of these neglected areas should follow and build upon improvements made in the regular, basic educational program.

I understand that representatives of the Office of Education have reiterated and emphasized that the act is not a general aid-to-education bill, is not a school construction bill, and is not a teacher salary bill.

It is true that the formula in the act is directed to school attendance areas having large numbers of "educationally deprived children"—defined as those from low-income families. For example, title I of the act contains in section 205 (a) the requirement that payments will be used for programs and projects "designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families."

But section 205(a) also requires that these programs and projects be of "sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting those needs." In many districts, I believe that requirement would comprehend a general improvement in the regular school program.

I can understand that in a comparatively wealthy State such as New York or California—where the numbers of children from poor families in any school district may amount to 4, 5, or 6 percent, or even 12 or 14 percent, of those in the school district—the purposes of the act can best be accomplished by designing special projects for those children.

But in States like Kentucky, West Virginia, and many others, the first priorities are often school construction and teacher salaries. The committee's own tabulations, secured through the Office of Education, show county after county in such States having eligible children amounting to 35, 40, even 50 percent of the school-age population.

I fail to see how any program can meet the needs of the children in many of these districts unless it can be directed to the general improvement of the whole school and its regular program—including classroom construction and better salaries for teachers, if those are the most pressing problems.

The needs of these schools, with their large proportions of "educationally deprived children" to use the terms of the act, surely can not be met simply by superimposing special-purpose projects, important as they are, on a foundation fundamentally weak in facilities or staff.

I do not believe it was the intention of the Congress in enacting the Elementary and Secondary Education Act to insist that the neediest school districts in the Nation—those having one-room or old wooden buildings, the lowest paid teachers, and the largest numbers of children from poor families—use the Federal funds allocated to them by this act solely for the kind of special-purpose projects which can usefully supplement the curricula of other school systems which have already met minimum basic standards.

I say this because page 9 of the Senate committee report, discussing the use of funds under the act, states:

> There may be circumstances where a whole school system is basically a low-income area and the best approach in meeting the needs of educationally deprived children would be—

And I emphasize—

> to upgrade the regular program.

I am deeply concerned that this intention is being ignored by the Office of Education. I hope the Senate and House committees will consult with the Office of Education respecting the proposed regulations, to determine whether they will carry out this intention as expressed in the committee report. For I think it would be unfortunate if in the neediest districts in the Nation—having the oldest, most overcrowded buildings and the most overburdened teachers—local officials were prohibited from using the assistance provided by the Congress to meet their most immediate problems first.

I urge the Commissioner of Education to write into the regulations now under consideration specific provisions for any school attendance area in which 35 percent or more of the school-age children meet the criteria established by the act. Such provisions could insure that these schools will be encouraged to use the Federal assistance, as approved by the States, for the general improvement of their facilities and regular program—at least in those places where the school building or quality of instruction does not now meet minimum standards established by the State.

It seems to me that a provision of this kind would help provide the sound and proper basis for any effort, to use the terms of the act, "of sufficient scope to give reasonable promise of substantial progress" toward meeting the needs of educationally deprived children in these areas.

I hope that interested Senators, including the distinguished chairman of the Senate Committee on Labor and Public Welfare, Mr. Morse, will examine this question, and consider whether the regulations formulated by the Office of Education have been directed solely to the supplemental needs of groups of "educationally deprived children" in well-established school districts, or whether they properly take into account the basic and fundamental needs of the neediest school districts having the highest population of such children.

HOUSTON SPACE MUSEUM—RESOLUTION

Mr. YARBOROUGH. Mr. President, the phenomenal success and achievements of this Nation in pioneering in the field of space exploration is well known to all of us who have been fortunate enough to personally witness these accomplishments. However, I have concern for the future generations of Americans who will know of these feats only through historical means and will not be able to personally view the achievements of this age of pioneering in space.

For this reason I have supported and urged that a space museum be established to preserve the evidence of this marvelous age, and the citizens of Houston, Tex., share that same interest. Due to the proximity of the NASA Center to Houston, and the major part which that city has played in our space efforts, I feel that the location of a space museum in that area would be an excellent action.

To illustrate the interest which the city of Houston has in establishing such a museum, I ask unanimous consent that a resolution which the city council has passed be printed at this point in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution Expressing Thanks and Appreciation to Congressmen Albert Thomas and Bob Casey and Senators Ralph Yarborough and John Tower for Their Help in Attempting To Establish a Space Museum in Houston and Pledging Support to Them

Whereas the city of Houston is undisputably the space capital of the United States; and

Whereas it would be only fitting and proper that a space museum be established in this city so that present and future generations may more fully inform themselves of the achievements of the United States of America in the field of space exploration; and

Whereas various proposals have been made as to the form such a museum might take, either as an entirely new structure or as an adjunct to the present Houston Museum of Natural Science and the Burke Baker Planetarium, which are located on 4½ acres of Hermann Park ground; and

Whereas regardless of the site eventually chosen, the establishment of such a museum is of vital concern to all the citizens of Houston; and

Whereas both of the distinguished Congressmen from the city of Houston, the Honorable Albert Thomas and the Honorable Bob Casey, and both U.S. Senators from the State of Texas, the Honorable Ralph Yarborough and the Honorable John Tower, have worked diligently for the establishment of such a museum in the city of Houston; and

Whereas the mayor and City Council of the City of Houston are willing to do all that is possible to assist in the efforts to establish the aforementioned museum: Now, therefore, be it

Resolved, That the mayor and City Council of the City of Houston, Tex., do hereby express their thanks and appreciation to all of the aforementioned officials, Congressmen Thomas and Casey, and Senators Yarborough and Tower, for their past efforts in behalf of the aforesaid museum and do hereby pledge their support in any future efforts in this regard.

(Passed and approved by the unanimous vote of the entire city council in regular meeting this 28th day of July 1965.)

Louis Welch,
Mayor of the City of Houston.
Robert S. (Bob) Webb,
Councilman, District A.
Arthur L. Miller,
Councilman, District B.
Lee M. Ferran,
Councilman, District C.
Thomas Hand,
Councilman, District D.
Frank O. Mancuso,
Councilman, District E.
Bill Elliott,
Councilman at Large, Position No. 1.
Frank E. Mann,
Councilman at Large, Position No. 2.
Johnny Gayen,
Councilman at Large, Position No. 3.

Attest:
M. S. Westerman,
City Secretary.

VETERANS' ADMINISTRATION PROCLAIMS SUCCESS OF GI BILLS

Mr. YARBOROUGH. Mr. President, even though the Veterans' Administration has failed to extend its full support to the cold war GI education bill (S. 9), it nevertheless recognizes the unparalleled success of the GI bills of the past. In an article by Mr. Cyril F. Brickfield, Deputy Administrator of Veterans' Affairs in the Veterans' Administration, the economic and intellectual benefits of the GI bills of World War II and the Korean conflict are clearly set out.

It is more than strange that the Veterans' Administration does not urge a GI bill for the future, though in article after article it has extolled the benefits of the GI bills of the past. It sends uncounted tens of thousands into combat, but is not willing for the survivors to go to school under a GI bill.

Mr. President, I ask unanimous consent that this article by Mr. Brickfield appearing in the June–July 1965, issue of Employment Service Review, a publication of the Department of Labor, be printed at this point in the Record. The article is entitled "The GI Bill Paid Off," and argues convincingly for enactment of a new GI bill for the modern-day veteran.

There being no objection, the article was ordered to be printed in the Record, as follows:

The GI Bill Paid Off

(By Cyril F. Brickfield) [1]

(Note.—The impact of the GI bill on veterans and their families and on society as a whole is beyond measurement, but the benefits accrued can be expected to be felt for years to come.)

It is generally agreed that the GI bill was one of the most successful pieces of legislation ever enacted. At the Veterans' Administration, we have put some men and machines to work to get an answer in dollars and cents. Some recapitulation and reminiscing are in order to determine the GI bill's real worth.

Some 10 million World War II and Korean conflict veterans enrolled for education or training under the various GI bill programs at a total cost to the U.S. Government of $19 billion.

An analysis of incomes of veterans and nonveterans in the same age groups, made with the help of the Department of Labor and the Department of Commerce, shows that incomes of veterans who received GI bill help in education averaged from $1,000 to $1,500 a year more than of those who did not. On this basis, we estimate that the trained and educated veterans paid additional income taxes in excess of $1 billion a year.

The GI bill provisions for education covered a period of 20 years; the estimate of $1 billion annually in added taxes totals a $20 billion return in taxes alone on the $19 billion cost of the program.

In a larger sense, the benefits of the GI bill cannot be objectively measured as to their total impact on society. It is not likely they ever will be. But we do have an abundance of empirical evidence which provides a basis for sound judgment as to their contributions over the years.

The immediate postdemobilization effect of the GI bill was the removal of millions of veterans from the labor force as a result of their entrance into education or training. These veterans would otherwise have been clamoring for jobs that were not yet available (as industry needed time to convert from a wartime to a peacetime economy).

By June 30, 1948, some 7.5 million veterans had applied for educational benefits and 6.7 million had already been enrolled. Their subsequent return to the labor force became a gradual process, giving industry time to retool and to create the jobs for expanding peacetime production. Consequently, the transition of World War II veterans from military to civilian life was orderely and in decided contrast to conditions after World War I.

To go even deeper, following World War II, this Nation was being propelled into a challenging era by the convergence of powerful forces—the explosion of knowledge and population, a burst of technological and economic advance, the uprooting of old political and cultural patterns, and a never-before-experienced demand for more and better trained professional and skilled workers.

Through the GI bill provisions for education, the skill levels of those who participated were raised significantly. Thirty-one percent of World War II veterans and 12 percent of Korean conflict veterans had 8 years or less of formal schooling when they entered training under the GI bill.

The Nation's resources of skilled manpower were raised by the training of veterans as follows: 451,000 in engineering, 238,000 in teaching, 197,000 in health fields, such as medicine, dentistry, and nursing, 96,000 in physical and biological sciences, 699,000 in business administration, and 2,500,000 in skilled trades, crafts, and industrial pursuits.

The GI bill was a tremendous boon to our educational institutions. In December 1949, a total of 20,500 schools, colleges, and universities were taking part in the program, as well as 400,000 employers in the on-the-job training program.

Expansion of educational facilities throughout the Nation presented a staggering problem, with the need for more physical facilities, more teachers, and improved teaching techniques. The successful solution to this problem contribtued in large measure to the capability of today's educational facilities to cope with the increasing demands of the rapidly growing population of youngsters of school and college age.

---

[1] Cyril F. Brickfield is Deputy Administrator of Veterans' Affairs in the Veterans' Administration.

The influx of an enormous number of veterans—older and more mature than the usual students—into the classrooms changed the pattern of education throughout the United States and gave rise to the adult education programs that are carried on by all higher educational institutions today.

The GI bill also stimulated widespread acceptance of, and improved practices in, apprentice training; improved agricultural practices; contributed to the general knowledge required for the successful administration of large federally sponsored educational assistance programs; opened the way for an ever-increasing number of educational assistance programs, such as those now administered through the Office of Education, the National Science Foundation, the Atomic Energy Commission, and the Departments of Agriculture and Labor; laid the foundation for an effective partnership between Federal and State agencies in the advancement of education.

When the GI bill came to an end in January 1965, we in the Veterans' Administration had good reason to believe that we had shared in a historymaking endeavor in the area of Federal-State relationships through a federally sponsored program of education and training.

MR. R. W. AKERS APPOINTED DEPUTY DIRECTOR OF THE U.S. INFORMATION AGENCY

Mr. YARBOROUGH. Mr. President, the recent appointment of Mr. R. W. Akers, as Deputy Director of the U.S. Information Agency, is a perfect case of having the right man for the right job.

Mr. Akers is the former editor in chief of the Beaumont Enterprise, the daily newspaper of Beaumont, Tex. During the time he was editor of the paper, the Beaumont Enterprise was considered one of the top four or five newspapers in Texas, and many people, even those who resided outside the Beaumont area, believed that it was the best Texas newspaper.

With more than 40 years of newspaper experience, Mr. Akers is an experienced and enlightened editor, writer, and publisher, which is a practical and responsible background for his new position.

As a tribute to this fine Texan, I ask unanimous consent that an editorial entitled "An Excellent Choice" from the Wednesday, August 4, 1965, Beaumont Enterprise, be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

An Excellent Choice

With characteristic promptness, R. W. Akers accepted the call to public service and energetically plunged into the intricacies of the new job.

His appointment as Deputy Director of the U.S. Information Agency is effective as of September 1 and the formality of Senate confirmation is a foregone conclusion. Meanwhile, he already is moving ahead full steam with his accustomed enthusiasm.

We naturally applaud President Johnson's selection of the former editor in chief of the Enterprise and the Journal. But our approval goes far beyond that.

We know, in ways others would not be privileged to know, that the USIA has in Bob Akers a man who can put across its peculiarly demanding and often sensitive story. This is the story of the "American idea"—as he, himself, so well expressed it—presented for the understanding of the other peoples of the world. Its proper telling is critically important.

This, then, is his biggest story and his greatest challenge. The point was well made that he is the first newspaper editor to occupy this position. For 40 years, beginning when he was quite a young man, he has reported and edited the American story as it poured across his desk in its myriad forms. News story objectiveness has been a keystone of his career.

On top of that, he has followed the world story with a student's inquisitiveness and understanding, and he has exchanged views on the spot with the peoples of many nations.

This is a solid, practical background for a top hand in the USIA.

Due to the very nature of the USIA mission, the people of America do not have much contact with this program of the National Government. What we have seen of it has, at times, caused us to wonder just how correct and how effective it has been.

This reorganization of its directorship is reassuring. We feel that our story will be in safe hands, truly told and in a manner that should redound to the benefit of both ourselves and those abroad who will hear.

These are reasons for our endorsement of this Presidential action. And with this commendation go our most genuine best wishes—as he steps out on his biggest assignment—to Bob Akers.

CAPTIVE NATIONS WEEK

Mr. YARBOROUGH. Mr. President, during this week which was designated as Captive Nations Week, we recognized the great injustices which have been perpetrated against the once free nations of Europe—Lithuania, Latvia, Estonia, Poland, Hungary, East Germany, Czechoslovakia, Rumania, Bulgaria, and Albania. All of these countries fell victim to the iron grip of communism, all against their will. Now more than 100 million Europeans, who once enjoyed freedom under their own sovereign and independent governments, are imprisoned in their homelands, trapped behind the Iron Curtain.

Yet we become more aware every year of the desire of these peoples to seek their freedom. Their histories as nations show a record of captivity, but not submission; of superimposed authority met with resistance; of oppression, yet an outspoken defiance. The peoples of these nations are continually undergoing courageous struggles to free themselves from the yoke of tyranny, although for many it means hardship and even imprisonment.

The courageous spirit of these people, their fortitude, their faith and hope for the future, their undying desire for independence and their love of freedom are an inspiration for all free nations of the world.

Mr. President, I have attended the annual dinner of the Assembly of Captive European Nations for the last several years, and have worked with this admirable organization in their fight for freedom. Last year I was presented with the 10th Anniversary Commemorative Medal of the Assembly of Captive Nations, an honor which I treasure very much. This group continues its work for freedom and for liberation. May their dreams of liberation come to pass.

RECESS

Mr. YARBOROUGH. Mr. President, I move that the Senate stand in recess until 12 o'clock tomorrow, Wednesday, August 11, in accordance with the previous order.

The motion was agreed to; and (at 5 o'clock and 36 minutes p.m.) the Senate, under the previous order, took a recess until tomorrow, Wednesday, August 11, 1965, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 10, 1965:

Public Health Service

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

FOR PERMANENT PROMOTION

To be assistant sanitary engineer

Douglas L. Johnson
Donald R. Kaiser
Richard H. Mosbaugh

In the Air Force

The following-named officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major generals

Brig. Gen. William E. Creer, 1742A, Regular Air Force.

Brig. Gen. Loren G. McCollom, 1632A, Regular Air Force.

Brig. Gen. Thomas B. Whitehouse, 1677A, Regular Air Force.

Brig. Gen. James W. Humphreys, 19928A, Regular Air Force, Medical.

Brig. Gen. Joseph L. Dickman, 1656A, Regular Air Force.

Brig. Gen. Thomas R. Ford, 2065A, Regular Air Force.

Brig. Gen. William W. Wisman, 4990A, Regular Air Force.

Brig. Gen. Joseph J. Cody, Jr., 5126A, Regular Air Force.

Brig. Gen. Richard S. Abbey, 1992A, Regular Air Force.

Brig. Gen. William D. Greenfield, 1899A, Regular Air Force.

Brig. Gen. Howard A. Davis, 3860A, Regular Air Force.

Brig. Gen. Timothy F. O'Keefe, 4608A, Regular Air Force.

Brig. Gen. George S. Boylan, Jr., 4836A, Regular Air Force.

Brig. Gen. Lawrence S. Lightner, 5219A, Regular Air Force.

Brig. Gen. Richard H. Ellis, 36867A (major, Regular Air Force), U.S. Air Force.

To be brigadier generals

Col. Roger E. Phelan, 1659A, Regular Air Force.

Col. Daniel E. Riley, 3768A, Regular Air Force.

Col. Sterling P. Bettinger, 3842A, Regular Air Force.

Col. Stephen W. Henry, 3907A, Regular Air Force.

Col. Arthur E. Exon, 3940A, Regular Air Force.

Col. James H. Thompson, 4023A, Regular Air Force.

Col. Russell A. Berg, 4376A, Regular Air Force.

Col. James D. Kemp, 4517A, Regular Air Force.

Col. Archie M. Burke, 4642A, Regular Air Force.

Col. John E. Frizen, 4706A, Regular Air Force.

Col. Leo A. Kiley, 4953A, Regular Air Force.

Col. John W. Kline, 5084A, Regular Air Force.

Col. David I. Liebman, 5164A, Regular Air Force.

Col. Carroll H. Bolender, 5243A, Regular Air Force.

Col. Lee M. Lightner, 18923A, Regular Air Force, Dental.

Col. Thomas L. Hayes, Jr., 4672A, Regular Air Force.

Col. Herman Rumsey, 4723A, Regular Air Force.

Col. George V. Williams, 7733A, Regular Air Force.

Col. Edward M. Nichols, Jr., 7805A, Regular Air Force.

Col. Leo P. Geary, 8037A, Regular Air Force.

Col. John A. Des Portes, 8199A, Regular Air Force.

Col. Henry B. Kucheman, Jr., 8353A, Regular Air Force.

Col. Francis W. Nye, 8418A, Regular Air Force.

Col. Gerald W. Johnson, 8671A, Regular Air Force.

Col. John R. Murphy, 8944A, Regular Air Force.

Col. James F. Kirkendall, 9092A, Regular Air Force.

Col. Frank K. Everest, Jr., 9100A, Regular Air Force.

Col. Frederick E. Morris, Jr., 9166A, Regular Air Force.

Col. Rockly Triantafellu, 9504A, Regular Air Force.

Col. Louis T. Seith, 9756A, Regular Air Force.

Col. David C. Jones, 9887A, Regular Air Force.

Col. Sherman F. Martin, 9963A, Regular Air Force.

Col. William V. McBride, 10077A, Regular Air Force.

Col. John S. Chandler, Jr., 10102, Regular Air Force.

Col. Henry L. Hogan III, 10151A, Regular Air Force.

Col. August F. Taute, 4256A, Regular Air Force.

Col. Frank J. Collins, 9330A, Regular Air Force.

Col. Charles W. Carson, Jr., 10113A, Regular Air Force.

Col. Burl W. McLaughlin, 10624A, Regular Air Force.

Col. Russell K. Pierce, Jr., 18118A, Regular Air Force.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 10, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., prefaced his prayer with this verse of Scripture: II Timothy 4: 17: *Notwithstanding the Lord stood with me, and strengthened me.*

Eternal God, whose throne of mercy and goodness we approach in our littleness and our many needs, we beseech Thee to endow us with that insight and understanding which will give us a larger vision of Thy spirit and the way of life for us.

We pray that Thou wilt set our minds and hearts in a lofty room of outlook and aspiration and may there be instilled in us a reverent desire to love Thee and to help heal the hurts that divide our humanity.

Inspire us to live out our days in service and may we belive that if everyone would every day do some kind act to some other person the burden of the world would be lifted. Let us not wait for others to begin.

Hear us in Christ's name and urge us to follow Him. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

GENERAL SUBCOMMITTEE ON EDUCATION

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the General Subcommittee on Education may be permitted to sit this afternoon during general debate, to hear outside witnesses.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. HALL. Mr. Speaker, reserving the right to object, I should like to know if this request has been cleared with the ranking minority members of the committee?

Mr. PERKINS. The request has not been cleared with the ranking minority members of the committee. I have tried—just a few moments ago—to get in touch with the ranking minority member, and I have not been able to get in touch with the ranking minority member.

Mr. HALL. Further reserving the right to object, inasmuch as we are not going immediately into the Committee of the Whole House on the State of the Union, may I respectfully request that the gentleman withhold; otherwise, I shall be constrained to object.

Mr. PERKINS. Mr. Speaker, I withdraw my request.

PEACE CORPS ACT AMENDMENTS

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (S. 2054) to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, I trust that the gentleman from Pennsylvania will take at least a few minutes to explain the conference report in lieu of the expenditure of time in the reading of the report.

Mr. MORGAN. I will certainly try.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. 728)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2054) to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 3(b) of the Peace Corps Act, as amended, which authorizes appropriations to carry out the purposes of that Act, is amended by striking out '1965' and substituting '1966', and by inserting before the period at the end thereof a comma and the following: 'of which not to exceed $500,000 shall be available for carrying out research'.

"SEC. 2. Section 5 of the Peace Corps Act, as amended, which relates to Peace Corps volunteers, is amended as follows:

"(a) Subsection (c) is amended by adding at the end thereof a new sentence as follows: 'For purposes of the Internal Revenue Code of 1954 (26 U.S.C.), a volunteer shall be deemed to be paid and to receive each amount of a readjustment allowance to which he is entitled after December 31, 1964, when such amount is transferred from funds made available under this Act to the fund from which such readjustment allowance is payable.'

"(b) In subsection (e):

"(1) In the first sentence, strike out 'and such health examinations and immunization preparatory to their service,' and substitute therefor 'applicants for enrollment shall receive such health examinations preparatory to their service, applicants for enrollment who have accepted an invitation to begin a period of training under section 8(a) of this Act shall receive such immunization and dental care preparatory to their service, and former volunteers shall receive such health examinations within six months after termination of their service,'.

"(2) In the second sentence, strike out ', examinations, and immunization' and strike out 'for volunteers'.

"(c) In the first proviso of subsection (g), strike out 'one' and substitute therefor 'two' and strike out 'in the aggregate'.

"(d) In subsection (h), immediately after '(5 U.S.C. 73b–5),' insert 'the Act of December 23, 1944, chapter 716, section 1, as amended (31 U.S.C. 492a),'.

"SEC. 3. In section 6(3) of the Peace Corps Act, as amended, which relates to the provision of health care to the spouses and minor children of volunteer leaders, immediately after 'accompanying them' insert ', and a married volunteer's child if born during the volunteer's service,'.

"SEC. 4. Section 7 of the Peace Corps Act, as amended, which relates to Peace Corps employees, is amended as follows:

"(a) Strike out subsections (a) and (b).

"(b) Redesignate subsection (c) as subsection (a) and in the subsection as redesignated:

"(1) In the introductory phrase:

"(A) Insert '(1)' immediately before 'For the purpose of'.

"(B) Strike out '—' immediately after 'may'.

"(2) In paragraph (1) strike out '(1)'.

"(3) In paragraph (2):

"(A) Amend the first sentence to read as follows: 'The President may utilize such authority contained in the Foreign Service Act of 1946, as amended, relating to Foreign Service Reserve officers, Foreign Service staff officers and employees, alien clerks and employees, and other United States Government officers and employees apart from Foreign Service officers as he deems necessary to carry out functions under this Act; except that (A) no Foreign Service Reserve or staff appointment or assignment under this paragraph shall be for a period of more than five years unless the Director of the Peace Corps, under special circumstances, personally approves an extension of not more than one year on an individual basis; and (B) no person whose Foreign Service Reserve or staff appointment or assignment under this paragraph has been terminated shall be reappointed or reassigned under this paragraph before the expiration of a period of time equal to his preceding tour of duty.'

"(B) Strike out in the second sentence thereof 'the Foreign Service Act of 1946' and insert in lieu thereof 'that Act'.

"(C) In the first proviso in the second sentence thereof strike out 'of' immediately after 'the period of the appointment' and insert in lieu thereof 'or'.

"(D) Insert immediately after 'may prescribe' in the second proviso thereof ': *Provided further*, That under such regulations as the President may prescribe persons who are to perform duties of a more routine nature than are generally performed by Foreign Service staff officers and employees of class 10 may be appointed to an unenumerated class of Foreign Service staff officers and employees ranking below class 10 and be paid basic compensation at rates lower than those of class 10.'

"(4) In paragraph (3):

"(A) Strike out 'specify' and insert in lieu thereof: 'The President may specify what additional compensation authorized by section 207 of the Independent Offices Appropriation Act, 1949, as amended (5 U.S.C. 118h), and '.

"(B) Strike out '(c)' and insert in lieu thereof '(a)'.

"(C) Strike out 'that Act' and insert in lieu thereof 'those Acts'.

"(c) Redesignate subsection (d) as subsection (b) and in that subsection as redesignated:

"(1) Immediately after 'or assigned' insert 'for the purpose of performing functions under this Act outside the United States'.

"(2) Strike out 'subsection (c)(2)' and insert in lieu thereof 'subsection (a)(2)'.

"(d) Redesignate subsection (e) as subsection (c) and in the second sentence of that subsection as redesignated strike out '(c)' and insert in lieu thereof '(a)'.

"Sec. 5. (a) Section 4 of this Act shall not become effective until the first day of the fourth pay period which begins after the date this Act becomes law.

"(b) Under such regulations as the President may prescribe, each person employed under authorities repealed by section 4(a) of this Act immediately prior to the effective date of that section shall effective on that date be appointed a Foreign Service Reserve officer or Foreign Service staff officer or employee under the authority of section 7(a)(2) of the Peace Corps Act, as amended, and appointed or assigned to an appropriate class thereof; except that—

"(1) no person who holds a career or career-conditional appointment immediately prior to the effective date of section 4(a) of this Act shall, without his consent, be so appointed until three years after such effective date; and

"(2) each person so appointed who, immediately prior to the effective date of section 4(a) of this Act, held a career or career-conditional appointment at grade 8 or below of the General Schedule established by the Classification Act of 1949, as amended, shall receive an appointment for the duration of operations under the Peace Corps Act, as amended.

Each person appointed under this subsection shall receive basic compensation at the rate of his class determined by the President to be appropriate, but the rate of basic compensation received by such person immediately prior to the effective date of his appointment under this subsection shall not be reduced by the provisions of this subsection.

"Sec. 6. In section 10(a)(3) of the Peace Corps Act, as amended, which relates to acceptance, employment, and transfer of gifts, immediately after 'and transfer such' insert 'money or'.

"Sec. 7. In the second sentence of section 15(c) of the Peace Corps Act, as amended, which relates to training of employees, strike out 'Such training shall not be considered employment or holding of office under section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), and any' and substitute therefor 'any'."

And the House agree to the same.

Thomas E. Morgan,
Clement J. Zablocki,
Edna F. Kelly,
Wayne L. Hays,
Frances P. Bolton,
E. Ross Adair,
W. S. Mailliard,
Managers on the Part of the House.

J. W. Fulbright,
John Sparkman,
Mike Mansfield,
Per C. M.
Bourke B. Hickenlooper,
George Aiken,
Per C. M.
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2054) to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House with an amendment, which is a substitute for both the text of the Senate bill and the text of the House amendment, and that the House agree to the same.

Except for clerical and minor drafting changes, the differences between the House amendment and the substitute agreed to in conference are noted below.

The managers on the part of the House agreed to three modifications of the bill as it passed the House.

1. A limitation of $500,000 on the funds which may be used for research was accepted.

The managers on the part of the House recognize the tendency for the research programs of the executive departments and agencies to increase in magnitude and scope every year, and to include projects not directly related to problems with which they are actually confronted. There are indications that the Peace Corps may be embarking on such a course. In view of the difficulty of evaluating the significance and utility of specific research projects, the imposition of a dollar ceiling on research activities should assure that money will be spent only on studies having the highest priority.

2. A provision was accepted, specifying that the dental care to applicants for enrollment in the Peace Corps authorized by both the House and the Senate should be available only to applicants who have accepted an invitation to begin training. It had been the understanding of the managers on the part of the House that it was the intention of the Peace Corps to limit dental care to such applicants and the language agreed to provides a statutory requirement that the Peace Corps adhere to its announced policy.

3. The House bill authorized appointment to the staff of the Peace Corps (as distinguished from volunteers or volunteer leaders) for a period of not more than 5 years, except that in special circumstances an extension of 5 years could be granted on an individual basis, and provided that no person whose appointment had been terminated could be reappointed before the expiration of a period of time equal to his preceding tour of duty or until the expiration of the period of 1 year, whichever is the shorter.

The managers on the part of the House agreed that extension of an appointment beyond the initial term of not more than 5 years should be limited to 1 year, and that no person whose appointment had terminated could be reappointed before the expiration of a period equal to his preceding tour. This means that a person, after completing a tour of 5 years, would have to wait 5 years before being appointed again to the staff of the Peace Corps. Any person who, after serving 5 years, had his appointment extended for 1 year under special circumstances, could not be given a job with the Peace Corps staff until 6 years after the termination of his extended appointment.

In agreeing to these modifications in the House bill, the managers on the part of the House believe they are in accordance with the policy of the Director of the Peace Corps that the staff of that agency not be organized on a career basis and that 5-year appointments under normal circumstances are the maximum desired. If circumstances develop during the next year, indicating that these limitations impede the operation of the program, the Congress will have an opportunity to give further consideration to this matter.

Thomas E. Morgan,
Clement J. Zablocki,
Edna F. Kelly,
Wayne L. Hays,
Frances P. Bolton,
E. Ross Adair,
W. S. Mailliard,
Managers on the Part of the House.

Mr. MORGAN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read since it is printed in the Congressional Record of last Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I am glad to report that the conference on S. 2054, to amend further the Peace Corps Act, was neither long nor arduous. The Senate and House bills were identical in most respects. There was no difference in the authorization figure of $115 million.

The bill we bring back from conference differs on only three points from the bill passed by the House. The three modifications of the House bill agreed to by the managers on the part of the House impose limitations on the discretion of the Director of the Peace Corps, but these limitations are not so rigid as to impede the operation of the program.

The House conferees accepted a ceiling of $500,000 on research. The Peace Corps had programed $1,400,000 for research, although no specific figure was set forth in the House bill. The Senate felt very strongly about this point, and it was our judgment that the high-priority research projects could be financed with $500,000.

Both the House and Senate bills authorized dental care for applicants for appointment as Peace Corps volunteers prior to their beginning training. This authority was requested by the Peace Corps so that volunteers who were in need of dental care would not be sent overseas, and at the same time the intensive training program which each volunteer has to undergo would not be interfered with by having the trainees take time out to get their teeth fixed.

The Senate had included a specific limitation that dental care be given only to applicants who had agreed to enter training. The Peace Corps had assured the Foreign Affairs Committee that it would not provide such care unless the applicants had agreed to enter training, and the House conferees could see no reason why the Senate language should not be accepted.

Both the House and the Senate had rewritten the language relating to personnel which was included in the draft bill submitted by the Executive. This language deals with the staff of the Peace Corps, not the volunteers.

Sargent Shriver indicated that his purpose was to have basic authority for a unified, noncareer service. He wants the personnel working in Washington to be hired under the same authority and to have the same rights as those serving overseas.

Although the House and Senate versions were different, both were consistent with this objective, and the language agreed to in conference is probably better than that in either bill as originally passed.

All personnel at the stenographic and clerical levels, GS-8 and below, now having career appointments, will have appointments for the duration of operations under the Peace Corps Act.

No one can be appointed for more than 5 years, although in exceptional cases an extension of 1 year can be granted to an individual. After service on the Peace Corps staff, no one can be reappointed until the expiration of a period of time equal to his preceding tour of duty.

Members of the House are aware that the Senate bill contained a provision prohibiting the Director of the Peace Corps from holding another Federal office of equivalent rank. I am glad to report that the Senate receded in this matter. Everyone seems to agree that Sargent Shriver should stay on as Director of the Peace Corps, and it is recognized that there is a constitutional issue involved.

Mr. Speaker, the House conferees have upheld the position of the House effectively, and I urge the approval of the conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. Yes; I yield to the gentleman from Iowa.

Mr. GROSS. The one thing that troubles me about this report is the $500,000 that you mentioned for research. In other words, this is not saying that they must spend $500,000. On the other hand, it is a limitation which says they can spend a maximum of $500,000.

Mr. MORGAN. It sets an upper limit of $500,000. The gentleman will recall that the program submitted by the Peace Corps included $1.4 million. The House bill did not set a dollar limit.

Mr. GROSS. Yes; I regret to say that the House Foreign Affairs Committee did not take care of this situation, because I can conceive of no reason why the Peace Corps should be spending even $500,000 on research. I would hope that when the committee goes into this subject of the Peace Corps operation, as the chairman has assured us he will do next year, this will be one place where the committee will take a good second look at what is being done by way of research.

Mr. MORGAN. I can assure the gentleman that with the attention research projects such as the Camelot project have received, this program should have a thorough look next year.

Mr. GROSS. I thank the gentleman.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I am glad to yield to the gentleman from Indiana.

Mr. ADAIR. May I follow up what the chairman has stated. I would say to the gentleman from Iowa that the concern he expressed about the Peace Corps getting into research programs was one of the points in the minds of many of the conferees on this bill. We entertained some real reservations as to whether or not this type of organization, the Peace Corps, should be allowed to venture so deeply into research. As the chairman has properly indicated, we did agree to the specific research limitation of the Senate. The House bill mentioned no amount. But the testimony given our committee showed that the Peace Corps planned to use $1.4 million for research next year. This indicates our concern. Next year I hope that we will take a long, hard look at all proposals for research.

Mr. MORGAN. Mr. Speaker, I yield such time as he may require to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, I think it is unnecessary to go further into the details of the conference report. The gentleman from Pennsylvania, the chairman of the committee, has correctly pointed out that in almost all respects the House version of the measure prevailed. I think the conferees performed very well, upheld the position of the House and have brought before us today a bill which we can all support. Therefore I, too, urge support of this conference report.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON EDUCATION AND LABOR, GENERAL SUBCOMMITTEE ON EDUCATION

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the General Subcommittee on Education be permitted to sit this afternoon during general debate in order to hear some outside witnesses.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CALL OF THE HOUSE

Mr. MORTON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 229]

Adams
Annunzio
Baring
Bonner
Brademas
Brown, Ohio
Cabell
Cahill
Cameron
Carter
Clawson, Del
Colmer
Conable
Cunningham
Diggs
Dwyer
Evins, Tenn.
Farnum
Fino
Foley
Grabowski
Hanna
Hansen, Iowa
Hawkins
Hays
Hosmer
Karth
Keogh
King, N.Y.
Laird
Landrum
Lindsay
McCarthy
Martin, Mass.
Moorhead
Patman
Pelly
Pirnie
Pool
Powell
Reuss
Rivers, Alaska
Rogers, Tex.
Roncalio
Roybal
Ryan
St Germain
Schmidhauser
Smith, Iowa
Stephens
Sullivan
Thomas
Todd
Toll
Tuck
Tupper
Weltner
White, Idaho
Widnall
Willis

The SPEAKER. On this rollcall 370 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1966

Mr. SIKES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10323) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, one-half to be controlled by the gentleman from Michigan [Mr. CEDERBERG] and one-half to be controlled by myself.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10323, with Mr. RIVERS of South Carolina in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement the gentleman from Florida [Mr. SIKES] will be recognized for 1 hour and the gentleman from Michigan [Mr. CEDERBERG] will be recognized for 1 hour.

The Chair recognizes the distinguished gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill which the Committee on Appropriations brings to the House today totals $1,755,495,000. This is a reduction of $293,505,000 below the budget estimate of $2,049 million. The reductions by the authorization committee total $183,029,000, of which $51,212,000 is for family housing and $131,817,000 is for military construction.

The reductions recommended by this committee in addition to the authorization reductions are $110,476,000.

As the bill comes to you, it is below the budget estimates for every branch of the Department of Defense. The Defense agency's cut was $19,732,000. Army was cut $123,957,000; Navy was cut $44,804,000; and the Air Force was cut $105,012,000.

Of the total amount carried for military construction in this bill, $166,014,000 is for oversea construction excluding housing which is $38 million. Almost $100 million for the overseas item is for construction in the southeast Pacific.

I think it well that I note at this point that it is estimated that $160 million are earmarked for military construction out of the $1.7 billion requested for new funding for the Vietnam war by Secretary McNamara. There is no funding in this bill for the $160 million. It is carried as a part of the total request of $1.7 billion in a single paragraph add-on to the defense appropriations bill. As you know, that bill has passed the House and is now under consideration by the Senate.

In order to give you the complete picture on military construction, let me remind you that the committee has approved reprograming of $41 million for southeast Asia. An additional $108 million has been allocated to military construction from the $700 million special appropriation approved by Congress late in the fiscal year for the war in Vietnam. These items, of course, are not associated with the bill now before you.

I am assured by the Secretary of Defense that the Vietnam war will not be used as an excuse for the construction of projects within the United States which have been denied funding or authorization by the Congress. On new emergency construction in the South Pacific which is required for the accommodation of newly assigned American personnel, aircraft, and equipment, the committee also has an understanding with the Secretary on a method of procedure by which the committee is kept fully apprised of construction requirements.

It will be noted that in recent prior years heavier cuts were made in the military construction bill. I think the reasons for a more considerate approach in this year's bill are fully obvious. We are in a war which is escalating and which has escalated greatly since the beginning of the year. Heavy fighting for our forces is still to come, but apparently it is inevitable. The draft is being doubled; 350,000 additional personnel are now scheduled to be brought into the services. There will be an increased tempo in training activities. The Vietnamese operation may continue for a long, long time. There is nothing to indicate an early conclusion to hostilities. It does not seem to be a proper time to eliminate facilities we know we are going to need.

Nevertheless, within the framework which is available to us we have sought to make reductions where they can be justified. In doing this the committee has followed specific guidelines. You will find a pattern existing throughout the markup of this bill. In each case where there has been a deletion, the reason has been spelled out. For instance some items were eliminated because of inadequate plans and designs. If planning and design are not sufficiently far advanced to insure proper expenditures of appropriated funds during the fiscal year for which we are appropriating, the item is disapproved. An example of this is a new headquarters for the Defense Intelligence Agency. A request for $17,900,000 was sent to the Congress and it has been authorized. Nevertheless, the committee found that at the time of the hearings plans had not even been initiated. There is no possible way for money to be spent in the construction of the building during this fiscal year if it were appropriated. Actually, it was testified that construction was not scheduled to start until April 1967. Now, this does not even go into the merits of the project. And, I have serious reservations on the merits also.

Another basis on which some items were eliminated is incremental construction which is unduly costly. Now I do not object to incremental construction as such. Sometimes, it is advantageous to build a little here and a little there so that new facilities can be spread around, and the poorest of existing facilities eliminated at a number of places. But, sometimes the cost of incremental construction is excessive. By way of illustration, this was the case on some bachelor officers quarters at Chanute Air Force Base. The estimates call for a small project of individual houses for bachelors officers quarters. Yet, there is a major follow-on for a high-rise project to complete the requirements for bachelor officers quarters there which the Department had expected to fund in a later year. It will be much more economical to combine the two and include the needs for all BOQ spaces at this base in one high-rise facility.

Then, there is the problem of insuring maximum use of existing facilities. This always is a bugaboo. Generally, the services just do not want to make-do. I do not suppose anyone can blame them for wanting new facilities; and in a great many instances they really need new facilities. Nevertheless, there is a particular reason now when we are engaged in war, and when we are closing a great many military installations, to be certain that we are not building new facilities unnecessarily. In this connection, we have dealt severely with the request for new administration buildings. It just does not seem to be the time to build a lot of impressive new headquarters buildings when the services already have buildings in which they are operating, presumably with reasonable efficiency. To show you that we have not played favorites, one of the major headquarters facilities eliminated was in my own State.

This, of course, ties into the problem of making certain that we do not fund for nonessential requirements. Repeatedly, items crop up in the military construction bill, particularly overseas items, which just do not seem to be necessary. It is the committee's responsibility to attempt to determine what items can be suspended with. This is not an easy task. Nevertheless, we try. As an example, there is an enlisted men's barrack at Fort Benning for medical personnel. The people who would use it are housed in permanent facilities, but they must travel 4 miles by bus to reach the hospital. The time and cost involved are so little the committee cannot in good conscience justify spending $657,000 for new barracks. And, even if we spent the money, there is no assurance that buses would not be required anyway for a considerable part of the time, particularly during inclement weather. Present cost of the buses per year is $7,200.

The balance-of-payments problem is a nagging and an ever-persistent one. We have screened this bill very carefully in an effort to hold down the cost of overseas construction, and possibly we have pruned more severely than we should, but not in southeast Asia. In Turkey the Department of Defense wanted to build a new headquarters at a cost of $11,231,000. It is an Air Force installation. They now are using leased facilities. Certainly, the leased facilities are not all that could be desired, but the committee placed serious question on the necessity for spending the entire $11,231,000 in one lump sum. This particular problem was taken out of our hands by the authorizing committees, but had it remained in the authorization bill, this subcommittee would not have funded the headquarters in toto.

There is one area where the committee made reductions with an unusual degree of reluctance. That is in the field of scientific laboratories. We recognize that this is an advanced age, a technical age which requires elaborate, technical, scientific studies. Yet, the committee has eliminated one or two facilities for this purpose. It was done because we did not think the estimates were realistic, because we feel private industry offers such a capability that it is not necessary that the Government get into every field of scientific study, or because there has been a failure on the part of the military and other Government agencies to coordinate their respective requirements and accomplish the job jointly.

The committee calls attention particularly to the emphasis being placed in this year's bill on improved living quarters for military personnel. More comfortable and more attractive surroundings will benefit both officer and enlisted personnel. In addition, the committee continues to stress the desirability of providing adequate and improved on-base family housing. More than in any other area there has been neglect, not all of it intentional, of living quarters at military installations.

I can tell you that in this bill there are 83,021 barracks spaces for enlisted personnel at a cost of $130,722; 5,892 sets of quarters for officer personnel at a cost of $40,976; and as I stated 9,500 homes for military families—9,500 is the maximum number allowable under the authorization bill. Nevertheless, at this stepped-up rate, it will be approximately 5 years before new or rehabilitated living quarters are available for all military personnel.

In past years the major segments of military construction programs have been for facilities to provide operational support of new weapon systems and forces necessary to establish the strategic nuclear retaliatory and defense capability of this country in the event of a nuclear attack. During the past 10 years the buildup of an airbase system to support our nuclear capability including the manned bombers of the Strategic Air Command and, more recently, the intercontinental ballistic missile program has taken place. At the same time facilities in support of the Navy submarine launched ballistic missile, Polaris have been provided. The air defense of the Nation has been improved by the construction of facilities in support of the Army family in NIKE air defense missiles. In addition, communication and early warning systems, such, as the ballistic missile early warning system, have received primary attention. During this period of time special consideration had to be given to training and classroom type facilities necessary to meet the constantly increasing demand for well-trained personnel fully prepared to operate these new and intricate weapon systems. The Department of Defense has been reluctant to increase its military construction budget sufficiently to provide for this essential construction and at the same time to permit a higher number of improved living quarters.

The virtual completion of these more critical facilities now makes it possible to place the major emphasis of the military construction program on the long neglected efforts to improve and modernize the basic capital plant, particularly those facilities concerned with providing troop housing and other support facilities for military personnel. The committee considers it essential that this modernization now be carried forward most vigorously. Major emphasis on this phase of the construction program will not only provide our military personnel and their families with a more proper standard of living, which should improve morale and reenlistment rates, but will also serve to reduce maintenance costs by eliminating obsolete and aging facilities from the real property inventory.

Undoubtedly, one factor which has resulted in lower reenlistment rates and in the loss of skilled military personnel has been the lack of adequate housing and homes. The committee will expect continued emphasis in this important area by the Department of Defense until a better standard of barracks, bachelor officers quarters, and family housing is achieved.

Emphasis continues to be placed on the construction of medical facilities as a portion of the long-range program to replace inadequate temporary World War II mobilization hospitals. Funds are included for the construction of seven new hospitals as well as for various other medical facilities, such as dental clinics, dispensaries and laboratories. The committee has continued its policy of refusing to approve funds for the construction of hospitals in the United States which do not provide facilities for the medical care of dependents, including those required for obstetrical services.

The specter of last year's military base closing order will haunt the memory of Congress for a long time. I do not propose to engage in a discussion of the merits and demerits of the order. I would not for a moment support the continuation of bases which are not needed, but I am frank to state that I think the savings on the Secretary's action have been overestimated and oversold. Let me leave the subject with the very strong affirmation of my belief that considerations are not all on the side of base closings. I raise the point only to bring out the fact that in last year's authorization and funding bills there were military construction projects for bases which later were included in the closing order. The total in such projects was over $14 million. The committee has sought to obtain assurances that we are not, in this year's bill, funding facilities which will be affected by another closing order. We are assured by the Secretary of Defense that this is not the case. The same assurance is given to the committee on family housing.

A question will arise about funds for a new program for authorizing the purchase of houses individually owned by military and civilian personnel at bases which are being closed. An amendment was added to this year's housing bill which authorizes the Secretary of Defense to purchase such housing when no market exists for it otherwise, and when this lack of a market is caused by base closing. On the surface, the action appears meritorious, but when the Department of Defense was queried about the matter the committee was strongly urged not to place any funds in this bill to carry out the purposes of the new language. It is felt that the language is poorly drawn and that it would be extremely difficult to properly carry out its intent. Therefore, this committee took no action on the item until the entire area can be studied further. There is no immediate requirement for funding. Most of the base closures are scheduled for future years. The Department of Defense is aware of the problem and may well request funding in future budgets.

The bill as recommended by the Department of Defense would have provided for a consolidation of language for the Guard and Reserves on the same order as that recommended in the Defense bill earlier. The language was rejected by the committee, and language previously used which recognizes both the Guard and the Reserves is carried in our bill before you. It was also proposed that funding be held to a total of $6.5 million for both. This is carryover money from fiscal 1965. The authorization was increased by $9.2 million for the National Guard. We are recommending the appropriation of $9.2 million for the National Guard and instructing the Department to use the $6.5 million for the Reserves which already has been appropriated for this account.

It will be noted that the committee has given approval to requests for additional funds for the U.S. Military Academy, the Air Force Academy, and the Naval Academy. This is required for the buildup in personnel which is taking place at each institution. The committee does not feel that it is proper to deny funds for an academic institution to have the facilities that are required for a full and complete education. Particular emphasis is given to scientific and technical facilities as well as the cultural advantages.

It will be noted from the committee report that emphasis is placed upon NATO reimbursements. I suspect that this has been one of the weak links in the planning for overseas construction in Europe. We question that a sufficiently vigorous effort has been made to obtain adequate support from our NATO allies at those bases which are constructed there. Admittedly, the requirements for our own forces are greater and more elaborate in some instances than for the NATO structure alone, and this has been a major cause of the difficulty in reaching a satisfactory agreement. I think we have been content with less than adequate cost sharing. This is discussed on page 13 of the report.

We have stressed with considerable detail a number of areas in the field of family housing. This is carried on pages 30 to 38 of the report, and I urge that you give the treatment of this subject careful study. Let me briefly mention three or four of the items covered in the report. One is the continuing failure of the military services to obtain full utilization of housing authority under section 810. This is a section which was spelled out in the National Housing Act specifically to permit construction of rental housing for military personnel. It has never operated satisfactorily for reasons that are vague and inconclusive. Possibly, neither the military nor the FHA has been sufficiently sold on its possibilities. Nevertheless, this is the section which would retain to private industry the opportunity for providing housing for military personnel, and it should be advantageous both to the military and to the civilian communities. At present the utilization of the act is further hampered by a requirement for line item authorization for 810 projects. This has almost killed its effectiveness. The committee recommends that the appropriate committees of Congress remove this restriction. If they do not do it, we may feel it necessary to take the law into our own hands.

The second item that I will discuss is the need for a better understanding in the communities around military bases of the actual housing needs of base personnel. The military just has not done a good job of selling the nearby communities on their actual needs for housing. As a result, I venture the statement that every Member of Congress who has military bases receives protests from communities outside those bases when on-base military housing is proposed. Of course, there should not be construction of on-base housing where it is not needed. Nor should there be denial of family housing for military personnel when it is not being provided off base. An effort to achieve a meeting of the minds with community leaders by military personnel can serve a very useful purpose, and it just is not being done in enough instances. That can also take a little of the heat off everybody.

It will be noted that we have commented on the need for a greater use of available VA and FHA housing where title has reverted to the Government or to the mortgagor. There are instances undoubtedly where VA and FHA housing which belongs to the Government could be utilized by military personnel in lieu of payment of housing allotments. This practice could stop Uncle Sam from paying out of both pockets. It may not be possible to make widespread use of this type housing because in many instances location is not satisfactory for best use by the military personnel.

I would like particularly to urge that you take the time to read the report. It is lengthy, but the committee feels it contains much which will interest you and which merits your consideration.

I would not want this opportunity to pass without expressing my very great appreciation to the wonderful team on which I have been privileged to work in preparation of this year's bill. The distinguished gentleman from California [Mr. McFall], who is now the ranking member, has been of unestimable help in carrying on the work of the committee. Two new members, the distinguished gentleman from New Jersey [Mr. Patten], and the distinguished gentleman from Maryland [Mr. Long], have contributed very substantially to the sound functioning of this group. On the minority side, the distinguished gentleman from Michigan [Mr. Cederberg] and the distinguished gentleman from North Carolina [Mr. Jonas], have contributed sound counsel, active help, and splendid cooperation throughout. We are privileged to have with us Frank Sanders, one of the most capable staff members on Capitol Hill. His great source of information plus his constant and dedicated efforts are invaluable. We have a new staff member, Robert Nicholas, with whom I am very highly pleased. He has been willing, cooperative, and helpful. I am indebted to all of those whom I have named.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I am glad to yield to my friend from California.

Mr. YOUNGER. In our district, as the gentleman knows, there is a Navy installation at San Bruno. That property was declared surplus about 6 years ago, but we have never been able to move the Navy out so that the property, now in the hands of the GSA, could be sold and put on the tax rolls. Recently there was an agreement that they would move to Treasure Island. I want to make sure that in these two items for Treasure Island—one for $1,856,000 and another for $3,302,000—there are sufficient funds to guarantee the moving of that public works facility over to Treasure Island.

Mr. SIKES. The committee is aware of the concern of the distinguished gentleman and of others who represent the San Bruno area in California about this item.

Let me recount a little history. The budget request was $2,138,000 for the consolidation of various administrative headquarters in the San Francisco area. One of the units to be moved is the Deputy Public Works Office now at San Bruno. That will make some 91 acres of land available primarily for the construction of a State highway.

The authorization bill reduced the budget request to $1.4 million but did not specify which of the units is to be held up. The total move cannot be accomplished within the reduced amount.

It is our understanding that the move from San Bruno is most important, because it will make land available for the highway and allow the Navy to abandon the World War II type facilities now being utilized. This type of facility, of course, is costly to maintain.

That can be done. It is the belief of the committee that this should be done within the funds contained in this bill, which we are authorizing.

The other major headquarters which was to be moved—and which may not be possible under the reduced authorization—is located in downtown San Francisco. Those are in permanent office spaces either rented from GSA or owned by the Navy.

That move we understand will be deferred under this bill if anything has to be deferred.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my friend from Michigan.

Mr. CEDERBERG. I wish to associate myself with the chairman's remarks concerning the question raised by the gentleman from California [Mr. Younger]. It is the intention of the committee that this move can and should be made under this appropriation.

Mr. YOUNGER. I thank the gentleman.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I am glad to yield to the distinguished gentleman from Virginia.

Mr. BROYHILL of Virginia. I notice the committee deleted the request for $17.9 million for the construction of a new building for the Defense Intelligence Agency in Arlington County.

Mr. SIKES. I have discussed that. If the distinguished gentleman wishes me to do so, I shall be glad to go into it again.

Mr. BROYHILL of Virginia. I was not on the floor when the gentleman discussed it. Since this matter is of vital interest to one of the communities I represent I would appreciate a further discussion and hope the gentleman will yield for a question.

Mr. SIKES. Let me repeat if I may. The testimony before the committee was that plans for the DIA building at the time of the hearings had not even been started, and even if the money were appropriated, the construction of the building would not begin until April 1967. This gives the committee a full year in which to work and to further analyze this problem. We will be back next year with another appropriation bill for the fiscal year 1967 period. It seems illogical to tie up $17.9 million of the taxpayers' money for this item a year before the money can be expended, even if the item were justified. I am not fully convinced that it is needed, but that is another story. Substantially that is what I told the Committee of the Whole a few minutes ago.

Mr. BROYHILL of Virginia. The governing body of Arlington County has been opposed to the construction of this facility in Arlington County. They have drawn some hope from the denial of this appropriation by the committee. Yet, as the gentleman stated and as it is also stated in the report, it is indicated that it is merely a deferral because plans were not completed.

Mr. SIKES. It is a deferral. The committee does not have a closed mind on the subject.

Mr. BROYHILL of Virginia. Then there is a possibility that the people of Arlington County may yet be confronted with the appropriation for the construction of that facility in Arlington County?

Mr. SIKES. That is correct.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Yes. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. What is the function of the Defense Intelligence Agency?

Mr. SIKES. As its name implies, it is the overall intelligence gathering and dispensing agency of the military services. It works through the intelligence organizations of the various services, coordinating all military intelligence activities. It is a little CIA within the Department of Defense.

Mr. GROSS. That was the next question. Why cannot this be headquartered at the CIA? Why must we go into a headquarters with a new building for the Defense Intelligence Agency?

Mr. SIKES. There is no money in this bill for building such a structure at this time, I am glad to tell my distinguished friend. Whether existing facilities can be used is certainly a matter for consideration.

Mr. GROSS. I would think that serious consideration would be given to housing these agencies in one place if it is at all possible to do it. I can think of no reason why they could not be housed together.

Mr. SIKES. The committee is certainly going to explore all the possibilities of using existing facilities in matters of this kind.

Mr. GROSS. Will the gentleman yield further?

Mr. SIKES. I am glad to yield further.

Mr. GROSS. I wish to commend the committee for the emphasis they are placing on family housing construction. I think this has been badly neglected. I do not think, in view of the military buildup staring us in the face, that you have gone far enough in this bill. Family housing for the enlisted personnel of the military services is more important than a pay raise. From what I have seen of housing conditions at some installations it is deplorable.

Mr. SIKES. I applaud my distinguished friend's concern. I share that concern. As he will note, we have gone further in this bill than has been done in years toward providing facilities to alleviate that problem.

Mr. GROSS. The gentleman knows that a pay increase to the military is very often quickly absorbed by landlords who are renting to enlisted personnel. I am not talking about additions to the plush quarters for the generals and other top ranking officers. I emphasize that I am talking about family housing for the enlisted personnel.

Mr. SIKES. If the gentleman has read our hearings—and I know he is very diligent in studying everything that comes to the floor—he will find in those hearings that we queried the military on the relative desirability of building a $100,000 home for a commanding general, two of which were proposed—and both of which were deleted by the authorizing committee—as compared to providing quarters for 20 enlisted personnel which could be done for the same amount of money.

Mr. GROSS. I compliment the committee for its action.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Yes. I yield to the gentleman.

Mr. HICKS. In line with the gentleman's remarks regarding housing, although this is not family housing, I note that the committee deleted the bachelor officers' quarters for the Bremerton Navy Yard. Bremerton is located across the bay from Seattle. There is probably adequate housing in Seattle, but it is pretty hard to get back and forth from there. They have dilapidated quarters there dating from 1941. I wonder if the door is closed completely to that.

Mr. SIKES. I want to commend my friend for his interest in this matter. He has certainly represented the interests of his constituents in bringing this question to the floor. No. The committee does not have a closed mind on it. The reason this $675,000 item was eliminated is that it is proposed to build a new 80-man bachelor officers' quarters. The average occupancy which was shown at that installation is only 44, so the need appears much less than the request. The committee could find no justification for spending $675,000 for an 80-man BOQ when the base shows a history of needing only 44 such quarters. We asked the Service to look the matter over very carefully in order to justify their requirement or to come back with a reduced request. But I can assure the gentleman that there is no desire to deny needed quarters here. We do not have a closed mind on the problem.

Mr. HICKS. I thank the gentleman.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman.

Mr. KUNKEL. Mr. Chairman, I would like to ask the gentleman from Florida what he thinks of the prospects for implementing two amendments which I had added to the housing bill. One of them provides for a moratorium on mortgages and interest. The other one provides for the purchase by the Department of Defense of houses located in areas where bases have been closed under the order of November 19, at a price comparable to the fair market value of the house prior to the announcement of the closing. I discussed this with the gentleman personally. I also discussed it with all the members of his subcommittee. I realize that he and they have not been able to secure a request from the Department of Defense or the Bureau of the Budget in the extremely short time at their disposal and are therefore faced with an insuperable situation insofar as providing funds at this time is concerned. But also the people who would be affected by this are affected right now and have been for some time past. Some of them have already moved. Others will have to move momentarily. The price of housing in the Harrisburg area has gone down appreciably, because the closing involves nearly 11,000 employees.

I just wondered when the gentleman thought that my amendments could be implemented.

Mr. SIKES. The gentleman has touched upon a very important matter. He has asked about funds for a new program which authorizes the purchase of houses individually owned by military and civilian personnel at bases that are being closed. As he stated, an amendment has been added to this year's housing bill authorizing the Secretary of Defense to purchase such housing when no market exists for it otherwise and when this lack of a market is caused by a base being closed.

The committee queried the Department of Defense about it and had several discussions with the Secretary and with members of his staff. The Department of Defense objects to the manner in which the authorizing language is drawn. They state it would be extremely difficult to carry out the intent of the law and they think corrective language is going to be necessary before the section is implemented. There is no budget item and there are no funds requested to initiate the program.

I think the major thing to consider is that there is no immediate requirement for funding. Most of the base closures are scheduled for future years. The Department of Defense is aware of the problem, and I think will request corrective language and money in future budgets. But there is nothing before us now and the Department of Defense actually requested that we not fund for this program at this time.

Mr. KUNKEL. There is only one point on which I would disagree with the gentleman, that is, that it is not needed at this time. I realize the insuperable difficulty with which the committee was faced without a budget request and without a request from the Department of Defense. But there is an immediate need because in the Middleton closing, for instance, a great many of them have already left and others are going to leave in the very near future, and if they cannot dispose of their houses or are not given this particular form of aid then they will have to sell their houses at a tremendous loss.

Mr. SIKES. I believe these homeowners will realize that the Department of Defense is aware of their problem, and that the Department apparently expects to take steps to try to alleviate the situation, they will have a stabilizing influence.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from California, the ranking member of the subcommittee.

Mr. McFALL. I believe the gentleman from Florida in his statement made reference to the information which the committee has received from the Secretary of Defense, Mr. McNamara, in a letter dated August 5. I feel that a quotation from that letter in the RECORD would be important to the understanding of the important problem which the gentleman from Pennsylvania [Mr. KUNKEL] raises at this time.

In the last paragraph of that letter Mr. McNamara says:

> I consider that this complex problem requires a most careful study and I have recently directed that it be undertaken. Among matters to be determined are the categories of personnel to be considered for relief and the degree of relief which would be appropriate through extended development of optimum working relationships with other interested Government agencies. It is considered that this study will furnish the basis for appropriate recommendations to be presented to the Congress in January 1966.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield further?

Mr. SIKES. I shall be glad to yield further to the gentleman from Pennsylvania.

Mr. KUNKEL. I appreciate the gentleman yielding further to me and I want to express my appreciation to the gentleman from California [Mr. McFALL] for the contribution he has made. Also, if there are any changes that the Department of Defense wants to have in the form of amendments there is another party in the other body who was instrumental with me in having this amendment in the House bill and who will cooperate with me in securing the needed changes in order to satisfy the Department of Defense so that active steps can be taken by at least next January and perhaps in the supplemental appropriation bill for this year.

Mr. SIKES. The gentleman is discussing a serious matter and the committee recognizes its importance.

I shall now yield to the gentleman from Florida [Mr. CRAMER].

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. The gentleman from Alabama [Mr. EDWARDS] desires to discuss the same subject matter in which I was interested.

Mr. SIKES. I yield to the gentleman from Alabama [Mr. EDWARDS].

Mr. EDWARDS of Alabama. I thank my good friend from right across the State line, the chairman of the subcommittee.

Mr. SIKES. Yes; I have a great deal of interest in the gentleman's district and its people. I claimed in part to be their Congressman when they did not have one of their own.

Mr. EDWARDS of Alabama. That was before I came here, I am sure the chairman would like to point out.

Mr. SIKES. I accept the correction.

Mr. EDWARDS of Alabama. Of course, Mr. Chairman, you know that Brookley Air Force Base in Mobile is being phased out, and in the same vein as the gentleman from Pennsylvania presented his remarks, I would like to say that by the time this appropriation bill is signed into law there would be over 1,000 Brookley employees already transferred out of the city. I feel there is an urgent need in future appropriation actions to see that the Department of Defense gets into this matter promptly, because there are many confused and bewildered people in Mobile at this time, or people who have already gone to Sacramento or some other points who are uncertain as to just what the situation is going to be in housing in the Mobile area.

The housing situation is in a depressed state at this time and was in such state before the closing of the base.

Mr. SIKES. Regrettably, this is one of the inevitable features which is associated with base closings, and as the House knows, I have serious concern about the advisability of many of the closings that have been announced. I appreciate the gentleman's comments and I share his concern. It is one which is justified.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my distinguished friend from North Carolina.

Mr. JONAS. I think the gentleman from Pennsylvania ought to know that one of the concerns of the Secretary of Defense is that the language in the legislation to which reference was made would require the acquisition of these properties on the basis of average prices for similar properties sold during "a representative period" and do not relate to the reimbursement of the serviceman for any equity he might have in the property. The Secretary of Defense says that the language would be most difficult to administer. There would be many conflicts and disputes over what is a representative period, and so forth.

I would suggest it is possible the language in the authorizing legislation, the section of the Housing Act, ought to provide that the maximum liability of the Government would be to reimburse the serviceman for what he has in the house rather than a possible profit.

Mr. KUNKEL. I think that could be adjusted. I might say to the gentleman from North Carolina this came up in a great hurry. Senator CLARK was trying to draft suitable legislation in the Senate, and I was going to introduce the same legislation in the House. All of a sudden this opportunity to get it into the housing bill came up, and we only had a day or two in which to put it in. We are both, I am sure, well aware of the fact that under the circumstances our language was apt to be slightly faulty.

Mr. SIKES. The committee understands the problem. It is something that will have to be handled at a later time.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Florida.

Mr. CRAMER. Mr. Chairman, I have listened to the gentleman's discussion, my distinguished colleague from Florida, with respect to the Strike Command Headquarters, which will cost approximately $4.2 million at MacDill Air Force Base, which I understand was authorized by the military authorization in both the House and Senate. In looking over the testimony relating to this matter in the hearings beginning on page 721, it is a little vague to me exactly what was the import of your interrogation. It certainly was not the intention of the gentleman, was it, to question the decision of the military in deciding where this strike command should be located and thus, whether headquarters building should be built? The decision to locate the Strike Command at MacDill was made initially in 1960 on a temporary basis and permanently back in 1964. I am deeply concerned if this decision is now being questioned.

Mr. SIKES. Many times in this bill there were times when members of the committee, including its chairman, queried defense witnesses as to how carefully they had looked into the availability and usability of other facilities which already exist in lieu of programing new construction. This is one of those instances that does not commit the committee for or against the location of any building at any place but reflects our desire to avoid expenditures which are not essential.

Mr. CRAMER. As I understand it, Colonel Tilton, in the drawings on page 727, indicated a decision had been made in December, 1964, to make this a permanent Strike Command Headquarters. Of course, the gentleman well knows that back in 1960 and 1961 when they were talking about phasing out certain B-54 bombers and threatening to close MacDill this survey took place, and a review of it is contained on page 729 of the committee hearings. I was Congressman from the MacDill area at that time and Eisenhower's administration decided to locate the Strike Command at MacDill. It had been determined on the merits that of all bases available that MacDill was the best available for the Strike Command Headquarters. I concurred in that decision and assisted the local people in making their presentation in support of this decision.

Mr. SIKES. The decision of the committee to forgo construction of this administrative facility is on a par with others of similar nature in the bill. Here is a headquarters facility which can be utilized in its present condition for another year. There are other things that are more urgently needed. After all it is the taxpayers' money. We feel a responsibility to use it to the best possible advantage. We seek not to spend money if we can properly avoid spending it. The question may come before the committee for later consideration if the Defense Department feels new headquarters facilities at this location are necessary.

Mr. CRAMER. Did not the Defense Department have plans for the building which are 80 percent completed?

Mr. SIKES. The building was not denied on the basis of the status of the plans. It was denied because there are existing administrative facilities which are available for the time being. This is one of several headquarters or administrative facilities which the committee considers are less important than items such as housing and training facilities, and these were given higher priority.

Mr. CRAMER. I differ with the gentleman relating to this matter, having read the testimony, and believing construction should go forward and that there is no legitimate basis for reopening the question of the permanent location of Strike Command at MacDill which seems to be inherent in the gentleman's interrogation of the witnesses.

Mr. SIKES. My good friend and I have differed before, but I am always glad when we can achieve a meeting of minds. Frequently we do.

Mr. CEDERBERG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Florida [Mr. SIKES], the able chairman of our subcommittee, has discussed this legislation in great detail. Therefore, I am going to take a very brief amount of time to touch a few subjects which I believe are of enough importance to bear repetition, and some things which ought to be called to the attention of the House.

I am sure the gentleman stated—and I wish to reemphasize it—that we present to you a bill on military construction which has the unanimous support of every member of the subcommittee on both sides of the aisle.

This, of course, is not in itself a really controversial bill. I am sure we all recognize the importance of military construction, and adequate military construction, in carrying out the defense commitments of our country around the world. I believe we have in this legislation provided the essentials in this area of military construction to do the job.

I am sure we are all aware of the situation taking place in southeast Asia. If there were one criticism I would have in the area of military construction, it is that the Defense Department probably failed to anticipate soon enough the needs for military construction in that area. Therefore, it has been necessary in the past few months to come in with lump sum requests both in the area of authorization and construction. We as a subcommittee, and the House of Representatives as a whole, have met these requests of the administration. However, I believe that now the situation should be such that beginning next year the Defense Department should be able to come in using the normal method of requesting funds for military construction in the southeast Asia area. We ought to be able to do it on an advanced line-item basis.

We recognize that in situations of this kind emergencies will occur, and we have already indicated we are able to meet these emergencies. I believe we ought to be able to do it before the fact instead of after the fact, as we have been doing.

As the chairman said, the Department of Defense has been advising us as these experiments have taken place, and we commend them for that.

I refer Members to one item on page 11 of the report, under Research and development. We indicate a concern for the duplications which are taking place in the area of research. This is not only true in the Department of Defense but also true throughout the entire Federal Government. I recognize that this is a very difficult subject, and there is going to be some duplication. It is not possible, in such a broad field, to do away with all of it.

But we call to the attention of the various agencies—the Army, Navy, Air Force, Marine Corps, and Defense Department—that we feel they ought to continually look into the matter and do as much as they possibly can toward eradicating this duplication.

There is another matter which ought to be called to the attention of the House. Members will recall that a year or so ago we authorized an increase in the strength at our military academies—West Point, Annapolis, and the Air Force Academy.

Of course, this requires an additional expenditure in the area of military construction. At West Point there will be a considerable amount of money not only to take care of the new cadets we will have, but also we have a backlog of construction there. It will cost over $100 million. I spent a day at Annapolis a month or two ago looking over the installations there. Certainly the science building provided for in this legislation is vitally needed. I am sure that anyone who goes there and looks the situation over will agree with that. Also the Air Force Academy, which has anticipated an increased number of cadets, will require additional financing.

Now, so much for the general statement on the needs of our military construction. There are a couple of other areas that I would like to touch on briefly. First, military housing. This is an area where we all have a reason to be concerned because some of our servicemen are living in inadequate housing. We on our subcommittee appropriated for the maximum amount of housing for our servicemen allowed under the authorization. I believe it important that we do so. If we are going to expect our young people, our young men in the service, to reenlist, then we are going to have to provide the kind of housing and other assurances which will make it attractive for them to do so.

In the hearings I referred to the rent supplement program which was passed in connection with the housing bill we had here on the floor of the House recently. It seems completely inconsistent to me that we have a rent supplement section in our housing bill and yet some of our military people, who are going to be called on to go overseas in order to fight for our country, are without adequate housing. In the colloquy that I had with Mr. Ignatius and Mr. Reed, of the Department of Defense, therefore, we discussed this matter of the eligibility of our young servicemen to apply for rent supplements under that program. They have promised, according to the testimony, to look into this matter.

I understand that there is some question in some quarters in the Government as to the eligibility of our servicemen to apply for rent supplements under the housing program. I see no reason at all why our servicemen should not be allowed to apply for these rent supplements as well as any other citizen can. He is a citizen for the United States and he is in the Armed Forces of the United States. In almost every instance he not only qualifies, but he is eminently qualified by reason of the salary he is paid and the allowances he has. He is definitely qualified for rent supplements. Therefore, I call on the Department of Defense to explore the possibility of making sure that our young servicemen are allowed to have rent supplements the same as any other citizen of the United States can.

When the hearings are held next year I intend to ask some questions on this subject in order to find out whether or not our young servicemen are being discriminated against in the handling of the rent supplement program by HHFA. I certainly hope to find out that they are being included in it. As a matter of fact, the record will indicate very clearly that we have more servicemen eligible for housing under the criteria of the legislation passed by this body than there probably are rent supplements available. I for one believe that we ought to give our needy servicemen, who have families, first priority. We are going to take them into the service, and we want to keep them there. We are going to ask them to go to southeast Asia and other parts of the world in order to fight. Why do they not have first priority? I think they should have it.

Another matter mentioned by the chairman is the matter of FHA foreclosures. We stress in the report the desirability of having the Department of Defense making sure that where it is at all possible these foreclosed FHA homes are used by the military. I recognize one of the problems here is that so many of these are located in areas where it is not practical to do so, but wherever it is practical, they most certainly should be used.

I have one other point and then I will close. This is an issue that has appeared in our papers for some time; namely, the use of Bolling Air Force Base. I recognize that this is not a situation which comes under the direct jurisdiction of our subcommittee. It more properly comes under the jurisdiction of the committee chaired by the gentleman from South Carolina [Mr. RIVERS] who is the chairman of the Committee of the Whole today.

We have read a great deal about disposing of Bolling Air Force Base and the building of other facilities for other Government agencies at this location. As far as I am personally concerned, after sitting on this committee and looking at some of the needs, and anticipating some of our future needs, I would most seriously urge that we be very cautious about turning over Bolling Air Force Base to the General Services Administration as surplus. I think that this is a matter that ought to be thoroughly studied and that the Defense Department should reserve for future needs this acreage at Bolling Air Force Base.

Another thing to which I think I should call attention of the House is that we on the Military Construction Subcommittee had no jurisdiction over the building of the Forrestal Building at 10th and Independence Avenue for some $30 million-plus to house employees of the various Defense agencies that are scattered in several buildings throughout the city. This was done by the General Services Administration.

As far as I am concerned personally, as to this building that will cost $30 million-plus and the request for a Defense Intelligence Agency Building in Arlington Hall for $17 million-plus, I might say that the $17 million-plus estimate is really a guesstimate, because the plans really have not been started as yet and it would have been wiser, in my opinion, to place these two buildings in the Bolling Air Force complex and have what you could call a small Pentagon in that area, with the ability to expand, because it seems as though we are always expanding, and to do anything else with this property would, in my opinion, prove in years to come to be unwise.

Mr. BROYHILL of Virginia. Mr. Chairman will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Chairman, the gentleman from Virginia finds himself in a somewhat awkward situation in that one of the communities which he has the honor to represent is opposing the construction of a very attractive building which has been proposed by the Defense Department while the Representatives of a lot of other areas in the country are resisting the closing of military installations.

I want to assure the gentleman and to assure the Congress that it is not indifference on the part of our community of Arlington County to its responsibility as a community here in the Nation's

Capital area to cooperate with the Federal Government in providing sites for governmental installations and housing for Federal and military people. On the contrary, Arlington County does recognize its obligation to assist and cooperate with other communities as well as the Federal Government in the orderly development of this Nation's Capital area. Arlington also shares the concern of the Federal Government for preserving the beauty of the area.

However, our community, the governing body of Arlington County, is very much concerned about the location which has been selected for the construction of a building for the Defense Intelligence Agency in Arlington. It is a residential area which cannot absorb the impact of any large office or commercial type structure, such as this would be. The traffic situation is already acute in that particular neighborhood and it would be made more severe with a further enlargement of existing facilities.

The community is in hopes that they may be eventually able to get some of this property returned to the community for its own use and its own development, possibly for educational or recreational.

On the other hand, I want to assure the gentleman and the Congress that the northern Virginia area as a whole, Alexandria and Fairfax, as well as Arlington, would like to have this Defense Intelligence Agency Building constructed in northern Virginia; and that there are many sites or areas which would be even more suitable and acceptable for such a facility.

I am very disappointed that the chairman of the subcommittee did not give our community more assurance that this denial of funds would be a little more permanent than just merely a deferral for the completion of more detailed plans and specifications; but I am hoping the committee will consider possible alternative sites and will require the Defense Intelligence Agency to review other sites and consult a little bit more with the community of Arlington before they come forward with further requests for these appropriations.

Mr. CEDERBERG. I recognize the concern of the gentleman from Virginia, who so ably represents that part of his State, in regard to this complicated subject.

I am sure the gentlemen also recognize that the Department has considered a site out in the McLean area near the Central Intelligence complex.

I realize that as a Representative from that district he properly desires that this installation be located in northern Virginia.

As for my own personal opinion—and I express it as only my opinion and not that of anyone else—this probably could well be placed at Bolling Air Force Base and a look taken at other construction that could be consolidated at this location.

I recognize that in the hearings there was some concern expressed regarding the traffic congestion problem and so forth in getting in and out of Bolling. However, wherever a building of this type and size is constructed, there will be some traffic congestion and we have to recognize that fact. We are going to experience this when we put 10,000 employees at 10th and Independence Avenue. This is one of the problems of concern to the government officials of Arlington County.

I can say to the gentleman from Virginia [Mr. BROYHILL] that as far as I am concerned I have serious reservations about the advisability of placing this particular building at Arlington Hall.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield further?

Mr. CEDERBERG. Yes.

Mr. BROYHILL of Virginia. I feel that the committee and the Congress should also be advised that the Arlington County government does resent the fact that the Defense Intelligence Agency officials did not properly consult with the representatives of Arlington County as they were instructed to do by the Committee on Armed Services, both of the House and the other body. So, they feel that they have not had their proper day in court with the Agency itself.

The Subcommittee on Armed Services did hold a hearing on the matter last year and did defer including it in the military construction bill of last year. But this year they feel that the proper time had been provided for consultation between the Defense Intelligence Agency and the community and therefore they did include it in the authorization bill. But I would like to inform the Congress here and now that there has not been proper consultation and consideration given to the community of Arlington by the Defense Intelligence Agency, as they were instructed to do by a committee of the Congress. I hope that future requests for these funds will be denied until proper consultation has been made.

Mr. CEDERBERG. I would suggest for the record that both the Defense Intelligence Agency and the officials of Arlington County get together on the issue, in other words to discuss this matter more fully before it comes before us again for funding. I can assure the gentleman only as one member of our subcommittee that we will take a good hard look at it, because we do have some concern about this as well.

Mr. Chairman, I understand that there are going to be amendments offered to this legislation. As far as I am personally concerned—and I am sure it is the position of the members of the subcommittee—we think the legislation as presented to you, this appropriation, is in the best interest of the Government and it should be passed in its present form.

Mr. Chairman, I reserve the balance of my time.

Mr. SIKES. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Chairman, I rise in support of this legislation. However, I have serious doubts as to the wisdom of the deletion of a proposed headquarters building for U.S. Strike Command. This headquarters building is to be located at MacDill Air Force Base in Florida and is programed to cost approximately $4 million. It is sorely needed to enable Strike Command to perform its military mission. Strike Command is a joint command, involving all branches of the service. Its responsibilities are global and its work period extends around the clock and around the calendar. There is no existing facility in the United States to properly house this headquarters and, in my opinion, and in the opinion of the Department of Defense, it is essential to build this headquarters as soon as possible.

I regret that after this headquarters had been approved by the House Armed Services Committee, voted upon by the House, and had been approved by the Senate Armed Services Committee and by the Senate without a dissenting vote, the House Appropriations Committee did not see fit to fund this needed facility at this time.

Mr. Chairman, I strongly urge that an appropriation be made for Strike Command headquarters as soon as possible.

Mr. CEDERBERG. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I do not plan to take the entire 15 minutes although it is well to have ample time available. I do not intend to engage in a detailed discussion of the bill.

The committee has filed with the bill a 56-page report containing a complete statement of the reasons for the actions taken. The report shows a State-by-State, project-by-project breakdown of the items funded in the bill. Anyone interested in military construction in his district can readily find all of the answers by consulting the report. So, I am not going to take the time of the Committee today to review in detail the contents of the bill or the report of the committee but will recommend that Members interested in particular items consult the report, and I think they will find the answers to any questions they may have.

May I say at the outset that it has been a pleasure to serve this year under the chairmanship of the distinguished gentleman from Florida. This is the first year he has served as chairman of our subcommittee. We both have served prior to this for several years under the chairmanship of our former colleague, Harry Sheppard, who retired from the Congress at the end of the last session. The other members of the subcommittee have worked in complete harmony with the chairman and with each other. We have not had any real arguments. We have had some debate, we have had some discussion. I doubt if six Members of Congress could be found who would agree absolutely on every single item in a bill which provides for hundreds of construction items in every State of the Union and overseas; but any differences were easily resolved. We are all men of reason and good will, and we have, as the gentleman from Michigan pointed out, brought to you a unanimous report today. I join the gentleman from Florida, chairman of the subcommittee, and the gentleman from Michigan, the ranking minority member, in urging this committee today to approve the bill presented to you and now under consideration.

While the bill under consideration is $293,505,000 below the budget estimate submitted by the President, the Committee on Appropriations cannot take full credit for the reductions because the Committee on Armed Services, which first considered the budget requests, reduced the $2,049 million requested in the budget by $183,029,000 or down to $1,865,971,000.

So our committee only considered $1,865,971,000 in requests because we had to eliminate automatically the items accounted for in the reductions made by the Committee on Armed Services since we cannot fund any items unless they are authorized.

Even so, our committee made substantial reductions in the authorized items and our reductions amount to $110,476,000 out of the $1,865,971,000 authorized.

Even with these substantial reductions from the funds requested in the budget, amounting as I have said to $293,505,000, the services will not be starved for funds since they have $599,500,000 in estimated unobligated balances carried forward from previous appropriations.

If the bill before you for consideration today becomes law, the services—regular and Reserve—will have $1,666,035,000 available for obligation in 1966—and this is exclusive of family housing for which this bill carried $683,960,000.

And if you consider expenditures instead of obligational authority, the record shows that there will be available for spending in 1966 a total of $2,483,835,000—again exclusive of family housing.

So while the need is great, you can tell from the figures just listed that a very substantial sum of money is available to pay for military construction in 1966.

In considering the funding program for 1966, the committee followed several general guidelines:

First. Projects were eliminated or funds reduced where plans and designs were considered inadequate. For example, last year there was a request to approve funds in the amount of $18,400,000 for the first of several increments of a supposedly orderly expansion and renovation program at West Point. This year there was a request not only to approve funds for the second increment but to increase the funding level for the increment of the previous year by $7,769,000. This is an increase of over 30 percent over the estimate submitted last year and indicates the need for the submission of funds based upon sound plans and designs.

Another example was the request for $17,900,000 for the construction of an operations and academic building for the Defense Intelligence Agency. At the time of the committee hearings the architect-engineer contracts for the preparation of design and specifications had not been awarded, and the schedule for construction did not call for completion of the preliminary design until June of 1966, with completion of final design and specifications not scheduled until February 1967, with the hope to award the construction contract by April 1967. This indicated to the committee that cost estimates submitted were based on sketchy and inadequate studies and the committee therefore felt justified in denying the request for these funds.

Second. Projects were disapproved that were not clearly essential to the military requirements of the Nation at the present time or in the foreseeable future. For example, in view of the increasing need for military hardware in view of the stepped-up activity in Vietnam, and in view of the increasing need to upgrade living quarters for our servicemen, the committee felt justified in rejecting funds for the construction of many commissaries, recreational facilities, service and officer clubs, when reasonably adequate facilities exist either on base or in nearby communities.

A review of the committee report will show in this year's bill the stress is on improved living quarters for military personnel, including on-base family housing. The committee feels that it is important to provide our servicemen with satisfactory living conditions since this contributes to morale and should make it easier to retain servicemen who have been trained and who have acquired the skills that are necessary in any modern military organization.

In past years the major segments of military construction programs have been for facilities to provide operational support of new weapon systems and forces necessary to establish the strategic nuclear retaliatory and defense capability of this country in the event of a nuclear attack. During the past 10 years the buildup of an airbase system to support our nuclear capability, including the manned bombers of the Strategic Air Command and, more recently, the intercontinental ballistic missile program, has taken place. At the same time, facilities in support of the Navy submarine launched ballistic missile, Polaris, have been provided. The air defense of the Nation has been improved by the construction of facilities in support of the Army family of Nike air defense missiles. In addition, communication and early warning systems, such as the ballistic missile early warning system, have received primary attention. During this period of time special consideration had to be given to training and classroom type facilities necessary to meet the constantly increasing requirements for well trained personnel fully prepared to operate these new and intricate weapon systems. The Department of Defense has been reluctant to increase its military construction budget sufficiently to provide for this essential construction and at the same time to permit a higher number of improved living quarters.

The virtual completion of these more critical facilities now makes it possible to place the major emphasis of the military construction program on the long neglected efforts to improve and modernize the basic capital plant, particularly those facilities concerned with providing troop housing and other support facilities for mlitary personnel. The committee considers it essential that this modernization now be carried forward most vigorously. Major emphasis on this phase of the construction program will not only provide our military personnel and their families with a more proper standard of living, which should improve morale and reenlistment rates, but will also serve to reduce maintenance costs by eliminating obsolete and aging facilities from the real property inventory.

One factor which has resulted in lower reenlistment rates and in the loss of skilled military personnel has been the lack of adequate housing and homes. The committee will expect continued emphasis in this important area by the Department of Defense until a better standard of barracks, bachelor officers quarters, and family housing is achieved.

Emphasis continues to be placed on the construction of medical facilities as a portion of the long-range program to replace inadequate temporary World War II mobilization hospitals. Funds are included for the construction of seven new hospitals as well as for various other medical facilities, such as dental clinics, dispensaries and laboratories.

BASE CLOSURES

I think no one would question the advisability of closing bases and facilities which are no longer required for the security of the United States. But exaggerated claims of savings to flow from such closures require examination. The committee undertook to examine some of the claims of substantial savings from closures and found that in some cases the costs of recruiting and training personnel to replace skilled personnel lost as a result of the closures were not included when the estimated savings were tabulated. Moreover, new construction costs to house activities transferred from the closed bases should be considered in estimating net savings flowing from the closures.

For example, on November 19, 1964, the Secretary of Defense announced actions to consolidate, reduce, or discontinue 95 military installations in the United States and overseas. On July 14, 1965, there was delivered to each Member's office a 14-page memorandum prepared by the Secretary of Defense containing a claim of substantial savings flowing from base and installation closings, including the elimination of 147,801 jobs. Attached to this memorandum was a shiny 53-page brochure also prepared by the Department of Defense which is being distributed to Governors, mayors, editors, commentators, and other molders of public opinion throughout the country. My office was informed by the Department of Defense that the cost of preparation and distribution of the brochure will be in the range of $50,000 to $70,000. It is quite an elaborate propaganda document and designed to convince the public that substantial economies have been practiced in recent years by the Department of Defense.

But nothing was said in the 14-page memorandum or in the shiny brochure about the cost of transferring activities to other bases, the recruitment and training of new personnel to replace those occupying the 147,801 jobs that were eliminated in the program. Nor was anything said about the new construction required to house the transferred facilities. Testimony before the committee disclosed that new construction costs resulting from the closure actions announced on November 19, 1964, will be approximately $76,700,000 and of course this does not include future costs of upkeep and maintenance.

It is also important to keep in mind the difference between acquisition costs of released properties and disposal receipts. On this point, I invite your attention to a statement made by Assistant Secretary of Defense—Installations and Logistics—Ignatius on April 13, 1965, before the committee. This statement appears on page 30 of part I of the hearings from which the following is quoted:

> During the period July 1961 to June 30, 1964, the General Services Administration actions resulted in further Federal utilization of 329 properties originally costing $420 million and disposal of 1,817 surplus properties costing $2.046 billion. Included in these disposals were sales of 781 properties with an acquisition cost of $1.142 billion for a sale price of $247 million.

So while we all applaud the consolidation of military installations wherever possible and the disposal of unnecessary facilities no longer needed for the defense of our country, we should understand that many of these activities are not being abandoned but are merely being transferred to other bases and installations and the total cost of such transfers, including the training of replacement personnel, the construction of additional facilities, and the recurring costs of maintenance and upkeep, should be considered on the question of net savings to the taxpayers as a result of actions taken by the Department of Defense. Moreover, when 781 properties with an acquisition cost of $1.142 billion, are sold for $247 million, the question naturally arises whether the Government received a fair price for the disposed properties or whether the purchasers received an extraordinary bargain.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for going into this subject. I had intended to get a few minutes under the 5-minute rule to ask some questions about the claimed savings under the base closings by the Secretary of Defense.

The gentleman has mentioned some of the elements of expense which go into base closings. I am sure he is well aware of the costs of relocation of employees who are moved from one section of the country to another. Today we are undertaking to finance all that.

Mr. JONAS. I am indeed and I would point out that are we are being asked to provide a substantial number of new employees for the Defense Department for the Vietnam buildup, and nothing is said in this shiny expensive brochure about these additional costs. The inference is left in the 14-page memorandum that DOD abolished 147,000 jobs and did not replace any of those people with other employees.

Mr. GROSS. I hope that the housing which is authorized in this bill for members of the Armed Forces will go to bases and installations where there is definite assurance they will not be closed. I hope we are not again going through the costly procedure of building up bases and then abandoning them. I hope the commitments made with respect to housing construction will be on bases where there is no present thought of closing.

I hasten to add that, along with the gentleman, I would certainly not try to defend the operation of a base which had no value whatever to the military services.

Mr. JONAS. I agree with the gentleman 100 percent. I applaud the efforts of the Secretary of Defense to eliminate unnecessary and unneeded military installations. But I do not believe the exaggerated claim of these billions of dollars of savings will actually stand up. They are not net savings because the additional costs have not been taken into consideration.

I should like to call the attention of the gentleman from Iowa to another thing which troubles the committee about this situation. The gentleman will recall that the 95 base closings were announced November 19, 1964. The ink was hardly dry on the military construction bill for that year when the announcement was made. That is a little exaggerated, too, because Congress adjourned several months prior to that announcement, but the very year that the announcement was made the Defense Department and service witnesses came before the committee and established to our satisfaction the need to construct about $14 million worth of items on the very bases that were announced to be closed 2 or 3 months thereafter.

When you have an experience similar to that, it gives the committee cause to wonder whether we are getting the right sort of information from the Defense Department witnesses. I think that the Defense Department witnesses who came before the committee and who justified this $14 million in the construction costs of bases that were to be closed a few months thereafter should have been informed by the Secretary of Defense that these bases were under consideration for closing. I say that because I just cannot believe that there was a sudden decision made between July and November to close 95 bases.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. JONAS. I yield to the gentleman.

Mr. GROSS. That is why I think the Congress was most wise in providing through the Armed Services Committees of the House and the Senate for that 120-day provision during which time the Secretary of Defense must notify the Congress of the bases or installations that he proposes to close. Then we have a chance to take a look at what he proposes in the light of improvements that have been made as well as other factors.

Mr. JONAS. I certainly think the committees which have the responsibility for recommending to the Congress the funding of military construction projects ought to be kept fully informed by the Department of Defense about the prospective closing of a base in the future. We went into that right carefully. Under the direction of the chairman of the subcommittee we undertook to close this door. We were specifically advised by the Assistant Secretary of Defense for Facilities and Logistics that there are no items in the current bill for projects on bases under consideration for closing. Actually, the Department of Defense withdrew one request for funding of a project because of the determination after the budget was prepared that this project was scheduled for construction at a base which was under consideration for closing.

FAMILY HOUSING

The cost of providing adequate housing for servicemen is increasing and is substantial. The total budget estimate for this year's program for new construction, alteration of existing housing facilities, debt payments, and operation and maintenance amounted to $735,600,000. The committee recommends $683,960,000, which is $51,640,000 below the budget estimate and $52,809,000 above the appropriation in last year's bill. The following table breaks down this cost between new housing, debt payments, and operation and maintenance expenses:

	Budget estimate	Authorization bill	Recommended in bill
Construction:			
New housing units	$228, 434, 000	$178, 123, 000	$178, 123, 000
Other construction	22, 986, 000	22, 986, 000	22, 558, 000
Less construction savings	5, 520, 000	5, 520, 000	5, 520, 000
Total	245, 900, 000	195, 589, 000	195, 161, 000
Operation and maintenance, and debt payment:			
O. & M.	327, 202, 000	326, 301, 000	326, 301, 000
Debt payments	169, 630, 000	169, 630, 000	169, 630, 000
Less reimbursement	7, 132, 000	7, 132, 000	7, 132, 000
Total	489, 700, 000	488, 799, 000	488, 799, 000
Grand total	735, 600, 000	684, 388, 000	683, 960, 000

While the Deputy Assistant Secretary of Defense—Family Housing—testified on page 309 of part IV of the hearings that "would attempt to utilize the community to the greatest extent possible. In fact, we prefer that the greater portion of our people live in the community," the committee is not convinced that sufficient advance negotiations with community homebuilders are conducted at the local level. The committee has received complaints from local builders near specific installations of the lack of information on long-range housing requirements. These complaints have been called to the attention of the representatives of the Office of the Secretary of Defense and the military services at the Washington level and has been assured that efforts will be made to acquaint local builders with the need for additional housing well in advance so that builders in the local communities will have every opportunity to provide the necessary housing without requiring the use of taxpayers' money for construction.

Section 810 of the National Housing Act as amended by Public Law 86-372 authorizes the Federal Housing Administration to insure mortgage loans on privately financed family housing built for sale or rent to military personnel, where such housing is determined to be in the interest of national defense. The general purpose of this section is to provide family housing on a rental basis and to reduce the requirement of appropriated funds for construction and maintenance of military family housing. However, such authority is limited to 5,000 family units. Of this number, 1,252 have been allocated to defense agencies of the Government other than the military services and the remainder to the Department of Defense. Of the allocation to the Department of Defense 1,428 units have been completed, 718 units are under construction, and commitments have been issued for the construction of 200 additional units. Applications are under review for about 1,300 additional units.

The Military Construction Authorization Act of the last Congress (Public Law 88-390) requires specific line item authorization for any project to be constructed under the authority of section 810. The committee feels that this limitation is working to the detriment of the military family housing program. The committee joins other congressional committees involved with the family housing program in their concern to provide a proper review of military housing requirements and projects. Certainly, however, steps can be taken by the Department of Defense and the legislative branch of the Government to meet this review requirement short of continuing to rely entirely on the present crippling limitations. The Department of Defense is evidently in agreement with this committee that if it were not for this limitation there would be considerably greater utilization of section 810 and a corresponding reduction in costly new construction of family housing by the military services plus improved relations with the communities themselves. The Department, therefore, should immediately take steps to make adequate provisions for a realistic review of the specific projects involved with those concerned with the military family housing program; and request removal or revision of the existing limitations so that greater utilization can be made of this portion of the military family housing program.

The committee has also been concerned over the inability of the services to make maximum use of foreclosed houses now in the FHA and VA inventory, and has been insisting that the Department of Defense aggressively explore the possibility of utilizing these foreclosed properties. As a result of these efforts, plus an assist from the General Accounting Office, the Federal Housing Administration and the Department of Defense have recently formulated plans which will make additional FHA properties available to the services on a long-term rental basis. But at locations where the FHA is unable to make such long-term rentals, consideration should be given to the utilization of these properties through short-term rental agreements. And the committee recommends that consideration should also be given to the transfer of title of FHA or VA required housing to the Department of Defense at locations where such housing is available and there is a requirement for additional housing by the services. A continuing and aggressive program along these lines will, in the opinion of the committee, produce additional housing at substantial savings to the taxpayers.

The authorizing legislation provides for the construction of 9,500 new housing units in fiscal year 1966. Selection of the location for these units has been made by the Department of Defense and the list was approved by the committee. The approved program for each installation involved is shown in the report beginning on page 38.

Attention is invited to the comment of the committee on page 38 of the report concerning another problem that has attracted the attention of the committee for several years. The Department of Defense has been making payments to the Federal Housing Administration for mortgage insurance premiums on Capehart and Wherry housing projects taken over by DOD. The committee has questioned the desirability of the payment of insurance premiums of this type by one Government agency to another. As a result of expressions of dissatisfaction over this situation by the committee and by the General Accounting Office, the Office of the Secretary of Defense and the Federal Housing Administration have conducted negotiations which resulted in substantial reductions in the premiums to be paid in fiscal year 1966. The committee has recommended that these negotiations continue in the hope that arrangements can be made to eliminate entirely the requirement that the DOD pay mortgage insurance premiums to the FHA. Certainly the assumption of the mortgage indebtedness by the Department of Defense should provide adequate protection against any losses to FHA.

I could discuss this bill at greater length but have already consumed too much of the Committee's time. I close now as I opened by urging the Committee of the Whole to approve the bill as written, because it is the unanimous view of the subcommittee that it represents a fair and reasonable funding program for next year and will provide the services with all of the essential facilities to preserve and maintain the security of the United States. At the same time it will practice economies where economies should be practiced, that is, in the nonessential items.

Mr. SIKES. Mr. Chairman, I yield such time as he may require to the distinguished gentleman from California [Mr. McFall], the ranking majority member of the subcommittee.

Mr. McFALL. Mr. Chairman, I rise in support of this legislation. It has been so well discussed in detail by other members of the subcommittee that it will not be necessary for the information of the members of the Committee of the Whole for me further to discuss it. However, I would like to point out to the members of the Committee the truly magnificent job which has been done by the chairman of the subcommittee, the gentleman from Florida [Mr. Sikes] in putting together this $2 billion bill for military construction in the United States and throughout the world. I commend to the Committee the job done by the other members of the majority, the gentleman from Maryland [Mr. Long] and the gentleman from New Jersey [Mr. Patten], and I also wish to commend the gentleman from Michigan [Mr. Cederberg] and the gentleman from North Carolina [Mr. Jonas] for the remarkable job they have done in bringing to the committee their long experience with and knowledge of this military construction program.

I believe this is a good bill and I urge the support of the legislation by the Committee.

Mr. SIKES. Mr. Chairman, I yield such time as he may require to the distinguished gentleman from New Jersey [Mr. Patten], a member of the subcommittee.

Mr. PATTEN. Chairman Sikes, I was particularly happy to be placed on this committee at the time when the Defense Department undertook, in large measure, finding a solution to the problem of family housing on military bases. I have visited enough of these installations, looking at World War I and World War II wooden barracks and at poor housing, so I am happy that this is the year in which the Defense Department is really trying hard to give our enlisted men, especially those in the lower ranks and lower grades, better housing.

I am sure, if Congress goes along with the request, we will have less trouble retaining our men in the services.

Mr. Chairman, it has been a pleasure to serve on this committee. It has been a surprise the amount of time that has been taken since January to get every detail on this bill.

Mr. SIKES. Mr. Chairman, I yield such time as he may require to the distinguished gentleman from Maryland [Mr. Long], a member of the subcommittee.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of this bill. It is a lean bill, which nevertheless provides the muscle to support our commitments all over the world.

Mr. Chairman, I should like to say in addition what a pleasure it has been to serve under the chairmanship of the gentleman from Florida [Mr. Sikes] and with the other members of this subcommittee. I have previously served as a member of a very distinguished committee, the Armed Services Committee, one of the foremost leaders of which, Mr. Rivers, is in the chair today as the Chairman of the Committee of the

Whole. So I am used to high standards of leadership.

Mr. Chairman, I have been tremendously impressed with the job which has been done by our chairman of the Subcommittee on Military Construction, the gentleman from Florida [Mr. SIKES]. I have watched him hour after hour going over each line item, scrutinizing it from every point of view. The job could not have been done better.

I also compliment the minority members, the gentleman from Michigan [Mr. CEDERBERG] and the gentleman from North Carolina [Mr. JONAS]. We have all worked together as a team. At no point have our philosophies differed.

All in all, I am proud to associate myself with this bill.

THE ORLANDO MOVE AND OUR DEFENSE POSTURE

Mr. WOLFF. Mr. Chairman, I vote today for the Military Construction Appropriations Act because we are in a national emergency. Anything, therefore, that detracts from the full strength of our Military Establishment ultimately jeopardizes our position in Vietnam. This legislation is necessary for the maintenance of our military efficiency; ironically, it also contains a provision that would have an opposite effect. I am referring to the provision within the bill for the sum of $851,000 in connection with the proposed move of the Naval Training Devices Center from Port Washington, N.Y., to Orlando, Fla.

Mr. Chairman, a large number of skilled engineers, scientists, and technicians will not remain in the service of our Nation if the proposed transfer becomes a reality. Many have already resigned. Thus, the proposed move severely jeopardizes a program vital to our fighting men—the production of training devices and battle simulators. If one American fighting man dies because he was inadequately trained through a shortage of training devices, let this be upon the conscience of those who would disrupt this vital function.

This move has been proposed in the name of economy, and I have been given to understand by the Navy that the sum of $851,000 is the total amount required for the proposed move. I therefore call upon the Navy, if this ill-advised move takes place, not to exceed the $851,000 figure. I call upon them to make good their claim that the move can be made within that figure, and that additional funds for construction and improvements are not needed.

Mr. Chairman, I contend and have contended ever since this transfer was first contemplated, that $851,000 will not suffice to cover the cost of the move, that further millions will be needed to transfer a facility that is doing an excellent job for the Nation right where it is today.

I ask that we as a body watch developments in this matter very closely. The Navy said that this move could be made for $851,000. I will ask that the General Accounting Office make periodic audits to insure that this figure is adhered to. If the Navy has to spend more than that figure, then the American taxpayer has been deceived again, and I intend to bring the whole matter very clearly to his attention.

Mr. EDWARDS of Alabama. Mr. Chairman, in the current widespread discussions regarding our Reserve military forces it is useful that we are well informed as to contributions made by the Reserves to our national defense structure. I am happy to see that the appropriations bill continues to provide for the Reserves.

In that connection I call attention to the following two articles from the Officer magazine for August 1965:

RESERVES ALREADY IN IT

Some of the boys who like to handle their news in the managed manner are writing that there is no prospect, no matter how intense the Vietnam war becomes, that the Pentagon will call up the Reserves.

It is a sign of the times that we must accustom ourselves to inability to reconcile what is being said, and what is being done. The technique is to tell the people what they want to hear, presumably, said telling having little if any relationship to what the action is.

The fact is—and any citizen with but a second thought should know it—that the Reserves are deeply into whatever national defense problems exist—and they have been for a full quarter century.

Since 1940, when the national defense buildup began, the Nation has built its defense forces around the citizen-soldier. The great and honorable George C. Marshall was lavish in his praise of the Reserves, and in recognition of their service. He said repeatedly, both to the Reserves and to anyone else, including the Nation's lawmakers, that but for the 150,000 trained Reserve officers available in 1940 it was questionable if we could have prepared quickly enough to win World War II.

To the 150,000 were gradually added about 1 million citizen-officers, and it was they who gave their lives for our freedoms. As we reminded the delegates to the ROA National Convention, more than 98 percent of the officers killed in action in the name of freedom were Reservists.

For one 12-month period, the Army alone sustained during World War II 9,285 officers killed in action or died of wounds received in action.

Of these 8,949 were Reserve officers. Regular and National Guard sustained each 168 officer deaths.

The comment in our report was:

"The fact that there were in service, in the Army, 614,767 citizen-soldier officers, alongside 19,048 National Guard officers and 16,026 Regular officers only makes our claim to our day in court all the more binding."

At our national convention, six Air Force reservists—officer and enlisted—were presented the Expeditionary Medal for outstanding service as volunteers in the Vietnam war. The Air Force issued 300 of these medals and strangely enough the service which their presentation represented, although it is the very essence of the patriotism which guarantees our surviving an aggressor's attack, received very litle notice, either officially or unofficially although we sought to give it widest possible attention.

The many volunteers from the reservists who are serving in Vietnam or in support of that operation are not to be confused with the reservists in the Active Duty Forces.

In the Army alone, for instance, about 60 percent of all the officers are Reserve officers * * * something more than 55,000 who are in all echelons of the Army. A substantial percentage of Reserve officers also comprise the leadership of the Navy, the Air Force, the Marines, and the Coast Guard.

Thus, it is no empty boast to assert that the citizen-reservist today is making a substantial contribution to our security.

The backup or the Reserve Forces always have been vital to our national survival. The national consensus and the national law have clearly recognized this fact.

Former Army Secretary Brucker, who during one critical period in our Nation's life gave inspirational leadership to the military services, talked at our national convention about the Reserves and what they have done. He spoke of the manner in which his fellow townsmen had permitted the Reserves to be libeled and cried "shame" for the dereliction of failing to defend them.

On June 5, a C-119 aircraft—assigned to the 446th Air Reserve Wing and manned by personnel of this outstanding Reserve unit—went down, disappeared on an official mission over the Caribbean. They have not been heard of since. Even the fact that reservists have been serving in national crises has been kept almost as an official secret.

We do not believe the United States—either its Government or its people—have such a cavalier feeling toward the Reserves.

We say to Mr. McNamara and his minions—no matter what their preoccupation—"shame, shame."

The Reserves require no more attention than any other component; however, we view with distaste the thought that they would be ignored because it was embarrassing to give them recognition.

RESERVE VIETNAM/DOMINICAN AIRLIFT BRINGS PRAISE FROM TAC AND MATS

Air Force reservists have flown thousands of hours and completed approximately 1,900 missions in support of USAF, TAC, and MATS since the airlift to the Dominican Republic began, as well as continuing the support in southeast Asia.

The Reserve volunteers have flown nearly 9 million ton-miles of cargo and 4½ million passenger-miles in the 7-week period prior to July 5. C-119 Fying Boxcars and C-123 Providers have logged the most flights with C-124 Globemasters carrying outsize cargo on long-range and nonstop missions. Air Force Reserve HU-16 Albatross units have been on alert missions for rescue operations if needed.

The volunteer Reserve crews have made more than 125 flights directly in the Dominican Republic. While many of the others have been performed within the continental United States, destinations during this period have included such farflung locations as Saigon, Iceland, Greenland, Alaska, Brazil, Canada, Newfoundland, Puerto Rico, and Labrador.

In a message to the CONAC commander, Gen. H. M. Estes, MATS commander stated, "In the recent past and currently, during periods of heightened world tension, the Air Force Reserve has voluntarily made available vitally needed airlift capability over and above that normally furnished in support of our worldwide commitments. Tremendous assistance has been given by performing logistic support missions to southeast Asia. Most recently the spontaneous and enthusiastic response of the Air Force Reserve units during the execution of exercise power pack into the Dominican Republic has been most gratifying and helpful. These actions again illustrate the professionalism and ready posture of our Reserve units and the high esprit of their individual reservists, as well as full awareness of their role in our Nation's defense system. Will you extend my personal appreciation to all reservists who have so effectively participated in these vital missions."

Other words of praise for reservists have come from Gen. W. C. Sweeney, commander, TAC, who stated, "Timely and effective response from your C-119 and C-124 units during the Dominican Republic crisis has been invaluable to Air Force Atlantic's (AFLANT) airlift operations. It is recognized that many aircrews and maintenance personnel worked long hours to insure the completion of their assigned missions. Their efforts during the past weeks again highlight the need to have this airlift potential available for such emergencies. Please extend my personal thanks and congratulations to the members of your command for the professional manner in which they carried out their tasks. I also wish to commend your staff for their splendid cooperation."

Mrs. HANSEN of Washington. Mr. Chairman, last November the Department of Defense announced closure of several bases. Among them was an Air Force radar station at Naselle in Pacific County in my congressional district in the State of Washington.

The contemplated closure of this 13-year-old Naselle air base will remove from Pacific County 180 military and 20 civilian workers and their families with a payroll of more than $1 million—about 8 percent of the annual nonfarm income.

Estimates indicate that about 350 persons will be affected. Naselle School District will lose 81 students and undoubtedly also will lose Federal payments for their education as other school districts have lost such funds when defense bases have been deactivated.

Total population of Pacific County in 1964 was approximately 14,000 and the loss of the personnel now manning and serving Naselle Radar Station will mean that a substantial percentage of the population will be lost to this area.

For many years Pacific County has been one of the depressed areas under the criteria developed by the Area Redevelopment Administration. On February 1, the unemployment rate was approximately 17 percent. It has not risen above that mark for more than a few months in the last decade. Thus, the significance of the radar site at Naselle to the economic health of the community is readily apparent.

The Air Force invested considerable money in this installation. It must be presumed that its technicians knew what they were doing when in 1950 this base was built as an aircraft control and warning installation on top of a 2,000-foot mountain at a cost of about $6 million. These technicians must have known also what they were doing when an additional $650,000 was invested to convert the equipment to a SAGE heavy radar site.

Again, the Air Force technicians must have known what they were doing when in 1962 a further sum of $72,000 was invested in an improved communications system which was placed in service on November 15, 1962.

Further confidence in the Naselle site was evidenced by the Air Force when in 1963 the Naselle site was selected as a key link in the improved communications system now being built by the Air Force.

At this time, we should be reminded, also, that this Naselle Air Radar Station has an outstanding record. It has been operating when others in the immediate vicinity had broken down or in some way had failed to carry out their intended mission.

Consistently, the efficiency of the base has ranked high among similar installations.

I would like also to quote from a letter I received from Mr. Carlton Appelo, manager of the Western Wahkiakum County Telephone Co., dated January 18, 1965:

> During the past month of unusually heavy snowfall, we have been very fortunate in maintaining uninterrupted communications facilities between Naselle Air Force Station and the outside world. We have been told that the radar coverage of the site also continued without interruptions. This was not true for our neighboring sites. Mount Hebo, Oreg., had the misfortune to lose radar coverage for prolonged periods of time due to excessive icing of the radar antenna plus damage to the equipment. It was not as serious a problem as the Columbia Day storm of 1962 when the site (Mount Hebo) was out of service for many months. * * * Our neighbor to the north at Neah Bay also suffered a several-hour outage because of storm-caused damage.

This meant that Naselle, alone of the coastal sites, was carrying on its mission of protecting our Pacific coast from aerial attack.

As I explained earlier, the Pacific County area has for a good many years been one of those designated as depressed. The closure has been discussed for many months, but the problem still remains.

On January 14, 1965, I wrote Secretary McNamara as follows:

> In the Evening Star of Friday, January 8, on page A–3, the following news story appeared with the title, "Aid Says That Shut Bases Are Accepted." May I say in answer to this clipping that this statement is not quite the truth insofar as it relates to the closure of the Naselle Radar Base. Protests regarding the closure of this base have been received by many from every segment of the Naselle area. These letters with their summaries I am attaching.
>
> I was in my own district until December 9. During that time the Air Force was courteous enough to brief me in Olympia on the facts relative to the so-called overlap of radar installations in the Northwest. Captain Nevitt did this very ably, concientiously, and well. I quite understand the Department of Defense's desire to close obsolete bases and to minimize military extravagance. I join with you, Mr. Secretary, in desiring to see the upgrading of our Defense Establishment and I long have had on my mind the matter that has been of increasing concern to me and that is the selection of candidates for our military academies.
>
> Although this is extraneous to the Naselle matter, I would like to comment that sometimes it seems to me these academies have been far more desirous in acquiring suitable football players from the ranks of my high school students than in acquiring future military leaders. I also note that sometimes the capitol is almost inundated by military personnel with military chauffeurs and I know what the cost of this must be. But back to the Naselle Air Base.
>
> I do not question the Defense Department's prerogative in placing installations where it feels the security of our country is best; yet I wonder why Naselle was originally based as it was and then not continuously provided with up-to-date equipment so that obsolescence would not have been a major factor in discontinuance. There were base improvements at locations developed much later with modern stepped-up equipment so placed. Was this not extravagant? The explanation at this time of military thinking needs to be explained to Members of Congress. It should also be explained to the general public insofar as security can permit. For out of this absence of communication comes a lack of understanding upon the part of the public with the closure of any base.
>
> Very frankly, I am a Member of Congress who would far rather rely upon the genuine economic stability of developing industries, ports, rivers, and subsequent trade than to base our economy on military installations. You will note from review of my district we are probably the most minimal in the Northwest relative to military bases and defense contracts. Therefore, when a closure comes it is always a jolt to that portion of my district which has depended to some extent upon this military installation for its economy.
>
> The other evening I listened with great interest to your interview and discussion of base closures with CBS correspondent Harry Reasoner. Therefore, relative to Naselle's proposed closure, I am summarizing several facts and facets and will try to bring to your attention some of the points wherein the Defense Department and related agencies, I feel, must adequately advise and assist us.
>
> The major problem confronting us all is the solution to the structure of our economy. A poverty program in name only is no program; and Appalachia, I may say, is not the only place where unemployment is high because of the failure of good manpower training or the curtailment of jobs in industries.
>
> "For example, you and I have both heard, with a major amount of Senate discussion, about Tongue Point's location in a high area of unemployment at Astoria, Oreg. May I compare this 'high area of unemployment' with that of Pacific County where the Naselle Air Base is located. Astoria in 1963 had a 7.4-percent unemployment rate. Pacific County had 11 percent unemployment and this figure has never decreased. There are a number of reasons for this. The lumber industry is in a highly competitive position with our neighboring friendly nation to the north, Canada. Markets in the east are highly competitive. For a year we had an extension of trade with Puerto Rico and were able to ship. This has been foreclosed by the termination of that 1-year extension. Prices in water shipping are higher for American bottoms than for those bottoms going out of a port in Canada, like Vancouver, British Columbia. The Northwest lumber people, industry, and its labor have cooperated with the U.S. Department of Commerce at all times in exploring the future of the European market.
>
> We will continue in the Northwest to do everything possible to move into markets, but I am sure you realize that again we shall have the problem of competitive trade. The Northwest is 3,000 miles removed from eastern ports. Boxcars are not always available. Transportation costs are high. Markets in Asia are largely for raw material. Japan is buying a substantial part of the Northwest blow-down timber, but it is going out for processing in Japan.
>
> The Pacific County area is developing ports, but not at a swift pace.
>
> "If you will look at a map of Washington, rail and highway connections to the Willapa and Grays Harbor areas place it at a disadvantage. We are working with the Army Engineers on a possible canal program in this area which could be of substantial help to both Grays Harbor and to the Willapa ports, but this is in the investigatory stage. Many years may elapse before construction industry in Pacific County is limited to fishing and forest products. Although I did not specifically mention it in my above summary relative to forest products, we are also perpetually competitive with parts of

our own country. The minimum wage in the Northwest is much higher than that of the South. It is true that our labor market provides more skilled and better skilled workers. However, they don't work at subminimal wages.

You know the problems with fishing. Again we compete in the international market. Only this morning I discussed with a Federal official the problem of Japanese and Russian fishing.

I do believe that trade is one of the great answers to our problems today; on the other hand, we must look with brutal frankness at the problems posed.

The loss of even two jobs in Pacific County poses problems. Therefore, when you consider that the gross annual pay of military personnel at the Naselle site is $720,000 and the civilian employees total $138,000 and you realize that this is almost 8 percent of the entire Pacific County payroll, it is quite apparent that the community had depended to a considerable extent either justly or unjustly upon this defense installation.

According to the State of Washington Department of Employment Security, Pacific County for the week ending October 3, 1964, had 11 percent insured unemployed, the highest rate in the State of Washington. Compare this with the State average of 4.9 percent insured unemployment. This in itself indicates that the Naselle region has a serious economic problem.

The formerly substantial and profitable dairy industry is now also in great difficulty. I think I need not review the facets of this particular farm problem for you; for I am sure you are well aware of its difficulties.

However, Naselle Air Base did provide a substantial market for dairy products. The manager of the Lower Columbia Cooperative Dairymen's Association estimates that his firm does $21,000 gross business in dairy products with the air base and its personnel. Closure of the base eliminates this market entirely and places owners of dairy farms under additional economic stresses.

The local telephone company reports a total of 326 telephones of which 97 are connected to the air base whose revenues total $6,500. On the SAGE facility, operated by the telephone company, property taxes paid to local government totaled over $24,000 from 1960–63 and to the State tax commission over $31,000. The company payroll over the same period was $144,519.

Another tremendous problem arises and that regarding the school. There are approximately 300 families totaling 900 people in the Naselle area. About 90 families are affected by the base closure.

At the present time there are 88 children in the local schools whose presence is a direct result of the radar installation. Twenty-two of these 88 children are members of families of civilian base personnel—the remainder are children of military families. At the present time there are 19 families having 42 children in school living on the base in the Air Force housing unit. Twenty-two families living off base in private units have a total of 46 youngsters in the school.

Thus the impact on school finances will be a serious one. It should be remembered also that special school levies have been voted by local property owners to construct new buildings and to pay teachers' salaries and participate in administrative responsibilities. Some of these special levies are to be repaid over a number of years in the future and a drop in income to the community makes local repayment even more difficult.

I am sure you are able to understand that to accommodate the children of this base it was necessary to provide additional building facilities. It happens that I am very familiar with the Naselle school district for I was in the Legislature of the State of Washington when this unique consolidation began. It was one of the first areas in the State to utilize school district reorganization for economy and efficiency; and I happen to have been the sponsor of this particular school bill. Portions of two counties joined; and to accommodate the needs of these two portions, a school plant was built.

The children of the base personnel have necessitated its enlargement and improvement; but the basic tax cost, because of the laws of the State of Washington, will require all special levies for bond purposes to be paid by local taxpayers. Thus, we come to the final difficult problem posed for us.

If for reasons of economy, efficiency, and better security for the United States this base must be closed, there does remain as a moral obligation on the part of the U.S. Government—which is you, I, and every other American—an obligation to participate in the planning for a better economic future for this Naselle area and as Naselle relates to the total Pacific County.

Tongue Point, I understand, has been chosen for a training center under the Economic Opportunities Act. I am delighted this facility could be put to such use. Now it remains for all of us together to try to work out a solution to the Naselle problem. Again, frankly, I prefer to have a solidly based industry which will over the years attract, build, and develop Naselle, Pacific County, and our entire State.

As the Representative from Congress in this district, may I assure you of my complete desire to work with the Department of Defense, the Administration, the people of the community of Naselle, Pacific County, and the proper agencies in our State to develop a program; and I know from your interview with Mr. Reasoner that you share this same desire.

I would be more than pleased to confer with the staff of your Department in trying to arrive at the first step to be taken in the solution of the problems posed which I have summarized. This letter is not sent to you in a critical sense. It is sent in the spirit of an American Representative of the American people who wants to better the American way of life in an area which needs our total thought and assistance.

In conclusion may I say that if mistakes are made in the location of bases by the Defense Department, which necessitate relocations and closures, this can become a very expensive and extravagant business for the taxpayers of the United States, and I sincerely trust that when any base is closed, good and sufficient reasons motivate the Department.

I also trust that the Defense Department, in its closures, will at the same time recognize the problems of the areas and do all in their assistance to lessen the impact of such closures; that they will continue to work with the Federal departments, State and local agencies to find uses for these facilities so that the taxpayer's dollar has not gone down the drain.

Mr. LOVE. Mr. Chairman, the Committee on Appropriations must be complimented on the thoroughness of the bill they bring to the House today. This task seems even more monumental when one considers that it involves funding of many large and important military operations not only in the continental United States but around the world.

With complete confidence in the committee and knowledge of their tremendous problems, I respectfully bring to their attention an item which I think may have been presented to the committee in a lesser light than its importance deserves. This item has to do with the appropriation of $6,743,000 for a new materials research laboratory at Wright-Patterson Air Force Base which the Congress authorized earlier in this session. In its authorization, the Congress was aware of the importance of research in this scientific and technological age. To restore this extremely important item in H.R. 10323, will carry out the intent of the Congress and back up the other items already approved with a strong program for future operations.

It should be remembered that this Air Force materials laboratory is responsible for all Air Force research in connection with materials, and is literally the keystone of our future defense efforts. Almost every new step—higher speeds; longer flights; better quality; space travel—requires new materials. Many laboratories, in universities, industries and elsewhere work on materials for Air Force programs, but they are guided and directed by the work largely done in the Wright-Patterson Laboratory. Scientists in the Government must know what is possible in order to know what to ask for. Congress has already reviewed this situation and determined that so-called in-house research must be increased and has provided this laboratory with modern equipment and some modern space, in an effort to keep the lead in research.

At Wright-Patterson Air Force Base, the oldest air base dealing in materials in this country, a good part of the materials laboratory with this highly sophisticated mission is now operating in two of the very oldest buildings on this base—originally built and used as warehouses. Another part is in a windowless building once used as a radiation facility. The laboratory simply cannot handle the job that the country needs done today in remodeled warehouses. Research today is too delicate to cope with dust and grime from the powerplant literally next door. The buildings would not have been ideal for the laboratory work when they were built long before World War II. They are certainly no match for the requirements of this important research today.

The equipment is at Wright-Patterson and the topflight scientists there simply need more usable laboratory space to do the job Congress wants done.

To stay ahead in national defense, it is important that we keep as far out in front as possible in this research. Wright-Patterson must get this important work out of the oldest buildings into modern facilities to do the kind of sophisticated job of research that the Air Force expects and the country needs.

This country will not be successful in outer space unless all the problems with respect to materials used in building spacecraft are completely resolved.

Mr. CEDERBERG. Mr. Chairman, I want to make one or two brief comments.

We on the minority also want to pay our respects to the distinguished gentleman from Florida and to the members who served on this subcommittee. We met for several months on this legislation. We went into it in great detail. We have a feeling that this legislation is in the best interests of our country. I know of no controversy among any of us on the subject matter of this legislation. It has been a pleasure for us on our side of the aisle to work under the able chairmanship of the gentleman from Florida [Mr. SIKES]; also, with the gentleman from California [Mr. McFALL], the gentleman from New Jersey [Mr. PATTEN] and the gentleman from Maryland [Mr. LONG]. We have enjoyed it very much. I am sure I express the feeling of the gentleman from North Carolina [Mr. JONAS] that it has been an honor to work with this subcommittee on this legislation.

Mr. Chairman, I have no further requests for time.

Mr. SIKES. Mr. Chairman, I am reluctant to see the debate end when it is on such a pleasant note. However, as there are no further requests for time, I ask that the Clerk read.

The Clerk read as follows:

Page 2, line 1:

"MILITARY CONSTRUCTION, ARMY

"For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army as currently authorized in military public works or military construction Acts, and in sections 2673 and 2675 of title 10, United States Code, $319,732,000, to remain available until expended."

AMENDMENT OFFERED BY MR. O'HARA OF ILLINOIS

Mr. O'HARA of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Illinois: On page 2, line 7, strike out "$319,732,000" and insert in lieu thereof "$317,432,000".

Mr. O'HARA of Illinois. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, first I wish to express my admiration and my affection for the chairman and all of the members of this great subcommittee. I say that very sincerely, because last year when the question of the removal of the 5th Army Headquarters came up, the members of this subcommittee and of the House Appropriations Committee brought about a result in conference that was helpful and that I appreciated.

Mr. Chairman, it has been said that this matter of the removal of the 5th Army Headquarters from my district to another district has been a matter of personal pride and interest to me and that my good friends in the House have kept the removal off for 2 or 3 years as a little token of their regard for me. If that be the case, I do appreciate it and humbly give thanks. My wealth is in the friendship with which I have been enriched.

But, Mr. Chairman, that is not the fact. The fact is that by right and reason the headquarters should not be moved. The blunt truth is that the removal of the 5th Army Headquarters from Hyde Park to Fort Sheridan would be a colossal blunder that would cost the taxpayers of this country over $10 million. I have made that statement time and again. Some of the Chicago newspapers I think at first accepted the removal proposal as an economy move.

Now I understand they have come to see the other side of the coin, and that is the side on which there is no economy, the side with an ugly scar of $10 million thrown away.

Now, Mr. Chairman, everyone knows that out at Fort Sheridan there is neither adequate housing nor available labor supply. You are starting it with over $2 million to build office facilities. You have got to follow that with housing, more and more millions from new facilities and new housing. There is not a civilian labor supply in the neighborhood of Fort Sheridan. That means you must bring in the laborers from outside, and to house the laborers and their families you will have to put more millions of dollars into civilian housing.

Now, all of this is well known in Chicago. I have said it time and again. Nor at Fort Sheridan is there adequate water and sewerage facilities, and here again you must spend another million or so.

Mr. Chairman, I will say to my good friends that of course it has reached deeply into my heart when my friends have said that they were doing this for me, because it is in my district, and we want to help you. I appreciate that. I am human. But I want my colleagues to know the facts. So now I shall tell you how a great, fine, wise committee of the Congress has been taken in by the spokesman for the Army.

Let me read from the record. The chairman of the subcommittee—and a more conscientious man never lived, brought to the attention of the testifying general in this controversial matter—he said, "We want this study to be complete and we want the factual data that support your reasons for desiring it."

The general said, "Yes, sir."

Now, as you know this information was not immediately produced. It never is, as we all know. We ask for certain information and later on it is submitted.

What did this general submit? A half dozen typewritten lines on which he generalized in this manner:

For personnel, (a) 196 civilians at $5,000 per each, $980,000; and 61 military, at $5,000 per each, $305,000.

Then, Mr. Chairman, there is another item:

Operations and maintenance: Nonpersonnel savings, $215,000.

This is the tabulation showing that there will be a saving of $1.5 million. I wonder what bank would except such a statement. I have checked on this statement and I have found that the total number of civilians the Army proposes to let go when the headquarters are moved to Fort Sheridan is 14 waitresses in the cafeteria. That is, 14 waitresses who are paid $1.17 and hour. But even this will be no saving since the Army when it gets to Fort Sheridan plans to replace them with waiters at $2.50 an hour.

Why they lazily list 61 military personnel, each and every one at the exact $5,000 figure, passeth my understanding. The fact is that one military person now employed will be let go. I challenge the general to prove different.

Mr. Chairman, I have the pride that you have in serving in the House of Representatives of the Congress of the United States. Our work is to serve our country, and that is worthwhile. I will say to any officer of the Army who asks for something that he, as all others, should furnish the data on which he is basing his request, and it should be full and honest information. If he comes through with something like this, our honor and our dignity must demand that we throw it back at him. I do not believe any of my colleagues can keep a straight face at this kind of accounting that causes a million dollars a year deficit by firing 14 waitresses in the cafeteria and replacing them with 14 waiters at double their wage.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the able and distinguished gentleman from Illinois.

Mr. YATES. Is this not the latest step in what seems to be an organized stripping of defense installations from the Chicago area? My friend remembers well the determined fight we had to keep the Quartermaster Corps in Chicago, the Quartermaster Corps which was removed from our area for no reasons of efficiency or economy, although the Army contended so, and at that time moved to Natick, Mass.?

Now they propose to do something that is close to that. They take this installation out of the gentleman's district from Chicago and move it to Fort Sheridan. This seems to be part of a pattern.

Mr. O'HARA of Illinois. The gentleman is absolutely right. If ever indignation were righteous it is the indignation every member of our delegation feels.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the able and distinguished gentleman from Illinois.

Mr. PUCINSKI. I would like to commend my colleague from Chicago for the eloquent plea he has made here. Certainly it is my own hope that this House is going to recognize the equity and the justice of his plea.

I would like to ask the gentleman if it is not true those figures do not reflect the true cost of transferring that whole vast communications network that is now installed in the present 5th Corps Headquarters, and has been built up over the years, and whether or not it is a fact it is going to cost the military a tremendous sum of money to move that communications network from the present location to the location at Fort Sheridan?

Mr. O'HARA of Illinois. I can assure my friend and colleague that what he states is absolutely true. He is definitely right. This matter has been investigated a number of times and always an investigation in depth has found that the only logical and feasible and economic site for the 5th Army Headquarters is where it is now located. One of the Army witnesses said to the subcommittee that one could argue with some logic, why was this not done years ago, and the truth is, says this general, this move was considered about 4 times over the last 20 years.

Well, he is right in part. I know there was an investigation in depth six different times and always the unanimous verdict was Hyde Park and no place else.

"But," says this general, "what has made it more feasible than it was, is the advent of the helicopter." Goodness me. He has discovered the helicopter.

"Now," says he, "we have the helicopter. We can move from Hyde Park to Fort Sheridan and also elsewhere if it is necessary."

The CHAIRMAN. The time of the gentleman has expired.

Mr. YATES. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. O'HARA], may proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. YATES. Mr. Chairman, the gentleman from Illinois [Mr. O'HARA] is making a very important point, and I think we ought to have more Members present to hear it and I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. McCLORY. Mr. Chairman, will the gentleman yield for a question?

Mr. O'HARA of Illinois. I am afraid the gentleman must lean on his own weight and talk on his own time.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to my friend.

Mr. PUCINSKI. I wonder if my distinguished colleague would care to refresh the recollection of the Members of the House as to some of the discussions that have gone on over the years with reference to this problem; namely, one that has led many of us to believe that the only reason why the military is making such a strong effort to move these headquarters from Chicago's Southside to Fort Sheridan is because, as my colleague quite properly pointed out, they have discovered the helicopter. How, when the brass comes back from Washington to O'Hare, it is very convenient for them to take a helicopter to Fort Sheridan instead of driving down the beautiful Kennedy Expressway in a car to the Hyde Park headquarters where the headquarters are presently located.

Is it not a fact that we have uncovered repeatedly all sorts of desires on the part of these officers, that this is a matter of personal convenience to them, and that there is no national interest served here, nor has there been any showing of any national interest to be served here, and neither has there been any showing of any economy in moving these headquarters from the present location to Fort Sheridan. Is it not a fact we have had this repeatedly told to us by lower echelon officers who do not want to be identified?

Mr. O'HARA of Illinois. I cannot quite go along with my good friend. Because there is one helicopter general in the Army I cannot conclude that all generals work their mathematical problems riding in the helicopter. Now, I am not going to measure all the officers by this particular officer with whose manner of logic I do not agree. As a matter of fact, I am very fond of all the officers at the 5th Army Headquarters, and I think all are truly my friends. They are a pretty fine, loyal, and patriotic bunch of Americans. I have been most happy in my association with them and the members of their families. I do not believe many, if any, of the officers at the 5th Army Headquarters would wish to move to Fort Sheridan. They are content and happy to live in the warm, democratic society of Hyde Park.

Mr. PUCINSKI. If the gentleman will yield further, is it not a fact that if you were to estimate the cost of transferring the people who now work for the 5th Army Headquarters at its present location—if you were to estimate the cost of transporting them twice a day out to Fort Sheridan and back to where they live now, that would completely destroy any talk of economy in this measure?

Mr. O'HARA of Illinois. Frankly, there is no economy in this. If the move is made, not only will it cost us ultimately $10 million for new installations at Fort Sheridan, but also the operating expense, as the gentleman suggested, will be increased. There is no economy in this.

This would be the doing of a spendthrift. I cannot believe that this body, with all its professed love of economy, could vote for such extravagance.

Now, there is some other reason that this general has for wanting to move to Fort Sheridan. Chairman SIKES asked, "In short, what are the reasons that you want to move to Sheridan?"

I ask Members to listen to this, taken from page 190 of the hearings:

> There are, pure and simple, sir, two, one of which is the major one and one a minor one. The major one is the matter of economics.

He does not make any mention of what the other reason is. That is the hidden reason. He said there was another reason, but he gives no hint of its nature.

What is that mysterious, that hidden, that unmentionable other reason? He says there are two, but he mentions only one. What is it? Could he mean to imply that the social climate at Fort Sheridan is not as democratic, not as much a mixture of all peoples, of all kinds and races, as at Hyde Park?

At Hyde Park we are a liberal thinking group of people. We do practice brotherhood. We are neighborly. We are not exclusive. And I for one believe that the officers and men and women of the 5th Army Headquarters want to remain with us, in the wholesomeness of our society, even though someone who pretends to be their spokesman says differently.

Oh, yes, go ahead and do this to the American taxpayer and to decency, and 10 years from now, when mayhaps I shall be absent, they will still be talking about the time when BARRATT O'HARA warned of this $10 million trap for the men and women who pay the taxes, and was so right, so right time will vindicate me in the position I am taking today, and to those who shall vote with me and to those who shall vote the other way, I stand at the salute of friendship and respect.

I have never had a better friend than the chairman of the subcommittee, and our differences today will make no dent in the richness of that friendship. Nor shall I ever forget the stout friendship of the minority members of the subcommittee, who last year stood their ground and made the good fight in the conference for country, for economy, and for Hyde Park. I only regret that my good friends grew weary with the fight.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. Certainly I will yield to the able and tireless gentleman from Iowa, who came with me to the Congress and is my friend.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. SIKES. Mr. Chairman, I wonder if I could attempt to reach an agreement on time.

I ask unanimous consent that all debate on this amendment and amendments thereto close in 15 minutes, the last 5 minutes to be reserved to myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. HALL. Reserving the right to object, Mr. Chairman, I should like to propound a parliamentary inquiry. Can the manager for the majority, on a unanimous-consent request, reserve the last 5 minutes for closure of debate?

The CHAIRMAN. He may, by unanimous consent.

Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I certainly appreciate the efforts of this distinguished Committee in trying to save the taxpayers money, but I was much more impressed by what the gentleman from Florida said earlier in his remarks, when he said that now, because of our confrontation in Vietnam, we want to make every dollar count, we do not want to build new installations if existing installations can do the job.

The gentleman from Illinois [Mr. O'HARA], demonstrated, and I believe can demonstrate repeatedly, that there are no savings involved in moving the 5th Army Headquarters from Chicago to Fort Sheridan. We have gone into this matter thoroughly. The people admitted before they were through that it will cost millions of dollars to move this installation from Chicago to Fort Sheridan and no national interest will be served.

It is my hope that the Committee of the Whole will recognize this fact. I believe there is merit in the argument that this is a move of convenience for some of the "top brass" who want to move out to a so-called more exclusive climate at Fort Sheridan.

I wish that this matter could be set aside, that the House reject this recommendation to move the headquarters and let the 5th Army operate where it is. Then I hope a committee will go out and make a thorough investigation to prove the wisdom, the integrity, and the honesty of the arguments presented to this House by the gentleman who comes from Chicago [Mr. O'Hara].

We have gone into this thoroughly and there is not going to be any saving. As I said, right now in the 5th Army we have one of the most complicated communications systems in this country. Anybody who would suggest that you can move this complicated communications system without incurring vast costs is not familiar with the true facts. For that reason I hope the recommendation is rejected by approving the amendment proposed by Mr. O'Hara.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. McClory].

Mr. McCLORY. Mr. Chairman, it is not my purpose to engage in any contest as to the location of the headquarters of the U.S. 5th Army. Consideration of moving the 5th Army Headquarters from its present location at the Chicago Beach Hotel on the South Side of Chicago to the historic Army post at Fort Sheridan antedates my service in the Congress. Final decisions to effect this move were made early in 1964 by the Department of Defense. This decision was supported by the House Armed Services Committee and the Senate Armed Services Committee.

In withholding funds with which to carry out this headquarters move, the conference committee of the House and Senate stated quite frankly in August of last year that they had "no objections to the relocation of 5th Army Headquarters from Chicago." The conferees' concern was with regard to other available relocation sites and the requirement for family housing. I might say at the outset that the 5th Army is the only unit of the U.S. Army which does not have its headquarters at a military post.

Fort Sheridan celebrated its 75th anniversary last year, the first permanent structures being authorized by Congress in 1889. It served the Army and the Nation with distinction throughout the Spanish-American War, during the conflict along the Mexican border in 1913 and during World War I and World War II. Mr. Chairman, this Army post is well suited to accommodate the important headquarters facilities of the 5th Army, being located strategically along the shore of Lake Michigan about 30 miles north of Chicago. It is convenient to rail and air transportation and it is served by major interstate highways. At the present time the headquarters for the 5th Region U.S. Army Air Defense Command are located at Fort Sheridan. In addition, the U.S. Army Garrison, the 204th Military Police Company, the 5th U.S. Army Flight Detachment, the 5th U.S. Army Band and various ordnance, dental, WAC, and other units are headquartered at this post. The Commanding General of the 5th Army and numerous other officers and enlisted personnel reside at Fort Sheridan.

Top officers of the 5th Army are transported on most occasions by helicopter to the headquarters building in Chicago. More than 150 5th Army personnel are carried daily by buses from Fort Sheridan to the 5th Army Headquarters.

Mr. Chairman, it is for the purpose of carrying out economies and making our Military Establishment more efficient that the Defense Department has recommended relocation of the 5th Army Headquarters at Fort Sheridan. This 600-acre post provides the space, the environment, and the significant supporting facilities for such an important command headquarters.

The maximum number of personnel to be accommodated following such a move is approximately 535 civilians and 800 military personnel. During the years of its existence, the population at Fort Sheridan has risen from its present 3,500 to as many as 20,000 during the years 1944 to 1946. At other periods the population of Fort Sheridan has swelled to as many as 12,000. During the initial period of World War II there were as many as 7,500 stationed at Fort Sheridan. Accordingly, the addition of only 800 military personnel will present neither a new nor an insurmountable problem to the Fort Sheridan command or to the surrounding communities.

When I discussed this subject on the floor of the House last year, I reported relative to a survey that had been completed in May of 1964 showing that there were more than 300 rental units at rents ranging from $110 to $170 per month and that in addition there were more than 400 homes available at prices within the $20,000 to $30,000 category.

In connection with the present legislation, I have received communications from Maj. Gen. Joseph A. Teece, retired, reporting on the availability of suitable homes and apartments within the Waukegan-North Chicago area, located within a short distance of Fort Sheridan, stating that there are between 600 and 700 homes and apartments presently under construction in that area.

Another communication from Mayor David Santi of Highwood dated August 6, 1965, states that in the adjoining community of Highwood, Ill., there are 4 duplexes of 2 units each and 1 apartment building under construction, 23 duplexes for which contracts have been let, 4 apartment buildings of 20 units each pending before the Highwood City Council subject to a zoning hearing, and assurances of 40 additional homes and apartments if the demand continues. In other words, there is a great potential of suitable housing within the civilian communities at reasonable prices to accommodate the additional military and civilian personnel which the 5th Army move will require.

Mr. Chairman, I might say, additionally, that because of other events affecting our military forces there has been a substantial movement of officers and men from Fort Sheridan within recent weeks, with the result that a large number of housing units at Fort Sheridan have become available and leaving the current demand for civilian housing at a very low level.

Mr. Chairman, I know that there is a strong desire on the part of the city administrations and the civilian population in Lake County to provide every possible support for Fort Sheridan and for the command of the 5th Army. Again, let me say that in my opinion this is an ideal location for the 5th Army Headquarters. The one-time expenditure of $2.3 million should result in the substantial annual savings which the Department of Defense has estimated. I am sure that the most careful study preceded their recommendation. I know also that the Armed Services Committee which authorized this move and the Military Construction Subcommittee which has recommended the appropriation of necessary funds to carry out this move are acting objectively. I commend the subcommittee and its chairman, the gentleman from Florida [Mr. Sikes], as well as the chairman of the full committee, the gentleman from Texas [Mr. Mahon], the ranking Republicans, the gentleman from Michigan [Mr. Cederberg], the gentleman from Ohio [Mr. Bow], and all members of the Appropriations Committee for their thoughtful and careful study of the military construction needs of this Nation during this critical period of our history.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Chairman, in the interest of peace, harmony, economy, and ending this long drawn-out Chicago-Illinois feud, I would suggest that the headquarters of this army command be moved across the Mississippi River to the State of Iowa.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. YATES. I suggest to the gentleman that it would be much more economical and efficient keeping the base where it is at the present time.

Mr. GROSS. Let us move it to the most habitable part of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. Hall].

Mr. HALL. Mr. Chairman, as a member of the Committee on Armed Services, I rise in opposition to the amendment. As a member of that committee I have studied this problem. Furthermore, I grew up and spent some of my younger years in the vicinity as a medical student. I saw my first post mortem examination in the old Chicago Beach Hotel in the early thirties. I was instrumental in putting the first staff in it when it became the Gardiner General Hospital during World War II. This is in no sense a modern army headquarters command. It is just an adopted hotel-office building which has been taken over, and to which the old Fifth Army Headquarters was moved from the Insull Building in downtown Chicago out to the "silk stocking" or Hyde Park area in Chicago, on the beautiful shores of Lake Michigan.

I feel this headquarters should be on an Army post where it can be supported by the usual slice, that supports all our great Army headquarters.

Being a member of the 5th Army in the Reserve I am anxious that it functions properly and that this building be returned to the Chicago Beach Hotel Corp., or to those who sold it with or without a reverter clause when it provided such distinguished service for the Army.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield.

Mr. PUCINSKI. Would my very distinguished colleague tell me whether or not the huge Records Center in the State of Missouri is on an installation or is it in a cluster of buildings in the city of St. Louis?

Mr. HALL. I do not think there is any comparison between headquarters of an Army center and a cluster of buildings in St. Louis.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McFall].

Mr. McFALL. Mr. Chairman, I rise in opposition to the amendment. All of us on the committee regret that we must oppose the gentleman from Illinois [Mr. O'Hara]. I would like to point out to the Committee that this matter has been thoughtfully considered by the Armed Services Committee of this House which is chaired by the Chairman of the Committee of the Whole today, and on which there are other Members from the State of Illinois who have also considered this matter.

We have been presented with the facts and they are that there will be an annual saving of $1.5 million; that it will cost $2.5 million to move it, that the real estate in downtown Chicago can be sold for approximately $2.8 million. The information which has been given to us was that this will be an economy for the Government and will make it a more efficient operation for the Army.

We regret we cannot go along again this year. Last year we had reason to do this because of the problem of housing which had not been resolved. We were informed that the problem of housing is resolved, and we feel that this move should be made in the interest of efficiency of the 5th Army.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Cederberg].

Mr. CEDERBERG. Mr. Chairman, I can assure you that it is with reluctance that I oppose the amendment of our good friend from Illinois [Mr. O'Hara]. We did our best to take care of this situation for him last year. We had high hopes that he might go along with us this year. I am sure that all of us on our subcommittee would want to do everything we could to be of assistance to the gentleman from Illinois, but the facts are not there and the indication is that we just have to, if we are going to efficiently administer the 5th Army efficiently and economically, move from Chicago to Fort Sheridan. The Committee on Armed Services agreed. We agreed; the Defense Department agreed that this move is necessary. Let me read to you from page 162 of the hearings:

> Mr. Sikes. What has taken place since this committee discussed the transfer of the headquarters in Chicago to Fort Sheridan, a year ago?
>
> General Shuler. Some very high officials, sir, in the offices of the Secretary of Defense and the Department of the Army, one of which was Secretary Morris, took a trip out there to look at the headquarters in Chicago and look at Fort Sheridan and look at other places, to be absolutely certain this is what we wanted to do economically and otherwise. Our decision to request this was affirmed unanimously by this group. That is why it is in this program this year.

We have studied the testimony. We believe sincerely and honestly that it is in the best interests of our national defense that the 5th Army Headquarters be moved to Fort Sheridan.

The CHAIRMAN. By virtue of the unanimous-consent request the distinguished gentleman from Florida, the chairman of the subcommittee, is recognized for 5 minutes to close the debate.

Mr. SIKES. Mr. Chairman, the distinguished gentleman from Illinois, the author of the amendment, is one of the most beloved, most highly appreciated and one of the most delightful people in the Congress. He is perennially young in spirit, he is debonair, and he is convincing. He just did a good job of convincing down here in the well. It is extremely difficult for me to oppose him because of the affection that I feel for him and because of his fine record of service to his constituents. I assure you my heart goes out to him. I do not like to see any Member lose a base. The only problem in this instance is the cost to the Government.

Mr. Chairman, this move has been postponed since 1963. It is authorized. There has been general acceptance of the justification. Last year when it looked as if everything was set for the move to take place, it was postponed again. One reason for the postponement was consideration for the gentleman from Illinois, and I helped to do it and I do not apologize for it.

Well, now, the question is back before us. The committee does not feel that we can justify postponing it any longer.

You have heard the statement of the gentleman from Illinois about costs. There is before the committee and before the House and in the hearings a comprehensive record of the costs. They have been researched and studied, and I will tell you there is no question about their validity. There is no reason that the officials who have testified should not have access to the facts and no reason why they should attempt to delude the committee on this question. After all, there is always another year in which they have to come back and answer to the committee if misinformation is given. You have to believe someone. The record is full of testimony that the Government is going to save $1.5 million a year. That is a pretty sizable amount of money, and it gets the Army out of a building that really is not satisfactory. The savings are spelled out, and I can enumerate them if that is desired. I am satisfied they are correct.

Now, Mr. Chairman, it is going to cost some money to move this operation. You do not move a headquarters without cost. It is going to cost $2.3 million. That is all it is going to cost, because the existing facilities at Fort Sheridan will be used rather than new construction. The committee will expect that agreement to be kept. There will not be any new construction.

The question of housing has been involved. There is ample testimony that adequate housing is available now to meet needs of personnel to be transferred to the area.

Well, now, let us just assume that perhaps there will be some new housing needed. Parenthetically, there is no housing shown in the 5-year construction plan for Fort Sheridan. We have a 5-year plan before us on each base all the time.

If no additional housing is necessary, the move is going to be amortized in a year and a half. That would be an amazingly short time. Let us split the difference. The highest number of houses estimated that could possibly be required is 500. Let us split that number and say the Army may ask for 250 houses. If you do that, the Government will have new housing and will amortize the move in 4½ years. That still is a short period for amortization.

That is not all of the story. The hotel that now serves as the 5th Army Headquarters is located on the Lake Shore Drive of Chicago. It is going to be declared surplus and sold in the real estate market. The anticipated returns from the sale of that property are not included in the amortization data and not included in the estimated savings. The Government expects to realize $2.8 million from selling the property. That is over and above the savings to the Government in the expected amortization time. This represents a profit on the transaction.

Now, if the funds are appropriated in this bill as proposed it is going to be approximately June of 1967, nearly 2 years, before the move can be completed. In that additional period, Chicago will still have the benefit of the facility in the district of the distinguished gentleman from Illinois [Mr. O'Hara].

If that persuasive gentleman can convince the administration to delay longer, as he has convinced this House for the last 2 or 3 years, I am not going to quarrel. These are no-year funds. They will be available whenever the administration considers it necessary to move the facility, in the interests of economy to the Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. O'Hara].

Mr. O'HARA of Illinois. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. O'Hara of Illinois and Mr. Sikes.

The Committee divided, and the tellers reported there were—ayes 48, noes 116.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FAMILY HOUSING, DEFENSE

For expenses of family housing for the Army, Navy, Marine Corps, Air Force, and Defense agencies, for construction, including acquisition, replacement, addition, expansion, extension and alteration, and for operation, maintenance, and debt payment, including leasing, minor construction, principal and interest chargs and insurance premiums, as authorized by law, $683,960,000, to be obligated and expended in the Family Housing Management Account established pursuant to section 501(a) of Public Law 87-554, in not to exceed the following amounts:

Mrs. MAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was pleased to note in the report on the military construction appropriations bill the discussion on page 7 which states:

> The committee insists this year, as it has in the past, that maximum utilization be made of existing facilities. The previously mentioned program of the Department of Defense for the efficient and economical utilization of the real property holdings of the Department makes this essential. The committee is not satisfied that the Department is giving adequate consideration to the use of existing facilities, including interservice as well as intraservice utilization of the military base structure or to the use of those available in the private economy. This is particularly true with reference to headquarters and administrative-type facilities and to research and development facilities, as well as to those required for the maintenance and operation of aircraft and weapon systems, many of which are common to more than one military service.

In this regard, Mr. Chairman, along with other base closures, the Department of Defense announced in November 1964 that Larson Air Force Base in the State of Washington would be closed effective June 20, 1966. The Department of Defense has since stated that the reason for closing the base will bring about an economic savings which can be made by consolidating the 462d Strategic Aerospace Wing, based at Larson, with another similar wing to be based at March Air Force Base, Calif.

Larson Air Force Base is unique in that it is one of the finest operational aircraft bases in the Strategic Air Command, in addition to having a modern complex of structures formerly occupied by Boeing Aircraft Co. It has excellent airport facilities. Larson Air Force Base is an integrated "city" with its own fire protection system, utilities, streets, homes, recreational centers, and a variety of structures. It has a modern hospital and dental clinic, 1,335 modern housing units and two fine schools.

I believe the Committee on Appropriations, therefore, is entirely justified in its concern that the Department of Defense may not be giving adequate consideration to the use of existing facilities, such as at Larson Air Force Base, for other military utilization in lieu of new construction elsewhere.

Today, Mr. Chairman, I intend to ask the Secretary of Defense whether the fullest possible consideration has been given to the utilization of Larson Air Force Base for such purposes as described on page 9 of the committee report which states:

> The industrial-type facilities of the Defense Department have a twofold responsibility, one of which is to provide for the maintenance, repair and overhaul of military weapons systems during so-called peace time operations. The other is to provide a mobilization base for rapid expansion in the event of war.

I believe, Mr. Chairman, that in view of the obvious military requirements of our Nation in which we are being called upon to make sure that we are prepared to meet any eventualities as a result of our involvement in the Vietnam conflict that we must make sure we are utilizing our existing facilities in a manner consistent with our Nation's purpose.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman.

Mr. EDWARDS of Alabama. Mr. Chairman, in proposing to close Brookley Air Force Base at Mobile, Ala., the Defense Department seems to be working against its own standards.

The Secretary of Defense has said that these base closings are limited to those installations which have been inefficient and obsolete. However, during fiscal year 1964 Brookley was credited with cost savings of $122 million in response to the Defense Department's economy drive.

The performance was 23 percent above the savings goal assigned to the base and was sufficient to earn for Brookley the so-called gold rush pennant for cost reductions, the second time that the base won the award out of only four times it was offered.

The Defense Secretary also has indicated that one of his top deputies had singled out Brookley and two other air materiel bases as "the most outstanding he has seen anywhere in the Department of Defense."

In commenting on these conclusions, Air Force Secretary Eugene M. Zuckert said:

> These plaudits do not come easily and are worthy of recognition.

With regard to the matter of whether or not Brookley enjoys a strategic location, I want to remind the country that Brookley is the only Air Force installation with total supply and tactical capabilities for effective action in emergencies which is located within striking range of Latin American areas where communism is either entrenched or on the move.

Brookley is the only Air Force base with a deepwater port and lies on a water transportation route that connects space installations at Cape Kennedy, New Orleans, and Houston.

Let me also mention these facts which relate to the proposal for closing the Brookley Air Force Base. It would mean automatically writing off about a quarter of a billion dollars in real estate and capital investment.

The cost of relocating families of civilian employees could be very high. It is very possible that, of the 13,000 employees involved, 10,000 would choose to relocate with their families. At an estimated cost of $1,400 per family, the cost comes to $14 million.

Of the present employees approximately 2,000 are either unskilled or semiskilled and would be unable or unwilling to move even if they were qualified. They would thus be thrown on a labor market which already is rated as excess.

Brookley Field has a runway that can handle any aircraft in the Air Force—9,600 feet in length, 200 feet wide, and 2 feet thick.

The equipment and personnel at Brookley Air Force Base provides the major support for the F-105 weapons system. The F-105 is our firstline fighter-bomber, providing a nuclear strike power which will remain indispensable for several years in the future. It is the prime Air Force bomber in Vietnam today.

The Brookley team is important to the continued successful operation of the F-105 system. Breaking up that team is expected to deal a setback to the potential of the F-105 as an integral part of our defense system.

It is unthinkable that a base so important to the defense of this Nation would be phased out when the conflict in Vietnam has mushroomed to the point that lives are being lost and planes are being downed. Brookley should be strengthened instead of phased out.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. SIKES. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RIVERS of South Carolina, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10323) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. SIKES. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment of and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SIKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER**. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROHIBITION OF DESTRUCTION OR MUTILATION OF DRAFT CARDS

Mr. **RIVERS** of South Carolina. Mr. Speaker, I ask unanimous consent that the Committee of the Whole House on the State of the Union be discharged from further consideration of the bill (H.R. 10306) to amend the Universal Military Training and Service Act of 1951, as amended, and for its immediate consideration.

The Clerk read the title of the bill.

The **SPEAKER**. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

H.R. 10306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Universal Military Training and Service Act, as amended, is hereby further amended as follows:

SECTION 1. Section 12(b)(3) is amended to read as follows:

"(3) who forges, alters, knowingly destroys, knowingly mutilates, or in any manner changes any such certificate or any notation duly and validly inscribed thereon; or".

Mr. **GROSS**. Mr. Speaker, I move to strike the last word.

I believe we should have an explanation of the bill.

Mr. **RIVERS** of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. **GROSS**. I yield to the gentleman from South Carolina.

Mr. **RIVERS** of South Carolina. Mr. Speaker, the bill, H.R. 10306, amends the Universal Military Training and Service Act to establish a clear statutory provision against a person knowingly destroying or knowingly mutilating a draft card. Existing law provides a penalty for anyone forging or altering a draft card, but there is no specific prohibition against destroying or mutilating a draft card.

The purpose of the bill is clear. It merely amends the draft law by adding the words "knowingly destroys and knowingly mutilates" draft cards. A person who is convicted would be subject to a fine up to $10,000 or imprisonment up to 5 years. It is a straightforward clear answer to those who would make a mockery of our efforts in South Vietnam by engaging in the mass destruction of draft cards.

We do not want to make it illegal to mutilate or destroy a card per se, because sometimes this can happen by accident. But if it can be proved that a person knowingly destroyed or mutilated his draft card, then under the committee proposal, he can be sent to prison, where he belongs. This is the least we can do for our men in South Vietnam fighting to preserve freedom, while a vocal minority in this country thumb their noses at their own Government.

Mr. **GROSS**. Mr. Speaker, the gentleman from South Carolina in his usual lucid manner has convinced me that this is a very good bill, and I am ready and willing and able to withdraw my reservation.

Mr. **BRAY**. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the bill that we have before us today is simple and easy to understand. H.R. 10306 is an amendment to our selective service law providing that it is illegal to knowingly mutilate or destroy a draft card. It is already illegal to alter, forge, or change such a card.

The need of this legislation is clear. Beatniks and so-called "campus-cults" have been publicly burning their draft cards to demonstrate their contempt for the United States and our resistance to Communist takeovers. Such actions have been suggested and led by college professors—professors supported by taxpayers' money.

At Rutgers University, Prof. Eugene Geonese, who prides himself on being a Marxist, publicly said that he "welcomed a Communist Vietcong victory." The board of governors refused to dismiss him.

Just yesterday such a mob attacking the United States and praising the Vietcong attempted to march on the Capitol but were prevented by the police from forcibly moving into our Chambers. They were led by a Yale University professor. They were generally a filthy, sleazy beatnik gang; but the question which they pose to America is quite serious.

These so-called "student" mobs at home and abroad make demands and threats; they hurl rocks and ink bottles at American buildings; they publicly mutilate or burn their draft cards; they even desecrate the American flag. Chanting and screaming vile epithets, these mobs of so-called "students" and Communist "stooges" attempt to create fear and destroy self-confidence in our country and its citizens and to downgrade the United States in the eyes of the world.

Such organized "student" groups in the United States have sent congratulations and money to Ho Chi Minh and have made anonymous and insulting calls to families of our servicemen killed in Vietnam.

This proposed legislation to make it illegal to knowingly destroy or mutilate a draft card is only one step in bringing some legal control over those who would destroy American freedom. This legislation, if passed, will be of some assistance to our country if the officers and courts charged with the enforcement of the law will have the energy, courage, and guts to make use of it.

The growing disrespect for our law and institutions in America holds a real threat to our country and to our freedom. Just 5 short years ago no one would have believed that disrespect for our country could have grown to the proportions that it has today.

Disrespect for our American heritage and anti-American demonstrations are all a part of the cold war in some way directed by those who would destroy us. The Communist world is aware that it cannot destroy the effectiveness of the United States by the use of its economic and military strength, because we are far stronger in these fields than it is and we outdistance it more every year.

Then how is the Communist victory to be brought about? The Communists are planning to use the "Judas goats" to lead those who are free to defect from freedom. So-called "students" and Communist stooges here and abroad, by demonstrations of anti-American feeling, by belittling, and by vilification are to downgrade the United States in the eyes of the world and shake the confidence and faith of our citizens in our democratic way of life. They hope to attain victory over freedom by subversion within the United States and by erosion of our national pride and confidence in the greatness of America and our national heritage.

One of America's greatest sources of strength in discouraging these demonstrations is to pause and consider the greatness of America—to appreciate what our country has done for the benefit of mankind. Let us have a rebirth of patriotism. Let us be proud, possessed not of an arrogant pride, but a humble pride in our greatness, in our heritage.

Aside from becoming the strongest country economically and militarily during the last quarter century, this country, without any desire to gain a square foot of territory, has been the principal force in overthrowing the armed might of Hitler and Japan. The strength of the United States saved both Europe and Asia from the despotic rule of tyrants. We asked nothing in return. We asked no gain for this victory brought about by American dollars, American production, and American youth. The people of the United States have unselfishly contributed more to the feeding, care, welfare, and rehabilitation of the world than has all of the rest of the world combined. All of this has been done without any thought of gain except the reward of the deed itself.

The United States, without hope of personal gain, blocked the Communist takeover of South Korea and today is assuming the major role of blocking Communist slavery in southeast Asia. Yet there are today those in America who are weak at heart, those of little faith in the greatness of America and freedom, those who are naive and refuse to face up to the realities of Communist aggression. There are those who in various degrees and for various reasons ask our Government to yield more and more to Communist aggression.

Our Government, through fear of the public opinion at home and abroad of our enemies, is failing to adequately enforce our laws on subversion and antigovernmental attacks. That is exactly as our enemies have planned it. In the exercise of our great ideals of fairness and tolerance, we seem to forget that it is axiomatic that a government must protect its citizenry against illegal acts and against mob violence. When decent, productive people are forced to support and coddle criminals and other dregs and drones of society, chaos, degradation, and ruin are inevitable.

Tolerance ceases to be a virtue when it condones evil. Governmental tolerance ceases to be a virtue when it allows mob violence on the law-abiding members of its society—when it winks at unlawful disrespect to its institutions and the flag. This is true whether this tolerance is the result of apathy, a maudlin sympathy, or a fear of the opinions of enemies.

When the mob once learns that its actions will lead to granting of its demands and its actions are condoned, there is a multiplication both of its demonstrations, riots, and wanton destruction, and of its demands.

If these "revolutionaries" are permitted to deface and destroy their draft cards, our entire Selective Service System is dealt a serious blow.

Mr. Speaker, I strongly urge all my fellow Members to support this legislation.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The question was taken.

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 393, nays 1, not voting 40, as follows:

[Roll No. 230]

YEAS—393

Abbitt
Abernethy
Adair
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, George W.
Andrews, Glenn
Andrews, N. Dak.
Annunzio
Arends
Ashbrook
Ashley
Ashmore
Aspinall
Ayres
Baldwin
Bandstra
Baring
Barrett
Bates
Battin
Beckworth
Belcher
Bell
Bennett
Berry
Betts
Bingham
Blatnik
Boggs
Boland
Bolling
Bolton
Bow
Bray
Brock
Brooks
Broomfield
Brown, Calif.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke
Burleson
Burton, Calif.
Burton, Utah
Byrne, Pa.
Byrnes, Wis.
Cabell
Callan
Callaway
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Clevenger
Cohelan
Collier
Conte
Cooley
Corbett
Corman
Craley
Cramer
Culver
Curtin
Curtis
Daddario
Dague
Daniels
Davis, Ga.
Davis, Wis.
Dawson
de la Garza
Delaney
Dent
Denton
Derwinski
Devine
Dickinson
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Downing
Dulski
Duncan, Oreg.
Duncan, Tenn.
Dwyer
Dyal
Edmondson
Edwards, Ala.
Edwards, Calif.
Ellsworth
Erlenborn
Evans, Colo.
Everett
Fallon
Farbstein
Farnsley
Farnum
Fascell
Feighan
Findley
Fino
Fisher
Flood
Flynt
Fogarty
Foley
Ford, Gerald R.
Ford, William D.
Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gilligan
Gonzalez
Goodell
Grabowski
Gray
Green, Pa.
Greigg
Grider
Griffin
Griffiths
Gross
Grover
Gubser
Gurney
Hagan, Ga.
Hagen, Calif.
Haley
Hall
Halleck
Halpern
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Iowa
Hansen, Wash.
Hardy
Harris
Harsha
Harvey, Ind.
Harvey, Mich.
Hathaway
Hébert
Hechler
Helstoski
Henderson
Herlong
Hicks
Holifield
Holland
Horton
Howard
Hull
Hungate
Huot
Hutchinson
Ichord
Jacobs
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Okla.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Keith
Kelly
King, Utah
Kirwan
Kluczynski
Kornegay
Krebs
Kunkel
Laird
Landrum
Langen
Latta
Leggett
Lennon
Lipscomb
Long, La.
Long, Md.
Love
McClory
McCulloch
McDade
McDowell
McEwen
McFall
McGrath
McMillan
McVicker
Macdonald
MacGregor
Machen
Mackay
Mackie
Madden
Mahon
Mailliard
Marsh
Martin, Ala.
Martin, Mass.
Martin, Nebr.
Mathias
Matsunaga
Matthews
May
Meeds
Michel
Miller
Mills
Minish
Mink
Minshall
Mize
Moeller
Monagan
Moore
Moorehead
Morgan
Morris
Morse
Morton
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nelsen
Nix
O'Brien
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pike
Poage
Poff
Powell
Price
Pucinski
Purcell
Quie
Quillen
Race
Randall
Redlin
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Resnick
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Rivers, S.C.
Rivers, Alaska
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Ronan
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Rumsfeld
Satterfield
St Germain
St. Onge
Saylor
Scheuer
Schisler
Schneebeli
Schweiker
Secrest
Selden
Senner
Shipley
Shriver
Sickles
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Va.
Springer
Stafford
Staggers
Stalbaum
Stanton
Steed
Stephens
Stratton
Stubblefield
Sweeney
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Todd
Trimble
Tunney
Tuten
Udall
Ullman
Utt
Van Deerlin
Vanik
Vigorito
Vivian
Waggonner
Walker, Miss.
Walker, N. Mex.
Watkins
Watson
Watts
Weltner
Whalley
White, Idaho
White, Tex.
Whitener
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H.
Wolff
Wright
Wyatt
Wydler
Yates
Young
Younger
Zablocki

NAYS—1

Smith, N.Y.

NOT VOTING—40

Adams
Bonner
Brademas
Brown, Ohio
Cahill
Cameron
Carter
Colmer
Conable
Conyers
Cunningham
Diggs
Evins, Tenn.
Green, Oreg.
Hawkins
Hays
Hosmer
Irwin
Keogh
King, Calif.
King, N.Y.
Lindsay
McCarthy
Morrison
Pelly
Pirnie
Pool
Roncalio
Roybal
Ryan
Schmidhauser
Scott
Smith, Iowa
Sullivan
Thomas
Toll
Tuck
Tupper
Willis

So the bill was passed.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Brown of Ohio.
Mr. Roncalio with Mr. Pelly.
Mr. Toll with Mr. Lindsay.
Mr. Colmer with Mr. Carter.
Mr. Roybal with Mr. Hosmer.
Mr. Pool with Mr. Cunningham.
Mrs. Sullivan with Mr. Tupper.
Mr. Thomas with Mr. King of New York.
Mr. Morrison with Mr. Conable.
Mr. King of California with Mr. Pirnie.
Mr. Hays with Mr. Ryan.
Mr. Brademas with Mr. Diggs.
Mr. McCarthy with Mr. Conyers.
Mr. Tuck with Mrs. Green of Oregon.
Mr. Hawkins with Mr. Irwin.
Mr. Smith of Iowa with Mr. Scott.
Mr. Evins of Tennessee with Mr. Adams.
Mr. Cameron with Mr. Bonner.
Mr. Willis with Mr. Schmidhauser.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

JOINT LABOR-MANAGEMENT PROGRAMS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 482 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 482

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1153) to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint industry promotion of products in certain instances or a joint committee or joint board empowered to interpret provisions of collective bargaining agreements. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority members of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Nebraska [Mr. Martin], and pending that, yield myself such time as I may use.

Mr. Speaker, House Resolution 482 provides for consideration of H.R. 1153, a bill to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for voluntary joint industry promotion of products in certain instances or a joint committee or joint board empowered to interpret provisions of collective bargaining agreements. The resolution provides an open rule with 2 hours of general debate, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or Committee substitute.

Section 302 of the Labor-Management Relations Act prohibits all payments by employers to employee representatives for purposes other than those specifically excepted in this section. The purposes of this section were to eliminate bribery, extortion, shakedowns, "sweetheart contracts," and other corrupt practices, and to protect the interests of beneficiaries of lawful employer-supported funds. Among the lawful funds are those established for medical or hospital care, pensions on retirement or death of employees, compensation for injuries or illness resulting from occupational activity or insurance to provide any of the foregoing, or unemployment benefits of life insurance, disability and sickness insurance or accident insurance, pooled vacations, holidays, severance, or similar benefits, or apprenticeship or other training programs.

Recent judicial decisions have declared that employer contributions to product promotion programs administered jointly by trustees representing labor and management are outside of the scope of exceptions to section 302. Product promotion programs are not unlawful. Collective bargaining on the subject of product promotion programs is not unlawful. But joint labor-management administration of such programs is unlawful, because the courts have ruled that this is a restricted payment to employee representatives prohibited by section 302.

H.R. 1153 permits employer contributions to joint labor-management programs for the promotion of product and product application or programs for the establishment of voluntary joint labor-management committees to resolve issues arising from disputes regarding the interpretation of collective bargaining agreements where such determinations are binding upon all parties concerned.

Mr. Speaker, I urge the adoption of House Resolution 482.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 482 is an open rule and provides 2 hours of general debate, to be divided equally between both sides of the aisle. The resolution provides for the consideration of the bill H.R. 1153.

H.R. 1153 permits employer contributions to joint labor-management programs for: First, the promotion of product and product application; second, programs for the establishment of joint labor-management committees to resolve issues arising from disputes regarding the interpretation of collective bargaining agreements where such determinations are binding upon all parties.

The bill amends section 302 of the Labor-Management Relations Act which prohibits all employer payments to employee representatives except for purposes specifically excepted. These are such areas as medical and hospital funds, pension funds, and so forth. Recent court decisions have held that section 302 prohibits such payments as are covered by the bill. The aim is to legalize such payments by employers to jointly administered funds.

Additional safeguards are written into the bill: First, payments must go to a separate fund, they may not be commingled; second, funds cannot be used to promote either union or management functions; third, anyone violating these rules is subject to a $10,000 fine, a year in jail, or both.

There are minority views, signed by five members. They point out that such funds as are covered by H.R. 1153 exist today by the hundreds, and are legal under present law. What the bill does is to legalize jointly administered programs. What the bill seeks to do, in result, is in fact being done by both labor and management, but not by them jointly.

The minority views point out that H.R. 1153 is concerned primarily with the construction industry, and, if enacted, would open the door to future jurisdictional disputes between unions, with the resulting work stoppages.

Further, the minority believes that H.R. 1153 will impede a free collective bargaining process, by making agreements come under the control of joint committees, rather than each side presenting its position at the bargaining table.

Mr. Speaker, I know of no objection to the rule and I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. POWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1153) to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint industrial promotion of products in certain instances or a joint committee or joint board empowered to interpret provisions of collective bargaining agreements.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1153, with Mr. Vanik in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from New York [Mr. Powell] will be recognized for 1 hour and the gentleman from California [Mr. Bell] will be recognized for 1 hour.

The Chair recognizes the gentleman from New York [Mr. Powell].

Mr. POWELL. Mr. Chairman, we do not have any intention on this side to utilize the full hour. But I do rise to explain the purpose of the bill now pending before us and to, first, extend my congratulations and thanks to the gentleman from California, the author of the bill, and also to the gentleman from Illinois [Mr. Pucinski] who has introduced this bill in previous sessions of Congress.

Mr. Chairman, I rise to explain the purpose of H.R. 1153, to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint industry promotion of products in certain instances or a joint committee or joint board empowered to interpret provisions of collective bargaining agreements.

Section 302 of the Labor-Management Relations Act, relating to restrictions to employee representatives, makes it unlawful for an employer to make any payment to any employee representative, or to any labor organization, or officer or employee thereof, which represents any of the employees. Subsection (c), however, provides six exceptions to this declaration of unlawfulness.

H.R. 1153 would add two more specific exceptions to section 302, namely: First, jointly administered product promotion programs, and second, jointly administered committees for the interpretation of collective bargaining agreements—thereby legalizing such jointly administered programs.

H.R. 1153 reaffirms the present position of the National Labor Relations Board by stating clearly that these joint programs will be permissive, not mandatory, subjects of collective bargaining. It will not be an unfair labor practice to refuse to bargain over such matters.

I want to emphasize that the proposed legislation under consideration refers to product promotion programs only. For example, the Operative Plasterers and Cement Masons might choose to promote plaster through a jointly administered program. Other contractors and craft unions may choose to promote the use of other materials. It is the purpose of this bill to permit this.

It is important to mention that besides the present protective provisions of section 302(c)(5)(B) of the Labor-Management Relations Act relating to trust funds, H.R. 1153 would add the following safeguards to the jointly administered funds which it would sanction:

First. Payments must go to a separate trust.

Second. Funds cannot be commingled with any other funds.

Third. Funds cannot be used in programs that are employer or management functions or labor organization functions.

Fourth. The reporting and disclosure requirements of the Welfare and Pension Plans Disclosure Act are applicable as well as section 302(d) in reference to criminal violations.

In conclusion, the ability of an industry to meet changing conditions affects the employees' opportunities in the long run and the settlement of disputes not only inures to the benefit of both employer and employee immediately, but has a favorable effect on our economy. I see nothing harmful in having a certain number of cents per hour being paid into a joint promotion fund to accomplish these purposes if both labor and management desire to enter into an agreement to do so.

Recent judicial decisions have declared that employer contributions to product promotion programs administered jointly by trustees representing labor and management are outside the scope of the present exceptions to section 302. It should be noted that product promotion programs are not unlawful and collective bargaining regarding such industry funds is not prohibited. As a matter of fact, there are thousands of such funds in existence today, many of which are incorporated into collective bargaining agreements. But joint labor-management administration of such programs is unlawful because the courts have ruled that this is a restricted payment to employee representatives prohibited by section 302.

It must be pointed out that the programs covered by legislation now before us were not criticized as a matter of public policy by our judiciary, but rather because of the drafting of section 302 originally.

The Ninth Circuit Court of Appeals in the case of *Cement Masons* v. *Paramount Plastering* (310 F. 2d at p. 179) lends a great deal of light on the issue to be decided by us under H.R. 1153 when it stated:

> We do not quarrel in the slightest with the laudable objectives of the trust amicably created by labor and management in this case. We sympathize with the efforts of both labor and management to solve a vexing industry problem. * * * But like so many of such present-day problems, our duty is to rule in accordance with that which the Congress in its wisdom has seen fit to enact. We cannot widen the door when the doorsill has been carefully tailored by the representatives in Congress. The relief sought by the appellants herein must be found in congressional and not judicial action.

There should be no objection to allowing management and labor to enter into collective bargaining agreements which would help to bring harmony to their relationship, if they both want to. H.R. 1153 reaffirms the present position of the National Labor Relations Board by stating clearly that these joint programs will be permissive, not mandatory, subjects of collective bargaining. It will not be an unfair labor practice to refuse to bargain over such matters.

As a matter of fact, H.R. 1153 was completely redrafted by the General Subcommittee on Labor to more specifically and clearly express its intent. One aim of this redrafting was to meet industry's criticism of the original bill, that the bill was too broadly written and might do away with existing advancement programs unilaterally administered. I want to emphasize that the proposed legislation under consideration refers to product promotion programs only. For example, the Operative Plasterers and Cement Masons might choose to promote plaster through a jointly administered program. Other contractors and craft unions may choose to promote the use of other materials. It is the purpose of this bill to permit this.

The provisions of the bill relating to the validation of employer contributions to joint committees or boards empowered to interpret provisions of collective bargaining agreements where such determinations are binding upon all parties concerned, presents a legislative purpose to which there should be no objection.

Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. ROOSEVELT], author of this bill.

Mr. ROOSEVELT. Mr. Chairman, basically this bill will correct what I believe was an oversight in the drafting of section 302(c) of the Taft-Hartley Act, an oversight that has to be corrected because of recent decisions by the U.S. courts of appeals of various circuits.

Before I go forward, may I thank my distinguished chairman, Mr. POWELL, for his cooperation in enabling us to bring this bill to the floor, and also to the gentleman from Illinois [Mr. PUCINSKI], who has worked so hard on it in the last several years. I also would thank the distinguished gentleman from California [Mr. BELL], for his very great cooperation in this whole matter.

I think I might state to my colleagues a little story. When we appeared before the Committee on Rules to gain the required rule, the distinguished chairman of the Rules Committee remarked that it was his habit to regard any legislation that came from the Committee on Education and Labor with very careful scrutiny and, after the most careful scrutiny, he could not see anything objectionable in this bill.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. POWELL. Is that good or bad?

Mr. ROOSEVELT. I was going to continue the story by saying the distinguished gentleman from Virginia met me some time later and reported to me that somebody had said to him in view of his support maybe I had better have another look at the bill. I assured him I had made no such statement whatsoever, I was delighted that a gentleman of his great legal talents had examined the bill carefully and found it was in the interest of both labor and management; therefore, I would hope there would be unanimous support in the House.

The difference of opinion in the courts is something that often occurs. I want to emphasize that the programs encompassed by this bill were not prescribed as a matter of public policy, but rather by the nature of the drafting of section 302.

Basically this bill will correct an oversight in the drafting of section 302(c) of the Taft-Hartley Act—an oversight that has to be corrected because of recent decisions by the U.S. Courts of Appeal of various circuits.

It must be emphasized that the programs encompassed in this bill were not proscribed as a matter of public policy, but rather by the nature of the drafting of section 302. The Ninth Circuit Court of Appeals stated in *Cement Masons* v. *Paramount Plastering* (310 F. 2d 179):

> We do not quarrel in the slightest with the laudable objectives of the trust amicably created by labor and management in this case. We sympathize with the efforts of both labor and management to solve a vexing industry problem. * * * But like so many of such present-day problems, our duty is to rule in accordance with that which the Congress in its wisdom has seen fit to enact. We cannot widen the door when the doorsill has been carefully tailored by the representatives in Congress. The relief sought by the appellants herein must be found in congressional and not judicial action.

And that, of course, is why we are before you today.

I want to emphasize by enacting a general prohibition and then setting forth certain specific exceptions, the Congress impliedly prohibited everything not excepted. In 1959 section 302 was amended to except pooled vacations, holiday, severance or similar benefits, or apprenticeship or other training programs. The present amendment is made necessary by this drafting technique.

As usual with any bill relating to labor-management relations, a very small minority unfortunately has raised the hue and cries of injury to private enterprise, damage to free collective bargaining, and the control of business and management by the unions. I would like to address myself to these points.

First, this bill will not increase labor strife in the construction industry. And many management representatives have so clearly stated. It can have no bearing on a secondary boycott, the closed shop, the jurisdictional dispute or other similar unfair labor practices. Indeed it is a little disingenuous of the opponents to suggest that it does.

Second, this bill does not begin to hurt the free collective bargaining process. Providing a board to settle disputes arising under a collective bargaining agreement freely arrived at does not impinge on either the freedom of management or of labor. Such procedures promote industrial peace and freedom of collective bargaining.

Third, this bill does not impinge on management or labor functions. There is a specific provision in this bill that relates to this. The argument that labor has no concern with an industry promotional program is totally beside the point. Labor has a direct interest in the utilization of its services by the consuming public. Some unions and some employers want these joint programs. This bill allows them to have such programs.

Mr. Chairman, I wish to emphasize the only way this bill will apply is for both to want them, and only if they both agree, does it come up. There is nothing in this bill that says it shall be a compulsory part of collective bargaining, and I would resist any effort to say so.

Therefore, Mr. Chairman, after going through it, I think there can be no question that the necessity for this bill is apparent. It will help create the product for which labor and management are working together. It will mean a better understanding by the public and I believe it is clearly in the public interest. Those employers or unions that do not want joint programs are not required to bargain about them.

H.R. 1153 is not a weapon added to the arsenal of either labor or management; it neither weakens or strengthens either side. As relates to promotional programs, it allows parties that so desire to establish a joint industry promotional program, supported by employer contributions to a trust fund. It is not a mandatory subject of collective bargaining so neither side can be forced into such a program. The danger of misuse of these funds is minimal. There are adequate protective provisions in the bill that specify both disclosure requirements and limitations on the purposes for which these funds can be used.

The "product and product application" part of the bill—section 302(c)(7)(A)—is designed solely to allow unions to help their employer promote the particular product which they install if both desire to do so. For example, it would allow the Plasterers' Union to join with its employer in promoting the use of plaster—or in the case of the Painters' Union, the use of painting and decorating services.

As relates to a joint committee empowered to interpret a collective bargaining agreement, this bill can only promote industrial peace. Funds are needed to operate such joint committees or boards and the bill would permit employer contributions to a jointly administered fund, if the parties agree. Again there are adequate measures in the bill to prevent misuse of any funds contributed to finance this board.

The necessity for this bill is apparent. Joint promotional boards and joint boards to interpret the collective bargaining agreement have existed in the past and have worked well. Both management and unions have supported such boards. This bill allows labor and management interests which agreed upon these boards and have made them perform a useful function to have them. Both types of joint boards allowed by this bill will promote labor-management cooperation—one will allow cooperation in increasing competition so vital to the private enterprise system while the other will promote cooperation in the settlement of disputes without strife, a vital necessity for a strong economy. There is no public interest in allowing a cloud of illegality to hang over these worthwhile institutions.

The CHAIRMAN. The gentleman from California has consumed 6 minutes.

Mr. BELL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, when the committee reported this bill last spring, I questioned the advisability of those provisions which permit the creation of joint labor-management committees to determine conclusively the issues arising from conflicting interpretations of collective bargaining agreements.

It was my feeling at the time that this proposal might be a vehicle to give undue pressure potential to one side or the other.

After considerable reflection during the succeeding months, I have come to the conclusion that my fears were unfounded.

Voluntary agreements providing for binding arbitration of disputes concerning the interpretation of contracts are common and the pending bill would do nothing to change the situation.

As a matter of fact, the proposal contains adequate safeguards for preserving the voluntary nature of such arrangements in their entirety.

To achieve this end, the bill not only leaves the creation of such joint arbitration committees entirely to the voluntary agreement of the parties but specifically provides that it shall not be an unfair labor practice for either party to refuse to bargain concerning the establishment of such a committee or program.

Thus, with respect to this issue, both sides of the bargaining table must rely exclusively on their own economic strength without any support from the law.

It seems to me that this represents the spirit of voluntarism in labor-management relations in its most rigorous form and for that reason alone I shall support the pending measure.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I rise in support of H.R. 1153. I congratulate the chairman of our subcommittee for moving this legislation this year. It is identical to a bill we reported in the second session of the 88th Congress from our committee, which I sponsored last year.

I should also like to congratulate my colleague from California [Mr. BELL] for the very forthright and understanding statement he made on this legislation.

I believe that this is a good bill. It shows that when we bring legislation like this to the floor, carefully thought out, with understanding on both sides, we have an opportunity to improve labor-management relations in this country.

As Members will recall, the basic purpose of section 302 of the Taft-Hartley Act was to outlaw payments to representatives of employees by an employer or his representative that might be destructive of the purposes of the Taft-Hartley Act.

For example, the explicit purpose was to prohibit bribes, extortion, and other payments. Because of the way the section was drafted, all employer payments are outlawed except those that are specifically exempted by section 302(c).

This is why we are before the House today with this legislation. This bill allows the employer and the union to establish a joint industry promotion program supported by employer contributions. No one would claim that such programs are against public policy. No one would deny that both management and its employees have a vital interest in promoting the sale of their respective work products and services. Both a plastering contractor and a plasterer want to see more people use plaster in their homes and office buildings.

These funds are nothing new. We have had them for many years. As a matter of fact, in many communities they are a tradition, where both the employer and the craftsmen of a particular union get together to promote their particular product and their particular service.

As the chairman of the committee stated earlier, some courts now, in view of the amendment to the Taft-Hartley Act, have held that these funds are legal and some courts have held they are illegal. In order to give them the legality they have enjoyed for many decades, the amendment is proposed to the legislation today.

This is very forward moving legislation.

Similarly, consideration of public policy demands that we make legal a joint committee supported by employer contributions empowered to interpret the provisions of a collective bargaining agreement. I think this is one of the most important aspects of the bill. Such a committee would reduce strife and stoppages at a work site. Peaceful settlement of disputes—disputes that inevitably arise during the life of a collective bargaining agreement—are in the public interest.

I believe the very heart of the amendment before us today is that it provides that if management and labor can set up their own machinery, financed by themselves, then this machinery will lead to increased labor-management cooperation, better understanding between the two parties, and more possibilities of labor peace. Experience has shown that when these agreements are worked out between the two parties, these two parties are best equipped to eliminate disagreement and produce labor peace in the industry.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to my colleague from Illinois.

Mr. McCLORY. I appreciate that this legislation is permissive insofar as labor-management cooperative agreements are concerned, in promoting the products of the industry and the labor group engaged in that industry.

However, I am wondering about this: Does this bill restrict or limit in any way the right of industry individually to promote its products and, conversely, will it restrict in any way the labor union from advancing its independent programs with respect to this product and work that it performs?

Mr. PUCINSKI. Mr. Chairman, I am grateful to the gentleman for his question, because I think it will add to a better understanding of this legislation.

This legislation specifically and categorically bars the joint promotion fund from being used for any activities that are exclusively management's activities or management's rights and, conversely, it bars the use of this fund for any activity that is exclusively a union activity or union responsibility. These joint funds can be used only where it is agreed that a function is jointly the responsibility of labor and management.

I want to stress this again because this is so important. I think so many well-meaning people who have opposed this legislation in good faith did not understand it. This fund does not permit the commingling of funds and it does not permit the funds to be used for any responsibility that is exclusively the responsibility of the employer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROOSEVELT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. McCLORY. Mr. Chairman, if the gentleman will yield further for a further amplification and clarification, so far as I am concerned, while the joint fund cannot be used for the benefit of one side or another, labor or management, individually, does this or will this legislation bar, restrict, or limit in any way the right of industry individually to finance a program to advance the products of that industry or limit or restrict labor in the promotion of its labor?

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield to me for an answer to that question?

Mr. PUCINSKI. Yes. I yield to the gentleman from California.

Mr. ROOSEVELT. May I assure the gentleman that it restricts industry in no way from spending any funds it wants to for any promotion that it wants to. Secondly, it does not restrict labor from doing the same thing. There can be no joint fund unless both industry and labor together agree to go forward on a joint program. That is all the bill does.

Mr. McCLORY. I thank the gentleman very much for his explanation.

Mr. PUCINSKI. Mr. Chairman, may I amplify what the gentleman from California said by stating here as part of the legislative history that the decision as to what functions are industry's are industry's decision and the decision as to what functions are labor's are labor's decision, because we are not trying to set up a program here where one is going to tell the other what its functions are.

Mr. GOODELL. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. Yes. I yield to the gentleman from New York.

Mr. GOODELL. In fairness, in clarifying the answer given by the gentleman to the gentleman from Illinois, it should be pointed out if industry agrees voluntarily in the collective bargaining agreement that they do want to restrict either industry promotion or labor promotion and limit the promotion in certain areas to a joint arrangement, it would restrict both parties. It is in accordance with an agreement of the parties.

Mr. PUCINSKI. Yes. And the gentleman will agree, also, that these determinations cannot be made the subject of a mandatory collective bargaining agreement between the employer and the union. If they voluntarily want to work it out, that is their business, but the union cannot claim an unfair labor practice simply because an employer says, "We do not wish to bargain collectively on this particular promotion fund."

Mr. GOODELL. If the gentleman will yield further, if the employer refuses even to discuss setting up a joint labor-industry promotion fund, then there is no discussion and it is not an unfair labor practice and the employer is perfectly free not to discuss it.

Mr. PUCINSKI. The law provides in as clear language as I can think of that this cannot be a mandatory subject of collective bargaining. The gentleman is correct.

So, Mr. Chairman, I rise in support of this legislation. I am sure that those Members who might have received some mail in opposition to this, were they to contact those people now after they have had the opportunity to study this language and the hearings, would find, I am sure, that there is very little objection to this legislation.

As a member of the Committee on Labor and Education, I am fully aware of arguments in opposition to this bill. The serious objections have been provided for by the terms of the bill.

Neither management nor labor is required to bargain regarding establishment of these two boards. Consequently, any attempt by one party to force the other into one of these programs is an unfair labor practice. Therefore, this bill has the effect of allowing those who desire to enter into such agreements to do such completely voluntarily. Furthermore, promotional programs established outside this bill are not illegal; that is, a promotional program controlled by management.

Next, the concern about the possibility of misappropriation of these funds has been met. H.R. 1153 has adequate disclosure provisions to protect against any abuses. It specifically provides the following safeguards to the jointly administered funds which it would sanction:

First. Payments must go to separate trusts.

Second. Funds cannot be commingled with any other funds.

Third. Funds cannot be used in programs that are exclusively employer or management functions or labor organization functions.

Fourth. Applicable requirements of Welfare and Pension Plans Disclosure Act apply to trust fund.

Permit me to stress: The bill specifically says that no part of the joint promotion fund can be used to defray costs of programs that are exclusively management or labor functions. Moreover, if an employer feels such a promotional program is a management function, then he is not required to bargain about it.

In closing, I urge the passage of this bill. It is in the public interest to do so.

If management and labor want to cooperate to their mutual benefit and to the benefit of the economy as a whole then it is the public duty of Congress to make this possible.

Mr. BELL. Mr. Chairman, I yield such time as he may require to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I rise in support of H.R. 1153. I want to commend the gentleman from California [Mr. BELL] on the work he did on this measure and for his support of it. From the explanation that has been made I believe that this is a wise venture, to permit joint labor-management programs to be set up. The reservations that I had about it, which are stated very simply in the separate views that Mr. BELL and I signed, concerned the difficulties that we pointed to at that time. But I am willing to say now that obviously there will not be any, and I am willing to see this measure adopted. I shall give it my support.

Mr. BELL. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I would like to enter my disagreement with the chorus of support that has been indicated for this bill up to this point. Reluctantly I have to say that if I were to title this bill I would title it as another bill further to destroy the Taft-Hartley Act. I say that advisedly because I believe that although it will affect a relatively small number of employers and employees it strikes at a very basic and fundamental principle. The Wagner Act and the Taft-Hartley Act were designed to protect and encourage free collective bargaining by free employers representing their interests independently and free unions representing their interests independently.

It has been considered a sound principle for the interests of management and labor insofar as they represent the two sides of the collective bargaining table not to be commingled. The rule of the Taft-Hartley law is that the employer shall not make payments to the union. That is a sound principle. One of the basic reasons for it is so that there may not be company-dominated unions. Anything that determines the independence and integrity of management on the one side and union on the other side is subject to serious question, in my opinion.

The function of a union under the Taft-Hartley law is to represent employees with respect to wages, hours, and working conditions. Those are the purposes for which the union represents the employees.

This amendment to section 302 does not go directly to the matter of wages, hours, and working conditions, but to the matter of advertising, research, promotion of industry or the products of industry. These are peculiarly and exclusively management functions.

To the extent that this bill will authorize and legalize union participation in the administration of the joint fund for the advancement and promotion of the industry in these areas, you are in effect saying that the union should have half the members of the board of directors of the corporation insofar as these particular functions are concerned. This is just as wrong basically as if you were to say that management representatives should take half the seats of the union committee determining union policies. You are in effect saying that because the union will participate in the decisions on these matters, such as research, publicity, and promotion, that the union will have a veto power in an area where management has the exclusive responsibility and function.

I question seriously that this is a good step to take.

Mr. Chairman, there is no problem at the present time for industries to have a promotion fund. There are many in existence. But they are administered by the companies. The companies and the management in this situation have the primary responsibility. Now it is said, of course, that this bill does not make this subject a mandatory subject of collective bargaining and, therefore, why should we worry?

After all, management does not even have to talk about it if they do not want to. This may look good in the bill but, frankly, from a practical point of view it is a little naive. It does not take a very resourceful union negotiator in practice to negotiate and make this a mandatory subject of collective bargaining if he wants to. If some other matters that are the subject of mandatory collective bargaining arise and are unresolved, he could quietly let the negotiator on the other side know in a circumstance where he could not be brought to account, that if he would agree to this, then the demand on the subject which is a matter of mandatory collective bargaining would be settled. He can very easily make sure that this is brought into the contract.

Mr. Chairman, I do not think there is any question that this is a technical distinction without very much practical difference as far as the effect that it will have once it is in the law. Unfortunately, I think—and unintentionally on the part of many who support this bill—this is going to open the door and exaggerate, I believe, many of the jurisdictional disputes between various unions.

Mr. Chairman, at the crux of the problem here are disputes between plasterers and those who use dry walls and those who, in the construction industry, use prefabricated material and those who do certain types of processes on the job. What we are doing here is creating some war chest which the unions will help to administer to fan the flames of these various segments of the construction industry that are vying for the various jobs.

Now, Mr. Chairman, whether or not that is in the public interest is a serious question, because many times if management were seeking to promote the industry, let us face it, they would be trying to update their process, they would be trying to automate, they would be trying to do things that would be cheaper. With the union involved in this particular decision-making policy, the efforts to advance the industry in many instances will be retarded rather than advanced.

Mr. Chairman, it seems to me that if the same principle involved in this bill were broadly applied it would be well understood by the public at large and the Congress would not even be seriously considering this measure.

Mr. Chairman, let me demonstrate what I mean. This bill only applies to the construction industry. But suppose it applied across the board? It would mean there would be, for example, a jointly administered fund that would determine how the Ford Motor Co. would advertise and promote its automobiles—what kind of advertisements it would put into magazines, whether it should sponsor the "Lucy Show" or "Gunsmoke" or something else, what kind of research the Ford Motor Co. should engage in, and so forth and so forth. That is the principle involved in this bill, although it is limited to the construction industry.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I do not think the gentleman would really make the suggestion, or makes the suggestion, that the Ford Motor Company would be covered by this bill and voluntarily surrender their right as employer, as an investor, as a corporation, to make the determination of how the advertising money was going to be spent. The gentleman is not trying to create the impression this legislation is designed to put the union right into every single activity in Detroit. This is a voluntary program, and the unions would only have the right to comment on those things the employer has agreed to beforehand. This is a joint effort. The gentleman from California sponsors the bill.

Mr. GRIFFIN. I thought the gentleman had a question, that he was going to clear up something. If he is going to make a speech I decline to yield further.

Mr. PUCINSKI. Is the gentleman suggesting that?

Mr. GRIFFIN. Does the gentleman have a question?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BELL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PUCINSKI. Is the gentleman suggesting that this bill provides that the union shall be right in the thick of this? It is not.

Mr. GRIFFIN. All right. I thank the gentleman for his contribution.

This bill, to be sure, and as I have said, only applies to the construction industry. I only added the example of the Ford Motor Co. to illustrate the principles involved. I think most of us will agree if the union is going to jointly administer the promotion of the Ford Motor Co., of Lux Soap, or Kellogg's Corn Flakes, or almost anything else we can think of, it would be agreed this is an invasion of an area which is exclusively and peculiarly a master's function.

We are talking here about the promotion of a product, product applications, research development, market development, promotion of architects and engineers, contracting, public relations. The union is going to have a veto power over the public relations programs of the company with respect to the promotion of its product.

After pointing out how this is surely an invasion and a veto power in the hands of the union, the only answer that you have is, well, this is a voluntary agreement. This just is not so in the areas where unions are very strong. It is not going to be a very voluntary agreement in many areas, I can tell you. It may sound good to say this is not a mandatory subject of collective bargaining, but the unions will have ways of making sure these things are negotiated into the contract. They will demand 25-cents-an-hour increase when really they would settle for 10 cents. That is the way they will get it in.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. Sweeney].

Mr. SWEENEY. Mr. Chairman, I rise this afternoon in support of H.R. 1153 to amend the Labor-Management Relations Act so as to permit employer contributions for joint industry promotion of products in the building and construction trades industry.

Mr. Chairman, I wish to commend particularly the gentleman from Illinois [Mr. Pucinski] and the gentleman from California [Mr. Roosevelt] for the development of this legislation.

Mr. Chairman, I have come to this Congress fresh from the experience of dealing as labor counsel for unions affiliated in the building construction trades industry. In my humble opinion this amendment to the Labor-Management Relations Act is long overdue and does provide, as has been pointed out here this afternoon, for appointment of union trustees on industry promotion boards.

Cleveland, Ohio, and other Ohio cities have enjoyed industry promotion boards and these boards, generally, have been models of labor-management cooperation and have gone far to effect better understanding by labor of the problems and difficulties of management within the industry; and conversely, developed on the part of management, a better understanding of the labor union difficulties within the trades.

Mr. Chairman, I am delighted to support H.R. 1153, for this bill has provided wisely that industry promotion funds may not be used for the purposes of benefiting management alone; nor labor alone, but must be applied to the joint benefit of each.

Under this setting, I would predict that the general public will benefit and that the total economy will be stimulated by a healthy joint industry-labor promotion effort.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. Daniels].

Mr. DANIELS. Mr. Chairman, I rise in support of H.R. 1153, a bill to amend the Labor-Management Act of 1947 to permit product promotion programs jointly administered by labor and management and jointly administered committees for the administration of collective bargaining agreements.

Mr. Chairman, this bill has been made necessary by judicial interpretation of section 302(c) of the Labor-Management Act.

This section of the statute makes it unlawful for an employer to make any payment to any employee representative, or officer or employee thereof, which represents any group of employees.

Subsection (c) of section 302 spells out exceptions to the rule. By drafting a bill containing specific exceptions the Congress, by implication, has prohibited every act not specifically exempted.

It is for this reason that we seek adoption of H.R. 1153.

Industry promotion funds are legal under the law as it is presently written. Thousands of such funds are in existence today. What we seek in this bill is permission to allow such funds to be administered jointly by labor and management.

Mr. Chairman, there is nothing in the legislative history of the Taft-Hartley Act which would indicate an intention to prohibit a joint labor-management promotional fund.

In fact, in the leading case on this subject, Cement Masons against Paramount Plastering, the ninth circuit court said in part:

> We do not quarrel in the slightest with the laudable objectives of the trust amicably created by labor and management in this case. We sympathize with the efforts of both labor and management to solve a vexing industry problem * * * but like so many of our present day problems, our duty is to rule in accordance with that which Congress in its wisdom has seen fit to enact. We cannot widen the door when the door sill has been carefully tailored by the representatives in Congress. The relief sought by the appellants herein must be found in congressional and not judicial action.

It is for this reason that we are seeking the congressional action which the court has called for.

Mr. Chairman, this bill adds only two more exceptions to the law: These exceptions will permit joint product promotion and joint committees to interpret collective bargaining agreements.

It is significant that these joint programs will be permissive in nature, and may be topics for collective bargaining, although it will not be an unfair labor practice to refuse to bargain over these programs.

Written into H.R. 1153 are adequate safeguards which are as follows:

First. Payments must go to separate trusts.

Second. Funds cannot be commingled with other funds.

Third. Funds cannot be used in programs that are employer or management functions.

Fourth. Applicable requirements of Welfare and Pension Plans Disclosure Act apply to trust funds.

Also applicable would be section 302 (d) which makes any person who violates any provision of this section liable to a fine of $10,000 or to imprisonment for 1 year or both.

I think, Mr. Chairman, that this is a good bill which would correct a situation where the law forbids more than was intended to be forbidden. Further, adequate safeguards are written into this bill to prevent collusion between labor and management.

More and more, management and labor are coming to realize that they have common goals and that they can work together. If labor and management can work together harmoniously in behalf of the common good, then I ask, should the Government stand in their way? I think not, Mr. Chairman.

I urge passage of H.R. 1153.

Mr. ROOSEVELT. Mr. Chairman, I have only one more request for time. Does my colleague, the gentleman from California, wish to yield time?

Mr. BELL. Mr. Chairman, I have no further request for time.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. DENT] to close debate.

Mr. DENT. Mr. Chairman, I want to say this legislation has had a rocky, long road to travel since it started out a few years ago. Previous to this, and at the beginning, we had some serious questions voiced, I believe, by the gentleman from Michigan in his opposition to the legislation. However, in the hearings and at those times when we met with management and labor, we ironed out the questions that were raised by the gentleman from Michigan.

Mr. Chairman, we are doing here something that should have been done a long time ago, particularly after World War II, when we entered that phase of labor-management relations where we recognized the need for joint cooperative efforts in order to maintain some semblance of labor peace in many of the disturbed labor areas of our Nation.

If you examine the law, you will see what we are doing is saying, in a sense, that money being put into this fund for joint promotion of product and joint promotion of effort toward the distribution and sale of product, we are allowing a certain area in which there can be committees financed and named for the express purpose of resolving interpretations of certain labor agreements contained in contracts when such interpretations are binding on all parties concerned. This means we are legalizing something that is being done now every day in the labor-management field.

Therefore, I believe this Congress is acting wisely in moving toward that day when we will have more and more of the situation where labor and management get around the table and resolve their problems before those problems become so difficult that they cause a disruption in employment and in the operation of plants.

Therefore, I compliment the Chairman of this Committee who has steadfastly stood by the proposition that this legislation would be helpful and after all of these years finally we have come to the point where we can pass it.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302(c) of the Labor-Management Relations Act, 1947, is amended by striking out "or (6)" and inserting in lieu thereof "(6)", and by adding immediately before the period at the end thereof the following: "; or (7) with respect to money or other thing of value paid by any employer of the construction industry to a trust fund established by such representative for the purpose of a joint industry promotion program or a joint committee or joint board empowered to interpret provisions of collective bargaining agreements: *Provided,* That (a) in relation to a joint industry promotional program such payments as are intended to be used for defraying the cost and expenses thereof are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than for product and product application research and development, product and product application market development, promotion of product and product application with architects, engineers, and Government contracting officials, product and product application public relations, publication of product and product application technical information and data: *Provided,* That no labor organization or employer shall be required to bargain on the establishment of any such program, and refusal to do so shall not constitute an unfair labor practice; (b) in relation to a joint committee or joint board empowered to interpret provisions of collective bargaining agreements such payments as are intended to be used for defraying the cost and expenses thereof are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than the interpreting of provisions of collective bargaining agreements and to resolve and determine issues arising from disputes regarding provisions of a collective bargaining agreement, providing that the findings and/or determination of such committee or board are binding on all parties concerned: *Provided,* That no labor organization or employer shall be required to bargain on the establishment of any such committee or board, and refusal to do so shall not constitute an unfair labor practice; (c) such funds shall not be commingled with any other funds or used in any manner to share expenses or otherwise defray the cost of programs that are employer or management functions or labor organization functions, and that the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust fund as well as the requirements of the Welfare and Pension Plan Disclosure Act (except any which the Secretary determines are not applicable to trust funds of the type to which this clause applies)."

Amend the title so as to read: "A bill to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint labor-management product promotion programs in certain instances or a joint labor-management committee or board empowered to interpret provisions of collective bargaining agreements."

Mr. ROOSEVELT (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment at any point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert: "That section 302(c) of the Labor-Management Relations Act, 1947, is amended by striking out 'or (6)' and inserting in lieu thereof '(6)', and by adding immediately before the period at the end thereof the following:'; or (7) with respect to money or other thing of value paid by any construction industry employer to a separate trust fund established by such representatives for the purpose of (A) a joint labor-management program for the promotion of product and product application, including, with respect to such product, research and development, market development, promotion with architects, engineers, and Government contracting officials, public relations, and publication of technical information and data relating thereto, or (B) a program for the establishment and maintenance of a joint labor-management committee or board to resolve and determine issues arising from disputes regarding the interpretation of collective bargaining agreements where determinations of such committee or board are binding on all parties concerned: *Provided*, That (i) sums paid into any such fund shall be used only to defray the cost of carrying out the program for which such fund was established and may not be commingled with any other funds or otherwise used to defray the cost of programs that are employer or management functions or labor organization functions, (ii) no labor organization and employer shall be required to bargain on the establishment of any such program, and refusal to do so shall not constitute an unfair labor practice, and (iii) the requirements of section 302 (c) (5) (B) shall apply to such fund, as well as the reporting and disclosure requirements of the Welfare and Pension Plans Disclosure Act (except any which the Secretary determines are not applicable to trust funds of the type to which this clause applies)'."

Amend the title so as to read: "A bill to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint labor-management product promotion programs in certain instances or a joint labor-management committee or board empowered to interpret provisions of collective bargaining agreements."

AMENDMENT OFFERED BY MR. YOUNGER

Mr. YOUNGER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNGER to the committee amendment: Page 4, line 16, strike out "no" and all that follows down through and including line 19, and insert "any labor organization or employer shall be required to bargain on the establishment of any such program and refusal to do so shall constitute an unfair labor practice, and".

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman and members of the Committee, as has been pointed out forcefully here, you speak about a voluntary organization or voluntary agreement between management and labor to provide this promotion fund—I think we are just kidding ourselves. When you start in on that basis and try to legalize something that has been going on, you are going to start in and force a condition of putting this fund into a bargaining basis.

Mr. Chairman, this bill, which permits joint management of industry promotion funds by employers and employees would seem to be consistent with the best interests of both groups. It is arrived at by the honored process of collective bargaining.

I am sure that the sponsor of this legislation would want his bill to reflect equity on all points.

Therefore, Mr. Chairman, I would like to point out that all other funds—such as, health, welfare, pension, vacation, and many others—are not only jointly administered or in many cases, union administered—they are mandatory items at the bargaining table. The bill before us now would make a new exception to that rule by making the matter of industry promotion funds permissive and not mandatory.

To be consistent in equity with historical practice, legal precedent, and the best interests of those affected by these funds, I propose that these funds be made a mandatory item of bargaining and that failure to bargain on an industry promotion fund shall constitute an unfair labor practice.

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the amendment.

I hope that my good friend from California will not mind if I express some surprise that such an amendment would come from him. I believe he knows as well as I that the amendment is merely one which would make the bill unpalatable to many other people.

I feel sure we do not wish to make this agreement a mandatory subject matter of collective bargaining; otherwise, this would do exactly the opposite of what we say. What we say in this bill is that this is something which can only come to pass when there is agreement between management and labor. We do not want to make it a matter of contention by forcing it into the area of collective bargaining.

While I respect my good friend, I hope he had his tongue in his cheek. I urge the rejection of the amendment.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from California [Mr. YOUNGER].

The amendment was rejected.

Mr. GOODELL. Mr. Chairman, I move to strike the last word.

I should like to clarify this for the record, and ask the chairman of the subcommittee to make it unmistakably clear.

Under the provisions of the bill the employer and the union are to be free to negotiate for a joint promotion fund which will entail any one of the various subject matters listed in the bill on pages 3 and 4, but it is not necessary that the agreement include all of them?

Mr. ROOSEVELT. The gentleman is correct.

Mr. GOODELL. In other words, if the employer and the union wish to have a joint promotion fund for market development alone that would be perfectly permissible, and it would not be necessary to have the same fund available for research and development, promotion with architects, and so forth?

Mr. ROOSEVELT. The gentleman is completely correct.

Mr. GOODELL. That was my understanding. I wanted it absolutely clear in the record.

Mr. ROOSEVELT. I join with the gentleman.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. VANIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1153) to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint industry promotion of products in certain instances or a joint committee or joint board empowered to interpret provisions of collective bargaining agreements, pursuant to House Resolution 482, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "A bill to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint labor-management product promotion programs in certain instances or a joint labor-management committee or board empowered to interpret provisions of collective bargaining agreements."

A motion to reconsider was laid on the table.

ADDRESS BY DR. EDWARD C. WELSH ON THE U.S. SPACE PROGRAM

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, at the recent Symposium on Space and Ballistic Missile Technology held in San Diego, Calif., the keynote address was delivered by Dr. Edward C. Welsh, executive secretary of the National Aeronautics and Space Council. In his address, Dr. Welsh summarizes the growth of our space program over the past 10 years, our accomplishments to date, and also makes a comparison of these accomplishments with those of the Soviets.

I found the address to be very interesting. I am inserting Dr. Welsh's remarks in the RECORD for the benefit of my colleagues:

THE SPACE CHALLENGE

(Address by Dr. Edward C. Welsh, Executive Secretary, National Aeronautics and Space Council)

It is an honor and a pleasure to participate in the opening session of this 10th

Symposium on Space and Ballistic Missile Technology. I appreciate the opportunity afforded me.

Before making a few remarks regarding our national space program, I want to convey the Vice President's regrets at his being unable to be present and to express his sincere wishes for a successful symposium. He asked that I encourage this distinguished audience "to step up the Nation's technological progress, as peace and freedom rely heavily upon our technological leadership."

MISUNDERSTANDING

There exists a serious misunderstanding about our space program. All too many people seem to have the impression that part of our program is peaceful in intent and nature while the other part is something different, presumably nonpeaceful. This misconception goes further by attempting to identify the nonpeaceful and the nonscientific with the military and to credit the peaceful and the scientific to the civilian. This distinction could not be more wrong.

There are those, however in the Government as well as outside the Government who foster this type of confusion. Such inaccuracy of expression and of thinking causes unwarranted friction between Government agencies, unnecessary suspicion of our intentions on the part of other nations, and serious difficulties for those who attempt to explain our space planning to the Congress and to the public.

PEACEFUL PURPOSES

The fact is—in both policy and practice—that all of our space activities are peaceful. Moreover, no arm of the Government has a monopoly over our peaceful space projects. Just in case it may have been forgotten, let me quote from our highest policy level. In 1962, President Johnson, then Vice President and the Chairman of the National Aeronautics and Space Council, stated: "The United States does not have a division between peaceful and nonpeaceful objectives for space but rather has space missions to help keep the peace and space missions to improve our ability to live well in peace."

In 1964, as President, he said: "Our space program, in both its civil and military aspects, is peaceful in purpose and practice."

If it were not for the currency of misconceptions, it would seem to be unnecessary to recall that the National Aeronautics and Space Act of 1958 states: "It is the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of all mankind." In so stating, the act referred to all space activities, including those of the Defense Department as well as those of the National Aeronautics and Space Administration. Surely, everyone should be able to agree that there is no activity more peaceful than that which discourages aggression and thereby encourages peace.

Those who drive wedges of adverse intent between the space activities of the Defense Department and NASA, for example, do a disservice to the national effort and act to contravene national policy.

Perhaps I am belaboring the obvious. Perhaps I am emphasizing a principle concerning which you have sensed no misunderstanding. If the latter is the case, I will have to say that you are indeed in the minority. A very large number of writers and speakers—expert or not on the subject of space—attempt to make a distinction between the peaceful and military phases of our space program. Such contrasts distort the truth.

COMPLACENCY

I hasten to add, however, that I am not saying that space cannot be used for purposes of aggression. Of course it can. No arena within the reach of man is free from the possibility of being exploited by an aggressor. Moreover, no nation should bury itself in the sands of complacency and thereby neglect to develop the technological and military strength so necessary for deterring potential aggressors.

The maintenance of such strength in no respect conflicts with the policy of peace. In fact, the more competent we are to prevent surprise, to discover aggressive maneuvers, and to intercept hostile weapons in any medium, the better chance we have of living in peace. That is why I have taken such a keen interest in our military space developments.

When I state, therefore, that our entire national space program is peaceful, I mean that we have no aggressive intent, that we seek no domination over other peoples, and that we are eager to share the benefits of space exploration with all mankind. I do not mean, however, that we intend to be naive, complacent, or weak.

COOPERATION

Cooperation between the Defense Department and NASA takes continued effort and attention. It is not enough to legislate that cooperation. Rather, it is something which has to be worked on at all times—and that is being done. As I pointed out previously, those who drive wedges—like claiming that one agency is peaceful and the other is not, or that one agency's activities are essential while the others are not—tend to undermine what is generally a condition of healthy competition and constructive cooperation.

I also believe in international space cooperation whenever such joint endeavor will improve technology, increase our store of knowledge, or further the pursuit of peace. This means that international space cooperation, in order to be justifiable, must be mutual in its benefits and must not in any case diminish the relative strength of this country.

GROWTH

As much, however, as I favor international cooperation in space—and I do so emphatically—cooperation within our country is even more important. If one looks backward to the beginning of the development of ballistic missile technology and follows that record of growth through to the present time, he will see step-by-step progress. Sometimes the steps were hesitant or slow ones and sometimes very rapid. But whether slow or fast, the net result was a vastly increased base of technical knowledge and experience which has contributed directly to this country's military strength and economic well-being. On such a technological foundation we have built an effective missile deterrent, whose value can be judged by the fact that we have not needed to employ it in anger. On this technological base also, we have taken a few strong strides toward developing a real space competence. The Nation owes a debt of gratitude to those who pioneered the research, the development, and the production of ballistic missiles. Had it not been for this early effort, much of it under adverse circumstances, the national space program could not have made the great advance it has made in recent years. This farsightedness, this growth, this interrelationship of manpower and facilities, show how national assets can be put to constructive use so long as we have the will and the determination to do so.

Those who are impatient for even greater progress in space—and I am to be counted among them—should try to establish perspective by attempting to enumerate some of the many accomplishments which have taken place in less than a decade of space activities. In a sense, that reference to a period shorter than a decade is somewhat misleading as it has been much more than 10 years since we first started in rocket technology. However, it has been only recently that we have had what can really be called a viable space program. We need go back only to 1956 to find the first year in which space expenditures reached the grand total of $100 million. Fiscal year 1965, with its expenditure figure of $6.6 billion was only the fifth year in which space spending exceeded $1 billion. Those few figures attest to the tremendous rate of growth of our national space program. This rapid rate of growth undoubtedly will not and should not be expected to continue, but I feel quite confident in predicting steady and constructive growth for the future. While there are indications of some leveling off of total space expenditures, it is hoped that they will continue to grow over the years at least consonant with the rate of increase in our gross national product.

ACCOMPLISHMENTS

As I suggested, a quick look at space accomplishments in the last few years reveals successful satellites in communications, navigation, nuclear detection, scientific investigations, weather and other observations, radiation measurements, geodetic surveys, the garnering of data regarding the Moon, Venus, and Mars, and a wide range of other space activities.

It is also worthy of note that since 1958 this country has placed more than 300 spacecraft into orbit about the earth and put 12 on escape missions. About half of that amazing total has been launched during the past 24 months.

COMPARISON WITH U.S.S.R.

As we bask in the glow of self-congratulation, however, let us not forget for a moment that the Soviets also have an orderly, balanced, and vigorous space program. Moreover, their program continues to accelerate. Instead of a slowdown, which some had predicted, the U.S.S.R. has experienced a steady expansion in its space efforts. For example, so far this year they have put almost twice as many payloads into earth orbit as they had by this time last year. Indeed, the last few weeks have shown a record amount of Soviet space activity, and I see no evidence that the pace will diminish.

Although the Soviets have not had as notable success in their escape space attempts as they have had in their earth-orbiting missions, they have put a larger percentage of their total effort into far-out space missions than we have. They are still ahead of us in manned space flight experience and in total weight of payloads orbited, while we are ahead in number of payloads and in space applications in such areas as communications, navigation, and meteorology. Both countries have made great progress in scientific experiments, in the reliability of space equipment, and in the development of larger and more powerful launch vehicles.

NATIONAL EFFORT

Our space program is truly national in operation as well as in policy. For example, the Defense Department has developed rockets used for both their launches and for NASA's launches. The Defense Department has also supplied all the astronauts for Mercury and most of them for Gemini. Since the former is a completed program, it supplies an excellent illustration of interagency cooperation. In a single manned Mercury operation, 28 ships, 171 aircraft, and over 18,000 military personnel were deployed in primary and contingent recovery areas throughout the world. Those who like to find divisiveness in our space program find little comfort in the Mercury project. This was a case in which we had NASA spacecraft placed into orbit by Air Force-developed boosters, launched from an interagency coordinated launch site, and piloted by individuals on detail from the armed services. That cooperation was in addition to the recovery support just mentioned.

Exchange of technology and experience should be a mutual one. For example, NASA's considerable success in manned space flight could assist the Air Force substantially in the development of a manned orbiting laboratory. Such interagency cooperation should not impair our peaceful image or modify our peaceful intent.

One of the most important facts about the space program is one which is so frequently overlooked. I refer to the fact that those engaged in the program are creating national assets and national resources, which can be devoted to the best interests of this Nation—whether such use be to improve man's well-being or to protect mankind from aggression.

A GLANCE AT THE FUTURE

And now I would like to outline briefly a few general features of our space activities for the future:

1. We will not only land men on the moon, but, if conditions warrant, we will make many other trips to explore the various parts of the lunar surface and possibly establish a base or bases there.

2. We will not only send unmanned probes throughout the solar system to learn more about the planets, but we will send manned expeditions into space wherever they seem feasible.

3. We will develop a growing family of manned earth-orbiting stations, from relatively small orbiting laboratories to large multimanned permanent stations. We would expect to operate a regular ferry service to transfer personnel and supplies to and from such stations on a regular basis.

4. Global communications via satellites will be a fact in the very near future and should be followed soon by direct broadcast of both voice and TV by satellite to home receivers throughout large sections of the world.

5. The future will find us in a continuing rate of growth in improved propulsion—faster, more powerful rockets using nuclear as well as chemical energy.

6. Orbiting spacecraft will increase annually in numbers, in size, and in sophistication. Through such activity we will greatly increase our knowledge about the earth as well as about the heavens.

7. We can expect a marriage of the major features of both aeronautics and astronautics. In other words, lifting bodies and winged spacecraft with maneuverable reentry ability will be launched into near and distant space by means of recoverable and reusable launch vehicles. Drastic reduction in the cost of space travel will result. And, finally

8. As our competence in space increases and as such competence becomes part of the institutional structure not only of this country but of many countries throughout the world, we can expect to see greater economic progress and international cooperation. Then we can truly say that our space efforts have made major contributions to world peace.

In the coming sessions of this symposium, highly complex and technical subjects will undoubtedly be explored. I am sure they will be stimulating and productive. As you pursue these scientific and engineering intricacies, I hope you will keep in mind some of the policy implications and national objectives which I have touched upon this morning.

Thank you.

MILTON A. PEARL

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I rise with mixed feelings at this time to advise my colleagues that we have on one hand lost to the House a valued, trusted, and respected technician, who has acted as a consultant and adviser, but that on the other hand our loss has been the gain of a commission created by Congress, an experienced hand to guide the day-to-day activities of the Public Land Law Review Commission.

I refer, as many of my colleagues know, to Milton A. Pearl, known to us generally as Milt or Milton. Over the past 10 years, his name has become a byword in the Congress whenever and wherever land or real estate matters were considered. His advice and counsel were sought on some of the most significant land problems on which we were called to act.

After Milton Pearl had served for almost 5 years in representing the Secretary of the Army "on the Hill," which followed about 11 years of on-the-job training in various real estate assignments with the U.S. Army Corps of Engineers, we were able to lure him away from the executive branch and retain him on the professional staff of your Committee on Interior and Insular Affairs as a consultant on land, mineral, and mining matters. When he joined our staff on February 1, 1961, his reputation in land matters had been earned; but it was in the years that followed that he demonstrated through his further accomplishments his right to the respect and recognition of his professional capability by Members of this body on problems which confronted them in the fields embracing public lands and mining problems.

Mr. Speaker, his work has resulted in a unanimity of accord on both sides of the aisle for the valued, professional, objective, and craftsmanlike manner of his work.

He has demonstrated in the past 4½ years the possibility, as I always believe to be necessary, of professional conduct not beholden to any political party, not beholden to any pressure group, and secure in the knowledge of acceptance for professional ability and technical competence, and for these alone.

This, Mr. Speaker, was the manner in which your Interior and Insular Affairs Committee—including all Members from both sides of the aisle—retained Milton Pearl.

He was given to understand at the time of his association on our professional staff that he was to represent no single point of view and, I must say, that he has adhered strictly to this course.

It is to the credit of Milton Pearl, and I believe his greatest accomplishment, that when the Public Land Law Review Commission was created virtually all users of the public lands, from industrial and consuming users to the conservation and wildlife users, centered on and urged that he be given a leading role in the technical review of the public land laws. This represents an astonishing consensus of opinion as to his technical competence and his objectivity.

And so, Mr. Speaker, it has come to pass that Mr. Pearl is heading up the public land law study as staff director for the Public Land Law Review Commission. I am proud to be a member of this Commission and feel highly honored in having been chosen as its Chairman. I take equal pride in the unanimous election by all members of the Commission of Milton Pearl as its staff director.

Mr. Speaker, Members of Congress, and particularly those of us who have dual responsibilities as committee chairmen, cannot carry all our activities alone. We must, and we do, rely on trained, professional assistants to conduct our staff work; and, in the case of the Public Land Law Review Commission, it is my intention, as I have emphasized to the Commission, to turn over to Milton Pearl the directional authority for the day-to-day operations of the Commission's work.

It is because I felt sure that the Commission would have a strong and thoughtful hand on its reins, while I and the other members of the Commission guided, that I was willing to assume the chairmanship. At the same time, I knew that the loss to the House Interior and Insular Affairs Committee and, in fact, to this body, would be great. One of the finest public servants we have had is no longer to be on our staff. However, Mr. Speaker, I believe that his service on and association with the Public Land Law Review Commission will be for the greatest good for the greatest number.

For the information of my colleagues, at the last meeting of our committee at which Milton Pearl was present, there was a spontaneous and unanimous outpouring of the sense of loss the committee felt when I announced that Mr. Pearl was leaving our staff and joining the Public Land Law Review Commission as its staff director.

We of the Commission believe that the Interior Committee's loss will turn out to be a benefit to the entire country. We firmly believe that the study to be conducted by this Commission transcends in importance all other public land matters at this time. We trust that the work on which we are embarking will meet with approval.

Mr. Speaker, I ask unanimous consent that the gentleman from Nevada [Mr. BARING] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there obejction to the request of the gentleman from Colorado?

There was no objection.

Mr. BARING. Mr. Speaker, I would like to associate myself fully with the remarks of the gentleman from Colorado [Mr. ASPINALL], the distinguished chairman of our Committee on Interior and Insular Affairs.

I would also like to go one step further. Milton Pearl was to me a friend and confidant, an adviser, and a real pro in the contest where no holds are barred. I shall feel his loss as much—if not more—than others.

As chairman of the Subcommittee on Public Lands of the Interior Committee, it was my honor and privilege during the 88th Congress to report out several key public land measures. I filed the reports on wilderness, on the creation of the Public Land Law Review Commission, on an act to require clarification of public lands for either sale or retention, and on a new public sale act. But, Mr. Speaker, let me acknowledge here and now that the legwork, the technical work, and the development of language for these reports and for advice to all of us interested in them came from the professional staff of the committee. This, I believe, is true of all of our committees. I would like to take this opportunity to compliment the work of the splendid staffs of all of the committees of the House. The men and women engaged in the day-to-day activities of these committees are doing a tremendous job with little public acclaim.

In my capacity as chairman of the Public Lands Subcommittee, it has been my good fortune in the last 3½ years to have Milton Pearl as my professional adviser, a man to whom I could—and did—toss the rough technical questions that arose. These not only originated in correspondence but in news conferences and even, as it happened one time, on a television panel discussion.

Mr. Speaker, I shall feel the loss of Milton Pearl very keenly. He became a good friend, and I am particularly pleased that he will be near by, and that this friendship will continue in the future.

I would like to pay particular tribute to his help and advice in the past few years, not only in our day-to-day committee activities but when we were in attendance at technical conferences such as, for example, the International Lead and Zinc Study Group.

In this connection, I hope, Mr. Speaker, that whoever may be appointed to represent the United States at the lead-zinc meeting this year that you will, if you have the opportunity, name Milton Pearl as an adviser to that delegation.

I am extremely proud that Milton Pearl's capabilities have been further recognized and that he has been assigned such a great position of responsibility as that of staff director of the Public Land Law Review Commission. The work of this Commission will be particularly important and, as a matter of fact, vital to the economies of our Western States. In my own State of Nevada, where almost 90 percent of the land is federally owned and there is a constant watch on what the Federal Government will do, there was universal acclaim that the technical study of the public land laws are being entrusted to Milton Pearl. It is my own belief, and I am sure that of large numbers in the West, in the fairness and objectivity of Milton Pearl.

Under the guidance of our distinguished chairman, the gentleman from Colorado the Honorable WAYNE ASPINALL, who has generously agreed to take on the added burden of the chairmanship of the Public Land Law Review Commission, I know that the technical study directed by Mr. Pearl will enjoy the confidence and trust from the people of the West. I also believe that the proper development and use of our public lands will be highly beneficial to all of the people of the United States.

The loss of our committee and of this body, I believe, will be the gain of the country generally. I wish Milton Pearl well, and trust that when the job at hand is completed that he will join us again, and that the results of his activities with the Commission will be a landmark in the history of the development of our public lands.

BETTS ANNOUNCES TAFT GRAVE IMPROVEMENTS

Mr. BETTS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BETTS. Mr. Speaker, on July 15 I informed the House of the condition of the President Taft grave site at Arlington National Cemetery requesting that responsible officials take appropriate action. It is a pleasure today to inform my colleagues that according to a letter I have received from the Chief of Legislative Liaison of the Department of the Army and a personal visit I made to the Taft grave over the weekend, that much of what I requested is in the process of completion.

The military and civilian guards at Arlington are now briefed as to the location of the Taft grave, maps and signs direct visitors to the site, and a marker has been erected at the nearest pedestrian walk to guide visitors to the grave. A crushed gravel walkway is to be provided and the grass and turf near the grave will be renovated later in the year. This is as it should be. In order that the full details of the improvements may be made known, I include the full text to Colonel Blackwell's letter following these remarks:

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., August 6, 1965.

Hon. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.

DEAR MR. BETTS: I am happy to inform you that your remarks to the House of Representatives on July 15, 1965, concerning the graveside of President Taft generated both interest and action within the Department of the Army. A recent inspection of the site reveals that the monument, the benches, and the background landscaping are in generally good condition. The turf is in poor condition and requires renovation. A picture taken at the time of the inspection is inclosed. The lawn throughout Arlington suffered in the June and July heat and drought. The turf will be renovated in the fall as soon as weather permits. Since there is no lawn-watering system in Arlington, resodding or reseeding at the present time would be ineffective.

Inclosed is a copy of the map that is given to visitors seeking information at the cemetery's administration building about the location of particular sites. Clerks normally ascertain from office records the number of a grave, mark the site, and indicate the best route for the visitor to follow. You will note that the latest revision, dated May 1964, shows the locations of the graves of both President Taft and President Kennedy.

I am sure you will be pleased to learn that the commanding general, Military District of Washington, has had a directional sign erected at the point indicated on the inclosed map to guide interested visitors. The sign is near a heavily traveled existing pedestrian walk descending from the Custis-Lee Mansion. As recommended by you, a crushed gravel walkway will be provided in the very near future between Schley Drive and the Taft lot. There are currently six "You are Here" maps at strategic points in the cemetery. Information about the Taft lot has been added to these maps.

There are currently civilian guards at five posts; military guards at three posts on weekdays; and military guards at four posts on weekends. The commanding general, Military District of Washington and the Assistant Superintendent have verbally briefed the permanent civilian guards giving them information about Arlington in general and about particular points of interest, including the locations of the graves of the two Presidents. Each man has in his possession a man, prepared by the 3d Infantry on which graves of prominent persons are shown.

The military guards are drawn from the men of the 3d Infantry, all of whom attend classes on Arlington, its history, customs, and burials—the subjects of typical tourist interest. When a man is assigned as a guard he is verbally briefed on the responsibilities at his specific post and is given a marked map and a paddle carrying written instructions on his duties. Regular inspections on about an hourly basis are made by responsible personnel from squadron leaders through battalion commanders.

Your interest in this matter is greatly appreciated.

Sincerely,

ROBERT L. SICKLER.
(For J. L. BLACKWELL,
Colonel, G.S. Office,
Chief of Legislative Liaison.)

THE FARM BILL AND THE DOMESTIC PRICE OF WHEAT

Mr. RESNICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RESNICK. Mr. Speaker, many Members of this distinguished body have undoubtedly received a great deal of mail requesting that they vote against the farm bill, particularly the provision which would raise the domestic price of wheat approximately 50 cents per bushel. What they may not realize is that this mail is the result of a desperate form of lobbying by leaders of the baking industry.

Mr. Speaker, one of the giants of the industry, the National Biscuit Co., has a plant located in the congressional district which it is my honor to represent Many of their employees have written to me urging me to vote against the farm bill because the company has told them that if the bill is passed, the company will be forced to close down its plants.

Now, Mr. Speaker, let us take a look at this poor little company which is going to be forced out of business because the farmer is going to get a decent price for his wheat.

Mr. Speaker, in 1949 this company's net sales were $294 million. In 1964 its net sales were over $607 million. Its net 1949 income was over $21 million, and in 1964 it netted over $36 million.

Mr. Speaker, the president of this company also managed to increase his earnings some 60 percent in the same period of time. I cannot imagine that to be struggling.

How is the farmer doing by comparison? In the period of 1947–49 a loaf of bread sold for 11.7 cents. Today the price has risen, on an average, to 20.7 cents. But the farmer receives only 3.2 cents a loaf. He is receiving less today than he did in 1949.

Mr. Speaker, last year the average pay of employees in manufacturing averaged $2.53 per hour while the earnings of all farm labor and management averaged $1.05. When the bakers and truckers and labor demanded and received a raise, the baking companies did not go out of business. But now they are intimidating their employees with threats to close down their plants.

Mr. Speaker, I say again the salary and additional compensation of the president of Nabisco went from $123,000 a year to $175,000. There are not very many farmers in this country who can report a corresponding increase in profit in personal earnings.

REPORT FROM VIETNAM BY THE CLERGYMEN'S EMERGENCY COMMITTEE

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, Dr. Jacob J. Weinstein, rabbi of Temple KAM in the district I have the honor to represent, has returned from Vietnam as a member of a clergymen's emergency committee of 12 Americans and 1 international associate representing the World Council of Churches.

Rabbi Weinstein is one of the outstanding spiritual leaders of the Nation. He has been on National Advisory Committees named by Presidents Truman, Eisenhower, Kennedy, and Johnson. Ambassador Arthur Goldberg, the voice and conscience of the United States at the United Nations, is a member of Temple KAM and a long-time close friend of Rabbi Weinstein.

I am extending my remarks to include, first, the letter to the Central Conference of American Rabbis, of which Rabbi Weinstein is president, transmitting the report of the clergymen on their findings in Vietnam; second, the report of the clergymen; and, third, the names and identification of the participants in the Vietnam project.

The letter to the Central Conference of American Rabbis, 790 Madison Avenue, New York, follows:

JULY 30, 1965.

DEAR COLLEAGUES: I am pleased to enclose a copy of the report which was issued by the clergymen's emergency committee for Vietnam, under the auspices of the fellowship of reconciliation, on which body I was privileged to represent the conference. I hope that you will, if you agree with it, make its content known to your congregation.

I was immensely impressed with the unanimity of feeling on the part of the religious leaders, both Christian and Buddhist, that the American Nation must find peaceful means of solving the problems of the Far East. They want only the military to go home, not our Peace Corps, not our students, our missionaries, our technicians, or our businessmen. If we can provide them with economic and technical assistance to meet the problem of population pressure on inadequate resources, they feel that they can meet the Communist challenge even though they might have to compromise on some form of cooperative economy. They are not as absorbed with communism as we Americans seem to be and while the peoples of Vietnam, Thailand, Cambodia, and Burma fear the Chinese it is not so much because of Chinese communism and it's proselytizing fervor as for historic reasons that go back to the times China dominated that area of the world.

These natural historic differences, however, become muted in the face of American military intervention. They cannot see this intervention in a benign light. It is merely another instance of white imperialism and tends to make them identify with Ho Chi Minh and even with Mao Tze Tung. The charity we bring with one hand is overshadowed by the big stick we carry in the other. I shall not soon forget a burnt container in a village 30 miles from Saigon. It bore the legend: "A gift to the people of Vietnam from the people of America." It was among the rubble left from American shelling of a communication artery of the Vietcong. The artery, unhappily, was inhabited by Vietnamese.

One of the most rewarding interviews we had was with the Buddhist monk, Thich Nhat Hanh, a charismatic figure who wrote a masterful letter: "In search of the enemy of man" to Martin Luther King. The fact that we had a representative from King in our committee gave us great prestige and opened many doors to us. Thich Hanh was grateful to our mission for giving a demonstration that religion could become involved politically without losing its integrity. The burning of the monks was a form of spiritual concern—a token of one's deep suffering for our human sins. He agreed that the time was at hand for Buddhists to become concerned with external changes so that the plane of higher striving might not become obscure. He recognized that communism was an evil, but war was even a greater evil, and he could not understand how justice could be established on the dead body of peace. Buddhism carries great spiritual reserves which if ever tapped for social change could make a far more profound and benign revolution than any Marx ever advocated.

Let me also share with you the searing experience I had in my visit with the Hibakusha (the survivors) of the Hiroshima bomb. They work in their various ways for peace. There are literally dozens of peace movements in Japan, unhappily divided among themselves. The group we met with are pure devotees of peace. They make paper cranes (the symbol of peace) and give them to those who will accept them in the hope that man will not repeat the great sin of Hiroshima. As one of the survivors placed a wreath of paper cranes about my neck, she said:

"Please tell the people of America that we hold no ill feelings in our heart toward them. We are not so blinded as to believe that our country would not have used the bomb if we had possessed it. But do tell them that they can save those of our friends who died from the mean oblivion of futility by outlawing nuclear war and every other kind of war. Help us convert these scars and these deaths into the substance of peace."

We went away with the feeling that our generation stands under the shadow of the Deuteronomic choice: "See, I set before thee life and death. Choose life."

I end this letter with the statement I gave to the Japanese press after a meeting with the Japan Christian Council for Peace in Vietnam.

We share with many Japanese the religious conviction that war is more than a mistaken strategy. It is an act of blasphemy, and in the very shadow of Hiroshima and Nagasaki it is clearer to us than ever that it is the anti-Christ, the destroyer of the root, the betrayal of all that has made us human. We are convinced that whatever else may survive the war toward which our present policy seems directed, faith in God and man will not survive.

We of the church and synagogue, and you of the shrine and temple, must remind each other of our shameful bending of the knee to Moloch in the past wars of our century, and strengthen each other in the sacred resolve to hold ourselves loyal to God and His creatures whatever comes.

Sincerely,

RABBI JACOB J. WEINSTEIN,
President.

REPORT FROM VIETNAM

The report of the clergymen's committee to Vietnam follows:

Pope Pius XII, 1939: "No good can come from war."

Buddhist leader, in Vietnam, 1965: "No good can come from this war."

We have visited Vietnam.

We have met with leaders of many religious faiths and established relationships which we hope will be enduring and will improve understanding and cooperation among us. We have talked also with students, soldiers, news correspondents, young volunteer workers, labor union leaders, teachers, officials of the United States and South Vietnam Governments, defectors from the Vietcong, neutralists, and supporters of North Vietnam and the National Liberation Front, political arm of the Vietcong. We have visited in Saigon and in the provinces and have walked the streets of towns and hamlets within the sound and sight of gunfire and still actively contested by the combatants.

We have found a deeply complicated situation in which we could not judge either side to be wholly right or wholly wrong. We have received differing sets of data relative to each side, and these seem to be irreconcilable in the midst of war. Whatever the origins of the war, rooted in violations of the 1954 Geneva Accords and other historical developments, both sides are now trapped by their own interpretations of these developments.

We have been moved and impressed by the courage and conviction of participants in the war on both sides, even as we have shared outrage at the violence and terror that, in varying degrees, have become the tactics of each. We have been moved too by the passionate and repeated expressions of concern by persons on both sides that the war must be brought to an end. We could find no indication of an early end to the war through military victory of either side.

Americans must realize what the agonies of the Vietnamese people have been during the past 25 years of war. We contemplate with abhorrence the prospect of the continuation of that war, to say nothing of its escalation. We do not equate peace with the simple absence of military conflict; true peace is inseparable from justice. We recognize that there are issues in Vietnam of justice, freedom, and the need for social change, but we deplore the way in which major powers have used and are using the villages of Vietnam as a testing ground for ideological positions such as "wars of national liberation" or "containment of communism by military force."

For millions of Vietnamese, war has become a way of life. Human existence is degraded and brutalized on both sides of the conflict. These, rather than the abstract moving of impersonal political forces, are the consequences of the assumption that communism can be contained or social improvement achieved primarily by military means.

The United States does not face as its only choice the moral dilemma of whether to escalate the war or to withdraw its troops unilaterally from South Vietnam. It does face the moral choice of whether to persist in its present military policy or to take every possible step to initiate negotiation and to broaden the base of decision and action to include all other nations whose welfare is involved in what transpires there. The first such step is to stop the bombing of North Vietnam as a demonstration of good faith in calling for a cease-fire.

With most Americans, we wish that this whole conflict could be referred to the United Nations for settlement. The U.N. should be asked to intervene, but its capacity to act is severely limited by the absence from its membership of North and South Vietnam and the People's Republic of China. Even so, we urge that it be asked to convene a conference on Vietnam, in which those nations and all other parties to the conflict will be included. No permanent peace or political settlement is possible without their participation.

The negotiations of such a conference must seek to reconcile the interests of the National Liberation Front and the Government of South Vietnam and arrange for the possible independence or reunification of South and North Vietnam as they may determine, with adequate international guarantees against outside military or political intervention. The negotiations must encompass consideration of the inclusion of other southeast Asian nations under such guarantees, make provision for the resumption of trade and exchange between the two Vietnams, arrange for the withdrawal of all foreign troops at an agreed upon time, and provide maximum guarantees of freedom of conscience and religious practice.

The achievement of a cease-fire and the setting up of peacekeeping machinery are only the prolog to the great work of healing and international cooperation that must follow. Large-scale programs like the Mekong River development project and small-scale person-to-person and group-to-group projects, both governmental and nongovernmental, are natural steps in this direction. Such programs should be increasingly international in conception and direction and on invitation from the recipient country, with personnel grounded in the language and customs of the people with whom they will work as equal partners in a common enterprise.

Creation of a peaceful world requires acceptance of the principle of common responsibility and interdependence in the family of nations. War must be totally rejected, but it is not enough to seek peace; we must discover nonmilitary forms of active involvement in the struggle for justice as well.

We have lived too long within the traditional concepts of nation against nation, ideology against ideology, race against race. Today we see the true enemies of man to be what they have always been: injustice, poverty, disease, national pride, the abuse of power, and the hatred and war that are their creatures and creators. To be complacent about these is to deny humanity itself. To focus our attack on these evils rather than to fight within the family of man is to stand with the god of history.

We wish to express our appreciation for the courtesy and cooperation extended us by the South Vietnam and United States authorities throughout the trip.

PARTICIPANTS IN PROJECT

The following is the list of participants in the Vietnam project, with titles and associations included for purposes of identification only:

Dr. Harold A. Bosley, minister, Christ (Methodist) Church; New York City; former dean, Duke University Divinity School.

Rt. Rev. William Crittenden, bishop of Erie, Pa.; chairman, Peace Advisory Committee of the Executive Council of the Episcopal Church; vice president, National Council of Churches.

Dr. Edwin T. Dahlberg, minister in residence, Crozer Theological Seminary; former president, American Baptist Convention and National Council of Churches.

Dr. Dana McLean Greeley, president, Unitarian-Universalist Association of America.

Alfred Hassler, executive secretary, Fellowship of Reconciliation; vice president, International Confederation for Disarmament and Peace.

Miss Elmira Kendricks, president, National Student Christian Federation.

The Reverend James M. Lawson, minister, Centenary Methodist Church, Memphis.

Rt. Rev. Edward Murray, pastor, Sacred Heart Parish, Roslindale, Mass.; consultor, Archdiocese of Boston.

Dr. Howard Schomer, president, Chicago Theological Seminary.

(Mrs. Howard) Elsie Schomer, Women's International League for Peace and Freedom.

Rev. (Mrs.) Annalee Stewart, former president and current Washington director, Women's International League for Peace and Freedom.

Rabbi Jacob Weinstein, rabbi, KAM Temple, Chicago; president, Central Conference of American Rabbis.

INTERNATIONAL ASSOCIATES

Pastor Martin Niemoeller, copresident, World Council of Churches, Wiesbaden, Germany.

Pasteur Andre Trocme, St. Gervais Reformed Church, Geneva, Switzerland.

APPLAUSE FOR DR. O'BRIEN

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there obejction to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Speaker, for the last 5 years one man has played a very important part in securing better cooperation and understanding between the executive and legislative branches of our Government. That man, Mr. Lawrence O'Brien, the President's Special Assistant, has always maintained a high degree of loyalty to both President Kennedy and President Johnson whom he has served with distinction, and while so serving has gained great respect from Members of Congress on both sides of the aisle.

We here in the Congress are well aware of the many problems which are inherent in the smooth functioning and coordination of two major branches of Government, thus our high regard for Mr. O'Brien's efforts.

Larry O'Brien has been a man with whom all Members of Congress could feel free to discuss problems and be assured of a fair and helping hand. He has made a real contribution over the years to the Congress.

In the August 9, 1965, edition of the Washington Post, Joseph Kraft devoted his "Insight and Outlook" column to Mr. O'Brien and entitled it "Applause for Dr. O'Brien." Mr. Kraft stated that strong support that the President had received by the Congress was greatly due to the work of the President's Special Assistant for Congressional Relations, Lawrence O'Brien. Rather than constant war between the White House and the Congress, a greater degree of understanding and cooperation had developed. Kraft further stated:

> Credit for this great change is normally given the President because of his long experience with the Congress, and because of the great majorities he swept in with him last fall. And certainly no one would deny or disparage the President's role.
>
> But the strategist of the change, the man who planned it 5 years ago, and who has worked it out day by day ever since, is the President's Special Assistant for Congressional Relations, Lawrence O'Brien. While all the political assistants all over the country were writing that hate was the normal state of relations between White House and Hill, O'Brien was already beginning to develop the possibilities of cooperation.
>
> His chief innovation was to set up in the White House a small staff charged entirely with responsibility for congressional relations. The staff was organized along the lines of the various regional and interest groups in the Senate and House. It coordinated the congressional efforts of all Government agencies. It was in constant touch with the congressional leadership. "We don't even take a headcount," one of the leaders once said, "without O'Brien."
>
> A first gain was a far more intimate working relationship between the administration and the little known but extremely powerful giants in the House. As a supreme example, consider the case of the 1964 tax cut and the chairman of the Ways and Means Committee, Wilbur Mills.
>
> The administration, way back in 1962, proposed the tax cut to stimulate the economy; it was afraid that tying tax reform to the bill would kill the whole measure. Mills, for his part, wanted a tax reform bill with a little cut added to smooth the way for reform.
>
> Very slowly, month by month, by discreet little favors (a presidential visit to Arkansas) and almost invisible pressures (well-organized business testimony against reform) the administration nursed Mills along to its point of view. The bill that finally emerged from his committee, and that he steered through the House, was almost all cut and no reform—just what Dr. O'Brien ordered.
>
> A second gain was that the White House was in touch not only with congressional leadership, but also with the back-benchers. The 16 Agriculture Committee Democrats who supported 14(b), for example, were not the committee leaders. On the contrary, the six who opposed the administration on 14(b) were precisely the senior members of the committee.
>
> O'Brien is at last getting some public recognition for his achievement. Indeed, the President and his friends are showering him with compliments. An educated guess is that Mr. Johnson would like him to stick around the White House job.
>
> A good hunch is that O'Brien will leave to reenter Massachusetts politics. If nothing else the time is ripe for leavetaking. A way, a permanent way I believe, to promote cooperation between the Executive and the Congress has been worked out.
>
> From now on the big problems will not be getting bills through the Congress. The big

problem—the second phase of the Johnson administration and the true opportunity for the Republicans—will turn on the matter of applying effectively the measures that are already on the books.

I am sure that all Members of Congress recognize that Larry O'Brien has been the most effective Presidential assistant for congressional relations that we have seen.

PEACE, NOT WAR, IN THE MIDDLE EAST

The **SPEAKER**. Under previous order of the House, the gentleman from California [Mr. ROOSEVELT] is recognized for 60 minutes.

Mr. **ROOSEVELT**. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a bibliography.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. **ROOSEVELT**. Mr. Speaker, President Nasser boasted in his Egyptian Revolution Day speech on July 23 that Egypt's arms budget—$508.2 million—exceeded the entire Egyptian national budget for the year 1952.

One of the poorest countries in the world, Egypt continues to squander her slender resources to acquire great-power military hardware. Because of her swelling arms budget, Egypt is failing to meet the needs of her increasing population; and, her dangerous and sophisticated arms arsenal presents a terrible threat to every country in the Near East and, indeed, to the world.

Egypt does not need additional territory. She needs water and fertile soil to feed her poverty-stricken people. Egypt should be allocating her resources for the search of water, for crop improvement, and for the development of industrial skill.

Mr. Speaker, I have asked myself, and I now ask this distinguished body:

Have we by our preoccupation with the recent threat to the Dominican Republic, and with the business of honoring our commitment in Vietnam, encouraged this self-styled imperalist by our inattention to the situation developing in the Middle East?

Have we permitted Nasser to hoodwink or intimidate the other Arab States—under the guise of dedication to national unity and independence—into cooperating with his imperialistic policies?

Have we permitted ourselves to be duped into aiding and abetting this anti-American dictator's master plan by supplying Egypt with agricultural commodities, at a favorable rate of foreign exchange, so that Egypt can divert these profits, normally required for food, into massive arms buildup?

Have we by appeasing Nasser—through fear that a challenge to his ambitions would polarize the Middle East into a pro-Soviet Arab camp around Nasser—aided him in his masquerade as the hero of the Arab people when, in fact, he seeks only to control the Arab States for his own purpose? And to what purpose?

Mr. Speaker, I take the floor today to begin a series of four speeches suggesting changes in America's policy in the Middle East.

I am moved to make these statements because twice in the last month President Nasser has told his people, and he has told CBS correspondents that war with Israel is inevitable. I refuse to accept this declaration that there is no alternative to war in the Middle East. Our policy in the Middle East must be based on the proposition that peace is necessary for the security of the world, and for that reason, we must do all that is necessary to help make peace inevitable.

Today I shall talk about the arms race in this area which has become much more dangerous in recent years and which may, in itself, precipitate the conflict we hope to avoid. On the next three Tuesdays, I will offer comments on the problem of the Arab refugees; on the issues presented by conflicts over water; and, in conclusion and summary, on the need for stimulating development and peace in this region.

It is a source of great concern to all of us that, after 17 years, there is still no peace in the Middle East; that Arab belligerence continues; and, that we have been unable to bring Arabs and Israelis to the peace table. The major reason has been that we have never been willing to commit our influence and prestige completely to challenge the warlike declarations of the Arab leaders and the plans which they continue to make to put these declarations into effect.

We have failed to use our influence to produce a settlement. We have condoned violations of the United Nations Charter. We have condoned Arab boycotts and other attempts to involve us in the war against Israel. And, there has always been a doubt about the firmness of our policy and the credibility of our commitments. Always because of the fear that such action would prove counterproductive, we have avoided taking firm action. Failure to use our influence and our prestige as a force for peace has weakened our position and could, conceivably, lead to new disaster.

We seem to have lost sight of the fact that we can best preserve peace by bolstering the credibility of our pledge to preserve it. We seem also to have ignored the harsh realities that prestige, unexercised, rusts away and that appeasement of Nasser does not gain Arab friendship but only loses Arab respect.

We have the power to prevent war in the Middle East and we have repeatedly said that we would use it to avert a new outbreak of hostilities. I know that we have the power to promote peace, but I fear that we have not exercised it sufficiently in the past. And we have thereby raised doubts about the firmness of our position and our determination. This predisposition to accept the status quo without question and without challenge has encouraged nations in this area to persist in belligerence and to accelerate their preparations for new war and conquest.

One area in which we must demonstrate the seriousness of our commitment is the Near Eastern arms race.

Egypt's awesome arsenal augments the prestige of a demagogic anti-American dictator. It establishes a Soviet beachhead in the Near East and threatens the independence of other nations. It menaces vital oil supplies; makes American pledges more costly and dangerous to honor and throws the entire region into a turmoil; and, takes bread from the mouths of all the people in the area. Moreover, we are contributing to this situation, in the suicidal exercise of providing food for Egypt's soldiers, workers, and farmers. Our aid to Egypt now exceeds a billion dollars.

Of course, Israel is the state most clearly endangered by Egyptian imperialism. Nasser has built his career on anti-Israel demogogery and he reiterated twice, just this past July, that war with Israel is inevitable. It is evident that Nasser intends entering Israel on fields of blood.

But Egypt threatens other Arab States as well as Israel. In 1962, Egypt masterminded a revolution which overthrew the Imam of Yemen, and Egypt now has 50,000 troops there fighting Yemenites loyal to their traditional ruler. Nasser also stated in his Egyptian Revolution anniversary speech on July 23 that if the Yemen war continued, Egypt might attack Saudi Arabia. President Nasser has proven he is an imperialist who is fighting to maintain a puppet government in Yemen. He has indicated he may initiate a war with Saudi Arabia and could threaten the integrity of Jordan.

Egypt's Army muscle today is big enough to support aggressive action. Her armor is not a pile of World War II army surplus junk but an enormous number of large modern Soviet tanks. The Russians do not arm loyal friends with toys. Egypt's Army, Navy, and Air Force are all equipped with advanced machines of destruction.

Her tanks include 50 Stalin-3's, 400 T-34's, 200 T-54's, at least 100 SU-100's, and unknown number of T-10's, 29 Centurions and 40 Shermans. All these tanks are fearsome, but the Soviet Stalin-3 and the Soviet T-10 are most menacing. The Stalin-3 is a 46-ton tank powered by a V-12 diesel engine, giving it great climbing power and speed, as well as a large radius of action—176 miles. Most important, it has a 122-mm. gun and 200-mm. armor. The tank commander's rule-of-thumb is that a gun pierces armor as thick as its caliber is wide. This means that a 200-milimeter gun would be necessary to pierce the turrent armor of the Stalin-3 at normal firing range of 1,000 to 1,500 meters. But Israel's biggest tank, the British Centurion, has a gun of only 83-mm. The Stalin-3, therefore, is invulnerable to conventional attack.

The Soviet T-10 is one of the biggest tanks in the world. Like the Stalin-3, it carries a 122-millimeter gun and reaches a maximum speed of 23 miles per hour. But it weighs 57 tons—11 tons more than the Stalin 3—because it is larger and its armor is thicker. Thus, like the Stalin-3, it is also invulnerable to normal tank tactics.

Israel has no comparable armor. Israel has 400 tanks to Egypt's 800. Israel's armor includes the British Centurion, comparable to but with a smaller gun than the Egyptian T-54, or SU-100, but no match for the Stalin-3 or the T-10. Israel's French AMX-13 is comparable only to Egypt's smallest Soviet tank, the T-34, which the Egyptians are now replacing with T-54's. The Sherman, an American World War II tank which Israel buys as Army surplus, is even smaller than the T-34. Egypt has twice as many tanks as Israel and its quantitative edge is matched with qualitative superiority. The Russians have given Nasser the best tanks with which to do the job.

The Communists have also provided Egypt with air and naval power to match her armored might. Egypt's naval superiority over the country she means to destroy exceeds even her armored superiority. She has 4 Soviet Skory destroyers—large, fast boats carrying four 5.1-inch guns, as well as antiaircraft guns, 10 torpedo tubes, mine stowage, modern radar, and gunnery fire control gear. This fire control gear is a computerized system for plotting the trajectories of projectiles so that they can score perfect first-try hits without trial-and-error aiming procedures.

Egypt also has six 700-1,700-ton British escort vessels, 8 to 10 large long-range Soviet submarines, 12 to 14 minesweepers, 40 motor torpedo boats and nearly 20 Russian-built Komar patrol boats. The Komar is a fast 75-ton boat carrying surface-to-surface missiles of 10- to 15-mile range. These can bombard coastal cities and installations with impunity. Israel has no defense against them. Her tiny fleet includes 2 old British destroyers, 2 British submarines, a light destroyer captured from Egypt in 1956, and 12 motor torpedo boats. With only one-fourth as many boats as Egypt, including only one-half as many destroyers and one-fifth as many submarines, Israel is safe only if Egyptian officers and crews are incompetent to maneuver their boats.

If Israel approaches parity with Egypt in any sector, it is airpower. Egypt's bombers, which she is now using in Yemen, are far bigger than any of Israel's. Egypt's planes—all Soviet in origin—include 25 TU-16's, 3,000 mile range bombers traveling at top speeds of 620 miles per hour and carrying 10,000 pounds of bombs along with their six 23-millimeter cannon. Egypt's 70 IL-28's are slightly slower than her TU-16's, but carrying comparable bomb loads. Her fighters include 50 MIG-21's, with top speeds approaching twice the speed of sound, which carry three 37-millimeter cannons. Her 110 MIG-19's are supersonic fighter-interceptors, and her 150 MIG-17's, of which 75 are operational, are nearly supersonic and, with one 37-millimeter and two 23-millimeter cannons are as well armed as the MIG-19.

Egypt is now receiving from her Russian friends an unknown number of MIG's even more advanced than the MIG-21. Bolstering her interceptors' ability, Egypt has Soviet Atoll air-to-air missiles, which, like the American Sidewinder, home on the heat of enemy jet tailpipes. These Atoll missiles cannot be shaken and make Atoll-equipped MIG's nearly impossible to knock out with conventional fighters.

Israel's Air Force does not include large bombers. Its 40 old French Ouragan fighter-bombers carry only 2,220 pounds of bombs in underwing loads, and, with top speeds of only 584 miles per hour, are slower than any of Egypt's planes. Her slightly supersonic French Vautour fighter-reconnaissance planes carry 10 small bombs and are slightly faster than Egypt's TU-16's, but with much smaller bomb loads. Israel's best fighter-interceptors are her delta-wing, high-altitude Mirage III-C's—French planes which can take off from short airstrips in all weathers. The Mirage III-C is slightly faster than but not as heavily armed as Egypt's MIG-21. Israel's Mirage is probably not a match for Egypt's more advanced MIG's.

Israel's Super-Mysteres are comparable to Egypt's MIG-19's, and her Mystere IV-A's are slightly inferior to MIG-17's. Some of Israel's Mirage III-C's may have Matra French air-to-air missiles, comparable to Egypt's Soviet Atoll missiles. All in all, Israel partly makes up for its naval and armored inadequacies with an air force perhaps as large and as fast as Egypt's, though with a much smaller bomber capability. Israel must use its fighters, however, not merely to intercept attacking Egyptian planes, but to support its small navy and tank organizations.

One might hope that this arms imbalance, favoring Russia's friend Nasser, would not encourage him to act rashly; or, would be righted by more sophisticated weapons in Israeli hands. Unfortunately, Egypt's edge in more exotic great-power hardware exacerbates the Near East arms imbalance.

Egypt's antiaircraft ground-to-air missiles—Soviet SA-2's—are identical to those recently installed by the Russians in North Vietnam, and are comparable to Israel's American Hawk antiaircraft missiles.

Israel has no ground-to-ground missiles, but Egypt does. Ground-to-ground missiles are offensive, not defensive weapons, and can deliver bombs of all sorts with absolute impunity. Egypt has 250 such V-2-like missiles, including the 235-mile Al Zafar and the 375-mile Al Kahar, as well as the 590-mile Al Raid now under development. The Al Zafar could strike any point in Israel from a Sinai Peninsula launching pad, while the Al Kahar could do the same from Cairo or even a more distant point. The Al Raid could hit any Israel target when fired from Cairo but could also strike Lebanon, Syria, Iraq, Saudi Arabia, Yemen, Sudan, and even Libya, Crete, and Turkey.

These missiles do not provide economical means for delivering conventional warheads, but the Manchester Guardian has told us that Egypt is attempting, with the aid of German and other European scientists and technicians, to provide appropriately awesome warheads. Egypt has experienced some difficulty with what is known as Operation Cleopatra, the development of a Hiroshima-type atomic bomb, because she must construct a device light enough for her missiles and must obtain plutonium, perhaps from "peaceful" nuclear reactors, to power the device. Operation Ibis is the name given to a project to develop radioactive rubbish devices which would kill people or destroy their reproductive capacities without damaging buildings or machines.

Israel has no devices with which to counter these missiles or deter their use. It has been claimed that Egypt's guidance systems are underdeveloped and inadequate, but packages of Strontium 90 or small nuclear weapons aimed at Tel Aviv would be every bit as destructive if they landed on Haifa or Jerusalem. Though Israel could conceivably develop nuclear weapons from her reactors as easily as Egypt, there is no evidence that she is doing so, and she would lack the ability to deliver atomic bombs to their targets even if she were to develop them.

In sophisticated weapons, even more than in conventional hardware, Egypt has great-power weapons, and none of her neighbors have the weapons to deter her.

Mr. Speaker, Egypt is like a 14-year-old juvenile delinquent equipped with a submachinegun and free to terrorize the entire neighborhood. None of the neighbors are adequately equipped to restrain him. Most of the Arab neighbors have no alternative but to join Nasser's gang—the Arab League. To make matters worse, the League has some other delinquents who keep daring Egypt to do its stuff and who keep taunting it for failing to put its terrible weapon to work. The boys might fight among themselves, but they all gang together to threaten tiny Israel.

Nasser revealed on July 23 that his arms budget was $508.2 million. This huge amount—13 percent of Egypt's national income—reflects a rise of $188 million for military spending over last year. Every man in Egypt is forced to spend $20 of a meager $151 per capita national income for this extravagant military budget. Of course, Egypt's neighbors must respond with expenditures adequate to defend themselves from her encroachments. All the Arab neighbors fear and distrust Egypt and they, like Israel, also are forced to divert huge amounts of their scarce resources to defense.

Like that 14-year-old with the submachinegun who terrorizes an entire city into spending money on police and weapons, Egypt forces its neighbors to slow down their economic development in order to provide deterrents to its aggression.

Egypt today spends much more on arms than Israel, and gets much more for its money because it obtains them at discount prices from the Soviet Union—frequently at only 60 percent of the world market price. Egypt pays for them with cotton rather than hard money.

Russia does not give away anything as valuable as Egypt's arsenal without compensation. Egypt is deeply indebted to the Communists for their liberal terms and generous helpings of arms, and pays them off with international policies which serve their interests. Egypt pays this debt because if she were to default, Russia could terminate ammunition, fuel, and spare parts supplies, and could withdraw its mechanics, military advisers, and bomber pilots, leaving Egypt suddenly bereft of most of its usable armed might.

Through this enormous Egyptian arms arsenal, the Soviet Union has established a firm stronghold on the Near East.

At this point, you may very well be asking yourselves: "What about the armed strength of the other Arab States?" Well, Jordan, which at one point could cut across Israel to the sea by gaining only 12 miles of territory, has about 30,000 to 36,000 men in arms. And, although the Jordanians have good artillery and excellent British training, they have few tanks or airplanes. Iraq, were it not occupied in a war on its Kurdish minorities, could present a real threat. Its 70,000 men use British, American, and Soviet equipment, including T-54 tanks, Centurions, and American light tanks, and 140 planes, including British Hunters and Soviet MIG-21's, MIG-19's, and TU-16 bombers.

Syria has a standing force of 65,000 men, armed with 400 to 600 Soviet tanks and 110 Soviet planes, including MIG-17's being replaced with MIG-21's, and IL-28 bombers being replaced with TU-16's. Combined Iraqui-Jordanian-Syrian might is 165,000 men plus reserves, with over 600 tanks and 250 planes. Though their hardware might be adequate, the ineptness and low morale of their manpower makes the Arabs—without Egypt—incapable of conquering Israel. But they could string Israel into war, and divert Israel's forces to the north and west while Egypt attacked the south. Their military strength could encourage Egypt to believe that Israel could be defeated and could encourage Egypt to attack Israel on that premise.

After such immense expenditures and sacrifices to obtain a superiority in military hardware, why does Egypt hesitate to carry out her boasts to annihilate Israel?

As Nasser explained in his speech to the Palestine Liberation Organization last May, he has not yet declared war on Israel because he lacks the manpower necessary to win.

Egypt has 100,000 men in arms, but reserves are few. Officers are inept, infantry morale and skills are low; and, most important, 50,000 men are mired in Yemen.

Israel has a much smaller standing army than Egypt. Israel could mobilize 250,000 highly trained men and women—10 percent of her people—within 48 hours. And, they are fully aware that their survival depends on the way they fight. Israel could not mobilize many more.

If Egypt mobilized 10 percent of her people, she would have a horde of 2,600,000. Moreover, while Egyptian officers have gained fighting experience in Yemen and in the Congo, Israel's experienced officers have been replaced, in many cases, with inexperienced younger men over the 9 years of uneasy peace since 1956.

But, most dangerous of all, is the fact that as Egypt obtains ultra-sophisticated weapons—such as guided missiles—manpower becomes insignificant because "pushbutton officers" can do the job. Israel's human deterrent is no substitute for a hardware deterrent, and if and when Egypt withdraws from the Yemen, Israel will be in dire peril unless Egypt renounces aggression.

Mr. Speaker, this analysis of the arms balance, or imbalance, in the Near East is a matter vitally affecting American interests and American policies in this area. Egypt has piled up a mountain of arms with which to destroy Israel and, if Egypt does not get her way in Yemen, to attack Saudi Arabia. Israel and the Arab countries have been forced to maintain parity or to come as close to it as possible by spending beyond their means at the cost of domestic and regional economic growth. However, their ability to maintain parity will decrease as Egypt's hardware becomes more sophisticated and her manpower more experienced. Sooner or later, Egypt's neighbors will be vulnerable and, when they are, Egypt will move to destroy them unless the United States prevents her.

We have promised to prevent her. We have repeatedly pledged, since the Tripartite Declaration of 1950, to see to it that the borders of all states in the Middle East are preserved intact. This means that if Egypt does move against Israel or Saudi Arabia, the United States is committed to any action necessary to preserve present borders. The cost and danger of such an operation by the United States is directly proportional to the size and sophistication of Egypt's arsenal. Cost and danger to us will rise as Egypt grows stronger. It is not in our national interest to strengthen a nation which threatens our friends and vital interests.

Our action in Vietnam demonstrates that we do honor our commitments. But we are also aware of the need to hold down the cost of upholding our commitments. The policy so far on Near East arms has been to try to restrain the arms race by refusing to sell arms to either side. One exception was made when Egypt's bomber superiority made it necessary for us to sell purely defensive Hawk antiaircraft missiles to Israel. We have continued economic aid to Egypt and have hoped thereby to convince Nasser to slow down his preparations for war. According to Nasser's July 23 speech, we asked in 1963 that Egypt accept three conditions in return for our Public Law 480 wheat shipments:

First, that she not produce nuclear weapons and that the United States be allowed to inspect in order to detect any breach of this promise; second, that she stop rocket production and allow U.S. inspection to insure compliance; and, third, that she freeze the size of her army. Egypt has refused to consider these conditions, but we shipped the wheat anyway and Nasser continues to increase his expenditures on arms.

Present American policy has failed to slow the arms race in the Near East. Egypt's radically increased military budget is ample evidence of that grim fact. What is even worse, by shipping Public Law 480 aid to Egypt despite her refusal to agree to limited expansion of her military might, we have indirectly subsidized her purchase of arms, and may have encouraged Cairo to believe that we are not serious about our desire to limit the arms race. Had we refused to ship food to Egypt it would have been necessary for her to trade cotton for wheat or grow less cotton to make room for wheat. We have, therefore, made it possible for Egypt to export food and sell her entire cotton crop for nonfoodstuffs—mostly Soviet arms. We must terminate economic aid to Egypt until she agrees to limit her burgeoning arsenal.

Present American policy has attempted to maintain the balance of arms in the Near East by not building up Israel's deterrent strength. We have followed this policy in order not to offend Nasser, without realizing that it has raised doubts about the strength of our pledge to maintain the territorial status quo in the Near East, and our commitments to intervene against aggression. The failure of this policy of indirection has been a major contributing factor to the arms imbalance that exists today in the Near East. In order to maintain the stability and peace of this area, we must bolster Israel's arsenal by selling arms to Israel directly, and at a discount price, if necessary.

Frequent showing of the flag by the 6th Fleet in Arab and Israel ports could be a very credible deterrent to aggression and could contribute to Near Eastern peace. The 6th Fleet, part of our Atlantic fleet in peacetime and part of NATO in war, includes about 50 cruisers, destroyers, antisubmarine boats, amphibious ships, supply boats and most important, 2 or 3 giant attack carriers bearing bombers and fighters. In the Lebanon crisis of 1958 the 6th Fleet provided support to neutralize a suspected Communist threat. It could provide the muscle to uphold present borders in an Arab-Israel clash. It is important that Near Eastern leaders be aware of the presence of the 6th Fleet and of its willingness to act.

Mr. Speaker, the ideal remedy for the Near East would be disarmament. All of us want disarmament. All of us are much opposed to a continuation of the arms race. But, unfortunately, most of the Arab arsenals are already filled and Russia is unwilling to accept disarmament because weapons are her currency for influence in the Near East. Chinese imperialism augments Arab military might by spurring the Russians to increase their contributions of military aid to the Arabs so that they will not reject Russia in favor of China, especially in the radical Palestine Liberation Organization and in Yemen.

Perhaps the time has come to make another effort to try to effectuate a breakthrough. Perhaps the United States and the Soviet Union might be able to reach an agreement to restrict arms shipments to the area. But if the Russians persist in their present policies, we cannot afford to withhold the arms from Israel which she must have. One way to persuade the Arab States of the futility and folly of arms accumulation is to make it crystal clear that we will not let them win the arms race by letting the arms race become an "arms runaway." It is in the interest of the United States to provide parity for Israel and it endangers American interests to neglect to preserve parity in the pursuit of Nasser's dubious good will.

Mr. Speaker, I urge, for the sake of American interests in a crucial part of the world that we abandon a policy which has failed. As an alternative, I have suggested today that we sell Israel arms, at a discount, if necessary, to offset her tank, ship, and missile inferiorities vis-a-vis Egypt. I have also urged that we terminate all aid to Egypt unless she accepts conditions limiting her arms buildup. And, I have urged that we bolster the credibility of our deterrent to Egyptian imperialism by increasing the conspicuousness of our Sixth Fleet in the Near East.

On the next three Tuesdays, I shall endeavor to outline a policy which can contribute substantially to terminating the arms race, averting war, and pursuing peace and development in the Near East.

II. BIBLIOGRAPHY

First. All references to Nasser's July 23 speech refer to his Egyptian revolution anniversary speech, as transcribed by the Egyptian Gazette, Cairo, July 23, 1965.

Second. Numbers and names of all Egyptian and Israel tanks, ships, and planes are from "The Military Balance, 1964–65," published by the Institute for Strategic Studies, London, 1965. Israel figures, page 32; Egyptian figures, pages 34–35.

Third. Descriptions of weapons provided by the Soviets are from "Handbook on the Soviet Army," Department of the Army pamphlet No. 30–50–1, July 1958.

Fourth. Descriptions of all non-Soviet planes are from John W. R. Taylor, "Janes' All the World's Aircraft," London, 1961, and from William Green, "The Observer's World Aircraft Directory," London, 1961.

Fifth. References to manpower and to non-Egyptian Arab forces are from Hanson W. Baldwin, "Mideast Power Balance: Political Changes and Modern Weapons Raise New Perils for Jordan and Israel," New York Times, May 25, 1963, page 2.

Sixth. References to Egyptian missiles from Hanson W. Baldwin, "The Cairo Arsenal," New York Times, September 26, 1964, page 2.

Seventh. Egyptian atomic experiments, missiles with exotic warheads, described in Manchester Guardian Weekly, May 7, 1964, page 3, and in Terence Prittie, "Bomb Shop in the Nile: Target Israel," Atlantic Monthly, July 1964.

Eighth. Palestine Liberation Organization speech from Nasser's speech at the Palestine National Congress, broadcast over Cairo Domestic Service, May 31, 1965.

Ninth. References to the Tripartite Declaration from J. C. Hurewitz, "Regional and International Politics in the Middle East," American Assembly, "The United States and the Middle East," edited by Georgiana G. Stevens, Prentice-Hall, 1964.

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this subject at the conclusion of my special order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FARBSTEIN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, for nearly two decades now the Middle East has been the scene of one of the most costly arms races in modern history. Ever since the creation of the modern State of Israel, and the unwillingness of the Arab countries of the area to recognize its existence, the antagonism between them has led to a monumental waste of the talents, materials, and national resources of countries which need all three if they are to become economically self-sufficient.

Despite the fact that the United Nations voted for and sanctioned the creation of the State of Israel, the Arab States have refused to acknowledge the existence of the new state and have attacked it with all the military might at their disposal. The Arab States have made it clear that they will never rest until Israel has been destroyed. Nasser, as their spokesman, has declared:

> We must have war factories, we must make our own planes, guns, and artillery. * * * We must work in the field of rocketry. We must work in the atomic fields. We shall not enter Palestine on a path of sand and flowers, we shall enter Palestine on a path of blood.

And, thus, in the more than 17 years which have passed since the armistice agreements of 1948 were signed, the Arab States have individually and collectively devoted an incredible amount of time and money in an effort to build the armed forces and obtain the military equipment which they feel they need to carry out their threat.

A quick look at some statistics on the arms race in the Middle East is very revealing. The various Middle Eastern countries, taken as a whole, average more than 7½ percent of their gross national product on the purchase of weapons, equipment, training, and development. The United Arab Republic, with one of the most horrendous population problems on earth, as well as staggering economic problems, devoted about 6 percent of its gross national product to weapons and military equipment. In the case of Egypt, these funds are used primarily to pay German-Nazi rocket and guided missile scientists who are, at this moment, helping to build up a rocket arsenal for the Nasser military machine. Further, Nasser is paying hundreds of other technicians in the specialized fields of army, navy, and air force military technology. Nasser is receiving arms and equipment from the Soviet bloc and simultaneously, aid and grain from the United States. The supplies and funds have enabled Egypt to enlarge its contribution to the Communist rebels in the Congo, Cyprus, Algeria, and Saudi Arabia, as well as to make incursions on Israel.

Israel, of course, cannot sit idly by and wait for the promised Armageddon. If the leaders of the new nation are to see their efforts to create a homeland for the persecuted Jews of the world and others brought to reality, they must make a heroic effort to keep themselves in a state of military preparedness in order to defend themselves against both the possibility and fact of a renewed attack upon their homes and fields. The Israelis now spend in excess of 8 percent of their gross national product on defense preparation. Indeed, the truth of the American dictum, "the price of liberty is eternal vigilance," was not lost on the Israelis.

And what has been the result? Both sides have had to devote energies and funds to this arms race which would far more intelligently have been used on programs of industrial and agricultural expansion, education, welfare, and the myriad other tasks which progressive governments the world over follow in the best interests of their citizens.

The Israelis have demonstrated conclusively that the talents and energies which they have brought to bear on the relatively barren territory which is theirs, could, in fact, achieve similar results elsewhere in the Middle East. Some of the Arab States, which have access to almost unlimited funds, could provide the essential capital so desperately needed for expanded economic developments. The combination of modern technology, skills, and immense funds could make of the whole Middle East one of the most prosperous areas of the globe.

Yet, instead of this fruitful possibility, we have a depressing reality. I feel, Mr. Speaker, that it is time for the United States to change its policy of appeasement toward Nasser to a more realistic one; I suggest that it is time for the State Department to examine the desirability of orienting the U.S. policy away from Egypt.

I am doing all I can to stop this evil in the Middle East. I was the author of the amendment to the Foreign Aid Act giving our President the right to deny aid to any country that either prepares for or engages in aggression toward any other country receiving our aid. This has been disregarded, I regret to say. I am also responsible for including in the present foreign aid bill, which is still in conference, a provision restricting the sale of foodstuffs under Public Law 480 to 1 year where formerly it was 3.

I do not desire to see the needy Egyptians go hungry, but I do not believe they would go hungry if President Nasser refrained from trading to the Soviet

Union food meant for the poverty-stricken peasants in exchange for guns and tanks. In restricting our aid to 1 year, Egypt will be forced to utilize more of her internal resources to hold the domestic economic line rather than divert resources to such purposes as arms buildup, intervention of the Congo, or activities contrary to the interests of the United States.

We must no longer allow Egypt to bite the hand that feeds it. The State of Israel is America's most dependable ally in the volatile Middle East and it makes little sense to give aid and comfort to Nasser as long as his dedication to Israel's liquidation remains the main aim of his foreign policy. This was made quite apparent when it came to public notice that the constitution of the new United Arab Republic, composed of Egypt, Syria, and Iraq, contained a phrase that it is their intention to liberate Palestine. And thus, I cannot see why we should continue to permit our largess to be used for the purpose of destroying a friend.

We must support the existence of the State of Israel; for unless and until we exercise our influence with the Arab States, and convince them that the policy which they loudly proclaim is foolish, unnecessary, and unjust to the free and independent State of Israel, it is incumbent upon us to see that Israel is not weakened or forced to bow to Arab blackmail. While the United Arab Republic continues to divert funds toward the purchase of more and ever newer weapons and equipment, we must see to it that Israel is able to more than hold her own in the military showdown. Much as we agree that resources and talent are being diverted to uneconomical ends by the political situation which exists in the Middle East today, the simple fact remains that we must see to it that the Arab Nations are never tempted to resort to force in an attempt to settle the issue—by reemphasizing our own deep commitment to the State of Israel and seeing that it is properly equipped to deal with any situation which may arise.

It is with a deep sense of regret, Mr. Speaker, that I advocate our increased participation in this arms race which I have just castigated. I, nevertheless, feel that until the Arabs become cognizant of the futility of their policy and recognize the political realities of the Middle East that this is our only course; we are committed to the defense of the people of Israel and their nation—and rightly so. Only by assisting them in their determined efforts to remain free will our own interests in the area be served—and only thus will even the shaky peace which still remains continue.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I am happy to yield to the gentleman.

Mr. HORTON. Mr. Speaker, I wish to express my thanks and those of my constituents to the distinguished gentleman from California [Mr. ROOSEVELT] for his reservation of this time in order that Members of the House might have the opportunity to discuss the Middle East. I think the problems of this important world area which Mr. ROOSEVELT has chosen for subjects today and on the next three Tuesdays are appropriate for consideration in the U.S. Congress.

I also want to commend the gentleman for the facts and specific information that he is giving us here today during this special time that he has obtained for that purpose because once again it points out the tremendous imbalance in the Near East and the great problems that the people of Israel face.

I look forward to my own participation and to listening to the expressions of my colleagues.

The history of the Middle East since the end of World War II is in many respects an unhappy one. A casual glance at the events of the past two decades presents us with an almost uninterrupted series of crises—major and minor. Despite the fact that the problems often are of such significance that they threaten to involve the world in a major conflict, they usually are relegated to the realm of less-than-vital news. It is only when a particular event has achieved sufficient renown, usually the result of a bloody battle, that most Americans once again become aware of the continuing crisis in the Middle East.

Indeed, the problems of the area are extremely complex. In order to understand the background and motivations of the many groups and nations there, it is necessary to become acquainted with the important religious, political, economic, and perhaps most important of all, psychological factors which are the ultimate determinants of events. We cannot, of course, delve into them all in great depth here. Nevertheless, there are certain facets of the perennial issues of the Middle East which can and do bear closer examination at this time. Undoubtedly the most obvious of these, and the one with the most dangerous and far-reaching implications is the competition among the states there for ever-larger and more extensive arsenals of modern weapons.

Although the internecine wars which often plague the Arab countries contribute their share toward the instability of the Middle East, the major factor which creates uneasiness in the rest of the world is the seemingly never-ending arms race between Israel and her Arab neighbors.

Founded as the fulfillment of the dreams of the Jews of the world after nearly 1900 years of the dispersion, the State of Israel has had to defend itself by force from the first minute of its rebirth. The attempts of the Arab States to destroy it—as might well be imagined—have taught the Israelis that they must be prepared to defend their independence and freedom against aggression and do so at a moment's notice. The Arabs swore eternal opposition to the new State—indeed they committed themselves to its eventual destruction by force of arms if need be. Quite obviously, it has been necessary for the people of Israel to prepare themselves against any such possibility—more accurately perhaps, it has been absolutely essential that Israel maintain a standard of military strength sufficient to deter the Arab States from ever seriously considering the possibility of waging such a war.

It is, of course, a baneful and expensive way to insure the continued independence of Israel. The cost of the weapons, the training, the lost time and energy which could be devoted to more fruitful endeavors is immensely large. Yet the persistent and determined opposition of the Arab States makes it necessary. The arms race which has developed has assumed monstrous proportions; in fact, these countries spend much more than the world average for armaments and national defense, and the figures seem to grow each year as the weapons and the training required for their use become more complex and expensive.

Now, the question arises, what is there that the United States can do in order to prevent the outbreak of a conflict which might very easily have international implications of unknown proportions? It would appear that only one solution of the many possibilities is really practical: We must make it absolutely clear to the Arab States that the United States is committed to the future and continued existence of the independent State of Israel. If we commit our overwhelming resources and strength to this policy, the Arab countries will be forced to recognize the sheer impossibility of ever achieving their pronounced goal, and, I hope, come to the belated realization that Israel is an accomplished fact which their hostility cannot change.

The situation which exists in this unhappy area of the world at present and our traditional policy of support for the state of Israel make it imperative that we assist the people of that beleaguered nation in maintaining that state of military preparedness which best serves to deter its neighbors from undertaking any aggression against it. If we are to prevent war in the Middle East, it will be necessary for us to insure that the military capability of Israel is at least the equal of that of her neighbors. We long ago lost the opportunity to regulate the flow of armaments to the Middle East as a whole. Therefore, if we are determined to see borders protected and independence preserved, we must see to it that no one country or group of countries is so strong that it can interfere with impunity in the future development and independence of the others.

We must also strive with all the means at our disposal to bring about a less expensive and less volatile solution to the problems of the Middle East. The diversion of resources and funds to this military competition is both wasteful and futile, and unless we attempt to provide rational political and economic reasons for ending it, it is quite likely that all the parties involved will have suffered tragic losses, in economic, political, psychological, and human terms. This is the least that we can contribute to this perennially difficult and vexing world problem.

Mr. ROOSEVELT. I thank my good friend very, very much indeed for his help and support.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Speaker, I, too, want to congratulate the distinguished gentleman from California for bringing to the attention of the Members of the House the very important facts that the gentleman is setting forth today. I think it is particularly significant that the gentleman is calling attention to the problems we have in the Middle East at this time when so much of the world, including our own country, is so completely occupied, and quite properly so, with the problems in Vietnam. While we are concerned with the problems in Vietnam, the gentleman has shown what is happening in Egypt and to what extent the peace of the world is being seriously threatened in that sector of the world. I think it is particularly gratifying that the distinguished son of one of our great President should bring this message to this House. I am sure his words are going to be echoed, not only throughout America, but throughout the whole free world so that all men can see the real dangers that exist today in Egypt, and what a monumental assignment the free world has in dealing with this problem. Of course, the distinguished gentleman from California now in the well of of the House well recalls the valiant efforts of his distinguished father to secure the establishment of a free Israel in the Middle East which is today a beacon of hope for freedom and democracy in that part of the world. So I say, Mr. Speaker, it is most rewarding to be in this House today to hear the inspiring remarks of the gentleman from California and to hear his carefully detailed and well thought-out statement as to the extent of the threat that exists today against the great nation of Israel which is our anchor of freedom in the Middle East.

I congratulate the gentleman. He is performing more than a public service in bringing this to the attention of the free world. I am sure his speech is going to arouse many concerns throughout the world, and properly so. I should certainly like to associate myself with his deep concern over this problem.

Again I congratulate the gentleman.

Mr. ROOSEVELT. I thank my distinguished colleague from Illinois and my coworker on the Committee on Education and Labor. I say to him that as I develop the remainder of the story here he will see that when we add what Egypt has to what is already in some of the other Arab States the imbalance becomes even worse.

I want to be positive, and I will be positive in the other opportunities I will have to speak on this vital subject.

I am deeply grateful for the reminder of our colleague that it is our job today to prevent something before it happens and not wait until the crisis is upon us. Then, when our honor is at stake, we shall have nothing left to do but do the best we can.

Mr. DYAL. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I am happy to yield to my distinguished colleague from California.

Mr. DYAL. Mr. Speaker, I am grateful to the distinguished Congressman from California [Mr. ROOSEVELT] in bringing this important matter of the arms race in the Near East to the attention of the House.

I have had the privilege of traveling in Israel and of seeing first hand the amazing development of that small country. I have witnessed her immigration problems and her competence in taking the newcomers and placing them in productive work. It is an area of democracy in action and its progress and development reminds us of the West—not the East. This country is in contrast to some of its neighbors.

I stood on a hill opposite Mount Zion and witnessed the depressing aspect of Jordan and the beauty and growth of the new area of Jerusalem in modern Israel. This is a contrast to sadden the heart because Jordan could, with the aid of technicians in Israel and cooperation on the use of water, make her own area blossom.

Furthermore, Israel needs to spend the money she is now forced to expend for arms on education, irrigation, and on the absorption of her refugees.

Israel was an early experimenter in desalination with the efforts of Dr. Zorkian. These processes are costly and the money now diverted to arms should be spent on water for the Negev; that area between Eilat and Beersheba.

The dramatic announcement by President Truman of recognition in 1948 for this new nation has been followed by continuous progress and achievement. I hold in my hand a commemorative coin from that land which is lettered "Torah Or" or roughly translated: "Knowledge Is Light." The knowledge which this land is bringing to the Near East is a lamp to those other nations.

Israel is not bent on conquest or aggression—unlike Nasser, she is not maintaining troops in southern Arabia. While traveling in that land, I felt the spirit of those people who only desire to build a homeland and it is my confidence they will succeed. They are an example to the entire Near East of the best use of modern technology in redeeming a formerly arid and wasted land. They plant 10 million trees a year with a mortality rate of 20 percent but they are bringing back soil and crops and offer an amazing chapter on conservation.

It is hoped that every effort will be made to stop the conflicts which still distress that unhappy land. A determined attitude on the part of the United States to strive for peace will bring benefits not only to Israel but many other areas of the old Bible lands.

I ask unanimous consent to include in the RECORD at this point some statistical information which I believe the gentleman from California will appreciate having added to his exposition, from Nation's Business of this month, which indicates a part of the arms race and the business aspects of this program.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The article is as follows:

ISRAEL: MAJOR MARKET MISSED

Only a lapse in Yankee trading shrewdness can explain America's failure to capitalize on export opportunities in Israel's fast-growing economy.

By 1970 Israel expects to double the industrial capacity she had in 1962. In the process, the real value of her industrial fixed assets will have increased by $1 billion. Yet, American equipment exporters show little sign of rising to the occasion. Many U.S. firms have not even bothered to appoint agents in the country.

The scope of the opportunity is illustrated in these figures: The biggest net investment is currently planned for the chemical industry ($178 million), the textile industry ($110 million), mining and minerals ($89 million), the food industry ($89 million) and fuel refining ($59 million). Rubber, plastics, and wood are not far behind.

For 4 years, America's share of the Israel equipment market has lagged noticeably, despite the fact that some U.S. Government loans have been tied to purchases in the United States. Most types of American equipment are not offered in Israel on terms as attractive as Swiss, Italian, or West German machines.

Example: A big Italian concern not only guaranteed its equipment and sent its experts to install it, but left the payment received in Israeli banks as a warranty of quality and continued efficient operation.

It's not all bad news for American businesses though. American suppliers are still predominant in agricultural and heavy construction equipment. They also supplied a big share of Israel's imports of electrical and electronic equipment in 1964; but electronic equipment is some 20 percent cheaper in Japan and this may affect prospects for the future.

Equipment for Israel's rapidly developing synthetic fiber and yarn industry is imported mainly from France, while equipment for the cotton industry is largely German and Swiss.

With the volume of American Government aid to Tel Aviv expected to decrease further, the outlook for American equipment exporters is not rosy—unless they start looking after their own interests instead of relying almost solely on the hope that their Government will do it for them.

Mr. ROOSEVELT. I thank my very distinguished and wonderful friend from California.

I believe we must emphasize that we are not doing this on the basis of emotion; we are doing this on the basis of facts and statistics and what actually exists in this most serious situation.

Mr. HALPERN. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to my good friend from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Speaker, I want to compliment the distinguished and able gentleman from California for his brilliant, timely and forthright presentation on the floor today. I commend him for bringing to the attention of this House a crucial aspect of our foreign policy, the vital and sensitive situation in the mid-East, and for highlighting the blatant arms imbalance in the area. I associate myself with the cogent views he expressed in articulating the serious threat to the peace of the world brought about by this arms imbalance.

Mr. Speaker, peace between peoples is the hope and prayer of all civilized human beings. Among nations, this peace must be founded either upon mutual respect and good will, or upon a balance of the machinery of destruction. In the words of President Kennedy, we are living "in an age where the instruments of war have far outpaced the instruments of peace"; and, sadly, this is particularly true in the Middle East, where Nasser has repudiated overtures of good will, and dashed all hopes of earning the respect of his neighbors.

Nasser has consistently and relentlessly identified the primary foreign policy goal of the United Arab Republic—to crush the young nation of Israel. Toward this end, he has acquired, since 1955, $750 million worth of Soviet military equipment. Last year, Mr. Daniel Heller, the national commander of the Jewish War Veterans, journeyed to the Middle East, and returned with information that Egyptian arms escalation was not in terms of numbers of weapons alone, but in sophistication as well. He observed that the Russian equipment in the United Arab Republic included new Komar-class missile ships, SA-2 ground to air missiles, and Tupolev 16 and Ilyushin 28 bombers. In addition, the United Arab Republic has received over 1,000 firstline tanks from the Soviet Union—tanks so modern that they are used in the Russian Army itself.

Because of its size, and because Israel is an island in a sea of hostility, the measure of risk which its leaders can assume without abdicating their responsibility, is greatly limited. Failure to take defensive precautions would not be indicative of a peace-loving disposition, but of a wanton disregard of the facts of international life. Because of its strong identification with the West, and with the United States in particular, it is only natural that Israel should turn to us for the wherewithal to insure its possession of an adequate deterrent.

While our military aid to Israel has been negligible—consisting of only $27.6 million over a 16-year period, none of which, incidentally, Mr. Speaker, took the form of grants—it is also true that our modest economic assistance to Israel has creditably served to meet the economic needs for which our program is intended. On the other hand, our broad aid program to the United Arab Republic, amounting to over $1 billion, has made it possible for that country to release its own funds for massive arms purchases. Typical of Nasser's flagrant abuse of our program is the revelation made just 2 weeks ago by the GAO. Our Government accounting agency uncovered the startling fact that almost half of the 186,000 tons of corn given by the United States to the United Arab Republic in 1961, amounting to $23.7 million, ostensibly for distribution to the needy, was sold by Nasser, thereby furthering even more arms purchases.

Yes, Mr. Speaker, thanks largely to our massive assistance, the arms balance in the Middle East is tipped heavily in Nasser's favor. And this problem is exacerbated by our providing arms to other Middle East countries. The State Department Press Officer, Robert McCloskey, recently revealed that we were negotiating arms agreements with Jordan, Saudia Arabia, Iraq, and Lebanon. Presumably we help facilitate the acquisition of arms in these countries to assist them in maintaining political stability by resisting the pressures of Nasser, and to serve as an alternative to the suppliers of Soviet arms.

Our goal must be to end this imbalance, and to secure a halt to its spiralling effect, which is so harmful to the economies, development, and social progress of all the countries of the area. To do this, we must begin with, and root out, the source of the trouble—and let there be no doubt that the source of the unrest is to be found in Cairo. Without its mammoth supply of the weapons of war, the United Arab Republic would not have intervened in the Congo; it would not, today, have 50,000 troops in Yemen to impose its will on that defenseless country; it would not sustain its bellicose attacks on Israel.

I believe—and I have been advocating this for years—that we must stop all aid to the United Arab Republic until it limits its arms buildup, until it discontinues its illegal and immoral intervention in the affairs of other states and until it proves our assistance is truly applied to the actual purpose of such programs—to aid the recipient nation's economic development and social progress. Our country has given of its bounty well over a billion dollars of economic assistance to the United Arab Republic, assistance which has enabled Nasser to divert the meager resources of his people to the building of a big and brutal war machine. Our best estimates indicate that in Yemen alone, Nasser spends $1 million a day to support his army of occupation. It is my contention that he would be unable to continue to maintain his warmaking capability, if we stopped picking up the tab for his domestic needs. We are told by the Department of State that our assistance gives us increased leverage in dealing with the United Arab Republic. If this is so, why do not we use this leverage? Why do not we insist that the size and employment of Egyptian arms be brought within the bounds of reason? Only in this way can we slow the pace of the arms race, and only if this is done can all the countries of the Middle East fully utilize their resources and exploit their opportunities for material, social, and spiritual progress.

Mr. Speaker, again I want to commend the gentleman from California for his courageous, well-reasoned exposition of this vital problem pressing inexorably on all those who recognize their responsibility for peace in the world.

Mr. ROOSEVELT. I thank my good friend very much and I would like to particularly stress my thanks for his leadership and that of others, that we were able to recognize the need for doing something about the Arab boycott. That was a step in the right direction. But certainly I am sure the gentleman will agree that we must now move forward to have a solid foreign policy in this area.

Mr. RYAN. Mr. Speaker, I would like to congratulate my distinguished colleague from California on his excellent presentation. I have on numerous occasions pointed to the danger of the growing military imbalance in the Near East. As the gentleman has so forcefully pointed out, the moment the Arabs feel strong enough to conquer Israel, they will attempt to destroy this gallant State. Such an attempt would be disastrous, not only for the peoples of the Near East, but also for the peoples of the world.

I have, in the past, proposed that our Government seek to gain a disarmament agreement in the Near East. I again strongly urge the administration to exert its utmost efforts in this direction. That the need is urgent should now be beyond question. I shall include, at the end of my remarks, a study by Mr. David Wood for the Institute for Strategic Studies, which illustrates with dreadful clarity the arms buildup of the Arab States.

It must be noted, Mr. Speaker, that Israel has no desire to engage in an arms race, and has increased her military strength only in response to the menace presented by her neighbors' actions. Israel has preferred to act as a force for peace, using her efforts not destructively, but creatively. She has taken the lead in the development of an underdeveloped nation into a modern, thriving state with a sound economy. The problems of all underdeveloped nations have been her problems.

Israel is currently holding her third annual Rehovot Conference, in an effort to develop new economic alternatives for the backward nations of the world. The New York Times today carried an excellent report on this conference, which I shall include at the close of my remarks for the careful consideration of my colleagues.

Mr. Speaker, it is time that the march of Near Eastern history was changed from war to peace, from destructive military action to constructive economic action. If that change is to occur, the United States must lend great assistance to help bring it about.

[From the Jewish Observer & Middle East Review, Aug. 6, 1965]

THE MILITARY STRENGTH OF ISRAEL'S ARAB NEIGHBORS

(A survey prepared by David Wood for the Institute for Strategic Studies)

(NOTE.—The figures of formations given on these pages refer to their authorized strength and do not take account of situations where formations may not be up to strength. Authorized strengths may also vary between different arms of services.

(The Soviet motorized division at full strength is around 11,000 men, and the current strength of many of those stationed in Europe is reckoned to be nearer 8,000 to 9,000. They are thus considerably smaller than the U.S. divisions, who in their new road organization make up 15,000 men. The British Army is organized nowadays by brigades or brigade groups. A British brigade consists of 4,500 men, though it may be reinforced for a particular task up to a figure as high as 8,000 men.

(Thus in the Middle East context an Israel brigade group, whose organization is close to the British pattern, has a normal strength of about 3,500 men. A Jordanian brigade (also organized on British lines) is about the same size, but has fewer supporting arms. In Iraq a divisional structure similar to the old British division has been retained, with an authorized strength of around 12,000 men, though in practice Iraqi divisions are maintained at about two-thirds of this figure. United Arab Republic formations, however, are organized on Soviet lines and have comparable strengths. Divisions in CENTO primarily using American equipment, tend to be organized on American models.)

IRAQ

General: population: 7 million; military service: 2 years. Defense expenditure (latest available): ID51 million ($142 million; total armed forces: 82,000.

Army

Total strength: 70,000. Two motorized infantry divisions (authorized strength 13,200, actual strength 6,500 each); one armored division (authorized strength 11,600 actual strength c. 8,000) two mountain divisions (authorized strength 10,500, actual strength c. 9,000).

Ministry of Defense troops: One mechanized brigade, two mechanized guard battalions. Equipment includes at least 375 T–34 and T–54 tanks, approximately 120 centurions and 40 M–24 chaffee light tanks. The T–54's are with the armored division, the T–34's with the motorized infantry divisions, and the centurions with the mechanized brigades.

Navy

Total strength: 1,800. Fourteen ex-Soviet motor torpedo boats (only 7 operational); six armored gunboats (ex-Soviet); some small patrol boats. Organized for operations in the Shatt El Arab and Persian Gulf sectors.

Air Force

Total strength: c. 10,000 (about 200 planes, including trainers). One interceptor squadron Hunters; one interceptor squadron Mig-21; one ground attack squadron Mig-17; one squadron Tu–16 medium bombers; one squadron Il–28 light bombers; one squadron Mig-19 all-weather fighters; one squadron Westland Mk. 22 and Mi-4 helicopters; two squadrons Antonov, Ilyushin and Dakota transports; communications and training aircraft. It is believed that many of these formations may be as little as 50 percent operational due to cannibalization and faulty maintenance.

JORDAN

General: Population: 1,900,000; military service: voluntary for Regular Army. A limited training commitment for National Guard. Defense expenditure: ID21 million ($59 million).

Army

Total strength: 38,000 (regular) to be increased to 53,000; four infantry brigades; two armored brigades; one Royal Guards brigade. Most arms and equipment are American, including M–48 Patton tanks. British equipment includes Centurion and Charioteer tanks, Saracen and Ferret APCs, and 25 pounder guns.

National Guard

There is a partially mobilized National Guard of about 30,000 men. The Prime Minister has recently stated in Parliament that the National Guard will be incorporated into the Army, but no further details were given.

Police and gendarmerie

About 5,000 civil police. There is also a force of Desert Police provided with camels and some four-wheeled drive vehicles.

Navy

A small Jordanian sea force operating a few patrol craft in the Dead Sea and from Aqaba.

Air Force

Strength: 1,500 men, about 50 planes; one squadron Hunter Mk. six jet fighters (formed from amalgamation of two previous squadrons); one transport squadron, including four DC–3's; four Alouette helicopters are being purchased; one squadron Hunter–67 and Jet Provost trainers.

LEBANON

General: Population: 1,900,00 (excluding Palestinian refugees: 145,000 approximately). Total armed forces: 11,000; defense expenditures: £Leb 94,500,000 ($31 million).

Army

Strength: about 10,000; eight infantry battalions; two armored battalions. Gendarmerie: about 2,500; police: about 500. Security force: about 250. The army and gendarmerie are British, American, and French equipped; there are 42 light French tanks (AMX–13).

Navy

Strength: about 200 men; one coastal escort; three coastal patrol launches; one landing craft.

Air Force

Strength: about 600 men, 18 aircraft; five Hunter jet fighters (6 more have been ordered); three Vampire fighter-bombers/trainers; one Chipmunk primary trainer; one Dove light transport; eight Alouette II and III helicopters.

SAUDI ARABIA

General: population 6,750,000; military service: voluntary for Regular Army. Total armed forces: 55,000; defense expenditure 1963–64: SR479,600,000 ($108 million).

Army

Regular Army: strength 30,000; one armored brigade; one mechanized brigade. Internal Security Corps of one Royal Guards Brigade and five infantry regiments. Equipment includes M–24 Chaffee light tanks, Vigilant antitank missiles and Staghound armored cars. Tribal levies (White Army): strength 20,000 40–50 battalion-sized units equipped with light arms only:

Navy

Strength: 1,000 officers and men; three gunboats ex-U.S. submarine chasers); six PT boats; nine patrol launches; eight landing craft; two armed coastal transports.

Air Force

Current strength: 4,000; one squadron F–86F Sabre fighters; nine B–26 Invader tactical bombers; five C–123 Provider transports. It is hoped to acquire some supersonic jet fighters in the near future (possibly F–5, Lightning Mk. 2 or Mirage IIIC). The Saudi Government has allocated up to $250 million for the acquisition of a comprehensive air defense system, including a nationwide radar network, supersonic interceptors, ground-to-air missiles, and operations control centers. But even if this system is incorporated into the Saudi armed forces, it will have to be operated by foreign crews for the next 5 to 6 years.

SYRIA

General: population 5,500,000; military service: 2 years (Jews are exempted). Total armed forces; 61,000 (excluding gendarmerie and reserve); defense expenditure (latest available): equivalent to £32 million ($89,500,000).

Army

Strength: 50,000; three armoured brigades (about 2,200 men each); five motorised infantry brigades (about 3,500 men each); one parachute battalion; six artillery regiments.

The armored brigades are equipped with T–54 tanks and SU–100 assault guns, the tank companies of the infantry brigades with T–34 tanks and the infantry battalions of armoured brigades with Soviet BTR–152 armoured personnel carriers; total number of tanks in service is about 400, including at least 200 T–34, 150 T–54, and some older German models; other army equipment is either Czech or Soviet.

Desert Guard: There are three battalions of a Desert Guard (4,000 men approximately; their mission is to maintain order in desert areas).

Reserves: There is a reserve army with a current strength of 40,000, a gendarmerie of 8,000 and the civil police with a strength of 1,800.

Navy

Strength: 1,300; 2 minesweepers (ex-Soviet); 6 submarine chasers (3 ex-French, 3 ex-Soviet); 4 fast patrol boats (Soviet "Komar" class guided missile carriers); 12 motor torpedo boats (ex-Soviet P–4 class); 4 landing craft; about 6 auxiliary vessels.

Air Force

Strength: 9,000 men approximately, about 150 to 160 planes; two squadrons MIG–17 jet fighters of 24 planes each; one squadron MIG–19 jet fighters of 24 planes; one squadron MIG–21F jet fighters with air-to-air missiles (26 planes); four Il–28 light bombers; six Il–24 transports (elements of 1 squadron of 15 planes). Some Chipmunk, Soviet Yak-11 and Yak–18 basic prop trainers and L–29 Maya jet trainers (Czech). Some Soviet helicopters; it has been reported that a squadron of Tu–16 Badger medium bombers may be delivered in the near future.

UNITED ARAB REPUBLIC

General: Population, 28 million; total armed forces (regular), 180,000; (national guard and organized reserve units), 120,000. Military service: 2 years with regular forces. It is estimated that two-thirds of all Egyptian conscripts are rejected for medical or mental reasons. Defense estimates 1964–65: £E 192 million ($400 million).

Army (regular)

Strength: 150,000 of which more than 30,000 are in the Yemen, and some 5,000 in Iraq; 2 armored divisions (1 still forming) of 11,200 men each; 3 motorized rifle divisions of 11,800 men each; 6 area commands for static defense forces (not all up to strength); 1 parachute brigade (three battalions); 12 artillery regiments; various support and headquarter units. The armored divisions are organized on the Soviet pattern and consist of a tank regiment with 99 T–54 medium tanks, a heavy support regiment with 25 JS–3 heavy tanks and 33 SU–100 assault guns, an armored infantry regiment which includes 10 SU–100's, an artillery regiment with 24 122-mm. field guns, a battalion of 12 Katyusha rocket launchers and an antiaircraft battalion with 34 AA cannons.

The motorized rifle divisions also on the Soviet pattern, consist of a tank regiment with 99 T–34 medium tanks, 2 armored infantry regiments with 10 SU–100's each, an artillery regiment with 24 122-mm. field guns and an antiaircraft battalion with 36 AA guns. Soviet BTR–152 and BTR–40 armored personnel carriers, together with soft-skinned personnel carriers, are in service with both armored and mechanized divisions.

Probable current tank strength (allowing for deficiencies in establishment): 1,200 tanks and assault guns, including: 400 T–34; at least 350 T–54; 60 JS–3 with 120 mm. guns;

150 SU–100 with 100 mm. guns; 30 MK–III Centurions (with reserve units); 20 AMX–13 (with reserve units).

APC strength: 650 with the armored divisions; 160 in Yemen; 250 with the mechanized divisions. This gives a total of 1,160 out of an original 1,400 delivered from the U.S.S.R. or Czechoslovakia, plus an estimated 450 assembled locally.

Forces in the Yemen

The Yemen Expeditionary Force consists of elements of two of the mechanized divisions, the parachute brigade and two armored task forces of brigade size. It includes both regular and reservist units. There are also reported to be 5,000 men stationed in Iraq to assist the internal security forces of that country.

Anti-Aircraft Command

Operated jointly by Army and Air Force. In addition to 85 mm. guns and a radar network, contains about 10 batteries of Soviet SA–2 Guideline surface-to-air missiles.

Missile Command

This is separate from the Army and Air Force, and consists of about 4,500 men, including civilian technicians. About 300 missiles are estimated to have been built; these include the Al Zafir, which carries a 1,000-pound warhead some 235 miles, the Al Kahir, which carries a rather larger warhead up to 375 miles, and Al Ared, which carries a 1-ton warhead some 440 miles. The first two of these can be launched from mobile platforms, but the Al Ared requires a static launch site.

There is no evidence that the Egyptians have either developed a reliable guidance system for these missiles or have decided what kind of warheads to use. It is reported that experiments with radioactive or bacteriological changes have been abandoned, and the United Arab Republic has at present no fissionable material which they could use for nuclear warheads.

Reserves

The National Guard and organized reserve units total some 120,000 men. Of these some 20,000 have been called up for active duty and are serving in the Yemen.

The United Arab Republic seems to have established no second-line reserve force, nor does it have any organization for swift mobilization of those with military experience. This is surprising in that up to 80,000 conscripts are discharged from the regular forces each year, and the explanation may lie in the lack of trained officers and senior NCOs for reservist formations.

Navy

Strength: 11,000 officers and men, including Coast Guard's 4 destroyers (ex-Soviet "Skory" class); 2 destroyers (ex-British Z type); 6 submarine chasers (ex-Soviet) 3 other escort vessels; 6 minesweepers (4 ex-Soviet, 2 ex-British); 9 submarines (ex-Soviet "W" class); 14 fast patrol boats (10 ex-Soviet "Komar" class, 4 ex-Soviet "Osa" class, each with guided missiles of 20 miles range); 44 motor torpedo boats (36 ex-Soviet, 8 ex-Yugoslav); 10 other vessels. There is a strong naval logistics capability including some landing craft. Naval reserves total some 5,000 men.

Air Force

Strength: 10,000 to 15,000 officers and men, plus 3,000 to 4,000 reservists; total of currently operational aircraft is 500; this includes 40 helicopters and some 60 transport aircraft, but excludes trainers. Combat formation include: 25 to 30 Tu–16 medium bombers (2 understrength squadron); four squadron Il–28 light bombers of 18 planes each; 2 squadrons Mig–21 interceptors of 26 planes each (probably armed with air-to-air missiles); 4 squadrons Mig–19 all weather fighters (some 80 planes in all); 4 squadrons Mig–17 fighter bombers (80 to 100 planes). Two squadrons of obsolete Mig–15's (about 50 planes) are used as ground-attack fighters in the Yemen, together with 1 squadron of converted Yak–9 trainers, and occasional Il–28 and Tu–16 sorties from Egypt. Transport aircraft include twin-engined Il–14 and four-engined An–12 transports, and together with lighter liaison aircraft total about 60 planes. Helicopters are entirely of Soviet and Czech origin.

Training aircraft include Mig and Yak jet trainers, including those used in a ground-attack role in the Yemen.

More World Aid Urged by Eshkol—Israeli Premier Addresses Economic Conference

(By James Feron)

Jerusaleum (Israeli Sector) August 9.—Premier Levi Eshkol said today that aid given to developing states "should not be seen merely as an act of grace on the part of the rich nations."

Mr. Eshkol, speaking before economic and fiscal experts from 44 countries at Israel's third Rehovot Conference, said development assistance should become "part of a moral order and of a sense of reciprocal interest." He added:

"Just as a citizen with a high income understands that he must use part of this income through his government for the education, health, and welfare of people whose income is lower," so should wealthy nations assume the responsibility of contributing part of their income to help developing states.

The Israeli leader spoke in the auditorium of Hebrew University, one of the sponsors of the conference. The other sponsors are the Weizmann Institute of Science in Rehovot and the Bank of Israel, whose governor, David Horowitz, seconded Mr. Eshkol's plea.

PLEA TO RICH COUNTRIES

Mr. Horowitz renewed an appeal for wealthy countries to allocate between 1 and 2 percent of their gross national products each year to provide capital for the developing countries.

He said "the theoretical assumption" that a surplus of capital in the Western countries would be attracted to countries with underdeveloped resources "had not come true."

Insecurity is only one factor in the absence of such a capital flow, Mr. Horowitz said. The low productivity of the labor force is another factor, he noted, adding that capital is reluctant to break virgin ground in underdeveloped areas while the lure of profitable investment in developed areas remain great.

The Polish-born bank governor, whose nation is both a giver and a recipient of aid, said effective utilization of capital in the recipient territories needed the following:

Measures to prevent capital flight, a taxation system to promote the formation of capital and distribute wealth evenly, land reform, selectivity of investment, proper allocations to education, economic planning, the acquisition of technical knowledge, facilities for family planning, and adequate monetary restraints.

Thirty-four Cabinet ministers, many from African States where Israeli experts are providing technical assistance, were among the 59 official delegates who will attend the 10 days of meetings.

Among the experts at the parley are Pierre Mendès-France, a former French Premier; Prof. J. Kenneth Galbraith, the American economist and former Ambassador to India; Prof. Simon Kuznets, of Harvard, and Nicholas Kaldor, an economist who is an adviser to the British Government.

JOHNSON'S CRITICISM OF FORD BACKFIRES

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. Chamberlain] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, across the Nation, responsible news media comes to the defense of Representative Gerald R. Ford, House minority leader, who was the target of a bitter, taunting verbal attack by the President.

I refer in this instance to a strong editorial published in my own hometown paper, the Lansing, Mich., State Journal, under a headline reading "Johnson's Criticism of Ford Backfires."

The editorial published August 4, 1965, had this to say about the President's unwarranted remarks directed at Mr. Ford:

Johnson's Criticism of Ford Backfires

President Johnson's sharp irritation at implications of politics in the expansion of the U.S. troop commitments in Vietnam seems to have all the earmarks of "methinks he protesteth too much."

Over the weekend the President undertook to spank "a Republican leader"—presumably Representative Gerald R. Ford, Republican, of Grand Rapids, Mich., House minority leader—for what the President claimed was a case of leaking and distorting a decision not to activate Armed Forces Reserve units at this time.

In the curious shadowboxing world of anonymous background briefings by political principals, President Johnson charged, the Republican said a report by Senator Mike Mansfield, Democrat, of Montana, Senate majority leader, advised Johnson to avoid calling up Reserves because of political implications.

Now this was only background briefing, and, therefore, in the true traditions of the procedure, Ford's name was not used. President Johnson spanked anonymously—or tried to, thereby indicting by implication every Republican who attended.

A greenhorn stunt, the President said.

"Most of the people you deal with respect the confidence, but once in a while an inexperienced man, or a new one, or a bitter partisan has to play a little politics," the President said.

He denied that the Mansfield report even mentioned the reservist issue. So did Ford. And Ford denied saying it did.

But it appears two other unnamed Democratic Senators had offered such advice, a fact mentioned at the anonymous Ford briefing session.

And so we have a ludicrous case of Presidential criticism of an anonymous House leader for an anonymous background statement that wasn't made in the first place. Somehow it all sounds like stories making the rounds of a neighborhood, the sort of jumping at conclusions and failure to check facts that is the woof and warp of gossip.

Whether or not the President's decision not to call up the Reserves now had political motivation we may never know. The fact that he lashed out with such vehemence before having accurate information argues either righteous indignation or extra sensitivity to unpleasant truth.

Until an unnamed official cites an unnamed source close to a usually reliable unnamed office in an oval room, giving the fuller background of discussion on an unnamed day on an unnamed subject, we'll just have to conduct the Nation's affairs without knowing for sure which it was.

BALANCE-OF-PAYMENTS SEMANTICS

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CURTIS. Mr. Speaker, recently the Economic Statistics Subcommittee of the Joint Economic Committee issued a unanimous report on the principal recommendations of the Review Committee for Balance-of-Payments Statistics, commonly known as the Bernstein report. As a member of the subcommittee, I was pleased to join in that report.

However, I feel that some additional thoughts of my own on the semantic difficulties involved in balance-of-payments accounting are in order. Balance-of-payments discussions in the past have been so plagued with words such as favorable, unfavorable, visible, invisible, active, passive, basic, and a variety of other terms, that one would hope that in any rethinking of the statistics the injection of new semantic difficulties could be avoided.

One semantic problem involves the use of the term "official settlements," as applied to the concept of balance-of-payments surplus and deficit endorsed by the Bernstein committee and the subcommittee. I think a better term might be "transactions by the monetary authorities."

The term "official," for example, in the particular context of Government statistics, risks being interpreted as being definitive, conclusive, and authoritative—an attribute to which it is not entitled in the present discussion. The debate on the proposal is ample demonstration that it is not God-given in its qualities. Every governmentally produced statistical table must, of necessity, have a last or bottom line but this gives it no greater sanctity or status than the figures upon which it is dependent and from which it is derived.

The term "official," moreover, is not necessarily related in its day-to-day connotations to the actions of the monetary authorities of the several countries. By definition, the action of any public official acting in his official capacity, or from an authority derived from his office or position, is properly encompassed within the word "official." In this sense, actions taken by the Defense Department authorities, the administrators of development aid, or of the Treasury Department in grants and loans, are no less official than those of the Federal Reserve System in treating international transactions. Balance-of-payments statistics have, for example, within recent months involved the prepayment of loans and the prepayment of military supply costs which were not undertaken as actions by the monetary authorities, although the agencies involved were undoubtedly influenced in part by balance-of-payments considerations.

The word "settlement," likewise, has the semantic difficulty of ignoring the fact that every item making up the international accounts whether, as the economists say, above or below the line, is equally essential and effective to the reality of that balance. Without the transactions by merchants, tourists, and emigrants, without the military and aid expenditures, there would be no international account to balance.

The distinction between items in the balance-of-payments accounts hinges primarily upon the kind of stimulus or motivation which gives rise to the items. In this sense, one might count the private sector including merchandise trade, service income and costs, tourism, and profit-seeking capital movements. A second class would be the automatic Government transactions prompted by international, political, and developmental considerations, including military expenditures and aid. The third category of items entering into the balance-of-payments account are transactions undertaken by the monetary authorities with economic stability, growth, and monetary considerations in mind. This seems to be the class of items which the review committee proposes to call "official settlements."

I wonder, therefore, if instead of the confusing term "official settlements," there might not be some gain in understanding and in presentation if these transactions were forthrightly denominated as they are—transactions by the monetary authorities. This seems to be what the proposal, indeed, involves and seems less likely to add to the already confused statistics.

MORE ON THE BREAD TAX

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CURTIS. Mr. Speaker, on July 15, 1965, I introduced into the Record the text of an article appearing in the July monthly economic letter of the First National City Bank of New York, discussing in a scholarly fashion the administration proposal to increase the wheat processing tax initiated last year from 75 cents to $1.25. I also placed in the Record a most unusual reply to this article by the Secretary of Agriculture, Mr. Freeman. I thought no further comment was needed to demonstrate the inappropriateness of Mr. Freeman's letter. However, an article in the Wall Street Journal of Tuesday, July 20, 1965, entitled "Sowing Economic Nonsense," provides proper comment. I am placing this in the Record at the end of these remarks inasmuch as Mr. Freeman has apparently not learned the ethics of proper public discussion and debate.

Now I have just had called to my attention one of the most bizarre and extraordinary documents that has reached my office in all the years that I have been in Congress. This smouldering and libelous document, I was able to verify at the bottom of its first page, was an official release of a speech made by Mr. Freeman at the Department of Agriculture to representatives of the National Farmers Organization gathered here in Washington on Monday, August 2. In strident and awesome paragraphs it tells of a violent plot:

> For more than 4 years I have been in the thick of battles for constructive, progressive national farm and food legislation. Until now I thought I had known every experience, every situation that could be associated with such efforts.
>
> But this year something new has been added.
>
> At no other time have the big special interests been as active, as aggressive, as go for broke in opposition to public interest legislation as they are in fighting the Great Society farm bill—particularly its wheat section.
>
> The bread trust is conducting the most bitter, the most irresponsible, and most heavily financed attack ever aimed at farm and food legislation.

The bread trust? Seven times in the following seven paragraphs Mr. Freeman strikes out at the bread trust. This is a matter in which I have more than a smattering of interest. Combating trusts and monopolies have taken up a considerable amount of my time. Mr. Freeman accuses this particular trust, among lesser things, with "laying of a propaganda barrage" and "painting a tearful picture of its concern for the poor." Reading the Secretary's speech there is little question of who is laying the propaganda barrage and painting a tearful picture of concern for the poor. It is the Secretary himself. If there is a bread trust we should take action. Trusts are an economic menace and are illegal. If Mr. Freeman has found one wrapped in a loaf of bread we should proceed to slice it up rather than to table it.

Perhaps the Secretary made his speech in the wrong building. He must have meant to give his speech in the auditorium of the Department of Justice within earshot of the Antitrust Division rather than on his own grounds at Agriculture. What a shame that he did not, in proper citizenly fashion, explain his bread trust to those who could do something about it, and under law are required to take action. And has he been Secretary of Agriculture for 5 years and just learned about this sinister monopoly?

None of us should fail a public servant in the faithful commission of his duties. I decided to help him ferret out the bread trust working from a clue the Secretary himself gave out in his speech, when he said:

> The bread trust is buying words by the bale from the Madison Avenue propaganda factories. It projects them through a broad range of public and private communications media. It has hired free-wheeling professional lobbyists who have access to the plush entertainment places.

My first call, naturally, was to its lair for Mr. Freeman notified all of us that it had been frolicking about Capitol Hill disguised as a wheat users committee. I was somewhat taken aback to find that the plushness of the wheat users committee consisted of a single room at the Congressional Hotel with sandwiches brought in from the Cap-Snack Carry-out Service.

I was shocked to learn almost at once that 80 percent of the members of the wheat users committee are small independent bakers. They seem to worry about Mr. Freeman's bread tax on the simple ground that it might put them out of business, and they wonder whether their concern for their business has angered Mr. Freeman. But Holmes-like I was determined to find this evil combine even if it lurked in the ovens of independent bakers such as Pollman's Bake Shop of Mobile, Ala., or the Bon Ton Bakery of Missoula, Mont. Both are members of the suspicious committee. Or maybe the menace was looking out at me from its disguise as Fassetts Bakery of Burlington, Vt., or Heiner's Bakery at Huntington, W. Va. Could these committee members be the malefactors that had driven the Secretary to such excesses?

Somewhat dismayed at my bad luck in this direction, I turned to another lead. Could it be?

The American Bakery and Confectionery Workers' International Union, and the Bakery & Confectionery Workers' International Union of America. Yes, and the Teamsters, too. Aha. Maybe Mr. Freeman has found something entirely new. Labor has ganged up with bakers, large and small, to mug the people. But what an odd attack for our heroic charger to make. Does he believe that labor, in blatant defiance of its historic role, has suddenly formed a selfish bread trust with big business to attack its own members? What about the so-called newly grouped farm-labor bloc put together to bring about the repeal of section 14(b) of the Taft-Hartley Act. Surely labor would not fight good farm legislation now. At about this time I wondered whether Mr. Freeman might not have suffered from some melancholy of the stomach caused by a surfeit of worry about bread and the surfeit of wheat.

Now the wheat users committee, while admittedly a special pleader, is equally aghast as it watches Mr. Freeman prance about on his white charger. They find him saying over and over that the baking industry wants to hurt the farmer. They keep answering that this is simply untrue. They tell me that they are quite happy to have the farmer get a fair return, and they have not the slightest point of difference with warrior Freeman. Their only concern is that the money should come from the U.S. Treasury—and from our society and its taxpayers—rather than from those poor souls whose diet is heavy with bread and wheat products. As a taxwriter I am not too happy with this reply, but it may explain why the bread tax was originated in the Senate contrary to the U.S. Constitution and considered by the Agriculture Committee and not the Ways and Means Committee. But they say Mr. Freeman just will not listen. He is too busy talking.

He remounts for the attack, scoops up a new batch of words put together by some of his 100,000-man army of Agriculture, and charges off in all directions to worry us still further about a new bread trust.

I stand in awe of his vigor, his messianic fervor, but I can only deplore his investigative techniques and his tendency to cry out results wtihout due regard to facts. The farm bill, with its good and its bad, should certainly be defended on its merits, if it has any, not made into a series of skits more suited to the vaudeville stage. After all, it is not all Mr. Freeman's farm bill, and he need not take the blame for all its defects, large or small. It is to my regret our farm bill—the country's—mine as well as his, and if Secretary Freeman will try to explain it with dignity to the Nation, then the Nation will try to come to a reasonable conclusion as to its merits, including the merits of its champion, Secretary Freeman.

My interest, of course, as a Congressman is the consumer, particularly a Congressman from an urban area. I want the farmer and the baker and the middleman to make a reasonable profit, but I also want the consumer to share in any increased productivity through decreased, not increased, prices. The consumer has too often been forgotten by both the producer and by labor and has not shared equally in our great productivity increases. Mr. Freeman's Agriculture Department provides no proper forum for casting stones at others' failure to consider the consumers' interest. He cannot with any justification wrap the robes of intense consumer interest around himself to conceal his own deficiencies.

The way to move any dialog forward is through the use of fact and fair argument not diatribe. The Secretary of Agriculture, indeed, must have a pretty sorry case when he demeans his office by indulging in the patent demagoguery of suddenly discovering a bread trust to attack with vigor and so distract the consumers' attention from the real issues.

Here follows the Wall Street Journal article "Sowing Economic Nonsense":

SOWING ECONOMIC NONSENSE

You never know what you'll find in your mail these days. When George Moore, the genial president of New York's First National City Bank, riffled through his the other day, he discovered an anything-but-genial letter from Orville Freeman, the Secretary of Agriculture.

What disturbed Mr. Freeman was an article in the current issue of the bank's Monthly Economic Letter which argues that it is passing strange for the administration, amid its war on poverty, to be urging a higher tax on wheat processing and hence an increase in the price of bread. The bank's argument, declares the Secretary, is "sheer economic nonsense."

There's a lot of economic nonsense in the agricultural area, we'll agree. But it stems from the whole vast farm program itself, not First National City. Moreover, the administration's frantic attempts to refute growing criticism of the program only serve to show how absurd the entire situation has become.

Thus the bread tax is just one more case in point. As you'll recall, farmers who cooperate with the Government's wheat scheme qualify for a relatively low support price, plus supplemental payments financed by a levy on each bushel of wheat handled by flour mills and other processors.

In the first place, Mr. Freeman contends that this is not a bread tax at all. If the millers were public spirited, he implies, they would simply absorb their higher costs instead of trying to pass them along by boosting prices. The trouble with that theory, in an industry where profit margins are already thin, is that a tighter cost pinch could squeeze some mills right out of business. Like taxing bread, such an upshot would seem an odd way to fight poverty.

Even if millers raise prices, and thus ignore what Mr. Freeman considers their civic duty, the Secretary figures that consumers will accept higher bread prices because it is only fair that at long last the wheat farmer should get a little more return.

Maybe so. However, a growing number of consumers, along with many of their Representatives in Congress, have become dubious of the idea that the Government should spend billions of dollars every year in an effort to protect the incomes of the single group of Americans who till the land. They would be less dubious, perhaps, if the effort was less of a shattering failure. For all the furor about poverty, it doesn't even provide much help to the poorer farmers.

As former Budget Director Kermit Gordon wrote in Saturday Review early this year, "About 80 percent of our assistance goes to the 1 million farmers whose average income exceeds $9,500. Most are successful business firms." In other words, it's not the farmers as a group who are being protected—only the prosperous ones.

You might think that such facts would worry Federal farm officials, who long have talked of the need of saving the small, family farm. But apparently the small farms do not matter any more. "The individuals who operate these farms are most likely to earn the bulk of their income from nonfarm jobs," said Mr. Freeman in a recent speech. "Also, most of them have a limited capital investment and minimum credit needs."

Since the big farms, which supply most of the Nation's food and fiber, get most of the money from the Federal farm program, they naturally would lose the most from elimination of the program. Mr. Freeman figures farm income would be cut by more than 50 percent, and it's interesting to speculate on why he sees so large a loss.

Obviously, the reasoning is that all farmers, even if Federal incentives to overproduction were removed, would make no effort to limit their output. Large, commercial enterprises would ignore the market and continue rolling out surpluses, wandering willy-nilly down the road to bankruptcy. Whatever farmers may think of the Federal handouts and controls, some of them are unlikely to appreciate the administration's estimate of their intelligence.

After more than three decades of Federal protection, farmers hardly could be expected to adjust to a free market overnight. A gradual move in that direction, however, is a better idea than ever-deepening involvement in a program which actually produces little but scandals and waste. Meantime we suppose it's only logical that an agricultural policy which has long discriminated against the poor should now come up with a bread tax, which also strikes hardest against the poor.

An administration capable of that kind of logic, it seems to us, is on pathetically weak ground when it accuses a bank of sowing economic nonsense.

PRESIDENTIAL DOCUMENTS: A NEW WEEKLY PUBLICATION

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Curtis] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CURTIS. Mr. Speaker, I have noted with great interest and approval the birth of a new official governmental publication, the "Weekly Compilation of Presidential Documents," the first issue of which is dated Monday, August 2, 1965. The drawing together and dissemination of the President's documents is a proper function of the Federal Government. With this official publication, there will be a convenient, and hopefully complete and accurate record of all, not selective, public Presidential documents. This is an important service not only to Government officials, but to the Congress, the news media, and to the general public. I trust that as time goes on this publication is not altered into an organ to propagandize rather than to inform the Congress and the people as has happened to many of the official executive publications. The laws prohibit the use of Federal funds for purposes other than to accurately inform the public and it is a shame these laws are not being fully obeyed nor are attempts being made to enforce them.

EAST MEADOW GOOD NEIGHBORS MEETING

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Wydler] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WYDLER. Mr. Speaker, I am proud of the fact that the community of East Meadow is part of the "fabulous" Fourth Congressional District that I represent. Practically all of the 48,000 people that live there have proven to be fair, just and good neighbors. It has long been my firm conviction that direct, person-to-person community action is a far superior technique of protecting our inalienable rights than any measure any legislative body could devise. Our Nation's heritage is one of concerted and concerned community action in the interests of its citizens and their liberty. The term "neighbor" has a unique meaning in this country. It implies not only proximity, but a bond of common interest and mutual concern. We place great reliance on this relationship, and it has not often let us down.

I was priviliged to be part of such a neighborhood relationship in action recently with people from East Meadow, N.Y. A neighbors' meeting was held in my Mineola, N.Y., district office on Friday, July 30, which was attended by community religious and civic leaders from East Meadow. They gathered at my invitation to help one of their neighbors, the family of Vincent and Tamara Wright, an interracial couple who have recently been the victims of an uncoordinated but virulent hate campaign originating from outside of East Meadow. The Wrights have lived in the community for 2 years. This summer, a cross was burned on their front lawn, a picture window was blown out by firecrackers on July 4, and they have received obscene and threatening letters. This was the situation when Mr. James Europe, a member of the executive committee of the Long Island Coordinating Council for Civil Rights, visited me in my Washington office and requested my assistance.

As a first step, I immediately contacted the postal authorities and arranged for an investigation of the threats the Wrights were receiving through the mails. None of the letters investigated originated in East Meadow, and some came from as far away as California and Florida. This matter is under investigation.

Mr. Europe further requested me to call together a meeting of East Meadow leaders to discuss the Wright's problem and discuss the actions the community itself could take to alleviate the difficulties they have experienced. Believing that a dialog among the Wright's fellow citizens of East Meadow would be fruitful. I scheduled the meeting for July 30, and invited civic and religious leaders to participate. The response was gratifying. The following persons attended:

Mr. George McVey, assistant superintendent of the East Meadow Public Schools.

Rev. Herbert Kern, pastor, Calvary Lutheran Church of East Meadow.

Mr. David Feld, president, East Meadow Chamber of Commerce.

Mrs. J. Lyons, Lakeville Estates Civic Association.

Rev. Edward C. Finnigan, assistant pastor, St. Raphael Roman Catholic Church.

Mr. Leonard Goodman, president, East Meadow Kiwanis Club.

Mr. Thomas Holmberg, president of the Congregation Christ Lutheran Church of East Meadow.

Rev. Gilbert Smith, pastor, Community Methodist Church of East Meadow.

Rabbi Israel Nobel, East Meadow Jewish Center.

Mrs. Eva Stein, membership chairman, Lakeville Estates Civic Association.

Mrs. Louis Reder, past president, East Meadow Chamber of Commerce.

In addition, Mr. James R. Europe, who had requested the meeting, and Mr. Alvin Dorfman, also of the Long Island Coordinating Council for Civil Rights, attended.

My thanks and the thanks of the community go to those who volunteered their time and effort for the good of a neighbor and as a public service.

The meeting was directed to a consideration of ways to help the Wright family. We did not attempt to solve the overall question of insuring equal rights for all. This was a neighbors meeting called to bring relief to a family, and any other broader effort would only have diluted our immediate efforts.

I considered my role to be the catalyst for the meeting, but not to dominate it. Discussion was open and frank, and the opinions were as varied as the backgrounds of those attending. Consensus was reached though when it came to the question of the Wrights themselves. We all agreed that they deserved help and that our meeting would back up those who were acting as good neighbors.

There was by no means unanimous agreement of the source of the shameful incidents to which the Wrights have been subjected. Racial hatred, some asserted, was only a part of the incidents themselves. The general problem of juvenile delinquency was suggested as a responsible factor. The difficulties of living in a high-speed suburban environment was advanced as a possible reason for the Wrights' seeming estrangement with some neighbors, as was the problem faced by any family moving into an old established neighborhood via a resale.

A number of remedies, and combinations of remedies, were talked about. Forthright statements by some of the clergy of East Meadow had already been made. It was agreed that further expressions of sympathy for the Wrights and determination to see them treated with the dignity and equity they as citizens and human beings deserve will emanate from the religious leaders of the community.

Visits by the ministers of all faiths were suggested and received favorably. Some of those present had visited the Wrights already, and urged their fellow clergymen to do likewise.

One suggestion of particular merit was presented. The several clergymen were asked to contact their respective church or temple associative bodies and to urge these area groups to take a firm stand on the question of the Wrights and similar situations. The groups which were to be contacted were the human rights committee of the Roman Catholic Diocese of Rockville Center, the Long Island Council of Churches, and the Nassau-Suffolk Association of Rabbis. They are preparing such a statement.

It was agreed that those participating in the meeting would make every effort to encourage the Wrights in being more a part of the community, through participation in local service organization, social groups, and school-connected bodies.

An effort to acquaint the general public with the contribution of Negroes to the United States as productive citizens and not just as, in the words of Mr. Europe, "as demonstrators," was urged. I offered to help Mr. Europe set up such a program and seek the aid of the Nassau library system.

Mr. George McVey, assistant superintendent of the East Meadow public schools, discussed the progress which has been made in providing teachers with an optional in-service credit course on methods of including Negro history in treatments of the history of the United States. The board of education is currently considering offering such an in-service course, currently available from the State department of education, in the East Meadow school system.

A statement was prepared summarizing the feelings of the group which was subscribed to by those in attendance. It read as follows:

> We have met at the invitation of Congressman John W. Wydler as people who live in and are deeply concerned with the good name and future of East Meadow.
>
> Our purpose is to help protect one family in East Meadow from the lawlesseness of those from outside our community who would disrupt the family's life and bring unrest to our neighborhood.
>
> At the same time we wish to make clear that it is our belief that the Wrights are entitled to live in peace in our midst—even as you and I expect to so live.
>
> The family of Vincent Wright is biracial. We ask the good people of East Meadow to accept them on the same basis as any of their neighbors. They should not be accepted because they are biracial, nor rejected for that reason. They should be judged on their own merits as neighbors—as should all people who wish to move to our community.
>
> We shall do everything in our power to see this is done. We urge all those who are fair and decent to join us.

Mr. Speaker, I feel that our neighbors meeting was a positive step toward accomplishing the objective of equity and equality which must be the goal of every American. Last year we in Congress passed the civil rights bill. One of its lesser known provisions was to set up a community relations service to help in such situations. In my opinion the neighbors meeting performed that function in an informal manner and performed it well. This is not the end of all worries and difficulties for the Wrights. But it is the beginning, I know, of a period in their lives of a new hope and confidence which is their birthright as Americans, and as good neighbors.

GOP TASK FORCE LOOKS AT DE GAULLE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Goodell] may extend his remarks at this point in the Record and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GOODELL. Mr. Speaker, I have spoken with great pride of the provocative and intelligent contribution of the House Republican task force on NATO and the Atlantic Alliance. We in the Republican leadership are particularly gratified with the results of a recent study group which visited Paris. Congressman Paul Findley, who chaired the group, and Congressmen Hastings Keith, Alexander Pirnie, and James Martin deserve the accolades of every Member of Congress for the dignity and sensitivity with which they conducted a delicate mission. As chairman of the House Republican committee on planning and research, which created this task force and sponsored the Paris trip, I offer my commendation to these colleagues who have performed so admirably in the service of their country. In this connection, Mr. Speaker, I include at this point in the Record two fine articles written by the distinguished columnist, Mr. Holmes Alexander:

[From the Philadelphia (Pa.) Evening Bulletin, July 13, 1965]

"Good Luck and You'll Need It"—De Gaulle's Message to Inquiring GOP Quartet

(By Holmes Alexander)

Washington.—During a dinner last month in Paris there arrived a verbal message from President de Gaulle to the four visiting Republicans who had gone there on detective mission. They hoped to find out, if they could, the reason for the smashup of a 190-year love affair between these two fond nations.

Congressman Paul Findley, of Illinois, chairman of the mission, wrote down the message in English on his business card and later made it available to me. De Gaulle's greetings were cryptic:

"I hope you can win victory in Vietnam, I do not believe you can. If you continue your present success, in 5 years you will be involved in 10 places. Then the American people will become tired and return to isolationism. And, in saying this, remember that neither I nor the French people dislike the American people."

It may be, as Findley believes, that the word "success" was sarcastic, but this is not so important as the tone of the communication. There is no doubt that De Gaulle is disappointed in the United States, partner of the love affair, just as we are bitterly disappointed and vexed with him for a long series of irritating actions.

One way to treat this insolent foreigner is to return malice-for-malice, thereby perpetuating the quarrel. Another way is to acknowledge that, while we have good reasons for disappointment and resentment, maybe he has reasons for his.

"If we would put ourselves in France's place," said Findley, who is not known here as an apologist for other countries. "I think we'd find the reasons about equal on both sides."

The dinner host on the evening of reference was Gen. Pierre M. Gallois, a military planner who has served the air policy groups for both NATO and De Gaulle. Gallois is the author of a lengthy pamphlet, which can be regarded as De Gaulle's brief in this court of ruptured relations. Gallois deals vigorously with France's complaint on a major and central theme—our retreat from the Eisenhower military doctrine. Gallois pinpoints the complaint in one brief sentence, spoken by President Kennedy at Berlin on July 25, 1961.

"We intend to have a wider choice than humiliation or all-out nuclear action," said Mr. Kennedy.

A REPEALER

J.F.K. was, in effect, repealing the tough doctrine spoken by Secretary Dulles and Admiral Radford for the Eisenhower administration: "Massive Retaliation." So long as France and other European nations felt certain we would make the nuclear response to any Communist aggression, they felt secure. But when we began to quibble, they became uneasy. When General Taylor, a spokesman for conventional warfare, was recalled to the White House and the Pentagon, when we removed Jupiter missiles from Italy and Turkey, when we cancelled Skybolt, when we signed the test ban treaty, France expressed the insecurity that all Europe felt—rightly or wrongly. The denuclearizing of our military doctrine, writes Gallois, "reduced (Western Europe) to the level of Korea, Indochina, and Malaya" in the American military scale. The United States of America would fight "conventionally" in Europe as well as in the Far East, according to the De Gaulle-Gallois interpretation. We would go to nuclear weapons only as a last resort—that is only if continental United States were hit or threatened.

NOT GOOD ENOUGH

This wasn't good enough for De Gaulle. He continued to build his own nuclear striking force. He continued the separation proceedings. He determined to make France independent of the shifting American policy for many years to come.

Endless are the complications of American policymaking. The best American sentiment lies in the unequivocal words: "My country right or wrong." But it won't hurt us to consider another country's viewpoint, especially when that country is such a onetime lovemate as France.

[From the Boise (Idaho) Statesman, July 8, 1965]

GOP Task Force Looks at De Gaulle

(By Holmes Alexander)

Washington.—"Monsieur La France? Non. Monsieur L'Europe."

Charles de Gaulle, the delight of American cartoonists and the scapegoat for American statesmen who can't figure how we "lost" Europe, sat for a new portrait in June.

It wasn't a caricature. It wasn't the death mask of a dinosaur, reflecting the popular American opinion that De Gaulle is a museum piece whose archaic policies will evaporate with his last breath. It is not solely the picture of a great Frenchman, with the usual emphasis upon De Gaulle's supposedly extreme nationalism. In fact, it is a portrait only by metaphor and without benefit of art. It is a study by four Republican Congressmen who took a GOP-paid trip to Paris for the purpose of fact finding about NATO.

But the unpremeditated result of the trip was the discovery that most of our difficulties with NATO, with France, and with Europe arise from our misconceptions about De Gaulle. The Congressmen were Findley, of Illinois; Keith, of Massachusetts; Pirnie, of New York; and Martin, of Alabama. They did not interview the general, so it can't be said they were overwhelmed by his majestic presence or brainwashed by his wily charms.

Instead, they prepared for the journey by getting themselves briefed by General Eisenhower, who knows De Gaulle well. They engaged a very distinguished advance man, Dr. Robert Strausz-Hupe, who went over a week ahead to line up interviews. They talked with NATO Commander Lemnitzer, Ambassador Bohlen, Thomas Finletter, but, of more importance, with numerous French politicians and administrators from other European nations. Out of these conversations the four Congressmen formed their impressions.

The Republican task force confirmed what we all know, that the heart of American difficulties with Europe lies in France. But they found little truth in other popular beliefs. One holds that De Gaulle is obsessed with French problems to the exclusion of larger matters. Another declares that he does not command the deep loyalties and respect of a majority of Frenchmen. Neither is true.

De Gaulle is in solid with his countrymen. He represents their postwar renaissance as intellectual, scientific, and industrial leaders of the Continent. He inspired this rebirth in France, but it could not have happened without the latent talents and energies of the people. France is not likely to collapse nor De Gaulle's policies to disappear with his death.

The same dormant but durable forces that De Gaulle awakened in France were present throughout Europe by 1949 when the North Atlantic Treaty Organization was founded and brought the American military back to the Continent. But just as Europe has grown wealthy and strong, it has also grown resentful of the American garrison which is augmented by nuclear power of which the United States owns and commands 96 percent.

There is in Europe what the Congressmen call a loyal opposition to the United States, not restricted to France but present in Germany and the smaller countries. It is as the symbol and leader of this resentment and opposition that De Gaulle surmounts his role of M. La France and becomes M. L'Europe. To mend our fences on that Continent, we must mend our relationship with De Gaulle.

The GOP task force proposes that President Johnson pay the General a state visit. L. B. J. has a winning way about him, and this game is worth his best efforts. Once the United States and France—theirs is the oldest unbroken friendship of modern history—are back on cordial terms, all else is possible.

COFFIN NAILS FOR RURAL AMERICA

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. NELSEN. Mr. Speaker, the General Labor Subcommittee of the House Education and Labor Committee has approved a sweeping and ill-advised bill, H.R. 10275, increasing the national minimum wage in stages to $1.75 an hour, and extending its coverage to millions of workers in small retail firms, seasonal business, and country newspapers, mostly located in rural America.

Approximately 6.1 million additional employees, including some 700,000 farmworkers, would be brought under provisions of the Fair Labor Standards Act, which establishes minimum wage and maximum hour restrictions.

The proposal would wipe out exemptions granted to small country papers with circulations under 4,000, and similar exemptions permitted to seasonal businesses, such as canneries and country grain elevators. It would extend coverage to retail and service businesses with annual gross sales of $250,000 instead of the current $1 million gross sales level, and would even extend coverage to stores doing a yearly business of only $150,000 if they were part of a chain whose aggregate annual sales exceeded $250,000.

Nonfarmworkers would receive a raise in the presently established $1.25 an hour rate to $1.75 per hour in three annual steps. The 700 million farmworkers, brought into coverage for the first time, would have a set minimum wage of $1.15 an hour as of July 1, 1966, increasing to $1.25 on July 1, 1968. For the remainder of newly covered nonfarmworkers, the minimum would start at $1 an hour on January 1, 1966, increasing by steps to $1.75 on July 1, 1970.

Time and a half for overtime over 40 hours would eventually be required for newly covered workers by July 1969.

Mr. Speaker, the drastic changes called for by this bill are deadly coffin nails being driven into the heart of rural America. The small retailers, seasonal businesses, and country newspapers, at whom these blows are directed, simply could not meet the salary requirements made mandatory by this bill. If these proposals become law, many marginal rural enterprises will die, and many others will be seriously crippled.

The facts are plain and undisputed. Rural America stands on the edge of economic depression. Farmers today average about $1.06 an hour income, and less than 6 percent of them earn parity of income with urban America. Since 1961, net farm income has been stuck at virtually the same level while total farm debt has increased nearly 50 percent. This same economic situation understandably is shared by all the rural enterprises which depend upon farmers for trade.

We have got to recognize that wages, hours, and income situations vary greatly among our 50 States. You simply cannot halter a rural community with the same economic conditions that fit in the big, industrialized cities without bringing disaster to the sparsely populated regions of this Nation.

Forcing rural businesses into this completely unrealistic urban-set wage scheme would be legalizing economic murder.

For example, the bill would end the exemption for country newspapers under 4,000 circulation. The Second Congressional District which I am privileged to represent has 69 weekly newspapers, 6 semiweeklies, and 4 dailies. Only 1 weekly currently has a circulation over 4,000 and 4 of the 6 semiweeklies have independent circulations under 4,000. Consequently, this bill would seriously affect the vast majority of 79 newspapers in our district. Many country editors in my district face business ruin if this bill passes in its present form.

These small, family-owned newspapers have faced reduced business because of the generally distressed farm picture at the same time their costs have been going up 3 to 5 percent for each year since the end of World War II. Like all the rest of rural America, our country editors have felt the cost-price squeeze in devastating ways, even though they have provided the best training available to many youngsters seeking careers in journalism, printing, and publishing. The newspaper editors in my district will not be able to afford raising wages to $1.75 to train these youngsters. It would be a tragedy to prohibit this training, which this bill would surely do.

I have heard from a great many editors in my district about this bill. Representative of their position is a letter by James E. Deis, publisher of the Gaylord, Minn., Hub. I include his letter at this point in my remarks:

GAYLORD, MINN.,
August 6, 1965.

Representative ANCHER NELSEN,
House Office Building,
Washington, D.C.

DEAR MR. NELSEN: I note where the House General Subcommittee on Labor has voted to kill an exemption for small newspapers under 4,000 circulation in its work with the minimum wage bill which will be coming to your attention in the near future.

As I understand, if passed, this bill would raise minimum wage requirements to the $1.75-per-hour level.

For your information, I would like to express several of my ideas as to the effect the bill would have on small newspapers in this area, and, if most are in the position we are, across the Nation.

As the printing field is a highly skilled trade, a newcomer to the industry requires long and tedious training before he can be of much value to his firm. If this training has been gained in a trade school and the employee is found able to "carry his weight" he will have little trouble finding a position which will afford him a wage in line with Federal minimum wage requirements and probably at a much higher level.

However, it has been our experience that graduates of such trade schools often have learned only the fundamentals of the trade and need further training in the firm before they can produce at a level comparing favorably with their wage scale. With the proposed bill, it would appear this on-the-job training would require a longer period.

Most small newspapers, however, find it more advantageous to train their own men, usually from the field of recent high school graduates. Often these youngsters begin their training on a part-time basis after school and during summer vacations. They are often referred to as "printer's devils," a term with which you may be familiar.

The new minimum wage bill with its $1.75 per hour scale, would, as I see it, eliminate the printer's devil training program at most small newspapers. Viewed nationally, it could deprive thousands upon thousands of young boys who cannot afford to go on to school the opportunity to learn a highly skilled trade. It is a historical fact in the printing industry that a vast percentage of the men in the trade learned their skills in on-the-job training programs.

It is simply economically impossible for small newspapers and small commercial printing firms to pay young trainees $1.75 per hour while they are learning the trade. We have found in our firm that at least a year is required before these trainees are of productive value to the firm. In addition, during the training period, a productive member of the staff is required to assist and instruct the trainee at every turn, so you can see how the printers' devil or printing trainee can actually slow production while learning.

While I am not aware of all the provisions of the minimum wage bill, I am sure that it includes protective clauses for industries employing those performing menial tasks such as carrying out groceries at the supermarket or other jobs in which little or no training is required.

It would appear to me that passage of the bill without a protective clause for small newspapers would be a severe blow to the small newspaper industry. Small newspapers simply cannot survive if required to assume all the responsibilities of the giants, whether these giants be in the printing industry or another.

I sincerely hope you will keep small business such as that predominant in our Second District in mind when asked to vote on this bill.

Sincerely,

JAMES E. DEIS,
Publisher, the Gaylord Hub.

Mr. Speaker, the serious consequences of the proposed bill are not confined solely to our country editors, of course. I am receiving a deluge of mail from many other enterprises which will be affected.

The president of a clothing firm in Mankato, Minn., has written me:

> One of the basic principles that is enabling small business to exist today in our ever increasing competitive situation, is our flexibility of operation. Any additional Government regulations or control can well be the "straw that breaks the camel's back" insofar as small business is concerned. * * * Up to now, big business has been able to live with Government control and regulations imposed on them largely because they are "big businesses." However, many of the same regulations and restrictions could readily stifle the initiative and the efforts of small business to exist * * *.

A druggist in Waterville, Minn., writes:

> A large chain can keep help busy with larger volume and a more steady pace. Most small retailers will not be able to compete with big city chain stores and the few that survive will have to cut volume to get under $250,000 and that will be the end to the small towns.

An oil company owner in Glencoe, Minn., advises me:

> I believe this proposal would seriously widen the competitive advantage of big business. I also believe this bill would force us to lay off employees during the off season * * *.

A supermarket manager in Pipestone, Minn., writes:

> I do not believe that these proposals will aid or assist employees or prospective employees. They certainly will lead toward a substantial reduction in the employment of students on a part-time basis. These young people will be deprived of an opportunity to gain valuable experience and supplement their income for such a worthy purpose as contining their education.

A farm implement dealer in Elmore, Minn., says:

> It is just impossible to give adequate service to farmers in a week of 40 hours. Overtime will mean that we will be unable to provide this service.

A vegetable canner in Sleepy Eye, Minn., writes:

> In years past Congress has favored the industry's exemptions since the canning of perishable vegetables is seasonal in nature. Here in Minnesota we are not favored with a long growing season; therefore, this makes it necessary that the crops be planted and harvested over a short period of time. Also the weather does not always favor the processor, resulting in peaks and valleys, making is impossible to establish any kind of controlled workday schedule. The imposition of penalty double time is wrong because its purpose is to discourage long hours—something that this industry does not have under its control. * * * The existence of the industry's overtime exemptions guarantees continued and multiproduct plants with resultant cost savings to the consumer, increased employment for workers, and more income to farmers.

A lumber dealer in Mankato, Minn., notes:

> As you well know, our business is seasonal in nature and we simply have to be on the job longer hours in the summer to take care of our customers. Double time pay just simply is not the answer to more jobs. All it will do is to eliminate the marginal worker.

A feed grain elevator operator in our area writes:

> Rural America has undergone tremendous changes in the past 10 years. The number of small country elevators is diminishing while larger units in the larger towns are increasing. When the small country elevator goes, so, too, does the small town; and the surrounding farmers are required to travel greater distances to get their supplies and sell their products.

Surely it should be apparent from all these facts, Mr. Speaker, that this misguided effort in H.R. 10275 to fit the whole Nation into one neat, federally ordered mold would be disastrous to rural America. I urge the Education and Labor Committee to reject the bill as reported to it by the General Labor Subcommittee.

I include four additional letters from editors in the Second Congressional District at this point in my remarks:

The New Prague Times,
New Prague, Minn., August 6, 1965.
Congressman Ancher Nelsen,
House Office Building,
Washington, D.C.

Dear Ancher: Repeal of the exemption for newspapers under 4,000 circulation and the proposed increase in minimum wage law to $1.75 as now pending in the Congress would be a long step toward the strangulation of independent rural community newspapers and their replacement by chain newspapers operated by corporation syndicates and produced and printed in centralized printing plants. This trend has been developing in recent years in the Eastern States and in metropolitan suburbs.

The mortality rate among newspapers in smaller rural communities over the last dozen years is alarmingly high. The proposed legislation would administer the coup de grace to many more.

Yours very sincerely,
Arthur J. Suel.

Arlington Enterprise,
Arlington, Minn., August 6, 1965.
Ancher Nelsen,
House of Representatives,
Washington, D.C.

Dear Ancher: Will you please do what you can to defeat the $1.75 minimum wage for small newspapers—under 4,000 circulation?

Previously newspapers under 4,000 circulation have been exempt from the Federal minimum wage law but now it is proposed that this exemption be removed. This would mean that every "printers devil" would have to be paid the full $1.75 per hour and would mean the death of many marginal newspapers.

Yours truly,
Val Kill,
Publisher.

Winnebago Enterprise,
Winnebago, Minn., August 6, 1965.
Re minimum wage bill.
Congressman Ancher Nelsen,
Longworth House Office Building,
Washington, D.C.

Dear Ancher: A newspaper shop is one of the few businesses left in small towns where young people can learn a skill. But we can't afford to teach them and pay them $1.75 while they are learning.

Nor can we survive while paying a man $2.75 an hour to teach that $1.75 per hour novice. It's preposterous.

Help, Ancher.

Marginal newspapers are being interred at an alarming rate. More of us will become marginal with this kind of legislation.

We will be awaiting the outcome of Tuesday's voting with more than passing interest.

Cordially and hopefully,
Stan Olson.

Fulda Free Press,
Fulda, Minn., August 14, 1965.
Hon. Ancher Nelson,
Washington, D.C.

Dear Congressman: To be brief, the amendment to kill the minimum wage law to include papers under 4,000 in the $1.75 an hour group is very distressing.

It will mean an end to most apprenticeships in the country newspaper business, and even cause suspension of publication by some of my friends.

Please vote against killing the $1.75 an hour exemption for papers under 4,000 circulation.

Yours respectfully,
P. J. Wagner.

NEWBURYPORT LEADS NATION IN OBSERVANCE OF 175TH ANNIVERSARY OF U.S. COAST GUARD

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Bates] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BATES. Mr. Speaker, last week I was privileged to present to this House the text of President Johnson's newly signed proclamation honoring the 175th anniversary of the founding of the U.S. Coast Guard at Newburyport, Mass. That proclamation was authorized by a congressional joint resolution (S.J. Res. 83) which I was happy to cosponsor, and for that reason I had the pleasure of reading it back in my congressional district on August 4, 1965, when Newburyport lead the Nation in observing the anniversary date.

For the record, therefore, I believe an account of those ceremonies in the birthplace of the Coast Guard is appropriate at this time. The highlight of the occasion was the first day of issue by the Post Office Department of a 4-cent postal card commemorating the Coast Guard's 175th anniversary. Forty million of these cards have been issued, and many thousands were canceled at Newburyport Post Office that first day.

A statement by President Johnson on the cover of the official printed program summarized the history of the Coast Guard in this manner:

> One hundred and seventy-five years ago, shortly after the United States was born, a new service came into being—the U.S. Coast Guard—then known as the Revenue Marine. Its first task was to assist the Customs Bureau in suppressing widespread smuggling. That small revenue fleet has now grown until the Coast Guard today not only embraces the entire spectrum of maritime safety but also serves as part of our Armed Forces. The Coast Guard has served with distinction in every major war in which our Nation has been engaged, and today in the distant waters off the Republic of Vietnam, Coast Guard units are helping a brave people in the defense of their freedom.

Recently returned from an inspection trip to Vietnam where 17 Coast Guard cutters are patrolling against the smuggling of supplies to the Vietcong, Adm. Edwin J. Roland, Commandant of the U.S. Coast Guard, reported to the gathering at Newburyport that those cutters already "have been fired upon and have returned the fire"—but fortunately without Coast Guard casualties.

Others who paid tribute to the service of our Coast Guardsmen at those anniversary ceremonies included Assistant Secretary of the Treasury A. E. Weatherbee; Rear Adm. James A. Alger, Jr., Commander of the 1st Coast Guard District; Mayor George H. Lawler of the city of Newburyport; Newburyport Postmaster Albert C. Coltin, and Newburyport Coast Guard Day Chairman George A. Cashman. The invocation was pronounced by the Reverend Walter T. Whalen of the Immaculate Conception Church, Newburyport, and the benediction of the Reverend Bert T. Williams of the First Church, Newbury.

I was pleased to be joined on this occasion by our distinguished colleague, the Honorable Stanley R. Tupper of Maine, who is a member of the Subcommittee on Coast Guard, Coast and Geodetic Survey, and Navigation of the Committee on Merchant Marine and Fisheries. Rounding out the day's fine program were selections by the U.S. Coast Guard Band, of which William L. Broadwell is bandmaster, and an exhibition presented by the U.S. Coast Guard Precision Drill Team, of which Russell H. Lavenski is drillmaster.

POSTAL INSPECTOR'S ADDRESS

The principal address was given by Chief Postal Inspector Henry B. Montague, who was introduced by Post Office Regional Director Donald P. Steele. To conclude this report, therefore, I quote Inspector Montague's remarks, as follows:

> It is a real pleasure to be with you today and to take part in this ceremony to dedicate a new postal card commemorating 175 years of service by the U.S. Coast Guard.
>
> Newburyport may be the smallest city in Massachusetts, but I wonder if any other community can boast as much history per square foot.
>
> From your wharves slipped the proud Yankee clippers, bound for the seven seas. They plied the ocean at the fabulous speed of more than 15 knots, and it took only about 3 months to get from here to San Francisco. The casual student of history sometimes forgets the role of the *Newburyport* clipper in opening our extreme wetsern frontier of California. For it was the clipper—and not the covered wagon—that carried the bulk of supplies that the bustling town of San Francisco needed for survival.
>
> It was here, too, in Newburyport that the Coast Guard was born. President George Washington, aware of the skill of your shipbuilders, commissioned William Searle to build a ship for the new Republic. When the cutter *Massachusetts* was launched in 1791, four officers, four mariners and two apprentice seamen came abroad. Ten men, in all. Ten men to protect the eastern seaboard from smugglers.
>
> At that time, the Post Office Department was probably a bit shorthanded, too. We had a postmaster general, an assistant and one clerk. Three men occupying two small offices. In 1790, Postmaster General Osgood reported to Secretary of the Treasury Alexander Hamilton that postal receipts for the previous year were about $25,000.
>
> Joseph Conrad once wrote that the sea never changes. Well, the Coast Guard and the Post Office Department have undergone a few changes. Our postal revenue has moved from $25,000 to more than $4 billion. We now deliver about as much mail as the rest of the world combined. Growth of the Coast Guard has been equally dramatic.
>
> During World War II the service expanded to nearly a quarter of a million men and women. Coast Guardsmen saw action in every major theater of operations, from the Aleutians to the South Pacific, to North Africa and Normandy. Meanwhile protecting 40,000 miles of our shoreline. It was Coast Guardsmen who captured the German saboteurs put ashore in 1942 on Long Island and Florida.
>
> The present strength of the Coast Guard is about 30,000; small in number but big in accomplishment. For the Coast Guard responds each year to some 30,000 distress calls. Its more routine duties include maintaining port security, oceanographic research, marine law enforcement, and operating the international ice patrol.
>
> The motto of the Coast Guard is "semper paratus"—always ready—and we have found the Coast Guard always ready to help the Post Office Department in time of need.
>
> One of the functions of our Postal Inspection Service is to protect the mail when disaster strikes. Floods, hurricanes, airplane crashes, and similar events that endanger the mail, quickly bring postal inspectors to the scene. Frequently this has been possible only with the assistance of the Coast Guard.
>
> I'd like to give you just three examples of the many instances in which cooperation by the Coast Guard has helped us do our job of protecting the mail.
>
> A few years ago, a commercial airplane that was carrying mail crashed in the Gulf of Mexico about 85 miles from New Orleans. We promptly dispatched two inspectors from the Mobile office to the scene. When they arrived by Air Force amphibian plane, a Coast Guard cutter was standing by. Our inspectors were transferred to the cutter by rubber boat—and then the search for mail began. The Coast Guard lowered landing nets and crewmen clung to these, scooping up mail by hand. The water was rough and some sharks dropped around to see what was happening. We recovered 267 pounds of mail, dried it and sent it on its way.
>
> Sometimes we call on the Coast Guard to help us with our investigative work. When armed robbers held up the Miami-Key West mail truck and stole 23 pouches of mail, we called on Coast Guard helicopters to search that desolate area for clues. Later our inspectors uncovered a suspect to the crime. He told them that if he were taken to Key West immediately he could identify a man who had important information about the crime. No commercial flights were available, so we turned once again to the Coast Guard for a helicopter. We found our men, made our arrests, and recovered the registered mail.
>
> During the hurricane season we frequently call on the Coast Guard to deliver mail, particularly to the communities on the outer banks of North Carolina, that are cut off from normal avenues of mail delivery.
>
> The Coast Guard postal card we are issuing today is one of only two commemorative postal cards to be printed this year. I might add that the Post Office Department is not too open-handed in issuing new stamps and cards. Each year Postmaster General Gronouski receives literally thousands of requests for new postage. We issue about 15 a year. So only the most significant events are commemorated.
>
> This attractive postal card was designed by Muriel R. Chamberlain, chief of the art section of the division of typography and design of the U.S. Government Printing Office. Miss Chamberlain is one of the few women to design for the Post Office Department. Forty million cards reproducing the Coast Guard ensign have been printed.
>
> I sincerely hope that this postal card will remind all Americans of the proud history of the U.S. Coast Guard in time of peace and time of war.

FOOD PRICES AND FARM POLICY

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey [Mrs. Dwyer] may extend her remarks at this point in the Record and include extraneous matter.

The SPEAKER, Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. DWYER. Mr. Speaker, when the farm bill comes to the House floor shortly, the central issue will be whether Congress will perpetuate a farm policy that has not worked.

We are today subsidizing farm production at a rapidly increasing rate, expected to reach an annual rate of $2.5 billion this year. Retail food prices are up this summer nearly 4 percent above a year ago, and according to the Agriculture Department itself, wholesale food price increases foreshadow further price increases for consumers. At the same time, the number of farms and farmers are steadily decreasing. Yet, net farm income last year was no higher than it was in 1958.

I do not believe it is either partisan or rash to suggest that something is wrong with a farm policy that produces such results. Nevertheless, the administration's farm bill proposes to cure the ill by giving us more of the same medicine. Among the dosages it prescribes is a big boost in last year's "bread tax"—so big, in fact, that it is likely to add 2 cents to the price of every loaf of bread, approximately a 10-percent increase, not to mention flour and other wheat and bakery products on which poorer families, especially, depend.

Unless Congress does some major surgery on this bill, Mr. Speaker, much of the good accomplished by excise tax reduction, the poverty program, and increases in social security benefits will be slowly and steadily undermined by creeping inflation in the marketplace.

The distinguished New York Herald Tribune columnist, Roscoe Drummond, pointedly and persuasively summarized this issue in his column in the Herald Tribune of Monday, August 9, and under leave to extend my remarks I include Mr. Drummond's very fine analysis:

Johnson Retreat on Farm Policy—Consumer Pays for It

(By Roscoe Drummond)

Washington.—To its credit, the Johnson administration is faithfully keeping its pledges at most points.

But at one crucial area of policy, which will bite into the pocketbook of every housewife when she goes to the supermarket, the administration is not keeping its political commitment—and this is to its discredit.

Right now the White House is pressing Congress to pass a new farm bill which abandons most of the refreshingly constructive guidelines laid down by Hubert Humphrey in the campaign and reverses the new approach announced by President Johnson in February.

In the judgment of many objective people the farm program is bad economics because it perpetuates so many of the mistakes of the past, and it remains to be seen whether it may also be bad politics—when the consumer begins to feel the pinch.

Fresh from the election campaign, President Johnson seemed intent upon supporting the new approach which Humphrey had outlined to the Nation in his behalf.

"Our objective," Mr. Johnson told Congress, "must be for the farmer to get improved income out of the marketplace, with less cost to the Government." He said, "Farmers want freedom to grow and prosper, freedom to operate competitively and profitably in our present economic system."

That sounded fine, but it wasn't long before retreat began to set in.

Retreat No. 1: The President said he wanted a more effective "free market" system for agriculture. But farmers face much the same controls and managed markets as before.

Retreat No. 2: The President said he wanted to bring about the production of food at "reasonable and stable" prices. But the new farm bill would actually raise some food prices, especially bread.

Retreat No. 3: The President spoke of "liberalizing" farm trade in the "Kennedy round" negotiations now going on at Geneva. But the new farm bill would bring U.S. policies closer to the protectionist agricultural system of the Common Market so widely criticized in the United States.

Quite a retreat.

It is also a retreat from the widely applauded concept of farm policy expounded by Kermit Gordon in January before he resigned as Budget Director. He urged that farm policy be brought closer to "the facts of today's world."

One of the facts of today's world is that the outdated farm program offers most for posperous farmers who do not need it and least for poor farmers who do.

But the proposed new wheat program keeps on doing the same thing except that it partly conceals the cost of sticking it unto the consumer.

Secretary of Agriculture, Orville Freeman, estimates the new wheat tax would raise the price of bread about 1 cent per pound loaf. The bakers put the increase at double that amount—2 cents a pound.

No fairminded person suggests that the producers of price-supported crops, after three decades of Government subsidy, should suddenly be left to go it alone, especially when there is no way to stop quickly vast overproduction without unacceptable controls. But surely the time has come to move in the direction of gradually bringing about a shift of resources to cut down the Government's costly intervention in farm markets.

This was the direction which President Johnson's new approach was supposed to lead. But unless Congress turns unexpectedly independent, we will be back on the same old treadmill.

BILL SIGNSMANSHIP

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. Frelinghuysen] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, the President's recent flight to Independence, Mo., in order to sign the medicare bill in the presence of former President Harry Truman, raised speculation that a new era may be dawning with respect to the signing of legislation.

Rumors mounted only a few days later when the voting rights bill was dramatically signed in the rotunda of the Capitol—hardly by accident—under the statue of Abraham Lincoln. It may be that we have seen the end of the humdrum signing of documents at the President's desk in the White House.

After these imaginative gestures many of us are at a loss to explain just why the President chose the rose garden of the White House to sign the recently passed housing bill. If his advisers could pick the National Institutes of Health for him to sign a bill authorizing regional health centers, surely they could have found a more suitable spot for the housing bill.

The White House has so many problems these days that perhaps its bright young men have little time to display their ingenuity and imagination. In the hope that a few suggestions will be acceptable, I have compiled a list of some other bills, together with possible sites for the signing ceremonies.

Of bills already signed, certainly the excise tax law could have been signed in Tiffany's window, the gold reserve bill at Fort Knox, and the coffee agreement in a Georgetown expresso house.

The poverty bill, should it pass the Senate, could be inked on a street in Harlem, in a ceremony arranged by Representative Adam Clayton Powell. Minimum wage could be formalized at the next regular meeting of the National Association of Manufacturers. And why not sign the repeal of the right-to-work law—section 14b—at the Taft carillon on the Capitol grounds—possibly to the tune of "I surrender, Dear."

The farm bill could present a problem; one of those empty Billie Sol Estes grain storage bins might do. If the House-Senate conference committee ever reaches agreement on foreign aid, the President could come up to Capitol Hill and sign the bill in Representative Otto Passman's office. The higher education bill could quite easily be signed some weekend at Southwest State Teachers College in Texas. Immigration could be signed in the New York harbor area—either on Ellis Island or in the arm of the Statue of Liberty.

The air pollution bill could be approved during the rush hour on the Los Angeles Freeway, while the water pollution control bill could be done either on Lake Erie or the Potomac River. If a dramatic touch were desired, to attract better press notice, the latter signing could be done underwater with 60 ball point pens.

When we come to the appropriations bills there are some real dilemmas. Where, for instance would they sign Defense—Saigon? Interior—Yellowstone Park? Public Works—a porkroll plant? Certainly, the space appropriations bill would make more news if signed en route to the moon, or at the very least during an orbit in a Gemini capsule.

Admittedly this penchant of the President to sign bills in places other than the White House could mean lots more work for him, but it might help more people understand just what the Great Society is all about.

ALLEVIATING THE MOLYBDENUM SHORTAGE

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Dent] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DENT. Mr. Speaker, I have today introduced three bills which are capable of solving a serious inequity in our industrial system. These bills address themselves to alleviating a critical shortage of molybdenum among domestic consumers.

The supply of molybdenum in the United States and the free world is extremely tight; whereas the demand for this product continues to grow. An imbalance between supply and demand developed in 1962, when a strike at the Climax Molybdenum Co., the world's largest producer, resulted in a heavy loss of output. To help remedy the short supply situation, 5 million pounds of contained molybdenum in concentrates were released from the surplus in the national stockpile, during the first quarter of 1963. The increase demand for molybdenum resulting from record steel output in 1964, plus a closing down for 10 weeks of the struck Kennecraft molybdenum byproduct copper mines, aggravated the tight supply situation. A further 8 million pounds of stockpile molybdenum were released in 1964 and all of the remaining surplus—3 million pounds—were sold during the first quarter of 1965. Although these stockpile releases have been very helpful, a tight supply situation continues.

The steel industry, the principal consumer, has indicated that the supply situation is critical. Some of the steel companies contacted, indicated that they have had to turn down orders for molybdenum bearing steels or have rescheduled production for later dates. Although some substitutes of other materials for molybdenum in alloy steel production are possible, it is my understanding that it is seriously limited by the unwillingness of steel consumers to accept such changes.

Mr. Speaker, the United States is the principal world producer of molybdenum. Of total free world output, the United States accounts for about 85 percent.

U.S. exports of molybdenum concentrates and ferromolybdenum totaled 26.0 million pounds in 1964—40 percent of mine production—compared with 26.7 million pounds—41 percent—in 1963. Exports in recent years have ranged from a high of 54 percent of mine production in 1961 to a low of 31 percent in 1962. For the first 5 months of 1965, exports totaled 12.2 million pounds, compared with 11.1 million pounds in the same period in 1964. Thus, on the basis of the first 5 months of 1965, exports are up 10 percent.

Mr. Speaker, this is a gross inequity. While the domestic supply lines are stretched to the breaking point, approximately 40 percent of the domestic production of molybdenum is being exported. Further, there is evidence that material being exported is finding its way into the black market and is being offered to users at $5 per pound, whereas the domestic list price varies between $1.75 to $2.04 per pound. It would seem reasonable to assume that the domestic users should be serviced before this material is shipped abroad. This critical situation faces specialty steel producers in a year when demand for their products is high and overall prospects are favorable. It would indeed be ironic that short supplies of molybdenum should prevent the advance of the alloy steel industry and its customers during a time when it is contributing to the Nation's economic growth.

Mr. Speaker, this is the problem. The first of my bills would provide that all forms of molybdenum be imported duty free. The second would release molybdenum from the national stockpile in amounts sufficient to meet the critical needs of domestic consumers. The third would establish a Molybdenum Export Review Board which would conduct a quarterly review of domestic supply of and demand for molybdenum. This Board would allow the export of molybdenum only when the domestic supply exceeds the domestic demand. Until that time, no molybdenum could be exported from the United States.

Mr. Speaker, I cannot stress enough the urgency of this situation. How much longer can we export a product which is desperately needed by our own industry? A dilemma of this nature should never be allowed to continue. Indeed, it should never have been allowed to arise. I urge that we take action on this problem with great dispatch and correct an ill which commands our immediate attention.

UNIFORM DAYLIGHT SAVING TIME

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RESNICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RESNICK. Mr. Speaker, the uniform time legislation introduced in both Houses of Congress to end the confusion surrounding the effective dates of the introduction of daylight saving time is long overdue.

This legislation to have time and date uniformity wherever daylight saving time is adopted is indeed necessary, and should be encouraged. As it is now, 36 States and the District of Columbia have daylight saving time, either statewide or by local option. Only 16 of these States begin and end daylight saving time on the same days. This means that in 20 States, the observance of the changeover dates is a matter of local option, and in the remaining 14 States daylight saving time is not observed at all.

The bill, S. 1414 which was introduced on March 8, 1965, by Senators COTTON and MCGEE, and referred to the Senate Commerce Committee, as well as H.R. 6134, H.R. 6481, and H.R. 6785 provide a minimum of changes in existing time laws. Enactment of S. 1414 would permit States and other political subdivisions to determine whether or not they should observe daylight saving time, just as they do now. But if these States decide to observe the time change during the summer, it would have to be done at the same time as every other community on daylight saving time, and the return to standard time would likewise have to be accomplished on the same day and hour as everybody else. These dates would be the fourth Sunday of April and the fourth Sunday in October.

These proposals currently before the committee will go a long way toward solving the confusion caused by the variance of time among States and parts of States, by limiting the discrepancy to two kinds of time—daylight and standard.

The basic changes to eliminate the confusion surrounding our variance in timekeeping would be most welcomed throughout the country, and I urge immediate to bring the bills currently pending to committee hearing.

MAY "OFF-DUTY" POLICE PARTICIPATE IN CIVIL RIGHTS DEMONSTRATIONS?

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. WAGGONER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAGGONNER. Mr. Speaker, I have just read a statement prepared by Dan Liu, chief of police, Honolulu, and immediate past president of the International Association of Chiefs of Police, on the very current subject of "May 'Off-Duty' Police Participate in Civil Rights Demonstrations?"

Such a well reasoned discussion presented in clear and concise language deserves the attention of all public and civic leaders. I, therefore, commend Mr. Liu's statement for all to read and commend him for an outstanding analysis of the question. I fail to see how any man could disagree:

MAY OFF-DUTY POLICE PARTICIPATE IN CIVIL RIGHTS DEMONSTRATIONS?

(By Daniel S. C. Liu, chief of police, Honolulu, Hawaii, immediate past president, International Association of Chiefs of Police)

One of the most significant questions that can ever be directed to police leadership is contained in the above question. By the time this question is answered, there will have been made a commitment which can have far-reaching implications affecting the future quality of police service and the security of law-abiding citizenry and the preservation of our basic laws, institutions, and government.

To allow off-duty police officer participation in demonstrating with civil rights groups would be to automatically undermine and debilitate the essential strength and purpose which comprise the police character.

Were off-duty officers to march in civil rights demonstration groups and thus to challenge or complicate the lawful and proper restraints of their uniformed brothers who stand to enforce the law and protect life and property, serious and perhaps lasting damage would have been accomplished. Let us review some simple questions attaching to this matter:

1. How well would such demonstrating off-duty officers the next day when on duty, perform their assignments in uniform with respect to policing the self-same participants who were their parading comrades in arms of the day before?

2. With what confidence would such demonstrating officers be received back into the ranks of the on-duty men who traditionally must rely upon their brothers for mutual protection and united effort in the pursuance of their performance as public protectors?

3. With what mixed feelings would the watching citizenry regard their established "protectors" when witnessing critical participation by off-duty officers who later, with questionable faith and conviction, proceed to go through the motions of public protection?

Police officers are, for all practical purposes, considered and counted upon to be responsive to the requirement of their duty 24 hours a day during all the days of the year. They are required, even though off duty, to step into any situation requiring positive police action in order to prevent a breach of the peace and to enforce the law. Were any officer found to be in neglect of duty in such circumstances he would be subject to disciplinary action; much more serious, then, if any officer were himself to be guilty of any participation in a breach of the peace. It has been well established that many civil rights demonstrations involve breaches of the peace on the part of those demonstrating.

It has also been well established that such demonstrators are often involved in an exercise of resistance and violence against police officers assigned to insure compliance with the law and the preservation of life and property.

Within the framework of our Nation as we have known it or hope yet to see it become, it is unthinkable and inadmissible to allow developments wherein police could conceivably be led to combat police.

Those seeking to destroy this Nation in its government and way of life could do no better for their own purposes than to create disunity, disharmony, and strife among the people. In destroying the people's faith in their established institutions and in the agencies which have been evolved to protect the innocent and law abiding, the enemies of our country seek to prepare a climate and a soil in which to develop their own ideological products. Thus we see, behind national issues of recognizedly deserving and rewarding character a byproduct of opportunity for the insidious pitting of neighbor against neighbor, brother against brother and, if possible, police officer against police officer.

Police officers, some of us would like to feel, are not altogether different from the general body of citizens when it comes to civic or political questions, sympathetic responses regarding the less fortunate, or identification with issues assailing the public conscience.

It is important to realize that police may, in many instances, ardently wish to express their sympathies and even actively participate in civil rights and related issues.

They are constrained from so doing by thoughtful administrative policy, principle, and duty to maintain a posture of impartiality between the protagonists of civil rights and oppressed peoples and the forces of the status quo. Police, nevertheless, are often represented by some as cossacks wielding the authoritative clubs of imperialist bosses, serving only to impede and crush those espousing the cause of downtrodden minorities. To speak of possible police sympathy, therefore, must inevitably produce hoots of derision from certain quarters. No matter. It should be clear to all but the most rigid critics that police are not quite so much the tools of the status quo as they are the implacable agents of law and order. There is a difference. There are the occasional demonstrations of poor police judgment and action in some provincial jurisdictions but in the main part police and most citizens appreciate that officers may not indulge their personal sympathies to the neglect or detriment of their sworn and proper duty. A careful and dispassionate check with most police jurisdictions will produce the finding that the dedicated minds and hearts which police recruits bring into police service will not have been tampered with but only tempered, principally by legal enlightenment and the admonition to apply themselves scrupulously to the protection of life and property and to the required enforcement of law. The same human responses, however, with which police reach out to a lost child or a victimized adult are in appreciable measure capable of reaching past the barriers of long-established prejudice to recognize, to abhor, and to combat such prejudice with its accompanying oppression and injustice.

It may prove interesting to compare certain long-established positions taken by police administrators concerning the limitations placed upon various activities permitted police officers. In politics, for example, a police officer may feel strongly opposed to a candidate for political office or, conversely, strongly enthusiastic toward another. Yet, in the matter of his political expression and the exercise of his franchise as a citizen and taxpayer he is permitted only the privilege of casting his vote at the polls. He is not permitted to publicly stump for or against any candidate. He may not run for public office while engaged in law enforcement. The police officer represents the quality of impersonal agent for the preservation of law and order, on duty or off duty, on behalf of all law-abiding elements. He may not use his position or authority to improperly influence partisan issues. By personally participating in activities having the potential to develop into defiance of law and order he may disqualify himself as an officer and discredit his service by destroying public confidence in his ability and desire to carry out his official duties.

It is well to consider the question as to who or what it is that the demonstrators are demonstrating against. It is not enough to say that they are merely demonstrating for something. The implications necessarily are that in seeking to achieve a new plateau of socioeconomic relief or ascendency for underprivileged minority groups, for example, that they are obviously constituting a show of mass antipathy for existing mores, customs, prejudices and socioeconomic injustices. Thus, it is often against the law itself and the practices of government, established community custom and the various representative institutions and agencies that we find the demonstrators sometimes too forcefully or improperly exercising their prerogatives to assemble and demonstrate. At whatever time and place such activities become an improper infringement upon the public safety and welfare, then the participants must be considered as outside the pale of the law and subject to police controls and the penalties of the law. Who would suggest that police officers take part here and skirt or even overstep the bounds of legal propriety and official position?

No doubt police officers many times find themselves torn between bounden requirement to enforce the law and the compelling quality of their sympathy for the downtrodden who hopefully await the evolvement of a more democratic society. While private citizens enjoy the basic right to demur, to denounce or to seek reforms when certain issues do not conform with their beliefs and principles, the indulgence of personal feelings and the privilege of public utterance on the part of police must be set aside in the interests of duty. With professional roles clearly defined and sworn duties to perform, police voluntarily restrict their own freedom of civic expression in order to preserve authority and effectiveness as guardians of the peace.

True, these are a modest spirit and example which police as citizens, taxpayers, neighbors, and fellow humans provide in placing duty before privilege and service above self. Nevertheless, it is conceivable that this quiet kind of public demonstration may, in its own way, introduce some helpful illumination and guidance toward the achievement of a better understanding and way among our Nation's people.

A BREAD TAX?

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. SCHEUER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCHEUER. Mr. Speaker, H.R. 9811, the Food and Agriculture Act of 1965, includes a measure for certificates for wheat intended to raise the price of this crop for the farmer and pass on this increase with all the surcharges which would be added by processing, transportation, and middleman, to the consumer. The net effect of this bill would be a tax on bread.

I do not pretend to be an expert on agricultural affairs in general, or on agricultural economics in particular. It may well be that the wheat farmers of this country need further Government assistance. But if they do need such aid, it should come from the general treasury, and not from a tax on wheat which makes up such a large portion of the staple diet of the people of this country, and an even larger portion for our poverty population.

Indeed, this tax will of necessity hit the poverty-stricken people the hardest. According to the latest available information from the Department of Agriculture, 11 percent of the food and beverage budget of families in the poverty brackets comes from wheat products, while in the higher income groups the percentage is only 9 percent.

According to the Department of Agriculture, households with less than $2,000 per year consume 6.08 pounds of wheat products a week. Two-member households with an income of $6,000–$8,000 consume only 2.69 pounds a week.

For us to put a tax on bread, spaghetti, and wheat products such as cereals, immediately after we have lifted the excise taxes on Cadillacs, diamonds, mink stoles, country club dues, and many other luxury items, is wrong.

If we are to fight against poverty, our war must be supported by all the resources we can muster. While signing the Excise Tax Reduction Act of June 21, 1965, the President stated:

> We hope, in particular, to provide further tax relief for those in our Nation who need it most—those taxpayers who now live in the shadow of poverty.

It does not make sense to give with one hand and take away with another. An increase of 1 or 2 cents a loaf is not a very large amount for most people in this country. But to families living on incomes under $3,000 a year, it is a real and totally unwarranted strain on a painfully limited family budget. It is certainly an imposition to seek out these low-income families as the ones who must carry the financial burden to provide the farmers with a fair price on their produce.

Since a high percentage of the farm recipients of these certificates or tax payments are, concededly, large industrial or corporate farm groups which receive aid based on production rather than need, it is apparent that the poorest segment of the urban community is, in considerable part, subsidizing comparatively affluent farm combines. No evidence has been adduced which indicates that the 1 out of 4 farm families which are in the poverty category, or indeed, the typical farm family, will be a significant beneficiary of this program.

It is common knowledge that it is the poor families of America that are forced to limit their diet to the basic commodities. Thus this proposed tax serves as a graduated tax, not up the financial scale, but down the financial scale.

For most people under the poverty line, there are no substitutes. Their diet will become even more restricted and less adequate than it is now, and will aggravate the already grave and complex nutrition problems of the poverty population of this country.

I, therefore, urge the rejection of this program.

ATTACK ON A MEMBER OF CONGRESS

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CASEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CASEY. Mr. Speaker, over the weekend, I read one of the most vicious and malicious attacks upon a distinguished member of this House that it has been my misfortune to see. The slanderous innuendo so filled me with disgust that it is with reluctance that I bring it to the attention of my colleagues.

The item appeared in "The Periscope" column of Newsweek magazine for August 9, 1965. It read:

> A key congressional opponent of a GI bill of rights for post-Korea veterans, Chairman

OLIN TEAGUE of the House Veterans' Affairs Committee, has made an abrupt about-face. The Texas Democrat's committee has been a dead end for a bill already passed by the Senate. TEAGUE now has passed the word that his opposition is ended. One reason: "I've got a son fighting in Vietnam."

Mr. Speaker, as the friends of "TIGER" TEAGUE know—and as his brilliant record of service to his country will show—he is well able to take care of himself in a scrap. I speak not in defense of him but in hostile opposition to the vicious irresponsibility of a reporter who would make such a statement, and an editor who would approve it.

With little research, the author of that snide report could have learned, as my colleagues know, that OLIN TEAGUE has long been a champion of the veteran.

"TIGER" TEAGUE headed the select committee to investigate and clean up the abuses of the World War II GI bill of rights program.

He was the author of the Korea GI bill of rights program.

He was the author of the war orphans scholarship program.

He drafted and introduced into Congress the original peacetime cold war GI bill of rights 2 years prior to its introduction in the Senate.

But the scurrilous report took no notice of that.

Neither did it take notice that the son of this distinguished friend and colleague is Capt. John Olin Teague serving with our Special Forces, or that he is married and the father of two children, and holder of a degree from Texas A. & M. University—hardly a candidate for benefits under any proposed GI bill of rights. Furthermore, Captain Teague volunteered for this duty.

I felt the American people should know the irresponsibility of this reputedly respectful journal, Newsweek. And I think the least that could be offered by the editors of this publication is a sincere apology to the distinguished chairman of the House Veterans' Affairs Committee, and his son, Captain Teague.

HUDSON'S FIRST NEED

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. OTTINGER. Mr. Speaker, with every day that passes, comes new support for the Hudson Highlands National Scenic Riverway legislation.

Originally proposed to cover only a short stretch of the river from New York City to Beacon, N.Y., and from the New Jersey State line to Newburgh, N.Y., it has now been embraced by Congressmen representing areas from Albany south to New York City and the New Jersey shore.

I am pleased to report that as this legislation has found support among the legislative representatives, it has been hailed as well by the residents and newspapers in the areas that would be affected by the bill.

Most recently support has come from a great New Jersey paper, the Newark Evening News. I would like to insert the thoughtful editorial comment this paper published:

[From the Newark (N.J.) Evening News, July 27, 1965]

HUDSON'S FIRST NEED

New Jersey has more than a neighborly interest in pending Federal legislation to preserve the scenic beauties of the Hudson Valley. Although New York sometimes appears to regard itself as the sole proprietor, 25 miles or so of the Hudson's western shore are in New Jersey.

One bill, by Representative OTTINGER, of Pleasantville, would create a Hudson Highlands National Scenic Waterway, extending 1 mile inland on both sides, from the Bronx to Beacon. A supplementary measure by Representative RYAN, of Manhattan, would extend the national waterway from the Bronx south to the river's mouth.

Since the Bronx and Manhattan are opposite Bergen and Hudson Counties, both bills would affect New Jersey's interests, to an extent not yet disclosed.

Governor Rockefeller has attempted to forestall Federal action by creating a Hudson Valley Scenic and Historic Corridor, from the mouth of the river to the Adirondacks. He has appointed a commission empowered to acquire thousands of acres for parks and to build scenic roads. The Governor's case against Federal intrusion has merit; it would be stronger had he moved earlier.

The Regional Plan Association has suggested this jurisdictional dispute be resolved by the appointment of a commission to draw up a master plan for the valley. The commission would represent the Federal Government, New York, and New Jersey, their counties that border the Hudson, and the municipalities along the river.

The association would have the planning commission go beyond the recreation, conservation, and scenic concerns to which the Rockefeller corridor and the Ottinger waterway are limited. It observes that industrial development, river transportation, port facilities, and housing also require consideration. To these should be added sanitation.

A congressional subcommittee which has been holding hearings on the Ottinger bill had a horrifying look at what man has done to despoil not only the shores but the river itself. Interior Secretary Udall last year called the Hudson an "open sewer." The Congressmen discovered what he meant as they cruised through oil slicks, dead fish, garbage, detergent foam, beer cans, and other debris, and watched raw sewage pour into its waters.

There is room for differences of opinion about how and by whom the Hudson is to be protected and its grandeur preserved, but there can be no dispute about what it needs first. To be cleaned up.

THE U.S. COMMITMENT IN VIETNAM

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MULTER. Mr. Speaker, a great deal has been written about the U.S. commitment in southeast Asia, but perhaps one of the finest insights was an editorial by William Randolph Hearst, Jr., which appeared in the New York Journal American of August 1, 1965, entitled "The President's Finest Hour."

As Mr. Hearst so aptly pointed out the President's news conference statement on Vietnam was truly "a big day for L.B.J." The situation in Vietnam is a complex one and one not susceptible to easy answers. President Johnson made this clear in his report to the Nation. He asked the American people to prepare for a long struggle, but a struggle which must eventually prove that freedom and democracy are stronger than totalitarian communism.

Mr. Hearst stated that the President "leveled with the American people; he treated them, as they should be treated, as adults, his intellectual equals."

I am sure that every American approves the candor of President Johnson as well as his commitment that we will be resolute in our demands that the quest for freedom shall not be defeated.

Mr. Hearst's editorial follows:

EDITOR'S REPORT: THE PRESIDENT'S FINEST HOUR

(By William Randolph Hearst, Jr.)

Big day for L.B.J.

That just about sums up my impression of the President's policy statement at his press conference this past Wednesday as well as the way he delivered it and the way he handled the subsequent questions from reporters.

He was at his masterful best and it was—to date—his finest hour.

There was no bravado, no jingoism, in his statement nor in his demeanor. It became clear as one listened to him that the President had spent hours of soul searching in preparing his guidelines of future U.S. policy in Vietnam. His manner was serious, deliberate, and at times deeply moving. It was not surprising to read that some of those at the conference including Mrs. Johnson were close to tears when the President spoke of his personal distress in sending "our finest young men" into this nasty war.

And he leveled with the American people; he treated them, as they should be treated, as adults, his intellectual equals. For example, he had the candor to say of the situation in Vietnam that "this is really war," not trying to mask it in some evasive catch phrase.

Candor was also admirably evident when the President advised his fellow citizens to be prepared for what could be a long war. It was present when he said the increase in our military strength in Vietnam from 75,000 to 125,000 men probably will be followed by the commitment of additional forces. It was present when he said that doubling the draft calls from 17,000 to 35,000 a month may not be sufficient; that, depending on the course of events, Reserve units may have to be summoned to duty.

The statement achieved an almost perfect balance between determination never to knuckle under to Communist aggression or the counsel of appeasers, and a willingness always to negotiate an honorable peace.

The heart of the statement lies in these words:

"These (present) steps, like our actions in the past, are carefully measured to do what must be done to bring an end to aggression and a peaceful settlement.

"We do not want an expanding struggle with consequences that no one can foresee, nor will we bluster or bully or flaunt our power.

"But we will not surrender and we will not retreat.

"Once the Communists know, as we know, that a violent solution is impossible, then a peaceful solution is inevitable.

"We are ready now, as we have always been, to move from the battlefield to the conference table.

"I have stated publicly many times, again and again, America's willingness to begin unconditional discussions with any government at any place at any time."

The President enlarged that willingness by saying the United States is prepared to listen to Hanoi's terms for ending the fighting providing Hanoi is willing to listen to ours.

He added later, in answer to a question, that even the Vietcong guerrillas "would have no difficulty in being represented and having their views presented if Hanoi for a moment decides that she wants to cease aggression."

Finally, he energetically and dramatically encouraged efforts by the United Nations to work for an honorable peace.

The President instructed Arthur J. Goldberg, who stepped down from the Supreme Court last week to become our U.N. Ambassador, to make it his first business to present a Presidential letter to U.N. Secretary General Thant. The letter asked that "all the resources, energy and immense prestige of the United Nations be employed to bring peace."

It is significant that the policy statement, and the way it was proclaimed, either drew to the President's support, or substantially modified, some influential voices in Congress that had been openly dubious before.

Representatives GERALD R. FORD of Michigan, House minority leader, and MELVIN R. LAIRD of Wisconsin, chairman of the Republican conference had been demanding an all-out air attack on North Vietnam instead of a buildup of ground forces.

After the President spoke they shifted position, saying they would "wait and see." Mr. FORD added that he supported the President's "firmness against Communist aggression."

Senator GEORGE D. AIKEN, Vermont Republican, and a member of the Foreign Relations Committee, who also had been a critic, swung over to support. He said the policy statement "won't satisfy those who have been advocating a great expansion of the war or those who say 'get out, lock, stock, and barrel.'" He continued:

"The President's middle course will find general acceptance throughout the country and probably will be more conducive to ultimate peace than a more extreme statement would have been."

I second that.

Yes, it was a big day for L.B.J.

TRIBUTES TO LAWRENCE F. O'BRIEN

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BOLAND. Mr. Speaker, additional tributes have been written about the amazing legislative accomplishments of Lawrence F. O'Brien, Special Assistant to the President for Congressional Relations.

The articles were written by two experienced and respected observers of the Capitol Hill scene, Columnist Joseph Kraft and Donald R. Larrabee, Washington correspondent for many New England newspapers. Both columnists recognize the valuable contributions Larry O'Brien has made in the field of White House-congressional liaison, and the major role he has played in the enactment of the New Frontier programs of our late beloved President John F. Kennedy, and the Great Society programs of President Lyndon Johnson. Mr. Speaker, I ask unanimous consent to have Mr. Kraft's column, which appeared in yesterday's Washington Post, and Mr. Larrabee's column, which appeared in the Saturday, August 7, Holyoke, Mass., Transcript-Telegram, included at this point with my remarks:

[From the Washington Post, Aug. 9, 1965]

INSIGHT AND OUTLOOK—APPLAUSE FOR DR. O'BRIEN

(By Joseph Kraft)

Not very long ago the Congress was organized against the White House by means of a union of race prejudice and the acquisitive instinct.

Northern Republicans would unite with southern Democrats to block civil rights laws. The two would also collaborate in measures that brought money to farm constituents in the form of subsidies, and to business supporters in the form of anti-labor laws, depletion allowances, tariffs, and defense and space contracts.

In certain quarters that unholy alliance against the administration in power was celebrated as the club.

The old system is now dead, and nothing proves it better than an obscure procedural vote taken in the House last week. It involved the new 21-day rule which makes it possible to call measures onto the floor if they have been bottled up for more than 3 weeks in the Rules Committee.

The measure at stake was repeal of a provision—14(b)—of the Taft-Hartley Law which authorized States to outlaw the closed shop.

In winning that vote the big city and labor Congressmen favoring repeal were joined by 16 of the 22 Democrats who, because their prime interest is farming, sit on the Agriculture Committee. Presumably those rural Congressmen will get their own back when the labor representatives support a farm bill in the next few weeks. But the significant thing is that the old alliance has been reversed. The club has been stood on its head.

Credit for this great change is normally given to the President because of his long experience with the Congress, and because of the great majorities he swept in with him last fall. And certainly no one would deny or disparage the President's role.

But the strategist of the change, the man who planned it 5 years ago, and who has worked it out day by day ever since, is the President's special assistant for congressional relations, Lawrence O'Brien. While all the political assistants all over the country were writing that hate was the normal state of relations between White House and Hill, O'Brien was already beginning to develop the possibilities of cooperation.

His chief innovation was to set up in the White House a small staff charged entirely with responsibility for congressional relations. The staff was organized along the lines of the various regional and interest groups in the Senate and House. It coordinated the congressional efforts of all Government agencies. It was in constant touch with the congressional leadership. "We don't even take a headcount," one of the leaders once said, "without O'Brien."

A first gain was a far more intimate working relationship between the Administration and the little-known but extremely powerful giants in the House. As a supreme example, consider the case of the 1964 tax cut and the chairman of the Ways and Means Committee, WILBUR MILLS.

The administration, way back in 1962, proposed the tax cut to stimulate the economy; it was afraid that tying tax reform to the bill would kill the whole measure. MILLS, for his part, wanted a tax reform bill with a little cut added to smooth the way for reform.

Very slowly, month by month, by discreet little favors (a Presidential visit to Arkansas) and almost invisible pressure (well organized business testimony against reform) the administration nursed MILLS along to its point of view. The bill that finally emerged from his committee, and that he steered through the House was almost all cut and no reform—just what Dr. O'Brien ordered.

A second gain was that the White House was in touch not only with the congressional leadership, but also with the backbenchers. The 16 Agriculture Committee Democrats who supported 14(b), for example, were not the committee leaders. On the contrary, the six who opposed the administration on 14(b) were precisely the senior members of the committee.

O'Brien is at last getting some public recognition for his achievements. Indeed, the President and his friends are showering him with compliments. An educated guess is that Mr. Johnson would like him to stick around in the White House job.

A good hunch is that O'Brien will leave to reenter Massachusetts politics. If nothing else the time is ripe for leavetaking. A way, a permanent way, I believe, to promote cooperation between the Executive and the Congress has been worked out.

From now on the big problems will not be getting bills through the Congress. The big problem—the second phase of the Johnson administration and the true opportunity for the Republicans—will turn on the matter of applying effectively the measures that are already on the books.

[From the Transcript-Telegram, Aug. 7, 1965]

"BEST LEGISLATOR" IN THE WHITE HOUSE IS JOHNSON'S LABEL FOR LARRY O'BRIEN

(By Donald R. Larrabee)

WASHINGTON.—Who is the "best legislator" in the White House? In terms of getting an unprecedented program enacted by Congress, the answer has to be Lyndon B. Johnson. But the President himself has pinned the title on a Kennedy man from Springfield, Mass.—Larry O'Brien who has never run for office or written the draft of a bill.

O'Brien was working for ex-Congressman, ex-Governor Foster Furcolo, of Massachusetts, at about the time Lyndon Johnson was elected to the U.S. Senate in the late 1940's. He would take Furculo's constituents on guided tours of the Capitol. Now he takes Congressmen on a different kind of tour through Johnson territory.

The President "inherited" O'Brien from John F. Kennedy who had placed his campaign organizer in charge of congressional relations early in 1961. While it was difficult for many of the Kennedy people to remain on the White House staff after November 22, 1963, O'Brien and his crew seemed to be driven by a desire to get the Kennedy program enacted.

And in the 20 months since the assassination, the administration has enjoyed untold success at the Capitol, thanks to a polished professional job by O'Brien and the basic know-how of a President who has not hesitated to put the weight of his office behind his ambitious social proposals.

Johnson is said to have liked the formalized liaison office at the White House which was created by O'Brien 4 years ago. It came into being, O'Brien suggests, because President Kennedy didn't have the votes in Congress and needed a team of contact men to help sell his ideas and smooth the legislative path. It was always tough going, but the bugs were being worked out of the machinery at the time John Kennedy died.

The remarkable legislative triumphs are being written daily and the essential ingredient, in O'Brien's view, is the strength of the Chief Executive and his leadership, with its deep roots on Capitol Hill. O'Brien operates on the theory that Congress is receptive and ready to cooperate with L.B.J. because it believes the President has the people behind him. The O'Brien office has been quick to pinpoint the weak spots and Mr. Johnson has gotten on the telephone himself to prop them up.

O'Brien claims the arm-twisting stories are exaggerated and the President has engaged in no extraordinary wheeling and dealing with Congress. The standard operating procedures of the President and O'Brien's office are probably tantamount to this, though more subtle.

Basically, for the first time in history, there is a formal arrangement whereby the 40 persons who hold liaison jobs with Congress for the various Federal departments and agencies are filing weekly progress reports to the White House. These are digested and summarized for the President's night reading on Mondays.

Mr. Johnson can thus assess—at a quick glance—his standing with Congress and the status of his legislative program. Next day he meets with the leaders of the House and Senate for strategy talks and the signals are called.

There are important functions for the White House liaison office besides counting noses when a bill is about to be considered. These range from securing special tours for a Congressman's friends or constituents to making sure the Congressman is notified when a contract is being awarded in his district—notified, that is, before anyone else hears about it.

The President, of course, has asked every Congressman and his wife to the White House this year. He has made himself and his home accessible. When bills were to be signed into law, he has made a special point of inviting everyone to the ceremonies who had any reason to be there.

Last week, for instance, Members of Congress and others were flown to Independence, Mo., where 76 pens were used in the signing of the landmark medicare bill. Every Congressman on all the committees involved in the legislation received a ceremonial pen, as did many others who were influential—people like former Representative Aime Forand of Rhode Island who filed the first medicare-social security bill on his own.

A Republican Congressman who wasn't at the ceremony received a fountain pen in the mail, even though he was a late-starting cosponsor of medicare. One freshman in the House has received three pens already in his first year and he prizes every one. Small tokens can pay big dividends.

It was at the medicare signing that Mr. Johnson, when he had named all of the Congressmen who had worked on the bill through the years, pointedly added, "and, of course, the White House's best legislator, Larry O'Brien." Larry isn't expected to remain in the position much longer—he promised to stay through this session of Congress—but he seems to have created one of the more permanent fixtures in a fast-moving bureaucracy.

WIRETAPPING INVESTIGATION IN MIAMI, FLA.

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Pepper] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PEPPER. Mr. Speaker, yesterday I was in Miami in my district appearing before the Honorable Edward Long of Missouri, chairman, and the Honorable Quentin Burdick of North Dakota, member of the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee which is investigating wiretapping and the invasion of the private rights of citizens by Government agents and private parties. Since this distinguished committee of the other body had invited me to appear before it and to present my views upon the subject under inquiry I believed that the matter being investigated by the able committee was most important to the rights of the citizens of my district and Dade County, indeed of all the country and, hence, I appeared before the subcommittee and gave a statement. I include following my remarks a copy of the statement I made.

On account of such actions in my district I was not present to answer two quorum calls in the House and to vote on H.R. 9918 amending the Fire and Casualty Act and the Motor Vehicle Safety Responsibility Act of the District of Columbia. Since an important part of this bill created a fund out of which judgments obtained by parties injured in motor vehicle accidents by persons not insured I would have voted for this bill had I been present. I was paired with the gentleman from Alabama [Mr. Martin].

The statement referred to is as follows:

Wiretapping Investigation in Miami, Fla.

(Statement of the Honorable Claude Pepper before the U.S. Senate Subcommittee on Administrative Practice and Procedure, August 9, 1965)

Mr. Chairman, let me first welcome you and the members of your subcommittee to my great State of Florida, my district and the cities of Miami and Miami Beach. I have long admired the work that you, Senator Long, and your subcommittee have been doing on behalf of the civil liberties of the American people.

The task which your subcommittee has now undertaken to investigate the use of wiretapping and snooping should receive the full praise of the American people. It is apparent from hearings which you have held that you have been able to show that honest, average and garden variety Americans have been subjected to police state tactics in a country where we have long been given to believe that honest government is essential for true democracy.

Mr. Chairman, let me make one thing absolutely clear—wiretapping in Florida is a crime. It is a crime whether it is carried out by private persons, law enforcement officers, State or Federal agencies. It is a misdemeanor on the first offense and a felony on the second offense after one conviction. A man that has been convicted for a second time faces a mandatory sentence of 15 years in the Florida State penitentiary.

Now, Mr. Chairman, I do not know what your investigation in this great State will reveal, but if you find that one agent in the Internal Revenue Service has placed a wire tap anywhere in the State, then I say, Mr. Chairman, that the American democratic system has been severely abused. No Federal agent, no matter how special or secret, has a right to come into Florida and break our laws. These laws were set up to protect the rights of the people of Florida. If the Federal officials do not respect our laws, then what faith can we have in the American system of Government?

Already you have shown that the laws of Massachusetts and Pennsylvania have been ignored by Internal Revenue Service agents. Let no one misunderstand me, Mr. Chairman, the people of Florida and the people of Miami will not tolerate a Federal Government which has no respect for laws of their States and the individual rights of decent citizens.

I have confidence in the Internal Revenue Service of Florida and I hope that confidence has not been and will not be found unjustified. We have all read in the papers the shocking way which the Internal Revenue agents have treated taxpayers in other States. Theirs is an agency whose sole task is to collect taxes from the American people. We must not permit this agency to turn an important job into a frightening gestapo operation under which no American can feel protectd by the laws of his own State.

Mr. Chairman, for the next few minutes, let me recall the Senate hearings which I conducted 15 years ago this month. At that time I was the chairman of the U.S. Senate subcommittee which investigated wiretapping in the District of Columbia. We were concerned only with relatively simple devices—direct wiretaps, crude induction coils for listening through doors, and simple primitive eavesdropping mechanisms. We found that even these crude devices constituted a real danger to privacy and simple decency in our society. They were violating the confidence of Howard Hughes with his lawyers. They were intruding into the privacy of the personal and official telephone calls of a respected U.S. Senator, the late Josiah Bailey of North Carolina. And they were corrupting our law-enforcement officers who knew such practices were illegal and immoral.

In the conclusion of these hearings my subcommittee made certain recommendations and I would like to read the second recommendation of that committee. "Our subcommittee is impressed by the ease with which unauthorized persons, such as Lieutenant Shimon, can invade the privacy of telephone conversations. Lieutenant Shimon testified that by allowing the persons on the repair deck of the Chesapeake & Potomac Telephone Co. to believe that he was a telephone repairman, he was able to get the location of the telephone box and the appropriate telephone pair number. These boxes are located, usually one for each city block, in the basements of apartments or hotels, or on telephone poles, and the like, where they may readily be reached without being observed. A pair of wires and a headset are adequate for the purpose of listening in on conversations at these terminal points. Our subcommittee recommended that the Chesapeake & Potomac Telephone Co. address itself to the technical problem of protecting the secrecy of telephone conversations; for example, the relatively simple device of placing locks on such terminal boxes would materially assist in preventing unauthorized access to them. Unquestionably, technically qualified persons could develop additional safeguards to hamper the practice of wiretapping and more adequate methods for detecting it when it occurs."

Again, Mr. Chairman, let me emphasize, our subcommittee was impressed by the ease with which unauthorized persons, such as Lieutenant Shimon, could invade the privacy of telephone conversations. These were law-enforcement agents who took the cloak of authority and misused it for their own purposes.

In the short time that those hearings were held, my subcommittee discovered that an officer of the law who had frequently violated the rights of privacy and had been so deeply involved in wiretapping and snooping activities at the time of hearings was promoted by the District of Columbia Metropolitan Police force to captain in 1954 and inspector in 1960, but it was not until 1962 that was he indicted for wiretapping, and it is my understanding that last winter he was convicted.

I can only regret that my term in the U.S. Senate did not last long enough to pursue this further. The work of your subcommittee, Mr. Chairman, is profoundly vital and long overdue. In 1950 it seemed to us that wiretapping could be stopped by a minimum amount of restrictions, we had no idea that this insidious evil was creeping through agencies of the American Government. We had no idea that wiretapping and electronic evesdropping would become the big business it is today. Yet those devices were nothing compared with the sophisticated electronic equipment available to the most casual of snoopers today. Tiny transmitters in cigarette lighters, desk staplers and martini olives surround us. Black-light viewers penetrate the darkness. Ultrasensitive listening devices tune in conversations a block away. These people have done nothing but to bring the world of Dick Tracy and 1984 to life and cast that horrible world against the constitutional rights of the American people.

As a result, a man's home is no longer his castle. It is a public preserve of every peeping Tom, Dick, and Harry who can afford a miniature listening device and a midget recorder. The only way a man can avoid an illegal search of his mind is to stop talking to anyone—even his wife.

Mr. Chairman and Senator BURDICK, I believe Congress should enact legislation forbidding the shipment in interstate commerce of these various electronic and other devices which lend themselves to the invasion of the citizen's privacy and against which the citizen now has no known defense—at least in the great majority of cases. The harm such devices can do in invading the right of privacy of the citizen far outweighs, in my opinion, the right of anybody to manufacture and sell these devices until science has developed a way by which the citizen can protect himself or herself against such snooping.

Furthermore, I believe that the use of such devices should be forbidden under adequate penalty except by a representative of Federal, State, or local government authorized to use such device by order of a competent court or without license for specific case by the Attorney General. All court orders should be required to be reported promptly to the Attorney General of the United States and he in turn should be required periodically to report all instances of where he has authorized the use of such devices and where he has been advised of authority to use such devices by courts to the Judiciary Committees of the Senate and House.

When a man is not free to speak his mind in the privacy of his own home he has lost one of the most treasured of his liberties—he is no longer a freeman.

Mr. Chairman, let me say again how deeply grateful I am for this opportunity to appear before your subcommittee. I know I speak for the people of Miami and the people of this great State when I say you are performing an outstanding service in uncovering this disgusting disrespect that our Federal agents have shown for the rights of the American people.

In spite of my long knowledge of the existence of wiretapping, I remain shocked to find that our Federal Government has taken up the banner of lawlessness in too many cases. The American Government simply does not have the right to do what it pleases. Too many American lives have been lost in the protection of our American ways, American freedom, and American rights for us to give them up to Government lawbreakers.

I am confident you are making a great contribution and I urge you to pursue this task relentlessly until this cancer on our society is stopped.

FLORIDA-COLOMBIA PARTNERS OF THE ALLIANCE PROGRAM

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FASCELL. Mr. Speaker, recently a dramatic errand of mercy took place that happily resulted in the saving of children's lives. A number of Floridians responded to an urgent call from Children's Hospital in Barranquilla, a coastal city in Colombia, for medicines and supplies to fight an epidemic of dehydration suffered by youngsters in the area. A supply of dextrose solution was flown from Miami to the stricken city and successfully administered. The supplies arrived only hours before the hospital's stock was exhausted.

Mr. Speaker, Florida is participating in the Partners of the Alliance program, which seeks to draw private sector resources into the Alliance for Progress. Their partnership is with the northern coastal states of Colombia, wherein Barranquilla is located. Here was a dramatic instance of spontaneous help extended by one partner to the other to prevent further loss of life. A happier ending resulted because the coordinator of the Colombia Partners Committee alerted their Florida counterparts to the impending crisis. Here was a ready and helping hand extended to a neighbor in need.

Playing an important role in the mercy flight was Secretary of State Tom Adams, who helped launch the Florida-Colombia Alliance Committee. Mr. Larry Benson, who serves as administrative assistant to the secretary of state, and as coordinator of the Florida-Colombia program, made the trip to Barranquilla to personally deliver the medicines and supplies, donated for the mission by Baxter Laboratories and Johnson & Johnson. Aerocondor Airlines, a private Colombia airline, handled the shipment without charge.

Mr. Speaker, because of the very human appeal of this recent and highly successful Florida-Colombia partnership activity, there will always be a warm glow in the hearts of the people of Barranquilla, Colombia, for Miami Springs Pharmacist John Stadnik. And for good reason.

Stadnik is credited by doctors of the Hospital Infantil San Francisco de Paula with helping to save the lives of several hundred indigent children during an epidemic of gastroenteritis this summer.

Stadnik, a member of the Florida State Board of Pharmacy, is president of Miami Springs Pharmacy, Inc., and Terminal Rexal Pharmacy, Miami International Airport. He is a registered pharmacist.

His role in the humanitarian act was to arrange for the donation of medicines and supplies from two large U.S. pharmaceutical firms to fight the epidemic. Baxter Laboratories of Morton Grove, Ill., and Johnson & Johnson contributed some 30 cases of dextrose solution, intravenous feeding apparatus, hospital tape, first aid supplies and other materials for Colombia.

Dr. Ramiro Parias Burgos, director of the children's hospital, said:

> Without those medicines, many Colombian infants would have died.
>
> These supplies enabled us to successfully treat several hundred babies and young children. I hate to think about how many of these might have died had it not been for the timely arrival of the medical supplies.

More than 500 infants had perished in the epidemic in the Colombian coastal city when the mercy shipment arrived on July 20. Within a few hours after Stadnik delivered the supplies, the Children's Hospital used the last of its dextrose solution.

The doctor said:

> There was no place in all of Barranquilla we could obtain more dextrose.
>
> The shipment from Florida was truly a godsend.

Gastroenteritis, commonly known as dehydration, is a fly-carried disease which causes inflamation of the inner wall of the stomach and subsequent loss of body liquids. Its prime victims are children between the ages of 6 months and 2 years.

Stadnik's mercy flight came in response to an urgent plea for assistance from Dr. Parias. The request was relayed to Florida Secretary of State Tom Adams, who is cofounder of the Florida-Colombia Alliance Committee. The alliance is a good will and mutual assistance program between the State of Florida and Republic of Colombia.

Adams then called on Stadnik, a personal friend, for assistance in obtaining the much needed medical supplies. Stadnik, through the offices of Dr. Austin Smith, president of the Pharmaceutical Manufacturers Association, contacted Baxter Laboratories and Johnson & Johnson who quickly offered to donate the necessary supplies to the alliance.

Aerocondor Air Lines, a private Colombian airline, volunteered to immediately airlift the supplies to Barranquilla without charge and to fly Stadnik to Colombia so that he might formally present the medicines to the hospital. Also accompanying the shipment was Laurence Benson, Coordinator of the Florida-Colombia program.

Said Adams:

> This is a wonderful and heartwarming example of what great things can be accomplished when people work together unselfishly. On behalf of the Florida-Colombia Alliance effort, I want to express my deep appreciation to all those who had a part in this mission of mercy, and particularly to John Stadnik, Aerocondor Air Lines, Baxter Laboratories, and Johson & Johnson.

The Florida-Colombia Alliance program was established in October 1963, following a weeklong good will visit by

Adams to Colombia. The trip was sponsored by the Organization of American States in hopes of generating a "State to Nation" program between the individual States of the United States and the republics of Latin America.

The Florida-Colombia Alliance Committee is a partner in the U.S. Alliance for Progress and engages in such cooperative efforts as student and teacher exchanges, encouragement of commerce and exchanges of technical advice and training. To date, the alliance has arranged for 90 scholarships for Colombian students to attend universities and junior colleges in Florida. A like number of scholarships are available to Floridians in Colombian universities.

THE MIRACULOUS RISE OF NICHOLAS KATZENBACH

Mr. DYAL. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. PUCINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, Mr. Willard Edwards has performed a most noble public service in putting together an excellent biography on the U.S. Attorney General, Nicholas deB. Katzenbach.

Mr. Katzenbach today ranks as one of the most important members of the President's Cabinet. As Attorney General, the responsibility of enforcing civil rights laws and restoring order out of chaos falls upon his shoulders. The vast scope of his responsibility transcends to the lives of virtually every American.

In addition to all of these responsibilities, President Johnson has recently named Mr. Katzenbach as Chairman of the newly formed National Commission on Crime. It is significant to note that everything Mr. Katzenbach does, he does well.

I was most pleased to read Mr. Edwards' penetrating article about our U.S. Attorney General. Mr. Edwards has made a most significant contribution toward a better understanding of this dedicated American whose stature and and responsibility grows daily and who today represents one of the President's most trusted aids.

Mr. Speaker, Mr. Edwards' article follows:

THE MIRACULOUS RISE OF NICHOLAS DEB. KATZENBACH

(NOTE.—Attorneys General are usually men of long and successful political experience. Many managed the campaigns that put their Presidents in power. In 1960 Nicholas deB. Katzenbach didn't even vote. Yet today he runs the most politically sensitive department in Washington with the courage, coolness, brains, and savvy that have made him a key figure in the administrations of two hard-to-please Presidents.)

(By Willard Edwards)

A vague discontent with his placid existence sometimes stirred the breast of Prof. Nicholas deBelleville Katzenbach at the end of 5 years at the University of Chicago.

He really had no excuse for this occasional sense of frustration, he repeatedly assured himself. He was respected and honored in the academic community, having attained a full professorship at the age of 34. His lectures on international law were acclaimed as models of clarity and scholarship.

He lived in a big old house at 4925 Woodlawn Avenue with a lovely wife, four children, and two dogs. His income was entirely adequate. A transplanted easterner (associate professor of law at Yale 1952–56), he had quickly adjusted to his new environment. His colleagues found him genial, easy going, humorous.

But he was approaching the venerable age of 38 in 1960 and, like many moderately successful men of ambition and imagination at that period in life, he found himself wondering if he was destined to settle down into a comfortable but humdrum routine, devoid of action and excitement.

"Do I want another 30 years of this?" he asked himself. He privately uttered an emphatic negative.

Escape from this cloistered serenity, however, appeared impractical, if not impossible. As an Air Force flyer in World War II, Katzenbach had been imprisoned after a crash and twice wriggled out of the clutches of Italian and German captors, only to be brought back. His present captivity presented problems as difficult to overcome.

The professor had an urge for public service, inherited from a father who was attorney general of New Jersey and a mother who served on that State's school board for 43 years.

The family is an old one in the State. The Katzenbachs came from Germany in the Revolutionary War period and a De Belleville from France, who settled in New Jersey, had been a personal physician to the brother of Napoleon Bonaparte.

In private law practice in Trenton, N.J., at the age of 28, Katzenbach had contemplated a political career. His ventures in that direction met with vast indifference so he went off to join the Yale Law School faculty, resigning himself to an academic career which shifted to the Chicago campus in 1956.

The simple truth, Katzenbach had to confess to himself, was that no avenues to government or political service were open to him. He had no experience in either field; he had no friends with influence to help him get started. He was utterly unknown in those circles where the affairs of Nation and State are transacted.

A presidential political campaign was boiling up in 1960 but he could think of no way to get into it. With a sigh, he accepted a Ford Foundation fellowship to study legislative law and went off to Geneva, Switzerland.

There, he spent the next few months, far from the turbulence of one of the closest presidential contests in history, climaxed by the hairbreadth victory of John F. Kennedy over Richard M. Nixon.

A Democrat, Katzenbach rejoiced, regretting that he had not even voted, far less aided in the campaign. He had sufficient perception of political standards to know that his absentee role would be no aid to service with the new administration—that plus the fact that none of its leaders had ever heard of him.

A few days later, however, he noted a Geneva newspaper report that Byron (Whizzer) White, a former All-American football star, had been selected as Deputy Attorney General by ROBERT KENNEDY, the President-elect's brother, who was preparing to take over the Justice Department.

White was an old friend from Katzenbach's days at Yale Law School. The impulse seized him to phone Washington from a Swiss skiing station. He caught the next plane home. On the flight, he kept telling himself not to set his hopes too high. A minor legal post would be most satisfactory.

Not in his wildest dreams (or in the dreams of anyone connected with the Kennedy forces) did the unknown law professor envision the incredible series of events to follow.

Within 2 months, he was Assistant Attorney General in charge of the office of legal counsel, lowest ranking of the nine assistants in the Justice Department, but a position higher than he had hoped for. White had suggested Katzenbach to BOBBY KENNEDY for the job and that was all that was necessary.

Within another 15 months, in May 1962, he was Deputy Attorney General, succeeding White who had been named a Supreme Court Justice. BOBBY, who had not met Katzenbach until the eve of the Kennedy inauguration, was so impressed by his ability that he elevated him to the No. 2 spot in the Department over the other eight assistants.

Two years and four months later, in September 1964, Katzenbach was Acting Attorney General, taking over the duties of that office after KENNEDY resigned to run for the U.S. Senate in New York.

Five months later (and here the chronicle of advancement violates all the rules of political probability), Katzenbach was nominated by President Johnson as Attorney General of the United States, the youngest and certainly the most surprising member of his Cabinet. He was sworn into office last February 13.

Today, at the age of 43, the professor who couldn't get into politics runs the most politically sensitive department in Washington. He's master of an empire with 32,000 employees at his command. He's the chief law enforcement officer of the land. His secret desire for a more stimulating and action-packed career has been more than satisfied.

Katzenbach played a key role when the Kennedy administration was panicked by the Bay of Pigs disaster. He was summoned to emergency action in the crisis resulting from the discovery of Russian missiles in Cuba. He led U.S. marshals in the racial rioting at Oxford, Miss., and faced down Gov. George Wallace of Alabama in a televised confrontation which made his face and figure familiar to millions of Americans.

Ahead of him lie massive problems—a constantly rising flood of crime, which, if it maintains its present rate of increase at 10 percent a year, will soon bring chaos; and racial violence which, he fears, could hit any one of 25 or 30 cities this year.

These are comparatively new burdens, added to the duties of a department which has a staggering array of functions. The Justice Department, through its antitrust unit, has power to make giants of industry cringe. It operates the Federal prisons, controls the operations of the Federal Bureau of Investigation, screens all appointments to the Federal bench, prosecutes a variety of crimes ranging from tax frauds to narcotics violations.

These are tremendous powers to be entrusted to one man and Presidents have usually chosen attorneys general who are close friends with a political background. Delicate decisions, involving prosecution of the administration's friends or foes, frequently arise. In such cases, it is preferable to have a trusted intimate who fully senses the political implications of action or inaction. Several of Katzenbach's predecessors, like BOBBY KENNEDY, managed the campaigns of the Chief Executive who selected them.

Katzenbach not only lacked political experience; he was definitely not one of President Johnson's intimates. He had, for example, only a nodding acquaintance with Bobby Baker, Johnson's "good right arm" in the Senate, whose financial operations have been under investigation by a Federal grand jury for more than 8 months.

Some observers have speculated that this status as an "outsider" may eventually have been an item in Katzenbach's favor when the President was mulling over his choice of an Attorney General. Whatever action may be taken by the Justice Department in the Baker affair, Johnson will not be plagued by charges that the decision was made by an interested party.

This factor might have been a minor consideration in Katzenbach's appointment, but the general agreement is that Katzenbach got the post because a half-dozen others were disqualified, one by one, during the 5 months the President took to make up his mind. Political considerations dictated the eliminations.

The President, it is said, was about to nominate Edwin L. Weisl, Sr., his former counsel on a Senate investigating committee, who had become Democratic national committeeman in New York. Johnson leans heavily on Weisl for political advice and has faith in his loyalty.

Then BOBBY KENNEDY became a political power in New York as U.S. Senator and it appeared that the President would need Weisl more in New York than he did in Washington. The Kennedy-Johnson relationship is not quite a feud but it could easily become one. Weisl stayed in New York as a check upon the young Senator's ambitions. The President later gave Weisl's son a post as Assistant Attorney General.

In the guessing game which developed in the 5 months following KENNEDY's departure, the names of men like Senator THOMAS J. DODD, of Connecticut, Abe Fortas, a veteran of the New Deal era, and Leon Jaworski, a Houston, Tex., lawyer, were reported under consideration. Anyone with a legal background, who could claim he had been a Johnson supporter in 1960 and earlier, was fair game for the gossips.

Few gave a thought to Katzenbach and he, himself, had no illusions about his chances. As the waiting period lengthened, however, he began to wonder if, by a process of elimination, the President might not get around to considering the qualifications of the man handling the job.

Early one morning, as he was watching television, Katzenbach heard a newscaster report from Johnson City, Tex., that Clark Clifford, a Washington lawyer and intimate of L.B.J., would be the next Attorney General. When he left the house a few minutes later, instead of the big Cadillac limousine which customarily transported him to the Justice Department, he found his chauffeur waiting in a smaller sedan.

"I know the word spreads fast in this city," he told his driver in mock amazement, "but I didn't know the comedown would be this quick." The big car, it developed, was in the garage for repairs.

Katzenbach tells this story on himself with the same good humor that has fortified him on many another occasion. Asked to recall some incidents of his Chicago career, he embarked upon a long tale involving the theft of his two dogs. He was fully conscious of the ironic flavor of this anecdote about a naive college professor who, within 5 years, would be labeled "the Nation's chief crimefighter" in newspaper accounts.

The dogs, an Irish setter and a white poodle, disappeared one night and soon thereafter Katzenbach got a telephone call. Was there a reward for their return? How about $10, asked the owner. Two hundred and fifty would be more like it, the caller said sternly.

In the lengthy negotiations which followed, featuring mysterious meetings on street corners, Katzenbach became aware that he was the victim of a ring which specialized in returning lost dogs to their owners for a price. He appealed to the police, who were not too helpful. Two months later, after numerous contacts with an assortment of fascinating characters whom he assumed to be members of the underworld, he had his dogs back. The cost was exactly what he had been assured it would be—$250.

He was a little taken back when his original caller telephoned him again a few nights later.

"What now?" he asked, apprehensively.

"No more trouble about dogs," he was assured. "But I notice you've got a good looking wife. Would she be interested in a nice, hot ranch mink?"

The former Lydia Phelps Stokes of Washington, D.C., whom Katzenbach married June 8, 1946, rated the admiring comment. She is a tall brunette whom the future Attorney General met when he was an usher and she was a bridesmaid at the wedding of his former college roommate, John Douglas, son of Senator PAUL DOUGLAS, of Illinois. She didn't get the mink.

Katzenbach may or may not have been thinking of this episode when on February 8 of this year he was under questioning before the Senate Judiciary Committee on his qualifications to be Attorney General.

Chairman JAMES O. EASTLAND, Democrat of Mississippi, asked about crime conditions in Chicago.

"Chicago is a major area of organized crime and we have made less progress in Chicago than we have in other areas," Katzenbach said. "To date, our success in Chicago has been with minor hoodlums for the most part. We have made progress in gambling and narcotics. * * * I would not be honest with you if I said that we have done any more than keep our head above water."

Fully aware that he was a novice in dealing with hoodlums, Katzenbach, soon after becoming Acting Attorney General, plunged into a study of crime files in the Justice Department. He was determined to be an expert among the experts he finds all around him, including J. Edgar Hoover, chief of the FBI, who is technically a subordinate.

Then, he summoned to Washington the 60 staff attorneys and investigators from around the country who had been picked by Kennedy to lead the war against crime in the United States. They came, expecting not without justification to be called upon to instruct their new leader in the intricacies of syndicated crime. They were amazed to find him fully conversant with the minute details of underworld organization.

This ability to absorb information in quantity lots was discovered by Katzenbach in a German prisoner-of-war camp.

He had been a junior at Princeton when Pearl Harbor came and he joined the Army Air Force. Commissioned and sent to the Mediterranean theater, he was on his 19th mission as a navigator when his B-25 was shot down in flames, crashing into the sea. After 26 hours on a liferaft, he was picked up by the Italians and spent more than 2 years in prison camps.

During the final months of his confinement in Stalag Luft 3, south of Munich, Katzenbach conceived the idea of finishing up his college education. The prison camp library was well stocked and he picked out more than 200 volumes to study. When he got home in 1945, he talked Princeton into letting him take examinations to win his degree, skipping 18 months of classes. He wrote a thesis on a wage control plan, passed 14 examinations, and got his degree cum laude within 6 weeks. Yale Law School (another degree cum laude) was a breeze after that and he put in 2 years as a Rhodes scholar at Oxford.

It didn't take BOBBY KENNEDY long to discover that his new Assistant Attorney General had a brain, liked hard work and action, and remained cool under stress. The first test came almost immediately, in the spring of 1961, when the new administration staggered under the impact of the Bay of Pigs debacle. Katzenbach helped engineer the prisoner exchange with Castro which helped to soften some of the impact of the sorry episode.

This was a complicated maneuver. Big drug firms had to be convinced that they could donate without legal penalty medicines demanded as ransom by Castro. Castro had to be convinced it was a private, not a Government effort. Katzenbach is prouder of his role in this affair than of some of his more spectacular negotiations later.

Two years later, when the Cuban missile crisis broke, he was suddenly called from his home to draft a legal brief supporting President Kennedy's plans to throw a quarantine around Cuba. He dictated all night to stenographers who worked in relays.

When one of the girls fell asleep it was discovered that pages of her notes were illegible. Katzenbach calmly repeated the lines she had missed. Bobby Kennedy, who would unquestionably have hit the roof under similar provocation, was impressed.

When James Meredith's entry into the University of Mississippi provoked a 15-hour riot in September 1962, Katzenbach was sent to the scene to direct an army of marshals and National Guardsmen. All through the bloody turbulence Katzenbach reported to the White House by telephone. The composure of his messages drew comment.

Katzenbach could obviously keep his head under fire; the time came in June 1963, to find out just how tough he was. Governor Wallace, of Alabama, was announcing that he would stand in the doorway of the University of Alabama and stop the registration of two Negro students. Katzenbach was sent to confront him and his tall frame, bald head, and stern gaze became familiar to a great American audience in the televised encounter which followed.

Katzenbach, a chain smoker, remembers that occasion mainly because he had to act dignified and a cigarette would mar the act.

"It was hot, over 100 degrees," he recalls, "and I was angry and frustrated because Wallace was putting on a show to make himself look like a big man. I hadn't written out any statement in advance so I just improvised. When I told him I wasn't interested in his show, he just glared."

Katzenbach had earlier conceived the strategy of sending the two students to their dormitory rooms rather than forcing their way through the door past Governor Wallace. The idea was to mock Wallace's performance as hollow. Later, the two students registered without difficulty.

"In the most tangled thickets of the law," wrote BOBBY KENNEDY later to the Senate Judiciary Committee, "and in the most profound of national crises, I and the entire Department came to lean heavily on his wise counsel, his deep understanding, and his unfailing fortitude."

Katzenbach's predecessor holds few men, especially of his own age, in such high esteem. He was voicing a sincere tribute to a trouble shooter who had rarely been without trouble.

On Capitol Hill, Katzenbach became noted for another quality—an infinite patience with congressional leaders torn by conflicts over the civil rights controversy.

Through long days and nights, he negotiated with the lords of both parties, adjusting the Civil Rights Acts of 1964 and 1965 to a final form which could achieve legislative endorsement.

Senator DIRKSEN, of Illinois, the Republican minority leader, who has watched executive department heads come and go for three decades, labored with Katzenbach for months and came up with this verdict:

"He's a brain. He can master the details of the most complex bill. More importantly, he's level-headed, keeps his feet on the ground, rolls with the punches and takes on all comers."

Katzenbach lost his temper only once—when a Texas Congressman, Representative JOHN DOWDY, Democrat, said he'd been informed that Katzenbach had cleared the constitutionality of the Voting Rights Act with five Supreme Court Justices, including Chief Justice Earl Warren.

This accusation of the grossest impropriety was described by the Attorney General as so incredible and irresponsible a statement that it would have been unworthy of comment if made by anyone other than a Member of Congress. He called the charge utterly false and DOWDY subsided.

DIRKSEN and other congressional leaders, Democratic and Republican, agreed that Katzenbach was incapable of such an act and indorsed his wrathful reaction. They have some reservations about the new Attorney General, however, which will not be resolved until he has been longer in office. They will watch with interest, and so will the business community, to see how he uses the antitrust laws which give the Justice Department a great power to police the American economy.

Katzenbach ridicules newspaper reports pretending to reveal either a soft or tough antitrust policy in the Justice Department. What does it matter, he says, if the Department philosophy is either too timid or too militant—"the Department proposes and the Supreme Court disposes." There can be no uncertainty, he says, about prosecuting such illegal activities as price-fixing but there is a great area of uncertainty about business mergers which are constantly increasing—by 20 percent in 1964 over 1963. Less than one percent of these have been questioned by the Department, he noted. He thinks clearer guidelines are needed.

He is seeking the cooperation of industry in establishing these guidelines, pledging an informed recognition of the nature and legitimate requirements of business. Afflicted as he is with a tendency to look at both sides of a question, the speculation is that he will not become notorious as a trust buster.

After moving in the storm center of the racial struggle for more than 2 years, Katzenbach has some pungent views on the tactics employed by certain leaders which are not pleasing to him. With his own stature as a foe of discrimination unassailable, he can voice criticisms avoided by timid politicians.

On the day he was interviewed, a line of picketers marched in front of the Justice Department Building, carrying signs marked "Stop brutality in Mississippi" and "Put justice back in the Justice Department." They were young and they were enjoying themselves singing and laughing.

Such futile demonstrations depress Katzenbach. He is against demonstrations for demonstrating's sake. A march of southern Negroes can be a dignified act, he says, but he has some doubts about the ministers who desert problems in the North to fly to Selma, Ala.

"They are less quick to see the problem back home," he says. "If they don't, the problems are going to get worse. Better education, better housing, better job opportunities require local leadership. We have a militant group of ministers here in Washington but I doubt if they are doing all they could to solve these problems here and I know we have them."

His patience was severely tested in March when a chanting group of some 25 Negro and white demonstrators invaded the corridor outside his fifth floor office, demanding Federal intervention in the Alabama civil rights struggle. They sat down and stretched out on the floor, swearing they would not move until Federal protection was provided for the march from Selma to Montgomery.

Katzenbach in his shirt sleeves, came out and tried to talk them into leaving. He hunkered down to talk to them and at one point got down on his hands and knees.

"I can understand your feelings but your sitting here will not influence my decision," he told them. "I'd appreciate it if you left pretty soon so I can get my work done."

The singing did not lessen during his talk and one youth later apologized to Katzenbach for "the shameful way they treated you." Police and building guards, pushing and dragging, finally removed them.

He has sympathy for youthful demonstrators if they are sincerely concerned and not out for a lark. In a commencement address at Tufts University, June 6, he expressed a preference for young people who throw themselves into an area of social controversy over those who ignore such problems. But he had scorn for those who involve themselves unthinkingly or for diversion.

"Picketing becomes pointless, silly, and even harmful when it serves only as a substitute for goldfish swallowing or a panty raid, or as a catharsis for a dull weekend," he told the graduates.

Although he is concerned about the probability of renewed racial violence this summer, Katzenbach's overriding worry is the steadily increasing crime rate in the United States. He sees real danger ahead unless a major attack upon this problem achieves some success.

Although he dissents from violent criticisms of the courts as seemingly more concerned with the constitutional rights of criminals than of the citizens they attack, he is aware that there is a discrepancy between the lawbooks and reality.

He sympathizes with the police who are frequently frustrated by court rulings which free criminals on technicalities.

"There is a tendency in this country to beat the police over the head," he says. "There is a terrible failure of communication between police, bench, and bar. The police have a persuasive case which has not been articulated. I do not believe the police of the country have put their case well. By and large, they wind up getting the short end of the stick.

"On the other hand, we can't just pass laws to make the cops happy, only to see them ruled unconstitutional."

Katzenbach has set up an office of criminal justice in his Department, which is studying what the criminal law is, what it should be, and the reforms necessary. It is working now on the District of Columbia crime problem, which has been aggravated by a ruling barring confessions obtained by police during a period of "unnecessary delay" before booking.

Police, as a result, have been charging suspects almost immediately after arrest. This hinders questioning and it also sometimes results in a serious injustice to an innocent person, too hastily charged. The law, Katzenbach says, must provide an answer somewhere in the middle, permitting the police to do some questioning and still protecting the individual.

He tells a true story to illustrate the hypocrisy of some who attack such police procedures as stopping a suspect and frisking him for evidence.

A young law professor from New York left his brief case in his locked car and was shocked, when he returned, to find it gone. He called police who searched the neighborhood and discovered a man peering into parked cars. They stopped him, frisked him, and ordered him to open up a car, which he admitted was his. In the trunk was the missing brief case.

The agitated professor grabbed the man, shook him and yelled, "Don't you realize there are months of irreplaceable work in that brief case?"

"His concern was understandable," Katzenbach says. "The brief case contained his only copy of a long paper he had written on New York's stop-and-frisk law—attacking the law."

In the long run, Katzenbach believes, the crime rate will not subside unless major public support is enlisted.

"Fear of violence forces hundreds of thousands of Americans to live a circumscribed life," he says. "They are afraid to use public streets, parks, buses, or subways after dark. Much of this fear and much of the violence could be dissolved if more people were willing to step forward to help."

As long as American citizens watch crime in the streets but refuse to be witnesses because they don't want to be involved, crime will not be checked, Katzenbach says. People must accept responsibility for the preservation of law, risking loss or pain for a fellow citizen so that he, in turn, might on another occasion be willing to aid.

To a young girl who wrote, asking him to explain the law, he put it simply:

"Law is like the rules you set for your games. If one of your playmates cheats, it spoils the game for the rest of you. So all of you try to follow the rules because you know it is the rules that hold the game together.

"Law is just like that. It is the glue that holds our country together. If all of us always did exactly what we wanted to do, our country would fall apart. Most people respect the law. But there are always some who will try to do what they want to do—cheat or steal or even murder. It is up to the Attorney General to keep those people from breaking the law, to catch them when they do, and to encourage respect for law all over the country."

Organized crime corrupts government at State and local levels and increases crime in the streets, Katzenbach says. The rise in crime among young people is due to unemployment among school dropouts, "one of the biggest problems the country faces." But youth crime is also a suburban problem, unrelated to poverty, and in this area, he believes, parents "more interested in themselves than in their children," are to blame.

Most of the people crying for national leadership in the fight against crime do not realize that criminal acts like burglary, theft, assault, and robbery are outside the jurisdiction of the Federal Government. Not too long ago, the Justice Department was a legal agency which played a passive role, responding to the calls of its client, the U.S. Government, when necessary.

Under KENNEDY's leadership it launched a drive against labor racketeering and organized crime and now it is being called upon to battle all forms of crime on a national level. President Johnson has demanded that Washington, which has climbed from eighth to fourth among the cities of comparable size in its crime rate, be made safe for citizens. No progress has been reported so far except in the wrong direction.

Katzenbach has great hopes for the forthcoming Presidential Commission on Crime, a policy-shaping organization. He has started a grant-in-aid program to help State and local police departments and correctional institutions. This is a departure from tradition that could make him the national leader against crime and its causes.

His fertile mind has produced a great variety of additional suggestions. He has proposed new laws forcing immunity on reluctant witnesses and reform in the bail process. He believes the police are entitled to new weapons to replace the pistols, night sticks, and handcuffs which have been in use for a century. Why, he asks, not give a policeman a weapon which could stun a man into unconsciousness, freeing him from the necessity of shooting to kill?

As he sits in his huge office (where the irrepressible Bobby Kennedy occasionally let off steam by lobbing a football), Katzenbach has wry recollections of the craving for excitement he sometimes experienced when he was teaching his classes at the University of Chicago 5 short years ago.

It is no exaggeration to say that his problems are as massive and dangerous in their implications as those faced by any officeholder in Government, not excluding the President. There are more murders in the United States in 1 month than the total casualties to date after 4 years of American involvement in the war in Vietnam. Seven thousand major crimes are committed every 24 hours.

Katzenbach is serving under a President who is impatient for action on the crime front, aware that a Great Society must also be a safe society. The most powerful and prosperous Nation cannot long survive uncurbed lawlessness and moral decay.

Nor can an Attorney General in the Johnson administration, especially one without political sponsorship or following, long survive a constantly increasing crime rate without producing evidence that he can lead a devastating counterattack.

Katzenbach knows that directly beneath him in the No. 2 spot as Deputy Attorney General is Ramsey Clark, 37, the son of the President's old friend from Texas, Supreme Court Justice Tom Clark. The younger Clark has served as a special aid to the President and it is accepted in Government circles that he "keeps an eye" on Katzenbach and reports to the White House on Justice Department activities. If Katzenbach doesn't click, Clark is the heir apparent.

The Attorney General is seemingly unperturbable under the burden of his responsibilities. The only worry he will confess is over the 225 pounds which now pad his 6-foot 2-inch frame as the result of a sedentary life. He was an ice hockey star at Princeton and loves skating, skiing, and boating.

At 43, he is little changed in appearance from the college professor of 1960. But once famous for informal attire, rumpled clothing, a taste for color-clashing ties and shirts, he now wears well-pressed, dark suits and discreet accessories.

His calm confidence may come from a conviction that the fates which have been exceedingly kind to him are not about to desert him now. Nobody has come up faster in Washington, and few would dare predict that the ascent has ended.

SHRIMP IMPORTS

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. Thompson] is recognized for 30 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, I believe each of us in this body looks to one person, or some group, to lend us advice and counsel on matters in which we have no particular expertise. In the case of the shrimp industry, I know of no better authority than Mr. John Mehos, president of the Liberty Fish & Oyster Co. located in my hometown of Galveston, Tex. He knows his industry, both its aspirations and its problems. The latter he invariably approaches from a positive point of view. This is well pointed out in remarks he recently made at an industrywide meeting, which will follow immediately after these comments of mine.

Mr. Mehos refers to the problem of marketing an ever-increasing supply of imported shrimp coming into the United States from 66 nations throughout the world—Asia, Africa, Europe, and Central and South America.

Mr. Mehos points out that Mexican and United States shrimp producers have cooperated, through the Shrimp Association of the Americas, by financing an advertising program for 14 years, and a shrimp market has been created in the United States that attracts shrimp exports from all over the world; that if the shrimp world is to continue to benefit from profitable dollar sales in the United States, it is imperative that the shrimp advertising program be expanded; and that other shrimp producers of the world must join Mexico and the United States in helping to finance an orderly shrimp marketing program.

I think Mexican and United States businessmen have demonstrated what cooperation can do to develop foreign trade on a mutually beneficial basis. Members of Congress will recall incidents some years back when the Mexican Government seized U.S. shrimp boats in the Gulf of Mexico, and the domestic shrimp industry asked that Congress retaliate by imposing tariffs on shrimp. It was a happy day when American and Mexican businessmen met together to adjust their differences and organized the Shrimp Association of the Americas in 1951. Since then a series of frequent meetings have been held each year on both sides of the border. Today Mexicans and Americans not only settle their shrimp industry differences across the conference table, but they work together as a unit to build a better shrimp market in the United States. Their efforts have been successful, and they have earned the right to ask other nations utilizing the U.S. shrimp market to assist in financing a program to maintain and expand this market to the end that we may absorb the ever-increasing shrimp imports.

It is interesting to note that U.S. shrimp producers are not asking for tariff protection; they do not oppose shrimp imports; they do not protest duty-free shrimp coming into the United States. Instead they say to the shrimp world, "We welcome your shrimp. We can market it on an orderly basis provided you assist Mexico and the United States to expand the advertising program."

Mr. Mehos points out, however, that if this appeal fails, there will be no alternative for domestic producers but to seek tariffs and quotas.

I feel confident that businessmen of shrimp exporting countries will gladly join Mexico in making contributions to be used for an expanded advertising program. Surely American shrimp importers will encourage and assist their foreign principals to this end.

I am sure Members of Congress, and particularly my fellow members of the Ways and Means Committee, will be interested to know what progress is being made in these joint efforts of shrimp producing nations to expand the U.S. shrimp market, and I shall report to Congress from time to time. News has just reached me that firms in Nicaragua and Barbados have now joined Mexico in this program. I hope shrimp firms of other nations will soon follow.

In the meantime, I share Mr. Mehos' desire and willingness to solve this problem by a cooperative effort among shrimp producers, both foreign and domestic; however, if this cannot be accomplished then we must look for an alternative approach; namely, quotas and tariffs. The later is not appealing to those of us who wrote the Trade Expansion Act of 1962. When that measure was before our committee we who supported it did so in the spirit of reciprocity and cooperation. If these two important factors are lacking we have no choice but to seek redress. Our domestic shrimp market is open to all who have produce to sell, but they must at the same time, as well as for their own benefit, assist in insuring that the market is stable and one that will return a fair share to all who participate in it.

I place Mr. Mehos' remarks and a table prepared by the U.S. Bureau of Commercial Fisheries showing shrimp imports from 1940 through 1964 in the Record with my remarks. The table shows that shrimp imports have increased from some 40 million pounds in 1950 to over 154 million pounds in 1964—an increase of 284 percent in 14 years. Imports are expected to be even higher in 1965 and in future years. In 1950, 18 nations were exporting shrimp to the United States. In May 1965, 66 nations exported shrimp to the United States.

The matter referred to follows:

Remarks of John Mehos, President, Liberty Fish & Oyster Co. of Galveston, Tex., at the Annual Meeting of the Shrimp Association of the Americas, Miami Beach, Fla., June 21, 1965

A serious market problem is facing the shrimp industry today, and I want to explain to the shrimp producers of the world our concern and to suggest a remedy.

The United States is virtually the only substantial market for shrimp, and for the past several years imports have been steadily increasing. At times consumption of shrimp has kept pace with increased production, and producers have enjoyed a favorable market. At other times the market could not absorb rapidly increasing imports and producers, both foreign and domestic, suffered reduced prices. Our U.S. consumer market has been a fluctuating and unstable one. Its history has been one of extreme peaks and valleys. Today sales are brisk—tomorrow inventories pile up. Later the same cycle repeats itself.

Many of us now foresee adverse conditions for 1965 and the years following which can lead to one thing only—a very serious oversupply of shrimp and sharply reduced prices.

During the past year the industry has experienced a greater development of new shrimp resources than at any other time. Very substantial investments are being made in new trawlers, processing plants, and equipment in countries which had no shrimp industry but had very large shrimp potential in adjoining waters. And tremendous expansions are going on in countries which until now had developed only small industries. Without any doubt, the next few years will see a tremendous increase of shrimp supplies from every part of the world, all coming into the United States consumer market which cannot possibly absorb the increased production unless effective measures are applied. Unless such measures are applied, a serious market situation is inevitable.

U.S. producers are convinced of this and have considered asking the U.S. Congress to apply regulatory quotas and tariffs so as to keep imports in balance with consumption. They asked for such regulation not too many years ago when the situation was not as serious as it is now.

But before moving toward quotas and tariffs, the United States and Mexican shrimp producers have chosen another solution—that of an industrywide advertising program which would include foreign producers, importers, and domestic producers. For some 14 years the United States and Mexican producers have shared the burden of an advertising program without any help from other countries. While the program has been very beneficial, it is no longer adequate in view of new developments.

Accordingly, we have organized the International Shrimp Council, the sole purpose of which is to gather funds from producers throughout the world on a sustained basis and to apply the funds to a substantial and well-conceived advertising program that will expand the market and increase consumption of shrimp from year to year. If such a program is not developed, economic disaster to all producers will surely follow.

Until now the entire burden of supporting the market has been borne by United States and Mexican producers. They have also furnished the funds to organize and administer the International Shrimp Council. They cannot continue without assistance.

U.S. shrimp importers and some foreign producers have recognized the problem we are facing and have joined the International Shrimp Council and are contributing funds. Among them are the Crest Importing Co., the Tupman Thurlow Co., the International Fisheries Corp., the Barbados Seafood Co., and Booth-Nicaragua.

Should our approach to this problem fail due to lack of support from foreign producers, domestic producers will have no alternative but to turn to quotas and tariffs.

We would much prefer, however, that the shrimp businessmen of the world, who are utilizing the U.S. shrimp market, follow the precedent established by our Mexican friends and join with us in expanding the market. Every dollar contributed would be used exclusively to advertise shrimp.

U.S. imports of shrimp, various years, 1940–64

[In thousand pounds]

Country	1940	1950	1960	1961	1962	1963	1964
North America:							
Mexico	4,913	39,653	73,583	79,181	77,665	76,512	72,122
Panama	------	143	8,423	9,892	10,117	10,258	12,122
El Salvador	------	------	6,697	8,093	7,156	6,667	6,296
Guatemala	------	------	257	743	2,298	1,943	2,207
Nicaragua	------	------	266	803	1,971	1,611	2,520
Costa Rica	------	------	461	1,321	1,671	1,508	1,976
Honduras	------	------	361	227	379	835	698
Canada	22	89	332	249	161	417	174
British Honduras	------	------	1	1	30	7	5
Canal Zone	------	148	------	------	------	312	125
Other	------	25	378	80	190	374	1,628
Total	4,935	40,058	90,759	100,590	101,638	100,444	99,873
South America:							
Venezuela	------	------	343	2,469	6,341	5,790	7,904
Ecuador	------	------	4,192	4,684	5,121	5,631	5,759
British Guiana	------	------	3,568	3,506	4,129	5,509	5,502
French Guiana	------	------	------	------	------	2,789	2,961
Colombia	------	------	2,174	1,873	2,207	1,870	1,774
Surinam	------	------	381	447	1,036	1,205	1,323
Chile	------	------	739	537	629	348	195
Peru	------	------	256	358	387	367	308
Uruguay	------	------	------	------	150	------	------
Brazil	------	------	43	------	57	8	34
Argentina	------	------	64	20	9	------	------
Total	------	------	11,760	13,894	20,066	23,517	25,760
Europe:							
Spain	------	------	225	446	501	442	536
Denmark	------	------	81	112	85	61	67
Norway	2	69	110	71	62	59	55
Iceland	------	(1)	92	70	(1)	------	2
United Kingdom	------	(1)	1	59	(1)	(1)	38
Italy	------	3	------	30	------	------	------
Other	22	5	8	51	75	8	81
Total	24	77	517	839	723	614	779
Asia:							
India	------	------	2,892	3,220	5,616	9,951	10,232
Japan	55	58	2,947	1,823	3,922	4,084	2,891
Pakistan	------	------	1,018	1,686	3,156	3,685	4,812
Republic of Korea	------	------	93	171	1,755	2,151	1,294
Iran	------	------	1,226	1,953	724	87	682
Hong Kong	44	------	3	14	568	334	27
Thailand	------	------	40	35	250	888	573
Other	6	5	340	317	682	4,312	6,131
Total	65	63	8,559	9,219	16,673	25,492	26,642
Australia and Oceania	------	(1)	155	36	289	365	133
Africa	------	------	1,668	1,650	1,794	1,098	1,390
Total imports	5,024	40,198	113,418	126,268	141,183	151,530	154,577

[1] Less than 500 pounds.

Source: Bureau of Commercial Fisheries, "Fisheries of the United States," 1961, 1963, and 1964.

A REPORT CONCERNING MY SON, MIKE REUSS, AND ON HUMAN RIGHTS IN THE STATE OF MISSISSIPPI

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 60 minutes.

Mr. REUSS. Mr. Speaker, I wish to report to Members on what I have seen and learned in the State of Mississippi over the past few days. I had not intended to visit Mississippi over the weekend, but as long as I have I wish to share what I have observed.

My son, Mike, is 18. He has completed his freshmen year at Stanford University, Palo Alto, Calif. He did well scholastically at St. Alban's School here in Washington, from which he was graduated in June 1964. He was on the school newspaper, and won his letters in football, track, and wrestling, of which latter team he was captain.

Together with other college students from Stanford University and elsewhere, he is spending the summer in Mississippi. His mother and I would have preferred him to have stayed with us, but his goal of helping to register voters and to teach children in Mississippi to read and write seems to us a good one, and we approve it.

Mike has been spending the summer at West Point, a community of around 11,000 which is the county seat of Clay County in east central Mississippi. Clay County contains about 22,000 inhabitants, about equally divided between white and Negro. I have visited the county twice this summer.

As of the start of this summer, I am informed that out of all Clay County's many thousands of eligible Negro voters, only 21 were registered to vote. Since then, several hundred more have been registered.

Mike has also been running a school, held all day long in a Negro church, to teach reading and writing to young Negroes, from the age of 5 or 6 up to 19. By our Voting Rights Act, signed by President Johnson last Friday, the Negro's right to vote has been vindicated. Certainly anything that can be done to help Negroes to acquire an education will mean better-informed and more responsible citizen-voters.

So I find my son's work in Mississippi both useful and meaningful.

Now, as to the story of the last few days. It starts with the education of Negroes in Clay County.

The education of Negroes—or lack of it—is what has led to protests in the last few days. The protests have led to arrests. The arrests led to a charge of manslaughter against my son. The charge led to my trip to Clay County over the weekend. The trip led to this report.

Negroes are totally segregated in their own schools in the county. But more than that, Negro education in Clay County, as I have seen with my own eyes, is not only hopelessly inferior to the education of white children there but is, I believe, totally inadequate and unfit for American citizens anywhere.

Take the case of the Beasley School, an all-Negro combined elementary and high school near Pheba in western Clay County, some 18 miles west of West Point. I attended a meeting at the Mount Zion Church near the school last Sunday to hear firsthand from the school parents and children about the school.

Beasley School has a normal enrollment of around 600 children.

The school on the outside does not look bad. It is what goes on inside that is appalling.

Children through grade school and high school are being taught with almost no schoolbooks. The schoolbooks they have are hand-me-downs from the white school, antiquated and with many pages missing. There is no complete encyclopedia set. In the high school biology class with 30 students, a 14-year-old girl told me that there were only 3 biology books, with many missing pages.

I tried out a number of 8- and 9-year-old children on reading, and found that they could read numbers but not words. There are no courses offered in the elementary skills which would occur to one as desirable in a Mississippi high school—farming or mechanics for the boys; stenography, cooking, sewing, or home economics for the girls. The science classes have practically no equipment. There is no microscope, no chemistry materials, no bunsen burner. One 22-year-old graduate of the high school reported that he was totally unprepared for his college science course.

The school lacks a full-time janitor. Instead, the driver of the schoolbus is delegated to act as janitor, but many of the janitorial services are performed under compulsion by the students as punishment.

The parents have attempted to form a parent-teacher's association, but the school board has discouraged it and forbidden a PTA to meet in the school.

There were many complaints about the physical facilities. There is no cafeteria, no library, and no gymnasium. The playground equipment consists of one swing. The roof leaks. There are not enough desks, and some of the children have to use folding chairs to write on. In 1 classroom, designed for 30 students, some 59 sit. The school is inadequately heated in winter. Sessions of the school are also held in July and August, so as to "free" the students for cotton picking in the fall when the school is closed. There is no protection against the heat, which is overpowering, by fans or anything else.

The parents of the Beasley School children several weeks ago made a petition for redress to their school board, the text of which follows:

PETITION

We, the parents of children in the Beasley School District, insist that the following 21 demands for our school be met now.

1. We want new and modern books for each child in school, and an end to parents paying for damages on books which were damaged when their children received them.

2. We want a new principal who will work to meet the needs of the school, and who must be approved by the parents.

3. We want teachers chosen because of their qualifications and not because they are friends of the principal. Whenever possible, we want teachers to come from our own communities.

4. We want a good library.

5. We want another building so there will not be overcrowded classrooms.

6. We want adequate playground equipment for the children.

7. We want a gymnasium so that each child can have physical education each year.

8. We want a cafeteria for the children.

9. We want the school well heated in winter, and either air conditioned or provided with fans for hot weather.

10. We want a full-time janitor who isn't a bus driver.

11. We want equipped laboratories so that science classes may do experiments.

12. We want science courses offered in chemistry and physics.

13. We want more languages taught.

14. We want courses on farming, mechanics, electronics, and other industrial courses.

15. We want enough working typewriters in the school so that each student can learn typing if he wants to.

16. We want courses in stenography and shorthand.

17. We want a course in Negro history.

18. We want our children to be punished fairly, not be forced to do janitors' work or any other kind of work for punishment, and not be whipped to be hurt.

19. We want the 7th, 9th, and 12th grades to be integrated this fall as well as the 1st and 2d; and we want integration to take place by assigning the children in these grades geographically with school zones drawn so that classes will be totally integrated, and whenever possible, children attend the school nearest to them. We do not want integration to be by the free choice plan.

20. We want a Parents-Teachers Association (PTA) to be allowed to hold meetings in the school, in order to work out problems in the schools together.

21. We want the split session to be ended and school to reopen in September.

During the last few weeks the children of Beasley School, and other children like them in Clay County, have been boycotting the school. Perhaps two-thirds of the children have been absenting themselves.

Two weeks ago, four civil rights workers were peacefully conducting a school for these children in a neighboring Negro church. Clay County Sheriff Joe Strickland entered the church and arrested the four while they were conducting their class.

Last Thursday, August 5, some 60 Beasley School Negro students were walking down the side of the dirt highway near the school in protest against school conditions. Sheriff Strickland arrested many of them, including several children as young as age 7.

On Friday, August 6, about 70 persons, white, and Negro, including my son, Mike, were peacefully walking down the sidewalks of the county seat, West Point, carrying signs in protest against the conditions at Beasley School, and the arrests the day before. Sheriff Strickland arrested some 20 of them, including Mike. The charges were the usual ones—breach of the peace, obstructing traffic, resisting arrest, and so forth.

At the Clay County jail, those arrested were lined up and searched. A Mississippi police officer, Mr. B. Cowart, was among those "processing" the prisoners. My son, Mike, says that he did not touch Mr. Cowart, and Sheriff Joe Strickland, who was there, agrees that Mike did not touch the officer. After being "processed," Mike was then taken into another room in the jail. Meanwhile, Officer Cowart "processed" at least one other prisoner, a Mr. Jackson, and then collapsed and died of a heart attack. He had a history of previous heart trouble and at least two previous heart attacks.

Sheriff Strickland proceeded later Friday afternoon to file charges of manslaughter against Michael Reuss for the death of Mr. Cowart. Saturday morning, August 7, Clay County District Attorney Harvey S. Buck filed a written statement dismissing the manslaughter charge as unfounded, finding "that Officer Cowart died of a heart attack and not as a result of the actions of Michael Reuss."

My son, Mike, was released from the Clay County jail later Saturday afternoon.

Early Sunday morning, August 8, some 58 shots were fired at the house near Beasley School where four other civil rights workers were staying. By some miracle, no one was killed. An investigation is being conducted.

Although I urged Michael for his own safety to return with me to Washington, he has decided to stay in West Point for the rest of the summer, and I respect his decision. Neither he nor I are prepared to accept the idea that Mississippi is no longer a part of the Union, or that an American citizen may not visit it.

That is about it. But before leaving the subject of my son, Michael, I want to thank with all my heart the many fine people who have pitched in over the weekend to see that fairplay and justice prevailed. I cannot mention them all, but I here refer to the Lawyers Committee for Civil Rights Under Law, formed at the request of the President of the United States, and particularly its cochairmen, Harrison Tweed and Bernard G. Segal, its secretary, Lloyd N. Cutler, its executive director, Berl I. Bernhard, and its lawyers present in Mississippi, John H. Doyle and Attorneys Carlson and Broad; William Kopit of the American Civil Liberties Union; James Shellow and Robert Amory; many officials of the Department of Justice; and so many of my colleagues, from North and South alike, who have understood a father's concern.

Now I wish to add a few words about the future of Mississippi. It is time now to end the reign in Mississippi of lawlessness and violence, of discrimination and repression, of ignorance and poverty. Voting rights are necessary, but voting rights by themselves are not enough.

I appeal to the many good and decent people of Mississippi—and I have met many of them—to make common cause with the good and decent citizens of the other 49 States for a return to the rule of law, of justice, decency, and of human progress.

No one wants more than I that the State and the people of Mississippi restore law and order and the safety of person and home to all the people of Mississippi, black and white, so that the presence of Federal investigators and Federal law enforcement officers may pass.

No one wants more than I to see the ballot fully opened to all Mississippians, by Mississippians, so that the conduct of elections may be returned to a Mississippi that has freed itself and found itself.

But while waiting for these things, it is important that men of good will in Mississippi, white and black, have the sympathy and the support of all Americans as they start the long road upward toward economic and social progress and development. Specifically, nothing would make me happier than to see a dozen regions and counties and areas of Mississippi, from the hills to the plains to the delta to the gulf, prepare and carry out local development programs, calling on the Federal Government for all the help that is needed. Such programs could encompass the whole range of development:

First. Let these local groups ask the Area Redevelopment Administration to make economic surveys and development plans for each area, defining the jobs and factories which are needed to soak up the unemployment and poverty that now prevails. It is not a solution for the millions of Negroes in Mississippi all to migrate to northern slums; decent opportunity should be provided for them in Mississippi. An economic survey is the first step.

Second. With the surveys made, the groups could get moving to set up job opportunities in community after community. Again, Area Redevelopment grants and loans and job training programs are needed on a massive basis. But private industries are needed above all, and our great national corporations can once again demonstrate their patriotism by setting up enterprises in Mississippi which will give jobs and turn hopeless people into productive citizens.

Third. The full force of the war on poverty and the Office of Economic Opportunity should be brought to bear. Every region in Mississippi should have a work-study program, job retraining, Operation Head Start, community centers, and the other aids available through the Office of Economic Opportunity.

Fourth. The Housing Act of 1965, signed by President Johnson this noon, can furnish decent homes to thousands of Mississippians who are now living in shacks unfit for any American. For example, the section of the new law relating to nonprofit private housing development makes it possible for a church group, or a cooperative of neighbors, to band together and get a mortgage on a housing project under very favorable terms—a 100-percent mortgage, extending for as long as 40 years, and at a low, 3-percent interest rate. With low Mississippi land costs and building costs, it should be possible to build simple but decent homes for people at very reasonable costs per room. And for those too poor to pay even these costs, there is the rent supplement program. Take, for example, a Mississippi family living in a shack, with a family income of $100 a month. A church can build a cooperative housing project in which a family unit might well rent for, say, $75 a month. Under the rent supplement program, a subsidy is available to cover the difference between 25 percent of the family income—with a $100 a month family income, this would be $25 a month—and the rental charge of $75, or a total subsidy of $50 a month. Thus, if local people can initiate such projects, maybe the sun can start shining through.

Fifth. The Education Act of 1965 is beamed specifically at poverty areas. Mississippi surely qualifies here. Along with school integration, let there be an abundant use of this act to build Mississippi schools, pay teachers' salaries, and teach remedial reading to those who have so far never had a chance. The Teacher Corps recently proposed, which I hope will soon become law, can result in the services of highly skilled teachers to supplement this program. Let us integrate the schools at a high level, not a low.

Sixth. Health is also a field for a complete breakthrough. The medicare law signed a few days ago can give older Mississippi citizens decent medical and hospital care for the first time. And when the President's program for 32 regional heart-stroke-cancer hospital centers is enacted, as I hope it will be shortly, what could be finer than to have Mississippi be one of the first to qualify for such a center?

Seventh. As Mississippi blooms with new jobs, and better schools and health facilities and welfare programs, there will be a great opportunity for small business. Negroes, particularly, ought to be encouraged to set up radio repair shops, nursing homes, auto repair establishments, cleaning and dyeing shops, and the whole range of retail and service industries. The Small Business Administration has a wonderful program, operated in conjunction with the war on poverty, to set up Small Business Opportunity Centers to counsel small businessmen on how to apply for SBA loans, and how to conduct their accounting, credit, and marketing operations. Loans under this special program of up to $25,000 are made at reasonable interest rates for as long as 15 years, and, where the applicant gives promise, without the usual requirements for collateral and an equity by the applicant. These liberal terms can provide another great breakthrough.

As a national Congressman, I stand ready to do what I can to help Mississippians, working with their own Federal, State, and local representatives, to initiate these programs and to carry them through to a successful conclusion. From my visits to Mississippi this summer, I know there is a great local desire to get moving forward on programs such as these. From my conversations with many of my colleagues here in Congress, I know that scores of us would welcome the role of consultant and adviser to see that these programs get all the help from Washington that they need.

The solution for the Mississippi problem is mainly for the people of Mississippi. But the people of the other States of the Union have a deep interest, too, in constructive action. Let us now move together, North and South alike, and put this nightmare of our history behind us.

In 1865, a reconciliation was started that failed to work. It failed to work because much of the North was vindictive, and most of the South was adamant. In 1965, let us start a new reconciliation that will work. The development program I have outlined is something on which, for once, the North and the South, the Negroes and whites of good will, can work together. For it is good for all of us.

Let us begin to heal the wounds.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I want to congratulate the gentleman from Wisconsin on his superlative and statesmanlike message here today. I think one of lesser character might have resorted to a great deal of vindictiveness in view of the very unfortunate occurrence to his son Mike over the weekend. Through Mike's father, Mr. Speaker, may I extend my congratulations to the young man for what he is doing over the summer and for the attitudes he has shown. I stand ready to join with the gentleman from Wisconsin in the program he has announced and to offer with him such help as I can offer in furtherance of this program, this very fine program, which he has outlined. It has been my thought, Mr. Speaker, for some time that one of the fine aftermaths of the passage of the voting rights bill will be the unleashing of greater educational opportunities for the Negroes of Mississippi and other States. I have felt that there was a direct relationship between the right to vote and the educational programs in many parts of Southern States, not in the way that people usually believe, that the right to vote will follow education, but I believe that education will follow the right to vote. When I served at the United Nations, among my duties was that of dealing with the colonialism questions. In one of the countries of Africa particularly, the right to vote was granted only to those who achieved a certain educational standard. The educational standard included a high school education. Facilities were made available for primary school education of the children, but when I spoke to some of the officials in the country I was told that there were not sufficient funds available to continue the education of those coming out of the primary schools.

I have the same feeling that this is what occurred in many of the Southern States, that perhaps there was a repression of education, perhaps there was not a granting of sufficient educational facilities, hoping in this way that the right to vote would not follow because of a failure to be able to pass the so-called literacy test.

Now that those barriers are being broken down, I hope and I anticipate that more educational opportunities, a type of increased and expanded educational opportunities, will be made available to a degree that has never been made available before in the South for Negroes.

Again, let me congratulate the gentleman upon his very splendid statement.

Mr. REUSS. I thank the gentleman for his expression of "malice toward none and charity for all" which is worthy of another earlier great Representative from the State of Illinois.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I am glad to yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Mr. Speaker, it has been within the last hour that I was in my office talking to a constituent from my district who, like Mike, is a student of Stanford University and who now for about 2 years, like Mike, has worked in Mississippi—expressing his concern about other Americans who have not been so fortunate.

In my district I have, besides this student I talked to an hour ago, other college students who have been spending their days and their weeks and their months down in various towns in Mississippi, carrying on the same kind of work, trying to help in the schools, to teach reading and writing, trying to teach other things that are accepted as commonplace in other communities in this land. I think I know something about the thoughts of the gentleman from Wisconsin, the very, very distinguished Representative from that area.

I do not know how many times during the last 2 years I have received calls in the middle of the night, or 3 or 4 or 5 o'clock in the morning, from a parent who said that his daughter or his son had been arrested and had been placed in jail in Mississippi and was there anything I could do about it.

I must say to the gentleman from Wisconsin that in the various arrests with which I have had experience through constituents from my district civil right workers—I never yet have seen the equivalent of the ordeal which your son went through in being arrested on manslaughter charges because a man died of a heart attack. This was really the height of the ludicrous. Nevertheless, I am sure there were hours of anguish for father and for son.

May I also join with the very distinguished gentleman from Illinois [Mr. YATES] to congratulate you on your excellent statement, the program which you have outlined that might bring about reconciliation. Certainly if we as Representatives and as Members of this Congress lose concern about people—then we might just as well quit being concerned about the country, for concern about individuals is the most worthwhile work in which any of us might be involved. In your remarks, you also touched upon a problem that is before one of the committees on which I have the privilege of serving, and that is in connection with the minimum wage. Attention was focused on it when there was discussion about bringing the sharecroppers under minimum wage. Prior to the hearings on the minimum wage I had been told of conditions in the schools that had been described to me in a way very similar to the way you described them in the last 20 minutes. I do not believe that the majority of the American people realize that it is only the Negro schools in Mississippi that are now in session during these months of July and August, and that the white schools do not begin their sessions until September; the white schools have the same kind of term as the schools in the city of Portland, Oreg., or in Wisconsin, or in most other places.

But, the schools which the gentleman has described so accurately are open in the searing months of July and August when the temperature is 95 degrees—so the children can be released during cotton chopping time, during the cotton season, and the Negro children—not the white—from the first grade up go out into the cotton fields and work. We talk about integration of schools. Here we have Negro schools set up and run to serve not the best interests of the Negro children—but to serve the economic interests of the area.

Mr. Speaker, this is a situation that the people of my district would not tolerate and I believe it is a situation which the constituents in most of the districts of the Representatives of this Congress would not tolerate.

Mississippi is an accentuated illustration of the other America. The pattern has not yet been broken, in spite of the courage of students like your son, ministers, and lawyers who have sought to educate through the freedom schools and arbitrate with the help of Federal laws. There are yet many areas to which the force of law can be applied to break the pattern, which is as much economic as social.

The example of the Negro in the civil rights movement has served a very useful and needed moral function in the past few years—for we have been forced to examine not only the narrower problems of segregation and job inequalities, but the entire insidious pattern of poverty, fear, and degradation in the United States.

So, I believe the gentleman from Wisconsin has rendered a real service in bringing this statement to the floor of the House today.

May I also again through the gentleman congratulate his son Michael as I have congratulated the young dedicated college students in my own district who have really risked their lives so that they might make life a little more worthwhile for others.

Mr. REUSS. I am deeply grateful to the gentlewoman from Oregon.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Speaker, I should like to join the gentlewoman from Oregon [Mrs. GREEN] in commending the gentleman from Wisconsin [Mr. REUSS] for his remarks here today.

Mr. Speaker, I feel that in his remarks here today the gentleman has given a new eloquence to American dignity. His compassion for the people and the victims of poverty and prejudice in Mississippi can indeed be extended to compassion for all Americans.

Mr. Speaker, I feel that the program which the gentleman has enunciated here today is one around which all Americans can rally.

I was very much impressed with his recital of all the things that are available, the measures that have been approved by this Congress, in order to help those who have been victims of poverty and prejudice.

Mr. Speaker, I am reminded as the gentleman stood in the well of the House with all of his dignity of a similar appeal made just the other day by a great mayor, the mayor of the city of Chicago, Mayor Daley, when under similar circumstances he said:

> Let us not be disunited by those things that divide us; but, rather, let us rally around all those things that unite us.

Mr. Speaker, I feel that the compassion about which the gentleman spoke here today and the program that he outlined indicates all the things that unite us, the strong desire to let all Americans regardless of their race or national origin or their religious beliefs share in the bounty of this great, beautiful, wealthy America.

So, Mr. Speaker, I hope with the gentleman's fine remarks here today we may see the beginning of a new era not only in Mississippi but wherever there is division among Americans.

Mr. Speaker, in this great day of crisis, when we are confronted with problems in Vietnam—just before the gentleman from Wisconsin spoke the gentleman from California [Mr. ROOSEVELT] spoke on the problems which exist in the Middle East—indeed, Mr. Speaker, the gentleman in the well [Mr. REUSS] has laid down the gauntlet for a breathtaking, telling and imaginative program for all Americans to join together wherever similar problems exist and I wish to congratulate the gentleman for his compassion and his deep understanding.

Mr. Speaker, I feel that the gentleman has made a profound contribution around which all Americans can rally, and I congratulate him.

Mr. REUSS. I thank the gentleman from Illinois for his heartwarming offer of support toward a new reconciliation which can show the people in Mississippi that the people of the other 49 States would applaud and help in their progress toward a better life for all our people, white or Negro.

Mr. MARTIN of Alabama. Mr. Speaker, would the gentleman yield to me for a moment?

Mr. REUSS. I yield to the gentleman from Alabama.

Mr. MARTIN of Alabama. Mr. Speaker, I thank the distinguished gentleman.

I recall a moment on the floor of the House of a few months ago when we were debating the Green amendment to the education bill, I said on the floor that Mississippi and other Southern States needed just what they said in the educational system, additional money and additional funds, but I recall that the majority on the gentleman's side of the aisle voted against an amendment to provide additional funds for Mississippi. Further, I have just finished a letter today addressed to a Methodist bishop by the name of Bishop Lord. I happen to be a Methodist.

We must do something other than just governmental activities to solve this problem. We have wonderful Negro families down there, and they need economic help, they need it now. I suggested to Bishop Lord that we of the church help Negro families by assisting them to move where they can get an immediate job, immediate help, love, a greater understanding of Christian fellowship, into those areas that have very few Negroes, but a lot of opportunities.

I am going to send the gentleman a copy of my correspondence because there are so many ways we can work to solve it. We have to do it in areas that will give immediate assistance. In your own State you could help in providing opportunity and jobs, taking the Negro families off the welfare rolls, get your church to sponsor that and move them into other States. Let us move into an area of love and understanding of our fellow man.

I will send the gentleman a copy of my correspondence.

Mr. BEUSS. I appreciate that, and I will read it with interest.

Let me say that in our great country we should have freedom of movement from State to State; let people go wherever they can be happiest.

Having known Mississippi not only this summer, but as a second lieutenant at Camp Van Dorn in the Magnolia area some 23 years ago, I think Mississippi is a beautiful State. I think people like to stay there. I think that thousands and thousands of Negro families in Mississippi want to stay there because this is their way of life, this is the landscape they know. These are the prairies, the hills and the delta in which they have grown up. If we can work together to give poor people, Negroes and whites, an opportunity, a little hope for the future, better schools, some decent health programs, jobs, and the opportunity to smile once in a while, you will be surprised at how many citizens of Alabama and Mississippi want to stay down there. In years to come, if the congressional representation for Mississippi and Alabama has to be increased, because instead of the population trend going down it goes up, I will be glad to sit at the welcome table when the new Representatives arrive.

Mr. MARTIN of Alabama. I agree with the gentleman that Alabama and Mississippi are among the greatest areas of the world to live in. We all want to live there. But those who are economically distressed, those who cannot get employment, and those that the great movement have left behind, whose technological skills have been confined to the cottonfields, they could be assisted if we would not close our minds to actual physical assistance, because we can reach down into those areas where there are populations of 60 percent Negro, no possibility in their lifetime unless gentlemen like yourself with dedication and understanding will move forward. We can do it a great deal better, with understanding, more love, and more opportunity for these wonderful people in their lifetime, not tomorrow, but today.

I thank the gentleman.

Mr. REUSS. I have great faith in the economic future of Mississippi and Alabama, and other places in the Deep South. I want to do everything I can to make that economic future come true. I may say to the gentleman I see no reason under the sun why economic development cannot occur right at home in Mississippi and Alabama so there are jobs and opportunities for all of the people.

MICHAEL REUSS

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. ABERNETHY] is recognized for 30 minutes.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. ABERNETHY. I yield.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that on tomorrow, following the regular order of business for the day and any special orders heretofore entered, I may address the House for 45 minutes and revise and extend my remarks and include extraneous matter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ABERNETHY. Mr. Speaker, in these troubled times, I guess there is no part of the country that has had more troubles, or that has had visitors who have brought more troubles upon them, than the area from which I come. Such is what brings about this discussion.

This is my 23d year in this House. I have made a lot of friends here. I do not think I have made any enemies, and I do not think I will make any today. HENRY REUSS and I have been very close friends. I listened with intent interest to all of his remarks and with all deference, I think HENRY omitted a few points that should have further discussion.

I would like to say that in discussing this matter over the telephone with the mayor of the city of West Point, my good friend, Mr. Barnes Marshall, he told me he met Mr. REUSS; that he showed every evidence of being a very fine gentleman and that Mr. REUSS paid me a very nice compliment, saying that he and I were good friends—which we are—and that he thought I was a good Congressman. So I want to take this opportunity to thank my colleague from Wisconsin.

In the midst of these troubled times, this is the first instance of this kind that has happened in my Congressional District. I have a quiet district and I have a good district. It has honored me many times and I have done my best to serve my people to the best of my ability. It has been a wonderful service. Sometimes I feel quite incapable, Mr. Speaker, of bringing to the Members of this body the problems of my people and the tortures they bear.

Mr. REUSS does not know all of the problems of Clay County—with all deference to him. He could not have learned those problems within the 2 hours that he spent in the vicinity of the Beasley School. I think Mr. REUSS did the proper thing on learning that his son was charged with manslaughter to immediately go to his aid. But in the short time he was in Clay County he just did not have the time to learn very much about the county or the State.

I served as a district attorney once and know something about the law of my State. There are only two degrees under our criminal statutes for homicide—one is murder, killing with malice, and the other manslaughter—killing without malice. But Mr. REUSS did not tell the Members of the House—probably he did not know—that his son had not been arrested, at the time he was carried to the jail, for manslaughter. He had been arrested on two misdemeanors and was actually in the jail at the time the incident followed which later resulted in a manslaughter charge being temporarily preferred in order that the sheriff and district attorney might completely investigate the facts.

But before I get to that, I want to discuss the community where this trouble arose. The city of West Point has no connection of any kind or character with the Beasley School, which is a colored school, to which the gentleman from Wisconsin referred. The Beasley School is 14 miles from the city of West Point. The people of the city of West Point do not pay 1 dime nor are they legally liable for 1 dime in taxes for the maintenance of the Beasley School. The Beasley School and the white school of the community, which is at Montpelier, 18 miles away, are in an entirely separate school district from the city of West Point.

So if the son of my distinguished colleague, as an 18-year-old boy, felt he could contribute anything to the improvement of the conditions in the area and for the benefit of the people in the vicinity of the Beasley School, and if he felt that demonstrating would assist him in making that contribution, he should have limited his demonstrations to the community where the school exists and to those who were responsible for maintaining the school—and that happens to be the people of the rural areas of Clay County, including the Beasley School community But, of course, Beasley is not a very satisfactory place to demonstrate. There is only one store there. So the demonstrators would not be satisfied with demonstrating in a rural community where there was only one store. Therefore, they drove all the way over to West Point, 14 miles away.

With all deference to my colleague from Wisconsin, they might as well have demonstrated in Washington or in Milwaukee. The people of Washington and of Milwaukee have just as much authority in the management of the Beasley School, so far as supporting it financially is concerned, as the people of the city of West Point.

The Beasley School and Montpellier School, both of which are operated in the same school district, in the same school taxing district, are very poor schools. Now, it is no sin to be poor. It is unfortunate. These people are poor, both white and colored. There is not a factory in those several hundred square miles of any kind or character. There is no employment except on the farms. That employment is in the little cotton patches—that is all they have, white and black—in the corn patches, and garden patches. That is all. Poverty? You do not know what poverty is.

What do they have to maintain a school on? Where do they get their funds? They come only from this poor community and such as may be contributed from the State level.

But who has the best school; the children at Beasley, which my colleague has said so much about, or the white children up at Montpelier? Let us compare. My colleague did not visit Montpelier.

I admit they are segregated, but that has been going on for years. That is no sin. It may be to some but it has no bearing on which facility is the better one.

Who has the best school? Is it the white children at Montpelier, Mr. Reuss? Why these children at this very hour are being housed in an old dilapidated building of nothing but plain ordinary plank boards and which is 40 years old? Thirty years ago it was treated to a little repair with WPA labor. And not too long ago they passed around the hat in the community and took up enough money to put up two little rooms of concrete blocks. That is all they have.

There is no fire protection in this wooden shack. When we talk about a leaky roof, there are leaks all through it.

How many rooms do they have? Only 11.

And they are so overcrowded—he did not tell you about this—that they today are conducting classes in the little library, which also is quite inadequate, in the lunchroom and in the auditorium, such as it is, in a 40-year-old school building.

What is the situation at Beasley? Ah, at Beasley, the school where Mr. Reuss' son is trying to improve things, they have a brandnew school building. It cost over a quarter million dollars. It is built of brick and stone.

When was it occupied? Not 40 years ago, like that which the children up at Montpelier are enduring. It was occupied in March of 1960 by the colored children of Beasley. They are enjoying the comfort of a modern and new facility.

Well, something was said about the library, laboratories, and books being inadequate. Sure they are inadequate. They are quite inadequate, in both schools.

The children in one school get identically the same books that they get in the other. I read in the paper this morning that someone told Mr. Reuss, that the children had to pay for their books. That is not so. Whoever told Mr. Reuss that story knows it is not so. If they told him a lie about that, they will tell him a lie about something else. There is not a child in my State who has to pay a dime nor whose parents have had to pay a dime, Mr. Reuss, for a schoolbook in over 25 years. Schoolbooks in my State are free. And that goes for those in the public schools, in the private schools, and even in the parochial schools. My State makes books free to every single child in the State, and they all get the same books. There is a man sitting right over there from Chicago, Bill Dawson, who came here with me, a good friend of mine, who knows that is true, because he told me once he had talked with a former Governor of my State about it.

Beasley School is on a paved road—State Highway 46. The old Montpelier School for whites—a school building 40 years of age, made of ordinary everyday rotten plank—is on a dirt road except from one direction. It was the last time I saw it, and I think it still is. They have a fine paved road in front of Beasley School for colored. They have mud in front of the Montpelier School for whites. I am sorry that my colleagues who commended my friend from Milwaukee—and I am not being critical of them—have not remained to hear this part of the discussion.

My friend from Wisconsin stated that the school board of the county would not allow them to have a PTA at Beasley. With all deference to my colleague, he does not know the truth about it. Anyhow, that which appeared in the paper yesterday as a part of your statement, Mr. Reuss, was that somebody told you the principal of the school would not let them have a PTA; but today you said the school board would not allow it. I think this ought to be corrected.

I do not know which you were told, but I am sure you were told one or the other. I talked with the school people down there this morning. Some time ago they had some discussion with some of the parents and teachers at Beasley about having a PTA. Some of the parents met with the county school board and among other things discussed was the organization of a PTA. They were encouraged to organize a PTA, and I can document that statement. I do not think I have to, because I believe you will take my word for it. If they have not organized a PTA, then it is no fault of the white county school authorities. With all deference, Mr. Reuss, it is not the fault of the whites as you implied. I do not know why they have not followed through and organized. I have heard and believe I read this morning that Mr. Reuss was told the principal of the school said he preferred not to have the PTA.

The libraries are inadequate in both. The science laboratories are inadequate. Sure it is inadequate in Beasley. So is the one at Montpelier. They are both inadequate. And, just as my friend from Alabama pointed out a moment ago to my colleague from Wisconsin, they need some help, but this kind of demonstrating is not going to get it. Such only creates hard feelings. It creates ill will. It makes man hate man and brother hate brother. This is not the way to do it. I have no personal criticism of my colleague's 18-year-old young and immature son, Mike, for leaving his studies in California to go down to my State and demonstrate. I question his judgment. I wonder how I would look demonstrating on the streets of Milwaukee. I just wonder how the people up there would accept it. I wonder if they would appreciate it. I wonder if I would make any friends by walking up and down the streets of Milwaukee, carrying a sign as wide as the sidewalk, as little Mike did, abusing and being critical of the people of the great State of Wisconsin. I wonder how popular I would make myself and what good I would do. I wonder. How much tolerance and understanding do you think such conduct on my part would create among the good people of Wisconsin?

Well, what brought all this about? They have a little church, I understand, near this school. Mike and others had a meeting there one morning last week, last Thursday, and two or three of these boys who were "visiting" among us, including Mike, marched some children out into the road and encouraged them to go down to the Beasley School and demonstrate. And how they demonstrated. They came down the road to the Beasley School where between 300 or 400 students were inside, trying to learn something. The demonstrators poured on the school grounds clapping their hands and chanting, yelling, and singing; certainly not a very good atmosphere within which to teach a child how to read and write.

I daresay the 17 teachers, all college graduates, in that school were as capable and are still as capable of teaching those children to read and write, and that their judgment is just as sound, and certainly it is more mature than that of the fine young son, the 18-year-old college freshman, of my colleague from Wisconsin.

Mike marched his young demonstrating kids down to the Beasley school grounds. The sheriff was there and he said, "Listen, kids, stop. We cannot have this. We must have quiet and order here. Disperse."

But the demonstrators did not stop. What would you have done if you had been the officer? What would you have done if the superintendent or the principal of the school had come outside and said, "Mr. Sheriff, we can't have school under these conditions"?

If you had been the officer you would have said, "All right, boys, get on, and if you don't disperse, I will have to take you to town." They took them to town, locked them up, and called their mothers and fathers to come and get them. And they did come and get them. The sheriff entrusted the demonstrators to the care of their parents.

Well, then, what did that precipitate? The next day young Mike Reuss, with either 5 or 6—I do not know exactly how many we had of visiting white children from all parts of the country—led a group of about 44 in number into the city of West Point, 14 miles away, which has absolutely nothing to do with the conditions and operation of the school at Beasley. They went to the courthouse and established a formation to march. They started east down a little narrow street, which is not any wider than from here over to the door to my right, a one-way street. The walk is very narrow. They turned north and went down Commerce Street, probably 150 yards, or maybe 200 yards. They turned west on Main Street for another 100 yards or so, crossed the street, came back down the north side of Main Street and then went down the east side of Commerce Street to the city hall.

I was told this morning that this sidewalk from the city hall southward is about 4 feet wide. Each one of them carried a big banner or sign. The banners were anywhere from 3½ to 4 feet wide. They were walking in a zigzag fashion, to the outside and to the inside, down the street, and actually ran the people off the sidewalk.

This is what they call peaceful demonstrating. This is what they call exercising their constitutional rights. The people had to get off the walks because these young bucks had gone over to West Point to demonstrate about something that West Point has nothing in the world to do with; positively nothing.

So the sheriff said, "All right, now, children"—and they were children, Mike and all—"let us stop this. You disperse right now. You are blocking the walk and people cannot get down the street. Just disperse."

So, adamant as they were, they refused. There was not a thing in the world the sheriff could do except load them up and put them in the jail, just as was done right here in Washington yesterday afternoon and last night when several thousand pacifists, beatniks, and just plain punks marched on the National Capital.

Now, Mr. Speaker, with all deference to my colleague from Wisconsin, I do not say this to be cruel; Mike was arrested a few weeks ago while demonstrating in Jackson for marching on the State Capitol. The court ordered him turned loose, the Federal court. But, Mr. Speaker, they marched here in Washington on yesterday, hundreds of them, onto the National Capitol Grounds, and what did they do with them? They arrested them and carried them off to jail. And they held court downtown all of last night and much of today.

Mr. Speaker, it is all wrong to march on the Capitol Grounds of the National Capital, but it is all right if you want to march on the capitol grounds of the poor little State of Mississippi. Oh, it is so different, or is it? That is what galls us so, the double standard that we are compelled to endure.

You will have to admit, my friends, that this is a double standard of justice.

Mr. Speaker, when young Mike and others were demonstrating in Jackson, they said they were protesting the action of the legislature which was at that time in session. The Governor had called the special session for the purpose of repealing all of the State's laws which required intelligence tests of would-be voter registrants. It was the Governor's intention and that of the legislature to bring the laws of the State in line with just exactly what the Federal Government wanted. This being so, why in the name of Heaven was Mike Reuss and his demonstrating associates demonstrating? Certainly they were not against the repeal of these laws. Even when our State officials are doing that which Washington desires, we are still compelled to bear the annoyance of some of our vigorous young visitors who just have to let off steam by demonstrating.

All right, Mr. Speaker, they carried the young folk around to the jail. The officers did not want to do it, but the kids made them do it. They lined them up and started processing them into the jail, one at a time. As they entered the door of the jail, the patrolman, Mr. Cowart, was there. His name has been pushed all over the papers of this land and he now lies 6 feet under—his estate is rather small right now, his earthly estate, it is about 4 by 7. There are two little girls at his home and a widow.

I knew the man quite well. He was a fine officer. As these arrestees came in, he ran his hands down their sides the usual way, frisking them just as they do everyone when they take them into jail, to see if the boys had any guns, knives, or anything like that. Then he asked Mike to turn around and Mike did turn, but he whirled and he pushed Patrolman Cowart. The sheriff stepped between. Mike had pushed the patrolman and the sheriff stepped between them. The patrolman fell over. The sheriff ushered Mike on to a cell.

Mike issued a statement to the effect that he did not know the man was dead, and he probably did not. But he did die, immediately following the push.

Mr. Speaker, out of deference to everyone listening, including my lovable friend from Wisconsin, suppose the patrolman had pushed Mike and suppose Mike had fallen dead? What do you think the story would be at this hour?

How much would the name of the fair State I represent be worth in today's cruel press? I can see speakers in the well of this House, and I can read stories in the Washington Post telling the world how mean the officers have been in Mississippi. And my good friend from Wisconsin—and I would not blame him because I know he would be heartbroken—but how would he be feeling if the officer had triggered Mike's death?

What triggered that patrolman's death? I am not sure, the sheriff is not sure, my colleague is not sure, Mike is not sure. The district attorney was not sure. So he did what? He did that which any reputable officer would have done. He preferred a charge until he could make an appropriate investigation. Is that not what you would have done?

I ask you, Mr. Reuss, is that not what you would have wanted them to do had it been Mike that had fallen dead? Would you not have wanted the district attorney to take that patrolman in if he had pushed Mike, and Mike had fallen dead? Would you not have wanted him taken in until they could have made some inquiry about it? Of course you would. I know you would. You would not be a good dad if you would not, and I know you are a good daddy.

Mind you, now, the paper said he was arrested and put in jail for manslaughter. He was arrested and put in jail like the others were, for blocking the streets when he had been asked to disperse.

That was about 11 o'clock in the morning, I think. What did they do? The district attorney made a summary investigation as best he could. He got the facts from the sheriff, he took statements from those who witnessed the incident, he went to see the patrolman's doctor, and learning from the doctor the patrolman had been subject to some heart attacks, he said "Well, I think the shoving and pushing might have triggered the man's heart going bad, but I do not think a charge of manslaughter can be sustained," and he withdrew the charge. What was wrong with what he did? What was wrong with the district attorney taking the precaution that my colleague from Wisconsin would have wanted the district attorney to take if the sheriff had pushed Mike and Mike had fallen dead? What is wrong with such action?

Where are my friends who paid the compliments to my colleague and his son and expressed the view that Mike's arrest was ludicrous? Most of them have gone. I wish they were here. I just wanted them to hear the other side. I am not mad at a soul, nor are my people mad. We just want equal consideration.

We just want equal justice, too. And we would just like to handle our problems ourselves without the questionable assistance of these brilliant 18-year-old demonstrating boys.

Okay—let us see if the sheriff did the right thing in arresting Mike. At 1 o'clock on Saturday afternoon—oh, yes, when Mike was in jail the sheriff went to see him. He told him he could make a bond. He told him he could use a telephone. He asked him if he wanted to call his father. Mike said, "No, my father is in Europe." Mr. Reuss did what I would have done—you came home and I commend you for it. You should have come home—and I do not know but what you ought to go and get him now, tonight.

The SPEAKER pro tempore (Mr. Pucinski). The time of the gentleman has expired.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to speak for 15 minutes since there are others who may wish to try to contribute to this discussion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. I thank the gentleman.

This whole thing hurts me. I am sorry these things have happened. I have some other things to say and I would like to say them. So, thanks for the additional time. I appreciate the indulgence of the Members of the House.

Now the sheriff told him he could use the phone. Mike said, no, he did not want to call a soul. But he received a call—we do not know from whom. The jailer went over and told the sheriff. The sheriff went down and told Mike and Mike said he could not figure out who it was from. That is what the sheriff told me today. You may know more about that than I do, Mr. Reuss. Anyhow, Mike did not want to call anybody, so he spent the night at the jail.

Next day the district attorney dismissed the manslaughter charge. But they had charges against him for blocking the sidewalk and for resisting the officer, the officer who died—and he did resist him. And the best proof of the fact that he did block the sidewalk, and did resist the officer, is that he entered pleas of guilty to both charges. Now, what better proof can you have than that? He was represented by counsel. He had two lawyers in the court. The lawyers left the courtroom and went down on the street to look at the sidewalk. They noted how narrow it was. In view of the conduct of these boys, walking like a snake back and forth and back and forth, and driving people off the sidewalk, each one of them with a 4-foot sign—Mike's lawyer said—"We plead guilty"—we plead guilty—that is what he said. And Mike paid a $25 fine for blocking the walk and he paid a fine of $20 for resisting the officer. Now, who is right and who is wrong? What better proof can there be of who was right and who was wrong than the record that this young boy made himself—with two attorneys—on entering pleas of guilty?

In the meantime, my colleague, the gentleman from Wisconsin [Mr. REUSS], was on the way. I may be wrong about this and if I am, Mr. REUSS, I will yield to you for correction. Mr. Barnes Marshall, the operator of the Marshall Motel and mayor of the city, said he understood Mr. REUSS checked into the hotel shortly after midnight that night, Sunday morning. Is that about right? Thank you. My colleague says it is right. He said, "Right"—1 o'clock in the morning. Mr. Marshall also told me Mr. REUSS left the motel about 9 o'clock that morning in an automobile bearing a Tennessee license which I presume was a car Mr. REUSS rented in Memphis, if you flew into Memphis. I understand that Mr. REUSS drove out to the Beasley School. That is 14 miles from West Point or thereabout. I also understand, and this is what was in the papers, that Mr. REUSS had a conference at Beasley with some of these visiting white children, Mike and others who were visiting among us—our distinguished guests—and some of the colored citizens of the community. After the conference Mr. REUSS came back to West Point and checked out of the motel, about noon. If that is wrong, I will stand corrected. My colleague indicated that that is correct. That is 3 hours, from 9 a.m. to 12 noon. Well, he drove 14 miles out there and he drove 14 miles back. I would presume it took a little time to get the meeting organized. So I do not see how the conference could possibly have lasted more than 2 hours.

And yet, with all deference, my good lovable friend from Wisconsin comes back here as an expert on Mississippi.

He said he was in camp there. That was down on the Louisiana line. That was 25 years ago. And I believe he said he visited down there 2 weeks ago. My information is that he did come down and pick up his son; and that they then drove over to Rosedale which is probably 175 miles away, where they enjoyed themselves with a brief visit among the Negro people over there.

He told us today that the Negro people of the Beasley School community told him all these bad things about that school. Regrettably, my colleague did not get but one side. What he got he did not get much of. He did not get the other side, such as that of the poor children over in the Montpelier School, who are going to school in that old, dilapidated frame building, 40 years old.

I was also advised that two of Mike's assistants went into town to see the sheriff and asked for a key to the schoolbuilding, saying that Mr. REUSS wanted to get into the schoolbuilding. I do not know why my colleague wanted in the schoolbuilding, but I will be glad to show him every schoolbuilding in my district, and I will guarantee him that the colored schools are as good as, if not better than, the white schools. The sheriff told the boys to go see the county superintendent of education. I do not know whether they found the county superintendent or not. I do not know whether he ever got the key or not. Mr. REUSS, did you ever get the key? He did not get the key, he indicates. That is regrettable. I wish he had gotten it. The next time you come, let me know, and you will get it. I do not want you mistreated in my district. I have never seen this school. It is a new school. I want you to go through it.

Mr. Speaker, these people told my colleague all these bad stories about that school. My colleague has a right to believe them. But regrettably my colleague does not know those people too well. Those with whom he was talking were those who wanted to carry on a fuss, and one of them, a female teacher had been fired by the principal of the school, a Negro man. She refused to cooperate with the principal and the faculty.

One of the conditions of the demonstrators to quit demonstrating in front of the school, was that the principal of the school must be fired.

With all deference, when you let a bunch of young children—and an 18-year-old is a child—come into a community and stir up another bunch of children, from 10 to 15 or 16 years of age, and have them go chanting down the road, saying, "If you will fire the principal of the school we will be good boys and go back to school," that is just carrying it a little too far. Of course they did not fire the principal. It would have been an absurd thing to do.

Lastly, so far as the split session is concerned, and with all deference to the lady from Oregon who departed without hearing the other side of the story, there are split sessions of schools all over that State, both white and colored. Most of the people who live out in the community of Beasley grow cotton, and most of them are colored. I would dare say that half of them own their own land and manage their own farms. They want the split session so that the children may in the fall help momma and daddy pick the crop. The county school board called a meeting at the school and every patron in attendance voted to continue the summer session. This would allow the youngsters to help their parents pick their cotton crop in the fall.

What is wrong with picking cotton? My Lord, I have picked many a sack of it. I do not know that it hurt old TOM ABERNETHY. I have pulled a cotton sack down between the rows of dewey cotton leaves from daylight in the early morning until the sun had long gone beyond the horizon late in the afternoon. It did not do me a bit of harm, not the slightest.

After all, these children will be gathering their own crops in most instances.

I see no harm in having the split session.

But as I said a moment ago, the colored people of the community voted to have the split session. They insisted on it. The school board told them, "We will do what you want to do. If you do not want it, you do not have to have it." But they voted for it and the school board gave them what they asked for.

The other side to that story is that if the school board had turned them down then I imagine these young people from Stanford University, Wisconsin, and other places would have been complaining that the school board had mistreated these people by not letting them have a split school session.

Now, Mr. Speaker, I regret all of this. I regret that my colleague's son had this trouble. I regret that this trouble came to my congressional district. I think I represent some pretty good people. They may not have the abundance of money, or cash, or what have you, that some other sections of the country have. Unfortunately, for 100 years my State has been geared to a cotton-patch economy. It is easy to point to little old Mississippi and say, "You are down at the bottom of the row." We have been doing our best and I think we have been doing pretty good with what we have.

As for education among my people, my State, poor as it is—and it was pointed out on the floor of the House when we had the education bill here a few weeks ago—my State cuts a higher percentage of its tax dollar for education than any other State in this Union. And it is split equally between the children. It does not make any difference what their color is, how smart or how dumb they may be. Whatever one gets the other gets. We make the greatest effort of any people in this Nation to put dollars into education. I emphasize, as I said a moment ago, that we divide the largest share of our tax dollars with education of any State in this Union.

I ask my colleague from Wisconsin and I ask his young son Mike, who I am sure is a well-meaning boy, and I ask those others who have spoken here today, what do you want us to do? What more can we do? The lady from Oregon [Mrs. GREEN] had an amendment here earlier this year trying to take the phoniness out of the formula for dividing the Federal education money and put it in places where real poverty existed—in Mississippi—and I do not like to talk about poverty. I never plead poverty in my life. With all deference to my friend from Wisconsin, I think he voted against the Green amendment. Yet he talked about what he wanted to do for the poor people down in my State, but when that amendment came on and Mrs. GREEN offered to cut that dollar with those who needed it most, with all deference, Mr. REUSS, you did not stay with her or with us. I know you mean well. I have a lot of respect for you. I love you as much as I do any other colleague in this House. I plead with you. Mike means well. I am sure he does. But he is just an immature young freshman. Call him home. And may I ask the other mothers and fathers of this country whose young teenagers are bringing so much trouble into my area, not so much into my district but into my State, call them home. They have all kinds of Federal laws now that will solve these things, if there is anything to be solved. Just let us try for a while. Just give us a little peace. Peace. Peace.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman.

Mr. WAGGONNER. Mr. Speaker, the circumstances which surround the occasion which has been discussed at length here in this House this afternoon are indeed tragic and are to be deplored by every right-thinking citizen of this great land. I know that it brings no pleasure to the heart of a good father, as HENRY REUSS is, to be called upon to appear before his colleagues here in the well of this House today and discuss a matter which is as unpleasant as this matter is.

Mr. REUSS has done what any good father would do. I suspect, and I really believe, that if the circumstances which surround his appearance here today were placed as a burden upon my shoulders I, too, would choose to say something which would, I hope, bring some understanding to a situation about which at the present time there is very little understanding. I have a 16-year-old son and I have a father's concern.

If I represented the district in Mississippi that is represented by the gentleman now in the well [Mr. ABERNETHY], I would be called upon, or feel the need in my heart to respond as he has responded here today. My conscience would not allow me to do otherwise. I commend him now.

The SPEAKER pro tempore. The time of the gentleman from Mississippi [Mr. ABERNETHY] has again expired.

Mr. WAGGONNER. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. ABERNETHY] may proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WAGGONNER. Mr. Speaker, both gentlemen [Mr. REUSS and Mr. ABERNETHY] who are friends and respected colleagues not only of mine, but the other Members of this House, have made every effort here today to conduct themselves in a manner which I think reflects credit upon the Members of this House and this Congress. One of the first things you learn when you come to Congress—and people who have not served in it have trouble understanding it—is that you should expect nothing from the other man except that he be sincere about whatever point of view he might choose to express. And this is exactly what he, in turn, should demand of you. Every man is entitled to differ. At least this used to be so.

I believe the vast majority of the Members of this House have that understanding. I am quite sure from the circumstances described here today that the gentleman from Wisconsin [Mr. REUSS] and the gentleman from Mississippi [Mr. ABERNETHY] have that understanding.

I would hope that the press would report accurately what each of these gentlemen has had to say and this will not be for the benefit of the gentleman from Wisconsin [Mr. REUSS] or for the benefit of the gentleman from Mississippi [Mr. ABERNETHY], but so that people who are not privileged to be here today may be able to read for themselves an accurate account of what these two gentlemen believe the situation to be. It is true that every question has two sides. As thin as a pancake is, it has two sides. There are two sides to a news page. Being a southerner, you all know my side. But here, today, I hope this House and this Congress will take a lesson. We have not really accomplished anything here in the Congress by accusing this person or that person; this area of the country or that area of the country of being discriminatory in some of its actions, whatever those actions might be. People who live in glass houses should not throw stones.

If poverty and discrimination exist in Mississippi—and I am sure they do—and if poverty and discrimination exist in Louisiana, my State, and in other States of the South—and I am sure they do—then I am equally sure that poverty and discrimination exist in all these 50 States that we have joined together in a union, and there is nothing to be gained by anybody pointing the finger at somebody else.

I am equally sure that poverty and discrimination which may exist to one degree or another in all these 50 States when the sun goes down tonight, will exist when the sun sets at the expiration of eternity, because then, too, there will be poverty and discrimination. There alway has been and there always will be. And whether you believe it or not this Congress can't legislate poverty and discrimination from the face of this earth. A holier than thou attitude will avail you nothing. But, we have an obligation to do the best we can to make the laws of this land work.

I say to you, without any reservation, that lawlessness and civil disobedience cannot be classified in any other terms except as civil disobedience, as lawlessness, no matter where this disobedience might exist. We all have our problems and we need some understanding of the problems of others. Civil disobedience in Mississippi is no different from civil disobedience in Washington, but under today's double standard some think there is.

Mr. Speaker, I would only close these few remarks, which I had not intended to make tonight, by simply saying that I remember the story of a good many years ago of a man from Chicago, on the shores of one of the Great Lakes, who came to the Gulf of Mexico and committed suicide by drowning. In jest—and I make no jest—I remember a man saying, "He passed an awful lot of water on the way." Mr. Speaker, those who have come South to abolish discrimination have passed and ignored an awful lot of existing discriminating at home and on the way.

Mr. Speaker, none of our doorsteps are clean, but let us try to have some understanding of the problems of others.

When we understand these problems and when we get rid of the idea that we are going to force somebody to do something that circumstances simply will not allow or do not provide for, let us look for a better day when we have an understanding of the problems and when we can have a meeting of the minds. So I close as Mr. ABERNETHY closed by appealing to Mr. REUSS to bring Mike home and I make the same appeal to every man who has a relative engaged in similar activities.

Mr. Speaker, I want to congratulate both these gentlemen for the manner in which they have personally handled themselves. They are a credit to this Congress.

Mr. WILLIAMS. Will the gentleman yield?

Mr. ABERNETHY. I thank the gentleman. I had promised to yield to the gentleman from Wisconsin [Mr. REUSS].

The SPEAKER pro tempore (Mr. PUCINSKI). The time of the gentleman from Mississippi has again expired.

Mr. ABERNETHY. Mr. Speaker, I ask permission to proceed for 3 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Wisconsin.

Mr. REUSS. I thank the gentleman from Mississippi.

I want to say again, as I told the mayor of West Point, TOM ABERNETHY and I were friends as of last Sunday and, believe me, we are friends tonight.

Mr. ABERNETHY. I thank the gentleman. We are friends.

Mr. REUSS. I thank the gentleman from Mississippi. While I would, perhaps, want to add a footnote or two to some of the things he said and maybe suggest that there was some hyperbole in some of his remarks, the hour is late and the gentleman was very courteous to me.

Mr. ABERNETHY. If I may say this, if the gentleman intends to question—and I realize he has the right to question—the accuracy of some of the statements I have made, then I wish that we might have a discussion of these at this time. I have endeavored to be accurate and I am sure the gentleman has endeavored to be.

Mr. REUSS. If the gentleman will yield further, let me say to the gentleman some of his observations concerning the facts and circumstances of Mike Reuss' period in the jail at West Point do not coincide with the information I have.

Mr. ABERNETHY. May I ask the gentleman this question: Was the gentleman's son carried to the jail in the beginning for a misdemeanor?

Mr. REUSS. That is entirely right. The information which the gentleman gave the House I am sure in great, good faith, differs, if I may, very much from what my information is, which is that my son Mike did not push or touch anyone and that, indeed, the unfortunate Mr. Cowart, for whose family I have the deepest sympathy, the man who died with a heart attack, was stricken with that heart attack only after he had finished with my son, Mike, and gone about his business and conducted a search of at least one other prisoner.

I would, too, if there were time to talk about it, talk about that PTA out at the Beasley School.

Mr. Speaker, perhaps we have made some progress tonight. It sounds as if, from what the gentleman from Mississippi, my good friend TOM ABERNETHY said, that the school board, that is, the all-white school board of Clay County, is in favor of a parent-teachers' association and wants those parents and teachers to use the Beasley School. If that is so, I say hallelujah, and tell the superintendent of schools about this and tonight perhaps we have solved a little problem and in the days and months to come TOM ABERNETHY and HENRY REUSS, and the other Members of this great House, can work together to solve a lot more of the problems of Mississippi and of the other 49 States.

Mr. ABERNETHY. The information which the gentleman had about the PTA was given to him by a former teacher of the school, a colored woman, who was fired by her principal, a colored man.

Mr. REUSS. Yes. It is also true that a petition which I believe was signed by many, many people after school contains the following statement: "We want a parent-teacher association to be allowed to hold meetings in the school in order to work out problems in the schools together."

The gentleman is not prepared to say that that has been granted?

Mr. ABERNETHY. I am not telling you it will be granted. I am telling you it has never been denied.

Mr. REUSS. And since it is now made by a petition duly filed with the school board, that has been a request.

Mr. ABERNETHY. All they have to do is to form their own PTA. The school board does not do that.

Mr. REUSS. That is right.

Mr. ABERNETHY. The gentleman from Wisconsin does agree with me that his son Mike was arrested and carried to the jail for blocking the sidewalk, a misdemeanor?

Mr. REUSS. The gentleman is entirely correct.

Mr. ABERNETHY. And that he paid a fine for it?

Mr. REUSS. The gentleman is again correct.

Mr. ABERNETHY. And entered a plea of guilty?

Mr. REUSS. That is right.

Mr. ABERNETHY. As the press stories stated it, he was jailed on a charge of manslaughter. He was already jailed when the manslaughter thing was preferred, was he not?

Mr. REUSS. That is correct.

Mr. ABERNETHY. In fact, the manslaughter matter was set aside before he came out of jail?

Mr. REUSS. The gentleman is again correct.

Mr. ABERNETHY. And later at a hearing in court he was represented by two lawyers and pled guilty to two offenses, minor offenses. I am not trying to make a criminal out of Mike, because I am sure he is not. I am sure with the father he has he is not. But the facts are he did later go over to court and was represented by two lawyers?

Mr. REUSS. That is correct.

Mr. ABERNETHY. I thank the gentleman for his frankness and his fairness. I do feel we have reached some ground of understanding here. I will be happy to go back to the community with the gentleman, if the gentleman cares to go, and get the facts. I am convinced I can document everything I have said in the well today.

I plead with the gentleman again. If what I have said is true, I think Mike should come home. I firmly believe the gentleman from Wisconsin should call him home. Of course, he is welcome to visit us at any time, but I would hope for more peaceful purposes.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. Mr. Speaker, a few moments ago I was granted permission to address the House tomorrow for 45 minutes. At the time I made the request, I had planned to use the time in replying to the gentleman from Wisconsin [Mr. REUSS]. Mr. Speaker, the gentleman from Mississippi [Mr. ABERNETHY] has just made one of the most masterful addresses to the House that it has been my pleasure to hear since I have been a Member of this body. Indeed, he has made such a factual, forceful, and sincere presentation; he has made such a completely unanswerable and devastating response that further comment on my part—or on the part of anyone else—would be superfluous that I am willing to rest our case on his argument.

Therefore, Mr. Speaker, I ask unanimous consent that the special order granted me to address the House on tomorrow be vacated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, as I leave the well of this House I want to express my appreciation to the Members who have remained to hear me and who have so attentively listened to my little speech. I hope what I have said has contributed something toward bringing about a little racial harmony in this country, and particularly in my own State of Mississippi.

I thank you.

PROTECTION OF WORKER BENEFIT FUNDS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, on August 3, I introduced a bill, H.R. 10228, together with the distinguished gentleman from New York [Mr. REID] to regulate employees' benefit funds. A similar measure was introduced in the Senate last week by Senator JAVITS, with the support of Senator PROUTY. I feel that there is a dire need for this legislation and I rise to bring this matter to the attention of my colleagues in the House.

How doubly shocking it is, Mr. Speaker, to learn not only that there is, in certain cases, a fantastic misuse of funds intended to benefit employees, but also that there is no legal prohibition of such corrupt action. The recent hearings held by the Senate Permanent Investigations Subcommittee on the administration of welfare and pension funds have shown how easily funds gathered to benefit employees can be misused. In one case, a union officer transferred several million dollars of a union welfare fund's trust assets to a dummy corporation in Liberia. This corporation was completely under the control of union officers who had the power to dissolve the company and distribute the assets to themselves. All this, Mr. Speaker, we are told by the Justice and Labor Departments, is probably legal.

Presently, section 302 of the Taft-Hartley Act is the only Federal statute regulating welfare and pension funds. It is fundamentally weak in several important respects. Although it covers payments into certain benefit funds, it fails to control the use of those payments thereafter. It also fails to regulate conflicts of interests, and does not prohibit trustees of the fund from padding their own payrolls. Most important, section 302 does not at all cover any unilateral funds that are established independently by management or labor and the majority of present welfare and pension funds are of this type, which goes entirely without regulation. Finally, section 302, being a criminal statute, does not provide for the recovery of any benefit funds that may be taken illegally. Though a violator of this law might be punished, the assets would still be lost, thus depriving the beneficiaries of such a fund.

My bill, H.R. 10228, would close up these loopholes and provide for a tight regulation of funds that are collected to benefit employees. In a new section to the Taft-Hartley Act, it would define how an employee benefit trust fund must be organized. Moreover, it would also regulate unilateral funds, which went unguarded by section 302. Finally, no officer of the union or the company would be allowed to receive more than his normal pension benefits; he could draw no salary from the benefit fund.

In addition to closing up these regulatory loopholes, the bill would allow for the recovery of any converted funds. Individual beneficiaries could sue in Federal court to recover benefits for themselves or in behalf of the fund. The Secretary of Labor would be authorized to sue on behalf of a beneficiary or the fund to recover misappropriated money. Moreover, the Secretary could, if he saw fit, ask the court to appoint a receiver to care for the funds until the situation were remedied.

The vast majority of unions and companies, who are administering welfare and pension funds in a fair and honest manner, would not be affected by this bill. It concerns only those who would take away benefits for welfare and retirement, which employees have earned through their own contributions and service.

Mr. Speaker, I urge all my colleagues to study this measure closely, for the need for such action has been clearly demonstrated. I urge the Committee on Education and Labor to schedule hearings on this bill, and call on my colleagues to give it their full support.

SENATOR LAUSCHE'S COURAGE APPLAUDED

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. Ashbrook] is recognized for 5 minutes.

Mr. ASHBROOK. Mr. Speaker, the senior Senator from the State of Ohio [Mr. Lausche] cast a very important vote in favor of his State when he supported the Dirksen amendment last week. His very able statement at that time cited the fact that the amendment would prevent the big city political machines from gaining control of the State legislatures. His courageous action was certainly in keeping with his tradition as a true spokesman for the people of Ohio. The majority of his constituents would surely favor the Dirksen amendment and approve of his vote.

The Columbus (Ohio) Dispatch lauded Senator Lausche's position and his eloquent statement in their Sunday, August 8, 1965, edition. I am including this editorial with these remarks.

Senator Lausche has wide support in Ohio because he has consistently championed principles which are representative of the thinking of the people of our State. He has been consistent. One cannot help but compare his consistency with that of Chief Justice Warren who made the following statement in a speech at Merced, Calif., on October 29, 1948:

> Many California counties are far more important in the life of the State than their population bears to the entire population of the State. It is for this reason that I have never been in favor of restricting the representation in the senate to a strictly population basis. It is the same reason that the Founding Fathers of our country gave balanced representation to the States of the Union—equal representation in one House and proportionate representation based on population in the other.
>
> Moves have been made to upset the balanced representation in our State, even though it has served us well and is strictly in accord with American tradition and the pattern of our National Government.
>
> There was a time when California was completely dominated by boss rule. The liberal election laws and legislative reapportionment of the system have liberated us from such domination. Any weakening of the laws would invite a return to boss rule which we are now happily rid of.
>
> Our State has made almost unbelievable progress under our present system of legislative representation. I believe we should keep it.

I know I express the thoughts of many of us when I say that we Ohioans can be proud that we are represented in the other body by a man who thinks so clearly and speaks as articulately in defense of our constitutional principles as does Senator Frank J. Lausche.

The editorial follows:

[From the Dispatch]

LAUSCHE COURAGE SEEN IN DIRKSEN AMENDMENT VOTE

In casting his vote for the Dirksen amendment with respect to reapportionment of legislatures Ohio's Senator Frank J. Laushe perhaps gave the most learned reason for doing so of the many solons who joined him.

With traditional courage, frequently displayed on the floor of Congress, Senator Lausche said the amendment if adopted would prevent the big city political machines from gaining control of State legislatures.

Few men in the Nation should know this better than Mr. Lausche, who as a five-term Governor of the Buckeye State had to deal with both Democratic and Republican dominated legislatures. What's more, he came from a big city (Cleveland) and is no novice in understanding how political machines manipulate.

Beyond question, big city politics, representing the great industrial areas, is the issue in this reapportionment fiasco.

In contrast to Senator Lausche's vote for the Dirksen amendment, Ohio's junior Senator, Stephen M. Young, voted against it. Senator Young called it a "blatant attempt to stop the clock of progress and to perpetuate a system whereby millions of citizens would be denied representation."

The amendment would not stop the clock at all. What is wrong with small counties having one house of their legislature represent them? The pro-Dirksen vote clearly showed where the sentiment lies, the vote being 57 for, 39 against—just seven short of the two-thirds majority constitutional amendments require.

Clearly and forthrightly Mr. Lausche has once again put the finger in a highly controversial matter. Senators who listened to this Senator, who served longer than any other Ohio Governor, apparently were swayed by his knowledge and sincerity. He carried a near majority to his side. Would that others had had the opportunity to see and experience what Mr. Lausche lived with so long. Perhaps if they had, the vote would have taken a different turn.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Willis, for 7 days—August 10 through August 16, 1965—on account of official committee business out of Washington.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Thompson of Texas, for 30 minutes, today; and to revise and extend his remarks and include extraneous matter and tables.

Mr. Reuss (at the request of Mr. Albert), for 60 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. Abernethy, for 30 minutes, today.

Mr. Halpern (at the request of Mr. McClory), for 5 minutes, today.

Mr. Buchanan (at the request of Mr. McClory), for 5 minutes, today.

Mr. Ashbrook (at the request of Mr. McClory), for 5 minutes, today.

Mr. Weltner (at the request of Mr. Dyal), for 30 minutes, on August 11.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks was granted to:

Mr. Philbin.

Mr. Bennett.

(The following Members (at the request of Mr. McClory) and to include extraneous matter:)

Mr. Edwards of Alabama.

Mr. Curtis.

Mr. Dole.

Mr. Fino.

(The following Members (at the request of Mr. Dyal) and to include extraneous matter.)

Mr. Wolff.

Mr. Roncalio.

Mr. Cohelan.

Mr. Purcell.

Mr. Johnson of California.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7997. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1966, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 4346. An act to amend section 502 of the Merchant Marine Act, 1936, relating to construction differential subsidies;

H.R. 4714. An act to amend the National Arts and Cultural Development Act of 1964 with respect to the authorization of appropriations thereto; and

H.R. 8439. An act to authorize certain construction at military installations, and for other purposes.

ADJOURNMENT

Mr. CLEVENGER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 55 minutes p.m.) the House adjourned until tomorrow, Wednesday, August 11, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1438. A letter from the Executive Director, U.S. Olympic Committee, transmitting a financial report of the year ended December 31, 1964, pursuant to the provisions of Public Law 81-805; to the Committee on the Judiciary.

1439. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of proposed legislation for the relief of Edward F. Murzyn and Edward J. O'Brien; to the Committee on the Judiciary.

1440. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to declare that certain federally owned land is held by the United States in trust for the Minnesota Chippewa Tribe; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PHILBIN: Committee on Armed Services. H.R. 9544. A bill to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 620,000 long tons of natural rubber from the national stockpile; without amendment (Rept. No. 767). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10305. A bill to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 124,200,000 pounds of nickel from the national stockpile; without amendment (Rept. No. 768). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. House Concurrent Resolution 453. Concurrent resolution expressing the approval of Congress for the disposal of magnesium from the national stockpile; without amendment (Rept. No. 769). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. House Concurrent Resolution 454. Concurrent resolution expressing the approval of Congress for the disposal of diamond dies from the national stockpile and nonstockpile bismuth alloys; without amendment (Rept. No. 770). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. House Concurrent Resolution 455. Concurrent resolution expressing the approval of Congress for the disposal of hyoscine from the national stockpile; without amendment (Rept. No. 771). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Post Office and Civil Service. H.R. 6165. A bill to repeal section 165 of the Revised Statutes relating to the appointment of women to clerkships in the executive departments; without amendment (Rept. No. 772). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 773. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. FISHER: Committee on Armed Services. H.R. 8333. A bill to amend title 10, United States Code, to provide for the establishment of a program of cash awards for suggestions, inventions, or scientific achievements by members of the Armed Forces which contribute to the efficiency, economy, or other improvement of Government operations; with amendment (Rept. No. 774). Referred to the Committee on the Whole House on the State of the Union.

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 9975. A bill to authorize the shipment, at Government expense, to, from, and within the United States and between oversea areas of privately owned vehicles of deceased or missing personnel, and for other purposes; without amendment (Rept. No. 775). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on the Judiciary. H.R. 2285. A bill for the relief of Mrs. Concetta Cioffi Carson; with amendment (Rept. No. 776). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 10346. A bill to amend the act of April 22, 1960, as amended, relative to the transfer of certain public lands to the Colorado River Commission of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. BARING (by request):

H.R. 10347. A bill to amend title 38 of the United States Code to remove the income limitations for the purpose of determining eligibility for pension in the case of persons who have been awarded the Purple Heart Medal; to the Committee on Veterans' Affairs.

By Mr. BATTIN:

H.R. 10348. A bill to amend the Judicial Code to permit Indian tribes to maintain civil actions in Federal district courts without regard to the $10,000 limitation, and for other purposes; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 10349. A bill to amend the Internal Revenue Code of 1954 to extend the head of household benefits to all unremarried widows and widowers and to all individuals who have attained age 35 and who have never been married or who have been separated or divorced for 3 years or more; to the Committee on Ways and Means.

By Mr. CLEVENGER:

H.R. 10350. A bill to amend the Legislative Appropriation Act, 1955, with respect to office space in home districts of Members of the House of Representatives; to the Committee on House Administration.

By Mr. DUNCAN of Tennessee:

H.R. 10351. A bill to provide educational assistance to certain veterans of service in Vietnam; to the Committee on Veterans' Affairs.

By Mr. HALPERN:

H.R. 10352. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

By Mr. LATTA:

H.R. 10353. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for more effective regulation of the production of certain prescription drugs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MINSHALL:

H.R. 10354. A bill to amend title 18 of the United States Code to prohibit the transportation or use in interstate or foreign commerce, with unlawful or fraudulent intent, of counterfeit, fictitious, altered, lost, stolen, wrongfully appropriated, unauthorized, revoked, or canceled credit cards; to the Committee on the Judiciary.

By Mr. RANDALL:

H.R. 10355. A bill to provide for the best care, welfare, and safeguards against suffering for certain animals used for scientific purposes without impeding necessary research; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERTS:

H.R. 10356. A bill to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes; to the Committee on Agriculture.

By Mrs. SULLIVAN:

H.R. 10357. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the U.S. Secret Service; to the Committee on Banking and Currency.

By Mr. MINISH:

H.R. 10358. A bill to authorize the Secretary of Agriculture to regulate the transportation, sale, and handling of dogs and cats intended to be used for purposes of research or experimentation, and for other purposes; to the Committee on Agriculture.

H.R. 10359. A bill protecting the members of the Armed Forces and their families from threatening and harassing communications; to the Committee on the Judiciary.

By Mr. SHRIVER:

H.R. 10360. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer or spouse who has had a laryngectomy; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 10361. A bill to authorize the disposal, without regard to the prescribed 6-month waiting period, of molybdenum from the national stockpile; to the Committee on Armed Services.

H.R. 10362. A bill to amend the Tariff Act of 1930 to provide that certain forms of molybdenum be admitted free of duty; to the Committee on Ways and Means.

By Mr. FULTON of Pennsylvania:

H.R. 10363. A bill to extend to volunteer fire companies and volunteer ambulance and rescue companies the rates of postage on second- and third-class bulk mailings applicable to certain nonprofit organizations; to the Committee on Post Office and Civil Service.

H.R. 10364. A bill relating to the status of volunteer fire companies for purposes of liability for Federal income taxes and for certain Federal excise taxes; to the Committee on Ways and Means.

By Mr. HANNA:

H.R. 10365. A bill to permit certain letters to be carried out of the mail by common or contract carriers subject to regulation of the Interstate Commerce Commission or the Public Utilities Commission of any State when carriage is wholly within the State between certain plants, divisions, branches, departments, and offices of business organizations; to the Committee on Post Office and Civil Service.

By Mr. JENNINGS:

H.R. 10366. A bill to establish the Mount Rogers National Recreation Area in the Jefferson National Forest in Virginia, and for other purposes; to the Committee on Agriculture.

By Mr. DENT:

H.R. 10367. A bill to prevent the export of molybdenum under certain circumstances; to the Committee on Banking and Currency.

By Mr. HENDERSON:

H.R. 10368. A bill relating to the furnishing of personal services to the Federal Government by contract in lieu of utilization of career civil service employment; to the Committee on Post Office and Civil Service.

By Mr. MATHIAS:

H.R. 10369. A bill to give the consent of Congress to the States of Connecticut, Rhode Island, and Vermont to enter into a compact providing for bus taxation proration and reciprocity; to the Committee on the Judiciary.

By Mr. BATTIN:

H.J. Res. 618. Joint resolution to authorize increased marketings of domestic beet and cane sugar in 1965 and 1966; to the Committee on Agriculture.

By Mr. DULSKI:

H. Res. 508. Resolution expressing the sense of the House of Representatives with respect to oppression of minorities in Rumania and requesting the President of the United States to take appropriate steps in our relations with the Rumanian Government as are likely to bring relief to the persecuted minorities of that country; to the Committee on Foreign Affairs.

By Mr. HERLONG:

H. Res. 509. Resolution expressing the the sense of the House of Representatives with respect to oppression of minorities in Rumania and requesting the President of the United States to take appropriate steps in our relations with the Rumanian Government as are likely to bring relief to the persecuted minorities of that country; to the Committee on Foreign Affairs.

By Mr. OLSEN of Montana:

H. Res. 510. Resolution authorizing studies by the Committee on Post Office and Civil Service of postal activities of European countries; to the Committee on Rules.

H. Res. 511. Resolution to provide funds for expenses of studies authorized by House Resolution 510; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 10370. A bill for the relief of Wesley R. Mangum; to the Committee on the Judiciary.

By Mr. ADDABBO:

H.R. 10371. A bill for the relief of Giuseppe Polizzi; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 10372. A bill for the relief of Rosalia Jocsak; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 10373. A bill for the relief of Dennis Celestino Ferraz; to the Committee on the Judiciary.

H.R. 10374. A bill for the relief of Sophia Lenetaki; to the Committee on the Judiciary.

By Mr. CLEVENGER:

H.R. 10375. A bill for the relief of James Papadakis; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 10376. A bill for the relief of Solon Papadiamantopulos; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.R. 10377. A bill for the relief of Capt. Carl J. Sammt; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 10378. A bill for the relief of Calogero Colletti; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 10379. A bill for the relief of Nicholas Rizos; to the Committee on the Judiciary.

H.R. 10380. A bill for the relief of Giuseppe Truncali; to the Committee on the Judiciary.

By Mr. MARTIN of Alabama:

H.R. 10381. A bill for the relief of Mrs. Fair J. Bryant, and for other purposes; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 10382. A bill for the relief of Dr. Orn Arnar; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 10383. A bill for the relief of Frank Delissar Jennas; to the Committee on the Judiciary.

By Mr. RESNICK:

H.R. 10384. A bill for the relief of Yu Tsen Hung; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 10385. A bill for the relief of Yong Joo Park; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Federal Government and Pennsylvania: Partners in Crime and Vice

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1965

Mr. FINO. Mr. Speaker, today I would like to tell the Members of this House about the unwise partnership of the Federal Government and the State of Pennsylvania in keeping gambling illegal in Pennsylvania thus making gambling's lucrative profits available to bankroll the multishaded evils of the crime syndicates.

Last year, the parimutuel turnover in Pennsylvania came to $67 million. More significant—and more menacing—is Pennsylvania's vice-propping illegal gambling. Testimony before the McClellan committee indicated that offtrack betting comes to about $50 billion annually throughout the Nation, with this figure accounting for only some 42 percent of the national annual illegal gambling total, which would thus be $120 billion. On a population basis, illegal gambling in Pennsylvania would come to about $7.2 billion a year, so that Pennsylvania is really a rich minefield for the mob. The mob cuts itself 10 percent of the illegal gambling take, which means that almost three-quarters of a billion dollars may flow into crime from gambling profits. Government-run gambling would siphon these moneys from mob treasuries putting gambling revenues to work for and not against the people.

The best way to make gambling work for the public good—since it is basically ineradicable—is a national or series of State lotteries. If the State of Pennsylvania would wake up to social and financial reality, it would legalize, regulate and control gambling so that the gambling urge of the people of Pennsylvania could be made to help support society rather than undermine it.

Item Veto Would Save Taxpayers Millions of Dollars

EXTENSION OF REMARKS

OF

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1965

Mr. BENNETT. Mr. Speaker, I would like to call to the attention of the House my proposal, House Joint Resolution 35 to amend the Constitution to give the President authority to veto individual items in appropriation bills. I strongly believe that this resolution merits the consideration of my colleagues in that its adoption would go a long way toward ending unnecessary expenditures and toward saving the taxpayer many millions of dollars every year.

My resolution would give the President the power to approve and disapprove any appropriation or provision in an appropriation bill. If the President should disapprove any appropriation or provision he would then return a copy of the disapproved item to the House in which the bill originated with a statement of his objections to it. The item would then be handled in the same manner as any other bill vetoed by the President. As this measure is proposed in the form of a constitutional amendment, it would, of course, be subject to ratification by three-fourths of the States.

I am convinced that in this age of enormous Federal expenditures and deficits the Nation needs to exercise extreme care in how it spends its money. Often, however, when the President reviews the appropriation bills passed by Congress, he finds that in order to approve moneys vital to the Nation's economy and security he must also accept some unnecessary expenditures and riders. For the President is placed in the unpleasant situation of having to take all or nothing, the bad as well as the good. In 1892 President Harrison expressed these sentiments when confronted with a rider he objected to in an Indian appropriation bill:

> If this section had been submitted to me as a separate measure, I would have disapproved it; but * * * as disapproval of the general Indian Appropriation Act, of which it was a part, would have resulted in consequences so far-reaching and disastrous, I felt it my duty to approve the bill.

President Grover Cleveland held that appropriation bills were often "defaced by items and provisions to meet private ends." In the course of our history other Presidents, Grant, Arthur, Hayes, Wilson, Franklin Roosevelt, Eisenhower, and Kennedy, have all voiced their support for a bill like mine here today.

The resolution, moreover, does not tend toward aggrandizement of Executive authority in any manner which would upset our time-honored system of checks and balances. The late Senator Vandenberg, another champion of the item veto, observed that "the item veto does not give the President one single additional affirmative power. He cannot start anything as a result. He can only stop something long enough to focus the attention of the country on it." Nor is this an untried prerogative, for 42 States have laws which enable their Governors to veto individual items in appropriation bills. In a poll of these Governors I conducted back in 1953, the overwhelming majority of them expressed the desirability of this provision and reported substantial savings to State governments.

Surely there is not one of us here today who will not admit how vital it is for the Nation to reduce extravagance in public expenditures. I have introduced similar legislation in this field as far back as the 83d Congress and I will continue to press for it in an effort to give the President some degree of selectivity in passing on appropriation matters. My bill, I am confident, will do much to save the taxpayer's money, and I urge you to give this matter your serious consideration.

The 72d Birthday of the Honorable Wright Patman

EXTENSION OF REMARKS

OF

HON. GRAHAM PURCELL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1965

Mr. PURCELL. Mr. Speaker, the sixth day of August marked the 72d birthday of the dean of the Texas delegation, the Honorable WRIGHT PATMAN.

WRIGHT PATMAN came to the Congress in 1929 and only three Members now serve in the House who were here when WRIGHT PATMAN arrived.

His achievements in this 37 years of service would take many pages to detail. He has served with distinction on the Committee on Banking and Currency which he now chairs. Despite the heavy work schedule which his committee chairmanship demands, he has never failed to provide his constituents, singly and collectively, with outstanding representation. He attends to the needs of his district with great care.

He has also contributed two of the most outstanding books on the subject of the Federal Government. "How Our Laws Are Made" and "Our American Government" continue to be two of the most popular publications in their field.

I could talk for hours about the accomplishments and the distinction of this great public servant. His competence and his dedicated service, however, are well known to the Members of the House. As a relatively young member of the Texas delegation, I offer my congratulations and my best wishes to my dean.

The Real Alabama—Part XLII

EXTENSION OF REMARKS

OF

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1965

Mr. EDWARDS of Alabama. Mr. Speaker, one of the major beauty spots of the Nation is the Bellingrath Gardens and Home near Mobile, Ala. Each year tourists see the gardens and home and testify to the remarkable beauty and serenity to be found in this charm spot of the Old South.

Following is a description of Bellingrath Gardens and Home.

Twenty miles south of Mobile near the Mobile Bay and on the Isle-Aux-Oies—Eel-O-Wah—River is a land of dreams called Bellingrath Gardens, created by the late Mr. and Mrs. Walter D. Bellingrath.

Here, in 1917, a rustic fishing lodge was established that for 10 years was the joy of the owners, a haven in the woods.

The feeling then came to them that the setting, the woodlands, the flowered scenes, should be cultivated and developed and shared with others.

An American architect, an English landscape engineer and others well qualified, were employed to assist them in carrying out their ideas. Their vision grew by leaps and bounds. More and more they felt the keen urge of heavenly victory within their souls. A tropical wildlife had taken on the pattern of a glory land. And in the spring of 1932 the gardens were opened to the public as 65 acres of floral attractions.

At Bellingrath beauty knows no season, no one month of the year seems to be more enchanting and richer than the other. In the late spring countless beautiful flowers and shrubs such as petunia, lantana, Easter lilies, hydrangeas, oleanders, hibiscus, water lilies, and amaryllis all lend their brilliance to the perennial parade of beauty.

Roses, every one in the majestic rose glow of its own perfection, reach out to touch the personalities of those who pass near them.

In the flowered embroidery of summertime are the beautiful fancy leaved caladium, the perfumed gardenia, the soft and lacelike white and red crepe myrtle, the queenly white and purple althea, the golden alamanda, the flaming salvia and the colorful foliage plants of the croton, dracaena, acalypha, and pandanus.

Beginning in September and until the end of March the camellia japonica burst with lasting pride into individual glory. To single out illustrious specimens of this beautiful flower is almost like trying to separate the brilliant sparkles of a cluster of diamonds.

In Bellingrath Gardens more than 4,000 specimen camellia japonica, embracing approximately 1,000 varieties, are thriving. Some of the large plants are more than 100 years old and they range in size from 10 to 20 feet in height and from 12 to 18 feet in diameter.

The colors range from the purest white to a delicate pale pink and from a rose pink to a deep and sheen crimson. Hundreds of specimen camellia sasanqua lend the majestic beauty of their towering heads to the landscape, and the sweet olive fills the air with a perfume that lingers with memories.

And long before the camellia japonica display is over, the azaleas burst into passionate beauty and freshness.

For many weeks, beginning in February and lasting into April, the azaleas present a lavish and extraordinary pageant of color, accentuated by the mountain laurel, the dogwood, and the double flowering spirea.

There are more than 250,000 azaleas of approximately 150 varieties, ranging from the dwarf kurume and the Belgian hybrid to the giant indicas. Some of these massive plants, which are more than 125 years old, range from 12 to 18 feet in height and from 20 to 30 feet in diameter.

The effusion contained in the mystical beauty of such vivacious flowers, is little short of breathtaking.

At this time hundreds of potted cineraria present a spectacular display of color, whites, pinks, reds, purples, and every conceivable shade of blue.

On and about the rustic bridge across the lake many varieties of flowers cling, and to stand upon it for awhile, and meditate upon the clusters of beauty, in contrast with the dual reflection in the mirrored water, is a memorable experience.

It is good to stroll aimlessly and to follow the vagrant but alluring flagstone walks. Appearing to lead in no particular direction, they meander and turn, urging the visitor to follow through, seemingly knowing all the while the glad tidings each new setting presents in bowers of sweet scented flowers. Each step is an enthralling one amid fragrant mosses and spicy odors that drift in languid swaying breezes. These walks too, are the longtime result of landscaping and planning, smoothly in harmony with the setting of the gardens themselves and on their verdant edges a childlike innocence is reflected, in the profusion of dainty and tiny flowers which abound in color and scheme.

To one who has been long in the city or away from the spell of such holy beauty nothing is more keenly stimulating than a visit to these gardens.

Once in the spacious gardens your sojourn becomes a mystic experience on a magic carpet of flowers, your rendezvous will be with the flaming beauty on every hand lavishly and joyously displayed by nature.

One of the happiest thoughts of all after a visit to the charm spot of the Deep South is the knowledge that it will continue on and on long after those now living are gone, for Mr. Bellingrath conveyed it in perpetuity to the Bellingrath-Morse Foundation.

All surplus revenues above the cost of maintenance, will be devoted to the religious and secular education of boys and girls in church-related colleges. During the past decade the owners have seen thousands enjoy the rare and lovely spectacle they have developed. Their earnest wish is, that future generations may also have that pleasure.

The story of Bellingrath Gardens is now perpetuated on a large red granite monolith which was presented to the Bellingrath-Morse Foundation by Mr. Bellingrath. It is located in the center of the gardens and gives full information concerning their development to the thousands of eager visitors who wish to know the full story of this lovely wonderland. Appropriately decorated with three large bronze tablets, the monolith is considered by the designers as the only piece of its kind in the country. Cast bronze replicas of azalea and camellia blooms soften the borders of the tablets which artistically present a suitable and enduring record of dreams fully realized.

Here then indeed, is a living memorial to Mr. Bellingrath and his beloved wife, Bessie Morse Bellingrath, who shall always be remembered as wandering through a lovely garden like this, which she fashioned with her own hands—where flowers never fade and no cold wind or sorrow will ever blight her hopes and plans. For on her face was the peace of one, whose whole life through walked with God.

Renaissance in Long Island

EXTENSION OF REMARKS

OF

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1965

Mr. WOLFF. Mr. Speaker, the 20th century has been chided and berated for failing to appreciate the arts; we no longer look to the poet or the stage for inspiration; we are called an age without esthetic values. And in these precarious times, especially, we need the bard to call attention to the beauty we are ignoring and the foibles of human nature we are oblivious to, the pathos and drama of our daily lives.

It was a thrilling experience, therefore, to be privy to a whole new Renaissance in my own backyard. Through the cooperative efforts of the American National Theater and Academy, and the North Shore Community Arts Center of Roslyn, N.Y., the development of professional theater of quality is being pursued and perfected on Long Island.

With the advent of radio and television, the death knell of the traveling troubador sounded. But the imaginative and creative efforts of dedicated individuals are being pooled today in a project that is worthy of emulation on a nationwide scale. The State University of New York at Farmingdale has graciously lent the use of its facilities. The Courtyard Theater, after months of preparation, was on Saturday, August 7, revealed in all its splendor, presenting "The Shavian Woman in Love and Marriage." A superb performance by Jo Ann Sayres and others capped a refreshing evening.

We of the suburbs have often been called Babbitts—the Courtyard Theater should prove to many that Boswell would be a better analogy. To the Greater New York Chapter of ANTA, Virginia Inness-Brown, president, and the North Shore Community Arts Center, Stanley Swerdlow, Nettie Good, Norma Reiner, Irving Stewart, Harriet Rosenson, Miriam Belenky, Judith M. Levitan, belongs the credit for still another innovation in bringing the arts to our community.

I commend to my colleagues careful study of this project. It is a refreshing breeze of the best in American community spirit. We are the richer for it.

The Honorable Michael J. Kirwin Breaks Ground for the Tehama-Colusa Canal

EXTENSION OF REMARKS

OF

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1965

Mr. JOHNSON of California. Mr. Speaker, a few days ago a distinguished gentleman from Ohio, who has contributed so much to the cause of the development of public works, especially in the field of water conservation, our good friend and colleague, the Honorable Michael J. Kirwan, officiated at the ground-breaking ceremonies of the Tehama-Colusa Canal near Corning, Calif., which I am proud to represent.

The occasion marked the start of the Tehama-Colusa Canal, a most worthy reclamation project which will carry Sacramento River water to more than 200,000 acres of thirsty land along the western side of the Sacramento Valley. This is water which now wastes into the sea.

As one who has long worked for the development of this vital project I was especially proud that Mike Kirwan would travel to California and participate in this ground-breaking ceremony. On that occasion Mike Kirwan, I believe, set the record straight as to the importance, the vital necessity, of this type of reclamation development and, at this point, Mr. Speaker, I present, so that our colleagues can share in the wisdom of these comments, the remarks made by the Honorable Michael J. Kirwan at the ground-breaking ceremony of the Tehama-Colusa Canal last July 31. There is no one who can discuss this subject with more knowledge than the great Congressman from Ohio.

The speech follows:

REMARKS BY THE HONORABLE MICHAEL J. KIRWAN AT GROUND BREAKING CEREMONIES FOR TEHAMA-COLUSA CANAL, TEHAMA COUNTY, CALIF., JULY 31, 1965

I am not going to take very long this morning for you have already waited long enough, in fact far too long, for the ground breaking on this project.

I understand it was in 1873 that Lt. Col. B. S. Anderson outlined plans for the Sacramento Canals in a report to President Ulysses S. Grant. Thirty-two years then elapsed before Governor Pardee, of California, requested the Bureau of Reclamation in 1905 to make a comprehensive study of the upper Sacramento River Valley. It wasn't until 1950, at the insistence of my good friend, the late Senator Clair Engle, that Congress finally passed his bill authorizing the Sacramento Canals unit of the Central Valley project.

Since then, the pace has quickened. The Corning Canal and pumping plant were completed in 1961 and the Red Bluff diversion dam in 1964. Even the great Trinity Division of the Central Valley project, which will supply much of the water used in the Tehama-Colusa Canal, has now been completed.

I am glad that finally this year, after all of the problems were worked out, that it was possible for our committee to appropriate the funds to initiate construction of this canal.

You have been most patient during this long delay and owe so much to the many dedicated people who worked so tirelessly to make this construction start finally possible. You are most fortunate to be so ably represented in Congress by Bob Leggett and Bizz Johnson who so effectively brought to the attention of our committee the urgency of appropriating construction funds for this project. And, of course, you all know Floyd Dominy whose efforts have been so indispensable in making this project a reality and indeed in making the whole reclamation program such a success in recent years. In my book, he is the best Commissioner we have ever had.

I think I understand what it means to wait almost a century to get a worthwhile project underway. In fact I am still waiting. I have been working for years on a waterway connecting Lake Erie with the Ohio River which was originally recommended by George Washington. In 1824, the Army Board of Engineers listed the Ohio River to Lake Erie Canal as the first in relative importance to the interior commerce of our country. Congress finally authorized the project in Rivers and Harbor Act of 1935 but we still have not had our ground breaking ceremony. The Corps of Engineers has just completed a review study which finds that the project is even more economically justified now than in 1935. I hope when the Rivers and Harbor Board completes its current review of this new report that we too may finally have a joyous occasion.

For years now, you in the West have been most conscious of the urgent need for flood control and water resource development. It was right here in California back in 1909 as a laborer in the construction of the Mulholland Aqueduct that I full appreciated for the first time the real value of water.

But as you know, we have had our critics who have referred to these public works projects as pork barrel. They have been amazingly silent since the devastating floods here on the west coast last December and January and those in the upper Mississippi River region and in Colorado and Kansas in recent months. Though none of the flood control systems are yet complete, the damages prevented here in the West by the Corps of Engineers and the Bureau of Reclamation projects which are already in service amounted to about $1 billion. Some of these projects fully paid for themselves just by the benefits provided in this disaster.

Seven reservoirs alone in Oregon's Willamette River Basin prevented over $572 million in damages whereas their total first cost was less than $273 million.

And if these flood control systems had been complete here in the West not only could we have averted much of the great losses that were suffered but also have conserved so much priceless water. One witness testified before our committee that the water wasted to the ocean from just the Eel River here in California, in one 24-hour period this spring, would have taken care of the entire water needs of the city of Los Angeles for 3 whole years.

Fortunately, the entire country is now coming to the realization that the water shortage problem is not strictly a western one. The East, which only yesterday thought of water as an endless resource, today finds itself staring into the dusty face of drought. In New York City, reservoirs are 50 percent of normal capacity. The entire Delaware River Basin has been put under emergency rations as a drought area. New Yorkers are forbidden to fill backyard wading pools, water their lawns, or wash their cars. Restaurants are subject to $50 fines for serving water to customers who do not ask for it. Children are instructed in water saving methods of brushing their teeth. So the entire Nation is suddenly becoming aware that we must do a much better job of managing our water and do it in a hurry. California, with its Central Valley project, is to be congratulated for an early start on this endless problem.

I regret that it has taken these great natural disasters to finally really wake up America and make it fully realize that investing in these water projects is essential if we are to continue to develop and prosper. For years I have said on the floor of Congress that we should be spending double our present rate if we are to keep up with the demand for water supply, flood control, navigation, reclamation, and power development. We have come a long way since we overrode the veto in 1959 of the 1960 public works appropriation bill and set aside the "no new starts" policy.

Just in the last 5 years we have appropriated almost $650 million to the Bureau of Reclamation and the Corps of Engineers for work in California. And this year's Public Works appropriation bill as passed by the House includes an additional $178 million for these two agencies here in California, an increase of $57 million over last fiscal year.

Most important in Congress' going along with this stepped-up program in your State has been your recognition of the fact that water resource development must be to a large extent a local responsibility. Your California State water project serves as an example to the Nation of what must be done if we are to solve our great water problems.

So we are making progress. But so much remains to be done. And you have my assurance that as long as I am chairman of the House Public Works Appropriation Committee I am going to keep fighting for more adequate funds to conserve and develop the water resources both here in California and for the rest of the Nation.

I believe I am as happy as you are to see this project finally getting underway. When I was here in 1959, I realized what it would do for your area.

Much of the construction cost of $60 million is in the form of wages which will be spent to a great extent locally. The firm, dependable water supply it will provide will allow expansion of high income crop acreage and increase in per acre yield. The estimated total net farm income is expected to increase from about $4 million yearly to more than $24 million. Local processing of farm goods is estimated to yield an increased gross income of $40 million annually. The entire Nation will benefit from the changeover from dry farm crops—generally in surplus—to the much needed higher income crops. Wages resulting either directly or indirectly from the project facilities should reach a high of almost $22 million a year.

Initial water deliveries are scheduled for June 1968, but I am glad we were able to work out the emergency program to deliver water to the Arbuckle area in 1966, in time to save the almond groves threatened by the unexpected drop in ground water tables.

Now—you have waited 15 years from the time the Tehama-Colusa Canal was authorized until the time for the ground breaking; I am sure it was worth waiting for but I don't want to keep you waiting any longer. So let's get on with the ceremonies.

Long Island's Challenge to You

EXTENSION OF REMARKS

OF

HON. ROBERT DOLE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1965

Mr. DOLE. Mr. Speaker, it is regrettable that too often we hear about our Nation's young people through the mass media only when they do something wrong. The much-cited parallel between youth and airplanes is, unhappily, very true: We only hear about the ones that crash.

The good, young man or woman, the industrious, productive, talented, interesting, concerned, and intelligent young citizen is pushed into the background by that vociferous minority of rowdys, slackers, and vandals who seem to dominate our front pages. The great good which young people do today goes unreported, while the trouble generated by a tiny element grabs the headlines and our attention.

Today I want to direct some of our attention to that good majority of our country's youth. I want to focus some of our thoughts on the laudable program of community service and character building being accomplished by the YMCA. The Y has helped to mold the personality of this Nation's young people for more generations than anyone in this distinguished body has lived through. It is a wholesome but not a good-goody organization which has captured the imagination and the spirit of millions of young people throughout the Nation. It brings together a rare combination of seasoned experience and youthful enthusiasm from which we have benefited tremendously. It builds leadership, and it encourages those old-fashioned virtures of loyalty, trustworthiness, and patriotism.

My colleague and friend, Representative JOHN W. WYDLER, of New York, delivered the address which follows on the occasion of the 46th annual meeting of the Nassau-Suffolk Young Men's Christian Association. It is a fitting tribute to the organization and an appropriate commentary on the YMCA's role in the United States today. I am pleased to present it here today:

THE 46TH ANNUAL MEETING OF YOUNG MEN'S CHRISTIAN ASSOCIATION, NASSAU/SUFFOLK COUNTIES

One-half of all the people in the world today are under 25 years of age.

The German poet-philosopher, Goethe, wrote: "The destiny of any nation, at any given time, depends on the opinions of its young men under five-and-twenty."

If the philosopher is right, we are in the hands of our youth, and we had better be about the business of seeing to the proper shaping of those hands.

The urgency of our mission is emphasized by the fact that most of our serious crimes are committed by those who are under 20 years old.

The cost to your family for crime control was over $500 last year—a very large, involuntary contribution dedicated to mere self-protection and preservation.

We have all taken an oath to our flag in which we pledge allegiance to "the Republic for which it stands."

I don't wish to burden you at this time with definitions, but if you will look in the dictionary when you return home, you will find that "republic" means the electorate, the people, and democracy is a process; and may be a pure democracy, or—and get this—a representative democracy through a system of representation. Note the words "system of representation."

As you all know, the Union of Soviet Socialist Republics claims to be a democracy.

President Jefferson was elected in 1800 on a platform of Republicanism defeating the Federalists, who were for a central federalized system of government, absolute in nature. One of his famous quotes at that time was: "Government should only do for the people, what the people cannot do for themselves." A statement too little thought of today in relationship to local activity and local government as opposed to State and Federal controls.

What has this review of the meaning of government to do with the YMCA challenge to youth nationally and in Nassau and Suffolk Counties today?

I would like to repeat at this time the statement of your director, Dr. Carl Frische, in his address 2 years ago at your annual meeting.

"If free Western civilization is to survive, much of the work will have to be done through such voluntary organizations as the YMCA. I believe that religious-oriented organizations stand in the forefront among a woefully small number of such voluntary organizations upon which our ultimate destiny depends. This free society and the free organizations needed to support it will not survive merely because of the latent virtue within. It will take a lot of individual work, support, and aggressiveness.

"Among the evidence which might be mustered in support of this view, perhaps the best and most dramatic comes from our enemies; for it is they who have singled out voluntary religious, patriotic, and fraternal organizations for harassment and destruction. Curiously, there are far too many amongst us who do not seem to comprehend the situation. Such people while giving loud and eloquent vocal endorsement to free enterprise and voluntary support of our community endeavors do, nevertheless, in fact actively sponsor programs for more Government control and surveillance and spending in these areas of endeavor so vital to our surival. These eloquent but misguided folk seem to have lost sight of the basic premise and fact that once the Government takes over these functions, and finances them from funds extracted from the taxpayers under compulsion of confiscation, the effort is no longer voluntary; and we have already taken the first big step toward our own self-destruction as free individuals. We must not succumb to the bait that our benefits will increase if we surrender to big brother in Washington or Albany those things we trust most and hold as most conducive to our welfare."

I agree with Dr. Frische's analysis.

To sum up, the YMCA builds for the Republic a community program financed with voluntary contributions and effort, based on spiritual and mental maturity and fitness as well as physical fitness stemming directly from the people of the community with no Government support; how can the YMCA and other religious-oriented organizations compete with Government-financed programs such as are being sponsored by the Office of Economic Opportunity with Federal, State, and county government funds?

Are we losing the meaningfulness of charity today? Taxes are not charity. The act of contributing money alone is not charity. The act of loving all men as brothers because they are sons of God is charity. If we give of ourselves in this sense, the giving is true charity. As St. Paul said in Corinthians II: "Every man according as he purposeth in his heart, so let him give; not grudgingly, or of necessity; for God loveth a cheerful giver."

There has crept into the philosophy of certain fund raisers today, "Give once for all." What does it mean? Has "Give once for all" ever been an integral part of the American way of life? There is no doubt that this slogan has cut deeply into the moral philosophy of voluntarism. You give one day a year and you are finished with giving and have nothing more to think about giving, including volunteering your time.

This trend of decreasing voluntarism is presently only a symptom. A symptom—the continuance of which can cause the citizen to abdicate his or her traditional sense of individual responsibility in America. This lack of charity toward one's club, organization, church, union, profession, political party, and philanthropic cause, has always in the past been subject to derision. Should voluntarism—both individual and group—discontinue, the only result will be in Government usurpation of its functions.

The YMCA with its history and objectives is meeting this challenge of usurpation.

Locally, with well over 800 volunteers serving as board and committee members, group leaders, instructors, coaches, and program specialists, the good and godly YMCA standards are helping in the presentation of a challenge to the youth of Nassau and Suffolk Counties.

With the professional staff of 19 full-time executive and program secretaries, 10 of whom are nationally certified YMCA secretaries, and the remainder secretaries in training, maintained by a system of free enterprise with no Federal, State, or county tax support, is really a wonderful contribution to the basic philosophy of America.

This staff recruits, trains, and supervises over 500 full-time and part-time employees. It is responsible for the administration of budgets, buildings, and property; the recruiting organization, training, and operation of committees; the establishment, directing, and extension of program and services; the interpretation and carrying out of the purposes of the association; the creation and continuation of good public relations; the maintenance of relations with the communities and other agencies, and in addition the relationships with the national and international bodies of the YMCA—all with no Federal, State, or county tax support.

In 1964 it was "Seven Steps to Tomorrow." With its addition of the Greater Massapequa branch in 1965, it becomes "Eight Steps to Tomorrow"—thus following through as the need arises in the extension of its program and services.

With guidelines of moral and spiritual substance, the Y is offering some 44 programs in counseling, group work, social, educational, and cultural activities. In addition with these same guidelines of moral and spiritual substance, the Y is offering some 29 programs to aid in the development of health skills and team play.

What more can be added by the Y as a challenge to youth

I am sure that when it is found, the YMCA will add it, and not at Government taxation expense.

May I remind you again that we must speak less and less of being or not being our brother's keeper, and do more and more about brotherly love and respect. We must be our brother's brother.

I do not feel that the youth of America is going to the dogs. If you have a good memory, you will well remember that your fathers said the same things about the youth of your day, and your grandfathers said the same of their youths, and so on back through the generations.

There is much evidence to the contrary despite some depressing statistics. The Elks National Foundation, the American Legion's Boys' State, the YMCA's own Hi-Y Clubs with their annual meetings in Albany; the YMHA, the Catholic Youth Organizations—all these are part of an active and continuing process of youth to a higher moral and spiritual standard.

Make sure that the YMCA continues to offer these challenges to Nassau and Suffolk youth.

Let us attack the problem with enthusiasm. It is a challenge—not a task. We are responding to God's command—and not to that of some Federal law.

Our Long Island area offers the greatest springboard in the Nation from which to launch our program. We are adjacent to the world's greatest city, populated by young, educated, and skilled people. We have land to grow on and an abundance of almost every ingredient necessary to create a top-flight technical society.

But we must act now if the Y is to meet the future challenge that will not only train the minds, bodies, and spirit of our youth—but keep our youth here after they are trained.

The Y offers not only citizenship training and character building—but it develops leadership. It does this by molding a full person. The symbol of the Y is an equilateral triangle—the body, mind, and spirit. Without the spirit, the other two sides form lines leading ever further apart. Without the line of the spirit, there is no symmetry.

The concept of state charity growing in Washington is undermining the true spirit of charity in the individual man. Without freedom, there is no real charity. The Gallup Poll indicated that a few years ago 70 percent of the people believed religious influence was gaining in America. The figure is now 33 percent. Is this how we are building the Republic?

The introduction of Federal dollars into each new program drives God out. This is done under the slogan of the separation of state and church—although the separation being maintained is often between the state and God, Himself.

The love of God is a necessary ingredient of true charity. This is something that can be found at the Y, but which is taboo at the Office of Economic Opportunity. The Y on Long Island offers our youth a real plus—the plus of bringing a meaning to their lives.

It may be easier to get dollars from Washington; it is surely quicker, but—are we not then "rendering unto Caesar" the things that are God's?

The youth of Long Island hunger after loyalty, pride, and faith. They long to help build the Republic.

How shall we feed them?

They cannot live by bread alone.

The Voting Rights Bill

EXTENSION OF REMARKS

OF

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 13, 1965

Mr. COHELAN. Mr. Speaker, no right has been so long promised yet so long denied as the guarantee of the Constitution that no man, under any pretense, shall be denied the right to vote solely because of the color of his skin.

Earlier this month Congress gave final approval to the Voting Rights Act of 1965. As one who has worked long and hard for its enactment, I earnestly hope that this now means the promise of our land will be equaled by common practice throughout our country.

Mr. Speaker, this week I was privileged to do a television broadcast with the distinguished dean of the House, Congressman EMANUEL CELLER, and the very able director of the Washington Bureau of the NAACP, Mr. Clarence Mitchell. I had previously done individual television broadcasts with each of these civil rights champions when the voting rights bill was before Congress. This week's program afforded us an opportunity to evaluate its progress and I include a transcript for the attention of all who are concerned with insuring the right to vote for all Americans.

THE VOTING RIGHTS BILL

(NOTE.—Following is a transcript of a television broadcast recorded in Washington, August 12, 1965, broadcast in California on station KTVU, August 16, 1965. Participating were Congressman JEFFERY COHELAN, Chairman EMANUEL CELLER, and Mr. Clarence Mitchell.)

Congressman COHELAN. For 95 years now the Constitution of the United States has promised that no man shall be deprived of the right to vote solely because of the color of his skin.

For 95 long years, though, this right in all too many cases has regularly and flagrantly been denied.

This month Congress completed action on a historic voting rights bill; a bill which those of us that supported it hope will finally and fully guarantee this cornerstone of democracy. Today I have with me two of this bill's great champions and two men, I might add, with whom I have worked very closely these last months and years: Congressman EMANUEL CELLER of New York, chairman of the House Committee on the Judiciary, and Mr. Clarence Mitchell, director of the Washington Bureau of the NAACP.

HOW THE BILL WILL WORK

Mr. Chairman, this bill was designed to guarantee the right to vote. How exactly is it going to work?

Chairman CELLER. Where there has been evidence of massive discrimination against nonwhites—and there has been such evidence in Georgia, Louisiana, Mississippi, Alabama, Virginia, South Carolina and parts of North Carolina—this bill will substitute Federal officers for State election officials and they will actually go into these States and permit the Negroes, who previously have been deprived of their legitimate rights, to register and to vote. We feel that the bill has enough teeth in it to guarantee the famous 15th amendment, which states in effect that no State shall have the right to disenfranchise anyone because of his race or color.

WILL IT BE EFFECTIVE?

Congressman COHELAN. Mr. Mitchell, we have passed some pretty far-reaching Civil Rights Acts in the last few years but still we have been plagued with the problem of voting discrimination. Now, as a person who has been very active in this field, how effective do you feel this new act really is going to be?

Mr. MITCHELL. I feel the act will be very effective and one of the reasons I believe that is because of the way the chairman (Mr. CELLER) piloted it through the House of Representatives. He is the father of all of the three major civil rights bills that have been passed, and his way of handling this legislation has been designed to try to meet all of the problems that arose. Now I can't tell you the hours that Mr. CELLER gave to us in discussing the minute problems that we are confronted with in a practical way. I believe that this bill is written to meet those problems and, therefore, I believe it will be effective.

ENOUGH REGISTRARS?

Congressman COHELAN. The Civil Service Commission, as I understand it, has trained some 75 of its regular employees to serve as voting registrars in Southern States where a need for their services has been determined by the Attorney General. Now the question which has bothered me is that in the last few days I have heard from several of my constituents, who are actually working in Mississippi this summer, who say that there aren't enough registrars, that we need more in Mississippi in particular. Do you feel that we have enough registrars to carry out the intent of the law?

Mr. MITCHELL. Absolutely not. We don't begin to have enough. This is why it is so valuable to have the kind of interest that you have always shown in these matters and which you are evidencing now. You are giving voice to what your constituents have experienced, and it shows that we really have got to get more people down there registering individuals to vote. In Mississippi, for example, there are 82 counties but there are registrars in only 2 of those 82, which means we still have 80 unfulfilled promises. We definitely need more. I have no reason to think the Justice Department is not going to send in more but we urgently need more and we need them immediately.

HOW LONG WILL IT TAKE?

Congressman COHELAN. How soon do you think we can complete the job? How long will it take to register all of the eligible voters in these areas where there has been such widespread discrimination?

Mr. MITCHELL. I would say that if we put in the requisite number of registrars, it shouldn't take more than 6 months to do it because the people are eager to get registered but they just don't have the facilities for registering.

VOTER EDUCATION

Congressman COHELAN. Don't you think we will have to step up our programs of voter education, of impressing people with the importance of actually using the ballots, if this new law is really to have any meaning? What are we doing about this?

Mr. MITCHELL. Well, I am sure that's an important point. Of course, in some of these States where people have been deprived of the right to vote they have gotten their education the hard way. Nobody needs to have much of an education to know that Sheriff Jim Clark in Selma, Ala., is not good for the county or for the colored people. And you would be surprised at how much the people keep up with issues. I have run into many people who cannot read and write but who are very alert on the affairs of today and, of course, I think that we are not going to have to do a whole lot to educate them, but I believe we ought to do whatever may be necessary.

EXPERIENCE IN SELMA, ALA.

Congressman COHELAN. Yes; I had much the same feeling when I was down in Selma in February. I took depositions with Congressman JOHN CONYERS and many others and we found this generally to be true. Many people who were obviously unskilled in the writing art certainly could express themselves and were aware of the issues.

CONSTITUTIONALITY DEFENDED

Now, Mr. Chairman, as a very distinguished constitutional lawyer, how do you feel about the charge that this new Voting Rights Act both raises serious constitutional questions and also infringes upon proper local responsibilities?

Chairman CELLER. I do not think there is anything unconstitutional about the act. The 15th amendment makes very clear that Congress shall have the ability to implement the provisions of the 15th amendment, and the Supreme Court has construed this implementation in a very broad manner. It is a very broad umbrella under which the Congress can very readily and constitutionally adopt provisions of the type that are contained in this voting rights bill, because these provisions implement and carry out the intent and purpose of the 15th amendment.

Congressman COHELAN. You feel very confident then about any test of its constitutionality.

Chairman CELLER. I have absolute confidence that the bill in all its phases will be declared constitutional.

Congressman COHELAN. And let me ask you this while I am at it. Do you feel that this act is going to do the job? In other words, are we going to have to have any further legislation in this field?

Chairman CELLER. Well, it's our hope that this act will do the job. As Clarence Mitchell indicated, we went over this bill with a fine-tooth comb and we tried to meet every conceivable possibility and I think we have a very comprehensive bill. If, perchance, there is need for amendment, we could amend it later on but I don't think there will be any such need.

POLL TAX

Congressman COHELAN. Thank you. Now, Mr. Mitchell, this Voting Rights Act does not include the flat prohibition of State poll taxes which we discussed in an earlier television broadcast and which all three of us had supported. Do you feel the suits which have now been filed by the Justice Department in Mississippi, in Alabama, Texas and Virginia offer an acceptable alternative?

Mr. MITCHELL. Well, I say they will be acceptable if we win. I want to pay a tribute to the chairman for the way he is trying to handle this matter. He championed the ban against the poll tax, as you did, and it was not the fault of the House that it was dropped. It was intransigence on the part of other people. But, now that we are in a position where it has been submitted to the courts, I am sure a good faith effort is being made to see that it is successful, and, if it is successful, then that will be the right answer. But, if it is unsuccessful, I think all of us will have a duty to come back to Congress and knock out the poll tax.

Chairman CELLER. Clarence, we have a provision in our bill that nobody will be deprived of the right to vote if they pay their poll tax, should the poll tax be declared constitutional, 45 days before the election. We put that provision in so as to safeguard the voting right of those who pay their poll taxes. It does away with this outlandish idea that they have to pay their poll taxes a year in advance or the January before elections.

Mr. MITCHELL. Yes, well there is no doubt that through the chairman's ingenuity we have got the best that we could get under the circumstances. If it works, fine, but if it doesn't, of course all of us would hope we would be back here trying to get it banned and I know the chairman, and you, Congressman COHELAN, would give us a warm reception.

ENFORCEMENT

Congressman COHELAN. Now, I realize that we have had only a few days in which to evaluate the progress of this act, but on balance do you feel that the Federal Government and the Department of Justice, in particular, is doing enough to implement the bill?

Mr. MITCHELL. I am afraid I couldn't say that enough is being done at this time. As I mentioned a minute ago, there are 82 counties in Mississippi and there are registrars in only 2 of them and that is very bad. But I will say that I believe the administration and particularly the Department of Justice will move in good faith on this matter. I have just today taken some additional complaints over to them from Laurel, Miss., where there are people being turned down on a wholesale basis and, in fairness, I must say that in every county where the registrars are located we are getting excellent reports. So what is being done is being done well. The problem is that more is going to have to be done.

Congressman COHELAN. I am very grateful to you both. Thank you very much Chairman EMANUEL CELLER and Mr. Clarence Mitchell.

This is Congressman JEFFERY COHELAN in Washington.

H.R. 3140 and the State of Wyoming

EXTENSION OF REMARKS
OF
HON. TENO RONCALIO
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 10, 1965

Mr. RONCALIO. Mr. Speaker, the State of Wyoming has excellent medical facilities, particularly the VA hospitals in Cheyenne and Sheridan, and the Gottsche Rehabilitation Center in Thermopolis, which deserve to be included in any system of treatment centers for heart disease, cancer, and stroke.

In light of the importance of H.R. 3140 to the medical profession and to my State, it is imperative that the bill be seriously considered before further action is taken.

PROVISIONS OF THE BILL

The legislation would authorize grants to public and other nonprofit institutions to assist them in planning, establishing, and operating regional medical complexes to combat heart disease, cancer, stroke, and other major diseases. The purpose is to facilitate closer coordination between research centers, on one hand, and hospitals and physicians, on the other. The regional center is supposed to supply outlying communities with trained personnel, expensive equipment, and the latest advances in medical knowledge.

The Albany (N.Y.) regional hospital program is an example of the kind of development which H.R. 3140 would encourage. Hospitals in New York and Massachusetts have collaborated with the Albany Medical College to promote postgraduate medical education through visits, conferences, and publications. A regional program in Iowa provides closed-circuit TV broadcasts emanating from the State medical school, providing the latest research information to hospitals in the area.

This bill has passed the Senate with no opposition to the basic provisions and is now being considered by the House Interstate and Foreign Commerce Committee.

NEED SAFEGUARDS FOR LOCAL PRACTICE

At least two major objections to H.R. 3140 have been raised. First, it is written in such vague terms that it does not provide adequate safeguards for the protection of the medical profession in the cities and towns where a regional center will not be located. There is a very real danger that the bill would permit the establishment of huge medical centers which would pull patients away from the local doctors in areas of practice which are, by all standards, adequately handled with existing local facilities and talent. Thus, the local hospital might be relegated to the status of a first-aid station and many competent local physicians would be deprived of the opportunity to apply their skills effectively.

Downgrading the practice of local doctors would necessarily be accompanied by a corresponding exodus of physicians to the regional centers. Yet, the treatment of many ills calls for practitioners who are readily available, even in small towns. In case of heart trouble, or stroke, many victims need immediate medical care; it will be too late if the patient has to be sent to a distant medical center in order to obtain adequate care.

Ostensibly, the regional medical center will serve as a source of personnel, equipment, and information for smaller communities. However, as it is now written, the bill does not insure this result. The bill should be amended to guarantee the integrity of local medical practice.

PATENT RIGHTS

My second objection to the bill is that it would allow exclusive patent rights to be assigned to private contractors. The result of this would be monopoly prices, placing essential drugs beyond the reach of many citizens. Past experience indicates that the public often pays about 30 times the cost plus fair profit at wholesale for drugs produced under private patents; furthermore, there have been marketing delays of from 3 to 5 years after a discovery is made while private monopolists secure their patent rights.

With the exception of Belgium, the United States is the only developed, industrialized country which grants both process and product patents on drugs, does not provide for compulsory licensing, and does not impose price controls. Other countries, including many which have been noted for their development of new pharmaceutical products, have sought to provide some protection for the consumer.

H.R. 3140 is in need of an amendment to secure to the Government new drug patents developed with the taxpayers' money. Private companies doing research or hiring researchers always insist that whoever pays for the research receives the patent rights to it. Since the public is paying billions of dollars each year for research, it should receive the patent rights and benefits in the form of lower drug prices and faster marketing of drugs.

With these grave shortcomings in H.R. 3140, I urge the Committee on Interstate and Foreign Commerce to continue studying this bill until the next session of Congress in order to determine its consequences with certainty and to protect the public by adopting appropriate amendments.

Ambassador George J. Feldman

EXTENSION OF REMARKS
OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 10, 1965

Mr. PHILBIN. Mr. Speaker, I was honored, delighted and truly grateful to be privileged to attend the swearing-in ceremonies of my dear, cherished and esteemed friend of long standing, the Honorable George J. Feldman, newly appointed Ambassador of the United States to the historic nation of Malta. He will be our first Ambassador to this important post.

Ambassador Feldman comes to the distinguished post for which President Johnson has so wisely appointed him, with a most impressive record of successful endeavors in the practice of law, in business and in the public service.

It is my good fortune to have known George Feldman since his early youth when he was first associated with our mutual, great and dearly beloved friend, the late eminent David I. Walsh, for many years the illustrious U.S. Senator from the great State of Massachusetts.

As a career public servant, the new Ambassador made a most auspicious start during the time he was with Senator Walsh, and early marked himself as a young man of outstanding ability and dedication.

George Feldman is highly trained and educated, and is endowed with a fine legal mind. He is a well-known legal scholar and writer, a very successful lawyer who has handled with great distinction many important legal causes.

His opinions, views and specialized knowledge, have been frequently sought by eminent counsel and by congressional committees.

At a great sacrifice to himself and his devoted family he came to Washington to serve in the initial stages of the organization of the House Committee on Science and Aeronautics, first launched under the leadership of my late, esteemed beloved friend and colleague on the House Armed Services Committee, the Honorable Overton Brooks, of Louisiana, and later by another very distinguished House Armed Services colleague and dearly beloved friend of mine, the esteemed and outstanding gentleman from California, the Honorable GEORGE P. MILLER.

During this experience, Mr. Feldman made invaluable contributions to the work of this new epochmaking, pioneer committee which has done such tremendously valuable work in fearlessly extending outward into the deep, infinite reaches of space the presence and handiwork of man. Only the Lord himself could predict where this great adventure may lead mankind.

Mr. Feldman also served as one of the original trustees of Comsat, a most important, vital adjunct of the space program which has brought nations much closer together through the transmission of radio and televiews from long distances across continents and oceans from widely separated areas of the world.

George Feldman has engaged also as a brilliant leader in many religious and charitable activities and humanity causes to which he has lent his great talents, abilities, generosity, and dedicated and inspiring spirit.

In him, the President has made a magnificent selection of a great American to represent the United States at Malta and in our diplomatic service, and I know that he will achieve great success in this role as he has done in other positions of great trust and responsibility to which he has been called in the past.

I appreciated and was deeply impressed by the remarks at the exercises of the very distinguished Secretary of State, the Honorable Dean Rusk, who on this occasion spoke so eloquently, feelingly and appropriately concerning Mr. Feldman's record of achievement and high qualifications and spirit of dedication and broad experience and warmly welcomed him to the Department of State.

All of us who know George Feldman realize his fine qualities as a human being and his constant search for ways and means to offer his talents and services to the inarticulate and the helpless, who are not always able to speak and act for themselves in ways to promote their well-being and interests and thus strengthen the moral bonds of the Nation.

His charming, gracious wife will be of constant support and assistance and help to Ambassador Feldman as he discharges his most important duties and his lovely son and daughter will round out a very happy partnership which, I am sure, will do a magnificent job in strengthening the bonds between the United States and Malta and promoting the interests and posture of our Nation in the important area in which the new Ambassador will serve.

I feel very happy and confident that my valued and dear friend, George Feldman, will give an excellent account of himself in his distinguished ambassadorial post and measure up to the highest standards and traditions of our great diplomatic service of which he is now such a distinguished leader.

In heartily congratulating Ambassador Feldman, his gracious wife and family, I wish them Godspeed and every measure of good fortune in their new tasks, and I hope and pray that the good Lord will shower upon them his choicest blessings of good health, success, happiness, and noble achievement in the great work which they are undertaking for many years to come.

The Proper Place of Federal Assistance to Education

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1965

Mr. **CURTIS**. Mr. Speaker, on July 30 I had the honor of addressing the Citizens for Educational Freedom at their sixth annual national convention in Minneapolis, Minn. The Citizens for Educational Freedom is an organization dedicated to preserving the rights of parents in the education of their children and the development of equality and diversity in education.

This organization was founded in 1959 in St. Louis, Mo., by a group of parents who are interested and concerned with the rising force of Federal Government into the area of parental rights in education. I submit for the RECORD the text of the remarks that I made on that occasion:

REMARKS OF HON. THOMAS B. CURTIS AT THE NATIONAL CONVENTION, MINNESOTA FEDERATION, CITIZENS FOR EDUCATIONAL FREEDOM, JULY 30, 1965

During the 1960 presidential election campaign Senator John Kennedy on several occasions said "In the next decade we must double the amount we are spending on education." The reaction of most Americans was to accept this as a challenging statement and say "Amen." The fact of the matter is that the statement was not a challenge. It was an example of clever rhetoric. My reply in 1960 was, "Why is Senator Kennedy asking us to slow down? We almost tripled the amount we spent on education from 1950 to 1960."

In 1950 government, Federal, State, and local, spent $6,507.9 billion ($5,745.7 billion, elementary and secondary, $762.2 higher education) (Federal, $106.9, State and local, $6,401.0). In 1960 government, Federal, State, and local spent $17,788.3 billion ($15,587.9 elementary and secondary, $2,200.4 higher education) (Federal, $622.3, State and local, $17,166.0). (In 1940 the corresponding amounts were: Total $2,316.2 billion, of which the Federal accounted for $0.047 and State and local $2,269.2 (pp. 434–345. "The Economic Almanac," 1962). To obtain the full amount we spend in our society on education we would have to add to these figures the expenditure for private schools which seems to average with some constancy about another 20 to 25 percent of what is spent by the governmental sectors.

There is some indication that the rate of increase of expenditures for education in our society has slowed down since 1960. Total new educational construction, public and private, put in place increased from $1,427 billion in 1950 to $3,384 billion in 1960, while it has only increased an additional $0.5 billion to about $3.9 billion, in 1964. In other words, the 10-year growth rate from 1950 to 1960 is 137 percent while the comparable 10-year growth rate for the 4 years from 1960 to 1964 is about 37 percent or less than one-third the rate we had been experiencing before the New Frontier took over.

It is noteworthy that the great increase in total expenditure for education is in the private sector and in the State and local governmental sectors. The Federal Government's efforts, although great in percentage increase in the past two decades amount to very little, less than 4 percent, in respect to the total governmental effort in our society in education expenditures and less than 3 percent of our total effort, government as well as private.

I think it is also important to point out that in addition to what we term educational expenditures, the parents of school-age children bear many additional expenses which, if proper accounting methods were developed, would be added to the amounts we compute as the expenditure made in our society for education.

I am not at all certain that the entrance of the Federal Government into the area of direct expenditures for education has been advantageous in increasing the total amount that our society spends upon education. From my studies in the field of international economics, I have advanced a corollary to Gresham's law, i.e., bad money drives out good money. This corollary states that government money drives out private money. I am now finding out that the Curtis corollary extends beyond the area of international economics to domestic economics as well. I wonder whether it does not operate in the field of education as well and whether there is not a further refinement to the Curtis corollary which states that Federal money money drives out State and local governmental money, as well as private money.

I fully appreciate the pump-priming theory upon which Government money was spent to produce an economic upturn in the depression of the 1930's. And to the extent that our Federal governmental grants in aid programs in their inception were on a matching fund basis, there seemed to be some sound basis for accepting the pump priming theory and arguing that it would prevent the Curtis corollary from operating, and total spending would be increased. However, with the Federal matching formulas increasingly becoming more regressive with the Federal Government taking over the large proportions and the State and local governments taking over the small proportions, I suspect that the Curtis corollary may be in full swing. Certainly, matching formulas like 90 percent Federal and 10 percent local, as we see in the Federal highway programs, produce little pump priming effect. The primer is bigger than the well.

However, in spite of the increasing part the Federal Government is playing in the field of education, fortunately it still is mostly talk. The bulk of expenditures, as I have pointed out, has remained at the State and local levels, primarily at the local levels.

One cry for increased Federal Government participation is that the State and local governments are so hard pressed financially that they cannot assume the increased costs of education and the increased expenditures our society must continue to make in this area. Well, this is a peculiar theory in that there is only one source of taxation, I can assure you as one who writes tax legislation, and that is the individual human being. Governments, whether State, local, or Federal, are only tax collectors (and I could add, churches are the same) and then can collect taxes only from one source, people. The corporate income tax, as in any business tax, is a tax upon people—not upon some unidentifiable ficticious person—it is primarily a sales tax because every business, if it is to stay in business, has to pass the tax it pays on to the consumer in the price it charges for the goods and services it is selling. Maybe the investor pays a bit of the corporate income tax, but very little, and even if the investor pays some, we must remember that investors are people, too, and increasingly in the United States the investor is becoming everyone of us.

So when it comes to easing any tax burden, I am not so inclined to worry about the tax collector—the State or local government—or the Federal Government, as I am about the taxpayer. I think of tax collection from the efficiency of the collection system—the efficiency from the standpoint of the taxpayer so that the minimum amount of cost goes into the collection of the tax and the maximum amount can go into the expenditure of the funds for the purposes intended by the governmental agency, in the instance under discussion, education of our children. I also want the tax collection for efficiency's sake to be pretty close to the agency of government that is going to spend the money so that there is a minimum of cost in transferring the money from the agency that collects it to the agency that spends it. Also so that those who spend have a better understanding of the cost of spending which they do if they are close to those who have to raise the revenues.

By these criteria the Federal Government is not a very efficient tax collector for educational expenditures. It is not even an efficient tax collector per se in minimizing the economic cost of the mere collection aspects. The Federal Government is merely efficient in hiding the economic cost of collecting the Federal income tax because it passes the main cost burden of bookkeeping, accounting, and collecting over to the private sector—to the individual person and businesses making out the complicated tax returns. But passing the cost of tax collection over to the private sector does not save the cost economically to our society, it merely avoids some of the blame for the cost being placed where it belongs on the type tax itself and on the governmental body using it. The most efficient tax economically to collect is the real estate property tax, by far. All it requires is an assessment every 10 years or so and a yearly billing—no accounting, no time on the part of the taxpayer, and little time on the part of the tax collector. It is almost all done by mail.

Furthermore, I would observe that it is the Federal income tax that has come in for the greatest criticism from economists and tax theorists in recent years, as well it should. It is the high rates of the Federal income tax which has created the economic damage to our society which we are now trying to remedy by timely tax reduction, not the real property tax or the State sales and use taxes. Yet there are people who would put a further burden on the Federal income tax to raise the money to be spent for education and for other services which have traditionally been provided by the private sector and by local government.

Furthermore, the Federal Government, not being the sector of government which is charged with spending the education dollar, has the difficult and costly job of transferring the tax dollars collected to the local governmental agencies which are charged with the spending of them. As has often been observed, send a tax dollar to Washington, D.C., to be returned to be spent in the community and it comes back badly clipped. We certainly can cut down on the amount the dollar gets clipped when it is sent on its long journey to Washington and thence back to the community, but we must recognize that there will always be considerable cost in undertaking the round trip journey in the first place. And we may well ask, Is this trip necessary?

The answer is made that the trip and the clip are necessary because we need the Federal governmental mechanism to equalize between the rich and the poor States. It is said that many of the children who need to be educated are in the poor States which cannot afford to bear the costs of education while the ability to pay taxes lies in the richer States. Well, I have often sought to answer this syllogism. I ask, where are these so-called poor States? The answer to that question is quite ready; in the South—Arkansas, Alabama, Mississippi, etc. I then ask, but on what basis do you say these are poor States? The answer to this is also quite ready. "Take a look at the per capita income of these States." Indeed, the per capita income in these States is relatively low. But then, I ask the next question, and the answer to this is not quite so ready. But these States do not pay for education out of taxes on income, do they? Don't they pay for education costs and community facilities of all sorts essentially by use of the property tax? If this is so, and it is so, let's take a look at the assessed valuation in these States which allegedly are so poor. Here we have the true answer. There are not really any poor States in the United States. The States so often cited are States where there are poorly developed and enforced property taxes, where there is a considerable amount of absentee ownership, among other things. Where the assessment on real estate hardly match the true value of the land and structure. These are the very States, by the way, which are digging themselves further in the hole by waiving property taxes for a period of years to entice businesses to locate in their area—on the assumption, I suppose, that having the payrolls will assist them to have a better tax base than one based upon property wealth. This is surely regressive thinking for the 20th century. This theory can be found entrenched in most of our Latin American neighbors and throughout the world and until the theory is abandoned I could argue, these societies will not move ahead.

No, there is no need for the Federal Government to get into the business of Federal equalization laws, although there is still plenty of reason for all the States to continually update their State equalization laws for education. And there is much room for counties to pass education equalization laws so that tax revenues can be spread from wealthy areas, measured in terms of property wealth to areas of less property wealth. Above all, there is ample room for modernizing our property tax laws and keeping them to date—which means, among many things, modernizing our zoning laws and keeping them up to date. No community can support schools or community facilities—except the very few unusually wealthy communities—with a property tax based heavily on home assessments.

I like to point to Crestwood, Mo., as an example of up-to-date zoning and assessment. Here is a new community—nonexistent in 1945, about 12,000 population. To a casual observer it looks like a typical middle-income, suburban bedroom community. Yet look at its tax assessment books. Look at its zoning laws and you have the real story. Seventy-five percent of its assessed valuation comes from industry, commerce, and the utilities, only 25 percent from the private homes of its citizens. It has fine schools, fine community facilities, ample revenues, and little debt.

Henry George extolled the values of the property tax further than I would go to the single tax idea and these values should be considered today. In America the real estate tax provides the money which is spent largely in increasing the valuation of the very real estate taxed. Build roads, schools, sewers, provide fire departments and police protection, and the value of the real estate and the buildings increase. The expenditures from the real estate tax go to and relate to increasing and preserving wealth. This makes a neat package and is the basis of the grassroot community growth in America. Furthermore, a well-designed real estate tax is a discouragement to the greatest of all economic sins—to hoard rather than to utilize wealth. A well-designed real estate tax system places an incentive on utilizing real estate to its greatest economic potential—and if a good tax system is established in context with up-to-date zoning laws and building codes, increased wealth flows to the community like from the mythological cornucopia.

Before I leave this extolling of the property tax, let me remind you of two things. It is the property tax which has responded nobly since the end of World War II—not the Federal income tax. It is the property tax which has financed the increased expenditures for education from a $2.3 billion figure in 1940 to a figure now well over $18 billion in 1965—not the Federal income tax.

Nor is it true that this cornucopia of our communities is running low or needs priming. The expenditures on education have produced what we anticipated they would produce in new and greater wealth which in turn increases the potential for the future flow. In spite of all the false propaganda to the contrary by those who denigrate progress in America to justify their desires to further federalize our society, educational bond issues are continuing to be passed by the local citizenry. The HEW statistics reveal that beginning in 1957 when they first collated the percentage of public school bond issues passed per bond issues submitted to the voters, only once has the figure fallen below 70 percent: 1957, 74 percent; 1958, 78 percent; 1959, 62 percent; 1960, 83 percent; 1961, 71 percent; 1962, 70 percent; 1963, 70 percent.

And I hazard a guess that of the bond issues failing, many should have failed but undoubtedly most of these bond issues were resubmitted in an improved and corrected form and then passed—a healthy situation in itself not duplicated by the process of local school districts submitting their needs to a political bureaucracy in Washington, D.C.

The second observation I wish to make is that the property tax responded in this noble fashion in spite of the serious difficulties it experienced as the result of the failure of the Federal Government to perform one of its primary functions, namely maintain the dollar as an accurate economic weight and measure by following sound Federal governmental fiscal policies.

The drastic inflation which occurred from 1946 until 1951 placed the property tax systems all over the United States in very serious jeopardy. The property tax systems are based, as I have pointed out, on assessed valuations. Most systems make the specific and multitudinous assessed valuations when the improvements are made to the land inasmuch as improvements amount to the major part of most valuations. Accordingly, most assessments reflect the dollar cost of making the improvement in the year in which it was made. So, in 1946, the assessments books reflected valuations in terms of the many years of the preinflated dollar. All new improvements, new homes built after 1951 went on the books in terms of the post-World War II inflated dollar. This process by itself created an inequity in the tax system to the owners of new homes and new improvements vis-a-vis the owners of older structures. However, the cost of services and goods—teachers' salaries and blackboards—went up with the inflated dollar. Therefore, the revenues, the tax collections, had to be increased, just to stand still, let alone to progress. However, increasing the rate of the property tax aggravated the inequity already existing in the base because of the measuring of new improvements in terms of the inflated dollar. Every community in the United States was faced with a very difficult process, difficult mechanically as well as politically, the process of reassessing all the property on the assessment books in terms of the same dollar. Over 80 percent of our communities have now done this and I would observe they are now in relatively good shape. A small percentage have not assumed their responsibility. Many of these are the communities, and some of them are sizable, which are creating a great deal of the pressure on the Federal Government, through its overburdened income tax system to bail them out. Yet these communities have it within their power to do exactly what the others have done, painful as it was.

I have taken a long time to get around to what I want to really talk about, tax credits in Federal income taxes for parents and others who pay the costs of education.

Let me state the case for this most needed reform in Federal tax law in my own semantics because it is usually presented, even by some of its advocates in the semantics of those who oppose it. This reform is in accordance with American classic tax theory; namely, that we do not tax money which is being spent for a social purpose which if it were not so spent we would call upon the Government to spend. Putting it another way, we know that when we extract money from the private sector to pay for the expenditures of governmental services we are going to have some economic impact. We seek to keep that impact at a minimum. We prefer not to tax industries on the wane, we prefer to tax industries on the rise. We prefer not to tax low incomes, we prefer to tax high incomes. We prefer to tax wealth not the process of creating the wealth. We do not tax money spent for desirable social purposes.

This is the tax theory of the tax neutralists. This is the classical tax theory in America. There is a new school of tax writers who are not neutralists. Because the power of taxation to effect economic results and to render economic decisions is so great, and I might add so subtle, these theorists advocating an old system as if it were new, seek to write tax laws to deliberately produce economic decisions—their decisions—to channel expenditures into certain areas supplanting the private decisionmaking process with the political process.

Now the difference between these two schools of tax theory may on the surface seem to rest in semantics because at times both place a stamp of approval on the same kind of social spending. However, I submit there is the world of difference between the two theories.

The first theory, the American classical theory, is based upon the assumption that the people own everything and that government, the servant of the people, not the people's copartner, the people's servant only takes that which it needs to provide the services the people have decided they wish to use the mechanism of government to provide for themselves. The second theory is based on the assumption that the government or the society owns everything and what the government chooses not to take in taxation is a subsidy to the people.

In our Federal income tax laws we have always given a deduction for donations to charitable and educational institutions. These new tax theorists say thereby the Government subsidizes these institutions. I say we give the deductions not to subsidize but rather on the theory that we did not wish to tax this area of endeavor. We as a matter of policy prefer to obtain the money to run the Government from other areas of endeavor. This is money being spent for social purposes which if it were not so spent probably would require the Government to spend it directly.

So the tax credit to those who spend money on education, which I advocate, is entirely consistent with American classical tax theory. If the private individuals do not spend the money for education then the people through their government would probably do so as a last resort—although I submit much more inefficiently.

Note also how this classical tax theory disposes of some of the difficult problems we run into when we use the Government mechanisms to raising the money through taxes and then spending the money directly through the bureaucratic process. Under the classical tax theory there is no problem of church versus state. The money is spent privately, not by governmental officials. A private person can decide to send his son or daughter to a public school, a parochial school or a nondenominational private school. If he has spent the money on education, that is the sole concern of the society which wishes to assure itself that the children are being educated.

The Federal administration has opposed the tax credit theory on many grounds, not one of which stands the test of examination. One current argument still being advanced is that Federal income tax credits will only help the wealthier families and will do nothing for the lowest income groups. I have given the answer to this many times. Here it is. Who are the lowest income groups? The poverty class, families with incomes of $3,000 or less? Well, families of over $2,000 pay Federal income taxes, so even some of the so-called poverty families will benefit. With a tax credit all taxpayers, high income or low income, get exactly the same dollar amount—which, of course, means percentagewise a great deal more to the lower income group. Furthermore, these families not paying Federal income tax are only 15 percent of all families, so 85 percent of all our families do benefit. However, if we go further into the pertinent statistics we find that the families with incomes of $3,000 or less are predominantly where the head of the family is in the age brackets of 20 to 30. There are few children of school age in these families and practically none as high as secondary school. Of course, we find the lower income families in the age brackets of 20 to 30. These are the young people first starting out. We also find the lower income families predominantly in the over 65 age bracket. In these families there are practically no children at all to educate. Of course, this is so. These are the grandparents, the people on retirement. When we zero in on the problem we find less than 5 percent of the families headed by persons in the age brackets of 30 to 65 among the low-income groups where the school population exists. In other words, 95 percent of the families with children to educate are Federal income taxpayers and the income tax credit approach will assist them materially and will assist the local communities to collect property taxes without further burdening these very same people who as taxpayers are paying education taxes and as parents are paying the cost of raising the children who are being educated.

Since when is a program which benefits 95 percent of our people undesirable on the basis that it will not help the 5 percent? I would observe that the 5 percent are not neglected, but they come under a different program. Helping the 5 percent is legitimately and traditionally the area for direct Government expenditures, whether for education or just plain housing, health care, clothes, and proper diet, the necessities of life. The answer is that, of course, the Government at all levels—local, State, and Federal—is engaged in assisting these people on all their living costs, including education; and so are our private institutions, our churches, and community chest agencies. We tend to forget this.

I conclude from the series of shifting and unconvincing arguments advanced by the opponents of the education tax credit, which is in the nature of further Federal income tax reform and Federal tax reduction to lower the tax on money spent on education, that their real purpose is not, as they say, to get our society to spend more on education, but rather to try to redirect that which is already being spent.

I, too want to raise the standards of education in our society. If that is the real aim in the minds of these honorable opponents and that is what the redirection of spending is designed to achieve, then let's move the dialog into this area. I will debate them on this issue as well as the issues I have been discussing. However, it is a different line of argument than that which they have been advancing. The question here lies in whether we raise our educational standards best by the utilization of our local school boards and school trustees to make the decisions or through the process of political bureaucratic judgment at the Federal level, then to be disseminated through the society. I personally believe there are places where the Federal political decisionmaking can be beneficial in the field of education but they are few in number. I would argue it is really only after the local groups have expressed a desire for assistance in somewhat of a consensus that the machinery of the Federal Government should be employed, not until then. Government is the servant of the people, not their copartner, certainly not their master.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 11, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used this verse of Scripture: Jeremiah 30: 22: *And ye shall be my people, and I will be your God.*

Almighty and gracious God, Thy blessings of love and good will are like the sun shining and the rain falling upon the just and the unjust in impartial benediction.

Grant that we may believe that the commandments and duties of justice, faithfulness, kindness, and charity are likewise incumbent upon us, and that we must obey them.

Help us to understand that we are bidden to practice those principles which Thou hast enjoined in order that we may truly be Thy followers.

Transform and transfigure our minds and hearts that we may desire what Thou willest and do what Thou dost command.

Illumine us with Thy spirit and may we grow up into the likeness of Thy character and nature.

In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 8856. An act to amend section 271 of the Atomic Energy Act of 1954, as amended.

The message also announced that the Senate disagrees to the amendments of the House to the joint resolution (S.J. Res. 81) entitled "An act to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RANDOLPH, Mr. MCNAMARA, Mr. MUSKIE, Mr. FONG, and Mr. PEARSON to be the conferees on the part of the Senate.

The message also announced that the Senate has passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 100. Joint resolution to provide for the designation of the period from August 31 through September 6 in 1965, as "National American Legion Baseball Week."

APPROPRIATIONS, DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, FISCAL YEAR 1966

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H.R. 7765, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes, with amendments of the Senate thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. FOGARTY, DENTON, FLOOD, MAHON, LAIRD, MICHEL, and BOW.

MAINTAIN FARM INCOME, ETC.

Mr. YOUNG, from the Committee on Rules, reported the following privileged resolution (H. Res. 512, Rept. No. 777), which was referred to the House Calendar and ordered to be printed:

H. RES. 512

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON EDUCATION AND LABOR

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may sit while the House is in session today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALL. Mr. Speaker, I object.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

Mr. FALLON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 81, to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways, insist on the House amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Maryland? The Chair hears none, and appoints the following conferees: Messrs. FALLON, KLUCZYNSKI, CLARK, CRAMER, and BALDWIN.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 503 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 503

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1648) to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Public Works now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill, and read by titles instead of by sections. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

COMMITTEE ON PUBLIC WORKS—CONFERENCE REPORT ON NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a conference report on Senate Joint Resolution 81.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. CRAMER. Mr. Speaker, reserving the right to object, will the gentleman indicate what that resolution is?

Mr. FALLON. Mr. Speaker, that is the resolution we intend to go to conference on.

Mr. CRAMER. Providing highway authorizations for 1967?

Mr. FALLON. That is correct.

Mr. CRAMER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, in view of the rule waiving points of order, that has just been read, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 281]

Baring
Bonner
Brown, Ohio
Cahill
Cameron
Carter
Collier
Colmer
Culver
Cunningham
Daddario
Ellsworth
Evins, Tenn.
Flood
Fraser
Hawkins
Hosmer
Irwin
Keogh
King, N.Y.
Lindsay
McDowell
McVicker
Mathias
Mills
Morrison
Murray
Pelly
Pool
Powell
Roncalio
Roybal
Ryan
Stafford
Sullivan
Teague, Calif.
Thomas
Toll
Tupper
Willis

The SPEAKER. On this rollcall 392 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

The SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I urge adoption of the rule to consider S. 1648, the proposed Public Works and Economic Development Act of 1965.

The purpose of this bill is to make sure that every American has an opportunity to earn a decent living for himself and his family.

The effect of the bill will be to help areas create more jobs for the people who need them most and in the places where they are most needed.

This bill was sent to the Congress by the President on March 31, 1965. It was passed by the Senate on June 1, 1965, by an overwhelming vote of 71 to 12.

A companion bill was introduced in the House by Congressman FALLON, the distinguished chairman of the Committee on Public Works, and by many other Members.

The Committee on Public Works, after holding extensive hearings, adopted a number of perfecting amendments and reported a substitute bill on June 22, 1965, with only six members signing the minority report.

We are dealing with legislation which will help the economy directly or indirectly in every State in the Union. It has been carefully prepared and received strong bipartisan support.

This bill is not a duplication of current legislation.

The area redevelopment bill was enacted May 1, 1961, expired on June 30, 1965.

The public works acceleration program enacted September 14, 1962, was financially exhausted almost 2 years ago. It is now dead.

The Appalachian Regional Development Act passed in March of this year is directed 80 percent to highway construction and in no way conflicts with the pending bill.

This bill will not only bring prosperity to unemployed and stricken areas, but will indirectly aid all sections by reason of the demand created for steel, machinery, lumber, automobiles, and thousands of other manufactured products.

THE PURPOSE OF THE BILL

Let me emphasize the purpose of the bill. I quote from the bill:

> The Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemploy-

ment * * * to take effective steps in planning and financing their public works and economic development * * * (to) enable such areas to help themselves achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies.

Mr. Speaker, the purpose of this bill is to help people become self-supporting.

The purpose of this bill is to help people earn a living.

The purpose of this bill is to help make our Nation stronger.

The purpose of this bill is to use the strength of the national economy to make sure that all of the smaller economies which make up the national economy are getting a fair share of the Nation's prosperity.

THE PROVISIONS OF THE BILL

The bill has been carefully designed to accomplish these purposes.

First of all, it provides for help to relatively small areas such as towns, counties, and cities.

Second, it provides for help to large multicounty areas such as development districts so that areas with like problems will work cooperatively, in the traditional American way, to help each other.

Third, it provides for help to the so-called development centers which can serve as the most efficient job-producing localities in a district, where rising economic activity can overcome joblessness in the associated depressed areas; and

Fourth. It provides for help to the large multistate regions where common problems of transportation and resource utilization can best be resolved by careful multistate regional planning and development.

The provisions of the bill are based on the best features of the public works acceleration program, the area redevelopment program, and the Appalachian Regional Development Act. No duplication or repetition. In most cases, there are tried, tested, and perfected features which can best accomplish their purposes by being tied together in a single, integrated program.

These features include:

First, help to hard-pressed communities for the public works and development facilities which form the foundation for any economic development program;

Second, help to establish new, and otherwise impossible to achieve payrolls through financial assistance for new and expanded industrial or commercial enterprises;

Third, help to plan, understand, and administer the economic development programs of localities, States, districts, and regions; and

Fourth, help to solve technical obstacles to economic development by assisting management and making feasibility and resource studies.

These are practical provisions. They are tested provisions.

Where they have been imperfect, they have been improved. Where they have worked, they have been retained.

THE OBJECTIVES OF THE BILL

The objectives of this bill are most worthy of your support.

We want to make taxpayers out of tax consumers, as the President has pointed out.

Those who are now unemployed are a drain on our resources. Not only do they now contribute nothing to the national wealth, but they must be supported by other taxpayers. During the last 3 years millions have been removed from relief rolls by similar programs and are benefited by helping them to become self-supporting.

We want these people to become self-supporting under the private enterprise system, not under some system of Government dole. That is why this program is based upon providing support for and inducements to private enterprise. We help businessmen under this program not because they need our help but because we need their help in expanding job opportunities in the areas where these opportunities are now lacking.

INVESTMENT PROGRAM

This is not a spending program, it is an investment program. By investing in the development of the entire Nation, we will in fact save money. We will reduce our welfare and unemployment compensation costs and earn dividends in the form of new tax payments.

And finally, one of the major objectives of this bill is to strengthen the ability of separate communities to guide and carry out their own economic development programs. It strengthens local initiative.

THE PROSPECTS OF THE BILL

This bill can achieve the virtual elimination of depressed areas. It could be responsible for 1 million extra jobs over the next 5 years. These jobs can bring extra annual payrolls of $3.5 billions into our depressed communities. These jobs can mean sales of $50 million additional for household appliances, $40 million additional for radio and television, $60 million for furniture, $170 million for automobiles and other necessary products.

These figures only hint at the potential in this bill—a potential for economic growth and better lives for the folks who live in the areas that are now sitting helplessly on the sidelines watching the rest of the Nation enjoy the greatest prosperity in our history.

NO DUPLICATION

There is no duplication in the supplementary grants portion of the bill because S. 1648 specifically forbids duplicate approvals.

I have heard talk that projects should not be approved under this bill in the Appalachian region.

Any such policy would be the most serious of injustices. It would have the effect of making the depressed areas in Appalachia—some of our most serious areas—eligible for less help from the Federal Government than areas in other parts of the country. Surely, this Congress, which recognized the need to do something special to help the Appalachian region, in order to bring it up to a level comparable with other areas of the country, would not want to end up doing something that would renew the inequities which it set out to cure.

THE ACCOMPLISHMENTS OF ARA AND APW

Mr. Speaker, in his message to the Congress on area and regional economic development the President referred to ARA repeatedly, pointing out that the program will be based primarily on the experience of ARA and APW. The President emphasized four major accomplishments of the ARA program:

First. ARA has shown that helping businessmen to expand or to build new plants, can produce new jobs. Over 115,000 jobs will be created when the projects approved under the ARA program reach their full potential. According to a recent study, more than three out of four persons now working on ARA-assisted projects were not working full time beforehand.

Second. ARA has shown that the cost to the Government of creating these new jobs is repaid quickly in increased taxes. Taking into account all outlays, the estimated cost for each ARA job is $800. Taxes will bring this sum back to the Federal Treasury in 2 years.

Third. ARA has shown that people in communities will work together on self-help programs. More than 1,000 local committees are working under the ARA program.

Fourth. ARA has shown that counties can be grouped together advantageously. This forms the basis for the economic development district program in the new bill.

No one is claiming that the ARA was without defects. In fact, the House report cites six deficiencies. All of these are now corrected.

Mr. Speaker, I was impressed during the hearings before the Rules Committee with the testimony of my distinguished colleague from Pennsylvania [Mr. FLOOD], who was one of the original sponsors of the Area Redevelopment Act. Certainly, he ought to be in the position of telling us whether or not the act works.

His testimony was overwhelmingly in the affirmative. He pointed out that he comes from a county which has consistently done worse than the national economy year after year. Yet, in the years since the passage of the Area Redevelopment Act, 25,000 new jobs have been created in the county. The unemployment rate has gone down from over 13 percent to slightly more than 6 percent. The economy of his district has performed almost half again as well as the national economy.

This is what was accomplished under this act. With the improvements which this bill will make, I am confident that it can accomplish even more.

The public works acceleration program, which had a more limited purpose, was even more effective. Under this program more than 7,700 long-needed public works projects were approved. These projects not only met a desperate need for new facilities in areas which could not otherwise afford them, but they also provided many man-months of employment on the job and they resulted in the establishment of new industries and new businesses as well.

We must not forget accomplishments of these two programs, nor should we abandon what has been only begun. We can do the same and more under this new act, because we will combine them with new features for greater effect. We have attempted to weld all these programs into one unified, effective, sensible program that will make available the right kind of help to the places that need it most.

This bill will bring needed new payrolls for depressed communities.

This bill will bring needed new jobs for the unemployed.

This bill will bring needed new facilities for the public.

This bill will bring needed new taxes to the Treasury.

The American people now realize the importance of public buying power in our economy. We have not had a depression in 5 years.

Mr. Speaker, I earnestly commend this bill to the favorable consideration of every Member of the House.

It has benefits not only for those who live in the eligible areas, but in fact its benefits will flow to all areas.

It should appeal to what is humane in all of us, because it is a bill which will bring relief for a desperate human problem—joblessness.

It should apeal to what is conservative in all of us, because it is a bill which will provide a greater return than its initial investment.

It is a bill which provides significant benefits to the North, to the South, to the East, and to the West.

It is a bill for the cities and a bill for the rural areas.

It is a bill for the banker and a bill for his depositors.

I say to all my colleagues in this House—whatever district you represent, whether it is in a depressed area or not, your constituents will benefit from this bill.

S. 1648, the proposed Public Works and Economic Development Act of 1965 merits the support of every Member of this House.

Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH], and reserve the balance of my time.

The SPEAKER. The gentleman from Indiana has consumed 15 minutes.

Mr. SMITH of California. Mr. Speaker, I yield myself 12 minutes.

Mr. Speaker, House Resolution 503, upon adoption, will provide for 5 hours of debate for the consideration of S. 1648, the Public Works and Economic Development Act of 1965. It will waive points of order, and although I personally do not think this is necessary, the majority of the members of the Rules Committee voted to waive points of order because, as I understand it, there is some type of revolving fund in the amount of $220 million per year which can be used over and over without having to go through the Appropriations Committee process.

The rule calls for the bill to be read by titles, and the committee bill is made as an amendment for substitute for the bill under consideration. The rule is open from the standpoint of offering amendments.

The Area Redevelopment Act would have expired on June 30, 1965. You will recall, Mr. Speaker, that on June 23, by a vote of 224 to 167, the Area Redevelopment Act was extended for a period of 2 months until August 31, 1965. It was my understanding at that time that probable legislation would be offered to extend the Area Redevelopment Act. In fact, it was my impression that the 2-month extension was granted in order to give the committee sufficient time to work out appropriate legislation.

Apparently I was wrong in that assumption. Statements which I have heard subsequent thereto have indicated that there seems to be a question as to whether or not sufficient votes could be obtained to extend this very unsatisfactory program, with the result that the Area Redevelopment Act was combined with the Public Works Acceleration Act, and we now have S. 1648 before us for consideration.

Mr. Speaker, S. 1648 is basically a uniting of two present programs of public works and redevelopment projects, the Public Works Acceleration Act and the Area Redevelopment Act. The combined program will be administered by a new agency within the Department of Commerce.

The committee report, pages 45 to 56, contains a summary of reports made over the last year by the Comptroller General to the Congress on the Area Redevelopment Act and Public Works Acceleration Act programs. It details examples of poor administration, overstated claims of success, poor procedures for approving projects based on lack of knowledge, and inadequate analysis of pertinent available information. There are 17 such reports, all critical. Taken together they paint a very poor picture of two major Federal programs which are now to be combined into one massive multibillion-dollar program, when prudence, and available evidence would seem to indicate that what is truly needed is a complete reevaluation of this program. Certainly the Area Redevelopment Act and the Public Works Acceleration Act have proven that they are not the answer.

The total cost of S. 1648 through June 30, 1970, is set at $3.3 billion; $2 billion of this total is contained in title I, which sets up the direct and supplemental grant programs. Direct grants of up to 50 percent and supplemental ones of up to 80 percent are authorized by title I for public works and redevelopment facilities which it is claimed will directly or indirectly improve the long-term employment in the area. Supplemental grants are available for approved projects where local capital is not available in sufficient quantity, under criteria to be prescribed by the Secretary.

An additional $850 million is authorized under title II to provide for, first, guarantees of up to 90 percent for private working capital loans made in connection with direct loan projects, and second, loans of up to 65 percent for the purchase or development of land and facilities for industrial or commercial use.

Title III authorizes $25 million annually for 5 years for technical assistance and research, expanding the program now available under the Area Redevelopment Act. It also sets up a board to study the effect of Government procurement policies on regional development, and to report within 2 years.

Title IV sets up eligibility requirements under the program. To qualify, an area must first have substantial and persistent unemployment; or second, have a median family income of 40 percent, or less, of the national average; or third, suffer a sudden loss of jobs it will not be able to make up within a 3-year period; or fourth, be eligible as of March 1, 1965, for assistance under the Area Redevelopment Act; or fifth, have suffered a substantial loss of population due to lack of employment opportunities.

Title IV also establishes a new program of multicounty development districts, each containing at least two redevelopment areas and one development center; $50 million annually for 4 years is authorized.

Title V authorizes regional planning commissions, similar to the one set up under the Appalachian Regional Development Act; $15 million is authorized annually for 5 years as grants to the commissions.

Titles VI and VII deal with administrative and technical provisions.

S. 1648 is a vague and poorly drafted bill. Many of the bad features stem from this weakness. The following observations should be noted in considering the bill:

First. There is no requirement for the State or local governments receiving Federal grants to maintain their prior level of expenditures on projects on which they receive Federal assistance. The Appalachian bill required this much and the Public Works Acceleration Act required an increase equal to the non-Federal share of the project cost.

Second. S. 1648 has no provision, as did the Appalachian bill, to prohibit the use of Federal grants in relocating a business or industrial plant from one area to another. Grants may be made for facilities, sewers, waterlines, streets, and so forth, whose purpose may be to lure industry away from its present location.

Third. Section 202 guarantees up to 90 percent of private loans made in connection with title I projects. There are no guidelines as to the size of the loan to be guaranteed, the rate of interest, the time period, and so forth. The only limitation is the authorization of $170 million annually for 5 years.

Fourth. Title II sets up an economic development revolving fund. This enables the program to bypass Congress, avoiding annual reviews through the process of annual appropriations. The Comptroller General opposed this provision in its present form.

Fifth. Section 401 sets up criteria for qualifying areas for assistance. The Secretary is not required to follow the unemployment standard set forth in section 401(a) as long as his own criteria is generally comparable to it. Section 401 allows areas to be included if they were included under the Area Redevelopment Act, with no other requirement to meet as to the showing of need. This allows 432 counties not otherwise eligible under the act to participate. This is about 40 percent of the counties eligible.

Sixth. Areas in Appalachia can receive funds under the bill. The only limitation is that funds granted under S. 1648 cannot go to projects already approved under the Appalachia program. New projects may be funded out of S. 1648.

Mr. Speaker, despite the fact that both the Area Redevelopment Act and the Public Works Acceleration Act have been discredited because of their ineffectuality and poor administration, S. 1648 would reactivate and broaden both programs. It is my personal opinion that this should not be done at the present time.

It may be that my thinking is much too conservative from the standpoint of the desires of the Great Society, but from my college studies, including economics, my experience as an attorney for many corporations over the years and my association with various businesses, it is clearly indicated to me that we cannot continue to spend and spend on program after program and still hope to maintain a reasonably sound fiscal status so far as the United States is concerned.

We are presently faced with a war in South Vietnam, and in that regard I have approved of the administration's position. I have made two detailed speeches in that regard and firmly believe that if we do not defeat communism in this area, communism will spread through the entire southeast Asia area, eventually to other areas and eventually to the United States of America. Since this conflict in South Vietnam started, the Communists have probably made more strides in the United States than they made during many years prior thereto. In my opinion, it is a very serious situation.

We are being asked for additional money to carry on the defense in southeast Asia, and I will support the request. I supported appropriate salary increases for the military, I supported the defense appropriation, and I will support all measures which have to do with the preservation of the United States of America. But to start these new programs and expand existing ones, to spend several billion dollars on foreign aid, to increase the farm program which we will be requested to do next week, to expand the so-called war on poverty program, and on and on, simply on a basis of spending money is, in my opinion, the wrong thing to do.

The fact is that when the five consecutive fiscal year deficits of the Kennedy-Johnson administrations are aggregated with those of the last 5 years of the Eisenhower administration, there is certainly no cause for exuberance. The sum of the deficits of the Eisenhower years was $14 billion, and $12.4 billion of this came from the so-called recession year of 1959. For the Kennedy-Johnson years the deficit is $28.3 billion, more than twice as great as the Eisenhower deficit. This is an average of about $5.6 billion a year. It is rather interesting to note that when the deficit for the last fiscal year was announced as being only $3.5 billion, apparently this was supposed to be cause for us to shout with joy. In other words, the deficit was anticipated to be somewhat over $5 billion. It reminds me of the situation where the chairman of the board of a large corporation would be beaming and glowing with self-satisfaction at the annual meeting of the stockholders when he stated, "I am pleased and proud to be able to inform you that we only lost $1 billion last year when we thought we were going to lose twice that much. We hope to keep the loss at the same amount this year, but it might be more." Whereupon the meeting would break up and the stockholders would rush out to their brokers to buy more stock on the basis of being so happy they did not lose as much as they thought they were going to lose.

Information is reported that there was a furniture factory in Varney, W. Va., which the ARA decided was needed to provide employment in the area. They called it National Seating & Dimension, Inc., and put up somewhere between $572,000 and $679,960 for it. The Small Business Administration added another $288,000 for working capital.

With an investment of around $1 million the plant opened. In 25 months it closed. Operating losses were $678,000. ARA was stuck with a highly touted failure. Apparently, whoever selected the site made a monumental mistake. It was miles from anywhere without even a railroad spur to carry the finished products to market. Retraining of coal miners was supervised by inexperienced, incompetent personnel.

The men assembled parts for sale while in training. They were shipped to customers. Most of the parts were shoddy, came unglued, or were otherwise unacceptable. Complaints poured in, and capital was lacking to make up money lost on the orders.

There was labor trouble the whole time the plant was open. There were no strikes but the workers slowed down and held protest meetings. The chairman of the company board summed up the local attitude, "The men were little more than apprentices and felt that the Federal Government would never let the plant close, no matter what happened."

We are now enjoying one of the most prosperous eras in our history. We should be reducing our national debt, but instead we continue spending more than we take in year after year and produce one deficit after another and increase rather than reduce the debt.

Whether we want to admit it or not, we are engaged in an actual war in southeast Asia, and when we are at war it seems to me that the time has arrived for dispensing with spending for nonessential purposes and programs. I believe we should wait a time with patience to see how our expanded education programs will work out, how the Economic Opportunities Act will work out, the expanded housing bill, the Appalachia program, the expanded omnibus farm bill and others.

Mr. Speaker, I firmly believe that for the future welfare of our great Republic, this bill before us today should be defeated and that we should have a detailed study and reevaluation of our situation between now and next year in order that we can more intelligently approach matters such as are being presented to us today in S. 1648.

Mr. Speaker, I am opposed to the rule and I am opposed to the bill. I reserve the balance of my time.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Iowa.

Mr. GROSS. Did the gentleman state why points of order were waived on this bill?

Mr. SMITH of California. I attempted to state why they were waived. The majority of the members of the Rules Committee voted to waive points of order because, as I understand it, there is some type of revolving fund provision in the bill in the sum of $220 million per year for 5 years and waiving points of order will permit that to continue without having to go through the appropriations process.

Mr. GROSS. And this is the Committee on Rules that was packed in order to give the House an opportunity to work its will on various bills. Is that correct?

Mr. SMITH of California. I yield to the gentleman for his statement if he wishes. I agree with him, though.

Mr. GROSS. I am sure the gentleman knows that our distinguished Parliamentarian is now in the process of bringing the rules and precedents of the House up to date. If this sort of thing is going to continue endlessly and forever, I would suggest that we take this work away from the Parliamentarian, turn the rule book over to the Committee on Rules, and let them write the ticket for conduct of the House in the future, because to deprive the Members of making points of order against bills is to deprive the House of ability to freely work its will, as the gentleman well knows.

Furthermore, I have heard a good deal this afternoon about the wonderful era of alleged prosperity in this country, the greatest prosperity the Nation has even known or words to that effect. If this is true, why do the same speakers allege there are some 25 million people living in poverty? If this is true, why have we been confronted with all of the poverty legislation that has come before us, including this bill?

I would like somebody to tell me how we can be enjoying the greatest era of prosperity in the history of this country and still be wallowing in poverty.

Mr. SMITH of California. I cannot explain it to the gentleman.

Mr. GROSS. I wish some of these people who do so much talking about it would get up here and give us some of the facts of life.

The SPEAKER. The time of the gentleman from California [Mr. SMITH] has again expired.

Mr. MADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, I thank the gentleman, because I think that the gentleman from California [Mr. SMITH], the able minority member of the Committee on Rules, has just—I am quite sure unintentionally—misstated rather substantially the facts concerning this revolving fund. He described it as a $660 million a year fund. Yet, if the gentleman will turn to page 77 of the bill he will find that funds go into this revolving fund to carry out the purposes under section 201 and under section 403; and he will find that under section 201 there is authorization for not more than $170 million to be appropriated annually. So that $170 million has to be appropriated annually to go into the fund. And he will find under section 403 that there is authorization for not to exceed $50 million a year to be appropriated annually into this fund.

So, in the first place, it does not come anywhere near being $660 million a year going into the fund. In the second place, both of those two sections provide that the payments into the fund shall be pursuant to action of the Appropriations Committee and a vote of the House of Representatives and the Senate upon specific appropriations.

In all honesty there is a provision that collections and repayments received under this act can go into the fund once the fund is operative. So in that sense there will be some repayments over the 20- to 25-year period of these loans going into this revolving fund, without specific appropriation procedure, if this bill is in operation for that long a time, which is very doubtful.

Certainly there is no basis for the statement that there is a $660 million a year revolving fund independent of any appropriations control by the House.

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, this is a bill of great magnitude being considered, I believe, by probably one-fourth of the Members of the House present in the House. We have gotten into that habit recently. But I do not think in this discussion up to now we have had any appreciable consideration of what, I think, is the reason why this bill ought not to pass. And that is the previous history, the history of what has happened concerning the area redevelopment bill and the bill which was called the acceleration of public works bill, both of which were adopted by the Congress, were tried, and failed. And when they came back to Congress for a further appropriation and an extension, Congress voted them down, in the last Congress, and discarded this program.

Now it comes back here disguised under a new administrative agency, coming out of the Public Works Committee instead of the Committee on Banking and Currency that previously handled it.

This bill, like the previous bill, is so vague and indefinite and so extensive in its grant of authority of administration that no one knows to what extent this thing can go.

Let us take, for instance, the area that is proposed to be covered. My good friend the gentleman from Indiana [Mr. MADDEN], in his opening statement, said that this covers the waterfront; everybody was to be advantaged, every area was to be advantaged by this bill. But, as a matter of fact, the committee in reporting the bill reported out a map—I have it in my pocket somewhere—of what areas would be benefited by this. The principal area, you will note, is the Appalachian region, covered like a blanket with a second layer of relief.

Mr. Speaker, the Members will remember that in March of this year—and there was a lot of controversy about it—we passed a bill for the relief of Appalachia area. It has not even gotten warm. We do not know whether it is needed or whether it is going to work. Here we come along with this bill in August, that covers Appalachia again for a lot of other things.

Mr. Speaker, I am just wondering when Congress is going to assume some of its own responsibilities for legislating and nail these things down so that when we pass a bill we know what is going to be permitted and what happens under it, and stop duplicating relief programs on top of relief programs.

But we pass bills with this vague authority to some bureaucrat to administer and spend the taxpayers' money in great globs of billions of dollars. After it is done we do not know what is happening down there.

I wonder, Mr. Speaker, if anybody knows here what vague authorities we have granted to the Public Housing Administration in this bill passed the other day, about a half inch thick? I just wish the Members would take the time, out of curiosity if nothing else, to read the first title of that bill which is rent subsidies for people who are supposed to be in financial distress, and tell me what is the limit on how much you can pay on the rent of a person who would like to become accustomed to a more elaborate apartment or dwelling place. Just look at that little formula—and it took me about a half an hour to figure it out, but I figure that in the areas where the cost of living is high a person is entitled to public housing whose income is up in some places, as it was testified before the Rules Committee on that bill, between $10,000 and $12,000 a year. And, if you will take and figure that out under the formula as to how much rent one of these relief persons can get in the way of rent, he could rent an apartment and the Government would pay up to somewhere in the neighborhood of $400 or $500 a month. Look at it yourself. It is the first title in that bill. I think it might make you sit up and take notice about a lot of things.

I am not going to give you many illustrations—and I wish I had more time. In the Rules Committee when this bill was under consideration something was said about recreation in this bill, and that brought up another subject. I was informed that we had peculiar functions for the Farmers Home Administration. You know what the Farmers Home Administration is. Well, what we thought it was, was something to help the little farmer and small farmer who needed help, and God knows they do need plenty of it. They are not getting it out of these programs.

Well, it developed, or rather it was stated there, that this Farmers Home Administration was fostering the building on farms, to possibly take them out of production, golf courses and country clubs. Now, that astonished me so that I could not believe it and I wrote a letter to the Administrator. I wrote that letter on the 20th of July, and I waited for 2 weeks and did not get an answer. I just wanted to know whether he was authorized to do it and how much of it was being done with this money which supposedly was being spent on the farmers. I wrote a second letter and sent a copy of the first letter, and I still did not get any answer. We spoke about it in the Rules Committee yesterday, and one of my friends said, "I have a friend in that agency and I am sure if I call him on the phone he will give you an answer."

The answer is that they are not, strange to say, granting them; but under their authority they are guaranteeing loans to build golf courses all over the country, going much farther than I had thought, golf courses and country clubs in rural communities. I find by counting this up that most of your States are involved. If you need recreation on golf courses, you will find them in your State if you will look into this.

I added it up, from the list given in the letter, and we are now fostering the building of 160 golf courses and country clubs. By doing so, I am told, this will take that amount of farmland out of surplus production. That seems to be the justification. What a farmer that has to get up at sunrise and work until after sundown on his farm is going to do with a golf course, I do not know. Yet I am told it is for the use of the farming areas.

That is the kind of thing by this vague, indefinite, and perfectly wide open authorization, we are doing in all of these programs. I am not speaking of this program in particular, although it has spent a great deal of money and it provides a program that the Congress has tried and repudiated.

Here is one of the reasons it was repudiated—and I want to talk to you people who come from industrial areas that expect you to look after the industry of your community. This not only involves taking industry from one part of the country that needs it to another part of the country that does need it, although we were assured that would not be done. We were assured in the consideration of the bill it will not happen, but I received a letter this morning, and I expect a good many of you got it, from the poultry industry. That is an industry that is suffering from overproduction. The scientific methods of producing chickens, turkeys, and poultry are encouraging greater production.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. MADDEN. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. SMITH of Virginia. This is from a representative of the industry, the chicken-raising industry. They are complaining that while they are overproducing now, this ARA outfit is encouraging more production.

Mr. Speaker, I ask unanimous consent to insert this letter in the RECORD at the conclusion of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, they are complaining because this same outfit we are talking about now, that you are going to give many millions to, to keep on doing what they are doing, is about to finance a loan to put up a very elaborate broiler business in Pennsylvania, because that is in the Appalachia area, and it needs industry.

So they are going to produce more chickens with this money that we are going to give them, when we have more chickens than we can consume. One of the biggest industries in this country is the poultry-raising business, which is in a sad condition at this time. Now, why do you want to do this and raise a lot more chickens to increase that problem? These are the kinds of problems that are not taken care of in this bill, and these are the kinds of problems that will persist, and many such problems were mentioned in the hearings before the Committee on Rules.

I just think it is about time that we stop this kind of thing, and it is about time the Congress stopped delegating its duty to legislate to administrators in the executive departments, because after you pass one of these vague bills, and I could show you a dozen of them pending before the Committee on Rules now, you just do not know where they start and where they stop and what they can do and what they are prohibited from doing. And when they are in doubt about it, they construe the law as they think it ought to be written.

Mr. Speaker, the letter to which I referred previously is as follows:

NATIONAL BROILER COUNCIL,
Washington, D.C., August 9, 1965.

Re application before the Area Redevelopment Administration for an industrial loan to finance an integrated broiler-producing operation, filed by Greater New Castle Development Corp. and Lipman Bros., Inc.

Hon. HOWARD W. SMITH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SMITH: On behalf of the National Broiler Council as well as the Delmarva Poultry Industry, Inc., Mississippi Poultry Improvement Association, West Virginia Poultry Association, Virginia Poultry Association, Delaware Poultry Improvement Association, Eastern Shore Grain and Feed Dealers Association (Delmarva Peninsula), North Carolina Poultry Processors Association, Alabama Poultry Industries Association, Eastern Shore Poultry Growers Exchange, Southeastern Poultry & Egg Federation, Arkansas Poultry Federation, Inc., and Georgia Poultry Federation, we urgently request you to inquire into and oppose this application for an ARA industrial loan to establish a fully integrated broiler-producing operation in New Castle, Pa. We believe this loan application must be denied for the following reasons:

1. The loan will not cause any net increase in employment. Although the proposed facility will employ perhaps 300 workers, that many more would become unemployed as a result of the loan in other broiler-growing areas whose living index is much worse than that in New Castle, Pa., due to the inability of the Nation to absorb this extra production.

2. The loan would be made in an area where substantial unemployment (6 percent) does not exist. The Department of Labor removed the New Castle area from the critical unemployment list more than 6 months ago. In April 1965, this area had only 2.4 percent unemployed. The Comptroller General has reported to Congress (April 1964) ARA's processing and granting of loans in areas which were no longer eligible for such loans under the provisions of the Area Redevelopment Act.

3. The loan would add 350,000 broilers per week to an industry USDA reports is heading toward an unprecedented oversupply problem.

United States Department of Agriculture's July 22, 1965, issue of Poultry and Egg Situation warns of a 10- to 15-percent overproduction and lower broiler prices in the next several months. Other projections indicate this overproduction condition will exist at least for the next few years.

4. No investigation or inquiry was ever conducted by the ARA into the effect of the loan on existent integrated operators and contract farmers in competitive broiler areas.

The area which would be served by the proposed facility is being adequately served with processed broilers by other broiler-growing areas. Contract farmers and integrated operators with substantial shorter-term commercial bank loans might easily be forced into bankruptcy if this loan is approved.

5. The money sought by the applicants is available to them from private sources at reasonable rates.

The applicants have made no effort, nor have they been so required by ARA, to secure private capital at rates paralleling those secured by other industry integrated operators and contract farmers, which rates are normal and reasonable for industrial facilities as contemplated. Further substantiation of Lipman Bros.' ability to finance this facility lies in the fact that they have indicated their determination to build the facility whether they obtain approval from ARA or not.

Members of the House Agriculture Committee are familiar with this matter and can add further detail to what has been set forth above. We shall, of course, be happy to provide you with complete substantiation of the statements herein.

We again urge you to take action to avoid this misapplication of Federal funds and this blatant and illegal use of the Area Redevelopment Act.

Very truly yours,
C. W. PARIS, *President.*

The SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, how much time is remaining on this side?

The SPEAKER. The gentleman from Indiana has 1 minute remaining.

Mr. MADDEN. Mr. Speaker, in this 1 minute of time, I want to say, in my 23 years in the Congress, although we revere and honor our distinguished Rules Committee chairman, on programs of this type I have never observed the gentleman supporting or voting for programs of this legislative category and his remarks of opposition do not surprise me or other members. I notice that my good friend, the gentleman from California [Mr. SMITH], mentioned the national debt, and deplored what, in his opinion, was going to happen if we did not curtail expenditures in areas of unemployment and poverty. Well, 22 years ago when I came to the Congress, the national debt was $210 billion and our gross national product was $220 billion. Today our national debt is around $325 billion and the gross national product is $630 billion. So I do not think we need to worry about the country going to the dogs if we continue to legislate programs to increase the Nation's buying power, take people off the relief rolls so they can be taxpayers instead of tax dependents.

I remember during the Eisenhower administration programs similar to this legislation were defeated or greatly curtailed. We endured the pain of four depressions during the 8 years of that administration.

But in the first 5 years of the Kennedy and Johnson administrations the gross national product went up over $150 billion. This prosperity brought millions into the Federal Treasury, and produced more money in the form of State and local taxes.

The SPEAKER. The time of the gentleman has expired.

Mr. SMITH of California. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I find on checking my notes the amount of $660 million which I mentioned is the total annual cost of the bill per year and it is not all in the revolving fund. I think that figure would be around $220 million per year. I appreciate the gentleman from Oklahoma [Mr. EDMONDSON] calling this to my attention and I want to correct the RECORD in that regard.

Mr. Speaker, at this time I yield 2 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, the reason I have asked for this time is to make sure that the record is clear relating to the matter of this revolving fund which was discussed by the gentleman from Oklahoma [Mr. EDMONDSON].

The language clearly states that this revolving fund, established under section 203, which fund is known as the economic development revolving fund, shall last in perpetuity. It is not limited to 5 years.

Second, the fund is not subject to Appropriations Committee review of any kind.

There is payable into the fund, on an annual basis for 5 years, a total of approximately $220 million per year.

In addition to that $220 million per annum, there is payable into this revolving fund, in perpetuity, interest which is paid on these loans when the loans are repaid, which goes into this fund.

In addition to that, as appears on lines 21 through 24 on page 77 of the bill, there is to be paid, and I quote:

> There shall also be credited to the fund such funds as have been paid into the Area Redevelopment Fund or may be received from obligations outstanding under the Area Redevelopment Act—

Meaning the Area Redevelopment Act in existence—which means, according to the majority report—and I am reading on page 3 of that report—$302,740,000 in addition to that—

> a substantial portion of which is repayable with interest.

So the fact of the matter is that it is possible that at least $1.1 billion under the authorization in this bill and $302 million under the authorization in the previous bill, a total of $1.4 billion, will go into this fund without Congress having even a right to look at it, and that will be in perpetuity without review of the Appropriations Committee or the appropriations process. This is contrary to any precedent of which I know at the present time in such agencies as the FHA, where there is a revolving fund under proper review.

Mr. SMITH of California. Mr. Speaker, I yield to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I support the bill.

Mr. Speaker, today more than half of the Nation's poverty is in the rural areas of the Nation. Many rural communities have undertaken programs to revitalize their economy. The economic development measures which this Congress has passed over the last 4½ years have done much to aid these efforts and to instill new hope in rural areas.

The projects carried out under the Area Redevelopment Administration have been a major factor in many of these communities. In the First Congressional District of Texas, which I represent, the ARA programs have been of great benefit.

S. 1648, the Public Works and Economic Development Act will be another important tool in these development efforts. Chairman GEORGE H. FALLON of the Public Works Committee was very kind in soliciting comments from the Banking and Currency Committee on various phases of this bill.

The Public Works Committee is to be congratulated on this legislation. This is no new untried measure the House considers today. It is a combination, an extension, and an improvement of two of the country's most successful undertakings in regional economic development—the Area Redevelopment Administration Act of 1961 and the Public Works Acceleration Act of 1964.

While I rise in support of this bill, I would like to discuss some of the questions raised by members of the Banking and Currency Committee when we reviewed the bill on Mr. FALLON's invitation.

The Banking and Currency Committee was most interested in the area and district eligibility province of the bill contained in title IV. Of especial interest is the new criteria for determining area eligibility. Some members of the committee felt that the new proposed criteria would eliminate many areas now qualified to participate under the existing Area Redevelopment Act area eligibility definition. This view is substantiated by the fact that during the discussion it was brought out that some 900 rural areas which now qualify under the Area Redevelopment Act program, less than 30 percent of these would be eligible to participate under the new definition as proposed. This is a matter which deserves the most intense consideration.

It would be most unfortunate if rural areas—where the need is so great—did not share in an equitable manner. We should make it clear that it is the intent of this legislation to include fully the rural areas and communities.

The Banking and Currency Committee also noted that sections 16 and 17 of the Area Redevelopment Administration Act which relate to training have been deleted from the bill and in effect replaced by section 241 of the Manpower Development and Training Act as amended which recently was passed by the Congress. In other words there is no mention in the public works and economic development bill of training or coordination of training.

It is obvious that many of the programs now successfully in operation as a result of the Area Redevelopment Act program could not have been so concluded without adequate training provisions.

We should make it clear that it is our intent to have meaningful coordination of training in the Administrator's office.

The Banking and Currency Committee also was concerned over the rather extreme delay in time which transpires from the day upon which a project application is received and then finally acted upon. I hope some means can be found to eliminate this delay which has existed under the Area Redevelopment Act program.

In general the committee approved of the liberalized financial assistance program under title II. Perhaps most important to the communities is the provision permitting the local people to be repaid as fast as the Federal Government. In the original law, local industrial development corporations could not be repaid for their 10 percent of each loan until the Federal Government was entirely repaid. This could mean 25 years before they could get their first nickel back. This has meant tying up the communities' funds, not permitting them to revolve and be used again for additional growth and diversification.

The new act permits communities to be repaid as fast as the Federal Government—a great improvement. Their security will still be junior to the Government's, but they will begin to get their money back for reuse many years earlier.

Next, the community will only be required to put 5 percent on each loan and the entrepreneur, 10 percent. Now the entrepreneur puts up 5 percent and the community, 10 percent. For many small towns with large projects, this 10-percent money has been a big stumbling block. Many have surmounted it successfully, but many others have been barred from participation altogether. Reduction should permit many of these to benefit, and at no increase in Federal participation.

The past 4 years' experience has also shown the need for working capital, particularly for new enterprises. The new act will provide 90-percent working capital guarantees on Education Development Act projects where the provision of such working capital is essential to the project's success.

I think it is clear that the original Area Redevelopment Act provided a badly needed tool for communities faced with economic crisis to diversify and broaden their economic base.

It is clear to me and to most of the Banking and Currency Committee that needed improvements have been made in the business loan program under the proposed Public Works and Economic Development Act.

The longrun success of our efforts to improve depressed areas will depend very largely on these loan provisions. Everyone recognizes that adequate financing is essential to any business undertaking. You may have trained workers, willing entrepreneurs, and a market for your product, but first it is necessary to finance the investment in plant and equipment before these factors can make a contribution to our economy.

In the past, financing has been one of the serious needs of depressed areas. Local banks and other sources of money could not meet the need because of years of undernourishment when the areas suffered from high unemployment. Outside savings were reluctant to come into a depressed area until we had a program of positive action that gave them sound reasons to expect an improvement in the local economy. We were often told that we did not need this loan assistance because the money was available—at a price. Unfortunately, that price was often so high that it meant the difference between success and failure for the local industry. Moreover, the terms were so restricted and maturities so limited that a businessman who attempted to finance a new company or expand an existing one was crushed under the burden. The long-term financing made possible under the Area Redevelopment Administration Act has made the difference between success and failure—in fact, the difference going into business or turning to something else—for many small businessmen.

Further, members of the Banking and Currency Committee felt that broadening the criteria of the act to make loans for needed public works, public service, and other direct or indirect facilities will increase the employment opportunities in a given area by making it more economically and socially attractive for business and industry to remain, expand, or create new plants in needed depressed areas.

Again, Mr. Speaker, I congratulate the Public Works Committee for the fine job they have done on this bill which I am sure will mean much to the future prosperity of the country.

I would like to conclude my remarks by inserting a copy of a letter transmitting the views of members of the House Banking and Currency Committee on this legislation:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., May 14, 1965.

Hon. GEORGE H. FALLON,
Chairman, Public Works Committee,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: On April 6 you sent me a letter as chairman of the Banking and Currency Committee making reference to the Public Works and Economic Development Act, H.R. 6991, which was referred to your committee. In this letter you kindly solicited comments from the Banking and Currency Committee on those phases of the bill of which our committee had knowledge. Of course, the members of the Banking and Currency Committee are interested in the entire bill, but as you indicated, due to past committee interests the members, as a result of study and hearings over the past years, were most qualified to comment on titles II and IV of the bill before your committee.

It was decided to hold informal hearings on titles II and IV before the full Banking and Currency Committee in executive session. A hearing was held on May 11, 1965, at which time representatives of the Area Redevelopment Act were heard. At the close of these hearings the committee decided to communicate their observations to you. These observations follow, including other comments and observations made by individual members of the committee.

1. In general the committee approved of the liberalized financial assistance program under title II. It was felt that redevelopment areas could be assisted more quickly by this liberalized financial assistance program than other previous similar legislation.

Further, the committee felt that broadening the criteria of the act to make loans for needed public works, public service and other direct or indirect facilities will increase the employment opportunities in a given area by making it more economically and socially attractive for business and industry to remain, expand or create new plants in needed depressed areas.

The committee approves of the reduction from 10 to 5 percent in the local share contribution under section 202 of the bill, and the guarantee of working capital.

Finally, some question was raised concerning the 2-percentage point subsidy feature of the bill on that part of the project financed from private sources. Questions were raised concerning the need for this subsidy, the ultimate beneficiaries, and basically, whether this incentive was needed or not. It is suggested that your committee explore this matter in detail to determine answers to these questions.

2. The committee was most interested in the area and district eligibility province of the bill contained in title IV. Of especial interest is the new criteria for determining area eligibility. Some members of the committee felt that the new proposed criteria would eliminate many areas now qualified to participate under the existing ARA area eligibility definition. This view is substantiated by the fact that during the discussion it was brought out that of some 900 rural areas which now qualify under the Area Redevelopment Act program, less than 30 percent of these would be eligible to participate under the new definition as proposed.

This is a matter which deserves intense inquiry since, as you know, the true extent of poverty in rural areas cannot necessarily be determined in terms of a percentage of national median income. This formula has discriminatory features in it which can and will adversely affect many rural areas of the country.

Your committee may well wish to consider the possible retention of the existing formula under the Area Redevelopment Administration Act as contained in sections 5(a) and 5(b), or an amended version of the proposed formula which deals more equitably with the depressed rural areas of the country.

The committee also was concerned over the rather extreme delay in time which transpires from the day upon which an application is received and then finally acted upon. This is due, as you know, to the fact that the Small Business Administration is involved in determining whether or not a given project has enough economic feasibility in it to repay the loan made. As a result of two agencies—the ARA and the SBA—being involved in this feasibility determination many projects for which support had initially been given have gone by the board without coming to a fruitful conclusion due to this delay. In other words, by the time all the redtape had been cut, the sponsors had taken up other interests and were no longer interested in the project. Your committee may well wish to consider a solution to this bottleneck by providing that the new institution to be created in the Department of Commerce to handle redevelopment projects and provide for its own complete and self-contained economic analysis section. In this way there will no longer be two agencies involved in ruling on such projects and as a result it would be hoped that the process of feasibility determination can be expedited more rapidly than under the current procedure.

4. Finally, your committee should note that sections 16 and 17 of the Area Redevelopment Administration Act which relates to training has been deleted from your bill and in effect replaced by section 241 of the Manpower Development and Training Act as amended which recently was passed by the Congress. In other words there is no mention in your public works and economic development bill of training or coordination of training.

It is obvious that many of the programs now successfully in operation as a result of the Area Redevelopment Act program could not have been so concluded without adequate training provisions.

It has been suggested that a specific section be included in your bill to clarify the role of coordination by the Secretary of Commerce in conjunction with the Secretary of Labor and the Secretary of Health, Education, and Welfare. There has been considerable discussion about which department's responsibility it should be to supply coordination staff in the redevelopment office to coordinate and make effective job training and retraining as a part of the overall program. Some of the members of the Banking and Currency Committee therefore suggest that the bill under consideration in your committee stipulate that the Secretary of Commerce shall supply the necessary coordination staff within the redevelopment agency to provide such coordination as will be necessary to make job training more effective in redevelopment areas.

The above comments are some of the feelings and observations of the members of the committee. As indicated above, attached to this letter are additional comments submitted by members that cared to do so.

Finally, it should be noted that neither this letter nor any of those attached will restrict the right of any member of the Banking and Currency Committee to vote for or against the bill or propose and support any amendments thereto.

Again I would like to take the opportunity to express the committee's appreciation to you for the courtesy granted the Banking and Currency Committee in allowing us to view pertinent sections of the Public Works and Economic Development Act which is now pending before your committee. I trust that these views will be given serious consideration by the members of your committee.

With best personal regards, I am,

Sincerely,

WRIGHT PATMAN,
Chairman.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of California. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Speaker, I take this time to indicate that I expect to offer an amendment to title I of this legislation at the appropriate time.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include with those remarks certain extraneous matter, which will be a list of counties which would be included under title I in addition to those presently covered, if the amendment is agreed to.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. This list broken down by States will be in the RECORD tomorrow. I express my appreciation to the gentleman from California [Mr. SMITH] for yielding me this time.

The matter is as follows:

COUNTIES HAVING 1964 ANNUAL AVERAGE UNEMPLOYMENT OF 6 PERCENT OR MORE AS OF AUGUST 9, 1965

(NOTE.—Complete information is not available for all counties at this time. Further investigations may show that additional areas will qualify. INA indicates that the area will probably qualify, but the final rate for 1964 is not available. Esmeralda County, Nev., has a 1960 population of 619 and therefore is too small to qualify under the Economic Development Act criteria.)

STATE AND COUNTY

Alabama: Cleburne.

Arkansas: Greene, Carroll.

California: Glenn, Yolo, Lake, Humboldt, Sonoma, Mariposa, Shasta, Merced, Fresno, Kern, Santa Clara (San Jose), San Diego, Los Angeles (except city of San Diego), San Bernardino-Riverside-Ontario, Tulare.

Colorado: Pueblo.

Connecticut: Waterbury, Norwich, Torrington.

Florida: Polk.

Georgia: Turner, Decatur, Mitchell, Rockdale, Douglas.

Indiana: South Bend, Marshall, St. Joseph.

Kentucky: Marion, Spencer, Jessamine.

Louisiana: Bienville, Cameron, Calcasieu, Grant, Rapides, Avoyelles.

Massachusetts: Brockton, Fitchburg-Leominster, Lawrence-Haverhill, Milford, Nantucket, Southbridge-Webster, Springfield-Chicopee-Holyoke, Ware, Pittsfield.

Michigan: Newago, Mason.

Minnesota: Polk, Becker, Kittson, Wadena.

Missouri: Camden, Marion, Ralls, Pemiscot, Stoddard, Ray.

Nevada: Esmeralda.

New Jersey: Hudson (Jersey City), Paterson-Clifton-Passaic, Bergen (part).

New York: Delaware, Jefferson, Utica-Rome, Herkimer County, Oneida County.

North Carolina: Dare, Wilson.

Ohio: Warren, Muskingum.

Oklahoma: Caddo, Kiowa, Jefferson, Pottawatomie.

Oregon: Lake.

Tennessee: Dyer.

Texas: Atascosa, Cameron, La Salle, Zavala, Hidalgo, Willacy, Beaumont-Port Arthur, Jefferson, Orange, Duval.

Utah: Utah.

Vermont: Bennington, Rutland, Crittenden, Addison (part).

Virginia: Bristol.

Washington: Whatcom, Klickitat, Grant, Seattle, Kings, Tacoma, Pierce.

West Virginia: Jefferson, Berkeley.

Wyoming: Uinta.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1648) to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 1648, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota [Mr. BLATNIK] will be recognized for 2½ hours and the gentleman from Florida [Mr. CRAMER] will be recognized for 2½ hours.

The Chair recognizes the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I yield such time as he may consume to our distinguished chairman of the House Committee on Public Works, the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, S. 1648 is the proposed Public Works and Economic Development Act of 1965. The original legislation was sent to the Congress by the President on March 31, 1965. At that time, the President said:

> The millions of people living in those areas and regions of our Nation which have not shared fully in our general prosperity are in urgent need of help.

Transmittal of this legislation to the Congress followed closely the President's message on area and regional economic development of March 25, 1965. In this message the President said:

> The promise of America is opportunity for our people. It must, therefore, be a matter of concern to all Americans when any of our fellow citizens is denied the chance to build a full life for himself and his family.

It would be well to underscore this point. It is a matter of concern to all our fellow citizens, whether they live in distressed areas or not. And the conditions of economic life in our distressed areas ought to be a matter of concern to all legislators, whether they represent districts with depressed economic conditions or not.

Following the Presidential message, I had the honor of introducing the proposed bill in this body as H.R. 6991. A number of other colleagues introduced similar bills. In the Senate, a bill was introduced by the distinguished Senator from Michigan, Senator McNAMARA; the distinguished Senator from Illinois, Senator DOUGLAS; and 37 other Senators, including the distinguished ranking minority member of the Senate Committee on Public Works, from Kentucky, Senator COOPER.

Extensive hearings were held on the legislation by the Senate Committee on Banking and Currency and the Senate Committee on Public Works. It was reported unanimously by the Senate Committee on Public Works and passed the Senate by an overwhelming bipartisan vote of 71 to 12 on June 1.

In the House, extensive hearings were held by the Committee on Public Works. In addition, the Committee on Banking and Currency held an informal hearing on the bill, and the chairman of that committee reported that the committee generally approved the financial assistance programs contained in the bill.

The bill was considered with great care by the Committee on Public Works. Every section was considered at length. No less than 53 proposed amendments were debated over a number of days. Those members of the committee who opposed the bill were given every opportunity to make their objections known at length. There was full and free debate.

Moreover, the committee took particular care to consider with special attention the reports of the General Accounting Office on the Area Redevelopment Administration and the Public Works Acceleration Act, the testimony of the General Accounting Office during our hearings, and amendments to the legislation recommended by the Comptroller General. Full attention was given to all these matters, and every major point is dealt with in the report of our committee.

After lengthy debate and discussion by the full Committee on Public Works and after the adoption of a number of perfecting amendments, the bill was ordered reported. Only six members opposed the bill.

Mr. Chairman, I ask that this House move speedily toward the adoption of this bill. It meets a great human need, perhaps the greatest human need of them all—the need to be able to earn a living for oneself and one's family. It has been drafted with great care and considered at length. It has broad bipartisan support. It has the support of many Members of this body, and I urge favorable action on the legislation.

The purpose of S. 1648 is to provide a comprehensive program of Federal assistance to areas and regions of economic distress so that the local governments and leaders of those areas can take effective action to see to it that there are more jobs and higher incomes for the people who live there. Let us examine more fully what is contained in that statement of purpose.

First of all, the program is comprehensive. It is not just a program of public works, or a program of business assistance, or a program of technical assistance, or a program of regional development. It is all these, welded together into a single, significant, coordinated, and comprehensive program.

The proposed Public Works and Economic Development Act combines the best features of the Area Redevelopment Act, the Public Works Acceleration Act, and the Appalachian Regional Development Act. But it is more than just a simple addition of these separate acts. By combining them and putting them to work in harness, we will get more out of each than we could ever hope to get separately.

Moreover, the program is not only comprehensive in terms of the variety of features encompassed by its provisions, but it is also comprehensive by way of the levels at which it works. It provides assistance for local communities, for economic development centers, for counties, for labor areas, for multicounty combinations called development districts, and for multistate regions. This means that the program provides assistance at whatever level of economic development that assistance can be most effective.

A second aspect of the purpose of this legislation merits emphasis. It is a program of Federal assistance to areas and regions of economic distress. It is Federal assistance. It is not a Federal takeover. It is not a substitute for what private enterprise can do, is doing, and will do. It is assistance to help the local areas do better than they are now doing and to add to what private enterprise is doing. It does not supplant local initiative; it supports it. It does not replace private enterprise; it reinforces it.

A third aspect of the program is that it is expected to result in more jobs and higher incomes for the people who live in areas where jobs are scarce and incomes are low. All of us should want to share in this goal whether or not we live in distressed areas or whether or not we will benefit materially from its attainment. But we all will benefit materially from its attainment because it will mean more customers for our businesses and more taxes for our Treasury.

As the President has said, let us make taxpayers out of tax consumers, and that is precisely what this program will do.

The bill contains five major programs, each contained in a separate title.

Title I of the bill provides for grants of up to 80 percent for public works in eligible areas which are necessary for economic development or for the objectives of the antipoverty program. In addition, title I gives the Secretary authority to make supplementary grants to reduce the local share for other Federal grant-in-aid programs which require local contributions to as low as 20 percent, where communities because of exceptionally high unemployment or very low income cannot be expected to have the capacity to meet the requirements for local matching funds. Authorizations for annual appropriations of $400 million are provided for this title.

Title II of the bill provide financial assistance for loans for public facilities, for loans for commercial or industrial facilities, and for guarantees of working capital loans made in connection with businesses being established or expanded under the provisions of this title. Annual authorizations of $170 million are provided for the purposes of this title. Such appropriation would be deposited in a revolving fund together with collections and repayments to be used for loans and guarantees authorized under title II. Loans for public facilities could be made for as long as 40 years. A formula for determining interest rate would provide for a rate which is one-half percent less than the average current market yield for Treasury securities of comparable maturity. At current yields, this would mean a rate of 3⅝ percent.

Loans for commercial or industrial facilities could be made for as long as 25 years and for up to 65 percent of the total cost of the project. There interest rate would be determined by the current market yield for Treasury securities of comparable value. At current yields, this would mean a rate of 4⅛ percent, which is one-eighth of 1 percent higher than the present rate under the Area Redevelopment Act program. The present requirement in the area redevelopment act law that at least 10 percent be provided by a State or local community on an equity or standby basis has been modified to 5 percent with repayment possible at the same rate as repayment of the Federal loan.

Title III of the bill provides the means by which communities and businessmen can find the answers to economic problems which are obstacles to economic growth. In addition to such technical assistance, the Secretary of Commerce would also be authorized by the provisions of this title to pay up to 75 percent of the cost of providing full-time staff for State, district, and selected local economic development organizations; to undertake research on the problems of long-term unemployment or underemployment; to give communities information and advice on how to reduce unemployment and attain economic growth; and to establish an independent study board to investigate the effects of Government procurement on regional economic development. Provision is made for authorization of annual appropriations of $25 million for this title.

Title IV provides for the designation of eligible areas on the basis of unemployment, low income, or heavy loss of population. All areas eligible under the Area Redevelopment Act as of March 1, 1965, would continue to be eligible until the first annual review of designation which is expected to take place about June 30, 1966. At that time, a considerable number of areas are expected to lose their eligibility. In general, the standards for designation on the basis of unemployment are the same as those under the Area Redevelopment Act. All counties where the median family income, on the basis of the latest figure, is less than 40 percent of the national average would be eligible. This means that counties with a median family income of $2,264 or less would qualify. Indian areas would be eligible for designation on a basis similar to that of other areas. Areas which suffer sudden sharp rises in unemployment because of a loss or curtailment of a plant or defense installation could be designated if their unemployment rate is expected to reach 50 percent above the national average. The Secretary will establish standards for the designation of areas on the basis of loss of population.

Title IV also provides for the organization of multicounty development units, called development districts.

These would include both distressed areas and non-distressed areas and would have within their boundaries designated economic development centers, defined by the President as "the places where resources can be most swiftly and effectively used to create more jobs and higher income for the people of the surrounding area." Projects could be approved in development centers, even though they did not qualify on the grounds of low income or high unemployment. Moreover, distressed areas cooperating in such programs would receive a 10 percent bonus for their development facility grants. Funds would be provided to help development districts plan their programs; and, in order to make sure that such planning was carried out carefully, grants and other projects could not be approved until a year after the act is passed. Annual authorizations of up to $50 million are provided for this purpose.

Title V provides for Federal participation in the organization of regional development commissions similar to the Appalachian Regional Development Commission. Upon passage of the act, the Secretary would be authorized to designate economic development regions upon a finding that the areas contained within the region are related to each other and that the region has lagged behind the Nation as a whole in economic development.

After he designates the region, the Secretary would be authorized to work with the Governors to establish a regional development commission, and the President would name a Federal cochairman. The regional development commission would work to draw up a plan for economic action in the region and would recommend appropriate action in the region and would recommend appropriate action to State and Federal bodies. The Secretary would be authorized to provide technical assistance to the regions, and for 2 years after their establishment, he could pay 100 percent of the cost of administering the regional programs. Annual authorizations of $15 million are provided.

The bill also provides authority for a new Assistant Secretary of Commerce and a new Administrator for Economic Development. A National Public Advisory Committee on Regional Economic Development is also established.

In total, the bill provides for annual authorizations of $400 million for public facility grants, $170 million for loans and guarantees, $25 million for technical assistance, $50 million for economic development districts, and $15 million for regional development commissions, or a total of $660 million. The authorizations are limited to 5 years or through fiscal year 1970.

A number of safeguards are provided in the legislation. No assistance whatsoever could be given to help businesses relocating from one area to another or where the effect of the assistance in one area would cause a loss of jobs in another. No assistance can be given to facilities which would compete with private utilities. Except for projects authorized by Congress, no assistance could be given for projects for the generation, transmission or distribution of electric energy or the generation and transmission of gas. State and local concurrence is provided at a number of points to make sure that projects are in accord with locally devised and approved programs for overall economic development. No financial assistance of any kind can be given under this act if other means are available to accomplish the same ends.

Mr. Chairman, the lives of a great many people can be influenced for the good by what we do here today. We can replace hopelessness with hope for hundreds of thousands of families. We can replace loss of pride with self-respect for hundreds of thousands of family heads who will once again be given the chance to earn a living for themselves and their loved ones. We can help thousands of children continue their education where otherwise it might be interrupted. We can keep thousands of families together where otherwise they might be separated. We can help thousands of families earn descent, self-respecting livings in their own native towns where they can grow in accomplishment among familiar surroundings where otherwise they will be uprooted.

These are the basic issues. The issue before us today is not whether we should keep Area Redevelopment Act or drop it; not whether we should continue Accelerated Public Works or let it lapse; not whether we should provide little Appalachias for other needy regions. No.

What we have to decide today is bigger than all this. Rather we must make up our minds that we are going to set this country on a course of economic growth—not only for some, but for all. We must make up our minds that this Nation, if it stands for anything, it stands for opportunity for all—no matter what basic disadvantages we start with. This bill provides economic opportunity for those who start with the disadvantage of living in an area of economic distress.

I am confident, Mr. Chairman, that the Members of this body will recognize this big issue and that they will, today, cast their votes for economic growth—for all.

Mr. CRAMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. BERRY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 232]

Bonner
Brademas
Brown, Ohio
Cahill
Cameron
Carter
Collier
Colmer
Culver
Cunningham
Daddario
Dickinson

Diggs
Ellsworth
Evins, Tenn.
Flood
Hawkins
Hosmer
Irwin
Keogh
King, N.Y.
Lindsay
Mailliard
Mathias
Mills
Morrison
Pelly
Pool
Powell
Rivers, S.C.
Roncalio
Roybal
Ryan
St Germain
Stafford
Sullivan
Thomas
Toll
Tunney
Tupper
Willis
Wilson,
  Charles H.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. HARRIS] having assumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 1648, and finding itself without a quorum, he had directed the roll to be called, when 389 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Florida [Mr. CRAMER] is recognized.

Mr. CRAMER. Mr. Chairman and Members of the Committee, my objective will be first to discuss briefly how the bill got here, how it got before the Committee on Public Works, a little bit about what is in it, and a lot about what is wrong with it, because there is a lot wrong with it.

As the minority, we should carry out our responsibility as a minority party. I am one who believes even though we are outvoted 2 to 1 on the floor of the House that we should carry out our responsibility. I think it is obvious in this legislation that there are many shortcomings, and in carrying out our responsibility we have a duty to try to do something about these shortcomings. We will do so with the means before us, that is, through the amendment process, tomorrow.

Secondly, of course, if a substantial number of amendments are not adopted, then, of course, we will take such action as is available; namely, a motion to recommit.

I would like to say that this legislation, if enacted, will result in the expenditure of $3.3 billion, which is unprecedented in amount, in a program getting into all kinds of omnibus bill approaches. The objective is to combine bad with good and make us swallow it all. That is exactly what has been done in this bill. The area redevelopment bill was voted down in 1963 by this House by a 5-vote majority, but it is now before us again. What is more, it is before us in even worse condition than the present existing legislation or, rather, the legislation which expired because of the lack of additional money. So, area redevelopment is here. Pirating of industry will return. The pirating of industry from one area that is prosperous or just above the area redevelopment definition, that is. Industry from those areas will be pirated away to areas that do come within the definition. That, together with the accelerated public works under title I of this bill to the tune of $400 million a year for 5 years amounts to $2 billion, as compared to the previously authorized $900 million total program, which former program was proven to be a failure and which cost an average of $14,000 of the taxpayers' money per man-year; that is, per man employed per year.

Now, that is not the way to fight unemployment. It is a temporary solution at best. I am talking about public works construction. That is back with us under title I. Area redevelopment is back with us under title II. And, lo and behold, in order to make sure that they got the kitchen sink in, we have titles here relating to "little Appalachias"—multistate regional commissions—which are to be authorized by the passage of this legislation, all over America. They already have programs cranked up and ready to go. We discuss them in our minority views on page 27 of the report on the bill. Here they are. It will not require any more congressional authorization, no more congressional action, to put into effect broader programs of an Appalachian nature on an interstate basis and on a regional basis in all of these areas where you have substantial unemployment to some extent. You can see them here in this proposed area redevelopment regional map. Here they are: New England, the Great Lakes Basin, the Great Plains States, the Ozarks region, and the intermountain region relating to Colorado, New Mexico, Arizona, and Utah.

They are already cranked up and ready to go, new Appalachia programs having all the abhorrent aspects of the existing Appalachia programs meaning, as specifically written into this legislation, veto power by the Federal representative, extremely broad, general powers relating to what the jurisdictions of those regions are. They can be formed simply by the Secretary and the States getting together and deciding this is the region.

In other words, every conceivable area has to be put in and we do not get another look at it here in the Congress in the sense of authorizing the existence of such regions as we did in Appalachia. This is a blanket authorization. You enact this bill, and these regions can be set up anywhere in America.

One hundred percent of the administrative cost of multistate regional commissions will be paid by the Federal Government for 2 years and 50 percent of the administrative cost thereafter; and even so, there does not have to be a single redevelopment area included in such regions under the criteria written into the legislation. Now, that just does not make sense.

So here we have a $3.3 billion program. This is a program that is supposed to be for 5 years, but will be permanent in nature. Take, for instance, the revolving fund under section 203. The revolving fund is in perpetuity. It was discussed under the rule briefly. It provides for approximately $220 million a year for 5 years, to go into the revolving fund, to be used for loans to industries principally, to pirate away industries from presently prosperous areas and send them to so-called depressed areas under a rather broad definition of depressed areas and not really related to unemployment in many instances.

So you have got a permanent program relating to these regions. It is not limited to 5 years. Once a region is set up it goes on indefinitely. And you have a revolving fund to the tune of $1,100 million over a 5-year period. And in addition to that there will be money paid into this revolving fund as these loans are paid back. That, too, becomes a part of the revolving fund. And a substantial part of the $302 million expended by the existing ARA was in loans, repayments of which will come into the revolving fund.

Those who serve on the Appropriations Committee will not even get a look at it under the wording of this legislation; no review by the Appropriations Committee, which, so far as I know, is unprecedented in revolving fund legislation.

FHA, for instance, has a revolving fund, but you have a review annually by the Appropriations Committee. But, no, you are not going to have it under this loan program, and the revolving fund setup to the tune of $1,100 million plus up to $302 million, or $1.4 billion going into this revolving fund within a 5-year period. So this is bad legislation.

How did this legislation get here? The President sent up earlier this session a separate message relating to area redevelopment. If a bill had been introduced and sent to the proper legislative committee, it would have gone to the Committee on Banking and Currency. This request was sent up. Incidentally, it was a request that President Kennedy saw fit not to send up in the last session of Congress. He did not send up a request for a new authorization for accelerated public works. He specifically said he was not going to send it up, obviously, because it was not doing the job for the cost involved.

President Johnson sent it up separately; he sent up area redevelopment separately and, lo and behold, when they realized that area redevelopment was killed in the last session as a result largely of opposition out of the Banking and Currency Committee, the President changed his mind and sent up a new message. And, thus was born the Economic Development Act, the potpourri if you please, the ARA, accelerated public works and "little Appalachias" all in one package.

So, Mr. Chairman, we have the Economic Opportunity Act; if this passes, the Economic Development Act; the Office of Economic Opportunity, OEO; and we will now have the OED. We are getting all kinds of new programs. The irony of it is that we are told that this is one of the most prosperous eras in the history of our country, and there are more people with higher incomes, greater gross national product, and that we are having less unemployment, below 4 percent, and lo and behold, we are having more and more of these depressed areas to be considered. It just does not make sense.

Mr. Chairman, I put in the RECORD at the last session, when we had another matter up before the House at that time, a list of programs for which we are already appropriating funds to fight poverty in one form or another, to the tune of $31 billion. That was before we increased the Economic Opportunity Act by doubling it to $1.8 billion, before we provided additional funds for education to the tune of over $1 billion a year, and other programs that have been acted upon such as Appalachia to the tune of $1.1 billion this year.

So, Mr. Chairman, we are spending directly in the field of economic development; that is, in the field of depressed areas and unemployment in excess of $17 billion directly and we are spending in excess of $35 billion, taking into consideration all of the programs that have an effect upon employment.

Mr. Chairman, where is it going to end? Are we a prosperous Nation or are we a poverty-stricken Nation?

Mr. Chairman, this bill pending before us today would indicate that we are a poverty-stricken Nation.

Mr. Chairman, I would think the people of this country would be confused as to what we really are when we are considering a bill which carries the authorization for the appropriation of $3.3 billion.

Mr. Chairman, we are considering a bill relating to Area Redevelopment Act in principle that carries out what Mr. Johnson, the President, said was his philosophy when he spoke to a group of the senior citizens at the White House a year ago and said—and I quote:

> We are going to take all the money that we think is unnecessarily being spent and take it from the haves and give it to the have-nots that need it so much.

I inserted this in the CONGRESSIONAL RECORD, volume 110, part 2, page 2311. That is his philosophy. Well, he is surely doing it under this legislation, and believe you me, the Members of this body that represent an area that is now prosperous but which does not qualify under this new definition in the bill, you are going to have your industries stolen and pirated away, if you please, with the very tax money that your industries are paying into the Federal Treasury. And, there is no adequate guarantee against it in this legislation.

Mr. Chairman, as a matter of fact the committee would not go as far as it went on the Appalachian program in attempting to write a so-called antipirating provision. They would not even go as far as they went in the Appalachian legislation in trying to write one. They limited it. It is not an adequate section to start with. It is limited solely to section 202, industrial loans, and does not apply to the rest of the bill, such as Federal grants under section 101 and loans under section 201. So, the result is that any public organization; yes, any charitable organization, can take these Federal funds, for up to 80 percent of the cost of construction, and go build all types of public facilities. They can provide land, they can provide all sorts of industrial incentives at the taxpayers' expense, 80 percent of it, and they can provide it for industrial expansion and they can provide for the pirating of industries from your congressional districts to be sent into the so-called depressed areas.

Mr. Chairman, that is why Congress turned down ARA in 1963. That is one of the principal reasons why Congress ought to turn it down in 1965, because I do not think we in this country should subscribe to the theory, the leveling-off process, of taking from the "haves" and giving to the "have nots." That is precisely what they are attempting to legislate into law if this bill is passed.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr CRAMER. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. As a matter of fact, speaking about this pirating that is possible under this legislation, is it not worse than that? Is it not possible for an industry to move from a place where there is organized labor into an area of the country where labor is not organized; is it not a fact that legislation is so designed to finance the flight of industry from an area where labor is well organized, and the standards of labor wages are high, to a rural area where generally labor is not organized and the prevailing wages are lower?

Is that not also one of the threats latent in this legislation? Is it not a fact that has happened with industries? For example, when shoe factories were closing in New England, they were opening them up in rural Indiana where there was no organized labor and where the prevailing wages were much lower than New England?

Mr. CRAMER. The gentleman is correct, and that is not corrected by this legislation. The gentleman will agree that our committee in considering the 17 reports of the General Accounting Office, which are set out in summary on page 45 of the report and the following pages, instead of tightening up the legislation in order to prevent further criticism, what the committee did and what the administration recommended, despite the General Accounting Office recommendations, was to broaden the discretion of the Secretary so he would not be subject to criticism in the future. If he had broad discretion he would not be violating the mandate of Congress. So that to get him around the criticism of the General Accounting Office they gave this discretion. The gentleman is correct with regard to his comment, and that will be demonstrated by some of the examples I shall cite.

Mr. CLEVELAND. Under this legislation then as it is being presented to the House, there is no real safeguard that will prevent this legislation being used to move industry from a relatively highly organized and highly paid labor market to a low-paid, unorganized labor market? In other words, as written, it could be used by an industry to escape its responsibilities; is that not correct?

Mr. CRAMER. That is correct. That is my analysis. That is one of the shortcomings of the legislation.

Let me go to this appendix of the report on the bill and cite a couple of examples of actual cases handled by the Area Redevelopment Administration. That is what has happened in the past and will happen in the future. It is going to continue to be wrong.

Here are some of the examples of what was done, and the General Accounting Office criticized the Area Redevelopment Administration for doing it. But they went on and did it anyway, and they will do it under this legislation but even more so.

Take the Roustabout Co. They applied for loans to assist in financing a plant for the production of three-wheel light vehicles. The Small Business Administration recommended against the loans. They said the company could not qualify because the product could not be marketed, they did not have adequate working capital, and they did not have collateral. As an aside, I should point out that this bill provides guarantees for working capital unlimited, with no top limit. That is taken care of by providing it out of the taxpayers' pockets in the form of guarantees. The Roustabout Co. got loans totaling $342,000 in March 1963, and went bankrupt in November of 1963, for the very reason that SBA turned them down. That is what can happen under this new legislation.

What happened with regard to the Plant Food Center of Post Falls, Idaho? They said they were going to employ some 23 additional people. They got $53,000, but they ended up by employing six additional persons. There is example after example in reference to this. In some instances a project even resulted in a decrease in the number of employees.

For instance, in the case of the Josephine Plywood Corp., in Portland, Oreg., the result was, after a $494,000 loan, no additional employment. There is a citation of another example where the result was decreased employment. In other words the ARA just did not apply proper standards. Let me give you another example; listen to this example. The Pueblo of Laguna Indian Tribe loan. Look what they did in December 1962, and there is nothing to prevent their doing it again in the future. The Pueblo of Laguna, an Indian tribe, got a $118,000 grant for the construction of a new industrial plant which the Pueblo Indians plan to lease—not use themselves—but lease. So what happens? Twelve days thereafter, the Bureau of Indian Affairs was asked to find out what the financial condition of this tribe was. And what did they find out relating to the financial ability? They found out in 1960, 1961, and 1962, the Indian tribe had an income of $1,600,000, $1,700,000, and $1,500,000, respectively, and the cash balance at the end of 1962 was $1,200,000—the market value of investments in stocks and bonds at the end of 1962 by the Indian tribe was $9,867,685. But they got a grant of $118,000 based upon their ability to finance a plant to be leased. And when the ARA was faced up with this, what do they say in reply? They attempt to justify on the basis of "lack of sophistication of the Laguna people in commercial matters has made Government participation essential." And that is in providing a commercial plant to be leased. This is what is wrong and these are examples of what is wrong with this program.

There was an example of chickens cited just a minute ago. There is an example in our minority views relating to the loan to a chicken or egg processing plant as well. In addition to that, the gentleman from Wisconsin [Mr. BYRNES] placed in the record on July 1, 1965, a statement relating to paper and pulp mills. Seventeen paper and pulp mill loans, or the processing of those loans, is in progress now and despite the fact that there is an oversupply of paper products in America today and there is no one who would deny that; yet 17 paper and pulp mills are being encouraged and in some cases, actually, moneys are being loaned and public facilities are being built to accommodate those facilities—17 of them despite the fact there is an oversupply of this product in America today.

Here is an example of what happened to one of them. In Norfolk, N.Y., a mill that had twice gone bankrupt was reopened with long-sought ARA loans. It was shut down last January when previous ARA and State loans of $1,200,000 ran out. A local newspaper reported that the liability of the former owners totaled $2,249,000—bankrupt—and that is what has happened to business after business as a result of the manner in which this program is administered.

The minority views contain example after example of the shortcomings of this program. Very briefly, here are some of them: There are no requirements for maintenance of effort by State and local governments, which was in the previous Accelerated Public Work Acts. It permits loans to industries to compete with private enterprise. And what is the definition of the type of facility involved—a new terminology—"development facility usage," which is not defined anywhere in the legislation and which includes those things mentioned by the distinguished gentleman from New Jersey [Mr. SMITH] previously, and these are golf courses, ski slides, swimming pools—as long as they are related to economic development—ski slides, motels, and hotels—as long as they are related to economic development.

Grants and loans may be made to private organizations, chambers of commerce, and what have you.

This permits Federal financing of pirating of industry, which I discussed a moment ago. The so-called antipirating provision under section 202(b)(1) is totally inadequate and applies solely to commercial loans and does not prevent pirating relating to all other phases of the legislation.

The bill authorizes grants under title I, APW public works, of $400 million, $150 million more than the President asked for, and without justification.

I mentioned the revolving fund device without congressional review in the future, on an annual or any other basis.

There are inadequate needs standards for designation of redevelopment areas.

And there is another layer of cake as it relates to Appalachia. I want to make sure that is understood.

This entire program relates again to Appalachia. After having gotten $1.092 billion to fight poverty in Appalachia, Appalachia is to get unlimited portions of this legislation, this additional $3.3 billion, as another layer of cake. Even in areas where there are existing programs, supposedly, to solve the problems of Appalachia, such as highways, $840 million, to help in regard to unemployment, Appalachia is to get another layer of cake here.

We provided programs for Appalachia of vocational education facilities. There were specific money authorizations. We provided for sewage treatment plants. They will get more money under this legislation.

I know that the majority is going to say, "We wrote language into the legislation supposedly not to give double treatment to Appalachia." But all this language does is relate to a given project, such as a specific treatment plant. They will not get a double payment. Obviously, they would not get it anyway. But the area of Appalachia will get double money for sewage treatment and other programs to the exclusion of other areas of America which have unemployment and poverty problems, and that is not fair.

Amendments will be offered in an effort to do something about that.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Kentucky.

Mr. PERKINS. If I understand the Appalachian program, there is only $6 million for sewage. Is that not a correct statement?

Mr. CRAMER. That is correct; $6 million over a 2-year period specifically for sewage treatment. They will get unlimited funds under this program as well. There is no need for double treatment. If they need more money for sewage treatment, that should come from the Appalachian program and not in this form.

Mr. PERKINS. That $6 million does not have application in any community which does not have sanitation at the present time; is that not true?

Mr. CRAMER. It is in addition to the money in the regular authorization bill, which we now have in conference, which goes up to $150 million a year. That also applies to Appalachia under the regular program. They get $6 million more, and will get unlimited funds under this to boot.

Mr. PERKINS. If the gentleman will permit me to make an observation, I represent a needy district in Appalachia and I consider that the funds for sanitation are nil. There are no funds for water systems in the Appalachian bill. There are no funds in the Appalachian bill which will be of any assistance to the Appalachian area for sanitation purposes. We must look to the passage of this legislation before we can get the sanitation we need in Appalachia.

Mr. CRAMER. I say to the gentleman that the proposal of the minority will not prevent or exclude that at all. It will merely prevent a second layer of cake as related to specifically authorized programs in Appalachia, supposedly adequate to take care of the situation. That is why we passed the bill. We understood the $1.092 billion would do the job. Now we are told it will not, and perhaps we need a second layer of cake. That is not fair with respect to the rest of the Nation, which also has unemployment problems.

Mr. PERKINS. The gentleman realizes that the funds are limited in the Appalachian bill to develop our physical resources, outside of roads.

From the standpoint of need, there must be a second layer, with a good coat of icing, before we can move forward in Appalachia, in providing necessary community facilities. This legislation is indispensable for our area.

Mr. CRAMER. The gentleman supported the program. The committee voted it out on the basis that it would help in all of these specific areas, quite adequately—vocational education, sewage treatment plants, highways, and health facilities. It was specifically to be adequate to do the job.

I do not believe that Congress made such a big mistake as it relates to the amount of money, as will be evidenced by giving them a second layer under this legislation.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Is it not true that besides this $6 million in Appalachia to which the gentleman from Kentucky [Mr. PERKINS] just referred, there is also what we or some of us on the Committee on Public Works fondly refer to as a slush fund of $90 million and this $90 million can be used indiscriminately by Appalachia communities to match money to get Federal programs which would include such things as water pollution programs?

Mr. CRAMER. The gentleman is correct.

Mr. CLEVELAND. So, it is not absolutely correct to say that only $6 million of the Appalachian bonus is in this sewage treatment area.

Mr. CRAMER. The gentleman is correct. Ninety million dollars a year of accelerated public works was written into the Appalachian bill and there will be substantial additional funds under this legislation.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. JONAS. The gentleman from Florida served on the Blatnik investigating committee, did he not?

Mr. CRAMER. I still do. Yes.

Mr. JONAS. Was not the purpose of that committee to look into problems and alleged scandals that had arisen as a result of the type of financing that was authorized under that legislation?

Mr. CRAMER. The investigating committee looked into irregularities in the highway construction program and found substantial irregularities in many areas.

Mr. JONAS. Is not the same kind of financing provided for under this bill, with complete back-door spending out of a revolving fund?

Mr. CRAMER. That is correct; that this bill provides for a revolving fund.

Mr. JONAS. Without any annual control or supervision by the Congress?

Mr. CRAMER. The gentleman is correct.

Relating to the commercial loan section, to the tune of $220 million a year, for a 5-year period, as I discussed earlier, plus interest paid into the fund and plus a substantial $302 million to be paid back from previous area redevelopment loans, this is back-door spending. The Committee on Appropriations will not get a look at it.

Mr. JONAS. There will not be anybody getting a look at it. It is a revolving fund, is it not?

Mr. CRAMER. That is correct.

Mr. JONAS. Without any annual review by anybody?

Mr. CRAMER. The gentleman is correct. There will be amendments offered to try to correct that aspect of it.

Mr. Chairman, I have two more points that I would like to cover very briefly.

One is this: Let us not kid ourselves that this is not a permanent program. Again, I say, it is ironic that the Secretary of Commerce will come before our committee, having made all of these statements that he has with respect to the economy of this Nation and how sound it is, and yet ask for a permanent antipoverty program relating to public works. I questioned him, as appeared on page 41 of the minority report, where I said:

> Mr. CRAMER. I am talking about the bill before us, the bill we have before us. We have no way of reviewing this, the authorizing committee, do we?
>
> Secretary CONNOR. No, sir. This provides for an indefinite duration. We think continuity in these programs is extremely important.

This also refers to the question asked by the gentleman from North Carolina.

Then he further says that we are recommending that it be of indefinite duration.

The second point I want to make relating to area redevelopment is what are we doing? I think it is unfair to existing industry to use their tax money to subsidize new industry which will compete for their markets. That is what we are doing. Secondly, I think such a subsidy program will result in an efficient type of allocation of U.S. resources. What you are doing is shifting. You are taking from the haves and giving to the have-nots. The resulting high cost and inefficiency in this program will hamper rather than help the economy to compete with the economies of other nations. Also, such a subsidy program introduces artificial considerations. It will result in unsound and often temporary industrial stimulation for the communities involved. Industrial development is highly competitive. It is unfairly discriminatory for the Federal Government to take sides in behalf of some areas working against other areas to create competition for their products and their jobs in many instances where the products are not even needed and where there is a surplus of them already in America.

There are more effective ways of solving unemployment, such as job retraining, not trying artificially to stimulate areas that themselves would not be entitled to the development of industry based upon their own economies and their own capabilities.

I say this is a bad bill and should be defeated.

There follows a list of the President's budget requests submitted in January 1965, for fiscal year 1966 for Federal programs then operating to combat poverty.

FEDERAL PROGRAMS CURRENTLY OPERATING TO COMBAT POVERTY

(As provided for in the Budget for fiscal year 1966)

These are Federal programs having the purpose or effect of helping to eliminate the causes of poverty or to ameliorate the conditions of poverty; many of these programs are aimed specifically at the poor, others are of a more general application:

Agency, program, and amount budgeted

	Millions
Office of the President: Office of Economic Opportunity	[1] $1,465.5
DEPARTMENT OF AGRICULTURE	
Agricultural Research (Hatch Act)	[2] 45.9
Cooperative Extension (Smith-Lever Act)	70.8
Farmer Cooperative Service	1.2
Economic Research Service	[3] 9.5
Special milk program	[4] 100.0
School lunch program	[5] 411.7
Food stamp program	100.0
Donation of commodities to needy persons (other than school lunch program)	[6] 197.1
Farmers Home Administration—Rural housing grants and loans:	
Development loans	1.4
Grants	10.4
Loans to elderly	19.0
Building loans	11.0
Total	41.8
Rural renewal loans	3.0
Direct loan accounts:	
Real estate	49.0
Operating	300.0
Total	[7] 349.0
Rural Community Development Service	.1
Rental housing for elderly	5.0
Total Department of Agriculture	1,335.1
DEPARTMENT OF COMMERCE	
Area Redevelopment Administration:	
Operations and technical assistance	4.1
Grants for public facilities (requires new legislation)	10.5
Total	14.6
Area Redevelopment Loan Fund	0

[1] Includes the Job Corps, community action programs, migrant agricultural employees program, rural areas program, work experience program, adult literacy program, volunteer program, and general direction and administration.

[2] Includes projects for improving rural life.

[3] Farm economics and marketing economics.

[4] Whole milk for children in schools, day camps, etc.

[5] Includes both commodities and cash payments.

[6] 1964 figure (1966 estimate not available) for donation of food for needy persons through public and private welfare and charitable agencies.

[7] 90 percent of loans go to farmers with income of $3,000 or less. Purpose identical to poverty act grants and loans to farmers.

Agency, program, and amount budgeted— Continued

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE	
Office of Education:	*Millions*
Vocational education acts	[8] $257.5
Student loan program (National Defense Education Act)	[9] 179.3
Science, mathematics, foreign language instructional equipment and audiovisual equipment for elementary and high schools (National Defense Education Act)	[10] 79.2
Improved counseling, testing, and guidance in schools (National Defense Education Act)	[11] 31.7
Cooperative research and demonstrations	25.0
Education of handicapped children	[12] 21.5
Vocational Rehabilitation Administration:	
Vocational rehabilitation grants to States	[13] 124.0
Vocational rehabilitation research and training	[13] 45.8
Public Health Service:	
Chronic diseases and health of the aged	[14] 61.2
Communicable diseases	[14] 39.3
Community health practice	[14] 63.4
Hospital construction (amount here is that proposed for 5-year extension of Hill-Burton Act)	[15] 303.0
Environmental engineering and sanitation	[16] 15.9
Indian health activities	[17] 66.0
Social Security Administration:	
Federal Old-Age and Survivors Insurance Trust Fund payments	17,800.0
Unemployment compensation and employment services	493.1
Welfare Administration:	
Public assistance grants to States	[18] 2,966.4
Public Assistance Administration, services and training (grants to States)	[19] 295.7

[8] Includes funds to Commissioner for direct help for culturally deprived youth (residential schools, work-study, and special projects), also State plans include heavy emphasis on out-of-school youth.

[9] Specifically intended for needy but able college students fund is now meeting colleges' requests.

[10] States give priority to schools most in need of assistance to buy expensive equipment.

[11] Key part of efforts to prevent school dropouts.

[12] Program designed to prevent future dependency.

[13] These two programs heavily emphasize and assist in expanding, improving, and coordinating State and local services and facilities.

[14] These programs make a major contribution to State and local efforts to improve general health and to prevent, control, and treat disease.

[15] Includes nursing homes, diagnostic and treatment centers, rehabilitation centers, and project grants for comprehensive area plans for medical facilities.

[16] Grant assistance to States, cities, industries, and researchers to eliminate health hazards from food and water.

[17] Full range of health, medical, and hospital services for Indians and Alaskan natives; health education.

[18] Payments to individual recipients, medical care for the aged.

[19] A major purpose of these grants is to finance State and local programs to prevent dependency and causes of dependency.

Agency, program, and amount budgeted—Continued

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued	
Welfare Administration—Con.	*Millions*
Bureau of Family Services	[20] $6.2
Maternal and child welfare	[21] 162.0
Office of Aging	0.7
Cooperative research for social security	2.0
Total	[23] 22,937.9
DEPARTMENT OF THE INTERIOR	
Indian education and welfare	[22] 106.8
Indian resources management	[22] 0.1
(Indians) construction of facilities and irrigation systems	[22] 70.0
Total	176.9
DEPARTMENT OF LABOR	
Manpower training and development	16.8
Unemployment Insurance Service and U.S. Employment Service	13.4
Total	30.2
HOUSING AND FINANCE AGENCY	
Low-income housing demonstration programs	0.1
Public facility loans (1965 capital outlay)	100.0
Urban renewal grants	1,623.0
Low rent public housing grants	248.2
Low rent public housing development loans	646.8
Total	2,618.1
SMALL BUSINESS ADMINISTRATION	
Business loans	240.1
Investment and development company assistance; debenture purchase and loans	79.0
Total	319.1
Total	[23] 28,897.4

[20] Administers public assistance grants, coordinates Federal and State efforts, provides technical and other assistance for programs to prevent dependency.

[21] Grants to States, including research and demonstration for improved maternal and child health services (particularly in rural areas), child welfare services and crippled childrens' services.

[22] These 3 programs, plus Public Health Service health services, relate to nearly every phase of Indian life.

[23] Includes $17,800,000,000 Federal old-age and survivors insurance trust fund payments (social security).

Mr. BLATNIK. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the bill we are considering today is S. 1648, the proposed Public Works and Economic Development Act of 1965.

The bill combines three subject areas that have been fully considered and approved by the House in recent years. These are not any great new concepts or programs we have to explain; but tested programs now being improved and extended.

This bill is very much like the Public Works Acceleration Act, which we passed in 1962. Two-thirds of the authorization for this bill goes for grants for public works, very much like the accelerated public works bill, one of the most popular and successful bills we ever passed in this House. It has been overwhelmingly supported by local bond issues in thousands of communities across the Nation.

Another part of the bill is like the Area Redevelopment Act, and there is nothing new or unfamiliar in this. This has been a useful act, and it deserves to be extended. It has had faults and deficiencies, being applied for the first time to a difficult problem. We recognize these faults in our committee report.

We have made recommendations for improvement, to streamline and perfect the existing authorities in the bill.

Another part of the bill is based on the Appalachian Act, with which we are all familiar, and which we passed earlier this year.

There is nothing new about all this. These are all familiar ideas. These are all things we know about. These are mostly tried and tested ideas.

We believe this is the best bill that we can put together. It has been carefully thought through, carefully considered in our committee, carefully worked out. We have had 8 days of hearings—some day-long.

So, gentlemen, the bill before you today represents the best features of three major pieces of legislation, the Area Redevelopment Act, the Public Works Acceleration Act, the Appalachian Regional Development Act. It is a clean-cut essentially simple program for helping hard-pressed communities to help themselves.

The bill provides authorization for the appropriation of $660 million annually for 5 years. Of this total, $400 million is authorized annually for grants for public works and development facilities; $170 million is authorized annually for first, loans for public works and development facilities; and second, for loans and guarantees in connection with industrial and commercial facilities; $25 million is authorized annually for technical assistance and grants-in-aid for planning and administering economic development programs; $50 million is authorized annually after the first year for a special program of grants and loans for economic development districts; and $15 million is authorized annually for planning, organizing, and administering regional development commissions and for providing technical assistance to such commissions.

TITLE I

Title I of the bill authorizes annual appropriations of $400 million for grants for public works and development facilities. The basic grant for all projects would be 50 percent of the cost of the facility, as was done under the accelerated public works program. Supplementary grants which could bring the Federal share up to 80 percent of project cost would be provided for those areas judged most needy on the basis of very high unemployment or low income statistics.

Title I of the bill authorizes a good deal more than was available under the old Area Redevelopment Act program which provided only $75 million for grants over a 4-year period and which had to be administratively limited to projects directly related to new employment. However, title I is less liberal than the Public Works Acceleration Act, because it requires that projects must have a definite relationship to economic development or be related to poverty criteria. In this respect the bill is a compromise between an overly restrictive Area Redevelopment Act program and the accelerated public works program.

Examples of projects which would be eligible under this program include sewer and water facilities, access roads, port facilities, watershed projects, industrial park improvements, tourism facilities of a public nature, needed hospitals and health centers, and vocational training facilities. Examples of projects which would not be eligible include courthouses, local recreational facilities not related to tourism, such as municipal golf courses and swimming pools, electrical power projects, and primary and secondary schools.

In order to be approved, projects would have to be located in an eligible area and generally tend to improve the opportunities for the establishment of industrial or commercial enterprises which would provide long-term jobs or which would help carry out the objectives of the President's antipoverty program.

Supplementary grants could be made to reduce the local share in the most needy communities both for projects approved for direct grants under this program and for projects approved for direct grants under other Federal programs, but there would be no duplication as to individual projects. However, 50 percent would be considered a basic grant in both instances, just as in the accelerated public works program. No area could get a grant under either or both of the programs which would have the effect of reducing the local contribution lower than 20 percent, and relatively few areas would qualify for that much.

TITLE II

Title II of the bill authorizes loans for public works and development facilities and loans and guarantees for commercial and industrial projects, and establishes a revolving fund into which loan repayments can be made and used again. A maximum appropriation of $170 million annually is authorized for title II.

Loans for public works and development facilities could be made for the same types of projects as are eligible for grants under title I. The term of the loans could be for as long as 40 years. The interest rate would vary in accordance with the current yield on Government securities of comparable maturities, which would make the initial interest rate 4⅛ percent, or one-eighth of 1 percent higher than the current rate for loans under the Area Redevelopment Act.

Of the total cost of the project, 15 percent would have to be supplied either as equity or as a loan with its security inferior to that of the Federal loan. Of the 15 percent, 5 percent would have to be supplied by a State or local government or by a local development organization. That 5 percent could be repaid concurrently wtih the Federal loan. In cases of demonstrated need, the Secretary may waive the 5 percent.

Those who are familiar with the Area Redevelopment Act will recognize that this new provision will help to ease the so-called local 10-percent requirement which was a stumbling block in connection with many promising Area Redevelopment Act projects.

A new feature has been added to the business loan section of this bill which will further increase its usefulness. The Secretary is authorized, in connection with projects approved for direct business loans, to guarantee up to 90 percent of the outstanding balance of loans for working capital made by private lending institutions. Experience under the Area Redevelopment Act revealed that many good local projects suffered from a lack of working capital. This provision should help remedy that deficiency.

TITLE III

Title III of the bill provides authorization of $25 million annually for technical assistance and for grants-in-aid to help plan and administer State and local development programs.

One of the most successful parts of the Area Redevelopment Act program was its program of technical assistance, which accomplished a great deal despite a far too restrictive budget of only $4.5 million annually. In my own district, Area Redevelopment Act technical assistance was responsible for a number of highly specialized studies which are having a profound influence on our economic growth potential.

The provisions of this title will make it possible for the Secretary to help communities both to find out what they need to know to succeed in their economic development programs and to keep working on those programs on a full-time, professional basis.

Technical assistance will make it possible for communities to plan economic development programs, to study local resources and their relation to economic development, to undertake feasibility studies of specific economic development projects, to help local businessmen acquire the knowledge they need to expand and maintain their employment, and to train community leaders and others to become more expert in community economic development.

Federal grants-in-aid of up to 75 percent would be available to share the cost of State programs for helping eligible areas take advantage of these programs, and to help share the administrative costs of district, and in some cases local, area development organizations.

TITLE IV, PART A

Part A of title IV prescribes the basis for area eligibility. There are six ways by which an area may be designated.

First. If an area has an unemployment rate of 6 percent or more and its unemployment rate has been at least 50 percent above the national average for 3 of the past 4 years; 75 percent above the national average for 2 of the past 3 years; or 100 percent above the national average for 1 of the past 2 years, it will qualify. The Secretary of Labor will provide the data needed to make these determinations.

Second. If an area has suffered from a large decline in population, it may be designated. The Secretary will have to establish standards and determine how to obtain information with respect to this provision at a later date, since it was not applicable to the previous program.

Third. If an area has a median family income not in excess of 40 percent of the national median, it will qualify. The national median is now $5,660; areas which have median incomes of $2,264 or less will qualify.

Fourth. If an area is an Indian area and is recommended by the Secretary of the Interior or an appropriate State agency as having a population of 1,000 or more and is needy in relation to similar areas, it will qualify.

Fifth. If an area suffers a sudden and sharp rise in unemployment and the Secretary believes that unless it is helped, unemployment will rise to 50 percent above the national average within 3 years, it will qualify.

Sixth. If an area was designated under the Area Redevelopment Act as of March 1, 1965, it will qualify until the first annual review, which will be conducted as soon as 1965 data are available and probably prior to June 30, 1966.

No area will be designated unless it first, specifically requests designation; and second has an approved overall economic development program.

We estimate that about 1,100 areas will initially qualify for designation on these standards. However, some 300 to 400 of these will probably not qualify after the first annual review next year.

PART B

Part B of title IV provides for a unique new program which will encourage eligible areas to combine into multicounty economic development districts. These districts will be designated by the Secretary with the concurrence of the States and, for planning purposes, can include nondistressed counties as well as distressed counties. Districts must also have designated economic development centers. These centers are places in the districts which have the best capability or potential for fostering the economic development activities necessary to relieve economic distress within the district.

Economic development centers would not have to be located within the distressed area itself, but if they are not, the Secretary would still be able to provide grant and loan assistance for projects in these centers which would further the economic development of the district. Moreover, in order to encourage distressed counties to participate in district programs, they would receive a bonus of up to 10 percent of the cost of a grant project participating in a district program.

A total of $50 million annually would be available for bonus grants and for projects in economic development centers beginning a year after the enactment of the act. The year's delay is provided so that ample time is available to organize districts and to develop sound district programs. Technical assistance and grants-in-aid under title III for planning and administration would be available immediately.

TITLE V

Title V of the bill provides authority for the establishment of regional development commissions similar to the Appalachian Regional Development Commission. While title V does not provide funds for specific programs, such as highways, as were included in the Appalachian program, it does provide $15 million annually to help plan, organize, and administer the programs, which, in the opinion of the committee, is adequate during this preliminary phase of regional development.

Under the provisions of this bill, the Secretary would be authorized to designate regions on the basis of a relationship between the States and areas included in the region, provided a finding can be made that the region has lagged behind the whole Nation in economic development.

Upon designation, the Secretary will work with the States and provide funds with which to establish appropriate regional commissions. At the same time, the President will appoint a Federal cochairman to assist each region in its activities. The commissions are intended to develop comprehensive plans for the economic development of the regions and to present these plants to the respective States and to the Federal Government through the Secretary of Commerce for the necessary legislation and programs to carry them out.

An annual authorization of $15 million is provided to defray the organizational and administrative expenses of the various commissions and to provide technical assistance to them and on their behalf. Administrative grants-in-aid to the commission would be 100 percent for the first 2 years and 50 percent thereafter, as is the case for the Appalachian Regional Commission.

Regions would have to be multistate in character, except that the Secretary, in his discretion, may consider the designation of Hawaii and Alaska as single-State regions.

This title of the bill may prove to be far reaching in its effects. It would begin, for the first time, a program of regional planning, not in every region of the country to be sure, but in those regions which have clearly lagged behind the others in economic development. I am thinking particularly of regions such as the Upper Great Lakes, Ozark, Upper New England, and the Four Corners area of Utah, New Mexico, Arizona and Colorado. Of course, no region will be elegible unless it can establish its need for assistance on the basis of the criteria contained in the act.

Titles VI and VII of the bill are administrative in nature. It should be pointed out, however, that title VI of the bill provides for a new Assistant Secretary and an Administrator for Economic Development within the Department of Commerce.

It should also be pointed out that in title VII the Senate and this committee have specifically deleted language which was carried over from the Area Redevelopment Act, requiring utilization of other agencies in carrying out the act's provisions. Those of us who have had extensive experience with this program know that the multiagency approach to its administration never worked effectively, despite the efforts of all the dedicated people in the various agencies who tried to make it work.

I do not want to criticize anyone in any of the agencies which had responsibilities under the Area Redevelopment Act, but I want to emphasize as the SBA Administrator has himself testified, that the use of other agencies in carrying out the act's provisions has led to confusion, delay, and inefficiency.

The best way to run a program is to give one agency the responsibility for handling it and then to hold it responsible for proper and efficient administration. This is what we propose under this new program.

Several aspects of the bill have been emphasized by both the President and the Secretary of Commerce, and these deserve to be restated and kept in mind by the Members as they consider this legislation.

First, this program is not just a program for the areas which are eligible. The whole Nation will benefit from its results. Areas which have consistently lagged behind the rest of the Nation consistently draw far more from the Federal Treasury than they contribute. If they can be made self-supporting, the whole Nation will benefit.

Moreover, increased economic activity in one area means more customers for businessmen in all areas. I want to assure the Members of this House that when we get some of the needlessly unemployed workers in my district back to work, they will be able to buy more goods from businessmen in your districts.

A second point stressed by the President is the fact that this program is based upon the free enterprise, profitmaking system. It is a program designed to provide more jobs in the places where they are most needed—not by more Government employment but by more private employment. Nearly every type of assistance authorized under this bill has as its goal the creation of more private economic activity.

It is this private economic activity which pays dividends to the Federal Government. One businessman assisted under the previous Area Redevelopment Act program told the committee that he and his employees had repaid to the Federal Government in income taxes within 2 years more than the amount of his original loan. And he is continuing to repay his loan, with interest.

A third point stressed by the President is reliance on local economic initiative. No area will be designated against its will. No program will be forced on a local community. No project will be approved unless it has demonstrated local approval.

We should all keep in mind that this program is not an extension of Federal power, but an extension of Federal assistance. Congress will provide, and the executive branch will administer, a program which makes available various types of assistance. But it will be entirely up to the local people whether to take advantage of it.

A fourth point to keep in mind, was emphasized by Secretary Connor in his testimony to the committee. He pointed out that the purpose of the program was to create new jobs and new economic activity without moving jobs or economic activities from one area to another. There has been some fear that this program could lead to relocations of businesses from one area to another, but I can assure the Members that such fears are groundless. We not only have the assurances of the Secretary that he will not let this happen, but we also have expressed in the bill and in the language of the report our clear intention in this regard.

There is a fifth point to keep in mind. This is not a bill that is designed to take a piece of pie away from one to give to another. We are in a period of unparalleled economic expansion. Everything is growing. What this bill proposes to do is to channel some—a very small part—of that expansion into areas which have been bypassed in recent years.

Nothing is being taken away from anyone with this bill. Everybody will benefit from it to some extent, but the areas which need it most and which have suffered deprivation in the past will benefit from it the most.

In the course of our discussions and considerations of this bill, various Members have expressed a number of fears and opinions which need to be brought out into the open.

First, there is the fear that the whole idea of this bill is wrong. We should not encourage businesses to expand in economically disadvantaged areas because businesses can do better in the prosperous area. It is better, according to this argument, to relocate the people to the jobs rather than to create new jobs where the people are.

Those who make these arguments must live in a dream world where everything is ordered perfectly and where people can be moved about at will and where it is easy to put a finger on the map and say that the spot you are touching is the best place for any particular business.

Unfortunately, this argument does not apply to the real world. We cannot move people about like pawns in a chess game. They have families. They have churches. They have roots in the places where they are born. We need only look at many of the so-called prosperous areas in our big cities today to see the social and economic problems which result when people leave their place of origin and migrate to a strange metropolitan environment.

Nor can we say that the economically prosperous places are necessarily the best places for every business. Some businesses might find it even more advantageous to locate in a distressed area, but have never considered it because of a lack of proper sites or inadequate utilities. Many businesses which already exist in distressed areas cannot expand because of a lack of local capital, but once that lack is remedied are perfectly able to grow and compete. Many businesses will never get started in any area without a little help.

We who have investigated and taken advantage of programs of this type know that they can work and that they can provide new jobs for the benefit of all. We cannot afford to let textbook arguments deter us from what we know is needed by our distressed areas.

A second fear which has been expressed is the fear that the bill, as reported by the committee, is too loose. Some believe that the bill gives too much discretion to the Secretary, that it needs tightening.

I think that some of the people who use this argument would like to tighten the bill just enough to choke it to death.

Economic development is not a simple matter like selling stamps at the post office. Rigid procedures which tie the hands of the Secretary and his administrators are likely to make it difficult, if not impossible, for him to encourage the kind of economic development effort which the Congress intends for these areas.

Admittedly, this will be a difficult bill to administer. Economic development is a complex process. The Secretary and his aids will have to make judgments. They will have to be reasonable and yet courageous judgments. We have confidence that he can exercise the discretion that we have given him in a manner which will carry out the purposes of this act.

We cannot see the logic of the position of some who would give the Secretary the job of economic development but then tie his hands so as to make it impossible for him to do the job.

There is a third argument put out by some who want only the public works features of this bill, but no program for commercial and industrial facilities. They would do away with the business loan program and the loan guarantee program. One argument made is that loans are available under the Small Business Administration program, and are therefore not needed under this program.

Those who make this argument forget that SBA loans are limited in size and may not be made to concerns which are not small businesses. They also forget that the objectives of the two programs and their credit standards are different.

If we adopt the proposal of those who would eliminate the loan program it would be like building a highway which does not go anywhere. What sense is there to helping to improve the economic environment of an area, of building up its water and sewer facilities—if those facilities will be unused by businesses?

As I noted earlier, the purpose of this program is to help private enterprise create more jobs in the areas where jobs are most needed. This purpose can partially be achieved by providing public works and development facilities, but not entirely achieved unless businessmen can get the capital needed to expand in these depressed areas. By helping to make that capital available through the program proposed in this bill, we can get the job done far more quickly and far more effectively than we would if we were limited to, and had to wait for, only those businesses which could borrow privately to take advantage of our improved facilities.

We want private capital to come into distressed areas. But our experience tells us that if we want action quickly, we cannot afford to limit our program.

I am convinced that if we fail to provide a business loan program in this bill, we will have failed our responsibilities to the distressed areas.

This is a comprehensive and far-reaching bill.

It is a bill which is based on the past, but looks to the future.

It is a bill which expresses compassion for the unfortunate.

It is a bill which expresses practical, hardheaded commonsense.

It is a bill which benefits the many, as well as the few.

It is a bill urgently recommended by the President, overwhelmingly passed in the Senate, strongly recommended by the Public Works Committee of this body, supported by labor and by many business interests, including bankers, local chambers of commerce, and privately owned utilities.

It is a bill which deserves the support of every single Member of this body.

And I am confident that a large majority will want to give it that support.

Mr. CRAMER. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. CLEVELAND. Mr. Chairman, because my views on this legislation are set forth in some detail in the report of the committee, under the title of "Supplemental Views" on page 57 of the report, I shall not go into them in too great detail. I shall include them at the end of my remarks. Before I begin my remarks, and I hope the gentleman from Minnesota will give me his kind attention, I would like to question his statement that those of us who have opposed this legislation in the past and are very lukewarm about it at the present, never come up with a constructive alternative—I do not think that is a fair statement. I want to call his attention to this fact, which is mentioned in my supplemental views on page 59. This is in connection, with the Republican alternative to the Appalachian bill. That is the bill we called the Resources Development Act of 1965. Now, I know that it is widely accepted by many Members of this House and by many members of the public, and certainly by a segment of the fourth estate, that those of us who oppose some proposals of the Great Society never come up with constructive and meaningful alternatives.

This may be comforting to those who hold this belief, but it is untrue and it is unfair. I would like to remind the gentleman from Minnesota that we do have a constructive alternative to this bill and to Appalachia.

H.R. 4466, introduced by the gentleman for Florida [Mr. CRAMER] and myself and other Republicans, is a sound, meaningful and constructive alternative.

I want to refresh the gentleman's memory as to what H.R. 4466 proposed to do. I believe our constructive alternative raises some very interesting and deep-seated questions.

Our alternative was not to single out a 10-State area known as Appalachia, including as it does some of the richest areas of the country, to pour into that area untold billions. Our approach was a national approach.

Another thing was that instead of working through the Appalachia Commission, a new monstrosity over which the Federal Government had a complete veto power, the Republicans would have worked, as they have liked traditionally to work, through established State organizations.

So there was no necessity for setting up a new bureaucratic monster, as set up by Appalachia. There was no necessity for setting up a new bureaucratic monster, as is set up by the Area Redevelopment Act accelerated public works programs.

We would work it out with a minimum of new employment for bureaucracy, since we do not consider this a way to attack unemployment. Our alternative would work directly with the States through already established, time-tested and proven programs.

We would have given special assistance for construction of new roads, not just for Appalachia but for all of the States, which have areas of distress and disadvantage. The gentleman from Minnesota, interestingly enough, admitted that there are such areas of distress in all of the States.

Then, as we go on to read the language of the bill, H.R. 4466, we note that besides development highways we would have provided funds for demonstration health facilities, which would have helped with hospitals, for timber development organizations, for mining area restoration, for water resource studies, for housing, for sewage treatment, and for vocational education facilities.

The foregoing would have been, not just for Appalachia or the district of the gentleman from Kentucky, but for those areas suffering disadvantage throughout the country.

This would have been done under existing programs, with no new programs and no new bureaucracies.

It is interesting to note in this connection that testimony given before the Public Works Committee very clearly indicated that the ARA Administrator was not working with the States, in spite of the fact that the testimony before the Public Works Committee was almost unanimous that most of the States have extremely well-developed industrial resource commissions or economic development commissions which have a wide fund of knowledge about the particular areas of distress in each State. The Area Redevelopment Administrator has turned his back on this entire fund of knowledge. He does not work with the States whatsoever. Apparently, he scorns the States. He does not like the States. He does not believe in the States.

Because of this there have been countless examples where Area Redevelopment Act money has gone not to an area within the State which is in real distress, but to pockets of prosperity which happen to be located within the areas of disadvantage.

I am glad the gentleman from Minnesota raised this point by saying that we on this side of the aisle do not have constructive alternatives. We on this side of the aisle do have constructive alternatives. We have introduced a proproposal in the House. We have pleaded with this House to adopt it. And we have been turned down, for obvious reasons.

It is not true that those of us who are carping and critical, to quote the gentleman from Minnesota, are not deeply concerned and have not come up with hard and sound constructive alternatives.

My remarks, as I have already stated in my lukewarm support of this legislation, are fairly well detailed in my supplemental views which will follow. In the few minutes I have to speak here I want to stress particularly an amendment I will offer, known as the so-called prevention of unfair competition amendment, or the fair-trade amendment. This is set forth on page 59 of the supplemental views.

This is an amendment which I particularly hope will be adopted, because certainly it will go far to remove many of the criticisms of this program. My amendment in effect would provide that one cannot construct new factories and new facilities with taxpayers' money, with government money, if this is going to result in over-supply or unfair competition for existing facilities.

How ridiculous can the U.S. Government get, when it spends almost $2 million to build a new motel outside of Detroit at the time that the motel and hotel industry in Detroit had a 54-percent occupancy rating?

This is not doing anything for unemployment. This is simply making a tough situation worse. There is absolutely no justification for the U.S. Congress enacting legislation like this unless it is at least willing to go a sled length with existing industry, by saying that we will not build competition for you right across the street from you. That is the amendment I have in detail on page 59 of my report. It would be extremely difficult for me to understand how anybody could vote against this amendment.

The gentleman from Minnesota said that the general purpose of this legislation is to create new jobs and to make people taxpayers instead of tax-eaters. Now, who can argue with that objective? I concur with it. But what kind of a program is it that takes taxpayer dollars and builds the taxpayer's competition or a situation of oversupply, creating employment in one part of the country, but creating unemployment in another part of the country? This is the type of situation that destroys people's confidence in commonsense and in their Government. It is not right and there is nobody in this House who can say it is right. For that reason I particularly plead for this amendment of mine which will prevent this kind of unfair competition and this type of situation where the taxpayer's own dollars are going to finance his competition and put him out of business.

Mr. Chairman, I have two other amendments that I plan to offer. One is perhaps selfish in nature because it involves my own State and also involves the States of Hawaii, Vermont, and Delaware. All of these States have priceless advantages. Among other things they share is the fact that they are all small. That fact bodes ill for the future of my amendment, I know, but I am hopeful that this House will have heart enough to go along with this amendment, which is also detailed in my supplemental views on page 58.

Under the present legislation as written, these four States will lose entitlement under the provisions of this act after the first year because they will not qualify. They qualify now under what is known as the grandfather clause, and the Proxmire amendment to the old Area Redevelopment Act legislation. This has not been widely noted, but it is a fact. It seems only fair to me at least to have one area in each State, however small. The administrator of the program would benefit from having a presence in each State. Since this is supposed to be a truly national program, each State should have one area which is qualified for this special treatment.

Another amendment that I plan to offer has to do specifically with not constructing new hotels or motels at a time when there is an excess of them in an area.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARSHA. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CLEVELAND. This is specifically aimed at the situation I have already referred to which we found in Detroit and other parts of the country.

Mr. Chairman, in concluding my remarks I would like to reiterate something that I stated earlier. I attended the hearings carefully because I am interested in this legislation, and the hearings made one thing very clear indeed; namely, that this type of a Federal program, which goes not through the States down to the communities but goes directly from the Federal Government to the communities, is failing in one respect and a very substantial respect indeed. What happens is this: the well-organized city, the city with an industrial agent, the city with a large company in it, which has a battery of accountants and lawyers and has good connections in Washington, is the city that will get the aid under this act. The poor towns that the gentleman from Minnesota invokes in his impassioned plea for this legislation, the meek and the poor meant to be helped by this legislation, are not being helped by this legislation.

And do not let anyone kid you to the contrary. Time after time you will find that in these areas that qualify there is a rich town, there is a big hospital, or a well-heeled business that finds out about this, and through their attorneys and through their accountants and through their contacts in Washington these are the guys who get the goodies; and do not let anyone ever kid you that, the way this is set up and the way it is working, the really poor communities are getting a break under this legislation. It just is not so. The race is to the swift, to the rich, and to the large. This is why I include my supplemental views, which now follow, by observing that if this legislation is not fairly and wisely administered it could serve to create new areas of disadvantage:

SUPPLEMENTAL VIEWS OF REPRESENTATIVE JAMES C. CLEVELAND, OF NEW HAMPSHIRE, ON S. 1648

It is with regret that I cannot concur fully with the minority views although they describe eloquently the faults of this legislation, both in its general conception and in the way it would execute that conception. They set forth how the minority endeavored in vain to direct the basic philosophy into more productive channels, and how, failing that, the minority sought to forge language for the clear administration of the program. I shared actively in these minority endeavors and shall describe later on in these supplemental views four amendments that I offered in committee and will offer from the floor.

Some general comments must first be made. First, that it is to be regretted that so important a subject should be dealt with in such a generalized, hasty, and sloppy manner. The program embraced in this bill, S. 1648, is yet another example of this administration's reliance on costly, blunderbuss assaults on national problems which require, instead, the utmost precision. Our resources, great as they are, are not so great that we can afford to spend them wastefully. Second, this legislation is so concerned with financing provisions—loan guarantees, interest rates, and the like—that it should not have been sent only to the Public Works Committee. It properly belongs also in the Banking and Currency Committee, which has the membership and staff competent by training and experience to deal knowledgeably with the subject matter. Insofar as this legislation is part of the war on poverty it also deserved scrutiny by the Education and Labor Committee.

A third matter of concern is raised by the manner in which this legislation positively would encourage the bypassing of State and local governments. A good many of the States and communities have done a superb job in developing their economies. To turn our backs on this fact, to ignore this experience, and to set up conditions deliberately designed to thwart these efforts is a mistake, in my opinion. It would accelerate the steady undertow of recent years by which more and more functions of government are being drawn inexorably away from the States and communities and centralized in the hands of Washington bureaucrats.

These reservations are powerful and they would be compelling but for the naked realization that major problems do exist across the country, problems calling for urgent Federal attention and that this bill is the only one we are going to get. For all its faults, and they are many and major, there is some good. Although its vague, even vacuous, language, will be an administrator's nightmare, watchful towns and States, and a watchful Congress, can all help to correct them. It is exasperating that the program could not be set up skillfully and properly at the outset.

During the markup of the bill in committee, I offered without success several amendments designed to improve the bill. I shall offer them again on the floor of the House and urge my colleagues to consider them carefully and to act favorably on them. Following are brief résumés of them.

Amendment 1—To strike out loans and guarantee of loans to private business: The purpose of this amendment is clear. It is not fair to loan taxpayers' money to a private industry at preferential rates which add to the competition of the taxpayer. Many of the criticisms of the Area Redevelopment Administration (and they have been many and well founded) have sprung from the provisions for loans to private industry. It must be remembered that the Small Business Administration can and does make loans to business, and if its authority to help industry in disadvantaged areas is not adequate, then it should be given the necessary authority. It is a senseless and wasteful duplication of Government effort to set up a new agency in this field, particularly in view of the fact that the Small Business Administration has been quite successful in this general area.

Amendment 2—To prohibit the construction of new hotel and motel facilities in areas which do not need them: The purpose of this amendment is obvious. The most glaring example of shortsighted ARA policy in this connection is the building of a large motel on the outskirts of Detroit at a Federal cost of nearly $1.9 million at a time when the occupancy rate of Detroit hotels and motels was 54 percent. (See p. 33, H. Rept. No. 276, 88th Cong., to accompany H.R. 4996, Area Redevelopment Amendments of 1963.) The hotel and motel industry has suffered from tax policies which have curtailed, unfairly in some respects, expense accounts. The industry is being forced to act as a collection agent for social security on tips, which is largely a guessing game. Minimum-wage and fair-labor proposals before the Congress are threatening some members of this industry with extinction.

To add to this series of federally inspired woes, Federal financing for their direct competition is so manifestly unfair that it almost defies description. It must be remembered that as of June 30, 1964, about $68.5 million, or more than 28 percent of ARA's total investments to that time, had been spent on the construction of hotels and motels.

Amendment 3—To provide that every State should have one redevelopment area: The purpose of this amendment is to insure that every State will have at least one area entitled to the advantages of this act. The ARA Administrator will benefit from having at least one area in every State. It is only fair to States which do not have areas that qualify for the benefit to have at least one area, however small. Under the present state of the law and the facts, New Hampshire, Vermont, Hawaii, and Delaware will be left without any area covered as soon as the first annual review is completed. The reason that they have areas now is because of the so-called Proxmire amendment, which requires the broadest possible distribution of the program, and because of the grandfather clause in the bill.

I cannot speak for Vermont, Delaware, or Hawaii, but the reason that New Hampshire will not qualify after the first annual review is because the unemployment rates in our most disadvantaged area (northern New Hampshire) do not qualify under the criteria of S. 1648. This is because people in northern New Hampshire, when they have not been able to obtain work, have had the "get-up-and-go" spirit to go out to find work, often at great personal sacrifice. They do not stay at home on unemployment, but their departures leave a diminished number of taxpayers to bear the burdens of the communities which they have left. This problem of out-migration, which is a real one, has been almost totally ignored and overlooked by ARA officials who rely too heavily on official unemployment statistics. The committee has amended the bill to force upon the ARA Administrator consideration of out-migration problems, but apparently he remains unconvinced. It is unfortunate that the four States that will be excluded from the Area

Redevelopment Act are small States, but hopefully the House of Representatives will protect them in this instance by adopting my amendment.

Amendment 4—Fair trade amendment; prevention of unfair competition:

"PREVENTION OF UNFAIR COMPETITION

"SEC. 702. No financial assistance under this Act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing commercial or industrial enterprises."

The ARA has been rightfully criticized for building factories which contribute to oversupply and overcapacity. For example, they built a shoe factory in Indiana at a time when shoe factories in New Hampshire were closing because of oversupply. They have constructed pulp and tissue mills at a time when problems of oversupply were seriously affecting these industries in my State, and the same can be said for plywood and other industries. The purpose of my amendment would be to prevent this type of shocking and prodigal waste of Government money and this gross unfairness to American taxpayers. This amendment to prevent unfair competition touches on the whole problem of industrial and job piracy. By adopting this amendment, the House can do much to improve this legislation.

On February 8, with other Republican members of the Public Works Committee, I introduced the Resources Development Act of 1965—a program for all the Nation—as an alternative to the special-interest Appalachian Regional Redevelopment Act of 1965.

This legislation recognized that problems, similar to those in the 11-State Appalachian region, existed throughout the country. The Republican bill would have allocated a large part of the funds to the development of roads and community facilities, just as the Appalachian program does. It called for spending its authorization, however, in all disadvantaged areas in the United States which would have been eligible for assistance.

Most regrettably, this approach was rejected by the House, but I maintain that the approach taken by the minority in offering the Resources Development Act is the only one which will truly benefit the entire country. It called for no new agencies. It worked through and with State and local government.

I must express my disappointment at the wholly inappropriate inclusion of Appalachia in this bill. This point is well covered in the minority views. At first, the committee adopted an amendment to bar those counties on which the bounties of the Appalachia Act already have been showered from competitive participation in this program but, it then retreated in abject and shameful flight from this program.

Finally, I want to caution all States and, especially communities that would be eligible under this bill, the race is to the swift. During the hearings on this bill, a great deal of disturbing evidence was piled up to show that the fruits of the program will go in many cases to the prosperous, well-organized communities—pockets of prosperity, in effect—which, through accidents of geography, are located in counties that are generally depressed economically. Town fathers across the land should be on notice to act swiftly if they expect to share this wealth. Experience with the area redevelopment and accelerated public works programs exposes the ironic fact that many communities in direst need have been left out because the money tree had been plucked bare by their richer and more aggressive neighbors.

In conclusion, then, it is with understandable reluctance that I cannot concur fully with the minority views, and shall vote for this legislation. In the final analysis, my vote is a protest against the totally unfair Appalachia legislation passed earlier this year by the Congress. Under the Appalachia legislation, the Federal Government undertook to refurbish Appalachia with a massive public works program designed to make that area of the Nation more attractive for new industry. Parts of my district are just as badly in need of new industry and the benefits of the Appalachia-type approach as are parts of the Appalachia region. For this reason, I cannot in good conscience vote against legislation—poorly drafted as it is—that would make it possible for parts of my district to obtain (on an apparently temporary basis) at least a small measure of similar Federal largesse. Hopefully, the House will adopt at least some of the important amendments which will be offered by the minority to improve this legislation. I also hope that this legislation will be fairly and wisely administered, for if it is not, it can serve to create at an ever-accelerating rate new areas of disadvantage.

JAMES C. CLEVELAND,
Member of Congress,
Republican, New Hampshire.

Mr. BLATNIK. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, the bill presently before us is an entirely logical projection of modern economic theory keyed to the private sector and its job-creating dynamics. Its basic thrust is to provide incentives for venture capital, to create new employment opportunities in those scattered pockets throughout our Nation where even in the midst of our unprecedented prosperity men still walk the streets in search of work.

It seeks to perform this task by encouraging the establishment of new business ventures, and expansion of existing plant and production capability in these presently disadvantaged areas of the country.

The entire bill has one underlying purpose and that purpose is to stimulate economic growth in the individual localities where it is most needed.

I think it is quite important to point out at this point that we are not speaking of public employment; we are speaking of private employment. We are not talking only of temporary work; we are speaking of permanent employment opportunity in a sound business within our capitalistic structure. Even the criteria for public works grants and loans under this bill require a showing that construction of the needed public facilities will serve the long-term purpose of economic growth in the private sector.

Title I of the bill would authorize appropriations of $400 million annually for 5 years for matching grants-in-aid to public bodies and private community nonprofit organizations for public works and development facilities. These facilities under the bill must be located in the areas of high unemployment and low family income which for a variety of reasons have continued to fall behind the spectacular climb of our Nation toward new heights of full employment and economic growth.

These facilities must fulfill a pressing local need of the area, evidenced by the fact that the local citizens themselves, not some bureaucrat in Washington, have identified these facilities in their overall economic plan as necessary for the economic growth of the area. And so, "economic development" is the key phrase in title I and in the entire bill. To be eligible for grant assistance, public works projects therefore must meet a very stern test. It would not be possible under this bill for the Federal Government to assist in the development of a public works enterprise, however praiseworthy in itself, unless it is established that such an enterprise will improve the opportunities for the successful establishment or expansion of industrial or commercial plants or facilities, or that it will assist in the creation of additional long-term jobs; or that it will primarily benefit the long-term unemployed members of the low-income families, or otherwise substantially further the objectives of the Economic Opportunity Act of 1964, more popularly known as the poverty program.

Mr. Chairman, lack of essential job facilities is unquestionably one of the principal reasons why we have in the midst of this general prosperity these islands of economic distress which are the targets of this legislation.

I brought with me today one page torn from the financial section of the Washington Star of last Monday. I invite your attention to the headlines:

"Last Year's Big Profit-Makers Doing Even Better in 1965"; "Gains Range From 5 to 41 Percent Among the $100 Million Firms of the Country"; "General Motors Per-Share Earnings Rebound to Record Levels"; "Profits Are Double Since 1961"; "Meat Packers' 1964 Sales Gained 2 Percent for a Record"; "Area Telephone Firms To Share Long Line Growth"; "Electric Industry Linking Up Vast Connecting Power Web."

Mr. Chairman, these are the headlines that might appear in any daily newspaper which we could pick up. They appeared in one selected at random this week.

These are the signs of our times, signs of unprecedented general prosperity. We are in our 54th month of continued economic expansion, the longest period of unbroken economic growth, uninterrupted by a recessionary trend, in the entire peacetime history of the United States.

Mr. Chairman, our gross national product soars toward an unprecedented $650 billion.

We have gainfully employed in the United States at this moment some 72.5 million Americans. This is 1.4 million more Americans employed than had jobs on January 1 of this year.

But still with this record growth it is not enough. Even with the stunning growth rate that we have attained, 4½ percent of our job force still is without work. If we are to avoid the specter of growing unemployment, the employment figure must be raised from 72.5 million today to at least 75 million by next year.

Mr. Chairman, is it not easy to see why we are finding it necessary to have a continually expanding, growing economy realizing as nearly as possible its total full productive potential?

If we do not create 3 million new jobs every year, then we will be losing ground, because it will take 3 million new jobs in the private American economy annually to keep pace with the growth of the numbers newly coming onto the job market and to take up the slack annually created by automation.

This is a stern task. Think what an enormous challenge—3 million additional jobs every year. We are inhibited from realizing the total potential of our economy—and handicapped in our efforts to reach this ambitious but necessary goal—by certain areas throughout the country wracked by chronic inability to keep pace with the growth of the Nation. They drag back the Nation. They drag back the realization of our total economic potential.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I am glad to yield to the gentleman from California. I do so with great pleasure.

Mr. HOLIFIELD. I just want to compliment the gentleman on what he has just said.

I have heard some allusions today to the present prosperity and the making of an invidious comparison as to why we are proposing to do this when we are in the midst of an era of great prosperity and great employment.

The gentleman from Texas is explaining very clearly the fact that even though we are in a time of great prosperity, we face this constant need for more jobs as our population expands and increases.

And to say we should not be concerned with those pockets of poverty and these areas of unemployment and stagnation in our economy is like saying in a family of six if one person is sick we do not need to worry about the health of the family. We are worrying about those areas that are in need. This is one way we can continue to have not only the prosperity we enjoy but also to increase that prosperity to those people who are not sharing it.

Mr. WRIGHT. I thank the gentleman for his very appropriate contribution, timely as always, and particularly for his extremely apt illustration which points up exactly what we are attempting to do. It might seem anachronistic that in this great economy we have produced record levels of business profits, record levels of retail sales, record levels of general employment, record levels of freight car loadings and all the other indexes that are pointing up our economic growth, but that in the midst of these barometers we have these islands of distress. I should like to say, however, that this is precisely the problem that title I and title II of this bill undertakes to assail.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLATNIK. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WRIGHT. Mr. Chairman, regardless of how rich such an area might be in human resources or in mineral resources or in natural beauty, no area can hope to attract new economic activity unless it has essential public facilities and basic public services. It has to have an adequate water supply; it has to have an adequate sewage disposal system; it needs a network of streets and roads to connect it with the outside world; it needs utility lines to serve industrial sites; it needs airports, railroad sidings, and all of the related structure of basic public facilities without which industrial and commercial enterprise cannot operate.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I am happy to yield to the gentleman from New Hampshire.

Mr. CLEVELAND. In connection with the question and the remarks of the gentleman from California, and with reference to the gentleman's remarks, I can agree with much of what the gentleman says. In fact, I do.

The issue here—and it is an issue that we constantly lose sight of—is not our objective, but how to attain those objectives. I share with the gentleman the thought that it is intolerable to have pockets of disadvantage in our Nation at a time when we are enjoying great prosperity. However, we should come back to the real issue, which is not whether or not these pockets exist. The real issue is how we can proceed to cope with the problem once it has been identified. It is regrettable, the time we lose as we discuss the issue in reference to whether these areas exist. We agree they do exist. Let us forget our eloquence in pointing out these areas, let us have more hard debate on how we can go about coping with the problem.

The gentleman from Texas must agree that the great State of Texas has a fine State organization to help these areas, but the ARA Administrator bypasses it. They should work together. That is the type of thing I mean. The debate and discussion should be directed more toward methods of meeting the problem that we all agree exists.

Mr. WRIGHT. I thank the gentleman. I blush to confess that in our own vaunted State of Texas we do have areas which fall below the national norm. We have areas which are below the national income average. We have areas which are above the national unemployment average. We do have a number of economically distressed areas in my State. Those, happily, do not occur in my own particular district. None of my specific district would be eligible for the benefits of this bill.

But that certainly does not take away the value of the bill. It serves that national good, and I hold to the view that what serves the Nation serves my district.

As the gentleman suggested, let us address ourselves immediately to this particular question: How do we go about attacking this problem which we all acknowledge to exist? Why have these areas become distressed? Well, basically most of them have become distressed because their former economic base, whether it be coal or cotton, iron or timber, fertile soil or skilled manpower, has become eroded. Or they have become distressed because 20th century technology has gone ahead and left them far behind, outmoding the technology of their existing business. Unemployment follows and property values decline.

Now, because their tax revenues have dwindled in the wake of this occurrence, these localities no longer can maintain or expand their essential public facilities—and without such essential public facilities they can no longer attract any new kind of economic activity to provide the wellsprings of a new prosperity from which new economic growth can flow.

So this vicious cycle of distress leading to distress can only be broken by helping these localities to improve what the economists call their basic infrastructure or the foundation without which no economic activity can flourish and prosper.

Title I of the Public Works and Economic Development Act of 1965 therefore combines the best features of the accelerated public works program, which ran out of funds in 1963, and the public facilities grant program of the Area Redevelopment Act, which also exhausted its authorization in 1963.

The program authorized by this bill is more stringent than the APW program in that each development facility must not only provide immediate jobs on the construction site, but must also contribute to the creation of permanent jobs through the economic development of the area. It is broader than the public facilities program of ARA because the permanent jobs which these projects help to create need not be on hand immediately, provided they are in sight somewhere in the foreseeable future.

This bill, then, is fully in tune with all that we have been trying to do in coping with the realities of the mid-20th century. The period since World War II has brought to our Nation an entirely new range of possibilities, of new problems, indeed of a New World. Out of this has developed a new economics. To call it Keynesian is a mistake. It is post-Keynesian. To call it socialistic is altogether wrong. It is the reverse. It is capitalistic.

An entirely new orientation, a new dimension and direction, a new purpose and a wholly new mission has been given to economic thought and policy in the past several years. We need to understand it. Keynes and his devotees wanted to stabilize the capitalistic system and by doing this to avoid mass unemployment. This basically was the goal also of the New Deal.

The new economic concept which permeates the Great Society, and of which this bill is one application, goes much further. It seeks not to stabilize but to expand the Nation's business structure. It asserts a new and original thesis in political economics—that the overriding function of government is to promote continual economic growth.

The need for an ever-expanding economy should be obvious. This we must do, as stated earlier, to avoid growing unemployment.

This is the distinctive political creed of the 20th century, post World War II. It had its first conscious expression in the Full Employment Act of 1946, but even those who wrote that act still imagined prosperity as a sort of static condition rather than as a progressive one. The very vocabulary of the modern political economist was then only in its infancy. The first official recognition by the U.S. Government of the gross national product as a basic concept was in 1945.

Since that time the United States has reached proportions of growth which then would have been thought utterly impossible. Today our economic structure is generally sound and still growing. The present period proves that sustained growth is possible. A combination of wise Federal policies and prudent business and labor leadership has enabled private production and incomes to grow without the stimulus of either a major war or the painful dislocation of general business recession.

While it is premature to say that business cycles have been eliminated, we can say with certainty that there is no necessary reason why an expansion must end in 26 months, 36 months, 50 months, 80 months, or any other arbitrary length of time.

But we cannot see the picture clearly unless we view also the human element. A family breadearner without a job is a distressed individual. A community that is losing its people is a distressed community.

We have learned that it is a logical and appropriate role of government to ease the dislocations which have followed in the wake of such rapid change. The total economic potential of our country cannot be realized unless we can place new industries in areas where the ever-changing present has made the old ones obsolete. We cannot build the Nation as a whole if we sit by passively and let ghost towns develop among the ashes of old industrial plants which new techniques have outmoded or rendered uneconomical.

We cannot build the kind of an America in which we want to live by letting the small towns of our country wither on the vine and finally blow away.

So the new economic theory of which this bill is an extension is in fundamental harmony with the most basic traditional American concepts. We know that public works employment, however valid and needful, is not continuous employment. Private employment is. Public works employment does not promote goods and services for sale. Private employment does. Public works employment does not generate new capital for additional expansion. Private employment does.

And so this Public Works and Economic Development Act of 1965 builds upon the past to meet the problems of the future. It attacks unemployment in its very breeding grounds. It attacks it with the very weapon which we have traditionally found to be availing. That weapon is encouragement to private capital to assume private risks and to create jobs for Americans in sound private business—not in just a few growth-burdened communities but throughout the land.

This bill, therefore, is a highly necessary weapon in our ever increasing national effort to build a truly Great Society upon an expanding economic plant which draws its sustenance from the grassroots of America.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished Speaker of the House.

Mr. McCORMACK. In addition to the many logical arguments made by the gentleman from Texas, it seems to me the most powerful argument is the human argument—we are helping human beings. We are doing it abroad and properly so. But these are human beings who are American citizens. They live in areas of the country where they are faced with economic conditions over which they have no control and over which, to a great extent, the local communities do not have control.

This legislation provides a means for the Federal Government, in cooperation with the State and local governments, to bring hope to human beings, Americans like ourselves—but above all, human beings.

There is also the further principle that when we help these human beings, we strengthen the family life of our fellow Americans. Then we strengthen the family life of the people in the community in which they live and their State and the family life of our country as a whole, we strengthen America itself. Because the strength or weakness of the Nation depends upon the collective strength or weakness of the family life of a country.

So, Mr. Chairman, in addition to the able arguments that my colleagues have brought out, it seems to me, and it appeals to me, when the facts justify it, that one of the most important, if not the paramount consideration that enters my mind, is the helping of human beings who happen to be Americans and the strengthening of American family life and thereby the strengthening of our country itself.

Mr. WRIGHT. I thank the distinguished Speaker.

Mr. BLATNIK. Mr. Chairman, I yield 6 minutes to the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I would like to call the attention of the House to one of the most important provisions in the legislation which is now before us for consideration. I am referring to title I, section 101(a)(2) which provides for supplementary grants for public works and development facilities.

Over the years the Congress has enacted into law a great many grant-in-aid programs to assist States, municipalities, and other public bodies in the construction of needed public facilities. The number of such programs is much too large to be listed here in detail. They cover almost every field of public facilities—from hospitals and health centers to community colleges and vocational schools; from airports and waste treatment plants to soil conservation and flood control. The Subcommittee on Intergovernmental Relations of the Senate Committee on Government Operations last year listed over 100 such programs. However, all of them required that the States and municipalities making use of these programs provide varying amounts of the total costs of the projects out of their own funds. In the great majority of these programs, this State and local share amounts to a minimum of 50 percent and, in many instances, the matching requirement is considerably higher.

The basic purpose of the bill before us is to provide extra amounts of Federal assistance to those areas of our country which have suffered for long periods of time from high unemployment and low standards of living. But the great tragedy is that those areas which lag most behind the steady growth of our national economy are also those least able to avail themselves of these Federal grant-in-aid programs. Long stagnation of their economy, out-migration of the best wage earners, shrinking tax revenues, loss or obsolescence of their natural resources, and long neglect have made it all but impossible for many of these communities to come up with the required local matching funds. When the Congress enacted in 1962 the accelerated public works program, it set aside over $700 million for grants-in-aid to local communities to accelerate the construction of essential public works in the economically depressed areas; it was found that community after community was unable to make use of this program because they were unable to come up with the 25 to 50 percent of the cost of such projects which were required as local matching funds.

Section 101(a)(2) of the Public Works and Economic Development Act of 1965 is intended to remedy this situation.

In order to enable the neediest communities in the neediest areas to take maximum advantage of existing and future Federal grant-in-aid programs for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, the act provides supplementary grants which may bring total Federal contributions to any eligible project up to 80 percent of total cost.

Supplementary grants may be provided also where the basic grant of 50 percent is made by the Economic Development Administration.

In determining the amount of the supplementary grant, the Secretary of Commerce, who is responsible for the administration of this act, shall take into consideration the relative needs of the area in which the project is located and the nature of the project.

This provision is similar to one which is contained in the Public Works Acceleration Act which provides for basic grants of 50 percent, but permits grants of up to 75 percent in areas of special need.

In actual practice this will mean that those areas which have the highest unemployment and the lowest family incomes will receive maximum help for those projects which are of the greatest importance for the economic development of the area.

Since some projects, especially water works and sewer projects, generate certain amounts of revenue from charges imposed upon their users, the act provides that supplementary grants may be reduced by that part of the local share that can be supported by revenues in excess of those needed for the operation of the project, including depreciation.

Under the accelerated public works program, unemployment and family income were used as the yardsticks of an area's need for grant rates above 50 percent and the Secretary of Commerce has testified that he would use similar yardsticks to determine the areas which would be entitled to higher grants. In addition, the Secretary would also give consideration to the nature of the project in relation to the overall purpose of economic development to be served by this act.

I believe that this supplementary grant program will be of very great value in our efforts to bring the economically depressed areas up to the standards of the rest of our economy.

Mr. HARSHA. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I rise to speak in support of S. 1648 because I know the need for it. I have seen the worthwhile effects of previous programs, and I favor the principles on which this legislation is based.

To those members who do not represent areas of economic distress, let me say that the hardest job a legislator has, is to face those who are in a hopeless economic situation and to say that he cannot help. And believe me, my friends—it is even more difficult surrounded by the prosperity other areas are now enjoying. There is no frustration like the frustration of the jobless, no hopelessness like the hopelessness of those who live in distressed areas.

This great Nation of ours can put rockets on the moon, take pictures of Mars, build atomic bombs and financially support the economies of over 100 nations in the world. Knowing that we can do all this, how can we face the people of our distressed areas and say that there is no way by which we can help them rebuild their economic strength?

There may be some who will say that it has to be this way, that you cannot change the basic underlying economic conditions, but I do not agree. Working together, Federal, State and local programs can change these conditions. The local people have a basic responsibility; the State has an important responsibility; and the Federal Government has a responsibility to help, also.

I know it can be done, because I have seen it. I can go in my district and see people working in ARA-assisted plants, who would be jobless today if it were not for that program. I can talk to community leaders who are hopeful and optimistic about their economic future today, when they were doubtful and pessimistic about it 4 years ago.

I can go through my district, and I can see basic public facilities, hospitals, sewerage facilities, waterplants—all these made possible under the public works acceleration program, and if it were not for this program, those facilities would not exist today.

I am not talking theory now, I am talking facts. I am talking about people working on jobs, earning a living, drawing a paycheck. I am talking about sewerage and water facilities actually constructed, actually serving industry and people and the general welfare of the Nation.

Mr. Chairman, I speak here, frankly, as a convert. As one who opposed the original Accelerated Public Works Act in 1962. At that time I had serious misgivings about the jobs that would be provided, about the inducements to industry to locate in these areas, and above all about the Federal role in this kind of program and its effect on local initiative and certainly serious questions about the advisability of spending $900 million for public works projects at a time when we were considering a tax cut. In other words fiscal responsibility.

Now, Mr. Chairman, having seen this program work, knowing of the jobs it has created and the economic improvement generated in various areas by it, having full knowledge of the local initiative this legislation generates and now realizing the long term contributions it makes to the overall fiscal picture of this Nation. I can say to you, Mr. Chairman, with this experience and this knowledge I intend to rectify that previous mistake by supporting this legislation.

The bill we are considering today is based on principles which every Member of this body would support regardless of party.

First of all, this bill is based upon maximum support for the private enterprise way of improving economic conditions. Under this bill, jobs for the jobless are provided not by public employment, but by private employment. The poor are to be helped under this bill, not by a dole, but by making it possible for them to become economically self-supporting.

This bill is designed to work with businessmen and through businessmen, and that is one reason why every Member of this body ought to support it. Let us make no mistake. There are people in the distressed areas who need higher incomes and more jobs. We are supporting them now, one way or another, either through unemployment compensation, or public assistance or some other form of public aid. What makes more sense? To continue to support them in enforced idleness? To put them on the public payroll? To force them to move? To let them starve? Or does it make more sense to help them become self-supporting through economic development of the area and the free, private enterprise system?

I know of no difference between our two great political parties on this question. We all believe in free enterprise. We all believe in the business system. And we should all support this bill because it supports the American, free enterprise, business system.

A second principle on which this bill is based is local initiative. This is not solely a Federal program. We in Congress do not decide what projects should be approved or not approved. Federal bureaucrats do not make up these projects. It is up to the local community to decide what it wants to do, how it wants to do it, and to propose its projects for Federal assistance.

This bill lays great stress on local initiative. Before an area or a district or a region can receive any financial assistance or public facility grants under this program, there must be a locally prepared and locally approved overall economic development program. This is a common sense requirement. The local people must get together and come to a consensus on what their problem is and what they propose to do about it. They must design their own program for alleviating their economic plight. Only then will the Federal Government agree to help.

Is there a Member of this body, regardless of party affiliation, who would quarrel with this great principle of local initiative? This program will make communities stronger, not weaker. This program will help develop local community leadership, not supplant it. It will bind the people together in a common bond. This program will build greater strength at the grassroots, and this is where the real strength of our Nation lies.

If you want to build democracy at the local level, if you want to strengthen the economic fibers of our country, this bill will help accomplish those goals. Those goals merit your support, regardless of party.

A third great principle on which this program is based is the principle of partnership. No one element in the program goes it alone. It provides for a partnership at many levels. There is the partnership of local, State, and Federal economic development programs, each level of Government contributing what is appropriate. There is the partnership of Government and private enterprise, working together. Government provides the capital and technical assistance which private enterprise is unable to secure in these areas; and private enterprise provides the jobs which take people off the public relief rolls and make them taxpayers and, more important, restore to them the dignity that goes with being a self-supporting citizen contributing to the overall welfare of this Nation. There is the partnership of voluntary community leadership—labor, business, bankers, farmers, working together on overall economic development committees to rebuild their communities.

Is not a program which fosters greater cooperation among all worthy of the support of every Member of this body, regardless of party? Who among us would not be for greater cooperation between Federal, State, and local governments? Who would not be for greater cooperation between Government and business? Who would not be for greater cooperation within the community on the part of labor, business, bankers, and farmers? Support for programs which are based on principles like these go beyond and above party affiliation.

A fourth principle on which this program is based is the principle of economic value. This is not a something-for-nothing program. This is not a giveaway program. This is a simple investment on the part of the Federal Government which is designed to pay greater dividends to the Federal Treasury and to the Federal taxpayer. It is designed to provide jobs, to remove the unemployed from the welfare rolls to restore that dignity that comes to the individual through being a self-sustaining citizen, and I am convinced that it will.

Our committee heard testimony from a businessman who received a loan from ARA, and the taxes received as a result of that loan, exceeded the value of the loan in 2 years. And the loan is being repaid. And the taxes continue and the jobs continue.

The Area Redevelopment Administration estimates that taking into account all costs and expenses and allowing for losses on bad debts, it costs, on the average about $800 to create a job under a program like this. This would be repaid in 2 years by the average taxes collected. Some have said that ARA's job figures are exaggerated. Suppose they are? Suppose it cost $1,600 to create an ARA job and it took 4 years to get that investment back in taxes. Would this still not be a worthwhile investment in the future of America?

As a conservative, as one who is concerned about the Federal Treasury, as one who has labored to reduce the Federal debt and the Federal budget, I support this program because I know that as we build the economic self-sufficiency of our distressed areas they will make a contribution to the Federal Treasury and cease being a drain upon it.

I invite other like-minded, conservative Members of this body to join me in support of this program.

Mr. Chairman, as a Republican—as a member of a party which has always supported the free enterprise system; which has always worked for greater local strength and power, which has always promoted a spirit of cooperation among all; and which is concerned about fiscal realities—I support S. 1648. I intend to vote for it, and I urge all my fellow-Republicans to join me.

Let me say also, Mr. Chairman, that as an American, as a human being, as one who is shocked when he sees people who ought to be working and can't find jobs, I support this legislation, and I urge all my fellow-Congressmen to join me.

Let us all join together in the spirit with which this legislation has been drafted and in the spirit with which it will have to be carried out, and let us pass this bill to provide more jobs and higher incomes in those areas of our Nation where jobs are hard to come by and incomes are too low.

Let us make this investment in the future of this great Nation.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CRAMER. Mr. Chairman, I yield the gentleman 3 additional minutes. I appreciate the gentleman's position.

Mr. HARSHA. I thank the gentleman.

Mr. CRAMER. I assume the gentleman's conservatism relating to this particular legislation could possibly be influenced by the fact—or could it?—that a goodly number of counties in the gentleman's district are depressed areas. Would that influence the gentleman's determination on this particular matter?

Mr. HARSHA. I will say to the gentleman that I am deeply interested in those depressed areas in my district, and I intend to do all I can to help those and other depressed areas to come out of their economic plight.

Mr. CRAMER. But a good number of counties in the gentleman's district are depressed.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. I simply want to subscribe to and associate myself with what the gentleman from Ohio has said. Many of us who have these depressed or distressed areas are very much concerned and are looking for programs constantly to assist in the overall economic development.

Quite frankly, we are not confining our search to programs that are recommended by government. I have cooperated with and assisted in the development of a number of "operation bootstrap" programs where communities have taken the initiative. Again speaking candidly, I believe strongly in stimulating interest and motivating people into action in the areas where opportunities exist.

Previously, I have voiced strong opposition to the manner in which the Area Redevelopment Administration has administered the program of coordinating overall economic development activities in some of the communities of my district. So, it can be said that some of my experience with the agency has not been good. However, giving credit where credit is due, I have observed a mending of their ways and been subjected to a creditable handling of community projects.

Certainly, the objectives of the Public Works and Economic Development bill considered by our committee and now presented to the House for approval, must be categorized as highly desirable.

While we were successful in committee with the adoption of perfecting amendments, I do believe we should further pursue, through the amending process, the corrections recommended by the General Accounting Office.

I also believe additional amendments are necessary to improve the bill and I hope the Committee of the Whole House will support some of the amendments to be offered.

At the proper time, I plan to offer two or three amendments of my own. I will not take the time of the Committee to elaborate in depth at this point. However, they will be designed to retain congressional approval over regional and interstate compacts, insert an antipiracy provision to protect existing industries and restrict loans to certain agricultural products that are substantially in surplus or experiencing an oversupply of production, thus creating a depressive effect on existing markets.

Finally, the accelerated public works sections of the bill will assist depressed and unincorporated areas of the country in resolving some of their problems associated with much needed community, health and hospital facilities.

As many of the Members recall, my congressional district was, without question, the hardest hit during the floods of this last winter. Two hospitals, that qualify for assistance under the Hill-Burton Act, had planned to raise the required matching funds until disaster struck. Many people in the Eel River Delta near Fortuna, Calif., who had pledged assistance to the one hospital, were besieged with personal disaster and losses associated with the flood, thereby prohibiting their followthrough on their original commitment. Additionally, the accounts receivable of this hospital increased as people affected were unable to pay their bills. In view of this financial crisis, I am told, this particular hospital will qualify for these needed funds should this bill pass.

The second hospital referred to was a hospital district that lost a substantial portion of its tax base when the tidal wave created by the Alaskan earthquake wiped out the community of Crescent City.

As the Members know, I have previously expressed reservations about this program but in view of the aforementioned circumstances and the greatly improved administration in my district, I plan to support this legislation and ask my colleagues to join me. I do believe, however, that we have a continuing responsibility as Members of Congress to carefully and continually review the administration of all programs of this type and make our views known of any problems or abuses to the Appropriation Committee members as they approve the authorized funds each year.

Mr. HARSHA. I thank the gentleman, and I welcome his support of this legislation.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from New York.

Mr. McEWEN. I should like to associate myself with the remarks of my colleague from Ohio. I must add that the 31st Congressional District of the State of New York is an area that has suffered from a prolonged period of high unemployment. I want to say that notwithstanding any criticisms I have made of this bill in committee, or recommendations I may make hereafter, I think it is, as the gentleman from Ohio has said, a sound, constructive step in attacking a very real problem that urgently needs the attention of this country and of this Congress.

For these reasons, and in recognition of what the Area Redevelopment Administration has done in my own area, as well as other areas, and I speak of my own area, Mr. Chairman, because I am familiar with it, I know what the ARA has done overall, and I endorse what they have done. I think it has contributed greatly to the area and I am confident in the future that the matters that they are working on and studying now and the programs to be carried out by this Administration will be of benefit to that area as well as other areas and thereby to the country as a whole.

Mr. HARSHA. I welcome the support of the gentleman from New York. I only wish the poor sheep would come home to the fold.

Mr. BLATNIK. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, we appreciate the very solid and earnest presentation made by the gentleman from Ohio and his colleagues.

Mr. Chairman, I yield to the gentleman from Indiana [Mr. DENTON].

Mr. DENTON. Mr. Chairman, I rise in support of S. 1648, the Public Works and Economic Development Act of 1965. This bill, embodying the finest features of the Area Redevelopment Act, the accelerated Public Works Act, and the Appalachian Regional Development Act, is sorely needed.

From my own experience I know the Area Redevelopment Act and the Accelerated Public Works Act helped economically distressed areas of our country.

Out of the 13 counties in the district which I represent, 8 were declared distressed areas eligible for assistance under the previous acts. Three of these counties have since been taken off this list and are no longer eligible for assistance. All of the counties improved their economic conditions. These counties literally pulled themselves up by their bootstraps.

How did this occur? It did not simply happen.

All of us know how difficult it is to get different segments of a community aroused about a specific problem or a specific project. Well, I have seen how the Area Redevelopment Administration has succeeded in getting the leaders of the various communities in my district aware of the need to help themselves.

For the first time in their history, businessmen, labor leaders, farmers, educators, and public officials are all working together as a team. They are taking inventory of their assets and their liabilities to determine what needs to be done. The fact that these groups are working together is no accident. The Area Redevelopment Administration planning program brought them together. I have attended some of the meetings held by these groups, and believe me, gentlemen, these people want to help themselves. But they need guidance and assistance.

In order to develop economically, these communities need new industry, new jobs. I believe that the 1,886 new permanent jobs that were developed in my district under the former programs are a start, but that is all it is. We need more.

Looking at it from a very practical standpoint, those 1,886 newly employed people are again paying taxes. They are paying their way instead of getting relief or drawing unemployment benefits.

Small communities need these taxpayers to stay alive. This is one reason I support this proposed legislation. I would much rather see Congress continue to help these people to help themselves now, than be called upon at a later date to consider increases in relief benefits.

I recently attended a meeting in Jasper, Ind., where a survey of the tourism potential of southern Indiana was explained. The survey was conducted by Indiana University under a grant from the Area Redevelopment Administration. There were about 185 people at this meeting, from all walks of life. They came to find out what they could do to help develop this potential in their home areas. And now, thanks to the Area Redevelopment Administration, we have a factual basis for launching a tourist program that will enable us to capture our share of the tourist dollars being spent each year across the country.

This is just one more indication of the kind of work that the old programs did, and which would be carried on under the new legislation. Loans are necessary, and public facilities are needed to help distressed communities to attract new industries and new jobs. But the most important thing we can do for these areas is to give them hope, encouragement, and assistance when they need it.

Let us show them we care by adopting S. 1648 and carrying on the great work started under the Area Redevelopment Act and the Accelerated Public Works Act.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may require to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I wish to express my strong support for S. 1648. This bill is the soundest approach to economic development that I have seen during the time I have had the privilege of representing the people of eastern Kentucky in the Congress of the United States. The benefits available under this bill will be of immeasurable value to the hard-pressed counties of my district in attacking and overcoming longstanding problems which have retarded their economic growth.

Many communities in eastern Kentucky obtained their first water and sewerage facilities under the existing legislation. Out of the 91 approved APW projects in my district, 56 were for either new or improved water and sewerage facilities. Improvement of streets and roads was the next highest category, with 14 approved projects. Eleven public building projects were approved and 10 recreational and miscellaneous projects. The total estimated cost of these projects was $36,142,000, of which $27,774,000 was approved for funding.

Impressive as these figures may seem at first glance, they represent only a small increment of the total needs of eastern Kentucky. Although many communities still had applications pending at the time the funds were exhausted, many more communities were unable to develop their planning for needed public works projects in sufficient time to file their applications under this accelerated program.

This new bill holds out great hope for the many small communities of eastern Kentucky which are so sorely in need of base public services and development facilities.

I have long felt that the statutory 10 percent requirement under the predecessor act should be modified and I am happy to see that this bill has more lenient provisions. The areas which were in the greatest need of new job opportunities to strengthen their economy found it difficult if not impossible, within their limited financial resources, to provide their share of the project cost. The standby position of the local funds placed an even greater hardship on the local people since it is usually several years before the impact of a new industry is of sufficient strength for the community to receive any appreciable return on its investment. The reduction in the amount of local participation and the provision for concurrent repayment will in no way lessen the community's support of a job-creating business enterprise but may enable it to participate in additional business expansions.

With the Federal assistance available to them under this new bill, the counties of eastern Kentucky can make great strides forward in furthering their economic development.

Mr. BLATNIK. Mr. Chairman, I yield to the gentleman from Illinois, a very effective member of the committee [Mr. GRAY] 8 minutes.

Mr. GRAY. Mr. Chairman, those of us who serve on the Public Works Committee are proud to bring to you today the bill S. 1648, the Public Works and Economic Development Act of 1965. This is an all-American bill; it is a good bill, designed to raise up the social and economic well-being of the people of America, and particularly those who live in areas of high unemployment. We had long hearings on this legislation. We heard from the opponents and from the proponents. The bill encompasses 123 pages, and we are here today presenting this bill to you and to defend every word of it, because we believe it is a good bill and one that is going to help our country. I am going, in the few moments I have, to describe the provisions in title 2 of the act, and then I would like to make some general remarks concerning the legislation. Title 2 is the financial assistance section of the bill. It has three sections, sections 201, 202, and 203.

Section 201 authorizes the Secretary to make loans for the same purposes as those for which he is authorized to make grants under section 101. It explicitly provides that loan assistance may be extended to assist communities with the non-Federal share of grant projects under other programs. Loans would be made only where funds are not otherwise available and where there is reasonable expectation of repayment. Interest rates would vary according to Federal borrowing costs, less one-half of 1 percent. Pending a change in Federal borrowing cost, the actual interest rate charged to borrowers on such projects would be 3⅝ percent. A 5-year authorization of $170 million annually is provided for both development facility loans under this section and for business loans and loan guarantees under section 202.

Section 202 authorizes the Secretary, first, to make loans for the purchase or development of land and facilities—including machinery and equipment—for industrial or commercial usage within redevelopment areas and, second, to guarantee loans for working capital made to private borrowers by private lending institutions in connection with direct loan projects. The new section would contain standard loan conditions—including an express prohibition against aiding relocations—and would limit Federal loan assistance to 65 percent of project cost. A subordinated local share of 15 percent of project costs would be required in all cases, of which 5 percent would have to be supplied by the State or a public or quasi-public organization, unless the Secretary waived the latter requirement because the 5-percent funds were otherwise not reasonably available. To be eligible for assistance, projects must be consistent with overall economic development programs, which the Secretary may require to be revised periodically. Interest rates for direct loans would be determined in accordance with a formula based on Federal borrowing costs, which would result in a current rate of 4⅛ percent.

Section 203 establishes an economic development revolving fund in the Treasury of the United States for funds obtained by the Secretary under section 201, for loan funds under section 403, and for collections and repayments. The fund would be available to the Secretary for the purpose of extending loan assistance under sections 201, 202, and 403. Repayment of obligations outstanding under the Area Redevelopment Act would be credited to the fund, and it would pay interest to the Treasury on the amount of the total loans outstanding under the act, based on the current average market yield on outstanding Treasury obligations of comparable maturities.

I might say, in connection with the lending authority, we have heard a lot of attack on the minority side of the aisle today about the old Area Redevelopment Administration.

I come from an area in southern Illinois that before World War II, had 30,000 coal miners producing 40 million tons of coal annually. We are still producing 40 million tons of coal annually, but please listen to this, with less than 8,000 miners, compared to 30,000 before World War II.

So we know what it means to be out of work and go hungry. We know what it means to say "goodby" to your relatives who are forced to leave and go to the city to find work.

I should like to point out today irrefutable evidence that the ARA has been a workable program. Yes, it had its problems and we are trying to get rid of some of the redtape and maladjustments in this bill.

With one $455,000 loan made by ARA to the Technical Tape Corp. in Carbondale, Ill., we have produced the following results. I should like for Members to pay attention, because this shows what we can do with a little assistance from the Federal Government.

One $455,000 loan is producing in annual payrolls this year $4,330,000, of which $226,800 is going back to the Federal Government in income taxes on wages, withheld from employees. There is $343,000 in unemployment insurance savings. Where people were once getting relief checks, they are now getting paychecks. The welfare savings, on direct relationship, are $96,000 a year. And the rent to the community is $30,000 for a building which was, up until this factory moved in, empty. It is now providing payroll checks.

Think of this. Millions of dollars are returned to the community because of $455,000 in seed money. So I challenge any man or woman in this Chamber to stand up and say that the people of southern Illinois have not been benefited and benefited tremendously. More than 600 are working in 1 plant in southern Illinois because of just 1 loan. I can recite many other cases.

I should like to refer to the statement of my good friend from Florida, who said that the accelerated public works program "was proven to be a failure."

We have a new mine worker's hospital, built with APW funds in my hometown. Patients were lying out in the halls. They did not have decent facilities. Is it a failure to provide decent medical facilities for coal miners who may be injured working in the bowels of the earth?

Is it a failure to build a water system where people knew nothing but to go down in a well with a bucket and bring up contaminated water which could cause typhoid or diphtheria?

Is it a failure to eliminate outhouses by putting in a modern sewage disposal plant?

We have had 60 of these projects in southern Illinois. We are beginning to see the light.

Between 1940 and 1960 we lost 100,000, but we are bringing them back home because of the tools provided under the ARA accelerated public works and other Federal programs, where we help people to help themselves.

In closing let me appeal to your good judgment. We recently saw the great astronaut of Gemini 4, Astronaut White, move out into space from the space capsule holding him in tow with just a little cord 1 inch in diameter bringing oxygen and bringing communications. Had that cord failed, he would have fallen into space to his demise.

Many of these communities are hanging by a thread. Without the assistance of the Federal Government and the State governments they will never find the hope or be able to stop regression and march back up the road to progress and prosperity. This is their only chance. This is not a giveaway. Sure you will find some instances where projects under ARA and APW have been funded and maybe they ought not to have been, but let me say that by and large they have been good programs and we will have a better program under the Economic Opportunity Act and Public Works Act of 1965. Let us hook up the economic cord to Appalachia and southern Illinois and other States of this great Nation which need assistance. I am proud as a Member of this Congress to be able to stand here and talk for an all-American bill designed to aid Americans and to aid those people who need help, who need hope and inspiration to enjoy the good life of our free land.

Mr. Chairman, I urge all Members to support the committee bill.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, the Public Works and Economic Development Act merits passage on the record of its predecessors, and on the promise it offers to those areas which are rebounding economically because of the groundwork laid during the past 4 years.

There are over a hundred Members of the House who were not with us in 1961 when the area redevelopment concept of stimulating economic growth was thoroughly debated and overwhelmingly approved by this body. It was frankly experimental in character—an effort to provide a test phase or demonstration medium in support of a theory.

I would like to recall the plain, unvarnished single fact which could not be altered by debate or discussion, and which convinced a majority of the Congress that an action program was necessary. That fact was just a statistic—between 1955 and 1959 there was each year a steady growth in the number of hard-core long-term unemployed workers who had been unemployed consecutively for more than 36 weeks, had exhausted all unemployment benefits, public and private, and had no reason to believe they would ever again work at their previous occupations.

By 1960 that body of long-term unemployed had for the first time exceeded 1 million men, and the total was still rising. It was this condition which convinced a majority of us that the force and authority of the Federal Government should be placed behind a program aimed at halting this spiral of malignant growth among our working force.

We supported area redevelopment as a concept, knowing it was experimental, because the alternative was much more costly—billions of dollars for supplementary unemployment compensation, direct welfare payments, surplus food programs, aid to dependent children—a continuous outpouring of funds, with the total costs mounting each year and no end in sight.

Worst of all, a continuation of that approach would have been an acknowledgment that millions of Americans had nothing to anticipate but third-class or fourth-class citizenship, no matter how our economy grew, no matter how wealthy we became as a nation.

In 1961 the Congress weighed the same arguments which are heard today by those in opposition, and decided that we could not afford to abdicate from our responsibility to give impetus to ideas and suggestions bearing on a vital national interest.

This country stands today as it has for many years in the van of civilization as the world's No. 1 industrial producer. Our standard of living is the goal toward the achievement of which every other nation aims its domestic programs. We hold this enviable position because our system permits maximum utilization of technological advance, volume production with fewer man-hours of work, bringing high rates of wages and salaries, and an ever-growing increase of income per capita population.

We propose to continue on this course and to maintain our world position. But we all know that technological progress, by its very character, creates maladjustments in certain areas as the pendulum of efficient production swings back and forth in response to new inventions, new processes, new markets. Back in 1946 the Congress first recognized that this factor must be dealt with, and passed the Full Employment Act. But that act called only for study of the problem, even though it stated:

> It is the continuing policy and responsibility of the Federal Government * * * to promote maximum employment, production, and purchasing power.

By 1961 it was obvious that we must do far more than study and report on the growth of the problem, and the area redevelopment approach was our first effort. For a program which started with not much more than an untried theory as its base, and with nothing but hazards and pitfalls ahead, the area redevelopment activity has acquitted itself very well indeed and recommends itself to us for continuance.

Many critical statements have been made during the past 4 years, and particularly during the past few months, which reveal primarily a determination on the part of the speaker to sabotage the effort. We are told, for instance, that loans and grants under the program are risky, and can lead to loss of the Federal investment. This is not news to anyone who participated in the 1961 debate. It was always acknowledged that this program would finance a very high proportion of high-risk activities. Obviously if regular financial sources would take all risks equally in all areas, then no such Federal program would be required.

The fact is, the private lenders will take only certain risks because they have their stockholders to protect. The higher the indexes of economic depression in an area, the more difficult it is for a new business to obtain private financial support.

We are told that errors of judgment have permitted area redevelopment funds to enter business ventures which have failed. This type of statement sounds a little less imposing when you recall that over 35,000 private businesses also failed last year, of which nearly 14,000 were bankruptcies. As long as our economy continues to grow, and we reach further and further into the new technology to reduce costs, we must expect businesses to fail as a cost of the very effervescence which makes our Nation strong.

We are told that Federal area redevelopment funds provide certain areas with an unfair advantage over others. There is an answer to that statement: It is very noticeable that the areas most needing economic redevelopment are those whose wealth is concentrated most heavily in the hands of absentee ownership. Let those who have amassed the wealth of these areas and invested it elsewhere return only a small proportion to its point of origin, reinvest it in the land and people from which it first came, and there will be no need for Federal redevelopment programs.

We are told some form of special tax incentive would induce the big employers to reenter depressed areas with capital investment. Some of them might, but only on their own terms. And only to produce proven products with a proven market. That is their function.

The area redevelopment function is to plant small acorns in many places where the economic forest has been denuded of future growth potential. Area redevelopment money is seed money, and will never be competitive with massive new corporate investment which can total as high as $15 billion per year.

The area redevelopment program during 38 months of operations approved loans and grants totaling $36,834,230 in West Virginia, and it is yet to be determined that any of these funds were poorly applied. All of the criticism by the opposition centers about a manufacturing plant which is now shut down, but is still a plant in being and can yet be reopened, and a grant of funds to create certain tourism facilities, where construction has been delayed to meet exacting design requirements.

Actually, another 5 years will be required to enable us to know just how high the area redevelopment batting average has been. Meanwhile, nothing is said of the 1,000 unemployed men who were retrained in my own district, who became taxpayers and relieved the public of over $200,000 in annual costs, while earning over $2 million in wages with their new skills.

It has never been the intent and purpose of this program to develop elements directly competitive with private capital investment. It has been intended, however, to upgrade the facilities of communities so they will be more attractive to such investment. That was the purpose of the Accelerated Public Works Act of 1962 and that purpose is pursued by this Public Works and Economic Development Act. No community can stand still today. It will progress in relation to its neighbors, or it will fall behind and be overlooked in the pattern of national advancement. If the community posture is damaged by the effects of long-term unemployment, it will fall even further behind and will one day reach complete stagnation.

During the life of the Accelerated Public Works Act, there were $42,543,000 in Federal funds approved to match local funds for the construction of necessary community facilities. These Federal and local funds combined to generate $79,674,000 worth of construction, which brought to realization 215 projects. Almost without exception these projects were fundamental improvements of the kind which make a community more competitive economically, more advanced socially, and a better place to live, work, and invest. The program brought about the construction of 50 sewer systems and waste treatment plants, and 8 hospitals and nursing homes which were all badly needed, but which would not yet be built had the Congress not authorized that special, accelerated effort.

These are tangible facilities purchased with this money and they will serve these communities for many years to come. Any fairminded person must agree that these permanent improvements are not less well justified as a basis for Federal expenditures than the Mauler missile program, for example.

Only 2 weeks age the Defense Department canceled the Mauler program after 5 years of activity and the expenditure of $200 million. As in similar cases of this kind, we were told that cancellation of the program did not mean the entire expenditure was a net loss, because we had learned certain facts during the progress of the work and the program itself had helped advance the state of the art.

I suggest that the Public Works and Economic Development Act should be considered on the same basis. It will certainly advance the state of the art of dealing with problems arising in areas and communities out of economic dislocations created by the need to keep our production mechanism fully competitive on a worldwide basis.

If we fail to master the state of the art in this particular domestic arena, if we allow a permanent drag on our economy to develop, and fall from our position as No. 1 producer, then it may well develop that we will lose the cold war by other than military means. Our knowledge of the state of the art in defense preparedness will be meaningless, because we will be using weaponry to protect not the living body of democracy but a hollow shell containing millions of economically disenfranchised citizens.

This proposal is a restatement of the decision made by the Congress in 1961 not to allow that to take place.

Mr. CRAMER. Mr. Chairman, I yield myself 30 seconds.

I would say that I think the gentleman's analogy is the best evidence that this is really a way-out program—outer space, as a matter of fact. I thought that was a very good analogy.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. Yes. I am glad to yield to the gentleman.

Mr. GRAY. I might point out to the gentleman that all that goes up has got to come down.

Mr. BLATNIK. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RESNICK].

Mr. RESNICK. Mr. Chairman, the need for economic development does not stop at the city line nor does it limit itself to any one segment of our population. Economic development is just as much needed, if not more so, and as much desired in the smallest of our hamlets and villages as it is in our Nation's biggest cities. Why? Because economic development touches the lives of all people. We are a nation of people, not a nation of towns and cities or of rural areas. We are people. Economic development can provide job opportunities and educational opportunities as well as home improvements and town improvements and just plain living enjoyment for all the people of this country. That is why I as a Congressman with both a rural and urban constituency support the Public Works and Economic Development Act. This program is aimed at helping people and it is the people whom I serve. However, I am a little concerned with how this program will reach a portion of my people, especially those in the rural areas. The urban areas have officials who in one phone call from their mayor can launch a war on poverty or else know how to get action from the Federal Government on any number of projects. Rural people are not generally as well mobilized to receive Federal assistance. In many instances there are no full-time paid civil employees. By their very nature, rural people are spread among many small communities on farms, crossroads, and small hamlets. Until their leadership is alerted and moved into action my rural people will not be able to share in equal measure in the Federal assistance which this new Economic Development Act provides. I was pleased when President Johnson also realizing this inability of the rural people adequately to participate in Federal assistance programs directed Secretary Freeman to create the Rural Community Development Service to see that rural people were at least made aware of all the programs that the Federal Government had which offered some measure of assistance to them. I hope in putting this program into effect the administrators will look to this new service and the Department of Agriculture as a vehicle for moving the program into my rural areas. There are two of my counties, Greene and Schoharie, which are classified as distressed areas. Because of this lag, neither of these counties was able to get any assistance under the ARA. We have the village of Coxsackie in Greene County. They want to be good neighbors and do not want to dump their raw sewage into the Hudson River. They cannot afford to build the necessary sewerage plant. Under this act we would get the money.

The ARA was a success in rural areas. The first loans and grants were made in rural areas. It helped to rebuild the rural economy, and we need more of it. This new Rural Community Development Service under the Department of Agriculture will cut the redtape. It will provide one-stop service for the people of rural areas. These are the people that need help desperately.

The fact is that 46 percent of the people with money income of under $3,000 a year live in rural areas, but they only make up 30 percent of the total population. Rural America has almost three times the number of dilapidated and substandard houses as urban America. The total number of substandard houses is greater in rural areas than in all the cities combined.

The average rural citizen has 1.4 years less of education. Only 30 percent of rural high school seniors go to college, compared to 50 percent of urban seniors.

I should like to say one other thing. I represent five counties; the two that I have mentioned are distressed areas. But right across the river is one of the fastest growing, one of the real boom areas of New York State, Dutchess County. So, when the gentleman from New Hampshire said that the ARA benefits the prosperous areas, surely, if you take my constituency as a whole, we are prosperous. But you cannot tell that to the people in Greene County and in Schoharie County.

Mr. BLATNIK. Mr. Chairman, I yield to one of the most effective and respected members of the committee, the gentleman from Georgia [Mr. TUTEN].

Mr. TUTEN. Mr. Chairman, I like to call title II of the bill, S. 1648, the payroll title, because this is the part of S. 1648, which makes it possible for depressed communities to develop new payrolls.

I have many depressed communities in my district, and they need new payrolls.

These communities need new water and sewerage systems, new hospitals, and new libraries, which are important to new industry. But most of all, they need new payrolls. If we can help them develop new payrolls with this title, we make a permanent contribution to their economy and welfare.

I wish that every Member of this House had an opportunity, as we did on the Public Works Committee, to hear the testimony of Mr. Donald J. Greve, chairman of the board, Sequoyah Carpet Mills, Anadarko, Okla. I do not believe any fairminded person who heard Mr. Greve could ever be against the payroll title of this bill.

Mr. Chairman, Mr. Greve's testimony was not lengthy. I include it in the RECORD at this point:

STATEMENT OF DONALD J. GREVE, CHAIRMAN OF THE BOARD, SEQUOYAH CARPET MILLS, ANADARKO, OKLA., BEFORE THE COMMITTEE ON PUBLIC WORKS, HOUSE OF REPRESENTATIVES, MAY 12, 1965

Mr. GREVE. Mr. Chairman and members of the committee, we will move as rapidly as possible, but I would like to go into the background of our Sequoyah Carpet Mills for a moment, if I might.

In 1941 to 1943, I lived with my mother in a sheet metal chickenhouse in Oklahoma City. There were no inside walls except for the sheet metal, but it did have a concrete floor and the chicken roosts have been removed. We never did accept any public welfare grants, though there were times when meals were a little scarce and the clothes that I wore to school and the things we were able to do were different than the majority of the children with whom I went to school.

My mother impressed on me that in the United States of America, if any individual, regardless of his wealth or birth, desires to achieve something, they could; and I grew up fully believing—and I still believe—that it would be possible for any individual to become the President of this great country.

We were very fortunate. God blessed us. And by the time we had reached 27 years of age, my wife and I stopped and reflected on the long hours of work we had put in and the five businesses that we owned and operated, and I decided that I would retire from working and spend more time with my family and also participate more in the work of the Methodist Church with which I have been an active supply pastor since I retired.

I started doing this, I made a trip just 60 miles from Oklahoma City with a friend of mine who was working in the Methodist Indian mission field, and I saw in the community of Anadarko, abject poverty. It was perhaps no greater poverty than I had experienced as a youngster myself, but there was one big difference. This big difference was that these people did not have a mother that told their son or their children they could accomplish anything they wanted to.

They were second generation or third generation people that had been helped by handouts, but they had never had an opportunity really to help themselves. This seemed wrong, and I talked with these people, and I went into their homes and my heart bled.

I went back after several such trips, talked with my wife, and came to a conclusion about the Scripture, the passage from Scripture that had been keeping me awake at nights, that we are our brother's keeper. Certainly it was a message not only for me but any individual who might be placed in a position of opportunity to help these people to help themselves.

So we started liquidating a few of our assets and getting in a more liquid position; contacted some friends who had some money; and we asked if they might be interested in joining with us in an industrial venture that we hoped would bring employment to these people and give them an opportunity to work.

We found some friends who had confidence in us and looked at it from a financial standpoint. They thought they might earn some money, and I must admit that they were not at all concerned with the viewpoint of helping human beings who needed help.

We put together $150,000 in cash and had decided after considerable research that we would go into the carpet manufacturing business, a business that had never been conducted in the State of Oklahoma.

We concluded we would do it in a rural community that did not have the financial ability to help us with our plantsite or building, and Anadarko, which had 6,200 people, the same population that it had in 1940, was the place we chose.

We further declared that we would hire people and give preference in our employment to people who had never had a job before in their lives, of any duration, people who were on public welfare rolls, people who were looking to others now for their living and not really making a contribution to our society as a whole.

Well, this sounded very good from the pulpit and in church, but it did not sound very good to bankers. They smiled, listened politely, and said, "No, we would not be interested," and so we went from place to place trying to find help in financing this.

Finally, someone suggested the Area Redevelopment Agency, and I must admit I said, "No. Too much Government redtape. Too many problems in getting something started. Why? It would be ages before this project would ever get off the ground with their help," and I passed by ARA on three occasions.

Finally, I came to the point where I was absolutely certain there was no other way to establish this manufacturing concern to give these people an opportunity to work, except through ARA.

We went to ARA, and they had a rather large list of requirements to meet to make an application; but I found each and every one of these questions and things that they wanted me to provide was something we had already done in making our survey as to whether this business would be feasible or not. I found all of their requests 100 percent reasonable. And I also found that people we had to deal with were dedicated and sincere. They were concerned about wasting or losing the taxpayers' money. They were concerned about making sure that each dollar that they invested here actually went into the project in such a manner that it would cause people to have jobs, people who otherwise would not have a job. I was very amazed to find how dedicated these ARA people were.

After having been in an ARA project now for a period of a year and a half and having had the opportunity of meeting many people from the Department, whether they be from the top of the Department down to the lowest staff member, I have yet to find someone who was not dedicated, and I am very, very much impressed from this standpoint.

One of the ARA requirements that was a little bit hard to meet at first was that a percentage of the project must be supplied by a broad base of community participation. This has been proven invaluable to us, because we have 122 people in Anadarko who are leaders in the community, who have their money invested and cannot receive repayment on their money until such time as all other borrowed funds are repaid.

But in getting these people to put up their hard-earned money to bring this manufacturing project to their community, I had to make a commitment to them. The commitment was this: They said, "Don, we think that you have a noble idea here, but we don't think it will work because we don't think these people who have not had a job before are employable. We do not think they are the type of people that you can tell to be at work at a certain time and do a certain job and do it well. And we also know from experience with the Indians that come payday, it will be another 3 days before they show up, because they will take their money and get drunk." And I smiled and I said, "I have no facts that I can argue with you on this, except one thing: I will not allow your money or any of the Government's money to be lost if my ideas do not work."

So we hired these people. Of our first 55 employees, 51 of them had never had a job of 6 months' duration in their life.

At the present time, we have 162 employees. They are being paid at a rate in excess of $750,000 a year, which is a rather large payroll for this small community.

Our absenteeism is less than one-half of 1 percent. Our turnover has been negligible. And we have a more dedicated work force than I think any manufacturing concern in the whole country, because these people have changed.

When we first hired the 55 employees, the majority of them would not look you square in the eye and talk to you; rather they looked at the floor. They had been down at the public welfare office so many times and the unemployment office so often, they had gone to the commodity center week after week receiving free commodities, that they had lost the self-respect and human dignity that a person must have in order to be a useful citizen.

We started immediately to sell them on being useful citizens. We found that only 5 percent of our employees were registered voters. We found that most of them had never even attended PTA or such civic functions as this.

At the present time 100 percent of our employees are registered voters. We have members on every civic club in the area, and they continually attend PTA and other local functions.

These people look you square in the eye now and they are proud. They are prouder than of any other single fact that they are able to make a living themselves.

A little story that came out on the day we opened our plant—and we had employed the people for approximately 3 months before we started producing while they put the equipment together and learned how it operated—a man who had eight children, who had been on public welfare, who had received free commodities, was doing one of the most menial tasks in the plant. We had 3,000 people going through our plant on opening day and we were trying to operate by roping off the work areas. A little boy, who is the same age as my son, who at the time was 5, darted underneath one of the ropes and there, in front of a U.S. Senator and 3,000 people, pointed at his father and he said, "That's my daddy," as though his daddy was head of the whole plant. He was prouder than my son was, because his father was no longer down in the commodity line. And this youngster had learned the self-respect already, at age 5, that comes from his father making a living himself and contributing rather than receiving. ARA was the only answer.

We had communities contact us that would have been glad to have provided a building for our manufacturing concern. They would have been glad to do it. But they were in the large areas that were close to distribution and they did not have this large hard-core unemployed group of people that we wanted to reach. ARA is the only answer for the smaller communities with hard-core unemployment.

It is a strange thing, we were not interested at all in making money except we realized the primary concern of an industry is to make money and that we must make money in order to provide secure employment for our people.

Our first full year of operation, we are paying in the neighborhood of $250,000 in Federal income tax. Our direct loan received from ARA was $390,000, and there was no grant involved; it was strictly a loan that we are to pay back and we have started making payments on this, plus our interest that is paid regularly.

In addition to this, our employees are paying at the present time at an annual rate of approximately $100,000 in Federal income tax.

Over and above that, estimates have ranged anywhere from $50,000 annually to $120,000 annually as far as the amount of savings to the Federal Government is concerned on public assistance—and maybe I am not using the proper terminology here, but the handouts, or the doles that these people, who did not have a job, received month in and month out with no thought or chance of a change.

In addition to that, for our second full year of operation, and we are on the road to seeing that our goals are successfully met, our earnings will be approximately $1 million; those are net earnings before Federal income tax. So that our Federal income tax after investment credits will be in the neighborhood of $400,000.

This is something that will go on year after year. As a taxpayer, as an individual who is very concerned about how the Federal dollar is spent, at the same time being an individual who firmly believes that the Declaration of Independence goes to the heart of the matter, that man has intrinsic values, that he has inalienable rights, and I think both of these things must be considered. I sincerely believe the ARA loan to Sequoyah Mills is an excellent investment.

I think that it is wonderful that the Members of Congress look carefully at the expenditure of every dollar of public funds. At the same time, the value in terms of human life and human personality changed and converted; changed from a dependent citizen, changed from an individual who would be very susceptible to a political philosophy that might offer him a chance or an opportunity. A change from this individual to a voting, self-sustaining citizen is one of the greatest things that I think any of us can have an opportunity of doing.

At the present time, we are expanding our plant, doubling it for the second time since we started.

By the end of this year, we will have over 300 employees and our annual payroll rate will be in excess of $1.5 million per year.

We thank the ARA for helping us and we urge you gentlemen to continue this program, continue it because there are many areas like Anadarko, poor and forgotten by a lot of our society. But the strength of America still lies with all of its people, and the benefits from programs are not measured in dollars or by statistics. The benefits of programs get down to the human level in human personality, and I urge your favorable consideration of this.

Thank you.

Mr. Chairman, Mr. Greve is a self-made man. He told us how he had been poor in his childhood. He told us how he had grown to become self-supporting, and he related how his work in the Methodist Indian mission field had brought him into contact with abject poverty in the community of Anadarko, Okla., not far from Oklahoma City in miles, but a distance of light years in wealth.

Mr. Greve determined to start a business in Anadarko to employ these Indians. With the help of some friends, he scraped together $150,000 and decided to go into the carpet manufacturing business.

When they announced that they were going to open in Anadarko, a community of 6,200, and that they would give employment preference to those who were on welfare relief or who had never had jobs before, the bankers refused to cooperate.

When Mr. Greve was advised to go to ARA, he said, "No," at first. Too much Government redtape. Finally, he admitted to himself that there was absolutely no way to finance this plant without ARA help.

I want to emphasize that. There was absolutely no way to finance the new payroll for the poor community of Anadarko without ARA help.

Mr. Greve got an ARA loan of $390,000. Of his first 55 employees, 51 had never had a job of 6 months duration in their lives. At the time of his testimony he had 162 employees, and his payroll is more than $750,000 a year.

Let me repeat—a new payroll of $750,000 a year being provided for a poor community of 6,200.

Let us see what happens to these people when they get on the payroll.

Beforehand, only 5 percent were registered voters. Now, 100 percent are registered voters. They belong to the PTA, and they are active in civic affairs. They are taxpayers.

What did all this cost the Government? Nothing. The Government is making a profit. Not only is the loan being repaid with interest, but the company paid $250,000 in taxes on its profits the first year. Employees are paying another $100,000 a year in payroll taxes. At least $50,000 a year is being saved in welfare payments in the area.

In the second full year of operation, Mr. Greve estimates that the company's earnings will be in excess of $1 million, and that his Federal income taxes will amount to more than $400,000.

By the end of this year, Mr. Greve estimates 300 employees and an annual payroll of $1,500,000. And this plant would not have been in existence without ARA.

Mr. Chairman, this is only one story, but there are many others.

Just the other day, the gentleman from Indiana [Mr. BRADEMAS] told this House the story of two of his constituents, who were helped under the ARA Act to develop a profitable business of their own, after having worked for years as foremen in the Studebaker plant. He called their success story, "The American Dream," but it would have never come true without ARA.

We can make many more dreams come true with title II of S. 1648, the payroll title.

These are just a few examples of typical ARA projects, which follow the same pattern. An opportunity for a new or expanded business. An inability to get private financing. Success in obtaining ARA financing. Success. New jobs. New payrolls. More tax receipts. Lower welfare costs.

There have been disappointments. There have been failures. But for every disappointment, for every failure, for every legitimate example, I can provide a dozen success stories.

You cannot build success stories like Sequoyah Mills by depending on private finance. You cannot make new payrolls in depressed areas by being tightfisted. If a bank could make the loan, this program would not be necessary.

If this program is to succeed, the Secretary has to be prepared to take risks. And when reasonable risks are undertaken, there are bound to be corresponding losses. But the losses will be few, and the success stories will be many. That is why this program should be supported.

Some Members are worried about the payroll title because they have been led to believe that it fosters industrial piracy or relocations. Let me say that there has never been a case of an industrial relocation financed under the ARA Act.

One of the major reasons for this has been the diligence with which the Administrator has implemented the antirelocation provisions of the law.

Mr. Chairman, at this point I would like to insert in the RECORD a copy of the "Certificate of Non-Relocation," which had to be completed in connection with every project for ARA financial assistance. So that every Member will understand, I want to quote from the certificate which must be signed by a responsible officer of the business being assisted, under penalty of law for misrepresentation:

[Form ARA-26, U.S. Department of Commerce, Area Redevelopment Administration—approval of Budget Bureau not required]

CERTIFICATE OF NONRELOCATION

(Please read ARA relocation policies on reverse before executing this certificate)

Note: The Area Redevelopment Act prohibits the Administrator from making loans or grants which will have the effect of assisting an employer in moving jobs from one area to another. An expansion of an existing business to a new location may be assisted if such an expansion will not cause unemployment in other areas where the business conducts operations. Execution of the following certificate is necessary for the Administration to determine the eligibility of the subject project in this regard.

Instructions: Prepare this certificate in four copies. Copies Nos. 1, 2, and 3 are to be submitted together with form ARA-1 to the ARA Field Coordinator. Copy No. 4 is to be retained by applicant.

I certify that I am ______________________
(Official title)
of ______________________________________
and that the ____________________________
(Project)
at ____________________, ________________
(City) (State)

will not result in a relocation of any present operation of the above-named company or any affiliate, subsidiary or other business entity under direct or indirect common control with said company; that said company, or any affiliate, subsidiary, or other business entity under direct or indirect common control with said company, has not discontinued, or liquidated during the past 24 months any production unit similar to that which will be located at __________________
__________________, __________________;
(City) (State)

that to the extent said project is undertaken to assist in the expansion of the operations of said company through the establishment of a new branch, affiliate, or subsidiary of said company, such expansion will not result in an increase of unemployment in the area of original location or in any area where said company or any affiliate, subsidiary, or other business entity under direct or indirect common control now conducts business operations; and, further, that any such expansion is not being undertaken with the intention of closing down any existing operations of said company or any affiliate, subsidiary, or other business entity under direct or indirect common control with said company.

____
(Signature)

(NOTE.—Section 18(a) of the Area Redevelopment Act provides that: "Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under sections 6, 7, or 8, or any extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.")

Here is what he must certify:

(The project) will not result in a relocation of any present operation of the above-named company or any affiliate, subsidiary or other business entity under direct or indirect common control with said company; that said company, or any affiliate, subsidiary or other business entity under direct or indirect common control with said company, has not discontinued, or liquidated during the past 24 months any production unit similar to that which will be located at (the location); that to the extent said project is undertaken to assist in the expansion of the operations of said company through the establishment of a new branch, affiliate or subsidiary of said company, such expansion will not result in an increase of unemployment in the area of original location or in any area where said company or any affiliate, subsidiary or other business entity under direct or indirect common control now conducts business operations; and, further, that any such expansion is not being undertaken with the intention of closing down any existing operations of said company or any affiliate, subsidiary or other business entity under direct or indirect common control with said company.

I am advised that in view of the strengthening of the antipiracy language in the new bill, this certificate will be strengthened, and that similar certificates will be required in connection with the other titles of the bill.

Mr. Chairman, we have heard all sorts of horror stories about how ARA assisted businesses in fields where there is excess capacity. These charges will not stand up under examination because ARA has a policy which forbids loans in industries where there is excess capacity, except under very specific conditions. I would like to have inserted in the RECORD at this point, ARA Policy Guideline No. 26, entitled, "Effect of Area Redevelopment Administration Projects on Existing Business Enterprises." It will be noted that there are only five reasons for exceptions:

[U.S. Department of Commerce, Area Redevelopment Administration, No. 26 (revised) Jan. 29, 1964]

POLICY GUIDELINE

To: ARA staff, field coordinators, delegate agencies, State designated agencies.

From: William L. Batt, Jr., Administrator, Area Redevelopment Administration.

Subject: Effect of Area Redevelopment Administration projects on existing business enterprise.

The Area Redevelopment Administration was established to encourage economic growth in areas of economic distress and to bring these areas into the mainstream of the national economy. Loans are made to new or expanding private business where a demonstration is made that the product has a reasonable chance of success and that it will have a beneficial economic development impact on the area in which it is located.

ARA policy requires careful evaluation of the effect of proposed projects on existing business enterprise in order to prevent undue hardship. ARA will not finance new capacity in industries experiencing a long-run gap between production and capacity except where:

1. The excess capacity is obsolete or outmoded, or
2. The effect of the new capacity will be to provide stronger competition with foreign production, or
3. There is a regional insufficiency or productive capacity, or
4. Such excess capacity is only temporary because there is a strong, growing national demand, as evidenced by profits in the industry and plans for expansion within the industry, or
5. The applicant can demonstrate that his product or service will expand present markets and will therefore not adversely affect the present markets of existing domestic producers.

(This revision supersedes the Aug. 16, 1963, issue of Policy Guideline No. 26.)

These are: first, where the excess capacity is obsolete; second, where the new capacity will primarily compete with foreign production; third, where there is a regional insufficiency of capacity; fourth, where the excess capacity is temporary; fifth, where the new capacity will serve to expand present markets.

We have been advised by the Secretary that he plans to continue this policy in connection with S. 1648, and the reports of the committees of both Houses emphasizes the need for such a policy.

There is, therefore, no reason for any Member to vote against this bill or this title in the belief that it will harm existing producers anywhere.

On the contrary, it will help all producers because it will create new markets for their products in the depressed areas of this country. The new payrolls which will be created under title II will mean new customers for all American industry.

S. 1648 is a good bill. Each title reinforces the other. Title II will be more effective than the ARA Act because we have improved it, and because the other titles will help provide the conditions to make it possible to assist more businesses under title II.

Title II is the payroll title. We need it. I respectfully urge your support.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may require to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, I want to call to the attention of the House a significant feature of S. 1648, the proposed Public Works and Economic Development Act of 1965, which makes it possible to provide quick assistance to areas which have been hard hit by a sudden loss of jobs.

Subsection 401(a)(4) of the bill provides that upon request, the Secretary may designate as eligible for assistance under this act those where he finds that a sudden loss of jobs can reasonably be expected to raise the area's unemployment rate to 50 percent above the national average within 3 years, unless assistance is provided.

This means that where a military installation is closing down, or where a defense or industrial plant shuts down or leaves town, an immediate study can be made, and if it is evident that the unemployment rate is going to exceed the national average by 50 percent or more unless help is provided, the Secretary would be authorized to provide help immediately.

All the aid available to eligible areas under this bill would be available to areas designated under this provision.

In order to make sure that help can be given promptly to such areas, the Secretary would be authorized to designate them without having to wait for an approved overall economic development program, as is the case with areas designated under other provisions.

This provision of the bill may well be considered as "economic disaster relief." We are a humanitarian nation. When an area is hit by a natural disaster, the first response of the Nation is to provide help.

The President has an emergency fund to provide natural disaster relief.

Why should we not have an emergency fund to provide disaster relief when the disaster is economic rather than the result of flood or hurricane? Where a community has come to rely on the steady payroll of a major employer year after year after year, the news that the plant is going to close comes with all the force of a hurricane and sometimes it brings with it even more distress and heartbreak.

We have had some experience dealing with this problem in the past few years. The President took the lead in this effort when the announcement was made that the Studebaker plant in South Bend, Ind., would close operations. He instructed the Secretary of Commerce to do everything possible to help the community. The services of many Federal agencies were mobilized, particularly the Department of Labor. Technical assistance and leadership were provided by the Area Redevelopment Administration.

This experience lead the President to establish his task force on plant closings, which had notable success helping the community of Lisbon Falls, Maine, recover from the loss of a large industrial firm.

Announcement of the closing of a number of naval shipyards and defense installations has caused consternation among many community leaders. While the praiseworthy personnel policies of the Department of Defense will prevent undue hardship to the individuals employed at these installations, the communities will be hard put in some instances to replace the payrolls.

The provisions of S. 1648 will make it possible to provide considerable assistance where the impact of base closings or plant shutdowns is big enough to threaten an unemployment rate 50 percent above the national average unless help is provided.

This is a good provision. It will offer significant help to communities at a time when they will need help badly. This is one more reason why this bill merits the support of the House.

Mr. BLATNIK. Mr. Chairman, I yield to one of our most distinguished Members, the very able gentleman from Alabama [Mr. JONES] such time as he may require.

Mr. JONES of Alabama. Mr. Chairman, before I discuss the Public Works and Economic Act of 1965, I would like to say a few words about the significant and substantial contributions made to this legislation by my colleague from Minnesota, JOHN A. BLATNIK. Working in committee and on the floor of this House today, Mr. BLATNIK has seen to it that we have before us a bill carefully and skillfully drawn. No one could be more knowledgeable about this vital area of legislation and no one could have dealt with it more zealously or with more understanding and comprehension. Over the years, JOHN BLATNIK has established a singular and enviable record in public works legislation and during our committee discussions of the Public Works and Economic Act of 1965 and on this floor today he has shown us why he has achieved such a singular and enviable record.

Our Republic as been the beneficiary of his outstanding efforts in the legislative field. All of us are deeply indebted to him.

The Appalachian Regional Development Act of 1965 was intended to provide special assistance for the people of this vast region which we neglected for so long a time. The sponsor of the amendment now before us took great delight during the debate on the Appalachian bill by citing the statement of one of the administration's spokesmen for the bill: "The name of the game in Appalachia is preferential treatment." He and his colleagues quoted that remark on countless occasions during the debate and we who were sponsoring the bill agreed, the President agreed, and the entire Congress agreed. Appalachia, because of past neglect, would need special assistance tailored to the specific problems that had been outlined as a result of an 18-month study.

Thus Congress held out what one of the chief spokesmen for this bill described on this floor as a helping hand. The amendment now before us would withdraw that hand because this amendment, in effect, negates a substantial part of the assistance given to the people of Appalachia under the Appalachian program. The drafters of the Appalachian Act and those of us who worked on it in Congress believed it could only be successful if the region continued to receive the same, if not a larger, share of existing and proposed Federal assistance programs.

Let me just review with you, for a moment, the mathematics of this amendment. The act before us today authorizes, for a period of 5 years, an average annual national expenditure for public facilities of $400 million.

Thus we will spend nationally, if we appropriate the full amount of the authorization, approximately $2 billion over the next 5 years. It has been roughly estimated that Appalachia might receive approximately 25 percent of the total dollars spend under this program—because of the high unemployment and low income which characterize the counties of Appalachia. Given that figure, Appalachia could expect to receive approximately $500 million over the next 5 years.

If we take away that assistance by this amendment, I believe it is mathematically sound to say we would, in the process, negate exactly one-half of the slightly more than $1 billion effort we hoped to produce in the Appalachian region when we passed the Appalachian Act of 1965. I cannot conceive that it is the intention of this Congress to give the Appalachian region assistance with one hand and then take half of it away with the other.

Furthermore, the drafters of the Appalachian program came to us with a specific strategy in mind which we incorporated into the Appalachian Act. That strategy can be best described as the concentration of funds in those sections of the Appalachian region which seem to have the greatest hope for economic development in the future. The Federal cochairman of the Appalachian Regional Commission has told me that the Commission is moving to implement that strategy. He has furthermore told me that the only way such a strategy can be implemented, without unduly penalizing other sections of the region which do not have as great a growth potential, is to insure that those other areas remain eligible for all Government assistance programs.

I trust that when the annual highway appropriation bill comes before us, we will not strip away Appalachia's normal highway assistance because we have added to their highway capabilities by section 201 of the Appalachian Development Act. I trust that when we consider the appropriations for the Federal

Aviation Agency we will not reduce Appalachia's share because we have supplemented it with section 214 of the Appalachian Act. I probably should be delighted that during our recent debate, in which we increased social security benefits and enacted the historical medicare program, we did not withhold these great benefits from the aged citizens of the Appalachian region.

During the course of the House debate on the Appalachian Development Act, one of the charges that was made by the minority, was that we were allowing Appalachian assistance to go to the wealthy communities of the region and would thus reduce assistance to the poor communities. Now that same minority confronts us with an amendment that would strip away assistance aimed only at the poor or distressed communities of the region.

Many of the 237 Appalachian counties eligible under this act will not receive assistance under the Appalachian program for two obvious reasons. First, there are just not enough funds to assist all of them, and second, they will not fall within the Commission's general criteria as to what areas do have a good potential for economic growth.

The amendment now before us would strip them of any hope for the future. I am at a loss to understand how the minority could have been concerned about the people in those less affluent counties, during the Appalachian debate, and is now destroying the chance this bill offers for enjoyment of a better life.

During the discussion of the Appalachian program it was revealed that there were some vital public facility programs missing in the bill. The drafters of the Appalachian program told us they did not think they could ask for such programs until the Congress decided to provide them nationwide.

Let me give you one prime example. There are no grant funds under the Appalachian program for the purification and distribution of water and the collection of sewage. Yet the need for such assistance is as prevalent in Appalachia as it is in the rest of the United States.

To deny Appalachian communities any chance for such assistance would obviously be unfair. The same is true for such other programs as harbor facilities, railroad sidings, water reservoirs, dams, industrial parks, and tourism facilities. All of these are eligible under this title of this bill and they are not included in the Appalachian program.

In closing, I would point out to you that this committee has insured that there will be no duplication of effort in the administration of this program in conjunction with the Appalachian program. No project can receive assistance under both acts—neither act can be used to supplement the other.

The Federal cochairman of the Appalachian Regional Commission has assured me that he and those who have been charged with drafting the bill before us—those who are most likely to participate in its administration—have developed additional safeguards to prevent a community from engaging in a wasteful competition for the benefits of each program.

I urge every Member of this House to vote "no" on this amendment which would severely impair, perhaps destroy, the progress we hope to make in restoring the Appalachian region to a position of economic vitality.

Mr. BLATNIK. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. CLARK] such time as he may require.

Mr. CLARK. Mr. Chairman, the Public Works and Economic Development Act of 1965 recognizes that certain large geographic areas of the United States require multistate or regional economic planning and development. Many regions of the United States have the economic potentials in human skills, natural resources, consumer strength, and industrial sites, but require a new, coordinated and federally assisted effort to put these potentials to work in a changing economy.

Title V of this bill invites States to join with each other and the Federal Government to develop plans and programs for regional economic development. In his Presidential message on area and regional economic development of March 25, 1965, President Johnson identified the need for developing regional solutions to area economic problems.

In setting forth the purpose of the proposed Public Works and Economic Development Act of 1965, the President said:

> Planning and assistance will concentrate on the needs of the area as a whole, as well as on individual counties and towns. Moreover, for planning many programs it makes sense to work in terms of larger regions encompassing in some cases parts of two or more States. This is merely the recognition of a simple fact. Neither distress nor the potential for development respects State, county, or community boundaries. The economies of many areas are an organic whole. Just as many counties have declined together, they must advance together if they are to advance at all.

Existing Federal Government programs such as the area redevelopment program and the accelerated public works program have assisted economically distressed areas to increase industry and obtain additional employment opportunities. As helpful as these programs have been, there nevertheless remains much that can be done only on a regional basis and with the cooperation of local, State, and Federal governments. Many regions of the United States require broad-scale efforts and projects which no local unit or group of units within a State can undertake effectively or without regard to their economic impact upon neighboring States.

Title V, when enacted, will provide Federal assistance to organized regional action planning commissions charged with finding a consensus of direction in solving regional economic problems. The boundaries of designated economic development regions will encompass portions of two or more adjoining States which are related culturally, historically, and economically. The designation of economic development regions will be based on a general and overall examination of the degree to which these regions lag behind the Nation as a whole in terms of economic development. Economic distress will be determined in terms of high unemployment, low family incomes, inadequate housing, health, and educational facilities, and the dominance of regional economies by industries which are in a state of long-term decline. Regions will be designated where growth rates are below the national average and where the outmigration of labor or capital, changing industrial technologies, and changes in national defense facilities or production have affected them more adversely than other sections of the country.

After passage of the act, the Secretary of Commerce will determine if a proposed multistate region meets the criteria of the act and will designate appropriate sections of the country as economic development regions.

The Governors of States included in the designated regions will be invited to establish Regional Action Planning Commissions. These Commissions will advise and assist the Secretary of Commerce to finalize regional boundaries, and will initiate and coordinate long-range economic development programs. After each Commission is organized and ready for formal recognition, the President will appoint a Federal cochairman. Participating State Governors, or their appointed representatives, will serve as State members of each Commission. Alternates are provided for both Federal and State members. Each Commission is empowered to appoint an executive director and to employ other personnel required to carry out its functions.

After their establishment, the Commissions will submit a request for an initial operating budget to the Secretary of Commerce.

The Commissions will then submit, for the approval of the Secretary of Commerce, a detailed annual budget which will enable it to begin its formal planning and project programing.

Commission projects and programs which require Federal authorization or funding will be submitted to the Secretary of Commerce for his evaluation. The Secretary of Commerce will transmit the request, along with his recommendation, to the President for submission to Congress.

The act authorizes $15 million annually to fund regional commissions and provide regional technical and planning assistance. During the first 2 years, Commissions will receive Federal reimbursement for the full cost of their allowable administrative expenses, excluding the salaries of State members. After the second year, the Federal payment for administrative expenses will be limited to 50 percent of their total cost.

Title V also authorizes technical assistance to enable regions to evaluate their potential for growth and to discover better ways for more effectively utilizing their human and natural resources. Staff members of the Department of Commerce may be used to carry out these projects. The capabilities of other Federal agencies or departments may be utilized and qualified individuals and firms may be employed under contract to the Government. The act does not provide funds for financing comprehensive projects or programs which may grow out of regional planning activities. Such projects and programs will eventually be submitted—as separate legislative proposals—to the Federal Government in the event that Federal authorization or financing is required. Redevelopment areas in economic development districts—which are included in these multistate economic development regions—are eligible for assistance under other titles of this act on the same basis as other redevelopment areas outside the regions.

Many regional areas of the United States, in addition to Appalachia, are increasingly and significantly lagging behind the Nation's level of growth. Many of these areas were once prosperous and productive—with a high level of employment. The passage of this act—and the establishment of regional commissions in these areas—will strengthen the economic development effort of cooperating States by the addition of the Federal Government as a partner in the regional effort to stimulate economic growth and solve problems.

Mr. BLATNIK. Mr. Chairman, I yield to the gentleman from Alaska [Mr. Rivers] such time as he may require.

Mr. RIVERS of Alaska. Mr. Chairman, it is imperative that we continue the program of assistance for economic development which was started with the passage in 1961 of the Area Redevelopment Act. The program has made valuable contributions to Alaska's economy. In Kodiak, for example, it was possible to construct and equip a large cold storage plant which is now a major employer, and an important collecting and processing point for the State's famous Alaska king crab.

The growth of this seafood industry has now reached such proportions that all of the city's port facilities are overburdened with the ever-growing tonnages going to markets throughout the Nation and to markets abroad. To sustain this growth, it is necessary to expand the city's dock facilities. But the cost of this essential work is more than the city could finance with its own resources. The continuation of a program for economic development is crucial.

Another example is provided by the city of Homer, which is on the verge of a potential economic breakthrough of great significance to Homer and the entire Kenai Peninsula. The plans for a sizable plant for the production of wood chips for the Japanese market are well advanced. The operations of this plant will be important to the entire Kenai Peninsula because they will consume substantial quantities of surplus timber stands. A cannery, too, is planned for the Homer spit. But neither of these important developments can take place without an assured delivery of safe water and an expansion of the Homer dock. It is clear to everyone familiar with underdeveloped communities that they will require the active financial support of a Federal program such as the one we are talking about now. The Public Works and Economic Development Act—S. 1648—will provide underdeveloped communities with the means of overcoming the handicaps that result from a lack of essential public facilities of all types. We have more than a fair share of these communities in Alaska, but we know that this is not an Alaskan problem; it exists throughout the Nation. That is why it is essential to continue with a Federal program for the improvement and construction of public facilities.

Mr. BLATNIK. Mr. Chairman, I yield to another distinguished member of the committee, the gentleman from South Carolina [Mr. William Jennings Bryan Dorn], such time as he may require.

Mr. DORN. Mr. Chairman, part B of title IV incorporates a new concept into the financial assistance program of the bill before us—that is, the concept of economic assistance to areas of broader geographic significance than under the Area Redevelopment Act. The multicounty areas, to be known as economic development districts, will consist of two or more eligible redevelopment areas and at least one economic development center—which may or may not itself be a redevelopment area—but which is a point of particular suitability and promise for expanded economic growth.

The inclusion of the district concept in this bill was a very meritorious decision, since it enables the areas of greatest distress, either within a very broad economic development region or where a multi-State region has not been formed, to band together into a little subregion of their own.

The need for this multicounty concept in fostering permanent economic development and creating new long-term employment became obvious to many of those who worked closely with the Area Redevelopment Administration in attempting to create new industry in individually depressed areas. A constant problem under that program was that many individual areas had no focal point of industrial or commercial activity, within the area, which made it attractive for new business activity. As we all know, there is a natural tendency for industry to cluster together, in order to take advantage of suitable industrial sites and utilities, as well as the economies of transportation and communication which can be achieved in a more populous area.

Under the new district program, smaller distressed areas with common problems can join together with a city or county of more immediate promise, to plan and carry out projects which will have greater economic significance for all of the areas concerned. Assistance will be provided not only to the redevelopment areas themselves—so that they will not lose anything by participating in the district program—but also to the economic development center which is cooperating with its less fortunate neighbors in order to provide new employment opportunities for the district as a whole. Planning funds will be available for the entire district, but loans and grants for district projects will be made only within designated areas and designated development centers.

Where a focal point of growth is contained within a redevelopment area itself, which also has potential for the surrounding counties, assistance may be concentrated within the redevelopment area itself, so as to benefit the entire district. As a further encouragement to redevelopment areas to form such districts, both redevelopment areas which have centers and those which do not, will be entitled to additional grant assistance up to 10 percent of the cost of the project, which they would not receive if they were not taking part in the district program.

The criteria for the designation of these districts have been well thought out. In addition to the requirement that each district must contain at least two redevelopment areas, which will insure that districts are formed only in areas of need, the Secretary is required to insure that the proposed district has an overall economic development program which includes adequate land use and transportation planning, and a specific program for district cooperation, self-help, and public investment. The plan must be approved by the State or States affected before it is submitted to the Secretary. Proposed economic development centers must be clearly identified in the district OEDP. The States will be invited to assist related redevelopment areas to draw up proposed district boundaries and to identify potential development centers, and to encourage participation by local government authorities in proposed development districts.

In approving district projects, the Secretary is required to insure that each project furthers the objectives of the district OEDP, that it will provide benefits commensurate with the amount of Federal assistance requested, and that the amount of assistance approved is reasonably related to the size population and needs of the district.

Ultimately, when multistate regions have been formed, it is expected that their regional commissions will cooperate very closely with the economic development districts in order to assure realization of the greatest benefits under this act at both levels, as well as consistency of programs.

Mr. Chairman, the incorporation of these districts into the bill before us will not only facilitate the planning of larger and better projects, but will also encourage greater and more effective cooperation among distressed areas in solving their long-term economic problems. The funds provided are a modest $50 million per year, but they will go a long way toward assisting the many subregions of the country which have common problems which defy solution on an individual area basis. And as a final precaution to insure that adequate planning precedes the demand for projects, the funds authorized for this section will not be available until a year after the bill is enacted.

I strongly urge the retention of this section of this title of the bill in order to give the depressed areas of the country a chance to test the concept of economic development on a broader geographic basis which is so strongly advocated by economists throughout the country today.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. DYAL].

Mr. DYAL. Mr. Chairman, the underlying and fundamental purpose of this new bill is to create new industrial and commercial employment and title II is designed to do just that. It provides funds for the acquisition of land, machinery, and equipment, and for the construction of buildings in those communities and redevelopment areas where an enterprising employer and an active community combine their resources to expand an existing business or to locate a new firm in the area.

We have now had several years of experience using the technique of long-term, low-interest loans to help communities get new industries or expand existing industries, and we know that the technique works. The unavailability of venture capital in areas already facing serious economic hardship represents a major deterrent to economic development.

Although thousands of jobs were created under the business loan program of the Area Redevelopment Act, when depressed communities for the first time entered the sophisticated and competitive field of economic development, this part of the Area Redevelopment Act program has, nevertheless, always been controversial. It has staunch defenders among those who have seen the program work effectively in their areas, and it has outspoken detractors among those who say that it creates unfair competition, is wasteful, and is not in the spirit of the free enterprise system. None of these are true. However, it is my concern for the unemployed of America that most impells me to speak on this vital provision. My concern is primarily this, that while we may have programs designed to help the poor, to improve the physical layout of our communities, and to correct our social ills, we cannot ignore the need for a program which is designed to work with the profitmaking businessman in order to create jobs. And we can best do this by providing him with development credit not otherwise available. What he needs is working capital. This we did not have under the Area Redevelopment Act. This bill is improved from past experience.

This is the title of the act that culminates the efforts we make under the other titles. This title is what enables private business to fill the pay envelope on Friday, to provide new purchasing power, and to continue improving our standard of living. Producing a payroll in a depressed community will go much further in transforming that community from despair and rejection to hope and well-being, than some of the public relief programs and other temporary measures we have today. Why? Because every man wants to pay his own way. In my area we have been faced with a phaseout due to the elimination of an air materiel area. I am one who complimented Secretary McNamara on his courage in ordering the phaseout because of the improvement in technology. The missile which was phased out has been replaced by more sophisticated instruments which are as far above their predecessor as a modern rifle is over the musket. Still in our area the people keep coming and population grows, but the principal industry and sources of income are not growing in comparison.

Therefore, I am for title I of this bill which helps communities get the necessary development facilities they need in order to attract industry. But I am for it not because it provides another edifice of brick and mortar, but because it leads to what I am really concerned with: new jobs.

In my home State of California, we need a program for Pacific-Southwest water. We do not believe some of our areas are going to be able to prosper without some type of regional water program. Industry will be affected and further unemployment will result. I am sure there are many such areas throughout the United States, and this is obvious because of the current drought which results from the years of neglect of recognizing the burgeoning population and growth of our Nation.

Despite the weaknesses of the earlier program, there are now many, many communities in our country which equate the initials of the Area Redevelopment Act with the magic word "payroll." In Gonvick, Minn., an $82,000 loan helped construct a sunflower seed processing plant that handles the product of more than 180 farmer-producers and brings an annual income to the community of nearly $240,000.

In Lisbon, N.H., a $9,000 loan helped expand architectural Wood Craft Corp. and created eight new jobs in a small but growing business that uses a variety of New England's manufactured products in its operation.

In Tuckerton, N.J., a $690,000 loan helped start a boat repair shop and marine facility, which employs over 200 workers.

In Aroostook, Maine, over $11 million has been loaned to establish four potato processing plants, and two wood products plants which have helped that area shift its economic base dependence away from a closing military installation.

It is impossible to measure what the additional payroll meant to these communities, but we in this Chamber know how important a payroll can be. Which of us will say that jobs and income are not the major concern of our constituents? We leave it to the sociologists to go into the details of what the payroll does for a community in terms of its well-being, its stability, and the dignity of its unemployed who have newly become taxpayers instead of taxeaters.

What this business loan program does is to provide needy areas with the means to share in the growth of this country. We do not intend that it be used for the purpose of adding new productive capacity in industries where we already have excess capacity. This would not be sound business or economics. But what we are saying is that depressed areas should be entitled to obtain their fair share of the Nation's constant economic growth. The financial help to redevelopment areas under this bill is just barely sufficient to offset some of the disadvantages these areas have already suffered by reason of their chronic unemployment, a condition usually the result of technological or other changes beyond their control.

Finally, let us understand the magnitude of the Government's financial involvement through this bill. Economists predict that manufacturing and commercial firms will invest more than $38 billion in new plants and equipment in 1965. Under this new program a total $240 million of new investment in redevelopment areas is expected to be generated. Gentlemen, this is less than one-half of 1 percent of the annual total of new U.S. manufacturing and commercial investment. This is what we are really talking about—a very small portion of total U.S. growth. Yet, to depressed areas the payroll that it produces, the new money in the area, is of overwhelming importance. It is this payroll, it is these jobs, it is this new income, that this section of the bill can produce. This is a bill that dramatically looks at the future. It will begin to deal with our sprawling metropolitan areas as they move into the next decade and they will deal specifically with the displacement brought about by automation. We must adopt it if we are genuinely interested in promoting the economic well-being of all Americans.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may require to the gentleman from Maine [Mr. HATHAWAY].

Mr. HATHAWAY. Mr. Chairman, I speak in behalf of S. 1648, a bill that I believe to be of vital importance to the prosperity and growth of this Nation.

Just 3 years ago, certain areas of my district were beset with distressing economic problems. Aroostook County in my State is one of the larger counties in New England, but is not heavily populated. This, of course, is due in part to its remoteness. It does, however, have a wealth of natural resources in lumber, potatoes, land and more recently, sugar-beet acreages. Three years ago Area Redevelopment Act went to work in Aroostook County. They made industrial loans which put two lumber mills into operation, expanded two potato processing facilities and three potato packing facilities, and started a beet sugar industry. Aroostook County is on its way to economic health because 1,800 of its citizens are working, who might not be, without an Economic Development Act type program.

There is a small town in Hancock County, known as Stonington. The one industry in the town is a stone quarry. Due to obsolescence, this quarry had come upon hard times which had threatened to close it down after over 100 years of operation and put this entire community out of work. With Federal assistance, the stone quarry was modernized, jobs were saved, and Stonington was able to survive and once again its citizens have some measure of economic security.

Perhaps the most dramatic story of all is the story of Lisbon Falls, Maine. This small town had a workforce of 1,150. During the summer and fall of last year, 900 of these people were thrown out of work when two textile mills closed their doors and went south. In despair, the citizens of this community appealed to their congressional delegation and to the President. As a result, a Federal task force was dispatched to assist Lisbon Falls. The work of this task force effectively brought into play the economic tools of our Government—not just to give direct relief in the form of unemployment compensation, surplus foods, and mortgage forbearances, et cetera—but in the form of continued opportunity to work in one of the textile mills, now reopened with Area Redevelopment Act assistance, and the opportunity to train for new trades and skills which would give these people further opportunity to earn livelihoods. In this case, an economic disaster was averted and hope was restored to a community. Also, a technical assistance project put professional economists on the job of long-range planning and development for that entire area.

The Area Redevelopment Act program, I feel, has been an invaluable asset to the entire country. If the Economic Development Act can be only half as effective as the Area Revelopment Act has been, then voting favorably for this bill will be a great service to our country.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I rise in support of this legislation.

The city of Cleveland is currently designated under this depressed area legislation. The training provisions which previously existed under the Area Redevelopment Act of 1961 have been of most benefit, of all the provisions of this legislation, to our city's unemployed.

Since we were designated an Area Redevelopment Act city in 1963, we have been the beneficiary of 16 training programs for terms up to 16 weeks in many occupational skills—630 unemployed are currently in training under this program in our city. The experience has been that over 80 percent have found employment and the remaining prospects for employment are equally great.

It is my understanding that there is no mention of training or training coordination in the Economic Development Act of 1965, which we consider now. All mention has been devoted to a special section of the manpower development and training amendments which were passed earlier in this session. It is my understanding that it is the intention of the Administrator of this act as well as the Secretary of Commerce to strengthen the coordination and cooperation of the Economic Development Act and the Labor Department in assuring that maximum effort will be made to establish and expedite the proper training programs to complement the development of new businesses and the enlargement of existing industries in designated areas.

The problem which has yet to be resolved is whether the coordination of training, currently under the able administration of Miss Ann Gould, will be expanded to meet the increased needs of designated areas and intending solutions provided under this legislation.

When we in Cleveland have had to move fast to establish short-term training programs, such as hospital aids, clerk-typists, orderlies, and many others, Miss Gould has been the only person available to help coordinate these efforts in our city. We have been promised innumerable times, in connection with the implementation of this law, that more staff people would be made available to coordinate the training efforts. To this date, none have been provided to assist Miss Gould. It is my hope that the assurances I have been given that more staff people will be available will now be implemented as a result of this legislation. This increased effort at coordination and implementation of any job opportunities created by this law or those opportunities for which short-term training is required must be swiftly planned and implemented to assure increased employment.

Our city of Cleveland is a good example in which a very short period of time, many hundreds of people have benefited greatly from the prompt handling of these training programs. We should not lose the benefit of the mobility provided by these short-term training programs.

I am sure there are many areas throughout the country which have profited greatly from the work of the training coordinator of the Area Redevelopment Act.

This act has proved its worth and I am proud to support it. I wish to commend the Administrator, William Batt, Jr., for his unqualified devotion and splendid handling of this vital program up to the present time.

Mr. BLATNIK. Mr. Chairman, I yield 5 minutes to the gentleman from New York, a member of the committee [Mr. MCCARTHY].

Mr. McCARTHY. Mr. Chairman, I have a feeling of schizophrenia on this bill. I have serious reservations about parts of it, but I am very enthusiastic about other parts. Therefore, I rise enthusiastically in support of title III of the bill which would provide $25 million annually for technical assistance, research, and information.

Mr. Chairman, here is what this title would do: First of all it would authorize the Secretary of the Department of Commerce to provide technical assistance to designated areas, those qualifying under the bill, or others which he deems necessary for this kind of assistance to diagnose the weaknesses and pinpoint the strengths of these depressed areas, either with his or the staffs of other Federal agencies, consulting firms or through 75-percent grants to State or local public or nonprofit agencies.

Mr. Chairman, in effect, these would be fees for economic doctors to ailing areas to diagnose economic ills and prescribe programs of recovery that will restore them to economic health.

Also, Mr. Chairman, I might note that they are to be used in conjunction with other planning studies, urban renewal and highway funds, to coordinate this planning and to provide the intrastructure or the arteries for the economic base of these depressed areas.

Second, it authorizes the Secretary of Commerce to use his own staff or the staffs of other agencies to study and research to determine on a nationwide basis the causes of unemployment, underemployment and chronic economic depression, and to publish these results to these distressed areas.

Third, and I think this is important, it would require that the names and addresses, the services and products of firms from these depressed areas, be made available to all Federal procurement agencies.

Fourth, it would establish an independent study board to determine the effects of Government procurement and scientific and technical policies on regional development and require that the recommendations for the better coordination of these policies be published within 2 years.

Finally, and to summarize, basically this is the medical part of this program. It provides for fees for "economic doctors" to do an economic diagnosis of an ailing area and prescribe a program of recovery to restore this ailing area, to economic health. Also, I might point out, finally, that it also provides that once a patient is on the road to recovery, the Secretary of Commerce can require that he repay the Federal Government for these "economic doctors" fees.

Mr. CRAMER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in opposition to the bill S. 1648. This bill basically and by its nature is a pump-priming bill. This means that this type of bill should be used when the status of our economy shows clear evidence that this kind of approach is necessary. This is a $3.3 billion bill authorized to be spent over the next 5 years.

The administration repeatedly in the last few months has brought to the attention of Members of Congress in messages, and has brought to the attention of the American press in news releases, that it expects this year will set many new records from the standpoint of the height of our economy; that this year will produce the greatest gross national product that our Nation has ever known, that this year will produce the greatest personal income per capita our Nation has ever attained; that in effect we are at the peak of an economic cycle. It does not seem to me that at the peak of an economic cycle we should be passing a $3.3 billion pump-priming bill. I do not think this bill should be passed at this time and under these conditions.

When the Congress last year passed the $11 billion tax cut bill, the second step of which goes into effect this calendar year, it was pointed out repeatedly by Members who spoke on the floor of the House that we had a choice. We should either cut taxes or engage in pump-priming expenditures, but we should not do both.

They pointed out that it was their intention by passing the tax reduction bill to make it unnecessary to pass pump-priming legislation to stimulate the economy. When the excise tax cut bill was passed by Congress a couple of months ago, the same point was made again that the first step of the excise tax cut was going into effect on July 1 of this year, and the second on January 1 of next year; that the purpose of the tax cut was to stimulate the economy and, once again, we had a choice of either cutting taxes to stimulate the economy or pump-priming through additional expenditures.

The choice made at that time was to cut taxes. It seems to me, therefore, that we must be selective in this field, and since the Congress has chosen to make these tax reductions we should not simultaneously be passing a pump-priming bill of this magnitude, particularly when our economy is functioning at such a high level.

The administration in the last week has announced a reduction in unemployment to bring the unemployment rate to the lowest rate in the last 8 years. This is further evidence that our economy is functioning at the peak of an economic cycle at the present time. For these reasons it does not seem to me this type of bill should be passed this year, and I oppose it.

We have a deficit that we incurred in the fiscal year just completed, ending June 30, 1965, of approximately $3.5 billion. The Treasury Department has estimated the deficit for the next fiscal year will be $5.3 billion. I think the Congress owes an obligation to the people we represent to try to do everything we can to keep a balance between expenditures and income as far as our budget is concerned. Therefore, for this reason if for no other, we should not be authorizing this additional expenditure program at the present time.

In addition to this, the Comptroller General has submitted 17 adverse reports on the administration of the Area Redevelopment Act as it has existed up to the present time. Repeatedly, in each of these reports, the Comptroller General has stated he feels this program should be tightened up and that loopholes should be eliminated. On the contrary, the recommendation of the administration as incorporated in the provisions of this bill would loosen the program even further than it has already been loosened as it has been administered, and therefore we are not only not giving recognition to the recommendations of the Comptroller General, but we are taking further steps in this legislation to authorize an even looser program than the program that has caused all these adverse reports to be submitted by the Comptroller General.

In recent years, we have had a whole series of programs brought to the floor of the House and in each case the argument has been made that if that particular program was passed, we would be able to solve the problems of unemployment. In answer to these pleas, this House and the Senate have passed, within the last 2 or 3 years, the antipoverty program, which was extended by this House just in the last 2 weeks; we passed the manpower retraining program; we passed the housing bill just a week ago authorizing expenditures of $7.5 billion, which is certainly a pump-priming bill; we also passed the Appalachian program.

It seems to me that this is enough at the present time in view of the high level of our economy and that we should give these programs the opportunity to prove whether they will do the job the proponents of these programs stated they would do when we passed each one of the programs, and that we should not saddle the American taxpayers with the burden of figuring out how to pay for this additional $3.3 billion program that is now before us for action today.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman.

Mr. CRAMER. I would like to add to what the gentleman is saying, and he is certainly making some very valid points relating to expenditures, is it not particularly true at this time when we have been informed that because of Vietnam it is expected that military expenditures will be substantially increased, should we not, under these circumstances take that into consideration and realize that this is not the time to be adding $3.3 billion more to the taxpayers' burden under these circumstances, at this time, when we know this is coming?

Mr. BALDWIN. I think the gentleman has made a very relevant point. Since the submission of the budget to the Congress in January, we have had a request from the administration for a $700 million supplemental appropriation for fiscal year 1965 for Vietnam, and within the last few weeks, we have had another request for an additional $1.7 billion for the fiscal year 1966 for Vietnam. Those expenditures are going to cause further stimulus to the economy of this Nation and therefore this is a further reason why we should not be passing this particular pump-priming bill which is now before us.

Mr. CRAMER. It occurs to me that the forgotten man of America is the taxpayer—the one who is going to have to bear this burden, and we should give some consideration to him eventually during this session of Congress.

Mr. BALDWIN. I would agree with the gentleman from Florida.

Furthermore, Mr. Chairman, this bill is particularly loose in that it states that any area that had the status of a redevelopment area as of March 1, 1965, would automatically be considered to be qualified for all aid under this bill until the next annual review of such areas is made. This means that the 423 or more areas that were on the rolls as ARA areas as of March 1, 1965, but have subsequently been dropped from the rolls because they no longer qualify under the present Area Redevelopmnt Administration Act, will be restored to the rolls under this bill and, therefore, they will be able to come in for all these supplementary expenditures, even though they can no longer prove they have the requisite unemployment to meet the test of the Area Redevelopment Administration Act that has been in effect during the past year.

This again certainly is a looseness which I believe does not constitute good legislation.

Beyond that, the bill states that economic development centers will be authorized and they will be authorized to receive aid under this act even though they themselves do not meet the test of an economically depressed area as defined in the act. So once again we may be pumping Federal funds into these so-called economic development centers, even though they have lower levels of unemployment than other areas may have which cannot qualify under the bill for the supplementary funds. This to me certainly is a looseness which is not advisable for Congress to authorize.

The last thing I should like to mention is that the bill would authorize a revolving fund not subject to congressional appropriations, so that all repayments of loans made under the act would go into the revolving fund, as well as interest on those loans, to be utilized by the Area Redevelopment Administrator, with no further recourse to Congress for legislative appropriation. I believe this is a highly undesirable step to be taken, to remove these expenditures from the proper kind of congressional review and control.

For these reasons, I do not believe this is the time to pass this bill nor do I believe that the bill is in proper form to be passed. I believe it should be defeated by the House.

Mr. BLATNIK. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. HAGAN].

Mr. HAGAN of Georgia. Mr. Chairman, since the enactment of the 1961 and 1962 laws authorizing the Federal Government to provide financial assistance to areas having chronic unemployment and underemployment, great progress has been made in the First Congressional District of Georgia. Loans to local development corporations, private individuals, and corporations for the erection of buildings and purchase of equipment and machinery, have provided employment for a large number of otherwise unemployed workers in my district.

Working hand in hand with the industrial loan program was the public facilities program, making more water and sewerage facilities available to towns throughout the First District. In each case where water and sewerage facilities have been built, the community has been given incentive to not only expand local business, but to go out and seek new industries.

Unemployed workers attained new skills and jobs under the training program instituted through the 1961 act. For example, 198 McIntosh County men and women were trained to make shoes. Most of these people had formerly been employed by fishing and shrimping enterprises, and had never been in a shoe plant previously.

In Johnson County an industrial park was developed on the strength of a public facility grant to run a needed waterline to the park. Since that time sewerage facilities have been extended to the park through Federal assistance, and thus far six new industries are operating in the park. Two others have been expanded.

The incentive of the Federal Government helping a community like Wrightsville has given new hope to the leaders of the community and we can look forward to greatly expanded industrial development in this area, creating many new jobs.

It is interesting to note that in the First Congressional District, the 1962 act helped finance a regional library costing some $375,000. This library is furnishing needed books and opportunities for learning to a four county area.

With the expiration of the previous legislation, it is essential that we keep up the progress started by such programs as these under the Public Works and Economic Development Act of 1965, S. 1648.

There is a backlog of projects in the First District that need to be begun. It is essential that funds be provided in order to keep the continuing program in operation in my district and throughout the United States.

I urge your support of S. 1648.

Mr. BLATNIK. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. REDLIN].

Mr. REDLIN. Mr. Chairman, there are about 380,000 Indians in the United States, many of them living in poverty, with inadequate diet and shelter and few job opportunities. They have a work force of 112,000, yet the median annual income of the American Indian family is only $1,500.

Agencies of the Federal Government have been working for a long time to help solve these problems. The Area Redevelopment Administration joined in this effort to launch a concentrated attack on the special economic problems of the American Indian, to generate new employment opportunities, upgrade skills and provide technical assistance to help break economic bottlenecks that are impeding economic development.

The needs of the Indians in my own State are probably typical of the needs on other reservations.

It will require continued local effort assisted by the Federal programs to provide economic advancement and jobs for 8,000 Indians living on North Dakota reservations.

The Public Works and Economic Development Act (S. 1648) will make it possible to carry on with the kinds of projects which have been started. A study has been made to determine the possibilities for expanding livestock feeding and slaughtering on the reservations and in other parts of the State.

The assistance that would be available under the new act would make it possible for a feeding yard or a slaughtering plant to be established on one of the reservations. The necessary facilities, such as a water system and sewer lines could be provided by grant and loan funds and help in financing the plant could be provided under title 2 of the act.

Without such assistance for industrial growth, and for the public facilities that make growth possible, most of the reservations are likely to remain pockets of poverty.

Tribal members have been trained for work as stenographers, farm-machine operators, nurses aids, carpenters, cattle ranchers and craft workers.

Jobs have been created for the craft workers on the Fort Berthold Reservation in the new center which was built with tribal funds and an Area Redevelopment Act grant. This center will give full-time employment to 15 and part-time work to an additional 100 people who will manufacture and sell Indian craft items.

In spite of the efforts made by the Indians to better their lot in life, much remains to be done before they can achieve a self-sufficient economy. Continued assistance under the legislation for Public Works and Economic Development (S. 1648) will contribute greatly toward realizing the aims of this great group of proud Americans.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may require to the distinguished and able gentleman from Oklahoma, a member of our committee [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, a few minutes ago the very able and distinguished gentleman from California [Mr. BALDWIN] gave as a principal reason for not supporting this bill the fact that this Nation today is at the peak of economic growth and development. Therefore, he stated, we should not invest any more in the effort to make it grow in all parts of the country. I regret very much that while we do have a picture of national growth and development there are areas of the country in which that pattern is not observed today. Sunday, for example, I was in attendance at a meeting in northeastern Oklahoma that was held in connection with the operation of the Neighborhood Youth Corps among the Cherokee Indians. I heard quoted there by an authoritative spokesman for the Department of the Interior the fact that 3 out of every 10 Indian families in northeastern Oklahoma have family incomes of less than $1,000 a year. Now, that is for the entire family to subsist upon—3 out of 10 families are earning less than $1,000 a year. This, it seems to me, is an example of what is present in many parts of the country today which makes necessary this additional program to try to extend the opportunity to grow to areas that are not growing today. To me it is almost inconceivable that the gentleman from California could have been present on the day that this committee heard the testimony of Mr. Donald J. Greve, the chairman of the board for Sequoyah Carpet Mills at Anadarko, Okla., where a loan of $390,000 under the ARA paid off in tremendous benefits not only to the community, not only to unemployed people in this area, but also to Uncle Sam himself. The testimony on this, if you would like to read it, occurs at page 117 in the hearings of the committee. If you will take the trouble to read it, you will discover that the company which was developed as a result of this loan at Anadarko is paying more money in income taxes this year than was loaned to the company to begin its operations. You will find that 50 to 60 individuals whose families had been welfare cases are no longer on the welfare rolls but, instead, are paying taxes themselves. The total being paid in income taxes by the employees of this plant is in excess of $100,000 a year. Now, when Uncle Sam can loan $390,000 and get it paid back with interest, which is what is happening, and get the income taxes paid off of that operation at the rate of more than $500,000 a year and get a cut in the welfare rolls of more than 50 people, then this seems to be very good business to me for the U.S. Government. This is the type of improvement that I think we can expect under this program and which we can expect in many places across the country. We have seen it operating in many parts of Oklahoma. We think it is good business for the Government to invest in this type of growth and development.

The sections of title IV dealing with the eligibility of areas for assistance under the proposed Public Works and Economic Development Act contain some of the most important improvements over the predecessor Area Redevolpment Administration Act of any sections of the entire bill.

Under Area Redevelopment Administration, as most of us recall, an anomalous situation existed between the so-called urban or 5(a) areas and the so-called rural or 5(b) areas. The 5(a) areas were subject to very specific designation criteria, based upon statistics supplied by the Secretary of Labor each month; but the 5(b) areas were based upon an extremely loose and general description of the types of criteria the Secretary should take into consideration in making his designations. These criteria included such factors as previous participation in other programs which had no relation to economic distress, and the desirability of obtaining experience under the act in as many areas and under as many different circumstances as possible.

The result was that serious inequities existed among areas as to degree of need, and the Secretary was under constant pressure to designate more and more areas on the basis of less and less specific criteria. This whole matter was the subject of serious consideration by the General Accounting Office in a number of its reports, but there was nothing that the Administrator could to about it, since he was only trying to carry out the intent of Congress.

To make matters worse, there were situations which involved severe hardships to the areas affected, which the Administrator could do nothing about, such as military base or defense plant closings or sudden shutdowns of major industries. Such a situation occurred, for example, when the Studebaker plant moved out of South Bend, Ind. just before Christmas of 1963. Since persistency of unemployment was necessary for designation under the Area Redevelopment Act, the Administrator was frequently forced to wait until a serious problem had existed for a number of years before he could do anything about it.

Under this new bill, eligibility requirements have been more clearly and equitably spelled out. Areas which suffer from substantial and persistent unemployment will be retained, under the same criteria as section 5(a) of the Area Redevelopment Act. However, the 5(b) criteria have been refined, and the number of rural areas designated on the basis of actual need has even been increased, so that all areas which have a median family income of 40 percent or less of the national median, as determined by the most recent available statistics, will be included. On the basis of the present national median family income of $5,660, areas with a median family income of $2,264 or less will be eligible for assistance. This compares favorably with a cutoff figure of only one-third of the national median under the Area Redevelopment Act, which meant that an area had to have a median family income of $1,887 or less in order to be assisted under that program.

Title IV has also been improved by making specific provision for needy Indian areas, State as well as Federal, and by the addition of a new provision clearly authorizing the designation of those additional areas in which the Secretary determines that the loss, removal, curtailment, or closing of a major source of employment has caused, or threatens to cause within 3 years, an unusual and abrupt rise in unemployment. Under this provision, the Secretary is not required to wait until the patient has become paralyzed from its illness before he can provide any assistance. Instead, he will be able to go into an area immediately to insure that a serious temporary unemployment problem does not deteriorate into a permanent problem simply because no one is able to do anything about it.

In addition, the bill provides that all areas eligible under the Area Redevelopment Act as of March 1, 1965, will continue to be eligible until a first annual review of eligibility under this program. Thereafter, they must meet one of the first four standards for their eligibility to continue. While a number of people have questioned the wisdom of this type of provision, it is essential for this type of program, which is aimed at long-range economic development rather than merely temporary problems. Otherwise, many of these areas which have a history of severe economic distress would be excluded only because of the Nation's outstanding record of prosperity during the last few months. The symptoms of distress of many of these areas may no longer be present, but we have no way of knowing whether the patient is fully cured. It seemed wise to the President, to the Senate, and to our committee, to continue these areas in the program for a period of approximately 1 year in order to insure that their recovery is solid. If we do not do so, we would not only prevent the accomplishment of many worthwhile projects which have been in preparation during recent months by local organizations, but we would risk endangering the results that these areas have already achieved. Many of us thought that the test for the eligibility of an area ought to be whether or not the area was an Area Redevelopment Act area on January 1, 1965. Others thought that it ought to be set on July 1. The March 1, 1965, figure was a compromise.

The committee has added still another specific basis for eligibility under the new program; namely, those additional areas where the Secretary determines that there has been substantial loss of population due to lack of employment opportunity. The purpose of this amendment is to assist those areas which, despite a long history of economic problems and high unemployment, are not reflected in current statistics because of heavy outmigration. They are the farm counties and communities where the cream of the population has been siphoned off in recent years, with the result that their distress continues to increase while employment statistics tend to remain the same. While we do not expect a large number of areas to qualify under this provision, we feel very strongly that it is a matter which deserves the attention of the Secretary, and that in the most severe cases it should be a basis for designation.

A major improvement in this section of the act is the provision which requires an overall economic development program prior to designation, so that no area will be designated without its consent or without evidence of willingness to work for its own economic improvement. All areas except Indian reservations must have a population of at least 1,500 persons in order to be eligible for designation, and an area must consist of either a labor area—defined by the Secretary of Labor—a county, or a municipality with a population of over 250,000 persons.

The last major improvement in this part of the act is the section on termination of eligibility, which requires the Secretary to conduct an annual review of the eligibility of all areas, and to terminate or modify designations in accordance with standards prescribed by regulation. This section requires periodic revisions of overall economic development programs in order to retain eligibility, and it contains provisions requiring the Secretary to give 30 days' formal notice to any area about to be terminated. Where the improvement in employment in an area is only temporary, the Secretary is authorized to withhold termination until the increased employment is in occupations more likely to be permanent.

In summary, Mr. Chairman, I think the bill before us constitutes a vast improvement over both the Area Redevelopment Act, which was experimental and loosely-defined as to eligibility, and the Accelerated Public Works Act, which was directed toward merely temporary conditions of unemployment. Under the criteria of this bill, the Secretary will be able to concentrate his assistance on the areas of greatest need and to continue to assist such areas until he is sure that they are well on their way to full recovery. I strongly urge the Members of this body to support this title as it is now written, and to give their overwhelming approval to this entire bill.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, as Members of Congress, the most common interests all of us have, is the development of our Nation and alleviating chronic areas of unemployment and underemployment.

The Public Works and Economic Development Act of 1965, S. 1648, is designed for that purpose.

I was a strong supporter of similar previous Federal legislation. My home State of California received great benefit from these Federal programs.

In order to progress and enhance opportunities a community must be prepared in its physical makeup to accommodate new industry and business. Many communities for various reasons are unable to keep pace with growing needs and therefore assistance must be given to halt their deterioration.

The Public Works feature of this bill, if anything, should be enlarged to adequately provide for those communities that have already developed needed projects but were unable to participate due to a lack of funds. Employment is generated all across the Nation through supply of materials for these projects. Every effort should be made to continue the interest that has been aroused within communities by passage of this bill.

Efforts to develop industry under section 202 will be increased by local groups with the realization that they can provide facilities for those prospects they may encounter.

We must continue our efforts to bolster our economy and provide employment. The money we spend will be returned in long-lasting benefits.

I urge favorable support for S. 1648.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. MOELLER].

Mr. MOELLER. Mr. Chairman, I rise in ardent support of S. 1648. I represent an area that is in desperate need of this kind of legislation and I earnestly hope that the Congress will pass it.

Gentlemen, as we debate the pros and cons of the Public Works Economic Development Act, let us all be aware that this is a national bill—not a sectional measure. This piece of legislation is aimed at helping all parts of our Nation which are in need of development—urban and rural.

I am sure the cities already realize the benefits this new program has to offer. And, after it passes Congress, those cities that need it will hurry to take advantage of it. And rightly should they. It is the intention of this Congress that this bill provide needed assistance to those areas which require development.

There is one thing we should all realize. It takes know-how to use Federal programs. The cities have this know-how. They have shown how in our many Government programs.

But there is more to our country than cities. We have the rural areas. They do not generally have this know-how. As a result, some of our rural areas have lagged behind in development.

This legislation recognizes the need for dealing with economic problems in rural areas. It does not spell out in detail just how the rural areas are to be helped by it. It does, though, in the language, which is identical with that contained in the Area Redevelopment Act bill—which it replaces—give an indication of how rural areas will benefit.

Looking at the Area Redevelopment Act program, we see that the Area Redevelopment Act was successful in moving into rural areas because certain delegated responsibilities and administrative funds were given to the Department of Agriculture.

I want to commend the Department of Commerce for utilizing the resources of the Department of Agriculture in getting that program to the rural people.

Gentlemen, this was an excellent example of Federal teamwork at its best.

I would hope that the Department of Commerce will work as close with the Department of Agriculture and other departments in putting this program to work in rural areas, and will give them sufficient funds to do the job.

In my own State of Ohio, representatives of ARA and the Department of Agriculture worked hand-in-hand in getting the program to those most in need.

I am looking forward to seeing more of this teamwork among Government departments. This is the kind of effort that makes sure that these programs help the people they are intended to help.

FACT SHEET

Rural areas, also, need the benefits of the Economic Opportunity Act and the Public Works Economic Development Act.

Why? Because almost half (46 percent) of families with money income under $3,000 live in rural areas. (Both the poverty bill and the Economic Development Act have useful tools, such as training programs and the creation of job opportunities, by which the rural poor can be aided. And, by helping the rural poor, these programs will be doing much to help all rural areas.)

There are 15,000 small communities with populations between 100 and 2,500 which do not have modern central water supplies. (The Economic Development Act can be utilized by aiding some of these rural communities alleviate this problem and share with other communities the vast benefits of such a simple thing as running water.)

The average scholastic achievement of rural people is 2 years below that of their cousins in the urban areas. Only 30 percent of high school graduates in rural areas go on to college; 50 percent of the urban high school graduates go to college. (The disparity between rural and urban education need not be, since programs such as the Economic Opportunity Act and the Economic Development Act have much to offer to both segments of our population—urban and rural.)

There is a high proportion of dilapidated and substandard housing in rural areas. Of the 14.7 million occupied houses in rural areas, about 3 million are deteriorated to the point where major repairs are needed and over 1 million are dilapidated to the extent they endanger health and safety of the families. (There are provisions in both acts by which rural America can initiate projects to improve the housing of its citizens.)

There is a need for job opportunities. Farming, historic employment source for rural people, no longer needs as many people as it used to in providing the vast abundance of food crops for all Americans. Farm jobs dropped 2 million between 1950 and 1960. In addition, underemployment in rural areas as measured by comparative incomes, in 1960 was the equivalent of 2.2 million people.

(Programs such as economic development, which help to create jobs and train people, have been of great benefit to rural people in solving the problems of underemployment and unemployment in rural areas. The Area Redevelopment Act program, for example, which the Economic Development Act will continue, was helpful in putting nearly 30,000 rural people to work. In addition, the program created many thousands of indirect jobs.)

Though, both the Economic Opportunity Act and the Public Works and Economic Development Act have much to offer rural areas—rural people, there is a problem—How do rural people participate in these development programs? This difficulty of rural people using these programs of assistance is illustrated by the following facts:

Money granted to rural communities for community action programs by the Office of Economic Opportunity was only 5 percent of the total OEO approvals up to April of this year.

Only 34 percent of vocational training programs, authorized by the manpower development and training program were held in towns of 10,000 population, or less last year.

This points up the need for some sort of outreach by which rural areas are made aware of these programs and by which they can participate in them. Such service was recently created in the Department of Agriculture by President Johnson in his annual message to Congress on agriculture, to insure that rural areas are kept informed of development programs and are aided in making use of them.

The President directed the Secretary of Agriculture to create a Rural Community Development Service, "which will have no operating programs of its own but will devote its energies to assisting other agencies in extending their services."

The Secretary of Agriculture, in creating the Rural Community Development Service, set as its aim: "One-stop service" to rural citizens and community leaders who are seeking help from the Federal Government.

As Secretary Freeman put it, the Department of Agriculture in this way, "will provide for the rural citizen and community leader the kind of professional assistance in coping with Government redtape that urban citizens and urban community leaders usually can obtain through their paid staffs of specialists and experts."

The new Rural Community Development Service offers a logical and practical solution to the problem of how rural people participate in the war on poverty and in utilizing the new public works economic development program. It can provide an "outreach" by which these programs reach rural areas, and in turn, rural areas can use these development programs to help provide economic opportunities for this Nation.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, I should like to add my support of the Public Works and Economic Development Act of 1965. It will continue the useful programs established under the Area Redevelopment Act and the Accelerated Public Works Act.

These programs were of tremendous benefit to the people of the Sixth Congressional District which I have the honor to represent. Since the inception of the redevelopment program over $7 million in loans and grants have been approved for our communities.

This comprehensive effort of Federal assistance has provided more jobs and higher incomes in areas where jobs were scarce and income low. Our national economy is currently experiencing its 54th month of economic growth.

The legislation now under consideration will be a great aid in continuing this expansion without recession. Most importantly, it will extend the benefits of this growth and prosperity to those who have not fully shared in them.

A Congress committed to providing for the general welfare by stimulating the expansion of the free enterprise system should overwhelmingly pass the legislation now under consideration.

The district which I represent includes portions of two redevelopment areas, Schuylkill and Northumberland Counties in Pennsylvania. With Federal financial help, several community industrial development organizations have been able to provide local industries with long-term, low-interest financing on new buildings and machinery and equipment so that they could expand their operations and increase employment. The industrial and commercial loan program was also used by one community to create a small but highly successful tourist attraction, in the form of a demonstration coal mine and narrow-gage scenic railroad. Thousands of visitors have infused their tourist dollars into the local economy.

These loans, which will be repaid in full, have stimulated private investments of $1,200,000 in fixed assets in my district.

A grant of $100,000 for public facilities in one community has resulted in two firms investing over $1 million through private financing. In addition, this grant has created desirable industrial sites from land that was previously inaccessible for industrial development. There now exist potential industrial sites that may stimulate many millions of dollars more of private investment.

Technical assistance has been extended to two communities to investigate the feasibility of creating an underground storage facility for liquid petroleum gas that may interest private investment in developing a chemical complex. The technical assistance program is also providing a master recreational development plan to determine the feasibility of private commercial investment establishing a year-round complex adjacent to a reservoir to be created by a new flood control dam.

Twenty-five needed public works projects were accelerated in my district which stimulated the spending of $12 million in matching local funds for public works improvement.

In summing up, Mr. Chairman, many communities within my district and immediately adjacent to my district have found the existing programs to be of significant value. I urge my colleagues to pass the legislation under consideration by this body, so that these programs can be continued, in new and expanded versions, and bring new jobs and new progress.

Mr. CRAMER. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Chairman, the bill before us today is a prime example of how discredited and unworkable Federal programs, once begun, manage to go on forever. We reshuffle the language a bit, gloss it all over with a grand-sounding title, and attach a brandnew higher price tag to the whole package.

It is inconceivable, after the conclusive evidence of waste, ineffectiveness, and failure, that we should be called upon to even consider a measure that incorporates such programs as the old Area Redevelopment Act and the Accelerated Public Works Act.

I am certainly in favor of finding programs to effectively combat economic depression wherever it exists in our great and prosperous Nation. But the Public Works and Economic Development Act of 1965 is not the answer. I must agree with the minority conclusion that good intentions are no substitute for good legislation. Ill-conceived and sweeping programs such as this merely manage to complete with each other, overlap in their functions and propose generalities in qualifying criteria that have little to do with the economic needs of the people or areas.

The history of such make-work projects has been interesting. The Area Redevelopment Administration was created to solve the very problems this bill before us is designed to solve. The accelerated public works program poured additional millions of dollars across the Nation in an effort to spur a so-called lagging economy. Supporters of the bill before us claim these programs were most successful, which is a strange claim when you realize that their success was so great that we were called upon to enact an Appalachian program and other poverty programs to assist areas in distress. And now we are apparently admitting the failure of the Appalachian program, too, by calling for an expanded renewal of Area Redevelopment Administration and accelerated public works. This logic is completely mystifying.

We in the Congress are most fortunate to have a group of dedicated people who keep a watchful eye on the affairs of big Government. It is the General Accounting Office, headed by the Comptroller General, and I have nothing but praise for their work. They save millions of dollars in taxpayer money each year through their recommendations and probings of departments and agencies. A total of 17 different reports have been issued by the Comptroller General relative to the administration of the area redevelopment program. All of these reports were critical and showed how ARA failed to do its job, even falsifying claims of new jobs. It is time that Members of Congress heed these reports from our own watchdog.

I am sure we all were heartened by the Labor Department report of a decline in unemployment. This was not accomplished by Area Redevelopment Act, accelerated public works, Appalachia, or any other Federal program, which have succeeded only in creating unfair competition with existing enterprises and transferring jobs from one section of the Nation to another. This was accomplished through private enterprise working in a strong and expanding economy.

I have mentioned before the example set by Minnesota in this field, how private enterprise has moved ahead to invest almost a billion dollars in the taconite process of refining iron ore. Even though this investment is only partially completed, the results have been dramatic in lowering unemployment rates, creating new jobs, and improving the economic climate of the entire State.

But what happens when Government moves in to play the role of private enterprise? It takes the money accrued from private enterprise and uses it to set up competition that threatens the existence of business built by private enterprise. As the National Association of Manufacturers noted, subsidies do not create new markets, so it is inevitable that a new subsidized industrial plant will compete for existing markets with industrial plants already established at no cost to the taxpayers. Thus, such projects are at the expense of existing industry and existing jobs.

I have reported examples of such unfair subsidized competition on a number of occasions as they relate to my own congressional district. ARA financed a $4 million hardboard plant in Superior, Wis., that is now in direct competition with three neighboring plants, one in my district, built by private funds. This new plant was built even though the Department of Commerce itself admitted that existing U.S. facilities were already adequate for hardboard demand and that foreign imports were already hurting this industry.

Then there was the expenditure of public funds by ARA to develop the growing of sugarbeets in unproven areas of the Nation such as Maine and New York in direct competition with proven areas such as our own Red River Valley of Minnesota and North Dakota.

You can find examples of this type all over the country, including the latest disclosure that ARA wants to spend $2.7 million to establish a vertically integrated poultry raising complex in western Pennsylvania, which is not even a major poultry producing area. This comes at a time when the poultry business is having problems with surplus production. A Government-financed plant such as this will surely drive the small growers out of business.

Mr. Chairman, I also oppose the statistical methods used to decide on eligibility of these programs. I have noted past history as it relates to our State of Minnesota and have been distressed to see one county declared as depressed while an equally needy county right next to it fails to obtain such a classification. It creates the worst sort of competition and preferential treatment, and should be corrected by amendment.

The purpose of economic aid should be directed toward those that really need it rather than allowing the programs to degenerate into a rooster fight to see how many counties we can declare impoverished. It is highly inconsistent with the assurances we receive daily that the economy of the Nation is healthy and expanding.

It should be pointed out that the history of such programs as Area Redevelopment Act and accelerated public works points to a most doubtful inclusion of small towns and rural areas as recipients of the benefits proposed in today's legislation. We have noted that thousands of applications from these smaller communities have collected dust in bureaucratic desks while the money went to the big cities. The hamlet that cannot afford a full-time chamber of commerce secretary or full-time people to decipher the complexities of Government forms and applications will find itself on that never-ending waiting list and will fail to benefit to the extent it has been led to expect.

The hodge-podge of provisions in this bill are so vague that it is impossible to see exactly what can or cannot be done, but it is obvious that Area Redevelopment Act and accelerated public works would be revived with double their usual costs. It is claimed that this bill sets up an Appalachia-type program for the rest of the Nation. Actually, it gives the Appalachian region a double helping of Federal assistance. The 237 Appalachian counties would be able to receive direct grants under both acts, a privilege that would be denied the rest of the Nation.

Mr. Chairman, we have enacted badly needed tax cuts during this session of Congress. We are financing an expensive war in Vietnam. Our deficits continue to mount. And now we are asked to approve additional billions of dollars for a package of programs that have been discredited. Obviously this package is designed to provide a little something for everybody but nothing much for anybody. Even if the provisions of this bill were worthy, which they are not, the fact would remain that we simply cannot afford it. Such spending will surely undermine the economic strength of our Nation, not bolster it.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Mr. Chairman, I rise to enthusiastically support S. 1648, the Public Works and Economic Development Act of 1965, which we are now considering.

America is moving forward economically, especially in our prosperous areas, as evidenced by the estimated $37 billion increase in our gross national products income for 1965. In fact, the total GNP this year is expected to be $660 billion, based upon the latest estimate, by the Council of Economic Advisers.

This proposed legislation is an essential tool for those areas of persistent and substantial unemployment to help themselves.

In short, the provisions of this bill will simply provide these areas with an opportunity based upon local initiative, to prepare themselves to share in our expanding economy. Those areas with local initiative will move forward.

There is no legislation yet to be considered by the 89th Congress that will be of equal importance to our less fortunate economic areas.

No matter what has been said during this debate, I do know from firsthand actual experience, in working closely with the officials of the Area Redevelopment Administration, that we have learned how to establish an effective program that will permanently benefit all of America. This bill provides the help to establish this vital program.

The major feature of this bill—title I—provides $400 million for each of 5 years for grants for public works and development facilities. That is, public facilities for our cities, towns, and communities that do not have the financial capability locally for improvements directly related to economic growth.

The $170 million requested for loans—title II—to assist in financing public works or development facilities, and loans up to 65 percent for the purchase or development of land and facilities for industrial or commercial usage—section 201—and guarantees up to 90 percent of private working capital loans made in connection with direct loan projects—section 202—is equally essential to help these areas establish private employment for their unemployed. These two important features, plus the other provisions, will serve to strengthen our Nation.

Therefore, Mr. Chairman, I respectfully and strongly urge the Members of the House to pass this essential legislation so that all of America will be able to make a stronger contribution to the future of our Nation.

Mr. Chairman, this is our sacred obligation.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. GRABOWSKI].

Mr. GRABOWSKI. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, I am delighted to be among those who today support the proposal to create a new economic development agency to replace and carry on the great work of the Area Redevelopment Administration.

I have had occasion to see firsthand the results of the ARA in action. In my own Sixth Congressional District in Connecticut, the investment of some $1.09 million in Federal funds from the ARA enabled 3 firms to create 995 new jobs that did not exist previously. Although these three firms had more than half a million dollars of their own to invest, private commercial lenders were either unable or unwilling to advance the additional money needed to make the projects move forward. The needed money came from the ARA and as a result almost 1,000 persons now have employment and the prospect is bright for even further expansion.

In addition to this, we received in the Sixth District $2.15 million in help for much needed projects that were financed partly under the accelerated public works program.

One of these projects which most typifies what can be accomplished with the help of a Federal economic development agency is in my own hometown of Bristol, Conn.

During 1958 and 1959 Bristol was being spoken of as a city about to die. Old industries were threatening to leave and there was an environment which failed to attract new industry to the city.

Late in 1962, Dr. Arthur M. Carson developed a novel optical computer. However, he lacked funds to finance his idea and was unable to obtain the necessary financial support through normal financing channels. So he appealed to the Area Revelopment Administration. That agency, after much careful study and analysis, agreed, on June 13, 1963 to make a loan in the amount of $32,500 to Carson Laboratories, Inc. This small loan was supplemented by private loans and investments totaling $17,500.

As a result, a highly profitable small business now employs 19 persons in the production of useful items that would not be on the market today without Federal assistance. And there is a good prospect that the number of persons employed at Carson Laboratories, Inc., will increase to 44 in the near future.

And, this has cost the Government nothing. The assistance was in the form of a loan to be repaid. And we now have, in this one instance, 19 persons employed, paying Federal income taxes and contributing to the financial health of a city.

I am supporting the bill now pending on the floor of the House as well as the accelerated public works program because as we all can see, this is an investment in the future.

Mr. ST GERMAIN. Mr. Chairman, I rise to join with my colleagues in support of this measure which is based to a certain extent upon three previous acts, the Area Redevelopment Act, the Public Works Acceleration Act, and the Appalachian Regional Development Act.

Throughout the years of our history, Rhode Island—physically the smallest of our 50 States—has been proud of its heritage of rugged individualism and advocacy of the free enterprise system. Keenly aware of the competitive advantages enjoyed by larger, neighboring States who have vast stores of natural resources and wealth, Rhode Island has struggled to achieve a high degree of industrial sophistication.

In pursuing our goal of economic stability and growth, we in Rhode Island have found the programs of the Area Redevelopment Administration a most useful tool. By requesting Federal investment augment our own, we have been able to create new productive capacity, establish new employment opportunities, generate new economic activity, make substantial savings on welfare and unemployment payments, and find new sources of tax income.

Combined Federal, State, local, and private investment in the industrial parks in Woonsocket and Providence, and the expansion of the Roger Williams Grocery Co. have created new plants, jobs, and income. The establishment of the Research and Design Center in Providence will provide a vital service long needed and sought by private industry in our area, and, in turn will serve to stimulate and encourage new economic growth and employment opportunities. Through the 23 Area Redevelopment Act training programs in Rhode Island, 1,458 workers have acquired new skills at an expenditure of only $1,064,000 on the part of the Federal Government. In addition, through the investment of only $12,426,000, the Federal Government helped us put together 43 badly needed public facility projects that cost $38,225,000 and—even more importantly—created 16,520 man-months of work.

We in Rhode Island have been willing partners for progress with ARA. We have seen the good which flows from cooperative efforts between the Federal Government and State and local initiative. The proposal we are now considering, S. 1648, will continue these worthy aims and objectives. I urge prompt passage of this needed legislation.

Mr. KEE. Mr. Chairman, with the passage of the Public Works and Economic Development Act of 1965 the Federal Government's program to assist depressed areas will take a new constructive and responsive direction and assume another dimension of proper responsibility.

Under the Constitution of the United States it is our sacred obligation to promote the general welfare of the people. We have learned that in many cases an area approach to redevelopment based upon traditional county or township boundaries is simply not adequate. Political boundaries do not always coincide with economic boundaries. Areas delineated by political boundaries do not necessarily coincide with the natural and human resources for industrial and commercial development.

This bill provides new recognition to the need for States to marshal their efforts to meet common problems of economic development. In the past most regional efforts have been directed to harnessing natural resources or providing for specific public services. With the introduction of this bill the President has fulfilled a promise given to Congress prior to the passage of the Appalachian Regional Development Act of 1965.

Many areas of the country, in addition to Appalachia, require a concerted effort to solve their regional economic problems. The people in these regions, too, realize that there are common barriers to economic development activities and that common regional problems often lend themselves to common regional solutions. It is essential that Federal assistance be made available, upon request, to all distressed regions of the country to permit them to find the most effective direction in solving their economic problems.

The Nation as a whole is enjoying unprecedented growth. But statistics of overall economic strength often do not demonstrate evidence of regional economic weakness. Economic regions vary in size and complexity depending sometimes upon transportation—sometimes upon a single natural resource, sometimes upon physical boundaries, and sometimes upon similar economic tendencies.

The great Appalachian region is considered a region because it has a unifying mountain range, a large dependence upon the mining of coal, a difficult roadbuilding problem, and a chronic history of unemployment and low income.

The upper Great Lake region is characterized by a dependence on iron ore mining, depletion of timber reserves, and relative distance from markets.

The Ozark region is characterized by rough terrain and a consistently low level of economic activity with a preponderance of small-scale subsistence farming.

Many parts of New England are characterized by old manufacturing towns. It is also possible to identify an upper northeast region which shares a common problem of sparse population, somewhat difficult transportation, and declining farm employment.

The southeast portion of the United States encompasses many areas which are growing in economic strength, yet many multicounty regions in this part of the country share common problems of declining farm employment and outmigration.

The upper Rocky Mountain or inland Northwest region, is sparsely populated and overly dependent on mining, agriculture, and lumbering. All of these industries have suffered declines in employment.

All of these regional areas of the United States, and others, suffer in varying degree from related economic difficulties. They are predominantly rural areas, thinly settled and with few rapidly growing urban population centers. Agriculture, logging, and mining are their chief sources of employment, and these are declining or stagnating industries where production efficiency has overtaken and far outrun manpower demands. These regions tend to be isolated, in many instances. They lack internal as well as external ties to the Nation's markets and population centers. Many of these economically disadvantaged areas have uncommon potential for the development of recreation and tourism.

And many of these regional areas of the United States share other common characteristics:

Their average unemployment rates are higher than the natural average.

Those areas of the States which might logically be included as part of the economic development regions have unemployment rates higher than the States as a whole.

They have a higher proportion of low-income families than the Nation as a whole.

Their economic growth lags behind the Nation's growth.

Their population is either declining or is growing at a rate substantially less than that of the entire country.

It is abundantly clear that many regional areas of the United States, in addition to Appalachia, require research, study, and outside help to evaluate area needs and improve the conservation and utilization of human and natural resources. Title V of the Public Works and Economic Development Act of 1965 authorizes $15 million annually to fund regional commissions and provide regional technical and planning assistance. Technical assistance will be required by regional commissions to develop recommendations and programs for regional economic development. In general, technical assistance funds will finance—

Studies of those areas of the regional economy with the greatest promise of future development;

Inventories of forest, power, water, and other regional natural resources and their potential for development;

Human resources inventories in terms of the projected economy's future skill requirements;

Studies which indicate where future population and economic growth will occur and which plans will bring about the most efficient and healthy patterns of regional growth;

Major economic development studies—the potential for the development of specific new industries will receive special attention;

Studies identifying and analyzing those interstate regional investments essential to the achievement of regional growth objectives; and

Inventories of public facility needs in terms of individual communities and the total region.

Established regional action planning commissions might utilize technical assistance to investigate the possibility of accomplishing such specific regional economic development objectives as—

The development of fast transportation networks between regional population centers and markets located outside the region;

Pollution control and water distribution and conversion;

Increasing the supply of cheap and abundant electric power to provide the basis for economic development;

Modernizing fishing fleets and fishing industry marketing methods;

More efficiently utilizing existing manpower;

Conserving land use to better supply local markets and better meet the demands of an increasing tourism industry; and

More efficiently mining abundant iron ore deposits.

Fortunately, the majority of our Nation's citizens live in areas and regions where economic opportunity is plentiful. However, other millions of our citizens live in the economically depressed regions of the United States. It is our responsibility to be concerned about those who live in areas and regions of economic distress—lagging economic regions.

We cannot abandon these depressed regions.

We cannot allow them to further deteriorate.

We cannot stand idly by while our fellow citizens are forced to choose between leaving their homes of resigning themselves to a lifetime of lagging economic opportunities.

We cannot attempt to let valuable natural resources continue to go unused.

We cannot permit valuable human beings to continue to want for work.

Title V of this act will initiate a partnership for growth between the local and State governments of economically disadvantaged regions and the Federal Government. We know that our economically depressed regions can be helped. We must act now to insure that people are not denied the right to work or enjoy full measure of the Nation's prosperity simply because they live in the wrong region and cannot leave.

GAO REPORT OF JUNE 3, 1964

OVERSTATEMENT OF NUMBER OF JOBS CREATED UNDER THE ACCELERATED PUBLIC WORKS PROGRAM

GAO found that the reports pertaining to the accelerated public works program reported to Congress and other interested parties by the Area Redevelopment Administration—ARA—contained significant overstatements as to the number of jobs estimated to be created by the accelerated public works projects approved by the Community Facilities Administration—CFA—and the Housing and Home Finance Agency—HHFA—as delegate agencies. The estimates were overstated by about 128 percent. It is to be noted that GAO checked 190 projects of the 2,842 projects approved by CFA as of November 1, 1963.

GAO also found that the reports contained overstatements with regard to the number of actual man-months of work created by CFA-approved projects already under construction. GAO found that the CFA projects were overstated by about 83 percent. GAO obtained this percentage from a review of data relating to 497 of 1,228 CFA projects under construction as of November 1, 1963.

The overstatements resulted from inaccurate estimates by the applicants for grants and from the CFA use of these inaccurate estimates, rather than contractor payroll information, to calculate the amount of actual on-site employment. It is to be noted that the CFA projects account for almost one-half of all funds appropriated for the accelerated public works program.

Action taken: After being advised of the GAO findings, the ARA revised the format of its report and also changed the method of determining on-site man-months of employments.

As of February 1964, the ARA directory of approved APW projects no longer includes cumulative data on the number of on-site man-months of work created by APW projects. Instead, it shows only the number of persons employed on-site on the last regular working day of the week ending nearest the 15th day of the month. The participating agencies were instructed to report to ARA on the same basis, in an effort to obtain timely and accurate data on the number of employment opportunities generated.

GAO recommended that in order to improve the reliability of the information reported in the directories of the approved APW projects, the ARA Administrator take steps to periodically verify the information reported by the participating agencies. The Administrator of ARA advised that ARA will give serious consideration to this recommendation.

GAO REPORT OF JUNE 25, 1964

ASSISTANCE UNDER THE PUBLIC WORKS ACCELERATION ACT TO AREAS NO LONGER BURDENED BY SUBSTANTIAL UNEMPLOYMENT

GAO found that grants over $21 million had been made for 85 projects in areas which were no longer burdened by conditions of substantial unemployment at the time the grants were consummated. It is to be noted that under the policies currently followed by the agencies reviewed by GAO, grants are consummated for areas which are no longer sufficiently burdened by unemployment to qualify for such assistance, provided that the area was qualified at the time administrative approval of its application occurred.

GAO had been informed by officials of the agencies concerned first, that it would be unfair to deny assistance to areas which become ineligible during the period required for agency processing procedures because the areas had an investment of time and money in the project; second, that a firm cutoff date for determination of eligibility was necessary because areas were frequently being designated and redesignated as eligible areas; and third, that they felt their policies were legally sound, and in accord with the reasonable exercise of administrative judgment.

It is GAO's opinion that the policies, practices, and procedures which resulted in grants of about $21 million to areas after the areas have recovered from their burdens of substantial unemployment were not in furtherance of the purpose and intent of the Public Works Acceleration Act and should be revised. They feel these policies have also resulted in grants to nondepressed areas at a time when there was a large backlog of APW applications from depressed areas which could not be met because of the shortage of APW funds.

Their recommendations were that Commerce adopt a policy and devise procedures to preclude grants to areas which become ineligible during the grant processing procedures and that the participating agencies are to advise applicants that all approval action is taken prior to the time the formal grant agreement is made would be conditional upon the areas being eligible for APW program assistance at the time of formal agreement.

Action taken: ARA, by letter of September 21, 1964, replied that it had agreed with delegate agencies to use the date of ARA clearance of a project as the effective date for establishing eligibility for an APW grant. Inasmuch as communities applying for APW grants incurred considerable expense and undertook considerable work to do so, it was "the strong desire of the administering agencies to avoid the denial of a grant merely because of administrative requirements in the final stages of processing."

ARA rejected the GAO findings and recommendations, claiming their actions were the result of administrative determination and proper in terms of purpose of the legislation.

GAO REPORT OF AUGUST 1964

UNAUTHORIZED ASSISTANCE TO SEEMINGLY NONDEPRESSED AREAS UNDER THE PUBLIC WORKS ACCELERATION ACT AND THE AREA REDEVELOPMENT ACT

GAO found that through January 1, 1964, about $7.4 million authorized by the Public Works Acceleration Act and the ARA for assistance to depressed areas and projects had been approved in seemingly nondepressed areas on the basis that one area in each State could be designated a redevelopment area. It was GAO's opinion that designation on this basis was not authorized by the Area Redevelopment Act.

ARA officials had stated that their regulations permitting seemingly nondepressed areas to be designated as redevelopment areas were based on the provision of section 5(b) of the act which specifies that in making designations under this section "The Secretary shall endeavor to distribute the projects widely among the several States." ARA officials have stated also that making the 5(b)6 area designation was the only way that real effect could be given to the requirement that the projects be distributed widely among the several States.

It is GAO's view that the regulations which permit ARA to designate relatively nondepressed areas as redevelopment areas are not in accord with the basic intent of the Area Redevelopment Act or the specific provisions of section 5(b) of the act in that the areas so designated are ineligible for assistance under that act.

GAO backed up their argument by citing specific counties in Hawaii, New Hampshire, Vermont, and Delaware.

Action taken: ARA by letter of October 6, 1964, stated that although of belief their action carried out the intent of Congress, agency would not approve additional projects in the areas in dispute.

Belief of the Administrator had been that the act was permissive but not mandatory, and that ARA clearly had authority to provide that at least one area in each State be designated as eligible.

GAO REPORT OF OCTOBER 1964

ACCELERATED PUBLIC WORKS ASSISTANCE APPROVED FOR AREAS UNDER CONSIDERATION FOR TERMINATION OF ELIGIBILITY

The General Accounting Office found that about $26 million had been spent or committed for accelerated public works projects in areas of the Nation which the Secretary of Labor had found were no longer burdened by substantial and persistent unemployment according to the criteria of the statutes or regulations. These areas received assistance because the Area Redevelopment Administration's policy permitted the approval of accelerated public works program grants to such areas during the 7 to 13 month period when the ARA was considering whether to terminate the depressed area designations.

The Secretary of Labor is required to obtain the facts concerning unemployment upon which the ARA bases its actions. As the Secretary had already found that the areas were no longer sufficiently depressed by unemployment to qualify for designation and as the purpose of the Public Works Acceleration Act was to provide immediate assistance to areas presently burdened by substantial unemployment, it was alleged that assistance during the delay period could not be considered to be promoting the objectives of the act to the degree that they would be promoted by assistance in areas where the conditions of substantial and persistent unemployment were known to continue to exist.

The regulations for the area redevelopment program provide that a redevelopment area's status, so designated under the standards of unemployment, may not be terminated unless there has been a significant reduction in the rate of unemployment and such reduction has continued for a reasonable period of time. GAO's review showed that the "reasonable period of time" from the date ARA is notified by the Department of Labor that the area no longer meets the criteria for designation, to the date of termination, has ranged from 7 to 13 months and has averaged 10 months through May of 1964.

The Administrator of the ARA advised GAO that it would be harmful to the ARA program to turn eligibility on and off because of a small temporary dip in unemployment rates, and that secession of APW assistance to areas immediately after ARA received the Secretary of Labor's notice would cause difficulties because some areas again become eligible for assistance.

Action taken: By letter of November 16, 1964 the ARA accepted the recommendations contained in the GAO report; that is, that "if the APW program is continued, the Secretary of Commerce adopt policies which will result in deferring approval of APW applications for assistance from all areas which the Secretary of Labor finds no longer meet the criteria for designation as redevelopment areas."

ARA added that it was working with representatives of the Labor Department to improve termination procedures then in use, for purpose of making revisions in the system to shorten the time needed to terminate an area's eligibility as a redevelopment area.

GAO REPORT OF OCTOBER 1964

EMPLOYMENT OPPORTUNITIES IN FEDERALLY AIDED PROJECTS GENERALLY RESTRICTED TO INDIVIDUALS HAVING FUNDS TO INVEST IN BUSINESS VENTURE

GAO reported that the ARA in fiscal year 1963 approved a $140,000 industrial loan to Cowlitz Forest Products, Inc., Chehalis, Wash., and the effect of the loan on unemployment problems in Lewis County, Wash., disclosed that the borrower generally required prospective employees, as a condition precedent to employment, to make substantial investments in the business venture without being given an opportunity to participate significantly in the management thereof. This condition resulted in the denial of equal opportunity for employment for unemployed persons within the redevelopment area.

Potential employees, in order to secure a job, were required in substance to make substantial investments; to assume the greatest risk of loss and to have little if any voice in the management of the company. It is to be noted that these potential employees purchased nonvoting preferred stock. Conversely, a select group of individuals invested less than $6,000 to acquire about 59 percent of the common stock, thereby securing control over the management of the company.

The borrower's practice of requiring investment as a condition to employment was in effect during the period of time in which the Small Business Administration—SBA—as delegate agency for the performance of certain functions and duties under the Area Redevelopment Act, conducted its evaluation of the borrower's project proposal and loan application. Although information contained in the project document should have been sufficient to raise a question as to the compatibility between the employment practice and the purposes of the program, neither the ARA nor the SBA appears to have been aware of the objectionable practice until after the loan approval period, although prior to actual disbursement of the funds.

Action taken: ARA by letter advised it was issuing a policy statement which would prohibit approval of projects where an investment is required in order to obtain employment also directed ARA and delegate agency staff to be diligent in exposing situations of the type prohibited.

GAO REPORT OF NOVEMBER 1964

IMPRUDENT ACTION TAKEN IN APPROVING LOANS TO ASSIST THE ROUSTABOUT CO., FRACKVILLE, PA.

GAO feels the ARA acted imprudently in approving financial assistance involving loans in the total amount of $342,000 to the Roustabout Co., Frackville, Pa. The approval of the loans may result in a potential loss to the Government of about $230,000. It is to be noted that the Roustabout Co. submitted applications to the ARA requesting that loans be made to assist in financing a plant for the production of a three-wheel light delivery vehicle. The SBA, pursuant to its delegation of authority from the Secretary of Commerce, reviewed the overall feasibility of the project in light of the criteria established for the evaluation of loans to potential borrowers applying for assistance under the ARA program. On the basis of its analyses, the SBA recommended that the ARA decline to make loans to the Roustabout Co. because there was no basis for a determination, as required by the statute that repayment of the loan was reasonably assured.

GAO noted that one of the SBA functions under this program is to make recommendations to the ARA on the basis of its expert knowledge and skills and a detailed review of the economic feasibility of proposed projects, and urged that in the absence of any information clearly negating same, SBA's recommendation should be followed.

On March 28, 1963, the loans were closed and Federal funds totaling about $500,000 were disbursed. The borrower (Cowlitz) in June 1963 ceased production which had started in January of 1963 and in November 1963, filed a voluntary petition in bankruptcy. The reason for the borrower's failure was its inability to market its product, precisely one of the four factors which SBA, after making its review, had pointed out to ARA as one of the most serious defects of the proposed project. ARA's decision to disregard the data may, on the basis of SBA estimates dated June 25, 1964, result in a loss to the Government of $230,000.

Action taken: ARA, in reply dated December 21, 1964, takes position that "reasonable assurance" of repayment does not mean "absolute assurance" of repayment, and that the word "reasonable" ought to be measured in terms of the principal program objective as given by the Congress.

The ARA advised GAO that, although the undertaking necessarily possessed speculative qualities, it felt compelled to give strong consideration to the business acumen and the managerial capabilities of the principals and their heavy financial commitments to the success of the project. GAO was advised that ARA decision was based on an administrative judgment which balanced the adverse credit considerations with other considerations.

ARA agrees with the GAO position that "the necessary antecedent to a prudent judgment is a comprehensive and meaningful evaluation of the available facts and information on which such a judgment should be predicated." It is respectfully submitted that this position adequately describes ARA's actions prior to approval of the Roustabout loans.

GAO REPORT OF DECEMBER 18, 1964

INADEQUATE ANALYSIS OF EMPLOYMENT OPPORTUNITIES TO BE PROVIDED BY A FEDERALLY ASSISTED PROJECT

This report has to do with a GAO review of the circumstances under which a $53,000 industrial loan to Plant Food Center, Inc., Post Falls, Idaho, was approved by the ARA, and the effect of the federally assisted project on unemployment problems in Kootenai County, Idaho. GAO has shown that the borrower's estimate of new employment opportunities was grossly overstated. From all appearances this loan will produce at a maximum 6 full-time employment opportunities compared with the 23 jobs shown in the estimate of expected employment submitted by the borrower and accepted by the agency. GAO feels that from all appearances the reviews of the ARA and the delegate agency, Small Business Administration placed almost complete reliance upon the borrower's representations as to the number of jobs to be created by area redevelopment projects.

ARA's reply stated that it had relied upon the delegate agency SBA's report rather than the borrower's statements, and that the SBA report did not disclose the basis for the employment estimate contained therein.

Action taken: ARA agreed with GAO's conclusion that thorough evaluations of expected employment opportunities should be made, and advised that it would so instruct its employees and request that the SBA Administrator do likewise.

ARA on September 18, 1964, implemented the policy by issuing Administrator's Order No. 14 on procedures for estimating employment expected to result from financial assistance projects. The order provides detailed instructions to ARA personnel on the evaluation, substantiation, periodic review, and adjustment of estimates of employment expected to result from the projects.

GAO conceded that these corrective measures should result in more reliable appraisals of the probable number of employment opportunities to be generated by the projects in the various redevelopment areas.

GAO REPORT OF DECEMBER 30, 1964

INEFFECTIVE ACTION TAKEN IN APPROVING AND ADMINISTERING A LOAN TO VINELAND AND SOUTH JERSEY COOPERATIVE EGG AUCTION AND POULTRY ASSOCIATION, INC.

The Administrator of ARA, under section 6 of the Area Redevelopment Act, makes loans to aid in financing industrial or commercial projects located in designated redevelopment areas which can reasonably be calculated to provide permanent employment. ARA procedures specify that financial assistance will be authorized only after assurances are received regarding the expected increase in permanent new employment. ARA felt that a statement by a potential borrower in writing specifically reporting the anticipated permanent new employment was satisfactory assurance as to the expected employment effect of ARA projects.

GAO advised that their review disclosed that the ARA took certain ineffective action in approving and administering a loan of $42,250 under section 6 of the Area Redevelopment Act to the Vineland and South Jersey Cooperative Egg Auction & Poultry Association, Inc., in Vineland, N.J. GAO felt that in processing a loan for approval neither the ARA nor the delegate agency, Small Business Administration adequately examined into the number of employment opportunities which could reasonably be expected to result from the project. The loan was approved in May 1962 on the basis that existing employment would be maintained and 27 new jobs would be created. As of March 1964, there had been, instead, a reduction of 8 jobs since loan approval.

GAO alleged that SBA disbursement of ARA loan funds contrary to the conditions stipulated in the ARA approved loan authorization was improper and resulted in the excessive disbursement of Federal funds totaling about $18,000 to the above-mentioned organization. GAO's review of the borrower's records show that the conditions of the loan authorization had not been met at the time the full amount was disbursed, project costs having amounted to only $43,493 rather than $65,000.

Section 6 of the Area Redevelopment Act authorizes the Secretary of Commerce acting through the ARA Administrator to make commercial or industrial loans to borrowers provided that such assistance shall not exceed 65 percent of the aggregate cost of the project.

GAO found that funds available to the borrower from private sources, which would have permitted the reduction of the amount of Federal financial assistance to the project, were not utilized to the maximum extent possible. Consequently ARA authorized the loan which was $9,750 in excess of the amount of Federal assistance which would have otherwise have been necessary. It is to be noted that the Area Redevelopment Act provides that financial assistance under the act shall not be extended if assistance is otherwise available from private lenders on reasonable terms.

Action taken: ARA by letter of April 25, 1965, stated that SBA had acknowledged that the funds in question were in fact disbursed contrary to the ARA authorization. However, SBA had reported that inasmuch as the funds were being used for the general purposes intended, the borrower was permitted to retain them.

As recommended by GAO, ARA asked the Small Business Administration to evaluate employment opportunities as part of future investigations, and ARA issued a policy concerning the maximum participation of private lenders in the ARA program.

GAO REPORT OF JANUARY 12, 1965

INADEQUATE EVALUATION OF EMPLOYMENT OPPORTUNITIES TO BE CREATED BY TWO INDUSTRIAL AREA REDEVELOPMENT PROJECTS

GAO found that the Administrator of ARA had approved Federal loans for two industrial projects without having adequately evaluated the permanent new employment opportunities to be created by each project. One of these projects was a plastics manufacturing plant which requested Federal financial assistance in June 1962. The other industrial project was a seafood processing plant where a request was made for Federal financial assistance in August 1961. Both the ARA and the Small Business Administration, which is responsible for carrying out certain functions and duties in the area redevelopment program, had placed almost complete reliance upon the applicant's representations as to the number of new jobs to be created by the projects. GAO felt proper analysis of the available information regarding the plastics plant would have shown that only 165 new employment opportunities could reasonably have been expected rather than the 450 anticipated by the loan applicant. They also felt that only 126 new employment opportunities could have been expected in the seafood processing plant loan rather than the 350 jobs the applicant had initially estimated.

ARA procedures specify that financial assistance be authorized only after assurances are received that permanent new employment opportunities would be created. With respect to loans for industrial or commercial facilities, ARA considered that statements by the potential borrowers, in writing, specifically reporting the anticipated new permanent employment opportunities were satisfactory assurance as to the expected employment effect of Area Redevelopment projects. ARA required also that applicants for loans furnish projections of annual income and expense for their projects.

Action taken: ARA agreed with GAO's conclusion that ARA's and SBA's reviews of employment potential should not place almost complete reliance upon the applicant's representations as to the number of jobs to be created by the project.

By way of implementation, ARA on September 18, 1964, issued Administrator's Order No. 14 which related to procedures for estimating employment expected to result from ARA financially assisted projects. The order provides detailed instructions to ARA personnel on the evaluation, substantiation, periodic review, and adjustment of estimates of employment.

The Area Redevelopment Administrator also agreed with GAO's further proposal and, on October 26, 1964, requested SBA to make the evaluation of the number of new job opportunities which could reasonably be expected to be generated by proposed projects a formal requirement of all financial investigations undertaken for ARA by the delegate agency. SBA agreed to do so.

GAO REPORT OF JANUARY 25, 1965

DEFICIENT FINANCIAL ANALYSIS WHICH RESULTED IN APPROVAL OF UNNEEDED GRANT

This report deals with a GAO review of circumstances under which the ARA authorized a grant of $118,000 to the pueblo of Laguna, Laguna, N. Mex., for the purpose of financing the cost of public facilities to serve an industrial plant, despite the availability of financial information which showed that the project could have been undertaken without Federal grant assistance.

In December 1962, the pueblo of Laguna, an Indian tribe, submitted to ARA a proposal requesting financial assistance for the purpose of construction an access road and water, sewer and gas facilities to serve a new industrial plant which the pueblo planned to build for lease to an electronic parts manufacturer, and a public housing project. In the project proposal submitted to ARA for grant assistance the pueblo stated that it was unable to finance construction of the public facilities themselves. However, it was noted that prior to requesting ARA financial assistance the grantee had obligated a total of $940,000 of tribal funds pursuant to agreements between itself and the electronic parts manufacturer. It was also noted that a Community Facilities Administration—delegate agency—employee during his attendance at a tribal council meeting learned that the grantee was "one of the wealthiest Indian tribes in the country" due to the income received from the lease of that portion of the reservation upon which uranium had been discovered and was being mined. GAO pointed out that the grantee's cash balance at the end of 1962 was $1,213,652 and that the market value of the grantee's investment in stocks and bonds at the end of 1962 was $9,867,685.

In August 1963, CFA recommended to ARA that inasmuch as the above assets had not been reported previously, the grant contract be rescinded and a loan of $118,000 be offered. ARA declined to accept CFA's recommendation and directed CFA to proceed with the approved project.

Action taken: ARA by letter agreed with the GAO position that financial statements from applicants for grants should be analyzed to determine the amount and sources of income, the purpose of disbursements, and the composition of net worth. Agency added that ARA employees had been informed of the importance of such analysis in considering grant applications.

ARA also asked the Commissioner, Community Facilities Administration, to bring the matter to attention of employees involved in processing ARA applications for financial assistance.

GAO REPORT OF MARCH 9, 1965

NEED FOR BASIC IMPROVEMENT OF (ARA) ACCOUNTING SYSTEM TO ENABLE THE DEVELOPMENT OF ADEQUATE FINANCIAL INFORMATION

GAO report of March 9, 1965, found that basic improvement in the ARA system was needed to enable the agency to provide reliable and meaningful financial information for use by Administration in controlling and appraising ARA program's performance.

In light of Accounting and Auditing Act of 1950, ARA accounting system did not provide for development of costs by activities and functions. Also, delegate agencies were not required to report their administrative expenses to Administration by specific program activities performed on ARA's behalf nor did all these agencies report such expenses on an accrual basis.

The deficiencies discovered by GAO were "of such significance as to preclude approval of the accounting system. Accordingly, we curtailed our review pending thorough review of the system by responsible officials."

Action taken: Administrator advised GAO that ARA would begin immediately to design an accounting system that would have the flexibility to account for program activities and subdivisions thereof, and would thereafter ask delegate agencies to provide program cost data in like manner.

GAO REPORT OF MARCH 31, 1964

UNNECESSARY GRANT APPROVED TO ASSIST IN FINANCING DEVELOPMENT OF THE KEYSTONE INDUSTRIAL PARK OF THE SCRANTON LACKAWANNA INDUSTRIAL BUILDING CO.

The General Accounting Office report alleges that the Area Redevelopment Administration erroneously made a grant of $322,000 to SLIBCO—Scranton Lackawanna Industrial Building Co.—a private developmental, nonprofit corporation owned entirely by the Scranton, Pa., Chamber of Commerce. Purpose was to aid in construction of an industrial park.

The General Accounting Office found that, in determining whether a loan, rather than a grant should be made, the delegate agency of the Area Redevelopment Administration, Community Facilities Administration, failed to consider certain significant financial resources available to the grantee, which it derived from operations. In contrast, the grantee's total financial resources were given significant weight by the Area Redevelopment Administration and the

Small Business Administration in determining the grantee's loan repayment ability in connection with its separate request for a loan, under section 6 of the act, to assist in financing the construction of a plant building.

It was contended by the General Accounting Office that under the Area Redevelopment Administration's own "Financial Assistance Guidelines" of May 1962, the grant part of the above undertaking should have been turned down in view of the act's requirement that in all cases "a loan be made for the maximum amount that can reasonably be repaid in preference to a grant."

Action taken: In reply letter dated April 22, 1965, the Area Redevelopment Administration stated that it will record the Comptroller General's recommendation so that it will be available for consideration later, should an extending program of grant assistance be recommended by Congress on terms comparable to the present law. Meanwhile, no appropriated funds or authorization remained for extending grant assistance under the Area Redevelopment Act.

GAO REPORT DATED APRIL 1965

POSSIBLE NEED FOR CLARIFICATION OF STATUTORY PROVISION LIMITING THE AMOUNT OF FEDERAL FINANCIAL ASSISTANCE TO INDUSTRIAL OR COMMERCIAL PROJECTS

In GAO's review of activity of the ARA under section 6 of the Area Redevelopment Act they found that for projects involving the expansion or improvement of industrial or commercial facilities owned by an applicant, the Administration has interpreted the statutory provision which limits Federal financing to 65 percent of aggregate project costs to permit, under certain circumstances, the inclusion in project costs of all or part of the value of the applicant's existing land and facilities. As a result of this interpretation of law, the Administration has in a number of cases approved Federal financing of more than 65 percent and in some cases 100 percent of the new capital expenditures required for industrial or commercial area redevelopment projects.

GAO feels that although the language of the statute and its legislative history are not clear in this respect, they believe that the legislative intent may have been to limit Federal financing to 65 percent of the new capital expenditures required for a project and to require the remaining 35 percent of the funds needed for new capital expenditures be secured from non-Federal sources.

Proposed legislation—H.R. 6991—section 6(b)(9), of the Area Redevelopment Act would provide that loan assistance not exceed 65 percent of the aggregate cost to the applicant of acquiring or developing land and facilities and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of a particular project.

GAO is recommending that Congress in considering the specific section in question in H.R. 6991 clarify the intended application of the limitation on Federal financial assistance to industrial or commerical projects involving the expansion of existing facilities.

GAO feels that since the objective of the act is to assist in providing new employment opportunities, the Congress may have intended that aggregate project costs include only the cost of those items which reasonably must be acquired, constructed, or developed and the value of that property which reasonably must be newly committed to provide the additional employment opportunities contemplated. If this was the intent, the value of previously acquired assets owned by an applicant, which are not to be dedicated to a new use in connection with the project but rather are to be continued in their previous use, should not be included in an aggregate project cost. The applicant's investment in such existing assets and the contribution of such assets to employment in the area would in all probability remain the same irrespective of whether the project was undertaken.

Action taken: ARA advised GAO that it has no objection to the possible need for such clarification being brought to the attention of Congress.

GAO REPORT DATED APRIL 30, 1965

FEDERAL PARTICIPATION IN UNNECESSARY PROJECT COSTS RESULTING FROM FAILURE TO PROPERLY RECOGNIZE EFFECT OF INTERCORPORATE OWNERSHIP

The ARA approved and disbursed a loan of $355,000 to Far West Fisheries, Inc., Anacortes, Washington, to assist in financing the purchase and improvement of an existing salmon cannery, although $500,000 of the $700,000 total project cost was to be paid by the borrower to its parent corporation for the plant which was owned and being operated by the parent corporation. GAO advised that ARA and the delegate agency, Small Business Administration, were aware that an intercorporate relationship might exist which would negate the justification for Federal assistance in financing the total project as proposed. It is also to be noted that neither agency made a sufficient review subsequent to the incorporation of the borrower to disclose the true relationship between the two corporations.

The ARA stated that the contemplated purchase of the plant by the borrower was bona fide at the time the loan was approved and that it was not aware of the control of the borrower by the parent company until after about $335,000 of the $355,000 Federal loan had been disbursed.

GAO feels that it is evident that the review efforts by the ARA and the SBA were largely ineffective, especially in view of the ARA's stated concern as to the relationship between the borrower and the parent company and the fact that the borrower was not yet incorporated at the time the loan was authorized.

GAO recommends that whenever a loan is authorized prior to the incorporation of the prospective borrower, the ownership interest and/or corporate composition of the prospective borrower be specifically reviewed at the time of loan closing and a positive finding be made that the relationship of the borrower to any party having an interest in the project is not such as would adversely affect the justification for the requested financial assistance. GAO also recommends a provision making the preceding finding by the SBA a condition precedent to disbursement of loan funds.

Action taken: ARA and the delegate agency, SBA, each agreed with GAO's finding and with GAO's proposal that the case be brought to the attention of individuals responsible for actions taken thereon.

In addition, SBA admonished the staff members responsible for the handling of the case, and has issued remedial instructions intended to prevent any recurrence of such a situation. Loan specialists will be held responsible in future for identifying any intercompany relationship encountered while processing ARA loan applications, and for investigating any indications of change in interests of individuals or of the applicants' corporate structure subsequent to approval of an ARA loan.

GAO REPORT OF MAY 3, 1965

GAO REPORT ENTITLED OVERSTATEMENT OF JOB OPPORTUNITIES ESTIMATED TO BE CREATED IN ECONOMICALLY DEPRESSED AREAS

GAO review of section 6 projects of the ARA was predicated upon information which the ARA presented in hearings before a subcommittee of the Committee on Appropriations, House of Representatives. The ARA reported that as of February 1964, 285 loans had been approved which it was estimated would create 34,168 jobs after 1 year of operation.

GAO's review of 80 projects which had received financial assistance under section 6 of the act and where the facilities provided by such assistance had been in operation for 1 year as of September 1964 disclosed that these projects had actually created 4,912 jobs, whereas the ARA reported that 9,539 jobs would be created within that time. The Agency's estimate of jobs exceeded the actual number by approximately 94 percent. If what GAO found for the 80 projects were true for all of the 285 projects, it would appear that the ARA's estimate of 34,168 jobs to be created was overstated by approximately 16,600 jobs.

GAO attributed part of the overstatements by ARA to the Agency's having merely relied on the statements of estimated employment furnished by the borrowers, while making no use of available financial and other information for the purpose of evaluating the estimated employment effect.

The GAO report made no recommendations, "in view of the procedures initiated by the Area Redevelopment Administration and implementation of these procedures."

Action taken: Subsequent to initiation of GAO's review, ARA on September 18, 1964, issued new procedures for estimating employment expected to result from its financial assistance projects—Administrator's Order No. 14. The order provides detailed instructions to ARA personnel on the evaluation, substantiation, periodic review, and adjustment of estimates of employment expected to result from the projects.

In addition, pursuant to the GAO proposal, ARA requested SBA to make the evaluation of the number of employment opportunities which can be reasonably expected to be generated from proposed projects a formal requirement of all financial investigations undertaken for ARA. SBA advised GAO that it would carry out this responsibility as requested by ARA.

GAO expressed its belief that the revised procedures, if effectively implemented and administered, should result in a more reliable appraisal of the probable effect of proposed projects on job opportunities in redevelopment areas.

GAO REPORT OF MAY 6, 1965

LACK OF COMPLIANCE WITH STATUTORY REQUIREMENT FOR LOCAL FINANCIAL PARTICIPATION IN AREA REDEVELOPMENT PROJECTS

Section 6 of the Area Redevelopment Act requires that federally assisted industrial or commercial projects be partially financed by a State or local government or an area or a community organization. GAO's review disclosed a number of projects for which all or part of the required State or community financing was in fact supplied by the borrower or its principals. It is GAO's opinion that these financing arrangements, although consistent with the administration policy then in effect, were not consistent with the objectives meant to be served by the applicable statutory provision, and their approval by the administration was, therefore, improper.

The legislative history of the Area Redevelopment Act, both prior and subsequent to its enactment, shows that the requirement for State or community financial participation was intended to insure that each project assisted under section 6 of the act had the active support of the community in which it was located, as evidenced by the willingness of the State or local government or an area or a community organization to invest funds in the project in the amount of 10 percent of the aggregate project cost and to assume a risk position subordinate to that of the Federal Government.

In GAO's opinion, the mere channeling of funds of the borrower or of others having an interest in the project substantially identical to that of the borrower through a local development corporation and back into the borrower's project, without such corporation's undertaking a bona fide financial risk with respect to the project, does not constitute compliance with the terms of section 6 (b) (9) (B) of the act.

GAO feels that as a practical matter, the only effective means of achieving the purpose is to require that the 10-percent funds secured for each future section 6 project constitute a bona fide investment by State or local government or an area or community organization meeting the requirements of the aforementioned section of the act. GAO feels that the only effective means would be to prohibit prospective borrowers or others having a substantial identical interest from supplying funds to a local development corporation to enable it to participate in the borrower's project.

Action taken: By letter of April 20, 1965, ARA advised it had suspended its policy providing that a prospective borrower may contribute to an LDC—local development corporation; that this was an interim policy pending formal revision of its policy—see page 19 of report.

Note that H.R. 6991, section 202 decreases the 10 percent local contribution to 5 percent, and that even the latter may be waived by the Secretary when such funds not available to the project because of economic distress of the area.

GAO REPORT OF MAY 12, 1965

FEDERAL LOAN ASSISTANCE FOR PLANT ACQUISITION AND IMPROVEMENT RESULTED IN NO NEW EMPLOYMENT OPPORTUNITIES WITHIN REDEVELOPMENT AREA IN WHICH THE PLANT WAS LOCATED

ARA in 1962 committed $494,000 to assist the Josephine Plywood Corp., Portland, Oreg. to acquire and improve an industrial—plywood—facility at Happy Camp, Calif. The loan was approved and funds disbursed despite modification in the original proposal by the borrower which nullified the increase in jobs originally estimated as an incident to the proposal.

As result, Federal loan funds in the amount of $494,000 were made available to a borrower for the acquisition and improvement of a plant which created no additional employment in the redevelopment area in which the plant was located.

GAO proposed that the Area Redevelopment Administrator institute procedures under which any modification in a proposed project in connection with which Federal loan assistance is granted will be evaluated as to its effect upon increased employment opportunities. GAO proposed further that the Administrator issue a policy directive prohibiting disbursement of any Federal funds for the benefit of a project that entails the acquisition, modification, or construction of facilities or equipment of a nature which could affect the number of employment opportunities to be created, until firm plans and specifications for such facilities or equipment have been reviewed and approved by ARA.

Action taken: ARA agreed with GAO's first proposal—new procedures to safeguard against modifications in a proposed project which would limit the proposed increased job opportunities—but did not comment specifically on the second proposal—re policy directive blocking funds from ARA until borrower has submitted firm plans and specifications.

Mr. MINISH. Mr. Chairman, I should like to express my support of the Public Works and Economic Development Act of 1965 and urge its passage.

This act provides needed sources of financial aid for helping certain local areas in their efforts to attract and stimulate private industries.

This legislation will help to achieve the goals set forth in the President's state of the Union message:

> Our basic task is threefold: to keep our economy growing; to open for all Americans the opportunity that is now enjoyed by most Americans; and to improve the quality of life for all.

The programs provided by this act represent an investment in a better, stronger America. These are not programs for giveaways—these are programs for hope.

The area redevelopment and accelerated public works programs, the forerunners of this legislation now before us, demonstrated the value of a comprehensive plan to combat the basic causes of economic distress. I know from personal experience how valuable the Area Redevelopment Act program has been to Newark in its determined efforts to rebuild and revitalize the local economy. The substantial progress that has been made, under Newark's able officials, since the city's designation as a redevelopment area in August 1964, confirms the need for this type of aid. It was most unfortunate that Newark and six other major cities with chronically high unemployment were barred for so long from participating in the Area Redevelopment Act program because the larger labor market areas to which they were attached did not overall meet the arbitrary 6-percent unemployment rate. It took many long months to obtain a new measuring stick for unemployment in major cities and thereby entitle Newark and the other cities to these important benefits.

In connection with the question of eligibility, I am pleased that the legislation provides that applications should not be invalidated simply because an area's eligibility has been suddenly terminated. Communities put a great deal of time, effort, and planning into applications for projects and it would be wrong to waste this important work. This factor was stressed by me when the Newark area was originally removed from eligibility under the accelerated public works program in December 1962. At that time, the 19 communities in Essex County, as well as the county itself, had applied for, or were considering projects under the program amounting to $10 million and the sudden termination of eligibility caused real hardship. It is gratifying that the pending legislation contains safeguards against a recurrence of this regrettable situation.

I am also pleased that the committee has warned against the dangerous practice growing out of the spreading use of revenues derived from the sale of tax-free State and local bonds to improperly abet private profitmaking purposes. This practice allows a locality to utilize a Federal tax subsidy to build plants which then are generally rented at a cut-rate price under lease-purchase arrangements to business lured from other areas. I introduced legislation in the 88th Congress and again in this Congress to eliminate these abuses in the area of municipal industrial financing and end the pirating of plants from one area to another. It is imperative that action be taken against this practice which is contrary to the public interest.

Mr. Chairman, we have heard the Public Works and Economic Development Act described as a massive spending program. Our critics complain that a "massive" public spending effort is going on for public works—necessary as these are—and other community improvements. I submit, Mr. Chairman, that we are doing far from enough in this area.

Let us look specifically at sewage disposal, an important item in every local budget.

During the period 1960 to 1963 we have managed to raise our spending on sewerage facilities—Federal, State, and local—from $1.1 billion to $1.4 billion. This increase of some $300 million is admirable, but it becomes less so when we compare it to increases in other areas.

Actually our gross national product, which is the sum total of all our allocation decisions, increased by over $80 billion between 1960 and 1963. Personal consumption expenditures on automobiles alone increased by almost $4 billion during this period.

In this perspective, Mr. Chairman, could anyone say that we are engaged in a massive spending program for sewerage facilities in this country?

The accelerated public works program, and the area redevelopment program, were authorized to spend only $900 million and $75 million respectively for grants for needed public facilities. In contrast, spending on space exploration in 1963 alone ran to $2.5 billion.

Can these efforts, as needed and welcome as they are, be considered "massive" spending by any stretch of the imagination? Can we honestly say, with our GNP estimated at $630 billion, that we are in no position to spend more money on needed public facilities and other improvements in our local communities? This act can be a vital tool to Newark and cities in similar circumstances in providing low-cost land and long-term financing to augment local resources. Newark has a well-established economic base and is located in a very desirable area for expansion of industrial operations.

In Newark, operations of many industries have declined because of technological changes or market declines, while others have moved their operations to surrounding areas leaving behind a core of unemployed persons and low tax-producing properties. The continued high cost of supporting the unemployed and loss of taxable industrial enterprise has made it necessary for the city to increase taxes on industry, thus forcing more industry to move and compounding the problem.

The solution to this problem will be dependent on Newark's ability to expand private industry. This, in turn, will depend on Newark's ability to make land available at a reasonable cost.

The Newark Industrial Development Corp., formed last year, has obtained the only sizable tract of land that can be developed. A small injection of Federal funds, as provided under the proposed legislation, would make it possible to attract private investments many times larger, and could save many thousands of dollars now being spent over and over for unemployment and welfare payments.

This great Nation of ours is enjoying unprecedented prosperity, and American private enterprise is continuing to increase its annual capital expenditures while the gross national product increases steadily.

Yet, amidst this affluence, certain areas are suffering continued high unemployment.

It is evident that the cycle of depression for these areas is a vicious cycle which feeds upon itself. It is high time to come to their rescue and help them to break the pattern of economic distress.

Mr. Chairman, the bill before us meets pressing problems in an intelligent and purposeful manner. Its passage is in the highest interests of our country's economic growth and social welfare. I again urge approval of this vitally needed domestic economic aid legislation.

Mr. REUSS. Mr. Chairman, as a consistent advocate of area development and a supporter of S. 1648, the Public Works and Economic Development Act of 1965 reported out by the Committee on Public Works, I am gratified that the proposed act rules out Federal aid to localities using tax-exempt industrial financing to pirate plants.

The committee report notes "the dangers growing out of the spreading use of revenues derived from the sale of tax-free State and local bonds to improperly abet private profitmaking purposes." It points out that this practice, now authorized by 38 States, "allows a locality to utilize a Federal tax subsidy—on its own initiative and regardless of whether it is depressed or not—to build plants which then are generally rented at a cutrate price under lease-purchase arrangements to businesses lured from other areas."

While wholeheartedly agreeing with the need for more rapid industrial development of many States and localities, I have long believed that local government do-it-yourself diversion of Federal tax revenues for economic development often results in a gross abuse of tax-exemption privileges. Because few States have acceptable safeguards for the interests of other areas, tax-exempt industrial bonds have frequently been an instrument for plant pirating and the "export" of unemployment from one area of the country to another. For this reason, I introduced legislation in the last Congress and again in this session of the 89th Congress—H.R. 5586 and H.R. 5587—to curb tax-exempt financing of industrial and commercial facilities. These bills are now before the House Committee on Ways and Means.

The Committee on Public Works states in its report that misuse of the tax-free bond issuance privilege will not be possible under S. 1648, since the act denies any Federal aid for the purpose of plant pirating. The report goes on, however, to note that tax-free industrial financing would not have become a problem had the Senate concurred in House action to change the Internal Revenue Code in 1954. Because, unfortunately, the Senate failed to act in 1954, the Committee on Public Works now urges a further consideration of the industrial bond financing practice of the appropriate committees of the Congress.

Mr. BOLAND. Mr. Chairman, I rise in favor of S. 1648, the Public Works and Economic Development Act of 1965. I am one of the sponsors of this legislation in the House, my bill being H.R. 7093. This legislation would establish an agency for public works and economic development, within the Department of Commerce, to provide Federal financial assistance in areas and regions of substantial unemployment and underemployment to enable them to take effective steps in planning and financing economic development.

The general purpose of the bill is to provide a comprehensive program of Federal assistance to help provide more jobs and higher incomes for people who live in areas where jobs are scarce or incomes are low. The bill is based to a certain extent upon three previous acts, the Area Redevelopment Act, the Public Works Acceleration Act, and the Appalachian Regional Development Act.

Mr. Chairman, the committee report points out that the economic development aspect of the public works acceleration program is still sorely needed in order to help the chronically distressed areas acquire the environmental or development facilities needed to support their self-help efforts to develop more jobs. The bill before us retains many features of the Public Works Acceleration Act of 1962, but is more restrictive as to area eligibility than its predecessor, and it requires with respect to most projects a general relationship to overall economic development. I will support the Sisk amendment which eases the eligibility restrictions from areas of "substantial and persistent unemployment" to areas of "substantial unemployment."

Mr. Chairman, the accelerated public works program was of tremendous benefit to communities in my congressional district. I enclose herewith a list of the projects in my area approved under the APW program:

Hampden County: Firehouse, $18,000; fish facilities, $15,000; headquarters building, $20,000; access facilities, $5,000; Agawam, interceptor sewer, $151,000; sewer facilities, $154,000; Chicopee, electric system, $235,000; street improvements, $250,000; East Longmeadow, street construction, $46,000; Long Meadow, water facilities, $186,000; Palmer, water supply, $81,000; town hall, $126,000; Springfield, street repairs, $250,000; sidewalk construction, $211,000; sanitary sewer, $146,000; street facilities, $28,000; street improvements, $765,000; West Springfield, highway garage, $23,000; water facilities, $37,000.

Hampshire County: South Hadley, enlarge town offices, $46,000; municipal building, $89,000; water system, $88,000; service building, $24,000; street improvements, $47,000; Ware, sewage treatment plant, $313,000; total estimated man-months of work, 1,063.

Worcester County: Warren, sewage treatment plant, $241,000; sewer facilities, $198,000.

Mr. Chairman, this legislation offers a comprehensive program of grants and loans for public works and development facilities, loans and other assistance for commercial and industrial facilities, technical assistance, planning assistance for appropriate economic and geographic areas of all sizes, and encouragement for depressed areas to combine with their more prosperous neighbors for the benefit of all. I think that this is an excellent approach, and I urge my colleagues to support the bill.

Mrs. DWYER. Mr. Chairman, if the House will learn from experience, it will vote against the pending bill.

None of us can quarrel with the objective of the bill—that is, to help areas of high unemployment revivify their economies and find jobs for their people—but we have an obligation to compare the objectives with the actual performance. And, on this basis, I do not believe the bill deserves the support of the House.

Many of our colleagues will recall, Mr. Chairman, that the House defeated similar legislation to expand and enlarge the Area Redevelopment Act in 1963. We did so at that time on the strength of conclusive evidence that the act was not accomplishing what Congress had intended. With two additional years of experience under the ARA and its companion program, the Public Works Acceleration Act, I believe we are justified in concluding that we acted wisely in 1963 and should do so again.

The change of name does not change the character of the programs contained in this legislation. Combining two programs in one is no kind of bargain. While it may double the few virtues involved, it also doubles the many more vices. And it does so at a price—$3.325 billion—which, if we were not becoming so accustomed these days to multi-billion-dollar programs, would lead us to gag at the high cost of failure.

I cannot subscribe to the rationalization, Mr. Chairman, that because the area redevelopment and accelerated public works programs may have done some good, we should close our eyes to the waste, favoritism, and injustice these programs have brought. Because there are better ways of fighting poverty. There are more effective methods of bringing hope and opportunity to those who have been deprived. There are shorter, straighter roads to increased employment and more general prosperity.

I speak as one who is willing to spend the money authorized by this bill, and much more, in pursuit of justice and opportunity for those who have lived in poverty. But I cannot believe we advance the war against poverty by throwing our money away, by perpetuating the inefficiencies and inequities which have so discouragingly characterized the programs we are asked to expand.

There are many reasons for opposing this bill, and the minority report states them very convincingly. Having followed these programs, especially the area redevelopment program, very closely over the past several years, however, my own opposition is founded on this basic consideration:

That the programs have hurt my State and my congressional district, weakened our economy, and deprived some of our people of their employment by encouraging industry to leave and by providing unfair advantages to other areas and to competing companies.

Under the ARA program, for instance, one of my district's major employers abandoned his plant and his workers, moved to a redevelopment area in another State, and received substantial Federal assistance in the training of new workers.

Again under the ARA program, one of the country's leading shoe manufacturers—noted for its antiunion, anti-Negro, and low-wage employment policies—built a big new plant in a rural midwestern community solely on the strength of the huge Federal subsidy it received, and this at a time of heavy unemployment in the shoe industry, of much unused plant capacity, and of substantial overproduction.

Even today, ARA is still at it. It is actively considering—and has given many opponents the impression it wants to approve—a $2.6 million loan to one of the largest broiler producers in the poultry industry, despite the fact that the industry is greatly overproducing, that the new facility will add substantially to industry capacity, that the industry in general is strongly opposed, that the Agriculture Department has been trying to restrict broiler production, and, finally, despite the fact that the proposed facility would be located in an area no longer among those which qualify for ARA assistance due to substantial unemployment.

This, Mr. Chairman, is altogether too typical of the kind of operation ARA has engaged in. The record is depressingly long—and documented by Congress' own investigative arm, the General Accounting Office—that ARA has frequently created more unemployment than new employment, that it has grossly inflated its reports of new jobs, that it has violated its own regulations and ignored the standards and qualifications prescribed by Congress, that it has openly and admittedly based its decisions on political considerations, that it has put a major share of resources into areas which are not truly depressed and projects—like motels, hotels, resorts—which have only limited employment potential, that it has provided financing at taxpayers' expense for some of the most affluent private enterprises in America, and that it has subsidized unfair and harmful competition.

I suggest, Mr. Chairman, that this record warrants the ending of the program, rather than its extension.

Mr. BLATNIK. Mr. Chairman, we have no further requests for time.

Mr. CRAMER. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, under the rule the bill and the committee substitute will be read by title instead of by section.

The Clerk will read the committee substitute reported as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Works and Economic Development Act of 1965".

STATEMENT OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interest of the United States, but that some of our regions, counties, and communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families, and waste invaluable human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development; that Federal financial assistance, including grants for public works and development facilities to communities, industries, enterprises, and individuals in areas needing development should enable such areas to help themselves lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local conditions, provided that such assistance is preceded by and consistent with sound, long-range economic planning; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

TITLE I—GRANTS FOR PUBLIC WORKS AND DEVELOPMENT FACILITIES

SEC. 101. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary of Commerce (hereinafter referred to as the Secretary) is authorized—

(1) to make direct grants for the acquisition or development of land and improvements for public works, public service, or development facility usage, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment, within a redevelopment area, if he finds that—

(A) the project for which financial assistance is sought will directly or indirectly (i) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities, (ii) otherwise assist in the creation of additional long-term employment opportunities for such area, or (iii) primarily benefit the long-term unemployed and members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964:

(B) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located; and

(C) the area for which a project is to be undertaken has an approved overall economic development program as provided in section 202(b)(10) and such project is consistent with such program;

(2) to make supplementary grants in order to enable the States and other entities within redevelopment areas to take maximum advantage of designated Federal grant-in-aid programs (as hereinafter defined), direct grants-in-aid authorized under this section, and Federal grant-in-aid programs authorized by the Watershed Protection and Flood Prevention Act (68 Stat. 666, as amended), and the eleven watersheds authorized by the Flood Control Act of December 22, 1944, as amended and supplemented (58 Stat. 887), for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share.

(b) Subject to subsection (c) hereof, the amount of any direct grant under this section for any project shall not exceed 50 per centum of the cost of such project.

(c) The amount of any supplementary grant under this section for any project shall not exceed the applicable percentage established by regulations promulgated by the Secretary, but in no event shall the non-

Federal share of the aggregate cost of any such project (including assumptions of debt) be less than 20 per centum of such cost. Supplementary grants shall be made by the Secretary, in accordance with such regulations as he shall prescribe, by increasing the amounts of direct grants authorized under this section or by the payment of funds appropriated under this Act to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of the applicable Federal programs. Notwithstanding any requirement as to the amount or sources of non-Federal funds that may otherwise be applicable to the Federal program involved, funds provided under this subsection shall be used for the sole purpose of increasing the Federal contribution to specific projects in redevelopment areas under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. The term "designated Federal grant-in-aid programs," as used in this subsection, means such existing or future Federal grant-in-aid programs assisting in the construction or equipping of facilities as the Secretary may, in furtherance of the purposes of this Act, designate as eligible for allocation of funds under this section. In determining the amount of any supplementary grant available to any project under this section, the Secretary shall take into consideration the relative needs of the area, the nature of the project to be assisted, and the amount of such fair user charges or other revenues as the project may reasonably be expected to generate in excess of those which would amortize the local share of initial costs and provide for its successful operation and maintenance (including depreciation).

(d) The Secretary shall prescribe rules, regulations, and procedures to carry out this section which will assure that adequate consideration is given to the relative needs of eligible areas. In prescribing such rules, regulations, and procedures the Secretary shall consider among other relevant factors (1) the severity of the rates of unemployment in the eligible areas and the duration of such unemployment and (2) the income levels of families and the extent of underemployment in eligible areas.

(e) Except for projects specifically authorized by Congress, no financial assistance shall be extended under this section with respect to any public service or development facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State or Federal regulatory body, unless the State or Federal regulatory body determines that in the area to be served by the facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake.

(f) The Secretary shall prescribe regulations which will assure that appropriate local governmental authorities have been given a reasonable opportunity to review and comment upon proposed projects under this section.

Sec. 102. Not more than 15 per centum of the appropriations made pursuant to this title may be expended in any one State.

Sec. 103. No part of any appropriations made pursuant to this title may be expended for any project in any area which is within the "Appalachian region" (as that term is defined in section 403 of the Appalachian Regional Development Act of 1965) which is approved for assistance under the Appalachian Regional Development Act of 1965.

Sec. 104. There is hereby authorized to be appropriated to carry out this title not to exceed $400,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1970.

Mr. BLATNIK (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that title I be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. CRAMER. Mr. Chairman, reserving the right to object, does the gentleman include section 2 as well as title I?

Mr. BLATNIK. Yes, section 2 as well as title I.

Mr. CRAMER. And it will be the gentleman's intention to move that the Committee rise immediately?

Mr. BLATNIK. That is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Landrum, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1648) to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND REMARKS

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks in the Record on the bill S. 1648.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks made in debate on the bill S. 1648 and include certain tables and revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NATIONAL AMERICAN LEGION BASEBALL WEEK

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S.J. Res. 100).

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the joint resolution, as follows:

S.J. Res. 100

Whereas a nationwide organization of American Legion junior baseball was first proposed as a program of service to the youth of America at the annual department convention of the American Legion held in Milbank, South Dakota, in 1925; and

Whereas, since the organization of this program, which has been established throughout the United States, there have been more than fifteen million youths of eighteen years of age and under who have participated in the program; and

Whereas the American Legion junior baseball program performs a vital service to our youth by offering them outstanding opportunities to acquire physical fitness, to develop personal responsibility and good citizenship, to learn the value of teamwork and mutual cooperation, as well as to acquire individual proficiency and an opportunity to advance to a professional career in the sport of baseball; and

Whereas the annual American Legion World Series for 1965 will be held at Aberdeen, South Dakota, during the period from August 31 through September 6: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in honor of the fortieth anniversary of the founding of the American Legion baseball program, the President is authorized and requested to issue a proclamation designating the period from August 31 through September 6 in 1965, as "National American Legion Baseball Week", and inviting the Governors of the several States to issue similar proclamations.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REIFEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. REIFEL. Mr. Speaker, I should like to extend my warmest thanks to my good friend the gentleman from Colorado [Mr. Rogers], chairman of the subcommittee of the Committee on the Judiciary which is concerned with this legislation; the ranking Republican member of the Judiciary Committee [Mr. McCulloch] and the leadership on both sides of the aisle for their willing cooperation in expediting consideration of this resolution, Senate Joint Resolution 100.

Purpose of this measure is to authorize and request the President of the United States to issue a proclamation designating the period from August 31 through September 6, 1965, as "National American Legion Baseball Week."

I am certain the President, as a devotee of our great national pastime, will take prompt action to issue such a proclamation in recognition of one of this country's greatest youth programs—a program born, I am proud to say, at Milbank, S. Dak., in my congressional district on July 17, 1925.

This proclamation will mark the 40th year that American Legion baseball has flourished across America.

It is especially appropriate that the national finals of Legion baseball will take place this year in South Dakota where the program was born. Known as the Little World's Series, this tournament will be played at Aberdeen, S. Dak., on

August 31 through September 6, coinciding with the week specified in this resolution.

Sponsor of the event is my hometown American Legion post, the Sidney L. Smith Post No. 24. General chairman of a hard-working committee which has spent months in planning this event is E. W. Ridgway, of Aberdeen.

The distinguished Governor of South Dakota, the Honorable Nils Boe, already has issued a similar proclamation in response to a request from our State legislature.

I should like to complement my distinguished Senate colleague, the Honorable KARL E. MUNDT, for his perseverance in coaching this resolution down the legislative basepaths of the other body—not once but twice. Members will recall that his initial resolution was thrown a curve when it became the vehicle for reapportionment legislation proposed by the distinguished Senate minority leader, the Honorable EVERETT DIRKSEN, of Illinois.

After the reapportionment amendment struck out, Senator MUNDT reintroduced his baseball resolution which was approved by the Senate yesterday and is now before the House. It is similar to my own House Joint Resolution 589.

In closing, Mr. Speaker, I include at the end of my remarks a brief history of the American Legion baseball program:

BRIEF HISTORY OF AMERICAN LEGION BASEBALL

"In this city on July 17, 1925, by action of the South Dakota Department of the American Legion, the nationwide organization of Legion junior baseball was first proposed as a program of service to the youth of America."

Those words are inscribed on a granite monument in the community of Milbank, S. Dak., as a dedication to the initiation of this fine Americanism program. The program's years of existence can be explained best by a portion of that dedication: "A program of service to the youth of America."

American Legion baseball became a national program by convention action in 1925, and the first national tournament was held in 1926. Only 15 States were represented in this first year of national operation. In 1927, national competition was prevented because of insufficient funds due to the national convention being held in Paris; however, State competition was strong. In 1928, Mr. Dan Sowers, the director of the National Americanism Commission, appeared before the executive council of baseball in Chicago, which agreed to underwrite the national program up to $50,000. With the exception of 2 years, the major leagues have continually supported American Legion baseball. They presently underwrite the national program up to $60,000.

During the 1929 season every State placed teams into competition. The National Broadcasting Co. originated their nationwide broadcast of the finals.

Year 1931 marked the first appearance in championship play of a player who was later to become a big-league great. Kirby Higbe, who hurled the complete game for Columbia, S.C., lost the final game in the 14th inning, 1 to 0. Ten years later he was the National League's top pitcher. Higbe was followed by Phil Cavaretta of Chicago, "Crash" Davis and "Buddy" Lewis of Gastonia, Howie Pollet of New Orleans, Jim Hegan of East Lynn, Herman Wehmeier of Cincinnati and J. W. Porter of Oakland. Each of these players was a member of a national championship team with the exception of Pollet.

In 1938, the finals were broadcast over more than 3,000 radio stations, bringing the series to every section of the country. Major league umpires were used for the first time that year.

Years 1940 and 1941 marked the years that American Legion Baseball became an established national institution for American youth. During the war years the program was restricted, but continued its service to our Nation's youngsters. The postwar years saw the continued growth of the program and the Nation's realization of the importance of this type activity to boys of all age groups.

In 1949, the selection of an "American Legion Player of the Year" was originated. This was arranged through the cooperation of Mr. Robert Quinn, director of the National Baseball Hall of Fame and Museum at Cooperstown, N.Y.

Year 1950 marked the first year any player ever won the Hillerich and Bradsby batting championship trophy 2 consecutive years. J. W. Porter, Oakland catcher, accomplished this with a .551 average in 1949, and a .448 average in 1950.

The history of American Legion baseball has proven that American boys receive on the baseball diamond a more thorough understanding of the true value and meaning of 100-percent Americanism.

AMERICAN YOUTH DESERVE THE RIGHT TO VOTE—VOTING AGE SHOULD BE REDUCED TO 18

Mr. WELTNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WELTNER. Mr. Speaker, America is a young nation. Soon, over one-half of our population will be less than 25 years old. Today, 8 million young men and women are between the ages of 18 and 20.

These young Americans represent the United States across the globe as Peace Corps volunteers. They labor in slums, hospitals, and schools in the struggle against poverty. They represent the Nation before the world in Olympic competition and international conferences. They man the lines of defense around the world. And, most important of all, they are fighting—and dying—in southeast Asia.

These young people, ages 18 to 20, have proven themselves worthy of the awesome tasks we place upon them. They are a generation of dedication and liability.

They can do many things, Mr. Speaker, but there is one area where they are excluded. For except in Georgia and three other States, they cannot vote.

They can fight and die—but they cannot vote.

They can represent this great Nation in some remote outpost of civilization—but they cannot vote.

They can sacrifice their time and energy in ministering to others—but they cannot vote.

A Congress so firmly dedicated to the principle of voting rights should move now to extend the franchise to these young Americans.

I have today introduced a resolution to amend the Constitution to this end. It is a plain and simple proposition:

> No citizen of the United States who is 18 years of age or older shall be denied the right to vote by reason of age.

We have placed upon these Americans the duties of citizenship. Let us now extend to them the most basic right of citizenship.

PROPOSAL TO AMEND ACREAGE POUNDAGE QUOTAS FOR TOBACCO TO PERMIT FARMERS MORE OPTION ON TOBACCO PLANTINGS

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, I am introducing today a bill to amend the Agricultural Adjustment Act, providing for acreage-poundage marketing quotas for tobacco, to permit farmers more option in spacing of their tobacco plantings.

Under the Acreage-Poundage Control Act as passed by Congress this year, in addition to acreage allotments, farmers are given poundage allotments. I would like to point out that my bill permitting farmers more spacing, provided they do not exceed their poundage allotments, will make possible the quality improvement of tobacco demanded by the market, and will lead to more efficient production methods.

While visiting all of the Flue-cured tobacco markets in Florida this past week 9 out of 10 producers who talked with me suggested the type of bill which I am introducing.

CHARLESTON (W. VA.) GAZETTE EDITORIAL

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, because I believe that my colleagues will be interested in a broadened degree of editorial comment, under unanimous consent I include the following editorial from the Charleston, W. Va., Gazette, dated August 5, 1965:

INCREDIBLE U.S. SUCCESS ONLY MEASURE OF JOHNSON

In any assessment of President Johnson, the historian of the future—if the world survives so that histories may be written—is not apt to spend much time pondering the significance of the Johnson style, the Johnson penchant for profanity in private, and the peculiar Johnson pronunication of "Amurican."

Rather will historians dwell upon the Johnson record in national and international affairs. And if the Johnson performance to date has been considerably short of brilliant in the field of foreign policy, the word "brilliant" hardly describes Johnson's incredible performance in the field of internal legislation dealing with what he chooses to call construction of the Great Society.

By the time this Congress will have adjourned, social and economic measures, revolutionary in concept and in impact, will have been enacted. Never before in the Nation's history has so much sweeping legislation become law in so short a span of time. Indeed, President Johnson, during his first elected year in office, has done more than most Presidents accomplish in one or often two terms.

The list is almost unbelievable:

For the first time a meaningful Federal aid to education bill ($1.3 billion) is on the Nation's statute books.

A $1.1 billion bill to assist Appalachia, a section of the Nation which has traditionally been depressed, has been adopted.

A long promised but never fulfilled repeal of excise taxes amounting to $4.7 billion savings for businesses and consumers went gliding through Congress.

A medicare bill providing hospitalization and nursing care under the social security system for 19 million aged Americans has been assured.

A voting rights bill to wipe out systematic disenfranchisement of the Negro will be in effect.

The new cabinet post and department for housing and urban development will be established and functioning.

Finally, the ancient imbalance in our immigration laws will have been corrected, reaffirming to the world the fact that the United States does want the former's poor and tired and downtrodden.

And the above list is only a partial recitement of Johnson's legislative successes.

It might be worthwhile to mention, as Newsweek did, in a recent cover story on President Johnson, that Johnson is not the first President to have been described as a boor and a ruffian. The Philadelphia Evening Bulletin once wrote: "* * * His coarse language, his illiterate style, and his vulgar and vituperative personalities in debate, contrast very strongly with the eloquent classical oratory of the eminent Senator from New York." The paper was comparing soon to be President Abraham Lincoln with Senator William H. Seward.

Much more important to the United States and to the world in which the United States is one of the dominating powers is Mr. Johnson's official conduct of his office than his personal failings and idiosyncrasies. With most people these deficiencies count for extremely little now. A century hence, they will count for even less.

EIGHTEEN-YEAR-OLD VOTE

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include an editorial from the Charleston Gazette.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, I am very pleased that the gentleman from Georgia [Mr. WELTNER] has brought up the subject of extending the vote to those who are 18 years of age. Since the State of Georgia has had such a provision in its State constitution for some 20 years, our colleague speaks from knowledge gained from practical experience with this policy. From all evidence we can deduce, the practice of allowing citizens of Georgia and Kentucky to vote at 18 has produced very healthy results.

From my experience with thousands of young people at this age, I can state, Mr. Speaker, that their interest in public affairs and their educational level, as well as their political maturity, justifies extending to them the privilege of the ballot. When the voting age was first set at 21, our school system was spotty and not as well advanced as at present. Modern communications, news, radio, and television coverage of current topics have advanced so rapidly that the average 18-year-old has excellent opportunities to develop early maturity on public issues. There are, of course, many other reasons which can be advanced in support of the 18-year-old vote. I would have hoped that more State legislatures could follow the excellent example set by Georgia and Kentucky. Alaska and Hawaii now allow voting below the age of 21. It seems to me that there should be a uniform age for voting throughout the Nation, and that is why I would support a constitutional amendment along these lines.

Mr. Speaker, on January 4, 1965, I introduced House Joint Resolution 59 proposing an amendment to the Constitution of the United States to grant to citizens of the United States who have attained the age of 18 the right to vote. I hope that this discussion will stimulate additional support for this proposal.

SUMMER EMPLOYMENT IN THE POSTAL SERVICE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, on May 23 of this year, President Johnson ordered the various departments and agencies of Government to give summer employment to 25,000 needy young people. Some 8,500 of this number were to be given jobs in the postal service at $2.29 an hour.

There followed an orgy of hiring on the basis of congressional recommendation and without regard to need.

On June 16, Vice President HUMPHREY took note of the situation and stated "We don't want to look at this program as a way to take care of the family." Now it develops that HUMPHREY's own nephew, who can scarcely be said to be poverty-stricken, holds one of these make-work postal jobs.

Immediately the Post Office Department threw a blanket of secrecy over its payrolls and refuses to divulge the names of the youngsters hired, but enough information has leaked to show that jobs have gone not to the needy but to members of the families of Democrat party leaders, and to the son of at least one Member of Congress.

Two things are in order: Vice President HUMPHREY ought to retract his original statement and the Post Office Department ought to be compelled to lift its lid of secrecy so that the taxpayers can at least smell this latest mess of political patronage.

INSPECTION OF THE MANUFACTURING, PROCESSING, AND COMPOUNDING OF CERTAIN LIFESAVING PRESCRIPTION DRUGS

Mr. LATTA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LATTA. Mr. Speaker, I have introduced legislation to provide for more inspection of the manufacturing, processing, and compounding of certain lifesaving prescription drugs and to give authority to the Secretary of Health, Education, and Welfare to establish conditions under which foreign finished prescription drugs subject to inspection in the United States could be imported. In introducing this legislation, I would like to note that every pound of red meat that is shipped from one State to another and every pound of dressed chicken shipped across State lines is subject to continous inspection by the U.S. Department of Agriculture. Difficult to believe, however, is the fact that the most potent drugs given in life-threatening conditions are being produced under a system of spot-checking or spot-inspection by the Food and Drug Administration whose inspectors now get into the drug factories on an average of only once a year. Such a situation is shocking, to say the least, and cries out for immediate attention. According to testimony presented before our Subcommittee on Intergovernmental Relations of the House Committee on Government Operations, FDA subjects only the antibiotics and insulin to greater control which involves laboratory examination of each batch produced and certification by the Department before they can be shipped in interstate commerce.

One needs only to consider some of the cases which have come to the attention of the Food and Drug Administration during the past 3 years to be convinced that additional inspection is needed. Cases allegedly reported were as follows:

Some tablets used in treating heart patients were substantially low in potency.

Some anti-inflammatory drugs were found to be of low potency.

Certain sex hormones were found to be of low potency and mislabeled as another drug.

Certain thyroid tablets were found to have excess potency, and others were found to be mislabeled.

Some anticoagulants—used to thin the blood in patients who have suffered heart attacks—were found to be too strong and others were found to be too weak.

Some drugs used to lower the blood pressure were found to be too weak and some others were found to be contaminated with foreign alkaloids.

An ergot preparation used to control hemorrhage after childbirth was found to be too weak.

A potent antihistamine used in certain surgical procedures was mislabeled.

A drug prescribed for many heart patients to prevent fibrillation was found to be too weak.

Some drugs used by heart patients to relax the blood vessels and ease the strain on the heart were too strong.

Some central nervous system depressants were found to be low in potency or contaminated with another drug.

Certain potent antibacterial agents were found in fact to be too weak or would not disintegrate in the digestive tract and thus could not effectively combat infection.

Certain injections to be administered hypodermically were found not sterile or contaminated with foreign substances that produce fever.

And many drugs were contaminated with small amounts of penicillin which could produce a penicillin reaction and even death in certain patients.

Since drugs play such an important role in the health of the Nation, I believe there is an urgent need for more effective inspection of the manufacturing, processing, and compounding of the same.

I have taken note of President Johnson's statements of the last few days expressing his concern for the health and well-being of our citizens. In view of this fact, I am calling my bill, H.R. 10353, to the attention of the White House and requesting the administration's support. It seems quite inconsistent for us to spend millions and millions on medical research to extend life and then fail to take the necessary precautions to assure us that the lifesaving drugs we are taking are as safe as they can possibly be.

DISTRICT OF COLUMBIA HOME RULE—DISCHARGE PETITION

Mr. HORTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HORTON. Mr. Speaker, I am joining today with my colleagues, the distinguished gentleman from New York [Mr. Multer], and the two distinguished gentlemen from Maryland [Mr. Mathias and Mr. Sickles] in laying the bipartisan groundwork for House consideration of legislation to provide home rule for the District of Columbia.

We are supporting the resolution introduced by the gentleman from New York [Mr. Multer] which provides for discharging the District of Columbia Committee of H.R. 4644, a home rule bill also introduced by the gentleman from New York [Mr. Multer]. This resolution further provides the rules for discussion and debate of H.R. 4644 at such time as the measure is brought before the House.

Additionally, we are moving to discharge the Rules Committee of any further consideration of this resolution. This discharge petition action will be taken, as provided for in the Rules of the House, 7 days after today's introduction of the resolution.

When this discharge motion is filed, I urge all Members to sign it speedily so it can be placed on the Discharge Calendar and called up for consideration.

It is immediately apparent that time is a crucial consideration in this matter. If we in the House are to answer the opportunity to install local government for the city of Washington and to give that answer without further delay, our action must be swift.

The other body already has approved an effective measure to provide home rule for the District of Columbia. Through the discharge route the other gentlemen and I are proposing, that bill can be brought before the House for consideration and any amendments this body wishes to attach.

I think individual justice has long since established the rectitude of home rule for the Capital community. Now, it is for us in the House to take the legislative initiative with positive action on a home rule bill.

SURRENDER

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa.

There was no objection.

Mr. GROSS. Mr. Speaker, it must have boosted to a high level the morale of our fighting men in Vietnam and others around the world to read the news dispatches that next week the leaders of this Government will tuck their figurative tails between their legs and capitulate to the Communists in the United Nations.

According to present plans, say the dispatches, Mr. Arthur Goldberg, this country's new factotum at the Tower of Babel, will agree to the shredding of article 19 of the U.N. Charter which provides that the Communists and other leeches be thrown out of the club for nonpayment of dues.

Remember all the brave words and assurances given the House when the $100 million bond issue was approved? We were told then and since that either the leeches would pay up or be thrown out. Were those statements made only to beguile?

If members of this Organization now deliberately rip up the charter they will brand themselves as moral bankrupts, and those who acquiesce will stand no less indicted.

UNITED NATIONS PROCEDURES

Mr. SISK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. Mr. Speaker, I have asked for this time to ask the gentleman from Iowa where he got his information because I happen to know of my own knowledge, and having heard the statement of our Ambassador to the United Nations that no such agreement has been made at the present time and that a determination has not been made, in spite of the story that appeared in yesterday afternoon's newspaper which happened to be totally and completely erroneous. If the gentleman is basing his statement on that newspaper story, I would be inclined to question it.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield.

Mr. HAYS. If I were the gentleman from California, and he is a very close friend of mine and a distinguished Member of this body, I would not go too far out on the limb betting that that story is wrong.

Mr. SISK. I might say to my good friend I am not betting on it one way or the other. I am simply saying, based on the information I have, I think the story is not necessarily true because the decision has not been made. It may be that the story in the future may prove to be true but I question its truthfulness as of last night or as of this time.

Mr. HAYS. I do not know how true it was last night and I do not know how true it is this minute, but if I were a betting man, I would be willing to bet a year's salary that the new Ambassador to the United Nations will make that statement next Monday.

Mr. SISK. That remains to be seen.

ARA—UNFAIR COMPETITION: INDUSTRY AND JOB PIRACY

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. Cleveland] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, the Public Works and Economic Development Act of 1965 is now before this House.

S. 1648 is the legislation before the Congress which would supposedly combine the best features of the Public Works Acceleration Act program and the Area Redevelopment Act program. This legislation was brought to the Congress in a different package this time, since legislation to continue the Area Redevelopment Act program was defeated in the 88th Congress.

While the bill does have some good features, I have serious reservations about several sections of the bill. I outlined these objections in my "Supplemental Views" on S. 1648, which views appear in House Report No. 539, 89th Congress, 1st session.

When the legislation was before the House Committee on Public Works, I offered a number of amendments which I believe would have substantially improved the bill. These amendments were based on sound legislative and economic principles.

Mr. Speaker, one of the amendments which I offered in committee was one concerning fair trade and the prevention of unfair competition. The proposed amendment read as follows:

> No financial assistance under this act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing commercial or industrial enterprises.

ARA has been severely criticized for the construction of facilities which have contributed to oversupply of products in a number of segments of our consumer economy.

ARA recently constructed a shoe factory in Indiana while at the same time shoe factories throughout New England, especially in New Hampshire and Massachusetts, were being closed because there was an oversupply of shoes on the market. ARA has constructed pulp and papermills at a time when problems of oversupply were seriously affecting the industry throughout the Nation, especially in New Hampshire.

Mr. Speaker, the purpose of my fair trade and prevention of unfair competition amendment was to prevent this type of waste of Federal funds and this unfairness to American taxpayers.

Now it has come to my attention that ARA plans to finance a poultry operation in western Pennsylvania, an area which is receiving substantial economic support from the Federal Government under the provisions of the Appalachian Regional Development Act of 1965. That program makes it possible for the Appalachian area to unfairly compete with the rest of the Nation by giving it over $1 billion of preferential Federal assistance. Now, in addition to the Federal dollars which are being poured into the area under the provisions of the Appalachian Act, ARA may approve a $2.4 million loan for a poultry operation to process over 3 million broilers annually when the poultry industry is already suffering from oversupply.

Mr. Speaker, under unanimous consent, I include in the RECORD at this point an article from the Poultryman of Friday, July 23, 1965, which explains in detail the proposed Pennsylvania poultry operation:

> POLITICAL STORM BUILDING OVER ARA POULTRY LOAN
>
> WASHINGTON.—A political storm is brewing over a proposal to use Government funds to help build a poultry plant to process 3 million broilers annually in an economically depressed area of western Pennsylvania.
>
> Chairman HARLAN HAGEN of the House Dairy and Poultry Subcommittee said the subcommittee would ask Federal officials to discuss the project during a closed hearing.
>
> "Apparently some people in the poultry business in other parts of the country feel this is just adding a surplus to an already over-burdened economy," HAGEN told the Poultryman.
>
> The project is planned by the Greater New Castle Development Corp., of New Castle, Pa. The agency has applied for an approximate $2.4 million loan from the Area Redevelopment Administration (ARA) to help finance the poultry plant which would be used by Lipman Brothers Inc., of Augusta, Maine.
>
> The ARA supervises the multi-billion dollar Federal program designed to entice job-creating industries into depressed areas.
>
> Representative FRANK M. CLARK, Democrat, of Pennsylvania, said he anticipates ARA approval of the loan application.
>
> The National Broiler Council, in a newsletter to its members, said the council's Washington office "has been deluged with vigorous protests" against the loan.
>
> Apparently, an effort is underway to kill the project before it even gets off the ground. Congressman CLARK and other Pennsylvania political leaders probably will fight to save it.
>
> The dairy and poultry subcommittee meeting was called to question USDA and ARA officials about the New Castle loan application.
>
> The project is expected to cost $4.8 million and employ 400 to 500 persons when completed sometime this fall.

Mr. Speaker, my amendment deals with the whole problem of industrial and job piracy.

I offered the amendment before the committee, and it was rejected. I intend to offer the amendment when S. 1648 is on the floor for amendment, and I sincerely hope that it will not be rejected.

Industrial and job piracy is a severe economic problem which is disrupting the economic balance of our Nation. Every Member of this body is affected by the situation in one way or another.

COMBAT PAY FOR FOREIGN SERVICE OFFICERS

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, it seems that we are in for another wave of violence in our overseas embassies. One cannot help but wonder why we do not give combat pay to the men and women who staff our embassies, libraries, information agencies and other outposts which are the subject of recurring attack. It is no secret that this is a direct action of the Communists in instigating these riots and these attacks on what should be a privileged sanctuary under international law. It is no secret that our softness in the face of these overt acts also helps precipitate more of these regrettable incidents.

The attacks seem to come in waves. Last week, another attack in Indonesia was a repeat of past actions in that unfriendly nation. As we study the past record of the major incidents, I wonder if we are entering again the monsoon season of riots, flag burnings, and violence. I also wonder what our State Department will do about it. Here is a list of some of the recent attacks:

ATTACKS ON AMERICAN GOVERNMENT PROPERTY, 1964–65

October 24: Sudanese students break into embassy in Khartoum, Sudan and ransack USIS library.

October 27: Mob smashes windows at USIS office in Bolivia.

November 4: Bolivian students damage two more USIS offices.

November 10: Mob attacks embassy in Khartoum.

November 25: Demonstrators stone embassy in Bulgaria.

November 26: Embassy in Cairo is attacked and mob burns J. F. Kennedy Memorial Library.

November 26: African students damage embassy in Prague.

November 28: Students shatter 56 windows in Moscow embassy.

December 4: Indonesians burn books at USIS center in Jakarta.

December 7: Indonesians ransack USIS library at Surabaya.

January 9: USIS library in Panama City is totally destroyed.

January 22: Buddhists march on embassy in Saigon, stone library.

January 23: Buddhists ransack consulate in Hue, South Vietnam.

February 9: Mob breaks 200 windows in Moscow embassy.

February 9: Embassy in Uruguay is pelted with stones.

February 13: African and Asian students ransack legation in Budapest.

February 13: Mob smashes windows of USIS building in Malaysia.

February 15: Indonesia seizes USIS library at Jakarta after riot.

February 15: Legation in Sofia, Bulgaria is stoned by Asians and Africans.

February 16: Mob tears down flag at embassy in Uganda.

February 16: Indonesia seizes USIS center in Jakarta after students storm it.

February 16: Venezuelan students stone embassy in Caracas.

February 18: Indonesians storm consulate in Medan, tear down flag.

February 28: Mob invades ambassador's home in Jakarta.

March 4: Students attack embassy in Moscow.

IF THEY PAID THEIR DEBTS

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, the question is often asked in letters from constitutents or in discussions with them back in the district "If other nations paid the debts they owe the United States would our gold situation, balance-of-payments problem, and our general financial difficulties be eased?" The answer to the question would seem to be that we would at least receive a boost that we don't now see in sight. France's President de Gaulle has attacked the dollar and is endeavoring to build up the franc. He has called on our gold and silver reserves despite the fact that France owes us over $7 billion and the great bulk of this has been in default for many years now.

These debts are separate from aid programs, lend lease and other programs which poured tens of billions of dollars overseas. These are officially carried on U.S. books as debts.

I personally believe that we should not allow France to draw any of our gold or silver reserves until they pay up.

Uncle Sugar has been too good and we are all paying for it now. Here is the table of outstanding debts still owed to the United States:

World War I debt still owed to U.S. Government

	Billions
Britain	$9.380
France	6.510
Italy	2.245
Belgium	.665
Russia	.635
Poland	.445
Czechoslovakia	.265
Other	.355

World War II and postwar debt still owed to U.S. Government

	Billions
Britain	$3.997
India	2.290
Brazil	.862
Japan	.842
Pakistan	.729
France	.637
Turkey	.481
Yugoslavia	.475
Chile	.443
Spain	.392
United Arab Republic	.384
Israel	.366
Argentina	.351
China (Nationalist)	.303
Iran	.249
Colombia	.248
Germany	.226
Morocco	.207
Russia	.201
Mexico	.199
Indonesia	.189
Greece	.150
Venezuela	.138
Peru	.126
Other	2.111

(Source: U.S. Treasury, U.S. Department of Commerce.)

UNITED REPUBLICANS OF AMERICA

The SPEAKER. Under a previous order of the House, the gentleman from Georgia [Mr. WELTNER] is recognized for 30 minutes.

Mr. WELTNER. Mr. Speaker, I yield to the gentleman from Ohio [Mr. MOELLER].

Mr. MOELLER. Mr. Speaker, something that calls itself the United Republicans of America has announced its intention to purge certain Members from Congress in the 1966 general election.

I must confess that I know little of this particular organization—one needs a scorecard these days to keep track of the weird political groups that have been springing up like weeds in the past few years.

But I was able to find out that the advisory board of the self-styled United Republicans of America is composed of ultrasegregationists from Alabama and Mississippi in addition to several other individuals who never have been and never will be in the mainstream of political thinking in this country.

None of its leaders or members, so far as I can determine, live in my 10th Congressional District or anywhere else in the State of Ohio. This is not surprising. The people of Ohio have never lent their support to extremist movements, either on the far left or the far right.

While I personally welcome the opposition of the URA, I do resent a bunch of carpetbaggers from Alabama and Mississippi and other States far removed from Ohio trying to force their strange views on the people whom I am privileged to represent.

However, I am quite sure that the United Republicans of America will find that southeastern Ohioans are intelligent enough and capable enough to make their own political decisions without outside pressure and meddling.

The real tragedy of organizations like the United Republicans of America is that they have lost faith in democracy. They have no sense of loyalty to the established political institutions. They look with disdain and contempt on the American people and are icily indifferent to their hopes and aspirations.

These far-out groups are to be more pitied than censured. For I can think of nothing more pitiful than Americans who have lost confidence in America because of their own frustrations and frailties.

Now, Mr. Speaker, the United Republicans of America says it does not like my voting record. It says that I am a rubberstamp and a robot of the Johnson administration.

I infer, then, that the United Republicans of America disagrees with my strong support of the war against communism, and my votes to strengthen our military forces in Vietnam.

I infer that the United Republicans of America disagrees with my efforts and votes for the war on poverty, under which more than 2,000 children of poverty in my district are now receiving special training, medical services and wholesome meals. Many of them are getting these benefits, which most of us take for granted, for the first time in their young lives.

I infer that the United Republicans of America disagrees with my efforts and votes to provide guaranteed medical-hospital care for the aged, and my successful efforts to help provide cost-of-living increases in social security pensions.

I infer that the United Republicans of America disagrees with my efforts and votes to strengthen and expand our system of public education in Ohio and the Nation. Under the Elementary and Secondary School Act of 1965 alone, my district is receiving more than $1 million at the outset to build up its schools.

I infer that the United Republicans of America disagrees with my efforts and vote to reduce or eliminate burdensome Federal excise taxes that were taking billions of dollars a year out of the pockets of our people.

I infer that the United Republicans of America disagrees with my efforts and votes for our farmers and their families—for community development—for water and soil conservation—for rural housing—for flood control and watershed projects.

These are the programs that I support enthusiastically and wholeheartedly. If this makes me a "robot" then I say that what this country needs is more robots; if this makes me a captive of the Johnson administration, then I say that I am in good and responsible company.

I am unmoved and unconcerned about the threat of the URA to purge me. An examination of its statement of "principles," to use the word loosely, compels me to suggest that its author "multiplieth words without knowledge." In any event, nothing can come of nothing, and that is exactly what the URA represents: nothing. But it will be interesting to see whether the regular Republican organizations in Ohio and the 10th District repudiate the URA and all the nonsense that it stands for.

Mr. SCHMIDHAUSER. Mr. Speaker, will the gentleman yield?

Mr. WELTNER. I yield to the gentleman from Iowa.

Mr. SCHMIDHAUSER. I would just like to compliment my colleague from Ohio. I, too, received one of those letters, and I would like to associate myself with his fine remarks.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. WELTNER. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. I thank the gentleman for yielding.

I am not a member of the URA, but I did notice that the gentleman from Ohio referred to one of my colleagues as an arch segregationist who was one of the carpetbaggers in effect coming into Ohio. I wonder if the gentleman from Ohio informed my colleague that he was going to be attacked on the floor today and referred to in such a manner.

Mr. MOELLER. Mr. Speaker, I made no attack. Neither did I inform the gentleman.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield for one moment further?

Mr. WELTNER. I yield to the gentleman.

Mr. EDWARDS of Alabama. I always have to smile when someone from Ohio or anywhere else refer to carpetbaggers coming into their States. I think it is well known the situation we have had in the South in the last few months as far as carpetbaggers are concerned. I am sure that the gentleman from Alabama who has been referred to as an arch segregationist will no doubt want to have his comments on the floor concerning these remarks.

MORALITY AND VIETNAM

The SPEAKER. Under previous order of the House, the gentleman from Alabama [Mr. EDWARDS] is recognized for 30 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, most of us have participated yesterday and today in discussions at the White House regarding the U.S. involvement in Vietnam.

I was especially interested to participate so as to assess statements made in this House last week relating to the morality of our U.S. effort to resist Communist aggression in Asia.

On 2 days last week Members of this body sought to show that our effort in Vietnam is immoral, that we do not belong there, and that we ought to take action amounting to withdrawal under conditions approximately equal to surrender.

Amazingly enough, they seek to show that the famous Dean Acheson speech of January 1950 justifies their current position in Vietnam. In that speech, widely recognized as an invitation to the Communists to attack South Korea, Mr. Acheson announced that the United States would not try to defend South Korea against attack. The attack came 6 months later.

The question of morality in our Vietnam policy is vital, and can easily be misunderstood, and I suspect misunderstanding on the question extends well beyond the very few Members of this body who spoke about it last week.

Mr. Speaker, over the past several months while our national foreign policies, particularly with regard to southeast Asia, have become increasingly complicated and crucial, there has developed at the same time a chorus of criticism.

The kind of criticism I have in mind is that based on feelings that the United States is basically at fault in the Vietnam problem, that we resist a peaceful settlement of the conflict there, and generally that if we would prove ourselves to be peaceloving then the Communist governments would respond in kind and we would have a world of tranquillity.

These themes, and others related to them, are appearing in increasing volume and frequency in the public communications media. The people voicing them consider their position to be one of "moral indignation." Recently a fairly new publication made a big thing of comparing Ho Chi Minh with George Washington. The idea was that Ho Chi Minh is so popular throughout Vietnam that he reminds the editors of a kind of father of a democratic and idealistic government.

The motivations of most of these people are not in question. As a Nation we have always sought righteousness and the ideal, both at home and abroad. The American dream of self-government and individual liberty is based on expecting the best from others.

As Americans we are all appalled at the human tragedy unfolding in Vietnam today, and are disturbed to find ourselves involved. It is a jolt to our feelings of right and wrong, and we strain to find answers.

But, however much our sense of righteousness is touched, it is vital that in our search for answers we do not let wishful thinking be a substitute for a sense of history, logic, and realism. Wishful thinking as a substitute for realism in our approach to the Vietnam situation would not only be unfortunate but would be dangerous. Too much of it in the past is one reason why we have a Vietnam problem today.

Wishful thinking in our Vietnam situation is still widespread. It extends throughout the country. Some members of this House, for example, are evidently beginning now to voice their concern over the stated policy of firm defense against Communist aggression in Vietnam.

On August 3 some Members joined in a discussion on the floor of this House which sought to show how we should be acting differently to solve the Vietnam puzzle. To support their case they used events from the past, but have drawn conclusions which, I believe, show wishful thinking in a dangerous degree.

They appear to be suggesting that the United Nations should call a cease-fire in Vietnam and that the UN should organize elections in South Vietnam. Presumably the end result of this plan would be withdrawal of the United States from South Vietnam, leaving the country in the hands of the winner of the election.

It would be wonderful if we could reasonably expect that this course of action would result in a free, independent South Vietnam. But all logic and reason indicates that this action would be entirely contrary to sound policy. We must stand firm in South Vietnam to show that aggression cannot be successful.

HOT POTATO

Nobody would want to exclude the possibility that the suggested course of action would be reasonable at some future date. All Americans would be grateful if the United Nations were to acquire effectiveness in stopping aggression.

But to imagine that the U.N. can now step into the Vietnam situation and solve it in a way consistent with the principles of human freedom and national self-determination is to engage in wishful thinking.

Following are just a few of the facts which work against the logic of the suggestion: First, the U.N. machinery is paralyzed by refusal of the Soviet Union and France to pay for its share of U.N. peacekeeping operations in accord with a ruling of the World Court, and now we are told that we shall abandon our attempts to collect these assessments; second, the U.N. itself does not show any willingness to tackle the problem, and the major delegations seem to prefer that the United States keep this "hot potato" in its own hands; third, Communists would not agree to any elections except under conditions which guarantee their own success; and fourth, the concept of free elections, which as Americans we take for granted as something achievable, is a concept which has yet to penetrate to most Vietnamese people who cannot be expected to participate in free elections as we understand them.

Until these facts are reversed, an American call for U.N.-sponsored elections in South Vietnam as the determining basis for solution would simply be a covering excuse for us to wash our hands of the situation and yield to Communist aggression against innocent people.

ACHESON'S POSITION

But that, Mr. Speaker, is just what the gentlemen who engaged in the August 3 discussion want us to do. Either deliberately or subconsciously, they would prefer that we get out of Vietnam. They feel that we have no interest there, that we are morally wrong in being there, and that if there is such a thing as Communist aggression against innocent people, the problem can somehow be solved if we leave Vietnam.

This conclusion regarding the nature of their position is supported at the very beginning of the August 3 discussion where former Secretary of State Dean Acheson is quoted as of January 12, 1950. At that time Mr. Acheson stated as U.S. policy that the defense perimeter in which we were interested "runs from the Ryukyus to the Philippine Islands."

He said that so far as the military security of other areas in the Pacific is concerned "no person can guarantee these areas against military attack." He referred then to the United Nations as the place where "initial reliance" would have to be placed in case of such an attack.

Our colleagues on August 3 said Acheson's words "were valid then and they are valid now."

This is a remarkable phenomenon. The 1950 Acheson speech was indeed a significant statement of U.S. policy, but in the reverse way that our colleagues on August 3 concluded. It was significant because it announced to the world that we were not interested in defending South Korea against attack.

Less than 6 months after Secretary Acheson made the statement South Korea was attacked by the Communist North, and I do not need here to review the tragedy that resulted.

It is true that the United Nations did provide help in meeting the situation in Korea. But the lessons to be learned from the experience are, first, that the U.S. announcement served as a virtual invitation for the Communists to attack without fear of U.S. assistance in the defense of South Korea, and, secondly, that even with the U.N. at the height of its influence, and even with the absence of the Soviet Union paving the way for U.N. participation without a Soviet veto, it was U.S. military effort which was largely essential for the resistance, and U.S. peacemaking efforts were largely responsible for bringing about a solution.

Conditions in the Korean situation were vastly different from conditions in the current Vietnam situation, and this fact further works against a U.N.-sponsored solution in Vietnam.

The Dean Acheson speech of January 1950 was indeed a significant statement of U.S. policy. It was folly, and has been considered so by responsible persons ever since. And to his credit, Dean Acheson has since that time come to take a more realistic and logical approach toward Asian communism and the problems it presents.

Today Dean Acheson is one of our most astute statesmen in foreign policy matters. His advice on the need for free world unity of purpose and his judgment on other foreign policy issues has, since 1950, proven to be correct. He has come a long way in his thinking since 1950.

FAULTY LOGIC

He has written some interesting articles recently, among them one called "Advice to Young Academic Propagandists," in the Reporter magazine for August 12, 1965. It relates to this discussion because the position on Vietnam taken by our colleagues as I have mentioned is generally the same position

Uncle Sugar has been too good and we are all paying for it now. Here is the table of outstanding debts still owed to the United States:

World War I debt still owed to U.S. Government

	Billions
Britain	$9.380
France	6.510
Italy	2.245
Belgium	.665
Russia	.635
Poland	.445
Czechoslovakia	.265
Other	.355

World War II and postwar debt still owed to U.S. Government

	Billions
Britain	$3.997
India	2.290
Brazil	.862
Japan	.842
Pakistan	.729
France	.637
Turkey	.481
Yugoslavia	.475
Chile	.443
Spain	.392
United Arab Republic	.384
Israel	.366
Argentina	.351
China (Nationalist)	.303
Iran	.249
Colombia	.248
Germany	.226
Morocco	.207
Russia	.201
Mexico	.199
Indonesia	.189
Greece	.150
Venezuela	.138
Peru	.126
Other	2.111

(Source: U.S. Treasury, U.S. Department of Commerce.)

UNITED REPUBLICANS OF AMERICA

The SPEAKER. Under a previous order of the House, the gentleman from Georgia [Mr. WELTNER] is recognized for 30 minutes.

Mr. WELTNER. Mr. Speaker, I yield to the gentleman from Ohio [Mr. MOELLER].

Mr. MOELLER. Mr. Speaker, something that calls itself the United Republicans of America has announced its intention to purge certain Members from Congress in the 1966 general election.

I must confess that I know little of this particular organization—one needs a scorecard these days to keep track of the weird political groups that have been springing up like weeds in the past few years.

But I was able to find out that the advisory board of the self-styled United Republicans of America is composed of ultrasegregationists from Alabama and Mississippi in addition to several other individuals who never have been and never will be in the mainstream of political thinking in this country.

None of its leaders or members, so far as I can determine, live in my 10th Congressional District or anywhere else in the State of Ohio. This is not surprising. The people of Ohio have never lent their support to extremist movements, either on the far left or the far right.

While I personally welcome the opposition of the URA, I do resent a bunch of carpetbaggers from Alabama and Mississippi and other States far removed from Ohio trying to force their strange views on the people whom I am privileged to represent.

However, I am quite sure that the United Republicans of America will find that southeastern Ohioans are intelligent enough and capable enough to make their own political decisions without outside pressure and meddling.

The real tragedy of organizations like the United Republicans of America is that they have lost faith in democracy. They have no sense of loyalty to the established political institutions. They look with disdain and contempt on the American people and are icily indifferent to their hopes and aspirations.

These far-out groups are to be more pitied than censured. For I can think of nothing more pitiful than Americans who have lost confidence in America because of their own frustrations and frailties.

Now, Mr. Speaker, the United Republicans of America says it does not like my voting record. It says that I am a rubberstamp and a robot of the Johnson administration.

I infer, then, that the United Republicans of America disagrees with my strong support of the war against communism, and my votes to strengthen our military forces in Vietnam.

I infer that the United Republicans of America disagrees with my efforts and votes for the war on poverty, under which more than 2,000 children of poverty in my district are now receiving special training, medical services and wholesome meals. Many of them are getting these benefits, which most of us take for granted, for the first time in their young lives.

I infer that the United Republicans of America disagrees with my efforts and votes to provide guaranteed medical-hospital care for the aged, and my successful efforts to help provide cost-of-living increases in social security pensions.

I infer that the United Republicans of America disagrees with my efforts and votes to strengthen and expand our system of public education in Ohio and the Nation. Under the Elementary and Secondary School Act of 1965 alone, my district is receiving more than $1 million at the outset to build up its schools.

I infer that the United Republicans of America disagrees with my efforts and vote to reduce or eliminate burdensome Federal excise taxes that were taking billions of dollars a year out of the pockets of our people.

I infer that the United Republicans of America disagrees with my efforts and votes for our farmers and their families—for community development—for water and soil conservation—for rural housing—for flood control and watershed projects.

These are the programs that I support enthusiastically and wholeheartedly. If this makes me a "robot" then I say that what this country needs is more robots; if this makes me a captive of the Johnson administration, then I say that I am in good and responsible company.

I am unmoved and unconcerned about the threat of the URA to purge me. An examination of its statement of "principles," to use the word loosely, compels me to suggest that its author "multiplieth words without knowledge." In any event, nothing can come of nothing, and that is exactly what the URA represents: nothing. But it will be interesting to see whether the regular Republican organizations in Ohio and the 10th District repudiate the URA and all the nonsense that it stands for.

Mr. SCHMIDHAUSER. Mr. Speaker, will the gentleman yield?

Mr. WELTNER. I yield to the gentleman from Iowa.

Mr. SCHMIDHAUSER. I would just like to compliment my colleague from Ohio. I, too, received one of those letters, and I would like to associate myself with his fine remarks.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. WELTNER. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. I thank the gentleman for yielding.

I am not a member of the URA, but I did notice that the gentleman from Ohio referred to one of my colleagues as an arch segregationist who was one of the carpetbaggers in effect coming into Ohio. I wonder if the gentleman from Ohio informed my colleague that he was going to be attacked on the floor today and referred to in such a manner.

Mr. MOELLER. Mr. Speaker, I made no attack. Neither did I inform the gentleman.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield for one moment further?

Mr. WELTNER. I yield to the gentleman.

Mr. EDWARDS of Alabama. I always have to smile when someone from Ohio or anywhere else refer to carpetbaggers coming into their States. I think it is well known the situation we have had in the South in the last few months as far as carpetbaggers are concerned. I am sure that the gentleman from Alabama who has been referred to as an arch segregationist will no doubt want to have his comments on the floor concerning these remarks.

MORALITY AND VIETNAM

The SPEAKER. Under previous order of the House, the gentleman from Alabama [Mr. EDWARDS] is recognized for 30 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, most of us have participated yesterday and today in discussions at the White House regarding the U.S. involvement in Vietnam.

I was especially interested to participate so as to assess statements made in this House last week relating to the morality of our U.S. effort to resist Communist aggression in Asia.

On 2 days last week Members of this body sought to show that our effort in Vietnam is immoral, that we do not belong there, and that we ought to take action amounting to withdrawal under conditions approximately equal to surrender.

Amazingly enough, they seek to show that the famous Dean Acheson speech of January 1950 justifies their current position in Vietnam. In that speech, widely recognized as an invitation to the Communists to attack South Korea, Mr. Acheson announced that the United States would not try to defend South Korea against attack. The attack came 6 months later.

The question of morality in our Vietnam policy is vital, and can easily be misunderstood, and I suspect misunderstanding on the question extends well beyond the very few Members of this body who spoke about it last week.

Mr. Speaker, over the past several months while our national foreign policies, particularly with regard to southeast Asia, have become increasingly complicated and crucial, there has developed at the same time a chorus of criticism.

The kind of criticism I have in mind is that based on feelings that the United States is basically at fault in the Vietnam problem, that we resist a peaceful settlement of the conflict there, and generally that if we would prove ourselves to be peaceloving then the Communist governments would respond in kind and we would have a world of tranquillity.

These themes, and others related to them, are appearing in increasing volume and frequency in the public communications media. The people voicing them consider their position to be one of "moral indignation." Recently a fairly new publication made a big thing of comparing Ho Chi Minh with George Washington. The idea was that Ho Chi Minh is so popular throughout Vietnam that he reminds the editors of a kind of father of a democratic and idealistic government.

The motivations of most of these people are not in question. As a Nation we have always sought righteousness and the ideal, both at home and abroad. The American dream of self-government and individual liberty is based on expecting the best from others.

As Americans we are all appalled at the human tragedy unfolding in Vietnam today, and are disturbed to find ourselves involved. It is a jolt to our feelings of right and wrong, and we strain to find answers.

But, however much our sense of righteousness is touched, it is vital that in our search for answers we do not let wishful thinking be a substitute for a sense of history, logic, and realism. Wishful thinking as a substitute for realism in our approach to the Vietnam situation would not only be unfortunate but would be dangerous. Too much of it in the past is one reason why we have a Vietnam problem today.

Wishful thinking in our Vietnam situation is still widespread. It extends throughout the country. Some members of this House, for example, are evidently beginning now to voice their concern over the stated policy of firm defense against Communist aggression in Vietnam.

On August 3 some Members joined in a discussion on the floor of this House which sought to show how we should be acting differently to solve the Vietnam puzzle. To support their case they used events from the past, but have drawn conclusions which, I believe, show wishful thinking in a dangerous degree.

They appear to be suggesting that the United Nations should call a cease-fire in Vietnam and that the UN should organize elections in South Vietnam. Presumably the end result of this plan would be withdrawal of the United States from South Vietnam, leaving the country in the hands of the winner of the election.

It would be wonderful if we could reasonably expect that this course of action would result in a free, independent South Vietnam. But all logic and reason indicates that this action would be entirely contrary to sound policy. We must stand firm in South Vietnam to show that aggression cannot be successful.

HOT POTATO

Nobody would want to exclude the possibility that the suggested course of action would be reasonable at some future date. All Americans would be grateful if the United Nations were to acquire effectiveness in stopping aggression.

But to imagine that the U.N. can now step into the Vietnam situation and solve it in a way consistent with the principles of human freedom and national self-determination is to engage in wishful thinking.

Following are just a few of the facts which work against the logic of the suggestion: First, the U.N. machinery is paralyzed by refusal of the Soviet Union and France to pay for its share of U.N. peacekeeping operations in accord with a ruling of the World Court, and now we are told that we shall abandon our attempts to collect these assessments; second, the U.N. itself does not show any willingness to tackle the problem, and the major delegations seem to prefer that the United States keep this "hot potato" in its own hands; third, Communists would not agree to any elections except under conditions which guarantee their own success; and fourth, the concept of free elections, which as Americans we take for granted as something achievable, is a concept which has yet to penetrate to most Vietnamese people who cannot be expected to participate in free elections as we understand them.

Until these facts are reversed, an American call for U.N.-sponsored elections in South Vietnam as the determining basis for solution would simply be a covering excuse for us to wash our hands of the situation and yield to Communist aggression against innocent people.

ACHESON'S POSITION

But that, Mr. Speaker, is just what the gentlemen who engaged in the August 3 discussion want us to do. Either deliberately or subconsciously, they would prefer that we get out of Vietnam. They feel that we have no interest there, that we are morally wrong in being there, and that if there is such a thing as Communist aggression against innocent people, the problem can somehow be solved if we leave Vietnam.

This conclusion regarding the nature of their position is supported at the very beginning of the August 3 discussion where former Secretary of State Dean Acheson is quoted as of January 12, 1950. At that time Mr. Acheson stated as U.S. policy that the defense perimeter in which we were interested "runs from the Ryukyus to the Philippine Islands."

He said that so far as the military security of other areas in the Pacific is concerned "no person can guarantee these areas against military attack." He referred then to the United Nations as the place where "initial reliance" would have to be placed in case of such an attack.

Our colleagues on August 3 said Acheson's words "were valid then and they are valid now."

This is a remarkable phenomenon. The 1950 Acheson speech was indeed a significant statement of U.S. policy, but in the reverse way that our colleagues on August 3 concluded. It was significant because it announced to the world that we were not interested in defending South Korea against attack.

Less than 6 months after Secretary Acheson made the statement South Korea was attacked by the Communist North, and I do not need here to review the tragedy that resulted.

It is true that the United Nations did provide help in meeting the situation in Korea. But the lessons to be learned from the experience are, first, that the U.S. announcement served as a virtual invitation for the Communists to attack without fear of U.S. assistance in the defense of South Korea, and, secondly, that even with the U.N. at the height of its influence, and even with the absence of the Soviet Union paving the way for U.N. participation without a Soviet veto, it was U.S. military effort which was largely essential for the resistance, and U.S. peacemaking efforts were largely responsible for bringing about a solution.

Conditions in the Korean situation were vastly different from conditions in the current Vietnam situation, and this fact further works against a U.N.-sponsored solution in Vietnam.

The Dean Acheson speech of January 1950 was indeed a significant statement of U.S. policy. It was folly, and has been considered so by responsible persons ever since. And to his credit, Dean Acheson has since that time come to take a more realistic and logical approach toward Asian communism and the problems it presents.

Today Dean Acheson is one of our most astute statesmen in foreign policy matters. His advice on the need for free world unity of purpose and his judgment on other foreign policy issues has, since 1950, proven to be correct. He has come a long way in his thinking since 1950.

FAULTY LOGIC

He has written some interesting articles recently, among them one called "Advice to Young Academic Propagandists," in the Reporter magazine for August 12, 1965. It relates to this discussion because the position on Vietnam taken by our colleagues as I have mentioned is generally the same position taken by the academic people about whom Dean Acheson writes.

In the article he is critical of academic people who attack U.S. foreign policy based on faulty logic growing essentially out of what he calls "the principal academic political motive" which is fear.

Further, if it was the purpose of the August 3 statement to put Dean Acheson in the position of placing major reliance on the United Nations for solving the Vietnam situation, it will be useful to refer to another Acheson statement.

In April of 1960 he wrote an article called The Premise of American Foreign Policy which is important, coming as it did 10 years after the 1950 speech, which our colleagues mentioned on August 3.

In that article, Dean Acheson wrote that if the non-Communist nations were to establish an "equilibrium" with the ambitious Communist powers "There must be no further diminishment of that part of the world which now lies outside the domain of Russian or Chinese communism."

He wrote of the need for the combining of national efforts into greater efforts directed by a central leadership.

> No one except the United States is strong enough to exercise this leadership, and sometimes the United States shows neither the desire nor the understanding for this task. Indeed, a key question of the 20th century is whether the United States can develop this desire and this understanding. If she cannot, then the Sino-Soviet drive for global hegemony will remain unchallenged.

Mr. Acheson went on to write of the role of the United Nations:

> The United Nations, insofar as it believes that by its votes and by its debates it is accomplishing anything, could not be more mistaken. In fact, it can be harmful. Therefore, we cannot look to that organization by itself for a solution to problems. We must look to our own understanding of the problems and to our own will and the will of others to solve them.

Perhaps most significantly of all, Dean Acheson in 1960 seemed to be talking to those of us in 1965 who would use a sense of "moral indignation" in opposing a U.S. position of determination against Communist aggression in Vietnam:

> Self-deception is very easy in a democracy. * * * the people themselves want to believe, some concrete evidence to the contrary, that this is a good world inhabited by none but men of good will. Such illusion should not be mistaken for morality.

Foreign policy in the Eisenhower-Dulles years met with partial success in establishing a firm position of American leadership, though these efforts were thwarted with alarmed cries of "brinkmanship" and a widespread failure to comprehend what it was that the Government was trying to do.

In the late 1950's we were engaged in efforts to build the economies of Laos and South Vietnam and efforts to strengthen their ability to defend themselves against Communist aggression. But the U.S. position was negatively influenced by our tendency to misplace our concept of morality.

We preferred not to face the reality already present there, and we barely noticed when, for example, the Vietcong shot and killed two Americans and several Vietnamese who were sitting watching a movie at Bien Hoa one evening in July 1958.

ILLUSIONS

Mr. Acheson said in 1960 that leaders are tempted to deceive the people in foreign policy. The people want to believe in a world of international morality, and political leaders do not like to damage the illusion. It is my contention that in the years 1961 through 1964 we fell victim to our illusions. We preferred not to face reality. As a result, through a series of unsure, vacillating actions we presented only a foggy picture of our understanding of the need for U.S. leadership of non-Communist nations, of our readiness to meet the tests which accompany a national responsibility in an imperfect world, and of our determination to stand firm in defense of Communist aggression.

I must say parenthetically, Mr. Speaker, that I certainly have not always agreed with Dean Acheson, but it is interesting that at least he recognizes some of his errors in assessing the Communist intention. And it is also interesting that his later statements completely cut the ground out from under those who attempted to use him for support on August 3.

In 1961 it was as though we had learned no lessons of the Acheson and Dulles years. Where Indochina was concerned it was clear beyond any doubt by that time that Communist aggression in Laos and Vietnam was on the move.

And in 1962 in Laos we arranged a kind of truce between the Communist Pathet Lao aggressors and those who were opposing aggression, even though we had to turn our backs on the anti-Communists to do it. The result of the truce was a guarantee to the Vietcong that the Ho Chi Minh trail was safe in their hands so they could funnel men and equipment into South Vietnam from North Vietnam.

REASON TO DOUBT

In these actions we gave the Asian Communists cause to believe that they could continue their efforts without concern that effective resistance would be encountered. They had much reason to doubt our understanding and determination.

Today, though we have apparently made some progress, clearly the problem is still with us. Several Members of the other body have been protesting our national determination for several months.

One of the publications to which I referred earlier publishes in full the speeches of North Vietnamese leaders, as well as editorials from Vietcong newspapers in Hanoi, while at the same time contriving ways to paint a picture of our position as aggressive and generally immoral.

The President of the United States has found it necessary to state over and over again why it is that we are engaged in Vietnam, and to emphasize our determination.

And in addition to the August 3 CONGRESSIONAL RECORD statement which I have discussed, on August 2 a similar statement was made on the floor of the House. It attempts to show that the United States "must take a full measure of responsibility" for failure of the Geneva agreements.

The gentleman making the statement says that this country gave active encouragement to South Vietnam to renounce the agreements, and that we worked to prevent the International Control Commission, ICC, from performing effectively its function as keeper of the peace since 1954.

In arguing against increased U.S. military strength in Vietnam as ordered by President Johnson, the gentleman speaking on August 2 seeks to show that our presence in Vietnam was wrong from the start. And to show this he even goes back to the specters of Senator Knowland, Senator McCarthy, Chiang Kai-shek, and the "brinkmanship" I mentioned earlier.

He refers to the International Control Commission as established by the Geneva agreements and says it has not worked. And he is correct. The ICC has not been effective in preventing aggression in Vietnam.

But the gentleman attempts to show that the failure of the ICC has been due to the United States.

The fact is that the Communists never wanted the ICC to be effective and actively prevented it from doing its job.

The Commission is made up of representatives of India, Canada, and Poland. India acts as coordinator of the Commission in view of its role as a nation committed to neither the Communist bloc nor the anti-Communist nations.

It is a matter of history that the Polish delegates consistently, since the ICC was first established, prevented the Commission from acting to first identify incidents of North Vietnamese aggression and secondly from reporting on it as provided in the Geneva agreements.

The United States did not sign the Geneva agreements on Indochina of 1954. Inferences have been made that the reason we did not sign was that we did not want peace in Indochina or that we somehow had a subversive plan for interfering with the people's right for economic and political independence.

NONAGGRESSION

The reason we did not sign the Geneva agreements was that they sanctioned the division of Vietnam into two parts, with the Communist government of Ho Chi Minh given authority in North Vietnam under conditions which pointed surely to eventual Communist control of the whole country.

We were not working against economic and political independence for the Vietnamese people, but just to the contrary, we were working for it.

Further, we supported the principle of nonaggression. We stated that the United States would refrain from the threat or use of force to disturb the agreements and that we would view any renewal of aggression in violation of the agreements as a threat to international peace and security.

Since 1954 the United States has conscientiously encouraged the South Vietnam Government to assist the ICC. The

South Vietnam Government has exerted great effort to respond carefully to ICC communications, to provide full information as requested, to provide housing and transportation for the ICC teams, and in general to offer every help possible to the ICC to carry out its responsibilities.

Until the end of 1961 the United States meticulously kept its military and civilian mission people in Vietnam strictly within the limits of the Geneva accords.

On the other hand the North Vietnamese Government and the Polish delegations to the ICC since 1954 engaged in a long series of actions to thwart the ICC from performing its function. They employed a long list of tactics to circumvent the spirit as well as the letter of the purpose of the ICC as provided in the Geneva agreements.

A SOCCER TEAM

For example, while the United States and South Vietnam since 1954 have provided complete information regarding arrivals and departures of military personnel in South Vietnam as called for in the Geneva agreements, the opposite has been true in the north.

In the 1954–61 period it was common knowledge that Russian and Chinese Communist military personnel were observed in Hanoi and other parts of North Vietnam frequently. And yet in that period only one arrival of military personnel was reported to the ICC—that of a Communist Chinese soccer team.

During these years the United States and South Vietnam also provided convincing evidence on several occasions to the ICC regarding North Vietnamese violations of the Geneva agreements.

As a result, the ICC submitted a report on June 2, 1962, stating in part as follows:

> Having examined the complaints and the supporting material sent by the South Vietnamese mission, the Committee has come to the conclusion that in specific instances there is evidence to show that armed and unarmed personnel, arms, munitions, and other supplies have been sent from North Vietnam to South Vietnam with the object of supporting, organizing, and carrying out hostile activities, including armed attacks. These acts are in violation of articles 10, 19, 24, and 27 of the Geneva agreements.

That report also stated that the North Vietnamese Army worked for inciting, encouraging, and supporting hostile activities in South Vietnam aimed at the overthrow of the South Vietnam Government. The Polish delegate to the ICC dissented from the conclusions.

There were several tactics used by the North Vietnamese to prevent the ICC from doing its job with regard to inspections of material in transport so that military equipment could be detected and intercepted.

First. On frequent occasions when an ICC team in the North was scheduled to inspect a port or an air terminal the North Vietnamese liaison officer would simply say there were no vehicles available with which to make the trip.

Second. On other occasions when an inspection was due the Polish member of the ICC team would say he was ill and coud not make the trip, thus preventing an inspection. Work of the ICC required cooperation of all three delegations. One member could veto anything, and the Communists found that this kind of "troika" arrangement worked to their advantage.

Third. On still other occasions ICC teams in the North were told that they could not inspect given cargoes since the invoices or other documents were not available. In these cases the North Vietnamese would say the cargoes were merely consumer goods. And as in other such cases the Polish member would adopt the position of the Vietcong, the Canadian member would want to proceed with effective work, and the Indian member would decide that to do nothing would be the expeditious course, thus rendering the ICC ineffective.

CURRENT OBSTRUCTION

In South Vietnam the ICC has been accorded full opportunities for travel throughout the country. In the North the ICC has been harassed and at various times severely limited in its opportunity even to locate itself at significant places.

In the words of the State Department this week, for example:

> Since February 13, 1965, the authorities of the North have refused to allow the ICC teams which the Geneva Agreements specified should be established in Lao Kay, Lang Son, Tien Yen, Vinh, Dong Hoi, Haiphong, and Muong-Sen to remain in those cities. Therefore, at the present time the sole ICC representation in North Vietnam is located at Hanoi. Such a restriction, which is the culmination of all the obstacles imposed by the North over the years during which the ICC has existed, prevents the ICC from fulfilling virtually any of the functions assigned to it.

Mr. Speaker, I present these facts in an effort to show that anyone who depicts the United States and/or South Vietnam as violators of the quest for peace in Vietnam is grossly misinformed.

And efforts by elected representatives of American people to falsify the American position in the quest for peace provide shocking evidence of what Dean Acheson was concerned with when he referred to the need for Americans to view the world with a realistic concept of what constitutes morality.

Responsible, thoughtful Americans will rather agree with the Indianapolis Unitarian minister who, in speaking on this subject in June said:

> I reject this charge of moral turpitude leveled against our Government's policy in Vietnam. I reject it because I believe it to be tainted with immoral considerations. Many with clean hearts are being dragged into this position either through their single-minded vision of the right or through simple naivete.
>
> I reject this charge in the second place because it is an erroneous charge. Our Nation, and the people within it, must resist this attack upon its moral integrity. I say that my Government is as morally right as, in this moment of history, it is possible to be.

TO PERMIT FEDERAL EMPLOYEES TO PURCHASE SHARES OF FEDERAL- OR STATE-CHARTERED CREDIT UNIONS THROUGH VOLUNTARY PAYROLL ALLOTMENT

Mr. SCHMIDHAUSER. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. St Germain] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, today I am introducing a bill which will provide for further improvement in fringe benefits available to Federal employees by authorizing them to purchase shares in their credit unions through deductions from their paychecks.

In recent years, the payroll program of the Federal Government has been improved to provide wider fringe benefits. It is now possible for Federal employees to authorize payroll deductions for diverse purposes other than the traditional ones of taxes and retirement. Among the deductions now permitted are those for group health and life insurance, union dues, U.S. savings bonds, and, in certain instances, charitable contributions. The usual deductions for civil service retirement or social security and Federal and State income taxes are, of course, still being made.

This rather complete list shows that the Federal employee has been moving toward parity in fringe benefits with his fellow workers in State and municipal governments, business and industry. My bill would extend this progress one step further by permitting the Federal employee the benefit of a regular savings plan enjoyed by millions of workers using credit union payroll deduction plans outside the Federal Government.

Under the bill's terms, the Government would be reimbursed for the cost of making the deduction. I anticipate that this cost will be about the same as the 2 cents per check currently charged Government employee unions participating in the union dues program.

Furthermore, my bill would remove an inequity within the Department of Defense wherein civilian employees of the Department are not permitted to make credit union share purchases by means of payroll deductions, but military personnel are permitted to do so through the allotment procedure. I feel that all Federal personnel, civilian and military, should have available to them the same credit union savings program, since this program materially contributes to the financial independence of the members.

Credit unions comprising Federal employees may be chartered either by the States or the Federal Government. They have over 2 million Federal employee members and over $900 million in savings.

REMARKS OF THE PRESIDENT BEFORE THE WATER EMERGENCY CONFERENCE

Mr. SCHMIDHAUSER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Celler] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CELLER. Mr. Speaker, I am more than pleased to have this opportunity to set forth the far-reaching remarks of President Johnson before the Water Emergency Conference at the White House today. Those of us who were fortunate enough to hear these words spoken—Governors, mayors, Members of the House and Senate, members of the Cabinet, and officials of the Government—feel their impact keenly and I am sure all agree with me that a statement of such unmistakable significance should be read by everyone.

The statement follows:

Secretary Udall, distinguished Governors, members of the Cabinet, Chairman Seaborg, Mr. Ackley, first, I am happy that I have been able to hear some of the discussion. I deeply regret that I have not heard more, and I do want to have you share with me some of your private thinking. If it is agreeable, and you don't mind the quality of the lunch, we'll just have lunch together when we get through.

It may be a little late to your next meeting, but the folks in the other wing are accustomed to having guests on short notice—as I know they are in your capitals—and so if you bear in mind anything that you want to raise, we will do it during the lunch hour.

Second, apropos of the very excellent suggestion made by Governor Rockefeller, who has talked to me about this a number of times, I followed his pollution plank with great interest. He's discussed that with me, and I hope our people can be helpful in what he's been discussing. I rather doubt there will be any comprehensive appropriations possible in the next few weeks that we will be here to carry out one of the suggestions that you made, although I will ask the Director of the Budget and the Secretary of the Interior and the head of the Corps of Engineers to get any very specific ideas you have, after these teams make their visits, and be available for our budget hearings, which will begin September, October, and November in anticipation of the Congress' return in January.

I called you here today in the face of a 4-year drought that has been unequalled in the northeast section of our country. As I said earlier, I have known drought in the Southwest and I have seen what it can do, and I still have a grateful heart for what our then President Eisenhower did in that emergency. And I want to do everything that the White House can do to work with you in this one.

In other sections of this Nation, in times past, the challenge of the drought has been met. In the Northeast, though, it is facing a serious drought for the first time, really, in its history, and I am confident that the steps that we can take together in the challenge that does face us will enable us, somehow, to meet the test, and that the challenge will be overcome.

Now, this is a time for action. It is a time for Federal action, but that never substitutes for State or local action, as you all point out when the mayors meet and the Governors meet and talk about States rights and local rights, and so forth. And it is not any substitute for private action.

So, the big thing we must start out with is that we must act together, if that is possible, and I know with this group we can. We must act together, first, to solve the immediate crisis that is facing us. We must act together to prepare for a possible fifth year of drought—as you just said.

We must act together to assure our citizens of the northeast, and their children, that the supply of water that they need for their industry, and their health, and their recreation is issured and guaranteed as far into the future as we can see now.

So, as a result, I have already tried to mobilize the Federal Government into action. The Department of Agriculture, the Department of Health, Education, and Welfare, the Department of the Interior, the Federal Power Commission, the Corps of Engineers, the Office of Civilian Defense, and the Office of Emergency Planning—headed by one of your most popular and able former Governors, Governor Ellington—are already focusing their efforts on the problems in the northeast.

To continue to fulfill that responsibility, I am directing the Secretary of the Interior, today, to dispatch tonight, water crisis teams to the five cities that are represented here today.

I have asked Secretary Udall to make hard and fast decisions immediately and on the spot to assist each affected community.

I have directed the Secretary of the Army and the Chief of the Army Engineers to move as rapidly as possible on all vital water supply projects in the area.

And how does that happen?

No. 1, we are going to add $400,000 to the Tocks Island Reservoir project in the Delaware River Basin immediately, and this will quicken construction of that project by at least a year.

Second, we are going to add $400,000 to the Bettzville, Pa., project, and that will greatly expedite construction there.

Third, we are going to add $100,000 to the reservoir project at Blue Marsh, Pa., so we can speed up the planning and design there.

Fourth, we are going to add $150,000 to plan a $5 million water supply addition to the Prompton Reservoir project.

Fifth, we're going to begin planning a new $11 million water supply project at Trexler Reservoir.

I have asked my Water Resources Council to consult with each of you on a daily basis and to report to the President on any additional action that they think can be taken. Should the Council find that additional White House action is required, I want you to know that I am prepared to do whatever is necessary and to do it immediately.

Now, water problems are no longer limited by man-made State or municipal boundaries. These problems are regional and we recognize them as such.

Many years ago, I had a study made—one of the first in the Nation—of a regional water problem we had. We had to take into consideration the effect on many sections, many regions, many States, and some dozen rivers, before we could have a real comprehensive water plan. And as a result of that survey, we developed one. So, I am, therefore, initiating a $4 million comprehensive water resoure planning survey for the entire Northeast—all the way from Virginia to Maine.

Now, for the long-range, I have directed the Secretary-designate Gardner of Health, Education and Welfare, and my very able and imaginative—and I hope he did not get me out on these goals too far, I hope they are realistic—science adviser, Dr. Hornig, to start to work with you to prepare within 6 months a plan of action for pollution control.

I am asking Secretary Udall to work with Dr. Hornig and Dr. Ackley, of my Council of Economic Advisers, and Dr. Seaborg to examine the potential of desalting for the Northeast, and to give me a report on the potentialities and possibilities there within 6 months.

As Nelson told you—as you have observed—I have just signed a bill—I hope you still have that pen to take home with you. I am increasing the funds for the desalting program by $185 million. That's $175 more than it was last week. They had me down to $10 million for a period there.

I know you are really interested in this whole field, but in the field of conservation, in the field of highway improvement—sometimes called beautification—in the field of pollution, we need all the leadership we can get. We don't need it here at the White House. We need it in the House and Senate and in the committees that have those matters under their control.

I hope that you will take a look at that situation. We have a stronger pollution bill in the Senate than we did in the House. We have it in conference now, and it is in conference, and we want it to come out of that conference, and I beseech you and I implore you and I invite you to render me the same kind of effective assistance in that field that Governor Scranton did when Appalachia was pending.

The pollution bill, this highway improvement bill, the conservation measures that apply to your States—those decisions are being made right this session. They are going to be decided in the next 3 weeks. And I think they will all be decided favorably—and maybe more expeditiously and maybe a little more favorably if your views are known to your people from your States.

Now, top priority is going to be given to every one of these problems that exists in the Northeast. You are in trouble and when you are in trouble we're in trouble. And we are going to be there to help.

I have told you that this is what we can do and this is what we will do.

But water supply really is a local responsibility. Only you are going to be able to conserve the water that you now have. There is not much I can do about the third of Bob Wagner's water that we don't know where it is going.

You must devise and you must enforce the necessary procedures to avoid the waste of water by leakage or by unnecessary use. And you can do a good deal about the unnecessary pollution. The pollution that is taking place in this country, and the effect that a few industrial plants are having on the future of our country, is absolutely disgraceful. I don't want to put it on your doorstep, I'm putting it on mine here—right here on the Potomac, where George Washington threw his dollar. It is disgraceful.

I was out on it last night and you can hardly go down the river without recognizing and wondering why we have been so shortsighted these years. And it has got to stop. We have got to do something about it. And good men, and great men, and wise men, and good Americans—like yourselves—can do something about it.

You can do it in your leadership in your States, and you can do it in your speeches, and you can do it here in Washington. I need all the help I can get in that field.

I have been getting a lot of it. Your brother is giving a lot of it. I want to give you at lunch a book that he has had published in that very field, showing some of the beauties of America and also some of the shame.

So, as leaders of your States, and as leaders of your cities, I think if you do nothing else out of this White House conference except go back and urge your citizens to use the water they now have—but use it with prudence, and use it wisely, and use it without contaminating it and without polluting it—and to say to these giants and titans, who may not have had the appreciation of all the conservation angles that some professor would have, that you take a new look at what you are doing to the water that belongs to all the people. It is not your private water to do what you want to do with it.

So, no one will solve this problem by themselves. No one single program is going to solve it. But the expertise of the Federal Government is available to you and it is going to help you and it is going to try to provide what leadership it can.

Comprehensive planning is available to you and it can help you, and we are going to use it. Antipollution and desalting programs can help, and if you will help me get the pollution bill through the Congress, the desalting bill, we will give you some matching appropriation, and we can and will help.

The Senate passed $200 million and the House was ready for $10 million, and we compromised for $185 million—but you understand those things. That one is behind us. But this conference might have had something to do with helping along a little bit on that.

These programs must be welded together by men working together. And they must work together into an effective weapon to end the current crisis, and to prevent any such crises from developing again.

There are many more ambitious programs that could be developed. Where they are realistic I will ask our people to help, within the limits of our resources. We will try to help match you on a local and State basis to meet them.

We are going to have severe drains because of the new programs we are passing in other fields this year. I have signed at least 40 major bills in this session—more major bills have been signed, I think, than in any other period in the history of the Congress.

That is the work of the Congress. It is not the work of anyone else. And you sent these men to Congress. They have acted as Americans.

I heard Secretary Rusk say the other day that if you go into the Foreign Relations Committee you could not tell when you were hearing FULBRIGHT and AIKEN—if you were a foreigner—which one was the Republican and which one was the Democrat. All you knew was that both of them were Americans. And the Congress is pretty well functioning that way this year.

Some of our people don't always see things as we do, but we can expect that. But these 40 bills are the fruits of their labor—and we still have 40 more to come. They are coming every day, right down the line.

We're going to have an Urban Affairs Department this afternoon. We're going to have a public works and area redevelopment bill this afternoon—I hope—unless I'm disappointed. They're voting in the House and Senate now.

But we do want, before we leave here, something that is important to you. Do you know that the tourist trade has picked up unbelievably abroad? And if you travel over some of our country you can see why people want to get away from it. Yet a few men are coming in and insisting that we keep these dirty, little, old signs up in these little, dirty, old towns. That this is going to affect free enterprise, and this is going to do this and that—while our tourist trade is picking up, and picking up, and picking up.

When I leave this meeting I'm going out to talk to the "See the U.S.A." group that is traveling the U.S.A. to try to see and point out the glories of this country.

My wife is going in one direction, my daughter has been going in another direction, and I hope, before the summer is over and Congress leaves, that I can go in another direction to illustrate America the beautiful.

And you Governors can contribute a great deal, not only by helping us with this present program that we are considering how to make Pennsylvania and New Jersey and New York and Delaware and Texas more beautiful, but to conserve our resources and to help us conserve some of our dollars here at home, too.

Our net loss this year is going to be nearly $2 billion in tourists abroad—almost $2 billion—and that has to be made up somewhere. It is one of our major problems. I know of no other problem I have that is as important as the balance-of-payments problem.

I just wish that these States could evolve and develop their water supply, their rivers, in such a way—their scenery and their parks and their concessions and their affairs, and other things—so as to be able to compete successfully with their sister States and their sister countries.

We don't want to ban travel. We're fond of people traveling. We are not against them traveling abroad. We want them to see all the world. But we want to make our place so beautiful that we want them to see it, too.

So, if you will collect your papers and indulge me for about 5 minutes—until I appear before the U.S.A. Group—we will explore this further at lunch. And I hope the Senators have returned by that time, if they have passed a bill. If they haven't, I hope they stay there until they do.

CIVIL SERVICE RETIREMENT ANNUITY ADJUSTMENTS

Mr. SCHMIDHAUSER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. WILLIAM D. FORD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WILLIAM D. FORD. Mr. Speaker, I want to go on record as being strongly in favor of H.R. 8469, to provide equitable and desperately needed increases in the annuities of Federal civil service retirees and their survivors.

Adjustments in civil service annuities have too often been too little and too late to meet the constantly rising costs of living. The entire concept of a pension plan is to enable retirees to enjoy their retirement with freedom from want, and to live in a dignified manner with enough income to meet their basic needs.

It is the responsibility of Government to attempt to maintain the pensions of its retirees and survivors on a level that will enable them to live at a standard comparable with that maintained by them while they were actively employed contributors to our Government service.

The unprecedented expansion of our economy, and the resulting inflation, is a serious enough problem to the employed worker. But it can easily become a tragedy to the retiree who is trapped between rising prices and a fixed income.

Today, an annual income of $3,000 is the borderline below which a married couple is deemed to be in the poverty class. Yet, the bulk of the Nation's 700,000 civil service retirees and survivors are living on pensions of much less than that amount.

H.R. 8469 is designed to give pension increases where relief is most greatly needed. Annuities would be boosted by 10.2 percent for those dating prior to October 1956, and 5.2 percent for those which commenced since that time. The bill also provides a somewhat higher percentage increase for some 43,000 elderly widows of retirees who passed away before the law was liberalized to grant survivor protection. These widows' pensions now average only $44 a month.

Other sections of the bill will give retirees faster benefit from a cost-of-living feature which was added in 1962, and will increase by 5 percent the amount of benefits paid to survivors of civil service retirees or those who die while on Federal service.

The increase provided in H.R. 8469 will directly aid those pensioners and survivors who have the greatest need. I believe that the Congress has a moral obligation to assist these persons, who are the innocent victims of an expanding economy.

A BREAKTHROUGH IN HIGHWAY SAFETY

Mr. SCHMIDHAUSER. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. ROGERS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, it is encouraging to see increased public concern in traffic safety. In the past such everyday matters as highway traffic safety have received less than priority rating by the general public.

However, because the public's interest has only lately been directed toward highway safety is no indication that efforts to curb traffic accidents have not been underway for some time.

For example, in the 88th Congress the Interstate and Foreign Commerce Committee, of which I am a member, conducted hearings on legislation which resulted in Public Law 88–515. This measure requires certain safety features to be included on passenger cars purchased by the Federal Government. The standards were set by the General Services Administration, which does such purchasing.

While more needs to be done in this field, it is well known within the automotive industry that the major manufacturers have engaged in highway safety research for some time now. This fact should be emphasized as a clear example of an industry concerned for the welfare of the public it serves. That the industry is sufficiently concerned for the public welfare to invest capital for solutions to spreading public problems is a mainstay of the free enterprise system.

The American motoring public will soon be directly benefited from the provisions of Public Law 88–515. The safety standards set by the General Services Administration for Government vehicles were determined after extensive consultation with safety research experts from the automotive industry. The General Services Administration advises me that the cooperation of the industry was of great help in determining the standards. Already this mutual effort is reaching the public. Of the 17 safety features prescribed by GSA for the Government's vehicles, 14 such features will be available to the general public in the products offered for 1966 by one manufacturer alone, the Ford Motor Co. In the future more and more automobiles will carry the safety improvements incorporated in vehicles purchased for Government use.

These features will be refined as research continues. Already new approaches have been found to the problem of relaying road hazards to the driver's attention. Two major manufacturers have conducted extensive investigations into the major causes of highway accidents, and the results are significant.

For example, nearly all of a driver's decisions are based on information which he receives through his eyes. The driver must make note of many highway events such as approaching intersections or sharp curves, the path and speed of merging cars, the behavior of other vehicles on the road. At the same time, the driver is expected to respond to the vast number of warning signs and signals placed along the roadway.

It has been determined that the average driver is confronted with 10 or more highway traffic events per second. He makes two or more driver observations per second. He must make one to three decisions per second. He makes 30 to 120 driving actions per minute, and at least 1 error every 2 minutes. He is confronted with a hazardous situation every hour or two, and he is involved in a near collision once or twice a month. In addition, the average driver is involved in a collision every 6 years of driving.

Much technology has been advanced in automotive engineering for improved highway safety. Little concentration has been placed on the driver, however, and with the barrage of hazards facing the average motorist each second he is behind the wheel it is clear the human factor in driving needs attention.

Industry attention has now been directed to the driver as a source of highway error. As the bulk of automotive safety research in this country is conducted by the industry, and has been mainly in the engineering aspects of driving, hopefully this new emphasis by the industry on the driver's role will effect lower accident statistics.

Efforts have been underway in the automotive industry for some time now to develop an adequate warning system to signal the driver's attention to upcoming road hazards. The most recent development of this nature was demonstrated recently in Washington by the Ford Motor Co. Developed by the Philco Corp., Ford's "radio road alert" system is a relatively simple and reliable method of giving vital highway data to the driver. Where visual aids such as stop signs and light signals may fail, the audio system inside the vehicle serves as a second reminder that road dangers are approaching.

This system, which is of interest to key officials of the Bureau of Public Roads, works through the car radio. It operates in conjunction with small tape cartridges activated by a signal from a small, low-powered transmitter located at potential trouble spots alongside the road. When the driver approaches, the transmitter trips the appropriate recorded message which plays over the car radio speaker. The message is brought to the driver's attention whether the radio is turned on or off, regardless of the dial setting, or the weather.

The system would serve as a supplement to highway signs, difficult to see in bad weather, and amplify the terse language or ambiguous symbols which cause some signs to be misleading. The system's messages can be long detailed, or short and brief, depending on conditions.

A unique feature may also be found in the system's adaptability to emergency road conditions. Highway police might easily carry small transmitters in their cars, and spotting a road hazard, could station a transmitter to give warning to approaching drivers. Forewarned, the driver could calmly approach the hazard in full control.

Mr. Speaker, this latest concept is one which deserves the serious consideration of those in government at all levels, Federal, State, and local. With several similar systems presently in existence by other manufacturers, it would seem that the time is rapidly approaching for experimentation of communications warning systems for drivers on an appropriate stretch of the Federal Interstate Highway System. I urge that this be done.

In order that the maximum amount of circulation may be given to this matter I am including recent news stories on communications warning systems at this point in the RECORD:

[From the Washington (D.C.) Evening Star, July 22, 1965]

A BACK-SEAT DRIVER IN THE CAUSE OF SAFETY

Soft music came over the car radio as the sedan headed across a Potomac River bridge.

Suddenly the music cut off and a woman's crisp voice commanded:

"Yield right of way; proceed with caution. Yield right of way."

The car continued on toward the Pentagon with the radio turned off. Suddenly it turned on automatically, and the voice of the woman-from-nowhere crackled:

"Next exit, right lane. Next exit, right lane."

Gremlins along the Potomac?

No—just the test of an experimental "radio road alert system" developed by the Ford Motor Co. and the Philco Co.

It's a safety plan designed to warn the automobile driver—through his car radio—of highway situations and impending dangers.

The warnings aren't broadcast from a radio station.

They're stored in prerecorded form on a magnetic tape in an electronic memory unit inside the automobile. The appropriate warning is triggered into vocal form over the car radio by a coded signal from special radio transmitters that can be placed on roadsides or carried in police or other emergency vehicles.

The system is designed to warn drivers of such hazards as bridge washouts, roadblocks, multiple car pileups, icy road conditions, changes in speed limits and other traffic situations.

Saying the setup could provide a nationwide network of talking signs, Ford officials told reporters at the demonstration Wednesday:

"The Ford system would supplement cautionary highway signs which are difficult to see in bad weather and, because of their size and the speed of traffic, are restricted to terse messages that are sometimes misunderstood."

They contended that drivers' eyes already are overworked—due to such situations as "being confronted with 10 or more highway and traffic events per second"—so it would be a good idea to put the driver's ears to work.

The memory unit can store 40 or more messages covering virtually all possible traffic conditions—including an alert that you're driving the wrong way on a one-way highway.

Low power roadside and mobile transmitters have a range of up to 2,000 feet.

Estimated cost of such a system: possibly $25 for a single roadside transmitter; $35 to $50 for the automobile equipment if added to an existing car radio, and $15 to $20 if originally built into a radio.

[From the Washington (D.C.) Daily News, July 22, 1965]

THIS IS A RECORDED NAG

As the Mercury pulled onto the parkway at Memorial Bridge in Arlington, radio news was interrupted by a piercing "Beeeep," and a woman's loud voice saying: "Slow down. Speed limit ahead 45 miles an hour."

It could be that millions of Americans will be hearing that loud safety warning on their car radios in a few years.

Ford Motor Co. President Arjay Miller was asked at a hearing on the Hill yesterday by Senator ABRAHAM RIBICOFF, Democrat of Connecticut, what his company was doing if anything about traffic safety.

Mr. Miller said that Ford was doing a lot about safety. Its radio road alert system, for example, he said.

That is what the specially equipped Mercury was doing driving around over in Arlington yesterday—demonstrating the radio system.

"We're sending a message," said one Ford man from the front seat of the car.

Ford bases the idea on the premise that a driver's eyes have too much work to do and need help, he said.

The radio they have developed broadcasts traffic warning to drivers. If he doesn't see the stop sign he will hear it.

Yesterday Ford had planted about eight small transmitters along the route the Mercurys took. When they passed the transmitters, it triggered a message stored on tape in a black box in the Mercury.

Ford engineers envision millions of these transmitters along the Nation's roads.

The tape in the car is about the size of a cigar box and only costs about $50. They could hold messages sufficient to handle almost every conceivable situation, Ford says. The taped message would be broadcast whether the car radio is on or not.

[From the Washington (D.C.) Post, July 22, 1965]

AUTO MESSAGE SYSTEM TO BE TESTED

(By Robert M. Fresco)

Within the next 6 to 12 months, motorists will test a new communications system enabling them to receive instantaneous reports of road conditions on their car radios.

Two variants of this system have been proposed. In one, signals from a roadside transmitter will trigger 1 of 40 taped messages stored within the car itself. Such a message might say, "Slow down, accident ahead."

In the other variant, messages would be broadcast from the transmitter directly to the car radio. In both cases, messages would be automatic, either cutting in on radio programs, or turning on the radio so that the warning could be heard by the driver.

The first system, devised by the Ford Motor Co., was demonstrated to the press here yesterday. The second device is a product of the General Motors Corp. Both systems have attracted the interest of the Bureau of Public Roads.

In both devices, messages would be directed so that only drivers approaching the transmission box would receive them. They would be broadcast on low power frequencies so as not to interfere with other commercial or amateur broadcasts.

Several dozen transmission boxes could be operated by a single control unit, which would turn them on and off, or change the messages transmitted.

Asriel Taragin, assistant deputy director of research for the Bureau of Public Roads, said that tests of these devices will begin soon along a 50-mile section of toll road.

He said Federal highway officials are hopeful the tests will prove the feasibility of at least one of the road safety systems. "Communications," he said, "is one of the most essential items in our traffic safety program."

Adapters would cost a driver a minimum of $15. Federal, State, and local officials would have to install at least one transmitter every half mile along the road, a costly operation, Taragin noted.

For this reason, highway officials do not see the installation of such communications devices on a mass basis for quite awhile. "We have several years of research and planning ahead of us," Taragin said.

Mr. SCHMIDHAUSER. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Pepper] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. PEPPER. Mr. Speaker, in moving ceremonies here in the Capitol, the President within recent days signed into law the historic Voting Rights Act of 1965. Reports appearing in the press indicate that the administration is moving vigorously on all fronts to make real the promise of the right of every citizen to vote. According to these reports, selected civil service employees are registering voters in nine counties in three States. Simultaneous with these events, the Justice Department, pursuant to the authority of the act requiring a legal test of the constitutionality of the few remaining poll tax laws, has filed suit in one State. Similar action has now been taken in the three other jurisdictions where the most basic of all our constitutional rights is placed on a monetary standard.

My Spanish-speaking constituents have an old saying that "el tiempo da gusto a todos." Roughly translated, this means that given time our finest hopes become a reality. As one who, beginning as early as 1941, challenged the validity of the poll tax as a condition for the exercise of the right to vote, I am particularly heartened by the events of the past few days. Although I would have preferred the outright ban of the committee bill, I am confident that the provision of the conference report which was signed into law will lay the groundwork for a judicial holding that the poll tax as a condition for the exercise of the right to vote is in violation of the Constitution of our land.

My authorship in the other body of S. 1280 in the 77th Congress was motivated not only by what I felt to be the clear mandate of our fundamental law, but also because it proposed "that which was best for the South itself and that which is right for the whole country"—88 Congressional Record, page 9046, 1942. While time has wrought a great many changes, my feeling in this particular remains essentially unchanged.

That early bill, like that so recently laid upon our statute books, was the subject of a lively controversy. It was received by declarations that "What happens in the States is none of your business." I said then, and I repeat now, "I am a southerner by direct lineage for over 200 years. I have not within more than two centuries had an ancestor who was not born in and who did not die in the South, where someday I shall sleep with my own ancestors. Some of them wore the tattered raiment of the revolutionaries in the Revolution. Others did their best with other patriots in subsequent wars. Some, who wore the gray in the Civil War, sleep in heroes' graves."—88 Congressional Record, page 9046, 1942.

Mr. Speaker, I did not then, and I do not now question any other person's attitude or his right to maintain it. I do not say that he is right or wrong. I earlier sponsored legislation to abolish the poll tax and I voted for the recent enactment because of a sentiment equally conscientious and a policy which I believe to be fraught with more good for the South we love than would be a contrary attitude.

To those who view the abolition of the poll tax as an unwarranted interference with State prerogatives to establish voter qualifications, I can only say that when the States are acting properly in the prescription of qualifications, fitness to vote, aptitude to vote, they are unlimited in their power. However, when they go beyond the scope of proper qualifications and impose onerous burdens, then it becomes the duty of Congress to correct the situation and to preserve the right of every elector to vote.

I recall vividly the words of then Senator Barkley, later the much loved Veep, who in debate on an amendment to the absentee voting bill to repeal the poll tax stated:

> I do not believe in the poll tax qualification for voting. In my judgment it is essentially a property qualification. Long ago the American system of democracy got away from the property qualification as a prerequisite for voting (88 Congressional Record, p. 6939 (1942)).

It was obvious then, and remains true today that the poll tax does not act as a screen to determine the fitness of the electorate. It operates as a handicap which denies the privilege of the ballot to a very large percentage of the country, both whites and Negroes. Its effect as a restriction on voting, rather than a qualification for voting, was emphasized by the Senate Judiciary Committee in 1943 which stated:

> We believe that there is no doubt that the prerequisite of the payment of a poll tax in order to entitle a citizen to vote has nothing whatever to do with the qualifications of the voter, and that this method of disenfranchising citizens is merely an artificial attempt to use the language of the Constitution, giving the States power to set up qualifications which in fact have no relation whatever to qualifications. (S. Rept. 532, 78th Cong.)

Earlier, in a report on my own proposal, the committee clearly stated that the purpose of the poll tax was to discriminate—Senate Report 1662, 77th Congress.

At that time, Mr. Speaker, eight States had poll tax requirements. Today, that number has dwindled to four. Yet, the negative effects of the requirement persists. It is interesting to note that these four States which still require the payment of a poll tax were among the six States with the lowest voter participation in the 1964 presidential elections—Alabama, 36 percent; Mississippi, 33 percent; Texas, 44 percent; Virginia, 41 percent.

Mr. Speaker, Congress has witnessed a long and bitter struggle to abolish the poll tax as a prerequisite for voting, so that no American must pay for the privilege of exercising his constitutional privilege, the right to vote. Now we have fulfilled, I believe, the fundamental promise of the system the framers put into motion so long ago. "El tiempo da gusto a todos."

Again, I commend the able chairman of the Judiciary Committee and his associates for taking the price tag off the franchise to vote in America.

PERSONAL EXPLANATION

Mr. SCHMIDHAUSER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHMIDHAUSER. Mr. Speaker, on Tuesday, August 10, the House acted affirmatively on a bill establishing penalties for the burning of draft cards. I was unable to vote on this measure because I was on official business in my district. If I had been present I would have supported the bill.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Edwards of Alabama (at the request of Mr. McClory), for 30 minutes, today; and to revise and extend his remarks and include extraneous material.

(The following Members (at the request of Mr. Schmidhauser) to revise and extend their remarks and to include extraneous matter:)

Mr. Dent, on August 12, for 30 minutes.

Mr. Wolff, on August 12, for 30 minutes.

Mr. Tenzer, on August 12, for 15 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Cleveland to revise and extend his remarks made in the Committee of the Whole today on S. 1648 and to include his supplemental views.

Mr. Kee to revise and extend his remarks made in the Committee of the Whole today and to include extraneous matter.

Mr. Cohelan

Mr. Tuten to include extraneous matter in connection with his remarks in Committee of the Whole today.

(The following Member (at the request of Mr. McClory) and to include extraneous matter:)

Mr. Edwards of Alabama.

(The following Members (at the request of Mr. Schmidhauser) and to include extraneous matter:)

Mr. Gilbert.

Mr. Teague of Texas in two instances.

Mr. Wolff.

Mr. Roncalio.

Mr. Sickles in two instances.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8856. An act to amend section 271 of the Atomic Energy Act of 1954, as amended.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 7997. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1966, and for other purposes.

ADJOURNMENT

Mr. SCHMIDHAUSER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p.m.) the House adjourned until tomorrow Thursday, August 12, 1965, at 12 o'clock noon.

COMMITTEE EMPLOYEES

July 13, 1965.

Committee on Agriculture

To the Clerk of the House:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John J. Heimburger	General counsel	$12,120.40
Francis M. LeMay	Staff consultant	12,120.40
Christine S. Gallagher	Clerk	12,120.40
Hyde H. Murray	Assistant clerk	10,312.73
George F. Misslbeck	Printing editor	6,085.44
Lydia Vacin	Staff assistant	5,690.46
Betty M. Prezioso	do	5,690.46
Peggy Jean Lamm	do	5,253.30
Martha S. Hannah	do	5,253.30
Jane C. Wojcik	do	5,059.98

INVESTIGATING STAFF

Name of employee	Profession	Total gross salary during 6-month period
Robert C. Bruce	Assistant counsel	$4,267.84
Marjorie B. Johnson	Staff assistant	3,509.10
Allen Paul	do	1,768.83
Berkeley, Carolyn Windsor (nee Windsor).	do	2,814.76
Roger J. Brown	do	2,589.96
Larry A. High	do	405.41
Elizabeth C. Rawlings	do	322.92
Fowler C. West	do	680.12

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount of expenditures previously reported	--------
Amount expended from Jan. 1 to June 30, 1965	18,829.71
Total amount expended from Jan. 1 to June 30, 1965	18,829.71
Balance unexpended as of June 30, 1965	56,170.29

Harold D. Cooley,
Chairman.

July 15, 1965.

Committee on Appropriations

To the Clerk of the House:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Kenneth Sprankle	Clerk and staff director.	$11,472.60
Paul M. Wilson	Assistant clerk and staff director.	11,472.60
Carson W. Culp	Staff assistant	11,381.22
Robert M. Moyer	do	11,152.74
Jay B. Howe	do	11,152.74
Ross P. Pope	do	11,152.74
Frank P. Sanders	do	11,152.74
G. Homer Skarin	do	11,152.74
Eugene B. Wilhelm	do	11,152.74
Robert L. Michaels	do	11,152.74
Aubrey A. Gunnels	do	10,295.04
Robert P. Williams	Editor	9,206.10
George E. Evans	Staff assistant	9,017.94
Francis G. Merrill	do	9,017.94
Samuel R. Preston	do	8,604.78
Earl C. Silsby	do	8,393.46
Keith F. Mainland	do	6,849.54
Lawrence C. Miller	Assistant editor	5,909.88
George A. Urian	Clerical assistant	5,011.68
James E. Moore	do	4,607.52
Austin G. Smith	do	4,607.52
Stephen B. Miller	do	767.92
Francis W. Sady	do	518.90
Randolph Thomas	Messenger	3,015.42
Grace W. Beirne	Clerk-stenographer	767.92
Patrick M. Hayes	do	4,607.52
Ruth E. Addison	do	4,607.52
William J. Neary	do	4,607.52
John A. Ringwald	do	3,972.60
Mary L. Schwarzmann.	do	4,607.52
Mary H. Smallwood	do	4,607.52
Mary F. Wilson	do	3,853.95
Harry E. Reynolds	do	51.19
Janice J. Stalcup	do	281.57
Phyllis N. Troy	do	48.53
Jean M. Cameron	do	3,208.51
Rosalind E. McGovern.	do	3,839.60
Alan R. Henry	do	409.56
Helen C. Hampson	do	606.36
Jack W. Watson	Clerk to the minority.	10,295.04
Jessemine A. Falls	Clerk-stenographer	4,607.52
Clara B. Posey	do	4,607.52
Ann L. Obrotka	do	4,128.66
Agnes Ainilian	do	51.19
Josephine Birdsall	do	383.96
Catherine L. Kennett	Clerk-stenographer	$51.19
Bernice R. Lynch	do	47.20
Sophia Moreland	do	43.35
Geoffrey L. Nichols	do	44.14
James H. Bersie	do	63.05
Neta C. Messersmith	do	1,376.22
Stephen T. Adams	do	3,013.90
Charles H. Fritzel	do	3,839.60
David Gramling	do	3,660.42
Larry H. Jose	do	3,112.75
Thomas M. McMurray.	do	3,839.60
Frankie C. Ramage	do	3,839.60
Alex Coffin	do	2,648.40
Dorothea Dickinson	do	1,432.08
Raymond L. Gooch	do	2,022.19

Funds authorized or appropriated for committee expenditures	----------
Amount of expenditures previously reported	$307,906.87
Amount expended from Jan. 1, to June 30, 1965	291,404.21
Total amount expended from July 1, 1964, to June 30, 1965	599,311.08

George Mahon,
Chairman.

July 15, 1965.

Committee on Appropriations (Investigations Staff)

To the Clerk of the House:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Rowland C. Halstead	Director, surveys and investigations staff (to May 1, 1965).	$5,772.60
Leo E. Conroy	Director, surveys and investigations staff.	9,150.36
Charles Bolz	Assistant director, surveys and investigations staff.	8,907.42
Edward J. Hayes	do	2,969.14
Lillian M. Mackie	Stenographer	4,555.60
Mary A. Sauer	do	4,276.30

REIMBURSEMENTS TO GOVERNMENT AGENCIES

Agriculture, Department of:		
Boling, W. G	Editorial assistant	$2,768.45
Canada, T. C	Investigator	1,107.72
Mizelle, D. B	Editorial assistant	4,126.18
Sady, F. W	Clerk-stenographer	2,725.89
Sherman, J. I	Investigator	6,528.00
Army Audit Agency:		
Boone, M. V	do	6,925.90
Atomic Energy Commission:		
Moore, J. R	do	7,808.40
Bureau of Reclamation:		
Stradley, H. E	do	5,370.00
Commerce, Department of:		
Bershad, M	do	319.93
Krevor, N	do	2,495.63
Defense, Department of:		
Vida, J. M	Stenographer	3,362.93
District of Columbia Redevelopment Land Agency:		
Frantz, J. M	Editorial assistant	2,116.74

REIMBURSEMENT TO GOVERMENT AGENCIES—Con.

Name of employee	Profession	Total gross salary during 6-month period
Federal Bureau of Investigation:		
Bennett, C. L	Investigator	$7,874.08
Billings, C. G	do	2,350.80
Byrnes, R. C	do	7,781.28
Carson, W. D	do	7,987.68
Currall, W. G	do	7,781.28
Flatley, J. M	do	7,308.56
Franklin, R. M	do	7,372.56
Hayes, E. J	do	5,531.52
Health benefits fund.		696.57
Ivy, C. M	Investigator	7,358.16
Law, W. C	do	3,192.64
Life insurance fund		414.10
McCloskey, J. J	Investigator	6,945.36
McDowell, L. L	do	6,509.04
Magee, E. H	do	7,781.28
Murphy, P. J	do	7,151.76
Retirement fund		7,999.56
Shannon, A. J	Investigator	7,781.28
Sullivan, J. V	do	7,781.28
Van Wagoner, R. L	do	7,781.28
Welch, W. H	do	8,194.08
Wood, H. B	do	7,922.08
General Services Administration:		
Chapman, H. K	Investigator	4,100.65
Collinet, P. J	do	1,875.37
Health, Education, and Welfare, Department of:		
Duffy, H. C	do	8,650.15
Housing and Home Finance Agency:		
Brown, D. S	Editorial assistant	2,700.08
Interior, Department of the:		
Ulmer, S	Investigator	7,321.05
Library of Congress:		
White, J. P	Clerk-stenographer	728.80
National Aeronautics and Space Administration:		
Carey, B	Investigator	5,227.28
National Bureau of Standards:		
Tipson, R. S	do	9,946.00
Navy, Department of the:		
Murray, W. S	do	2,838.80
Nicholas, R. C	Editorial assistant	2,595.52
Veterans' Administration:		
Austin, W. C	Investigator	5,095.30
Travel and miscellaneous.		47,991,96

Funds authorized or appropriated for committee expenditures	$700,000.00
Amount of expenditures previously reported	347,090.19
Amount expended from Jan. 1, 1965, to June 30, 1965	321,854.38
Total amount expended from July 1, 1964, to June 30, 1965	668,953.57
Balance unexpended as of June 30, 1965	31,046.43

GEORGE MAHON,
Chairman.

JULY 8, 1965.

COMMITTEE ON ARMED SERVICES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John R. Blandford	Chief counsel	$12,004.74
Philip W. Kelleher	Counsel	11,970.18
Frank M. Slatinshek	do	$11,970.18
William H. Cook	do	10,687.08
Earl J. Morgan	Professional staff member.	10,687.08
Ralph Marshall	Professional staff member (from Feb. 1, 1965).	7,086.85
Oneta L. Stockstill	Executive secretary	7,086.66
Berniece Kalinowski	Secretary	6,214.50
L. Louis Ellis	do	6,214.50
Edna E. Johnson	do	6,214.50
Dorothy R Britton	do	6,214.50
Doris L. Scott	do	5,132.46
James A. Deakins	Clerical assistant	4,727.76
Benjamin Frasier, Jr	Messenger (from Mar. 12, 1965).	1,515.28

SUBCOMMITTEE FOR SPECIAL INVESTIGATIONS (PURSUANT TO H. RES. 118 AND 119 89TH CONG.)

Name of employee	Profession	Total gross salary during 6-month period
John T. M. Reddan	Counsel	$11,754.45
Walton Woods	Investigator	9,544.54
John J. X. Ford	Professional staff member (from Mar. 22, 1965).	4,616.40
Phyllis Seymour	Secretary	5,567.01
Adeline Tolerton	Clerk	3,764.22
William B. Short	Clerical assistant (from Mar. 16, 1965).	2,146.16

Funds authorized or appropriated for committee expenditures	$100,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 1, 1965, to July 1, 1965	38,230.53
Total amount expended from Jan. 1, 1965, to July 1, 1965	38,230.53
Balance unexpended as of July 1, 1965	61,769.47

L. MENDEL RIVERS,
Chairman.

JULY 8, 1965.

COMMITTEE ON BANKING AND CURRENCY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee staff:		
John E. Barriere	Professional staff member (January to February).	$3,824.20
Jane M. Deem	Administrative assistant.	5,859.76
Orman S. Fink	Minority professional staff member.	11,472.60
Benet David Gellman.	Investigative counsel (May to June).	2,355.06
Katherine M. Greene.	Assistant counsel	7,308.99
Charles B. Holstein.	Professional staff member (May to June).	3,824.20
Mary W. Layton	Secretary to minority.	6,320.16
Alvin Lee Morse	Counsel	8,813.52
Paul Nelson	Clerk and staff director.	10,798.80
Curtis A. Prins	Chief investigator	8,183.44
Standing committee staff—Con.		
John R. Stark	Clerk and staff director (January to February).	$3,824.20
Donald G. Vaughn	Assistant clerk	5,501.58
Total		78,086.51
Investigating staff (Pursuant to H. Res. 133 and 134, 89th Cong.):		
Karl Robert Bailey	Messenger (April through June).	368.15
Charles S. Beller	Counsel	10,310.65
Roger J. Brown	Editor (January through Mar. 15).	3,009.25
James Davis Clark	Research analyst (June).	500.29
Susan M. Day	Secretary (Apr. 19 through June 30).	1,441.92
Dolores K. Dougherty.	Assistant clerk (Apr. 13 through June 30).	1,838.35
Benet David Gellman.	Investigative counsel (April).	1,177.53
Helen E. Hayden	Assistant clerk (January).	679.45
George C. Hill	Assistant clerk (January through Apr. 15).	2,681.12
Helen C. Hitz	Assistant clerk (Apr. 1 through June 30).	2,300.79
Norman Leonard Holmes.	Assistant counsel (May 22 through June 30).	1,896.44
Charles B. Holstein.	Professional staff member (January to April).	7,520.92
Shirley W. Holt	Assistant clerk (January to May).	2,172.39
Janice L. Johnson	Secretary	3,809.66
Robert Murray Kendrick.	Assistant clerk (May to June).	736.79
Constance Mellinger.	Secretary (May 24 to June 30).	740.99
Stephen D. Kennedy.	Research analyst	3,700.25
Mildred S. Mitchell	Assistant clerk	4,372.86
Jonas V. Morris	Professional staff member (May 6 to June 30).	2,521.16
Donald L. Robinson.	Professional staff member (January to April).	3,107.25
Patricia A. Taylor	Assistant clerk (January to February).	695.38
Christopher Tunnard.	Consultant (May)	1,296.41
William Earl Turner, Jr.	Staff investigator (April to June).	5,281.23
Winston Lee Watson.	Research assistant (June).	471.88
Doris M. Young	Assistant clerk (January to February).	1,484.64
Total (H. Res. 133 and 134 appropriation).		64,115.78

Funds authorized or appropriated for committee expenditures (H. Res. 134 funds)	$225,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 3 to June 30, 1965	70,054.80
Total amount expended from Jan. 3 to June 30, 1965	70,054.80
Balance unexpended as of June 30, 1965	154,945.20

WRIGHT PATMAN,
Chairman.

JULY 9, 1965.

SUBCOMMITTEE ON HOUSING, BANKING AND CURRENCY COMMITTEE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John E. Barriere	Staff director	$7,648.39
Kenneth W. Burrows	Housing economist	11,335.54
Richard K. Cook	Minority staff investigator.	8,748.73
Casey Ireland	Minority staff member.	10,160.16
Margaret J. Leary	Secretary	4,685.46
John J. McEwan, Jr	Deputy staff director.	11,472.59
Grady Perry, Jr	Chief clerk (January–May).	10,622.64
Patricia A. Taylor	Assistant clerk	1,438.72
Margaret E. Tucker	Secretary	5,519.82
Doris M. Young	Assistant clerk	3,071.67
Mary M. Edwards	Consultant (June)	1,296.41
Total (H. Res. 247)		76,001.15

Funds authorized or appropriated for committee expenditures (H. Res. 247 funds)	$150,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 3 to June 30, 1965	90,744.59
Balance unexpended as of June 30, 1965	59,255.41

Wright Patman,
Chairman.

JULY 14, 1965.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Clayton D. Gasque	Standing committee.	$8,174.40
Donald J. Tubridy	do	7,452.66
Leonard O. Hilder	do	7,344.06
Ellen M. Coxeter	do	5,017.74
Jean Quarles	do	4,439.94
James T. Clark	do	11,472.60
Hayden S. Garber	do	10,295.04
Frances D. Noland	Standing committee, resigned February 1965.	1,011.32
H. E. Yarborough	Standing committee.	2,085.25
Peggy L. Thornton	Standing committee, employed March 1965.	2,620.84
Lois M. Rivers	Standing committee.	1,473.58
Total		61,286.43

Funds authorized or appropriated for committee expenditures	$25,000.00
Amount of expenditures previously reported	none
Amount expended from Jan. 3, 1965, to June 30, 1965	1,839.87
Total amount expended from Jan. 3, 1965, to June 30, 1965	1,839.87
Balance unexpended	23,160.13

John L. McMillan,
Chairman.

JULY 15, 1965.

COMMITTEE ON EDUCATION AND LABOR

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Louise Maxienne Dargans.	Chief clerk	$12,249.96
Russell Derrickson	Staff director	12,249.96
Deborah P. Wolfe	Chief of education (Jan. 3 to May 15, 1965).	9,187.47
Grace L. Hewell	Chief of education (May 16 to June 30, 1965).	3,062.49
Leon Abramson	Chief counsel for labor management.	10,264.41
Odell Clark	Chief investigator	8,408.43
C. Sumner Stone	Special assistant to the chairman (Apr. 1 to June 30, 1965).	6,124.98
Louise M. Wright	Administrative assistant.	5,072.10
Jeanne E. Thomson	Administrative assistant (Jan. 3 to Mar. 31, 1965).	2,536.05
Corrine Annette Huff	Secretary	5,072.10
Minority:		
Philip Ray Rodgers	Minority clerk and counsel (Jan. 3 to Feb. 8, 1965).	2,041.66
Charles W. Radcliffe.	Minority counsel for education.	9,286.63
Michael J. Bernstein.	Minority clerk (Feb. 15 to June 30, 1965).	9,255.52

Funds authorized or appropriated for committee expenditures	
Amount of expenditures previously reported	
Amount expended from Jan. 3 to June 30, 1965	$94,811.76
Total amount expended from Jan. 3 to June 30, 1965	94,811.76
Balance unexpended as of	

Adam C. Powell,
Chairman.

INVESTIGATIVE STAFF

Name of employee	Profession	Total gross salary during 6-month period
Donald L. Anderson	Assistant counsel (from Jan. 3 to Mar. 31, 1965).	$2,331.68
Goldie A. Baldwin	Administrative assistant.	3,523.69
Donald F. Berens	do	5,087.32
Richard J. Coffey	Assistant counsel for labor management (from Apr. 15, 1965).	2,136.44
Ruth S. Costello	Administrative assistant (from Feb. 1, to Apr. 4, 1965).	1,427.52
Rochelle Meta Dubnow.	Assistant chief of education (from Apr. 6 to June 15, 1965).	1,561.36
James B. Freeman	Assistant chief investigator (from Apr. 1, 1965).	1,509.69
Walter James Graham, Jr.	Secretary (from May 18, 1965).	1,026.32
Aurora E. Harris	Secretary	4,349.13
Grace L. Hewell	Chief of education (from May 1 to May 15, 1965).	1,020.83
Dorothy W. Himes	Administrative assistant (from Feb. 1 to Mar. 31, 1965).	$1,600.08
Walter B. Huber	Clerk-typist (from June 1, 1965).	491.47
Cleomine B. Lewis	Secretary (from June 1, 1965).	669.15
Francine Nord	Secretary (from Feb. 1, 1965).	2,561.21
John D. Schuyler	Counsel (from Feb. 1, 1956).	5,198.35
Michael Schwartz	Assistant labor counsel (from Jan. 3 to Mar. 31, 1965).	2,270.48
Mary L. Shuler	Secretary	3,983.83
Mary Ellen Terziu	Secretary (from Mar. 1, 1965).	2,411.12
Jeanne Thomson	Administrative assistant (from Apr. 1, 1965).	2,607.63
Alfredo Vidal	Administrative assistant (from Apr. 1 to Apr. 30, 1965).	626.51
John Everett Warren	Assistant clerk	1,798.42
Theresa M. Zapert	Secretary (from Apr. 20, 1965).	1,482.74
Minority:		
Heerlein, Crawford C.	Administrative assistant.	7,116.47
Henderson, Will	Assistant minority clerk (from Mar. 1, 1965).	2,012.92
Macknet, Ruth Giles.	Minority secretary	2,970.92
Olson, Robert D	Minority associate counsel (from Jan. 3 to Feb. 28, 1965).	1,616.83
Tillman, Delores Y.	Minority secretary (from Mar. 1, 1965).	2,319.17

GENERAL SUBCOMMITTEE ON EDUCATION NO. 1, REPRESENTATIVE CARL D. PERKINS, CHAIRMAN

Name of employee	Profession	Total gross salary during 6-month period
Hartwell Duvall Reed, Jr.	Counsel	$10,428.25
Freda Tuttle	Secretary (from Jan. 3, 1965, to Mar. 12, 1965).	1,517.23
Elizabeth A. Cornett	Clerk (from June 1, 1965).	662.10
Eileen Bailiff O'Haver.	Assistant clerk (from June 1, 1965).	126.80

Funds appropriated for subcommittee expense	$35,000.00
Amount expended from January 3, 1965, to June 30, 1965	13,167.53
Balance unexpended as of June 30, 1965	21,832.47

GENERAL SUBCOMMITTEE ON LABOR NO. 2, REPRESENTATIVE JAMES ROOSEVELT, CHAIRMAN

Name of employee	Profession	Total gross salary during 6-month period
Jay H. Foreman	Counsel	$6,168.71
John D. Schuyler	Counsel (from Jan. 3, 1965, to Jan. 31, 1965).	972.19
Adrienne Fields	Clerk	4,100.52
Carol A. Weiss	Assistant clerk (from June 14, 1965).	99.69

Funds appropriated for subcommittee expense	$35,000.00
Amount expended from January 3, 1965, to June 30, 1965	11,621.45
Balance unexpended as of June 30, 1965	23,378.55

SPECIAL SUBCOMMITTEE ON EDUCATION NO. 3, REPRESENTATIVE EDITH GREEN, CHAIRMAN

Name of employee	Profession	Total gross salary during 6-month period
William F. Gaul	Counsel	$6,429.89
Barbara A. Deiss	Secretary (from Jan. 16, 1965).	3,015.59
Linda Sullivan	Clerk (from Feb. 1, 1965).	1,255.20
Charles P. Tobin	Assistant clerk (from June 15, 1965).	268.39

Funds appropriated for subcommittee expense	$35,000.00
Amount expended from Jan. 3, 1965 to June 30, 1965	12,024.30
Balance unexpended as of June 30, 1965	22,975.70

SPECIAL SUBCOMMITTEE ON LABOR NO. 4, REPRESENTATIVE FRANK THOMPSON, JR., CHAIRMAN

Name of employee	Profession	Total gross salary during 6-month period
Robert E. McCord	Subcommittee clerk	$8,246.89
Lelia W. Troup	Secretary	2,422.41
Henry Videnieks	Assistant clerk (from Apr. 1, 1965 to May 31, 1965).	302.34
Andrew Moore Williamson.	Assistant clerk (from June 7, 1965).	307.14
Anne G. Thompson	Assistant clerk (from June 21, 1965).	130.62
Dale Burnham	Assistant clerk (from June 14, 1965).	123.05

Funds appropriated for subcommittee expense	$35,000.00
Amount expended from Jan. 3, 1965, to June 30, 1965	12,136.55
Balance unexpended as of June 30, 1965	22,863.45

SELECT SUBCOMMITTEE ON EDUCATION NO. 5, REPRESENTATIVE JOHN H. DENT, CHAIRMAN

Name of employee	Profession	Total gross salary during 6-month period
A. R. Kelley	Assistant clerk	$1,568.30
Robert E. Vagley	Director	6,174.52
Cleanor Carson Keown.	Clerk	3,471.61
Gordon Clagett	Assistant clerk (from May 1, 1965, to May 31, 1965).	264.32
Joyce G. Gongaware	Assistant clerk (from June 1, 1965).	303.63
Lynn C. Myers	Assistant clerk (from June 15, 1965).	161.94
Carol A. Weiss	do	99.69

Funds appropriated for subcommittee expense	$35,000.00
Amount expended from Jan. 3, 1965, to June 30, 1965	13,180.66
Balance unexpended as of June 30, 1965	21,819.34

SELECT SUBCOMMITTEE ON LABOR NO. 6, REPRESENTATIVE ELMER J. HOLLAND, CHAIRMAN

Name of employee	Profession	Total gross salary during 6-month period
Robert E. L. Knight	Director	$7,418.15
Walter James Graham, Jr.	Clerk (from Jan. 3, 1965, to Jan. 31, 1965).	602.28
Susan M. Parry	Clerk (from Jan. 25, 1965).	$3,015.75
William A. Hoveland	Clerk (from Apr. 1, 1965).	305.07

Funds appropriated for subcommittee expense	$35,000.00
Amount expended from Jan. 3, 1965, to June 30, 1965	11,573.40
Balance unexpended as of June 30, 1965	23,426.60

AD HOC SUBCOMMITTEE ON POVERTY NO. 7, REPRESENTATIVE ADAM C. POWELL, CHAIRMAN

Donald Louis Anderson.	Counsel (from Apr. 1, 1965).	$2,603.59
Michael Schwartz	Assistant counsel (from Apr. 1, 1965)	2,603.59
Dorothy W. Himes	Administrative assistant (from Apr. 1, 1965)	2,400.12
Emma T. Swann	Receptionist (from Apr. 12, 1965)	1,443.83
Minority:		
Patricia A. Goldman.	Minority consultant (from Mar. 18, 1965)	2,028.82

Funds appropriated for subcommittee expense	$50,000.00
Amount expended from Jan. 3, 1965, to June 30, 1965	15,836.55
Balance unexpended as of June 30, 1965	34,163.45
Funds authorized or appropriated for committee expenditures	180,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 3, 1965 to June 30, 1965	71,560.52
Total amount expended from Jan. 3, 1965 to June 30, 1965	71,560.52
Balance unexpended as of June 30, 1965	108,439.48

Adam C. Powell,
Chairman.

July 12, 1965.

COMMITTEE ON FOREIGN AFFAIRS

To the Clerk of the House:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Boyd Crawford	Staff administrator	$12,249.96
Roy J. Bullock	Senior staff consultant.	12,249.96
Albert C. F. Westphal	Staff consultant	12,249.96
Franklin J. Schupp	do	11,728.32
Robert F. Brandt	do	11,603.54
Harry C. Cromer	do	11,492.37
Philip B. Billings	do	9,017.94
Marian A. Czarnecki	do	11,266.04
Melvin O. Benson	do	9,862.44
June Nigh	Senior staff assistant.	8,802.48
Helen C. Mattas	Staff assistant	7,420.08
Helen L. Hashagen	do	7,262.58
Mary Louise O'Brien	do	7,086.66
Mary Medsger	do	4,836.48
Doris B. McCracken	do	5,909.88
Jean E. Smith	do	3,836.17
Robert J. Bowen	Clerical assistant	4,697.58

Funds authorized or appropriated for committee expenditures	$118,250.00
Amount expended from Jan. 1 to June 30, 1965	$33,679.76
Balance unexpended as of June 30, 1965	84,570.24

Thomas E. Morgan,
Chairman.

July 2, 1965.

COMMITTEE ON GOVERNMENT OPERATIONS

To the Clerk of the House:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Expenses, Jan. 3 to June 30, 1965:	
Full committee	$616.58
Executive and Legislative Reorganization Subcommittee	48,769.55
Military Operations Subcommittee	46,578.12
Government Activities Subcommittee	33,254.30
Intergovernmental Relations Subcommittee	42,155.54
Natural Resources and Power Subcommittee	39,132.89
Foreign Operations and Government Information Subcommittee	50,724.02
Legal and Monetary Affairs Subcommittee	27,844.21
Research and Technical Programs Subcommittee	20,722.11
Special Subcommittee on Donable Property	3,918.62
Total	313,715.94

Name of employee	Profession	Total gross salary during 6-month period
Salaries, full committee—Jan. 1 to June 30, 1965:		
Christine Ray Davis.	Staff director	$11,861.28
James A. Lanigan	General counsel	11,861.28
Miles Q. Romney	Associate general counsel.	9,889.83
Earle J. Wade	Staff member	7,968.21
Dolores L. Fel'Dotto.	do	5,349.18
Ann E. McLachlan	do	5,241.24
Patricia M. Maheux.	do	5,241.24
Charlotte C. Bickett.	do	4,770.06
J. Philip Carlson	Minority counsel, Feb. 15 to June 30, 1965.	7,090.40
Raymond T. Collins.	Minority staff member.	8,157.96
Rodney F. Moulton.	Minority staff member (Jan. 1 to Feb. 14, 1965).	1,727.04
Expenses, Jan. 3 to June 30, 1965: Travel, publications, telephone, stationery, supplies, etc., Jan. 1 to June 30, 1965.		616.58

EXECUTIVE AND LEGISLATIVE REORGANIZATION SUBCOMMITTEE

(WILLIAM L. DAWSON, CHAIRMAN)

Elmer W. Henderson	Counsel	$10,585.13
Louis I. Freed	Investigator	8,872.88
Peter S. Barash	Associate counsel	4,961.99
Francis J. Schwoerer	Staff member	6,005.60
Veronica B. Johnson	Clerk	4,717.06
John L. Dodson	Clerical staff	2,658.84
Mabel C. Baker	Stenographer (Jan. 3 to Apr. 30, 1965).	2,751.72
Norman G. Cornish	Consultant (Jan. 3 to Apr. 30, 1965).	4,917.65
Barney A. Bradshaw	Research analyst (Jan. 3-31, 1965).	1,050.74
Royce W. Riehlman	Investigator (Jan. 3 to Mar. 14, 1965).	2,002.25
Expenses		245.69
Total		48,769.55

MILITARY OPERATIONS SUBCOMMITTEE
(CHET HOLIFIELD, CHAIRMAN)

Herbert Roback	Staff administrator	$11,733.80
John Paul Ridgely	Investigator	6,986.68
Douglas G. Dahlin	Staff attorney	6,656.37
Daniel W. Fulmer	do	5,844.21
Robert J. McElroy	Investigator	5,362.07
Catherine L. Koeberlein.	Research assistant	5,051.58
Mollie Jo Hughes	Clerk-stenographer	4,717.06
Expenses		226.35
Total		46,578.12

GOVERNMENT ACTIVITIES SUBCOMMITTEE
(JACK BROOKS, CHAIRMAN)

Ernest Cornish Baynard.	Staff administrator	$10,180.65
William M. Jones	Counsel (Jan. 16 to June 30, 1965).	3,680.32
William David Allred	Research assistant	4,632.60
Roland J. Williams	Investigator	4,372.86
Irma Reel	Clerk	4,443.89
Lynne Higginbotham	Clerk-stenographer	3,899.15
Daniel L. Power	Investigator (Jan. 3 to Feb. 28, 1965).	1,735.42
Expenses		309.41
Total		33,254.30

INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE
(L. H. FOUNTAIN, CHAIRMAN)

James R. Naughton	Counsel	$9,791.72
Delphis C. Goldberg	Professional staff member.	9,791.72
George O. Serini	Investigator	7,337.63
William Donald Gray	Research analyst	6,656.37
Bebe B. Terry	Clerk-stenographer	4,437.95
Lexine Rollins	Clerk-stenographer (Feb. 22 to June 30, 1965).	2,744.99
Eileen M. Anderson	Clerk-stenographer (Jan. 3 to Feb. 7, 1965).	927.51
Expenses		467.65
Total		42,155.54

NATURAL RESOURCES AND POWER SUBCOMMITTEE
(ROBERT E. JONES, CHAIRMAN)

Phineas Indritz	Counsel	$10,180.65
Harry V. Lerner	Assistant counsel	8,420.65
William Earl Rasco	Professional staff member (Mar. 15 to June 30, 1965).	3,480.26
Richard P. Crane, Jr.	Legal analyst	3,020.66
Catherine L. Hartke	Stenographer	4,717.06
Josephine Scheiber	Research analyst	4,257.58
Francine Shacter	Clerk-stenographer	3,787.66
George L. Milstead	Investigator (Jan. 3-31, 1965).	919.31
Expenses		349.06
Total		39,132.89

FOREIGN OPERATIONS AND GOVERNMENT INFORMATION SUBCOMMITTEE (JOHN E. MOSS, CHAIRMAN)

Name of employee	Profession	Total gross salary during 6-month period
Vincent J. Augliere	Chief, foreign operations.	$10,113.36
Samuel J. Archibald	Chief, government information.	10,180.65
David Glick	Chief counsel	9,258.07
Jack Matteson	Chief investigator	8,699.22
Benny L. Kass	Assistant counsel	5,567.01
Glenna G. Donat	Secretary	3,871.16
Elizabeth Jayne Bodecker.	Secretary (Feb. 23 to June 30, 1965).	2,420.01
Expenses		614.54
Total		50,724.02

LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE (DANTE B. FASCELL, CHAIRMAN)

M. Joseph Matan	Staff administrator	$9,791.72
Charles Rothenberg	Counsel	9,026.67
Clara Katherine Armstrong.	Clerical staff	4,218.89
Millicent Y. Myers	Stenographer	4,319.53
Herbert Lee Goldblatt.	Clerical staff (June 1-30, 1965).	342.05
Expenses		145.35
Total		27,844.21

RESEARCH AND TECHNICAL PROGRAMS SUBCOMMITTEE
(HENRY S. REUSS, CHAIRMAN)

Harry L. Selden	Staff administrator (Mar. 1 to June 30, 1965).	$6,167.12
Edna Gass	Chief adviser (Mar. 1 to June 30, 1965).	6,000.92
Royce W. Riehlman	Investigator (Mar. 15 to June 30, 1965).	2,947.75
Betty W. Baldwin	Clerk-stenographer (Apr. 1 to June 30, 1965).	1,752.00
Catherine S. Cash	Secretary (Mar. 1 to June 30, 1965).	2,169.64
Expenses		1,684.68
Total		20,722.11

SPECIAL SUBCOMMITTEE ON DONABLE PROPERTY (JOHN S. MONAGAN, CHAIRMAN)

Norman G. Cornish	Staff administrator (May 1 to June 30, 1965).	$2,500.50
Mabel C. Baker	Stenographer (May 1 to June 30, 1965).	1,418.12
Expenses		
Total		3,918.62

Funds authorized or appropriated for committee expenditures (H. Res. 109, 89th Cong.)	$650,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 3 to June 30, 1965	313,715.94
Total amount expended from ___ to ___	
Balance unexpended as of June 30, 1965	336,284.06

WILLIAM L. DAWSON,
Chairman.

JULY 7, 1965.

COMMITTEE ON HOUSE ADMINISTRATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Julian P. Langston	Chief clerk	$11,816.40
Marjorie Savage	Assistant clerk	9,651.78
David S. Wolman	do	9,651.78
Louis Silverman	do	6,554.94
Mary F. Stolle	do	4,607.52
Gurney S. Jaynes	do	959.44

Funds authorized or appropriated for committee expenditures	$5,000.00
Amount expended from Jan. 3, 1965 to June 30, 1965	305.50
Total amount expended from Jan. 3, 1965 to June 30, 1965	305.50
Balance unexpended as of June 30, 1965	4,694.50

OMAR BURLESON,
Chairman.

JULY 13, 1965.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Sidney L. McFarland	Professional staff director and engineering consultant.	$11,232.72
T. Richard Witmer	Counsel and consultant on national parks and recreation.	10,743.72
John L. Taylor	Consultant on territorial and Indian affairs.	10,743.72
Milton A. Pearl	Consultant on mining, minerals, and public lands.	10,743.72
Nancy J. Arnold	Chief clerk	9,451.20
Dixie S. Barton	Clerk	5,102.28
Patricia Ann Murray	do	5,102.28
Virginia E. Bedsole	do	4,866.72
Patricia B. Freeman	do	4,499.76
Susan A. Whitener	do	4,224.42
Salaries paid pursuant to H. Res. 137, 89th Cong.:		
Charles Leppert, Jr.	Assistant counsel (from Apr. 1).	3,160.08
Kathleen Vance	Clerk (from May 1)	1,205.56
Edward Gaddis	Messenger (from May 1).	922.20

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount expended from Jan. 1, 1965, to June 30, 1965	9,951.10
Total amount expended from Jan. 1, 1965, to June 30, 1965	9,951.10
Balance unexpended as of June 30, 1965	65,048.90

WAYNE N. ASPINALL,
Chairman.

JULY 1, 1965.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Clerical staff:		
W. E. Williamson	Clerk	$12,249.96
Kenneth J. Painter	First assistant clerk	9,284.00
Marcella Fencl	Assistant clerk	5,508.00
Glenn L. Johnson	Printing editor	7,669.00
Joanne C. Neuland	Clerical assistant	4,548.00
Mildred H. Lang	do	4,548.00
Mary Ryan	do	4,548.00
Elsie M. Karpowich.	do	4,548.00
Roy P. Wilkinson	Assistant clerk (deceased Mar. 18, 1965).	1,866.83
Edwin Earl Thomas.	Staff assistant (from Mar. 19, 1965).	2,273.21
Marion M. Burson	Staff assistant (minority).	9,969.00
Professional staff:		
Andrew Stevenson	Professional staff coordinator.	12,249.96
Kurt Borchardt	Legal counsel	12,004.74
William J. Dixon	Professional staff member.	11,255.58
James M. Menger, Jr.	do	11,751.30

Name of employee	Profession	Total gross salary during 6-month period
Additional temporary employees under H. Res. 35 and H. Res. 235:		
Constance Jane Freeman.	Clerical assistant (from June 14, 1965).	$225.42
Charles L. Honey, Jr.	Staff assistant	7,552.40
P. Wallace Whiteaker.	Staff assistant (from Feb. 1, 1965).	5,025.05
Lewis E. Berry, Jr	Minority counsel	11,472.60
Helen M. Dubino	Staff assistant (minority).	9,018.00
Sharon Gail Richey	Clerical assistant (minority) (Jan. 4 through Jan. 9, 1965).	107.70
Peggy C. Cooke	Clerical assistant (minority).	3,573.90
Lola LeMieux	Clerical assistant (minority) (from Jan. 10, 1965).	3,069.45
Don Michael Samson.	Messenger (from Feb. 1 to Feb. 28, 1965).	417.05
Robert Price	Messenger (from Mar. 1 to Mar. 31, 1965).	380.40
Bryce W. Warren	Messenger (from Apr. 1 to Apr. 30, 1965).	380.40
David M. Hargis	Messenger (from May 1 to May 31, 1965).	380.40
William Whitehead, Jr.	Messenger (from June 1 to June 30, 1965).	380.40
Robert Paul King, Jr.	Messenger, (from June 5 to June 30, 1965).	329.68
Special Subcommittee on Investigations:		
Charles P. Howze, Jr.	Chief counsel	11,404.08
George W. Perry	Associate counsel (to Feb. 28, 1965).	3,592.56
Herman Clay Beasley.	Research attorney (retired civil service annuitant) (from Jan. 9 to Apr. 30, 1965).	2,980.64
Edmund M. Sciullo	Staff attorney (from May 10, 1965).	1,820.65
Daniel J. Manelli	do	1,820.65
James R. Connor	Staff assistant (from May 1, 1965).	2,100.86
Sanford L. Mervis	Attorney (from Mar. 1, 1965).	5,033.60
Elizabeth G. Paola	Clerical assistant	4,547.67
Catherine C. McLees.	do	4,547.67
Victoria Williams	do	4,188.49

Funds authorized or appropriated for committee expenditures	$262,000.00
Amount expended from Jan. 4, 1965, to June 30, 1965	85,047.00
Total amount expended from Jan. 4, 1965, to June 30, 1965	85,047.00
Balance unexpended as of June 30, 1965	176,953.00

OREN HARRIS,
Chairman.

JULY 15, 1965.

COMMITTEE ON THE JUDICIARY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it.

Name of employee	Profession	Total gross salary during 6-month period
Bess E. Dick	Staff director	$12,249.96
William R. Foley	General counsel	12,249.96
Murray Drabkin	Counsel	12,249.96
Stuart H. Johnson, Jr	do	11,055.66
Garner J. Cline	do	8,299.14
William H. Copenhaver.	Associate counsel (to Mar. 28, 1965).	4,060.64
Martin R. Hoffmann	Associate counsel (from May 1, 1965).	1,864.32
Carrie Lou Allen	Clerical staff	5,132.49
Lorraine W. Beland	do	4,761.72
Anne J. Berger	do	7,463.52
Gertrude C. Burak	do	5,544.24
Jane C. Caldwell	do	5,666.10
Frances F. Christy	do	6,525.66

SALARIES PAID PURSUANT TO H. RES. 19 AND H. RES. 88, 89TH CONG.

Name of employee	Profession	Total gross salary during 6-month period
Appel, Leonard	Assistant counsel	$9,324.17
Benn, Donald	do	6,858.87
Cors, Allan D	Deputy associate counsel.	5,147.11
Eisenberg, Roberta	Clerical	4,556.32
Haardt, Alma B	do	3,942.62
Harkins, Kenneth R	Chief counsel, Antitrust Subcommittee.	11,280.27
Jett, R. Frederick	Counsel	9,324.17
Kelemonick, Michael	Clerical	4,280.98
Lee, Charles R	Messenger	3,080.14
McGrady, Florence T	Clerical	3,928.46
Marcus, Philip	Associate counsel	10,305.01
Meekins, Elizabeth G	Clerical	4,556.32
Scott, Nancy Rae	Clerical (Jan. 4 to Jan. 16, 1965).	173.42
Shattuck, Patricia H	Clerical	3,875.86
Sourwine, Mary G	Clerical (as of Jan. 28, 1965).	2,686.37
Zelenko, Benjamin L	Assistant counsel	8,146.05

Funds authorized or appropriated for committee expenditures	$250,000.00
Amount expended Jan. 3, 1965, through June 30, 1965	95,537.96
Balance unexpended as of June 30, 1965	154,462.04

SPECIAL SUBCOMMITTEE ON STATE TAXATION OF INTERSTATE COMMERCE, SALARIES PAID PURSUANT TO H. RES. 123, 89TH CONG.

Name of employee	Profession	Total gross salary during 6-month period
Brakir, Lawrence M	Counsel	$4.254.44
Breslow, Jerome W	Assistant counsel	5,957.01
Broussard, Gerald J	Clerical (through May 17, 1965).	2,313.00
Cohen, Felice Davis	Counsel	4,254.44
Cooley, Alford W	Clerical	3,576.49
Durand, Gerard F., Jr.	Clerk (through Feb. 3, 1965).	391.26
Faircloth, John W. F	Counsel	7,428.89
James, Raymond K	Clerical	4,604 54
McGrath, James P	do	3,763.16
Resweber, Harold J., Jr.	Clerical (as of Jan. 28, 1965).	2,092.33
Spirt, Linda E	Clerical (through June 27, 1965).	2,935.51
Sutherland, David A	Counsel	9,635.55
Zeifman, Jerome M	do	7,675.01

Funds authorized or appropriated for subcommittee expenditures	$90,000.00
Amount expended Jan. 3, 1965, through June 30, 1965	65,160.19
Balance unexpended as of June 30, 1965	24,839.81

FUNDS FOR PREPARATION OF UNITED STATES CODE, DISTRICT OF COLUMBIA CODE, AND REVISION OF THE LAWS

A. Preparation of new edition of United States Code (no year):	
Unexpended balance Dec. 31, 1964	$136,577.84
Expended Jan. 1–June 30, 1965	21,100.22
Balance June 30, 1965	115,477.62
B. Preparation of new edition of District of Columbia Code:	
Unexpended balance Dec. 31, 1964	86,448.99
Expended Jan. 1–June 30, 1965	22,311.86
Balance June 30, 1965	64,137.13

FUNDS FOR PREPARATION OF UNITED STATES CODE, DISTRICT OF COLUMBIA CODE, AND REVISION OF THE LAWS—Continued

C. Revision of the laws 1965:	
Unexpended balance Dec. 31, 1964	$9,733.02
Expended Jan. 1–June 30, 1965	8,950.14
Balance June 30, 1965	782.88

EMANUEL CELLER,
Chairman.

JUNE 30, 1965.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John M. Drewry	Chief counsel	$11,990.84
Bernard J. Zincke	Counsel	11,275.72
Ned P. Everett	Assistant counsel	9,791.14
Arthur Pankopf, Jr	Minority counsel	4,580.65
W. B. Winfield	Chief clerk	10,845.66
Frances P. Still	Assistant clerk	6,108.90
Ruth A. Brookshire	do	4,770.06
Edith W. Gordon	Secretary	4,770.06
Vera A. Barker	do	4,770.06

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount expended from Jan. 1, 1965 to June 30, 1965	10,895.55
Balance unexpended as of June 30, 1965	39,104.45

HERBERT C. BONNER,
Chairman.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

JULY 14, 1965.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee staff:		
Charles E. Johnson.	Staff director	$12,250.00
B. Benton Bray	Associate staff director.	11,981.68
John H. Martiny	Counsel	11,981.68
William A. Irvine	Assistant staff director.	11,981.68
Lillian H. Hanninen.	Assistant clerk	6,554.96
John B. Price	do	5,422.32
Lucy K. Daley	do	5,422.32
Elsie K. Thornton	Secretary	5,253.30
Barbara M. Wells	do	5,011.68
Blanche M. Simons	do	4,830.47

Name of employee	Profession	Total gross salary during 6-month period
Investigating staff, pursuant to H. Res. 245 and 246, 89th Cong., 1st sess.:		
Joan H. Berner	Stenographer (from Jan. 4).	$4,201.16
Thelma R. Green	do	4,201.16
Maria R. Pendleton	do	4,319.53
Justine P. Snipes	do	4,556.32
Helen C. Tansill	Clerk-typist (from Jan. 4).	2,446.27
Michael M. Keating	Staff assistant (from May 1)	1,168.00
Patricia G. Carroll	do	1,801.34
James Walsh Richards.	do	1,000.58
Ralph J. Devlin	Staff member (from May 10)	2,054.65
Ella R. Ward	Staff assistant (from May 18).	1,290.96
Richard Barton	Staff assistant (from June 1).	900.67
John W. MacKay	do	900.67
Joyce C. Bova	Clerk-stenographer (from June 1).	500.29
Jean Monahan	do	600.80
Theodore James Kazy.	Staff assistant (from June 1).	900.67
Harold Alan Schwartz, Jr.	Legal intern (June 7, summer employee).	320.55
Dorothy L. Peters	Stenographer (from June 7).	470.36
Victoria L. Olian	Stenographer (from June 1, summer employee).	400.69
Kathryn E. Bates	Stenographer (from June 14).	311.81
Margaret Rae Olsen	Stenographer (from June 14, summer employee).	245.68
John William Powell.	Staff assistant (from June 14).	311.81
Jennifer A. Simons	Clerk-typist (from June 21, summer employee).	90.87

Funds authorized or appropriated for committee expenditures	$170,000.00
Amount expended from Jan. 4 to June 30	45,244.65
Balance unexpended as of June 30, 1965	124,755.35

TOM MURRAY,
Chairman.

JULY 15, 1965.

Committee on Public Worrks

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during tha 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Edward J. McNeal	Staff director	$11,472.60
Richard J. Sullivan	Chief counsel	11,472.60
Joseph R. Brennan	Engineer-consultant.	11,472.60
Clifton W. Enfield	Minority counsel	11,301.24
Stephen V. Feeley	Subcommittee clerk.	7,778.46
Audrey G. Warren	Subcommittee clerk (as of Feb. 1, 1965).	4,924.98
Helen A. Thompson.	Staff assistant	7,884.12
Dorothy A. Beam	do	6,666.00
Meriam R. Buckley	Staff assistant (as of Feb. 1, 1965).	3,759.80
Sterlyn B. Carroll	Staff assistant	4,344.14

STANDING COMMITTEE—SALARIES PAID, JAN. 3 THROUGH JUNE 30, 1965, PURSUANT TO H. RES. 142, 89TH CONG.

Name of employee	Profession	Total gross salary during 6-month period
Maurice B. Tobin	Subcommittee clerk.	$7,025.70
John A. O'Connor, Jr.	do	5,844.21
Augusta B. Peters	Subcommittee clerk (as of Jan. 27, 1965).	5,056.23
Robert F. Spence	Subcommittee clerk (as of Apr. 15, 1965).	2,495.28
Audrey G. Warren	Subcommittee clerk (through Jan. 31, 1965).	919.31
Meriam R. Buckley	Staff assistant (through Jan. 31, 1965).	701.83
Marina M. Gentilini	Staff assistant	4,118.51
Anne C, Kennedy	Staff assistant (as of Mar. 1, 1965).	2,419.04
Harvey C. Simms, Jr.	Staff assistant (as of June 21, 1965).	106.60
Erla S. Youmans	Minority staff assistant.	5,398.26
Randal C. Teague	do	4,283.25
Gerard F. Schiappa	Minority staff assistant (as of Feb. 1, 1965).	2,920.00
Mary Ann Hodges	Minority staff assistant (as of Mar. 1, 1965).	2,001.16
Charles R. O'Regan	Clerical assistant (through Jan. 31, 1965).	298.49

Funds authorized or appropriated for committee expenditures	$150,000.00
Amount of expenditures previously reported	0
Amount expended from Jan. 3 to June 30, 1965	53,421.49
Total amount expended from Jan. 3 to June 30, 1965	53,421.49
Balance unexpended as of June 30, 1965	96,578.51

SPECIAL SUBCOMMITTEE ON THE FEDERAL-AID HIGHWAY PROGRAM—SALARIES PAID, JAN. 3 THROUGH JUNE 30, 1965, PURSUANT TO H. RES. 142, 89TH CONG.

Walter R. May	Chief counsel	$11,345.12
John P. Constandy	Assistant chief counsel.	10,517.90
Robert L. May	Minority counsel	10,445.10
George H. Martin	Administrative assistant.	9,456.37
John N. Dinsmore	Associate counsel (through June 6, 1965).	7,040.52
Salvatore J. D'Amico	Associate counsel	7,975.29
John P. O'Hara	do	7,975.29
Carl J. Lorenz, Jr	do	7,289.28
Robert G. Lawrence	do	6,947.04
George M. Kopecky	Chief investigator	9,936.20
Sherman S. Willse	Professional staff member.	7,975.29
Paul R. S. Yates	Minority professional staff member.	7,834.43
Richard A. Cordasco	Professional staff member.	7,428.89
Kathryn M. Keeney	Chief clerk	5,289.74
Stuart M. Harrison	Staff assistant (as of May 3, 1965).	1,935.09
Mildred E. Rupert	Staff assistant	4,325.46
Dolores K. Dougherty.	Staff assistant (through Apr. 12, 1965).	2,356.86
Agnes M. GaNun	Staff assistant	4,177.48
Sylvia H. Reppert	Minority staff assistant.	4,100.52
Sara L. Vollett	Staff assistant (through May 12, 1965).	2,159.73
Shirley R. Knighten	Staff assistant	3,564.74

Funds authorized or appropriated for committee expenditures	$300,000.00
Amount of expenditures previously reported	0
Amount expended from Jan. 3 to June 30, 1965	$154,855.46
Total amount expended from Jan. 3 to June 30, 1965	154,855.46
Balance unexpended as of June 30, 1965	145,144.54

GEORGE H. FALLON,
Chairman.

JULY 12, 1965.

Committee on Rules

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
T. M. Carruthers	Counsel, standing committee (P).	$8,393.46
Mary Spencer Forrest	Assistant counsel (C).	5,909.88
Robert D. Hynes, Jr	Minority counsel (C).	5,909.88

HOWARD W. SMITH,
Chairman.

JULY 12, 1965.

Committee on Science and Astronautics

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charles F. Ducander	Executive director and chief counsel.	$12,249.96
John A. Carstarphen, Jr.	Chief clerk and counsel.	11,472.60
Philip B. Yeager	Counsel	11,472.60
W. H. Boone	Chief technical consultant.	11,061.36
Frank R. Hammill, Jr.	Counsel	10,602.06
Mary Ann Robert	Secretary	4,739.88
Emily Dodson	do	4,535.70
Carol F. Rodgers	do	4,422.00
June C. Stafford	do	4,284.30
Elizabeth M. Fleming	do	4,284.30

INVESTIGATIONS SUBCOMMITTEE

Richard P. Hines	Staff consultant	$10,602.06
James E. Wilson	Technical consultant.	10,160.16
Peter A. Gerardi	do	10,160.16
Philip P. Dickinson	do	9,001.38
Katherine V. Flanigan	Assistant clerk	5,544.24
Joseph M. Felton	Assistant counsel	5,247.68
Elizabeth S. Kernan	Scientific research assistant.	5,349.18
Francis J. Giroux	Clerk (from Mar. 17, 1965).	2,747.73
Virginia Robison	Secretary	4,146.59
Denis C. Quigley	Publications clerk	3,496.78

Funds authorized or appropriated for committee expenditures	$250,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 1 to June 30, 1965	90,467.11
Total amount expended from Jan. 1 to June 30, 1965	90,467.11
Balance unexpended as of June 30, 1965	159,532.89

George P. Miller,
Chairman.

JULY 9, 1965.

COMMITTEE ON UN-AMERICAN ACTIVITIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
STANDING COMMITTEE		
Hitz, William	General counsel	$11,861.28
McNamara, Francis J.	Staff director	11,175.60
Appell, Donald T.	Chief investigator	9,523.62
Wheeler, William A.	Investigator	8,907.42
Turner, Anne D.	Chief of reference and files.	7,011.30
Joray, Juliette P.	Recording clerk	6,957.48
Purdy, Rosella A.	Secretary to general counsel.	5,641.74
Gittings, Helen M.	Research analyst	5,747.40
Nagel, Isabel B.	Secretary to counsel.	4,607.52
Veley, Lorraine N.	Secretary to investigators.	4,368.06
INVESTIGATIVE COMMITTEE (H. RES. 188)		
Baldwin, Beatrice P.	Clerk-typist	$3,113.39
Broussard, V. Kenneth.	Clerk-typist (resigned Feb. 15, 1965).	605.19
Buglio, Theresa J.	Clerk-typist	2,735.28
Burke, Gerard F.	do	3,189.84
Butler, Daniel	do	2,878.32
Collins, William R.	Editor	4,421.99
Cunningham, Anniel	Information analyst	4,776.12
Curll, Jean W.	Secretary to staff director.	3,515.81
Doyle, Florence B.	Clerk-typist	2,261.21
Edinger, Elizabeth L.	Editor	5,017.74
Ellsweig, Rochelle J.	Clerk-typist	2,187.66
Engers, Jean M.	Clerk-stenographer (Apr. 1–30).	313.67
Fournet, B. Adrienne.	Clerk-typist (appointed June 7, 1965).	339.08
Francis, Emily R.	Information analyst	3,078.16
Gaffney, Metje	Clerk-typist	2,261.21
Gallagher, James L.	Research analyst	5,629.56
Holton, Katherine R.	Research clerk	3,231.00
Huber, Walter B.	Consultant	9,017.94
Joyner, June	Clerk-typist (appointed June 1, 1965).	347.41
Kelly, M. Patricia	Research analyst	3,806.51
Kocis, Evelyn M.	Secretary (resigned Mar. 31, 1965).	2,210.99
McConnon, B. R., Jr.	Investigator (appointed May 25, 1965).	1,201.00
McCroskey, David H.	Clerk-typist (appointed Feb. 15, 1965).	1,829.02
McLaughlin, Carol E.	Clerk-typist	2,303.58
Manuel, Philip R.	Investigator	5,786.70
Margetich, William	Investigator (resigned May 31, 1965).	3,949.90
Masumian, Alberta	Secretary	5,253.30
Monts, Esther L.	Clerk-stenographer	3,664.14
Mouton, J. Camille	Clerk-typist	339.08
Muffley, David E., Jr.	do	3,195.72
Nittle, Alfred M.	Counsel	9,172.68
Pfaff, Alma T.	Research analyst	3,416.90
Phillips, Katharine	Switchboard operator.	2,966.46
Randolph, Josephine S.	Research clerk	3,711.60
Rector, Lynne M.	Clerk-stenographer (appointed May 1, 1965).	$750.20
Romerstein, Herbert	Investigator (appointed Mar. 22, 1965).	1,789.95
Russell, Louis J.	Investigator	7,013.43
Salathe, Doris R.	Information analyst	2,789.95
Stiles, Lela Mae	do	3,545.51
Sweany, Donald I., Jr.	Research analyst	5,422.32
Sweeny, Barbara C.	Clerk-stenographer (appointed Mar. 15, 1965).	1,767.69
Valente, Mary Myers	Administrative secretary.	5,751.41
Vernor, Dorothy H.	Clerk-stenographer	3,260.34
Walton, Stanley F.	Clerk-typist	2,420.76
Weber, J. Stephen	Clerk-typist (Appointed June 8, 1965).	324.95
Wetterman, Neil E.	Investigator	6,011.64
Wheeler, Billie	Clerk-stenographer	2,282.40

Funds authorized or appropriated for committee expenditures	$370,000.00
Amount expended from Jan. 3 to June 30, 1965	158,889.15
Balance unexpanded as of July 1, 1956	211,110.85

E. E. Willis,
Chairman.

JULY 9, 1965.

COMMITTEE ON UN-AMERICAN ACTIVITIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from April 14, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Investigative committee (H. Res. 310):		
Beatson, Robert J.	Investigator (appointed June 8, 1965).	$767.36
DuRoss, William III.	Clerk-typist (appointed June 9, 1965).	310.82
Rosas, Doris E.	Clerk-stenographer (appointed May 12, 1965).	953.87

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	None
Total amount expended from Apr. 14, 1965, to June 30, 1965	3,431.01
Balance unexpended as of	46,568.99

E. E. Willis,
Chairman.

JULY 15, 1965.

COMMITTEE ON VETERANS' AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Full committee:		
Oliver E. Meadows	Staff director	$11,472.60
Edwin B. Patterson	Counsel	11,472.60
John R. Holden	Professional staff member.	9,423.36
Billy E. Kirby	Professional aid	8,064.90
George W. Fisher	Chief clerk	11,472.60
Helen A. Biondi	Assistant clerk	6,267.36
Carol A. Davis	Clerk-stenographer	5,873.34
Alice V. Matthews	do	5,132.46
George J. Turner	Assistant clerk	5,132.46
Investigative staff:		
Adin M. Downer	Staff member	8,377.08
Wilma Jean Johnson.	Clerk-stenographer	4,703.06
Marjorie J. Kidd	do	3,210.66
Leila W. Osborne	do	4,098.87
David C. Thomas, Jr.	Clerk-typist	2,502.29
John B. Kidd	Research assistant	467.96
Mark L. Davis	Clerk-messenger	417.05
Joan Phillis Orringer.	Clerk-stenographer	27.80
Philip E. Howard	Investigator	81.36

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount expended from Jan. 1, 1965, to June 30, 1965	28,906.02
Total amount expended from Jan 1, 1965, to June 30, 1965	28,906.02
Balance unexpended as of June 30, 1965	46,093.98

Olin E. Teague,
Chairman.

JULY 9, 1965.

COMMITTEE ON WAYS AND MEANS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Leo H. Irwin	Chief counsel (C)	$12,249.96
William H. Quealy	Minority counsel (P).	12,249.96
John M. Martin, Jr.	Assistant chief counsel (P).	11,981.70
John P. Baker	Professional assistant (P).	4,420.59
Thomas P. Kerester	do	8,813.52
Florence Burkett	Staff assistant (C)	4,290.24
Virginia Butler	do	5,660.04
William Byrd	do	2,790.12
Caroline Chastain	Staff assistant (C) (from Apr. 19, 1965, to May 31, 1965).	667.11
Mary Daniel	Staff assistant (C)	3,563.28
Grace Kagan	do	5,660.04
June Kendall	do	6,138.24
Max Mehlburger	do	3,972.60
Elizabeth Price	do	3,836.16
Martha Sue Ritner	do	3,942.96
Dolores Rogers	do	3,753.12
Gloria Shaver	do	5,180.82
Eileen Sonnett	do	4,745.88
Susan Taylor	do	6,437.58
Irene Wade	do	5,229.24
Richard Wilbur	do	5,966.01
Hughlon Greene	Document clerk (C)	3,931.08
Walter Little	do	3,931.08
John P. Baker	Staff assistant (C) (Apr. 1, 1965, through June 30, 1965).	233.91

Funds authorized or appropriated for committee expenditures	$35,000.00
Amount expended from Jan. 1, 1965 to June 30, 1965	2,792.93
Balance unexpended as of June 30, 1965	32,207.07

WILBUR D. MILLS,
Chairman.

JULY 27, 1965.

JOINT COMMITTEE ON DEFENSE PRODUCTION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Harold J. Warren	Clerk and counsel	$10,295.04
Edward Hart	Professional staff member.	9,651.78
George T. Ault	do	7,172.82
Ted B. O. Fertig	do	4,024.16
C. Oral Lambert	do	1,006.04
Janice M. Maguire	Secretary	1,446.67
Salaries		33,596.51
Miscellaneous		26.39
Total		33,622.90

Funds authorized or appropriated for committee expenditures	$80,000.00
Amount of expenditures previously reported	37,009.90
Amount expended from Jan. 1 to June 30, 1965	33,622.90
Total amount expended from July 1, 1964, to June 30, 1965	70,632.80
Balance unexpended as of June 30, 1965	9,367.20

A. WILLIS ROBERTSON,
Chairman.

JUNE 15, 1965.

JOINT COMMITTEE ON IMMIGRATION AND NATIONALITY POLICY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Edward M. O'Connor	Staff director	$11,472.60

Funds authorized or appropriated for committee expenditures	$24,100.00
Amount of expenditures previously reported	10,999.98
Amount expended from Jan. 1 to June 30	11,472.60
Total amount expended from July 1 to June 30	22,472.58
Balance unexpended as of June 30, 1965	1,627.42

MICHAEL A. FEIGHAN,
Chairman.

JULY 30, 1965.

JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1965, to July 1, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
L. N. Woodworth	Chief of staff	$12,999.96
Lincoln Arnold	Assistant chief of staff.	11,301.24
Nicholas Tomasulo	Legislation counsel	10,562.46
Robert R. Smyers	Refund counsel	10,002.90
James H. Symons	Statistical analyst	9,969.18
Grace T. Gunn	do	9,498.04
Robert J. Moody	Attorney	8,093.44
Alan P. Murray	Economist	7,911.70
James M. LaMarche	Administrative assistant.	7,517.82
Harrison B. McCawley.	Attorney	7,257.18
Anastasia F. Connaughton.	Statistical clerk	6,660.06
Joseph E. Fink	do	6,660.06
Carl Nordberg	Attorney	6,531.48
Herbert Chabot	do	5,442.90
Cleo H. Fonelli	Secretary	4,427.94
James W. McBride	Attorney	3,580.20
Blanche F. Nagro	Secretary	3,960.78
Joanne B. McDermott	do	3,723.48
Jacqueline S. Pfeiffer	do	3,616.68
Nicki Rae Fairfax	do	3,616.68
Gloria J. McCabe	do	3,160.44
Ila Coe	do	3,036.96
Jume Matthews	do	3,036.96
Betty Balkum	do	2,398.60
Mildred Feldt	do	2,210.72
Jammarie Spangler	do	753.74
Earl V. Willetts	Attorney	503.56
Marilyn Smout	Secretary	245.58
Total salaries paid.		158,680.74
Contract employees:		
P. W. Meekins	Tax consultant	4,500.00
R. M. Oram	do	4,596.00
Total contract payments.		9,096.00
Total salaries and contract payments.		167,776.74

Funds authorized or appropriated for committee expenditures	$390,000.00
Amount of expenditures previously reported (reported for period July 1, 1964 to Dec. 31, 1964)	152,533.86
Amount expended from Jan. 1, 1965 to July 1, 1965	167,776.74
Total amount expended from July 1, 1964 to July 1, 1965	320,310.60
Balance unexpended as of July 1, 1965	69,689.40

WILBUR D. MILLS,
Chairman.

JULY 26, 1965.

SELECT COMMITTEE ON SMALL BUSINESS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 3, 1965, to June 30, 1965, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Bryan H. Jacques	Staff director	$11,439.80
Sarah L. Cox	Secretary	3,540.38
Justinus Gould	Counsel	9,866.17
Helen C. Hitz	Secretary	2,024.29
Gertrude M. Dean	do	3,078.80
Barbara McConnell	do	3,261.84
Charles E. O'Connor	Counsel	9,866.17
Harry A. Olsher	Consultant	10,719.57
Dorothy M. Partin	Secretary	3,717.29
Audrey R. Smith	Research analyst	4,776.81
Gregg R. Potvin	Counsel	10,180.65
Sylvia U. Keel	Secretary	4,094.59
Richard L. Mitchell	General counsel	11,439.80
Henry A. Robinson	Counsel	8,872.88
William M. Reddig	Research analyst	5,882.97
Myrtle Foutch	Clerk	4,820.69
Beth S. Russell	Secretary	1,522.10
William A. Keel, Jr	Research analyst	2,406.40
B. C. Williams	Consultant	3,244.88
Penelope Walcott	Secretary	1,334.19
Leslie Conway	do	1,340.75
Peter C. Dalton	Research analyst	928.08
Alan Macdonald	do	262.96
John J. Williams	Minority counsel	6,800.37
Eugene W. Loehl	Assistant minority counsel.	3,264.81
Robert D. Zitko	do	2,203.42

Funds authorized or appropriated for committee expenditures	$300,000.00
Total amount expended from Jan. 3 to June 30, 1965	134,303.34
Balance unexpended as of June 30, 1965	165,696.66

JOE L. EVINS,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1441. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a report covering personal property received by State surplus property agencies for distribution to public health and educational institutions and civil defense organizations, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

1442. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Tariff Act of 1930 to authorize the collection of user charges, to permit any charges for customs services to be collected on a flat fee basis, and for other purposes; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG: Committee on Rules. House Resolution 512. Resolution for consideration of H.R. 9811, a bill to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes; without amendment (Rept. No. 777). Referred to the House Calendar.

Mr. KLUCZYNSKI: Committee of conference. Senate Joint Resolution 81. Joint resolution to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways (Rept. No. 778). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CHELF: Committee on the Judiciary. H.R. 7357. A bill for the relief of Dr. Felipe V. Lavapies, without amendment (Rept. 779). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H.R. 10386. A bill to provide continuing authority for the protection of former Presidents and their wives or widows, and for other purposes; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 10387. A bill protecting the members of the Armed Forces and their families from threatening and harassing communications; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 10388. A bill to amend title 39, United States Code, to extend certain third-class postage rates to civic organizations and associations; to the Committee on Post Office and Civil Service.

By Mr. HORTON:

H.R. 10389. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

By Mr. MATTHEWS:

H.R. 10390. A bill to amend section 317 of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. ROBERTS:

H.R. 10391. A bill to amend title 38 of the United States Code to provide increases in the rates of disability compensation; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SPRINGER:

H.R. 10392. A bill to establish a Federal Boxing Commission to exercise surveillance over professional boxing matches broadcast or disseminated by wire in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WATSON:

H.R. 10393. A bill for the relief of the town of Blackville, S.C.; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 10394. A bill to provide free mailing privileges for members of the Armed Forces in certain combat zones, and reduced postage rates for the air shipment of small parcels to members of the Armed Forces in those combat zones; to the Committee on Post Office and Civil Service.

H.R. 10395. A bill to amend title 38, United States Code, to provide a program of death indemnification for persons serving in combat zones; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 10396. A bill to amend title 38 of the United States Code to prevent loss of veteran pension benefits as a result of increases in social security benefit payments under the Social Security Amendments of 1965; to the Committee on Veterans' Affairs.

By Mr. McDOWELL:

H.R. 10397. A bill to amend the Federal Water Pollution Control Act to implement plans to provide for the creation of a water resources and pollution control district to assist in dealing with the problems of water resources and pollution control in the waterways of Dover, and Kent County, Del.; to the Committee on Public Works.

By Mr. ST GERMAIN:

H.R. 10398. A bill to permit Federal employees to purchase shares of Federal—or State—chartered credit unions through voluntary payroll allotment; to the Committee on Banking and Currency.

By Mr. ROBERTS:

H.R. 10399. A bill to amend title 38, United States Code, to provide a program of death indemnification for persons serving in combat zones; to the Committee on Veterans' Affairs.

By Mr. RODINO:

H.R. 10400. A bill to permit naturalization for certain employees of U.S. nonprofit organizations engaged in disseminating information which significantly promotes U.S. interests; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.J. Res. 619. Joint resolution to authorize the President to issue a proclamation commemorating the 200th anniversary of the Stamp Act Congress, held at New York, in the Colony of New York, Oct. 7–25, 1765; to the Committee on the Judiciary.

By Mr. WELTNER:

H.J. Res. 620. Joint resolution proposing an amendment to the Constitution of the United States to provide that the right to vote shall not be denied on account of age to persons who are 18 years of age or older; to the Committee on the Judiciary.

By Mr. FALLON:

H. Res. 513. Resolution amending House Resolution 141 relating to investigations by the Committee on Public Works; to the Committee on Rules.

H. Res. 514. Resolution to amend House Resolution 142 relating to expenses of investigations conducted by the Committee on Public Works; to the Committee on House Administration.

By Mr. MULTER:

H. Res. 515. Resolution providing for the consideration of the bill (H.R. 4644) to provide an elected mayor, city council, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII:

359. Mr. ANNUNZIO presented a resolution adopted by the 74th General Assembly of the Senate of the State of Illinois respectfully requesting that the U.S. Congress take action to extend GI benefits, which was referred to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 10401. A bill for the relief of Ionnis Makropoulos; to the Committee on the Judiciary.

H.R. 10402. A bill for the relief of Luigi Serpico; to the Committee on the Judiciary.

By Mr. ASHMORE:

H.R. 10403. A bill for the relief of Edward F. Murzyn and Edward J. O'Brien; to the Committee on the Judiciary.

H.R. 10404. A bill for the relief of Lt. Col. James E. Bailey, Jr., U.S. Air Force (retired) to the Committee on the Judiciary.

H.R. 10405. A bill for the relief of Col. Donald J. M. Blakeslee and Lt. Col. Robert E. Wayne, U.S. Air Force; to the Committee on the Judiciary.

By Mr. DOW:

H.R. 10406. A bill for the relief of Sister Mary Stanislas (Concetta Minolo); to the Committee on the Judiciary.

H.R. 10407. A bill for the relief of Sister Mary Yolanda (Grazia Alercia); to the Committee on the Judiciary.

By Mr. FINO:

H.R. 10408. A bill for the relief of Giuseppe Fecci; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 10409. A bill for the relief of Phillip G. Duffy; to the Committee on the Judiciary.

By Mr. HAGEN of California:

H.R. 10410. A bill for the relief of Mathew James Richard McDermott; to the Committee on the Judiciary.

By Mr. HERLONG:

H.R. 10411. A bill for the relief of Gloria de la Jara; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 10412. A bill for the relief of Dr. Francisco G. Japzon; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 10413. A bill for the relief of Mrs. Rita Buralgia Cavalotti; to the Committee on the Judiciary.

By Mr. NIX:

H.R. 10414. A bill for the relief of Ryoko Matsumoto; to the Committee on the Judiciary.

By Mr. REINECKE:

H.R. 10415. A bill for the relief of Josefina Abutan; to the Committee on the Judiciary.

By Mr. ROONEY of Pennsylvania:

H.R. 10416. A bill for the relief of Nick Bonis; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 10417. A bill for the relief of Jose Maria Ferreira and his wife, Maria Jose de Sousa Ferreira, and their daughter, Maria de Fatima de Sousa Ferreira; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 10418. A bill for the relief of Snezanka Stankovic, Zivorad Stankovic, and Jasmina Stankovic; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 10419. A bill for the relief of Mrs. Wilhelmina Franken; to the Committee on the Judiciary.

SENATE

WEDNESDAY, AUGUST 11, 1965

(*Legislative day of Tuesday, August 10, 1965*)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Merciful Father, whose faithfulness is constant in the face of all our fickleness, whose forgiveness outlasts all our transgressions against Thy holy love: We bemoan the delusions which so often have led us to mistake shadows for substance. We confess that by the opiate of our own achievements we have been lulled again and again into cushioned optimism.

Now with jarred and jolted minds we see the whole circle of the world grown somber and terrible with the fires of battle and honeycombed with subversion by the forces which would enslave man's spirit.

In this day when Thou art sifting out the souls of men before Thy judgment seat, give us, we pray, that penitence for our own sins, that contempt for our own narrow prejudices, that hatred for our own hate, that shall enable us to put on the whole armor of God as we fight against the rulers of the darkness of this world, and against spiritual wickedness in high places.

We ask it in the name of the Prince of Peace. Amen.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting nominations, was communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1153. An act to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint labor-management product promotion programs in certain instances or a joint labor-management committee or board empowered to interpret provisions of collective-bargaining agreements;

H.R. 10306. An act to amend the Universal Military Training and Service Act of 1951, as amended; and

H.R. 10323. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 1153. An act to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint labor-management product promotion programs in certain instances or a joint labor-management committee or board empowered to interpret provisions of collective-bargaining agreements; to the Committee on Labor and Public Welfare; and

H.R. 10323. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes; to the Committee on Appropriations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

CORRECTIONAL REHABILITATION STUDY ACT OF 1965

Mr. MANSFIELD. Mr. President, will the Senator in charge of the bill yield me 1 minute?

Mr. RIBICOFF. I yield 1 minute to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 527, H.R. 2263.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2263) to provide for an objective, thorough, and nationwide analysis and reevaluation of the extent and means of resolving the critical shortage of qualified manpower in the field of correctional rehabilitation.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with amendments on page 1, line 5, after "SEC. 2.", to strike out "The" and insert "Section 12 of the"; in line 6, after "(29 U.S.C.", to strike out "41 (b)" and insert "ch. 4"; in the same line, after the word "amended", to strike out "by redesignating section 13 as section 14 and inserting after section 12 the following new section" and insert "to read as follows:"; on page 2, line 3, after "SEC.", to strike out "13" and insert "12"; in line 4, after the word "on", to strike out "Vocational Rehabilitation" and insert "Correctional Manpower and Training, established by subsection (b) of this section,"; in line 8, after the word "the", to insert "personnel practices and"; on page 3, line 2, after the word "resources,", to strike out "methods" and insert "needs"; after line 8, to insert:

(b)(1) There is hereby established in the Department of Health, Education, and Welfare a National Advisory Council on Correctional Manpower and Training, consisting of the Secretary, or his designee, who shall be Chairman, and twelve members, not otherwise in the regular full-time employ of the United States, appointed without regard to the civil service laws by the Secretary after consultation with the Attorney General of the United States. The twelve appointed members shall be selected from among leaders in fields concerned with correctional rehabilitation or in public affairs, four of whom shall be selected from among State or local correctional services. In selecting persons for appointment to the Council, consideration shall be given to such factors, among others, as (1) familiarity with correctional manpower problems, and (2) particular concern with the training of persons in or preparing to enter the field of correctional rehabilitation.

(2) The Council shall consider all applications for grants under this section and shall make recommendations to the Secretary with respect to approval of applications for and the amounts of grants under this section.

(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding $100 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for persons in the Government service employed intermittently.

On page 4, at the beginning of line 15, to strike out "(b)" and insert "(c)"; in the same line, after the word "For", to strike out "such purpose" and insert "carrying out the purposes of this section"; in line 22, after the word "of", to insert "any"; and on page 5 at the beginning of line 4, to strike out "(c)" and insert "(d)".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 543), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The crime rate has doubled in the United States since 1940. It has increased nearly six times as fast as our population growth since 1958. The total direct and indirect cost of crime and delinquency is estimated to exceed $27 billion annually. Two million offenders—1 percent of our population—are incarcerated each year in our adult and juvenile correctional institutions and jails. Yet there are only 100,000 persons engaged in the field of correctional rehabilitation—a ratio of 1 for every 60 incarcerated offenders.

The purpose of H.R. 2263 is to provide Federal assistance for a 3-year study of the shortage of qualified manpower, and the educational and training needs in the field of correctional rehabilitation.

H.R. 2263 would authorize the Secretary of Health, Education, and Welfare, with the advice of a 12-member National Advisory Council on Correctional Manpower and Training, to make grants for the carrying out of a coordinated program of research and study of the personnel practices and current and projected personnel needs in the field of correctional rehabilitation; the availability and adequacy of the educational and training resources for persons in, or preparing to enter the field; the availability of educational opportunities for persons in, or preparing to enter the field; the adequacy of the existing curriculum and teaching methods and practices involved in the preparation of persons to work in the field; the effectiveness of present methods of recruiting personnel for correctional rehabilitation; and the extent to which personnel in the field are utilized in the manner which makes the best use of their qualifications.

The Federal Government would pay only a part of the costs of such studies, and grants would be made to nongovernmental organizations composed of representatives of leading national correctional and other professional associations and agencies in the field of corrections.

The bill would authorize $500,000 to be appropriated for fiscal year 1966, and $800,000 for each of the 2 succeeding fiscal years. Under the terms of the grants, the research and study must be completed within 3 years from the date it is inaugurated. Annual reports and a final report must be filed by the grantee with the President, the Congress, the Secretary of Health, Education, and Welfare, and the Governors of the States.

Grantees are authorized to accept, and are expected to secure, additional financial support from private or other public sources.

NEED AND BACKGROUND FOR LEGISLATION

Staffing the commitments of the Great Society in the war on poverty, disease, and ignorance is no small task. The need for trained manpower in all the human services occupations has become increasingly evident with the adoption, over the last 5 years, of many new Federal programs in the fields of education, manpower training, public health, poverty, and other social welfare fields.

While the field of correctional rehabilitation is but one of many areas in which professionally trained manpower is in short supply, it is an area which until quite recently has suffered from a lack of public recognition and almost complete neglect on the part of those whose occupational specialities collectively comprise the "corrections professions."

The successful and effective rehabilitation of criminal offenders depends upon services ranging from that of the prison guard on the cell block to the psychiatrist. Correctional services include teaching, social work, guidance and employment counseling, psychology, medicine, and nursing, in addition to those provided by parole and probation officers and the supervisory, custodial and administrative personnel in our correctional institutions.

The short supply of correctional services personnel is revealed by a few representative statistics: There are, for example, only 50 full-time psychiatrists in all our adult correctional institutions—a ratio of 1 to every 4,400 offenders. The ratio of psychologists to offenders is about 1 in 2,000; of teachers, 1 in 400. The need for social workers, vocational instructors, counselors, nurses, and other skilled manpower is similarly unmet.

These critical shortages are further magnified by the rate of turnover. Between 25 and 50 percent of the personnel in most correctional facilities at any given time have been less than 1 year on the job.

Those few who serve in the field are inadequately prepared for their work. Less than 8 percent of the 100,000 people employed in corrections have received any professional education. The remainder depend upon inadequate inservice training programs.

While the needs and shortages are recognized by those in the field, there has been little or no agreement on what must be done to provide qualified correctional manpower, or the kinds of training needed for service in correctional rehabilitation. Schisms exist, for example, between those who work with juvenile offenders and those in adult corrections; between those who would emphasize the penal and custodial aspects of corrections and those who believe the principal task of the correctional officer to be the reformation and rehabilitation of offenders to make them useful, productive members of society.

There is also a need for consensus among the experts as to the duties and responsibilities of correctional personnel and the skills they must have to carry out their appointed tasks.

The studies to be undertaken pursuant to H.R. 2263 are expected to develop appropriate curriculum and teaching methods for use in established educational institutions and in possible future training centers for correctional workers.

Once the shortages are assessed, the goals defined, and the educational and training requirements agreed upon, methods of recruitment must be studied. Correctional rehabilitation is seldom thought of as a career opportunity by the aspiring high school or college student. It has been the "poor cousin" among the occupational specialties of the many professional disciplines involved.

The outlook, however, is promising. Correctional manpower problems received nationwide recognition in June 1964, when 61 national organizations sent delegates to a conference on manpower and training for corrections at Arden House in New York. The Arden House conference unanimously recommended the establishment of a 3-year nongovernmental joint commission on correctional manpower and training to undertake a comprehensive and intensive program of research and study. The organizations represented at Arden House unanimously agreed that an independent, federally financed study was needed to establish future guidelines for their professions and to determine the role of each of the occupations involved in the field of correctional rehabilitation.

The major recommendations of the Arden House conference are embodied in H.R. 2263.

The readiness for this undertaking on the part of educators, correctional practitioners, and State and local officials was further evidenced by the testimony of witnesses before the Subcommittee on Employment and Manpower. In 4 days of hearings, the subcommittee heard representatives of the leading professional associations in the corrections field, administrators of State, local, and private correctional services and educators in social work, criminology, and sociology—all of whom enthusiastically endorsed this legislation. In addition, supporting statements were received from 27 Governors, and more than 50 State and local officials and representatives of correctional associations expressing the view that the proposed 3-year study and research program is necessary.

In summary, the committee believes that there is clear evidence, and a growing consensus, that the key to the improvement of our correctional rehabilitation services lies in the increase of well qualified and properly trained personnel who will enter the field of corrections as a permanent career.

COMMITTEE AMENDMENTS AND RECOMMENDATIONS

In addition to technical and conforming amendments, the committee amended H.R. 2263 to establish a National Advisory Council on Correctional Manpower and Training to advise the Secretary of Health, Education, and Welfare with respect to the approval of applications and the making of grants under the act. As passed by the House of Representatives, H.R. 2263 would authorize grants with the advice of the National Advisory Council on Vocational Rehabilitation. The committee feels that a separate council composed of leaders in the fields concerned with correctional rehabilitation would be more appropriate.

Accordingly, the new Advisory Council would consist of 12 members appointed by the Secretary from among correctional rehabilitation leaders, 4 of whom would represent State or local correctional services. In making appointments, the Secretary is directed to consult with the Attorney General of the United States.

This legislation singles out for special study one area in which the shortage of qualified personnel is particularly acute. There are other fields served by the human services professions in which skill shortages may be equally acute. Few, however, encompass the broad spectrum of professional disciplines involved in correctional rehabilitation.

It is to be hoped that the studies undertaken pursuant to H.R. 2263 will help stimulate the prompt assessment of the skilled manpower shortages and training needs in other human service fields through the coordinated efforts of Federal, State, and local government agencies and private organizations.

Ample statutory authority for such research, and for actual training programs, is contained in the Manpower Development and Training Act and other legislation.

In this connection, the committee is mindful that research alone will not provide skilled manpower for corrections. Thus, although manpower and training for correctional rehabilitation is singled out for special attention in the belief that the groundwork must be laid for the best possible education and training for career service in the field, the committee expects that demonstration and action programs under appropriate public and private auspices will be proposed and undertaken as the 3-year study progresses and conclusions are reached.

This will require coordination and cooperation among the Federal departments and agencies which are now and which may in the future be involved in the development and training of manpower for service in law enforcement, criminal rehabilitation, and other fields concerned with the prevention and control of crime and delinquency.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The VICE PRESIDENT. Without objection, the committee amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 2263) was read the third time, and passed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. DIRKSEN. Mr. President, under the bill I yield 15 minutes to the distinguished Senator from Texas [Mr. TOWER].

The VICE PRESIDENT. The Chair recognizes the Senator from Texas [Mr. TOWER] for 15 minutes.

Mr. TOWER. Mr. President, last week we took a further step toward the elimination of State boundaries when we denied the people of each State the right to determine the basis of representation in their State legislatures.

Today we may be taking another major stride toward eliminating such boundaries by placing in the hands of a Federal Department Secretary more power to govern cities than was ever given any State authority.

If we approve this bill establishing a Department of Housing and Urban Development, we will give its Secretary the powers contained in the recently signed Housing Act plus the inherent powers of a Cabinet officer.

I supported much of the recently passed Housing bill because there are provisions mixed into that hodge-podge, catch-all which I felt could be administered at the local level to the benefit of the total community. There were, of course, some programs which I felt could be better handled at the Federal level than at the local level.

However, Mr. President, those programs in the latter category are not of such magnitude as to require the creation of a new Department of Government.

Let us analyze the need for this Department as outlined in the committee report accompanying the bill:

The report points out the tremendous population growth in urban areas and contends the cities, faced with increasing complex problems, are appealing more and more to the Federal Government for assistance in meeting these problems, because the cities have reached the limit of their financial resources.

I believe the record will show that the egg came before the chicken in this case.

The golden egg was laid in the laps of the cities in the guise of slum clearance and after 5 years the egg was hatched into a scramble called urban renewal.

With urban renewal has come the clamor to rebuild the central cities with Federal funds. There is no longer interest in building homes in the cities to take care of the population explosion; the interest now is to rebuild the central cities into fancy trading areas. We have seen in recent years, constant reductions in the housing bills, of the share of urban renewal funds to be used for housing, and a corresponding increase in the share to be used for commercial structures.

The claim that cities are without sufficient financial sources to meet the demands of growth is not tenable. The cities are reaping tax profits from the increased property valuations growing out of the Federal urban renewal program.

The committee report on this bill makes the growing need for city housing a prime reason for establishing this Department, but let us look more closely at the history of housing financing, particularly in the big cities.

First of all, FHA insurance covers a very small percentage of one- to four-family dwellings. The percentage is about 15. Veterans' Administration guarantees cover about 8 percent of that class of dwellings and the balance of about 77 percent are covered by conventional mortgages.

A study of the use of FHA insurance by the savings and loan associations, which issue about half of the one- to four-family dwelling mortgages each year, demonstrates rather clearly that the Federal Government's part in the overall housing picture does not warrant a Cabinet-level Department on Housing.

In the whole New York State, New Jersey, and Puerto Rico Home Loan Bank district, for example, only 7.3 percent of the total home mortgage value on one- to four-family dwellings issued in 1963 by savings and loan associations was insured by FHA. Only 16 percent carried Veterans' Administration guarantees. The balance of home financing, 76.7 percent, was carried by conventional mortgages.

In the Dallas metropolitan statistical district the FHA share of the savings and loan mortgage total on the same class of homes, one to four family, was only 3.7 percent as shown in the 1964 report of the Federal Home Loan Bank Board.

In Chicago, Mr. President, the FHA insurance was but 1 percent of the total. In the Philadelphia district, including a portion of New Jersey, it was 8 percent.

Another great city in Texas, Houston, used but 2.1 percent.

In four of the largest California metropolitan districts, the totals were from 0.3 to 0.9 percent.

Mr. Robert C. Weaver, the HHFA Administrator and probable Secretary of the new Department if the bill is passed, does not agree with the sponsors in their use of more-city homes propaganda in support of the bill. He said in a letter to Senator JOHN J. SPARKMAN, the Senate's "Mr. Housing":

> Of course, it must be recognized that the bulk of construction of new housing financed with the FHA-insured loans is located in the suburbs.

Mr. President, I wish to make it clear that I have been a consistent supporter of the Federal Housing Administration.

Never in its history, which began in 1934, has FHA required a single dime of appropriations to meet defaults or foreclosures despite the fact that in its history it has insured nearly 6½ million mortgages of the type we have been talking about, with a face value of more than $61 billion. The insurance fund maintained through premiums paid by mortgagors has been more than sufficient to pay the losses.

Let us turn to other arguments that have been used in support of the bill. We have heard much about the lack of Cabinet-level representation of the city folks in Washington.

This is an insult to the Labor Department, the Health, Education, and Welfare Department, the Commerce Department, and the Justice Department.

Many wage earners in every city are union members and live daily under union regulations and laws that are amply protected by the Department of Labor. Those who are nonunion also benefit from total labor representation of the Department of Labor in such things as minimum wages, for example.

We are fully aware that many city workers benefit from being classed in interstate commerce and thus derive most capable representation through both the Labor and Commerce Departments.

The Health, Education, and Welfare Department has scads of programs to watch over to assure full benefits to the city folks—and to suburban folks as well.

There are the hospital programs, public health stations, old-age security, medical care, contributions to certain disability programs within the States, school assistance programs, school lunches, and numerous other activities of benefit to those who live in crowded metropolitan centers as well as to those in the smaller cities, the towns, and the hinterlands.

In the area of crime control, the Federal Government provides help through the many services of the Justice Department. Also, the President has just recently appointed a National Commission on Crime.

Aside from the social lives of the urban people, which is also determined to a degree by the Treasury Department, the lone remaining phase of daily life in the big city we have not touched upon is transportation.

This brings us to one of the activities which will come under the jurisdiction of the proposed Department.

The attempt to solve the admitted problem of moving the masses in the big cities has gone off in several directions and as a result there are no results.

For example, the Senate Banking and Currency Committee in 1964 authorized a total of $375 million for mass transportation grants—grants, mind you—over a 3-year period with carryover rights for unused authorizations.

The 1964 total authorization was for $75 million but only $60 million was appropriated.

This year the HHFA requested appropriation of the authorized totals of $150 million for each of the 1966 and 1967 fiscal years, made possible through special consideration in the 1964 bill.

The appropriation conference committee agreed on $130 million for each of the 2 years. This leaves $55 million of the original total authorization unappropriated, but still subject to 1968 fiscal consideration.

The significant point is this:

Despite the fact the omnibus housing bill signed into law a few days ago was identified as a 4-year bill, not a single word was spoken of any great clamor for mass transportation giveaway funds and no effort was made to readjust the authorizations to conform with the termination of the housing bill.

It is obvious the solution to the mass transportation problem in the cities does not lie in the program the proposed new Department would be called upon to administer.

We have covered here in a few minutes all phases of life which, by the most liberal stretch of the imagination, might need Washington representation at Cabinet level.

To add further confusion to a conscientious study of the need for a Department of Housing and Urban Development, we find much of the legislative responsibility which would come under the proposed new Department directed toward areas other than the larger cities and swollen metropolitan districts.

In the recent housing bill many programs are designed for small communities, such as the community facilities program. I hurriedly admit that pressure has expanded many of those programs, which only serves to create a doubt as to the attention the smaller communities would get from a department that is oriented to big cities and big population areas.

Would this attention to bigness reach into the college housing program, for example?

Then, midst the confusion, the question is certainly raised as to what is to happen to the other Government-assisted housing programs which are not accounted for in the plans for the proposed new Department, as for example, the Farmers Home Administration and the Veterans' Administration.

The two greatest boons to housing in this country are FHA and the savings and loan associations. Yet, we find that the Federal Home Loan Bank Board, which supervises the savings and loan associations and their vast housing financing efforts, remains an independent agency.

Mr. President, I fear the Department of Housing and Urban Affairs could become at some time in the future, political in nature, a sop to the heavy voting areas of the country.

In any event, I feel S. 1599 is not a wise approach and will not be in the best interests of our proven governmental structure.

I believe we are seeing in this proposal another mass intrusion on the part of the Federal Government into the affairs of State government and local government. After all, a city is a corporate entity created by a State and is a political subdivision of a State. I do not believe we have the right to intrude the Federal Government into the affairs of our States and cities.

I yield back the remainder of my time.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Subcommittee on Public Roads of the Committee on Public Works be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER (Mr. BASS in the chair). Without objection, it is so ordered.

On request of Mr. MORSE, and by unanimous consent, the Subcommittee on Public Health, Education, Welfare, and Safety of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

OBSERVANCE OF 91ST BIRTHDAY ANNIVERSARY OF THE LATE PRESIDENT HERBERT HOOVER

Mr. DIRKSEN. Mr. President, under the bill I yield 1 minute to the Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, yesterday a memorable meeting took place at West Branch, Iowa, to commemorate the 91st birth date of the late President Herbert Hoover.

The event included the formal issuance of a commemorative postage stamp in honor of Mr. Hoover and appearances by former President Eisenhower and former Vice President Nixon.

Mr. Nixon made a truly outstanding address to the 22,000 people assembled. Because of its timeliness, its complete bipartisanship, and its importance with respect to the outlook on the war in Vietnam, I believe that the address merits the attention of all of our citizens.

Accordingly, I ask unanimous consent that the full text of the address delivered by Richard M. Nixon yesterday at West Branch, Iowa, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF ADDRESS BY RICHARD M. NIXON AT THE HERBERT HOOVER 91ST BIRTHDATE COMMEMORATIVE PROGRAM, WEST BRANCH, IOWA, AUGUST 10, 1965

This distinguished gathering, honored by the presence of General Eisenhower, is, in itself, an eloquent tribute to one of America's greatest leaders. The honor which has been accorded me to add to that tribute provides a wide and rich choice of subjects.

For over 50 years Herbert Hoover walked as an equal among the giants of the earth. We could honor him for his service as President of the United States. We could honor him for his achievements as an engineer and as an author. We could honor him for his contribution to the cause of more efficient government through the reports of the Hoover Commissions on Government Reorganization. We could honor him for the selfless service which earned him worldwide recognition as the great humanitarian of the 20th century.

But, great as were his achievements, Eugene Lyons was probably correct in concluding that Herbert Hoover will be remembered more for what he was than what he did.

In terms of public esteem, never has one man fallen so low and risen so high. Thirty-three years ago he left the White House vilified by his enemies and forsaken even by some of his friends. Like Secretary Rusk, he had learned how viciously cruel so-called scholars can be in writing of their contemporaries.

In that dreary March of 1932, Herbert Hoover could well have been described as the "man nobody knows." This warm, kind, generous, shy, witty, and progressive humanitarian was painted as a cold, heartless, selfish, aloof, humorless reactionary.

But time has a way of healing the wounds inflicted by excessive partisanship. If the commentators of the decade were cruel, the historians of the century will be kinder. Before his death he became a living example of the truth of the words Sophocles wrote 2,000 years ago: "One must wait until the evening to see how splendid the day has been."

His legion of friends can be forever grateful that Herbert Hoover was one of those rare leaders who lived to hear the overwhelmingly favorable verdict of history on his public career.

No words can add luster to the special place he has earned in the hearts of his countrymen. But let it be noted that for generations to come his magnificence in adversity will be an everlasting example to those who would achieve greatness. A lesser man would have lashed back at his critics. But, Herbert Hoover was one of those unique individuals who was capable of great anger against corruption, brutality, and evil but never against people.

His serenity, in the face of the most brutal attacks, in the end made his detractors seem like pygmies and allowed his fellow Americans to see even more clearly the great character of the giant who walked among them.

To limit my remarks on this occasion to a discussion of his achievements would certainly be appropriate. But the highest tribute a nation can pay to one of its great men is to honor his principles in the adoption of national policy. In that spirit, let us test our policy in Vietnam against the foreign policy principles of Herbert Hoover.

It would be presumptuous to say what position he would take on Vietnam if he were alive today. But the principles which would guide him in making that decision ring out true and clear from the record of his public statements.

Speaking at the Republican Convention in Chicago in 1944, he said:

"We want to live in peace.

"We want no territory.

"We want no domination over any nation.

"We want the freedom of nations from the domination of others.

"We want it both in the cause of freedom and because there can be no lasting peace if enslaved people must ceaselessly strive and fight for freedom."

There was no fuzzy-mindedness in his analysis of the cold war. To him the choice between communism and freedom was crystal clear. He said: "The world is divided by opposing concepts of life. One is good, the other is evil."

Yet, while he hated the Communist idea, the great humanitarian had no hatred for the Russian people. It was his leadership after World War I which helped feed and save the lives of millions of Russian children.

In summary, the principles which Herbert Hoover would apply in making a foreign policy decision could be summed up in one sentence. He wanted peace, freedom, nonintervention, self-determination, and progress for all peoples and all nations.

America's critics at home and abroad contend that our policy at Vietnam is diametrically opposed to every one of these principles.

They contend that America is intervening in a civil war.

They contend that we are fighting a losing battle to perpetuate white colonialism in Asia.

They contend that we are on the side of reaction, resisting the forces of change and progress.

They contend that we are increasing the danger of world war III.

Even among the majority of Americans who support our policy too many seem to believe that we had no business getting involved in Vietnam in the first place and that all we can hope or try to do is to make the best of a bad situation.

There is no reason for Americans to be defensive or apologetic about our role in Vietnam. We can hold our heads high in the knowledge that—as was the case in World War I, World War II, and Korea—we are fighting not just in the interests of South Vietnam or of the United States but for peace, freedom, and progress for all people.

This is not a case of American intervention in a civil war. We are helping South Vietnam resist Communist intervention.

We are not attempting to impose American colonialism in Vietnam. We are there to prevent Communist colonialism and to preserves the rights of self-determination without outside intervention for the people of South Vietnam.

We are fighting on the side of progress for the Vietnamese people; the Communists are fighting against progress. One of the reasons the South Vietnamese have been willing to fight so long and so bravely against the Communists is that they know that North Vietnam, under communism is an economic slum. The per capita income of South Vietnam under freedom is twice as high as that of North Vietnam.

The greatest fallacy is the contention that U.S. policy in Vietnam increases the danger of war. On the contrary, stopping Communist aggression will reduce the danger of war. Failing to stop it will increase the danger of war.

This is true because if the Communists gain from their aggression, they will be encouraged to try it again.

It is true because if aggression is rewarded those who advocate the hard line in Peiping and Moscow will have won the day over those who favor "peaceful coexistence" and we shall be confronted with other Vietnams in Asia, Africa, and Latin America.

It is true because if the Communists gain from their aggression in Vietnam all of southeast Asia would come under Communist domination and we would have to fight a major war to save the Philippines.

A crucial issue is being decided in Vietnam: Does the free world have an answer to the Communist tactic of taking over a free country not by direct attack as in Korea, not by winning a free election, but by fomenting and supporting a revolution? If this tactic proves unsuccessful in Vietnam, the steady Communist march to world domination will be halted. If it succeeds, the Communists will have the green light for conquest by support of revolution all over the world and we will be helpless to stop it.

This is one of those critical turning points in history. Today, Russia and Red China are not allies. Red China without Russia is a fourth-rate military power with no significant nuclear capability. Five years from now the two Communist giants may have patched up their differences. Even if they have failed to do so, Red China will then have a dangerous nuclear capability.

Time, therefore, is not on our side. If the Communist aggressors are not stopped now the risk of stopping them later will be infinitely greater.

Too much of the discussion on Vietnam has been in the dreary terms of day-to-day tactics, of targets to be hit or excluded, of the cost involved.

It is time for all Americans to raise their eyes proudly to the great goals for which we are fighting in Vietnam.

We are fighting in Vietnam to prevent World War III.

We are fighting for the right of self-determination for all nations, large and small.

We are fighting to save free Asia from Communist domination.

We are fighting for the right of all people to enjoy progress through freedom.

We are fighting to prevent the Pacific from becoming a Red sea.

To achieve these goals, Americans must be united in their determination not to fail the cause of peace and freedom in this period of crisis.

The noisy minority which constantly talks of the need to make concessions to the Communist aggressors in order to gain peace are defeating the very purpose they claim to serve. This kind of talk discourages our friends, encourages our enemies, and prolongs the war.

The Communists do not have to be told that we are for peace; they have to be convinced that they cannot win the war.

We shall agree to any honorable peace but on one issue there can be no compromise: There can be no reward for aggression.

Forcing the South Vietnamese into a coalition government with the Communists would be a reward for aggression.

Neutralizing South Vietnam would be a reward for aggression.

Forcing the South Vietnamese to give up any territory to the Communist aggressors would be a reward for aggression.

History tells us that a coalition government would be only the first step toward a complete Communist takeover.

Neutralization, where the Communists are concerned, as we learned in Laos, would mean—we get out, they stay in, they take over.

Attempting to buy peace by turning over territory to the Communist aggressors would only whet their appetites for more.

We welcome the interest of the United Nations in seeking a settlement. But we must insist that where the security of the United States is directly threatened by international Communist aggression, the final policy decision must be made by the United States and not by the United Nations.

We respect the views of nations who choose to remain neutral in the struggle between communism and freedom. But in evaluating those views let us remember that no nation in the world could afford the luxury of neutrality—if it were not for the power of the United States.

The struggle will be long. The cost will be great. But the reward will be victory over aggression and a world in which peace and freedom will have a better chance to survive.

Herbert Hoover's record gives us guidance also with regard to our future policy when peace finally comes in Vietnam.

The man who hated communism helped save the lives of millions of Russian people living under communism after World War I.

The man who hated dictatorship set up the Committee for Small Nations to aid the people forced to live under Hitler's dictatorship in World War II.

Herbert Hoover took a dim view of trade or aid programs which might strengthen the power of dictatorial governments over their people. That is why he insisted that American aid to the starving Russian people be administered not by the Communist government but by the American Relief Administration which he headed.

We must continue to step up our air and sea attacks on North Vietnam until the Communist leaders stop their aggression against South Vietnam. But completely consistent with that policy would be the establishment now of an American Committee To Aid the People of North Vietnam.

What I am suggesting is not a government-to-government program which would simply strengthen the domination of the Communist Government of North Vietnam over the people of that unhappy country but a people-to-people program. The American people through contributions to such a committee would send to the people of North Vietnam food, medicine, clothing, and other materials which would help them recover from the devastating destruction of war.

If the Government of North Vietnam raised objections to allowing an American agency to administer the program, the distribution of supplies could be undertaken by an independent agency like the International Red Cross.

Certainly a program of this type would be in the great humanitarian tradition of Herbert Hoover.

As we consider the problems we face, let us not overlook one great factor which is working in our favor in Asia.

Twelve years ago, the Communist propaganda in Vietnam and in other free Asian nations was based on one major theme—choose communism and you will enjoy a better way of life.

Today that propaganda line no longer has any credibility. Those who join the Vietcong in Vietnam do so not because they like communism, but because they fear it.

In the past 12 years the only nations in southeast Asia and the Pacific which have enjoyed sustained economic progress are those in which freedom has been given a chance—Japan, South Korea, Taiwan, the Philippines, Thailand, and Malaysia. The economic failures have been Communist China and Communist North Vietnam, and Burma and Indonesia—both of which chose the socialist road to economic bankruptcy.

There is a lesson in this record for America. At a time when other nations are turning toward freedom, let us not turn away from it.

Herbert Hoover spoke eloquently on this subject at West Branch on his 75th birthday:

"A splendid storehouse of integrity and freedom has been bequeathed to us by our forefathers. Our duty is to see that that storehouse is not robbed of its contents.

"We dare not see the birthright of posterity to independence, initiative, and freedom of choice bartered for a mess of a collectivist system."

Again on his 80th birthday he returned to the same theme:

"It is dinned into us that this is the century of the common man. The whole idea is another cousin of the Soviet proletariat. The uncommon man is to be whittled down to size. It is the negation of individual dignity and a slogan of mediocrity and uniformity.

"The greatest strides of human progress have come from uncommon men and women.

"The humor of it is that when we get sick, we want an uncommon doctor. When we go to war, we yearn for an uncommon general. When we choose the president of a university, we want an uncommon educator.

"The imperative need of this Nation at all times is the leadership of the uncommon men or women."

And, just 1 year ago on his 90th birthday, he reminded his fellow countrymen again for the last time: "Freedom is the open window through which pours the sunlight of the human spirit and of human dignity."

We were privileged to have lived in the same century with this uncommon, extraordinary man. As we meet in this typically American town, in the heartland of our country, may we honor his principles as we pay tribute to his memory.

Mr. RIBICOFF. Mr. President, I yield 1 minute to the distinguished majority leader.

AUTHORIZATION FOR CONTRIBUTION TO CERTAIN INHABITANTS OF THE RYUKYU ISLANDS FOR DEATH AND INJURY TO PERSONS, AND FOR USE OF AND DAMAGE TO PRIVATE PROPERTY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar Order No. 547, Senate Joint Resolution 32.

The **PRESIDING OFFICER.** The joint resolution will be stated by title.

The **LEGISLATIVE CLERK.** A joint resolution (S.J. Res. 32) to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury of persons, and for use of and damage to private property, arising from acts and omissions of the U.S. Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952.

The **PRESIDING OFFICER.** Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. MANSFIELD. Mr. President, the joint resolution was reported by the Committee on Foreign Relations unanimously. It has the approval of members on both sides.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from Hawaii [Mr. FONG] may be added as a cosponsor to the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 564), explaining the purposes of joint resolution.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF RESOLUTION

The main purpose of the Senate Joint Resolution 32 is to authorize a contribution of not to exceed $23 million to certain inhabitants of the Ryukyu Islands for claims based on death or injury, and for use of and damage to private property, arising from acts and omissions of members of the U.S. Armed Forces after August 15, 1945 (the date of the Japanese surrender), and before April 28, 1952 (the date of the treaty of peace with Japan).

In addition, the resolution provides that the funds are to remain available for 2 years from the date of their appropriation for distribution to the claimants or their legal heirs by the Department of the Army. None of the funds may be used to pay claims which have been satisfied by contributions made by the Government of Japan. The resolution also limits attorneys' fees to 5 percent of the amount paid on each claim, and any such fees which have already been paid are to be deducted from the amount authorized under the joint resolution. Violators of this latter provision are subject to a fine of not more than $5,000 or imprisonment of not more than 12 months, or both.

BACKGROUND

The presence of U.S. Armed Forces in the Ryukyu Islands constituted a military occupation from June 21, 1945, until April 28, 1952. During this period, certain damages were caused to residents of the Ryukyus by various acts and omissions of the U.S. Armed Forces or their members. These damages ranged from the uncompensated use of real and personal property, taken over for the use of the occupying forces, to tortious acts by members of the forces.

It should be noted, however, that the United States has no legal liability for the payment of these claims. American liability for claims arising during the period in question was formally extinguished by article 19(a) of the treaty of peace with Japan which provides as follows:

"Japan waives all claims of Japan and its nationals against the Allied Powers and their nationals arising out of the war or out of actions taken because of the existence of a state of war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present treaty."

On the other hand, no provision was made in the treaty to compensate Japanese nationals for such actions in territory occupied by the United States during the pretreaty period. In this connection, although the Government of Japan denies legal liability for pretreaty claims in the Ryukyu Islands, in 1957 it made solatia payments to some of these claimants in the amount of approximately $2.8 million. This amount has been deducted from the amount of the claims covered by Senate Joint Resolution 32.

In 1961, after receiving numerous petitions regarding Ryukyuan pretreaty claims, the U.S. Government agreed to review the entire problem. In order to carry out the review, the High Commissioner of the Ryukyu Islands established a joint Ryukyuan-American Committee which completed its study and submitted a unanimous report on March 23, 1962. The High Commissioner reviewed the Joint Committee's report, supported its conclusions, and recommended that appropriate action be taken to obtain congressional approval for the payment of the pretreaty claims.

Senate Joint Resolution 32, which has the approval of the Departments of State and Defense, and the Bureau of the Budget, is a direct result of the Joint Committee's review and the High Commissioner's recommendation.

COMMITTEE ACTION

The Subcommittee on Claims Legislation of the Committee on Foreign Relations held a public hearing on August 4, 1965, to receive testimony on Senate Joint Resolution 13, introduced by Senator FONG, and Senate Joint Resolution 32, which was introduced by Senator FULBRIGHT (by request) for himself and Senator INOUYE. Both resolutions are substantially the same, but since Senate Joint Resolution 32 (the executive branch proposal) had the support of all interested parties, the committee decided to report it favorably to the Senate.

At the time of the hearing, testimony in support of Senate Joint Resolution 32 was received from Senators INOUYE and FONG, as well as Mr. Stanley R. Resor, the Secretary of the Army; Lt. Gen. Albert Watson II, the High Commissioner of the Ryukyu Islands; and Mr. Samuel D. Berger, Deputy Assistant Secretary of State for Far Eastern Affairs. Full background information is contained in their statements which are printed as an appendix to this report. No witnesses appeared in opposition to Senate Joint Resolution 32.

CONCLUSIONS AND RECOMMENDATIONS

The eight-member Joint Ryukyuan-American Committee (established in 1961) examined very carefully all of the evidence which was submitted in connection with the claims covered by Senate Joint Resolution 32 and concluded that they were meritorious (see Joint Committee's report in appendix). The committee agrees. Certainly the individuals who suffered damages as a result of the activities of the U.S. Armed Forces are entitled to adequate compensation. In the opinion of the committee, the payment of the claims in question will not only advance the welfare of the people involved, but will promote the security and foreign policy interests of the United States. Accordingly, the committee recommends that the Senate approve Senate Joint Resolution 32 without delay.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. J. RES. 32

Joint resolution to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the United States Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952

Whereas certain persons of the Ryukyu Islands suffered damages incident to the activities of the Armed Forces of the United States, or members thereof, after the surrender of Japanese forces in the Ryukyus on August 15, 1945, and before the effective date of the Treaty of Peace with Japan on April 28, 1952;

Whereas article 19 of the Treaty of Peace with Japan extinguished the legal liability of the United States for any claims of Japanese nationals, including Ryukyuans, with the result that the United States has made no compensation for the above-mentioned damages (except for use of and damage to land during the period from July 1, 1950, to April 28, 1952);

Whereas it is particularly consonant with the concern of the United States, as the sole administering authority in the Ryukyu Islands, for the welfare of the Ryukyuan people, that those Ryukyuans who suffered damages incident to the activities of the United States Armed Forces, or members thereof, should be compensated therefor;

Whereas payment of ex gratia compensation, by advancing the welfare of the Ryukyuan people, will promote the security interest, foreign policy, and foreign relations of the United States; and

Whereas the High Commissioner of the Ryukyu Islands has considered the evidence regarding these claims, and has determined, in an equitable manner, those claims which are meritorious, and the amounts thereof: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States should make an ex gratia contribution to the persons determined by the High Commissioner of the Ryukyu Islands to be meritorious claimants, in the amounts determined by him, and that the Secretary of the Army or his designee should, under regulations prescribed by the Secretary of Defense, pay such amounts to the claimants or their legal heirs, as a civil function of the Department of the Army; and be it further

Resolved, That no funds appropriated under this joint resolution shall be disbursed to satisfy claims, or portions thereof, which have been satisfied by contributions made by the Government of Japan.

SEC. 2. There is authorized to be appropriated not to exceed $22,000,000 to carry out the provisions of this joint resolution, which funds are authorized to remain available for two years from the effective date of their appropriation. Any funds unobligated by the end of that period shall be covered into the Treasury of the United States.

SEC. 3. No remuneration on account of services rendered on behalf of any claimant in connection with any claim shall exceed 5 per centum of the total amount paid, pursuant to the provisions of this joint resolution, on such claim. Fees already paid for such services shall be deducted from the amounts authorized under this joint resolution. Any agreement to the contrary shall be unlawful and void. Whoever, in the United States or elsewhere, demands or receives, on account of services so rendered, any remuneration in excess of the maximum permitted by this section, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than twelve months, or both.

The preamble was agreed to.

Mr. SPARKMAN subsequently said: Mr. President, this is a most important measure. It is one that is overdue.

The resolution has to do with maintaining friendly relations with the people who have cooperated with us rather well in the maintenance of our far western defense lines.

The Committee on Foreign Relations reported the resolution unanimously.

I am delighted that we are able to bring this resolution to passage.

I ask unanimous consent that excerpts from the report of the Committee on Foreign Relations be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

PURPOSE OF RESOLUTION

The main purpose of Senate Joint Resolution 32 is to authorize a contribution of not to exceed $22 million to certain inhabitants of the Ryukyu Islands for claims based on death or injury, and for use of and damage to private property, arising from acts and omissions of members of the U.S. Armed Forces after August 15, 1945 (the date of the Japanese surrender), and before April 28, 1952 (the date of the Treaty of Peace with Japan).

In addition, the resolution provides that the funds are to remain available for 2 years from the date of their appropriation for distribution to the claimants or their legal heirs by the Department of the Army. None of the funds may be used to pay claims which have been satisfied by contributions made by the Government of Japan. The resolution also limits attorneys' fees to 5 percent of the amount paid on each claim, and any such fees which have already been paid are to be deducted from the amount authorized under the joint resolution. Violators of this latter provision are subject to a fine of not more than $5,000 or imprisonment of not more than 12 months, or both.

BACKGROUND

The presence of U.S. Armed Forces in the Ryukyu Islands constituted a military occupation from June 21, 1945, until April 28, 1952. During this period, certain damages were caused to residents of the Ryukyus by various acts and omissions of the U.S. Armed Forces or their members. These damages ranged from the uncompensated use of real and personal property, taken over for the use of the occupying forces, to tortious acts by members of the forces.

It should be noted, however, that the United States has no legal liability for the payment of these claims. American liability for claims arising during the period in question was formally extinguished by article 19(a) of the Treaty of Peace with Japan which provides as follows:

"Japan waives all claims of Japan and its nationals against the Allied Powers and their nationals arising out of the war or out of actions taken because of the existence of a state of war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present treaty."

On the other hand, no provision was made in the treaty to compensate Japanese nationals for such actions in territory occupied by the United States during the pretreaty period. In this connection, although the Government of Japan denies legal liability for pretreaty claims in the Ryukyu Islands, in 1957 it made solatia payments to some of these claimants in the amount of approximately $2.8 million. This amount has been deducted from the amount of the claims covered by Senate Joint Resolution 32.

In 1961, after receiving numerous petitions regarding Ryukyuan pretreaty claims, the U.S. Government agreed to review the entire problem. In order to carry out the review, the High Commissioner of the Ryukyu Islands established a joint Ryukyuan-American Committee which completed its study and submitted a unanimous report on March 23, 1962. The High Commissioner reviewed the Joint Committee's report, supported its conclusions, and recommended that appropriate action be taken to obtain congressional approval for the payment of the pretreaty claims.

Senate Joint Resolution 32, which has the approval of the Departments of State and Defense, and the Bureau of the Budget, is a direct result of the Joint Committee's review and the High Commissioner's recommendation.

COMMITTEE ACTION

The Subcommittee on Claims Legislation of the Committee on Foreign Relations held a public hearing on August 4, 1965, to receive testimony on Senate Joint Resolution 13, introduced by Senator Fong, and Senate Joint Resolution 32, which was introduced by Senator Fulbright (by request) for himself and Senator Inouye. Both resolutions are substantially the same, but since Senate Joint Resolution 32 (the executive branch proposal) had the support of all interested parties, the committee decided to report it favorably to the Senate.

At the time of the hearing, testimony in support of Senate Joint Resolution 32 was received from Senators Inouye and Fong, as well as Mr. Stanley R. Resor, the Secretary of the Army; Lt. Gen. Albert Watson II, the High Commissioner of the Ryukyu Islands; and Mr. Samuel D. Berger, Deputy Assistant Secretary of State for Far Eastern Affairs. Full background information is contained in their statements which are printed as an appendix to this report. No witnesses appeared in opposition to Senate Joint Resolution 32.

CONCLUSIONS AND RECOMMENDATIONS

The eight-member Joint Ryukyuan-American Committee (established in 1961) examined very carefully all of the evidence which was submitted in connection with the claims covered by Senate Joint Resolution 32 and concluded that they were meritorious (see Joint Committee's report in appendix). The committee agrees. Certainly the individuals who suffered damages as a result of the activities of the U.S. Armed Forces are entitled to adequate compensation. In the opinion of the committee, the payment of the claims in question will not only advance the welfare of the people involved, but will promote the security and foreign policy interests of the United States. Accordingly, the committee recommends that the Senate approve Senate Joint Resolution 32 without delay.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. RIBICOFF. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I yield myself 10 minutes.

DEMOCRATIC, REPUBLICAN, INDEPENDENT VOTER EDUCATION DIVISION—ESSAY CONTEST WINNER

Mr. DIRKSEN. Mr. President, the Democratic, Republican, Independent Voter Education Division of the International Brotherhood of Teamsters sponsors an essay contest each year and provides a tour for each of the State winners, which tour includes a week in Washington.

This year, the subject assigned was "Government Snooping."

The winner for the State of Illinois was Beverly J. Edgar, Local 371, East Moline, Ill.

While the essay is short, it is to the point, and I ask unanimous consent to have it printed at this point in the Record.

There being no objection, the essay was ordered to be printed in the Record, as follows:

Invasion of Privacy

(Essay by Beverly J. Edgar)

Clarence Darrow once said, "You can only protect your liberties in this world by protecting the other man's freedom. You can only be free if I am free."

If this is true, then we should be doubly vigilant of our personal liberties and resist all invasion and encroachments of our individual freedoms, life, the pursuit of happiness, and equal rights at the bar of justice.

We must keep ever before us the fact, if our Government proceeds with lies to convict James Hoffa, then they can use the same practice to attack any of the rest of us.

Let us be aware, alert, and speak out for justice through DRIVE.

IS THE FAMILY FARM BEST FOR OUR TIME?

Mr. DIRKSEN. Mr. President, on July 17, the Prairie Farmer, published in Chicago, carried an interesting column by Paul C. Johnson, under the challenging question: "Is the Family Farm Best for Our Time?"

I ask unanimous consent that this article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Is the Family Farm Best for Our Time?

(By Paul C. Johnson)

When I mention the family farm to anybody in the city or in the country I get a reaction of approval. Whenever I travel by airplane, observing the well-tilled fields, the evenly scattered farmsteads, and the good roads of the Midwest, I get a proud feeling that this system of farming and living is good.

We all like the idea of the family as an independent unit, working together, running a business, lending its support and leadership to church, school, and community. We are disturbed if the question is raised whether the family farm can adjust itself successfully to modern conditions. Many believe firmly that this institution is so important nothing should be permitted to disrupt or destroy it.

It is indeed true that the family farm system has come under severe strain in recent years. The invention and adoption of new machinery and methods enables the farm family to handle a unit of production three times as big and six times as productive as was possible in grandfather's day, thus upsetting the old idea of a 160-acre homestead. Children up to the age of 20 or above now spend most of their time in school, so they don't have the economic value to the family that they used to have. Furthermore, once they get to the higher schools and are exposed to dozens of other vocations and professions, they are less likely to want to follow in the footsteps of their father. This and many other divisive influences have loosened the family ties and made family farming difficult.

Yet the family farm has done very well in our day, in spite of the shortage of labor, growing cost of enlarged units, and growing demands of management. The bigger family farm is solidly entrenched here in our part of the country. It shows no real sign of not being able to hold its own against the "factory-on-the-farm" corporation which many fear may take its place.

The surest way to kill the family farm would be to insist that it set itself against the tools and needs of our time. In the long run our institutions are shaped by their usefulness. The individual too has a stewardship to fulfill. The farmer's job is essentially the job of raising food. There are other kinds of usefulness, it is true, such as serving as citizen, father, church member. But these are the pluses that come after a man has done a good day's work in his chosen field.

The family farm can't be forced to survive. It will be judged by its performance. It is not intended primarily as a means of keeping people out of the cities or as a kind of game preserve where children can grow up more safely.

The system of farming is most likely to survive which serves its main purpose best. If the family farm fails to use the best available science and management to raise raw products efficiently, it will be replaced by the corporation farm or some other system. No amount of legislation is likely to save it for very long.

Right now our emerging system of larger family farms seems to be a good one. Therefore we should keep it good, not just keep it. Certainly in the Midwest big-time corporation farming has not been more successful than adequate family farming. Our management records show that the farm which provides fruitful employment for two able-bodied and intelligent adult men comes closest to the efficiency which is our inevitable yardstick. Efficiency begins to drop off as the farm grows beyond this.

Whether we retain this position of dominance for family farming will depend pretty much on how we handle ourselves and our businesses. In the next issue I will talk about some of the suicidal tendencies that lie in high-efficiency farming.

PURPOSE AND GOALS OF STATE BLOOD BANK ASSOCIATIONS

Mr. DIRKSEN. Mr. President, the president of the Illinois Association of Blood Banks, Dr. James B. Hartney, has made a very interesting statement with respect to the purposes and goals of State blook bank associations.

I ask unanimous consent that that statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PURPOSES AND GOALS OF STATE BLOOD BANK ASSOCIATIONS

(By James B. Hartney, M.D.)

Why should State blood bank associations exist? Why cannot all matters pertaining to blood banks in our State be left to our national organizations? Why should there not be one national organization, perhaps made up of independent banks as in the case of the AABB, or a single, monolithic, national, if not nationalized system, perhaps operating under a congressional charter, as I have heard suggested that some believe we should have?

I think the answer to these questions is to be sought in the basic nature of our Federal system. We are an organization of united States, each autonomous in its own sphere, each doing what can be done best at the local level, and with the central authority exercised in those areas involving relationships between the States. Ideally, perhaps, the Federal authority is exercised only when a problem arises which involves two or more States, or when needs require the combined resources of all of the States because the need exceeds the capability of one. By analogy, we can say that the function of a State association of blood banks is to mobilize the resources of individual banks in the State in the same manner that the Federal Government can mobilize the resources of the individual States.

The resources of our State associations are not tax funds; the first resource of a State association is its members, with their individual and combined professional and technical skills. Their next resource is the physical facilities in which these individuals exercise their skills; these involve the total blood collection capability within the State and the current blood inventory on the shelves of the blood banks of the State at any given time.

What are the immediate purposes of a State blood bank association? Basically, we can say that it is to improve the care of the sick as exercised through the blood banking facilities within the State. The Illinois, Iowa, and Wisconsin Associations of Blood Banks all embody similar provisions in their constitutions. They provide for the exchange of ideas and material, the dissemination of information among their members, for disaster planning, and the fostering of cooperation among member banks. They profess that it is one of their functions to serve as a clearinghouse on problems affecting personnel training. They encourage high standards of service, and they all proclaim that they exist to foster the extension of blood bank services. We may summarize these purposes as goals which are to be achieved through the application of basic techniques of communication, education, and coordination.

COMMUNICATION

Communication exists between individual members of the State blood bank association and between members of a State blood bank association, or the association as a whole, and the public which it serves. An example of prime means of communication is a newsletter or a State blood banking journal. As one example of what this communications technique can do, I refer to a problem recently brought to the attention of the Illinois Association of Blood Banks by the Community Blood Bank of Kansas City, which has been very deeply embroiled in a controversy involving an arm of the Federal Government. With the resources of the Federal establishment to combat, financial assistance was needed. It was possible through the Newsletter to bring their appeal to the attention of our members and individually and collectively to make contributions to that organization.

Annual or even more frequent meetings of State blood bank associations help to bring us abreast of the latest technical developments in our field and thus are a major tool of communication. As a further communication technique, information on donor recruitment may be disseminated to the public through the mechanisms of the State association. Perhaps it may carry more weight with the public if it emanates from a State association of blood banks rather than coming from a single bank. Perhaps such a method of dissemination of information might avoid some of the allegations of self-interest which are occasionally leveled at blood banks.

EDUCATION

Education involves education of our members and of the public. Although our State meetings are a traditional educational mechanism, I think that perhaps in our State associations we should place greater emphasis on small group workshops carried on at the local level to reach those individuals who cannot attend National or State meetings. I am sure we have all heard the saying that it is the people who most need to come to meetings who are least able to do so.

Our experience in Illinois in the last few years has been that the so-called "wet-workshops" are extremely expensive in terms of reagents, equipment, and instructor time. This is by no means a unique experience; the same conclusion has been reached by others elsewhere. One of the solutions is the greater exploitation of audiovisual techniques. I would refer you to the instant workshops which have been a recent feature of IABB meetings and to the filmstrips of the Commission on Continuing Education of the ASCP. I hope that the instant workshop concept can be expanded in future years. Its present status in Illinois represents really heroic effort on the part of a single dedicated individual. It is to be hoped that in the future some form of grant support may be found which will make it possible to expand this concept so that more than one person can participate in the preparation and carrying on of this program. Greater expansion of the ASCP audiovisuals, and particularly of the program material for the teaching machine, I think, offers a great deal. It is to be hoped that an activity of State blood bank associations may be the development of traveling "dry workshops" which might take the form of kits of instant workshop material, filmstrips, and teaching machines. These might be passed on from the central office of the State organizations to pathologists or others working in smaller communities for their use in putting on educational programs for those who are least able to get away to take part in another program at some distance.

As a form of education of the public, I think that one of our prime efforts, best carried on at the State level, should be the education of the public in the need for expansion of the available donor panel, to foster the predeposit and blood assurance program mechanisms, and to discourage the spread of blood insurance to provide dollar coverage for reimbursement of penalty or responsibility fees. Recently, the Illinois State Medical Society announced a new group major medical insurance program for its members. To the horror of blood bank workers, when that document was reviewed, it was discovered that it provided dollar coverage under the insurance principle. In Illinois, we are fortunate to have five physicians active in blood banking in the House of Delegates of the Illinois State Medical Society. It was possible to introduce and pass a resolution calling on the insurance committee of the State medical society and the insurance carrier to take action to delete this provision.

Another example to which I would refer is the hoped for development of a blood bank council for Metropolitan Chicago which has been proposed to the Chicago Medical Society and which is now under consideration by the board of trustee of that organization. Some of the activities in which it might engage would include the dissemination of public information on behalf of all participating blood banks with regard to donor recruitment, and other problems involving communication with the public. Perhaps it would be possible for such an organization to coordinate blood inventory information, with actual blood exchange to be carried out between individual blood banks utilizing the clearinghouse mechanism. It might be possible to maintain a central file of reaction and disease transmittal information which, with due respect to the rights of privacy of the individual, could still be made available to blood banks in their dealings with patients and potential blood donors.

A major need in the field of public education is dissemination of greater information on the economics of blood banking. The public must be taught to distinguish the cost of providing blood transfusion service from the responsibility or penalty fees which necessity forces hospitals to levy in connection with transfusion. There is a need for informational material which can be distributed to identify these costs. Perhaps this is an activity which might be carried on through our State organizations, particularly for use by the smaller blood banks. I emphasize the desirability of identifying separately, on bills which go to patients, the charges for services in connection with blood transfusions and penalty fees. Recently, the Chicago Medical Society adopted a series of "Guiding Principles for the Operation of Blood Banks in the Chicago Metropolitan Area". One of the principles proposed for hospital blood bank programs is that funds derived from the collection of responsibility or penalty fees for blood used but not replaced should be accounted for separately from service charges in annual statistical and financial reports. I think that the separate identification of these charges would make it easier to answer allegations of profiteering on the sale of human blood.

COORDINATION

A major activity which our State associations can carry on is coordination of certain efforts of their members, whether institutional or individual. Here we recall that an objective of all three of our associations is the improvement of standards. I would point to the existence of the inspection and accreditation program carried on for a number of years by the Illinois Association of Blood Banks before the AABB program became active. This was an example of effective cooperation between the State department of public health and private institutions because the actual inspections of member banks were carried on by the head of the Bureau of Laboratory Evaluation of the Illinois State Department of Public Health. All of us in the Illinois association were most grateful for the efforts of Dr. H. E. McDaniels in this program. There are dangers to such programs arising out of the report of the hearing examiner for the Federal Trade Commission in the Kansas City Blood Bank case. When we take action to improve standards, it seems we are now faced with possible allegation of conspiracy, boycott, and restraint of trade. This specter will haunt us until right reason prevails, and it is recognized that blood is not a commodity bought and sold in the marketplace, that fees collected are fees for services rendered, and not the price of blood.

An example of dissemination of information is the informal meeting of the Illinois Association of Blood Banks held in Chicago in December 1964 immediately following the AMA Conference on Blood Banking. The establishment of a new blood assurance program in Chicago under the auspices of the Mid-America Chapter of the American Red Cross had been announced. The Chicago Medical Society had recommended that the American Red Cross make its contributions to the Chicago Blood Program by cooperation with existing facilities and services since the need for additional collection facilities had not been established. The American Red Cross replied that in establishing supplemental blood programs, the approval of the local medical society was no longer sought. This contravenes a longstanding agreement between the American Red Cross and the American Medical Association, in existence since the end of World War II. These facts were brought to the attention of the Illinois Association of Blood Banks members at the meeting cited, and a critique of a memorandum of understanding calling for direct exchange of blood between the American Red Cross Mid-America Center and hospital blood banks, both within and outside of the city of Chicago was discussed. The possible effect of such direct exchange on the clearinghouse program was brought into sharp focus. To date, the proposed new Red Cross program has not been implemented. It is greatly to be hoped that in the establishment of any new programs in Chicago or elsewhere in Illinois, the American Red Cross will communicate and coordinate with Illinois Association of Blood Banks member banks and will secure the advice and cooperation of the county medical society.

Another form of coordination which may be carried on by State blood bank associations is in the field of disaster planning. At the State level, we must deal with the development of a broad framework within which local banks can elaborate their own disaster programs based on local situations and potential needs, perhaps related to the industrial concentrations in a given area. An example is the liaison between the Illinois Association of Blood Banks and the Committee on Disaster Medical Care of the Illinois State Medical Society.

Liaison with other organizations may be formal through mutual discussion by committees, informal through the mechanism of interlocking committee appointments, or through the activities of individual members of State associations in medical societies, hospital associations, and the American Association of Blood Banks. The members of the State blood bank association, informed of the purposes and goals of their own organization, can interpret these to other groups and attempt to modify plans or operations to harmonize with the purposes of the association and what the providers of blood care may recognize as the most effective means of making such care available. Let me refer again to the document, "Guiding Principles for Blood Banks in Metropolitan Chicago" as an example. This was developed by the Committee on Blood Banks of the Chicago Medical Society, some members of which are also active in the State blood bank association and the American Association of Blood Banks. In the guiding principles, reference is made to preference for the nonprofit corporation; exception is made for individual physicians who carry on a nonincorporated blood bank as their own practice. The call for hospitals to identify separately their service charges from responsibility and penalty fees has been referred to. The nonprofit principle which we would apply to supplemental blood banks should also apply to hospitals in their fiscal transactions in relation to the provision of blood service. Those physicians who practice chiefly in hospitals are well acquainted with accounting procedures which tend to offset deficits incurred in one area by the development of surpluses elsewhere. In the case of blood banking operations, the development of these surpluses may bring unfavorable attention from the public.

An important coordination activity is liaison between the State association of blood banks and the legislature. As new legislation is proposed, we must be on the lookout to intercept that which is bad and foster that which is good. In Illinois 2 years ago, one of our State legislators proposed a bill which would have licensed clinical laboratories and blood banks. This legislation was opposed by the Illinois Association of Blood Banks and other professional organizations since a clear need for such legislation had not been shown. Perhaps at least partially as a result of this opposition, the legislation was modified so that it provided for the registration of laboratories and blood banks and the formation of a Commission on Clinical Laboratories, Blood Banks, and Blood Bank Depositories to study and report in 2 years. Three physicians experienced in blood banking were members of that commission. New legislation has been proposed and has been supported by the State society of pathologists and the State blood bank association. The Illinois Association of Blood Banks has not only affirmed its support of this legislation but has offered assistance in implementation.

It should be noted that in the coordination of activities of member blood banks so that the association can speak before the legislature with one voice for all, caution must be exercised that the tax exempt status of the organization is not jeopardized by expending its funds to influence legislation. Advice of legal counsel must be sought. Officers or individual members of associations of blood banks can reflect the views of the association while speaking in an individual capacity, or appearing at the request of the legislative group to provide it with information.

SUMMARY

The basic purpose of a State blood bank association is to attempt to insure, insofar as possible, that no patient suffers for want of blood when needed or sustains injury by reason of improper collection, preparation of technical utilization of blood or blood components. The State association does this through its members, acting both individually and collectively. They utilize techniques of communication, education and coordination among themselves and with the public. Efforts within the organization must focus on the weakest members of the group, recognizing that the strong can help themselves and have additional capability to be of assistance to others. Activities outside the organization will stress public education concerning blood needs and how the public can best utilize the services of blood banks and blood bankers to assure its needs. Legislative liaison is a constant and proper concern which can never be neglected except at our peril. The price of liberty, we have been told, is eternal vigilance. State blood bank associations have a major role to play in assuring our people that their needs are best served when their blood bank needs are met locally, by locally controlled organizations, sensitive and responsive to local requirements. Our failure to so assure the public by words and especially by deeds can cost us the control of our services, the professional freedom which is one of our most pressing personal needs and which is at the same time one of the best safeguards of the public against the subservience of its interests to central bureaucracy. The attainment of the goals implicit in the constitutional objectives of our State blood bank associations can strengthen local control of blood banking services and should be constantly before us.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT

The Senate resumed the consideration of the bill (S. 1599) to establish a Department of Housing and Urban Development, and for other purposes.

Mr. DIRKSEN. Mr. President, I propose to vote against the pending measure, and I shall do so for two reasons. The first reason is that, if I should fail in my second endeavor on the question of reapportionment—which I expect to renew this afternoon—the ultimate result would be an urban oriented legislature, and that, together with what is contained in the pending measure, would give us quite a lopsided pattern in the country before we were through. The matter is so transparent that it requires no further elaboration from me.

Second, I never yet saw the time when a department was set up that did not grow and proliferate. It would start with a modest personnel, but growth is inevitable, and vast growth is really inevitable in the whole field of government.

When Maurice Stans was Director of the Bureau of the Budget in the Eisenhower administration, he did make a statement with respect to what we really owe in this country.

First he pointed out the public debt. At that time, Secretary Dillon, the Secretary of the Treasury, was asking for an $8 billion increase in the debt, in two chunks; but it is far beyond his estimates now, because we have increased it once more in the present Congress.

The interest is growing rapidly. I have not looked at the current budget figures, but it occurs to me that we have to pay about $1 billion a month for the privilege of using the citizens' money when they buy bonds, which are representative of our public debt.

I pointed out the other day that this Government owes the civil service retirement fund $44 billion. Somehow, it did not bring a blink of an eyelash. I pointed out that the guaranteed military pensions are now in excess of $40 billion. Those are unfunded, like the $40 billion civil service retirement obligation.

I pointed out also that our commitments to veterans, looking down the years, will exceed $300 billion. They are also unfunded.

In the field of contracts, subsidies, and guarantees, our commitments will run about $150 billion, and probably in excess of that. Those are unfunded, also.

It is not certain at all, notwithstanding the increased wage base, that the social security fund will not have a debt somewhere along the line. At one time it was estimated at $300 billion.

The net result is that our public debt, with which people are generally familiar, and our unfunded debts, with which the general public is not generally familiar, will add up to well over $1 trillion. I propose to bring these figures up to date to show what they amount to.

I presume, by rule of thumb, that it adds up to $25,000 for every American family in the land.

Now we come to new programs that are going to cost money. We are considering the creation of a new department that is going to proliferate and cost money. I do not know where it is going to end.

When the medicare proposal was before us, the first estimate was that there would be added perhaps 3,000 people to the Department of Health, Education, and Welfare. I think that estimate has now been raised to 7,000 people. If anybody thinks that is the end of it, he may as well dispel himself of the foolish notion that that will do the job. While the number of farmers is decreasing and the Secretary of Agriculture is wrestling with their problems, the number of persons employed in the Department of Agriculture is increasing, and is now estimated at 122,000.

This is an amazing kettle of fish, and I am not going to contribute to it if I can help it.

I have voted for many of these programs, but the second verse in the song is going to be, "How do they work?" I have not seen any significant results from the Economic Opportunity Act. I have seen little that has been documented to show how we are getting along under the Appalachia program. There will be an accounting. We will ask for an accounting of how they work, and how much deeper into debt we are going to go, lest we play ducks and drakes with the solvency of the United States.

I mentioned the subject of debts when I was on the House Banking and Currency Committee. An unnamed spokesman for the White House had indicated that $55 billion was not too much of a debt for this country to carry. Of course, there was not mentioned the unfunded liabilities, that now take us well above the trillion-dollar mark. At that time, Marriner Eccles was Chairman of the Federal Reserve Board. I believe I am the one who asked the question. What did he say as to what a safe debt limit might be? He said, "You do not express it in that way. It comes to a question of when people start taking their money out of the banks, liquidating their assets, and putting it in their socks and mattresses." In other words, it is a psychological question.

The people are not aware of the stupendous funded and unfunded debt of this country. It is no wonder that capable European bankers marvel at the ease with which we plunge ourselves into these commitments and debts, and fail to deal realistically with the debt of America.

The **PRESIDING OFFICER.** The time of the Senator has expired.

Mr. **DIRKSEN.** I yield myself 1 additional minute.

Some people point to our gross national product of $660 billion. Sometime, somebody is going to take that figure apart, when he gets the time, to show the duplications in it. Reference is made to a trade balance. When commodities come into this country, and they are put on the import side of the ledger, we discover that insurance coverage and other contingencies are never included. I made that point in the Senate Finance Committee. I know the Department of Commerce is beginning to give attention to it, because when these items are put on the port side of the ledger, they deserve another look.

The **PRESIDING OFFICER.** The time of the Senator has expired.

Mr. **RIBICOFF.** Mr. President, if the Senator will yield, I will ask that the time be taken out of the time on our side.

The **PRESIDING OFFICER.** The time of the Senator from Illinois has expired. How much time does the Senator yield?

Mr. **RIBICOFF.** I yield myself 5 minutes.

Mr. President, while I disagree with the distinguished minority leader's view as to whether this bill should pass, I am sympathetic with much of what he has said. I believe that by establishing this new Cabinet-level department we will achieve results the minority leader would like.

What creates an ever-increasing number of new employees or new programs at the Federal level is not the mere existence of departments, but the programs that are voted by the present Congress, past Congresses, and future Congresses.

Consider the Area Redevelopment or Appalachia programs, which were mentioned by the distinguished minority leader. These programs stand by themselves. Programs which apply to urban problems are scattered throughout the Government. There are some 115 programs in the Government that provide aid to cities and States. The organization of these Federal programs should be updated and modernized by the Congress.

I am completely sympathetic with the remarks of the Senator from Illinois when he points out that the numbers of employees in some departments may rise, even though there are fewer persons affected by the programs. He pointed out in particular the Department of Agriculture. When we begin proliferating one disorganized program on top of another, the operation becomes inefficient. We are 30 years behind in the organizational structure of the Federal Establishment.

We are dealing now with a Federal Government based on an organizational pattern which was established some 30 years ago. To me, it is absolutely foolish to have problems of the cities dealt with in 115 different programs scattered throughout 40 or 50 different agencies. This means separate personnel, separate bookkeeping, and separate records and increased costs of administration. It is my hope that the Subcommittee on Executive Reorganization of the Senate Committee on Government Operations will dig into the duplication and waste which have taken place and endeavor to eliminate them.

When I was Secretary of HEW, much of my time—and the time of every other Cabinet Secretary—was spent in serving on interdepartmental committees. There are departments in this Government duplicating work which is being done in other departments.

Basically, the creation of the new Department would not add new jobs. It would not change any substantive programs. It is our hope that what we would be doing is assuring more effective and more economical operations in the programs now being administered.

So far as substantive programs are concerned as the Department grows, such growth will come about because we in the Senate and the other body will vote for the creation of new programs.

We should assume the responsibility because we have voted for the creation of new programs and new personnel. They would not exist if we did not vote the funds.

I would hope that we in the Congress would not simply wait for the executive department to set up reorganization plans before acting in this area.

The **PRESIDING OFFICER.** The time of the Senator from Connecticut has expired.

Mr. **RIBICOFF.** Mr. President, I yield myself 2 more minutes.

The **PRESIDING OFFICER.** The Senator from Connecticut is recognized for 2 more minutes.

Mr. **RIBICOFF.** We must look into the duplication and proliferation which now exists in the Federal Establishment. I will admit that there is waste and duplication, but the responsibility is ours to do something about it.

The creation of the new department would not create new jobs, but it would give it the opportunity to do its present job more economically and more efficiently.

The various agencies which are component parts of what will be the new Department of Housing and Urban Development have outstanding assets which today total approximately $67.5 billion.

These programs are scattered through some 4,000 communities in the United States, yet the mayors, first selectmen, and those responsible for dealing with the Federal Government, do not know where to go for assistance.

A mayor will come to Washington, with hat in hand, and he has to run all over the city to find out who can help him solve his problems.

I am sure that the Senator from Illinois has found, as I have, that when mayors of our communities come into our offices, we spend hour after hour trying to steer them through the various agencies and departments, many of them duplicating each other's efforts to try to take care of the needs of the cities.

I am in no different position from that of any other Senator who finds himself trying to help mayors who come to us for guidance as to whom they shall see, and how they can solve their problems. It is our hope that by creating the new department we can start on our way toward eliminating the waste and duplication which now takes place in some 115 programs, so that when a mayor or the head of a township or a city has a problem affecting his city, Federal funds or Federal grants will be available. There are many programs which we can pull together and eliminate some of the waste and duplication in the Federal Establishment.

Mr. DIRKSEN. The Senator from Connecticut wishes to make it easier to get to the right place in order to obtain a loan, a grant, a handout or something, much faster than has been the case heretofore.

I go on the theory that one of the reasons why we have a government which is a free government, and a Republic, is adherence to the rule to make it as hard as possible to get money from Congress and, when it is obtained, to make it as hard as possible to spend it.

I believe that is a good rule, in view of all the waste that is going on.

Years ago a friend from Chicago came in to see me. He said, "I want you to be for a little bill, because it is going to get a job for me."

I said, "How many people will be involved?"

He replied, "Only six."

That little group was created. My friend got the job, and he got his personnel.

I had hardly turned around when the next year he had a hundred people working for him. That is the way it grows.

After being in Congress many years, we can no longer be so naive with respect to the escalation and acceleration of Government growth and Government expenditures.

The Senator from Connecticut has stated that the creation of this new department will not require any new jobs.

If I were to write down on a slip of paper the number of jobs now required in the new department, and the Senator from Connecticut were to put up a $100 bill and place it in an envelope with that slip of paper, I would place a $100 bill in the envelope and we would seal it together; and if, in the near future the new department should grow as I have described, I would collect the $100.

Mr. RIBICOFF. I admit that the Senator from Illinois would collect the $100 bill, but the Senator will collect it not because the department exists but because Congress will have voted additional programs and funds.

I am not one who will slough off and place the burden of responsibility solely on the executive branch of the Government, because I know that Pennsylvania Avenue has two ends to it. I know that the executive proposes, but the Congress disposes.

We need not vote for new programs, but if we believe that they are necessary and we vote for them, I believe that we would be hypocritical if we complained that there were additional jobs, additional programs, and additional money needed to carry them out.

There is only one way to avoid it, and that is by not voting for additional programs. But if we do vote for them, we should not be the ones to complain that they cost money to administer.

When I was Secretary of HEW, everyone was complaining about the growth of the department. Of course, HEW grew. When the department was established in 1954, there were approximately 40,000 employees working there. When I arrived, in 1961, there were approximately 60,000 employees. Today, there are more than 80,000 employees. By the end of next year, there will be approximately 90,000 employees.

This growth is not due to the Secretaries, past and present. The growth results when we in Congress vote for the additional programs——

Mr. DIRKSEN. Exactly; and that is what we are going to be doing today.

Mr. RIBICOFF. We can vote for the new programs, in the existing HHFA, just as we could for the new department. Let me give an example. In HHFA there are programs in thousands of communities. There are low rent public housing projects, 2,228 communities. Public works applications have been approved for 3,892 communities. Urban planning assistance goes to 4,585 communities. I ask unanimous consent to insert at this point in the RECORD a listing showing the numbers of communities presently participating in HHFA programs.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Numbers of communities participating in HHFA programs

Organization unit and programs	Estimated number localities participating	Date of status report
Office of the Administrator, HHFA:		
Workable programs certified from program inception	2,330	Dec. 31, 1964
Urban mass transportation demonstration grant approvals	30	Feb. 28, 1965
Federal Housing Administration: The housing mortgage insurance programs of FHA are not recorded on a locality basis, but it can be said that virtually all of the localities in the country participated	(1)	----------
Federal National Mortgage Association: The mortgage purchase and sales programs of FNMA are as extensive as the programs of FHA and VA, whose mortgages it purchases and sells and whose programs reach into most localities. No count of data by localities is readily available	(1)	----------
Public Housing Administration: Low-rent public housing projects being planned, built, or completed and in operation	2,228	Apr. 30, 1965
Urban Renewal Administration:		
Title I urban renewal projects being carried out [2]	[3] 490	Jan. 31, 1965
Title I urban renewal projects being planned [2]	[3] 419	Do.
Urban planning assistance program participation	4,585	Do.
Open space land program grant approvals	287	Do.
Community Facilities Administration:		
Public works planning advance applications approved	[4] 3,892	Do.
Public facility loan applications approved	[4] 897	Do.
College housing loan applications approved	[4] 2,446	Do.

[1] Virtually all localities.

[2] About 765 localities.

[3] There is some overlap in the numbers of localities in which projects are being planned and carried out, the exact extent of which is not readily ascertainable from current records.

[4] Data on these programs is not readily available on a locality basis. Data on numbers of projects approved is supplied here, and project approvals exceeds localities participating to a degree which cannot readily be ascertained from current records.

Mr. RIBICOFF. Mr. President, all these programs exist now without the department. They exist because we vote for them. As an example, the Committee on Banking and Currency proposes a public housing program, and we vote for it and a bill is passed involving billions of dollars. This situation exists in spite of the lack of department status. I therefore point out to the distinguished minority leader that the growth in personnel and expenditures takes place because we in Congress vote for the programs, and not because the department exists either with or without Cabinet rank. I believe that we are begging the issue when we fail to recognize this fact. Let us be honest with ourselves. I say to the Senator from Illinois, let us not put the blame on the Secretaries in the executive branch, let us put the blame on ourselves, if we are to blame. Senators who believe that new programs are necessary and vote for them should not complain because they cost money. Senators who vote against them certainly have the right to raise a protest.

Mr. DIRKSEN. If we are going to put an end to the growth of our gargantuan Government, it will have to be done at this end of Pennsylvania Avenue, and not at the other end.

For that reason, I do not propose to vote for the bill, because I can see down the road and see what is going to happen and how big the problem will swell. Then the planners will come along with a proposal for a Department of Transportation. We have been under pressure for that. Then there will be a separate Department for Education. That is already in the wind. There has been a great deal of agitation about that. Then there will come this department and that department, all justified. Everything is to be separated. It is going to be easier to get; it is going to be easier to spend. We will more and more ignore the Comptroller General who, only last week, published a thick book of decisions, in which he comments on and criticizes the expenditure of money.

However, we blithely go along on our course. But, I am going to raise my voice and undertake to stop some of it, if I can. This is a good time to start.

The PRESIDING OFFICER. The time of the Senator has expired.

AMENDMENT NO. 377

Mr. MILLER. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. MILLER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

> On page 1, line 4, strike the word "Urban" and insert in lieu thereof the word "Community".
>
> On page 2, line 2, strike the word "urban".
>
> On page 2, line 6, strike the word "urban" and insert in lieu thereof the word "community"
>
> On page 2, line 13, after the word "upon" insert the word "community,".
>
> On page 2, line 15, strike the word "urban" and insert in lieu thereof the word "community".
>
> On page 3, line 4, strike the word "Urban" and insert in lieu thereof the word "Community".
>
> On page 3, line 7, strike the word "Urban" and insert in lieu thereof the word "Community".
>
> On page 3, line 16, strike the word "urban" and insert in lieu thereof the word "community".
>
> On page 3, line 20, strike the word "urban" and insert in lieu thereof the word "community".
>
> On page 3, line 24, strike the words "urban and metropolitan" and insert in lieu thereof the word "community".
>
> On page 4, line 3, strike the words "urban and metropolitan" and insert in lieu thereof the word "community".
>
> On page 4, line 5, strike the words "urban and metropolitan" and insert in lieu thereof the word "community".
>
> On page 4, line 8, strike the word "urban" and insert in lieu thereof the word "community".
>
> On page 4, line 10, strike the word "urban" and insert in lieu thereof the word "community".
>
> On page 4, line 14, strike the word "urban" and insert in lieu thereof the word "community".
>
> On page 5, line 19, strike the word "Urban" and insert in lieu thereof the word "Community".
>
> On page 6, line 3, strike the word "urban" and insert in lieu thereof the word "community".
>
> On page 7, line 7, strike the word "urban" and insert in lieu thereof the word "community".
>
> Amend the title so as to read: "A bill to establish a Department of Housing and Community Development, and for other purposes.".

Mr. MILLER. Mr. President, I yield myself such time as I may require.

The purpose of my amendment is to change the title of the bill from "A bill to establish a Department of Housing and Urban Development" to "A bill to establish a Department of Housing and Community Development"; and, wherever the word "urban" appears throughout the bill, to change it to the word "community."

What prompted me to offer the amendment was the fact that 2 years ago I introduced a bill which would have established what I would have called a Bureau of Community Development, to be set up in the Executive Office of the President, comparable to the Bureau of the Budget.

The purpose of my bill at that time was to try to bring into one coordinating agency the same governmental agencies that are sought to be brought into the new proposed Cabinet level office.

The purpose of my bill further was to provide for coordination, which seems to be required, and which is not present in the present organizational setup.

I pointed out that the problems which the agencies covered by the present bill seek to solve relate not merely to downtown urban problems, but they relate also to problems of suburbia and problems of counties. According to the Census Bureau, there are 212 metropolitan areas in the United States. Of those, 164 are encompassed in 1 county, and 28 are in 2 counties.

Therefore I do not believe that the use of the word "urban" is responsive to the true purposes of the legislation. I believe that the word "community" is responsive.

It is interesting to note that on page 6 of the bill, the drafters of the proposed legislation specifically use the term "community development."

I read that portion of the bill to which I refer, beginning at page 5:

> (c) There shall be in the Department an office to be known as the Office of Urban Program Coordination, which shall be headed by a Director, who shall be appointed by the Secretary. Such Office shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development.

I invite the attention of my colleagues in the Senate to the committee report on the bill. At page 3 some of the purposes of the bill are set forth. For example:

> Achieve the best administration of the principal Federal programs which provide assistance for housing and for the development of our communities.

It does not say "development of our urban areas."

> Provide for full and appropriate consideration at the national level of the needs of the Nation's communities and their inhabitants.

It does not say "the Nation's urban areas and their inhabitants."

> Providing technical assistance and information, including a clearinghouse service to States, counties, towns, and other localities in developing solutions to problems of urban development.
>
> Encouraging comprehensive planning for community development by States and localities with a view of achieving coordination of Federal, State, and local urban development activities within the local areas covered by such comprehensive planning.

And so forth.

I noted in the CONGRESSIONAL RECORD of yesterday, that the distinguished Senator from Connecticut, who is managing the bill on the floor, in his remarks on the bill, pointed out, as shown on page 19800:

> Mr. RIBICOFF. Mr. President, older communities—and these include many of our smaller towns—are faced, at one and the same time, with problems of inherited slums and blight, and of rapid new growth. Even our youngest and smallest towns confront urgent problems arising from present or imminent growth.
>
> * * * * *
>
> And there is no end in sight to the need for more schools, more highways, more hospitals, more sewage and water facilities, and more and better programs to house our urban population and improve our communities. No more complex and pressing problem faces us than the problem of how local communities, large and small, are to meet their urgent needs.

It is very difficult to discuss the problems covered by the agencies which are encompassed in the provisions of the bill without using the word "community."

I believe that most of us agree, when we talk about communities, envision not only large communities, but also small communities; not only urban areas, but also county areas in which a community of interest exists.

I believe that a reading of the committee report indicates an intention on the part of the drafters to try to bring in the problems of other than large urban areas for treatment by this agency.

If that is so, let us call a spade a spade.

It is true that projections show that in the next 15 or 20 years we may expect three-fourths of the population of our country to be living in urban and suburban areas.

Now we are about to enact a bill to take in these areas. Does this mean that we may have to create another department to take care of the remaining one-fourth? I do not believe so. I believe that if we properly label the pending bill, emphasizing community development with respect to what we are trying to do, it will not be necessary to go to that extent.

What I am trying to do is to improve the bill by having it properly titled. I am trying to improve it so that it will be acceptable to many who, whenever they see the title "Department of Housing and Urban Development," will immediately wonder whether they are left out.

If we are not forgetting about them, the time to remember them is now, in titling the bill.

I cannot understand why there should be any opposition to calling the bill a bill to establish a Department of Housing and Community Development, and to emphasize community development, rather than urban development, throughout the bill.

I offer the amendment in the best of faith. I hope the Senator from Connecticut will see fit to accept it.

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes. I rise in opposition to the amendment. It should be kept in mind that when we talk about "communities" are are talking about "communities" that make up "urban" areas. We were most mindful of the problem raised by the distinguished Senator from Iowa. It has never been our intention to concern ourselves only with large cities. If the distinguished Senator will follow the bill with me, he will see where time and time again we have specifically spelled this out.

On page 2, line 14 of the bill it is provided:

> To encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action.

Again, at page 3, line 21, I read that among the duties of the Secretary shall be the duty of providing "technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems."

Again, on page 4, line 16:

> Nothing in this act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the department by this or any other act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

Therefore, we have been most careful to make sure that there will be no question in the mind of the new Secretary or in the minds of Members of Congress or members of the public that when we talk about a Department of Housing and Urban Development, we are talking about a department that would cover communities of every size. "Urban" is a much more generic term, and much more descriptive of what we are seeking to accomplish.

Getting away from the legal aspects, I have before me two definitions from Webster's New Collegiate Dictionary. That dictionary defines "community" as follows:

> Community: 1. A body of people under the same laws; hence an assemblage of animals or plants living in a common home under similar conditions. 2. Society at large; the people in general; restrictedly, the people of a particular region, or the region itself. 3. Joint ownership or participation; as a community of goods; community of interests. 4. Common character; likeness. 5. Ecol. An aggregate of organisms with mutual relations; applied to any unit of undetermined rank, or as a synonym for a more specific group.

"Urban" is defined as follows:

> Urban: belonging to the city or town, refined, polished, (fr. urbs, urbis a city) Characteristic of, constituting or pertaining to a city or town.

In other words, the term "urban" is a more generic term. It best describes the problems with which we are faced. It best sets out what we are seeking to achieve. It points out that we are talking about a large complex; and the community which the distinguished Senator from Iowa is talking about is part of that large complex.

We are seeking to solve the basic problems of the community itself. The Senator is absolutely correct that when I made my speech I was well aware of that; in the report I was well aware of that; in the bill I was well aware of that. Time and time again in discussions we wished to make certain that the problems that would come to the attention of the new Secretary would not be merely the problems of the large metropolitan cities and areas of America. But we recognize that today those problems are the problems of the small towns, the counties, and the cities themselves.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. MILLER. I am interested in the language which the Senator read from page 3 of the bill, starting with line 21. That language is: "provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to urban and metropolitan development problems."

I cannot understand why the bill is confined in purpose to assisting those units of government in developing solutions to urban and metropolitan problems.

Mr. RIBICOFF. I would be more than pleased to accept an amendment which would add the word "community" on line 24, so that the language would read: "solutions to community, urban, and metropolitan development problems."

If that language would satisfy the distinguished Senator from Iowa. Certainly it is our intention throughout the bill that communities of all sizes should definitely be a part of the whole.

The Senator has made a good point. I would be more than willing, after the word "to" on line 24, to add the word "community."

Mr. MILLER. I appreciate that. I believe that we can very quickly draft an amendment to that effect. Possibly we could have a quorum call while that is being done. If the Senator has gone through my amendments, he may have observed other areas of the bill in which similar amendments might apply, and even if I cannot persuade the Senator from Connecticut to change the title of the proposed new department, perhaps we can get together on some of the other parts of the bill in like fashion and improve them. I am only trying to help; I am not trying to hamper anything.

Mr. RIBICOFF. I appreciate the point made by the distinguished Senator. If there is any question in his mind, I repeat that it is our intention to include all communities. The reason I do not wish to change the name of the proposed department is that I believe you are narrowing it down. If the Senator has any other suggestions along the line he has proposed, I would be pleased to add the word "community" at the appropriate places in the bill.

Mr. MILLER. I should like to ask unanimous consent that there be a quorum call and that the time necessary for the call not be charged to either side.

Mr. RIBICOFF. Reserving the right to object, I have no objection to having the time required for the quorum call charged equally to both sides. The reason for that suggestion is that some Senators are most anxious to make connections to leave Washington. I would not wish to delay them. I think most of the discussion on the bill has taken place already yesterday and today.

Mr. MILLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Chair correctly understand that the time necessary for the quorum call will be charged to both sides?

Mr. MANSFIELD. It will be charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, will the Senator yield me 2 minutes?

Mr. RIBICOFF. I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, the imminent passage of this bill is a source of great satisfaction to me because it follows 9 years of personal effort on my part to bring about the creation of a Cabinet Department of Housing and Urban Development.

Seventy-six years after the establishment of the Department of Agriculture, Congress is about to do equal justice under the law to the urban dwellers of our country.

I am particularly pleased that the statement of purpose of the Act recites the urgent need to solve the problems of housing, urban development, and mass transportation. It also stresses the importance of providing appropriate consideration at the national level for the needs of the Nation's communities and the people who live in them.

I am also pleased that an Office of Urban Program Coordination has been created for the purpose of achieving maximum coordination among the many agencies in the Federal Government and State and local governments concerned with community development.

Mr. President, I hope that when this bill is passed we can effect a badly needed reform of our appropriations procedures in the fields of housing and urban development.

The Senate rules presently provide for three ex officio members from the appropriate legislative committee to serve on the Appropriations Committee for purposes of dealing with such matters as the Agriculture, Post Office, Defense, and District of Columbia appropriations. But there is no provision for members of the Banking and Currency Committee to serve as ex officio members of the Appropriations Committee on appropriations matters affecting housing and urban development. These matters are every bit as technical as those in the fields of agriculture and defense, and the Appropriations Committee would profit greatly from the expertise such ex officio members could contribute. I therefore suggest to the Committee on Appropriations that it consider creating a new Subcommittee on Housing and Urban Affairs appropriations, to deal with the fiscal needs of this new department, and that it invite the participation of three ex officio members from the Banking and Currency Committee.

I commend my friend the Senator from Connecticut for his skillful handling of the bill and for the many hundreds of hours of dedicated work that he has put in to achieve this important objective.

Mr. RIBICOFF. Mr. President, in response I must say that great credit for this bill must be given to the distinguished Senator from Pennsylvania.

What frequently happens on landmark legislation is that there are those who, year in and year out, fight for a proposal only to see it go down to defeat, accompanied by extreme frustration. Then, after public opinion has formed and changed, due, in many respects to the defeat suffered by the first advocates of the measure, someone else comes along and gets the credit.

This is the legislative process. However, in all fairness, I should point out that it is because of the work that has been done year in and year out by men like the distinguished Senator from Pennsylvania [Mr. CLARK] and the distinguished Senator from Maine [Mr. MUSKIE] who had the responsibility for this measure in other years, that we will be able to pass the measure today.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. CLARK. Mr. President, I thank my friend for his kind comments. I say in reply that he, the Senator from Connecticut, has carried high the torch we handed him, and it has been in very good hands indeed.

Mr. MILLER. Mr. President, I ask unanimous consent that my amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MILLER. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Iowa [Mr. MILLER] proposes an amendment as follows:

On page 2, line 2, strike the word "urban".

On page 2, line 13, insert the following after the word "urban": "community,".

On page 3, line 24, strike the word "urban" and insert in lieu thereof the word "community".

On page 4, line 3, strike the word "urban" and insert in lieu thereof the word "community".

On page 4, line 5, strike the word "urban" and insert in lieu thereof the word "community".

On page 4, line 8, insert after the word "urban" the following: "and community".

On page 6, line 3, insert after the word "urban" the following: "and community".

The PRESIDING OFFICER. The Senator from Iowa is recognized for 30 minutes.

Mr. MILLER. Mr. President, as a result of the consideration afforded by the Senator from Connecticut, I have drafted this amendment in consultation with the representatives of the staff.

I believe that this amendment will tie in with the acceptance of the amendment which was developed during the earlier colloquy between the Senator from Connecticut and me.

This amendment is designed to emphasize at appropriate places "community," and the intention to include within the compass of the bill not only the problems of the larger centers, but also the problems of communities, wherever they may be located, in larger areas, as well as in smaller.

I hope that this amendment is now satisfactory to my friend, the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, the amendment is satisfactory. It carries out our intention.

I believe that the distinguished Senator from Iowa has performed a most useful task.

On behalf of the committee, I am pleased to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I yield to the distinguished Senator from Maine whatever time he requires.

Mr. MUSKIE. Mr. President, I thank the Senator from Connecticut.

I compliment the Senator from Connecticut for bringing this measure so far along the road to passage.

It is clear that at this point the Senate is about to pass the measure. This is a greatly changed situation from that which we faced a few years ago when we considered a similar housing bill from the Committee on Government Operations. It is good to see this proposal finally approaching passage.

The issue before the Senate today, I say to my colleagues on both sides of the aisle, is purely and simply one of good organization and good administration—in a word, of good government. We have today in the Housing and Home Finance Agency over a score of programs which this Congress has instituted—some very large, some small; some as new as the Housing Act of 1961, and others which have been in operation for a quarter of a century or more. All are related to each other, and each is important to the sound growth and the present and future prosperity of urban communities in every one of the 50 States. Administering them is an independent Agency of Government which has served us well in the past, but which has been overwhelmed and outdated by the tide of change. Its administrative structure was established at a time when the principal problem confronting the Government in this area was to overcome the shortage of housing for returning veterans of World War II. Onto that structure have been grafted a dozen or more new programs, some directly concerned with housing and others with much broader though closely related urban matters—urban renewal, urban planning, community facilities, mass transportation and conservation of open-space land near our cities.

Mr. President, the mission of the Agency has outgrown its form. The lines of authority within the Agency are the result of historical accident. Statutory authority had been conferred on the heads of organizations prior to the incorporation of these organizations into the Housing and Home Finance Agency when it was originally established. Other functions have since been transferred to the Agency from other parts of the Government. As a result, the statutory authority for some of the major functions of the Agency is not vested in the head of the Agency. This means that the mechanism for coordination among the many complex programs of the Agency, with their tremendous impact on our local communities, is inadequate and often ineffective. Of course, all powers of the new Department would be vested in the Secretary as head of the Department.

Perhaps most important of all, there is no continuing and appropriate voice in the highest councils of Government to represent the problems of the people living in our urban areas. There is no agency—no adequate instrument—to which the President, the Congress, and the States and local communities can turn for overall advice and assistance in connection with all the interrelated problems of housing and urban development. This is what the bill seeks to remedy.

Before we finish this debate we shall, I surmise, be talking about everything under the sun from States rights to builders' profits. So be it. But as we enter this tangled maze of arguments and counterarguments, I would hope that we will not forget the real, central point: And that is, quite simply, that the bill reorganizes these already existing programs and administrative agencies into an executive department—headed by a Secretary who sits in the President's Cabinet—with crystal-clear lines of authority conforming to an elementary principle of good business management, in or out of Government.

Mr. President, let us see if we can put this whole matter into a little historical perspective.

Back in the 1920's, there was not a program in Government which we would recognize today as a housing or primarily an urban program. There was nothing but the leftovers of a modest and not very successful World War I housing program conducted by the U.S. Housing Corporation—long since out of business. This was how matters stood until the great depression struck.

That depression, as we all know, brought the home financing and building industries of the Nation to a virtual standstill. During an extended and dreadful period, far more homes were foreclosed than were built or sold—except at distress sales. Something had to be done, and as ever, necessity proved the mother of invention. One experimental program followed another—HOLC, the Home Loan Bank System, the rudimentary beginnings of a secondary mortgage market device, mortgage and home improvement loan insurance, resettlement housing, public housing, and I am sure still others that I have forgotten. By the time the war came, Washington was full of big and little housing agencies. There was one under every bush, until a trade journal could write in 1942:

> The urgent need of coordinated Federal housing agencies was highlighted last week in hearings before the Senate Committee on Education and Labor * * * members of the committee gave up in despair after hearing representatives of 20 different housing agencies offer a description of how they thought the $50 million for emergency housing in Washington should be spent.

In February 1942, the President drew this scattered and chaotic group together into the Nation's first housing agency, under the title of the National Housing Agency. Since this was done under his war powers, it was a temporary reorganization to assist in the prosecution of the national war effort. Thus matters remained until the war ended.

After the war, a new problem arose. The war powers of the President were about to come to an end, but clearly the housing problem was not. There was a desperate shortage of homes for the men of our demobilizing forces. The homebuilding industry was plagued by shortages of land, of materials, and of labor. Construction costs shot up alarmingly. The Congress and the executive branch were alike appalled at the prospect that the temporary national housing agency should dissolve into the scatteration and confusion which had existed before it was created.

After many false starts and extended national debate, the President sent to the Congress Reorganization Plan No. 3 of 1947, which became effective on July 27, 1947, and established the Housing and Home Finance Agency as a permanent agency of Government.

The Housing and Home Finance Agency as it was established at that time bore little resemblance to the Agency as we know it today. There was no urban renewal administration; no community facilities administration; no Federal national mortgage association. It was, quite simply, a housing agency. It had no responsibilities for slum clearance and urban renewal, or for assistance to States and local communities in comprehensive planning, advances for planning of non-Federal public works, and so on and on.

The first great breakthrough toward a more comprehensive approach toward the problems of growing urban communities came in the Housing Act of 1949. That was the act which established the slum clearance and urban development program—a major new program which was not housing as such, and yet was profoundly related to housing purpose, method, and result. Title I of this act proclaimed for the first time a national housing policy which stands unchanged today:

> To serve better all income groups in our population and to move ever closer to the goal of a decent home in a suitable living environment for every American family.

Here was something new, indeed.

Mr. President, we are now getting into relatively recent history, and most of us will readily remember many of the new programs which Congress has authorized since 1949 and assigned to the Housing and Home Finance Agency. I could mention college housing, for example—or public facility loans—or the several special programs to aid in housing our older people—or assistance for cooperative housing—and so on. But since these are more familiar, I will not detain the Senate by going through each one of them.

We have come a long way since 1949. Only the name remains the same—and it woefully fails to convey a true impression of the present functions and programs of the agency. In simple truth, the Housing and Home Finance Agency has long since become in fact, though not in name, an Urban Affairs and Housing Agency. What the President asks us to join him in doing is not to change the character of the Agency, but to give long overdue recognition to what it actually is today.

Before turning to the next phase of this discussion, it is convenient here to point out that these programs are not only numerous—not only complex—not only closely related among themselves—not only large and significant: they are also, with minor exceptions, permanent activities of the Federal Government.

Now, I am well aware, Mr. President, that as a legal technicality all the programs of the Federal Housing Administration will expire on a date certain under existing law—some in 1963 and the remainder in 1965. But that is only a legal technicality. Surely there is not a Senator on this floor—or off it, for that matter—who seriously believes that the Congress of the United States is going to let the Federal Housing Administration go out of business in the summer of 1965. It has been extended periodically since it was set up 27 years ago, and we all know it will continue to be extended.

Most of the major programs have no expiration date at all. Some of them, to be sure, have dollar limits on their authorizations. But here again, the record shows that the Congress has increased these limits as they were reached or about to be reached.

The programs are also national in scope, extending to large and small communities throughout the country. There is not a single State which is not significantly affected by one or more of these programs.

THE ARGUMENTS FOR THE PLAN EXAMINED

Mr. President, I turn now to a review of the reasons why, in my judgment, the reorganization proposed by the President is not only desirable, but urgently needed. I should like to stress three principal points:

First, the plan is needed to improve organization at the top level in the executive branch.

Second, the reorganization is needed in the interest of economy and efficiency.

Third, the reorganization is needed to assure the highly necessary coordination of a group of programs which are closely related in their objective, and which should be equally closely related in their planning and execution.

I submit, Mr. President, that the issue before the Senate is first and foremost one of good organization—of simple good government.

I submit that it makes plain, good common sense for the major programs of the Federal Government which deal directly with the problems of planning and shaping urban growth to be established as a Cabinet department, headed by a Secretary with the authority appropriate to his position and necessary to discharge his responsibilities. To use the words of Nelson Rockefeller in his memorandum to President Eisenhower of July 2, 1957, these programs go far beyond housing and involve "the general physical planning and development of communities." There is nothing novel about this proposal. We are merely applying here time-tested concepts of good business and good government—applying them to a new situation, which has grown up because of the pace of urbanization in the last few decades.

I am not in the least impressed with the arguments of those who try to confuse this issue by suggesting that this Department would be, or should be, or might become, a department of everything-that-happens in cities. That would be absurd, of course—about as absurd as trying to put into the Department of Interior everything that happens within our continental limits, or into the Treasury everything that costs money. We have a very clear unifying theme for this proposed Department, and that is to encourage and to help provide good homes in good neighborhoods for our growing urban population. That is what this plan is all about.

To accomplish that objective, we need an executive department which has the primary responsibility for working with other departments and with States and local governmental agencies to encourage the analysis and identification of their problems of growth and development—not simply their problems today, but their problems 2, 5, and 10 years hence.

This Department should also have the necessary tools to aid local governments in comprehensive planning for the solution of these problems, and in the actual execution of their programs of housing, urban renewal, and the provision of necessary community facilities. Once these plans are made, with proper consideration for the total land use pattern in the community, then of course it simply makes good sense for agencies like the Bureau of Public Roads, for example, to continue to carry out its operation program within the context of the needs of our Interstate Highway System, or for problems of air and water pollution and hospitals to continue to be treated as public health problems, which obviously they are.

The President has said, and I agree with him, that the people who live in and near our cities deserve a spokesman in the highest council of Government—the President's Cabinet. But I submit that the reverse proposition is equally valid: The President and the Cabinet itself need a Secretary of Urban Affairs and Housing.

What is the significance of the President's Cabinet in our form of government? Opinions differ widely on this question, and it is not easy to give it a simple answer. As we all know, the Cabinet is not established by the Constitution; it is an invention of the Executive, which has grown up over the years. The use made of the Cabinet has varied considerably with different Presidents. Some have made extensive use of it as a method for coordinating the Government's varied programs; other Presidents have used it largely as a political sounding board.

In general, however, I think it is fair to say that the Cabinet, together with the President, constitute the hard core of an administration. These are the men who have most continuous access to the President, and the most intimate understanding of his views. These are the men who have the most continuous responsibility for coordinating the almost unbelievably complex activities of modern government. Of course, final decisions must be made by the President himself—he cannot delegate them to a committee. But these are the men who hammer out the policy, subject to his final approval.

Now let us suppose that the Cabinet undertakes a review of the state of the general economy. Should not such a discussion include the views of the Government's principal housing official, considering that housing is perhaps the third largest factor in the entire economy?

It is difficult to think of anything more vital to economic stability, prosperity, and growth, yet there is no Cabinet officer to bring special knowledge and experience to bear on this subject.

Or let us imagine that the Cabinet is concerned with the many problems resulting from the movement of population from the farms to the cities. How absurd it is that we have a Cabinet officer present to discuss the problems of the areas from which the people are moving, but none to represent the areas to which they are moving.

I could give a dozen other examples. For instance, the Cabinet often reviews the general budget picture. Surely, such a review must be incomplete without a spokesman for the programs of the Housing and Home Finance Agency, which constitutes one of the largest and most complex parts of the entire budget, outside the national security area.

I think it is self-evident that the programs of the Department of Agriculture, or of Labor, or of Health, Education, and Welfare, or of Commerce would benefit by having at the Cabinet table a spokesman for urban affairs and housing.

Now, it has been argued since this proposal was made that the Housing Administrator can and sometimes does attend Cabinet meetings at the invitation of the President. In all charity, this argument is just a little silly. Of course the Administrator can go to a Cabinet meeting if the President ask him. So could I. A man may eat by invitation in the Senate dining room, but that does not make him a Senator. An official does not get to be a member of the President's Cabinet by attending meetings—he gets there by heading an executive department of Government.

People may talk as much as they like about this being a mere matter of prestige, and so on. But there is not one person on this floor who does not know that a Cabinet officer has more influence, more weight, and more effect than the head of an independent agency. That is a fact of life, and will continue to be.

Mr. President, I conclude that the facts clearly show that the President and the Cabinet itself need the inclusion in its structure of a Secretary of Housing and Urban Development, if the Cabinet is to function as it should to assist this and future Presidents in their duties as Chief Executive.

In Government, as in business, improved organization should yield greater efficiency and productivity in all programs, not just one.

After all, the principles of organization in big government are not greatly different from those in big business. If Government agencies were big private corporations, we would not have any doubt about what to do, and we would confidently expect that clarifying the basic organization structure and establishing clear lines of authority and responsibility would pay off in increased efficiency.

Mr. President, I am convinced that this reorganization means savings to the taxpayer over the next few years not of thousands but of millions and tens of millions of tax dollars.

I turn next to the importance—in my judgment, the critical importance—of the highest degree of coordination among all the related programs and activities of the Housing and Home Finance Agency. For it is precisely here that our cities and urban areas will benefit most from the reorganization proposed by the President.

Let us take a neighborhood in some city—almost any city. It could be in a great metropolitan center, or in a town of 25,000 or 10,000. This neighborhood we are supposing is getting old; it has started down the incline that ends in a slum. Part of it is a slum now—much of it is not—not yet. Every Senator has seen a hundred such neighborhoods in his own State.

Now, a local public agency begins to survey this area and make plans for rescuing it—for stopping the process of decay and starting the neighborhood back on the upgrade. It is enabled to do this job by a planning advance under title I of the Housing Act of 1949, administered by the Housing and Home Finance Agency. When the planning job is done, the local agency receives a contract for an urban renewal project, which will involve clearance of those parts of the neighborhood that are too far gone, and conservation and improvement of the rest.

Under title I, the urban renewal plan for the area must conform to a general plan for the community as a whole. If that plan is inadequate or obsolete—or if, as it too often true—it doesn't exist at all, then another branch of the local government may seek assistance from the Housing and Home Finance Agency under section 701 of the Housing Act of 1954. If our neighborhood is in a small city or town, that grant will come to it through the State planning agency.

When the local agency begins to carry out its project, people and small businesses will have to be relocated. The Urban Renewal Administration in the Housing and Home Finance Agency makes grants to pay relocation expenses, up to the limits specified in the law. But moving expenses are only part of the problem. Where are the people to live? Perhaps, if they are low-income families, in public housing assisted by the Public Housing Administration with annual contributions.

Or if they are in the middle income range, in new or rehabilitated housing financed with FHA mortgage insurance under section 221. Or, if their incomes are high enough, in new or existing standard housing financed under FHA's section 203, or perhaps in rental housing under section 207. Perhaps a labor union or some similar group decides to form a cooperative to provide the needed housing. In that case, probably they will find their financing through FHA's section 213.

Experience has shown that a great many of the people who have to be relocated from project areas in the central cities are advanced in age. It is a tragic fact that rundown neighborhoods tend to be heavily populated by older people. All five constituents of the Housing and Home Finance Agency have special programs designed to assist the local community in the solution of this very human relocation problem. Each program, of course, is pointed toward a different kind of need.

For example, the Federal Housing Administration provides a special form of mortgage insurance for housing for elderly people where the capital put in and the revenues of the project make up an economically sound, long-term loan. The community facilities administration makes direct loans at the college housing interest rate, to provide decent housing at lower rentals. And at the lowest income levels, the Public Housing Administration has a special program for older people.

But we still have not considered what is to be built on the cleared land. Is it to be residental? In that case, because of the special elements of risk involved in what formerly was a slum or near-slum area, in all probability the financing of the housing to be built will have to be supported by FHA insurance under section 220. Or perhaps public facilities are necessary to improve the area. If so, planning advances are available from the community facilities administration of the Housing and Home Finance Agency to be repaid when construction is actually undertaken, sometimes with the aid of a CFA loan. But let me note that the Housing Act of 1954, which authorized the public works advance planning program, requires that any project so assisted conform to any applicable general plans for the development of the area as a whole—and so we come full circle.

Mr. President, I feel safe in asserting that there is no other department or agency in Government where it is so clearly true that one major project in one city or town may involve, not only every major constituent agency or bureau, but even every program administered by these different but associated agencies.

Perhaps I have not said enough about the Federal National Mortgage Association. Note well that the FNMA is as much in the heart of these operations as any of its sister agencies. It is the special assistance support of the FNMA which is the catalyst, if you will, for such diverse activities as housing in urban renewal areas, housing for relocated families or the elderly and other special-purpose form of financing which have not yet established their place in the private market.

I could expand this discussion further. For example, we all recognize the tremendous economic importance of maintaining and improving our existing stock of housing, in which the Nation has an investment on the order of $500 billion. That is a key piece of our hypothetical urban renewal project—to preserve and upgrade the major portion of the area, without having to resort to the drastic surgery of clearance and demolition. And to accomplish this, probably the key tool is the authority granted to FHA in the Housing Act of 1961 to insure loans up to $10,000 and up to 20 years for major home improvements.

Mr. President, there are probably a half dozen or more important programs I have not yet cited in this connection, but it seems to me that this is enough. It would require, it seems to me, an astonishingly effective set of cross-eyed spectacles for anyone to fail to see the importance—the basic national significance—of establishing at the national level that form of organization which will produce the highest degree of coordination and unity of purpose in the planning and execution of these necessarily complex problems.

Mr. President, on February 7, 1962, the senior Senator from Pennsylvania addressed this body on the proposed new Department. No one in this body has had deeper concern for the problems of our cities or done more to help solve them than the Senior Senator from Pennsylvania. After laying to rest the most terrifying of the "bogeymen" raised by opponents of the Department, he explains these four important things which the creation of the new Department would do:

> First, it would raise the status of a cluster of governmental programs, which, taken together, have a tremendous impact on the development of communities of all sizes.
>
> Second, the plan would bring greater attention to the problems of urban America.
>
> Third, the reorganization would improve the coordination of Federal functions affecting communities.
>
> Fourth, the new Department would be in a better position to provide information and technical assistance to State and local governments on problems arising from urban growth.

These are four major benefits which would flow to all of our communities and ultimately to all of the Nation.

THE ARGUMENTS AGAINST THE PLAN EXAMINED

Mr. President, the arguments which have been made against the proposal to establish a Department of Urban Affairs and Housing are to me clearly without foundation. This is not because they are lacking in surface plausibility but rather because each of them is based on a misconception of what the bill would actually do or not do.

Some have criticized it because they fear that the reorganization by itself will mesmerize future Congresses into enacting substantive proposals which will somehow destroy the States. On the other hand, those who mistakenly expect this reorganization to solve major substantive as well as organizational problems naturally feel that the bill does not do enough. They say it would merely create some high-ranking offices, and that this is hardly worth all the bother. Interestingly, neither of these two inconsistent views of the matter is without precedent.

In the House debate on January 15, 1903, Mr. Gaines had the following objection to the creation of the Department of Commerce and Labor, the predecessor to our two present departments:

> In such action, Mr. Chairman, are we undertaking to absorb, by right of might, if you please, the powers and rights of the State? Is not such legislation an invitation for the Government of the United States to rush down and undertake to attend to all the varied business of the States and crush the latter? If we continue to do this—and we see the great tendency toward it—how soon will it be before the States are destroyed—the States that created the Union?

In the House debate on May 21, 1888, Mr. Blount spoke as follows in opposition to setting up a Department of Agriculture:

> Mr. Speaker, if I could see any benefit to result to the farmers of the country from this bill, I would give it my cordial support. * * * What is proposed in this bill for the purpose of advancing agriculture? You have today the Agricultural Bureau in existence, with all its functions; and what are you proposing now? Simply to create some new offices. You propose to make the head of that Department a Cabinet officer, with increased salary; and you propose to create an assistant who is to receive a liberal salary. Beyond this, except transferring to the Agricultural Department the signal service—a service which, so far as I know, is well conducted today—there is nothing in this bill. I can not see anything in it for the purpose of promoting agriculture.

Returning to the bill now before us, I want to try to summarize the objections which have been made and explain why they do not persuade me.

First. It has been said that the establishment of a new department will lead to large increases in programs and spending for urban development and housing. This argument fails to give full and proper weight to the fact that only the Congress can establish new programs of assistance for housing and urban development and only the Congress can authorize or appropriate funds for new or expanded programs. The Congress will do neither when it approves this bill.

Certainly, the need for a Cabinet department to handle Federal programs of urban development and housing will make it easier for the executive branch to administer and coordinate any future expansion of Federal interest approved by the Congress in this area. The lack of a Cabinet department has not prevented the Congress from enacting new programs and expanding existing ones to help alleviate some of these problems of urbanization. Nor will the existence of a Cabinet department create—in and of itself—new programs and expenditures.

Second. Some fear that the reorganization plan will weaken State and local governments and centralize more power in Washington. Let me say first, on this point, that as a former Governor and as a present member of the Intergovernmental Relations Commission, I would find it impossible to support any measure which would result in the reduction of State and local authority and initiative. In fact, this bill would not extend in any way the power or control of the Federal Government over other governmental jurisdictions, nor would it in any way affect the authority of any State, city, or other local body.

The Department would administer programs enacted by the Congress. The legislation authorizing these programs sets the framework for the relationship between the Federal Government and the State or local governments receiving assistance.

All of the intergovernmental programs which would be assigned to the Department provide financial assistance only to State or local public bodies which request it. Participation by cities or other local bodies must be authorized by the State legislature or some specific constitutional provision, or both.

Establishment of a Federal department with Cabinet rank to deal with particular types of problems has in the past stimulated the States to create their own departments designed to deal with the same types of problems at the State level. For example, the establishment of a Federal Department of Labor with Cabinet rank in 1913 served not only to give labor a voice in the Cabinet, but also lead the way for every State in the Union to form an executive department or agency to deal with problems affecting labor.

As a result of the urban planning assistance program of the Housing and Home Finance Agency, authorized in 1954, about three-fourths of the States have established new State agencies or authorized existing State agencies to participate in that program. It provides matching grants for urban planning agencies. The number of States participating has risen from 4 in 1955 to 47 at present.

It is true, of course, that the States should further strengthen their own capacity to deal with housing and urban matters. For example, only six States now make contributions to urban renewal programs. The need for greater State initiative in this areas is well recognized. But far from weakening State participation in these programs, the Department would have as a practical responsibility the encouragement of States to exercise positive leadership in solving urban problems.

Third. The argument has also been made that departments should be organized by major purpose rather than by geographic areas and that a Department of Urban Affairs and Housing will create a cleavage between our urban and rural populations. The new Department would not be established on any geographical basis or on the basis of where people live. Rather, it would be established to deal with problems, programs, and activities which are primarily and peculiarly urban. This would not create any cleavage between urban and rural people, because it does not alter any Federal functions applicable to them. The Department is needed, not strictly because 70 percent of our people live in urban areas, but because of the magnitude and intensity of urban problems which have developed.

The urban development and urban housing functions which would be assigned to the Department all have a unified objective—to provide homes in good neighborhoods in well-planned communities adequately served by related public facilities. In fact, the functions of the Department are more closely interrelated in objective than are the programs of most existing departments. It is this complex interrelationship of program purpose which has contributed to the demand for Cabinet status for the present agency.

It must be remembered, too, that the Department would not administer all of the Federal programs having an impact on urban areas. The Department would help provide leadership and coordination within the executive branch in regard to the major problems of urban growth, but other important Federal activities for assistance to cities in such areas as education, health, and interstate highways would continue to be handled by the agencies to which they are now assigned on the basis that their primary purposes relate to education, health, and commerce.

There is no more reason to suppose that the establishment of this Department will create friction between urban and rural dwellers than did the establishment of the Department of Agriculture. If anything, I think it is fair to assume that the new Department would achieve a happy balance which has been long lacking.

Fourth. Objections have been made because some important urban functions would not be placed in the new Department. Some have opposed the plan because of its failure to include in the functions of the new Department such functions as assistance for highways, air and water pollution, hospital construction, and others.

The establishment of the Department will provide a Cabinet officer who can deal more effectively with other Cabinet officers on problems of mutual interest. It is neither necessary nor desirable, however, for one department to administer by itself all of the programs affecting urban areas.

The body of programs now being administered by the Housing and Home Finance Agency and which would be transferred to the new Department provide a sound basis for the kind of leadership at the Federal level which is needed. Programs of the Department for assistance to urban areas in comprehensive planning for urban land use and future development permit the localities themselves and the other Federal agencies involved to appraise the need for and the best location of such things as highways, schools, health, and sanitation facilities.

These same comprehensive plans would provide a basis for approval by the new Department of various aids which it would administer directly—programs for urban redevelopment and renewal, community facilities planning and construction, mass transportation, and housing.

The additional programs which have been suggested for inclusion in the new Department are being satisfactorily administered by the agencies in which they now reside and in which they have been placed on the basis that their purposes related primarily to commerce or health rather than to desirable urban development as such. A Cabinet department will provide a strengthened mechanism within the executive branch for assuring a proper relationship among all of these programs.

Fifth. Groups whose interest have been focused on homebuilding have expressed fear that the new department would emphasize urban affairs functions to the detriment of the housing functions assigned it. There is no basis at all for any such nervous concern. The fact is that the bill would make the Government's principal housing official a member of the Cabinet and thus strengthen the organizational position of the housing programs within the Federal establishment.

Historically, housing has formed the nucleus for the other programs assigned the present Housing and Home Finance Agency, and must continue to do so. About three-fourths of all of the privately owned structures or our urban areas are residential. In addition to assisting in the provision of this housing, the programs of the Department would assist in planning, financing, and providing the community facilities and other amenities which are necessary to serve and support housing, including well-planned neighborhoods and communities.

Sixth. Yet another baseless fear is expressed by those who predict that the new Department will emphasize aid to big cities, to the detriment of smaller communities. There is nothing at all in the plan which supports this fear and there is ample evidence in the entire history of substantive housing and community development legislation which negates it. As has been emphasized already, the plan does not change in any way the programs now being administered by the Housing Agency, nor the relationships of the Federal Government with other levels of government in the administration of those programs. The Department would continue to emphasize aid to smaller communities, as the Housing Agency has done in the past, because they frequently have the greater need and because Congress has enacted programs which authorize such assistance to smaller communities, often on a priority basis.

Seventh. Perhaps the gentlest argument against the plan is the one which assumes that the existing Housing Agency can do just as well everything that the new Department would do. The bill would in fact do two very important things which need doing and cannot be done without the plan:

It would elevate to Cabinet rank the agency having primary responsibility for housing and urban development programs; and

It would give the Secretary of that Department the clear authority to administer effectively the programs of the Department and to assure that they are properly coordinated with each other and with the programs of other departments.

The importance of these objectives should not be minimized. Witness after witness before our committee has stressed the need for stronger leadership in urban development and housing at the Federal level.

The kind of leadership we should seek cannot be provided by an independent agency head who is not a Cabinet member and who has only the power of general supervision and coordination over two major constituent agencies whose powers are not vested in the head of the entire agency. A provision in the Independent Offices Appropriation Act, 1955, cited by some as constituting a full grant of authority to the Housing and Home Finance Administrator, is simply inadequate. It must be taken in the context of the statutory limitations on the present powers of the Administrator which indicate congressional intention that basic program functions, as distinct from administrative services, shall not be subject to the Administrator's direction, but only to his general supervision and coordination.

This very limiting phrase is repeated in the 1955 appropriation act provision. The phrase in turn was clearly intended to be far more limited than the phrase "Superintendence, direction, coordination, and control." Indeed, the latter phrase was included in plan No. 1 of 1946 which would have created an overall housing agency 1 year earlier, and this inclusion led to the defeat of the 1946 plan. Thus, the provision most certainly does not provide an adequate, or even a very clear, vesting of responsibility. Also, it fails to vest in the Housing Administrator the statutory functions previously vested in constituent agency commissioners.

CONCLUSION

In conclusion, Mr. President, I want to reemphasize the fact that this bill is an urgently needed step in good government organization.

The new Department would give a voice in the Cabinet on urban and housing matters so that proper consideration and weight would be given to them in the overall administration of the executive branch. It would enable a better coordination of the interrelated functions of the various departments.

The new Department would give our States and communities an urgently needed agency at the departmental level to assist them in formulating and carrying out local programs relating to their general physical planning and development. This is the basis on which the Department would be established. It would not be established on a geographical basis or provide a cleavage between rural and urban populations. It would administer an especially logical category of functions in the executive branch.

In no way whatsoever would the Department extend Federal authority or reduce the stature and position of the States and localities. Instead, history teaches us that the functions of States and localities in this field would be stimulated and strengthened by the creation of the Department.

The bill would have no significant bearing on either the size of any programs or the size of the organizations administering them, as these would continue to be fixed in legislation enacted by the Congress. In fact, the internal organization of the Department would be put on a sound basis to permit greater efficiency and economy, which should result in substantial savings in the cost of services and in the cost of financing the local projects which are being assisted.

Mr. President, in the interest of the better management of the executive branch and to better serve our States, our cities and towns, and the people for whom they exist, I urge approval of this legislation.

Mr. RIBICOFF. Mr. President, I yield 1 minute to the Senator from Hawaii.

Mr. INOUYE. Mr. President, I am in complete agreement with the purposes of S. 1599, the bill to establish a Department of Housing and Urban Development. As the recent Senate discussions on the Omnibus Housing bill clearly showed, the problems and projects now being undertaken by the Housing and Home Finance Agency and the Public Housing Administration of that Agency have reached a size and magnitude which can best be handled by a Cabinet-level department. This bill will also go a long way toward more efficient administrative coordination of our various programs in the area and will further provide a most appropriate vehicle for long-range planning of programs dealing with urban housing and development by State and local governments.

I wish to commend the distinguished Senator from Connecticut [Mr. RIBICOFF] for his effective and eloquent leadership in the management of this most important measure.

Mr. RIBICOFF. Mr. President, I yield 2 minutes to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I want to comment on S. 1599 which has been considered by the Government Operations Committee, of which I am a member. This bill has received the special attention of the subcommittee on which I serve, headed by Senator RIBICOFF. I was fortunate enough to sit in on almost all of the hearings that were held in connection with this bill. The bill is not new to the Congress or the Nation and it has been considered for many years and has been rejected every time it has been considered. After studying the bill and reviewing it carefully, I see nothing which would indicate that Congress or the Nation should change its thinking in regard to the need for such a department.

Simply stated, this bill only elevates the Housing and Home Finance Administration to Cabinet rank. Among the witnesses that I heard and the Senators that have discussed this bill, I find no one that is satisfied with it or thinks that this bill will accomplish its objective. Those who support it realize that the bill only does one thing and that is to elevate the Housing and Home Finance Administration to Cabinet rank. It does not incorporate the 43 programs affecting urban development which are administered by 5 executive departments and 8 independent agencies. The proponents of this bill recognize that if we are to truly have a department of Cabinet rank to deal with urban development, it should be a department which would include these 43 programs and have enough authority and ability to wrestle with the problems that the cities encounter. Unfortunately, in the minds of the proponents, there is not even an attempt to pull in these urban-oriented agencies.

The opponents of the bill criticize it because they feel, and in my judgment rightly so, that this bill is a "foot-in-the-door approach." It is an attempt by the Federal planners to acquire control and domination of our cities throughout the Nation. The opponents realize that this Department will not have the authority to deal with urban problems or with housing problems under the terms of this bill. Consequently, the social planners must immediately start the drive to accumulate the control and power over the other agencies and departments which affect urban development and housing.

Those who support the creation of a new Cabinet-level department predicate their belief and support in such a department on the erroneous presumption that the problems of urban areas are likely to be better solved by Federal aid and attention of Cabinet rank than they can be solved by the present Federal agencies, State and local governments.

Senator RIBICOFF, who is leading the fight for enactment of this legislation, stated at the hearings:

> I would like to see it (referring to the Department) established, but if it is going to be established, let us establish a department that can really do a job for America.

Senator RIBICOFF is wise enough to realize that the bill in its present terms and under its present scope cannot begin to deal with the problems that the cities have and that by elevating the HHFA the problem will not be solved.

It is interesting to note that this bill is basically the same bill that was before the Congress in 1961, the difference being that the words have been reshuffled. In 1961 it was called the Department of Urban Affairs and Housing instead of the Department of Housing and Urban Development as we now call it. The reason given for this change is to put Federal priority on housing, but it is interesting to note it does not encompass the Federal Government's largest agency dealing with housing. The Housing and Home Finance Administration has within its jurisdiction the Public Housing Administration and Federal Housing Administration which are responsible for a little over 500,000 units per year. On the other hand, the housing agencies excluded from the proposed Cabinet-rank Department; namely, the Federal Home Loan Bank system and the VA home loan program, are responsible for over a million and a half units. Consequently, you can see by this comparison that this Department as proposed would not begin to put Federal priority on the housing of the Nation.

I oppose this bill, not because the bill is inadequate and is not comprehensive enough to even begin to touch the problems of the cities, but because I feel that it creates a serious threat to our form of government. It is not wise for the Federal Government to establish a department whose sole purpose is to deal with the urban areas of the Nation. This process will elevate and stimulate the direct association of the Federal and city governments, thus bypassing the State government entirely. Encouragement of the city-Federal relationship would be a definite setback at this time when the States and localities are beginning to move closer together in policy and performance. The States now are beginning to respond to the needs of the city and are beginning to recognize their role and their responsibilities. I do not believe that we can afford to weaken that relationship by substituting the city-Federal relationship.

The elevating of the HHFA to a department of Cabinet status deals with structure, not substance, and with symptoms, not causes. It gives it no new authority and gives it no broader purpose. It does nothing to really solve the problems that are experienced by cities other than what it already has. I have been one who has supported the attempt to reorganize the Government and to bring more efficiency to its operations, but this is not a streamlining effort.

The social planners have long encouraged the enactment of this bill. They have done so because they believe in the centralization of all control over our cities. They believe that by enhancing this relationship they will weaken the States' responsibilities in governing the cities and thus they can further eliminate and reduce the effectiveness of a republican form of government which has been so great in the past years.

I do not think that urban development can be handled at the Federal level. The economic and social conditions that make a city what it is should not be manipulated by the Federal social planners who try to regulate the city by its buildings and land as proposed in this bill. The people are the important element of a city and I think that people can best be advised, counseled, and educated through an approach at the local level rather than from the centralized bureaucrats of Washington.

Mr. RIBICOFF. Mr. President, I yield 1 minute to the Senator from Virginia, my distinguished friend and Chairman of the Finance Committee.

Mr. BYRD of Virginia. Mr. President, I oppose establishment of a Federal Department for Housing and Urban Development, as proposed in S. 1599 which is now before the Senate, and I shall vote against the bill.

There are numerous reasons for my opposition to the proposal. Any of these reasons would be sufficient to justify voting against the bill.

Two of these reasons are discussed in a statement I made August 9, and they are backed up by tables showing expenditures, personnel and payroll situations in the Department of Health, Education, and Welfare, and in the Housing and Home Finance Agency.

I ask unanimous consent to have this statement and these tables printed in the RECORD as a part of my remarks.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

As I said, this statement is confined to only two of the reasons why I shall vote against the bill:

1. A Department of Housing and Urban Development, as proposed, had better be called a department of backdoor spending and contingent liabilities; and

2. We have had experience with a new Department of Health, Education, and Welfare; if the proposed new Housing and Urban Development Department should expand to a degree comparable with the bulging dimensions of the HEW, the new Housing and Urban Agency would be a $225 billion Department in 13 years.

DEPARTMENT OF BACKDOOR SPENDING AND CONTINGENT LIABILITIES

The administration has proposed that the new Department of Housing and Urban Development should be composed of existing agencies and programs generally referred to as follows:

1. Urban renewal programs (loans and grants for slum clearance);
2. College housing program (long-term low-interest construction loans);
3. Public facility loan program (long-term low-interest loans for construction of facilities including some loans for mass transportation);
4. Housing for the elderly (long-term low-interest loans for rental housing and related facilities);
5. Open space land program (grants for land acquisition);
6. Federal Flood Indemnity Operations (including inactive disaster loans and insurance program);
7. Rehabilitation loan program (low interest rate loans to rehabilitate properties to conform to code requirements);
8. Urban mass transportation (loans and grants for facilities and equipment);
9. Federal National Mortgage Association (support of mortgage market through direct purchases);
10. Federal Housing Administration (insurance of private loans for construction and repair of residential housing);
11. Public Housing Administration (grants, and direct and guaranteed loans for local public housing projects); and
12. Other Housing and Home Finance Agency activities including research, planning, and demonstration projects, etc.

Backdoor spending

Authority to spend proceeds from the sale of Federal bonds, under contract authorizations, and out of revolving funds—all outside of effective appropriation control—are among the readily recognizable forms of backdoor spending.

Every major program and agency proposed to be consolidated into the new Housing and Urban Development Department spends through the backdoor. Their total spending authority for fiscal year 1965 was estimated at $15.7 billion, and all but some $400 million is through the backdoor.

Contingent liabilities

Contingent liabilities (against the Federal Government) are what the term implies. The Federal Treasury must pay off if and when certain contingencies develop. Federal insurance and guarantees of housing mortgages are prime examples.

As of the end of fiscal year 1965, programs and agencies proposed to be consolidated in the new Housing and Urban Development Department had used the public credit to underwrite outstanding mortgages and other contingent liabilities to a total of about $53 billion.

The Federal Housing Administration has unlimited authority to increase the contingent liabilities against the Federal Treasury in the form of insured housing mortgages, and the Public Housing Administration has unused authority to create additional contingent liabilities in guaranteed local bond issues for construction of new low-rent public housing units.

There is ample reason to call this proposed new Department a department of backdoor spending and contingent liabilities.

A $225 BILLION DEPARTMENT

The Department of Health, Education, and Welfare is the newest Federal Department. The HEW Department was etablished in April 1953. It had its 12th anniversary this spring.

HEW DEPARTMENT

During fiscal year 1953 the programs and agencies which became components of the new HEW Department spent $1.9 billion; they employed 40,264 people, and their combined payroll costs totaled, $170,133,000.

For fiscal year 1966, beginning last July 1, the President's budget estimates that HEW, in its 13th anniversary year, will spend $7.8 billion, that it will employ 88,702 people, and that its payroll costs will total $650,543,000.

In short, during 13 years since their consolidation into a Federal Department, HEW components have increased their combined expenditures more than 300 percent; their employment has more than doubled and their payroll costs have nearly quadrupled.

HOUSING AND URBAN DEPARTMENT

The President's budget estimate for fiscal year 1965 shows $15.7 billion was available for expenditure through programs and agencies proposed to be consolidated into the new Department of Housing and Urban Development.

As of the end of fiscal year 1965, the budget estimates that these programs and agencies had outstanding direct and insured loans totaling $59.2 billion.

Taking probable duplications into account, it may be estimated that these agencies as of June 30, 1965, were the custodians of spending authority and outstanding direct and insured loans totaling approximately $75 billion.

GROWTH

The record shows that HEW, the newest of the Federal Departments, increased expenditures more than 300 percent in 13 years as a Department, more than doubled its employment, and nearly quadrupled its payroll costs.

If the proposed new Department of Housing and Urban Development should be established, and if it should equal HEW's growth rate, it would be a $225 billion Department by fiscal year 1978.

Increases in Federal expenditures and employment in HEW agencies and programs during 1st 13 years[1] *(fiscal years 1953–66) under the Department of Health, Education, and Welfare*

[Dollars in thousands]

Program	Expenditures			Payroll and employment					
	Programs transferred to HEW,[2] fiscal year 1953	Department of HEW, fiscal year 1966 (estimated)	Change	Fiscal year 1953		Fiscal year 1966 (estimated)		Change	
				Payroll obligations	Average employment	Payroll obligations[3]	Average employment	Payroll obligations[3]	Average employment
Food and Drug Administration:									
Salaries and expenses	$5,757	$48,372	+$42,615	$4,766	886	$33,663	4,043	+$28,897	+3,157
Buildings and facilities		7,339	+7,339						
Revolving fund for certification	1,119	−77	−1,196	817	166	1,756	228	+939	+62
Advances and reimbursements						97	9	+97	+9
Subtotal, Food and Drug Administration	6,877	55,634	+48,757	5,583	1,052	35,516	4,280	+29,933	+3,228
Office of Education:									
Expansion and improvement, vocational education	18,321	178,400	+160,079						
Higher education facilities construction		165,000	+165,000						
Further endowment of agricultural and mechanic arts	2,480	11,950	+9,470						
Grants for public libraries		37,000	+37,000						
Payments to school districts	65,956	321,000	+255,044	443	103			−443	−103
Assistance for school construction	135,186	47,000	−88,186	674	108	60	7	−614	−101
Defense educational activities		360,000	+360,000						
Educational improvement for handicap		15,700	+15,700						
Cooperative research		14,000	+14,000						
Educational research, foreign currency program		400	+400						
Foreign language training and area studies		1,750	+1,750						
Salaries and expenses	3,221	22,138	+18,917	2,581	438	15,289	1,603	+12,708	+1,165
Civil rights educational activities		8,000	+8,000			805	76	+805	+76
Elementary and secondary education (proposed legislation)		500,000	+500,000						
Higher education (proposed legislation)		100,000	+100,000						
Colleges for agriculture and mechanic arts (permanent)	2,550	2,550							
Promotion of vocational education, permanent	7,111	7,117	+6						
Advances and reimbursements		10	+10			204	19	+204	+19
Subtotal, Office of Education	234,825	1,792,015	+1,557,190	3,698	649	16,358	1,705	+12,660	+1,056
Vocational Rehabilitation Administration:									
Grants to States	22,246	119,000	+96,755	117	24			−117	−24
Research and training		41,200	+41,200						
Special foreign currency program		2,420	+2,420						
Salaries and expenses	723	3,375	+2,652	571	93	2,765	269	+2,194	+176
Improvements in vocational rehabilitation (proposed legislation)		7,000	+7,000						
Subtotal, Vocational Rehabilitation Administration	22,969	172,995	+150,027	688	117	2,765	269	+2,077	+152
Public Health Service:									
Buildings and facilities		27,481	+27,481						
Injury control		4,091	+4,091			1,405	167	+1,405	+167
Chronic diseases and health of aged		57,083	+57,083			7,424	882	+7,424	+882
Communicable disease activities	6,000	49,378	+43,378	4,878	1,035	11,818	1,663	+6,940	+628
Community health practice and research		59,001	+59,001			2,803	324	+2,803	+324
Control of tuberculosis	8,079	14,998	+6,919	1,701	357	2,230	291	+529	−66
Control of venereal diseases	9,914	10,296	+382	2,917	614	5,264	914	+2,347	+300
Dental services and resources		7,795	+7,795			2,240	246	+2,240	+246
Nursing services and resources		20,492	+20,492			1,274	154	+1,274	+154
Hospital construction activities	110,156	232,400	+122,244	1,103	173	2,786	283	+1,683	+110
Construction of health educational facilities		37,000	+37,000			433	40	+433	+40
George Washington University Hospital construction		1,000	+1,000						
Environmental health sciences		14,438	+14,438			1,709	198	+1,709	+198
Air pollution		23,424	+23,424			4,494	567	+4,494	+567
Environmental engineering and sanitation		9,035	+9,035			2,716	354	+2,716	+354
Occupational health		5,574	+5,574			1,709	214	+1,709	+214
Radiological health		20,866	+20,866			5,774	812	+5,774	+812
Water supply and water pollution control		38,974	+38,974			12,878	1,703	+12,878	+1,703
Grants for waste treatment works construction		80,000	+80,000						
Hospital and medical care	33,962	54,550	+20,588	30,505	7,025	44,159	6,672	+13,654	−353
Foreign quarantine service	3,066	6,900	+3,834	2,708	562	5,280	660	+2,572	+98
Indian health activities (fiscal year 1953 estimated)	24,123	62,800	+38,677	13,652	3,651	37,303	5,524	+23,651	+1,873
Construction of Indian health facilities		11,200	+11,200			759	127	+759	+127
General research and services		93,355	+93,355			2,417	257	+2,417	+257
National Institute of General Medical Sciences		63,649	+63,649			1,446	165	+1,446	+165
Biologic standards		6,405	+6,405			2,333	299	+2,333	+299
National Institute of Child Health and Human Development		42,062	+42,062			2,108	233	+2,108	+233
National Cancer Institute	19,380	132,487	+113,107	2,779	549	12,226	1,415	+9,447	+866
Special cancer research		4,000	+4,000						
National Institute of Mental Health	10,786	182,028	+171,242	1,221	219	11,235	1,291	+10,014	+1,072
Construction of community mental health centers		15,000	+15,000						
National Heart Institute	13,051	118,890	+105,839	1,585	325	6,342	743	+4,757	+418
National Institute of Dental Research	1,746	19,204	+17,458	956	175	2,528	301	+1,572	+126
National Institute of Arthritis and Metabolic Diseases		107,910	+107,910	1,737	313	5,640	614	+3,903	+301
National Institute of Allergy and Infectious Diseases		67,656	+67,656	2,260	477	5,618	703	+3,358	+226
National Institute of Neurological Diseases and Blindness		83,208	+83,208	113	19	5,634	708	+5,521	+689
Grants for construction of health research facilities		47,000	+47,000						
Construction of mental health-neurology research facility		4,200	+4,200						
Grants for cancer research facilities		1,000	+1,000						
National Institutes of Health management fund						29,663	4,420	+29,663	+4,420
Operating expenses, National Institutes of Health	16,417		−16,417	3,596	886			−3,596	−886
Scientific activities overseas, foreign currency program		5,300	+5,300						
National health statistics		7,300	+7,300			3,031	377	+3,031	+377
National Library of Medicine		4,960	+4,960			2,262	302	+2,262	+302
Retired pay of commissioned officers	1,085	7,300	+6,215						
Salaries and expenses, Office of Surgeon General	3,354	6,600	+3,246	3,125	572	5,220	549	+2,095	−23
Emergency health activities		8,000	+8,000			1,818	177	+1,818	+177
Proposed health legislation		58,000	+58,000						
Proposed pollution control legislation		12,000	+12,000						

See footnotes at end of table.

Increases in Federal expenditures and employment in HEW agencies and programs during 1st 13 years[1] *(fiscal years 1953–66) under the Department of Health, Education, and Welfare*—Continued

[Dollars in thousands]

Program	Expenditures			Payroll and employment					
	Programs transferred to HEW,[2] fiscal year 1953	Department of HEW, fiscal year 1966 (estimated)	Change	Fiscal year 1953		Fiscal year 1966 (estimated)		Change	
				Payroll obligations	Average employment	Payroll obligations [3]	Average employment	Payroll obligations [3]	Average employment
Public Health Service—Continued									
Assistance to States, general	$16,152		−$16,152	$2,628	508			−$2,628	−508
Engineering, sanitation, and industrial hygiene	3,780		−3,780	3,082	553			−3,082	−553
Disease and sanitation investigation, etc., Alaska	1,106		−1,106	406	66			−406	−66
Construction of research facilities	12,406		−12,406	47	29			−47	−29
Miscellaneous	1,264		−1,264						
Operation of commissaries, narcotic hospitals	16	−$1	−17	48	14	$65	12	+17	−2
Bureau of State Services management fund						4,606	561	+4,606	+561
Service and supply fund	−104	−8	+96	81	20	4,319	635	+4,238	+615
Working capital fund, narcotic hospitals	−25	−11	+14	172	41	326	48	+154	+7
Advances and reimbursements		332	+332			5,562	629	+5,562	+629
Subtotal, Public Health Service	295,715	1,946,602	+1,650,887	81,300	18,183	268,857	36,234	+187,557	+18,051
St. Elizabeths Hospital:									
Salaries and expenses	2,460	8,500	+6,040	9,029	2,492	22,704	3,869	+13,675	+1,377
Buildings and facilities	933	2,200	+1,267						
Advances and reimbursements		3	+3			159	25	+159	+25
Subtotal, St. Elizabeths Hospital	3,393	10,703	+7,310	9,029	2,492	22,863	3,894	+13,834	+1,402
Social Security Administration:									
Limitation on salaries and expenses, OASI trust fund	(65,150)	(355,966)	(+290,816)	54,081	14,133	250,721	35,452	+196,640	+21,319
Limitation on construction, OASI trust fund		(7,245)	(+7,245)						
Payments for military service credits		60,000	+60,000						
Operating fund, Bureau of Federal Credit Unions		−161	−161			3,965	454	+3,965	+454
Salaries and expenses, Bureau of Federal Credit Unions	273		−273	154	34			−154	−34
Supervision of Federal Credit Unions	899		−899	737	158			−737	−158
Salaries and expenses, Office of the Commissioner	213		−213	279	42			−279	−42
Advances and reimbursements						583	124	+583	+124
Subtotal, Social Security Administration	1,385	59,839	+58,454	55,251	14,367	255,269	36,030	+200,018	+21,663
Welfare Administration:									
Grants to States for public assistance	1,329,933	3,242,100	+1,912,167						
Assistance for repatriated U.S. nationals		300	+300						
Salaries and expenses, Bureau of Family Services	1,639	6,235	+4,596	1,441	263	5,228	524	+3,787	+261
Grants for maternal and child welfare	31,503	151,000	+119,497						
Salaries and expenses, Children's Bureau	1,563	3,994	+2,431	1,250	217	3,367	327	+2,117	+110
Juvenile delinquency and youth offenses		8,000	+8,000			398	36	+398	+36
Salaries and expenses, Office of Aging		663	+663			520	48	+520	+48
Cooperative research or demonstration projects		1,800	+1,800						
Research and training, foreign currency program		800	+800						
Salaries and expenses, Office of Commissioner		1,258	+1,258			934	86	+934	+86
Assistance to refugees in United States		33,570	+33,570			483	80	+483	+80
Proposed legislation:									
Improvement of medical care for needy children under public assistance		100,000	+100,000						
Improvement and expansion of public assistance		114,000	+114,000						
Grants for maternal and child health services		25,000	+25,000						
Advancements and reimbursements						22	3	+22	+3
Subtotal, Welfare Administration	1,364,638	3,688,720	+2,324,082	2,691	480	10,952	1,104	+8,261	+624
Special institutions:									
American Printing House for Blind	175	909	+734						
Salaries and expenses, Freedmen's Hospital	2,916	4,514	+1,598	2,804	844	6,554	1,086	+3,750	+242
Salaries and expenses, Gallaudet College	437	2,250	+1,813	413	111	2,289	292	+1,876	+181
Construction, Gallaudet College	90	1,100	+1,010						
Salaries and expenses, Howard University	2,875	10,850	+7,975	3,700	986	13,942	2,040	+10,242	+1,054
Construction, Howard University	1,862	7,120	+5,258						
Plans and specifications, Howard University	17		−17						
Subtotal, special institutions	8,372	26,743	+18,371	6,917	1,941	22,785	3,418	+15,868	+1,477
General administration and other:									
Salaries and expenses, Office of Secretary	888	3,762	+2,874	1,085	209	3,656	358	+2,571	+149
Limitation payable from OASI trust fund		(483)	(+483)						
Salaries and expenses, Office of Audit		3,125	+3,125			2,995	311	+2,995	+311
Office of Field Administration	1,728	1,874	+146	1,979	416	2,683	357	+704	−59
Limitation payable from OASI trust fund and Bureau of Federal Credit Unions operating fund		(1,326)	(+1,326)						
Surplus property utilization	184	1,045	+861	142	25	854	99	+712	+74
Salaries and expenses, Office of the General Counsel	358	1,430	+1,072	776	119	2,017	208	+1,241	+89
Limitation payable from OASI and FDA funds		(879)	(+879)						
Educational television facilities		12,000	+12,000			215	21	+215	+21
Miscellaneous	2,153		−2,153	535	96			−535	−96
Working capital fund	−84	−98	−14	459	118	2,310	366	+1,851	+248
Advances and reimbursements						450	48	+450	+48
Subtotal, general administration and other	5,226	23,138	+17,912	4,977	983	15,180	1,768	+10,204	+785
Miscellaneous: Consolidated working funds	368		−368						
Total	1,943,766	7,776,389	+5,832,623	170,133	40,264	650,543	88,702	+480,410	+48,438

---

[1] Changes in agency and program titles since 1953 have been taken into account and as far as possible necessary adjustments have been made for comparative purposes.

[2] Federal Security Agency and Indian Health Activities, Department of Interior.

[3] Reflects pay raise legislation enacted since 1953.

HOUSING AND HOME FINANCE AGENCY

Unexpended balances, new obligational authority, expenditures and employment, fiscal year 1965 (estimated) showing direct and insured loans estimated to be outstanding as of the end of the year

[Dollars in thousands]

Program	Expenditure availability			Expenditures	Outstanding direct and insured loans	Personal services	
	Unextended balances start of year	New obligational authority	Total			Obligations	Average employment
Office of Administrator:							
Salaries and expenses	$1,850	$16,385	$18,235	$15,500		$27,464	2,901
Limitation on nonadministrative expenses		(3,375)	(3,375)				
Urban planning grants	27,890	13,675	41,565	20,000			
Urban studies and housing research	220	397	617	500			
Federal-State training programs (proposed)		5,050	5,050	1,650			
Fellowships for city planning and urban studies		515	515	15			
Open space land grants:							
Administrative expenses		273	273	14,000			
Contract authorization	45,116	25,000	70,116				
Appropriation to liquidate		(14,727)	(14,727)				
Low-income housing demonstration programs:							
Administrative expenses		47	47	1,500			
Contract authorization	4,134	5,000	9,134				
Appropriation to liquidate		(1,228)	(1,228)				
Housing studies: Contract authorization	2,500		2,500				
College housing loans:							
Authorization to expend from public debt receipts	828,612	410,000	1,238,612	229,299	[1] $1,933,451		
Revolving and management fund	63,244		63,244				
Limitation on administrative expenses		(1,975)	(1,975)				
Public facility loans:							
Authorization to expend from public debt receipts	489,271		489,271	41,211	[1] 181,595		
Revolving and management fund	14,174		14,174				
Limitation on administrative expenses		(1,270)	(1,270)				
Public works planning:							
Current appropriation		14,000	14,000	3,430			
Revolving and management fund	20,437		20,437				
Liquidating programs:							
Revolving and management fund	1,735		1,735	−3,564	[1] 10,185		
Limitation on administrative expenses		(114)	(114)				
Urban renewal:							
Authorization to expend from public debt receipts	589,759		589,759	309,776	[1] 181,498		
Contract authorization	2,911,220	1,425,000	4,336,220				
Appropriations to liquidate		(230,000)	(230,000)				
Revolving and management fund	339,364		339,364				
Rehabilitation loan fund:							
Current appropriation		10,180	10,180	976	[1] 776		
Revolving and management fund							
Community disposal operations: Operations fund	2,024		2,024	−25			
Urban mass transportation:							
Current appropriation		65,300	65,300	16,190	[1] 5,000		
Revolving fund							
Housing for elderly or handicapped:							
Current appropriation		25,000	25,000	45,365	[1] 98,466		
Revolving fund	196,447		196,447				
Limitation on administrative expenses		(950)	(950)				
Flood indemnity operations: Authorization to expend from public debt receipts	500,000		500,000				
Subtotal, Office of Administrator	6,037,997	2,015,822	8,053,819	695,823	2,410,971	27,464	2,901
Federal National Mortgage Association:							
Secondary market operations:							
Authorization to expend from public debt receipts	2,365,360		2,365,360	−42,460			
Trust fund	(13,166)		(13,166)		[2] 1,981,738		
Special assistance functions:							
Authorization to expend from public debt receipts	2,043,561	150,000	2,193,561	−515,080	[1] 975,968		
Revolving fund	9,412		9,412				
Management liquidating functions:							
Authorization to expend from public debt receipts	147,222		147,222	−50,000	[1] 1,050,891		
Revolving fund	25,196		25,196				
Government mortgage liquidation fund:							
Revolving fund							
Aids to private housing				−16,400			
Veterans' readjustment benefits				−8,200			
Limitation on administrative expenses		(8,600)	(8,600)			7,072	960
Subtotal, Federal National Mortgage Association	4,590,751	150,000	4,740,751	−632,140	4,008,597	7,072	960
Federal Housing Administration:							
Revolving fund	1,091,604		1,091,604	−108,510	[3] 47,622,581		
Limitation on administrative expenses		(10,085)	(10,085)			8,503	911
Limitation on nonadministrative expenses		(79,775)	(79,775)			63,750	7,920
Advances and reimbursements						710	86
Subtotal Federal Housing Administration	1,091,604		1,091,604	−108,510	47,622,581	72,963	8,917
Public Housing Administration:							
Low-rent public housing program:							
Annual contributions, appropriations		214,000	214,000	220,599	[1] 44,609 [2] 5,113,000		
Administrative expenses, appropriations		16,352	16,352				
Authorization to expend from public debt receipts	1,500,000		1,500,000				
Revolving fund	95,869		95,869				
Limitation on administrative expenses		(16,352)	(16,352)			13,543	1,443
Limitation on nonadministrative expenses		(1,440)	(1,440)			896	100
Advances and reimbursements						125	12
Subtotal, Public Housing Administration	1,595,869	230,352	1,826,221	220,599	5,157,609	14,564	1,555
Total, Housing and Home Finance Agency	13,316,222	2,396,174	15,712,396	175,772	59,199,758	122,063	14,333

---

[1] Direct loans. [2] Trust fund direct loans. [3] Insured and guaranteed loans.

Mr. RIBICOFF. Mr. President, as we approach the vote on this bill I want to close by leaving the Senate with the thought that we in this Congress have an opportunity to record for history that as the representatives of the people of this Nation we were able to recognize the needs of the people and establish effective governmental machinery to fill those needs.

That is the only issue before us.

This bill creates no new spending program.

This bill adds no new authority not now provided in law.

All it does is take a loose collection of agencies which were thrown together many years ago and bind them in a logical grouping of functions headed by a Cabinet officer. And in doing so it recognizes that the problems of American communities—large and small—are important enough to have representation at the Cabinet table.

Failure to establish this Department now is failure to recognize what America is and will become as the years go by. To say that we are an urban Nation is not to detract from rural America which has contributed and will continue to contribute to the greatness of our Nation. To say that we are an urban Nation is not to detract from the hundreds and thousands of small villages and hamlets that dot our land, out of which have come our greatest leaders and thinkers and doers. Three of the past four American Presidents were "smalltown boys" and we all know that they did quite well in the big city.

I implore my colleagues to forget sectionalism—to forget statistical definitions—and to think of the need for a more efficient, more coordinated administration of the laws affecting the hometowns of every one of us—be it large or small. The dictionary definition of the word "urban" makes no distinction about size—nor should we.

The arguments that have been raised for years against this proposal have been met by the amendments adopted by the Senate. We protect the rights of the States; we upgrade the housing function; we encourage private enterprise; we establish coordination machinery; we make it clear that all programs will be administered fairly without regard to the size or location of the municipality.

In conclusion, Mr. President, let me cite once again why a Department of Housing and Urban Development is needed.

First, the urban population of the United States is expanding at an explosive rate. When the Constitution was adopted only 5 percent of the population was in urban areas; today this has grown to 70 percent; and between today and the year 2000 more than 80 percent of our population increase will occur in urban areas.

Second, this massive expansion in urban population has created, and will continue to create, enormous and complex problems for cities and towns, counties, and States. Their financial resources are often inadequate to provide the new facilities needed, and their political jurisdictions in many instances are too limited to permit areawide solutions. The Federal Government increasingly has been called upon to work as a partner with State, county, and local governments, and with private interests, in meeting the problems of housing and urban development.

Third. The magnitude and impact of these problems, and of the Federal programs designed to help solve them, is now so great as to require administration at the highest levels of Government. Basic criteria for departmental status include (1) administration of a wide range of permanent and complex programs directed toward a common purpose of great national importance, and (2) concern with policies and programs requiring frequent Presidential direction and representation at the highest levels of the Government. The Department of Housing and Urban Development clearly meets these tests.

Fourth. There should be, within the Cabinet, the highest council of the Federal Government, a spokesman for one of the leading interests of the Nation: housing and urban development. Cabinet rank is necessary to give proper weight to those interests among the overall interests of the Federal Government. The reason given by President Lincoln for establishing a Department of Agriculture was that agriculture was a leading interest of the Nation.

Fifth. There should be within the executive branch of the Government a focal point through which the policies affecting housing and urban development are coordinated and correlated with the programs and policies of other executive departments. Just as the Secretaries of such Departments as Treasury, Labor, and Health, Education, and Welfare speak for the President and exercise powerful influence with respect to matters of concern to them throughout the entire executive branch, so the new Secretary would be expected, in the language of the bill, to exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development.

Mr. President, this is a historic occasion. The establishment of an executive department is not to be taken lightly. In this 176th year of our Republic the President's Cabinet consists of only 10 members. Today we take a step to add an 11th. Twelve years have passed since a new department was established. Prior to that 40 years had elapsed with no additions to the Cabinet.

The establishment of this new department has been surrounded in controversy. Now with its imminent establishment, we should all—big city and small, urban and rural—join together in helping the agency work to build a better and stronger Nation.

Mr. President, I urge adoption of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. President, I ask unanimous consent that the Committee on Government Operations be discharged from the further consideration of H.R. 6927, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut [Mr. RIBICOFF]?

There being no objection, the committee was discharged and the Senate proceeded to consider the bill.

Mr. RIBICOFF. Mr. President, I move to strike all after the enacting clause and insert in lieu thereof the language contained in S. 1599, as amended.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COTTON (when his name was called). On this vote I have a live pair with the senior Senator from Connecticut [Mr. DODD]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MILLER (when his name was called). On this vote I have a live pair with the distinguished Senator from Arkansas [Mr. MCCLELLAN]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. MCGEE], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

I further announce that the Senator from Michigan [Mr. HART], and the Senator from Minnesota [Mr. MCCARTHY] are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan [Mr. HART], the Senator from Wyoming [Mr. MCGEE], and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Minnesota would vote "yea" and the Senator from Kentucky would vote "nay."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. COOPER] is absent on official business.

On this vote, the Senator from Kentucky [Mr. COOPER] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Kentucky would vote "nay" and the Senator from Minnesota would vote "yea."

The result was announced—yeas 57, nays 33, as follows:

[No. 206 Leg.]

YEAS—57

Aiken
Anderson
Bartlett
Bass
Bayh
Boggs
Brewster
Burdick
Byrd, W. Va.
Cannon
Case
Church
Clark
Douglas
Fong
Gore
Gruening
Harris
Hartke
Hayden
Inouye
Jackson
Javits
Jordan, N.C.
Kennedy, Mass.
Kennedy, N.Y.
Kuchel
Long, Mo.
Long, La.
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Prouty
Proxmire
Randolph
Ribicoff
Saltonstall
Scott
Smathers
Smith
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NAYS—33

Allott
Bennett
Bible
Byrd, Va.
Carlson
Curtis
Dirksen
Dominick
Eastland
Ellender
Ervin
Fannin
Hickenlooper
Hill
Holland
Hruska
Jordan, Idaho
Lausche
Morton
Mundt
Murphy
Pearson
Robertson
Russell, S.C.
Russell, Ga.
Simpson
Sparkman
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NOT VOTING—10

Cooper
Cotton
Dodd
Fulbright
Hart
Magnuson
McCarthy
McClellan
McGee
Miller

So the bill (H.R. 6927) was passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate bill 1599, which is the Senate version of the housing and urban development bill, be indefinitely postponed.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. PASTORE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I congratulate the Senate on its speedy and yet complete consideration of the bill creating a Department of Housing and Urban Development. This legislation is of major importance in coordinating governmental action at all levels with respect to the sound development of our urban communities and metropolitan areas in which so many of this Nation's people live and work. My special commendations go to the distinguished and able junior Senator from Connecticut [Mr. RIBICOFF]. Obviously, his experience as Secretary of the relatively recently created Department of Health, Education, and Welfare has stood him in good stead in presenting this measure. He managed the bill with unmatched skill and experience. He rightly deserves the thanks and credit of this body and the many urban and metropolitan areas of this country for his efforts.

Great and deserved credit also must go, among others, to the distinguished Senator from Maine [Mr. MUSKIE] and the distinguished Senator from Pennsylvania [Mr. CLARK] whose earlier and consistent contributions were many. Again, I commend them and the Senate.

INCREASE IN BASIC PAY FOR MEMBERS OF THE UNIFORMED SERVICES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 528, House bill 9075.

The **PRESIDING OFFICER.** The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 9075) to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services.

The **PRESIDING OFFICER.** Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That section 203(a) of title 37, United States Code, is amended to read as follows:

"(a) The rates of monthly basic pay for members of the uniformed services within each pay grade are set forth in the following tables:

"COMMISSIONED OFFICERS

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O-10[1]	$1,380.00	$1,428.90	$1,428.90	$1,428.90	$1,428.90	$1,483.20	$1,483.20	$1,597.20	$1,597.20	$1,711.20	$1,711.20	$1,825.20	$1,825.20	$1,939.50	$1,939.50
O-9	1,223.10	1,254.90	1,282.20	1,282.20	1,282.20	1,314.60	1,314.60	1,368.90	1,368.90	1,483.20	1,483.20	1,597.20	1,597.20	1,711.20	1,711.20
O-8	1,107.90	1,140.90	1,167.90	1,167.90	1,167.90	1,254.90	1,254.90	1,314.60	1,314.60	1,368.90	1,428.90	1,428.90	1,542.90	1,542.90	1,542.90
O-7	920.40	983.40	983.40	983.40	1,026.90	1,026.90	1,086.60	1,086.60	1,140.90	1,254.90	1,341.90	1,341.90	1,341.90	1,341.90	1,341.90
O-6	681.90	749.70	798.60	798.60	798.60	798.60	798.60	798.60	825.90	956.10	1,005.00	1,026.90	1,086.60	1,178.70	1,178.70
O-5	545.40	641.10	684.60	684.60	684.60	684.60	706.20	744.00	793.20	852.90	901.80	928.80	961.50	961.50	961.50
O-4	460.20	559.80	597.60	597.60	608.40	635.70	678.90	717.00	749.70	782.40	804.00	804.00	804.00	804.00	804.00
O-3[2]	427.80	477.90	510.60	565.20	592.20	613.80	646.50	678.90	695.40	695.40	695.40	695.40	695.40	695.40	695.40
O-2[2]	342.60	407.40	489.00	505.20	516.00	516.00	516.00	516.00	516.00	516.00	516.00	516.00	516.00	516.00	516.00
O-1[2]	294.60	325.80	407.40	407.40	407.40	407.40	407.40	407.40	407.40	407.40	407.40	407.40	407.40	407.40	407.40

[1] "While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $2,140.20 regardless of cumulative years of service computed under section 205 of this title.

[2] "Does not apply to commissioned officers who have been credited with over 4 years' active service as an enlisted member.

"COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS' ACTIVE SERVICE AS AN ENLISTED MEMBER

"Pay grade	Years of service computed under section 205											
	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O-3	$565.20	$592.20	$613.80	$646.50	$678.90	$706.20	$706.20	$706.20	$706.20	$706.20	$706.20	$706.20
O-2	505.20	516.00	532.20	559.80	581.40	597.60	597.60	597.60	597.60	597.60	597.60	597.60
O-1	407.40	434.70	450.90	467.10	483.30	505.20	505.20	505.20	505.20	505.20	505.20	505.20

"WARRANT OFFICERS

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4	$435.60	$467.10	$467.10	$477.90	$499.80	$521.40	$543.00	$581.40	$608.40	$630.30	$646.50	$668.10	$690.00	$744.00	$744.00
W-3	396.00	429.30	429.30	434.70	440.10	472.50	499.80	516.00	532.20	548.40	565.20	586.80	608.40	630.30	630.30
W-2	346.50	375.00	375.00	385.80	407.40	429.30	445.50	461.70	477.90	494.40	510.60	526.80	548.40	548.40	548.40
W-1	288.90	331.50	331.50	358.80	375.00	391.20	407.40	423.90	440.10	456.30	472.50	489.00	489.00	489.00	489.00

"ENLISTED MEMBERS

"Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
E-9	----------	----------	----------	----------	----------	----------	$494.70	$506.10	$517.80	$529.20	$540.60	$551.70	$580.50	$636.90	$636.90
E-8	----------	----------	----------	----------	----------	$415.20	426.60	438.00	349.40	460.80	472.20	483.60	512.10	568.80	568.80
E-7	$261.00	$312.90	$324.30	$335.70	$347.10	358.20	369.60	381.30	398.40	409.50	420.90	426.60	455.10	512.10	512.10
E-6	225.00	273.00	284.40	295.80	307.50	318.60	330.00	347.10	358.20	369.60	375.60	375.60	375.60	375.60	375.60
E-5	194.10	239.10	250.50	261.60	278.70	290.10	301.50	312.90	318.60	318.60	318.60	318.60	318.60	318.60	318.60
E-4	163.50	204.90	216.00	233.10	244.80	244.80	244.80	244.80	244.80	244.80	244.80	244.80	244.80	244.80	244.80
E-3	117.90	164.70	176.40	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80
E-2	97.50	136.50	136.50	316.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50
E-1	93.90	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10
E-1 (under 4 months)	87.90	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	".

SEC. 2. (a) Chapter 19, title 37, United States Code, is amended by adding the following new section at the end thereof:

"§ 1008. Presidential recommendations concerning adjustments and changes in pay and allowances

"(a) The President shall direct an annual review of the adequacy of the pay and allowances authorized by this title for members of the uniformed services. Upon completion of this review, but not later than March 31 of each year, the President shall submit to Congress a detailed report summarizing the results of such annual review together with any recommendations for adjustments in the rates of pay and allowances authorized by this title.

"(b) Whenever the President considers it appropriate, but in no event later than January 1, 1967, and not less than once each four years thereafter, he shall direct a complete review of the principles and concepts of the compensation system for members of the uniformed services. Upon completion of such review he shall submit a detailed report to Congress summarizing the results of such review together with any recommendations he may have proposing changes in the statutory salary system and other elements of the compensation structure provided members of the uniformed services."

(b) The chapter analysis of chapter 19, title 37, United States Code, is amended by adding the following new item:

"1008. Presidential recommendations concerning adjustments and changes in pay and allowances."

SEC. 3. Section 308 of title 37, United States Code, is amended by adding the following:

"(g) Under regulations to be prescribed by the Secretary of Defense, or the Secretary of the Treasury with respect to the Coast Guard when it is not operating as a service in the Navy, a member who is designated as having a critical military skill and who is entitled to a bonus computed under subsection (a) of this section upon his first reenlistment may be paid an additional amount not more than four times the amount of that bonus. The additional amount shall be paid in equal yearly installments in each year of the reenlistment period. However, in meritorious cases the additional amount may be paid in fewer installments if the Secretary concerned determines it to be in the best interest of the members. An amount paid under this subsection does not count against the limitation prescribed by subsection (c) of this section on the total amount that may be paid under this section."

SEC. 4. Section 310(a) of title 37, United States Code, is amended by striking out "$55" and inserting in place thereof "$65".

SEC. 5. (a) The retired pay or retainer pay of a member of a uniformed service who is entitled to that pay computed under rates of basic pay in effect before the effective date of this Act shall be increased, effective that date, by the per centum (adjusted to the nearest one-tenth of 1 per centum) that the Consumer Price Index (all items—United States city average), published by the Bureau of Labor Statistics, for the calendar month immediately preceding the effective date of this Act has increased over the average monthly index for calendar year 1962.

(b) Section 1401a(b) of title 10, United States Code, is amended to read as follows:

"(b) The Secretary of Defense shall determine the per centum that the Consumer Price Index for each calendar month after the calendar month immediately preceding the effective date of this Act has increased over the base Consumer Price Index (that for the calendar month immediately preceding the effective date of this Act or, if later, that used as the basis for the most recent adjustment of retired pay and retainer pay under this subsection). If the Secretary determines that, for three consecutive calendar months, the index has shown an increase of at least 3 per centum over the base index, the retired pay and retainer pay of members of the Armed Forces who became entitled to that pay before the first day of the third calendar month beginning after the expiration of those three months shall be increased, effective that day, by the highest per centum of increase in the index during those three months, adjusted to the nearest one-tenth of 1 per centum."

SEC. 6. Column 1 of formula 1 and column 1 of formula 2 of section 1401 of title 10, United States Code, are each amended by striking out ", increased, for members credited with two or less years of service for basic pay purposes, by 6%".

SEC. 7. Notwithstanding any other provision of law, a member of an armed force who was entitled to pay and allowances under any of the following provisions of law on the day before the effective date of this Act shall continue to receive the pay and allowances to which he was entitled on that day:

(1) The Act of March 23, 1946, chapter 112 (60 Stat. 59).

(2) The Act of June 26, 1948, chapter 677 (62 Stat. 1052).

(3) The Act of September 18, 1950, chapter 952 (64 Stat. A224).

SEC. 8. The enactment of this Act does not reduce—

(1) the rate of dependency and indemnity compensation under section 411 of title 38, United States Code, that any person was receiving on the day before the effective date of this Act or which thereafter becomes payable for that day by reason of a subsequent determination; or

(2) the basic pay or the retired pay or retainer pay to which a member or former member of a uniformed service was entitled on the day before the effective date of this Act.

SEC. 9. This Act becomes effective on the first day of the first calendar month beginning after the date of enactment of this Act.

Mr. MANSFIELD. Mr. President, let me say for the information of Senators that there is a very good chance that there will be a yea and nay vote on the pending bill.

Mr. RUSSELL of Georgia. Mr. President, the pending bill proposes to increase the basic pay for all of those who are now in the uniformed services. In my opinion, it is essential to our national security to seek to achieve a certain degree of equity in our military compensation system and to do everything that is possible to retain qualified and highly trained personnel. The revolutionary weapons systems now employed by the Armed Forces demand a high order of intelligence as well as thorough training of those who are to operate and maintain them.

Though there has been no formal declaration of war, some of those who wear the uniform are today engaged in armed combat and danger signals fly in many other parts of the world. Sacrifices and hardships are being required of those in our Armed Forces far beyond those of other citizens.

However, the modest increases of this bill do not depend solely upon these dangers and sacrifices. A casual study of pay scales and services rendered by those who serve the Government in every capacity will demonstrate by any known standard of measurement that the modest increases contained in this bill are wholly justified. Even though the total annual cost of the bill is $991,268,000, bear in mind that this provides an average increase for all the active duty personnel in the Department of Defense of only $25.54 a month.

Before discussing the details of this bill, Mr. President, I should like to make a few general observations on our current national defense posture. The Senate considers this bill today against the somber background of the growing crisis in southeast Asia, presently marked by our sharply increased involvement in the war in Vietnam.

At the end of 1962, we had only 9,862 men in Vietnam; at the end of 1963, 16,575; at the end of 1964, 23,000; as of July 16, 1965, a 75,000 buildup was announced; and in recent days an immediate increase to 125,000. Only time and events will determine the ultimate number. Only last week Secretary McNamara, after referring to the 125,000 buildup, declared:

> More help will be needed in the months ahead and additional U.S. combat forces will be required to back up the hard-pressed Army of South Vietnam.

NECESSITY FOR INCREASING ACTIVE FORCES

In order to offset the commitments to Vietnam, the Department of Defense has announced that the active forces will be increased by a total of 340,000 personnel in the beginning in the immediate future.

It is quite obvious, Mr. President, that the buildup in Vietnam has been at the expense of the strategic reserve determined to be necessary in this country for any contingency. Many well-informed people are of the opinion that we have drawn the reserves below the minimum necessary for a safe overall defense posture.

While this 340,000-man increase will in time overcome the deficiencies in our strategic reserves, this buildup at the present time represents only paper units. It will be months before these new units can become effective combat elements of our military forces. The trained men already announced for commitment to Vietnam would be slightly more than the equivalent of a four-division force, which consists of 30,000 men each—15,000 in the combat elements and 15,000 as supporting elements.

UNKNOWN ULTIMATE COST

Mr. President, it is difficult to estimate the ultimate cost of our Vietnam involvement. Only last week the Congress received a request for an additional $1.7 billion because of Vietnam. This request, however, relates only to construction and procurement money in order to gear up the production at a higher level. It requests no additional money for maintenance or for personnel.

Mr. President, the pending $1.7 billion is only a small downpayment on a program that will ultimately involve additional billions of dollars. As an example, the cost of the bill we now consider, based on the original fiscal year 1966 budget, does not take into account the personnel buildup, and is therefore in that sense an understatement.

EFFECT ON NATIONAL ECONOMY

Let me say, Mr. President, that I do not wholly accept the optimistic view that has been expressed in some high places that the continuing buildup in Vietnam will have a limited impact on the overall national economy. Frankly, I cannot understand the casual attitude of some people toward a situation that holds even greater dangers than those that were inherent in the Korean conflict. Operations on even a small scale so far from our sources of production and supply are very expensive. Unless we are prepared to engage in large-scale deficit financing with the danger of all-out inflation, it will take a miracle to simultaneously bear a greatly increased military burden and, at the same time, continue to add to all domestic programs and activities, however desirable some might be. The increasing involvement in Vietnam is rapidly bringing us to a point at which this Congress and the American people will be confronted with hard choices. If we are able to have both butter and guns, we will have accomplished the feat of having our cake and eating it too, which no government in all of human history has heretofore been able to achieve.

We are told that the vast Communist lands of Russia and China are supplying modern weapons to our enemies. The struggle there is rapidly reaching proportions that will strain our fiscal resources. It will endanger the safety of the thousands of young Americans we have sent overseas if we deplete the tax money which should go to our national defense on demands for expanding Government programs and enlarged Government agencies which will not contribute to our survival as a free people in the event someone has made a miscalculation as to the intent of our potential enemies.

I am not suggesting a meat-ax attack on essential nondefense activities of the Federal Government. But I am firmly convinced that we must lay aside the idea that, because one segment of the Government increases in size, all segments must increase, and that it is necessary to establish a new bureau to oversee every conceivable facet and activity of human life in this country. If I read the signs aright, until there is some clearer picture of what lies ahead, the Congress should have the courage to deny requests for inflated appropriations which are justified by contrived arguments of emergency need for programs of dubious value.

Mr. President, returning to the discussion of the pending military pay legislation, I would like to suggest that two points be kept in mind as the details of this bill are developed.

First. This bill provides an average monthly increase for all of the active forces of the Department of Defense of only $25.54 a month, even though this amount represents an average increase of 10.4 percent in basic pay and will involve an additional annual cost of $991 million. I might add that when quarters and subsistence allowances are taken into account, the average increase is only 7.3 percent.

This bill will affect a total of 4,197,483 people, consisting of 2,681,747 on active duty; 1,010,490 in the Reserves; and 505,246 retired personnel.

Mr. President, as an additional item of cost to the $991 million, there is added approximately $56 million for retired personnel, representing the amendment proposed by the Department of Defense changing the cost of living formula.

Second. This bill might be termed an enlisted man's bill, since for persons with over 2 years of service it provides a flat 11 percent for all enlisted men and 6 percent for all officers. While this bill is fair to officers in view of past pay legislation, be it understood that this is the first military pay bill in over 15 years in which the average percentage increase in basic pay for enlisted men has exceeded that recommended for officers.

For that reason I consider the bill as fair to commissioned personnel.

ISSUES BEFORE THE COMMITTEE

Mr. President, before developing the committee rationale for this bill, I would like to outline several of the issues before the committee on this complex matter of military pay.

DEPARTMENT OF DEFENSE POSITION

The Department of Defense took the following position:

First. That military pay legislation this year should be limited to equating a military increase with the proposed recommended increase of 3 percent for civil service personnel, on the premise that the recent military pay legislation of 1962, 1963, and 1964 has been sufficient to attract and retain adequate numbers for our Armed Forces and that until a 4-year review is made in 1966, all Federal salaries, including military increases, should be limited to annual equating adjustments.

Second. That in the formula for equating the military increase with 3 percent civil service increase, recognition should be given to some 29 items of military pay and supplementary benefits, including a factor that involves the accrued cost of military retirement.

Under this formula the Department of Defense recommended a 5-percent increase in basic pay for all personnel except enlisted men with less than 2 years of service for whom a flat 2.7-percent increase was recommended, reflecting the increase in the cost of living since 1963. The annual cost of the Defense proposal would have been approximately $447 million.

HOUSE POSITION

The House committee in developing its bill undertook the following steps:

First. The comparative trends between military and civilian compensation since 1952 were considered as an overall deficiency in military pay was determined as compared to the Civil Service increases since that time.

Second. Different increases were recommended among the military grades through the establishment of a relationship between these grades and certain civil service pay grades.

Third. Rather than the 29-item definition used by the Department of Defense, a 5-item definition of military compensation was utilized consisting of basic pay, the quarters and subsistence allowances, the tax advantage of the allowances, and a 6½-percent imputed deduction for military retired pay.

For personnel with over 2 years of service the use of this formula resulted in an average increase for officers of 6.4 percent, but with increasese ranging from 5 percent for the first lieutenant and captain up to a high of 12.3 percent for the brigadier general; for enlisted personnel an average of 11.1 percent, but with a range from 8 percent for the E–2 private up to 15.3 percent for the E–7 sergeant first class.

For personnel with less than 2 years of service the House recommended an average increase of 22 percent for officers in order to achieve an increase for the entering salary of officers and an average 17.3 percent increase for enlisted personnel with under 2 years, taking into account the increase in the cost of living since 1952. The annual cost of the House version was $995,544,000.

SENATE COMMITTEE APPROACH

In its approach the Senate committee emphasized three points: First, that there should be no structural change in the career military pay rates; that is, no change in the relationship between the various pay grades, pending a thorough review of the entire system. Because of the varying recommended increases, the House bill would result in structural pay changes.

We have heard many attempts at comparison between the pay of those in the Armed Services and those in the civil service of our Government. The committee did not undertake to establish any exact relationship between various military and civil service pay grades because the comparability between the duties and assignment of military and civilian personnel is so uncertain as to make any comparison of doubtful validity.

RATIONALE FOR COMMITTEE POSITION

Mr. President, it is the underlying premise of the bill that a comparison of the past trends of military and civilian compensation since 1952 justifies the increases recommended by the committee. As indicated by the committee report, as of the present there has been a 46.3 percent increase in civil service compensation since 1952, as compared with a 33.9 percent overall increase in military compensation.

When this military increase is broken down into the various categories, the percentage increases are as follows: for enlisted men with under 2 years of service, .8 percent; for officers with under 2 years, 11.7 percent; for enlisted men with over 2 years, 32.4 percent; and for officers with over 2 years, 44.1 percent.

With the 3 percent increase recommended for civil service personnel, which it appears might be exceeded if the 4.5 percent House recommendation prevails, the civil service increase since 1952 would be 50.9 percent, with the average for GS–7 grade and above of 52.3 percent. With the recommended basic pay increases, the military increases in relation to 1952 would be as follows: For all military 43.1 percent; for enlisted under 2 years, 12.9 percent; for officers under 2 years, 27 percent; for enlisted over 2 years, 42.4 percent; and for officers over 2 years, 50.9 percent.

I might add, Mr. President, that beginning in 1955 there have been six civil service increases as compared to four basic pay increases.

AMOUNT OF INCREASES

Mr. President, as I have already indicated, the overall average increase for all the active duty forces for the Department of Defense is 10.4 percent, which provides an average increase of $25.54 a month. The bill can be fully understood, however, only if each of the pay categories are separately discussed.

In summary, Mr. President, the committee recommends, first, for those with under 2 years, the adoption of the House rates; second, a flat 6-percent basic pay increase for officers with over 2 years of service; and third, a flat 11-percent basic pay increase for enlisted men with more than 2 years.

UNDER TWO RATES

Mr. President, for personnel with less than 2 years of service the Senate committee recommends the adoption of the rates passed by the House. Under this proposal the average increase for officers would be 22 percent. For the second lieutenant this would be an additional $53.43 a month with his average monthly pay and allowances advancing from $395 to $448, or about $5,380 a year. One factor the House had in mind was that the entry pay of college graduates in the civil service and elsewhere is in many instances at an annual salary of slightly over $6,000.

For enlisted personnel the overall average increase in basic pay would be 17.3 percent, with the increases by grade ranging from 12.7 percent for the E–1, up to 33.6 percent for the E–5 with under 2 years of service. The dollar amounts range from $9.90 for the E–1 with under 4 months up to $48.86 for the E–5. Under these rates the approximate average monthly basic pay would range from about $90 up to $194 and if such persons were entitled to allowances because of dependents this pay would range from $185 for the E–1, recruit, up to $331 for the E–5, sergeant.

Mr. President, the enlisted basic pay scale for under 2 years of service has not been increased since 1952. The House adopted an average increase of 17.3 percent, which is approximately the equivalent of the 16.9 percent advance in the cost of living between 1952 and 1964. An increase is justified under any standard of measurement and the House recommendation appears to be a reasonable approach as to the amount. The slightly additional percentage recommended for the officers with less than 2 years of service appears justified. Most young officers do not require lengthy periods of training upon their initial call to active duty. They are either ready for an immediate duty assignment or require only a short refresher course. The lengthy training period required for many enlisted assignments does not apply to the young officers.

OFFICERS OVER 2 YEARS

Mr. President, the Senate recommends a flat 6-percent increase for officers with over 2 years of service, as contrasted to the range in the House version which varied from 5 percent for the first lieutenants and captains up to 12.3 percent for the brigadier generals. The application of the flat 6 percent would result in the following examples of monthly increases: approximately $22 for the second lieutenant; $53 for the lieutenant colonel; $87 for the major general; $120 for the full general. Examples of average total compensation, including allowances, are as follows: for the first lieutenant a monthly amount of $650, or about $7,800 annually; for the major $980, or $11,776 annually; for the colonel $1,323, or $15,868 annually; for the major general $2,002 monthly, or about $21,500 annually.

The 6-percent increase in basic pay for officers with over 2 years of service would bring the average increase in compensation over the 1952 rates to 50.9 percent.

ENLISTED OVER 2 YEARS

For enlisted men with over 2 years of service the committee recommends a flat 11-percent increase, with monthly increases ranging from approximately $12 for the E–1, recruit, up to $56 for the E–9.

Including allowances, examples of average monthly compensation would be $281 for the E–3, private first class; $499 for the E–6, staff sergeant; up to a high of $717 for the E–9, sergeant major.

In terms of the 1952 pay scale the existing pay scales represent a 32.4-percent increase. The rates under this bill would increase this percent to 42.4 percent. All of the pay rates and comparative increases are set forth in detail in the committee report.

INCREASE IN HOSTILE FIRE PAY

There is one rather significant amendment in the Senate bill. We increased the combat pay—the pay to those who are under fire or in danger zones—by $10 a month, or 18 percent. That might seem to some like a small increase. It does seem to be a small increase for those who are under enemy fire. But at least it recognizes, and the country takes note of the fact, that those men are in an actual danger zone and are engaged in combat.

Today our national defense system utilizes computers, analysts, and every means of electronic sophistication that the mind of man has been able to develop. But in the final analysis, in a situation such as confronts our country in Vietnam, all those sophisticated systems are secondary. All those systems will not win any conflict in Vietnam. There we must rely primarily, as we have in every war in which our country has ever been engaged, on the GI, the sloshing foot soldier, and the junior officer, who are there undertaking to ferret out the enemy in the jungles and in the swamps.

OTHER PROVISIONS OF BILL

The committee accepted without change the language in the House bill for a variable reenlistment bonus under which, upon the first reenlistment, men with critical skills could be given a bonus up to four times the amount of the present normal reenlistment bonus as an incentive for reenlistment. At the present time, as in the past, reenlistment rates are lowest among men with critical technical skills, which means that we lose from the Armed Forces men on whom we have spent the largest sum for training. This increase in the reenlistment bonuses is designed to make a career in the Armed Forces attractive to those men. It is our devout hope that the new authority will improve the reenlistment problem.

The so-called proficiency pay system that was enacted in 1958 as a means for meeting the critical skill problem has been used only to a limited extent by the Department of Defense. We can only hope that the variable reenlistment bonus will be properly utilized. This country has spent literally billions of dollars in training men in the use of new weapon systems and electronic gear, only to have them, when they finished their training and their enlistment—and sometimes they are almost simultaneous—walk off and go over to a defense plant that is doing 100 percent Government work and is being paid tax money, in order to receive much higher compensation than they would receive in the Armed Forces.

There is a provision of the bill which would require that the President direct an annual review of the military pay and allowances and report to the Congress not later than March 31 of each year, together with any recommendations for adjustments.

In addition, the bill would require a complete Presidential review each 4 years of the entire military compensation system, with the first report due not later than January 1, 1967.

There is nothing new in this general requirement, because an annual report is already required in civil service pay laws.

I know that I shall be considered by some to be an alarmist, but I have not been able to view the current fiscal situation in our country with the complacency with which it is regarded by the great majority of our people, including our leaders, our editorialists, and our columnists.

At the request of the Department of Defense, in a special message sent to the Senate after the bill passed the House, we have added to the bill a provision which increases the cost by $56 million a year for increases in the retirement pay for military retirees. A similar increase has been agreed to for civil service retirees; and it has already passed the House of Representatives.

These increases amend existing law, which requires they be made when the cost-of-living index has advanced by 3 percent or more for an entire year.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. RUSSELL of Georgia. I yield.

Mr. ROBERTSON. First, I commend the excellent statement made by the distinguished Senator from Georgia about the need for increasing the payroll of military personnel and about the financial problem involved in the current war in South Vietnam.

It has been my happy privilege to serve on the Appropriations Committee with the senior Senator from Georgia since 1947; therefore, I know how well prepared he is to warn us about the fiscal dangers that we now face.

I also know, because I serve on the Committee on Public Works, of the wonderful projects that have been awarded to Georgia in the past 20 years. I also know that a considerable number of vital military facilities are located in Georgia. All of those projects had great merit; I do not question that. But even when projects have merit, somebody must explain the merits, and the Senator from Georgia has never had the slightest bit of difficulty in that regard.

Mr. RUSSELL of Georgia. I thank the distinguished Senator from Virginia. I hope he will refrain from making any more statements of that kind in the Senate, but will make them in Georgia, instead.

Mr. ROBERTSON. I shall be glad to make them down there. My eldest son is very much committed to Georgia. He lives in Atlanta and thinks that Georgia is the greatest State in the Union.

Yesterday, I said that I thought a new department would increase spending, to start with, by $7.5 billion, and that the amount would pyramid to $14 billion.

The senior Senator from Virginia [Mr. BYRD] said that the amount could go as high as $75 billion. I made a quick survey of appropriations, including the amount to be appropriated for this pay bill, and I came up with the answer that we are now committed to $107 billion of appropriations.

I had the Joint Committee on Internal Revenue Taxation supply me with its best estimate, which is that revenue will be $94.7 billion. That will leave $12.3 billion of deficit financing at a time when the Federal Reserve Board has said that the gross national product is running close to $660 billion, an all-time high, and when, in July, more persons were employed than ever before in history.

I agree with the Senator from Georgia that if we plan in the months and perhaps years that lie ahead—because no one knows when we will get out of southeast Asia—to have both guns and butter, we shall have some very high-priced butter.

I again commend the distinguished Senator from Georgia for the fine statement he made on this general subject.

Mr. RUSSELL of Georgia. I thank the Senator from Virginia.

My point is that we already have inflation, as reflected by the rise in the cost of living. This legislative request recognizes the need for increasing retirement pay on a more timely basis for those retired from the military service and those retired from civil service of the Government. The law now provides for such increases when there has been an advance of 3 percent in the cost of living for a year. It is recognized that other advances in the cost of living are expected, because the bill that was sent to Congress by the executive branch of the Government provides that retirement pay increases hereafter shall be authorized whenever the Consumer Price Index advances by 3 percent or more for 3 consecutive months after a previous increase, rather than 12 months. As of this June, the Consumer Price Index has advanced over 4 percent and we can expect that at least this amount will be paid to retirees in the near future under the formula of this amendment.

Mr. President, the amendment will result in an immediate increase in retired pay for persons on the retired list prior to the effective date of this bill. This provision is in two parts: first, it provides for a one-time increase based on the advance in the Consumer Price Index between 1962 and the month before the effective date of this act; and second, it provides for a change in the permanent law under which retired pay increases hereafter will be authorized whenever the Consumer Price Index advances by 3 percent or more for 3 consecutive months after a previous increase. Existing law requires that the index must have advanced by 3 percent or more for a full year. This amendment did not reach the Congress until July 29 and consequently the House did not have the opportunity to consider it. The administration recommended this provision and similar language is included for civil service retirees which has passed the House. The amendment adds approximately $56 million to the cost of this bill. Although this amount must be technically included, it would probably be fair to state that the net annual cost of this item is only about $33 million, since the principal effect is to advance by 7 months what the retired people would be entitled to in any event, beginning in April of 1966.

The bill will be effective on the first day of the month following the date of its enactment.

Military pay, like any other compensation increases, is, in the final analysis, a matter of judgment and must be considered in light of the facts and conditions that exist at the time.

There is no doubt in my mind, due to the fact that those in the military service are not organized and are not able to press their case with the same vigor before Members of Congress as the civil servants of the Government, that the pay of the military has run behind year after year.

It does not reflect any credit on Congress that because of the pressures to which we have been subjected we have increased the compensation of civil employees year after year, while we have not given the same timely increases in the pay of those who wear their country's uniform.

In my opinion, the bill is fully justified. I hope that it will provide a greater measure of pay equity for our men and women in uniform. I urge Senators to support the amended bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MANSFIELD. Mr. President, will the Senator yield to me before he yields to the ranking member of the committee?

Mr. RUSSELL of Georgia. I yield to the majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I would like to propound a unanimous-consent request and have it appear at the appropriate place in the RECORD. I have discussed the proposal with the leadership on the Republican side and with the members of the committee.

I understand that only one amendment is to be offered, and that will be by the distinguished junior Senator from Wisconsin [Mr. NELSON].

I ask unanimous consent that on the Nelson amendment there be a time limitation of 1 hour, 30 minutes to be under the control of the Senator from Wisconsin [Mr. NELSON] and 30 minutes to be under the control of the Senator from Georgia [Mr. RUSSELL], chairman of the committee.

The PRESIDING OFFICER (Mr. BASS in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. RUSSELL of Georgia. Mr. President, on the passage of the bill I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL of Georgia. Mr. President, I yield to the Senator from Massachusetts, the ranking minority member of the committee. He is thoroughly familiar with all the operations of the Department of Defense and all the conditions that exist among military personnel.

Mr. SALTONSTALL. I thank the Senator from Georgia.

Mr. President, the Senator from Georgia, who has been chairman of the committee for many years, has prepared the bill in what I believe is a very thoughtful and helpful manner. The bill provides for a careful analysis of the entire military pay structure next year. We hope that in the meantime the military personnel will be given the pay increases they deserve.

I agree with the preliminary statement of the chairman about guns and butter, and about the great increases in appropriations that will be necessary this year and certainly next year and the year after These increases, and many others outside the military, are entirely justified, and with them I agree. I believe one of the great problems of the Appropriations Committee this year, next year, and the year after will be to distinguish between what is needed for the military and the security of our country and the tremendous increases in Government services here at home. I shall join the Senator from Georgia in examining into these matters very carefully.

With relation to the pending bill, as the ranking minority member of the Committee on Armed Services, I wish to emphasize that the military pay bill was unanimously reported by the Committee on Armed Services. An increase in military pay is amply justified at this time. The committee has recommended to the Senate a bill that is simple in its approach and at the same time meets the objective of improving our military compensation system.

The Senator from Georgia mentioned, without going into detail, the civil service raises and the military raises in the past 10 years. There have been six civil service raises beginning with 1955, and a seventh will soon be considered by Congress. In the civil service, those raises amount to an increase of 46 percent between 1952 and the present.

In the military in the same period of time there have been four basic pay and one quarters allowance increase. However, with all the increases and benefits, the military have only received an increase of 33 percent as opposed to an increase of 46 percent received by those in civil service.

As the Senator from Georgia has so well said, we can never make a complete comparison of these two pay scales, the civil service and the military.

We know that the military service involves an entirely different concept of rendering service to a country. Each one is doing its part in building up our security. We know that more must go into the matter than merely a pay increase. We must always remember that. Therefore we can never put those two services on a comparable basis. I believe that the Senator from Georgia has very well covered that.

What the committee did was to examine the comparative increases that have been authorized for military personnel and civil service personnel over the past 15 years, and on the basis of these trends, the committee decided to recommend the increases contained in this bill.

I shall briefly go over some of the highlights in, perhaps a little more detail, than did the chairman.

First. It affects a total of 4,197,483 people, including all those on active duty, in the Active Reserves, and in a retired status. When the additional cost of $56 million for the retired personnel is considered, the total cost of the bill on an annual basis is $1,048,029,000. For the Active Forces the bill would authorize a 10.4-percent increase in basic pay, involving an average amount of approximately $25 a month for each person.

Second. Mr. President, for personnel with less than 2 years of service the Senate recommends the adoption of the House rates which average 22 percent for officers and 17.3 percent for enlisted personnel.

In other words, we adopted the House standards in that regard because we believed that the officers and servicemen in their first 2 years should receive additional benefits.

Third. For personnel with over 2 years of service the committee recommends a flat 6 percent increase for officers and a flat 11 percent increase for enlisted men. These increases for the officers will range from $22 a month for the second lieutenant up to $120 for the chief of staff. For the enlisted personnel these increases will range from $12 a month for the lowest enlisted grade up to a high of approximately $56 for the E-9, the top enlisted grade.

Mr. President, it was the opinion of the committee that the flat across-the-board increases for the career personnel was much preferable to the House version which involved varying percentages, with the largest percentage increases being recommended for the higher ranking officers and the higher ranking enlisted men.

I say again that the chairman of our committee wisely based our increases in the Senate measure on a percentage basis rather than trying to distinguish between the various grades in the service and trying to correct them.

Under the Senate version, the flat across-the-board increases will not cause any changes in the military structure and avoids the problem of trying to establish a relationship between the military and civil service pay grades.

Fourth. I wish to commend the chairman for recommending an increase of $10 a month in the hostile fire pay. This increase from $55 to $65 a month is a much deserved token of recognition for our men who are serving in Vietnam.

Fifth. The bill, as the chairman has indicated, contains a revision in the cost-of-living formula for increasing the pay of retired military personnel. This provision will affect approximately 505,000 persons and under the formula of the bill can be expected to provide an immediate increase of about 4 percent in their retired pay. The exact increase will depend on the advances in the Consumer Price Index between 1962 and the month before the effective date of this bill. I am advised, Mr. President, that present indications are that the increase will be at least 4 percent.

Sixth. The last point I would like to emphasize, Mr. President, is that this bill would require the President to make an annual review of military pay and allowances together with an annual report to the Congress. The bill also contains a further requirement for a complete Presidential review of the entire military compensation system every 4 years. I realize that the military pay has been under constant examination within the Department of Defense. It is well, however, that we have now formalized this requirement in order that Congress will have the opportunity to study the reports that will be made to it.

Mr. President, this is a wise, simple, and much needed measure. I urge its immediate adoption by the Senate.

I, certainly, as one member of the committee, and I know that I speak for them all, commend the work done by the chairman of the committee in working out the bill, the percentage increase, the retirement and the re-enlistment bonus and all that goes with it. The distinguished Senator from Georgia deserves a great deal of credit. I hope that when the bill is voted on the vote will be unanimous.

Mr. RUSSELL of Georgia. Mr. President, I thank the Senator.

If the Senator will indulge me, there is one technical amendment which I offer with relation to two or three words that were omitted from the bill by inadvertence.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. An amendment is proposed by the Senator from Georgia [Mr. RUSSELL] as follows:

> On page 9, line 12, after the word "member" insert the words "or former member".
>
> On page 10, line 9, after the word "members" insert the words "or former members".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. RUSSELL of Georgia. Mr. President, I yield to the Senator from Kentucky.

Mr. MORTON. Mr. President, I thank the distinguished Senator from Georgia.

May I first ask what the increment is in the cost to the Government of the House-passed bill?

Mr. RUSSELL of Georgia. It is $4 million more than the Senate bill which we have before us. The House bill would cost approximately $995 million, as opposed to approximately $991 million. The Senate bill is slightly less.

Mr. MORTON. What was the amount of the administration request?

Mr. RUSSELL of Georgia. The amount was $447 million.

Mr. MORTON. As one who has been a stalwart supporter of this administration in every effort to achieve economy, I would be persuaded by their arguments, but the arguments of the Senator from Georgia have been so persuasive that I shall vote for his measure.

Mr. RUSSELL of Georgia. Mr. President, I thank the Senator. I am easily persuaded also in the interest of economy so long as it is fairly administered. However, it did not seem to me in this case that it would be fairly administered.

Mr. MORTON. Mr. President, I believe that the Senator has made a great case.

Mr. RUSSELL of Georgia. Mr. President, I thank the Senator.

Mr. SIMPSON. Mr. President, I support the military pay legislation being considered today by the Senate. The proposal, as reported to the Senate by the Armed Services Committee, is essentially the same proposal that I introduced on June 30 of this year. Senators BENNETT and MURPHY are cosponsors of my bill, S. 2230.

I appeared before the Armed Services Committee on July 29 and urged the committee to consider the many reasons for granting a substantial military pay increase at this time. I called for an average basic pay increase of 10.6 percent. The committee-approved bill would provide for an increase of 10.4 percent.

The real reason for such an increase is twofold. First, it is imperative at this critical time that our Armed Forces be able to attract outstanding professional people. Second, it is essential that our Armed Forces offer sufficient incentive to keep those people. Our mission, then, in considering a military pay bill is to get and to keep.

Gen. Omar Bradley was a member of a "blue-ribbon" panel appointed by the President to study military pay. In the report of that panel, known as the Folsom Committee, General Bradley said:

> Substantial increase in current pay at this time appears to be the simplest, most effective, and in the long run, cheapest solution if the services are to retain the hard core professionals which the Nation so desperately needs.

As the Senate can note, my bill, and the bill as reported by the Armed Services Committee, place heaviest emphasis upon raising the pay levels for both officers and enlisted men in their first 2 years of service. It is these junior men who have suffered the greatest inequity under our past pay structure. At the present time a private in the service of his country receives a base pay of $78 a month. This amounts to only 17.5 percent of the average monthly wage or salary of all other people in the United States. The recruit's base pay has not been increased since 1952—a period of 13 years—a period that has seen Federal civilian pay increases of over 46 percent.

It is in the first three enlisted ranks that the greatest hardships are being experienced by our servicemen. In the Air Force alone 5,000 Air Force enlisted men have received welfare payments, nearly 60,000 more are technically eligible for relief but are too proud to accept it, and nearly 170,000 receive basic pay below what the Government considers poverty levels. Department of Defense studies indicate that during calendar year 1964 approximately 34 percent of all enlisted personnel in the continental United States, at one time or another, engaged in "moonlighting" activities. In addition, the wives of many servicemen are required to work in order to adequately support their families. The number of hardship discharges from the military services has increased at an alarming rate—from 9,533 in 1963 and 10,294 in 1964 to an estimated 12,668 this year.

It is timely that today when our country has voiced its strong commitments to the beleaguered people of Vietnam and has intensified our military efforts there that we carefully consider the quality of our military services. It is not enough to get and train a fighting force. We must encourage the best and most highly trained people in the services to stay on in their vital roles. As the experiences in Vietnam are showing us, it is the man who has survived in combat who has in the past—and will in the future—form the very heart of any military organization. Combat experience, especially the highly specialized guerrilla warfare of Vietnam, must be recognized as a military skill that is fully as important as any support speciality.

Our Armed Forces cannot afford to lose a large proportion of those men serving in combat in Vietnam following the expiration of their initial obligated service. The war in Vietnam will be a long war. We cannot afford now to see our fighting men choose to leave the battlefield simply because they have not been given adequate pay.

Mr. President, I urge the Senate to adopt the pay bill before us. Our votes will be a concrete vote of confidence by the Senate and by the Nation for the efforts and sacrifices of our fighting men everywhere.

I thank the distinguished Senator for yielding to me.

Mr. RUSSELL of Georgia. I thank the Senator for his statement. I also wish to thank him for his appearance before the committee. He was helpful to us in the formulation of the bill.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. RUSSELL of Georgia. I am glad to yield to the distinguished Senator from Colorado.

Mr. DOMINICK. I join my colleagues in commending the Senator for the fine work which I know the chairman did on the bill, as he does on all other bills which come before the committee.

I have not had an opportunity to read all the hearings. There are a couple of questions in connection with which I thought perhaps the Senator could help me.

I notice, first, that the percentage of increase for first and second lieutenants with less than 2 years' service is in the neighborhood of 22 percent, and that the pay increase for first and second lieutenants with more than 2 years' service is considerably less than that.

My question is—because I do not know the whole salary structure as well as I should—is there any possibility that a newcomer to the service, by virtue of this increase, could find himself receiving more than men who have been in the service longer but who have not received a pay increase because it has been frozen?

Mr. RUSSELL of Georgia. No; that would not be possible.

Mr. DOMINICK. That is very comforting. That was my main question.

Mr. RUSSELL of Georgia. That would not be possible.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. RUSSELL of Georgia. I yield to the distinguished Senator from California.

Mr. KUCHEL. My friend and a very able California Representative in Congress, the Honorable CHARLES GUBSER, who represents Santa Clara County in my State, has been most interested in the problem of retirees recomputation, and cost-of-living increases for them. I share his delight that under the leadership of my friend, the chairman of the Armed Services Committee, the committee has put in the bill a cost-of-living increase for retirees. I want to ask my able friend if the fact that this action has been taken in committee would not in any way prejudice the hearings which might be held in the House, and perhaps in the Senate, on the whole problem of recomputation of retired pay for military personnel no longer on active duty.

Mr. RUSSELL of Georgia. Oh, no; we could not take any action in this bill which would necessarily preclude any action that Congress might desire to take in that direction at some future date.

Mr. KUCHEL. Mr. President, I wrote a letter to Secretary McNamara on May 13, 1965. I want to read one short paragraph of what I wrote to the Secretary of Defense:

> Recently I have received a most thoughtful letter from a very able Californian who is the son of a distinguished family and who is currently serving as a doctor in the medical corps of the U.S. Air Force. This young man wants to make the service his career. He was one of the top men in his class at medical school. He is concerned, and after reading his letter I am deeply concerned, regarding the inequities which do exist between the services with regard to promotion and salary for doctors—

I might say parenthetically to my able friend, the chairman of the committee, and all professionals in the healing arts—

> at a similar level of competence. He is also concerned, as I am concerned, with the apparent failure of the services to recognize those doctors who have secured extra training and passed board certification in their specialty.

With my letter to Secretary McNamara, I enclosed the letter from my constituent, a medical officer in the U.S. Air Force.

I received an answer, dated May 26, 1965, from the Hon. Norman S. Paul, Assistant Secretary of Defense for Manpower. I then wrote a second letter, on August 3, and received a second reply on August 10, this time from the Acting Assistant Secretary of Defense for Manpower, the Hon. Stephen N. Shulman, all of which indicate to me there are different laws pertaining, on the one hand, apparently, to the naval serviceman and, on the other hand, to the Army and Air Force with respect to the problem of compensation for doctors in the several branches of the services.

As I read this correspondence, some of the inequities which are conceived to be present, could be eliminated by administrative action. Other inequities would require appropriate legislation.

I simply want, in the midst of this debate, ably led by my colleague, to introduce into the Record this correspondence and to venture my own hope that to the extent the Secretary of Defense and other responsible administrators in the Pentagon can eliminate inequities which exist between the promotion opportunities, the compensation, and fringe benefits received by officers in the Medical and Dental Corps of the various services, it is my own feeling that they should be eliminated and eliminated rapidly. To the extent that legislation might be required, I want to voice my own hope that my able friend may in the next Congress be able to make that possible. The military services of our Nation urgently need to retain the ablest and the most qualified medical officers it can secure. Both Congress and the administration have an urgent duty to see that the necessary actions are taken.

Mr. President, I ask unanimous consent to have printed in the Record the correspondence to which I have referred.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

May 13, 1965.

Hon. Robert S. McNamara,
Department of Defense,
Washington, D.C.

Dear Mr. Secretary: As a Senator I have long worked for anything that could be done appropriately to add dignity to those who are devoting their life to our military services and to the protection of the United States in terms of pay, accommodations, and other benefits so necessary if we are to encourage qualified officers and enlisted men to make the military service their career.

Recently I have received a most thoughtful letter from a very able Californian who is the son of a distinguished family and who is currently serving as a doctor in the Medical Corps of the U.S. Air Force. This young man wants to make the service his career. He was one of the top men in his class at medical school. He is concerned, and after reading his letter I am deeply concerned, regarding the inequities which do exist between the services with regard to promotion and salary for doctors at a similar level of competence. He is also concerned, as I am concerned, with the apparent failure of the services to recognize those doctors who have secured extra training and passed board certification in their speciality.

I do hope that you will take time to glance at this correspondence and perhaps have a member of your staff inquire into the reasons for discrimination in these matters between services and also what all services might do to provide greater career opportunities which would encourage the highly qualified and motivated doctor to dedicate his life to the military service.

With kindest regards,
Sincerely yours,
Thomas H. Kuchel,
U.S. Senator.

Constituent Letter

There are two closely related and primary problems which I believe cannot be truly separated. These are promotion and pay.

Promotions: At the present time a physician finishing medical school enters the Service as a Captain when starting his internship. The U.S. Air Force keeps him in that rank for the next 9 years regardless of his ability, training, motivation, performance, or other factors. There was only one significant exception in the U.S. Air Force Medical Corps during this present fiscal year. This promotion from O–3 (captain) to O–4 (major) is a full 5 years behind the U.S. Navy, 4 to 5 years behind the U.S. Army, and about 6 years behind the Public Health Service. This has continued to be true for several years and the difference is growing. It is very difficult to believe that every physician in the Air Force is grossly inferior to every physician in these other services; yet, that is the way they are paid and treated. The higher ranks experience similar, although not as flagrant, promotion policy differences between the various military branches.

In my case as in many others, after internship I took 4 years of residency training in internal medicine, one more than the usual. I was chief resident and a full-time medical school faculty member at a major university and became, in January 1963, the youngest physician in the United States to be certified by the American Board of Internal Medicine. Yet it was more than 2 years more before I was promoted to the rank of major. This could not happen in the other Services. Neither I nor others received any comment from the Office of the Surgeon General upon board certification, probably the single biggest event in medical professional experience. Promotion is just as fast (or slow) for those who take no extra training of any type and just do enough to get by. All specialists feel this injustice very greatly and this is a prime reason for the massive dissatisfaction among the U.S. Air Force medical specialists.

Pay: The factor of pay is closely related to the above. For example, an intern who finishes the year and takes the 8- to 9-week primary course in aerospace medicine in the U.S. Air Force receives an extra $1,320 a year, and, after 2 years, from $2,000 to $3,000 per year more than the specialist. This is in spite of the specialists 3 to 5 years of extra training plus experience and specialty boards. This is just not acceptable. The fully trained, qualified, and certified physicians should receive from $250 to $500 a month additional pay. In the Veterans' Administration for many years, board certification has resulted in an automatic approximate 25-percent increase in salary and promotion.

The pay given medical officers is completely unrealistic when compared with the pay received in civilian practice. In 4 or 5 years of group or single practice, the physician makes from $25,000 to over $50,000 per year. He often receives many group practice fringe benefits which compete grossly with the benefits offered by the military without the definite disadvantages of military life. The fact of possible combat and real dangers of cold war—peacetime military operations must be remembered and are usually forgotten completely. These do not exist in most civilian practices.

While it is possible for the lazy physician to survive in the military and do as well as the outstanding physician, my experience with many young Regular officers has proven that they have been generally very well qualified physicians who were well motivated for personal and professional excellence. Many of them were definitely motivated for a career and would have remained if the above two main factors were adequately solved. Unfortunately, almost every one has resigned as soon as his obligated time is repaid.

The gross figures of the retention rate are markedly distorted by the presence still of many physicians with previous active duty who are now approaching 15 to 20 years of total active service. There are very few remaining who have from 9 to 15 years of active duty. This is partially demonstrated by the figures of 1 year ago which revealed several more full colonels than lieutenant colonels on active duty and far more of both than majors in spite of the 3,000 captains in the Medical Corps.

An example of promotion problems occurred on July 1, 1964, at U.S. Air Force Hospital Andrews when three of our physicians with 7 to 9 years of active duty resigned, still captains. The promotions they would have received on July 15, 1964, reverted to the line and were lost to the Medical Corps completely. Again, as I understand it, this could not happen in the Navy or Army because the Medical Corps is separate from the line of those services rather than totally dependent upon it as in the U.S. Air Force. Although the promotion problem is critical for the entire U.S. Air Force, it is a fact that physicians are in short supply and can command far greater rewards in satisfaction as well as in financial terms in civilian life. The retention problem is critical now for physicians and failure to correct it now will have prolonged adverse effects on the U.S. Air Force.

The prime point of concern in the current career retention problem is how many physicians with less than 15 years of active duty are remaining on active duty after they have finished all their obligated military time. There are very few and the loss of these leaves a void in the career group. Unfortunately, this factor is not mentioned or discussed by the Air Force or the Department of Defense when considering the present acute problem of retaining well-qualified physicians needed for future Air Force medical care and leadership.

There are many other less important problems related in large part to military policies, way of life, etc. Among these, the most marked are the problems of inadequate housing, schools, frequent moves, and the ultimate chain of command and commanders who fail to realize that medicine cannot be completely dictated and that rank alone does not make professional decisions valid. It is obvious that far too often the public and military equate higher rank with increased professional knowledge and ability. It is obvious from the previously outlined "selection process" that this is far, far too often not true.

In summary, the greatest threat and actual results of present U.S. Air Force, Department of Defense, and congressional policy is that very few well-qualified physicians, especially in clinical specialties, are being retained past their obligated time. Over the next few years this selection out of most of the best medical officers is bound to lead to a mediocre medical service and result in a significant reduction in national defense potential which cannot be rebuilt for years. This will be most striking when the senior group, near the 20-year retirement zone, retire and leave very few experienced senior and middle officers. This is an irreplaceable group which is needed for quality and effective medical care. I do not believe even the line desires to have only the mediocre physician remain for his and his family's care. What is needed is immediate and radical correction of these deficiencies. Most important are earlier promotion and higher pay including specialty pay. Only then will it be possible to eliminate the poor physician rather than most of the good ones.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., May 26, 1965.
Hon. THOMAS H. KUCHEL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KUCHEL: This is in response to your letter of May 13, 1965, which commented on and included as an enclosure an excerpt from a letter from a medical officer in the Air Force.

The contrast in rates of promotion of medical officers in certain grades in the Air Force to the promotions of medical officers in the Army and Navy does not result from discriminatory practices. In the grades concerned, the promotions of Air Force officers generally are adversely affected by the current statutory restrictions on the numbers of officers who may serve in the several field grades. These restrictions, for reasons which now are only historic, are more severe than in the Army and Navy.

For the past several years, temporary statutory authorizations to exceed the grade limitations have been sufficient only to avoid greater deterioration in the promotion situation in the Air Force, and have not permitted progress toward greater uniformity with the other services. A legislative proposal to establish generally uniform officer promotion laws for the several armed services has been submitted to the Congress, but as yet has not been introduced. Among other important effects of this proposal, the grade limitations applicable to the Air Force would be made comparable to those applicable to the Army and Navy. If enacted, this proposal would enable the Air Force within the next few years to offer opportunity to its officers similar to that available to the Army and Navy.

I am sure that a medical officer's achievement of Board certification not only is a matter of record but also that it is a significant factor in his prospects for selection to higher grade. Where promotions are restricted by grade limitations, as at present in the Air Force, this may be a somewhat delayed benefit and, regrettably, the individual officer may well have the impression that his efforts are unrecognized. The emphasis on specialized medical education is well illustrated by the in-service educational programs administered by the military medical services.

Your constituent's comments concerning the unsatisfactory situation in retention of career medical personnel describe a very real problem that is a matter of great concern. The discrepancy between the pay of a military medical officer and the opportunities available in civilian practice reasonably can be supposed to be a significant factor.

As you are aware, the Congress has authorized a number of special monetary benefits for medical officers, including pay credits for professional education and monthly incentive pay, in an effort to meet the different competitive situation created by the nationwide shortage of doctors. These benefits, together with the extensive in-service educational programs, do not appear to have solved our problems. The rectification of the Air Force promotion situation will have beneficial effects on the relative position of that service, but it will not alleviate the problems common to all of the services. I assure you that these problems not only are recognized, but are the target of serious and continuing study.

Sincerely,

NORMAN S. PAUL,
Assistant Secretary of Defense (Manpower).

AUGUST 3, 1965.
Hon. NORMAN S. PAUL,
Assistant Secretary of Defense (Manpower), Department of Defense, Washington, D.C.

DEAR MR. PAUL: I have your letter of May 26 in response to mine of May 13 to Secretary of Defense McNamara expressing concern with regard to the inequities which exist between the military services as to promotion and compensation for medical officers of similar levels of competence. I have thought over your reply and am glad to know you share my concern with regard to these discrepancies. As you know, H.R. 7596 is now before the Senate Committee on Armed Services for consideration. So that I might have the necessary information available to me should this legislation be reported to the Senate, I would appreciate answers to the following questions:

With regard to specialty pay, can it now be granted independently in recognition of special competence or must it be tied to the proposed Bolte legislation? If it can, could it be granted to recognize educational and clinical achievement for medical officers as exemplified by board certification with additional pay at least commensurate with flight pay? In addition, could medical officers, in the Air Force or other services, be promoted a grade upon board certification? I would appreciate knowing if such changes would take legislation or whether they could be carried out under existing law by changes in various administrative and personnel regulations.

I agree with you on the severe restrictions which have been placed on promotional opportunities for Air Force medical officers. Must Air Force medical officer promotions be tied to line promotions in the Air Force? Are medical officer promotions in the other services tied to their line promotions? In view of the obvious shortage of medical officers and the low retention rate, could such promotions be considered independently of the line? Would this require statutory change; if so, which statute? I would like to know also if it would be possible to base promotions on education and continuing achievements directly related to one's competence in a professional field rather than merely on time in grade? My understanding is that the Navy's Bureau of Medicine and Surgery and the Army's Office of Surgeon General are not related to the line of their respective services and that this is the reason why medical officers in these services are relatively better off than those in the Air Force. Is the Air Force's Office of Surgeon General organized differently, on a statutory or other basis, from the similar units in the other services? Does this fact affect promotional opportunities for Air Force medical officers? What progress has been made and what is the thinking of the Department of Defense on improving the consistency of promotional opportunities for members of the medical services of all military services?

I would appreciate hearing from you at an early date so that I can properly evaluate H.R. 7596 and related measures which might come before me.

With kindest regards,

Sincerely yours,

THOMAS H. KUCHEL,
U.S. Senator.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., August 10, 1965.
Hon. THOMAS H. KUCHEL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KUCHEL: This is in response to your letter of August 3, 1965, relative to the promotion and compensation of medical officers.

Many of your questions involve rather broad policy and complex considerations. In the interest of brevity, I shall respond as specifically as possible. However, in some instances, a simple yes-or-no answer would not be accurate.

Specialty pay would be more properly authorized by legislation other than the Bolte legislation. The Bolte legislation does not deal with pay. Legislation would be required to make this a personal entitlement for board certified medical officers.

Under current law, it would be possible to promote medical officers in the Army and Air Force upon the attainment of board certification. It would not be possible to assure such promotion in the Navy.

In the Army and the Air Force, medical officers could be promoted without regard to the line officer promotions. They are separately considered. However, because the statutory limitations on the numbers of officers in various grades are overall limitations, the promotions in any segment of the officer corps affect the promotions available in all other segments. This interrelationship could be removed only by amending the grade limitations (secs. 3202 and 8202, title 10, United States Code) to exclude their application to medical officers. Such an exclusion is included in the Bolte legislative proposal.

Laws applicable to the Navy impose no limitation on the numbers of medical officers in field grades. However, the laws prescribe a structural tie between Medical Corps promotions and line promotions. Medical officers on appointment are assigned as "running mates" to line officers—specifically, a newly commissioned medical officer would have a line lieutenant of 5 years commissioned service as a running mate. Thereafter, the doctor would become eligible for consideration for promotion when his running mate is eligible and would be in the "promotion zone" when his running mate is in the zone. The considerations are separate and the selection or nonselection of the line officers would have no effect on the medical officer's promotion. The removal of this linkage would require extremely complex legislation.

In all of the services time in grade is merely a minimal requirement rather than a determinant of selection in the competitive field. In the competition, demonstrated professional competence is a very important factor.

It is true that the offices of Surgeon General of the Army and Surgeon General of the Navy are statutory while the office of Surgeon General of the Air Force is established administratively. There is also the distinction that the Medical Corps of the Army and Navy are statutory entities, whereas the law prescribes only that medical functions in the Air Force shall be performed by qualified officers who are designated as medical officers. Similar differences exist with respect to certain other functional groups in the three departments. In the Army and Navy the statutory definitions derive from historical organizational arrangements in those departments. In the comparatively recent laws which established the Air Force there was a consistent philosophy that the functional subdivisions should be established administratively.

There is no evidence that the differing legal status of the Surgeon General of the Air Force and of medical officers of the Air Force has caused neglect of the promotional opportunities for medical officers in the Air Force. The difference in opportunity is directly related to the difference in authorized grade structure, as previously discussed. Our proposed legislation not only would relieve the stringency of current limitations on the Air Force but also would remove for all services the inclusion of medical officers within the limitations. In view of the basic differences that now exist in the laws pertaining to the several services, a less thorough overhaul would not be likely to attain truly uniform treatment.

Sincerely,

STEPHEN N. SHULMAN,
Acting Assistant Secretary of Defense (Manpower).

Mr. RUSSELL of Georgia. The Senator is correct in that to correct one would require legislation. The other is a matter of regulation. The pay of men in the Medical Corps is the same in all three branches of the service, but the rate of promotion in some of the branches is much more rapid than in others, and that, of course, would affect the pay of the recipients. The promotion point could be corrected by regulation or administrative action and would not require any legislation. The special pay is the same for similar grades in all three branches of the service and already fixed in a uniform manner for all three services.

Mr KUCHEL. I thank the Senator. In paying him respect, I am sure I speak for all of us on this side of the aisle, as I am sure the colleagues on his side of the aisle hold him in the same respect.

Mr. RUSSELL of Georgia. I am most grateful to the Senator from California.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. RUSSELL of Georgia. I yield to the distinguished Senator from Nevada.

Mr. CANNON. I thank the Senator for yielding. I want to join our colleagues in expressing my gratitude for the excellent job the chairman and the committee have performed in granting an overdue pay raise to our military personnel. I share the feelings of our colleagues. More particularly, I wish to refer to some of the specifics which have been raised, which are very important. The first is with regard to those with less than 2 years' service.

The chairman of the committee will recall that 2 years ago, when we had before us a pay raise bill, the servicemen with less than 2 years of service were the forgotten people in the pay bill. This time we have followed the recommendation of the House with respect to military personnel with under 2 years of service to bring them into line because of the fact that they were not taken care of previously.

Second is the important point that has been covered, that the Pentagon has informed us that they are reviewing the entire structure of military pay. Therefore, if we were to try to go into the structural basis at this time we might disrupt the results of their findings which we hope may be reported to us next year.

I would ask my distinguished Chairman if the administration has not assured us that they expect to have a report up to us sometime next year, reviewing the pay system.

Mr. RUSSELL of Georgia. As the distinguished Senator from Nevada knows, the bill requires the executive branch to make a report to Congress giving its recommendations in this area.

Mr. CANNON. I thank the chairman. Therefore, it would appear that if we go straight across the board on a percentage increase on the over-2-year personnel, we shall be giving them the same consideration throughout all the rank structure. Then, next year, when the administration comes up with its report and any proposed changes in the structure, we would have the opportunity to consider it at that time.

Mr. President, I am gratified that we have taken action on this bill to provide some increase for retirees. The Senator well recalls that we wrote a provision into the law that when the cost-of-living index increased 3 percent, retirees would be entitled to have a pay revision considered. Accordingly, we have amended the bill in committee and have reported it with a provision which first, provides for a onetime retired increase based on the increase in the cost of living between 1962 and the month before the effective date of the bill; and, second, revises the cost of living formula to provide for increase whenever the index advances 3 percent for 3 months rather than 12 months. It appears that retirees will receive at least a 4-percent increase under the amendment.

I should also like to make the point that the provision for annual review simply brings this in line with the provision which applies to civil service employees of this country. I believe that our military personnel are certainly entitled to comparable treatment of those who serve the Government, although not in uniform, but serve it from the standpoint of the civil service.

An additional point I wish to make concerns the token increase—which I completely support—of $10 per month combat pay for our troops serving us so valiantly in Vietnam.

In closing, let me point out that with the provisions in the pending bill, the overall average percentage of increase for all military personnel from 1952 up until the present time would be 43.1 percent; whereas, in the civil service, with the administration's proposal this year, the civil service employees have enjoyed over that like period, from 1952 until the present, a 50.9 percent average increase in pay. Therefore, I believe that those who would argue that this is a costly bill—and indeed it is, but the cost of government is great in any event, especially the cost of carrying on a limited war, and whatever other extra burdens fall upon the Government—should know that we are not even keeping pace with civilian advances so far as the military are concerned.

Again, I wish to thank the distinguished chairman for the outstanding performance that he has rendered in getting this bill through the committee. The bill was reported unanimously, as the Senator from Georgia has indicated, and I join all Senators in hoping that they will give us full support for the bill—support which is long overdue.

I thank the Senator from Georgia for yielding to me.

Mr. RUSSELL of Georgia. Mr. President, I thank the Senator from Nevada for his complimentary references.

Mr. LAUSCHE. Mr. President, will the Senator from Georgia yield?

The PRESIDING OFFICER (Mr. MONDALE in the chair). Does the Senator from Georgia yield to the Senator from Ohio?

Mr. RUSSELL of Georgia. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. I understand that in the main statement made by the Senator from Georgia, figures are provided for the cost which would be entailed if we followed the administration's recommendations, the cost carried in the House proposal, and that carried in the recommendations of the committee.

Would the Senator from Georgia kindly repeat those figures, approximately?

Mr. RUSSELL of Georgia. I am glad to give them to the Senator from Ohio, in round figures. The administration recommended an increase that would amount to approximately $447 million. The House bill carried $995 million. The pending bill would cost $991 million.

Mr. LAUSCHE. That is, the bill adopted by the House and that recommended by the committee is more than 100 percent in excess of what the administration requested?

Mr. RUSSELL of Georgia. It is. It is more than double. The committee gave very careful consideration to this matter. It noted that civil servants had received 6 substantial increases while the military had received 4 increases plus 1 minor increase, and that the percentage of increase for the civil servants had been, over the years, 46.3 percent as compared with 33.9 percent for the military. We therefore thought an increase at this time was justified, in order to bring it more in line.

There is a great deal of difference in being a civil servant and being in the military service. Any civilian employee of this Government can walk off the job any day he wishes. As he leaves the job, he can tell his supervisor to jump in the lake. This, of course, cannot be done in the military service. If anyone tried to do that, he would wind up in the brig. Many civil servants get off from work around 4:30 in the afternoon. The civil servant goes home, has dinner with his wife and family, and then watches television or goes out to a show; and when he returns home he sleeps in a nice, clean, dry bed. However the military receive no overtime. They have no regular hours. They are as likely as not to wind up eating C or K rations in a mudhole, dodging bullets 24 hours a day.

Therefore, I say now—as I said a moment ago—that I believe Congress has been derelict in succumbing to pressures to give civil servants increases in pay every year and not to give the military a comparable increase.

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield at that point?

Mr. RUSSELL of Georgia. I am glad to yield.

Mr. SALTONSTALL. One point the Senator from Georgia did not mention is that the serviceman is taken away from his wife and family.

Mr. RUSSELL of Georgia. Of course.

Mr. SALTONSTALL. And he is sent all over the world.

Mr. RUSSELL of Georgia. He is moved hither and yon at the will of the Government. The civil servant is not subject to that kind of regulation.

Mr. LAUSCHE. Is it not fair to assume that the more than 100 percent increase over what the administration recommended has come about because of the desire to give consideration to the military, in some degree, to measure up to what we have given our civil servants?

Mr. RUSSELL of Georgia. I believe that was undoubtedly the purpose of the committee. I know that it was the purpose of the chairman of the committee.

Mr. LAUSCHE. I applaud what is being done. I merely wished to obtain those figures and thank the Senator for giving them to me.

Mr. RUSSELL of Georgia. I thank the distinguished Senator from Ohio.

Mr. MILLER. Mr. President, will the Senator from Georgia yield to me for a brief comment?

Mr. RUSSELL of Georgia. I am glad to yield to the Senator from Iowa.

Mr. MILLER. I assure the Senator that that certainly was my purpose in joining him in reporting the bill favorably. I point out also that at this time the morale of our Armed Forces is most important. Certainly, now is the time to consider it. It may be that at the time the administration's proposal came in, things were not so serious as they are now.

I believe that the committee in its action also indicated its awareness of the fact that timing is very important, and that there is a morale factor involved. Certainly they do not wish to have our military forces—who are being subjected to great hardships nowadays—to feel that Congress is forgetting them.

Mr. RUSSELL of Georgia. I thank the Senator from Iowa for his suggestions.

AMENDMENT NO. 380

Mr. NELSON. Mr. President, will the Senator from Georgia yield?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. RUSSELL of Georgia. I am glad to yield to the Senator from Wisconsin.

Mr. NELSON. Mr. President, I call up my amendment No. 380, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk proceeded to state the amendment.

Mr. NELSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment (No. 380) offered by Mr. NELSON is as follows:

On page 7, in the table preceding line 1, strike out the column under the heading "2 or less" and insert in lieu thereof the following:

"----------

$273.30
232.80
194.10
163.50
131.70
113.70
110.10
103.20"

Mr. NELSON. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. How much time does the Senator from Wisconsin yield himself?

Mr. NELSON. I believe I shall require no more than 7 or 8 minutes to present what I believe to be a very simple proposal.

I have studied the pay bill, and I commend the Senator from Georgia and his committee for doing what I consider to be a very fine job in upgrading the pay of personnel in the armed services.

For the first time since 1952 the pay of the first-2-year enlisted man has been increased. That is commendable. However, I believe any examination of the increase will show that it is not adequate and that it is not fair in comparison with the increases that have been given to all other enlisted personnel and all officer personnel. However, as I said previously, the committee and the chairman, the distinguished Senator from Georgia [Mr. RUSSELL], have done a fine job.

My disagreement is only with respect to this one category, that of the first-2-year enlisted man.

Mr. President, the purpose of this amendment is to give enlisted men in their first 2 years of service the same total percentage raise since 1952 as that received by officers with the same length of service. Nineteen hundred fifty-two was the last year when enlisted men with less than 2 years received any raise at all.

Officers in their first 2 years of service got an 8.5-percent raise last year, and will receive additional raises averaging 22 percent with passage of H.R. 9075. The total raise received since 1963 by officers with less than 2 years averages 32.4 percent.

Neither officers nor enlisted men with under 2 years of service received any pay raises between 1952 and 1963.

H.R. 9075 as it now stands gives enlisted men in their first 2 years raises averaging 17.3 percent. While seemingly generous enough, a brief review of the history of military pay during the postwar decades will show that the proffered raises are in truth deceptively skimpy.

We have discriminated against the enlisted man with less than 2 years service for years. In 1952, recruits got $78 a month; they still get $78 a month. The committee bill would raise them to $87.90, a total raise of $9.90, or 12.7 percent over a period of 13 years. By contrast, a five-star general in 1952 was paid an annual salary of $11,915, or about $993 a month. This bill will raise his pay to $1,939.50 a month. Thus, over those same 13 years five-star generals will have been raised about $946.50 a month, or 95.3 percent.

I believe that with the responsibility they bear they are entitled to that percentage increase and that number of dollars. My complaint here is not with respect to the increase that has been given to that rank or any other rank, but to what has been given to the first-2-year enlisted men.

Five-star generals then, will have received raises seven and one-half times as great, in percentage terms, as the single raise given to recruits. In actual dollars and cents, the raise for generals has been 95 times as great as that for recruits.

To fully compensate the enlisted man in his first 2 years for the raises he has failed to receive since the Korean war would necessitate raising his pay by 67 percent. This amendment proposes to take only a modest step in that direction. It would cost only about $158 million a year.

The amendment will not give enlisted men in their first 2 years the same percentage raise as that received by the pay category treated most favorably since 1952. It will not even give them a percentage raise equal to the average raise received by all ranks. This amendment will merely give the enlisted man with less than 2 years the same percentage increase as that given to the group that has received next to the lowest increase since 1952, the officers with less than 2 years of service.

During the last year or so the press has been filled with shocking facts and figures about poverty in the armed services. These facts should be carefully considered as the Senate acts on this matter. Recent studies have shown, for example, that 169,000 airmen draw less pay than the poverty level standards set by the President's Council of Economic Advisers; 8,000 airmen are below the poverty level even after adjustment is made for the value of their rations and quarters; 70,000 airmen must resort to "moonlighting" to supplement their incomes; 60,000 airmen are actually eligible for various relief benefits; more than 5,000 airmen are actually receiving relief; more than 100,000 Navy men are below the poverty line.

These facts have a familiar ring; many of us have recited them many times in the past. But old and familiar though they may be, they are nonetheless indicative of a failing in our system of military compensation, particularly at the first 2-year enlisted level.

A newer study has shown that there are now 148,000 airmen holding outside jobs, and 180,000 working Air Force wives.

Perhaps most disturbing of all, the Department of Defense recently found that 34 percent of all enlisted men in the continental United States were resorting to "moonlighting" to supplement their incomes; that is the number of enlisted men who held outside jobs at some time during 1964.

Thousands of men were unable to get by even in this way. In fact, 1.7 percent of the enlisted men in the United States are in such dire financial circumstances that they are actually receiving public relief payments.

Since the figures mentioned earlier showed that only 1 in 12 of the Air Force men who were eligible for relief actually applied for and received payments, it is pretty obvious that considerably more than 1.7 percent of our enlisted men are actually so poor as to qualify for public relief.

To the enlisted man who is unable to support his family, a raise of $9.90 a month is, it seems to me, grossly inadequate and discriminatory.

The only argument I have heard for not providing a higher raise is that our manpower needs in the lower grades are met through the compulsory pressure of the Selective Service System. It is completely incomprehensible to me that we should expect a soldier to live in conditions of privation or poverty simply because the law compels him to serve. If anything, the argument should run the other way—the man ought to be paid more in order to compensate him for the disruption of his private affairs and his willingness to serve his country.

This amendment will not raise the pay of recruits to the level of comparability with nonmilitary workers. Nor, as I hope someday may be possible, will it stimulate so many men to volunteer for the armed services that we can do away with the draft. But it is a step in the right direction, a step toward justice for enlisted men first entering the Armed Forces.

This step is well worth the $158 million cost and, out of simple justice, should be adopted.

I repeat, Mr. President, the committee has done an exceptionally good job on the bill. I note that the chairman of the committee, the senior Senator from Georgia, made the observation that year after year military pay has run behind civilian pay and behind civil service pay increases. That is correct. The bill takes a long step toward correcting that situation.

However, those who have run the farthest behind civilian pay increases and civil service pay increases are exactly the first, 2-year enlisted men, the men who are drafted into the service and who are required to serve. It seems to me that we ought not to discriminate in any way in our pay allowances with respect to the men we draft, merely because the law requires that they serve.

Mr. RUSSELL of Georgia. The fact that an enlisted man with less than 2 years of service has been passed over in the last two pay bills was not due to any fault of the Senate. We were unable to see such a provision enacted into law. We took due note of it, however.

One of the things that the bill is designed to cure is the "moonlighting" conditions described by the Senator from Wisconsin, which have grown up under the existing pay scale. We hope that the the pending bill will alleviate this condition, because it is a reflection on the greatest and wealthiest power on earth, to have those in its uniforms, and who defend us, living under such conditions.

We did pretty well by the enlisted men who have just come into the service. We raised their pay from $78 a month to $87.90 a month for the first 2 months. As soon as an enlisted man gets to be a private, first class, his pay is increased to $93.90. At the end of a 9-month period, his pay goes up to $117.90.

We must bear in mind that he is furnished his living quarters and food. Most of those men are very young men. Most of them are unmarried, and have no direct family obligations.

The dollar amounts are modest, but they represent a very substantial percentage increase over the existing figures. The amendment proposed by the Senator from Wisconsin would increase the bill by $158 million. We have already gone fairly high in the bill. I do not believe that the Senate would wish to add another $158 million for the men in one category. The bill took into account the argument made by the Senator from Wisconsin and allowed a substantially larger percentage increase for those to whom his amendment relates.

Mr. President, I hope that the amendment will be rejected.

Mr. NELSON. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 2 minutes.

Mr. NELSON. I understand what the distinguished Senator has said. It is correct. The committee made a substantial increase. But the fact is that if the first 2-year men had received the same percentage increase that was received by the rest of the armed services since 1952, it would be 67 percent and not 17 percent. This proposal does not bring the pay to the 67 percent that the enlisted man should receive, but would bring the pay exactly equal in percentage with the next lowest increase in the armed services, the first 2-year officer.

Mr. President, I yield 2 minutes to the Senator from New York.

Mr. KENNEDY of New York. Mr. President, I rise in support of the amendment offered by the Senator from Wisconsin [Mr. Nelson]. The pay situation of enlisted men with less than 2 years of service could not be more inadequate. We have allowed the same kind of poverty to exist for these men that we have deplored on a widespread basis in civilian life.

The pay raise which the committee bill offers these enlisted men is a help, but does not completely correct the failure since 1952 to give any pay raise to men with less than 2 years of service.

Some enlisted men have actually had to apply for emergency food grants and other welfare assistance in order to feed their families. There can be no more effective way of discouraging enlistment in the Armed Forces than to pay inadequate wages for the first 2 years. All of our fine programs which we have offered to stimulate and encourage enlistment in our Armed Forces cannot mean very much to the potential volunteer, especially one who has family obligations, if he knows that he will not be able to support himself during the first 2 years that he is in the service.

The amendment from the Senator from Wisconsin is a particularly needed reform. I urge the Senate to adopt it.

Mr. RUSSELL of Georgia. Mr. President, I yield back the remainder of my time.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Wisconsin [Mr. Nelson]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Arkansas [Mr. Fulbright], the Senator from Massachusetts [Mr. Kennedy], the Senator from Arkansas [Mr. McClellan], the Senator from Wyoming [Mr. McGee], the Senator from Michigan [Mr. McNamara], the Senator from South Carolina [Mr. Russell], and the Senator from New Jersey [Mr. Williams] are absent on official business.

I further announce that the Senator from Michigan [Mr. Hart], the Senator from Minnesota [Mr. McCarthy], and the Senator from Minnesota [Mr. Mondale] are necessarily absent.

On this vote, the Senator from Massachusetts [Mr. Kennedy] is paired with the Senator from Wyoming [Mr. McGee]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Wyoming would vote "nay."

On this vote, the Senator from Connecticut [Mr. Dodd] is paired with the Senator from South Carolina [Mr. Russell]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from South Carolina would vote "nay."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. Cooper] is absent on official business.

The result was announced—yeas 34, nays 53, as follows:

[No. 207 Leg.]

YEAS—34

Aiken
Allott
Bartlett
Bayh
Burdick
Carlson

Church
Clark
Cotton
Curtis
Dominick
Douglas
Gore
Gruening
Hartke
Javits
Kennedy, N.Y.
Kuchel
McGovern
Metcalf
Montoya
Morse
Moss
Mundt
Murphy
Nelson
Neuberger
Pastore
Prouty
Proxmire
Ribicoff
Tydings
Williams, Del.
Yarborough

NAYS—53

Anderson
Bass
Bennett
Bible
Boggs
Brewster
Byrd, Va.
Byrd, W. Va.
Cannon
Case
Dirksen
Eastland
Ellender
Ervin
Fannin
Fong
Harris
Hayden
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Jordan, N.C.
Jordan, Idaho
Lausche
Long, Mo.
Long, La.
Mansfield
McIntyre
Miller
Monroney
Morton
Muskie
Pearson
Pell
Randolph
Robertson
Russell, Ga.
Saltonstall
Scott
Simpson
Smathers
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Young, N. Dak.
Young, Ohio

NOT VOTING—13

Cooper
Dodd
Fulbright
Hart
Kennedy, Mass.
Magnuson
McCarthy
McClellan
McGee
McNamara
Mondale
Russell, S.C.
Williams, N.J.

So Mr. NELSON's amendment was rejected.

Mr. HARTKE. Mr. President, I offer the amendment which I send to the desk. I ask unanimous consent that the reading of the amendment be dispensed with and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, between lines 19 and 20, insert a new section as follows:

"SEC. 9. (a) Chapter 15 of title 38, United States Code, is amended by adding at the end thereof a new subchapter as follows:

"'SUBCHAPTER V—SPECIAL PENSION FOR VETERANS OF WORLD WAR I AND FOR THEIR WIDOWS

"'§ 571. Definitions

"'For the purposes of this subchapter—

"'(1) The term 'veteran' means a person who served in the active military, naval, or air service—

"'(1) for a period of ninety days or more during World War I and was discharged or released from such service under honorable conditions;

"'(2) for any period during World War I and was discharged or released from such service for a service-connected disability; or

"'(3) for a period of ninety consecutive days or more any part of which occurred during World War I and was discharged or released from such service under honorable conditions.

"'(2) The term 'World War I' means the period beginning on April 6, 1917, and ending on November 11, 1918.

"'§ 572. Pension for veterans of World War I

"'(a) The Administrator shall pay to each veteran of World War I who meets the income limitations of this section a pension at the rate of $100 per month. If a veteran is helpless or blind, or requires the regular aid or attendance of another person, the rate shall be increased by an additional amount, as determined by the Secretary, of not less than $70 per month.

"'(b) Pension shall be paid under this subchapter to a veteran who is unmarried (or married but not living with or reasonably contributing to the support of his spouse) and has no child, if the annual income of such veteran does not exceed $2,400; and pension shall be paid to a veteran who is married and living with or reasonably contributing to the support of his spouse, or has a child or children, if the annual income of such veteran does not exceed $3,600.

"'§ 573. Pension for widows of World War I

"'(a) A widow of a veteran of World War I who meets the income limitation requirements of this section shall be paid a pension at the rate of $75 per month. No pension shall be paid to a widow of a veteran under this section unless she was married to him (1) before December 14, 1944, or (2) for a period of five or more years, or (3) for any period of time if a child was born of the marriage.

"'(b) Pension shall be paid under this section to a widow of a veteran of World War I who has no children if her annual income does not exceed $2,400; and pension shall be paid to such a widow with one or more children if her annual income does not exceed $3,600.

"'§ 574. Exclusion of retirement income

"'In computing the annual income limitation provided for under this subchapter, an amount equal to $1,200 of any retirement income, public or private, to which a veteran or widow is entitled shall be disregarded.

"'§ 575. Election of benefits

"'A veteran or widow eligible for benefits under this subchapter and under any other provision of this title shall be permitted to elect and reelect under which provision they will receive benefits.'

"(b) The analysis of chapter 15 of title 38, United States Code, is amended by adding at the end thereof the following:

"'SUBCHAPTER V—SPECIAL PENSION FOR VETERANS OF WORLD WAR I AND FOR THEIR WIDOWS

"'571. Definitions.
"'572. Pensions of veterans of World War I.
"'573. Pension for widows of veterans of World War I.
"'574. Exclusion of retirement income.
"'575. Election of benefits.'

"(c) No veteran or widow shall have his or her benefits reduced as a result of the enactment of this Act."

On page 11, line 20, strike out "SEC. 9" and insert in lieu thereof "SEC. 10".

Mr. MANSFIELD. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on this amendment there be a limitation of 30 minutes, 15 minutes to a side, the time to be controlled by the distinguished Senator from Indiana [Mr. HARTKE] and the distinguished Senator from Georgia [Mr. RUSSELL].

The PRESIDING OFFICER. How much time does the Senator from Indiana yield himself?

Mr. HARTKE. I yield myself 5 minutes.

The amendment deals with a matter not directly related but indirectly related to the military pay bill, H.R. 9075.

I favor increases of pay for those in the military service, but in addition I am concerned for the present members of a group that has not been mentioned. I believe we should exercise concern for this group. They are the now elderly and often impoverished veterans of World War I. For this purpose, I recently introduced S. 2372, a bill to provide pensions of $100 a month for those veterans and $75 per month for their widows.

That bill is the same as the amendment that I now offer. Under it, in order to qualify, a veteran would be required to have 90 days of service prior to November 11, 1918, unless he was discharged for a service-connected disability incurred in a shorter period.

He would have to have an income no greater than $2,400 per year if he is single and no greater than $3,600 per year if he is married. At present there are about 2,120,000 veterans remaining out of the 4,566,000 of 1920. Their numbers are falling off by nearly 10,000 per month as they become further advanced in their retirement years. Of those now living, about 2.7 percent would not qualify under the 90-day clause, so that the total cost for the remaining veterans would run—if all were eligible under the income provisions, which they are not—to about $2,280 million per year. But since we are now paying a total of about $1,190 million in benefits which should be subtracted, the net additional cost would be about $1.1 billion per year. This would be reduced at a rate of about $14 million in the first year as more of these veterans become deceased. Therefore, it would reduce the number who would be eligible.

The cost for widows would likewise be declining year by year, with the initial year at present rates covering about 1,170,000 widows of World War I veterans, at about a billion dollars of cost.

I should like to cite again the words which I used in the introduction of S. 2372:

> A man who was only 18 when the war ended will be at the retirement age of 65 this year. Those who were 28 then are 75, if they are still living. For them there was no GI bill of rights as there was for the World War II veteran and the veteran of Korea, and as there will be when action is completed on the cold war GI bill we have already passed in the Senate. These men are becoming rapidly the forgotten heroes of long ago, yet they are still living and many of them are in need of the kind of benefits this bill would give.

I should like to point out another pertinent factor. Among these veterans there are many, as was brought out on the floor of the Senate at the time we were achieving final pasage of the social security bill, who will be adversely affected in their combined social security and veterans' benefits because of the income limitation provision. Our elderly veterans, those who went out, in the words so popular at the time, to "make the world safe for democracy," deserve the consideration this amendment would give them. They have very little time left, and thousands upon thousands of them need the kind of aid this would extend, as my mail and I am sure that of other Senators often makes pitifully clear.

I point out that under my amendment the amount of $2,400 which would be provided would still be within the poverty level.

This is not a measure which would provide for those who are able to take care of themselves. It would take care of those individuals who, in the later years of their lives, are reduced to the stage of almost begging for a living.

We passed the medicare bill. The distinguished author of that measure, the

Senator from New Mexico [Mr. ANDERSON] is in the Chamber.

I am sure that the distinguished Senator from New Mexico would agree, as would others, that though these people will be assisted in their medical needs, they also need help in their daily living expenses. They need coffee, bread, and other essentials. They are entitled, at least, to die in decency, after having offered their lives for democracy.

Mr. RUSSELL of Georgia. Mr. President, inasmuch as the Committee on Armed Services does not have jurisdiction in a matter of this kind, I yield to the distinguished junior Senator from Louisiana such time as he may require.

Mr. LONG of Louisiana. Mr. President, this is an extremely important matter. The jurisdiction of this subject would properly come within the Senate Committee on Finance.

The Committee on Finance has had no opportunity to study the measure or to pass judgment on it or to investigate the cost of the measure.

The amendment undoubtedly has merit. But it would involve an untold amount of money.

I should hope that the Senator from Indiana, who is also a member of the Committee on Finance, would be willing to offer the amendment in the committee and let the committee have jurisdiction.

If this amendment were agreed to in the bill, there would be a conference between the House and the Senate. The measure would properly be subject to an objection by the chairman of the House Veterans' Affairs Committee to the effect that their committee had jurisdiction and that it had been bypassed. That would make it very difficult to get this important pay bill to conference because of the jurisdictional problem.

The Senate Committee on Finance is a counterpart of the House Committee on Veterans' Affairs on a measure such as this.

I hope that the Senator will withdraw his amendment at this time and offer it later so that the committee may study the cost of the measure along with the other relevant factors and consider the measure in connection with one of the House-passed veterans bills.

That might mean some delay. However, that is what should be done. This amendment should be in one of the House veterans bills so that we could go to conference with the House Committee on Veterans' Affairs.

The Senator is a very effective member of the Committee on Finance. Most of his amendments are agreed to in the committee. I hope the Senator will give us an opportunity to study this measure in committee so that we can form a judgment on it. This proposal would involve a vast amount of money.

Mr. HARTKE. This is an important amendment. As we go through this day alone, 33 of these people will not be alive to be considered any more. Thirty-three die every day. They are gone. There will not be any chance for them to be considered.

The time will have run out for those people. Is there any hope at all that we could, if possible, perhaps bring this situation to the attention of the Committee on Finance and hold hearings on the measure?

The chairman of the Committee on Finance is present. Would it be possible to consider the measure now, or are we so far along in the legislation that we could not hold hearings on it?

Mr. LONG of Louisiana. As far as the junior Senator from Louisiana is concerned, I did not have an opportunity to discuss this amendment with the Senator before I found out that he planned to offer the amendment. I should be glad to discuss it with him and with the chairman of the Committee on Finance [Mr. BYRD of Virginia] to determine the prospect of acting on this measure in this session.

I hope the Senator will let us have the opportunity to study the measure and discuss it to see if we can do something about conducting hearings.

We conducted hearings this morning on a very important piece of veterans' legislation, a war insurance measure. That legislation would be subject to the jurisdiction of the House Committee on Veterans' Affairs. Perhaps the amendment of the Senator from Indiana could be offered in that measure or in some other veterans bill which would come from the House so that we could go to conference with the House.

Mr. HARTKE. Mr. President, as the Senator from Louisiana so well knows, I am in favor of going about our business, finishing up the business of Congress and going home. I should have liked to go home by August 15. However, it appears that that will not be possible.

There is some indication by some of the leaders that possibly we could finish by Labor Day.

I understand that the minority leader has indicated that we will finish by September 15. If we do not act in that time, in the neighborhood of approximately 140,000 of these veterans will be taken off the list, by the time we can take up the legislation next year.

If we were to conduct hearings tomorrow, or attach the amendment to another measure, and it were passed by the time of adjournment, on September 15, by that time, some 14,000 veterans would no longer be alive to claim their pension rights. These are men who have given their time to save democracy. They will be gone forever by then.

Mr. LONG of Louisiana. Mr. President, does the Senator know the revenue cost involved in the amendment?

Mr. HARTKE. The estimated revenue cost by the Treasury Department is extremely high. It is stated to be very much more than it actually would be. The pension would provide benefits only for single people who earn or have an income of less than $2,400 a year, and, if they are married, less than $3,600. In other words, we are dealing with poverty, and with people in their "golden age."

Mr. LONG of Louisiana. What does the Senator estimate the cost of the amendment would be?

Mr. HARTKE. One billion dollars.

Mr. LONG of Louisiana. Should it not be given study so a committee could pass judgment on it prior to asking the Senate to accept the amendment? I think the committee, of which the Senator is an able member, and which has jurisdiction, should have an opportunity to study the subject before the Senator asks the Senate to accept the amendment.

Mr. RUSSELL of Georgia. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. RUSSELL of Georgia. Let me say, without going into the merits of the amendment—and I do not challenge the statement of the Senator from Indiana—that the Senate Armed Services Committee had no notice that the amendment was to be offered. It is not in our jurisdiction. Under the rules of the Senate, it is under the jurisdiction of the Committee on Finance. If the Senate should improvidently approve this amendment, it would probably have the effect of killing the military pay bill as well as this bill. We would get into a squabble and it probably would not go to conference at all, and the question probably would not be resolved at all. The men of World War I—I happen to have had a little experience then—are passing away, but there are a total of 18 Army and Marine Corps battalions of American boys on the ground at this very moment in Vietnam, along with thousands of men in the Air Force and Navy all of whom would be denied this combat pay if there is an impasse with the House of Representatives, which would almost certainly result if the Senate should adopt the amendment.

The jurisdiction, as the Senator from Louisiana has stated to the Senator from Indiana, who is a member of that committee, is in the Committee on Finance. It should be brought before the appropriate committee, and the members of the Committee on Armed Services, who know nothing about it other than the statement made on the floor, should not be asked to accept it.

Mr. HARTKE. The services performed by the Senator from Georgia are more valuable that those of almost any other Member of the Senate. I know the Senator is concerned about the future and the fighting which may take place. Out of deference to the statements of the Senator from Louisiana and the Senator from Georgia, I withdraw the amendment.

The PRESIDING OFFICER. The amendment of the Senator from Indiana is withdrawn.

Mr. COTTON. Mr. President, I send an amendment to the desk and I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and, without objection, the amendment will be printed in the RECORD.

The amendment offered by Mr. COTTON is as follows:

At the proper place in the bill, insert:

SEC. 9. (a) Chapter 53 of title 10, United States Code (relating to miscellaneous rights and benefits of members of the Armed Forces), is amended by adding at the end thereof the following new section:

"§ 1040. Free postage from combat zones

"Any first-class mail matter admissible to the mails as ordinary mail matter which is sent by any member of the Armed Forces from—

"(1) Vietnam, until such time as the President determines that Vietnam is no longer an area in which members of the Armed Forces are engaged in combat, and

"(2) any other area or areas in which the President determines members of the Armed Forces are engaged in combat,

to any person in the United States (including Puerto Rico or any possession of the United States) shall be transmitted in the mails free of postage, subject to such regulations as the Secretary of Defense may prescribe after consultation with the Postmaster General."

(b) The analysis of such chapter 53 is amended by adding at the end thereof the following:

"1040. Free postage from combat zones."

Mr. COTTON. Mr. President, this is the bill which I introduced about 3 weeks ago to grant free postage privileges to those serving in Vietnam until such time as the President should declare that Vietnam is no longer a combat area, and to grant free postage to any other members of the Armed Forces serving in any other area which the President shall determine hereafter to be a combat area.

The bill received the endorsement of many Members of this body after it was introduced. It was referred, of course, to the Committee on Post Office and Civil Service. The chairman of that committee, the distinguished Senator from Oklahoma [Mr. MONRONEY], and the ranking minority member of the committee, the distinguished Senator from Kansas [Mr. CARLSON] both spoke favorably about it on the floor of the Senate.

I ask unanimous consent that their names be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. I also ask unanimous consent that the name of the distinguished Senator from Delaware [Mr. WILLIAMS] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, the fact that the chairman and the ranking minority members of the Post Office and Civil Service Committee cosponsored this amendment should indicate clearly to the Senate that offering this amendment in connection with the pending bill is in no sense bypassing or trespassing upon the jurisdiction of the Post Office and Civil Service Committee. That committee simply has not had an opportunity to act on it.

The amendment would grant the free postage privilege to servicemen in Vietnam. It does not even require the President to declare it a combat area, but he can terminate the privilege by declaring it has ceased to be a combat area, and he can declare any other area as a combat area.

I apologize to the chairman of the Armed Services Committee for not approaching him first. When I came on the floor earlier, with the intention of offering the amendment, the Seantor was engaged in addressing the Senate and I did not have any opportunity to speak with him about it. I did not intend any discourtesy to him.

Mr. RUSSELL of Georgia. Mr. President, as a general rule I do not like to accept amendments that have not been considered by the committee and on which there were no hearings, but, of course, we extended this privilege to all members of the Armed Services serving in World War I and World War II and the Korean war. If there is no objection from any member of the Armed Services Committee on the floor, I can see no objection to accepting the amendment. I do not believe it would cause any difficulty.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. MONRONEY. The Committee on Post Office and Civil Service has not had an opportunity to act on this bill. We have had hearings, but action could be delayed until next January. The amendment represents only a minor expenditure in the carrying of mailbags. I feel that it is desirable that this amendment be enacted as a part of this excellent pay bill, and I am glad that the chairman of the Armed Services Committee thinks it is worthwhile to accept the amendment of the distinguished Senator from New Hampshire.

Mr. CARLSON. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I yield to the Senator from Kansas.

Mr. CARLSON. I, too, concur in the statement made by the chairman of the Post Office and Civil Service Committee. There is no doubt that our committee would have reported this bill at the first opportunity. I commend the Senator from Georgia for accepting the amendment. I point out, however, that it refers to first-class mail. I would have added airmail postage. That has some merit, because Vietnam is a long way off and letters delivered in the ordinary way take a long time.

Mr. MONRONEY. I point out to the Senator that all the mail to our servicemen, whether it is airmail or regular mail, goes to them by airmail.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. COTTON. I yield to the distinguished Senator from Missouri.

Mr. SYMINGTON. I thank the distinguished Senator from New Hampshire. I associate myself with him on this measure.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. COTTON. I yield to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. As a cosponsor of the amendment I join the Senator from New Hampshire in thanking the chairman of the Armed Services Committee for accepting the amendment. The cost will be insignificant compared to what the benefits of this provision will be for the men in service. I have had correspondence with men in Vietnam. They have described the difficulties they have with stamps. It makes it difficult for them to write home, because they cannot carry these stamps in the humid jungles without their sticking together.

I congratulate the Senator from New Hampshire for offering the amendment. I am glad to join him as a cosponsor, and I thank the committee for accepting it.

Mr. COTTON. I thank the Senator from Delaware. Let me say that it was information received from the front at Vietnam as to what it meant to our boys to purchase stamps and then try to carry them in their sodden clothing which impelled me to introduce the bill in the first place.

Mr. THURMOND. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I am glad to yield to the Senator from South Carolina.

Mr. THURMOND. I commend the distinguished Senator from New Hampshire for offering the amendment, and the distinguished Senator from Georgia, chairman of the Armed Services Committee of the Senate, for accepting it.

Those of us who served in World War II, and in other wars, realized the convenience of free postage when we were in the service of our country. It is not only a matter of saving a small amount of money to the soldier, but more than that it is also a great convenience. He does not have to run around looking for stamps and then, when he finds them, putting them in his pocket with the glue causing trouble, or some other inconvenience attaching to them.

In my opinion, this will be a great morale booster. I am very glad that the amendment has been offered, and I am sure that the Senate as a whole will accept it.

Mr. COTTON. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Iowa [Mr. MILLER] may be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. I again thank the distinguished Senator from Georgia for this courtesy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

Mr. RANDOLPH. Mr. President, again our Committee on Armed Services has completed with distinction a difficult assignment and has placed before the Senate the results of its well-reasoned consensus. I refer to the extraordinarily fine product of the committee's deliberations—its report to accompany H.R. 9075, a bill to increase the basic pay for members of the uniformed services, and for other purposes, including the $10 monthly increase in hostile fire pay, and changes in the cost-of-living formula for increasing retired pay.

I support this measure as reported even though, except for the language affecting retired personnel, there is little significant difference between the House and Senate committee versions of this military pay legislation in terms of additional gross annual cost. Though the differences are not substantial, the Senate committee version is superior in terms of appropriate and equitable distribution of the additional annual costs which it would authorize.

On August 6, when the measure was reported, a wire service dispatch informed the public that, in announcing the committee's unanimous action, Chairman Richard B. Russell told reporters:

> This bill will mean less for the generals, admirals, and other top officers and more for the younger fellows we need to retain.

This is a cogent reason for supporting the legislation which is the pending business, and in making this assertion I offer further explanation because I do not believe senior officers are being mistreated in the light of other factors.

The House bill provided wide variations in increases because its Committee on Armed Services apparently sought to equate military and civilian pay and skills, whereas the Senate committee rejected this approach. I agree with the comment attributed by the press to the knowledgeable and diligent senior Senator from Georgia [Mr. Russell] to the effect that this is not possible.

I subscribe to the rationale for the Senate committee position as set forth on pages 7 and 8 of its report, and I congratulate it for having recommended against structural changes in the career military pay scale pending a thorough review of the entire military compensation system.

The committee is correct in taking no position at this time on which of the various elements should be included in defining military compensation for the purpose of determining the levels of compensation and for the purposes of comparisons that might be made with other compensation systems. It was right in recommending a 6-percent increase for officers with over 2 years' service—slightly higher for lieutenants and captains other than naval captains. The House version, with progressively higher rates in the upper brackets, would place too much emphasis at the wrong end of the ladder.

I believe a searching review of the components of military compensation and additional benefits and windfalls should be undertaken—especially as relate to the senior officers of the uniformed services. The study should include personal and household services and should not exclude the wide participation of senior officers' sons in the benefits accruing from service academy enrollment.

During this year I have had reason to become more closely acquainted with the U.S. Naval Academy than at any time in the years since 1933 during which I have been nominating young men for appointment. Numerous of the facts I learned about the Naval Academy and the Navy that I had not known before possibly could be ascertained by also looking carefully into conditions at the Military and Air Force Academies and at the Army and the Air Force. I shall attempt to broaden my knowledge of them, too.

It was interesting to find that many officers of the Regular Navy have or have had all or most of the male members of their immediate families appointed to service academies—predominantly to the Naval Academy, of course.

The press made much of the fact that, on June graduation day this year at West Point and Annapolis, one rear admiral was provided military aircraft transportation so that he could attend portions of both graduation exercises to see his two sons culminate 4 years of officer education and training, one at the Military Academy and the other at the Naval Academy, costing the taxpayers sums variously estimated between $36,000 and $40,000 for each graduated cadet and midshipman. This might be classed "quite a windfall" for that senior officer.

The Superintendent of the Naval Academy who departed and received a change of duty assignment and station in June, while serving previously as the commandant of midshipmen, saw one son graduate at Annapolis; and, while serving as the Superintendent, saw his second son enrolled as a midshipman. I am told that there are numerous similar situations.

There are many cases of senior officers not knowing the costs of higher education for the males of their families because the taxpayers provided their sons with academy educations and service careers. Should we also raise the rates of salary increases for such officers above the rates for lower ranks?

These are important matters to be considered in the future review of compensation and related elements.

I would suggest, too, that in studying service academy factors the Committee on Armed Services might appropriately accord attention to ways to improve the appointment system—especially in the matter of nominations.

A case came pointedly to my attention wherein an officer of the Regular Navy, on behalf of his son, made multiple applications to nominating authorities, and also had his son enroll for competition in the Naval ROTC scholarship program. The result was that the son was placed on not less than three lists of nominations—thereby denying at least two deserving young men of opportunities to try for appointment; and he also was a successful candidate for an NROTC scholarship. Cases of this kind, I am told, are numerous; they are not in the best interest of a distribution of appointments.

Young males of uniformed service families have special categories of service academy nominations available to them which are not available to young men of civilian families. In addition, as pointed out in the foregoing case, the service families also move into the congressional nominations categories in substantial numbers.

This adds further to the extensive participation by service juniors in the academy programs. They are accorded too many advantages. I would not make such a drastic suggestion as that of eliminating service juniors from congressional nomination lists and restricting them to the Presidential nominations category and related competitive categories. But something should be done to obviate the condition of multiple nominations. I am convinced that very few Members of Congress knowingly participate in it and that the vast majority of Members would prefer a system limiting each individual academy applicant to a single nomination, whether it be Presidential or congressional or other category.

I have seen in recent months the manner in which Regular Navy officer graduates of the Naval Academy, who also have sons in the brigade of midshipmen, take charge of or come to the fore aggressively in any inquiry involving the Naval Academy. I believe that it is time for the executive branch and the Congress to awaken to an understanding of the implications and potential consequences. We cannot achieve objectivity in academy reports and evaluations when these conditions prevail.

The tendency to concentrate too much authority and too many taxpayer-supported benefits in too few Regular Navy families is one that should be evaluated with care. Perhaps the same tendency prevails in the other uniformed services and needs attention there, too.

Mr. TOWER. Mr. President, provision of fair and adequate compensation for the men and women who serve the Nation in uniform is one of the most important matters with which this Congress must deal.

We must insure that our military personnel and their families fully share with other sectors of our society the rising American standard of living. We must insure that the military compensation system attracts, retains, and properly motivates the kind of people we need to man effectively our increasingly complex Defense Establishment.

However, let us not delude ourselves that we ever can adequately compensate our uniformed personnel for the unique hazards and hardships of the military profession—the risk of death or injury in combat, the long and frequent family separations, the stringency of necessary military discipline, and the 24-hour-a-day availability.

It is difficult to relate military pay to civilian pay, for military men of the same rank perform diverse and varying jobs for most of which there is no civilian counterpart. Accordingly, even though we know military pay has lagged behind civilian pay in both Government and industry, our chief emphasis must be on achieving not some elusive comparability with civilian pay, but on achieving a degree of military compensation which will make a military career attractive and rewarding.

The failure of military pay levels to keep pace with wage adjustments provided Federal civilian workers and workers in the private sector of our economy has contributed significantly to the inability of the military departments to attract and retain career personnel.

Among the various reasons given by personnel who quit military service, the inadequacy of military pay is invariably a key factor.

All the military departments share in this retention problem.

The Secretary of the Navy has stated that the most important problem confronting him is procurement of personnel and retention of skilled, experienced military men as careerists.

The Secretary of the Air Force has said that the problem of retention is not confined exclusively to enlisted men, but extends also to younger officers.

The Army Chief of Staff has cited figures showing that there is a constant downward trend in the number of men electing to make defense of the Nation their career.

And there are other evidences of the need for a meaningful military pay increase.

During the past year the press has carried numerous accounts of the large number of military personnel who are required to hold an extra job in order to make financial ends meet. During 1964, an amazing 34 percent of all enlisted personnel in the continental U.S. were engaged in moonlighting on outside jobs.

I believe military duty is a full-time job, demanding full-time attention. As such, it is up to this Congress to see that it returns full-time pay.

This Nation has never been more in need of a dedicated, career, professional Defense Establishment. We are faced with a world situation unique in its long-term demands for the constant, shifting, and firm application of U.S. deterrents to communism.

The need to defend freedom from tyranny is constant and unending. America intends to defend its freedom, and the Constitution charges this Congress with seeing to it that adequate defense forces are maintained.

In passing this bill, I believe that the Senate will reflect a determination of all Americans to provide well for those among us who do battle so that all of us may retain liberty.

I hope that the Senate approves this bill by an overwhelming vote.

Mr. McINTYRE. Mr. President, it is a pleasure to offer my full support to the bill, H.R. 9075, to increase the rates of basic pay for members of our Armed Forces.

As a member of the Committee on Armed Services, I have been impressed by the careful consideration given this bill, and by the bipartisan leadership shown by the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Massachusetts [Mr. SALTONSTALL] in their efforts to come up with a fair and reasonable solution to the problems raised by the heretofore inadequate pay scales in our military services.

Since the time when I began my service on the committee, I have felt that one of the most important problems confronting our military services was the problem of retention of capable, experienced personnel. The retention rates of first-term members of the Armed Forces, which are discussed in the committee report, fall far short of the figures which would be required to maintain a Military Establishment composed principally of career personnel.

Many suggestions have been offered to make the armed services more attractive as a career field. Almost all of these suggestions revolve about the basic issue of pay. In an expanding society with private industries competing for employees on a level of high salary competition, it is more important than ever before for military salaries to be increased as a primary step in competing for skilled personnel.

This is all the more important in view of the change which has taken place in the personnel needs of the military services. When I served in the Army, in World War II, it took very little in the way of formal book learning to handle most Army jobs. Today, however, the Army, like the other services, is finding a strong need for skilled, well-trained technicians in many fields. This morning I left Washington at 7:30 to inspect progress on weapons systems at Aberdeen Proving Grounds in Maryland. The equipment represented a very high level of technological sophistication, and the Army personnel who were operating the equipment stood as living proof of the military's need for highly skilled personnel in the modern age.

The specific provisions of this bill have been well covered in the debate which has already taken place, and so I shall limit my remarks to two provisions which have attracted my attention, and which have made the good bill passed by the House even better.

Unlike the House-passed bill, the bill reported by our committee contains an 18.2-percent increase in hostile fire pay. Men now serving in Vietnam would be eligible for this increase in pay, and, in my opinion, it is fully warranted. I do not believe that any man can receive enough pay, in money, to serve in combat under hostile fire, and I have never heard of anyone volunteering for combat duty because of the additional financial compensation. Nevertheless, additional pay is the least that we in the Congress can provide as recognition of the courage of the young men who face death daily in Vietnam.

The second provision in this bill which is worthy of additional comment is the provision in section 5 of the bill relating to increased retirement pay. The bill, by providing a fair increase for persons retired before the effective date of the act, has assured fair treatment to many military retirees who had feared neglect by the Congress. In addition to looking to the past, and increasing pensions of past retirees, the bill looks to the future, and provides a much more liberal test for tying retired pay to increases in the Consumer Price Index.

Mr. President, this is a fine bill. It deserves the unanimous support of the Senate today.

Mr. MURPHY. Mr. President, I rise in support of H.R. 9075 which is before the Senate today and which has been reported favorably by the Committee on Armed Services.

On August 2, 1965, I appeared before the Committee on Armed Services to express my concern over the inability of the armed services to attract and retain the necessary caliber and number of men and women who are so essential to a modern military force. It has come to my attention that one of the major problems facing the armed services today is retaining the expensively trained technicians and specialists who each year by the thousands are returning to civilian life because of their need for better paying jobs. I am advised that many soldiers, sailors, and airmen and their families are being forced to accept relief. This is a shameful situation that I believe will be corrected by the passage of the bill now under consideration, H.R. 9075.

Although this bill will increase military pay costs approximately 1 billion dollars a year, from a practical, dollars-and-cents view, a pay increase that would induce men in uniform to remain in the service would be an investment in the future. The money to be saved on training replacements in critical skills would come close to paying for the higher rate of pay. This is certainly a small price to pay when considering the long-range benefits to be reaped.

The bill now before us, as well as a similar bill that I have cosponsored with the distinguished Senator from Wyoming, will provide a 10.7-percent increase in military pay. I believe a pay raise of this nature will help immeasurably to solve our problem of military personnel.

With the world political situation as touch and go as it is today, I believe it is absolutely essential that we maintain the best equipped and best trained military force possible. Because such a pay increase will help us to do this, I support such an increase.

I believe H.R. 9075 is reasonable and necessary. The action by the House in approving the bill without a dissenting vote evidences its wide support in Congress. It is my sincere hope that the Senate will pass this measure with all possible speed.

Mr. YARBOROUGH. Mr. President, I salute the chairman [Mr. RUSSELL] and all the members of the Armed Services Committee for this substantial military pay increase of this bill. There are provisions in the bill that I find particularly pleasing. Last year I raised the point on the floor of the need to obtain equitable pay increases for enlisted men with less than 2 years of service; this year I am most happy to note that a raise for these servicemen is included. Enlisted men with under 2 years of service are being granted pay increases averaging 17.3 percent.

This is a problem which has long concerned me. Enlisted men in the first 2 years of service do the actual dirty work of the military service, when they are not doing the dangerous work. They are yanked out of civilian life to serve as infantrymen, or to work in messhalls, clean out latrines, serve as guards, and they perform these dangerous or tedious tasks in distant outposts. These are the forgotten men of the military service—they are inducted at a young age, subjected to the anonymity of basic training, yet perform their duties with great diligence, skill, and spirit. These are also the men who have not had a pay raise since 1952 and have actually suffered a pay loss due to the declining value of the dollar. Justice and equity call for a pay increase for these personnel, and it must be a substantial increase to bring these men back into line with the military pay scale.

I am certainly pleased that this problem has been recognized, and I congratulate the committee for its understanding of the need of this particular increase in pay.

The raises for the other categories of servicemen are no less well deserved and needed. I again applaud the committee for its prompt and wise action.

Mr. SALTONSTALL. Mr. President, my distinguished colleague, the senior Senator from Kentucky [Mr. COOPER] is in Kentucky today to keep a longstanding engagement to address the 16th annual leadership conference of the Kentucky Education Association, with teachers from all over Kentucky in attendance. Senator COOPER strongly supports this proposed increase in rates of pay for members of the armed services, and I ask unanimous consent to have printed in the RECORD, before the final vote, a statement which he prepared before going to Kentucky this morning.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER

I strongly support H.R. 9075, the bill to increase the rates of pay for members of the armed services. The Senate Committee on Armed Services has recommended its passage as reported, and the House Committee on Armed Services recommended passage of similar legislation. I agree with the reasons given for passage by the committees and by the Department of Defense, and I will mention several of them briefly.

This bill would provide an increase in pay for all grades in our uniformed services, and it would enable these pay rates to keep pace with compensation paid in other sectors of the American economy. The provisions of the bill would assist in attracting and retaining members of the armed services, and it would give special attention to increases in basic pay to enable our military personnel to keep up with the rising costs of living. Additionally, an increase in compensation for those facing hostile forces is included, and this hostile fire pay increase is fully merited by the members of our Armed Forces serving in areas like Vietnam.

I think it is important to remember that 125,000 members of our armed services have now been committed to the defense of the security of our country in Vietnam alone. At the end of July 1965 the Department of Defense reported deaths of U.S. military personnel in Vietnam already numbered 536, with another 2,847 Americans having been wounded. I earnestly hope that the number of casualties will not grow, and I continue to hope deeply that some honorable solution for the situation in Vietnam may be found at the conference table, rather than on the battlefield.

No one at this time, however, can foresee the future in Vietnam and in other areas of danger around the world. But we do know that, at present, it is the Armed Forces of the United States which must bear the heavy burden of protecting the security of all the people of our country. This bill, which the Senate will pass—and which I strongly favor—is not a compensation for the burden borne by our military, but it does indicate the recognition and appreciation of the country and the Congress for the service that is being given and will be required.

Mr. BYRD of West Virginia. Mr. President, I shall not attempt to reiterate the principles and details of this military pay bill which has been so forcefully explained by Senator RUSSELL, the chairman of the full committee. I would like, however, to emphasize certain points which are relevant to this legislation. We are considering this bill, as the senior Senator from Georgia has indicated, against the growing crisis of the Vietnam conflict. This situation only serves to underscore this much needed pay increase for the men and women of our Armed Forces who are confronted with increasing sacrifices. I do not wish to leave the impression that the Vietnam situation should be considered the reason for this military pay legislation. Its primary purpose is to improve the military compensation system in a manner which will provide a reasonable military compensation system and be sufficient to attract and retain men and women in our Armed Forces.

At this point, Mr. President, I would like to emphasize that, while the improvement of retention is always one purpose of military pay legislation, it should not be the sole purpose. We must in all military pay legislation, attempt to provide an equitable military pay system in comparison to what men can expect to earn in other segments of Federal Government. This matter is always a difficult process in view of the unique nature of the military duties and the difficulties of establishing any real comparability system.

It is my view, however, that this bill goes far toward meeting the objectives of establishing a reasonable military pay system in comparison to the wage levels now prevalent elsewhere in the Federal Government. This bill, as Senator RUSSELL has indicated, will involve an annual expenditure of $991 million. What the committee has done is to achieve the same objectives as the version passed by the House, but at the same time avoid what the committee considers to be certain deficiencies in the House version. The committee was of the opinion that no structural changes should be made in the military pay system at the present time and that there should be no attempt to establish a pay relationship between the various military pay grades and certain civil service salary rates. It was the view of the committee that any such comparison was of doubtful validity due to the vast distinction between military and civilian duties and assignments. Moreover, the Senate committee was of the opinion that no position should be taken on the different definitions of military compensation as utilized by the Department of Defense and the House committee. Before any final conclusion is reached on this complex matter, there must be additional information and resolution of a number of policy issues.

The Senate committee rationale was based on an examination of the trends in military and civilian compensation since 1952. As the committee report indicates on page 6, there has been an overall lag in military increases as compared to those increases for the civilian elements of the Federal Government. The committee recognizes that these percentages should not be used with exactitude in trying to match one increase precisely against another. They are an indication, however, of what has occurred in general trends. It was the view of the committee that for the career personnel, a simple across-the-board increase was justified in the form of a flat 6-percent increase for officers and a flat 11-percent increase for enlisted personnel. These increases, which have been explained in detail by Senator RUSSELL, will mean that in terms of the 1952 rates for military compensation, the officer rates with over 2 years of service will be increased from 44.1 percent to 50.9 percent; for enlisted men with over 2 years of service these rates will be increased from 32.4 percent to 42.4 percent.

The committee, as has been indicated, recommends the adoption of the personnel increase which averages 22 percent in basic pay for officers and 17.3 percent for enlisted personnel with less than 2 years of service. These increases, under the circumstances, appear to be reasonable and proper. Overall, as has been indicated, this bill provides for an average 10.4-percent increase in basic pay for all active duty personnel of the Department of Defense. This percentage will provide an average increase of only $25.54 per month, which appears modest indeed.

Mr. President, I would like to emphasize one other item in this bill which is the $10-a-month increase which was proposed in committee by Senator RUSSELL. This increase in combat pay from $55 to $65 a month is a much deserved token of recognition for the hardship and dangers now confronting our men in Vietnam.

Mr. President, this bill represents a balanced and simplified approach to increasing military compensation.

I urge its complete support by the Senate.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Wyoming [Mr. MCGEE], and the Senator from South Carolina [Mr. RUSSELL] are absent on official business.

I further announce that the Senator from Michigan [Mr. Hart], the Senator from Minnesota [Mr. McCarthy], and the Senator from Minnesota [Mr. Mondale], are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. Dodd], the Senator from Michigan [Mr. Hart], the Senator from Massachusetts [Mr. Kennedy], the Senator from Washington [Mr. Magnuson], the Senator from Minnesota [Mr. McCarthy], the Senator from Arkansas [Mr. McClellan], the Senator from Wyoming [Mr. McGee], the Senator from Minnesota [Mr. Mondale], and the Senator from South Carolina [Mr. Russell] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. Cooper] is absent on official business, and, if present and voting, would vote "yea."

The result was announced—yeas 89, nays 0, as follows:

[No. 208 Leg.]

YEAS—89

Aiken
Allott
Anderson
Bartlett
Bass
Bayh
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case
Church
Clark
Cotton
Curtis
Dirksen
Dominick
Douglas
Eastland
Ellender
Ervin
Fannin
Fong
Gore
Gruening
Harris
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy, N.Y.
Kuchel
Lausche
Long, Mo.
Long, La.
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Miller
Monroney
Montoya
Morse
Morton
Moss
Mundt
Murphy
Muskie
Nelson
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell, Ga.
Saltonstall
Scott
Simpson
Smathers
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—0

NOT VOTING—11

Cooper
Dodd
Fulbright
Hart
Kennedy, Mass.
Magnuson
McCarthy
McClellan
McGee
Mondale
Russell, S.C.

So the bill (H.R. 9075) was passed.

The title was amended, so as to read: "An act to increase the basic pay for members of the uniformed services, and for other purposes."

Mr. MANSFIELD. Mr. President, I am especially pleased with passage of the bill to increase the rates of basic pay for members of the armed services. It points up the importance of adequate compensation for those who provide the much-needed defense of this country.

In particular, I want to thank the senior Senator from Georgia [Mr. Russell] for his management of this important bill. In his usual fashion, he has expertly shepherded this measure through full consideration in the Armed Services Committee and here in this chamber. The devotion to duty, especially the careful attention to matters involving the armed services, which the Senator from Georgia constantly demonstrates was again evidenced today.

In addition, I commend the senior Senator from Massachusetts [Mr. Saltonstall], the junior Senator from Mississippi [Mr. Stennis] and all other members of the Senate Armed Services Committee who worked so hard and so thoughtfully on this bill.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House insisted upon its amendments to the joint resolution (S.J. Res. 81) to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Fallon, Mr. Kluczynski, Mr. Clark, Mr. Cramer, and Mr. Baldwin were appointed managers on the part of the House at the conference.

The message also announced that the House disagreed to the amendments of the Senate to the bill (H.R. 7765) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Fogarty, Mr. Denton, Mr. Flood, Mr. Mahon, Mr. Laird, Mr. Michel, and Mr. Bow were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 8856) to amend section 271 of the Atomic Energy Act of 1954, as amended.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 44. Concurrent resolution authorizing the printing of additional copies of House Document No. 198 entitled "The Commission on Intergovernmental Relations" (Rept. No. 575);

S. Con. Res. 45. Concurrent resolution authorizing the printing of additional copies of the "Catalog of Federal Aids to State and Local Governments" and the 1965 supplement thereto (Rept. No. 576);

S. Res. 135. Resolution authorizing the Committee on Government Operations to make certain studies as to the efficiency and economy of the operations of the Government (Rept. No. 572);

S. Res. 136. Resolution to provide funds for the study of matters pertaining to economy and efficiency of foreign assistance activities by the Federal Government (Rept. No. 573); and

S. Res. 137. Resolution to provide funds to study and evaluate the effects of laws pertaining to proposed reorganizations in the executive branch of the Government (Rept. No. 574).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, with an amendment:

S. Res. 132. Resolution to print as a Senate document a study of international cooperation and organization for outer space (Rept. No. 577).

By Mr. HAYDEN, from the Committee on Rules and Administration, without amendment:

H.R. 10139. An act to amend the act of June 23, 1949, relating to the telephone and telegraph service furnished Members of the House of Representatives (Rept. No. 571).

By Mr. HAYDEN, from the Committee on Rules and Administration, with an amendment:

H.R. 9947. An act to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives, and for other purposes (Rept. No. 570).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time; and, by unanimous consent, the second time, and referred as follows:

By Mr. CARLSON (for himself, Mr. Tower, Mr. Curtis, and Mr. Dirksen):

S. 2389. A bill to provide for the issuance of a special postage stamp in honor of the memory of the late General of the Army, Douglas MacArthur; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. Carlson when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS (for himself, Mr. Bass, and Mr. Young of Ohio):

S. 2390. A bill to provide an official residence for the Vice President of the United States; to the Committee on Government Operations.

(See the remarks of Mr. Smathers when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 2391. A bill to effectuate the intent of the Congress as expressed in section 1, paragraph (k) of Public Law 846, 77th Congress, approved December 24, 1942, by adding to the list of institutions named in said paragraph the name of the James F. Mitchell Foundation for Medical Education and Research, an institution similar to the institutions so named; to the Committee on the District of Columbia.

(See the remarks of Mr. Dirksen when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN (by request):

S. 2392. A bill for the relief of Elias Dardanis; to the Committee on the Judiciary.

By Mr. MONRONEY (for himself, Mr. Brewster, and Mr. Carlson):

S. 2393. A bill to authorize additional GS–16, 17, and 18 positions for use in agencies or functions created or substantially expanded after June 30, 1965; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. Monroney when he introduced the above bill, which appear under a separate heading.)

By Mr. MONRONEY:

S. 2394. A bill to provide for the acquisition of an official residence for the Vice President of the United States; to the Committee on Public Works.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 2395. A bill to amend sections 8 and 9 (c) of the National Labor Relations Act so as to provide for the holding of expedited representation elections upon petition of employers where labor organizations seek recognition on the basis of employees' authorizations or similar evidence, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. TALMADGE:

S. 2396. A bill for the relief of Alton R. Conner; to the Committee on the Judiciary.

S. 2397. A bill to amend the act of March 2, 1931, to provide that certain proceedings of the Sons of Confederate Veterans shall be printed as a House document; to the Committee on Rules and Administration.

By Mr. WILLIAMS of New Jersey:

S. 2398. A bill for the relief of Dr. Eshmail Sarkis; to the Committee on the Judiciary.

By Mr. FONG:

S. 2399. A bill for the relief of Urnesto Acio Toledo; and

S. 2400. A bill for the relief of Teodora Myrna S. Ungos; to the Committee on the Judiciary.

By Mr. DIRKSEN (for himself and Mr. HRUSKA):

S.J. Res. 103. Joint resolution proposing an amendment to the Constitution of the United States to preserve to the people of each State power to determine the composition of its legislature and the apportionment of the membership thereof in accordance with law and the provisions of the Constitution of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

RESOLUTION TO PROVIDE FUNDS FOR EACH SENATOR TO HIRE THREE "STUDENT CONGRESSIONAL INTERNS"

Mr. WILLIAMS of New Jersey (for himself, Mr. BAYH, Mr. YARBOROUGH, and Mr. SCOTT) submitted a resolution (S. Res. 139) to provide funds for each Senator to hire three "student congressional interns," which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. WILLIAMS of New Jersey, which appears under a separate heading.)

ISSUANCE OF A SPECIAL STAMP TO HONOR FORMER GENERAL OF THE ARMY DOUGLAS MACARTHUR

Mr. CARLSON. Mr. President, sometimes the U.S. Post Office Department issues a series of definitive stamps. When this is done, the portraits of famous Americans are often placed on these stamps. Many great Americans have been honored in this way. No doubt, there are many who are worthy of this recognition. But, I believe there is one American, recently deceased, who has not been so recognized and should be recognized. He is the former General of the Army, Douglas MacArthur.

This great American did so much to protect and to preserve our freedom. His valiant defense of Luzon made him a national hero. His dramatic escape through Japanese lines upon the collapse of Bataan and Corregidor inspired many American hearts. His personal pledge at that time, "I shall return," will live throughout the ages in the hearts of loyal Americans and other freedom loving people.

Mr. President, I, therefore, am introducing a bill calling for a special stamp in honor of Gen. Douglas MacArthur and request that it be appropriately referred.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. TOWER. I should like my name to be added as a cosponsor of the measure introduced by the distinguished Senator from Kansas.

Mr. CARLSON. I would be delighted to have the Senator from Texas as a cosponsor of the bill.

Mr. CURTIS. Mr. President, will the distinguished Senator from Kansas yield?

Mr. CARLSON. I am happy to yield.

Mr. CURTIS. Since the Senator is receiving cosponsors of this measure, I would be most delighted to have the honor of cosponsoring the measure.

Mr. CARLSON. I appreciate the request of the distinguished Senator from Nebraska.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. DIRKSEN. I, too, would like to have my name added as a cosponsor of the proposed legislation.

Mr. CARLSON. I thank the distinguished minority leader.

Mr. President, I ask unanimous consent that the names of the Senator from Nebraska [Mr. CURTIS], the Senator from Texas [Mr. TOWER], and the Senator from Illinois [Mr. DIRKSEN] be added as cosponsors of the measure.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill will be received and appropriately referred.

The bill (S. 2389) to provide for the issuance of a special postage stamp in honor of the memory of the late General of the Army, Douglas MacArthur, introduced by Mr. CARLSON (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

OFFICIAL RESIDENCE FOR THE VICE PRESIDENT

Mr. SMATHERS. Mr. President, for nearly all of the time I have served in the Congress there has been discussion of legislation to create an official residence for the Vice President of the United States, the man who is in direct line to assume the Presidency in the case of Presidential inability or death.

In 1948, Representatives Gearhart of California and Gregory of Kentucky introduced companion bills to provide an official residence for the Vice President.

The Washington Evening Star said of this proposal, in an editorial dated August 5, 1948:

> The Vice President is really a standby President. He should receive enough salary to enable him to live in a style befitting this high position. And it would not be overdoing things to relieve him of the task of house hunting by assuring him of a rent-free home for him and his family while he occupies the No. 2 Executive.

Again, in 1957, President Eisenhower was reported by U.S. News & World Report, to favor the establishment of a permanent official residence for the Vice President.

In each case, the Vice President of the United States was regarded as an official deserving of this treatment because he is not only the potential successor to the Presidency but because he is, in modern practice, very close to the daily execution of the powers of that office. In effect, he is an assistant President as well as standby President.

Thus, in the last year when talk again revived about the establishment of a Vice President's residence, it seemed clear that after long years there now existed broad consensus support for such legislation.

Therefore, Mr. President, I think the time has come to stop treating the second in command like a second-class citizen.

The Vice President of the United States should be provided with the facilities necessary to carry out his official duties, including those ceremonial responsibilities, in a manner which befits that high office.

The Congress should wait no longer.

While many proposals have been offered on possible sites for the official residence, it is my opinion that the property best suited for immediate use is the principal residence located on the grounds of the Naval Observatory.

I therefore submit for appropriate reference, a bill designating the principal residence on the Naval Observatory grounds, together with such appurtenant lands as shall be designated by the Administrator of General Services, as the official residence of the Vice President of the United States, and which authorizes to be appropriated the necessary expenses to defray the cost of operation of the residence.

The Senator from Ohio [Mr. YOUNG] joins me in cosponsoring the bill.

Mr. BASS. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield.

Mr. BASS. I should like to join the Senator from Florida in his remarks and in his effort to acquire an adequate and suitable place of residence for the Vice President of the United States. I have not gone into the possibility of the exact location, but I think the problem is one that should be settled during the present session of the Congress. I commend the distinguished Senator from Florida for bringing the question to the attention of the Senate and introducing the bill.

Mr. SMATHERS. I thank the Senator from Tennessee. I am honored to have him as a cosponsor of the measure, and I ask unanimous consent that his name may be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill will be received and appropriately referred.

The bill (S. 2390) to provide an official residence for the Vice President of the United States, introduced by Mr. SMATHERS (for himself, Mr. BASS, and Mr. LONG of Ohio), was received, read twice by its title, and referred to the Committee on Government Operations.

EXEMPTION FROM REAL PROPERTY TAXATION

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, a bill dealing with tax exemption for the James F. Mitchell Foundation for Medical Education and Research.

Mr. President, I ask unanimous consent that a memorandum on this matter from Mr. Joseph W. Kiernan may be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. BASS in the chair). The bill will be received and appropriately referred; and, without objection, the memorandum will be printed at this point in the RECORD.

The bill (S. 2391) to effectuate the intent of the Congress as expressed in section 1, paragraph (k) of Public Law 846, 77th Congress, approved December 24, 1942, by adding to the list of institutions named in said paragraph the name of the James F. Mitchell Foundation for Medical Education and Research, an institution similar to the institutions so named, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the District of Columbia.

The memorandum presented by Mr. DIRKSEN is as follows:

EXEMPTION FROM REAL PROPERTY TAXATION

(Memorandum Re the James F. Mitchell Foundation for Medical Education and Research)

The James F. Mitchell Foundation for Medical Education and Research is a nonstock, nonprofit corporation which was organized under the laws of the District of Columbia on December 31, 1952. The founders envisioned it as the cornerstone upon which would ultimately be built a coordinated medical facility modeled, on a small scale, after the Mayo Foundation and Clinic.

The activities of the foundation were limited by the absence of funds until April 1, 1960, when the foundation received its first grant from the National Institutes of Health, through the National Heart Institute. Since such date, in reliance primarily upon research grants from the aforesaid source, the foundation has been engaged in research upon the nature and causes of aging diseases, with particular emphasis upon arteriosclerosis and rheumatic disorders, and diseases of the heart and blood.

On May 16, 1962, the foundation was officially granted exemption from Federal income tax by the Internal Revenue Service as a corporation organized and operated exclusively for scientific purposes, no part of the net earnings of which inures to the benefit of any private individual.

Until April 30 of this year, the foundation conducted its medical education and research on the third floor of the Washington Clinic building, under a lease from Clinic Properties Association, Inc., the former owner of the premises. On such date, April 30, 1965, the foundation purchased all of the property of Clinic Properties Association, Inc., being all the land, building, and personal property located at 5401 Wisconsin Avenue NW. The Washington Clinic and the Washington Clinic Pharmacy now rent space for their purposes from the foundation.

Plans are and have for some time been underway for the foundation to construct on its property a nonprofit, 82-bed hospital which will concern itself primarily with medical and surgical diseases of the heart and vascular system, together with organ transplant work. Once said hospital is constructed and in operation, the foundation will have achieved its beneficent goal of welding into a coordinated organization for the benefit of the entire community a professional and medical practice of high caliber, specialized hospital service in a much-needed field, and effective medical research and education.

The control and management of the affairs of the foundation are vested in a board of trustees comprising 17 outstanding citizens of the community, only five of whom are doctors associated with the Washington Clinic. It is contemplated by said board that funds required for the construction of the hospital, to be named after the late Dr. John H. Lyons, will be solicited from the general public, and necessary steps toward such end have already been taken.

The foundation's aforesaid real property is presently assessed for real property taxation purposes at $436,020 (land—$166,020; improvements—$270,000), resulting in real estate taxes for the fiscal year ended June 30, 1965, of $10,900.50. With the increase in the tax rate to $7.20 per $100 valuation for the fiscal year ending June 30, 1966, the District of Columbia real property taxes on said property (before any increases in assessed values) will be $11,772.54. The need for relief from such burden is thus apparent.

The foundation's aforesaid real property does not presently qualify for exemption under section 47–801a et seq. of the District of Columbia Code of 1961, as amended. It would appear, however, that exemption may be provided by special act of Congress by adding the property of the foundation to the list of organizations whose property is exempt from taxation by section 801(k). A proposed form of bill to effect such amendment is being furnished herewith.

An alternative means for accomplishing the exemption from taxation is to have adopted by the Congress an act specifically exempting the foundation's property, without reference to exemptions presently in force. A bill along this line is likewise submitted herewith. It has been observed that all recent special exemption acts which have been passed by Congress have made the exemption from real property taxation subject to the provisions of sections 2, 3, and 5 of the December 24, 1942, general exemption act (56 Stat. 1089 D.C. Code secs. 47–801b, 47–801c, and 47–801e). Section 2 of said act (D.C. Code sec. 47–801b) provides as follows:

"§ 47–801b. Income producing property of exempt institutions.

"If any building or any portion thereof, or grounds belonging to and actually used by any institution or organization entitled to exemption under the provisions of sections 47–801a and 47–801c to 47–801f are used to secure a rent or income for any activity other than that for which exemption is granted such building, or portion thereof, or grounds, shall be assessed and taxed. (Dec. 24, 192, 56 Stat. 1091, ch. 826, sec. 2.)"

Were the Congress to enact a law exempting the foundation's property from taxation, but subject to the foregoing provision, it is feared that the assessor would maintain that the securing of rent or income from the Washington Clinic (which occupies three-fourths of the foundation's building) would presently be for an activity (long-term purchase of the property itself) other than that for which the foundation's exemption has been granted. Therefore, of the two bills suggested, the former would appear to be preferable.

Respectfully submitted.

JOSEPH W. KIERNAN.

AUTHORIZATION FOR CERTAIN ADDITIONAL GS–16, 17, AND 18 POSITIONS

Mr. MONRONEY. Mr. President, I introduce, for appropriate reference, for myself, the Senator from Maryland [Mr. BREWSTER], and the Senator from Kansas [Mr. CARLSON], a bill to authorize additional GS–16, 17, and 18 positions for use in agencies or functions created or substantially expanded after June 30, 1965.

Under this proposal, the Government-wide quota of positions which may be placed in GS–16, 17, and 18 would be increased by 100. However, these additional positions would be available for use only upon approval by the President and only for agencies or functions created or substantially expanded after June 30, 1965. We have been advised that a similar reserve of 50 positions which the Congress designated for this purpose in 1961 has been exhausted.

I ask unanimous consent that a letter addressed to me, dated August 6, 1965, from Chairman Macy of the U.S. Civil Service Commission, and a letter from Phillip S. Hughes, Assistant Director for Legislative Reference, Bureau of the Budget, dated August 6, 1965, both in support of this proposal, be printed in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bill (S. 2393) to authorize additional GS–16, 17, and 18 positions for use in agencies or functions created or substantially expanded after June 30, 1965, introduced by Mr. MONRONEY (for himself, Mr. BREWSTER, and Mr. CARLSON), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The letters presented by Mr. MONRONEY are as follows:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., August 6, 1965.

Hon. A. S. MIKE MONRONEY,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, New Senate Office Building.

DEAR MR. CHAIRMAN: This is in response to your request of July 20, 1965, for the views of the Commission on a draft bill to authorize additional supergrade positions for use in agencies or functions created or substantially expanded by legislation enacted after June 30, 1965.

The Commission fully supports the need for this legislation and urges that it be given favorable consideration.

Under the proposed amendment, the Government-wide quota of positions which may be placed in GS–16, 17, and 18 would be increased by 100. These additional positions, however, would be available for use only upon approval by the President and only for agencies or functions created or substantially expanded by legislation enacted after June 30, 1965. A similar reserve of 50 positions which the Congress designated for this purpose in 1961 has been exhausted.

Although the immediate purpose of this legislation is to meet the need resulting from an expansion in programs of the Social Security Administration, the draft bill appropriately amends section 505(b) of the Classification Act to make the 100 additional GS-16, 17, and 18 positions available for Government-wide use. This type of amendment is much more equitable and desirable than the enactment of piecemeal legislation for this purpose each time a function is expanded or a new program is created.

The Commission suggests the title of the bill would be more descriptive if "GS-16, 17, and 18" were substituted for the word "supergrade."

The Commission would not, however, favor this proposal if there is any implication or assumption in supporting statements or the committee reports that the President will be limited in allocating these additional positions solely, or even primarily, to the Social Security Administration.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission or this report.

By direction of the Commission.

Sincerely yours,

(Signed) JOHN W. MACY, Jr.,
Chairman.

EXECUTIVE OFFICE OF THE PRESIDENT, BUREAU OF THE BUDGET,
Washington, D.C., August 6, 1965.

Hon. A. S. MIKE MONRONEY,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request of July 20, 1965, for the views of the Bureau of the Budget on a draft bill to authorize additional supergrade positions for use in agencies or functions created or substantially expanded by legislation enacted after June 30, 1965.

The draft bill would raise from 2,400 to 2,500 the limitation on the total number of positions authorized to be placed in grades GS-16, GS-17, and GS-18 under section 505(b) of the Classification Act, and would make the 100 additional positions thereby established available only for allocation with the approval of the President for agencies or functions created or substantially expanded by legislation enacted after June 30, 1965. The purpose of the draft bill is similar to the purpose of action taken in 1961 to authorize allocation of positions to these grades with the approval of the President for agencies or functions created after date of enactment.

We believe provision of authority to allocate additional positions to these grades, with the approval of the President, would be desirable. We believe, however, that flexibility should be provided to allocate positions not only where agencies or functions are created or substantially expanded by legislation, but also where new positions are needed, because of such other action as reorganization plans, and accordingly suggest the phrase "by legislation enacted" be omitted from the draft bill.

Our review of the needs of actual and prospective new agencies and new or expanded functions leads us to believe that the additional number of 100 in the draft would be very helpful at this time, although, of course, exact requirements can only be defined as these programs evolve to their intended level.

In individual cases, such as the expansion of the Social Security Administration which you mention in your letter, the exact minimum requirements can only emerge as the new or expanded program unfolds. We would, therefore, strongly urge that neither the bill itself nor statement of intent place any limitations, as to the number of positions or specific agencies, upon the President's discretion to approve positions for use within the overall ceiling in the category of agencies and functions stated in the bill.

In summary, the Bureau of the Budget would urge favorable action to provide an increase in the total number of positions authorized to be placed in grades GS-16, GS-17, and GS-18, with the approval of the President, in agencies or functions created or substantially expanded after June 30, 1965.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

ACQUISITION OF AN OFFICIAL RESIDENCE FOR THE VICE PRESIDENT

Mr. MONRONEY. Mr. President, I introduce for appropriate reference a bill to provide for the acquisition of an official residence for the Vice President of the United States. I ask unanimous consent that the bill be printed at the conclusion of my remarks.

The bill would authorize the establishment of a Commission for the Acquisition of an Official Residence for the Vice President composed of three members appointed by the President, one from the executive branch and two from private life. It would be the duty of the Commission to select and acquire a suitable residence in the District of Columbia for the use of the Vice President.

The Commission would be authorized to select and acquire an existing building and make necessary alterations and improvements or select and acquire land and construct a new building. The Commission would also be authorized to select any federally owned building now in existence.

The care, maintenance, and operation of the residence would be borne by the Government as is presently the case at the White House. The bill authorizes the appropriation of a maximum of $1 million for the acquisition.

In the past decade the duties and responsibilities of the Office of the Vice Presidency have increased immeasurably. There is little likelihood this trend will be reversed. As the complexities of a democratic government in a troubled world multiply, it is imperative that the President rely more and more on the Vice President to aid him in the performance and functions of state and other important governmental duties.

To enable the Vice President to carry out in a fitting and proper manner his role as the second ranking leader of our Government, an official residence in the District of Columbia, located near the heart of the city, convenient to the White House and the Capitol, commodious and attractive for the holding of state functions, and maintained at the expense of the Government, is needed.

I hope that hearings will be held promptly and favorable action taken by the Congress so that the business of acquiring such a residence can proceed with all due speed.

I ask unanimous consent that the bill lie on the table for a week so that other Senators may join with me in cosponsoring the measure.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the table, as requested by the Senator from Oklahoma.

The bill (S. 2394) to provide for the acquisition of an official residence for the Vice President of the United States, introduced by Mr. MONRONEY, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established the Commission for the Acquisition of an Official Residence for the Vice President (referred to hereinafter as the "Commission"), which shall be composed of three members appointed by the President, one from the executive branch of the Government and two from private life.

(b) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. Two members of the Commission shall constitute a quorum.

SEC. 2. (a) The member of the Commission from the executive branch of the Government shall serve without compensation in addition to that received for his services in the executive branch, but he shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of the duties vested in the Commission.

(b) The members of the Commission from private life shall each receive $75 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

SEC. 3. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil service laws and the Classification Act of 1949, as amended.

(b) The Commission may procure, without regard to the civil service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $75 per diem for individuals.

SEC. 4. (a) It shall be the duty of the Commission to select and acquire, on behalf of the United States, a suitable building in the District of Columbia, together with appurtenant buildings and grounds and appropriate furnishings and equipment, for use as the official residence of the Vice President of the United States.

(b) In carrying out its duties under subsection (a) of this section, the Commission may select and acquire an existing building with appurtenant land (including any federally owned building and land) and make necessary alterations and improvements, or may select and acquire land (including federally owned land) and provide for the construction thereon of a suitable building (together with appurtenant buildings). Any acquisition for the purpose of this Act may be made by gift or purchase, or in the event the Commission selected federally owned property, the agency or department having jurisdiction over such property shall, subject to the approval of the President, make such property available for such purposes.

(c) There are hereby authorized to be appropriated such sums, not to exceed $1,000,000, as may be necessary to carry out the foregoing provisions of this Act.

SEC. 5. The care, maintenance, repair, alteration, refurnishing, improvement, heating and lighting (including electric power and fixtures), and operation (including the employment of a staff) of the official residence and grounds of the Vice President shall be provided at the expense of the United States, and there are authorized to be appropriated annually such amounts as may be necessary for such purposes.

SEC. 6. If the Commission is unable within a reasonable period of time to acquire a suitable residence for the Vice President, it shall report that fact to the Congress, together with its recommendations for such additional legislation as it determines may be necessary to acquire such a residence.

SEC. 7. Upon the completion of its duties under this Act, the Commission shall submit to the Congress a final report concerning the action taken hereunder, and upon the expiration of thirty days following the submission of such report, the Commission shall cease to exist.

BILL TO AMEND NATIONAL LABOR RELATIONS ACT TO PROVIDE FOR AN EXPEDITED ELECTION IN LIEU OF RECOGNITION ON THE BASIS OF A "CARD CHECK"

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to amend sections 8 and 9 of the National Labor Relations Act to provide for the holding of an expedited election in lieu of recognition on the basis of authorization cards or similar evidence purporting to show that a majority of an employer's employees wish to be represented by a union.

The bill relates to the famous card-check controversy. We believe the bill represents a compromise which will result in earlier elections and, at the same time, not involve the jeopardy to the employer which is claimed now takes place. I shall be proposing the consideration of this matter in connection with the bill to repeal of section 14(b), which is expected to come before the Senate soon.

The recent hearings on repeal of section 14(b) of the Taft-Hartley Act have amply demonstrated that the NLRB has increasingly allowed "card checks" as a basis for requiring union recognition. Under existing law, if a union presents an employer with cards signed by 51 percent or more of the employees, the employer is legally obligated to recognize and bargain with the union, unless the employer has a good faith doubt as to the authenticity of the union's showing of a majority. Under this rule, an employer can be effectively deprived of his right to present his arguments about unionization and then have the employees decide. The employees likewise can be deprived of the right to a secret ballot, even though section 9 of the act provides machinery for conducting such a secret ballot election. Also, a vital point is that a racket posing as a union has a much better chance to get in.

On the other hand, it is sometimes argued that the ordinary election procedures of the act, except in organizational picketing cases, may in some cases unnecessarily delay the process of determining the wishes of the employees.

This bill, however, would neither be a vehicle for delay nor limit the right to a secret ballot election.

The bill makes two changes in existing law.

First. Section 1 of the bill would create a new section 9(c)(6) of the Act, and thereby would provide that an employer faced with a "card check" of more than 50 percent may file a petition and get an election, and if he files such a petition, no unfair labor practice proceeding based solely upon refusal to recognize the card check will be processed unless the employer dissipates the majority by other unfair labor practices or so "poisons the air" by unfair labor practices that it would be futile or unfair to hold an election at all. Any petition for an election filed under this amendment would be followed by an expedited election under procedures comparable to those now in use under section 8(b)(7)—the high-speed election in cases of organizational or recognition picketing, established by the Landrum-Griffin Act. Under the expedited election procedure, all determinations of bargaining unit questions, eligibility of voters, objections to the conduct of the election, and so forth would be resolved by the Regional Director with only discretionary review by the Board. Under this procedure the time lapse between filing the petition and issuance of a certification would rarely exceed 30 days and often be much shorter.

Second. Section 2 of the bill would create a new section 8(g) of the act, under which, if a card check is presented, the employer is given a reasonable time to verify whether the signatures on the cards are genuine and have been signed voluntarily by the employees and have not been revoked. Thereafter, if he has no good faith doubt as to the authenticity of the union's majority showing on the basis of cards, the employer is obligated either to recognize the union or else file a petition for an expedited election as provided in this bill. If he has no good faith doubt and fails either to recognize the union or request an expedited election, he could be guilty of an unfair labor practice.

In short, the amended proposal cures the main defects in the "card check" procedure—that it could be inaccurate and deprive the employer of the right to tell his side of the story—while at the same time definitely improving the existing certification procedure by providing a union with a quick procedure for a vote heretofore available only in "stranger picketing" cases.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2395) to amend sections 8 and 9(c) of the National Labor Relations Act so as to provide for the holding of expedited representation elections upon petition of employers where labor organizations seek recognition on the basis of employees' authorizations or similar evidence, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(c) of the National Labor Relations Act is amended by adding the following new paragraph:

"(6) In any case in which it is alleged in a petition filed by an employer pursuant to paragraph (1)(B), that a labor organization seeking recognition as the representative of the employees of such employer has presented evidence purporting to show that a majority of employees in the appropriate bargaining unit desires to be represented by such labor organization, it shall be the duty of the Board, if it determines that in all other respects a question of representation affecting commerce exists, to forthwith, without regard to the provisions of paragraph (1), direct the holding of such an election in such unit as the Board finds to be appropriate and to certify the results thereof. The consideration of the petition and the holding of the election, in any such case, shall not be delayed by reason of the pendency of an unfair labor practice charge based upon the refusal of the employer to bargain collectively with the labor organization, and no such unfair labor practice charge based upon a refusal to bargain prior to the election shall thereafter be considered unless the Board determines that the labor organization had once been authorized to represent a majority of the employees in the bargaining unit, but that as a result of unfair labor practices committed by the employer (other than unfair labor practices under section 8(a)(5)), (a) such labor organization is no longer authorized to represent such majority or (b) the conditions required for the holding of a fair election no longer exist."

SEC. 2. Section 8 of such Act is amended by adding the following new subsection:

"(g) It shall be an unfair labor practice under subsection (a)(5) of this section for any employer to refuse to recognize a labor organization as the representative of his employees if such employer—

"(1) has been presented with evidence purporting to show that a majority of employees in the appropriate bargaining unit desires to be represented by such labor organization;

"(2) has no bona fide doubt that such majority desires to be so represented; and

"(3) has failed within a reasonable time to file a petition pursuant to paragraph (1)(B) of section 9(c), containing the allegations referred to in paragraph (6) of such section."

FUNDS FOR EACH SENATOR TO HIRE THREE SUMMER INTERNS

Mr. WILLIAMS of New Jersey. Mr. President, our country has always considered itself a young country, and this is as it should be. Part of this is attributable to the constant emphasis that has been placed on youth and education in America. This, too, is in our own best interests. One aspect of this attitude has been a growing effort to demonstrate to younger Americans the workings of our Government.

We hope, thus, to stimulate their thinking about government and politics and their activity in this field. Some, we hope, will be interested enough to take up Government service as a career. Some will, in later life, take an active part in government and politics in their home community. And some will stir thinking on their campuses on these subjects.

Here in the Senate, many Members have attempted to further this ideal by establishing summer internships for college students. The students work in a senatorial office for the summer, gaining exposure to and involvement in many facets of the work of the Congress and the executive branch.

Unfortunately, most Senators who have conducted these summer internship programs have had to finance them out of their own pockets. This has had two results: It put a personal financial squeeze on the Senator, and it sometimes has restricted the program to young people who come from well-to-do or wealthy families, who can afford to subsidize them.

Consequently, many deserving students are unable to avail themselves of this rewarding experience because it is a luxury they cannot afford.

I submit a resolution establishing three summer internships for each senatorial office, each to carry a maximum stipend of $750 for the 3-month period of June, July, and August.

Certainly this is a modest wage, especially considering that these interns will be living away from home. But at least it will meet their living expenses and, perhaps, permit them to put something aside for the next year's school bills.

And it will relieve the financial burden on Senators who have been supporting these programs out of their own private resources.

I hope you will agree with me that the summer internship program is a valuable one and ought to be financed by the Senate.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 139) was referred to the Committee on Rules and Administration, as follows:

Resolved, That (a) notwithstanding any other provision of law, each Senator in the United States Senate is authorized to hire for three months during the period of June 1 to August 31, inclusive, each year, effective 1966, three additional employees to be known as "student congressional interns." For this purpose each Senator shall have available for payment to each intern a gross allowance of $750, at the gross rate of $250 per month, payable from the contingent fund of the Senate until otherwise provided by law. Such allowance and such interns shall be in addition to all allowances and personnel made available to such Senators under other provisions of law.

(b) No person shall be paid compensation as a student congressional intern who does not have on file with the Senate finance clerk, at all times during the period of his employment, a certificate that such intern was during the academic year immediately preceding his employment a bona fide student at a college, university or other institution of higher learning.

SEC. 2. The Committee on Rules and Administration of the Senate shall make such regulations as may be necessary to carry out this Act.

CHANGE OF REFERENCE

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from consideration of the bill S. 2363, and that the bill be re-referred to the appropriate committee.

This bill authorizes the Administrator of Veterans' Affairs to convey certain lands situated in the State of Minnesota to the city of Saint Cloud, Minn.

Since it is similar to two other bills before the Committee on Labor and Public Welfare I recommend that S. 2363 be referred to that committee also.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

BENEFITS TO CHILDREN OF CERTAIN VETERANS UNDER THE WAR ORPHANS EDUCATIONAL ASSISTANCE PROGRAM—AMENDMENT

AMENDMENT NO. 381

Mr. MILLER submitted an amendment, intended to be proposed by him, to the bill (H.R. 227) to amend title 38 of the United States Code to entitle the children of certain veterans who served in the Armed Forces prior to September 16, 1940, to benefit under the war orphans educational assistance program, which was ordered to lie on the table and to be printed.

INCOME TAX TREATMENT OF CERTAIN CASUALTY LOSSES—AMENDMENTS

AMENDMENTS NOS. 382 AND 383

Mr. MORTON submitted two amendments, intended to be proposed by him, to the bill (H.R. 7502) relating to the income tax treatment of certain casualty losses attributable to major disasters, which were referred to the Committee on Finance and ordered to be printed.

CORRECTION OF CERTAIN ERRORS IN THE TARIFF SCHEDULES—AMENDMENT

AMENDMENT NO. 384

Mr. KENNEDY of New York submitted an amendment, intended to be proposed by him, to the bill (H.R. 7969) to correct certain errors in the Tariff Schedules of the United States, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS

Mr. CANNON. Mr. President, at its next printing, I ask unanimous consent that the name of the senior Senator from Utah [Mr. BENNETT] may be added as a cosponsor of the bill (S. 2281) to amend section 3 of the act of July 23, 1955 (69 Stat. 367, 368), and to authorize mining locations for certain mineral deposits, introduced by me on July 23, 1965.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, at its next printing, I ask unanimous consent that the name of the Senator from Maryland [Mr. TYDINGS] be added as a cosponsor of the bill (S. 1816) to amend the Migratory Bird Conservation Act with respect to the disposal of land and interests in land acquired pursuant to such act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, I also ask unanimous consent that, at its next printing, the name of the Senator from Utah [Mr. Moss] be added as a cosponsor of the bill (S. 1974) to amend title 23 of the United States Code relating to highways for the purpose of protecting fish and wildlife and recreation resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TYDINGS. Mr. President, I ask unanimous consent that my distinguished senior colleague from Maryland [Mr. BREWSTER], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Hawaii [Mr. INOUYE], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Alaska [Mr. GRUENING], and the Senator from Pennsylvania [Mr. CLARK] be added as cosponsors of my bill, S. 2339, to permit a State to elect to use funds from the highway trust fund for the purposes of urban mass transportation.

I further ask unanimous consent that the bill lie on the table until August 13 for the purpose of permitting additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS

Under authority of the orders of the Senate of August 3, 1965, the following names have been added as additional cosponsors for the following bills:

S. 2351. A bill to protect the morale and efficiency of members of the Armed Forces by prohibiting the making of certain threatening and abusive communications to members of such forces or their families, and for other purposes: Mr. HARTKE and Mr. MUNDT.

S. 2352. A bill to amend the Labor-Management Relations Act, 1947, as amended, so as to provide for the regulation of certain employees benefit funds: Mr. ALLOTT.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader about the program for the remainder of the day, and what he proposes to call up in the Senate tomorrow.

Mr. MANSFIELD. Mr. President, I ask unanimous consent—and this is partially in response to the question raised by the distinguished minority leader—that when the Senate completes its business tonight, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. It is anticipated that a unanimous-consent request will shortly be made to call up a bill which has been cleared on all sides. It will probably take about a half a minute to dispose of it.

Then the Senate will proceed to consider the nominations on the Executive Calendar, beginning with those in the Department of Justice.

After that, it is hoped, if we complete consideration of the nominations in time—and I am hopeful that we can, and without a yea-and-nay vote—that we shall be able to take up the Peace Corps conference report.

If we are able to dispose of that today, it is the intention of the leadership to lay before the Senate H.R. 8369, the State-Justice, Commerce, and judiciary appropriations bill.

That will be followed by H.R. 7969, the tariff schedule bill; and, of course, conference reports as they arise will be called up.

Mr. DIRKSEN. There is little likelihood that discussion on the tariff reclassification bill will get underway today. Is that correct?

Mr. MANSFIELD. There is no likelihood.

CONVEYANCE OF CERTAIN PROPERTY TO DARE COUNTY, N.C.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calender No. 310.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (H.R. 2176) to authorize the Secretary of the Interior to convey certain property to the County of Dare, State of North Carolina, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there is no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 322), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of H.R. 2176 is to provide for the transfer to Dare County, N.C., of 1½ acres of land in the village of Hatteras which is now owned by the United States and administered by the national park system.

NEED

The land in question is needed by Dare County for a hospital. It was acquired by the National Park Service in 1958 by transfer from the General Services Administration under the act of July 18, 1958 (72 Stat. 398). At that time the Park Service expected to use it for administrative purposes in connection with the Cape Hatteras National Seashore. This use, however, has not materialized and the land, which is not within the national seashore though it is close by, is not needed for Government purposes. The land covered by the bill is valued at $1,860.

Utilization of this land for a hospital will be helpful to visitors to the national seashore as well as to the local inhabitants. Although more than half a million people are attracted annually to the seashore, the nearest hospital is 125 miles from its center.

Enactment of H.R. 2176 is required to permit the proposed transfer to be made, since the Federal surplus property laws are not applicable to National Park Service landholdings. It is the committee's belief that the advantages to the Government of the proposed transfer and the inclusion of a provision for reversion of this property if it is not used for a public health facility justify a waiver of the usual rule against disposition of Government property without recouping its fair market value.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF JUSTICE

The Chief Clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Chief Clerk read the nomination of John W. Gardner, of New York, to be Secretary of Health, Education, and Welfare.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. KENNEDY of New York. Mr. President, the Senate has just voted to confirm an outstanding appointee to the post of Secretary of Health, Education, and Welfare. John Gardner's entire life has been devoted to public service. He has been a teacher; he has served the executive branch of the Government; and he has devoted many years to the work of the great charitable foundation from which he comes to his present post.

John Gardner has done more than serve. He has served with devotion and excellence. Indeed, his work, his writing, and he himself have become synonymous with the quest for excellence in American life.

The post which he now assumes is, in my judgment, as important as any other for the future of our country. For as we move to meet the challenges of a changing world, the quality of the education we give our children will determine the quality of our response. Our problems are many and various; and their magnitude is great. There can be no greater tribute to John Gardner than our knowledge that he is fully equal to the job.

U.S. SUPREME COURT

The Chief Clerk read the nomination of Abe Fortas, of Tennessee, to be an Associate Justice of the Supreme Court of the United States.

Mr. SYMINGTON. Mr. President, I was extremely gratified that the distinguished Committee on the Judiciary has without a dissenting vote favorably reported the nomination of Abe Fortas to be Associate Justice of the Supreme Court of the United States. This committee, composed of able and experienced lawyers, by this action gives recognition to the principle that practical legal experience is one of the most important qualifications for this high judicial office.

Mr. Fortas was a brilliant student at Yale Law School, a distinguished and dedicated Government official in a number of capacities, and more recently has achieved high eminence at the bar as a private practitioner.

The Judiciary Committee's unanimous recommendation attests these qualities, and it is my view that Mr. Fortas will bring to the Court those high qualities of intellectual attainment and judicial temperament all his friends know he possesses.

For many years, I have been privileged to know Mr. Fortas as a personal friend. But, my complete support of his nomination is based upon the conviction that the established facts of his record justify the Senate of the United States in exercising its constitutional responsibilities by confirming the President's appointment.

Mr. Fortas' practical experience, his recognized scholarship in the field of constitutional law, his career in government and at the bar, unqualifiedly support the conclusion that Abe Fortas possesses the qualifications to make a great Justice of the U.S. Supreme Court. I predict with confidence that he will; and therefore I am happy to support the nomination of this distinguished American lawyer.

Mr. THURMOND. Mr. President, the nomination of Mr. Fortas to be an Associate Justice of the U.S. Supreme Court is, in my opinion, most unfortunate.

The Constitution does not establish specific qualifications for judicial appointment to the courts of the United States. Although a number of bills have been introduced for the purpose of establishing minimum requirements, the Congress has failed to remedy this inadequacy. Legally, therefore, there is no bar to Mr. Fortas' appointment to the Court.

Despite the lack of constitutional or statutory guidelines, individual Senators are not relieved of the responsibility for forming a judgment as to the competence of each designee for the position to which he is nominated. We, as individual Senators, must, under the Constitution, share with the President the responsibility for such appointments. When he was here in the Senate, President Johnson demonstrated his concurrence that confirmations by the Senate should be on the basis of individual evaluations by each Senator of the nominee's competence. I recall, for instance, the leadership role exercised by the then Majority Leader Johnson in successfully defeating confirmation by the Senate of Adm.

Lewis Strauss to be Secretary of Commerce.

The mere fact that the President has designated a particular person for this post does not relieve Senators from their responsibility for assessing the wisdom of the appointment.

Judicial appointments, by their very nature, require a special type of competence; and appointments to the highest U.S. Court require the highest degree of such special competence.

One essential element of the competence required is often described as "judicial temperament." Judicial tempermanent is a requisite because of the nature of the position. One of the most essential elements of judicial temperament is the ability to interpret and apply the law to specific cases and controversies, and in so doing to refrain from substituting individual opinion for the applicable law.

Law, by its very nature, is largely composed of absolutes. It is from this quality of the law that stability and order inures. Judicial temperament requires sufficient respect for the rule of law to overcome any disagreement with a particular law.

After careful examination of the available information on the nominee, Mr. Fortas, I am convinced that he is totally lacking in judicial temperament. Both his public conduct and his words demonstrate a disdain for absolute values, and that he holds a philosophy based on relativism.

Illustrative of the nominee's philosophy of relativism is an appreciation written by him of Gen. G. B. Chisholm's lecture in 1946 to the William Alanson White Psychiatric Foundation. I ask unanimous consent that the William Alanson White memorial lectures, second series, of February, 1946, including "An Appreciation" by Abe Fortas, the lecture by G. B. Chisholm, and the panel discussion be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. The relativism, or in Mr. Fortas' words, "freedom from moralities," expressed and endorsed by the nominee on this occasion is consistent with his actions reported in the press over the years. It is the antithesis of a judicial temperament. One who finds it desirable to replace moralities with the flexibility of "sensible thought and behavior" would hardly be capable of resisting the impulse to modify or replace with flexibility the law of the land.

I oppose the confirmation of Mr. Fortas as Associate Justice of the Supreme Court.

EXHIBIT 1

THE PSYCHIATRY OF ENDURING PEACE AND SOCIAL PROGRESS

(The William Alanson White memorial lectures by G.B. Chisholm, C.B.E., M.D., with a foreword by Abe Fortas and discussion by Henry A. Wallace, Watson B. Miller, Samuel W. Hamilton, Ross McC. Chapman, Harry Stack Sullivan)

WILLIAM ALANSON WHITE AND THE SPONSORS OF THESE LECTURES

It was to carry on the work of their beloved teacher and friend that, with his consent, the William Alanson White Psychiatric Foundation came into being in 1933 and was incorporated in the District of Columbia. Its program crystallized under his direction. Dr. White became a trustee and its honorary president for life on the 19th of February, 1934.

No one did more than William Alanson White to withdraw psychiatry from its cell and influence its integration with general medicine. He was a great interpreter and his lucidity of thought and expression, his capacity for the wisely spoken, as well as written, word carried far. Medicine owes him much as a distinguished teacher and editor. He was, moreover, a great hospital administrator.

The board of trustees of the foundation undertook to support research and to establish facilities for training research and treatment personnel as far as possible to a new level of competence.

The Washington School of Psychiatry (1936) was a project of mature deliberation as to the existing facilities for postgraduate training. Dr. White was to have participated in its program as clinical professor of psychiatry. The school has stood for a growing integration of the biological and social sciences.

The second project of the foundation, its journal, Psychiatry, with the same aims in view, has lived up to its purposes and has gained a warm reception.

The William Alanson White memorial lectures, as an occasional activity of the foundation, are to have, I believe, a not inconsiderable place in the history of psychiatry.

Dr. Harry Stack Sullivan, first president of the foundation, the editor of our journal and president of the Washington School of Psychiatry, was the first memorial lecturer.

General Chisholm was until recently Director-General of Medical Services, Canadian Army and is Deputy Minister of Health in the Dominion Department of National Health and Welfare, as well as president of the National Committee for Mental Hygiene, Canada. I need scarcely add that he is a psychiatrist of worldwide distinction.

ROSS MCCLURE CHAPMAN,
President.

AN APPRECIATION

(By Hon. Abe Fortas, the Under Secretary of the Interior)

General Chisholm's remarkable lectures on "The Reestablishment of Peacetime Society" will undoubtedly startle many people. This is not the first time that wisdom has mercilessly illuminated the nature and consequences of the fantastic fabric of man's training and behavior. But I dare say that it is one of the few occasions in which pitiless disclosure has been accompanied by the drawing of a clear, cleanly-defined alternative which may inspire our efforts. General Chisholm is paradoxical. He not only pleads for mature men and women, but the nature of his plea discloses that he himself is that extraordinary creature: a man of maturity.

Dr. Sullivan says that "the mental disorder of modern man" is the attempt "to protect a peace of mind that at best is the peace and quiet of fresh thistledown on a windy day." But the prescription of General Chisholm for this disorder is not the patent formula in the medicine book. He does not suggest a renewed effort to anchor the mind and personality. He does not even propose that the trouble be solved by anchorage to different and better foundations. He says that the difficulty is with the very idea of anchoring at all.

Man has sought through the ages to define and classify behavior: this is good, that is evil; this is religion, that is taboo. It matters not that different groups of men at different times and in different places have arrived at conflicting results. The results have always been as unimpeachable as a decision of the Supreme Court of the United States. The inducements to the results, although more complex, have been similarly basically intelligible: to define a code, to compel a course of conduct which would apparently permit man to live with man in the given society, and, as a presumably necessary part of this, to bind each new individual to his elders, his rulers, and their past.

But the human past is no longer suitable to the material present. It hasn't been for some time, but we have now reached the point where drastic readjustment of human personality and conduct appears necessary for survival.

As General Chisholm points out, the problem of society in a world trembling with the power of self-destruction is essentially the problem of society's individuals. Unless we can remake ourselves—unless in every country there are large numbers of mature, reasonable people, free of guilts and inferiorities, there may soon be none of us left, not even to bury the dead.

So it is that General Chisholm proposes that we put aside the mistaken old ways of our elders, and that we take charge of our new destiny. On his agenda, no one is without a part to play in this challenging undertaking; the church, the home, schools, and government should set themselves to the task of examining and understanding and treating the ills that beset society—and the individual. And the role of the psychiatrist in this venture is not merely that of a healer; it is the greater task of him who seeks the causes of fear, anxiety, prejudice, and vicious passion, and works to eradicate those causes.

We must make it possible, General Chisholm advocates, for human beings to think, and thereby to act rationally. If we are to do this, we must first free them of the terrible burden of blind authoritarianism, of the slavish acceptance of the doctrines which each generation is supposed to accept from its predecessors like a burial urn, and to pass on untouched and unexamined to its successors.

There are some, no doubt, who will take alarm at this precept. But the rejection of authoritarianism which it implies is neither an adjuration to repudiate authority nor a mandate to cast aside reasonable standards of behavior. It is merely an invitation to seek fact and reason, which cannot be found in the blocked tunnel of prescribed formula.

Indeed, most of the essential principles which we teach as religious or moral imperatives are solidly founded in sensible social necessities. "Thou shalt not kill" is a reasonable multilateral arrangement among the members of society. But "Thou shalt not kill," advanced merely as the ipse dixit of a thunderous war-god, is a bewildering contradiction which spawns with equal facility avengers, aggressors, Quakers, and Jehovah's Witnesses; the GI's of Bill Mauldin's cartoons and the GI's of the neuropsychiatric wards.

General Chisholm's proposal is practical pedagogy. We are interested, after all, not in the mere learning of good and evil, but in the practice of reasonable mature individual and community living. This comes about not through the acquisition of doctrinal information, but through the application of reason and humanity, maturely, to the complex facts of life. "Thou shalt not kill" has not yet stopped a war. "Thou shall not commit adultery" has not yet solved all of the emotional and social problems of fancy which has gone astray. But careful analysis of the problems of human life, killing, love, sex, and family, might give us a start toward reasonable attitudes, and an approach to workable solutions. At any rate, from it will not result the frustrations and agonies of undebatable principle in sharp conflict with undeniable fact.

Teaching should not be a substitute provided for thinking—and it too often is, from nursery through Ph. D. and beyond. Instead of precepts, it should offer for discussion and analysis the relationships of people and events, factors and things. General Chisholm says, "Freedom from moralities means freedom to think and behave sensibly." Freedom from authoritarian imperatives, divorced from reason and life, means freedom to acquire, in usable form, understanding and comprehension of behavior and relationships, which may equip us to deal with the urgent problems of a desperate time. We have smashed the atom and unleashed the terrible power of nature. We must smash the housing of preconception and prejudice which encases the mind and spirit of man, and set them free to cope with the forces of dissolution and disintegration which are loose in the world.

THE REESTABLISHMENT OF PEACETIME SOCIETY [1]

THE RESPONSIBILITY OF PSYCHIATRY

(By G. B. Chisholm)[2]

William Alanson White's teachings and writings from his "Outlines" in 1907 to the last days of his life provided much of the impetus in the development of psychiatry which occurred during those years. His vision and humanity, honest thinking, and devotion would have been of great value to the world in the troublous times ahead of us now. It would not, however, be a fitting memorial to William Alanson White to spend our time on this occasion looking backward at his work and bemoaning his absence and the loss to psychiatry. He would not have us at any memorial of his, talk about William Alanson White. The most sincere way we can honor him is to try to look forward, in the spirit of honesty, devotion, and service which characterized his whole life, to face and deal with the vast problems which lie ahead.

He would recognize that there is much for psychiatry to do and we should be getting on with the job as he would be doing if he were here. He would recognize, as we must, that this is a sick world, with an old chronic but ever more extensive and serious sickness. Its sickness has recently become acutely dangerous and the future is uncertain indeed.

Man, again, and on a wider and more highly organized scale than ever before, has been indulging in one of his most consistent behavior patterns, war. Though it seems that, among the people of the world, relatively few want or enjoy wars, and very many suffer in many ways during wars, man persists in this senseless behavior century after century. Until recent years wars could take place locally without necessarily affecting or causing concern on the part of peoples in other parts of the world, but that time is past. Every war is now a threat to all the people in the world, either directly or through deprivation of materials or loss of trade.

This situation is widely recognized and no nation will ever again be able to formulate its policies on the basis of isolationism. The interdependence of all the people in this shrunken world is obvious. Fast air transport and the atomic bomb are only the latest steps in that process, which has been going on for a long time, of breaking down the geographical barriers between groups of peoples. We are all now, perforce, citizens of the world, whether we are sufficiently mature adequately to carry that responsibility or not.

In the face of this new status as world citizens we must accept the uncomfortable fact that we are the kind of people who fight wars every 15 or 20 years. We always have, for as far back as we know anything of the race, and if we go on being the same kind of people it is to be supposed that we will continue to fight each other.

Now that the latest war has just finished we must take one of several possible courses. First we can return to the kind of life and society we had before the war, go back to our peaceful pursuit of a living, or local social betterment, or political importance, or psychotherapy as the case may be. We could probably count with luck on 15 years, or even 20, of peace if we do that, but those occupations would be completely futile as we would be taken over and enslaved, literally, and our comfortable social developments thrown into the discard by a master race to whom we would appear weak and unrealistic and not fit to run our own lives. Every present indication is that the next time any self-styled master race is allowed to prepare and make such an attempt it will succeed. If our future concern is just the reestablishment of the prewar society, slavery is absolutely inevitable. We were before the war the kind of people who allowed the Germans, Italians, and Japanese to prepare openly for war for years and to pick their own time and place to attack us. If we go on being that same kind of people we are indeed not fit to survive. We will have proven clearly our lack of ability to learn from even the most painful experience—a biologically intolerable condition.

The second possible course is to prepare earnestly for the next war, recognizing its inevitability, training our children from infancy to live dangerously, to be able to fight effectively with ever more efficient, ruthless, and terrible weapons. They must be trained to strike first because there may be no second blow in the wars of the future. Constant alertness and ruthless killing of all potential enemies will be the price of survival if we go on as we always have.

The third possible course is to find and take sure steps to prevent wars in the future. While this possibility seems obviously preferable it is something that has never yet been undertaken successfully. Perhaps it can be said that such a course has never been undertaken at all. Perhaps there is no way of preventing wars; if so we must decide whether to be slaves or ruthless killers, but before accepting either of those uncomfortable alternatives let us at least explore possible ways of preventing war.

Before exploring such possibilities however, we should first consider war in relation to the human race so that we may be assured that it would indeed be good for the race to prevent future wars. It would seem to be true that, whatever the destiny of the race, the killing off of large numbers of its physically fit, intelligent, and socially minded younger men can hardly be advantageous. A case might be made for wars if they could be fought by the old men and the mental defectives but that does not seem to be even a remote possibility as wars become ever more technical and demanding of all the fittest men. While the atomic bomb has been a dramatic weapon in the closing phases of the recent war, other possible weapons may be still more terrible. What of the introduction into major water supplies of a chemical which will prevent pregnancy in all females? What of the infinite capacity for killing in the hands of biologists and chemists all over the world? Any country could be paralyzed and destroyed at leisure by a well-organized attack of any one of various new types—and without any development of heavy industries. In fact then the tendency is to involve not only fit young men, but every sign points to the killing in any future wars of large numbers of unselected whole populations, including women and children. This can hardly possibly be a useful procedure from a racial point of view unless conceivably it could serve to reduce population pressures in some parts of the world. This end could surely be attained, however, in less painful ways and with better selection if such reduction of population should become necessary to the human race.

Some aspects of war are undoubtedly attractive to many people, but these advantages are clearly so far outweighed by the sufferings of others that no case can be made for continuing to wage wars on that score. Wars affect the economic status of millions of people, many of them for the better. Business booms, money flows freely, prosperity is widespread, but only where the war is not actually being fought. In the future, war may well be fought everywhere throughout the world without immediately compensating prosperity for anybody. Furthermore, it ought to be possible for us to produce the same prosperity without killing, starving, or enslaving millions of people.

Look as we may, we cannot find a sensible reason, from the point of view of the welfare of the human race, for continuing to fight wars or for not preventing them. Then why do we go on doing it? Let me repeat—we are the kind of people who fight wars every 15 or 20 years. Why? Shall we only throw up our hands in resignation and reply "human nature"? Surely other expressions of human nature are subject to extensive changes. Why not this one? We may not change nature, but surely its expression in behavior patterns can be modified very extensively.

The responsibility for charting the necessary changes in human behavior rests clearly on the sciences working in that field. Psychologists, psychiatrists, sociologists, economists, and politicians must face this responsibility. It cannot be avoided. Even a decision not to interfere is still a decision and carries no less responsibility. We must earnestly consider what can be done to save the race from itself, from its insatiable desire for its own blood. Can this old habitual pattern of the race be eradicated by strong combinations of powerful nations, or by legislation, or by pretending that now everyone will love everyone else and there will be no more wars, or by prayer and fasting, or by control of enemy industries? These have all been tried repeatedly and uniformly unsuccessfully. There is nothing to suggest that any of them can be successful, though they are all seriously being recommended again by many interested people. We are even being told we can prevent wars by controling our potential enemies' heavy industries. I am reminded that when the Romans were concerned to keep the Britons from fighting them they cut down all the yew trees in England so the Britons could not make long bows. The Britons took the cross bows instead, which were much better weapons. Surely we have learned something in 2,000 years. Or have we? We might as well forbid the Germans to make spears or breed horses for cavalry as control their heavy industries. Every lesson of history and of commonsense would suggest the futility of these methods. It is clear that something new is needed—but what?

---

[1] M.D. University of Toronto 1924; postgraduate work Middlesex and All Saints' Hospitals, London, England, 1924–25; general practice Oakville, Ontario, 1925–31; lecturer psychiatry, Yale Medical School, 1931–33; National Hospital, Queens Square, and Maudsley Hospital, London, England, 1933–34; practice psychological medicine, Toronto, 1935–40. Canadian Army infantry for 4½ years through ranks to captain in First World War; battalion and brigade commander in the militia; in present World War served as commandant Northern Area M.D. 2, was chairman Canadian Medical Procurement and Assignment Board, Deputy Adjutant General and Director Personnel Selection, 1941–42, Director General Medical Services, 1942–44, Deputy Minister of National Health Department, National Health and Welfare, November 1944. Chairman Dominion Council of Health; president, National Committee Mental Hygiene, Canada; chairman Health Committee, Canadian Youth Commission.

[2] This is the second series of William Alanson White memorial lectures. The first of these two lectures was given in Washington, D.C., at the auditorium of the New Interior Department Building, October 23. The Honorables, the Secretary of Commerce, the Federal Security Administrator, and the Deputy Director of War Mobilization and Reconversion, participated in panel discussion with Drs. Chisholm, Ross McClure Chapman, Samuel W. Hamilton, and Daniel Blain, at the same place the succeeding evening. The second lecture was given in New York City at the Academy of Medicine, October 29, 1945. Honorable Jerome N. Frank, U.S. Circuit Court of Appeals Judge, spoke in discussion.

Can we identify the reasons why we fight wars or even enough of them to perceive a pattern? Many of them are easy to list—prejudice, isolationism, the ability emotionally, and uncritically to believe unreasonable things, excessive desire for material or power, excessive fear of others, belief in a destiny to control others, vengeance, ability to avoid seeing and facing unpleasant facts and taking appropriate action. These are probably the main reasons we find ourselves involved in wars. They are all well known and recognized neurotic symptoms. The only normal motive is self-defense, to protect ourselves from aggression, but surely we should be able to see the aggression coming long before it breaks out in warfare and take appropriate action to satisfy or suppress it. Even self-defense may involve a neurotic reaction when it means defending one's own excessive material wealth from others who are in great need. This type of defense is shortsighted, ineffective, and inevitably leads to more wars.

When we see neurotic patients showing these same reactions in their private affairs we may also throw up our hands and say "human nature" or "psychopathic personality of this or that type" or we may go to work to try to help the person in trouble to grow up over again more successfully than his parents were able to do. This can be done frequently but it would have been still better if his parents had been able to help him to group up successfully in the first place.

It would appear that at least three requirements are basic to any hope of permanent world peace.

First—security, elimination of the occasion for valid fear of aggression. This is attainable, at least temporarily and as a stopgap until something better can be arranged, by legislation backed by immediately available combined force prepared to suppress ruthlessly any appeal to force by any peoples in the world. The administration and command of such a force is a delicate problem but can be devised if and when the great powers really want it. A less effective substitute for this method but one which may work well enough for long enough is for the great powers to assume this function themselves. To work even well enough it will be necessary that all disputes between nations be submitted to arbitration by a world court of the highest integrity.

Second—opportunity to live reasonably comfortably for all the people in the world on economic levels which do not vary too widely either geographically or by groups within a population. This is a simple matter of redistribution of material of which there is plenty in the world for everybody, or of which plenty can easily be made. This can easily be attained whenever enough people see its necessity for their own and their children's safety if for no more mature reason.

It is probable that these first two requirements would make wars unnecessary for mature normal people without neurotic necessities, but their attainment depends on the ability of enough people in the right places to want to implement them, and few people are mature and without neurotic necessities. So far in the history of the world there have never been enough mature people in the right places. We have never had enough people anywhere who have been able to see and accept these facts and who are sufficiently well developed and responsible to tackle these problems.

It follows inevitably then that the third requirement, on which the attainment and the effectiveness of the others depend, is that there should be enough people in the world, in all countries, who are not as we are and always have been, and will not show the neurotic necessities which we and every generation of our ancestors have shown. We have never had enough people anywhere who are sufficiently free of these neurotic symptoms which make wars inevitable.

All psychiatrists know where these symptoms come from. The burden of inferiority, guilt, and fear we have all carried lies at the root of this failure to mature successfully. Psychotherapy is predominantly, by any of a variety of methods, the reduction of the weight of this load. Therefore the question we must ask ourselves is why the human race is so loaded down with these incubi and what can be done about it.

Strecker and Appel have recently defined maturity in terms of abilities which, if attained by enough people, could insure the continuity and continued development of the race along the lines of its inherent destiny without wars. To quote, "Maturity is a quality of personality that is made up of a number of elements. It is stick-to-it-iveness, the ability to stick to a job, to work on it, and to struggle through until it is finished, or until one has given all one has in the endeavor. It is the quality or capacity of giving more than is asked or required in a given situation. It is this characteristic that enables others to count on one; thus it is reliability. Persistence is an aspect of maturity: persistence to carry out a goal in the face of difficulties. Endurance of difficulties, unpleasantness, discomfort, frustration, hardship. The ability to size up things, make one's own decision, is a characteristic of maturity. This implies a considerable amount of independence. A mature person is not dependent unless ill. Maturity includes determination, a will to achieve and succeed, a will to life. Of course, maturity represents the capacity to cooperate; to work with others, to work in an organization and under authority. The mature person is flexible, can defer to time, persons, circumstances. He can show tolerance, he can be patient, and above all he has the qualities of adaptability and compromise. Basically, maturity represents a wholesome amalgamation of two things: (1) dissatisfaction with the status quo, which calls forth aggressive, constructive effort; and (2) social concern and devotion. It is morale in the individual."

Let me repeat parts of this "The ability to size things up, make one's own decisions, is a characteristic of maturity," "A mature person * * * above all he has the qualities of adaptability and compromise." Can anyone doubt that enough people reaching maturity in these terms would not want to start wars themselves and would prevent other people starting them? It would appear that this quality of maturity, this growing up successfully, is what is lacking in the human race generally, in ourselves and in our legislators and governments, which can only represent the people.

This fact puts the problem squarely up to psychiatry. The necessity to fight wars, whether as aggressor or as a defender who could have, but has not, taken steps to prevent war occurring, is as much a pathological psychiatric symptom as is a phobia or the antisocial behavior of a criminal who has been dominated by a stern and unreasonable father. They are alike irrational behavior patterns resulting from unsuccessful development and failure to reach emotional maturity. It is evident that this failure is usual in the whole human race and has been so throughout historical time.

For a cause we must seek some consistent thread running through the weave of all civilizations we have known and preventing the development of all or almost all the people to a state of true maturity. What basic psychological distortion can be found in every civilization of which we know anything? It must be a force which discourages the ability to see and acknowledge patent facts, which prevents the rational use of intelligence, which teaches or encourages the ability to dissociate and to believe contrary to and in spite of clear evidence, which produces inferiority, guilt and fear, which makes controlling other people's personal behavior emotionally necessary, which encourages prejudice and the inability to see, understand and sympathize with other people's points of view. Is there any force so potent and so pervasive that it can do all these things in all civilizations? There is—just one. The only lowest common denominator of all civilizations and the only psychological force capable of producing these perversions is morality, the concept of right and wrong, the poison long ago described and warned against as "the fruit of the tree of the knowledge of good and evil."

In the old Hebrew story God warns the first man and woman to have nothing to do with good and evil. It is interesting to note that as long ago as that, "good" is recognized as just as great a menace as "evil." They are the fruit of the one tree and are different aspects of the same thing.

We have been very slow to rediscover this truth and to recognize the unnecessary and artificially imposed inferiority, guilt and fear, commonly known as sin, under which we have almost all labored and which produces so much of the social maladjustment and unhappiness in the world. For many generations we have bowed our necks to the yoke of the conviction of sin. We have swallowed all manner of poisonous certainties fed us by our parents, our Sunday and day school teachers, our politicians, our priests, our newspapers and others with a vested interest in controlling us. "Thou shalt become as gods, knowing good and evil," good and evil with which to keep children under control, with which to prevent free thinking, with which to impose local and familial and national loyalties and with which to blind children to their glorious intellectual heritage. Misguided by authoritarian dogma, bound by exclusive faith, stunted by inculcated loyalty, torn by frantic heresy, bedeviled by insistent schism, drugged by ecstatic experience, confused by conflicting certainly, bewildered by invented mystery, and loaded down by the weight of guilt and fear engendered by its own original promises, the unfortunate human race, deprived by these incubi of its only defenses and its only reasons for striving, its reasoning power and its natural capacity to enjoy the satisfaction of its natural urges, struggles along under its ghastly self-imposed burden. The results, the inevitable results, are frustration, inferiority, neurosis and inability to enjoy living, to reason clearly or to make a world fit to live in.

The crippling of intelligence by these bandages of belief, in the name of virtue and security for the soul, is as recognizable as that of the feet of the Chinese girl who was sacrificed to the local concept of beauty. The result is, in both cases, not beauty of character or of feet, but distortion and crippling and loss of natural function. Intelligence, ability to observe and to reason clearly and to reach and implement decisions appropriate to the real situation in which he finds himself, are man's only specific methods of survival. His unique equipment is entirely in the superior lobes of his brain. His destiny must lie in the direction indicated by his equipment. Whatever hampers or distorts man's clear true thinking works against man's manifest destiny and tends to destroy him.

Man's freedom to observe and to think freely is as essential to his survival as are the specific methods of survival of the other species to them. Birds must fly, fish must swim, herbivorous animals must eat grasses and cereals, and man must observe and think freely. That freedom present in all children and known as innocence, has been destroyed or crippled by local certainties, by gods of local moralities, of local loyalty, of personal salvation, of prejudice and hate and intolerance, frequently masquerading as love; gods of everything that would destroy freedom to observe and to think and would keep each generation under the control of the old people, the elders, the shamans, and the priests.

Let us go back to Strecker and Appel's definition of maturity. "The ability to size things up, to make one's own decisions is a characteristic of maturity." "A mature person * * * has the qualities of adaptability and compromise." Were you and I brought up in that direction? No; we were taught to be absolutely loyal and obedient to the local concept of virtue, whatever that happened to be. We were taught that Moslems or Hindus or Jews, or Democrats or Republicans (with us in Canada, Grits or Tories), or capitalists or trade unionists, or Socialists or Communists, or Roman Catholics or Methodists, or any of all other human groups are wrong or even wicked. It almost always happened that among all the people in the world, only our own parents and perhaps a few people they selected, were right about everything. We could refuse to accept their rightness only at the price of a load of guilt and fear, and peril to our immortal souls. This training has been practically universal in the human race. Variations in content have had almost no importance. The fruit is poisonous no matter how it is prepared or disguised.

"The mature person is flexible, can defer to time, persons, and circumstances. He can show tolerance, he can be patient, and, above all, he has the qualities of adaptability and compromise," say Strecker and Appel. Is family, or school, or church, teaching in that direction? Almost never, and yet it is surely true that helping their children to reach this state of maturity successfully is the first responsibility of each generation. Only when this has been done successfully can we hope to have enough people able to see and think clearly and freely enough to be able to prevent the race going on as we have gone, from slaughter to bigger and better slaughter.

Psychiatrists everywhere have spent their lives trying, more and more successfully with a variety of methods, to help individuals who are in trouble to approach near enough to this state of maturity to be able to live comfortably for themselves and for the group; but surely it would be more advantageous to the world for psychiatrists to go into the preventive field where the big job needs to be done. The training of children is making a thousand neurotics for every one that psychiatrists can hope to help with psychotherapy. To produce a generation of mature citizens is the biggest and most necessary job any country could undertake, and the reward in saving of misery and suffering would be colossal.

The re-interpretation and eventually eradication of the concept of right and wrong which has been the basis of child training, the substitution of intelligent and rational thinking for faith in the certainties of the old people, these are the belated objectives of practically all effective psychotherapy. Would they not be legitimate objectives of original education? Would it not be sensible to stop imposing our local prejudices and faiths on children and give them all sides of every question so that in their own good time they may have the ability to size things up, and make their own decisions?

The suggestion that we should stop teaching children moralities and rights and wrongs and instead protect their original intellectual integrity has, of course, to be met by an outcry of heretic or iconoclast, such as was raised against Galileo for finding another planet, and against those who claimed the world was round, and against the truths of evolution, and against Christ's re-interpretation of the Hebrew God, and against any attempt to change the mistaken old ways or ideas. The pretense is made, as it has been made in relation to the finding of any extension of truth, that to do away with right and wrong would produce uncivilized people, immorality, lawlessness, and social chaos. The fact is that most psychiatrists and psychologists and many other respectable people have escaped from these moral chains and are able to observe and think freely. Most of the patients they have treated successfully have done the same and yet they show no signs of social or personal degeneration, no lack of social responsibility, no tendency toward social anarchy. This bugbear has no basis in fact whatever. We all recognize these reactions as those of the immature, the inferior, the guilty, which are not found in the mature, integrated personality. Freedom from moralities means freedom to observe, to think and behave sensibly, to the advantage of the person and of the group, free from outmoded types of loyalties and from the magic fears of our ancestors.

If the race is to be freed from its crippling burden of good and evil it must be psychiatrists who take the original responsibility. This is a challenge which must be met. If psychiatrists decide to do nothing about it but continue in the futility of psycnotherapy only, that too is a decision and the responsibility for the results is still theirs. What the world needs from psychiatry is honest, simple, and clear thinking, talking and writing. It needs the same from psychology, sociology, economics, and politics. Clear and honest thinking can almost always be expressed in simple words which are understandable by the people who matter in a democracy. The people who matter are the teachers, the young mothers and fathers, the parent-teacher associations, youth groups, service clubs, schools and colleges, the churches and Sunday schools—everyone who can be reached and given help toward intellectual freedom and honesty for themselves and for the children whose future depends on them. Can we psychiatrists give up our protective device of hiding behind a specific, difficult, and variable vocabulary to avoid our obvious responsibility?

The battle, if it is to be undertaken, will be long and difficult but truth will prevail—whenever enough people want it to. With luck we have perhaps 15 or even 20 years before the outbreak of the next world war if we remain as we are, 20 years in which to change the dearest certainties of enough of the human race, 20 years in which to root out and destroy the oldest and most flourishing parasitical growth in the world, the tree of knowledge of good and evil, so that man may learn to preserve his most precious heritage, his innocence, and intellectual freedom, 20 years in which to remove the necessity for the perverse satisfactions to be found in warfare, and to insure that enough people everywhere do not close their eyes to the awful threats facing them as we did from 1910 to 1914 and 1917, and from 1933 to 1939 and 1941.

We are the horrible example. We are the people who fight wars every 15 or 20 years. We must at whatever cost prevent our children and their children from being as we have been, but freedom from the tyranny of these faiths and fears is not to be gained in one generation.

It is therefore necessary that, for so long as it may take to change the bringing up of children in enough of the world, our close watch on each other and everyone in the world should not be relaxed for a moment. Let us all be prepared, not for another like the last war with navies and armies and air forces, but for the next war with rockets and atomic bombs and all the mobilized power of our laboratories. These are the weapons of the future and with them the whole world can be reached from any place on the earth in some minutes. The people who definitely do not want to fight any more wars must promise annihilation to any nation which starts to fight and must be prepared immediately and ruthlessly to carry out that promise without parley or negotiation. This involves the continual upkeep of widely dispersed atomic rocket stations covering the whole world and a continual high pressure research program to discover ever more efficient methods of killing to keep ahead of any possible competition. This must go on until we, all the people, are reeducated to be able to live in peace together, until we are free to observe clearly and to think and behave sensibly.

The most important thing in the world today is the bringing up of children. It is not a job for economic or emotional misfits, for frightened, inferiority-ridden men and women seeking a safe, respectable and quickly attainable social and emotional status, nor for girls filling in their time before marriage. Fortunately there are recent signs of intellectual stirrings amongst teachers which give some hope. To be allowed to teach children should be the sign of the final approval of society. The present scale of values is clearly illustrated by the disparity between teachers' salaries and those of movie actresses or football coaches. I am reminded of a group whose responsibility was the reclamation, training and rehabilitation of all the unmarried mothers in a certain community. The procedure was to have an I.Q. done and then to train the girl according to a simple chart. The upper levels rated various types of useful training. Those at the bottom, not fit for anything else, were trained as nursemaids, to bring up children. Thus, hundreds of defenseless children in that large community have been brought up by moronic unmarried mothers. Because these are psychopathological matters, psychiatrists simply have to take the responsibility of interpretation and initiative.

Can such a program of reeducation or of a new kind of education be charted? I would not presume to go so far, except to suggest that psychology and sociology and simple psychopathology, the sciences of living, should be made available to all the people by being taught to all children in primary and secondary schools, while the study of such things as trigonometry, Latin, religions and others of specialist concern should be left to universities.

Only so, I think, can we help our children to carry their responsibilities as world citizens as we have not been able to do. Only so can we prevent their having to live in a world of fear and chaos and cruelty and death, far more horrible than we can know.

We have never had a really peaceful society in the world, but only short interludes of forgetting and then frantic preparation between wars. Can the world learn to live at peace? I think so, but only if individual psychiatrists and psychologists can live up to Strecker's and Appel's definition—"Basically maturity represents a wholesome amalgamation of two things, one, dissatisfaction with the status quo, which calls forth aggressive, constructive effort, and two, social concern and devotion." If we cannot, the job will be left to what survivors there may be after the next war, or to intellectually more honest and braver people who may get a chance some generations later. With the other human sciences, psychiatry must now decide what is to be the immediate future of the human race. No one else can. And this is the prime responsibility of psychiatry.

THE RESPONSIBILITY OF PSYCHIATRISTS

The object of the William Alanson White memorial lectures is stated as the perpetuation of "the tradition of Dr. White in disseminating significant developments in psychiatry to the profession and in encouraging the critical utilization of psychiatric principles by those responsible people on whom largely depends the functional effectiveness of our democratic social order." Any value there may be in such periodic lectures as these should be found in the opportunity to step outside the field of our usual preoccupations and routines in order to see more clearly the larger picture, within which we all function, but in relation to which personal contacts may be few and limited. It would seem desirable, in any changing situation, to undertake a periodic reevaluation and reorientation of our relationships. We may reasonably ask ourselves what our objectives are, what our methods and what our plans. We may further reasonably ask ourselves whether, in relation to the total situation, recognizing our status and responsibilities as world citizens, we are satisfied with these as they are, or now perceive clearly that they are in need of revision.

We have in the past commonly shown a certain complacency about our progress. Many of us have been thinking, in relation to social developments, in terms of two or three or more generations. It has been taken for granted widely that the trends of recent years, though interrupted by reaction and wars and depressions, would continue. These expectations have received many rude jolts in the last 10 years, and many people are beginning to wonder whether time is, in fact, on the side of orderly progress along the road of man's increasing humanity to man. Other interruptions in the near future may prove to be much more serious threats to this progress than have the reactions, wars, and depressions of the past. The potential of man's efforts has been stepped up greatly, but the increase has so far been of a kind that increases the power of reaction rather than promotes social progress.

Man clearly has been developing more and more concern about his comfort and security in his local environment, and has done much in this field. His environment, however, is no longer local. Relatively suddenly, over a period of only a few hundred years, more recognizably in the last 10 years only, and finally quite unmistakably in the last few months, everyone has become a world citizen. I think it was Schiller who said, 'The most virtuous man cannot live in peace unless his wicked neighbor wants him to." All the people in the world, at least with respect to their power to destroy each other, have recently become neighbors. No lack of understanding between ourselves and other peoples is any longer unimportant. Every such rift becomes a potential source of great danger to all of us. Man's destructive power has become so manifestly great that there are but three alternatives for any peoples in the future—one, passively to accept any fate arranged by any group which puts itself in a position of sufficient power; two, to watch carefully for signs that any individuals or groups are becoming potential enemies and to kill them all ruthlessly before they can become strong; or, three, to learn to live peaceably with the other peoples of the world.

But what has this to do with psychiatry and psychiatrists? Possible objectives for psychiatry can be seen only in the light, and within the framework, of the realities of its environment. The world in which we live is not the same world that we were living in a few years ago. There is much reason to fear that time has gone over to the side of reaction. We are in mortal danger of reverting to something resembling the social development of the world hundreds or even thousands of years ago.

Einstein stated recently that he thinks it possible that the next war may leave alive as many as one-third of the human race. He is clearly among the optimists, not particularly because he believes that a third of the people in the world may survive, but because, as he goes on to say, he believes that after the next war progressive men may have an opportunity to build a better world. This is optimism, indeed. There would seem to be little chance that men of good will and clear thinking will be a significant factor among those who survive the next war. There are many reasons for expecting a long period of authoritarian control by the strongest of the survivors—the people who were best prepared in advance, who chose the time and method of attack. If we remain as we have been, we certainly will not be among these people.

Again, what has all this to do with psychiatry? Is it any of the psychiatrists' business? The answer depends on both professional and on lay appreciation of the function and capacity of psychiatrists. Some have thought that our only responsibility is therapy, treatment of the casualties produced by man's struggles against himself. This attitude reflects a stage of development through which many other branches of medicine have passed. At one time doctors concerned with tuberculosis were content just to treat infected patients. Little headway in controlling tuberculosis was made until pasteurization of milk was undertaken and attack made on living conditions, poverty, and ignorance. It was not until the attack on malaria had shifted from the patient to the mosquito vector that control of these diseases really began to be effective. Typhus flourished until the louse which propagates it was attacked. The treatment of patients in these and many other instances has proven inadequate or even futile, until informed prevention was undertaken. Psychiatry, thus far, has remained almost exclusively in the treatment field, and it is clear that its present resources are grossly inadequate for any attack on the problem of prevention.

It may be profitable briefly to consider the status of psychiatry in relation to the field of treatment. Dr. George Stevenson has stated that the United States of America, now needs some 19,000 or 20,000 psychiatrists. Of this number some 3,000 are available, many of them still being with the Armed Forces. Available training facilities may produce as many as 200 new psychiatrists a year. If the population could remain constant both in numbers and in needs, and if it could be arranged that no psychiatrists could retire or die, there could be enough psychiatrists to meet the treatment needs in about 80 years. Facts being as they are, it is obvious that if we go on as we have been going, we shall never catch up to the requirements. A similar situation has been reported in the case of psychiatric social workers and clinical psychologists.

Shall we then resign ourselves to the prospect of just not providing the help which many suffering people want, shall we face the problems of enormously increasing the numbers of psychiatrists being trained, or shall we attempt treatment by less well trained workers. Is there some combination of measures which will offer some hope of meeting the responsibilities which surely lie on psychiatry?

There are indeed areas of hope. Some help may well be found in possible developments of shorter, more effective techniques of treatment. Shock, chemotherapy, group therapy, hypno- and narco-analysis, psychodrama, even surgery, can all be used, and some of these methods may be employed by other than trained psychiatrists. There is no indication, however, that any developments in these fields will be able to meet the volume of needs previously suggested. Can it be made possible for the general practitioner to carry a large share of this burden of psychotherapy? This apparently reasonable suggestion would require for its realization much more teaching of psychopathology and psychotherapy in the medical schools, as well as an increase in the proportion of practitioners to population. Many more general practitioners would be needed, because whatever real therapy the general practitioner undertakes will certainly require much more time than does now the prescription of a sea voyage, a bottle of medicine, or vitamin pills, or the passing out to the patient of a drug traveler's sample, perhaps the commonest treatment of the neuroses.

The hope that at some time in the future much of the present load of psychotherapy may be borne by the general practitioner is hard to evaluate. Some medical schools are moving at least a little in this direction, but any such movement is slow, and the general picture will hardly be affected appreciably for a number of years, perhaps 20 or more. One can scarcely find reason to hope any large number of doctors now in practice will develop an interest in psychotherapy so strong that it will induce them to undertake the necessary study and training which would equip them to help their patients in this way.

There is some encouragement in the possibility of developing clinics which, under psychiatric direction, would use clinical psychologists, group therapists, psychiatric social workers, psychodramatists, hypnotists, and others; and, given sufficient experiment, other types of therapy aides may be developed.

However we view it, the picture of the whole situation would seem to indicate that present immediate needs for psychotherapy are not going to be met adequately. The developments possible in several fields may contribute some help, but these will take time, large numbers of personnel, and much money. We must accept the fact that very many people in serious need of treatment are not going to get it, and that this situation will continue for at least some years into the future.

If large numbers, additional thousands, of psychiatrists, clinical psychologists, psychiatric social workers, hypnotists, group therapists and general practitioners are to be produced within any reasonable number of years, a very extensive overhauling of the educational system will be necessary. Existing therapeutic services will have to be modified or curtailed to provide the teachers and teacher-hours which will be required for work in the training schools for teachers that will have to be set up to staff the medical and other professional schools concerned. Novel methods of financing will have to be devised to make all this enormous growth possible.

It is clearly desirable at this stage of things that any advantages for suffering people to be found in psychotherapy of any type should not be advertised; the recognized need is already far greater than can possibly be met within the next 10 or 20 years. It is, therefore, perhaps fortunate that many thousands of people who could benefit from psychiatric treatment do not now realize either their need or the direction from which help should come. If all the people showing neurotic symptoms, inferiorities, irrational fears, personality disabilities affecting their relations with other people, unreasoning prejudices and hates, over-suggestibility which makes them the victims of spellbinders and demagogues, attachments to ridiculous cults and magics, weird superstitions and faiths, were suddenly to identify the source of these symptoms within their own personalities and to demand help from psychiatrists, then many times the previously suggested number of psychiatrists and other professional workers would be needed. If, however, we are to accept the role of psychiatry as one only of further development in the field of therapy, and do in fact go about training vast numbers of therapists, we surely must recognize in our planning, even though they do not, that all these kinds of people, millions of them—or of us—need treatment, and might in ever-increasing numbers seek it, if it were known to be available.

When now we also have to recognize that neuroses propagate themselves and affect whole families, we may well begin to speculate on the advisability that psychiatrists, once the necessary 1 or 2 or 3 million of them are available, should be trained as salesmen and taught all the techniques of breaking down sales resistance. Should not the prospective groups of psychotherapists employ advertising and sales organizations in order to drag in customers? Should discounts be offered for treatment of whole families? Should attempts be made by the profession to induce governments to institute compulsory treatment of the neuroses as for other infectious diseases?

If we believe in our wares, if more and more psychotherapy is what is needed, then surely it is legitimate and sound to do everything possible to educate the public to an appreciation of the need, and to use all the modern inducements which are getting results for soap or toothpaste. True, we might suffer some embarrassment from our failures, but we might in time be able to advertise, or even to guarantee, 75 percent or so of cures in the treatment of personality disorders, which is probably as high an efficiency as soap or toothpaste has been able to show. In brief, these projections of a possible development in psychiatry as a curative art might at least go far toward solution of national unemployment problems.

This is indeed a dismal and ridiculous picture, but if we are content to go on just as we have been going I do not see where we can stop short of these absurdities. We may well feel impelled to search earnestly for alternatives. Are there answers possible other than more and more extensive psychotherapy? I think we must grant that for the immediately presenting problem there can be no adequate answer. Thousands of people, including our veterans, will not get the help they need within the next few years. Can we use the analogies provided by the methods which have led to more or less adequate control of such other human disabilities as I have previously suggested: tuberculosis, typhoid, diphtheria, smallpox, typhus and others? The problem of neuroses, warped personality, and behavior disorders is much more widespread and much more serious than has been that of any of these other diseases, but is there not something to be learned from the successes of prevention? The first necessity in effective control of any of these other afflictions has been understanding the cause, the ways that infection spreads, the early signs and symptoms, and the physical, climatic, economic, and social conditions which contribute to propagating the infecting organism. Is enough known of the etiology, methods of spread, early signs and symptoms, and conditions under which the neuroses and behavior disorders flourish, to warrant a campaign along the lines which have been so effective in these other fields? I think that I have shown in the first of this series of lectures that I believe there is an affirmative answer, and that there are the best of all possible reasons for undertaking just such a campaign.

This campaign cannot but be a very serious undertaking. When the other disabilities were attacked at the preventive level some martyrs had to be sacrificed to the cause of humanity, because reactionary forces fought back. Ignorance, superstition, moral certainties, prejudice, and interests vested in exploiting the people resisted through antireform organizations, religious and political pressure groups, even political parties; and this is by no means wholly a thing of the past. It is not yet possible to lay a manslaughter charge against parents who allow their untoxoided or unvaccinated child to die quite unnecessarily of diphtheria or of smallpox. Children still die because their parents say, "I do not believe in toxoid or vaccines," or, "I believe it is sinful to introduce these things into the human body," or even, "There is no longer any diphtheria or smallpox around our town, so why bother?" The problem is no longer the germ of diphtheria, or of smallpox, but rather the attitudes of parents who are incapable of accepting and using proven knowledge for the protection of their children. Were enough people to adopt these attitudes, founded on their neurotic disabilities, the great epidemics which decimated Europe and other parts of the world in the past would soon reappear. It is apparent that in the field of prevention of other diseases, the behavior disorders and neuroses have important adverse effects; that if present knowledge could be applied in relation to many diseases, countless lives could be saved and much misery prevented. That which stands in the way is ignorance and moral certainty, superstition and vested interest. Against these handicaps headway is being made in at least some directions. Cults and reactions repeatedly arise which temporarily and locally block rational progress with new faiths or retranslations or disinterments or reaffirmations of old ones, but in spite of all these retreats to, and reanchorings in, our mistaken past, there seems to be perceptible movement toward intellectual honesty and truth.

In principle, there seems to be no great difference between the control of the other diseases and that of the neuroses. The main problems which have to be overcome are the same—the ignorance, moral certainties, prejudice, and so on. Just as it so commonly has been taken for granted that parents have a perfect right to leave their children exposed to death, by neglecting to protect them from diphtheria or smallpox; so it has long been generally accepted that parents have a perfect right to impose any points of view, fears, superstitions, prejudices, or faiths on their defenseless children. It is, however, only relatively recently that it has become a matter of certain knowledge that these things cause neuroses, behavior disorders, emotional disabilities, and failure to develop to a state of emotional maturity which fits one to be a citizen of a democracy, able to take one's part in making a world fit to live in. "I believe" or "I do not believe" have been acceptable as valid reasons for arbitrary limitations or distortion of a child's experience for imposing any kind of guilt and fear on the child, for perverting the child's capacity to observe and to think clearly, without thought about the effect on the life of the child and on the society in which he will live.

Surely the training of children in homes and schools should be of at least as great a public concern as are their vaccination or toxoiding, for their own protection and that of other people. Emotional and social health is at least as important as physical health; neither type of health can be held to be exclusively the concern of the parents, for it has much importance for the community. The states of emotional health of the individuals determine the internal organization and consistency and the external relations of the community. The vastly increased importance of the eternal relations of the community in terms of actual survival has become obvious to every thinking person. Events in recent months have made this clear. The psychiatrist knows that individuals who have emotional disabilities of their own, guilts, fears, inferiorities, are certain to project their hates on others, on groups, communities, or nations, and thus to jeopardize seriously the external relations of those who are associated with them, in view of their "enemy." They are the people who must believe the worst of all foreigners and who then react emotionally and irrationally to these beliefs. They are a vrey real menace. The government of a country cannot organize and impose any social developments or external relations which are too far ahead of the state of maturity of its citizens. There would otherwise result internal conflict and dissension, producing a reactionary government and a retreat to a less mature stage of social development. We must realize that such a retreat will never again be a matter for merely local concern in the particular country, as it has often been in the past. Any such reaction now becomes a dangerous threat to the whole world. Any such retreat from maturity may presently lead to the horrible death of a great many people, perhaps the extermination of whole nations, or the decimation of continents. For the very survival of large parts of the human race, world understanding, tolerance, and forbearance have become absolutely essential. We must be prepared to sacrifice much if we would hope to have opportunity to go on with our development. At whatever cost, we must learn to live in friendliness and peace with our neighbors, who are all the people in the world. In time, if we prove worthy of their trust and confidence, we shall obtain it.

Here, perhaps, is the trouble, or much of it. The need for psychiatric treatment in at least some other countries is as great, relatively as in the U.S.A.; perhaps greater. Can any country showing these vast amounts of emotional disability reasonably hope to develop and maintain rational, tolerant, and consistent external relations? Recognizing the absolute necessity of such relations, we must recognize also that our hope of maintaining them is not well founded, and will not be until we can depend more on the people in our countries to take rational, tolerant and mature attitudes about themselves and other peoples. In a democracy only mature people can maintain the mature social organization and stability in which alone lies hope of avoiding world chaos and slaughter.

In whatever direction we explore, and I realize the discursiveness of this attempt, we come back inevitably to the necessity of having in every country large numbers of mature, reasonable people, free of guilts and inferiorities. We can only hope that it may be possible for the race to survive through the troubled period which is inevitable while we are learning to grow up successfully. It must be clear to every person who is able to think in terms of evident reality that we cannot any longer afford to shelter and protect the old mistaken ways of our forebears. The New World is too sensitive; it can explode, literally, too easily. We are walking on dynamite; or perhaps I should say on atomic bombs, and we must learn to tread lightly and with great discretion. We cannot afford the certainties of the past; everything which may affect our ability to live at peace must be reevaluated—and that means everything in our lives. We know that we have been misguided and mistaken. The fact of our enormous incidence of emotional disability is proof that our past methods have been in some way mistaken. We have not been growing up successfully. Emotional maturity is anything but the common lot of our peoples. The fact that we allowed the Second World War to happen is a clinching proof, if proof were necessary.

It is easy to find excuses for the bewilderment of this generation. The past 50 years have embraced violent upheavals in the social order and in interpersonal relations. At the beginning of this century many values and certainties which have since come adrift were well anchored in community sanctions. In the typical town 50 years ago every individual was clearly labeled as good or bad, respectable or not. Good girls were at home by 9 or 10 at night as might be the local custom. There were no excuses for tardiness. The old grey mare brought young people home from the allowed buggy or cutter ride on time. Everyone in the village knew almost exactly what everyone else was doing at any time of day or night. The town drunkard was drunk as he was supposed to be, and would no more be expected to step out of character than would the minister or the choir leader. Then came the automobile, and the impact of its arrival had far-reaching consequences. Those of you who are old enough will remember the delightful unreliability of the early attempts at tires, not to mention lights, carburetors, distributors, and other aids to seduction. When the boy and girl returned at 3 a.m. or next morning from a ride in the old man's car, no one knew, or at least no one could prove, whether they were bad or not. Perhaps they had had four punctures. And so the clearcut moral classifications of people and behavior began to break down. No longer could one be sure who was bad and who was good, a very disturbing state of mind in a world of competitive personal salvation. At about this time was added the movies, through instrumentality of which previously respectable people began to see illustrated types of behavior they had always been taught to believe would lead straight to damnation. Some of these kinds of behavior looked rather attractive and no one seemed to be struck dead by an angry God—so yet more certainties slipped a little. Then came the First World War, for no good reason that anyone could find, and accomplishing nothing that appeared to be of any particular value. It contributed to the confusion of mind and clarified nothing. When it was ended, all the idealism which had been mobilized seemed to sink without a ripple in the struggle for power and personal aggrandizement.

Then came a period of understandable prosperity when the stock markets boomed and fortunes were made overnight. Again there was nothing for reason to lay hold on. Wealth, power, and prestige seemed to have no relationship to personal integrity, intellectual or educational equipment, hard work or social value. To know the right people and to be lucky were the requirements for success. The following world depression again did not make sense. Why should people be hungry when the world was glutted with food? Why should the prairie farmer be unable to sell his wheat when people elsewhere were desperately hungry? Why should people not have many things they wanted while the people who had been making those things were out of work? Here was more food for bewilderment and confusion. No sensible reasons were found; attempting to understand the mess that man had gotten himself into became futile and unproductive. Then came the final insult to intelligence, World War II. Again why; and there was no sensible answer. Why didn't we stop the Japs in the early thirties, why didn't we stop Mussolini in Ethiopia, why didn't we stop Hitler not later than 1936? The only conclusion could be that there was no sense to anything; causes and effects were apparently beyond effective identification.

At the same time, throughout these bewildering years, people were being taught the same old faiths and rules that their ancestors had been taught. There was no apparent relationship between the virtues and vices that had been, and real events. Virtue was not rewarded, except in the movies and pulp magazines.

It is easy to build up and to accept reasons for the world of the present being as lost and bewildered as it is. It is also obvious that we should not go on like that. We should not tamely submit to the unpredictable and understood cycles of wars, and prosperity and depression, and wars again. There is something to be said for taking charge of our own destiny, for gently putting aside the mistaken old ways of our elders, if that is possible. If it cannot be done gently, it may have to be done roughly, or even violently—that has happened before.

And what of the training of psychiatrists, which I may appear to have forgotten? Programs as projected by various groups typically deal with training for psychotherapy, though sometimes with earlier stages of disability than previously. One program, remarkable in that it is a joint memorandum of the Royal College of Physicians, the British Medical Association, and the Royal Medico-Psychological Association, makes these recommendations:[8] "(1) Psychiatry is not a limited speciality. It permeates and influences general medicine, surgery, obstetrics, and gynecology. Psychiatrists should be appointed to the staffs of general hospitals with status equal to that of other physicians and surgeons. (2) The mental health department of the health service of the future should be responsible for the organization of all medical work which is essentially psychiatric. (3) The psychiatrist is not concerned merely with fully developed mental disorders. The mental health service should include provisions for prophylaxis of mental disorders over the widest field. (4) In the educational sphere psychiatric advice is essential for children showing neurosis, behavior disorder, or mental defect. (5) In industry a full and efficient consultative psychiatric service should be available, which should work in close cooperation with the patient's doctor and the industrial medical officer. Psychiatrists should cooperate with industrial psychologists in the investigation of industrial fatigue and ill health, working hours and conditions, incentives, personnel management and the like. (6) Psychiatrists should cooperate in the work of vocational guidance and selection, an essential part of which is the assessment of personality and temperament. (7) Psychiatrists should take part in the rehabilitation of patients after accident or illness. This work should be carried out in close liaison with employers, workers' representatives, and patients' doctors."

Of these recommendations the only real hope for the future seems to lie in No. 3: "The psychiatrist is not concerned merely with fully developed mental disorders. The mental health service should include provision for prophylaxis of mental disorders over the widest field." But No. 4 reverts to the old defeatist therapeutic attitude: "In the educational sphere psychiatric advice is essential for children showing neurosis, behavior disorder, or mental defect." Surely we should project psychiatry into actively preventing at least some of these conditions from arising. It is clear that psychotherapy must be continued but it is also clear that there will need to be selection of cases. The greatest importance of psychotherapy is, I think, in the training of psychiatrists, not with view to their doing psychotherapy but to prepare them to undertake preventive work. We cannot afford to squander our best brains on psychotherapy, except as a teaching procedure, and for the benefit of certain people who are of manifest potential or proven value to the social organism.

In cooperation with leaders in all fields, social psychology, sociology, law, politics, labor, the churches and others, psychiatrists should do their utmost to examine, compare, study, understand, and treat the ills of our society. Everything we think and do and believe should be looked at. All should be suspect, because they are all part of us and we are not living successfully. We need fear no sacrednesses. Truth has nothing to fear from our earnest and sincere search for truth. Anything that should survive will certainly survive the most searching light of intellectual examination. We, not just psychiatrists, should look at our laws and our courts for instance. We would find that despite all modern understanding of the human being, judicial procedure still applies the McNaughton rules, though the right and wrong to which they refer have changed greatly in the 100 years since those rules were formulated. Sincere people should examine our schools and our churches. Are their methods of teaching consistent with present-day knowledge of the developing human personality? Is the intellectual heritage of children kept intact through these experiences? Most of you will agree with me that it generally is not.

These are only illustrations of the work there is to do. These are desperate times and the time for remedy may be exceedingly short. Let us deal in plain words, let us talk in simple factual terms and let us try to begin to be honest with ourselves. Of course, any planning for the future which would discard any burden of the past is almost always reproached as disloyalty to tradition, to ancient faiths, or to the authority of our forefathers. But what would we think of a father, who, his house on fire and his children burning, stopped to rescue his ikon, his prayer wheel, his beads, or the picture of his first schoolteacher?

Let us be our own authority. We know far more than any of our ancestors. Scientists of this generation have no obligation to admit superiority of knowledge or of wisdom in any body of traditional belief or authority. There is no room for authoritarian dogma in the field of human relations. Let us discard the bromides which have kept us drugged, obedient to the old people and afraid of their displeasure. Let us accept our own responsibility to remodel the world in bolder, clearer, more honest lines. Let us stop prostituting man's noblest and highest development, his intellect, to the service of guilt and fear and shame.

We have learned to raise pigs and cows and horses, even to grow flowers and vegetables, in ways that make them of greater service to mankind. If your son is going to raise pigs for a living he goes to a college for 3 or 4 years to study under experienced teachers. But if he is merely raising children he commonly learns nothing; nor appreciates, even dimly, that there is anything that he has to learn. Surely the rearing of children is greatly more important, and more complicated, than the raising of pigs. Within the possible expressions of human nature are the personalities of a Caligula or a Franklin Roosevelt, a female guard at Belsen Camp or a Florence Nightingale, a Hitler, or, almost, a Christ. Is it not important to us which we produce? Is not this the great problem facing our generation? Is there any greater field for earnest, devoted work? Whatever will help our children to grow up to be mature, compassionate, tolerant and worthy of being citizens in the world they must make, must be of interest to psychiatrists—but not to psychiatrists, alone—and part of their training in the future. Psychiatrists must, with all the help they can get from every source, become specialists in living. We have our chance now. If now we all revert to our little private concerns. If we all tell ourselves "it is someone else's responsibility," there will one day be none of us left, not even any to bury the dead.

---

[8] Foreign Letters, London, the Journal of the American Medical Association, July 28, 1945.

PANEL DISCUSSION OF THE FIRST LECTURE[1]

(NOTE.—The following statements are mostly verbatim from the proceedings of the panel. Moderator's remarks and some of the interchange have been omitted.)

HON. HENRY A. WALLACE, THE SECRETARY OF COMMERCE

My Presbyterian conscience, which I inherited from my father who was an elder in the United Presbyterian Church and my grandfather who was a minister in the United Presbyterian Church, caused me to awake at 4 o'clock this morning to read the lecture in order to be prepared tonight, and on reading the lecture, I had no difficulty whatsoever in discovering the psychiatric explanation of our distinguished visitor. I recognized in him at once what you might call a second generation derivative from a Presbyterian background, a fact which I verified a little later on. It is a marvelous background against which to work, although a slightly difficult background in which to find yourself.

There is a passionate search for security among the Presbyterians and a belief that security is attained with very, very great difficulty. By the skin of your teeth at the last moment you are saved by the grace of God from utter damnation. Those who are raised in that atmosphere or those who are only once removed from that atmosphere are caused to become great philosophers, as a matter of escape. Dr. Chisholm has definitely escaped. He has risen above the realm of "morality" in a Presbyterian sense, and yet it is only a superficial release—it could not be otherwise, being raised as he was.

I do want to congratulate him and all psychiatrists, however, on the protective coloration with which they have managed to surround themselves. I have found when I attempted to deal with thoughts of this sort that I have tended to speak my mind without that protective coloration, and the results have not always been best for everyone.

Seriously, the talk, the lecture of General Chisholm last night is one of the most thought-provoking which has ever been given in Washington. It goes to the very roots of future peace. It recognizes the supremely important fact that security is not attained merely by radar, by V-2 rockets, by atom bombs, by the other devices which were on the point of perfection but which have not yet been tried, which may be even more devastating than any which were brought out during the war. General Chisholm recognizes that beyond all of these devices of force, there is still something mightier, and I am tempted at this moment to read a quotation from Pavlov, the great Russian who dealt, as you know, with conditioned reflexes—who I found out tonight has a varied standing among psychiatrists—but with regard to this quotation I think there will be no difference of opinion. This a quotation which I have used repeatedly during recent weeks because it made such a profound impression on me.

Said Pavlov in 1928: "Let the mind rise from victory to victory over surrounding nature. Let it conquer for human life and activity not only the surface of the earth but all that lies between the depth of the seas and the outer limits of the atmosphere. Let it command for its service prodigious energy to flow from one part of the universe to the other. Let it annihilate space for the transference of its thoughts, yet the same creature, led by dark powers to wars and revolutions and their horrors produces for itself incalculable material losses and inexpressible pain and reverts to bestial conditions. Only science, exact science about human nature itself, and the most sincere approach to it by the aid of the omnipotent scientific method will deliver man from his present gloom and will purge him from his contemporary shame in the sphere of interhuman relations."

I congratulate General Chisholm for grappling with the fundamental issue raised by Pavlov in this statement.

I had not been aware that it was accepted universally by psychiatrists that the sad state of the recent generations of mankind was due to a sense of inferiority and guilt and fear. That to me was a most challenging statement. I will not, in order to maintain the protective coloration, indicate where General Chisholm thinks this feeling originated. I am sure we should not betray that secret. Suffice it to say, however, that I would that this address was mailed to all of the ministers and priests in the United States. The thought created in the minds of all those who have to do with religion would be very helpful, I am sure. There might be a very deep disagreement in certain quarters, but the final result, I am sure, would be constructive because, after all, those who are profoundly concerned with religious matters are also concerned with the objective stated by Pavlov. Pavlov wanted to reach that objective by what he called the omnipotent scientific method. Why shouldn't those who are concerned with religious matters use the omnipotent scientific method? It is precisely the purpose of psychiatry to discover a scientific way the wellsprings of human nature even as those who are working in the religious field have endeavored to find those wellsprings in an authoritarian way from the Book, from the Bible, from tradition.

But as I read the Bible, there was among the prophets a continuous change to meet changing circumstances. Undeniably the New Testament is different from the Old; undeniably Jesus Christ was preaching a message to slaves, essentially—slaves of the Roman Empire in Palestine; undeniably He was conditioned by that fact. He had to use words that recognized it. Otherwise, why did He proclaim rendering unto Caesar that which was Caesar's?

Why shouldn't we, in the spirit of Christ, continue to grow? Did the insight of humanity end 2,000 years ago? I feel that there is room for a uniting of the scientific method of psychiatry with the intense longing of genuinely religious souls to bring about an abiding peace. I was struck by Dr. Chisholm's posing of the question that either we had to find a sure way to peace or else we had to become either slaves or ruthless killers. I know that General Chisholm selects the first path, the path toward an abiding peace.

Those people who proclaim that wars are inevitable, if they really followed their conclusions, could only preach one of two courses today. If they had the courage of their convictions, and were genuine Christians, they would take the course of slavery. If they were not Christians, they would proceed at once toward the dominance of the United States over the whole world. I know that Dr. Chisholm is not advocating that course, but are we "softies," we who do not believe in the inevitability of war, that we don't embark wholeheartedly on the course that leads to abiding peace? Or are those who believe in the inevitability of war "softies" that they don't embark at once on the course of the "United States über alles?"

The logic of Dr. Chisholm's presentation is extraordinarily compelling. It suggests to all right-thinking people, to my mind, that we haven't gone out with full faith, with full vigor, toward reaching a genuine mechanism for abiding peace.

* * * * *

[About the returned veteran and the displaced warworker;] I suppose the problem is to try to distinguish between the field of the psychiatrist and the field of the economist. I think it is good psychiatry so far as possible to treat the returned veteran and the displaced warworkers just like anybody else. That doesn't necessarily take care of all cases. Dr. Chisholm was telling me earlier in the evening that they found as a result of observation of men overseas that some of them, without being aware of it, developed stomach ulcers and ulcers of the intestinal tract, ulcers which healed up rapidly when they came back to this hemisphere—men who eagerly wanted to get into combat again. This suggests, of course, a peculiar type of nervous tension which might have to be dealt with by psychiatric methods from time to time. Nevertheless, I am convinced that we would reduce enormously the number of psychiatric cases among the returned veterans and the displaced warworkers if, by means of cooperation between Government, business, and labor, we were able to promote that necessary flow of private funds—and in case of need, of Government funds—which would make possible full employment. I don't care if you do call work the curse of humanity. I have the feeling that it is a lesser curse than the sense of not being needed.

I think one of the supreme psychiatric or psychic needs of humanity at the present stage of evolution is the sense of being wanted, being needed, being useful. It may be that the Presbyterian capitalists have given us this complex, but it is very definitely with us. We do want a job and until atomic energy has freed humanity from the curse that was placed on Adam and Eve, I think full employment is a pretty good intermediate goal.

At the same time, I realize very well that it is proper one of these days to raise the question: Beyond 60 million jobs, what? I wish somebody would write, say 5 or 10 years from now, a book along that line. I think it is important, but I think the immediate goal is full employment for the veterans and for the displaced workers. In order to realize the immediate goal, it is important also to have a more distant goal. I think that is good psychology; whether it is good psychiatry or not, I don't know.

That more distant goal, one on which I think we could all agree, is the sense of well-being and happiness which comes from service of the general welfare as the concept of the general welfare changes year by year. I will admit that just working for work's sake can eventually prove to be an ugly thing. What we want is beauty and joy in life, but in order to realize that beauty and joy in life it seems to me that there has been imposed upon man the discipline first of discovering some method by means of which all of us can work together, possibly for incomplete goals in the first instance. Atomic energy has undoubtedly placed a great responsibility and strain upon mankind. It places upon mankind the absolute necessity, in my opinion, of finding the road to an abiding peace; and second, it has placed upon mankind the absolute necessity of learning how to live joyously with abundance. The whole religious training that has come to us out of the past has worked in the direction of teaching mankind how to live grimly with scarcity. I think it is a much greater moral challenge to learn to live joyously with abundance than to learn to live grimly with scarcity.

---

[1] Held in the auditorium of the New Interior Department Building on the evening of Wednesday, Oct. 24, 1945. The comment of Dr. Samuel W. Hamilton, president-elect of the American Psychiatric Association, has been expanded into a statement pertaining to the two lectures, which follows this digest of discussion. The statement and comment of Dr. Daniel Blain, acting director of the Neuropsychiatric Division, U.S. Veterans' Administration, and the immediately related remarks of Dr. Chisholm, are omitted from this digest, as hereinafter explained.

As I understand the psychiatrists as a result of my brief contact with them this evening, one of their purposes is to teach mankind to live joyously with abundance on behalf of the general welfare. Apparently they believe that if we learned that, perhaps ulcers of the stomach would tend to disappear. We have seen many people around Washington who have suffered in this way—I mean that the soldiers on the peace front suffer this way as well as do soldiers on the battlefront. There are good soldiers on the peace front. They apparently are fighting a good fight with all that is in them, but nevertheless their nervous system does give way. Their stress comes from the fact that they have questioned whether all of us here in Washington have been working determinedly on behalf of joyous living with abundance on behalf of the general welfare. There has been a sense of frustration and strain from time to time. If psychiatry can help clear that up, so much the better.

I trust you will let us, General, go through this intermediate period of striving for 60 million jobs, provided we give you a promise that later on we will try to solve the more ultimate problems of joy and beauty.

* * * * *

[As a concluding comment] I would like to put in a plea for the place of people who are not fully mature. It seems to me that it is generally agreed that our friends the Russians are not fully mature; I am speaking now in the population sense. Russia has a very large proportion of young people to old people, whereas Western Europe has a very high proportion of old people to young people. We here in the United States are more like Western Europe than we are like Russia with regard to having a high proportion of old people.

A young population is a dynamic population, of necessity. Growth is not necessarily a sin. Growth characterizes young people. Mature people tend to be static. The psychiatric ideal might be taken to be a people who are completely mature, therefore, not growing.

HON. WATSON B. MILLER, THE FEDERAL SECURITY ADMINISTRATOR

I am afraid that my rather sketchy observations set down quite recently because, like the Secretary, I was not able to attend the presentation of the paper, may be rather inadequate. I made some marginal notes here which I think may be regarded more in the nature of questions so as to clarify my own thinking on what without doubt is, at least from an economic and social sense, the most important question that faces us.

I suppose what we are dealing with here in an international sense is something like the internal and external emotional and intellectual manifestations of people in their relationships one to the other, and that, I think, might be regarded as the regular regularity of nature, or the irregular irregularity of it, depending upon the mood in which you are, and the circumstances in which you find yourself.

General Chisholm has spoken about atomic energy and that we all become perhaps more concrete citizens of the world, and I just wondered in using Dr. Chisholm's thesis if that fact might draw us as individuals and communities closer together, perhaps occasionally lead us to trust one another, and finally to cultivate mutual protection; and I am wondering whether the physical and mental propinquity finally might get us into an atmosphere where we might trust each other more than we sometimes do now.

General Chisholm says, "Every present indication is that the next time any self-styled master race is allowed to prepare and make such an attempt, it will succeed"—meaning, of course, in the matter of conquest. Well, I don't know whether this is essential or whether it is important, but I don't know what master race means. It might mean one thing today and another thing tomorrow. Certainly it did as to the Attilas, the Genghis Khans, and the Tamerlanes, and the Athenians in the days of Pericles, to the Spartans, to the Romans, and finally to the Germans; so maybe a master race, looking at it in any sense you like to consider the term, master race one day, may through many, many varieties of reasons fail to be the master race the next day.

I think probably one of the principal reasons why the civilization we love doesn't always prevail, and has not prevailed through such ages where intellectual and religious advances have been made, is because in the face of power, success, affluence, even if they be accompained by the development of the arts and the sciences, history has shown us that at times a strange sonnolence comes over the active and aspiring mind of man and then we begin to lose ground in every way and finally our national existence, with all that it means to us and all that we have or fail to have, is blotted out.

I agree with the General in the proposition, expressed colloquially, that one of the things we have to do in the age in which we live, certainly, and probably through the many generations which will follow us, is to keep the powder dry. I have read the paper only twice, hurriedly, and that after I left the office this evening. Perhaps at first I construed the conclusions of General Chisholm in too insular a manner and internally revolted at the proposition of leaving our entire future and every segment of the mosaic in which we live to the psychiatrist—not that I undervalue them and I take no part in what sometimes discern as very light and thoughtless poking of fun at them. Anything that is embraced by a considerable number of intelligent and thoughtful and earnest and honest and tenderhearted people, I don't think should rightly be susceptible to poking fun, even if it isn't very seriously meant.

I would like to think of the future combining the sort of training and the inculcation of what methods there may be of self-development and self-control with what I have written on the margin here. I have reverently, but very broadly, said, "The spirit of Jesus Christ." If people love each other—and many people around us do love each other for many reasons, some difficult to describe and some perfectly well understood—it seems to me if we can eliminate the prejudices and the selfishnesses and think less maybe of who has access to this or that other waterway, or this or that other political advantage; that we may at length, through the generations to come, learn to trust each other in a worldwide political sense.

The doctor says that we can identify the reasons why we fight wars, and he lists them as being prejudice, isolationism, the ability emotionally and uncritically to believe unreasonable things, excessive desire for material power—and that is what I was trying to say, General, in a rather abstract and clumsy way, are some of the things that we have got to learn if we develop some kind of brotherhood, and those elements may be composed and not be made to predominate the whole world and all parts of it.

I have often wondered, when we are considering here what amounts to an international police force, where you would locate its persuasive elements, Mr. Secretary. It seems to me that a quick moving fire in Baltimore can't very well be quelled by the Washington Fire Department, to take a homely illustration. I don't think that is important to what the discussion is here. This paper is a remarkable thing and one to which we all ought to give much thought, and if possible add to the channels and extensions by which a formula for exploratory purposes, at any rate, should be formed.

I like the combination of these things, General Chisholm. I know of a certain religious creed in the Christian atmosphere where there is a reasonable combination of faith and good medicine, and that is what I would like to see as we address our long-range international future. A great man lived in Georgia, born in 1812 near a little town called Crawfordville. His name was Alexander Stephens, and he was not a psychiatrist. There was a great man who was born in Kentucky, I think in 1809, and his name was Abraham Lincoln. I think he was not a psychiatrist, although I am sure his internal reactions were those that psychiatrists would have. But it is perfectly safe to say, I am sure, Mr. Secretary, that no war between the States, no great fratricidal war, would have occurred if it had been left to those two men.

So, can't we cultivate some of the things they had and some of the understanding things that rise spontaneously in all of us, because truly if we don't pause sometimes in the drudgery of our daily A, B, C, D work and consult the good emotions that lie deeply in all of us, we do not truly live. What I am trying to say to myself and am forced to say aloud is that what you suggest and what I am thinking of might be a good combination in the things to which the Secretary has referred.

* * * * *

[About the returned veteran and the displaced warworker] in a large sense I quite agree with General Chisholm. I have seen documents recently contrived by one or two of the best-meaning personnel officers of the Government, rather voluminous things, calculated to ease the returned veteran back into the association that he left before he put on the uniform, which amazed me, as a matter of fact. I approached the subject just 180 degrees away. They certainly don't want any patronizing and they don't want anybody to give them the notion that they have no volition, that they have been a serial number and their volition has gone since they have been under somebody else's command. It was rather laughable to me. I won't go into that, but I just wouldn't have handled it that way at all.

I wonder if maybe the general doesn't mean by the last line of his paper that it is the responsibility, really, of the psychic; and then I wonder whether the psychiatrist is in command of the psychic and the understandings, the revulsions and attractions, that go with it. It won't do us any good if you gentlemen propose to exercise your psychotherapy by remote control.

* * * * *

[A final question;] General Chisholm gave us some intimations of localities and organizations and individuals who talk about a lot of things, tending to elevate the morale and morals and to fit us better for the social and business climate in which we have to live as we grow up; but taking quite seriously the suggestion that now is the time to do something, is there a formula to be developed by you that we could use for going into meetings, or are you pleading for just a continuation and perhaps an accentuation of what millions of us are doing in this country and in your own country and in other countries so far as I know, to develop honest, God-fearing people with honest judgment and compassion and humanity and tenderness and things that go in those broad categories? You want to begin on something; have we a program to read from, a series of subjects to discuss?

HONORABLE ANTHONY HYDE, DEPUTY DIRECTOR, OFFICE OF WAR MOBILIZATION AND RECONVERSION

(NOTE.—The statement by Dr. Daniel Blain, senior surgeon (retired), U.S. Public Health Service, Acting Director of Neuropsychiatric Division, U.S. Veterans Administration, who spoke for and in the absence of Maj. Gen. Paul R. Hawley, M.C., U.S. Army, Acting Surgeon General of the Medical Service of the Veterans' Administration, and Dr. Chisholm's reply thereto, have been omitted from this digest, for inclusion in the report of the roundtable conference on technical training of personnel, held October 27, 1945. The conference appointed two committees, to investigate curriculums, and to consider standards, respectively, and adjourned to a later date. Publication of the proceedings is not contemplated at this time.)

I shall confine myself to asking a couple of questions and wait respectfully for the answers in due time. First, I wonder whether it was our neurotic tendencies that got us into this war. I think we can make a pretty good case for the fact that the German nation had paranoid tendencies, feelings of inferiority, and I think that perhaps had a great deal to do with the comparative ease with which Hitler got the Germans into war. But my recollection of the facts is that we had a heck of a time getting the democracies to go to war and there was a lot of talk about appeasement, and I think that a great deal of that talk of appeasement was a basic loathness and unpreparedness from a psychological point of view of the democracies to go to war.

Second, I am delighted that the question of saving the world is now safely in the hands of the psychiatrists so that a lot of us can relax. Certainly, I think we all agree that there is a great need for a program of psychotherapy. We see that on every hand, but I am wondering whether hand in hand along with that psychological program we don't need an economic program leading to full employment. I think it is pretty difficult for an unemployed man to be a happy and well-adjusted man.

G. B. CHISHOLM, THE WILLIAM ALANSON WHITE MEMORIAL LECTURER

It is greatly essential that every once in a while—in fact, continuously—attempts should be made to reinterpret, to reunderstand the philosophy of living which fits with our current observations, to keep our thinking, our attitudes, our feelings, our beliefs, up to date. Believe me that this effort I have made is an effort in that direction, not by any means in hope of giving anybody any of the answers but only in the hope of stimulating some people to do their own thinking in an effort to see whether or not their thinking, their beliefs, their attitudes, their points of view, are actually up to date with current knowledge, knowledge which is reasonably sure.

I like the reference of the Honorable, the Secretary of Commerce to our mutual Presbyterian ancestors. I think Presbyterian ancestors are a great asset. They are something like Scotland; they are excellent places to come away from, and there is undoubtedly a great urge for people who live in places like Scotland, or the Maritime Provinces in Canada, or some of the New England States, to go elsewhere, which, I think, can be seen as a distinct advantage. But it is perhaps not sound to send our children back to Scotland and make them do it all over again, because they will only leave Scotland or the Maritimes with great searching of spirit and soul, great difficulty, great internal conflict, and commonly and usually with a great nostalgia to be back there where everything is quite certain and one doesn't have to use one's head to think with, which is often difficult.

This is only one attempt to do a little catching up. I hope it will stimulate people, everybody that it can reach, in their own attempts not to do the same thing but to do their own catching up; and most particularly I hope it may help people to avoid sending their children back to start all over again for themselves.

The Honorable Mr. Miller, I think, was more optimistic than I can be about propinquity helping people to love each other. We have so many notable examples. There are, just for example, the Mohammedans and the Hindus in India; there are the well-known Irish and English who don't live very far apart. The Poles haven't got along very well with their more immediate neighbors. They get along much better with people who are much farther away from them. I doubt if propinquity is actually a reliable basis for hope.

I agree that if it could be arranged that we all love each other and trust each other, everything would be fine, but I wonder how we are to do that. One way, of course, is to eliminate those that we don't love and trust, and that has been tried repeatedly by many people, sometimes with reasonable local success for a time, but it has never been successful for very long and probably isn't a sound method for us to undertake at the moment, although it might be better than lots of other methods that we could think of.

The master race idea to which I alluded in the address last night was an attempt to move forward into a projected future the type of thing that has happened in the past. There have been master races before but they didn't have atomic bombs; they didn't have lots of the things that we have or will have available within a few years. The master races were limited in the past by their transportation, by their weapons, by the undeveloped state of their science. In the future it would seem to be probable that if a master race arises, is given a few years of freedom to develop as it pleases and to prepare itself, that its earnest endeavor to take over and control the whole world may well succeed.

It is possible to reach every part of the world within at least a few hours from any place on the earth's surface now. Within 10 years it will probably be possible to reach perhaps not personally, but with quite enough destructive material, any part of the world from any other part of the world within some minutes. That does undoubtedly tremendously increase the potential for control of any master race once it had occupied the productive capacity of the world and had it firmly in its hands.

It is quite to be supposed that after a time, 3, 4, 10 generations, sometime or other, they might break down. They would be subject inevitably to internal stresses and strains. Their own controls would weaken and break as they have in the past whenever that has happened, even locally, but it would probably take at least a few generations. Hitler's objective was only 10 centuries of control of the whole world. Even he seemed to realize that his type of "civilization" would break down inevitably and the human race would struggle up again. It would have been a long, slow, painful and difficult process.

I am sorry that some little misunderstanding may have crept into the discussion of what psychiatrists are going to do. Please believe that I scarcely expect that psychiatrists will do much of anything themselves. I only had some hope that psychiatrists might sit back and tell other people what should be done—a much more pleasant occupation and much rather to be expected from psychiatrists.

The Honorable, the Secretary of Commerce alluded to protective coloration, and that, of course, psychiatrists have developed superbly. Their vocabulary is an excellent defense. It is gifted with all the things that obscure meanings, words now mean one thing and now something else, and in the hands of different people mean entirely different things, so that as a method of obscuring thought, of saying things without appearing to say them, or saying things which will be understood by some people and not by others, it is an excellent instrument. I believe that psychiatrists can be of no great service to the human race until they shall have given up this protective coloration.

The Honorable Mr. Hyde spoke of the neurotic tendencies which got us into war—or questioned whether our neurotic tendencies got us into war. I would like to quote a German to you, a German officer, a Prussian, a doctor, an intelligent person, well educated and keen, whom I knew quite well about 1934. At that time he told me quite clearly what the Germans were going to do, how they were going to do it, what their organization was developing toward at that time, and what it would look like when they finished. The picture, to him, was perfectly clear. There would be a Prussian governor under orders from Berlin in every city and province in the world, with absolute power of life and death over all the people. The German people, servants of the Prussians, would garrison the world.

I asked him what this meant to him personally, and he said that this was a permanent dedication of his race; if not this time or the next time, then the time after that or the time after that because it was destiny—destiny for the human race to be controlled by the superior Prussian "kultur." I asked him if it bothered him at all that he was talking freely about this intention and he said, "Oh, no, not at all. You people don't want to believe and so you won't until it is too late."

He was dangerously nearly right. A long time ago someone said, "If a man has a garden in which there are poisonous serpents and beautiful flowers, he must first deal with the serpents before he may enjoy the flowers." The neurotic person goes about his garden admiring the flowers and pretending that there are no serpents, or if there are, they are not poisonous but pleasant little playthings. That is reminiscent to me of ourserves during the periods of 1908 to 1914 and 1917, and again during the period of 1933 to 1939 and 1941. We were pretending that everything in the garden was lovely, that everyone loved everybody else, there wasn't going to be any more war, and while the dear Germans were naturally slightly misguided, as we ourselves come to be sometimes, they would recover from this and become the nice people they have always really been at heart.

I think no one but a well-developed neurotic could believe any thing of that kind in the face of the overt, obvious, clear-cut, advertised evidence during those years.

We are the people who allowed this world war to arise, and the one before it. We even sat back and let them take the first bite at us. We allowed them to choose the time and place because we went right on pretending to ourselves, more or less successfully that there weren't going to be any wars.

We called the German reaction neurotic, but certainly we are no less entitled to call our own reaction neurotic. We allowed it to happen, and in my own mind there is no doubt whatever that if the English-speaking people of the world had faced the facts as the facts were advertised during those years, they could have prevented war.

I quite agree, too, that full employment is necessary for happiness, but the variety of definitions of employment is infinite. I have seen people busily employed lying on their backs in the sunshine enjoying themselves. Sometimes I feel that I would be glad to enjoy that mode of employment for some considerable part of my future.

You know we were all brought up on one of these moralities of which I have been talking—perhaps some of you weren't but I am sure that all good Presbyterians were: "Satan finds some evil still for idle hands to do." Of all things, hard work has become a virtue instead of the curse it was always advertised to be by our remote ancestors. Even the most authoritarian statement of the case is to the effect that Adam and Eve were condemned to work as the result of their sin. They weren't supposed to work before that.

And so I think the time is going to come, if it hasn't come already, when we shall have to redefine a little our idea of employment. It may well be that within a few years, as atomic energy is made releasable and usable in industry, there won't be enough productive employment available for anything like all the people in the world. It may well be that this time can come within 20 years. What is education doing about that? Are we preparing our children to spend large parts of their lives denied the "privilege" of working? Our children should be prepared to bring their children up so they won't have to work as a neurotic necessity. The necessity to work is a neurotic symptom. It is a crutch. It is an attempt to make oneself feel valuable even though there is no particular need for one's working. There are people who dig holes and fill them in just to "busify" themselves. I think we need to look at this whole problem of employment in relation to man's enjoyment of living not just with regard to his "busification" which is something quite different.

* * * * *

[Concerning the returning veteran:] The problem of men and women coming back from the services needing help, and how to get them to accept it and how to get it to them, is a vastly difficult problem, indeed, because many of the men who most need help cannot admit it to themselves, and insist on struggling along when they could be given effective help reasonably easily.

There are very many men and women coming out of the services who have needs that the normal civilian community will not normally supply unless it is done purposefully, intentionally, by people who know what they are doing. These people who come out of the services have specific needs. They are not the same people they were when they joined the service. They have developed and grown enormously. They are far more developed people. They are far more civilized people than they were as so-called civilians. They have developed an ability to count on people around them. It is impossible for a fighting soldier to question the reliability of his comrades or the other arms. He must for his very security learn to accept absolutely the responsible people about him. He must know that the tanks will be in the right place at the right time, he must know certainly that the air will not let him down; he must have learned through the process of military training to count completely on the people who are about him. For soldiers it is all very simple, and I mean soldiers who have been good soldiers for a long time, and particularly those who have been a fighting kind of soldiers. All people are divided clearly into two kinds: our friends and our enemies. You kill off the enemies whenever you get a chance. You make as many of these chances as possible. You count completely and absolutely on your friends to be on your side on every occasion.

When the returned soldier comes home from overseas, he typically starts with the belief that we at home are his friends; therefore, we are all right, we are on his side, he can count on us. He knows that we won't let him down. The painful process of awakening to facts in that relationship has been the precipitating factor in the developing neurosis of many a good soldier who has given everything required of him and done all he could. It has commonly happened that the failure of the civilian to live up to his standards of civilization has been the precipitating factor in the trouble in which he finds himself.

The returned soldier may be precipitated into neurosis or he may feel an utter lack of sympathy and understanding around him from civilians and find that his only spiritual home is with other soldiers. If that happens, he tends to segregate himself from civilians, with other soldiers, and to set himself apart as a particular kind of person. I don't need to suggest to you the damage that this type of reaction can do to a community and to very large communities. It is essential to the integrity of any country that its returned service people shall stop being veterans as soon as possible and become full-out citizens and civilians and leaders in their communities.

If the soldier in this war has learned anything, he has learned to do his own thinking, to take charge of situations, to do what needs to be done. He has developed the need of a standard of service which is rarely found in civilian life. It is to be hoped that soldiers coming out of the services will recognize their own needs in this connection and invest their emotions in service to the community in order to produce some continuity of feeling of being needed and important. It is devoutly to be hoped that civilian communities will make it possible for soldiers to meet these needs, have them fulfilled. It is vastly important that there should be places—and I mean emotionally significant places, valuable places—in every community for every soldier who is coming out of service to fill.

I believe earnestly that the biggest therapeutic problem and the whole course of treatment are in the hands of the people of this and other countries, not in the hands of psychiatrists. Psychiatrists can touch only the fringes, treat only a few, and those not by any means always successfully unless the community is able to do its part—which certainly does not mean seeing the soldier as a pathological specimen or in any way peculiar or unusual, but rather as a grown-up man, not "our boys" coming home. These are not boys. They are men, if there ever were men; and they don't like being called boys. They may take it, even with a smile, but it hurts inside. It is an indication to the returned soldier of the patronizing attitude of the civilian who expects him to come back and resume his place as the little boy again and do what is expected of him.

The returning soldier from this war is not that kind of man. He is the kind of man who, if he knows what is good for his emotional health, will take charge of situations when he comes home. It will be well for him and for this and other countries if he is given the opportunity.

The question of cost in relation to treatment of the neuroses in veterans is utterly irrelevant, as I see it. There is no way of evaluating the comfort, the peace of mind, the ability to live, of a man and a family. There is no way of evaluating in monetary returns the effect on children of the peculiarities of their parents. Any amount of money that it is necessary to spend to stabilize returned veterans, to make it possible for them to live peacefully in their community, to be good citizens, to help to bring up their children to be contributing citizens of the community, can hardly be too great, and whatever requirements there are will be a good investment. It is perfectly true that adequate psychiatric care is an expensive business, but it will be much more expensive not to give that care.

* * * * *

[Concerning Dr. Hamilton's comment:] I could talk about original sin for quite a long time. Of course we have original sin. It can be called human nature or anything else you like, but it is the same thing. The way people are when they are born is not civilized. Therefore, it is sinful, because that is what sin is—not conforming to what is expected of one when one is growing up—and so of course we will have sin in that sense always with us.

The thing that I object to is everybody having to feel guilty all their lives for having been born the way they were born. That is what makes trouble, it is the learning that they weren't supposed to be that way, despite the fact that everyone who has been born is that way and will probably go on being that way for quite awhile yet. It is the guilt that is foisted on people, on children, on children while they are still defenseless, for being natural products, for not having been born civilized, that makes the trouble.

I am not optimistic about our having a world full of well matured people within 20 years. It just doesn't add up to that. Arithmetic makes it impossible. But maybe we can go quite a distance. There are soft spots. There are groups of people who are earnest, intelligent, concerned people, who do not know all the answers, and who are anxious to find out what some other people do know. I think one of the hopeful spots in our kind of civilization is the parent-teacher association, where young parents meet together with teachers to discuss what is best for their children. If every psychiatrist and social psychologist and everyone else who feels himself capable—and whether he is capable or not is relatively unimportant as long as he stirs up people's thinking—will take even as little as one evening, say, every 2 weeks to talk about these things with groups of people, service clubs, youth groups, schools, parent-teacher associations, anyone else who will listen to him, I think a very great deal can be done in the span of 20 years.

Such a program will doubtless increase to some considerable degree the insecurity and anxiety of quite a number of people who will be jolted and made somewhat uncomfortable. But after all, this is a major illness. If a patient has an appendix ready to burst and is going to die if nothing is done about him, even if there is no anesthetic handy it is still sound humanitarian practice to cut a hole in him and take his appendix out anyway, even if it hurts. I think that this is a sound analogy for the situation in which we find ourselves. Of course it will hurt, but that does not argue against the necessity for doing something about it, and we won't get around to it any sooner than now. The longer we put it off, the longer it will take to do it and the more difficult it will be to do. I would hate to have to prove that but I think it is true.

Now is the time when people are at the stage of reevaluating very many things. The fact is that a lot of things have come loose in the last 30 years, and now is the time, perhaps the crucial time—again a crossroads—a time for reevaluating things with some hope of being able to see them more clearly than we or our ancestors have previously. Because of all these factors and because of these considerations, I believe that we should go to work at it now, even though there is relatively little hope, if any, of actually producing very large numbers of mature people within 20 years. If we start now, we might do it in 40 years. If we don't start it for 10 years it may be several generations before another chance is found.

* * * * *

[In reply to Mr. Miller's question;] I would not suggest any program. I would not dare to draw up a statement of what people should think about themselves, nor tell them where to go to hear good advice. I would suggest only, and most earnestly, that everyone should regard as suspect everything that we have believed up to now.

I am suggesting a most earnest searching for the reasons we are the way we are, with a willingness to change anything that we believe and any way that we think if we find that any of the things we believe or ways that we think are, in fact, liabilities rather than assets.

ROSS M'CLURE CHAPMAN, PRESIDENT OF THE WILLIAM ALANSON WHITE PSYCHIATRIC FOUNDATION

You, General Chisholm, have given me much to think about, but not for a sufficient time. I have not yet been able to think through to an adequate discussion of your splendid address of last night, which I then remarked was one of the most healthily provocative presentations I had heard.

I should choose for special attention the last third of the lecture which challenges not only psychiatrists but all other individuals and groups in the community and the world who have to do with education. Particularly you referred to the teachers of children as well as psychologists, sociologists and politicians.

Because a great many people will be reading and thinking about this address I want to add to the contribution of Mr. Fortas in which he spoke of freedom from moralities. Quoting, he, as I recall, said, "Freedom from moralities means freedom to think and behave sensibly," to which should be added, "to the advantage of the person and the group." Emphasis on the group is an important thought in that connection.

General Chisholm has defined maturity to his own liking as the sizing up of difficulties and making one's own decisions, which maturity carries with it flexibility, adaptability, tolerance.

The essential part of his address is his courageous approach to the development of a more mature citizenry through the education of children. This deserves, and I have no doubt will receive, careful reading and much thought. I hope it leads to constructive effort.

AN APPRECIATION AND CRITIQUE—SAMUEL W. HAMILTON, MENTAL HOSPITAL ADVISER TO THE U.S. PUBLIC HEALTH SERVICE

In these addresses General Chisholm, like a prophet of old, has presented a picture of the New Jerusalem in which life will be better lived because better leadership will dominate. This leadership will be in the hands of persons who have been brought up to make their own decisions, not worry about precedents and not reproach themselves for what goes wrong. They will be clearheaded, suitably deliberate, strong in action. Perhaps this makes one think of the Swiss, or the Swedes. There will still be room in the world for people with fears and foolish ideas, but they will no longer run it. There will be fewer of them than now, because more people will be of the kind that are calm, confident, free from prejudice, and capable.

This is an inspiring picture. But to the ordinary psychiatrist the concomitant challenge is disturbing. General Chisholm argues with close-knit reasoning that psychiatry must turn more strongly than ever to prevention; that we should not allow unhealthy attitudes to develop. This he rightly calls a challenge to psychiatry.

Of course it is also a challenge to the individual psychiatrist, who may have no children to educate, no opportunity to sit on a school board, only limited influence on the character development of the little folks of the neighborhood. He is quite busy with his adult patients, seems to be useful and enjoys his professional work. Perhaps there is need of interpretation of the thesis. The psychiatrist, being a physician, can seldom compel people to do as they should about rearing their children. Only at times is the physician backed up by the law so that he can call on the policeman and the judge to enforce his decisions. That is when he can make a very strong case to the effect that something that a person is doing endangers the health of his neighbors.

One may point out two matters, perhaps small, that will impede this advance:

1. Preventive medicine may not free many physicians for activities they would like to engage in, for unexpected results develop. When epidemic disease ceases to be fatal, we have more cardiacs to care for, so preventive medicine is far from abolishing therapeutic medicine. Probably many psychiatrists will be needed even when wars shall cease.

2. It takes intelligence to carry on an advanced program of training in any field. A vast number of parents over the world are of modest intelligence, or less. Children inevitably imitate their parents in many attitudes. Perhaps we cannot harness them to our better scheme within any short period.

When a man has a vision it is right for him to proclaim it, though he trouble his colleagues. If a thing needs to be done, it is the duty of every one of us to figure out his part, and do it. Whatever each of us can contribute toward control of affairs by persons of mature attitude of mind, should be willingly contributed.

THE CULTURAL REVOLUTION TO END WAR—HARRY STACK SULLIVAN, PRESIDENT OF THE WASHINGTON SCHOOL OF PSYCHIATRY

In his William Alanson White memorial lectures, Maj. Gen. G. B. Chisholm in an argument characterized by pertinacity of consideration, lucidity of analysis, and rigor of its reasoning, has put squarely before psychiatrists a clear statement of the all but overwhelming responsibility that lies on them at the present juncture of national and international affairs.

The task which he delineates is stupendous. The personnel to whom primarily he addresses himself is numerically small and spiritually impoverished.

A call to assume significant leadership in what Albert Deutsch well designates a cultural revolution may seem to most psychiatrists too fantastic to be heard clearly, much less, to evoke responsible effort.

It would not be strange if psychiatrists, by and large, were among the last to be moved to action by Dr. Chisholm, himself a psychiatrist. It has already been said that he is crusading. One is asked why psychiatry should feel called upon to take up such a program.

It is easy to close the mind to a disturbing prospect. Compared to man, the ostrich's burying its head is uningenious.

Dr. Chisholm is anything but a visionary living out a myth tolerated by his particular culture. He is a rarely wise man, a man of great foresight. His career documents this; it is shown by his established works.

Those who close their minds to his words are chiefly of two classes: the people demoralized by the defeats of life and those whose prestige and income are imperiled by his views; these and the stupid.

The stupid and the demoralized have in common a sad necessity to protect a peace of mind which at best is the peace and quiet of fresh thistledown on a windy day.

Where they can, they seek to avoid anxiety and the feeling of helpless unworthiness by demands that "if I am a molehill, then let there be no mountains."

Perhaps this is by no means the prerogative solely of the demoralized and the stupid. Perhaps this protecting a dubious peace of mind by disparaging anyone and everything which is disturbing is the mental disorder of modern man.

Broadly speaking, we are all—and I speak not by any means for psychiatrists only—like angry children. We are like children because we have failed to develop our human potentialities. We are angry for two reasons. It is more pleasant to be angry than to feel anxious, frustrated, and humiliated; and everyone at least occasionally realizes, however dimly, that the world need not be so hopelessly confused and demoralized.

Some psychiatrists, in fact, have been most fortunate. I think of William Alanson White, and of those who came to know him. Psychiatry itself, as it has developed in a union of Canada, and the United States, owes in singularly large measure a world preeminence to the judicious and synthetic qualities of mind of Dr. White the teacher.

It was William Alanson White who fused into a vital unity the relatively sterile nosological interest of Emil Kraepelin, the precise scientific approach of Adolf Meyer, and the vivifying dynamic conceptions of Sigmund Freud.

He was among the first to encourage rapprochement of all the sciences concerned with human life. He was immensely enthusiastic in his support of preventive psychiatry, the program of mental hygiene, and the use of psychiatric principles in humanizing the practice of medicine.

Dr. White was quick to see that psychiatry, as it grew in importance as a body of insights into living, was coming to have greater significance outside than inside the mental hospital; that psychiatry was becoming far too important to society at large to be restricted in use to the monastic world in which it was nurtured.

Psychiatry was forging tools indispensable to all those who strive to facilitate human living.

Dr. White labored mightily to encourage the critical utilization of psychiatric principles by those responsible people on whom always largely depends the enduring good of a democratic society.

As I understand it, the William Alanson White memorial lectures were instituted at a time when it seemed imperative to carry forward this one of Dr. White's great interests.

The first series of these lectures sought to outline to a diversified audience the conceptual structure and practical position that psychiatry had reached at a time when the world was almost certainly moving toward disaster. It was hoped that something useful might be given to those who would soon be husbanding human resources and social values in the pandemonium of war.

The first series of William Alanson White memorial lectures was not particularly distinguished from many another effort of that time. They were too little, far too late.

By wonders of wartime organization, by the miracle of solidarity and morale in a people belatedly alive to its peril, but even more by the fortune of redoubtable allies who earned us time by their sweat, blood and tears, at cost of unutterable devastation of all human values, we are still intact—even if seriously impoverished.

The second series of the memorial lectures comes at a time when the perils of the world are greater, more imminently dreadful, than has ever before been the case in historic time.

It is exceedingly to the credit of our Western World that at this awful juncture there is a greatly distinguished man among us who speaks unequivocally, with calm determination that at whatever cost he shall make clear what psychiatry has to offer as an at best forlorn, but also the only, hope.

What does this man, this most practical psychiatrist, say to us?

He says, as does many another, that we are choosing now, perhaps passively, but inevitably, whether we shall be slaves of the next "master race," or members of a world-unity so alert and so powerful that potential aggressors will be destroyed before they can strike the first horribly destructive blow in a future war. These are the only alternatives.

He says that the second alternative, to be chosen quickly if we would insure ourselves and our children a continued progress in civilization, is but a way to gain time in which to find and take sure steps to prevent wars of the future.

He reviews past efforts in this direction and notes their repeated and uniformly unsuccessful outcome. "Every lesson of history and commonsense would suggest the futility of these methods. It is clear that something new is needed."

He seeks to identify the human factors which have repeatedly eventuated in wars. He recognizes political factors operating in national and larger aggregations. He recognizes causative factors inhering in the no longer necessary economies of scarcity, with their exploitation of backward peoples. He observes that remedial modification of these two elements in human society would probably make wars unnecessary for mature people.

"So far in the history of the world there have never been enough mature people in the right places. We have never had enough people anywhere who have been able to see and accept these facts and who are sufficiently well developed and responsible to tackle these problems."

Some influences which show consistently in every civilization of which we have knowledge must be responsible for arresting, personality development in all or almost all its people, so that they failed of true maturity—could not come to perceive and utilize patent facts; could continue to believe contrary to and in spite of clear evidence; were burdened by irrational inferiority, guilt, and fear; and had urgent necessity to control others' behavior because of prejudice and an incapacity for sympathetic understanding.

Dr. Chisholm concludes that the only factor common to all civilizations which acts as a psychological force capable of producing these ubiquitous arrests and perversions of personality development is morality, the structure of man's beliefs concerned with "right and wrong," anciently warned against in the Jewish creation-myth as fruit of the tree of the knowledge of good and evil.

Some voices are heard denouncing this conclusion.

Among the 500 people who heard General Chisholm's Washington lecture there were few or none of those who since then have lifted their voices in denunciation and antagonistic exhortation. "Intelligence," says the General, "ability to observe and to reason clearly and to reach and implement decisions appropriate to the real situation in which he finds himself are man's only specific methods of survival. His unique equipment is entirely in the superior lobes of his brain. His destiny must lie in the direction indicated by his equipment. * * * Man's freedom to observe and to think freely is as essential to his survival as are the specific methods of survival of the other species to them. * * * That freedom, present in all children and known as innocence, has been destroyed or crippled by local certainties, by gods of local moralities, of local loyalty, of personal salvation, of prejudice and hate and intolerance—frequently masquerading as love—gods of everything that would destroy freedom to observe and to think and would keep every generation under the control of the old people, the elders, the shamans, and the priests."

What psychiatrist entitled to respect himself as a therapist would find fault in this statement?

What educator free from the domination of a group with vested interest in controlling his charges would question it?

What social scientist secure in his academic freedom and his income would change a word?

Is not this the central finding of every serious student of personality or of culture, everywhere in the world?

If humanity is to be freed from this crippling burden, "it must be psychiatrists who take the original responsibility. * * * What the world needs from psychiatry is honest, simple, and clear thinking, talking and writing. It needs the same from psychology, sociology, economics, and politics. Clear and honest thinking can almost always be expressed in simple words which are understandable by the people who matter in a democracy."

In the second lecture, given in New York City, Dr. Chisholm reviews the status of psychiatric personnel and practice with regard to meeting in a somewhat practical fashion the needs which now confront psychiatrists.

"Possible objectives for psychiatry can be seen only in the light, and within the framework, of the realities of the environment. This world in which we live is not the same world we were living in a few years ago."

Commenting on those who believe that the only responsibility of the psychiatrist is custodial care and therapy, the lecturer shows that a vast increase in the number of practitioners is needed to meet the self-recognized needs of the population, in turn but a small part of manifest mental illness.

There are several ways of ameliorating this situation, including the evolution of shorter and more effective techniques of treatment and the use of less well-trained workers.

If this is to continue to be the major concern of psychiatrists, and if current and prospective needs are to be met in the reasonably near future, training facilities must be increased enormously, and those now engaged in effective therapy must be withdrawn from that field and put to teaching in training schools for psychiatric teachers.

Also, "If we believe in our wares, if more and more psychotherapy is what is needed, then surely it is legitimate and sound to do everything possible to educate the public to an appreciation of the need * * * [in which case] possible developments in psychiatry might at least go far toward solving national unemployment problems."

In seeking alternatives to this program of ever bigger and better mental hospitals and more and more extensive psychotherapy, Dr. Chisholm draws a telling parallel with the treatment of infectious and deficiency diseases as compared with prevention in these fields.

Clearly, if psychiatry hopes to make sense in the world of today, some of its practitioners must raise their eyes from a goal of passing in moderate respectability from their professional birth to the obituary notice.

The petit bourgeois ideal is all right for the psychiatrists who are correctly defined as doctors who have failed in the practice of medicine. They have found for themselves a useful function in sheltering society from those whom it has destroyed.

The upper middle-class ideal is all right for the psychiatrists who are content to be variants of Wagner-Jauregg's bitter aphorism about "a way to live on one patient," or as mass-production experts in shock therapy, modified decortications, or distributing drug-house detailmen's wares.

I surmise that at least the psychiatrists who, as members of the war effort, have caught a glimpse of living as collaboration will not be content to return to these modest respectabilities—even as I fear that the sequels of demobilization will discourage all too many of them.

Dr. Chisholm is calling to psychiatrists to live in reasonable conformity with the implications of their knowledge of personality and interpersonal processes.

He is calling not to a crusade, but to an honest, diligent, and demanding public service the quiet nobility of which was well reflected in the profound comment of Secretary Wallace when he once remarked that all great religious leaders, the prophets, even Jesus Christ, had actually brought religion up to date.

As Abe Fortas says, Chisholm is a mature man who realizes that the human past is no longer suitable to the material present, that we have now reached the point where drastic readjustment of human personality and conduct appears necessary for survival, and that the role of the psychiatrist in the work of man's taking charge of his destiny is not merely that of a healer, but that of one who seeks the causes of fear, anxiety, prejudice, and vicious passion, and works to eradicate those causes.

Less than a thousand people heard Dr. Chisholm. By now, many thousands know that he has spoken, have some idea of what he said. I venture it will not be long before millions will have rumor of his message. The fact that he has spoken and has spoken clearly and unequivocally what he had to say is bound to affect psychiatrists everywhere. It makes it much less easy for them to go on with their little private concerns, saying, "This is someone else's responsibility."

However awkward it may be to have people expect them to make public sense instead of private marvel, however, miserably some of them may fail to measure up to the unwonted task, psychiatrists will be finding that communities are awaking from the trance imposed throughout historic times by the mythmakers.

The bomb that fell on Hiroshima punctuated history. The man whose wisdom and foresight in large measure made that bomb had dealt with human destiny with fully human competence.

The gods of local certainties, of local moralities, of local loyalty, of personal salvation, of hate and prejudice, and the intolerance of others passed into history.

As mundane distance shriveled into insignificance in the eddies of radioactive matter which swept space around the earth, so also did the swathings of immaterial fictions and habitual evasions with which everyone had been methodically enwrapped.

The peoples of the world, wherever language reaches, caught a glimpse of reality, felt with whatever terror a moment of insight into alike the minuscule and the magnificent in human being. As their apathy and stupefaction yield to the dynamics of life within them, they will hear and understand Chisholm: if we go on as we have, there will one day be none of us left, not even any to bury the dead.

As a psychiatrist, it has been my privilege to see in the difficult treatment of persons suffering obsessional distortions convincing evidence that people strive however blindly toward improved mental health. No contrary hypothesis could account for the brute fact that severe obsessional conditions actually change, with appropriate help, in the direction of relatively simply gratifying and successful living.

This tells me that there is imminent in human personality a striving toward a way of life that is not destructive to others. It tells me that man would live at peace had he ever had a chance to be free of that "slavish acceptance of the doctrines which each generation," to quote Abe Fortas, "is supposed to accept from its predecessors like a burial urn, and to pass on untouched and unexamined to its successors."

As reactionary trends are swamping every government, as every possible cleavage in every people is being encouraged, as every issue is being confounded by irresponsible if not indeed unscrupulous expressions of prejudice, interpretation, and rumor; at such a time is it not apparent to every serious student of any aspect of human living that events call upon him to manifest his particular kind of functional activity in an effort to preserve that very human society which has culminated in his peculiar privilege to pursue the truth?

Even the lowest form of caution would support this; this can scarcely be a time for just playing safe. Decision lies in indecision quite as certainly as in observation and foresight. One will be with the forces of reaction and human exploitation; or one will be actively against them.

A distinguished company of publicly very quiet people, the physicists, have read the omens. They have left their laboratories and classrooms. Their voices are heard. The public understands them. This is not because physics has been popularized; not because the physicists are talking down to the masses. It is because they are reporting their clear and honest thinking in simple words which are understandable by the people who matter in a democracy.

Will the physicists outdo the people in the study of personality, in the study of culture, in sociology, in economics, in the science of politics, in the vast field of pedagogy, in responsible religion, in administration in practical politics? Shall we offer nothing from our special capabilities toward implementing that utterly indispensable and wholly inconspicuous responsible leadership which is exerted in every community by men who respect the rightness of their facts and the care and correctness of deduction reflected in their expressed opinion?

I think that the peoples of the world would be less hesitant to become subjects of a world government eternally vigilant to maintain overwhelming destructive force, ready instantly to use every sanction and to destroy any who would again provoke war, if it were evident to the thoughtful among them that things otherwise were not going to go on much the same way that they have gone on up to now; if, in other words, it were certain that this mighty garrison state which would exercise sovereignty over every person in the world was to be but a temporary precaution to protect the helpless while men of good will would be working out a fully civilized way of life for the peoples of the earth.

It is from the custodians of knowledge and those skilled in human techniques that the evidence of this benevolent probability must come.

This is a challenge to each of us, and a challenge which each of us must meet. A decision to do nothing about it identifies one with the destructive principle which the great mass of humanity has not yet found a way to escape: one shows by inaction that one is of those who irresponsibly exploit their less fortunate fellows. Possible for how much longer? Can one be sure?

Chisholm calls on us to proceed responsibly with a cultural revolution. The first step is to uncover the archaic control ideas that make of every extant culture anything but the ideal medium in which the human animal becomes the human being. Along with this investigation, there must go the teaching to every parent—bright or stupid, rich or poor—the fact that children do not grow like green plants on chemicals activated by solar energy, or in any other way that may be taken for granted, but rather by assimilating ideas and examples given them by significant elders. Parents must be made to see that children are in no sense their chattels but instead their wards, held in trust as future members of the community.

The good of every community requires that children shall be much better prepared for social life than were their parents when they reached legal maturity. The survival of human society on anything like a civilized plane depends absolutely on this.

When these conjoint first steps are in progress, there will begin the second great step, the practical realization of dynamic, evolving, principles of living initially suited to particular culture areas and ethnic groups but progressively uniting all the peoples of the world in a great benevolent community singly devoted to human progress everywhere.

Mr. JAVITS. Mr. President, I would not wish the confirmation of the nomination of Mr. Fortas to pass unnoted. As a member of the Judiciary Committee, I heard him, and asked, by agreement of the committee, for him to add to the record anything that needed to be added.

At the time of the hearing many controversies were aired. There were direct witnesses against Mr. Fortas. Personally, I have known Mr. Fortas for 25 years, or thereabouts, as a lawyer, and I have known him socially and personally. The Senate should know that, in my judgment, he stood up magnificently well under the questioning and he justified all the fine things that people like myself have for years thought about him. He proved in the hearings what we all believed to be true about him as a lawyer and a distinguished American in all this time.

Mr. WILLIAMS of Delaware. Mr. President, our Government is divided into three branches—the executive, the legislative, and the judiciary. Each branch performs a separate and essential function, and under our system each, while having separate powers and duties, acts as a check upon the other two.

At the top of the judiciary branch there is the Supreme Court, with authority to overrule lower court decisions and interpret or nullify laws which have been approved by the other two branches. For this reason the members of the Supreme Court should be selected with the utmost care as to ability, integrity, and judicial experience as well as temperament. The President appoints these members, but it is the duty of the Senate to pass upon their confirmation.

The President in making his most recent appointment of Mr. Abe Fortas claims that after having searched our country over he was unable to find a better man than the appointee, Mr. Fortas. I disagree with that claim. It is apparent that the President in his extensive search did not go beyond his inner circle of friends.

No one is questioning the fact but that Mr. Abe Fortas in recent years has developed a national reputation as the man to see in Washington to get things done. His tremendous rise in power has been greatly accelerated and particularly noticeable in the past couple of years when he became known as the man closest to the President and as one who is able to obtain favorable decisions from various Government agencies.

But the fact that a man knows the right people in the right places or the fact that he has been exceptionally successful in influencing departmental decisions does not necessarily qualify that man for membership on the Supreme Court.

True, there is nothing wrong with Mr. Fortas being a friend of the President. Nor is the fact that Mr. Fortas was the attorney selected to represent Bobby Baker in the early stages of his investigation a determining factor. Mr. Baker was entitled to legal representation. It is significant, however, that when Mr. Baker and Mr. Jenkins, another Presidential associate, got into trouble Mr. Fortas was the first man they turned to for assistance and legal guidance.

Later, when Mr. Johnson assumed the Presidency, within a matter of a few days Mr. Fortas separated himself from the Baker case, and the rumor then was that this was done to place him in a position to act as a special adviser to the President and to pave the way for later consideration for a high appointment.

Last year, when Mr. Walter Jenkins, a top Presidential assistant, was arrested on a morals charge, it was Mr. Fortas who interceded with the Washington press in what almost resulted in a successful effort to suppress the story. Had the case not been discovered and broken by one of the wire services conceivably Mr. Jenkins would still be serving as an aid in the White House with his top-secret clearance.

It was Mr. Fortas to whom Mr. Johnson turned in 1948 when the results of his senatorial election were challenged on the basis of fraudulent ballots. Much has been written about the strange handling of this case involving phantom vote charges.

As recently as July 17, 1965, the magazine, Business Week, published an article questioning the propriety of the Interior Department's decision to relax the import quotas for Phillips Petroleum Co. In this article Mr. Fortas' contribution as the attorney for Puerto Rico, the country involved, was referred to as "influence peddling."

I quote a paragraph from the article:

> Influence-peddling? Privately, oil men point to what they consider influence-peddling affecting the Phillips decision. They see it as significant that Puerto Rico was represented by the Washington law firm of Arnold, Fortas & Porter, although Abe Fortas, a personal friend and confidant of President Johnson, denies he had anything to do with it. Oscar L. Chapman, an influential Democrat who was Harry S. Truman's Secretary of Interior, was attorney for Phillips.

In this article the writer raises a serious question as to the manner in which Phillips Petroleum was able to obtain from the Interior Department a favorable decision worth millions.

I ask unanimous consent that the complete article entitled "Udall Sparks Another Oil Battle," published in the magazine, Business Week of July 17, 1965, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UDALL SPARKS ANOTHER OIL BATTLE—THE INTERIOR SECRETARY'S DECISION TO RELAX IMPORT QUOTAS FOR A PHILLIPS COMPLEX IN PUERTO RICO HAS BROUGHT REQUESTS FOR SIMILAR TREATMENT BY OTHERS AND THREATS OF COURT ACTION

Just 17 days after he entered the White House, President Johnson gave his Secretary of the Interior full responsibility for shaping the Nation's oil policy. Since then, Stewart

L. Udall has grappled with that problem in the face of almost constant criticism. But rarely, if ever, has he found himself in as big a snarl with the oil industry as he does now.

The trouble began when Udall approved a plan for Phillips Petroleum Co. to build a multimillion-dollar petrochemical complex in Puerto Rico, starting late this summer. The complex will ship nearly 25,000 barrels a day of gasoline byproduct to the U.S. mainland. Raw material needs of 50,000 barrels of naphtha daily will be met entirely by foreign oil.

To give Phillips the foreign oil, Udall decided to relax the quota controls that have governed imports into the United States for 6 years. He based this decision on Puerto Rico's need for heavy industry. Pestered by low wages and high unemployment, the commonwealth has been seeking petrochemical investment since the early 1960's and hopes this complex will create 33,000 jobs.

PROBLEM'S ROOT

But it was giving this aid to Phillips that touched off the conflagration. Until the Phillips plan went through most companies felt they were ruled out of Puerto Rico by import restrictions. Now, some of the biggest oil companies are out either to block the project or reap profits for themselves. By midweek, Standard Oil Co. (New Jersey), Standard Oil Co. (Indiana), Sinclair Refining Co., Tennessee Gas Transmission Co.'s Tenneco Oil Co., and Cities Services Co. all had applied to build petrochemical plants of their own in Puerto Rico. This strategy is embarrassing Udall. He knows that granting all the applications would undermine oil import controls, while refusing any one of them will almost certainly result in a court challenge.

HIGH STAKES

Quotas to bring in foreign oil, which is cheaper by $1 to $1.25 a barrel than the domestic stuff, are one of the most valuable disbursements of the Federal Government. Doled out among domestic refiners, they are worth in excess of $1 million a day. With stakes that high, even the slightest change in quotas sends shivers through the oil industry. Udall's decision to approve the use of foreign oil for the Phillips project—at the expense of other companies—enraged those that didn't benefit.

Opposing companies charged that the grant was arbitrary, that it would open a loophole in import controls, that shipments of low-cost gasoline to the east coast would shake up markets there, and that assistance to Puerto Rico, however desirable, has no place in the oil import program.

INFLUENCE PEDDLING?

Privately, oil men point to what they consider influence peddling affecting the Phillips decision. They see it as significant that Puerto Rico was represented by the Washington law firm of Arnold, Fortas & Porter, although Abe Fortas, a personal friend and confidant of President Johnson, denies he had anything to do with it. Oscar L. Chapman, an influential Democrat who was Harry S. Truman's Secretary of the Interior, was attorney for Phillips.

Udall's decision evoked dissention even within his own Department. Assistant Secretary of the Interior John M. Kelly, an independent producer and Udall's top oil adviser, didn't see eye to eye with his boss. Subsequently, Kelly quit his post and went home to New Mexico.

STATUS REPORT

Despite the opposition, including threats of lawsuits by some companies, it was soon apparent that Udall would stand his ground. "Other companies will be a little bit unhappy," he says, "but I'm willing to take the criticism."

Then Udall's opponents in the oil industry launched their counterattack. The companies that began lining up at his door with demands for foreign-oil-supplied complexes of their own were the same that had most vigorously objected to the Phillips decision.

Besides those interested in Puerto Rico, a sixth company proposed a petrochemical complex to be run on foreign oil in Appalachia. The company, Borg-Warner's chemical division, Marbon, reasoned that West Virginia has unemployment problems, too.

SERIOUS INTENT

While the companies are grimly serious about their Puerto Rican applications, they, as well as Udall, realize that he cannot approve them all without opening a wide breach in import controls. Thus, any company that has its proposal granted will be sharing relatively exclusive economic advantages. On the other hand, if a request is turned down, the threat of a court challenge would have a basis for being carried out.

Thus, the Secretary, still feeling his way on uncharted seas, is moving with deliberation. His staff points out that the Phillips plan took 2 years to be approved, so there is no need for hurry on the rest. Meanwhile, one company official says with ill-concealed glee: "I'm just waiting to see how Udall will wiggle out of this one."

Mr. WILLIAMS of Delaware. Mr. President, in the June 1965 issue of Esquire there appeared another detailed article outlining the spectacular rise of Mr. Fortas to the position of the "President's most powerful persuader." The first paragraph of this article reads as follows:

> Politically, the law firm of Arnold, Fortas, and Porter is the most powerful in Washington, D.C. The No. 1 partner, Thurman Arnold, was a famous New Deal trustbuster and is now recognized as one of the wiliest old lawyers in the Capital. The third partner, Paul Porter, was in charge of price controls during most of World War II and is on a first-name basis with everybody who matters. And the man in the middle, Abe Fortas, an Under Secretary of the Interior in the Roosevelt era, is confidant, adviser, good friend, and behind-the-scenes handyman to the President of the United States.

Continuing, this article outlines the success story of an influentially connected law firm with particular emphasis upon the close connections which the members of the firm have with certain Government agencies as well as with the President.

At this point I ask unanimous consent that there be printed in the RECORD an article entitled "Abe, Help.—L.B.J." written by Charles B. Seib and Alan L. Otten, and published in the June issue of Esquire.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ABE, HELP—L.B.J.

(By Charles B. Seib and Alan L. Otten)

Politically, the law firm of Arnold, Fortas and Porter is the most powerful in Washington, D.C. The No. 1 partner, Thurman Arnold, was a famous New Deal trustbuster and is now recognized as one of the wiliest old lawyers in the Capital. The third partner, Paul Porter, was in charge of price controls during most of World War II and is on a first-name basis with everybody who matters. And the man in the middle, Abe Fortas, an Under Secretary of the Interior in the Roosevelt era, is confidant, adviser, good friend and behind-the-scenes handyman to the President of the United States.

Arnold is a presence. Porter is a hail fellow. Fortas is a dry, quiet, violin-playing legal craftsman. And today, in Johnsonian Washington, the greatest of these is Fortas. Any White House insider, when asked to name the men on whom President Johnson most relies for unofficial help and advice, will almost certainly put Fortas on the list, very likely at the top. But ask just what he does for the President and you'll get a mystifying variety of answers: he's a fixer, the man who takes on jobs too delicate to be done by anyone with official status; he's always close at hand, either actually or at the other end of the phone line, suggesting, reacting developing; his contacts with the President are only occasional but consequential—a discussion of an important speech or message, a hashing over of candidates for a top appointment, the dissection of a proposed Great Society project.

The President and Fortas are on the telephone together at least once a day and often as many as three or four times. One top White House aide says, "He's as close to Johnson as BOBBY KENNEDY was to Jack" (an analogy Fortas rejects out of hand). According to another White House staff member, "There is very little of importance that affects Lyndon Johnson that he won't at some point talk over with Abe Fortas." Fortas himself maintains that the relationship has been greatly exaggerated, but members of his own firm report that he is constantly being called out of conferences to take White House calls. Neighbors say the President is a frequent evening guest at the Fortas home.

The "mystery" surrounding Johnson vis-a-vis Fortas is unreal, for there must always be a good deal that is secret or at least never revealed concerning the President and the men who do his personal bidding.

Assigning all the unreliable rumors and obfuscations to their proper place, the following emerges as a fair picture of the Johnson-Fortas relationship:

Fortas is respected by Johnson as an extremely intelligent man who is as knowledgeable as anyone in Washington in the technicalities of government and the law. He has the advantage both of a 30-year friendship with the President and the independence that his refusal to accept an official position gives him; he owes the President nothing and the President knows it. In this context, his advice is sought on important appointments; on administration policies, particularly in the domestic field; on the content and phrasing of speeches and messages. He is sought out in times of stress (as in the days immediately after the Kennedy assassination) and when there is a ticklish job to be done (as when the President needed a trust agreement that would disconnect the family television holdings from his high office).

This dependency extends beyond the President. It is clear that when an emergency arises in the Johnson official family, it's Fortas who is called first.

Nothing is more illustrative of this than the Walter Jenkins case. The sequence of events on the day it all came out is revealing.

That morning—Wednesday, October 14, 1964—the Washington Star, acting on a tip, sent a reporter to the records of the Metropolitan Police morals squad. There he found that Walter Jenkins, on the basis of identifying data clearly the one in the White House, had been arrested once in 1959 and again just the week before in the men's room of the Washington YMCA, a notorious hangout for homosexuals. In both cases he had posted collateral, later forfeited, and been released. A star editor called Mrs. Elizabeth Carpenter, Mrs. Johnson's press secretary (George Reedy, the President's press secretary, was out of the city with Mr. Johnson), told her the facts and asked if the White House knew about the arrests and had any comment. Choking down her shock, Mrs. Carpenter said the whole thing was ridiculous but she would look into it. A few minutes later she called back and said that she had talked to Jenkins and that he would be calling the Star to deny the story as a case of mistaken identity.

Jenkins never called. But within fifteen minutes Abe Fortas was on the telephone to say that he was coming down to the Star at once.

The first edition was about to go to press, but the Star decided to hold out the story of the arrest until Fortas could have his say. And within minutes he appeared with Clark Clifford, another Washington lawyer and friend of the President. Jenkins, it developed, had rushed to Fortas' Georgetown home as soon as he had learned from Mrs. Carpenter that the Star knew of the arrests. He was distraught, Fortas said, in a state of emotional collapse, and asking for help.

Fortas himself was deeply shocked. He examined the Star's information and conceded that it appeared to be true. In a low, exhausted voice he urged compassion—saying that this was a sick man, a man who had been working day and night ever since Johnson assumed the Presidency, a man so devoted to his boss and his job that his wife had to bring his dinner to his desk because he wouldn't take time out for meals. The night of the most recent arrest, Fortas said, Jenkins had gone to a cocktail party after a day of hard work and had a few drinks; he couldn't remember what had happened to him after that. (According to the police records, he went to the YMCA, a few blocks from where the party was held, and was there arrested by morals-squad officers in the men's room in the company of another man.)

Fortas urged the Star's editors to think carefully and humanely before they printed the story. He reminded them of Jenkins' wife and six children. He assured them Walter Jenkins would be hospitalized and stated flatly that his days as a White House aid were over.

The Star decided not to print the story—a decision consistent with the paper's policy in such morals cases—and Fortas and Clifford went on to present their case before Washington's other papers. As it turned out, United Press International finally broke the story of the arrests that evening, but by then Jenkins was a patient in a Washington hospital and the President, in New York, was about to accept his resignation.

The incident illustrates several things about Fortas. First, his role in the official family: when beset by the blackest trouble man can imagine, Jenkins literally ran to him. Second, his high status; although he had not been in touch with the President, he was able to say confidently in the conference with the Star editors that Jenkins was finished at the White House—and they knew his word had the stamp of authority.

A top-level White House staff member, thinking back over the Jenkins case recently, said it was easy to understand why the distraught man turned to Fortas when he found himself in deep trouble. "Walter had been with Lyndon Johnson for many, many years," he explained. "And he naturally thought of Fortas just the way the President thinks of him—as the ablest, wisest counselor around." Johnson had this in mind when he offered Fortas—even urged upon him—the job of Attorney General of the United States when Robert Kennedy resigned in the summer of 1964. Fortas turned it down.

While he won't comment specifically on the offer of the attorney generalship, Fortas was willing in a recent interview to hold forth on the question of going back into the Government as a general proposition.

"I have made it clear to the President," he said, "that I'm simply not interested in returning to Government. I've been through all that. Now I'm 54 years old. I want to be able to give time to my music. I have a law firm with large interests. We've got a lot of fine young lawyers who marry fine young wives and have fine young babies. I have my responsibilities here."

As he spoke his eyes swept contentedly over the modern art and comfortable furniture that adorn his office in the high-ceilinged old mansion his firm occupies in the fashionable DuPont Circle area. It was clear that he likes his life's present rewarding course and that it will take something very special—perhaps the Supreme Court appointment for which he is frequently mentioned—to tempt him to change it.

There may be another contributing reason for his decision to stay out of Government. President Johnson is a notoriously difficult man to work for—insistent, demanding, hard-riding, sometimes brutal. By remaining with his law firm Fortas can avoid the rigors of a formal working relationship with Johnson and possibly, because of his independence, play an even more important role in national affairs than he could if he took a high administration position.

Although the Fortas-Johnson friendship began back in the Roosevelt days, it became considerably closer after President Kennedy's assassination. Johnson turned to Fortas for help almost immediately after his return from Dallas. On the plane to Washington, the President had considered the need for a blue-ribbon investigation of the assassination that would put to rest forever all questions and speculations. The next night at Les Ormes, his Washington home which he continued to use during the early days of his presidency, he asked Fortas to go to work on what was to become the Warren Commission. That was just one of the assignments Johnson gave his old friend during the period of transition. "You must remember," Fortas said recently, "that there was no functioning White House during that time directly after the assassination. President Kennedy's staff was in a state of shock. Ted Sorensen, who had been the key man of the Kennedy staff, was completely out of action. At the Justice Department, of course, it was somewhat the same thing."

Exactly what Fortas did for the President in that period is not known. But it is interesting to note that less than 2 weeks after Johnson took office the lawyer notified a Washington court that he was withdrawing as attorney for the President's one-time Senate aid, Bobby Baker, then under Senate investigation. The reason given: "In the crisis of transition, I have undertaken certain assignments" for the President. He expounded no further, but some of his later assignments are indeed known. For example, he took part in strategy conferences when the Democratic Convention in Atlantic City was thrown into a turmoil by the challenge of the Mississippi delegation by civil rights groups. Also, he and Clark Clifford and White House assistants Bill Moyers and Douglass Cater had weekly strategy luncheons throughout the presidential campaign. In fact, he was in and out of the White House all through the fall, checking on the flood of new scandal rumors released by the Republicans. "We were running a damn vice squad over there the last few weeks of the campaign," an associate recalls. "And Abe was squad leader."

After the election, he and Clifford were asked to suggest ways of streamlining the White House staff and to keep their eyes open for talent to fill a huge backlog of vacancies in key Government posts. One important job was filled, by the way, by a bright young lawyer from Arnold, Fortas & Porter—Sheldon Cohen, who became legal counsel and later Commissioner of the Internal Revenue Service.

Through it all Fortas continued to function as the President's personal attorney. Soon after Johnson became President, Fortas presided at a meeting at Les Ormes at which an agreement was drafted to put the Johnson television properties into a trust, at least theoretically sealing them off from the presidential influence.

The meeting took place in the elegant second-floor sitting room. Two trustees-to-be, A. W. Moursund and J. W. Bullion, Texas lawyers long involved in Johnson affairs, were present. So were Leonard Marks, the Johnson lawyer on television and radio matters, and tax specialists from the Fortas firm. Mrs. Johnson, active head of the television interests, was there throughout, and the President drifted in and out of the sitting room.

The choices facing the conference were clear: The President and his family could keep the stations and operate them, which, in view of the close Federal control of broadcasting, would mean a highly embarrassing conflict of interests; they could sell the properties outright, paying a tremendous capital-gains tax on the great increase in value since acquisition; or they could put them in a trust that would remove them from the family's control for as long as Mr. Johnson held public office. Practically all present favored the trust, and Fortas supervised its creation.

Today Fortas echoes the President's annoyance with criticism of the trust. He defends it as "the tightest, toughest trust arrangement ever drawn for a public official." To those who question the wisdom of appointing a close friend and associate of Johnson to head the trust he says snappishly, "Anyone who says anything like that just doesn't know Judge Moursund."

Despite this spirited defense, some influential voices have been raised against the agreement Fortas devised. The New York Times, for one, recently criticized the President because his assets are "in the hands of a trustee who is an old friend and business associate with whom he continues to maintain a close personal relationship," and because much of the fortune consists of television and radio stations, which depend on franchises issued by the Federal Communications Commission, whose members are appointed by the President.

Fortas is considered an expert on the Johnson financial position generally, although he is not inclined to talk about it. When the Washington Star was about to publish an exhaustive study of the family wealth, Press Secretary Reedy referred the newspaper to Fortas, who went over the proposed story, line by line, disclosing a tremendously detailed knowledge of Johnson's financial position. During the 1964 campaign, when news stories and Republican campaign speeches about his wealth began to get under Johnson's skin, the White House made public a formal accounting by the firm of Haskins & Sells. It was Fortas who made the arrangements with the accountants and gave them their instructions.

In January 1964, Fortas stepped into another delicate situation. The Washington Star uncovered details of the gift of a stereo record player in 1959 to Johnson, then Senate Majority Leader, by Don Reynolds, who had written several large insurance policies on Johnson's life. It was a touchy matter because the Bobby Baker story had just broken, and Baker was alleged to have solicited the stereo for Johnson. A copy of the Star's proposed story on the gift was taken to the White House and Andrew Hatcher, the assistant press secretary on duty, was asked if the President would care to comment. Hatcher glanced at the story, left the room with it for 10 or 15 minutes, and then returned to say that there was no comment.

But by the time the Star executive handling the story got back to his office, Fortas was on the phone to the paper's editor, urging that publication be withheld. When the full facts came out, he said, they would give a different picture of the whole incident. In this case, after a few minor changes, the story was published and proved correct in every essential detail.

On the face of it, Johnson and Fortas are an oddly matched pair, a big, driving Texan and a slight, restrained Memphis Jew. Fortas says that originally it was admiration for Franklin D. Roosevelt that brought them together. They met some 30 years ago, when Johnson was an assistant to Congressman Richard Kleburg, the King Ranch cattle baron from Texas, and Fortas was a Yale assistant professor of law getting his feet wet in the Washington bureaucracy on weekends and vacations. As Fortas recalls it, they were introduced by Arthur Goldschmidt, a Texan and a mutual friend. They soon developed a warm friendship cemented by their commitment to F.D.R. and the New Deal. As each man moved ahead—Fortas through a number of Government assignments and then into private law practice and Johnson up the political ladder—the relationship flourished.

One has to go below the surface to find the reasons for their similarities. Both are compulsive workers; Fortas puts in long days at the office, then works beside his phone evenings and weekends almost as feverishly as Johnson. And as with Johnson, his magnolia-tinted charm does not completely hide the tension and drive.

It would be foolish to deny that self-interest, too, has kept them together. Johnson, as an ambitious politician, needed—and needs—trustworthy counsel. Fortas, first as a rising bureaucrat and later as a practicing lawyer, has not suffered from this important friendship. Finally, just as the New Deal drew them together, they still see eye to eye in their political philosophy.

Fortas subscribes completely to Johnson's Great Society approach and sees it as an extension of the pattern set by Roosevelt. "It is New Deal to the extent that it manifests itself in concern for people and in a readiness to put the Government to work where necessary to accomplish things for them," he says. "But there is a fundamental difference from the old New Deal philosophy, and it's most dramatically illustrated by the President's insistence on unity and consensus. This, I think, accurately reflects the fact that the country's posture today is such that it can and should move as a whole to do the things that need to be done. Back in the New Deal days some segments of society had lagged so far behind that it was necessary to take measures for them alone."

The first professional service Fortas remembers performing for Johnson was crucial to the Texan's political career. In 1948 Lyndon Johnson, then a Member of the House of Representatives, was trying to move to the Senate and was engaged in a bitter primary fight with Coke Stevenson, a former Texas Governor. The vote was close and was followed by charges and countercharges of fraud and vote stealing. The State Democratic executive committee finally decided—29 to 28—that Johnson had won the Democratic nomination, which was then tantamount to election, by 87 votes out of almost 1 million cast. But the Stevenson forces went to court with charges of fraud in Jim Wells County and threatened to keep Johnson from being certified as the Democratic nominee. A Federal district judge enjoined the State from printing ballots so designating Johnson, pending an investigation.

As he was later to do repeatedly, Johnson turned to Fortas for help. "I was in Dallas taking depositions in an antitrust case," Fortas recalls, "and suddenly I got a call from Alvin Wirtz [a close mutual friend]. 'Lyndon's here in Fort Worth and he's in trouble,' Wirtz told me. 'Come over right away.'"

Fortas managed to extricate himself from his antitrust case and went to Fort Worth where he found a desperate situation. Johnson, at the end of his money and credit, was faced with the danger of having to go through another campaign. A strategy was devised by Fortas and the other lawyers that very night. An appeal from the district judge's ruling was filed in the Fifth Circuit Court of Appeals and then Fortas brought the case to Washington, going before Justice Hugo Black, the Supreme Court Justice charged with hearing emergency appeals from that circuit. After Fortas presented Johnson's case, Black ruled that the district judge had overstepped himself, and stayed the injunction.

Although the 87-vote margin won him the nickname "Landslide Lyndon," which he hates, Johnson easily won the election and his rise to power and the Presidency was advanced an important step.

Fortas continued to do chores for Johnson all through his career as Senate majority leader and Vice President, but his role only rarely came to public notice. Senate aids say he was an influential adviser on the two civil-rights bills Johnson pushed through the Senate in 1957 and 1960—measures Johnson was to cite repeatedly as evidence that he had outgrown his southern background. Fortas proudly states that he backed Johnson's attempt to win the presidential nomination in 1960. "My liberal friends were startled," he says, "but I told them that I knew the man—that if he were to do only one-tenth of what he actually did but spend more time telling people about what he had done and what he believed in, people would be falling all over themselves to get behind him. I had the advantage of knowing him and what he stood for."

When Johnson, as Vice President, was head of the Government's Equal Employment Opportunity Committee, seeking to reduce discrimination in hiring, Fortas unofficially supervised the early work on policies and regulations. "Any problems we had we were told to 'check it with Abe,'" a staffer recalls.

Fortas refuses to discuss his present work for Johnson. He considers the President as his client, and no good lawyer discusses his client's business. The silence that he—and the White House—observe gives rise to all sorts of conjecture. Early this year, for example, one Washington writer noted that the President's health message had failed to support any campaign to discourage cigarette smoking and suggested darkly: "It may be merely a coincidence that the President's personal attorney and close confidant is Abe Fortas, whose law firm represents Philip Morris cigarettes."

This is recognition in the Washington manner, and it is a sort of backhanded realization of the American dream for the Memphis cabinetmaker's son who began making his living at the age of 13 by playing the violin at dances and parties.

Fortas' family came to this country from England and went directly to Memphis, where his father's older brother lived. Abe was the last of five children, the second to be born in the United States. His childhood, he recalls, was "as poor as you could imagine," but with the help of his violin he put himself through Southwestern College in Memphis and Yale Law School.

Immediately on graduation from law school in 1933 he joined the Yale faculty, serving as an assistant professor under William O. Douglas, the present Supreme Court Justice. Before long, however, Douglas and other Yale colleagues were in Washington working for the New Deal. And soon they were calling on Fortas for special assignments on weekends and vacations at the Agricultural Adjustment Agency, Securities and Exchange Commission, and other alphabet agencies. By 1938 he was ready for full-time Washington work, and Douglas, then Chairman of the SEC, installed him as Assistant Director of the Public Utilities Division.

Fortas' sharp legal mind and southern charm moved him steadily up the bureaucratic ladder. He became general counsel of the Public Work Administration, head of the Interior Department's Coal and Power Division, and eventually Under Secretary of Interior under Harold Ickes.

Soon after the war ended he left the Government to form a law partnership with Thurman Arnold and two other former Government lawyers (Porter joined the firm a few years later). Today it is a high-powered operation of about 40 lawyers, most of them former Government officials or teachers, practically all chosen because of their intellectual capacity. Arnold, Fortas, and Porter lawyers tend to throw themselves into cases with distinctive fervor. "We're the Avis of the law field," says one partner. "We try harder. We're the firm people come to when they are looking for a miracle."

The business is almost entirely oriented to the Federal Government—cases involving taxes, antitrust suits, savings-and-loan regulation cases, proceedings before the Securities and Exchange Commission, and the like.

The reporter's attempt to link the absence of an anticigarette statement in the President's health statement with Fortas' representation of Philip Morris illustrates the delicate position he occupies as a man with the President's ear and a lawyer doing business with the Government.

There are some who feel that Fortas could be a bit more like Caesar's wife when he gets into such activities as, for example, his work for the cigarette makers, who are wrestling with the Government over warnings against smoking on labels and in advertising.

Fortas has described himself as a "meticulous legal craftsman." An associate calls him "one of the most able legal machines I have ever seen." He is rated an outstanding appellate arguer, and one of the best brief writers in the business.

But he is considered a difficult man to work for—demanding, exacting, always after perfection. "Take it back and put some poetry into it," he once told a junior lawyer who had worked up an important brief. He meant the legal work was fine, but the thing needed polish and style.

He is almost unfailingly serious and businesslike. He has no small-talk topic other than his longtime love, music. "I wish he'd laugh more," a longstanding associate says, and another comments, "I can't imagine any better professional opportunity than to practice law with him, but he's the last guy I want to spend a weekend with."

In briefing new lawyers coming into the firm, Fortas declares, "We're not just guns for hire." The firm, he says, accepts its responsibilities to take cases in the public interest, even though no big fees are involved.

Though he is not a criminal lawyer, Fortas himself has won two trailblazing criminal decisions. Each was a feeless case assigned by the court, and the firm bore all of the considerable costs.

One, referred to as the Durham case, gave legitimacy to a psychiatric defense for persons charged with crimes. Fortas has been interested in psychiatry since the late forties. "I feel that a lawyer who doesn't know about the discoveries and arts of psychiatry is not a complete lawyer," he says. Apparently aware of this interest, the U.S. Court of Appeals for the District of Columbia appointed him to represent a small-time criminal, Monte Durham, in a case involving the question of criminal responsibility. Fortas won a new ruling from the court undoing the old right-from-wrong test of responsibility and substituting a broader rule that an accused is not responsible if his crime is the product of a mental disease or defect.

Fortas also was the hero in the 1963 Gideon case before the Supreme Court, recently described by the New York Times reporter Anthony Lewis in his book "Gideon's Trumpet." Clarence Earl Gideon, who had been convicted of burgling a Florida poolroom, claimed in a handwritten petition to the Supreme Court that he had been convicted illegally. He couldn't afford a lawyer, he said, and the Florida court had refused to appoint one for him. This denied his constitutional right to "due process of law."

In a proud exercise of American justice, the Supreme Court accepted Gideon's case and appointed Fortas to argue it. Characteristically, he threw himself into the assignment. "I want this to be a little jewel," he told the assistant working with him on the brief. The result was an historic decision that the "due-process" clause in the 14th amendment requires that each accused person be represented in State criminal trials by a lawyer whether he can afford one or not. For Gideon, it meant a new trial, with a lawyer, and acquittal.

Fortas has also been involved in a number of the early civil-liberties cases of the McCarthy era, defending Government employees and others accused of disloyalty. One of these early cases involved Owen Lattimore, the State Department adviser, a prime McCarthy target. His experience with this case established for him the fact that association with a "cause" case does not necessarily scare away bread-and-butter clients.

The general counsel for Unilever, one of his firm's big accounts, arrived from Holland for a conference with Fortas just as Lattimore was called to testify on Capitol Hill. Fortas told the Unilever man that he wouldn't be able to meet with him since he had to go to the hearing. For lack of anything else to do with his time, the Dutch lawyer went along. There he became so enraged with the McCarthy technique and so impressed with the Fortas performance that he left more enthusiastic about the Fortas firm than ever. Some years later, when Fortas and Porter were on a European trip, they visited the Unilever man at his estate outside Amsterdam and while there noticed a trio of geese parading across the lawn. Their host and his wife informed them that the geese were named Arnold, Fortas, and Porter. They hastened to explain, however, that this was a complement, since geese traditionally have warned of barbaric invasion, and the law firm was doing the same thing in handling civil-liberties cases.

Perhaps the firm's victories in "cause" cases have convinced businessmen that Arnold, Fortas, and Porter was an aggressive sharp group of lawyers. Or perhaps the firm's deep roots in Government service and impeccable political ties are its main selling points. Whatever the reasons, Arnold, Fortas, and Porter has clearly prospered. The firm represents a number of giant companies, and Fortas himself sits on the board of Federated Department Stores, Greatamerica Corp., and several banks and insurance companies.

Fortas and his wife, a small, dynamic woman who smokes cigars and is recognized as one of Washington's leading tax lawyers, lead a quiet life in Georgetown. They met when he was altering between Yale's law faculty and the Department of Agriculture's legal staff. She was an economist at the department. After they married in 1935, he encouraged here to go to law school—so, of course, she went to Yale and graduated No. 2 in a class of 125. For many years she resisted joining her husband's firm, working instead in the Washington office of Adlai Stevenson's firm. But when that office closed in 1960 after President Kennedy siphoned off Stevenson and several of his partners for Government assignments, most of the staff moved over to Arnold, Fortas, and Porter and she went along. Today she heads the firm's tax division.

The Fortases have broad cultural interests. He is a director of the Casals Festival in Puerto Rico and a trustee in the Carnegie Hall Corp., the Washington Gallery of Modern Art, and the John F. Kennedy Center for the Performing Arts, the latter still in the planning stages. They generally shun the social circuit, however. Fortas explains that he developed a profound distaste for the standard Washington function back in his Interior Department days when he had to attend many as a standin for Secretary Ickes.

His greatest pleasure is his music. He plays the violin with near professional skill, and every week, without fail, he and three other musicians (two professionals and another amateur) devote an evening to playing string quartets. His cultural interests permit him to serve President Johnson as an occasional pipeline to the arts. Typically, he was chairman of the concert last inauguration eve which, with the help of his friend Isaac Stern, Van Cliburn, and others, brought a touch of class to the somewhat garish inaugural festivities.

For a week or two each summer Fortas takes the other members of his string quartet to his summer home in Westport, Conn., where, he says, "I spend the mornings hauling manure for my wife's garden and the rest of the time playing chamber music." He and Mrs. Fortas usually manage at least one trip to Canada every winter for skiing and skating.

Fortas has a long-standing friendship with Pablo Casals, growing out of ties to Puerto Rico which began when he managed the island's affairs as part of his Interior Department job. He helped arrange the Casals Festivals and also engineered the cellist's White House appearance during the Kennedy administration.

As the first Casals Festival was about to open in San Juan in 1958, Fortas found himself entrusted with a mission as delicate as any he has performed for the President. A seam split in Casals' precious cello, and the maestro would not let anyone repair it but an expert in New York. Fortas was called in. He booked two first-class tickets on a plane for New York, took the window seat for himself and propped the cello in the other, holding it in place by the seat belt. A very moderate drinker, he recalls that he ordered two Martinis on that flight—one for himself and one for the cello—and drank both. "I was nervous," he explained. "Carrying a man's cello is like carrying his wife."

Mr. WILLIAMS of Delaware. Mr. President, I next ask unanimous consent that an editorial entitled "Fixer on the Bench," which appeared in the Chicago Tribune of July 30, 1965, be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Fixer on the Bench

Abe Fortas, the man President Johnson has appointed to the seat vacated by Arthur J. Goldberg on the Supreme Court, has been a political fixer around Washington since the earliest days of the New Deal more than 30 years ago. He has run some important errands for Mr. Johnson and has had a somewhat dizzying record defending loyalty and security risks.

When, last October, at the height of the presidential campaign, Lyndon Johnson found himself deeply embarrassed, turned instinctively to Fortas. The embarrassment was occasioned by the disclosure that Walter Jenkins, Mr. Johnson's most trusted White House assistant, had been arrested for a second time by Washington police on a morals charge.

Jenkins, aware of Fortas' close relationship with Johnson, anticipated the President by telephoning Fortas with the words, "I'm in terrible trouble." Fortas arranged for Jenkins to meet him at the Fortas home in Georgetown, where he poured out his story. The newspapers had got hold of the facts.

Fortas immediately called Clark Clifford, another lawyer with clout, an intimate of Presidents Truman and Johnson, and together they made the rounds of the Washington newspapers, seeking to get the story suppressed. But Mr. Johnson, in New York, learned that the story would shortly move on the wire services. He called Fortas at once and assigned him to go to the hospital where Jenkins had been put in storage and get his resignation. Fortas was able shortly to report that the mission had been accomplished, and Mr. Johnson was able to wash his hands of a scandal.

In previous time Fortas helped Alger Hiss and Harry Dexter White, Soviet agents, to draft the United Nations Charter. He appeared as counsel for Owen Lattimore when that "expert" on the orient had to rush home from Afghanistan to face charges by the late Senator Joseph R. McCarthy that he had been promoting Communist objectives in Asia.

Lattimore termed Fortas a "solid rock" in helping him through his "ordeal." Fortas' services did not, however, save Lattimore from being indicted on seven charges of perjury arising from his testimony before the Senate Internal Security Subcommittee, nor did it prevent the committee from pronouncing that from around 1930 Lattimore had been "a conscious, articulate instrument of the Soviet conspiracy."

"Liberals," however, know their way around Washington, and a Federal judge of that persuasion was easily induced to get Lattimore off the hook by finding that the indictment lacked clarity. The Department of Justice had suggested that the judge disqualify himself for reasons of manifest bias, but the suggestion was spurned and the case never went to a jury to be heard on its merits. Fortas and his associates represented Lattimore.

The appointment of Fortas has two advantages in the eyes of the administration. It provides the White House with an astut and trusted agent with a sharp instinct for the political angles on the highest Court in the land, and it perpetuates the liberal majority which holds forth under Chief Justice Earl Warren. If it also pays off a few political debts, who, among friends, is to cavil about that?

Mr. WILLIAMS of Delaware. Mr. President, I recognize Mr. Fortas as an able lawyer, but with all due respect for his ability I do not consider Mr. Fortas' record or accomplishments as providing the proper background to qualify him for membership on the highest tribunal in our country.

I shall vote against the confirmation of his nomination.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. I compliment the distinguished Senator from Delaware for his courageous statement. I also compliment the distinguished Senator from South Carolina for his statement.

I shall join Senators who oppose the confirmation of the nomination of Abe Fortas.

As a lawyer I am very much wedded to the idea that every individual is entitled to counsel.

I do not oppose the nomination because of the clients that the nominee has had. If there is anyone who has my profound admiration, it is the able gladiator in the courtroom. I believe that after a citizen has been charged with a crime, or when he is involved in any other proceeding, a lawyer has a duty to do his very best in any honorable way to make certain that his client has the benefit of the doubt; that the presumption of innocence is maintained; and that every possible point, both in law and in fact, is brought out emphatically.

But there is a vast difference between representing someone in an established tribunal under the rules of law, and the practice that goes on in Washington, referred to as the practice of law, but which, after all, is the law of "fixing," and nothing more.

Although, it is one thing to give every accused person a defense and let him be represented by an able and determined lawyer, there is a distinction between a participant and a legal defense.

As the distinguished Senator from Delaware has so ably said, Walter Jenkins held the most confidential position in the U.S. Government. He sat at the right hand of the President of the United States. He could determine who would see the President. He had access to every military secret, every diplomatic secret, every secret of the Secret Service, and all the other confidential information of the Government.

Had Mr. Abe Fortas been successful in what he attempted, Walter Jenkins, the security risk, would still be in the same position today. I do not wish to condemn Mr. Jenkins. He said that the last thing he would do would be to betray his country. I believe he means that. But I also believe that when certain individuals are vulnerable, little by little the pry can be put under them and it will be successful. That is a risk that should not be imposed on 190 million Americans.

I do not believe that it was in the public interest that such activities be covered up so that they could continue. That is far different from the defense of an individual who is brought before a tribunal.

If ever there was a time when we needed a Supreme Court that was firm on the question of law and order and regarded offenders as offenders, and not as sick, unfortunate people, that time is now.

I believe that every person accused of crime should be defended to the full extent of the law. I believe that they should have the benefit of the doubt. I believe that they should be presumed to be innocent. I believe that society is on the wrong road when it turns its back on criminals and says: "They are sick. They are unfortunate. I wish that we could do more for them." That is tommyrot.

If I have read the newspapers correctly, and if the newspapers have correctly reported what transpired in the Committee on the Judiciary, there is further reason to oppose the nomination on that ground, because of the manner in which he handled this very serious charge against Mr. Jenkins, a charge involving the United States. He put the United States last, rather than first.

On matters of security, let us put the United States first. Let us have a presumption in favor of the United States, or there will come a time when precious things such as the right to a trial by jury, the presumption of innocence, and the right to be defended will mean very little.

I thank the distinguished Senator very much.

Mr. WILLIAMS of Delaware. Mr. President, I thank the Senator from Nebraska. I join in his remarks.

Every accused man is entitled to counsel and to the presumption of innocence.

I respect counsel who can go into court and win their cases. However, as the Senator from Nebraska points out, these cases should be won on legal grounds, and not on who the accused or their attorney might know.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I should like to point out that the nomination of Mr. Fortas was reported from the Committee on the Judiciary by a unanimous vote.

I have known Abe Fortas since I first came to Washington 23 years ago. At that time he was Under Secretary of the Department of the Interior. He was very helpful to me in dealing with problems affecting my district, the western part of the State of Montana, at that time.

Abe Fortas is a man with a good reputation. Many of the questions which have been raised here were raised before the committee. The questions were answered. The answers are on the record.

Mr. Fortas' reputation as a brilliant lawyer is well known and has been freshly recalled in the hearings on this nomination. He has represented indigent clients to insure the protection of their individual liberties and thus has dramatically influenced, by the advocacy of his clients' case, the course of law.

I feel confident that as an Associate Justice on the Supreme Court, Abe Fortas, will not be advocating a point of view but will be equally concerned about the rights of all people in society including the victims of criminal attack and will focus his great legal background to the protection of their rights as well as the rights of the perpetrators of crime. It is my own belief that the rights of the victims of crime and of society as a whole have not been given the proper weight in recent judicial decisions.

I urge the confirmation of his nomination.

Mr. BASS. Mr. President, since there has been some discussion concerning the record of Mr. Fortas and some of his activities as an attorney, which were answered in the committee hearing during the testimony of Mr. Fortas, I believe that the RECORD should be made complete.

I ask unanmious consent that that part of the record of the hearings before the Committee on the Judiciary, which includes Mr. Fortas' testimony only, and the questions of the committee members, be included in the RECORD at this point so that some of the questions raised there may be answered in his own words. It is impossible for Mr. Fortas to appear before this distinguished body.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

TESTIMONY OF ABE FORTAS

The CHAIRMAN. Mr. Fortas, you have before you your biography. Is it correct?

Mr. FORTAS. Yes, it is.

The CHAIRMAN. That will be placed in the record.

(The biography referred to follows:)

"BIOGRAPHY OF ABE FORTAS

"Born: June 19, 1910; Memphis, Tenn.

"Education: 1930, Southwestern College, Memphis, Tenn., A.B. degree; 1933, Yale University, New Haven, Conn., LL.B. degree.

"Bar: 1934, Connecticut; 1945, District of Columbia.

"Experience: 1933–37, Yale University, assistant professor of law; 1934–39, Securities and Exchange Commission, Assistant Director and Consultant; 1939–41, Department of Interior; General Counsel, Bituminous Coal Division; 1941–42, Director, Division of Power; 1942–46, Under Secretary. Present: Arnold, Fortas & Porter, Washington, D.C., law partner; 1941–43; member of Board of Legal Examiners, Civil Service Commission; 1943, member of President's Committee To Study Changes in Organic Act of Puerto Rico; 1946–47, visiting professor of law at Yale University; 1945 and 1946, adviser to U.S. delegation to the U.N., San Francisco and London.

"Marital: Married.

"Office: 1229 19th Street NW., Washington, D.C.

"Home: 3025 N Street NW., Washington, D.C.

"To be an Associate Justice of the Supreme Court."

The CHAIRMAN. What is the nature of your law practice, Mr. Fortas?

Mr. FORTAS. It is a corporate practice, Mr. Chairman. We represent a number of large corporations in the country. I should say that we have several areas of specialization. One is corporate finance. One is the antitrust laws. Another is taxation, and another is communications.

The CHAIRMAN. Have you had much courtroom experience?

Mr. FORTAS. Yes, sir. I think I have had quite a good deal, mostly appellate work, but some trial work.

The CHAIRMAN. Now, Mr. Fortas, there have been many documents passed around and there have been charges hurled. I want to lay them on the record.

Did you have any connection with the Southern Conference of Human Welfare?

Mr. FORTAS. Mr. Chairman, I probably did in the early New Deal days. I am a little vague as to whether I was—I am a little vague as to whether I was a member of the Southern Conference, but I remember in the early New Deal days I, like a number of other southerners, thought it was a fine organization, dedicated to bringing the South out of the depths of the depression.

The CHAIRMAN. When did you quit the Southern Conference of Human Welfare?

Mr. FORTAS. As I say, Senator, I am not sure I was ever a member of it. I am just giving you an attitude that I had along with many other southerners in those days.

The CHAIRMAN. You do not know whether you were a member or not?

Mr. FORTAS. That is correct.

The CHAIRMAN. What about the International Judicial Assocation?

Mr. FORTAS. Mr. Chairman, to the best of my knowledge and belief I never attended a meeting of such an organization, never had any connection with it whatsoever. Now, this is an old charge that has plagued me for many years, including my previous two confirmations by this Senate when I was Under Secretary of the Interior, and the best I can reconstruct, and I want to emphasize that it is reconstruction, is that some time in the thirties and probably when I was on the Yale law faculty, because I was on the Yale law faculty and spent summers and vacation time in Washington in those years, someone may have written me and suggested that I join this. That was the day when joining was mighty easy, and we were all quick to do it, and I may have said, yes, and that is the totality of my connection with it, if any, and in all these years nobody has ever said that I attended a meeting or even did the slightest thing in connection with that organization. My mind is blank about that.

The CHAIRMAN. You never attended a meeting?

Mr. FORTAS. No, sir.

The CHAIRMAN. You were not active at all?

Mr. FORTAS. No, sir.

The CHAIRMAN. Did you pay any dues?

Mr. FORTAS. No, sir, not to the best of my recollection.

The CHAIRMAN. What about the National Lawyers Guild? Were you a member of that, sir?

Mr. FORTAS. Yes, sir, I was a member of that for a time. I left at the same time that Mr. Justice Jackson and a great many other people left that organization. I am sure you know its history. There came a time when it appeared rather clearly that a left-wing group had moved in to take control of that organization and a great many people left then, including me.

The CHAIRMAN. If I remember correctly you left at the same time the former Congressman John Rankin left.

Mr. FORTAS. Yes, sir, that is correct.

The CHAIRMAN. What about the American Peace Mobilization?

Mr. FORTAS. I have no connection with that whatsoever, to the best of my knowledge and belief.

The CHAIRMAN. Were you associated with Alger Hiss?

Mr. FORTAS. In the sense that we served in the same Government agency and I knew him. As a matter of fact, Mr. Chairman, and members of the committee, in all these years when I have successively had to read things about myself and Alger Hiss, and so on, it has occurred to me that maybe I ought to have a cause of action against the U.S. Government. I was on the Yale law faculty.

The CHAIRMAN. Now you may proceed.

Mr. FORTAS. Thank you.

In 1933 I got my degree at the Yale Law School, and the same year I was elected to the faculty. That was the summer of the beginning of the New Deal. One of my professors, Prof. Wesley Sturgess, who subsequently became dean of the law school, was called down to Washington to the Department of Agriculture to do some work on sugar, and he asked me to come down for the summer, and I came down for the summer and at the Department of Agriculture there were these people, and I was a boy fresh out of Tennessee 3 years before I got my degree, and I came down here as a result of Professor Sturgess' invitation, and I worked that summer and then the following Christmas holiday and so on, at the Department of Agriculture, and they were present.

The CHAIRMAN. You were not a constant associate of that——

Mr. FORTAS. I beg your pardon.

The CHAIRMAN. You were not a constant associate of Alger Hiss as has been charged?

Mr. FORTAS. Oh, no, sir.

The CHAIRMAN. Now, you represented Mr. Owen Lattimore.

Mr. FORTAS. Yes.

The CHAIRMAN. Mr. Lattimore is now in Britain I understand.

Mr. FORTAS. I think so.

The CHAIRMAN. When is the last time you heard from Mr. Lattimore?

Mr. FORTAS. I believe that some months ago he was in Washington, he and his wife came into the office to say hello, and that was it.

The CHAIRMAN. Did Mr. Lattimore contact you to get the State Department to validate his passport for travel to China?

Mr. FORTAS. One of my partners, I think Mr. Rogers handled that several years ago. Is that what you are talking about?

The CHAIRMAN. No, sir. Last year.

Mr. FORTAS. It may have been last year. I did not myself handle it.

The CHAIRMAN. Now, did you know Walter Alvin Wiess?

Mr. FORTAS. Of New York?

The CHAIRMAN. Yes, sir.

Mr. FORTAS. Yes, sir; I know him slightly. He was again someone who consulted my firm professionally. I believe he is quite a wealthy man. He had some professional problem. He consulted my firm. Another one of my partners handled the matter. I did not. It was an estate matter, as I remember.

The CHAIRMAN. I know it is nothing wrong in the association. What about Isadore Needleman?

Mr. FORTAS. I do not know him at all, sir.

The CHAIRMAN. Arthur Robert Kanowitz?

Mr. FORTAS. Yes, sir. Dr. Kanowitz is one of the outstanding citizens of the country in the space field. I believe he is connected with ADCO in their space work, and he did come to us a good many years ago with respect to a clearance problem, and that was handled by my distinguished partner Paul Porter, who is here today.

The CHAIRMAN. Yes. I believe that the record shows that you and Mr. Porter told him to make full disclosure to the U.S. Government——

Mr. FORTAS. That is correct.

The CHAIRMAN. Or you would not represent him, is that correct?

Mr. FORTAS. We told him to make full disclosure and worked on him and viewed the situation with him, took him over and he did it.

The CHAIRMAN. And he did make full disclosure or your firm would not represent him?

Mr. FORTAS. That is correct, sir; yes, sir. That has been our general position.

The CHAIRMAN. That is all.

Senator MCCLELLAN. Mr. Fortas, I am one of those, maybe only a few, a little concerned about conditions that prevail in this country today with respect to law enforcement.

Mr. FORTAS. I share that view, sir.

Senator MCCLELLAN. I may premise what I am about to say, the question I am about to ask you, with this statement. I do not believe that we can continue the course and path we are traveling now and preserve civilized society in this country. Lawlessness and chaos will take over. I think there is a very heavy responsibility on the courts, and I think that the pendulum has swung in court decisions in the other direction to where today it favors the criminal rather than protects society in some instances. I think that trend is noticeable. I think it is a trend that must be corrected.

I make these statements to you as a matter of opinion, before I ask this question, and I am not sure you are prepared to answer it today.

First, I will ask if you are familiar with the exchange of letters and their contents between Judge Bazelon, I believe is his name, and the Attorney General which were published?

Mr. FORTAS. I have seen those letters some time ago; yes, sir.

Senator MCCLELLAN. You are familiar with them?

Mr. FORTAS. Yes, sir.

Senator MCCLELLAN. I think they present a markedly contrasting, if complete, philosophy and viewpoint with respect to law enforcement. I am going to give you the opportunity, if you care, to make comments about them, about what is involved in that issue. You may do it voluntarily or whatever you wish to say about it.

I may say this to you. I would have some difficulty voting to confirm a nominee for a judicial position who expressed a viewpoint of only one of them. You be your own judge.

Mr. FORTAS. Senator, I was sent a copy of those two letters. I was deeply distressed when I read the letters. I was deeply distressed because I think that if I may say so the letters are unfortunately phrased. I think that the letters are couched in language which tends, unhappily, to precipitate controversy which I am sure that neither the distinguished Attorney General nor Judge Bazelon desires.

The substantive question that they raise is a question of the greatest importance and the greatest difficulty. It is a question that has not yet been settled by the courts. It is a question of the extent of interrogation of persons who are arrested or even prior to arrest under investigation for crime.

I think it is one of the most difficult and one of the most important problems that we have in criminal jurisdiction and procedure.

The occasion for the letters, as you know, Senator MCCLELLAN, was a draft published by the American Law Institute. I regret to say that I have not had time or opportunity to study that draft. I really hope that views of these two very distinguished and very fine men, the Attorney General and Judge Bazelon, are not as far apart as the wording of these letters would make it appear, and I, myself, think I can say without impropriety I know that nominees for the Supreme Court here in the past have expressed great diffidence in speaking about matters that may possibly come before the Court, and I appreciate that, and I do not want to breach that rule, but I may say that I think it is appropriate for me to repeat what I have said in the past before I was nominated for the high position which is that I believe that an adequate opportunity is in the hands of the police to interrogate persons who are accused of crime or who are suspected that they might have been involved is absolutely essential to law enforcement. At the same time I recognize that there comes a point at which such persons should be brought before a judicial officer, such as a magistrate, for the purpose of ascertaining whether there is probable cause for their continued detention, and the great difficulty, the great problem, which I confess I would not be able to suggest a solution to, the great problem is where to draw that line and, as you know, Senator, because this is a field with which you are very much concerned, there is a great debate raging right now in all professional circles and in the law schools, and so forth, as to where that line ought to be drawn, and it is a problem of the utmost difficulty and if, and I hope to gain much more wisdom and hear many more opinions of lawyers and judges and police officers before arriving at a conclusion. I am far from it right now.

Senator MCCLELLAN. Do you agree that it is probably one of the most vital issues facing our courts today with respect to law enforcement?

Mr. FORTAS. I certainly do, and I think I said that, Senator. I certainly do. It is a critical issue.

Senator MCCLELLAN. However it may be resolved may have a comparable impact upon the security of society.

Mr. FORTAS. Yes, sir; I think so.

Senator McClellan. You recognize it along with the rights of individuals. I mean it is in that delicate area.

Mr. Fortas. Yes, sir; I fully agree with that, yes, sir.

Senator McClellan. Now, one other question. I am not trying to press you. I do not think maybe a nominee should be compelled to make a court decision in his testimony here. That is not the point. But I could not refrain from bringing this issue to light at this time and let you make some comment on it because it is probably one of the most important things you are going to have to help resolve as a member of that Court.

Mr. Fortas. Yes, sir.

Senator McClellan. And I think that is one of the questions.

Mr. Fortas. And I can only pray to Heaven that I have or will acquire the wisdom to participate in a good resolution of it, Senator.

Senator McClellan. Only one other question.

Out of your broad experience and your recognition of the acuteness, the criticalness of this problem and issue, would you say that legislation might be appropriate in this field, that some legislation by the Congress might be helpful in resolving it, or are you prepared to comment about that?

Mr. Fortas. Yes, Senator. I think I can answer it this way.

Just what are the constitutional limits I am not prepared to say. But within the constitutional limits I would think that this is an appropriate matter for legislation; yes, sir. But just where the Constitution, where the power of the Congress and the impact of the Constitution hit on this particular problem is a very difficult question and I do not even have an idea on it.

Senator McClellan. Without trying to identify or define the legislation, its provisions or terms, as you approach, possibly, as anticipated here, as you approach these responsibilities that will rest upon you along with your colleagues on the Court to resolve this problem, I just wondered if we adopt legislation in this field, the Congress might within the framework of the Constitution enact some legislation that would be helpful toward resolving it.

Mr. Fortas. I beg pardon, Senator. Do you mean do I have any specific ideas?

Senator McClellan. No; I did not mean necessarily that you recommend specific legislation. I will put it this way. Do you agree that it is of that moment, of that importance and grave concern, that it is quite probable that Congress can be helpful if it will study its opportunities and possibilities and its duty with respect to legislating in this field?

Mr. Fortas. Yes, Senator; with the same reservation that I do not know, I cannot suggest, I cannot volunteer any ideas even as to the precise point at which the legislative power is exhausted on this subject.

Senator McClellan. I would not expect you to try to say. I am not even trying to say at the moment just what legislation is needed. I am talking about the broad area. I think it is urgent that this trend that I referred to be reversed. I think it is imperative, more than urgent, I think it is imperative, and I think there is possibly a dual responsibility on the part of Congress and the court and without specifying or trying to define just what should be done in the sense we ought to have a law to do this or do that, I think it is of that urgency that the Congress and the court who has the primary responsibility in this field, shall with all diligence proceed to try to resolve it.

Mr. Fortas. I completely agree, Senator, completely.

Senator McClellan. Thank you very much. I do not want to take up too much time. Does anyone else have any?

Senator Scott. Mr. Chairman.

The Chairman. Senator Scott.

Senator Scott. May I comment on this?

Mr. Fortas, I want to associate myself with what Senator McClellan has said regarding the concern about the whole crime situation and the exchange of correspondence, and I do not ask you, obviously, to comment on the somewhat varied point of views expressed. I respect both gentlemen. I know them both.

I happen to find myself in agreement with the Attorney General.

What does greatly concern me is the implication of Judge Bazelon's letters. If that kind of thinking enters into the circuits' reasoning and that of the Supreme Court, it seems to me there will be considerable danger, if I read the right implication into his letters, because he seems to be saying something about compensatory equality, or, to put it another way, he seems to be saying that because crime involves primarily the poor, therefore, the court has the responsibility as a sort of equalizer and that equality is that which is being fought for and that person who is poor ought somehow, because he is poor, to have thrown into the balance of the judicial scales something in his favor as against the State or the people so as to equalize his unfortunate condition.

But crimes, as the Attorney General pointed out, is one of the awful concomitants of poverty, and this being so, the society to be protected includes the poor people who surround the poor man who is accused of crime, but the purpose of the laws is for the protection of society as well as for the protection of himself, and if we find creeping into our doctrine a belief that because someone is disadvantaged vis-a-vis society generally or vis-a-vis even his own neighborhood that somehow the court has the responsibility to the State as one of the weights and dropping it in the scales on his side and weighing the scales against society in order that in this way a compensation can be given to him because of the fact that being poor and having less advantages he is the more likely to be involved in crime.

To my mind, that is a dangerous philosophy, and it hits most severely against the people whom it assumes to protect, those who live in the closest society with the person accused of crime.

I do not know whether you feel free to comment philosophically on that, but I think it is one of the things which make people a little more likely to commit a crime than they otherwise would.

Mr. Fortas. Senator, I do not want to interpret or comment on Judge Bazelon's letter or on the Attorney General's letter. I do want to say this, if I may, because I am interested in your committee getting as much of an impression of me from what I am as possible. I do want to say this:

I could never subscribe to the theory that because a man is poor the scales of justice should be weighted in his favor. I could never subscribe to the proposition that because a man is rich the scales of justice should be weighted in his favor. But I do profoundly believe and I want to make this clear that I believe that because a man is poor he should not be deprived of the representation of counsel and of the wherewithal, the facilities to make his defense in our courts of law. But I would utterly reject any suggestion that the scales of justice should be weighted by one ounce or a fraction of an ounce in his favor because he is poor.

Senator Scott. Either for the poor or for the rich.

Mr. Fortas. Exactly, sir.

Senator Scott. And as to the right of counsel and as to what you said I could not agree with you more, but I did want to get this sort of creeping theory of some sort of compensatory equality whereby society makes up to a person in his treatment of him the ills which long-existing conditions in society have wrought in the first place.

Mr. Fortas. Justice is not like the progressive income tax.

Senator Javits. Mr. Chairman, Senator McClellan, will you yield for a question on this point?

Senator McClellan. I do not have the floor. The chairman has returned.

Senator Javits. I have one question.

Senator McClellan. I had yielded the floor.

Senator Javits. Mr. Fortas, do you believe, however—I heard your testimony, and I find myself most sympathetic to it—do you believe, however, every man, rich or poor, is entitled to counsel at the earliest possible moment in any criminal proceedings and that criminal proceedings are not a game of the police holding counsel at the door while they get a confession and then letting him in the door?

Mr. Fortas. I believe that, Senator, but I would have to hasten to say in order that I should not be misunderstood that the question of what is the earliest possible moment is an extremely difficult and complex one. That is to say it obviously is not when a man is stopped on the street and the policeman wants to ask him a question, it obviously is not there and, on the other hand, it obviously is not the other extreme just after he has been convicted and when he comes up for sentencing. It is somewhere in there and that, again, to my mind is the second most difficult problem with which the law, the lawyers, the bar association, and the law schools are now struggling painfully, and I again hope that from this great effort there will come forth a result which is good for the protection of society and which is good in terms of the protection of the individual.

Senator Javits. May I say that having been an attorney general concerned with law enforcement I thoroughly agree with you in this, and I like the fact that you are not giving an opinion now, that you are going to hear the arguments and consider the situation in a dynamic way because it is a dynamic situation and try to come to a judgment which will be fair, but you do agree, do you not, that we should try to see that counsel is available to defendants no matter how indigent and that this is a proper function of government to make them available.

Mr. Fortas. Senator, my record on that I think speaks for itself. I have a good deal of blood in that particular cause.

Senator Javits. I mean that still is not a reply. You do agree with me.

Mr. Fortas. Yes, indeed; yes, indeed.

Senator Javits. Thank you very much.

The Chairman. Senator Ervin?

Senator Ervin. No questions.

The Chairman. Senator Dodd?

Senator Dodd. I think I am prejudiced. I will not ask any questions.

Mr. Fortas. Thank you, Senator, very much, for your fine statement.

The Chairman. Senator Hart?

Senator Hart. I have no questions except to indicate that I think the nomination is an excellent one.

Mr. Fortas. Thank you, Senator.

Senator Hart. And if Abe Fortas has fooled America over these years we ought to quit, we are wrong on everything, and we are definitely wrong on this one.

Mr. Fortas. Thank you, Senator.

The Chairman. Senator Long?

Senator Long of Missouri. No questions.

The Chairman. Senator Kennedy?

Senator Kennedy of Massachusetts. No questions.

The Chairman. Senator Hruska?

Senator Hruska. Mr. Fortas, pursuing the subject that was originally broached by Senator McClellan and then added to by my other colleague, this committee has been concerned with the trend to which Senator McClellan has referred. It is a trend toward an ideal, theoretical and legalistic. This concern for the rights of the individual charged with crime has been to the exclusion of all the other underlying purposes and the values sought to be achieved in the criminal process. When such a trend goes to a point where it clashes with the rights and the safety and the well-being of society at large as well as with the individual victims and potential victims of those who are charged with crime, that is where we find two propositions which must be balanced. In recent years the scene has been heavily weighted on the side of the man charged with crime, many times to the exclusion of the competing interests of society.

All of us, I think, who have spent any time studying this question know the difficulties which arise when specific cases are considered in this context. You put it so well when you referred to the difficulty of determining the earliest moment at which the prisoner of the man accused of crime is entitled to certain rights.

It is for this reason that I followed with a great deal of interest your answers and your discussion. I found particular comfort in your statement that you would hope to gain further wisdom in the consideration of specific items and specific cases——

Mr. Fortas. Yes, sir.

Senator Hruska. From the briefs and from the facts and from the police and law enforcement officers and so on.

I would ask whether or not the statement I made with reference to the requirement that these interests be balanced when they clash comports with your understanding of the problems which have arisen in this area.

Mr. Fortas. Precisely, Senator. I think what is happening in this field is that an effort is being made as so often happens in our society to achieve a new kind of equilibrium, and that is what is going on now, and if it is weighted too heavily on one side or the other the results can be extremely harmful, and Senator Javits complimented me by inference a moment ago by saying that he was glad that I did not say—did not take a position on this. I have to confess, Senator, that I do not have a position on this except that I have studied it and considered it, and I regard it as exceedingly difficult, and what Senator Hruska said is, in my opinion, the right way to go about it; that is to say, to take it up in terms of specific issues presented in specific cases.

Senator Hruska. This committee, and particularly one subcommitee, had occasion to go in depth into the theory and the concepts of *Gideon* v. *Wainwright* when we considered the Criminal Justice Act of 1964.

Mr. Fortas. I know you did, Senator, and I know the wonderful work you did on that subject.

Senator Hruska. I want to commend you for the aid and comfort you gave to the members of the committee with your sage counsel and your advice in applying that principle to legislation that had to be drawn——

Mr. Fortas. Yes, sir.

Senator Hruska (continuing). And specific procedures that had to be prescribed. It was far different than dealing in generalities. We had to get down in words those specifics which can occasionally rise to haunt you at a later date.

Mr. Fortas. That is correct, Senator.

Senator Hruska. Mr. Fortas, there are some other questions I should like to ask you. Some of them are the product of my own mind; some are questions I have been requested to put to you and in deference to those of my colleagues I will do so.

One of the subjects which has been discussed extensively both in the press and otherwise, is your representation of the Commonwealth of Puerto Rico in the oil refining company case. It was the Phillips, was it?

Mr. Fortas. Yes, sir.

Senator Hruska. Phillips?

Mr. Fortas. Phillips refinery or oil company. I forget which.

Senator Hruska. And the fact that there was awarded to a company certain privileges in the field of the refining and importing of oil and petroleum products into the United States which no other company had. Would you care to give us a brief account of the nature of that suit and any other comments you might want to make on it?

Mr. Fortas. I should, indeed, and I appreciate the opportunity, Senator.

No. 1, we have been counsels for the Commonwealth of Puerto Rico and before that the government of Puerto Rico for well over 15 years.

No. 2, we had nothing whatsoever—nothing whatsoever to do with the Phillips Refining-Puerto Rico matter until after Secretary Udall announced that he was going to recommend to the President that the oil quotas be revised so as to permit Phillips to locate a petrochemical plant in Puerto Rico. My firm was not consulted. We had nothing whatever to do with that, directly or indirectly. That was handled entirely by officials of the government of Puerto Rico with the Phillips people.

Now, item 3, I, personally, had nothing whatever to do with that matter at any time. The only involvement of my firm was as follows: After Secretary Udall announced his decision, one of my young partners, John Ridgley, was called in by the government of Puerto Rico to work with them in connection with the contract negotiations with Phillips.

Item No. 4, I have never at any time made representation about this matter to Secretary Udall, anybody at the Interior Department, anybody at the White House, anybody in the U.S. Government. I have never attended a conference on the matter. I had nothing whatever to do with it.

And that is the sum and substance of the story.

Senator Hruska. It is a forthright statement. I am pleased that you responded as you have.

There is another subect which has formed the basis for much speculation and many comments. It deals with efforts allegedly made by you to get a suppression of the news with reference to the Walter Jenkins case last fall. Would you like to comment on that subject, sir?

Mr. Fortas. Yes, sir. I will comment on that.

There came a day, a morning when I was in my office, and I got a telephone call from Walter Jenkins, whom I greatly admired as a dedicated, selfless servant of his country. Mr. Jenkins told me that he was in great trouble. I think I can remember it. He said, "I am in terrible trouble. I have to see you." I said, "Walter, come on over to my office. Be glad to see you." He said, "No; I want to see you at home."

Now, I immediately proceeded to my house and Walter came there. He was extremely distraught. I have never seen a man as distraught as he was at that time. I took him up to the second floor of my house, to my study, and I sat him down and I did not know what this was about, and I asked him if he had had breakfast and he said "No," and I said, "Could I get you some?" He said, "No."

And I said, "Let me get you some coffee anyway." And I got some coffee for him. And he then told me, and there is no way to convey this as it actually happened, told me in an extremely distraught way that he had been told by somebody on the White House staff that a call had come in from a newspaperman saying that he had been arrested about a week ago, a week prior to the time that he came to my house, and I said, "Well, Walter, you have been in the kitchen before and no point in getting disturbed about this; what is it? What is the charge specifically and is it true or is it not."

I did not get an answer from him. The man could not at that moment put one word consecutively after the other. And I found out the name of his doctor from him and I called his doctor and I asked his doctor to come over.

I think it was after the doctor was over that I then asked Walter where his wife was, if I could call her and tell her that he was sick, and he said he didn't know, and I tried various ways to reach his wife, and I could not reach her.

The doctor came over and told me that this man was in the midst of a complete breakdown and that he wanted to take him to the hospital and, remember, gentlemen, that at that time I still did not know whether this horrible story had any relationship to fact or whether it was just some absolutely scurrilous accusation.

But Walter had told me that the Washington Evening Star was about to publish this. I was desperately concerned, of course. I was desperately concerned for this man's wife and for his six children.

The doctor took Walter off to the hospital, and I then went to the Evening Star. I am not ashamed of it at all. I am glad of it. I am proud of it. I had a meeting with the folks there, and I told them precisely what the situation was. I said: "I do not know, I cannot find out from this man whether the story that you have has any foundation in fact, or whether it is the kind of desperate thing that sometimes happens in Washington." And I did ask them to hold up the story until it could be checked out and until we could locate Mrs. Jenkins and at least prepare her and have her prepare the children for that.

I pointed out to them that the Evening Star and the Washington papers do not ordinarily publish information about incidents of this kind. They do not, and that perhaps a man in public office has to resign himself to the fact that he is a special case and that stories of this sort are publishable about him, but that they should at least give us time to find out and be able to present them with a story with Walter's side of the story and at least give us time to communicate with his wife.

I shall always honor these men at the Star. They had a scoop. I shall always honor them. I shall always as a human being feel grateful to them because they said they would withhold it, and they told me that the other papers might have it, the story. There was nothing that I could do for Walter except perhaps give him a little time so that the doctor could get him in shape so that he could tell us what actually happened and so we could get in touch with Mrs. Jenkins.

And I went to the other papers with a similar request.

And that is the Walter Jenkins story.

Senator Hruska. The fact, however, was that there was on the police blotter a record by that time, is that not true?

Mr. Fortas. I did not know it, sir.

Senator Hruska. You did not?

Mr. Fortas. I did not, of course, no sir, the incident happened a week ago. It was amazing there was a week's lapse between the time of the incident and the time of the Jenkins call to me, the time the newspapers had the story.

Senator Hruska. Now, there is another general proposition that has also been widely discussed. Through the years you have formed a very close friendship and relationship with our President, which is not merely personal and social, it has also involved professional, business, and political dealings including many personal transactions with the President's own estate, and so on. In the President we not only have a man whom you have represented and from whom you have apparently great affection and respect; we also have a man in the political world who is espousing a particular kind of political and legislative program. And doing quite well at it in the last 6 months, I might add.

I presume in due time various aspects of this administration's program will wind up before the Supreme Court of the United States. Now, for the benefit of those who have asked me to ask this question, is there anything in your relationship with the President that would militate in anyway against your being able to sit on that bench and pass judgment on cases that come along and thus would affect your ability to function in true judicial fashion and tradition?

Mr. Fortas. The short answer to that, Senator, is absolutely not, but let me take this opportunity to say to you that there are two things that have been vastly exaggerated with respect to me.

One is the extent to which I am a Presidential adviser, and the other is the extent to which I am a proficient violinist. I am a very poor violinist but very enthusiastic, and my relationship with the President has been exaggerated out of all connection with reality.

The odd thing about it is every time I have said that to people and to the press they think that this fellow Fortas must be very close to the President because he says this exaggeration and there is no way to catch up with this. But the President—I value highly my long friendship with the President, and there is absolutely nothing, no possibility that that relationship could in any way enter into any judgment that I might make.

You know, Senator, I did not want any public position, and I made that clear to him. I did not want it for a great many reasons. I revere the courts. I have like all lawyers always entertained a hope that someday despite the amount of modesty, that someday that opportunity to serve there would come to me. But I am very distressed at any suggestion or idea that any relationship that I might have with the President would in any way bear upon the discharge of my functions in the Court. It could not be.

Senator Hruska. I asked that question not only because I was requested to do so but also because historically one of the propositions to which the Senate has addressed itself concerning appointments of this kind has been the possibility of a conflict of interest. As I remember it, about 30 years ago a confirmation by the Senate was denied because of the business interest and the professional alinement that the nominee had with a certain business firm which was very much involved in the antitrust laws at that time. Conflict of interest can assume many forms, and your relationship with the President is one possibility of a conflict of interest. It is for that reason I asked the question.

Mr. Fortas. I have no business relations with the President or his family whatsoever. The extent of legal assistance that I have furnished has been again magnified out of all proportion. It began, Senator, many years ago, shortly after I left Government, and then Mr. Johnson's then-lawyer was Alvin Wirtz, who had been my predecessor, one of the Under Secretaries of the Interior, and he was a lawyer, too, with Mr. Johnson and family, and the problem came up and he called me in and usually that is the way it has happened, that other lawyers have called me in. I do a great deal of work of that sort.

Senator Hruska. Thank you very much, for your patience in answering my questions.

Mr. Fortas. Thank you.

Senator Hruska. And thank you, Mr. Chairman.

Senator Fong. Mr. Fortas, Mr. Callas this morning charged that you brought Dr. Dodd to the committee room and passed her off as an ex-Communist when you knew she was then a Communist. Would you like to comment on that?

Mr. Fortas. Senator, that is absolutely inconceivable to me. In the first place I cannot conceive of misrepresenting whether Dr. Dodd or any other witness was or was not a Communist. I can't imagine that happening. In the second place, I have never in my entire career, and it has been a busy and active career, it has never been suggested that I have deviated in the slightest degree from the standards, and I hope the highest standards, of my profession. I have never, would never, could never misrepresent directly or by implication anything to a committee of the Congress or to a court—I hope to anybody else.

Senator Fong. I asked you the question to give you a chance to answer it.

Mr. Fortas. I appreciate it, sir.

Senator Fong. Now yesterday in the Senate we had a very, very important matter that was discussed by the Senate, the question of reapportionment.

Mr. Fortas. Yes, sir.

Senator Fong. As you know, I come from a small State with a population, oh, approximately 600,000, according to the 1960 census, and there are approximately 15 States that have less than a million people, and I am sure you are familiar with the case of *Reynolds* v. *Sims*. In that case the Court held that all the State legislatures must be apportioned according to one man, one vote.

In article V of the Constitution it says as follows, which is very simple language:

"No State without its consent shall be deprived of its equal suffrage in the Senate."

And amendment 17, the 17th amendment says:

"Senate of the United States shall be composed of two Senators from each State."

I would like to ask you as to whether these phrases here are simple enough so that you can give me an answer as to whether the decision of *Reynolds* v. *Sims* could logically be pushed to its conclusion so that the Senate of the United States may follow the decision of *Reynolds* v. *Sims?*

Mr. Fortas. Senator, you flatter me. I could not. I could not give you an opinion on that.

Senator Fong. May I ask you, are these words simple enough so that you can give me an answer if the matter of reapportionment came before the Supreme Court of the United States that the Senate of the United States is not reapportioned according to the one-man, one-vote and an argument was made before you that this is violative of the 14th amendment and 5th amendment, the 14th amendment equal protection clause and the 5th amendment due process clause, and reading these very simple words that there shall be two Senators and that the State shall not be deprived of equal representation of Senators? How would you rule in a case like this?

Mr. Fortas. Senator, you compliment me very much by assuming that I have an opinion which I could state if I felt at liberty to state it. I do not have an opinion.

Senator Fong. Now, let me ask you, these words are very simple, let me read them to you again. Article V says that no State without its consent shall be deprived of its equal suffrage in the Senate. Do you feel that the 14th amendment or the 5th amendment can abrogate that?

Mr. Fortas. Senator, I just have to repeat that this is a kind of question that you obviously have studied and I must say to you that I would equally obviously have not studied and it would be arrogant on my part to say anything about it except that I have no opinion.

Senator Fong. Do you feel that the 17th amendment which says that there shall be—the U.S. Senate shall be composed of two Senators from each State, that the 14th amendment and 5th amendment can supersede that?

Mr. Fortas. I regret to have to give you the same answer.

Senator Fong. Now, let me ask you the question concerning electors on article II which states as follows:

"Each State shall appoint in such manner as the legislature thereof may direct a number of electors equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress."

That means that Hawaii now has four Members in the Congress; we are entitled to four votes in the electoral college.

Following the decision of *Reynolds* v. *Sims* we could easily be cut down to one vote or at most two votes. And every State that has a population of less than 3,800,000, that means that 34 States of the Union, two-thirds of the States of the Union have less than 3,800,000, and so therefore, if *Reynolds* v. *Sims* were pushed to a logical conclusion, these States would suffer a loss in senatorial representation because they do not have 3,800,000 in each. According to the 1960 census we have 180 million people in these United States. So 1 Senator would be representing 1,800,000 people and 2 Senators would be representing 3,600,000 people.

Now, this matter is very important to 34 States of the Union as to their representation in the U.S. Senate, as to their strength in the electoral college, and these phrases here in the Constitution to me are very simple, that could be understood by a fifth grade pupil.

Now, you have refused to give me an answer on the grounds you have not studied it. Now I ask you again as to whether the very simple language in article II, the very simple language in article V, the very simple language in the 17th amendment which says very definitely that you cannot take away the equal representation of the States without a consent, that the electors shall be equal for the number of representatives, whether the 14th amendment or the 5th amendment, according to your philosophical or political or social bent—social economic bent—with regard, because the matter has come before the court in Hawaii and they used a socioeconomic argument, whether that would force you to abrogate these phrases in the Constitution?

Mr. Fortas. You are presenting a legal question, Senator.

Senator Fong. Yes.

Mr. Fortas. And all I can say with apologies to you is that I have not studied it and I don't have an opinion, surmise, or a guess.

Senator Fong. Do you think——

Mr. Fortas. I hope you forgive me.

Senator Fong. Do you think these words are clear enough?

Mr. Fortas. Sir?

Senator Fong. Do you think these words are clear enough?

Mr. Fortas. My profession is words.

Senator Fong. Yes; I understand that.

Mr. Fortas. And I have the greatest, greatest respect for them and greatest fear of them, and there are very few words that are simple. I don't want to answer your question, Senator.

Senator Fong. You don't want to answer it?

Mr. Fortas. Because it would be idle, because I have not studied it, and there is no point in my giving you an——

Senator Fong. I appreciate your position.

Mr. Fortas. Uninformed reaction.

Senator Fong. Thank you.

Senator Ervin. Mr. Chairman, if I may give Senator Fong a little brief on that subject which disturbs me very much, I will do so.

The provision of the Constitution that says that each State shall be represented in the Senate by two Senators and no State without its consent can be deprived of its equal representation in the Senate appeared in the original Constitution. It is a fundamental principle of law in the Constitution that a new susbequent provision of law or subsequent provision of the Constitution which is inconsistent with the prior provision controls.

Now, the Supreme Court of the United States held in striking down segregated schools in the States, that the equal protection of the laws clause in the 14th amendment invalidated segregated schools in the States. That was held in the case of *Brown* v. *Board of Education of Topeka*. Well, the Court also had before it the same question as to the schools of the District of Columbia, and the District of Columbia was not a State, therefore, the equal protection of laws clause of the 14th amendment did not apply to the District of Columbia. So the Supreme Court could not hold that equal protection of laws clause of the 14th amendment prohibited the segregated schools in the District of Columbia. So they wrote, handed down the opinion in the case of *Bolling* v. *Sharp*, in which the Chief Justice said the due process clause of the fifth amendment which does apply to the Federal Government meant the same thing on that aspect of the case as the equal protection of the laws clause of the 14th amendment.

Now, if the Court meant what it said in that case, and it holds to that consistently, I do not know of anything that would prevent it from holding that since the due process clause of the 5th amendment applied to the Federal Government means the same thing in one context as the equal protection of laws clause in the 14th amendment, then it means the same thing in another context. When the Court handed down *Reynolds* v. *Sims* and these other reapportionment cases it said that the 14th amendment controlled because it was later in point of time than the original Constitution.

And I do not know why the Supreme Court could not equally say that since they held in *Bolling* v. *Sharp* that the due process clause of the 5th amendment, which applies to the Federal Government, meant the same thing in one case as equal protection of the laws clause of the 14th amendment meant that, therefore, this one-man, one-vote theory controls the Federal Government and it is a violation of that theory to allow Hawaii to have the same number of Senators as New York and, therefore, the one-man, one-vote theory is going to require a reapportionment of seats in the U.S. Senate.

You can do it with the greatest of logic.

Senator FONG. We have 34 States—may I interrupt the Senator here? We have 34 States that would be interested in this.

I would also like to say that in that case of *Bolling* v. *Sharp* the Chief Justice Warren said:

"In view of our decision that the Constitution prohibits the State from maintaining racially segregated public schools it would be unthinkable that the same Constitution would impose a lesser duty on the Federal Government——"

and my distinguished colleague from Nebraska, the other day paraphrased it and said by using this decision it could very well abrogate the very specific words here in the Constitution relative to apportionment, relative to Senators and electors from the States by just paraphrasing and says as follows:

"In view of our decision that the Constitution prohibits the States from maintaining legislatures unless they are apportioned solely on the basis of population, it would be unthinkable that the same Constitution would impose a lesser duty on the Federal Government——"

Now, this is what I am trying to get at, whether you feel that the 14th and 5th amendments will abrogate these very simple clauses in the Constitution which has been there for a long, long time and whether you feel that the logical extension of *Reynolds* v. *Sims* will give you a chance to knock all of us out from the Senate? There are 34 States that are involved in this.

Mr. FORTAS. Well, if I should, which I doubt, but if I should arrive at the conclusion that it does, I hope I will not avail myself of that privilege. In other words, Senator, I really do not, my immediate reaction to this is to tell you that as a matter of hunch in the way I feel about it, it would seem to me to be sort of inconceivable to reach such a result, but I know I should not say that and primarily I should not say it because I have not studied the question.

Senator FONG. You think it is inconceivable?

Mr. FORTAS. You and Senator ERVIN have studied it and discussed it here with a way that is of great interest to me, but I have not.

Senator FONG. Did I get you to say, Mr. Fortas, that you think that result is inconceivable?

Mr. FORTAS. Yes, and I probably——

Senator FONG. In fact, that is all I wanted to get from you.

Senator ERVIN. If I might be just as pessimistic as the law allows me to be, I would say it was also inconceivable that the one-man, one-vote theory would be espoused by the courts in Tennessee.

Mr. FORTAS. You have a difference here. Senator ERVIN pointed out the difference between the explicit provisions of the Constitution and the general provisions.

Senator FONG. That is right.

Mr. FORTAS. Here you have explicit provisions, but I really would beg of you to excuse me from further discussion of this because——

Senator FONG. I have your answer already. Thank you.

Mr. FORTAS. It is really in the area of—so far as I am concerned—just casual conversation which is a dangerous thing to do before a Senate committee.

Senator FONG. That is all I want, is casual conversation.

The CHAIRMAN. Senator JAVITS?

Senator JAVITS. Mr. Chairman.

Senator ERVIN. I might add, more dangerous than that, though, is the fact that judges can take the due-process clause and make it mean almost anything they want it to mean. I think the Senators here learned that they do that on many occasions, and I hope you will not do so.

Mr. FORTAS. Thank you, Senator.

The CHAIRMAN. Mr. JAVITS.

Senator JAVITS. Mr. Chairman, I have known Mr. Fortas for at least 20 years as a distinguished and able lawyer, and I have also known him personally and socially to a modest extent. It seems to me that he has shown, in all the years I have known him, every qualification to be a Justice of the U.S. Supreme Court, and so I, like Senator DODD, am a little prejudiced by virtue of past association and knowledge.

I would like, however, to ask this of the witness.

The witnesses who have testified this morning have gone into great detail about many organizations, mentioned the names of many people. Like Mr. Fortas and others, I, too, have been the butt of this kind of thing in one form or another, and there is always the point raised after a hearing of this character that we did not ask you this question or that question or some other question or about this individual or that individual.

Therefore, I would respectfully ask the witness whether he would feel it entirely proper for me to ask the Chair's consent that the witness may have an opportunity to review the record and to write to the chairman a letter which would deal with any aspect of the record that he feels he would like to deal with just to be sure that the record is absolutely complete for all posterity and that that letter may be made a part of the record? Would the witness feel that that was a constructive, useful thing to do?

Mr. FORTAS. I shall be glad to do that, Senator. Thank you.

Senator JAVITS. I ask that, Mr. Chairman.

The CHAIRMAN. Make the motion.

Senator JAVITS. I ask that consent, Mr. Chairman.

The CHAIRMAN. Senator Javits asks consent. Is there objection? The Chair hears none.

(Subsequently the following letter was received:)

"ARNOLD, FORTAS & PORTER,
"*Washington, D.C., August 6, 1965.*

"Hon. JAMES O. EASTLAND,
"*Chairman, Committee on the Judiciary, New Senate Office Building, Washington, D.C.*

"MY DEAR MR. CHAIRMAN: I appreciate the opportunity which your committee has given me to comment upon the record of hearing concerning my nomination as Associate Judge of the Supreme Court of the United States.

"Upon reflection, I doubt if further comment—in addition to the statements that I made at the hearing—with respect to the testimony of the two hostile witnesses who appeared in the proceedings would serve any purpose. I should like to point out, however, that it is not merely the right of lawyers to defend unpopular causes, but also their duty, when confronted with the need and the summons to service.

"It was on this principle that my firm has represented various persons (including some commonly regarded as rightwing extremists) accused of activities which were repugnant to us as well as to Americans generally.

"The special training and position of lawyers in our society, in my opinion, require of them something more than professional competence and integrity. They also require a willingness to serve in nonremunerative and frequently hazardous capacities, sometimes involving matters which are personally distasteful.

"I take this opportunity, Mr. Chairman, to express to you and the members of the committee my profound appreciation for the courteous hearing which you accorded to me.

"Respectfully yours,

"ABE FORTAS."

Senator JAVITS. Just one other thing.

I like the fact that you have refused to give an opinion on any legal case, and I hope the charm and wit of my colleague, Senator FONG, and the answer which it elicited will not be considered a breach of that principle on the part of the witness.

Mr. FORTAS. I hope so, too, Senator.

Senator JAVITS. I agreed with the witness. I agree with him. Let me say and leave the witness out of it that that is inconceivable. I do not agree it is a logical result of *Reynolds* v. *Sims*, nor do I agree with the proposition that the latest amendment to the Constitution overrules all previous provisions of the Constitution or all previous amendments, but that is a legal question which the courts can hear and I can only tell the witness that if a court ever made any such provision as implied by these questions it would be a lot less important than the Court I hope Mr Fortas will be confirmed to, and there will be a lot of allies that the small States will have of a very unexpected character, including me.

Be that is it may, however, is there anything, Mr. Fortas, that you feel in all of your past associations, business, social, investment, of any character or condition, in the greatest conscience, facing probably the most awesome responsibility of your life, personal and professional, that would prevent you from administering in this office the standards of the bar with which as a distinguished lawyer and of the bench you are as familiar as anybody in this country?

Mr. FORTAS. There is absolutely nothing, Senator. My only hope is that I have within me the capacity, the wisdom and the personal qualities which will permit me to discharge these great and really awesome responsibilities with credit to myself and to the Government of the United States.

Senator JAVITS. As one of your peers I feel you do.

I have no further questions, Mr. Chairman.

Senator HRUSKA. Mr. Chairman, I would just like to make this observation.

My views and my convictions on the *Reynolds* v. *Sims* case and the 14th amendment were not only well known, but they were as firmly voted yesterday afternoon as I could assert with my voice.

Notwithstanding that and notwithstanding my sympathy for the questions in Senator FONG's mind I want to say that I feel the nominee has given the only answer that he could give when he said he does not have an opinion on it.

We have always felt that it would be unfair to ask any nominee for any judicial office to give a legal opinion on the basis of a hypothetical question.

Obviously if a question of this kind arose it would be well briefed, it would be voluminously and extensively researched, and it would be argued at great length, so the answer that Mr. Fortas has given, in my judgment, is in compliance with the only course of action open to him.

Senator ERVIN. And as a lawyer, will you not agree with me, that judges are more competent of handing down a decision after they heard the facts?

Mr. FORTAS. Yes, I always felt that way, too, Senator.

Senator HRUSKA. We can furnish the light but we cannot furnish the understanding necessarily.

Senator HART. Mr. Chairman, the able junior Senator from Maryland is out of the city to honor a longstanding commitment. He has asked me to state for the record that he regrets this, but that he supports fully the nomination and commends the President and the Attorney General on the recommendation.

Mr. FORTAS. Thank you, Senator.

Senator HART. You may wonder, Mr. Fortas, about our persistence in asking for opinions, if you are surprised. You know we are very reluctant without briefs or the benefit of both points of view to express opinions on these things all the time.

Mr. FORTAS. I must say, Senator, that it requires considerable restraint on my part to avoid engaging in a discussion of these questions no matter how uninformed I am, and I am uninformed on these particular points.

Senator ERVIN. I say that is because we operate on a different principle.

Mr. FORTAS. Yes, sir.

Senator ERVIN. If you find out what the facts are a court can usually tell what the decision is going to be, but the U.S. Senate operates on a different basis. You can't foretell what it will do, because it is like Josh Billings' mule that don't kick to no rule whatsoever.

The CHAIRMAN. The committee will adjourn.

(Whereupon, at 1:15 p.m., the committee adjourned.)

Mr. BASS. Mr. President, as a Senator from the State of Tennessee, we are proud of the fact that Mr. Fortas is a native son of the great Volunteer State.

I know of his record as an eminent attorney. He is a man of the highest intellectual capacity. He is a man who is well versed in the law and dedicated to the principles of law.

I predict here and now that history will record the fact that President Johnson made a wise decision in choosing and, actually, in almost drafting this distinguished American to serve on the highest Court in the land.

Mr. TYDINGS. Mr. President, although Mr. Fortas is only recently a resident of Maryland, nevertheless I take great pride in his nomination by the President to the highest Court in our land.

Mr. Fortas has had a brilliant, as well as a grounded legal career. He has served in many capacities in our Government.

The nature of his service to the legal profession has been unique and unusual. Not only has he represented a broad range of the business community, but he has also represented the poor and the indigent of our country in at least one landmark case. I refer to the Gideon case.

I believe that with his background, his experience, and his overall capacity he will make a brilliant contribution to the Supreme Court of the United States.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

TREASURY DEPARTMENT

The Chief Clerk read the nomination of W. True Davis, Jr., of Missouri, to be an Assistant Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMMISSION ON CIVIL RIGHTS

The Chief Clerk read the nomination of William L. Taylor, of New York, to be Staff Director for the Commission on Civil Rights.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. SOLICITOR GENERAL

The Chief Clerk read the name of Thurgood Marshall, of New York, to be Solicitor General of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, before I ask that the President be notified, I think it is only proper that I say a few words on behalf of the nomination of OREN HARRIS, of Arkansas, a Member of the House of Representatives, just confirmed by the Senate, to be U.S. district judge for the eastern and western districts of his State.

OREN HARRIS has been an outstanding Member of Congress during all my years of service in both bodies.

I believe this is an excellent appointment. He will do honor to his State and his Nation on the bench, as he has in the Congress. However, it is with regret that many of us note his departure because he has made so many contributions to the welfare of his country. He is a good and dedicated man and he will continue to serve his country with great distinction and honor.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. METCALF. Mr. President, I concur in the remarks made by my colleague the senior Senator from Montana in praising Representative HARRIS.

I served for 4 years with Representative HARRIS. He is a fine and outstanding Representative.

Representative HARRIS has rendered great service to his Nation as a member of the Commerce Committee. He has the attributes necessary to be an outstanding judge.

I congratulate the President on his appointment. I congratulate Representative HARRIS for the opportunity to serve as a district judge.

I concur in all the remarks made by my distinguished colleague, the majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified immediately of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

MELVIN J. MAAS MEMORIAL HOSPITAL, VETERANS' ADMINISTRATION HOSPITAL, WASHINGTON, D.C.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 548, S. 788.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 788) to designate the Veterans' Administration hospital being constructed in the District of Columbia as the Melvin J. Maas Memorial Hospital.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Veterans' Administration hospital being constructed in the District of Columbia shall be known and designated as the Melvin J. Maas Memorial Hospital. Any reference to such hospital in any law, regulation, document, record, or other paper of the United States shall be deemed a reference to it as the Melvin J. Maas Memorial Hospital.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 565), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE BILL

The bill (S. 788), if enacted, would designate the Veterans' Administration hospital in the District of Columbia as the Melvin J. Maas Memorial Hospital.

BIOGRAPHY OF GENERAL MAAS

General Maas was reappointed Chairman of the President's Committee on Employment of the Handicapped on March 4, 1961, by President Kennedy. He had previously served as Chairman since appointed on April 13, 1954, by President Eisenhower. In addition, he served as Chairman Emeritus of the Committee for the Handicapped People-to-People programs, having been named Chairman by President Eisenhower on May 29, 1956.

His career included 16 years as a Congressman from Minnesota; service in the U.S. Marines, rising from a private in marine aviation in 1917 to the rank of major general in August 1952. He was a native of Duluth, Minn.

CONGRESS

General Maas was first elected to Congress from Minnesota in 1926, at the age of 27. He served from 1927 to 1933 and from 1935 to 1945. In 1933 he received national recognition and the Carnegie Silver Medal for heroism when he disarmed a man in the House galleries who was threatening Members with a loaded revolver. During his career in Congress, he specialized in legislation promoting aviation, national defense and measures to improve the unemployment situation. As a member of the Foreign Affairs Committee of the House, General Maas sponsored several international conferences designed to bring about better relations with foreign powers. Prior to World War II he sponsored legislation to fortify Guam and was joint author of legislation setting up a promotion system for the Navy. He also was sponsoring author of the Naval Reserve Act of 1938 which governed the Naval and Marine Corps Reserve until passage of the Armed Forces Reserve Act. He was also the congressional author of the legislation creating the first military women's reserve.

MARINE CORPS

General Maas entered the Marine Corps April 6, 1917. He served with marine aviation in the Azores throughout the war. In 1926 he accepted a Marine Reserve commission prior to entering Congress. In the summer of 1941 he returned to active duty and served at sea on the staff of Adm. William Halsey and in 1942 with Adm. Frank J. Fletcher in the Solomons campaign. He also served as a Marine Corps observer with Gen. Douglas MacArthur in Australia and New Guinea. He was awarded the Silver Star Medal for service with the Army Air Force at the Battle of Milne Bay in 1942. He also won the Legion of Merit in combat. In addition he was awarded 12 other ribbons. In the fall of 1942 General Maas resumed his duties in Congress but returned to active duty in January 1945. In May of that year he assumed command of the Awase Air Base, Okinawa, where he received the Purple Heart. He was promoted to brigadier general in the Marine Reserve, June 1, 1950. Blindness overtook him in 1951 and on August 1 of that year he retired and was advanced to major general rank for having been specially commended in combat.

PUBLIC LIFE

For his untiring efforts in behalf of the Marine Corps Reserve he was known as "Mr. Marine Corps Reserve." For 6 years he served as a member of the Reserve Forces Policy Board in the Department of Defense. He served as chairman of the board, Marine Corps Reserve Officers Association, and was a past commander in chief, Military Order of the World War, past national commander, Disabled American Veterans (1955–56), and past national president of the Blinded Veterans Association (1960–61).

In his early business career he was a salesman and sales manager. Later, he managed a manufacturing firm in St. Paul, Minn. In 1925 he organized his own insurance firm. He was assistant to the board chairman of the Sperry Corp. from 1946 until recalled to active duty in the Korean conflict. He was a director of the United Services Life Insurance Co. and of Mutual of Omaha.

PRESIDENT'S COMMITTEE

On June 4, 1954, General Maas was awarded a degree of doctor of laws at the College of St. Thomas, St. Paul, Minn., his alma mater. Subsequently, he was honored by Marquette University, Goodwill Industries of America, United Cerebral Palsy, National Rehabilitation Association, American Foundation for the Blind, Tri-Organization Scientific and Rehabilitation Conference, 1961, and with the Veterans' Administration citation for exceptional service. In 1958 General Maas received the AMVETS Silver Helmet Award for his long career in public service.

On January 17, 1961, General Maas received a Presidential citation signed by President Eisenhower, noting his major contribution to the cause of the handicapped. On the following day he was presented with the Department of Defense Distinguished Public Service Medal in recognition of his contribution to national defense.

President Lyndon B. Johnson made the following statement upon being notified of General Maas' death, April 13, 1964:

"Not just the handicapped, but all the land grieves the passing of one of America's true heroes, Maj. Gen. Mel Maas.

"Blinded in the service of his country a decade ago, he taught himself a new existence without sight, traveled the world over, and inspired people everywhere about the capacities and abilities of the handicapped. Arthritis crippled his limbs and massive heart attacks limited his mobility; yet his spirit was whole; his spirit was never disabled.

"He has shown us how to live in the face of adversity. His courage and conviction have enriched us all. His spirit marches in us and in our land."

The courageous and gallant spirit of Gen. Melvin J. Maas will live on for untold future generations through the designation of this hospital in his memory.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1966

Mr. MANSFIELD. Mr. President, I move that the Senate turn to the consideration of calendar No. 546, H.R. 8639. There will be no discussion on it at this time.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8639) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 10, 1965, was approved.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY PAY INCREASE—PERSONAL STATEMENT ON BEHALF OF SENATOR RUSSELL OF SOUTH CAROLINA

Mr. MANSFIELD. Mr. President, I am in receipt of a communication from our distinguished colleague the Senator from South Carolina [Mr. RUSSELL] in which he states that he regrets that official business necessitated his being absent from the Chamber at the time of the rollcall on the military pay raise bill, but he would like very much to be recorded in favor of the bill and would like the RECORD to show that had he been present, his vote would have been "yea."

Mr. President, I am delighted that the distinguished Senator from South Carolina has just entered the Chamber after his absence on official business. I am sure he will corroborate what I have said.

The PRESIDING OFFICER. Without objection, the RECORD will so show.

Mr. RUSSELL of South Carolina. Mr. President, I am very grateful to the majority leader for his courtesy. I corroborate exactly what he has said. I appreciate his incorporating it in the RECORD.

WHEAT SALES TO THE SOVIET UNION

Mr. McGOVERN. Mr. President, the news media today reported that the Soviet Union has completed an agreement for the purchase of another 4.6 million tons of wheat and 40,000 tons of flour from our neighbor to the north, Canada. Last week the Soviet Union and Czechoslovakia bought 35 million bushels, nearly another million tons, from the Canadians, bringing total purchases this week and last to some 6 million tons.

I indicated earlier that we could anticipate sales by Canada to the eastern bloc countries in excess of what they made last year. For the marketing year 1964–65 sales by Canada, Argentina, Australia, and France totaled 5.6 million tons of wheat and wheat flour to the Soviet Union and other countries of Eastern Europe. Canada's sales to the Russians this year thus exceed the total of all countries to the whole Soviet bloc last year.

I think these sales by our Canadian friends—but also our competitors in the wheat market—point out the self-defeating nature of the shipping restrictions which we have placed on ourselves which makes it impossible for us to sell wheat in this very profitable market.

In 1963, officials in our Government, from the President on down, reached the conclusion that it was in the national interest to make commercial sales of wheat to the Soviet Union and to countries of Eastern Europe. But once that policy decision was reached, we applied a restriction at the demand of maritime union leaders on shipping that, in effect, made it impossible for us to implement that policy. That restriction required that when sales of wheat are made to the Soivet Union, 50 percent of such wheat or wheat products must be carried in American ships. Shipping rates on American ships are much higher than in foreign vessels. There is no other commodity that is sold to the Soviet Union, whether we are talking about farm equipment, farm machinery, bird cages, or what have you, which is required to meet such a restriction. In those cases we proceed to sell to the Soviet bloc or Eastern European countries products which are carried on ships at the most economical cost. We have applied this restriction only on wheat. As a consequence of what we are doing, 50 percent of the sales amounts to 50 percent of nothing. We are not making any sales. What we are doing is turning the market over to our Canadian rivals. It has resulted in an agricultural boom there. Wheat production in that country is booming. Their railroad and shipping industries are active. This is occuring at the very time when we are imposing tighter controls in order to prevent our farmers from raising surplus wheat on what traditionally has been wheatgrowing land. No one in this country is benefiting from this foolish and self-defeating restriction.

We are hurting the wheat farmers. We are hurting the Nation by losing an opportunity to improve our balance-of-payments position by approximately $100 million a year. We are benefiting no one in the maritime industry, for they, as well as wheat producers, are getting no business at all.

The wheat shipping restriction was placed, not on the statute books, but was an administration ruling laid down purely for one purpose, and that was to pacify two or three influential labor leaders in the maritime industry who insisted on this restriction as the price of loading out and not blocking the sale of wheat and wheat flour to the Soviet Union.

Mr. President, we are going to be asked, shortly, to support the repeal of section 14(b) of the Taft-Hartley Act, and it is going to be argued by labor leaders that this is an unfair restriction on the activities of their unions. I fully believe that the restrictions which have been placed on the shipment of wheat to the Soviet Union—apparently at the request and insistence of these maritime labor unions—is hurting the wheat farmers, and our balance-of-payments position, and doing more damage in every way to the economic life of the United States than any damage that may flow from a continuance of section 14(b).

I hope that those labor leaders and others who are responsible for continuing this irrational and totally indefensible restriction on sales which we determined almost 2 years ago was in our national interest, will reconsider their position and that we can move ahead into this market which we so desperately need and which is now being entirely supplied by our competitors.

U.S. MARITIME POLICY

Mr. BREWSTER. Mr. President, I propose to speak for approximately 5 minutes on U.S. maritime policy.

Mr. President, nothing less than the future of the entire U.S. merchant marine is at stake in the current strike by the Marine Engineers and two other unions against eight American-flag carriers.

This senseless waste of our Nation's resources, already figured in direct losses of almost $100 million, has made a shambles of the fine reputation of American merchantmen for reliability of service and dependability.

If a ship cannot sail, she must turn away cargoes and passengers. Shippers and travelers have no time to wait for negotiating sessions to end successfully. Commerce and tourism continue on their way—on foreign-flag ships—to the loss of the striking personnel, the shipowners, the U.S. balance of payments, and every American taxpayer. Every ton of freight and every passenger lost to the American fleet is irreplaceable, and the cost comes right out of all our pockets.

While this strike directly concerns only eight steamship lines on the east and gulf coasts, it casts its cloud over every ship that sails the Stars and Stripes and also menaces the U.S. shipbuilding industry. The eight lines, owners of more than 100 of our best cargo liners and passenger ships, operate on Government contracts which is intended to assure parity of costs with the foreign competition. This is necessary principally because of higher wage costs for U.S. personnel, who have higher standards of living than their opposite numbers on foreign-flag vessels.

These contracts with the Government entail obligations on the part of the ship lines to maintain a first-class cargo liner fleet, and to sail established trade routes on regular, dependable schedules. The contracts also call for periodic replacement of ships involving vast expenditures of capital. The result of this business-Government relationship, to date, is one in which every American can take pride. The $4 billion replacement program of the 15 American lines at the top in tonnage—including the 8 struck lines—has given the United States the quality fleet of the world. We sail 80 percent of all cargo liner vessels in the world capable of more than 20 knots. In quantity, only Great Britain has more ships.

The strike has now threatened the replacement program. Several lines have postponed plans for new, automated ships because of the uncertainty. The major issue is automation: the number of men required in the engine room of an automated vessel.

All the answers to the manpower problems caused by increased mechanization are not solved so quickly as the technical possibilities of automation become practical. Automation represents the only route toward genuine cost reduction for the Government and the lines, but an equitable adjustment for the people who man the ships is also recognized as essential by all concerned.

The ship companies have proposed that the marine engineers who, except in the case of premium pay on automated ships, are satisfied on wage conditions, return to work under a 4-year contract with a binding arbitration procedure to adjust problems along the way.

The Marine Engineers Beneficial Association, through its president, Jesse M. Calhoon, and its legal adviser, Lee Pressman, has rejected this suggestion and will settle for no more than a 6-month labor peace while the president of the AFL–CIO undertakes to establish binding arbitration machinery. The union insists on reserving the right to strike the highly mechanized ships at any time after this period during the life of the collective-bargaining agreement.

This idea could mean the death of American shipping. Few passengers or shippers will book on vessels which are threatened with the possibility of a strike at the end of a truce period. With only a 6-month labor peace in sight, what sensible businessman will venture his goods or his vacation plans or his business time on American bottoms and risk the chance of having his cargo sit idle on the docks, while the union goes out on strike again?

Mr. President, I believe that the Maritime Engineers Beneficial Association has clearly acted against the public interest.

The MEBA has refused to clear an American-flag ship to carry military cargo to Vietnam. The union then suggested that a foreign-flag ship be used—which resulted in military cargo being shipped on British and Danish vessels. This is hardly a contribution to a strong American merchant marine.

The negotiator for the MEBA engaged in physical violence, according to press reports, at the bargaining table. In brief, in a situation which calls for the utmost in responsibility, the MEBA union has been incredibly irresponsible.

The president of the National Maritime Union, Mr. Joseph Curran, recognized this when he attacked the MEBA tactics, saying:

> They have done long-range damage to the MEBA membership and other workers in the American maritime industry.

And I agree with Mr. Curran.

Secretary of Commerce John T. Connor has called the strike "intolerable." I believe that this is true. Every day that the strike continues, it costs thousands of dollars to businessmen and workers, in the maritime industry and in other industries. It harms our balance of payments. It may result in permanent shifts to foreign-flag shippers. And it damages our military effort in Vietnam.

Neither side is blameless in the dispute, of course. But the MEBA union has refused to accept a proposal which might lead to enduring peace in the labor-management relations of the industry.

I have said before that labor peace is of the greatest importance in this industry. It is my conviction—and I intend to elaborate on this at greater length soon—that the Government should require a no-strike clause in the contract of all subsidized shipping lines.

In general, I believe that Government should interfere as little as possible in labor-management relations. But in an industry which is so important to American prosperity and national security; an industry whose bills are paid in large part by the American taxpayers; and an industry faced with a union which has repeatedly demonstrated its irresponsibility—in such a situation, the Government may have no choice but to intervene.

Again, I urge both parties to agree as soon as possible, for the good of all concerned. The immediate settlement of the dispute, on fair and reasonable terms, assuring continued labor peace, is surely in the national interest. Let us hope for a speedy settlement, so that more drastic action will not become necessary.

ADDRESS BY CIVIL SERVICE COMMISSIONER L. J. ANDOLSEK AT THE 44TH NATIONAL CONVENTION OF THE DISABLED AMERICAN VETERANS

Mr. BREWSTER. Mr. President, last week I had the great privilege of addressing the annual convention of the Disabled American Veterans in the delightful city of New Orleans. I had the additional pleasure of meeting many of the fine men who fought so valiantly for the United States.

May I take out a moment here to assure them that, as long as I am in the Congress, I will do my best to see that we never fail to be generous at home toward those who were so generous overseas.

In New Orleans, I was privileged to nominate—and see elected—as national commander of the DAV, a distinguished fellow Marylander, Mr. Claude L. Callagary, of Baltimore.

Among his other qualifications, Mr. Callagary has long been a noted fighter for conservation. I can say from personal experience that he was very helpful to me in my efforts to preserve Assateague Island as a national seashore. If his past achievements are any indication, he will be an outstanding DAV commander.

While attending the DAV convention I had the opportunity of hearing an excellent address by Commissioner L. J. Andolsek. Mr. Andolsek is a distinguished Civil Service Commissioner and an old friend of mine. His address, which was very warmly received, dealt with the responsibilities of parents toward their children. I believe that his remarks ought to be taken to heart by all American parents.

Mr. President, I ask unanimous consent that Mr. Andolsek's speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY COMMISSIONER L. J. ANDOLSEK, U.S. CIVIL SERVICE COMMISSION, AT THE 44TH NATIONAL CONVENTION OF THE DISABLED AMERICAN VETERANS AT THE JUNG HOTEL IN NEW ORLEANS, LA., AUGUST 6, 1965

Commander Dwyer, national officers of the DAV, members of the national staff, delegates, and friends, I am most grateful and appreciative of the invitation to be with you on the occasion of your 44th national convention, and particularly pleased that I was privileged last evening to hear the tremendously fine speech—frank and to the point—which was delivered by Senator DANIEL B. BREWSTER, of Maryland.

The most valuable asset we have in this country today is in our children, and the destiny of our great Nation is in the hands of the young men and women who are today preparing themselves to take over the leadership for tomorrow. Therefore, I want to talk this morning about the youth of our country.

We expect so very much of the coming generation, we love them so much, and we express so much concern over the young people who make bad headlines, that I want to discuss two very meaningful questions:

1. Do we really understand our young people?

2. Are we living up to our responsibility in preparing them to meet the demands that will be placed on them?

In raising these two questions, I want to make it clear who I mean by the term "we."

I mean we who are parents.

I mean we who are veterans, or the lifepartners of veterans.

I mean we who are public servants.

I mean we who are breadwinners, whether we run a business or work for somebody who does.

I mean we who are taxpayers and voters.

Generally, I mean we who are adult Americans.

So, let's take on the first question first: Do we really understand our young people?

I fear that as we have struggled to keep up—or perhaps I should say catch up—with all the change that has been taking place on this good earth, we have somehow attempted to gear our child-raising concepts to the belief that no change has taken place. There are exceptions, of course, but hardly a day passes but what I hear somebody remark: "That's not the way things were handled when I was a kid"—meaning, of course, that today's way is all wrong.

It is meaningful, I believe, to review some of the changes that have taken place in the past 25 years, for these changes have had a profound effect on us as individuals, and they have had a profound effect on the business of raising children.

I will use June 1940 as a benchmark to make a few comparisons.

First, technical change.

In June of 1940 various groups of scientists were working on nuclear studies, but the famed Manhattan project team—whose mission was the hurry-up development of a nuclear bomb—would not be formed for another 2 years and 3 months.

It is particularly important that I link the "technological explosion" to the Manhattan project, for the team of scientists, engineers, and managers who produced the bomb produced something far more important—a team approach to research and development.

We have seen subsequent teams develop the jet airplane that made 1940's piston-engine job look like a piker.

We have seen them rebuild the black boxes that permit direct dialing to practically any place in the Nation, whereas—in 1940—many of us knew our local operator by name.

We have seen the R. & D. teams produce a computer that serves as a brain—and a process called automation that serves as the slave—to build more and better products than human hands could build in 1940.

Teams made possible the science of rocketry and the manned conquest of space. They found a cure for common measles and uncommon polio. They have, without question, changed the shape of man's life.

In moments of nostalgia, we might think back to the "good old" Chevy, the almost-new Ford V-8, the streamlined Chrysler we owned or envied in 1940, but we're only teasing ourselves when we pretend it was as good as today's model. (The truth is, we didn't demand as much from the product of 1940 as we demand from the product of 1965.)

The same comparison could be made in the fields of communications, medicine, the hardware of war, or many other items that come to mind.

Technologically, our world has advanced more in the past 25 years than it advanced in the preceding 25 thousand years.

Now, we might ask, what is the implication of technological change on today's youth?

It is profound.

Today's youngster needs more knowledge to build and operate things that are infinitely more complicated than the things we knew in 1940.

That's why our sons and daughters are getting a level of math in junior high school that we got in college.

That's why today's high school dropout is an object of social concern—he simply does not have the base upon which sophisticated knowledge can be built.

That's why the advice has changed from "go to college" to "go through graduate school."

It might have been possible—indeed it was very common—for the boy who finished high school in 1940 to "break in" on his father's work bench; to learn his father's trade, or to aspire to heading his father's small business or small farm.

Not so today. Papa works for the chain supermarket, the chain drugstore, the nationwide corporation, the Government, or some large organization—if papa is typical. And somehow, the boss of the corporation, or his branch manager, would just as soon not have Junior under foot when there is a production quota to meet.

In other words, the natural bridge between school and the working world that existed in 1940 does not necessarily exist today. The young man who completes his schooling had better be prepared to call himself a specialist—one who knows a great deal about the operation, and the science behind it, before his first day on the job.

There is an anecdote that indicates the extent of specialization in today's world. A man called his family doctor because he had an earache. The doctor said that he should go to the eye-ear-nose-and-throat clinic. He got there and they directed him to the ear department. As he walked up to the desk, a nurse asked him, "Right ear or left ear?"

I am also reminded of the doctor who called his plumber in the middle of the night and asked him to come over as he had a problem. The plumber asked what seemed to be the problem and the doctor explained that a trap was plugged up and the water was overspilling, upon which the plumber replied, "Doctor, give it a couple of aspirins and I will be over tomorrow and take a look at it."

This is as good a point as any to examine some of the social change that has taken place during the past 25 years.

In 1940 it was not uncommon for a baby to be born in the same town, on the same street, and in the same house that his father and his grandfather had been born in. He might go to the same school, drink pop in the same drugstore, play on the same high school football team, engage in the same business, join the same clubs and church, and vote in the same precinct. The "tracks" that divided "upper class" from "lower class" were pretty well defined.

Again, I say, how things have changed. Look at the mobility that has taken hold of America. Consider the exodus away from the village and the farm to the big city. Tie this in with the technological explosion and its new demands for higher skills and better education. The one "gap" that has remained constant—no, it has become even more distinct—is the gap that separates the haves from the have nots.

Those who came to the city with a skill or a good education have hitched onto the technological star and they have ridden it to economic and social success. They live in Suburbia. Those who hit the big town without a skill or without the education upon which a skill could be built—and here I am talking about the sharecropper and the common laborer—have moved into the slums, the ghettos—or to put it another way, the same "other side of the tracks."

Often the hardest hit have been those we classify as members of minority groups for one reason or another: those whose skin is a different color, those who spell their last names a different way, those who are physically handicapped, and frequently those who have grown old.

The ones who were most disadvantaged become even more disadvantaged, and the minorities pay the highest price.

Sometimes it seems to me that we remember least those lessons that were the most expensive to learn.

We in this room are veterans, or the understanding mates of veterans, so I think a point is in order here. We who are veterans were in our prime when the bell sounded for World War II or for Korea.

We griped about the shots, the chow lines, the movie lines, and the other common annoyances, but when it came time to stage for combat, we were a close-knit, determined team of Americans.

It didn't matter much if the next man at the rail of the troopship or in the next foxhole after we got there, was a man with a brown skin, or whether he answered to the name of "Tony," "Hymie," "Tom," or "Ski." He was one of us. And, as Americans working together, we did what we went there to do.

What a contrast with what we see today.

At a time when our Nation and our society need to see love being practiced, men of sick minds are practicing and teaching hate.

It is terrible enough when one sick man takes it upon himself to assassinate one national leader. It is reprehensible when organized groups of hatemongers take it upon themselves to drive wedges between large groups of our society.

Forgive me for going off on a tangent. This matter of love and hate means a lot to me because I feel that as we strive to improve our society, and to create opportunities for our youth, the first thing we've got to do is to start working together in peace as we worked together in war.

The second thing we've got to do is to realize that some of our people who are most poverty stricken—and I mean poverty of the mind as well as poverty of the belly—are people who have been denied the chance to be full-fledged citizens, and people who have been denied the responsibility of full-fledged citizenship.

So far, I have touched upon two elements of change—technological change, and social change. Since this audience is comprised of both DAV and DAV Auxiliary, I'd like to raise the lid on another significant change that has been taking place, and one that is having a serious effect on our young people. I am talking about the relationship between parental neglect and crime rate among young people.

This problem can be traced in part to some of the social change that has been taking place in the past quarter of a century.

When we veterans were being mustered for military service, our Nation's industrial potential was being mustered for wartime production.

Thousands and thousands of jobs had to be filled, on a "now" basis, and Rosie the Riveter became a part of the American scene.

Rosie's employment was necessary—very necessary—and we owe Rosie and her fellow females a debt of gratitude for working so faithfully when they were needed so badly.

The pattern of two incomes per family that was, in a sense, born in desperation has become something of a national standard. It is commonplace now to find two breadwinners in the family, two cars in the driveway, two vacations, two (or more) charge plates, often two mortgages, and so forth and so on.

We need the talents that women can bring to the labor market, but we need also to assure that children get proper parental care and attention. We need to accommodate our employment practices to the requirements of child-rearing so that women can devote to a working career that portion of their time which is not needed in the home.

When parents are "too busy" to give children the time, attention, and concern that is necessary to their emotional development, some unfunny things happen.

The Director of the Federal Bureau of Investigation said the other day that more than 70 percent of the arrests for serious crimes throughout the United States involve persons under 25 years of age.

"The common denominator in the cases of these young offenders," he said, "has been parental neglect."

Moreover, there are those who feel that too much affluence, too much free time, and too much spending money in the pockets of young people, are just as much responsible for delinquency as too little affluence, too little income, and too little wholesome activity for young people who are underprivileged.

There are other areas, besides technology, social changes, and changes in the family environment, that we could consider in this assessment of the effects of change on the life of young people.

The point I want to make, however, is that so much change has taken place in the past 25 years, and so much of this change has a direct influence on the lives of young people, that I am convinced that if we are going to try to understand our young people, we must seek to understand them within the context of change.

We can't just say, "Don't sit around and watch television all day. When I was your age I had work to do, and I did it."

We must bear in mind that the work opportunities that were open to us are often not open to the children of our present society.

Thus, we are confronted by the second question I raised: Are we living up to our responsibilities in preparing young people to meet the demands that will be placed upon them? To be more specific, what else can we do that we are not already doing to prepare them? I have several recommendations to make.

First, we can provide the opportunities that will help our young people to mature properly, and to take their place in society as responsible citizens.

One important opportunity we can strive for is job opportunity; whether it is a money-making type of job, an experience-building type of job, or one that will allow our young people to learn the valuable art of giving some of themselves to their fellow man.

But there is another type of job opportunity that is not being exploited as widely, and I think it is one that might well be pursued for both the needy and the affluent members of our younger generation. I am talking about the opportunity for service, often without pay.

My second recommendation is that we do more as parents and as individuals—things that we can do so much better than an organization can do—to enrich the lives of our young people.

I read the other day about an incident that happened in the life of a famous newspaper columnist. Once, when the columnist was writing an "advice to anglers" column in New York, he got a letter from a boy saying:

"You are always pointing out the good places to fish, and my dad and his friends always go there. Can you tell me a good place for boys to fish? My father never wants me to go along."

Instead of publishing the boy's letter, or answering it in his column, the newspaperman sent the letter to the boy's father. He got back a letter from the boy's dad, saying: "I will be forever grateful to you for opening my eyes. My son and I are now regular fishing companions, and I never had so much fun in my life."

This man learned—in time, fortunately—that it was important for him to give some of himself to his son. There are many other instances, published and unpublished, that point up the virtues of sharing one's knowledge and experience with a youngster.

My third recommendation is that we do everything in our power to upgrade the quality of our schools, and that we encourage our young people to get all the education they can absorb.

Many of us do not feel competent to meddle in such matters as curriculum and school administration, and perhaps this is just as well. But we can and should exercise our citizen's responsibility to insist that our schools be staffed by the very best administrators and teachers, and that our salary structures are designed to attract and reward talented people. In this way we can be sure our schools are riding the leading edge of the changes that affect our society.

My fourth recommendation is that we try sincerely to indoctrinate our young people in the proper virtues of citizenship. Sometimes this calls for us to look into a mirror and ask ourselves what kind of examples we are setting.

Take the matter of racial prejudice as one example. When a baby is born, he is—for all intents and purposes—color blind. He develops prejudices largely on the basis of observing the attitudes of adults around him—in the home and in public.

I think we can do a much better job of example setting. We have learned, and we are proving—as employers—that it makes sense to judge people on the basis of individual merit. Wouldn't it be good for our young people if we were to practice the same philosophy in other ways?

The last point I want to cover is, in a sense, the other side of the coin. I have talked at some length about what we need to do in order to understand our young people, and how we might do a better job of conditioning them for a very demanding future.

I think there are some lessons we could learn from them.

Look at the number of young people who have volunteered for service in the Peace Corps.

Look at the number of college kids who feel so strongly about civil rights that they are demonstrating their feelings.

The big question in my mind is this: Have we of our generation lost sight of some human values that are very apparent to our young people? Have we perhaps stayed too busy or grown too complacent to care?

I believe we have a very strong obligation to prepare our young people for the tasks ahead, and that we have a big responsibility to help them to stand alone. I believe we would do well, in the process, to recharge our batteries with some of the enthusiasm that they feel to stand up for moral issues, and to stand up for the rights and the dignity of our fellow human beings.

The fact still remains that the great bulk of our young people are decent loyal Americans who do not make headlines but who are diligently preparing themselves for tomorrow. With the help of everyone of us, particularly the fathers and mothers, these young people will be adequately prepared to carry on, and will also do the same for their children, to assure the continuity of this great form of government—the greatest that has ever been designed by man, the United States of America.

TRIBUTE TO ASSOCIATE JUSTICE-DESIGNATE ABE FORTAS

Mr. INOUYE. Mr. President, surely the dignity of public service has never been emphasized more strongly by any President than by President Lyndon B. Johnson in his recent governmental appointments. And surely no appointment is worthier of the Nation's applause than the elevation to the Supreme Court of Abe Fortas: distinguished lawyer, courageous advocate, a man of cultivated interests and brilliant talents.

The appointment of Mr. Fortas to the Court has won unanimous praise throughout the Nation.

I should like to add to that praise my own congratulatory sentiments, and I submit for entry into the Record the following editorial from the Louisville Courier of August 7.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Champion of Individual Liberty Moves to the Supreme Court

Some of Abe Fortas' friends are musicians. Among them are some of the most eminent in the world today: the cellist, Pablo Casals; the violinist, Isaac Stern; the pianist, Van Cliburn. Some of Fortas' friends are politicians. One of them—and one of the closest—is the most powerful in the world, the President of the United States, Lyndon B. Johnson.

This wide range of friendships is one measure of the man nominated by President Johnson to take Arthur J. Goldberg's place on the Supreme Court. Fortas obviously is a man of many moods and interest, and this quality speaks well for him.

IMPRESSIVE MEASURES

But there are other measures of the man, and these too are impressive: his long and varied service in the Government, officially in the New Deal days, unofficially later; his extraordinarily successful Washington law practice, and, far from least, work in such precedent-setting legal actions as the *Gideon* case, which resulted in a Supreme Court decision that every defendant must have counsel in every State court, regardless of whether he can pay for the attorney's work. His professional qualifications have been termed "highly acceptable" by the American Bar Association.

What kind of Justice will Fortas be? His public career promises that he will be a champion of individual liberties. As John P. Mackenzie wrote in the Washington Post:

"All signs point to a continuation of the trend that was accelerated after 1962 when Arthur J. Goldberg, who left the bench last week to become Ambassador to the United Nations, replaced the late Felix Frankfurter. The trend has been toward more use of judicial power when deemed necessary to protect individual rights and raise State practices to Federal standards."

Most of President Johnson's appointments, it seems to us, have been of a very high standard. The Fortas appointment, we believe, is one of the best.

IN DEFENSE OF "INSTANT HISTORY"

Mr. McGOVERN. Mr. President, a few years ago J. Donald Adams observed that "nothing, surely, is more alive than a word."

Former Presidential Assistants Arthur Schlesinger and Theodore Sorensen are now verifying Adam's observation with excerpts from their forthcoming books on the late President Kennedy as selected by two magazines.

These two authors, one a Pulitzer Prize-winning Harvard historian and the other John F. Kennedy's chief speech writer and confidant during his years in the Senate and the White House, have set off a flurry of opinions on their propriety and judgment. Some critics have concluded without waiting to read the books that it is a mistake for any Presidential Assistant to set down on paper his observations about one who has left us so recently as John F. Kennedy.

Two contributions to the controversy over the books by Schlesinger and Sorensen that appeal to me are an editorial appearing in the Virginia-Pilot, August 1, 1965, entitled "In Defense of 'Instant' History," and the column by Mr. Max Freedman appearing in the Washington Star, August 8, 1965, entitled "Idealism Spurs Kennedy Authors." I ask unanimous consent that these two commentaries be printed at this point in the Record.

There being no objection, the editorial and article were ordered to be printed in the Record, as follows:

[From the Washington (D.C.) Evening Star, Aug. 9, 1965]

Idealism Spurs Kennedy Authors

(By Max Freedman)

It has become the fashion to sneer at the books now being written about President Kennedy and to mock their authors by attributing mean motives to them. The more judicial minded would have been wise to wait until they had the completed books before them instead of pronouncing a summary and unfair judgment on the basis of a few highly flavored extracts. But perhaps this detached fairness is beyond human nature in dealing with memories as recent or as vivid as those of the Kennedy years.

In all the torrent of talk about these books, almost nothing has been said of the real impulse which led to their composition. These friends and colleagues of President Kennedy are eager to bring their testimony before the Kennedy period is submerged in the larger history of our time. Except for Mrs. John Kennedy and Senator Robert Kennedy, there is no one better qualified to give this personal testimony.

It is impossible, of course, for any cluster of friends to chronicle the Kennedy years with the trenchant eloquence and vivid humor that would have illuminated President Kennedy's own history. That is merely another grievous loss which we have suffered. But at least his friends can do what they can to fill the void, and I for one rejoice that they are trying.

Surely it is unnecessary to add that I can hold this view without agreeing with everything that has been written or with the way it has been set down for our instruction and delight. What baffles me beyond explanation is the consummate arrogance which can presume to scold Ted Sorensen on the duties of public responsibility or solemnly lecture Arthur Schlesinger on the commandments of good taste.

Often in the past we have read the disappointed memoirs of broken officials consulting their malice and their imagination to explain why they no longer are in office. What we are reading now is totally different. These are not ventures in self-esteem or advertisements of a mistaken faith in one's own wisdom. Their purpose rather is to set high in honor the proud name of John Kennedy so that neither the stealthy oblivion brought by time nor the organized jealousies of politics can ever dim its splendor.

As Ted Sorensen has written with such profound insight, the most astonishing quality about President Kennedy was his endless capacity for growth. He was neither a saint nor a monument, but a man, magnificent and many sided, and yet smilingly willing to admit his own faults and limitations.

Unless his ability to learn from mistakes is understood, his greater ability to pluck the mystery from the future will forever remain a puzzle. Sorensen has gone about his task the right way in showing Kennedy moving steadily forward to a standard of excellence which becomes steadily more exacting as he develops his genius for greatness.

Long months before the tragedy at Dallas, Arthur Schlesinger reflected on the hazards and triumphs of contemporary history. He recalled with bitter agreement the famous warning by Sir Walter Raleigh that "whosoever, in writing a modern history, shall follow truth too near the heels, it may haply strike out his teeth." It seemed even then a risk worth taking, for it is one of his majestic endowments as a historian that he never is depressed into solemnity by an accumulation of documents.

His unafraid gaiety and the presence of truth has enabled him to reveal aspects of the Kennedy administration that the hooded prudence of more timid minds would have hidden furtively from public view. He was taught by his years in the White House, as he himself told us in 1963, to mistrust the process by which historians "transformed a disheveled and murky evolution into a tidy and ordered transaction."

Writing out of that conviction, he has remembered the claims of history by giving us the breathless improvisations that are often mistaken for great decisions. The rest of us, or at least large numbers of us, have reasons to be grateful, even though prim and wounded officials may protest.

[From the Virginian-Pilot, Aug. 1, 1965]

In Defense of "Instant History"

Controversy has developed over not only what Arthur M. Schlesinger, Jr., and Theodore Sorenson have to say about the late John F. Kennedy's Presidency, but even over whether they should have anything to say. Excerpts from both books have been appearing in magazines prior to publication later this year.

Representative William B. Widnall, Republican, of New Jersey, recently criticized on the House floor the writing of "instant history" by White House personnel. Mr. Schlesinger has been criticized editorially for his revelation, in Life serialization, that President Kennedy was unhappy with Secretary of State Dean Rusk. It is, to be sure, a criticism which Mr. Rusk is hardly in any position to answer gracefully.

Both books have revived the Bay of Pigs question. The accounts of how Lyndon Johnson was picked for the Vice Presidency in the Schlesinger serialization and in

Theodore H. White's "The Making of the President, 1964" have fanned the flames of old speculation. The appearance of Schlesinger's and White's works, comments the Nation, "is further evidence that the United States has entered its late Roman age, when the citizen views government as popular entertainment and political leaders as glamorous stars with whom he can vicariously taste the intoxication of power. Both books could justifiably be subtitled 'What the Valet Saw,' in the sense that their appeal derives less from their analysis of public affairs than from their revelations of private behavior."

All the dudgeon is misplaced, it seems to us. Neither Mr. Schlesinger nor Mr. Sorensen is tattling, as the ethics imply. (And as they implied of Emmet John Hughes' book critical of the Eisenhower Presidency, "The Ordeal of Power.") Both held positions privy to the confidence and decisionmaking processes of the late President, and their accounts of his White House years are bound to be instructive and significant.

It ought to be remembered, too, that Mr. Schlesinger is a historian by trade, and among the best, who was expected to put his experiences in the White House on paper. (The assassination deprived the Nation of the other Pulitzer Prizewinning historian in the White House, who doubtless would have written his own history had he lived.) Likewise Mr. Sorensen is able to add to the knowledge of the Kennedy years and has the talent to discharge his obligations to the record. Both books will be contributions to history of an on-the-spot sort we have had only rarely. If the accounts are occasionally painful, that is history's way.

NEW JERSEY DIPLOMAT COVERS "KIPLING COUNTRY" BY JEEP AND HORSE

Mr. WILLIAMS of New Jersey. Mr. President, David A. Macuk, a resident of my own State of New Jersey, has recently returned from his tour of duty as a foreign service officer in Pakistan. While serving at that post he traveled extensively in "Kipling's Country." Traveling by jeep and horse, Mr. Macuk observed some of the most inspiring country in the world.

Macuk is to be congratulated for his dedication to our country. The accomplishments of this man have done much to foster good will between our Nation and Pakistan. It is heartening to know that we have such capable men representing us in the foreign service. I hope that the experiences of Mr. Macuk will serve as an inspiration for other men to actively work for our country in this vital field of foreign affairs.

I therefore ask unanimous consent that the report of Mr. Macuk's tour of duty be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

NEW JERSEY DIPLOMAT COVERS "KIPLING COUNTRY" BY JEEP AND HORSE

The rugged mountain country of northwest Pakistan—the locale of many of Rudyard Kipling's stories— provided some exciting adventures for U.S. Foreign Service Officer David A. Macuk, who traveled by jeep and horse on consular field trips in the area.

Mr. Macuk, 33, a New Jersey resident, was interviewed here after returning from a 4-year tour of duty in Pakistan. He served both in the American Embassy in Karachi and the U.S. consulate in Peshawar.

The Peshawar consular district stretches along the Pakistan-Afghanistan border from the desert city of Loralai in the south to the mountains of Chitral in the north. "This is the former Northwest Frontier Province of British India, the gateway to south Asia. It has been a traditional invasion route ever since the Aryan migrations into India," Mr. Macuk notes.

"The mountainous border area of west Pakistan is incredibly rugged and the tribal structure of its society fascinating. I knew enough of the Urdu language to communicate with the tribesmen in most cases, but when they spoke various dialects of the local Pushtu language, they left me far behind," he says.

Traveling mostly by jeep, Mr. Macuk sometimes had an armed escort of government frontier scouts. "These scout units are steeped in history. One of them, the Khyber Rifles, is a reminder of the days when a British military post guarded the famous Khyber Pass."

Mr. Macuk's most hair-raising reporting trip was made on horseback over tortuous mountain paths. "My only previous experience on 'horseback' had been an occasional pony ride when I was a kid," he recalls. "The horse provided for me insisted on walking on the outside edge of the narrow path instead of hugging the mountainside. This gave me a wonderful view of the gorge below but some scary moments."

On another occasion, he visited the area near the highest mountain peak in his consular district—over 25,000 feet high. In a neighboring village he found people living in stone houses only 5 feet high. "These people were extremely hospitable, and pleased that a foreigner had taken the interest to come and see them."

On one field trip, the American diplomat visited the valleys of Kafiristan, inhabited by a fair-skinned, pagan tribe, known as Kafirs. "No one really knows their origin," he relates. "Among the various theories advanced is that they are descended from soldiers in the army of Alexander the Great."

Mr. Macuk had a highly gratifying experience in the valley of Parachinar near the Pakistan-Afghanistan border. There a farmer proudly displayed American varieties of cucumbers and cabbages, which he had raised from seeds obtained in the United States.

"This man," Mr. Macuk recounts, "visited America under a farmer exchange program. He traveled widely in this country for several months, learning about America. Because of the warm reception he received here, he has a deep affection for the United States."

Mr. Macuk's family accompanied him on the trip to Parachinar. "My wife was invited into the women's quarters and was warmly welcomed by the ladies of the household," he adds.

Prior to his assignment in Peshawar, where he was consul and political officer, Mr. Macuk served in the Economic Section of the Embassy in Karachi as an economic officer—acting primarily as Assistant Commercial Attaché.

"My main responsibility while stationed in Karachi was to explore, and report on, opportunities for American businessmen in Pakistan," he states. "This required traveling to various cities, contacting local businessmen, and members of the chamber of commerce to assess business conditions."

Mr. Macuk is presently assigned to the Office of South Asian Affairs in the Department of State as the economic desk officer for Pakistan.

RAINBOW BRIDGE IN UTAH

Mr. MOSS. Mr. President, during the last 2 years, when the Colorado River has been backed up behind Glen Canyon Dam, many spectacular changes have been noted in the beautiful, historic Glen Canyon region.

With a near-record runoff being experienced this year, Lake Powell is rising rapidly.

New vistas of scenic beauty are now being made available to thousands of visitors to this rugged country. One of the true marvels of wind and water erosion is the famous Rainbow Bridge. Before Lake Powell began filling, this massive stone arch was accessible only to the strong hiker or rider.

Now, a short boat ride to a landing just over a mile from Rainbow Bridge leaves an easy hike to this natural wonder.

Mr. President, so that many more American tourists might be made aware of the new nearness of Rainbow Bridge, I ask unanimous consent that an article from the San Diego Union edition of July 25, 1965, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW NEARNESS OF RAINBOW BRIDGE

(By Don Dedera)

RAINBOW BRIDGE, UTAH.—Membership in one of the world's most exclusive travel clubs has been thrown wide open.

Rainbow Bridge, crown jewel of the Colorado, is now within reach of anybody who can sit for a few hours in a boat and hike a bit more than a mile along a well-graded trail.

It wasn't always so. Because of the formidable fastness of the Colorado River country along the Arizona-Utah border, Rainbow Bridge was not viewed by white man until 1909, by Cummings and Wetherill.

Art Greene, then a young cowboy, was among the first dozen who followed in 1910. He had to ride a good horse a hard day through 20 miles of the wildest land remaining in the United States. Not only did those early visitors brave the dangers of an unmapped region, but they also were the unwanted trespassers upon the most holy ground of the Navajo.

Since that first visit, Greene has returned to Rainbow more than 100 times, in every possible way: by air, afoot, on horseback, and by the routes he pioneered over water. The choices were all tough.

Even though Rainbow Bridge National Monument was established in 1913, fewer than 3,000 persons had signed the guestbook by the mid-1920's. The Kolbs, the Goldwaters, the Muenches, Zane Grey, nimble college kids, the Sierra Club, advanced Boy Scouts—these were the sound of wind and limb who claimed Rainbow for their own.

The hike and horse ride were never shorter than 14 wearing miles. By boat, the trips were at best unforgettable adventures, and at worst, fatal tragedies. Seldom a year passed without a death in Glen Canyon. Greene never lost a customer while running the river, but he never collected his guide fee in advance.

From Greene's base camp at Marble Canyon, it was a 400-mile roundabout portage to Hite, Utah, where boats could be floated on the Colorado. Then it was a hundred miles of treacherous river and 11 frothing rapids to the side canyon leading to Rainbow. The hike from the river was 7 miles through boulder-strewn narrows.

Greene charted a daring upriver route from Lee's Ferry in the 1940's and 1950's. He tried all manner of power, both inboard and outboard, and finally subdued the Colorado current and hidden boulders with a water-bug boat pushed by a 400-horsepower radial airplane engine.

Governors and Cabinet officers and movie stars were Greene's guests then. But still, as late as 1960, the number of visitors to Rainbow, since its discovery, totaled no more than 10,000.

Then the great change came to the Glen Canyon country. The diversion tunnels of Glen Canyon Dam were closed, and placid lake water began to back up, covering the rapids and whirlpools. No longer did the chocolate Colorado madly race to the sea; no more did those gambling inland vikings, the river rats, cast their fragile craft on the angry waters.

Today, Greene's cruisers keep a city-bus schedule in the 60-mile run from Wahweap marina, near Page, Ariz., to Rainbow. Recently Greene guided the largest group, 63 members of a Phoenix travel club, to Rainbow. The senior tourist was 83 years old, and many were in their sixties and seventies. Three of them walked with canes.

No amount of reading, no viewing of photographs, can prepare the senses for Rainbow Bridge. Sight of that slice of stone hanging over blue sky jangles the optic nerve, stirs the heart muscle, and accelerates the breathing machine.

Imagine a football field. One leg of Rainbow would rest on a goalpost, and the other leg would reach to the other goalpost. The arch would rise 309 feet above midfield. Now imagine that lofty sandstone arch set in a landscape of complementary stone draperies and flattering plant growth. That is Rainbow, and some tourists have been drawn back to it scores of times.

Such is the new nearness of Rainbow. In the first 50 years, visitors were no more than 10,000. Now there are 10,000 visitors each month.

TRIBUTE TO AMBASSADOR GOLDBERG

Mr. INOUYE. Mr. President, one of the most striking facts of the Johnson administration to date is that the President has consistently appointed to high office men of impressive professional qualifications.

This fact has been made doubly clear in recent days in the appointment of Justice Arthur Goldberg as U.S. Ambassador to the United Nations.

Among the tributes paid to this splendid American, one in particular has impressed me. I should like to enter in the RECORD this column from the New York Times of August 8: "Goldberg: The Militant Dove," by James Reston.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON: GOLDBERG, THE MILITANT DOVE

(By James Reston)

WASHINGTON, August 7.—It is already clear that Ambassador Arthur Goldberg is going to be a powerful force in the formation of American foreign policy, probably more so than Adlai Stevenson under President Johnson or Henry Cabot Lodge under Eisenhower.

Mr. Goldberg did not resign from the Supreme Court of the United States in order to provoke the U.N. with cold war speeches written by other men in Washington. He is a militant peacemaker, and while he will carry out the policy of his Government, he will be in on the making of it, or he'll be out in a hurry.

Like Goldberg, Stevenson and Lodge had the personal assurance of the President that they would be consulted on all foreign policy questions, but John Foster Dulles ignored Lodge when it suited him, and Presidents Kennedy and Johnson treated Stevenson with polite indifference or worse.

THE ACTIVIST

Arthur Goldberg, however, will not be banished to the opulent misery of his embassy in the Waldorf Towers so easily. He is not the kind of man you would hand your hat to by mistake. President Johnson has invited him to speak up, and neither shyness nor lack of words has ever caused him to refuse such invitations in the past.

BACK AT THE RANCH

He was at the ranch with the President last weekend. He has already had a long talk with U Thant, the Secretary General of the U.N., on the financial crisis of that organization. He has been a lively new figure at the State Department ever since his appointment, and he had lunch today with Ambassador Averell Harriman to get a report on Harriman's most interesting findings on the Soviet Union's ideas of a wide nuclear control agreement and expanded trade.

The importance of the Goldberg appointment is not so much what he is likely to do at the U.N. in New York as what he is likely to do within the private councils of the Government in Washington. He will be influential here, not because he is diplomatic but because he isn't.

This is highly important in the present struggle within the Johnson administration between those who would go faster in risking a bigger war in Vietnam, and those who would keep the level of violence about where it is. The hawks not only outnumber the doves by a very wide margin in Johnson's inner circle, but they outtalk them. Goldberg's importance is that he is a pugnacious dove, who is now likely to join the very few in Johnson's upper inner circle, who believe more can now be done by imaginative and persistent diplomatic explorations than by increased military violence.

DECISIONS ON VIETNAM

It has been widely assumed that the military are dominating President Johnson's decisions on Vietnam, but nothing could be further from the truth. In the recent searching debate about how much to increase the American commitment on the ground, he sided with a very small minority against a very large majority of his top advisers, who wanted him to do more, and this majority included not only the Joint Chiefs of Staff and the Secretary of Defense, but the Secretary of State as well.

The moderates, then, whether they are right or wrong, undoubtedly have a new and powerful supporter in Goldberg. He may not prevail in this continuing debate, but he will resign, as he offered to do as Secretary of Labor when President Kennedy was hesitating to take on Roger Blough, of United States Steel, during the steel price crisis of 1962.

ARTICULATE NEGOTIATOR

At the U.N., too, nobody will be left in doubt about where he stands. He is articulate, and while he may not succeed in converting the Arabs to Zionism, his long experience as a labor negotiator in finding and fighting through compromises is bound to be an influence.

But it is in Washington where the real significance of this appointment lies. Goldberg will not only be the U.S. Ambassador to the U.N., but, on the side, the Ambassador of the U.N. and the peacemakers in general to the United States. And unlike every other foreign policy adviser to the President, he has powerful political forces behind him in the country.

ADDRESS BY SENATOR KENNEDY OF NEW YORK AT THE BUFFALO SESSION OF THE WATER POLLUTION CONFERENCE FOR LAKE ERIE

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the following speech on problems of water pollution in Lake Erie given by Senator ROBERT F. KENNEDY, of New York, at the Federal Water Pollution Conference in Buffalo, N.Y., be printed in the RECORD.

Senator KENNEDY's statement to the Conference stressed the need for effective cooperation between Federal and State Governments in eliminating pollution in Lake Erie. Pointing to the need for prompt action by New York to meet this critical problem, Senator KENNEDY suggests a number of steps that should be taken at this time. I want to compliment Senator KENNEDY for his continued interest in this important area.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ROBERT F. KENNEDY TO BUFFALO SESSION OF WATER POLLUTION CONFERENCE FOR LAKE ERIE, AUGUST 10, 1965

Mr. Chairman, I would like to welcome you and the other conferees to the Buffalo session of this Water Pollution Conference for Lake Erie. I know that the people of New York State and the Buffalo metropolitan area are pleased to see this conference convene in Buffalo.

Both Congressman RICHARD D. MCCARTHY and I appreciate the response of Secretary Celebrezze, to our request this spring for a Federal water pollution conference for Lake Erie. In light of the many water pollution hearings that the U.S. Public Health Service has been called upon to hold this year, I think we are fortunate to have Chairman Stein and his associates hold this hearing.

I know that everyone in this room is aware of the urgency of today's hearing. The continuing contamination of Lake Erie is evident to anyone who is familiar with water pollution problems.

I am not sure, however, that the more than 1 million citizens living in the Buffalo area and along the shores of Lake Erie in New York State are fully aware of the need for this Conference.

POLLUTION OF LAKE ERIE

The need for the Conference is found in the danger of pollution to Lake Erie. Perhaps the value of Lake Erie to its users can best be illustrated by the story about the Oriental sage who was pulling up a bucket from a well. Full of gold, it came into his hand. The sage dumped out the gold and dipped his bucket a second time. Full of silver, it reappeared. "Lord," he protested, "I'm thirsty." Emptying out the silver, he dipped his bucket a third time. Filled with fresh water it rose, and he drank.

Water is in danger of becoming as precious to us as it was to the sage.

Lake Erie is in danger of becoming polluted to the point where cities can no longer draw drinking water from the tremendous reservoir, where commerce on its shore is endangered, where the growth of algae and other aquatic plants threatens those who wish to enjoy the lake for boating, swimming or just the magnificent scenery.

The Public Health Service has said in its report dated July 1965: "Lake Erie and its tributaries are polluted. The main body of the lake had deteriorated in quality at a rate many times greater than its normal aging processes, due to * * * pollution resulting from the activities of man."

If this pollution worsens, the 835,000 people in New York State and the 2,442,000 people in other States who draw their drinking water directly from Lake Erie will have to turn to other sources for their water supplies. They may be faced with a report on Lake Erie from the New York State Department of Health stating that the lake is not suitable from a sanitary point of view as a permanent source of public water and should only be used as a source of water during grave water shortages.

If this sounds unlikely, I might point out that the Department of Health issued a report of this nature for the Hudson River in 1950. As a result, the citizens of New York City who use about a billion and a quarter gallons of water every day do not draw any water from the 20-billion gallons of fresh water that the Hudson pours into the Atlantic Ocean every day.

The industries in the five States that currently use 4.7 billion gallons of Lake Erie's water daily will be forced to look elsewhere for water. If Lake Erie becomes clogged with algae and the pollution level rises, New York State industry, using 1.6 billion gallons a day for power generation and 350 million gallons a day for cooling or other processes, would be severely crippled. The costs of removing pollution after the fact are much higher than those of preventing a source of water from becoming polluted in the first place.

The residents of New York State along Lake Erie have been particularly fortunate in recent years because they have not been plagued by drought. By contrast, people living in the Mohawk and Hudson River Valleys and other areas of New York State this summer are suffering from the worst drought in almost 100 years. Rural residents in many counties are buying drinking water at costs of 15 cents a gallon and more. A number of communities are already taking emergency measures to obtain additional water. New York City may run out of water in January or February of the coming year if the current drought lasts.

One of the relief measures being considered for New York City involves piping water from Lake Ontario into the Mohawk River to supplement the flow of the Hudson. If Lake Erie and Lake Ontario become too polluted, where will we turn for additional water?

CONTROL PROGRAM FOR NEW YORK STATE

The New York State Legislature has passed during this last session a program which can make some difference, particularly in relation to municipal sewage. Under this program New York State will provide one-third of the funds required by municipalities to construct sewage treatment plants. The Federal Government is being asked to provide the next third, and local communities will be required to contribute the remaining 40 percent.

The voters of New York State are being asked to approve the first part of this program in a referendum item that will be on the ballot this November. I hope the voters will approve the proposed bond issue.

In legislation shortly to be enacted in Congress, the Federal part of this program is being completed. Project size limitations that have hindered use of Federal funds for construction of municipal sewage plants are being increased to assist communities in meeting their sewage treatment plant needs. In addition to the increases in project size limitations, $50 million is being added to the funds already authorized, and there are no project size restrictions on this sum.

Thus as a result of the efforts of Congressman McCarthy, in particular, and many others, a total of $150 million in Federal funds is expected to be available this year. New York State will be able to qualify for a major share of these sums.

There are, however, other immediate local, State, and Federal steps that can and must be taken now if we are to have any success in combating water pollution over the long run.

LOCAL AND STATE POLLUTION CONTROL

We need more political innovation at the State and local levels, particularly in relation to industrial pollution. Of course, no town or State government likes to tell an industry that they must eliminate their pollution. The economics of plant investment often lead a firm to reply that it will relocate its plant in another State if local pollution controls are enforced. Because there are major differences in State regulations and enforcement of pollution laws, industry can play one municipality or State off against another.

INTERSTATE WATER QUALITY STANDARDS

One of the barriers to effective local and State enforcement is the fact that communities using water from bodies of water crossing State boundaries are currently faced with different pollution standards on each side of a State line. A community cannot reasonably be asked to treat its wastes if the next community does not. If New York and Pennsylvania, or Massachusetts and Rhode Island, or any two or more States are to effectively reduce pollution, common pollution standards and enforcement for the communities sharing a waterway must be established on both sides of their common borders.

Control of pollution in Lake Erie is a good example of this problem. Michigan, Indiana, Ohio, Pennsylvania, and New York as well as Canada are each individually responsible for the control of pollution flowing into Lake Erie. It has been shown clearly that pollution from each of the States affects the quality of water used by the other States and Canada. Yet there is no common standard of pollution control between the States and Canada. Communities and industry along the lake are being asked to take steps to clean up pollution with no assurance that other locations will be required to do the same thing. Unless common standards are applied, it is difficult to require action from communities and industry.

Yet New York, Massachusetts, Vermont, Maine, and many other States opposed the establishment of Federal interstate water quality standards recommended in the water pollution legislation brought before the Congress this session.

The water quality standards passed by the Senate this year but rejected by the House should be adopted by Congress. I have urged the House conferees to join the Senate in adopting these interstate water quality standards. They are a critical underpinning for State and local antipollution efforts.

LICENSING OF POLLUTION SOURCES AND OTHER FEDERAL POLLUTION CONTROL

We must go beyond the establishment of standards that apply only to interstate waters, and establish and enforce quality standards for all waterways.

I do not believe that continued Federal aid to fight the contamination of water will be available until the States are willing to enforce pollution regulations. There would be no sense in spending large amounts of money to remove municipal pollution in one area only to have a river or stream polluted by the neighboring community, industry, or State.

There are a number of ways in which better pollution control can be exercised.

In Germany and England, for example, which are countries that have already faced the water shortage that we are now experiencing; each source of pollution is licensed by the appropriate river or water basin commission so that there is full knowledge of the pollution that is going into the waterway. And certain kinds of pollution are prohibited.

We could well do the same in the United States. We might, for instance, have a federally established licensing or permit system, with enforcement generally to be accomplished by States and municipalities. The control agency could be given a right of entry and inspection for all licensed sources of pollution. Such a system of licensing would insure that competing firms with pollution problems would be treated alike.

Another source of control might be a user fee applied to each source of pollution on the basis of the cost to the government of removing the pollutants that are discharged. Since collective treatment of waste is less costly, this user fee might cost the polluter less than installing his own purification unit would cost.

ECONOMIC INCENTIVES

I also believe that Federal economic assistance to industry in meeting new pollution standards can be provided through rapid Federal tax write-offs of the cost of acquiring and installing adequate pollution control equipment. Assistance of this type could be useful if coupled with a broad attack on water pollution.

THE LAKE ERIE CONFERENCE

Turning specifically to the current conference:

In the first session of the Water Pollution Conference for Lake Erie held in Cleveland, a number of recommendations were discussed by the conferees and, in most cases, agreed to by the conferees from Michigan, Indiana, and Ohio. We do not know whether New York State or Pennsylvania agreed to these recommendations.

I think that the potential results of this conference are important enough to the 11.2 million people living on the shores of Lake Erie to warrant the participation of New York State. I hope that New York State will now endorse the recommendations of the conference so that the five States and Canada can move ahead with a program to eliminate pollution in Lake Erie.

1. Secondary sewage treatment: Of particular importance are the recommendations that the communities along the lake provide at least secondary treatment of their municipal wastes. New York State has at least 50,000 people who discharge waste into Lake Erie with no treatment at all. It has an additional 1,160,779 residents whose sewage receives only primary treatment before being discharged into the lake. Only 285,000 residents are serviced by secondary sewage treatment plants, a necessity for all municipal waste if we are to prevent the contamination of the lake.

2. Interception of storm and sanitary sewage runoff: Of great importance in the Buffalo area is the need for interception and treatment plants to handle the municipal sewage that normally is washed out into the lake during rainstorms.

3. Pollution information: Perhaps the most important recommendation from the standpoint of industrial pollution is the recommendation that specific pollution information from industry and municipalities be reported and maintained in open files by the State agencies controlling pollution.

This information has not been available in the past. In a major step taken in Cleveland last week, a number of industry representatives agreed to make this information available. State representatives from Indiana, Michigan, and Ohio also agreed to the recommendation that this information be collected and made available in open files. I would think that industry and government in New York State would want to fully endorse this principle.

At the present time, a section of New York State penal code passed last year is used to prevent State government from releasing specific information to either the public or Federal agencies. I find it incredible that the basic pollution information telling us about the nature of our industrial pollution is not available to either the Federal Government or the public.

The U.S. Public Health Service spent over $1 million in making a detailed study of pollution in the Detroit River waters of Lake Erie because the specific information on pollution was not available. I would hope that a similar study would not be required for the Buffalo-Niagara area. Yet if the basic pollution information is not made available, I would urge that a study of this type be conducted.

4. Schedule for pollution control: The Federal conferee in Cleveland also recommended a schedule for the elimination of pollution. State representatives should either endorse this schedule or set a date at which a more acceptable schedule can be agreed to.

5. Dredging: I also urge the State conferees to agree to the recommendation that the Corps of Engineers work out a plan by which material dredged from Lake Erie and its tributaries, such as the Buffalo River, be disposed of in a manner which will protect the quality of Lake Erie's water.

CONCLUSION

The control of water pollution is a complex subject of critical importance to New York State and the rest of the Nation. The question is not so much whether we will have water, but what price we pay for water. New York State and the other States on the Great Lakes have been magnificently endowed with clear fresh water. It is up to us to keep from fouling it to the point where it cannot be used without expensive treatment. To do this we must act now.

New York State has been a leader in many areas, in education, in industrial development, and in transportation for example. Yet when foreign visitors ask where they can see effective water pollution control, they are sent to Indiana or Michigan and not New York State. New York State can be a leader in this critical area. I urge that we take the steps to gain this leadership.

U.S. PRIME ASSET: EXCELLENCE OF RUSK, McNAMARA

Mr. PROXMIRE. Mr. President, this Nation is blessed with competent and articulate leadership in the State Department and the Defense Department. Critics may disagree strongly with our policy in Vietnam, but, Mr. President, anyone—critic or supporter—who heard Secretaries Rusk and McNamara defend it in an hour-long interview on the Columbia Broadcasting System Monday night must have been impressed by the intelligence, the logic, the understanding with which Rusk and McNamara defended our Vietnam policies.

Unfortunately, television—despite its unrivaled impact on millions of people—is highly perishable. Rusk and McNamara spoke out in words that must have persuaded many an American, but the words vanish on the wind. This is why I feel that the transcript of that broadcast should be printed in full in the RECORD.

Mr. President, to give the Senate a little of the flavor of this broadcast let me quote from Secretary Rusk's reply to CBS Correspondent Reasoner's question of how American honor is involved in our action in South Vietnam. This is Rusk's reply, in part:

> We have a very simple commitment to South Vietnam. It derives out of a southeast Asia treaty, out of the bilateral arrangements that President Eisenhower made with the Government of South Vietnam, out of regular authorization and appropriations of the Congress in giving aid to South Vietnam, out of the resolution of the Congress of last August, out of the most formal declarations of three Presidents and both political parties. Now there's no need to parse these commitments in great detail. The fact is that we know we have a commitment. The South Vietnamese know we have a commitment. The Communist world knows we have a commitment. The rest of the world knows it. Now this means that the integrity of the American commitment is at the heart of this problem. I believe that the integrity of the American commitment is the principal structure of peace throughout the world.

Let me repeat that last sentence. Said Rusk:

> I believe that the integrity of the American commitment is the principal structure of peace throughout the world.

Can we doubt that statement by our Secretary of State—and if we grant it, here is a very big part of our answer to what we must do in South Vietnam.

Secretary Rusk continued:

> We have 42 allies. Those alliances were approved by overwhelming votes of our Senate. We didn't go into those alliances through some sense of amiability, or through some philanthropic attitude toward other nations. We went into it because we considered these alliances utterly essential for the security of our own Nation. Now if our allies, or more particularly, if our adversaries should discover that the American commitment is not worth anything, then the world would face dangers of which we have not yet dreamed, and so it is important for us to make good on that American commitment to South Vietnam.

Mr. President, any fair-minded Member of Congress or any other American citizen who will read this transcript with an open mind must come to the conclusion that this administration's policy in South Vietnam is based on logic and intelligence and that it is overwhelmingly motivated by the desire to secure peace, but a peace that can be stable and enduring, a peace that will permit freedom to persist and grow.

As I said earlier, any reader must be encouraged by the excellent caliber of these top officials of our Government—the men who most closely advise the President of the United States on the crucial problems of war and peace.

I ask unanimous consent that the transcript of the CBS News special report entitled "Vietnam Perspective: 'The Decisions' " be printed in the RECORD at this point.

There being no objection, the text of the broadcast was ordered to be printed in the RECORD, as follows:

[From a CBS News special report]

VIETNAM PERSPECTIVE: "THE DECISIONS"

(Part I of four parts, as broadcast over the CBS television network, August 9, 1965)

Participants: Secretary of State Dean Rusk; Secretary of Defense Robert S. McNamara.

Reporters: CBS News Correspondent Peter Kalischer; CBS News Correspondent Alexander Kendrick, and CBS News Correspondent Harry Reasoner.

Mr. REASONER. Good evening. Across the table from me are the two decisionmakers who sit on the right and left of the President of the United States. This is Secretary of State Dean Rusk, who with the President formulates the foreign policy decisions. This is Secretary of Defense Robert McNamara, who with the President formulates the military decisions. Two of my colleagues and I have joined them in the John Quincy Adams Room of the Department of State: Alexander Kendrick, now stationed in Washington, who covered Europe and the Soviet Union for many years, and Peter Kalischer, who has covered the war in Vietnam a long time, maybe longer than any other correspondent. In the past year CBS News has broadcast a half dozen special reports on Vietnam, with foreign dignitaries, professors, hawks and doves and now we are presenting the decisionmakers. I would like to begin by asking both Secretaries two basic questions. First, how is our honor involved in Vietnam and second, how is our security involved in those rice paddies and remote villages and, since sometimes in international relations, security comes before honor, I will ask Mr. McNamara to answer first.

Mr. McNAMARA. First, let me make it clear, Mr. Reasoner, that this is not primarily a military problem. Above all else, I want to emphasize that. It is a battle for the hearts and minds of the people of South Vietnam and will only be won if we make clear to those people that their longrun security depends on the development of a stable political institution and an expanding economy. That is our objective. As a prerequisite to that, we must be able to guarantee their physical security. How does our physical security, our national interest become involved in this? That is your question. Secretary Rusk will elaborate on it, but let me say to start with, that it is apparent that underlying the terror, the harassment of the South Vietnamese by the Vietcong is the purpose and the objective of North Vietnam backed by Communist China to expand Communist control over the peoples of the independent nations of southeast Asia and to use this as a test of their method of expanding control over independent peoples throughout the world, in the underdeveloped areas of Asia, Africa, and Latin America. The leaders of those two nations have, on numerous instances, stated this as their purpose. For example, General Giap, who is the head of the North Vietnamese military forces, said not long ago that South Vietnam is the model of the national liberation movement of our time. If the special warfare that the United States is testing in South Vietnam is overcome, then it can be defeated anywhere in the world.

And perhaps more pertinently in relation to Latin America is the comment of Pham Van Dong, who is the Prime Minister of North Vietnam, who said recently, "The experience of our compatriots in South Vietnam attracts the attention of the world, especially the peoples of Latin America." And the interest of the Chinese Communists in advancing Asian communism by force are well known, but I want to call your attention to two important statements emphasizing that. The Peiping People's Daily said about 12 months ago, from Peiping, China, "It's advantageous from the point of view of tactics to refer to the desire for peaceful transition of capitalism to communism, but it would be inappropriate to emphasize that possibility. The Communist Party must never entertain the illusion that the transition to communism can be achieved through the parliamentary road. Violent revolution is the universal law of proletarian revolution. To realize the transition to communism, the proletariat must wage armed struggle." And to put it even more succinctly, Mao Tse-tung said recently, "Political power grows out of the barrel of a gun." That's why our national security is involved in South Vietnam.

Mr. Reasoner. And the honor, Secretary Rusk?

Mr. Rusk. Mr. Reasoner, the answer to this question is extremely simple and need not be complicated. When President Johnson talks about our national honor, he is not using some empty phrase of 18th-century diplomacy. He is talking about the life and death of the Nation. Now the essential fact from which we start is that North Vietnam has sent tens of thousands of men and large quantities of arms into South Vietnam to take over that country by force. We have a very simple commitment to South Vietnam. It derives out of a southeast Asia treaty, out of the bilateral arrangements that President Eisenhower made with the Government of South Vietnam, out of regular authorizations and appropriations of the Congress in giving aid to South Vietnam, out of the resolution of the Congress of last August, out of the most formal declarations of three Presidents and both political parties.

Now, there's no need to parse these commitments in great detail. The fact is that we know we have a commitment. The South Vietnamese know we have a commitment. The Communist world knows we have a commitment. The rest of the world knows it. Now this means that the integrity of the American commitment is at the heart of this problem. I believe that the integrity of the American commitment is the principal structure of peace throughout the world. We have 42 allies. Those alliances were approved by overwhelming votes of our Senate. We didn't go into those alliances through some sense of amiability, or through some philanthropic attitude toward other nations. We went into it because we considered these alliances utterly essential for the security of our own Nation. Now if our allies, or more particularly, if our adversaries should discover that the American commitment is not worth anything, then the world would face dangers of which we have not yet dreamed, and so it is important for us to make good on that American commitment to South Vietnam.

Mr. Kendrick. But sir, don't you have to reckon honor at its cost? I mean, it's not an abstract thing. It has to be evaluated and weighed according to what it cost you and what about dishonor? What about the world image that we now present? We're burning villages. We're killing civilians. Now, don't you weigh one against the other?

Mr. Rusk. Well, let me say that you also weigh the cost of dishonor, that is, the failure of an American commitment and I would hope that our own American news media would go to some effort to present a balanced picture of what is going on in South Vietnam. There are thousands of local officials who have been assassinated or kidnapped. There are tens of thousands of South Vietnamese civilians who have been killed or wounded by South Vietnamese—by North Vietnamese mortars and by the constant depredations of these acts of violence against the civilian population. No, there are costs involved in meeting your commitments of honor. There always have been. There always will be, but I would suggest if we look at the history of the last 30 or 40 years, that the costs of not meeting your obligations are far greater than those of meeting your obligations.

Mr. Reasoner. Well, having—having set the stage, more or less, with your opening statements, I'd like to start off first in the area of what we hope to achieve there this year and how we're doing militarily and politically. Peter?

Mr. Kalischer. Well, I would like to bring up the subject of who we're committed to. You mentioned the fact, Mr. Secretary, that we have a commitment to the Vietnamese Government. That government has changed some 7 or 8 times in the last 18 to 20 months and when we say we have this commitment to this government, we are reasonably assured that this government represents the people of South Vietnam, or even a large number of the people of South Vietnam?

Mr. Rusk. Well, we recognize, of course, that there are difficulties in the top leadership of South Vietnam and have been over the months but that does not mean that our commitment to the nation and to the people of South Vietnam has changed, any more than the fact that we've had three changes of government in our own Government during the period of this commitment.

Mr. Kalischer. It's slightly different.

Mr. Rusk. The impression we have is that among the 14 million people of South Vietnam, we do not find any significant group outside of the Vietcong itself, relatively limited in numbers, that seems to be looking to Hanoi for the answer. The Buddhists are not; the Catholics are not. The other sects are not. The Montagnards are not. The million Cambodians living in South Vietnam are not. In other words, we—I think—would know very quickly, because we have lots of Americans living throughout the countryside; we would know very quickly if these people of South Vietnam wanted the program of the liberation front, or wanted domination from Hanoi. That we do not find. Now there have been some problems in the government in Saigon as you know, and we and the leaders in South Vietnam have tried to work very closely together to try to resolve those problems, but that is quite separate from the problem of whether Hanoi should be permitted to come in by force and impose a solution on the people of South Vietnam by force. If these people in South Vietnam were left alone in peace, these problems that you're concerned about and we're concerned about, could be worked out by normal, peaceful means.

Mr. Kalischer. By Department of Defense statistics sir, I think we now estimate there are 190,000 to 200,000 Vietcong with a commensurate influx of North Vietnamese and only three battalions have been directly identified as being North Vietnamese Army battalions. Against this, in Vietnam, we have now, with the American commitment of about 100,000 and 545,000 Vietnamese, more troops fighting the Vietcong than the French had and their Vietnamese auxiliaries fighting the Vietminh and we control only a little less than half of the territory and about one-third of the rural population. Would you say then that this policy that we have been following was notable for its success?

Mr. Rusk. Well, I will ask Secretary McNamara to comment on the military aspects of what you were saying. We do not find that the people in the countryside in South Vietnam look to the liberation front or to Hanoi for leadership. These are villagers who are trying to get on with the day's work. We find that there is no difficulty about their cooperation with the Government or with us in those areas where they can cooperate without having their throats cut by terrorists the following night. Now the villagers there are like villagers everywhere else. They're not perhaps highly motivated politically in any particular direction, but we are quite convinced that they are not reaching out to the liberation front of Hanoi for their answers. Now on the question—Secretary McNamara can comment on the military aspect.

Mr. McNamara. Well, first, has our policy been successful? I think you have to look at this over a period of years. I would say the answer is "Yes." For 10 years, since the nation was born, or reborn, after the Geneva accords of 1954, it has maintained its independence. It is not dominated—dominated by the Communists and for much of that period prior to the recent expansion of the terror reign directed against it by the guerrillas, it did increase its strength, economically and politically. As you undoubtedly know, between 1954 and 1961, when the terror raids began to increase in number and frequency, the number of teachers in that country increased threefold. The number of students in schools increased 300 percent. The rice production nearly doubled and by the way, that happened at a time when the rice production per capita in North Vietnam was declining. The income per capita is 50 percent more than it is in North Vietnam.

So I'd say much progress has been made, continues to be made. Last year, the Communist guerrillas killed or kidnaped about 1,500 civic officials. Now when you recognize that the population under the control of the Government is less than a 20th of that in this country, you should multiply those figures by 20 to get an impression of what that would mean in this country. It would mean that we would have lost last year, 30,000 mayors, members of boards of education, city managers, and yet despite that tremendous loss and despite a loss of about 10,000 civilians kidnaped, murdered, assassinated, the people are continuing to fight, continuing to resist. They're absorbing fatalities today at a rate greater than we've ever absorbed in our history, twice that of World War I, twice that of World War II, 10 or 15 times that of the Korean war, showing that they are fighting. They do have a will to resist. They are opposed to Communist domination. I think this is the best measure I can give you of the success that follows.

Mr. Kalischer. Well, would you say, sir, that if they were resisting that their defection rate, or their desertion rate should drop appreciably? I understand now that they're 4,000 to 5,000 a month and that recruitment barely keeps up with it.

Mr. McNamara. Recruitment is in excess of desertions, but I don't want to fail to recognize that desertions are at a rate higher than we would like to see, higher than the South Vietnamese Government believes satisfactory and they have acted recently to—to increase the pay, to take care of the families and dependents of men wounded and killed in battle and I understand the desertion rate is falling. It has been higher than we would have liked to have seen, however, but the fact that they can continue to recruit, the fact that they continue to fight and die for their country in the numbers that they do, I think indicates their will to resist, and also I should mention that the desertions are not to the Vietcong. The desertions are back to their home to take care of their ricefields and also on that same point, I should emphasize that the defections from the Vietcong are rising, and further that there have been no desertions of any important personality and no movement to defect of any group; no religious group, no economic group, no labor group has deserted the Government for the Vietcong, although the opportunities for that have been numerous.

Mr. Kendrick. Sir, let me take this a little bit forward. You started by saying that this was not entirely a military problem and I gather that you felt that it was not even primarily a military problem.

Mr. McNamara. It is not primarily a military problem.

Mr. Kendrick. All right, and from what you've said since about the situation in the villages, the kidnapings, the terroristic activities, obviously it is more than a military problem, but we are now in the process of a gigantic military buildup in Vietnam. Don't military considerations now assume a larger role than ever before? Is it possible that they have taken over from political considerations? Don't they have a logic all their own, which is not always related to policy? Aren't military actions taken usually to support or reinforce previous military actions? In other words, are we now in the maws of a military machine?

Mr. McNamara. No; I think not. This problem is primarily a political and economic problem. We will succeed, the Government of South Vietnam will succeed only if it obtains and retains the confidence of its people. It can't retain the confidence of its people unless it appears to be advancing their interests, economically and politically. That is the objective of the Government of South Vietnam. That is our objective. The military operations are necessary, but not a sufficient action to assure achievement of that objective. We must provide physical security in the countryside, otherwise the peasants can't till their fields; the government representatives can't move to carry on elections as they did 60 days ago. The members of the United States Economic Aid Mission who are stationed out in the districts and provinces can't work with the peasants to increase the yield per acre of rice, to add to the pig population, to double the corn production, as it is our objective to do between 1964 and 1966. So that physical security is an absolute requirement for achievement of our economic and political goals, but it is not a substitute for those goals in any sense of the word. We realize that. Every one of our men there realizes that.

Mr. RUSK. Secretary, I think it might be worth pointing out, Mr. Reasoner and Mr. Kendrick, that when we say this, this is not a military problem. This is profoundly true from the point of view of the Vietnamese Government in what we are trying to accomplish. Our economic and social development aid to South Vietnam has been as large as our military aid. But we want to be very careful that we not say that the other side can have a military solution. Now you can't get on with this job in the countryside if the other side puts a man with a rifle in his hand there to stop you. So that the security element is a very important part of the main theme which is to develop that country economically and socially and to pull these people together.

Mr. REASONER. There's an area here that I think affects the confidence in this country in what we are doing. And I think maybe we can dispose of it without trying to pin either of you down on things you've said before. But for instance, as you remember about 18 months ago, when we had a conversation, you said to the effect that this is a Vietnamese war, it must be won by the Vietnamese. We cannot win it for them. The kinds of things that administration leaders say have changed radically in the last 2 years. Is this because you have changed your minds that much, or is there a possibility that you have even now a more advanced attitude, and you're letting the country in on it little by little?

Mr. MCNAMARA. Well, let me say first, that the outlook has changed over the past 2 years, because the action of the North Vietnamese has changed during that period of time. They have vastly increased the number of men that they have infiltrated into South Vietnam. They have vastly increased the amount of equipment and material which they have infiltrated into that country. And this has temporarily given them an advantage which they particularly have applied in the form of terror and harassment.

Today, they have for all practical purposes a numerical advantage not absolutely, but relatively, in guerrilla war terms. They have about 70,000 regular guerrillas; perhaps 100,000 irregulars, and another 20,000 or 30,000 in political cadres to collect taxes, distribute propaganda, and so on. So as Mr. Kalischer mentioned a moment ago, there are some 200,000 Communists acting in guerrilla forces. Opposing them are about 550,000 South Vietnamese regular and paramilitary forces—the ratio of something on the order of 3 or 3½ to 1, and somewhat less a ratio in the form of combat battalions. Quite an unsatisfactory ratio in terms of guerrilla wars of the past, where in Malaya, in the Philippines, in Greece, a 10-to-1 advantage was required to defeat the guerrillas. This increase in the strength of the North Vietnamese occurred in the last 12 months. It requires that we supplement, not substitute for, but supplement the South Vietnamese forces and since our forces will supplement and not substitute for their forces, it remains a South Vietnamese war. They are bearing the brunt of the fighting. They will continue to bear the brunt of the fighting. We will furnish a mobile reserve to come in to assist them when their forces are inadequate numerically to effectively counteract the Vietcong concentration directed against them.

Mr. KALISCHER. Mr. Secretary, how many of the 200,000 guerrillas are South Vietnamese?

Mr. MCNAMARA. I think the bulk of them are. But that is not the important point. The important point is that the leaders, political and military, the cadre men if you will, some 50,000 of them have been sent down from the north, trained in the north, sent down from the north, directed, operated, controlled from the north. And the bulk of the weapons, I would say probably 80 percent of the weapons today, have been supplied by the north. The main force units of the guerrillas were completely reequipped in the last year—year and a half—with 7.62 millimeter rifles, by the north. All the ammunition for that comes from the north. The interrogation of prisoners in recent months shows that North Vietnam, out of Hanoi, is directing the war day by day, hour by hour and I mean that literally, by commands, political and military out of the north.

So while the bulk of the guerrillas are from the south, the control, the direction, the foundation, the effort is from the north, and as a matter of fact, North Vietnam doesn't deny that, and I think it's important to recognize this. It's not a civil war. It is a war of aggression by an outside power seeking to subvert the established political institutions, and they say that. In 1960, Ho Chi Minh issued orders, and this is a matter of record, to step up the revolution in the south and a year or two ago, which is the periodical of the North Vietnamese Communist Party, said that the authorities in South Vietnam are well aware that North Vietnam is the firm base for the revolution in that country, and the point on which it leans. So North Vietnam hasn't made any effort to hide the fact that it is directing the activities in the south. Now I don't mean to say that there are no dissident minorities in the south. There are in all countries evolving as rapidly as that one is, politically and economically. And there are dissident minorities there. But they are minorities which could be properly controlled and properly assimilated into the structure of that nation were it not facing this aggression from the north.

Mr. KALISCHER. Mr. Secretary, pragmatically, granted that it's being—that the revolutionary effort is being directed from North Vietnam, the defense of South Vietnam is being directed by us and supported by us. We are Americans, the North Vietnamese are Vietnamese. In a matter of contesting for the minds and the hearts of the people, wouldn't we, whether we liked it or not, be stuck with the onus of invaders, rather than the North Vietnamese since we are showing ourselves in the countryside, as what we are?

Mr. MCNAMARA. First, Mr. Kalischer, let me make clear, the defense of South Vietnam is not being directed by the United States. The defense of South Vietnam is being directed by the Government of South Vietnam, the forces of South Vietnam operate under the military command of their own leaders. Our soldiers will operate under the command of U.S. officers, but it will be in a supplementary role, and we are not assuming direction of the military program there.

Mr. RUSK. I think we ought to clarify this point about who are the Vietnamese. We resisted the effort of the North Koreans to move in and take over South Korea, although both were Koreans. And I can assure you that the other side would not call it simply an indigenous matter if the Federal Republic were to put tens of thousands of Germans into East Germany to take over East Germany. In other words, there was a basic settlement in 1954 on southeast Asia, and following that, an agreement in 1962 on Laos. Now a very important effort is being made by Hanoi to change those settlements by force. This is a thing that is not acceptable. The infiltration by the north is what causes the presence of American combat troops in South Vietnam. Had this not started, our combat forces would not be there. If this were removed, our forces could come home. We're not there to take on what might be called a purely indigenous problem, within South Vietnam. It is aggression from the outside that causes us to be there.

Mr. KALISCHER. Yes, but can this be explained to the Vietnamese peasants?

Mr. MCNAMARA. Let me answer that, if I may, by telling you that 10 days ago, 2 weeks ago, when General Wheeler and I were in South Vietnam, we, of course, were very much interested in that point. This was before the President had decided to increase the strength of the military, U.S. military forces assigned to South Vietnam. We asked a number of South Vietnam leaders this exact question. Without a single exception, they asked for additional U.S. forces, and they stated that unless additional forces came, the people of South Vietnam—and by this they meant not only the sophisticated citizens of the city, but the peasants as well—would doubt our determination to stay and our ability to provide the physical security which they require to advance their economic and political welfare.

I was particularly interested in the comment of one of these individuals. Dr. Quat, whom you know was a former Prime Minister, asked to see us and we went to talk to him, and he had just two points to make. One, you must increase the number of U.S. military personnel in South Vietnam. Unless you do, our soldiers cannot continue to fight effectively against the expanded Vietcong guerrilla force. And two, if you do increase your forces, of course, there will be isolated instances of friction between your soldiers and our people, but our people will welcome it, because they know that you have no designs on our nation that conflict with our own interests. They know that when the Vietcong are defeated, you will leave and, therefore, they welcome you.

Mr. RUSK. We have thousands of Americans throughout the countryside, both civilian and military, living with the South Vietnamese and in a sense completely at their mercy. Now I think it's important to realize that we have not had reported a single instance of treachery on the part of the South Vietnamese with respect to an American who is living right inside their villages, or right with them in the countryside. Now, this is an important thermometer of political attitudes, it seems to me.

Mr. REASONER. I'd like before we turn to another aspect of this, Secretary McNamara, you've been there. We've made these decisions. We've had a few months of experience with increased U.S. forces. How is it going this year?

Mr. MCNAMARA. The Vietcong did expand their force in the last 12 months and as we stated during the winter of last year, and the spring of this, a major part of this expanded force had not been committed to combat at that time. We could only assume they were holding it for some special purpose or some special period. And we assumed that they might be holding it to start operations on an expanded basis following the beginning of the monsoon season. This is the season of heavy rains in the highlands. It is a season when our air power is somewhat less effective than during the dry period, and we assumed that the Vietcong would believe it was an advantage for them, therefore, to expand operations under those weather conditions.

They did so. They expanded operations in number and intensity, beginning in May and they increased their control of the area. They began to isolate certain particular portions of the villages, isolate them in terms of road transportation, road communications, with other parts of the country. This made it difficult to move rice from the storage centers out into certain of the rural areas. It made it difficult to move produce from the rural areas into the cities. The number of South Vietnamese killed in action increased. But while that is true, the number of Vietcong killed in action increased dramatically. It is about 70 percent higher today than it was a year ago. So in recent weeks, recent months, they have had some success. They are paying a terrible price for it, and in the last 30 days, as a matter of fact, there seems to have been some withdrawal on their part. Whether this is for regrouping, recuperation, because some of their battalions were severely mauled, I don't know. It may be a reflection of the fact that larger U.S. forces are beginning to enter the country.

Mr. Kendrick. Sir, I would like to pursue that. Now, would you give us a view into the future? There are estimates that it might take another $10 billion a year to carry this on. The military advisers are supposed to have proposed a level of 750,000 men in Vietnam. If there is a failure of bombing of North Vietnam, as there may be, isn't the next logical step ground action into North Vietnam? I wonder if you'd develop these points in the perspective of the months ahead?

Mr. McNamara. First, let me say I can't predict the future with accuracy. I do want to mention one thing about the future, however, that I think is very interesting. Within the last 3 or 4 weeks, Ho Chi Minh looked into the future and he said it might take 20 years for them to win.

So while they have had some temporary success, it is obvious even to their own leaders that this is not going to lead to an immediate victory on their side. Let me comment on one or two of the points you made. First, I don't know of any military adviser to our Government who has proposed a level of 750,000 U.S. military personnel in South Vietnam. Secondly, as to the bombing program in the north, I think it is important we understand what we hope to achieve by that program. In the first place, you recall, it started in part as a reprisal action for the terror bombings that had been carried on by the Vietcong last year at Bien Hoa airfield, at Brinks Barracks and more recently in February—early February of this year—at Pleiku. It was necessary to show the North Vietnamese who were directing those activities that this would not go unchallenged; that they would pay a price for the continuation of them. Our bombing started, in part, to make that clear. It was also important to begin to raise the price to the North Vietnamese of carrying on this war. It was important to try to restrict, although certainly it was never considered it would be possible to stop, the movement of men and equipment to the south. And I think these objectives have, in part, been accomplished. We never believed, and we don't believe today that bombing in the north will drive the North Vietnamese to the bargaining table or force them to cease their terror tactics and harassment and subversion of the political institutions of the south. There is only one thing that will stop that in my view and that's to prove to them they can't win in the south. And, therefore, our strategy is directed to that end. How long it will take I can't tell.

Mr. Kendrick. We don't envision then going into the north on the ground?

Mr. McNamara. We have made clear time and again, we have limited objectives in the south. I think it is important for our own people to realize that and certainly for the people of the world to realize that. We do not seek to overthrow the Government of North Vietnam. We do not seek permanent military bases in South Vietnam. We do not seek to force the South Vietnamese into an alliance with Western nations. We seek only to insure that they have the right and the opportunity to control their own destiny, to shape their political and economic institutions according to patterns of their own choosing.

Mr. Rusk. Mr. Kendrick, I wonder if I might not add, that it's always easy to turn a lesser war into a big war. This can be done in any 5 minutes. Now, in this postwar period, had we and others not been concerned about the effort of the Communist world to take over a country by force, we well might have seen Iran and Greece, Turkey, Berlin, Korea, the Philippines, southeast Asia, including Malaya—other areas—taken over by force by the Communist world. Now, we and others have had to meet that with firmness and determination. We have taken considerable losses. We alone have taken 160,000 casualties since 1945; others have taken more, but in that process we have tried to keep open the doors to a peaceful settlement. We have tried to avoid the slippery slope down into a general war. In the case of Berlin we used an airlift rather than divisions on the ground in order to try to resolve that by peaceful means. In the case of Korea, with a monopoly of nuclear weapons, we took substantial casualties rather than open up a nuclear war. We waited over 4 years before we bombed North Vietnam in this southeast Asian situation. In other words, it is not a part of our desire to turn these difficult and mean and frustrating issues into general war. That is the easiest thing to think of and the easiest thing to do. The commitment of the American people and the American Government is to a decent world order in which these problems can be resolved by peaceful means.

Mr. Kendrick. But might not the suspension of bombings of North Vietnam be more conducive to negotiations than the continuation of them?

Mr. Rusk. Well, we did, as you know, suspend the bombing for a period, and long before we resumed the bombing we had the answer from the other side which was very harsh indeed, and there have been public statements recently from the other side indicating that suspension of the bombing is not necessarily the door to a peaceful settlement.

Mr. Kendrick. Mr. Harriman was in Europe and he talked to Tito, and Tito reflecting the Russians—apparently thought that if we did suspend the bombing it might help.

Mr. Rusk. Well, it might help them, but——

Mr. Kendrick. No, no; they said it might help bring about talks——

Mr. Rusk. Well, we have asked them; we have asked everybody that we can find to talk to. What else do you think would happen if we stopped the bombing in North Vietnam?

Mr. Kendrick. Why don't we stop it and find out?

Mr. Rusk. Would the operations in the south stop? Would the infiltration of men stop? Would they even come to a conference table? In other words, we can't find from the other side the slightest hint as to what would happen if we stopped the bombing.

Mr. Kalischer. Mr. Kendrick asked why don't we stop and find out.

Mr. Kendrick. Why don't we stop——

Mr. Rusk. Of course the answer is we did stop. It wasn't long ago—8 or 9 weeks ago.

Mr. Kendrick. I know you stopped for 4 or 5 days. Even on the Hill people thought that wasn't long enough.

Mr. McNamara. It was long enough for North Vietnam to make perfectly clear that they didn't plan to do anything as a result of our stopping other than what they had previously been doing. They wouldn't talk. They wouldn't stop the aggression in the south. They wouldn't agree to talk in the future, so all I can say, we stopped and maybe sometime in the future——

Mr. Rusk. We made it clear in recent days that this question of bombing of North Vietnam has to do with the making of the peace and that we're prepared to consider this if, in fact, it can be a step toward peace but we want to see some indication that this will have that effect and not just the opposite effect.

Mr. Kendrick. Over the weekend Hanoi announced that the Vietcong had appealed to it for aid and that they were thinking about asking volunteers from the north to go back to the south. This, of course, may be a matter of throwing dust into our eyes, but could it also be a matter of having our assumptions wrong to start with? This is the thing that a great many people are still confused about. The Vietcong, Hanoi—that is, North Vietnam—and the Chinese Communists in the background. Now, Mr. McNamara indicated much more broadly than you did, sir, that our objective in east Asia—in southeast Asia—was more than simply the restoration of a status in South Vietnam. He was talking about overall Communist aggression there as if we were sort of thinking of trying to roll it back. Now I wonder if we are still fighting the same war with Communist China that we were fighting in Korea? Is that really the enemy?

Mr. Rusk. Well, the present enemy on the ground is North Vietnam and the infiltration from North Vietnam as far as we are concerned. This appeal by the liberation front to Hanoi and Hanoi's response to it simply repeats the factual situation. Hanoi has been sending tens of thousands of men and large quantities of arms into South Vietnam. This is not new. Now in terms of the more general problem, as you know there have been very important disputes within the Communist world and specifically between Moscow and Peiping, on the question of strategy and tactics in promoting the world revolution. Moscow has been more prudent, more cautious in this respect. Peiping has announced a doctrine of militancy which has caused great problems even within the Communist world. Now if Peiping should discover that a doctrine of militancy is a successful policy through what happens in southeast Asia, then the dangers throughout the rest of the world mount very quickly and very substantially.

Mr. Kendrick. We are putting our priority on Vietnam and I was thinking in terms of our relations with the Russians, let us say. You speak of the split in the Communist world, but are we making it impossible, really, for the Russians to cooperate with us even if they might want to? They, at Geneva, for instance, intruded Vietnam before all other questions, and the whole business of disarmament, of nuclear control, of proliferation is just left hanging in air until, they say, we resolve the Vietnam problem by getting out of Vietnam.

Mr. Rusk. Well, Mr. Kendrick, we do want improved relations with the Soviet Union. We should like to find whatever points of agreement we can find in order to build the possibilities of a more normal relationship. The test ban treaty raised some hopes that we might be able to find those other points. But we can't have good relations with the Soviet Union at the expense of letting a country like Vietnam be taken over by force.

We could have had good relations with the Soviet Union had we pulled out of Berlin in 1948, or had we ignored Korea in 1950. This is not the basis on which safe, good relations can be based.

We've got to get to a point where those who have power will leave the smaller countries alone. I know that there are some who think that China is entitled to a sphere of influence out in its part of the world. Those people don't usually specify which are the great powers that are entitled to a sphere of influence and who are the rest of them that have to accept a sphere of influence. I can't think of a more dangerous development in world affairs than for three or four, or perhaps five great powers to embark upon a great race for influence through spheres of influence because there you would find a race for power that would be almost unmanageable in its violence and in its danger. We've got to establish the point that a small country that is within reach of a great power is nevertheless entitled to live at peace, and to be unmolested by that great power; otherwise, the entire structure of world order comes to pieces and we're back in the law of the jungle.

Mr. KALISCHER. Mr. Secretary, the Russians aside, what is the picture of our effort among—not among our potential enemies, but among our allies?

Mr. RUSK. We have been in touch, of course, with a lot of our friends on this matter. I would make a rough estimate that between 60 and 70 governments support what we are doing in South Vietnam and wish us well. There are more than 30 governments that are providing some sort of assistance, some of it too small, in our judgment, for the effort in South Vietnam. There are about 25 governments that are genuinely indifferent or neutral, and another 25, many of them in the Communist world, that are opposed to what we're trying to do. The underlying fact is that most of the hundreds of small countries of the world have a stake in the right of a small country to live at peace even though it is within reach of a great power. And I have no doubt that if we could bring this to a successful conclusion, on the basis of throwing back this effort to take over South Vietnam by force, that more than a hundred small countries would clap their hands and say this is a new day in the life of the world.

Mr. KENDRICK. In our efforts, to get a negotiation now, we have asked the United Nations to do what it can. Now why didn't we go the whole way and put the case formally to the United Nations?

Mr. RUSK. We have been in touch with the Secretary General and the members of the United Nations many times on many occasions on that matter. The problem is relatively simple. As you know, the General Assembly has not been functioning in the last year or so because of a very difficult constitutional issue involved in the financial problems of the U.N. The Security Council is the principal agency in which this matter might arise.

In the Security Council nothing could be done except by agreement among the Big Five. There is a veto in the Security Council. Now the question is really whether it is desirable to have a highly acrimonious, eye-gouging kind of debate there, if at the end of the trail there is going to be no action by the Security Council. It would be far better to sound this out quietly behind the scenes, as is going on and has been going on for a long time, to see whether there is some action which the United Nations can take that would help the situation.

Now we could easily, I suppose, meet the views of those who say, oh, take it to the U.N. by putting on one or two demonstrations—let it go there. Let a resolution be vetoed, have the U.N. break up with no capacity to do anything about it, no agreement, and then come away and say well, they've had their fling at it. Well, this is a little irresponsible to deal with it that way. What we would like to do is to find some way in which the United Nations can contribute positively to the solution of the problem of South Vietnam, and not necessarily just to a further inflammation of the issues involved.

Mr. REASONER. Mr. Secretary, getting back to the military situation for a moment, you have said from time to time that the conditions for peace are an end to the aggression, but Ambassador Lodge once suggested that perhaps it might happen in a different way with just on a given day less fighting. Have you got such a major operation mounted now that you would know if this were happening? Can you stop what you've started there?

Mr. MCNAMARA. Oh, yes; and I don't think there is any conflict between what I have said is the condition of peace and end of aggression and Ambassador Lodge's statement that on a given day there simply may be fewer instances than the day before and a gradual reduction. That is the way the guerrilla war ended in Greece and it may well end that way in South Vietnam. We're very sensitive to the level of activity. We measure very carefully the effort expended by North Vietnam in supporting the Vietcong, in the manner in which the Vietcong apply that support and effort, and we would be quick to sense any change in policy or objective, or capability, and our effort would drop accordingly. We have stated many, many times we do not seek to assign U.S. military forces permanently in South Vietnam. We have no desire to develop military bases there for our use. We will bring our forces back as promptly as the external aggression ceases.

Mr. REASONER. Do you risk, or do you get into the situation where you make one decision because of the previous one where you have lost control? In other words, you put in 100,000 men because you put in 50,000?

Mr. MCNAMARA. No, certainly not. The number of men we have there is a direct function of the level of aggression carried on by North Vietnam. It was necessary for us to put in combat troops only because the North Vietnamese introduced sufficient forces to overpower the antiguerrilla forces—those of the Government.

Mr. KENDRICK. Sir, on this question of decisions, aren't they now making themselves, or aren't the Communists making them for us? Really, they are the ones who are deciding what shall be the nature and the stature of the war, so to speak, and we are responding to that. We are putting in more men because of what they do. Therefore, basically, the decision as to what we do in the future is in their hands, isn't it?

Mr. MCNAMARA. Certainly what we do in the future will be influenced by what they do. The price they're paying is increasing. At some point it will reach a level they're unwilling to pay. At that point they'll stop and they'll withdraw. How soon that will come, I can't tell you. How much force we must apply before they make that decision, I can't tell you.

Mr. KALISCHER. Mr. Secretary, you mentioned before that Dr. Quat told you it was absolutely necessary now——

Mr. MCNAMARA. Yes.

Mr. KALISCHER (continuing). To get more American troops in, otherwise the Government forces could not continue to fight effectively against the increased infiltration from North Vietnam. But you also said earlier in this program that the majority of the Vietcong were South Vietnamese. Now, what keeps the Vietcong fighting and fighting so effectively with what is a great degree smaller amount of goods and arms and cadres coming in through the Ho Chi Minh trail, and by sea, against Government forces which are reinforced by 125,000 Americans and a blank check on arms?

Mr. MCNAMARA. Well, a part of it is an ideological motivation, a religion, if you will; they believe in communism. There is no question about that. A part of it is the terror that is imposed upon them by their officers, by their noncommissioned officers, by the acts that have been directed against their villages and their wives and their families.

Mr. KALISCHER. Don't we in a sense, exercise terror also?

Mr. MCNAMARA. Not to my knowledge and certainly not in that fashion. I don't think we should close our eyes to the fact; the fact is that in 1964, in the 12 months that ended December 31 of last year, the Vietcong killed or kidnaped 1,500 civic officials in that country and they killed or kidnaped 9,700 other civilians. This is approximately 11,500 civilians killed or kidnaped. Now that's the level of terror that is being directed against that population and despite that level of terror, only 25 percent of the people remain in areas controlled by the Vietcong. About 300,000 refugees have left those areas in recent months. An army, that on our terms, is equivalent to 12 million Americans continues to fight the Vietcong and they are absorbing fatalities as I say, at rates higher than we have ever experienced in our history, so I don't think we should fail to recognize the degree of allegiance, if you will, of the people to not only their Government, but to their own independence——

Mr. KALISCHER. Sir, but suppose——

Mr. MCNAMARA (continuing). And the degree of pressures placed on those supporting the Vietcong. There is one group, a minority group, that is ideologically motivated. There is another group that represents the government of Hanoi—politically and militarily. There is a third group—I believe the largest group—which is fighting because they have no physical alternative open to them.

Mr. KENDRICK. Is it possible that a Saigon government—not this one—might in the future negotiate terms with North Vietnam and ask us to leave and if it is possible what would we do?

Mr. RUSK. Well, I think the question there, Mr. Kendrick, turns on Hanoi's attitude toward their own program. In that sense the aggressor always has a certain initiative. It is my impression that Hanoi at the present time is living on three prospects: One, that they can succeed militarily in South Vietnam. Now that is going to be denied to them. So that can be put aside. Secondly, that international opinion somehow will build up in such a way as to cause the United States to change our commitment to South Vietnam. That will not occur. And, third, that internal differences among the American people might cause the United States to change its course. I do not believe that will occur.

We do have in this country a vigorous and thriving and sometimes tumultous democracy and it is quite right for us to debate actively and vigorously all great issues of public moment. But it is quite true that Hanoi lives on expressions of dissent or disagreement here within our own society. I think the repeated demonstration of unity in this country is very important in persuading Hanoi that they cannot rely upon differences here at home to cause us to pull away from our commitment to South Vietnam.

So, I think on those three, those three elements that seem to sustain the hope of Hanoi, they must come to the awareness that these are unrealistic and that they must, in fact, come sometime to the idea of a peaceful settlement. But, this is the key thing. We have had dozens upon dozens of contacts in every conceivable form, fashion and forum, in order to find out whether there is any interest on the part of the other side in a peaceful settlement.

Those contacts continue. We would know very quickly if they had concluded that they are prepared to bring about peace in southeast Asia and it is important that those contacts continue open, as I can assure you they are open.

Mr. Kalischer. Mr. Secretary, what about recently——

Mr. Rusk. The contacts continue quite apart from what we ourselves do, which is considerable, and I can assure you that our diplomacy is not inactive on this matter. The world is filled with volunteers who would be glad to come in and make contacts with both sides, to see if they can find some peace here, so there is no lack of contact.

Mr. Reasoner. Has there been any sign at all of interest on the other side?

Mr. Rusk. Well, Secretary McNamara mentioned Ho chi Minh's statement that they are in this if it takes 20 years. My own understanding of that statement is that they know very well they are not going to win this war this year or next year, and I think there are some serious problems on the other side. We, in all of these crises in the postwar period, quite rightly, concentrate upon the problems we have on our side. We sometimes forget about the fact that there are some very serious problems on the other side. Now, in each one of these crises in the past there came a moment where a casual word or a passing comment or a little sign or a little signal opened the door to peace. This happened in Korea. It happened with the Berlin blockade. It's happened in other circumstances. All I can say at the moment is we do not yet feel we have had that crucial sign that peace is open, but we are looking for it and we will continue to look for it while we make it clear that we are not going to be driven out of South Vietnam.

Mr. Reasoner. Secretary Rusk, I think Americans sometimes have—while they support this policy—have trouble understanding just what we mean when we speak in the pattern of having to defend it here or we'll have to fight in some less suitable place. To be hypothetical, what would happen if Secretary McNamara announced that we had done all we could and we were now withdrawing because he needed the boys at home and we left? What do you think would ensue?

Mr. Rusk. Well, I think that it would not be for me to answer that one directly. But imagine yourself to be a Thai, and ask what the American commitment to Thailand would mean to you under those circumstances. Think of yourself as a West Berliner and ask yourself what the American commitment to you would mean under those circumstances. At the very heart, gentlemen, of the maintenance of peace in the world is the integrity of the American commitment under our alliances.

Mr. Kendrick. Is it possible that it's an overcommitment?

Mr. Rusk. Well, that can be argued, but it should have been argued at the time—at the various stages. I personally do not think so, but—because we have made 42 allies, as you know, in this postwar period and at the time it seemed to be in the vital interest of the United States that these alliances be formed.

Now I can tell you that we are not out drumming the bushes for more allies, and we are not necessarily cutting ourselves in on every dispute or problem that arises in any part of the world. We have gone some distance in getting others to take part in problems involving violence to settle them in other forums, and without our direct presence.

For example, the Organization of African Unity has taken hold of some of the problems in Africa and has moved to settle them within an African context. That is first class from our point of view. So we do not have a worldwide commitment as the gendarme of the universe, but we do have 42 allies, and South Vietnam is a protocol state of the southeast Asia treaty, and it does have a commitment from us. Therefore, the nature of that commitment is fundamental here if we're to maintain peace in the years ahead.

Mr. Reasoner. Are we overcommitted from your standpoint, Mr. Secretary? Can you handle everything you foresee?

Mr. McNamara. I believe so. The military forces of this country have been built up in strength, as you know. We do have 45 percent more combat-ready divisions today than than we did 3 or 4 years ago. We do have nearly 50 percent more tactical fighter squadrons today than we did then. We have been building up our inventories of men and equipment. I think the question is really more fundamental than are we overcommitted. The question is what kind of a world will we and our children live in if we failed to carry out the commitments we have or sought to reduce them.

Mr. Reasoner. Can I guess what would be a good final question? You spoke about Ho Chi Minh's 20-year war and you referred to it. Can the Americans stand a 5-year war, or 10-year war, or 20-year war? Can we stick it out?

Mr. Kendrick. More in terms of stamina and stomach, let's say, than in terms of materiel?

Mr. McNamara. Well, I think I should ask you perhaps. I can answer yes without any qualification. I speak for 2¾ million of them who are in the Armed Forces today who I can guarantee can stand it, and I think the 180 million that stand behind them can stand it, but I don't think we should fail to recognize what it is that lies ahead. The road ahead will be long. It will be tortuous. It will be frustrating. And if we're to travel that safely—and I underline the word "safely"—and if we're to travel it successfully, we will require courage and we will require imagination, and we will require patience. And perhaps that's what you meant by stamina. Without it we shouldn't start the road. We certainly wouldn't be able to continue it.

Mr. Rusk. I can't escape the recollection, Mr. Kendrick, that I was a student in college when Manchuria was invaded in 1931 and I lived through those periods before World War II when the forces of democracy were were not able to organize the defenses of democracy. And that led the men of my generation—your generation—into World War II. We could not find the answer to the problem of tempting thieves. Now, in this postwar period we have encountered a number of threats. The free world with U.S. leadership has moved to meet those threats. We have had a remarkable success in fending them off without a general war. I am deeply convinced myself that the American people have thought long and hard about the kind of world in which we want to live and that when they know that something has to be done, and that all of the alternatives are being and have been fully explored to find out if peace is possible that we need not worry about the stamina and the determination of the American people. It has been proved too often—too often—and the very life of the Nation depends upon it.

Mr. Reasoner. Gentlemen, I would like to thank you very much for coming here. I assume there will remain in the United States some difference of opinion on your policies but I am sure that this part of your job, to come and talk to the American people you have done very well and we thank you.

Tonight we have examined the military and political decisions involved in the U.S. policies in Vietnam. Next week at this time in the second of our four-part series on "Vietnam Perspective," we will examine the problems in securing a military victory in South Vietnam. Our guests will be Gen. Maxwell Taylor, the former Ambassador to South Vietnam, and Gen. Earle G. Wheeler, the Chairman of the Joint Chiefs of Staff.

Thank you and good night.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SPARKMAN. I am delighted that the Senator has obtained the transcript of the broadcast and has placed it in the Congressional Record. I fully endorse his statement on the particular program to which he has made reference.

It might be well to note that there will be two subsequent programs along the same line, with different personages involved. One will be on next Monday, the 16th of August, and the next one on the following Monday, the 23d of August.

Persons who are interested may wish to watch these two programs, also, to get a complete discussion of the whole program.

I believe the Senator has performed a real service in calling attention to this subject.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Alabama. CBS deserves great credit for bringing this program to the Nation at a time—10 o'clock in this section of the country, 9 o'clock in the Midwest, and so on through the Nation—so that everyone might have an opportunity to hear the ablest and most competent and authoritative spokesmen speak out on this important subject.

Mr. SPARKMAN. I share the feeling the Senator has expressed, that Secretary Rusk and Secretary McNamara are most able and best prepared to speak on this particular subject and to discuss it with the American people. They are to be commended and congratulated on the clarity with which they presented the program at that time.

I wonder, while I am having this colloquy with the Senator, if I might not ask the Senator if he believes, as I do, first of all, that under our constitutional form of government the primary responsibility for our international relations is the responsibility of the President of the United States?

Mr. PROXMIRE. I do, ineed.

Mr. SPARKMAN. Does the Senator not also believe that the President is surrounded by a group of able advisers in this field?

Mr. PROXMIRE. Yes. I was most impressed on Monday afternoon when we went to the White House—I am sure the Senator was there.

Mr. SPARKMAN. I was there.

Mr. PROXMIRE. At that meeting I was greatly impressed and heartened by the lineup which the President had there. Present were not only Secretary Rusk and Secretary McNamara, but also other very capable people, like Ambassador Goldberg and Ambassador Lodge and Mr. Black.

Mr. SPARKMAN. That is Eugene Black?

Mr. PROXMIRE. Yes; Eugene Black.

Mr. SPARKMAN. Who is seeking to organize the Southeast Asia Development Co., or whatever the name of the organization is.

Mr. PROXMIRE. He is trying to organize economic development over there.

Mr. SPARKMAN. And Ambassador Goldberg.

Mr. PROXMIRE. Yes; Ambassador Goldberg also, whom I mentioned.

Mr. SPARKMAN. And Ambassador Harriman.

Mr. PROXMIRE. Yes. I neglected to mention Ambassador Harriman.

Mr. SPARKMAN. And Ambassador Taylor.

Mr. PROXMIRE. Also Ambassador Taylor. Of course, he has concluded his services. Nevertheless, he will be on hand to advise and consult with the President and the State Department and the Defense Department. Also present were such able persons as McGeorge Bundy, and others, who are working on this problem.

Mr. SPARKMAN. Does not the Senator feel that Ambassador Taylor gave us a very fine, objective report, balancing the pluses against the minuses quite well?

Mr. PROXMIRE. I thought that was one of the most extraordinary parts of the meeting. It started with an exposition by Ambassador Taylor, which, as the Senator has said, was balanced and objective. He made no attempt to make us believe that our task will be easy, or that we are ahead or winning. He indicated that there were some serious minuses involved, as well as some strengths. I believe his analysis was most informative and helpful to a clear understanding of what we have to do.

While I believe that some, like Speaker McCormack, carried away an optimistic feeling, I believe the reason he did so, and the reason why many of us did so, was not that the situation there was easy, but because of our feeling that our leaders had a realistic and thorough understanding of all the problems, and the resolution to meet them.

Mr. SPARKMAN. Mr. President, I do not wish to leave this subject without also referring to the very fine and clear statement that was made by Ambassador Harriman, who has had longer service in that field, I suppose, than any of the others.

Mr. PROXMIRE. Yes, indeed. Mr. Harriman served under four Presidents over many years. He is a man of great ability, and a man who has recently returned from a most important discussion with several crucial people in Europe and elsewhere. I thought his report was very helpful.

I thank the Senator.

PATIENCE, COMPETENCE MAKE RUSK GREAT SECRETARY OF STATE

Mr. PROXMIRE. Mr. President, with tensions mounting throughout the world, the Secretary of State—as the foreign policy spokesman of the most powerful Nation of the Western World—must work under the burden of constant stress. The decisions which he must make are difficult and often unpopular. Therefore, the office of the Secretary of State has long been a frequent target of criticism. However, the man who holds this position of tremendous responsibility must be able to maintain restraint and dignity no matter how sharp the darts of critics may be.

Secretary of State Dean Rusk must be commended for the tact and wise reserve with which he has handled the recent attacks made upon him by thoughtless domestic critics. In the way he met these irresponsible personal criticisms, Mr. Rusk has again manifested his recognition of the tremendous responsibilities of his office and the selfless dedication to duty which have characterized his entire career.

His policy of firmness and decisive action—even in the face of foreign and domestic criticism—has blunted determined Communist expansion in Berlin, Africa, Latin America, and the Far East.

Mr. Rusk's integrity and quiet strength have gained him the highest respect and confidence of his counterparts throughout the world, a respect which can only be surpassed by that which his colleagues in government and the American people have for him. The steadiness of his hand at all times and his skill at quiet diplomacy—unspectacular but most effective—have served the interests of our Nation well.

I ask unanimous consent that an editorial entitled "Secretary Rusk" from the Baltimore Sun of August 4, 1965, which calls attention to Mr. Rusk's competence and poise even when subjected to irresponsible criticism, be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Baltimore (Md.) Sun, Aug. 4, 1965]

SECRETARY RUSK

Dean Rusk is not a mysterious figure, but he is a man of marked reserve, and the public has never felt it knew him well. It has learned a bit more about him, perhaps, after his press conference on Monday.

As had been expected, Mr. Rusk was asked about the published statements of Arthur M. Schlesinger, Jr., historian and once an assistant to President Kennedy, to the effect that Mr. Kennedy had "reluctantly" decided to get another Secretary of State, and that he found the Department of State "formless and impenetrable."

As to the first, Mr. Rusk made it plain that his own memoirs would not be published until the Presidential papers of the period become available—until, that is, no damage could be done to the then-current workings of the country's affairs. In any case, he said, such issues as that raised by Mr. Schlesinger would have to be left to future historians, examining "with a compound eye * * * of many facets" the whole and various records of these times.

To this fine historical figure of speech Mr. Rusk added quite tartly, and most pertinently to the present, that his associates in Government and his "colleagues abroad can rest on the assurance that when they deal with me on the basis of confidence that confidence will be respected."

One further quotation:

"It is the purpose of the Department of State to bring about what some people will call a boring situation—that is, a period of peace. * * * Now there are times when some wish us to act with more drama, but there are problems about dramatizing issues if drama gets in the way of settlement. * * * There are times to move and times to delay. The art of the business is deciding when to move and when to delay."

These remarks, we believe, reveal something of the balance, steadiness, and sharp intelligence that caused Mr. Kennedy to choose Mr. Rusk as Secretary of State in the first place, and Mr. Johnson to keep him and rely on him.

TRIBUTE TO SENATOR BREWSTER

Mr. LONG of Louisiana. Mr. President, one of the finest organizations in the United States is the Disabled American Veterans. It is composed of men who have fought valiantly—and at great personal cost—for their country.

Last week, the State of Louisiana was proud to be host to the annual convention of the Disabled American Veterans in New Orleans.

The chief address at the convention was given by an outstanding member of the DAV, the senior Senator from Maryland [Mr. Brewster]. Senator Brewster earned his membership in the Pacific in World War II. He was the youngest commissioned officer in the entire Marine Corps in the earlier days of World War II. He commanded a company in battle before he was 21; he was wounded some seven times in four different engagements; he received the Purple Heart, the Gold Star in lieu of a second Purple Heart, and the Bronze Star. Here in the Senate, my colleague has been a consistent advocate of legislation benefiting the disabled veteran.

His remarks on veterans' legislation and on America's position in world affairs, I feel, are worthy of the attention of my colleagues here in the Senate.

Mr. President, I ask unanimous consent that Senator Brewster's speech to the convention be printed under morning hour business in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

My friends and fellow delegates, it is a great honor for me to address you here tonight. Two years in the Marine Corps in the South Pacific, and the wounds I received there have earned me the privilege of membership in this great veterans' organization.

I am proud of the DAV and proud to be a member. As a U.S. Senator, I must face the electorate repeatedly. As a life member of the DAV, my future is secure.

I arrived here today to enjoy and help celebrate our national convention. Already I am much in your debt for the privilege, the experience, and the good times.

Your national commander, William G. Dwyer; your national senior vice commander, Claude Callegary from Chapter 16 in Baltimore; and the many others responsible for this affair deserve the deepest and warmest thanks from us all.

We have much to celebrate. DAV membership has grown by 9,000 during the past year. Our financial strength and the organizational skill of national adjutant, Denvel Adams, have permitted the construction of a new national headquarters building in Cold Spring, Ky.

My remarks this evening will be brief: A report on legislation of interest to DAV members, some comments on world problems, and American preparedness.

Since your last convention, the talents and efforts of your legislative committee, headed by Chet Huber, have helped to liberalize the provisions of national service life insurance for the disabled veteran and protect him from reductions in his rated disability.

Legislation equally important to our membership is now pending before this session of the 89th Congress.

1. Increases in disability compensation up to $75 per month. Compensation increases enacted by the 87th Congress in October of 1962 were welcome but the overall increases have never equaled the increases in the cost of living.

We have come to recognize an annual income of $3,000 as a standard bordering on poverty. Current compensation rates for the totally disabled are exactly $3,000 a year. Peacetime rates for the totally disabled are $2,400 a year, or well within the poverty bracket.

At a time when the administration and the Congress are embarked on a massive attack on poverty, it is only fitting that we guarantee members of our society, those who have given so much to protect that society, a fair share in its abundance.

2. A judicial review bill which would establish a special court is long overdue. The right to appeal is a basic constitutional right of all our citizens—it is a cornerstone of the American system, and its denial to one group or any group is indefensible.

3. An increase in the educational allowances paid to children of veterans permanently disabled has been urged by Senator Kennedy of Massachusetts and myself. I expect passage of this measure before adjournment.

4. An expansion of the GI bill to include veterans who have served since the Korean war has already passed the Senate.

I supported each of these programs. I hope they can become part of the law before your next convention, and I pledge you now my full support.

If I were to attempt to catalog additional legislation affecting the disabled veteran, we should be here for a very long time.

Let me remind you that the real specialists in explaining the benefits available to disabled veterans, their dependents, widows, and orphans, are the members of the DAV national service group. The headquarters of the national service program of the DAV is in Washington. It directs a nationwide program of information on civil service employment, military and naval affairs, insurance, and appeals. It supervises approximately 125 national service offices employed full time and stationed at the VA regional offices across the country.

The national service officer is a disabled veteran who has been trained at American University. Many of these men have 20 years of experience in assisting our members in applying for benefits from local, State, and Federal governments, preparing applications, processing claims, and representing us before the VA Board.

During the past year, these national service officers handled more than 256,000 cases, represented our members before the Board in 130,000 cases, and obtained favorable awards in more than 93,000 cases.

The advice of these officials is free of charge and the DAV spends over $1 million annually in providing it. These men of the national service program are truly the "heart" of our organization in every sense of that word.

This, then, is what the Congress is doing for the most deserving of all Americans, our disabled veterans.

What are we doing for the men who have taken our places in the frontlines of freedom? I believe that these valiant men have two positive needs and that the Congress is moving rapidly toward providing for both.

The House has now passed a military pay bill providing for an increase of 10.7 percent. Senate hearings were held last week, and I am confident that the Senate will join the House in enacting a very substantial pay bill.

I have given my strong support to this measure in the Senate Armed Services Committee. The increases are warranted and are long overdue. We can expect them to measurably improve both our enlistment and retention rates. We can expect them to substantially improve the quality, skill, and experience of our military forces. The strength of our services depends on the men who serve.

Essential to the effectiveness of the men who serve, is the equipment provided. Here, too, the Congress is moving to insure that each of our fighting men is equipped with superior weapons of the very latest type. The Senate preparedness subcommittee has just completed a 6-month study of the condition of readiness of men and equipment in the Army.

The Senate Armed Services and the Appropriations Committees met jointly with Secretary McNamara on Wednesday morning to hear a report on his recent visit to Vietnam and to discuss with him the need for additional appropriations to insure that our military forces do not lack for weapons, equipment, and supplies necessary to fulfill our commitments in southeast Asia and elsewhere around the world.

On the basis of the reports which we have received from the committee staff and the Secretary, I believe that very substantial additional appropriations will be required to keep our units at home and overseas at full combat readiness.

Secretary McNamara has asked us for an additional appropriation of $1.7 billion for the remainder of this calendar year. This sum is essential to the rapid retirement of overaged equipment, prompt procurement of replacements, and adequate stockpiling of spare parts.

I have already announced my full support for it. The President has stated his determination to meet all the needs of our commanders and troops in the field. I know the Congress will support him.

I believe that any policy short of this is both unfair and unwise. The men who are fighting in freedom's frontline have our respect and our gratitude. They must have an equal measure of tangible support.

The Government and the taxpayer must make sacrifices, too, for what is at stake in Vietnam is the ability of the free world to block Communist armed aggression and prevent the loss of all of southeast Asia.

The Communists have chosen to make South Vietnam a test of their policy of national liberation. The intensive guerrilla operation being mounted against South Vietnam is controlled by Hanoi and supported by Red China.

Mao Tse-tung has placed the prestige of his Communist government on the line. He is intent on proving his own proposition that "political power grows out of the barrel of a gun," and that violent revolution is essential to the victory of the proletariat.

If Communist aggression is not stopped in Vietnam, as it was in Korea, the confidence of small nations in America's pledge of support will be weakened. Many of them, in widely separated areas of the world, have lost their faith, even their will to resist.

Recently the hand of Hanoi and the commitment of China have become more obvious. The flow of weapons from North Vietnam has included the latest arms and equipment from the Chinese arsenal. Personnel infiltration over the past 18 months has included more than 10,000 North Vietnamese drafted into the army for duty in the South. We now believe that the entire 325th Division of the North Vietnamese Army is deployed for combat in the central highlands of South Vietnam.

Add this to the hard core Vietcong strength of 70,000, an irregular strength of 100,000, and a political cadre of 30,000, and you get a clear picture of the real strength of the enemy.

To meet that strength, the United States has already responded with some 75,000 military personnel. This number, including combat units, will soon be raised to 125,000 with the deployment of the air mobile division and certain other forces. I would be less than honest if I did not confess that additional U.S. combat forces will be required in the months ahead.

The Secretary of Defense has already laid plans to activate one division force, three brigade forces, a large number of helicopter companies, and their combat services support units. Deployments to South Vietnam will soon require an increase of 235,000 in the personnel strength of the Army, an additional 30,000 for the Marine Corps, and 35,000 for the Navy. This will require the raising of the current draft call rate from about 17,000 per month to approximately 34,000 per month.

Between the combat unit and the civilian stands the Reserve. The need to tailor the Reserve to the requirements of national security is obvious. The Cuban and Berlin crises—typical in their demand for rapid response—provided a test for the selective callup of Reserve units. This test placed in bold relief certain facts about the structure and equipment of our Reserve forces.

It was apparent that a serious imbalance existed between Reserve manpower and Reserve equipment; that at a Reserve strength of 700,000, only about 450,000 men were adequately equipped. The other half of our Reserve forces were in units of 60 percent strength, marked with low priority, without either skills or equipment needed for modern mobilization.

Secretary McNamara's proposal to merge the Army Reserve and the National Guard is designed to correct these deficiencies. It has raised a storm of protest. While the Congress may not agree to the reorganization this year, I am convinced that preparedness is our protector; that being prepared to fight the last war is not being prepared at all.

In the forties and fifties, the oceans gave us time. They permitted us to come from behind and to catch up—to muster our forces over many months. Today the Military Establishment must be ready to react in an instant. It must serve to deter through a strength in being and in evidence. It must be capable of mobilization and deployment within 4 to 8 weeks.

Both the Guard and the Reserve have come a long way on "make do—can do" spirit. I believe that there is no practical limit to what they are capable of if organized efficiently and equipped accordingly. I believe that we must be prepared to make the policy decisions which will produce, at the right time, the numbers and kinds of units in a state of readiness required by current defense planning.

Ladies and gentlemen of the DAV, let me return now to another subject. I spoke earlier of membership in the Senate and membership in the DAV; of the strength of the enemy and the expansion of our forces. The subject deserves more than the brief reference.

Membership in the Senate depends on the passing, and sometimes fickle fancy of the voter. Elections are won and lost, there's always another chance, and the game is not for keeps. Membership in the DAV has a deeper meaning. Those who are elected have campaigned in the jungle of war. They have met an enemy whose weapon is the bullet, not the word. They have put not just their ambition but their lives on the line and they have been elected permanent members of this company through service and sacrifice.

Ladies and gentlemen, an increasing number of our young men are being elected. They are becoming eligible for membership in our organization by virtue of their service and their sacrifice in Vietnam.

The United States is stuck with a dirty, ugly situation there. The alternatives are clear—to press for a settlement which would leave South Vietnam independent, or to abandon a free people to the Communists. Such an abandonment would ratify the action of the aggressors. It would strengthen the militant position of the Chinese Communists, and perhaps encourage similar Communist-dominated insurrections around the world.

To withdraw now would be to abandon these people to the mercies of a group of terrorists, who have shamelessly bombed crowded restaurants, and murdered innocent women and children. We cannot withdraw, we must not lose, and we should not broaden the conflict. We must gage our response, and measure our opponent. We must maintain an absolute control over the hostilities. We must combine our unlimited resources with unlimited patience and direct the war effort toward the peace table.

Last week, President Johnson called on this Nation to prepare for greater sacrifices in the pursuit of peace and the struggle for freedom in southeast Asia. I am hopeful, as I know you are, and I know he is, that our determination to stand firm and our willingness to negotiate will end the conflict and discourage future acts of aggression in Asia.

Members of the Disabled American Veterans: The struggle for justice and freedom will enlarge the rolls of our organization.

Let this convention mark a renewal of our commitment to the cause of freedom and the care of casualties in this noblest of all undertakings.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MANSFIELD. I join the distinguished Senator from Louisiana in what he has had to say about our distinguished colleague, the Senator from Maryland [Mr. BREWSTER]. I am glad that the Senator from Louisiana cited the outstanding war record in the Marine Corps of the Senator from Maryland. While in the Marine Corps, he engaged in numerous campaigns. He was wounded several times—seven, I believe—and made a record which even in the Marine Corps was distinguished and outstanding. His record in this body is just as good.

Mr. LONG of Louisiana. I appreciate the statement of the majority leader, who himself had a very fine and outstanding record as a member of the Marine Corps. I was a member of the U.S. Navy and did not have the opportunity to serve in the Marine Corps. But I have the highest regard for the Marine Corps from what I saw of that great service.

I should like to add to the statements made that the Senator from Maryland was not only one of the great fighting men of our country, but also he is a great Senator and is much beloved by every Member of this body.

PEACE CORPS ACT AMENDMENTS—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2054) to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Aug. 5, 1965, p. 19117, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I should like to ask the Senator from Alabama [Mr. SPARKMAN] a question and make two points which will settle the problem before the Senate.

I have come to the conclusion in regard to the controverted amendment I proposed with respect to the holding of two high posts by Sargent Shriver, which was dropped in conference, that it would be more advisable to raise the question on the proposed amendments to the poverty bill, which will be coming before the Senate very shortly. Such a course would avoid putting Senators in the embarrassing position of having to reject a conference report related to the Peace Corps, in which I believe and in which I think the Senate almost unanimously believes.

I came to the conclusion that such a choice would be unfair, in respect to a question of that sort, which is not directly involved with the Corps, its success, and its desirability, as much as I am opposed to what is being done about the appointment of Mr. Shriver to those two high offices. I did not feel it was fair to Senators to make them vote yea or nay on a conference report which would have had to be turned down in order to raise the question. I concluded instead to consider seriously raising the issue on the poverty amendments which have been ordered reported by my own committee, the Committee on Labor and Public Welfare, and which will soon come before the Senate. Then the issue could be raised specifically. Such a procedure will be much more fair to the issue as well as to the Senators who will be called upon to consider the question.

However, I would appreciate it if the Senator from Alabama, in his presentation, would discuss the question for a few minutes. I would appreciate it if the Senator from Alabama would tell the Senate why the amendment was dropped and how the House Members felt about it.

Mr. SPARKMAN. I shall do that; and I appreciate the action proposed by the Senator from New York.

Mr. President, the conference report on the Peace Corps bill represents a fair and equitable settlement of the differences between the Senate and the House.

We took the House language relating to a tax situation. We submitted that tax situation proposal to the Committee on Finance.

The amendment to which the Senator from New York refers was a Senate amendment. It was agreed to in the Senate. The House had no such amendment. Most of these differences were minor or technical in nature. There was no dispute over the amount to be authorized. Both bodies approved an authorization of $115 million for the 1966 fiscal year, which will increase the Peace Corps volunteer and trainee strength from an estimated 13,710 at the end of this month to 15,110 by that time next year.

I will mention only the more significant items agreed to by the conferees. The Peace Corps had budgeted $1,400,000 for research this fiscal year. The Senate placed a limitation of $500,000 on the amount the Peace Corps could obligate for research, but the House did not limit this activity. The Senate's limitation was adopted by the conference committee.

Under the Senate bill two associate director positions would be made subject to Presidential appointment, but the House did not authorize upgrading of these positions. The Senate conferees receded on the issue.

The Senate Conferees on the Peace Corps bill to accept a provision in the House version which provides special tax treatment for the readjustment allowances paid volunteers upon completion of their tour of duty abroad. It would, in effect, restore the tax treatment of these allowances in the manner contemplated by Congress in passing the original Peace Corps Act. The tax provisions of that act were inadvertently repealed by the tax revision law enacted last year. The Committee on Foreign Relations considered this item during its work on the Peace Corps authorization bill and there was no objection to it. But since it was a tax matter, it could not be initiated by the Senate.

The language in the House bill which was accepted by the Senate conferees has been cleared with the Senate Finance Committee. I ask unanimous consent to have printed in the RECORD at the end of my remarks a letter concerning this matter which the chairman of the Foreign Relations Committee has received from the chairman of the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Both the Senate and the House bills contained new authority for appointment of domestic-based Peace Corps personnel to either the Foreign Service Reserve or staff in order to give the Peace Corps greater flexibility in personnel management. But the two bodies differed over the length of time for which the appointments could be made. The Senate placed a maximum limitation of 5 years on appointments and stipulated that the individual would not be eligible for reappointment until the expiration of a period equal to his previous tour of duty with the Peace Corps. The House bill would have allowed 5-year appointments with an extension of up to 5 years with the approval of the Director of the Peace Corps. Their version would also have allowed reappointment after a minimum of 1 year. The conferees agreed to a limitation of 5 years with a 1-year extension upon the approval of the Director. Reappointments would not be permitted until the expiration of a period equal to the individual's previous period of service, the Senate's original provision.

The item before the conferees that has aroused the most interest was the amendment of the senior Senator from New York that would have prevented Mr. Shriver from serving as both Director of the Peace Corps and as Director of the Office of Economic Opportunity.

When the amendment was adopted by the Senate there was no discussion of the possible constitutional issues involved. Since that time, Assistant Attorney General Schlei has rendered an opinion to William Josephson, the Peace Corps General Counsel, that the prohibition on Mr. Shriver's holding two Federal positions is unconstitutional. Briefly, he takes the position that this is an unconstitutional attempt to remove from office an officer in the executive branch and that Congress cannot impose qualifications for office retroactively so that it has the effect of removing the incumbent from office.

Mr. President, I ask unanimous consent to have the opinion printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Without objection, it is so ordered.

(See exhibit 2.)

Mr. SPARKMAN. Mr. President, in the light of this opinion and the adamant position taken by the House conferees, the Senate receded on the amendment.

The Senate conferees believe that the conference report is a reasonable compromise of the issues between the Senate and the House and recommend that it be adopted.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON FINANCE,
July 9, 1965.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you requested by your letter of June 25, the members of the Finance Committee have reviewed that feature of H.R. 9026 which relates to the tax treatment of readjustment allowances of Peace Corps volunteers. This feature provides that the amount of such allowances is to be considered as income for Federal tax purposes as of the time it is transferred from authorized funds to the specific fund from which the allowances are paid.

This insures that the tax treatment of these volunteer readjustment allowances continues to be treated, for tax purposes, in the manner contemplated by the Committee on Finance (and the Congress) when the legislation authorizing the Peace Corps was enacted in 1961. You correctly point out that the 1961 amendment was inadvertently deleted from the Internal Revenue Code last year during revision of the averaging provisions of the tax law.

The Committee on Finance agrees with the objective of this feature of H.R. 9026 and does not object to its inclusion in the bill. It would be appreciated, however, if you would make this letter a part of the legislative history of the bill.

With kindest regards, I am,
Faithfully yours,
HARRY F. BYRD,
Chairman.

EXHIBIT 2

DEPARTMENT OF JUSTICE,
Washington, June 18, 1965.

Mr. WILLIAM H. JOSEPHSON,
General Counsel,
Peace Corps,
Washington, D.C.

DEAR MR. JOSEPHSON: This is in reply to your request for my views concerning the constitutionality of the Javits amendment to S. 2054, 89th Congress, 1st session, a bill to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes. That amendment, which has been adopted by the Senate, would add to section 4(a) of the Peace Corps Act the following sentence:

"The Director [of the Peace Corps] shall hold no other Federal office of equivalent rank."

The purpose of the proposal, in the words of its sponsor, was "to provide that the Director of the Peace Corps, Sargent Shriver, shall not be, at one and the same time, Director of the Peace Corps and Director of the Office of Economic Opportunity, administering the antipoverty program." (CONGRESSIONAL RECORD, June 2, 1965, p. 12281.)

It is my conclusion that this amendment would constitute an unconstitutional attempt by Congress to remove from office an officer of the executive branch in a manner not authorized by the Constitution. Under the Constitution, the power to remove an officer of the executive branch is vested exclusively in the President. Congress can oust such an officer only by the process of impeachment or by abolishing the office. And while Congress can impose reasonable qualifications for civil offices, it may not impose such qualifications retroactively so that its action has the effect of removing the incumbent from office.

The Constitution provides that the President shall nominate, and, by and with the advice and consent of the Senate, shall appoint the officers of the United States, except those inferior officers whose appointments the Congress may vest in the President alone, in the courts of law, or in the heads of departments. The Congress, during a famous debate of 1789, recognized that the power of removing the officers of the executive branch was vested in the President alone and that the Congress could not limit this power, by providing that removal, like appointment, required senatorial advice and consent. The constitutional principle that the power of removal of executive officers is vested in the President alone was judicially recognized in *Myers* v. *United States,* 272 U.S. 52 (1926).[1] The only constitutional way in which Congress can bring about the removal of an executive officer, without abolishing his office, is by way of impeachment—a process which involves a trial by the Senate and conviction by two-thirds of the Senators present.

The Presidents have on several occasions successfully defended from congressional encroachment their exclusive power to remove executive officers. When, in 1924, in connection with the Teapot Dome scandal, the Senate passed a resolution calling for the removal of Secretary of the Navy Denby (65 CONGRESSIONAL RECORD, 2245), the President declined to comply with that request. He stated:

"The dismissal of an officer of the Government, such as is involved in this case, other than by impeachment, is exclusively an executive function. I regard this as a vital principle of our Government" (65 CONGRESSIONAL RECORD, 2335).

In December 1930, the Senate confirmed the nomination of three members of the Federal Power Commission and ordered that the resolution of confirmation be forwarded to the President, who thereupon appointed those officers. After the Christmas recess, the Senate voted to reconsider the nominations and asked the President to return the resolution of confirmation. President Hoover refused to comply with that request. He said:

"I am advised that these appointments were constitutionally made, with the consent of the Senate formally communicated to me, and that the return of the documents by me and reconsideration by the Senate would be ineffective to disturb the appointees in their offices. I cannot admit the power in the Senate to encroach upon the Executive functions by removal of a duly appointed executive officer under the guise of reconsideration of his nomination" (74 CONGRESSIONAL RECORD, 1929–30).

The Supreme Court upheld the President's refusal to permit the removal by the Senate of validly appointed officers.[2]

Section 304 of the Urgent Deficiency Appropriation Act of 1943, 57 Stat. 431, 450, provided that no funds could be used to pay the salaries of three named Government officials. When President Roosevelt signed the bill, he stated:

"The Senate yielded, as I have been forced to yield, to avoid delaying our conduct of the war. But I cannot so yield without placing on record my view that this provision is not only unwise and discriminatory, but unconstitutional.

* * * * *

"This rider is an unwarranted encroachment upon the authority of both the executive and the judicial branches under our Constitution. It is not, in my judgment, binding upon them" (89 CONGRESSIONAL RECORD, 7521).

In *United States* v. *Lovett,* 328 U.S. 303, the Supreme Court held that this attempt to remove the three officials by cutting off their salaries was unconstitutional. While the Court relied on the bill of attainder clause of the Constitution, which would probably not be applicable in the present case, its reasoning rested in part on the proposition that the legislative branch has available to it only one procedure; namely, impeachment, for the removal of officers of the executive branch.

When the Economic Opportunity Act was before Congress last year it was generally known that Mr. Shriver would be appointed to administer that act; when Mr. Shriver was appointed Director of the Office of Economic Opportunity it was known to the Senate that he would hold the two offices. Had it wished to do so at that time, Congress could have provided in the legislation that the Director of the Office of Economic Opportunity could not be Director of the Peace Corps at the same time, or the Senate could have refused confirmation for that reason. For Congress may impose reasonable qualifications, applicable prospectively, upon those who would hold executive posts it has created. But if

---

[1] Congress can limit the President's power to remove quasi-legislative or quasi-judicial officers. *Wiener* v. *United States,* 357 U.S. 349; *Humphrey's Executor* v. *United States,* 295 U.S. 602. The offices of the Director of the Peace Corps and of the Office of Economic Opportunity do not, however, fall into those categories.

[2] *United States* v. *Smith,* 286 U.S. 6; see also 36 Op. A.G. 382. The opinion of the Court deals primarily with interpretation of the Senate rules rather than with the question here involved.

Congress could impose qualifications retroactively, thereby ousting the incumbent, it could remove any officer whose performance however satisfactory to the President, was unsatisfactory to it. The Constitution is certainly not susceptible of any such interpretation.

In view of the fact that Mr. Shriver has been appointed, by and with the advice and consent of the Senate, to both of the offices which he now holds, the Congress may not constitutionally undo either appointment by legislation. So long as both posts continue to exist, Mr. Shriver can be removed only by Presidential action or by impeachment.

Sincerely,

NORBERT A. SCHLEI,
Assistant Attorney General,
Office of Legal Counsel.

Mr. JAVITS. Mr. President, I have been among the first to say that Mr. Shriver is a distinguished public servant and an outstanding administrator. I do not want to let him go from Government service. But neither do I want to break his back with two full-time jobs. Nor do I want to jeopardize either of the positions in which he is engaged. Yet those are the effects of giving him the two jobs.

It is unique in the Federal Government to have one man head two great agencies, both critically important to the Nation. I am especially concerned about having Mr. Shriver hold the particular office of Director of the Office of Economic Opportunity while, at the same time, he is trying to carry the responsibility of the Peace Corps.

I questioned him about this. He makes two points. The first is that this is not his choice; it is the President's choice. I placed in the record of hearings before the Labor and Public Welfare Committee a letter from Mr. Shriver to that effect. I ask unanimous consent that it be made a part of these remarks, as well. The letter is dated March 15, 1965.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PEACE CORPS,
Washington, D.C., March 15, 1965.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for your letter which I received on March 8 concerning my responsibilities as Director of the Peace Corps and as Director of the Office of Economic Opportunity.

My response to your question can be brief: It is my obligation to continue to do my best at both tasks as the President has requested.

Obviously, I am not spending the same amount of time at either job as I did with the Peace Corps when that agency was my sole responsibility in its early days. Perhaps this is not a valid comparison, however. We have an experienced, tough-minded Peace Corps staff at work at home and abroad. Our programs are established and successful. As well, we have gained much knowledge from the Peace Corps efforts which has helped in our organization and initial implementation of programs in the war on poverty. This is a special advantage which continues.

Moreover, the staff at OEO is extraordinarily competent, experienced and hardworking. It's encouraging that so many outstanding men and women have rallied to this cause. They bear most of the burdens and certainly deserve the largest part of the credit for our success.

You have asked me also whether I "have been able to give effective and satisfactory direction" to both programs. I am not the one to judge. That's the President's job. He is the Chief Executive. All of us in the executive branch do our best to help him bear the immense burdens of his office in the ways he asks us to serve. That's all I'm doing. But in doing it I'm encouraged and rewarded by the extraordinary popularity of both the Peace Corps and the Office of Economic Opportunity with the people. It was not always so, especially in the early days of these agencies. But, now even public opinion polls and a recent survey of economists made by the Chase Manhattan Bank reveal widespread support for and satisfaction with our efforts.

I do not ask, however, to be continued in either of these positions personally satisfying though they both are. I shall continue only to perform to the best of my ability in the responsibilities asked of me by the President as long as he requests me to do so, and my continued good health and other responsibilities permit.

Sincerely,

SARGENT SHRIVER,
Director.

Mr. JAVITS. Mr. President, in his letter, Mr. Shriver said:

> It is my obligation to continue to do my best at both tasks as the President has requested.

I think this arrangement is most ill-advised. There is no domestic program in the Federal Government that is more sensitive than is the antipoverty program to the possibilities of abuse through politics. Poor people are the targets of the program; there is an enormous Federal disbursal of money, of the magnitude, in the new bill, of more than $1.5 billion a year; the funds in the most significant component, the community action programs, are disbursed largely through citywide committees to small projects on the neighborhood level, with the danger at every step of political influence and the possibility of charges of such influence throughout the country, which is exactly what has happened and will continue to happen.

We want a director who is sensitive and keen to this danger and who, in addition, will be concerned with the possibilities of every type of abuse, fraud, and deception, as well as mismanagement and outright stealing. These are not unknown dangers in Federal programs in which a vast number of Federal employees are involved all the way down to the local level, as this one must be if it is to be effective.

So we want an Administrator who is as smart as Mr. Shriver and who is able to ride herd on the agency every minute. That is the least assurance that Congress should have.

In respect to the Peace Corps, we want a Director who has the same evangelism, the same exciting quality that Mr. Shriver brought to the Peace Corps and which helped to bring this fine idea of the Peace Corps to the point where it has become a favorite of Congress.

As a member of the Committee on Labor and Public Welfare, I see terrible dangers in the poverty program. We need a full-time Director of the most able kind. On top of that, he must be directing the agency every minute. As one who has been concerned with foreign affairs all my life, including membership on the Committee on Foreign Affairs of the other body, I am aware of the importance of maintaining that evangelism, that excitement, that fire which has inspired American youth to go into the Peace Corps.

We hear from authoritative sources disquieting reports about the Peace Corps. Some weeks ago, I invited the attention of the Senate to a column written by Roscoe Drummond, in which he said that excitement and enthusiasm in the Peace Corps are faltering because of part-time direction. I placed that column and another by Edwin J. Safford in the RECORD of April 26, 1965. Because they are so pertinent to this particular discussion, I ask unanimous consent that they be made a part of my remarks today.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Apr. 25, 1965]

PEACE CORPS FALTERS

(By Roscoe Drummond)

WASHINGTON.—The Peace Corps isn't what it used to be and is getting less so.

It is running down.

It is growing old—prematurely.

Something will have to be done soon to restore its verve, vitality, and vision.

I make this report as one who has viewed the Peace Corps with admiration. It is one of the most creative and constructive initiatives of the Kennedy administration. It provided a superb channel for the high idealism of American young people and very practical aid to many underdeveloped nations. Sargent Shriver launched it with great zest and with skill as a get-things-done administrator.

But the get-things-done spirit is slipping away.

Somebody has got to make something happen soon or the Peace Corps is going to get completely stuck in administration glue. As this happens, it will lose its flair, its fun, and its appeal to the most qualified volunteers.

Perhaps no one outside the agency itself can pinpoint what's gone wrong. But something has gone out of the Peace Corps and I believe the explanation is to be found in these circumstances.

1. For 14 months Sargent Shriver has been devoting all of himself to two full-time jobs—the war-on-poverty programs and the Peace Corps. He has devoted all of his energies for long hours every day at two full-time jobs. He has been almost succeeding at both. But not quite. The Peace Corps has been suffering; it is flagging; it is feeling lonely and somewhat neglected.

2. For 16 months the Peace Corps has been without the services of its generative Deputy Director Bill Moyers, President Johnson's young Texan aid, who was loaned to the White House for a few days right after the assassination—and hasn't been back since. Thus, for 14 months the Peace Corps has had only a part-time Director and for 16 months no Deputy Director. The team of Shriver and Moyers has been split too many ways.

At one stage Moyers tried to lend a helping hand at the Peace Corps. He set himself to attend regular staff coordinating meetings and, when he found he could only get to two out of the first six, he gave up.

3. Others may see it differently, but it seems to me that the Peace Corps has made one grave mistake in administrative policy. It has been racing into expansion for its own sake; it has engaged itself in a numbers game which is hurting the quality of its volunteers and impairing its work abroad. It has been unwisely setting unattainable goals of more volunteers in more countries in more kinds of activity year after year.

It started out the first year after its congressional authorization with the manageable goal of 3,500 volunteers. There were plenty of applicants qualified and eager to join.

Now the Peace Corps is asking Congress funds for a 17,500-man Peace Corps. But the truth is it can't expand to 17,500 without beating the bushes on every campus, without pleading for volunteers, and without resorting to a hard-sell recruitment which dilutes the very volunteerism of the Peace Corps itself.

In some countries abroad the Peace Corps people are running into each other and running over each other.

Let's be clear on one point. You can slice Mr. Shriver down the middle and I admit you will get a good one-and-a-half people. But not two for two full-time jobs.

The Peace Corps needs either all of Sargent Shriver or somebody like him soon—or else.

[From the Long Island Star-Journal, Apr. 22, 1965]

RECRUITMENT WOES PLAGUE PEACE CORPS

(By Edwin J. Safford)

WASHINGTON.—A recruiting program that did not grow as fast as hoped has forced the Peace Corps to lower its planned growth rate.

Reliable Government sources have indicated the agency's Director, Sargent Shriver, later this spring will ask Congress for less money than originally planned.

Although the new request, $115 million, is an increase of nearly $11 million over last year's congressional appropriation, it is still an admission that the Corps cannot field as many volunteers in its next recruiting year as called for in a 5-year schedule dictated by President Johnson.

Johnson wants 20,000 corpsmen in the field by 1969.

Currently the Corps is striving to meet its target of 13,710 by the end of this August.

The Peace Corps recruiting year roughly coincides with the school year because many projects involve teachers.

If present estimates hold, the Corps will have 15,110 volunteers abroad by August 1966, the end of its next recruiting year. This means it will have to step up recruiting if it is to meet the President's target, Peace Corps officials acknowledge.

Spokesmen for the Corps say recruiting is their No. 1 problem. Shriver has made the entire professional staff of the agency's Washington office available to the recruiting division.

Almost every ranking staff member at one time or another has found himself on a college campus speaking to potential volunteers and administering placement tests.

The Corps' Associate Director for Public Affairs, Robert L. Gale, says the Corps gets an average of $23 million a week in free advertising from national advertising agencies and news media. In 1964, he said, the Corps was the third largest recipient of public service advertising time and space.

Yet the acceptance rate on applications for the past 12 months is only slightly higher than for the previous 12 months. Corps officials concede they had hoped for a 20-percent increase.

The quality of the new corpsmen, spokesmen stress, is higher than in previous years. They hold more college degrees, but have somewhat less professional experience than their predecessors. Their average age is lower, having dropped from 25 to 24.

But the original enthusiasm which President Kennedy generated seems to have dissipated. There is less excitement about the Corps on college campuses—the main source of volunteers, recruiters report.

Recruiting also has been hurt by reports that returning corpsmen are having trouble findings jobs.

Although the problem exists and was publicly explored in a conference held in Washington this year, the Corps says it was blown out of proportion. Most returned corpsmen are gainfully employed or have returned to school, Corps officials say.

Potential male volunteers are still wary of the draft, not wanting to yield 2 more years of their lives. Although the vast majority of returnees have been exempted, a few have been drafted. One draft board, a Corps spokesman noted sadly, has conscripted every eligible returnee.

Mr. JAVITS. Mr. President, I have questioned Mr. Shriver. He says he works around the clock. He says he does his best. He will not say whether in his judgment he does both jobs adequately or not. The best he can say is that that is what the President wants him to do, and he is doing it. He feels that he has the physical energy and stamina to carry them on. Somehow or other, whether he does the Peace Corps work at the Office of Economic Opportunity or does Office of Economic Opportunity work at the Peace Corps, he gets the job done, he says.

It is our job to see that these offices are conducted with the full participation of executive personnel to which each is entitled. I deeply feel that the present arrangement is an anomaly which I do not understand and that I believe no one else can understand.

Why the stubbornness about having Sargent Shriver hold both jobs? Is it merely to glorify him into being the toughest, biggest Samson in American public life? What is the reason? Why does he carry both responsibilities? Is there no one else to carry them? That is ridiculous. Clearly there are others who could do one of the jobs. The fight on this matter must be continued.

As I said a while ago, because I realize the embarrassment to me and to every other Member of the Senate involved in being asked to vote against an authorization for the Peace Corps, which I and many other Senators like, I have decided that it would be more appropriate to consider this matter in relation to the antipoverty bill, which is in the process of being reported to the Senate by the Labor and Public Welfare Committee. Such an amendment would specifically raise the question: Shall Sargent Shriver hold these two jobs or shall Congress say to him, "You cannot hold the Peace Corps directorship so long as you hold the directorship of the Office of Economic Opportunity"?

If I could make the choice, I should like to see Mr. Shriver in the Office of Economic Opportunity, because at the moment, in my opinion, that is a much more sensitive and harder job.

As to the law, I have seen Mr. Schlei's opinion. Let us remember that he is a lawyer just as am I and many other Members of the Senate. The opinion is his opinion; that does not make it correct. We have the opinions of a number of law professors which are exactly the opposite of Mr. Schlei's opinion.

It is my own honest judgment—and I would not press the matter if it were not my honest judgment—that my proposal is perfectly constitutional, for this reason: The whole thrust of Mr. Schlei's opinion is that what is proposed is some kind of bill of attainder against Mr. Shriver. But the amendment which was adopted by the Senate is no such thing. It is not directed at Mr. Shriver. It does not say that Mr. Shriver shall be deprived of his office or salary. It sets a condition, which Congress has an absolute right to set, as to the qualifications of the person it expects to hold the job. In this case, it set in the Peace Corps bill a condition regarding the position of Director of the Peace Corps, that the Director not hold any other Federal office of equivalent rank. In the other instance, it will be in the Office of Economic Opportunity bill, setting the same condition as to the qualification of the person holding the position of Director of the Office of Economic Opportunity.

Congress has imposed many statutory qualifications on Federal executive officeholders. We have based them on citizenship, on residence in a particular State or territory, on occupational experience, on political affiliation, on age, and on other factors, including membership in a certain body, such as a military corps or the Public Health Corps. Congress has not hesitated to do that.

This is a job without term. The term is indeterminate. If Mr. Schlei is correct, it would mean that every time the President appointed an official to a position for an indeterminate term, Congress would have lost its power to change the qualifications for that job. That is what Mr. Schlei's opinion means.

It means that from then on, so long as the President keeps an official in a position, the person is effectively frozen in that position, and Congress cannot move unless the job is vacant. It is only in that twinkling of a second, when the job is vacant, that Congress could change the qualifications, if Mr. Schlei's opinion is correct. That would certainly raise hob with the constitutional system.

Congress sets the qualifications by law; therefore, Congress can change the law by which it sets qualifications. Or if Congress has set inadequate qualifications, it may reset them.

If those qualifications are reasonable, in my judgment the legislation would be absolutely sustained on the ground that it represents an appropriate utilization of the power which we have under the time-honored case of McCulloch against Maryland, to make the necesary and proper laws to carry into execution the unique power we possess. We select the means. It is the President who selects the personality.

Mr. President, I cannot conceive of the Constitution preventing us from acting in the field of the qualifications of a public official while there is a public official in the job. Yet, that is what the Attorney General wants us to believe.

As my view is sustained in very authoritative quarters, I shall consider most seriously placing this question before the Senate again when the amendments to the antipoverty act are before the Senate.

This is not a happy position for me. I like Mr. Shriver personally. I believe that he is a fine public servant. However, I believe that this arrangement which we are allowing to continue is a very bad idea. I do not know the reason for permitting it to continue.

Be it remembered, too, that the amendment which has now been dropped was accepted on the floor of the Senate. Notwithstanding the charge made by many people that the Senator in charge of the bill did not know what he was doing, he knew it very well. I believe that represents the general view here, that no one understands why this practice should persist. I hope very much that those who make these appointments will take some notice of the feeling expressed upon this subject.

I close by calling the attention of the Senate to the fact that if this multiple appointment can stick, one man can be—as is the case in some governments which follow a practice frowned upon by us—the Secretary of State, the Secretary of Defense, and the Secretary of Commerce. Why not?

The minute that we subscribe to the proposition that it is entirely up to the President and that he can prevent us from acting once he makes the appointment, we can have any kind of proliferation in government that he desires. I do not believe that it is right. I do not believe that Congress can accept this practice.

It is for that reason that I have pressed the matter and shall continue to press it.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

BIG BROTHER—COMMENDATION OF INTERNAL REVENUE SERVICE

Mr. LONG of Missouri. Mr. President, fair is fair. I have inserted a number of articles and letters in the RECORD which have been critical of the Internal Revenue Service. I recently received one letter which is highly complimentary of IRS. It is from a lawyer in Los Angeles, Mr. Caryl Warner.

I ask unanimous consent that this letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LAW OFFICES, CARYL WARNER,
Los Angeles, Calif., July 26, 1965.

JUDICIARY COMMITTEE,
U.S. Senate,
Washington, D.C.

GENTLEMEN: Please let us voice an objection to the testimony of a Boston lawyer before the committee, that IRS is above the law.

There is simply nothing to this so far as southern California is concerned. Looking back over some 36 years' dealings with the IRS, we have found this organization to be of the highest type, and is rendering great public service.

Yours truly,

CARYL WARNER.

HARVEY SCHERMERHORN, REA LEADER, TO RETIRE

Mr. NELSON. Mr. President, Wisconsin has been fortunate over the years because of the Rural Electrification Administration that originated in 1935. The REA movement has been successful in my State for many reasons. One of them is that is has been blessed by the services of such men as Harvey Schermerhorn.

Mr. Schermerhorn has been associated with electric cooperatives almost from their beginning. He has served for 25 years as public relations director for the Wisconsin Electric Co-operative. Gary Rettgen, farm editor for the Capital Times in Madison, writes in a recent story of Mr. Schermerhorn's role in the electric co-op movement in Wisconsin. He writes that he was hired full time in 1940 by the Wisconsin Electric Co-operative, and "Since that time he has devoted his life to rural and cooperative electrification and its establishment as a yardstick for comparison with consumer prices of public utilities."

Mr. Schermerhorn is planning to retire at the end of this year. His career in the electric co-op field is worth noting.

Mr. President, I ask unanimous consent that the article by Gary Rettgen on Mr. Schermerhorn be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

For 25 years Harvey Schermerhorn, public relations director for the Wisconsin Electric Cooperative (WEC), has been a major voice for electric cooperatives in the United States.

Schermerhorn will retire at the end of this year.

In his 25 years with WEC, the lifelong Wisconsin resident, a former Grant County editor and publisher, has watched over and worked for the raising of the mammoth U.S. phoenix—agriculture—from its ashes of the 1930 depression.

Not many believed strongly in the success of a farmer-owned electric cooperative system in the 1930's.

"It was 1935," Schermerhorn recalled recently at his desk in the South Park Street WEC office, "when I first read the announcement that a Rural Electrification Administration (REA) was to be formed.

"I was interested. I felt it could be the salvation of rural America, Wisconsin, and rural Grant County, in fact."

The American farm and rural community scene in 1935 was not a place for optimism. Years of droughts, dust storms, floods, and finally, the depression, had brought farming America to new lows, socially, economically, and in morale.

At the time, Schermerhorn, a native of Ontario, Wis., was managing editor and copublisher of the Grant County Independent, in Lancaster.

"I wrote editorials supporting REA. I patterned their style after the travelogues of William Evjue, because I felt I could better deal with individual problems in that way."

When the first electric co-ops were formed, Schermerhorn assisted the organizations' officers in editing their monthly newsletters.

Then in 1939, Les Nelson, a leader in the Wisconsin rural electric co-op movement, approached Schermerhorn for help with a proposed joint publication for four co-ops in southwestern Wisconsin.

Schermerhorn, his copublisher, Charles D. Rosa, and the four co-op managers from Crawford, Grant, Trempealeau, and Vernon Counties met in the shade of an apple tree near Gays Mills to discuss printing arrangements.

Hearing of the joint newsletter idea, seven more cooperatives at a State co-op convention decided to join the publishing effort.

The first joint publication came out in July 1940, with a circulation of 13,050, going to the 4 original co-ops, and to Chippewa Valley, Dunn, Jackson, Lafayette, Oakdale, Oconto, and the Taylor County organizations.

WEC hired Schermerhorn as a part-time editor.

"From June 10, 1940, until November 1940, I edited both the Grant County Independent and the new Wisconsin REA (later changed to REC) News," Schermerhorn says. A weary remembrance of commuting daily between Lancaster and Madison creeps into his voice.

In November 1940, he disposed of his Lancaster newspaper interests when he was hired full time by the WEC. Since that time he has devoted his life to rural and cooperative electrification and its establishment as a yardstick for comparison with consumer prices of public utilities.

From that moment in November 1940, Schermerhorn's life story becomes a national-international one.

In 25 years, Schermerhorn has traveled from one end of the country to the other, has worked with the Cooperative League, the National Rural Electric Cooperative Association (NRECA), the American Institute of Cooperation; has been a featured speaker at every national electric co-op convention, and has been an acquaintance of U.S. Presidents.

The Ontario High School graduate is a member of the board of directors and a lecturer at the International Cooperative Training Center, located on the University of Wisconsin campus.

He claims his advanced education came in "the school of hard knocks."

His chance to prove himself came in the 1940's, a critical time in the U.S. rural electrification program.

Over 25,000 miles of utility poles had been set by the rural cooperatives, but no company could supply the co-ops with aluminum conductors in wartime America.

What little was available, according to Schermerhorn, was being delivered to the stockholder "public" power companies.

The small cooperatives, individually, had difficulty finding supplies. The Rural Electrification Administration and the NRECA attempted to help the desperate organizations, but delivery dates offered by manufacturers were from 4 to 5 years.

W. V. Thomas, manager of WEC, appointed Schermerhorn to follow up rumors that a Louisville, Ky., manufacturer of aluminum conductor could be negotiated into selling cooperatives their "missing link."

The former publisher succeeded. But the company had asked WEC to guarantee a $6 million order, which represented the State's total worth. Determined, the Wisconsin co-op felt the risk was worth it.

The rest is history.

Because of WEC's negotiation experience, the State group was prepared to distribute conductor, and later other electric materials on a nationwide scale.

Other State co-ops joined the Wisconsin organization. Today WEC has associate co-op members in 14 States, including Texas, Wyoming, Pennsylvania, and the State of Washington, with branch offices in Kansas City, Mo., and Moorehead, Minn.

The fact that electrified farms were able to substantially step up production for the war effort undoubtedly played a part for victory in World War II, as well as today's food-for-peace plans.

When Harvey Schermerhorn retires at age 65 he will have more than memories to live with.

"I've had six job offers so far," Schermerhorn says, "but I haven't officially decided which to take."

Should he decide to take none—spend the rest of his life relaxing, the Schermerhorn voice in public relations would not be retired.

Both his sons have followed their distinguished father's footsteps: John is a well-known local television personality. Richard Schermerhorn is in public relations at Credit Union National Association (CUNA).

IMPACT OF VIETNAM SITUATION ON BUSINESS AND FINANCIAL COMMUNITY

Mr. TALMADGE. Mr. President, Eliot Janeway, the influential New York economist and nationally syndicated financial columnist, has been an acute and accurate observer of economic and political events for many years. In his column, "Point of View—Janeway," published in the Chicago Tribune of August 5, Mr. Janeway has added a new dimension to our understanding of the impact of the Vietnam situation—its impact upon the business and financial community as measured by its impact upon the New York stock market. Mr. Janeway reports that my distinguished colleague, the Senator from Indiana [Mr. Hartke], wisely recognizing the significance of the Wall Street barometer "went so far as to tell a select group of New York investment people that the stock market has taken over from the opinion poll and the pollsters as the most reliable and sensitive indicator of changes in public psychology."

As Mr. Janeway continues:

> There's no doubt that the stock market has become subject to Vietnam drag.

The fact that the stock market has not been responding to the continued, unprecedented economic expansion which our Nation has been enjoying is cause enough for concern. The fact that this failure is attributable to the troubling situation in Vietnam makes even more clear the magnitude of the impact which this war is having in every area of American life.

I ask unanimous consent that the Chicago Tribune article, "Main, Wall Streets Sharing Viet Worry," by Eliot Janeway, be printed in the Congressional Record.

There being no objection, the article was ordered printed in the Record, as follows:

[From the Chicago Tribune, Aug. 5, 1965]

Point of View—Janeway—Main, Wall Streets Sharing Viet Worry

(By Eliot Janeway, Consulting Economist)

New York, August 4.—Politically, Vietnam is now the big issue. Intellectually and morally as well, the question of what to do and what not to do about Vietnam dominates debate—and not only within the United States.

It's news, too, that the stock market is just as scared of Vietnam as the politicians are. In fact, Indiana's Senator Vance Hartke went so far as to tell a select group of New York investment people last week that the stock market has taken over from the opinion polls and the pollsters as the most reliable and sensitive indicator of changes in public psychology.

There's no doubt that the stock market has become subject to a Vietnam drag. Its action certainly suggests that Main Street and Wall Street are for once worrying about the same risks and at the same time.

Normally, when times are good, the prevailing political attitude is to coast along on the assumption that the "ins" are safe because nobody ever wants to shoot Santa Claus. Not so in today's tense and tricky new atmosphere of crisis. Times have never been better; and they're certain to stay very good. Nevertheless, every politician in office who has ever survived a political storm, from Johnson on down, is running scared of Vietnam backlash. Candidates preparing for 1966 are thinking more about mothers and first voters than about purse strings.

PUT FIRST THINGS FIRST

The stock market is saying that politicians, who are in this frame of mind are putting first things first. It's no exaggeration to say that, if each and every one of the money worries that have been bothering the stock market were to be settled quickly and to the satisfaction of the investment community, the Vietnam drag would still hold it back.

The same goes for Wall Street's obvious fears on the steel-labor front. Not so long ago, a live-and-let-live settlement, without a strike, without the flashing of brass knuckles from Washington and with operations at a high level, would have been enough to send the stock market into a new upsurge. But that was before the Vietnam drag deflated the bullish arithmetic of earnings and dividends.

Every economic factor which the stock market can count adds up to an argument for bullishness. But the Vietnam risks which no one can count are jamming the computers—appropriately so. For Vietnam is a riddle. In fact, it's a jungle. As in every jungle, sophisticated computers are excess baggage there, and primitive feel is at a premium.

QUALITY OF GENIUS

This is the very quality which gives Johnson his distinctive political genius. But, instead of relying on it in Vietnam, he has allowed Secretary of Defense Robert McNamara to take over as playmaker plenipotentiary. And Secretary McNamara is "Mr. Computer."

President Johnson, despite everything that has been said about his vanity on the trivial side and about his instinct for power on the serious side, is not a confident or secure man—denizens of the judge know better. Johnson lacks the sense of security which shallower extroverts like Truman and Eisenhower had.

It is in character for Johnson to defer to an aggressive claimant for authority like McNamara. But the stock market is putting the President on notice that he may have sold himself short in his all-out gamble on McNamara.

MOVES WITH TIDES

Senator Hartke may be right in advising us to use the stock market for sense-making as well as money-making. Since Korea it has moved with the political tides, belying its historical reputation for being out of step with majority opinion. In fact, Wall Street has rated our President about the way Congress has. First with Eisenhower and then, with Kennedy, a honeymoon confidence boom foundered and ran out of steam. As the President settles down to the post-election task of governing in his own right, the stock market is asking the same question as Congress: Will his confidence boom go the way of Eisenhower's and of Kennedy's?

If Johnson had let a "Martin market" develop on the money front, it's clear that the bears would have had a field day. And now the wary action of the stock market is serving notice that, if he lets a "McNamara market" materialize, the bullish contingent will even panic before the bear growls at them.

REPRESENTATIVE KING'S CONTRIBUTION TO THE VOICE OF AMERICA PROGRAM

Mr. MOSS. Mr. President, 6 years ago, when my distinguished Utah colleague, Representative David S. King, was in his first year in the other body, the Voice of American made the discovery that he was fluent in French. VOA asked Congressman King if he would be willing to make his talent available for broadcast work, and the Congressman graciously consented to help. For 6 years now, he has been making a generous and rather regular contribution to the Nation's international communications work, through this work.

In his first 4 years in Congress, the gentleman from Utah appeared occasionally in Voice of America news programs on French-language stations, offering timely commentary on the activities in Congress and Washington. In the 2 years he was not serving in his House seat, Congressman King accepted a Voice of America request to prepare a major broadcast series on the American Constitution. The series of 13 broadcasts, on which the gentleman from Utah spent more than 600 hours in research and writing, commemorated the 175th anniversary of the ratification of our inspired Constitution. Hundreds of millions of listeners, in countless lands, have heard Congressman King speak for his country, in both French and English.

He is now playing the key role in another major series on Voice of America. The series is an intimate glimpse of the Member of Congress at work on Capitol Hill. This series, entitled "A Congressman's Diary," is the subject of a featured article in Voice of America's latest program schedule for Europe. I proudly commend my Utah colleague on the splendid contribution he is making to the cause of freedom through his Voice of America work, and I invite the attention of the Congress and the Nation to the article from VOA's August–October schedule for Europe.

I ask unanimous consent that the article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Congressman's Diary

Unusual jobs are not difficult to find in Washington, but there are 535 men and women who occupy a special niche. They work long hours, often from early in the morning to late at night. One hundred of these men and women are Senators. Four hundred and thirty-five are Congressmen. They represent over 190 million Americans in the legislative branch of the U.S. Government. One of these Congressmen—David S. King from the western State of Utah—is the subject of a biweekly Voice of America program. Other Members of Congress will appear on the program from time to time.

Each year the Voice of America receives letters from its listeners all over the world who are curious about the duties of a Congressman. They want to know how and why he votes on specific legislation, whether he is bound to the policy of his political party, how he keeps in contact with his constituents who may live thousands of miles from his Washington office. These and other questions are being answered by "A Congressman's Diary," a series of programs based on the actual experiences and intimate observations of David King.

Mr. King is now beginning his third term as a Congressman. He was first elected in 1958 by the people living in and near Salt Lake City, Utah. His congressional district consists of over 400,000 people. In 1960 they reelected Mr. King, but 2 years later he was not returned to office. However, last November, Mr. King, a Democrat, received a majority of the votes and once again was given the responsibility of representing his district in Washington.

Letters are one of the primary means of communication between a Congressman and his constituents at home. Mr. King reports that when important legislation is being considered by the Congress, he is likely to receive as many as 600 letters a day. People write to suggest new legislation, to argue with the Congressman's point of view, to commend him on action he has taken, to ask for his help in dealing with other branches of the Government—even to recommend hotels in Washington when they visit the city.

Reading and replying to such letters occupies a considerable amount of Congressman King's time. That, along with his other duties such as working on specialized congressional committees, leaves him little time for other matters. Concluding the first program in the "Congressman's Diary" series, Mr. King observed: "By nightfall, the Congressman might try do some last-minute work, but he sees then that he has just time to rush and catch the train that will enable him to get home in time for supper. And I might add that frequently he never gets home for supper. He gets home much, much later and even into the early hours of the morning. So, I can only say that my sincerest regret is that there are only 24 hours in a day in which I can do the work that is assigned to me as a Congressman."

IN DEFENSE OF A FEDERAL SYSTEM OF WORLD GOVERNMENT

Mr. TYDINGS. Mr. President, the only total victory mankind can look forward to is the total victory of peace.

Each passing day makes this clearer and clearer. The utopian beginnings of the Federal Union we call the United States of America has ever inspired mankind in the hope that a world under law can be founded on that premise of federalism.

The United World Federalists of America have been working toward the noble goal of world peace through world law. The Arms Control and Disarmament Agency, the test ban treaty, and many other ideas of merit have come from their thoughtful and quiet leadership.

On May 5 I had the pleasure of presenting to this Congress, Federalist Paper No. 1 by accredited U.N. Observer Marion McVitty, on a permanent U.N. peace force. Today I am happy to present to you Federalist Paper No. 2, "In Defense of a Federal System of World Government" by Hyman Weber, a New York attorney.

While there may be parts of this paper that some of us in this Congress may not agree with, it is vital to our existance that we grapple with these thoughts.

I, for one, am intrigued by the idea that just as the Communists export their political ideology, this Nation may export its ideology of federalism. The concept of federalism has been and remains a dynamic, vital political philosophy which has enabled this Nation to grow. With these thoughts in mind, I ask unanimous consent to insert at this point in the Record, Mr. Weber's thoughtful paper.

There being no objection, the article was ordered to be printed in the Record, as follows:

In Defense of a Federal System of World Government

(By Hyman Weber)

Shortly after World War II, United World Federalists proclaimed that a lasting peace could be secured only by strengthening the United Nations through a revision of its charter and by instituting a Federal form of world government. UWF also holds that with the advent of nuclear power the reservation by individual nations of the right to maintain arms and to wage war has become an intolerable form of international anarchy which threatens all human survival. Despite the fact that the world has twice gone to the brink of nuclear war in recent years, many influential voices are still heard calling for peace through national strength and for an unconditional cold war victory. It would be useful in these circumstances to reemphasize the validity of UWF's position by a careful examination of the arguments that are used against UWF's internationalist view.

PEACE THROUGH STRENGTH

There are those, who, while invariably viewing themselves as prophets of realism, proclaim that peace can be secured only through strength. Their conception of what that strength should be indicates that they are the dreamers, wishful thinkers who believe that stone age diplomacy can insure survival in a nuclear age. Peace does require strength but not the strength of individual nations. It requires the strength of a world government so organized that no one nation will have the power or the right to dictate the conditions under which the world will be permitted to remain at peace. Past wars, it should be stressed, did not occur, because some nations were unable or unwilling to meet the threat of aggression. They occurred because all nations were permitted to retain the means and the right to wage war.

General rearmament and the formation of military alliances can only lead to self-defeating retaliatory responses by opposing nations. Arms races sap the vitality of both sides without materially affecting the relative strength of either. In today's cold war, NATO, the Western military alliance, is matched by the Communist Warsaw Pact Alliance. The nuclear stockpiles of the United States and the Soviet Union have only achieved a nuclear stalemate of mutual deterrence—a balance of terror that can insure peace and survival only in the absence of accident, miscalculation, or the reckless act of a third party.

NEGOTIATING FROM STRENGTH

The concept of negotiating from strength seems compeling at first blush—no nation would be likely to settle or compromise an outstanding issue with a weaker opponent. When one nation rearms, however, the inevitable arms race that ensues, while it may create a delicate and precarious balance of power, will serve mainly to intensify the hostile attitudes between the contending powers. Should such powers then seek to negotiate their differences, they will too often attempt to apply the leverage of their strength in a futile effort to wrest concessions that their opponents are not likely to concede.

As a matter of fact, it is worth reexamining the general proposition that there can be meaningful bilateral negotiations between nations with conflicting economic needs and political aspirations. In their negotiations, disputing nations may profess a desire for peace, but this is eclipsed by the ideological preconceptions, conditions, and pressures each brings to the conference table, and by the reluctance each has to appear to seek compromise in the face of the opponent's strength. Negotiations between disputing nations would be more promising if conducted between those nations and an international agency competent to settle or adjudicate the issue and empowered to enforce its decision. The American nuclear buildup should accordingly not be viewed as a means of insuring fruitful negotiations with the Soviet Union. It can be morally justified only as a means of deterring Soviet aggression and as an instrument for persuading our adversaries to join us in the creation of adequate international machinery for the settlement of our differences.

Many proponents of peace through strength buttress their position by pointing out that previous efforts at disarmament have failed. Their contention is correct, but their conclusion is incorrect. Arrangements after World War I for disarmament or reductions in arms did indeed fail, but only because no international agency was given the power to enforce them. Like all bilateral agreements they were honored only as long as they served the purposes of the signatory powers. Similarly, the interminable disarmament negotiations at Geneva since World War II have failed to achieve any tangible or meaningful results. They will continue to fail as long as the problem of disarmament is approached apart from the overall problem of establishing a viable form of world government, and as long as the major contending powers see no inconsistency in negotiating for disarmament while intent on maintaining a delicate balance of military power and on seeking to gain political and strategic advantages in the continuing cold war struggle.

THE COLD WAR

Efforts to create public support for world government have been most seriously hampered by an insidious cold war psychosis. For the past 18 years the American people have been subjected to a massive campaign, mounted by the communications media, civic and veterans groups and government officials, that has convinced them that world peace can be achieved only through a cold war victory. World peace and a cold war victory, however, are inconsistent and mutually exclusive goals. To hold otherwise is to imply that the cold war can be won without actually going to war. This, of course, is nonsense. It is imperative that both major cold war antagonists reject, once and for all, as the most dangerous kind of wishful thinking, the idea that their opponent will conveniently permit himself to suffer an economic or political collapse, or that he can be talked into voluntary surrender at the conference table, or that he can be intimidated into abandoning his hated ideology by a threatened nuclear attack.

Our more inflexible cold warriors argue stubbornly that world government is impossible because the Communists can't be trusted. The fact is, however, that in today's nuclear stalemate we do, no matter how reluctantly, trust the Russians not to launch a preemptive attack. We are also entrusting our very survival, in defiance of the laws of probability, on the chance that a nuclear holocaust will not be set off by error, miscalculation, or mechanical failure. The ardent cold warrior will, of course, minimize these possibilities. The internationalist, on the other hand, must argue that no matter how slight the chance is, we must embrace it because its alternative is too hideous to contemplate. The point that is missed by our cold warriors, however, is that under world government, with appropriate provisions for inspection and enforcement, a nuclear world war would be impossible and the security of all nations would no longer depend on the trust they would have in each other, but rather on the mutual security provided by the world government.

Despite growing stockpiles of thermonuclear weapons and continuing research to develop ever more horrible instruments of mass destruction, the general public continues to remain apathetic and complacent about survival in this nuclear age. This may be attributable in part to two vocal but opposing points of view, both of which arose out of the passions of the cold war, and neither of which can be readily acceptable by rational individuals.

MAINTAIN MILITARY SUPERIORITY

There are those who hold that the only answer to Communist expansion and military buildup is to respond in kind by seeking to spread free enterprise capitalism and by maintaining military superiority over the Communists. They reject all historical evidence that such competition has always resulted in war. The extremists of this point of view state that they would rather be dead than red.

UNILATERAL DISARMAMENT

There are those, on the other hand, who recognize that arms races have always led to war and who conclude, therefore, that war can be averted only by unilateral disarmament. These advocates fail to recognize that although unilateral disarmament may prevent an immediate East-West confrontation, it offers no assurance that the Communists may not eventually find a convenient rationalization for attacking us. Nor can our unilateral disarmament reduce the possibility of future wars erupting in the many trouble spots on our globe such as Formosa, Israel, and the many new states in Africa and Asia. The extremists of this point of view state that they would rather be red than dead.

The concepts of national military strength and unilateral disarmament should both be rejected. Being dead or red are not the only alternatives available to us. The proponents of peace through strength will, of course, protest that victory over communism is the only acceptable alternative. But it must be pointed out again that although victory without war may be possible it is extremely unlikely. To risk our survival on a policy that will accept only victory is to take a risk we cannot afford, for if nuclear war resulted there would be no victors.

SOLUTION IN NUCLEAR WAR

It is necessary at this point to comment parenthetically on a variation on the theme of peace, through strength, which holds that a future war need not necessarily result in total annihilation. This view, which purports to make the unthinkable thinkable after all, is also based on a deadly form of wishful thinking. It would have us believe that nations lacking the wit and ingenuity to outlaw war will, nevertheless, somehow find the means to restrict war, when it does come, to conventional or limited nuclear weapons, and that a major power would accept military defeat without resorting to its full arsenal of nuclear, chemical, and biological weapons of mass destruction. Perhaps this may come to pass but, again, we would be extremely foolhardy to risk our survival on that possibility.

USING THE UNITED NATIONS

If we then reject the uncertainty and possible defeat implicit in unilateral disarmament and if we reject nuclear war as mankind's final solution, then we must recognize that the only alternative that can assure world peace and survival is to find the means to implement the promise embodied in the Charter of the United Nations.

We must clothe the U.N.—which has been referred to quite properly as humanity's last, real hope—with the judicial and executive attributes necessary for maintaining international law and order. This will require a double-barrelled campaign, aimed not only at a strengthening process for the U.N. but also at liquidating the cold war by putting off the settlement of outstanding cold war issues until such time as they can be disposed of under U.N. auspices.

PEACE ON EARTH

In his precedent-shattering encyclical message, "Peace On Earth," Pope John XXIII wisely refused to view the cold war as a struggle between absolute good and absolute evil and stated that the public authorities of the indidivual political communities are no longer capable of facing the task of finding adequate solutions to today's international problems. He went on to express his earnest wish that the U.N. become ever more equal to the magnitude and nobility of its task. President Johnson, in his first address to the U.N. General Assembly after assuming the Presidency, and in the spirit of President Kennedy's American University address, called for an end to the cold war and for a world safe for diversity.

But how can the cold war be ended if not by rejecting the counsel of those who pay lipservice to the U.N. and to world government yet persist in demanding a cold war victory as a precedent condition? Demands for the immediate reunification of Germany and for self-determination for the captive nations of East Europe are cases in point. The two Germanys are today armed and active members of opposing military alliances. Can either side be expected to permit a military ally to go over to the enemy camp while the cold war is still raging? The nations of East Europe together with East Germany comprise the Warsaw Pact Alliance, which is one side of the delicate East-West military balance. It is futile to hope that the Soviet Union can be cajoled or frightened into permitting free elections in those nations while the cold war continues. Nor can we hope to compel such elections by the use of force short of nuclear war. If we can bring ourselves to forgo the attempt to resolve these and other vexing cold war issues by methods which historically have proven inadequate, and if we concentrate instead on the establishment of universal disarmament under a rule of law, we can create an international climate where no nation, including the Soviet Union, will have the need or the means to impose an unnatural division or an unwanted economic system on any other nation.

IS WORLD GOVERNMENT UTOPIAN?

There are those who view world government as a utopian dream—who point out that the League of Nations failed and who claim that the U.N. has never been more than a debating society and a sounding board for cold war propagandists. It is not tenderminded or utopian to hold war in a nuclear age unthinkable and to seek means to avoid it. In the face of irrefutable historical evidence to the contrary, it is sheer folly to support or accept the notion that international peace can be maintained by national strength in a framework of international anarchy. The League of Nations was the first halting attempt to replace that anarchy with a semblance of international responsibility for peace. It failed because it could not make binding decisions without the power to enforce them, and because it was not a universal organization but was conceived and organized on the basis of a limited membership.

The U.N., on the other hand, although it has not yet achieved the degree of strength necessary for its purpose, has not as yet failed. Its membership now is, except for mainland China and now Indonesia, essentially universal, and it has played no small part in preventing a major East-West confrontation. It cannot be denied that at times it has indeed been no more than a debating society or a sounding board. But, obviously, the U.N. is not yet a sovereign body capable of rendering and enforcing its independent decisions. It has been as strong and effective as its member nations permitted it to be. It can assume and employ only those powers that its member nations will deign to give it—and this is, of course, precisely the question that confronts us today. Will we give the U.N. the power it needs to keep the peace, and more urgently, will we do so before nuclear war—the infernal Sword of Damocles that hangs over humanity—makes the question academic?

AN END TO STRIFE

There are also those who maintain that world government cannot end strife in a world where millions of people suffer social and economic injustice and political repression. There can be no question that reforms are essential in many places. Such reforms, however, can be implemented only in a world at peace and in a world that is not exhausting its material resources in preparations for war. And these reforms, important as they are, do not have a greater urgency than the need to outlaw war, which in a nuclear age can impose annihilation—the ultimate and eternal injustice—on all humanity.

NATIONAL SOVEREIGNTY

There are finally those who reject world government because in their view it would encroach on their nation's sovereignty. This is only partially true. The purpose of world government is, of course, to deny nations the right to engage in hostile unilateral acts against each other. This is as it should be, for freedom, whether based on individual or sovereign rights, is reciprocal. To insist on our sovereign right as a free people to maintain arms and to use war and the threat of war as instruments of our foreign policy is to assure a similar right to all other nations, including those with whom we are not in sympathy. Limitations on such activities, therefore, would encroach only upon external sovereign rights. There would be no interference with the sovereign right of any nation to conduct its internal affairs in accordance with its own traditions and individual philosophy. This was implicit in President Johnson's reiteration of his predecessor's call for a world safe for diversity. It is also implicit in the Federalist approach to world government. What is envisioned is a world where nations with conflicting political and economic philosophies can live together in peace, and where the responsibility for settling all differences, whether they be ideological, economic, or territorial, will rest not on the disputing nations but on a duly constituted world authority.

IS WORLD GOVERNMENT PRACTICAL?

To those who ask whether this can be achieved, the only possible answer is that it must be done, and quickly, if we are to survive. To those who dismiss this goal as impractical idealism, the only logical answer is that when practical means become intolerable and when only idealism can insure survival then it must follow that only idealism is practical. To those who simply say it cannot be done, the only compelling answer can be to assert that society did not evolve from the tribe to the modern nation-state only to proclaim that this is the end of the road, that this is the best of all possible worlds, and that man's eternal quest for betterment must now inexplicably cease.

Members of United World Federalists firmly believe that their organization's goal of "world peace through world law" is both necessary and possible.

TRIBUTE TO JOHN W. GARDNER AND ANTHONY J. CELEBREZZE

Mr. INOUYE. Mr. President, it was Aristotle who said that service to the state is man's highest calling. As one who has dedicated his life to public service, I share that view, and I believe that President Johnson shares that view.

Certainly in his recent appointments, the President has done his utmost to insure that those who enter this high calling will be men of elevated stature.

John W. Gardner, whom the President recently named to succeed Anthony Celebrezze as Secretary of Health, Education, and Welfare, is a man of such stature: a leading educator, a competent executive, and a man of wide fame. He follows a beloved and successful predecessor, whose service fortunately will not be lost to the Nation—for Tony Celebrezze will be a fitting ornament to the Federal judiciary. I submit for entry in the RECORD an excellent editorial on this subject: "Change in Command," from the Los Angeles Herald Examiner of August 5.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHANGE IN COMMAND

One good man is leaving a Cabinet post and another good man is succeeding him.

President Johnson announced simultaneously the resignation of Anthony J. Celebrezze as Secretary of Health, Education, and Welfare, and the appointment of John W. Gardner, a Republican.

Mr. Celebrezze, who was brought to this country as a child from Italy, is slated for a Federal judgeship in Ohio. He was a longtime mayor of Cleveland. He played a leading role in persuading Congress to approve this year the general aid to education bill, and has been strong in support of medicare, now signed into law by the President.

Mr. Gardner has been for 10 years president of the Carnegie Foundation that administers the philanthropies initiated by Andrew Carnegie. His interest in education is profound. He was chairman of a special Presidential task force on education last year, which helped prepare the President's legislative proposals in that field.

His appointment is indication that the President's search for excellence extends beyond partisan considerations.

TRIBUTE TO FRANCES TESNY

Mr. LAUSCHE. Mr. President, on Sunday, August 15, 1965, the members, officers, and friends of the Association of Polish Women in the United States will honor Frances Tesny, president of the association. The fact that Frances Tesny has served as president of this association for the past 25 years speaks most richly of the character and qualifications which she possesses.

She has energetically performed her work, courageously expressed her honest judgments, unselfishly set aside her personal interests.

Mr. President, I gladly pay tribute to this great patriot of the Polish Women and of our United States.

MICHAEL REUSS

Mr. NELSON. Mr. President, many of us have been following, with some anxiety and considerable pride, the harrowing experiences undergone by a young man from Wisconsin, Michael Reuss. These experiences have received even more attention in the press than might otherwise have been the case because the young man's father happens to be a member of Congress—Representative HENRY S. REUSS, of Milwaukee, Wis.

Despite rather unusual harassments, Michael Reuss has decided to remain in Mississippi and continue with the important work he has been doing. Both Representative REUSS and all of the people of Wisconsin have a right to be proud of this courageous young man.

Earlier this week Leon Hughes of the Milwaukee Journal and Michael Lerner of the Washington Post both published interviews in which Michael Reuss described the work he has been doing, and gave the reasons for his decision to remain in Mississippi in the face of great personal danger. I ask unanimous consent that these two interviews be printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TROUBLES DON'T DETER YOUNG REUSS

(By Leon Hughes)

WEST POINT, MISS.—Although he decided to stay and work in the civil rights movement here, fear for his own safety prompted Michael Reuss Sunday to move out of the ramshackle rural shanty in which he has been living since July.

Reuss had lived on canned food in the shack—which has no indoor plumbing—with a Negro rights worker, Eddie Brooks, 20, of Sledge, Miss.

When Brooks returned to the three-room shack Saturday night, Reuss said, he saw a car filled with white men in the driveway. Because of this, the two decided to move out—Brooks to the home of a friend, and Reuss to the Freedom Democratic Party headquarters in a Negro section in West Point.

The accommodations were not much better at the headquarters, which consists of a frame lean-to attached to the side of a brick garage.

THREE TINY BEDROOMS

There are three tiny bedrooms equipped with bunk beds, where 8 to 10 civil rights workers, men and women, Negro and white, stay. The men and women are separated. Reuss slept on a mattress on the concrete floor Sunday night.

After his arrest Friday, Reuss said, he had considered going to another part of the State to continue his work.

"But I decided that there was too short a time left this summer to accomplish anything in a new area," he said.

Reuss said that his father, Representative HENRY S. REUSS, of Milwaukee, had urged him not to stay.

"As any father would be, he was concerned for my safety and thought it would be best if I would leave," young Reuss said.

What causes a privileged youth like Reuss—a Stanford University student and Congressman's son—to undergo the great personal inconvenience and indignity that are the lot of the white civil rights activist in Mississippi?

"It's not right for me to be safe when others aren't," he said Sunday night. "I have my rights, but so many people are stepped on, pushed around, walked over. That is why a person demonstrates.

FORTUNATE TO BE WHITE

"It is fortunate that it was me, a white person, who was singled out for the manslaughter charge Friday when the State investigator died of a heart attack in the county jail. If a Negro had been charged, he would not have gotten justice."

District Attorney Harvey S. Buck dropped the charge Saturday and said Reuss was not to blame for the death of the investigator, B. Cowart, who collapsed after removing civil rights buttons from the shirts of Reuss and other demonstrators.

Reuss said he never touched Cowart and did not even see him fall. He said he was dumfounded when officers at the jail yelled: "You killed a man."

The Congressman's son has been here since early July teaching in freedom schools, encouraging Negroes to register to vote and trying to get Negro parents to enroll their children in previously white schools.

West Point and Clay County have scheduled desegregation of the first two grades of school in the fall, but Reuss said it would only be token integration in some communities because Negro parents were afraid to register their children at the white schools.

Many Negroes, until recently, also were afraid to register to vote, he said.

"A year ago there were only three or four Negro voters in Clay County," he added.

VOTER SIGNUP GAIN

His father said here earlier Sunday that there were 11,000 Negroes of voting age in the county.

"As of a few weeks ago, only 21 had been registered," the Democratic Congressman said.

Young Reuss and other civil rights workers said Negroes had registered without difficulty in the last 2 weeks, since a Federal court suit was filed against the registrar and because the State legislature had passed a constitutional amendment removing obstacles to registration. The amendment is subject to ratification in a referendum, but the State attorney general had told registrars to put the amendment provisions into effect.

A West Point newspaperman said that at least 200 Negroes had registered in the last 2 weeks.

Young Reuss said many Negroes at first did not believe that they could register and would not try.

"Some of them would even lie to us about registering," he said.

He said their reluctance diminished, however, when they learned that their neighbors or friends had registered without losing their jobs or otherwise being punished.

DOESN'T WEAR BEARD

Reuss is less militant than some of the white students in the movement here. Strict nonviolence is the only proper approach, he said.

He also keeps his hair cut neatly and his face shaven, unlike some of the others.

"If we wear a beard, there is a much greater chance of being killed," he said. He noted that Michael Schwerner, one of the three civil rights workers killed in June 1964 near Philadelphia, Miss., wore a beard.

It is not always easy for Reuss to remain well groomed. He had been living in a rural shack that has no indoor bathing facilities. He frequently bathed in a farm pond. Sunday he moved into West Point—into another rundown area.

Some white residents here said they had noticed that Reuss stood out from other civil rights workers because of his good grooming and good manners.

White townspeople have been critical of the fact some of the men and women civil rights workers live unchaperoned in the same houses.

Reuss said they had separate rooms, but that the organization could not afford separate quarters.

"The local residents won't approve of anything we do anyway," he added.

Son of Reuss Disavows Any Desire for Heroics

(By Michael Lerner)

What kind of a person is the Congressman's son who decided to continue his work in a Mississippi town, despite shotgun blasts aimed at coworkers and his own harrowing arrest on a false manslaughter charge?

Michael Reuss, 18, is a cleancut, well-shaven, levelheaded boy with no desire to engage in heroics. All he wants to do is continue his work as a teacher in a rural freedom school outside West Point, Miss., until he returns as a sophomore to Stanford University in September.

The son of Congressman Henry S. Reuss, Democrat, of Wisconsin, he has had his share of the brushes with southern law-enforcement officers that are part of most civil rights workers' experience.

He spent 8 days in jail in Jackson, Miss., before he arrived in West Point. He had been arrested with other demonstrators on charges of breach of the peace and resisting arrest.

His second spell in jail followed the incident Friday, when he was arrested during a march protesting the previous arrest of 53 Negro schoolchildren.

Reuss does not find any glory in his arrests. And the 157-pound former prep-school wrestler does not enjoy the punches—one behind the left ear and one in the face—which he received from law enforcement officers during the course of his arrest.

"But I know that if I react in any way to what they do, then it is all over," he said. "I really am convinced of the need for me to be nonviolent, because it is the only way we will get anything done."

QUARTERS IN SHACK

Until his arrest last week, Reuss had been living in a shack in Section, a rural Negro community 3 miles outside West Point, with a fellow worker, Eddie Brooks, 20, from Sledge, Miss.

Together they rented the building for $10 a month. They cleaned out hornet nests from the rafters, flattened cardboard boxes to cover the crevice-lined wooden floor, and papered the walls. They covered the open windows with transparent plastic sheets.

Then Brooks began his task—political canvassing of the community to raise petitions for better roads and to ask farmers to register to vote.

Reuss started a school in one of the community's two churches. The church, Old St. Peters, is a white frame Baptist church. He teaches young children and talks to teenagers about what they can do to bring about compliance with new Federal laws.

SOME OF DIFFICULTIES

In the afternoon he walks 3 miles to another Negro community where he has started another school.

"It's hard to say how effective these schools are," Reuss said. "Some of the younger kids are so shy and backward that all I can get them to do is draw.

"One little girl wouldn't say anything to me the first day She just drew circles. But she trusts me, and now she's beginning to talk a little.

"I think what we can help these people achieve, above all, is the knowledge that they can do something for themselves—against 100 years of proof that they can't."

For example, Reuss and Brooks are trying to persuade some Negro farmers to run for the Agricultural Stabilization Control Board, which tells farmers how many acres of cotton they can plant.

ANSWERED CALL

Why did he go down to Mississippi? "The people down here asked for volunteers, and I'd been thinking about this for a long time. I don't enjoy the risks, but there's too little time to get started anywhere else this summer, and a lot left to do here."

Like other workers with the Student Non-Violent Coordinating Committee, Mike lives on $15 a week. His shack has no refrigeration, so he and Brooks eat out of cans—beans, salmon and more beans.

Local residents give them supplies of corn, potatoes, flour, and okra. "We're invited out to dinner a lot, too," Reuss said.

FONG GIVES VIEWS ON PACIFIC STATE PLAN

Mr. FONG. Mr. President, I am pleased to call the attention of my colleagues to a recent interview in which I discussed the proposal for annexing the Pacific Trust Territory to the State of Hawaii. Mr. Harrison Humphries, of the Associated Press, who has covered congressional affairs affecting Hawaii for many years, posed a number of questions to me as a result of my intention recently announced in this Chamber, to submit a resolution soon in order to obtain a consensus of the Congress as to the feasibility and desirability of the annexation proposal.

Mr. Humphries' questions are similar to those which have been put to me by numerous persons in official and private life. Therefore, I am delighted that the answers I furnished Mr. Humphries have been released nationally through the Associated Press. For it is evident that considerable public information and discussion on the subject will be both necessary and useful in order to acquaint more Americans with the peoples and problems of Micronesia.

I have every confidence in the wisdom of the approach I am recommending to prepare all parties concerned for the time when the question of the eventual destiny of the Trust Territory peoples will have to be decided.

I ask unanimous consent to have printed in the Record the interview printed in the Honolulu Star-Bulletin of August 9, 1965.

There being no objection, the interview was ordered to be printed in the Record, as follows:

Fong Gives Views on Pacific State Plan

(By Harrison Humphries)

Washington.—Statehood for the U.S. Trust Territory of Pacific Islands, which lie roughly 3,000 miles west of Hawaii, was described today by Senator Hiram L. Fong as "realistic and logical."

Fong is drafting a resolution for introduction in Congress to authorize a study that could lead to annexation of the islands to the State of Hawaii as an alternative to independence. The islands have been under U.S. trusteeship for the United Nations since World War II.

An interview with Fong produced these questions and answers concerning the future of the islands:

Question. Senator Fong, is your proposal to annex the Trust Territory of the Pacific Islands to the State of Hawaii aimed at giving residents of the islands greater self-government responsibility?

Answer. Yes. The purpose is to integrate them into a sovereign State so that they may exercise the ultimate in American citizenship.

Question. Would they automatically become citizens of the United States and the State af Hawaii, with the right to vote for President and Governor and to travel and move without restriction any place within the United States?

Answer. This would be by action of the U.S. Congress. All of this predisposes that Congress would pass the necessary enabling legislation for Hawaii to do it and to grant citizenship.

Question. Would you envision that the islands of the trust territory would form a single and separate county government?

Answer. The 2,141 islands and atolls, of which 96 are inhabited, are now broken up into six districts, with their own district councils. They are the Marshall Islands district, Ponape district, Truk district, Yap district, Palau district, and Mariana Islands district.

With 87,000 people, they might be constituted into two or three counties, or one big county. This is so far away I haven't given any real thought to it.

The distances are great, and because of the tremendous distances, maybe the retention of six districts would prove most feasible. The trust territory embraces an area, including water, as large as the United States.

Question. Would Hawaii's State-financed public school system be extended to the territory?

Answer. At present the Federal Government is spending about $17.5 million a year for schools, roads, public health, and other public services in the trust territory islands. I believe equity will induce the U.S. Congress to help in this regard, for a period of years at least.

Question. Could the State of Hawaii assume financial responsibility for these services without continued Federal assistance?

Answer. That would be quite a burden. It would add nearly 10 percent to Hawaii's budget.

Question. Do you think the people of Hawaii and the trust territory would favor annexation?

Answer. I don't know. This is all exploration at this point. I think the first reaction of the people of the trust territory would be against it in the belief they would be giving away some of their local autonomy. Yet, if they give the matter some thought, instead of having the Congress of Micronesia they would have representation in the State of Hawaii Legislature.

The United Nations trusteeship is a temporary political existence and it was hoped that they would be taken out of their present status, which is more of a colonial status, and be given independence.

Now, independence to these groups of islands would be very, very burdensome, as the economies there will be unable to sustain this form of government.

Landwise, we are talking about 687 square miles with 87,000 population. I believe the ultimate aspiration of these people would be to be part and parcel of the United States of America, and annexation by Hawaii would be realistic and logical.

That this question is now under discussion is a very good answer to the Soviet charges that we have been derelict in our duty to these people in preparing them for self-government and economic independence. If they ever bring up the subject again, we will ask: Do you object to giving these people first-class citizenship?

Question. Would this annexation be of any benefit to Hawaii?

Answer. I think this would be good for Hawaii. It would broaden our horizon. Ethnically, the people of these islands are related closely to our own people—Polynesians and Micronesians. We have always talked brotherhood and giving our neighbor a helping hand. Here's our chance to do something to make all of these islands a series of stepping stones between East and West.

Question. What would be the prospect for similar annexation of Guam, American Samoa and other Pacific island possessions of the United States?

Answer. My first step here is to work on the trust territory. Guam, with its own legislature now, may want to consider this matter later. I can understand their immediate reaction to shy away from the proposition. Samoa, with its communal land system, would need further study. This question of land tenure also is a problem in the trust territory. I hope we may work out a scheme whereby the lands could not be taken away from those occupying them.

Question. Isn't this going to take a long time?

Answer. We understand that this will take years to consummate. With 96 inhabited islands in the trust territory, it is likely that some will want to come in and some may not. But some day, we have to start looking into this problem. And that's what I'm proposing that we do now.

PEACEMAKING IN VIETNAM

Mr. CHURCH. Mr. President, one of Washington's youngest nationally known correspondents is Joseph Kraft. His column, "Insight and Outlook," is appropriately titled, for Joseph Kraft possesses both the "insight" of a scholar and the "outlook" of a newsman. His education includes training in modern history at Columbia and the Sorbonne, and Princeton's Institute for Advanced Studies. Articles under Joseph Kraft's byline have appeared in national magazines and newspapers such as Look, the New Republic, and the London Observer, and he has served as Washington correspondent and public affairs columnist for Harper's.

I believe his August 2 column entitled "Peacemaking in Vietnam" is a thoughtful analysis of the negotiated approach to peace in southeast Asia which I have repeatedly advocated. I ask unanimous consent to have this column, which appeared in the Washington Post, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 2. 1965]

INSIGHT AND OUTLOOK: PEACEMAKING IN VIETNAM

(By Joseph Kraft)

One of the most pernicious official myths floating around Washington is the notion that if the other side was ready to come to terms in Vietnam peace could be arranged in a jiffy.

Actually peace in Vietnam can probably come only at the end of a long, slow, tortuous and highly uncertain process of negotiation. And the chief charge that can be levelled against American diplomacy to date is that it has not given enough free play to any of the uncertain chains of events that might lead to agreement.

To understand why it is going to be so hard for the other side to make peace, it is enough to see the travail the President of the United States has to go through when he wants to talk about peace. He has to contend with allied governments, with a political opposition, with entrenched officials in his own administration and with a military and diplomacy bureaucracy. Many of these, for one reason or another are committed to war.

Turning this mighty establishment around is not only a formidable job; it is a job that has to be done behind closed doors through sly hints delivered in whispers by almost invisible men moving on tiptoe in sneakers. For if the secret becomes known prematurely, the President is exposed to murderous charges that he is selling the pass to the enemy.

The same pattern applies on the other side, only much more so. The Peiping government, resolutely opposed to any negotiation, is prepared to denounce those who would promote peace in Vietnam as imperialist stooges betraying the revolution. The three parties that together with Peiping make up the other side in Vietnam are, because they are themselves divided, extremely sensitive to the Chinese charges.

The Russians, for instance, plainly have little stomach for the Vietnamese war. Pravda did not even announce it when the Soviet missiles knocked down American planes. But because of the leadership struggle in Moscow, no one is strong enough to disengage from the Asian commitment. If anything, the missile incident seems to have been timed to take away some of the play from the Chinese at a moment when Communist leaders from all over the world were foregathering at the Rumanian Party Congress in Bucharest.

The North Vietnamese Government in Hanoi also seems to have some partisans of negotiated agreement. When President Ho Chi Minh talks of fighting for 20 years that does not exactly mean he expects victory tomorrow. But he must move cautiously for there are important figures in his government who have ties to Peiping, and who argue that a military victory can be won easily.

Similarly, with the Vietcong rebels in South Vietnam, the fighting men on the ground, like all guerrilla forces, think they are on the verge of victory. They are highly suspicious that deals may be made behind their backs by their political leaders. For that reason, the political arm, or liberation front, of the Vietcong, while not nearly so confident of complete victory, also has to move with care.

The obvious approach to this dicey business is to draw the Vietcong into talks of some kind. Once the fighters on the ground are engaged, moderate forces in Hanoi and Moscow can assert themselves without being exposed to the charge of having sold out the revolution. At that point Communist China either has to go along or be left out.

Engaging the Vietcong, of course, is not easy. The position of the Chinese and their grip on the other parties in the Communist camp rules out a direct approach. Neither is anything apt to come from groups so distasteful to the Chinese as the United Nations or the Indians; nor from such markedly pro-American figures as British politicians or Canadian diplomats.

On the contrary, the initial engagement will probably have to be arranged on some almost irrelevant pretext. The first intermediaries will most likely be unknown figures, mistrusted by both sides. And one of the really interesting questions is whether President Johnson, so accustomed as a builder of consensus to manipulate other men's commitments, can now relax to the point of allowing other men to manipulate his commitments.

If nothing else, precedent, that angel of Anglo-Saxon progress favors a relaxed approach. People tend to think that the Vietnamese peace of 1954 was arranged at the Geneva Conference. They forget what opened the door to Geneva. It was a cryptic clause in an obscure interview given by Ho Chi Minh to—of all irrelevant things—a Swedish newspaper.

A MENACING POWER PLAY

Mrs. NEUBERGER. Mr. President, an editorial in the Washington Post this week discloses a serious attack upon the regulatory protections to America's electric consumers. An effort is being made by some electric utilities with the support of some State regulatory officials to bring an end to the Federal Power Commission's program of wholesale rate regulation which benefits hundreds of small, independently managed electric distribution systems throughout the country. The Post says, and I quote: "If the lobby of State regulatory officials and private power companies is successful, the Senate will enact a measure that would for all practical purposes end the control which the Federal Power Commission now exercises over electric power rates."

This proposal, which the electric utilities wish to tack on to another bill dealing with rural electric cooperatives which are subject to effective regulation by the REA Administrator, was considered and rejected by the Senate Commerce Committee. It is not in the public interest. As the Post concludes, passage of such exemptions for the electric utilities "would utterly destroy the Federal regulation of electrical rates and revive an era of abuse that was ended with the passage of the Wheeler-Rayburn Act in 1935."

Mr. President, I ask unanimous consent to the inclusion of the Washington Post editorial of August 10, 1965, at the conclusion of these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A MENACING POWER PLAY

If the lobby of State regulatory officials and private power companies is successful, the Senate will enact a measure that would for all practical purposes end the control which the Federal Power Commission now exercises over electric power rates. And without effective rate regulation by the FPC, there will be a sharp increase in the $14 billion electric bill that is now paid by the Nation's households, business enterprises, Government agencies and nonprofit institutions.

Sponsored by Senators HOLLAND and SMATHERS, the lobby's bill consists of two provisions, both embodied in single sentences of inordinate length. First, the bill states that a utility which is not "directly connected" with an interstate power network is to be exempt from the regulations of the FPC "as a matter of local concern." A second provision repeals the FPC's jurisdiction over wholesale transactions, sales of electrical power from one utility to another when the utility making the sale has "substantial" retail revenues in the State in which the sale is made.

If there is any logical or functional justification for the provisions of the Holland-Smathers bill, it is elusive. Under the first provision, a giant utility which generates power and sells it in its home State would be exempted from FPC regulation even though that power is resold to utility companies in a dozen other States. To treat such transactions as matters of "local concern" is an absurdity that can only undermine the public welfare. The second provision cuts into the Federal protection afforded small customers in wholesale power transactions, the small private utilities and municipal cooperatives which cannot stand on an equal footing in bargaining with the large sellers that participate in the great interstate power grids.

As a strategic ploy, the supporters of the Holland-Smathers measure are threatening to attach it as a rider to a bill (S. 1459) that would exempt Rural Electrification Administration cooperatives from regulation by the FPC. The latter bill is neither necessary nor especially wise, but its fate is of small consequence. What is important is that every effort be made to defeat the Holland-Smathers bill. Its passage would utterly destroy the Federal regulation of electrical rates and revive an era of abuse that was ended with the passage of the Wheeler-Rayburn Act in 1935.

RUNNER-UP AWARD OF THE GOLDEN QUILL AWARD TO THE ARGUS-CHAMPION

Mr. McINTYRE. Mr. President, recently, the Argus-Champion, an independent weekly newspaper at Newport, N.H., was selected as one of the runners-up for the Golden Quill Award of the International Conference of Weekly Newspapers.

The announcement was made at the annual Sigma Delta Chi convention in July.

Edward DeCourcy, editor and publisher of the Argus-Champion, won the award with his editorial entitled "The Great Society and Newport," which appeared in the January 21 edition.

Mr. President, I should like to commend Mr. DeCourcy and the paper for this very excellent editorial, and for the fine award in this international competition, which included winners in Great Britain and Canada.

I should like to ask unanimous consent to have a copy of this editorial printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

The Argus-Champion editorial, entitled "The Great Society and Newport," appeared January 21.

It said: "Newport ought to fare well in the Great Society.

"Her social problems are starkly real, but proportionately less widespread than they are in many other communities. This can make us glad we have chosen Newport for our hometown, but as long as one Newport person is the victim of one social problem we all carry the burden with him, and we all carry responsibility of trying to eliminate the problem.

"This is the way to the Great Society, where poverty and ignorance shall be no more and living will be measured not in quantity but in quality.

"Newport has alcoholics. Nobody knows for sure how many. Some authorities claim there are 25,000 in New Hampshire, although how they count the secret drinkers remains a mystery. But if some Newporters are victims of this disastrous disease, their number is proportionately fewer than it is in many a more wealthy community.

"Newport has some juvenile delinquency—too much—but proportionately less than most American communities. This is no reason to excuse what does happen.

"Flags have been stolen from the Legion Elm within hours after being placed there. Children guzzle beer, slipped to them by still wet adults. Beer-numbed children drive cars, punch innocents in the nose, fight with cops. Haserlat Park has been vandalized. Bystanders have walked coldly away from human suffering. Summer cottages have been burglarized.

"All this is delinquency. It should be stamped out. But there is proportionately less of it here than in most communities.

"Newport has unwed mothers, broken homes, loneliness, inadequate housing for the elderly, seasonal unemployment, disease, mental illness, families strained by economic stress, school dropouts. It has most of the social ills to be found in the normal American town, but not in the some proportion.

"If we have social liabilities, however, we also have assets, good ones, Newport has one of the best libraries of any town its size anywhere, and the library is a powerful weapon in the battle against social ills. Newport has recreation facilities, except for those who lack imagination. We have winter sports, a good skating rink, plenty of skiing (when nature favors us with snow), hunting that city boys pay plenty to enjoy, tennis, bowling, and an ambitious baseball program.

"These are not enough.

"The battle against social ills can be won only by an all-out attack on all fronts, and there is room for every Newporter to enlist. The zoning program, revealed last week by the town planning board, is a weapon against social ills. Its purpose is to promote the wholesome growth of Newport, growth that will nourish our economy and discourage the cancerous growth of slums.

"The program for bringing our schools up to the strength they need is an essential sector in the fight. A strong school system will not only diminish dropouts, it will also send forth youngsters better equipped to overcome the social ills that could attack them.

"We need creative leadership to help provide adequate homes for the elderly and adequate loving kindness for the lonely, and to provide new vigor in our youth leadership.

"We need the services of a family counseling agency, which because of the nature of our social problems and our economic capacity to support such a service, will have to be shared with neighboring communities.

"We need new muscle in our churches, and there is evidence that it is coming.

"Finally we need to set good examples.

"And when we do these things we can play a part in making Newport a part of the Great Society."

TRIBUTE TO THE LATE ADLAI STEVENSON

Mr. TYDINGS. Mr. President, Adlai Stevenson's death has produced a great deal of eloquent oratory. None of us can match his gift with words, but his untimely death inspired us to try.

One of the more moving tributes to Adlai Stevenson that I have read was delivered by the Honorable Theodore R. McKeldin, mayor of Baltimore, on July 18, 1965, at the Episcopal Church of Ocean City, in Ocean City, Md. I ask unanimous consent that it be reprinted in the RECORD for the benefit of my colleagues and the country.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

TRIBUTE TO ADLAI E. STEVENSON BY MAYOR THEODORE R. McKELDIN, DELIVERED AT THE EPISCOPAL CHURCH OF OCEAN CITY AND THE METHODIST CHURCH EVENING SERVICE ON SUNDAY, JULY 18, 1965, OCEAN CITY, MD.

On rare occasions in American public life a man appears of such extraordinary quality that he does not fit into any of the pigeonholes by which we are accustomed to classify our leaders. We never know quite what to do with such men, because we seldom appreciate their quality until they are gone; and too often we have wasted them, to our shame and loss, by thrusting them into some petty job that gave no scope to their talents.

Today we are mourning the death of a man of this type, but for once I think we have no cause to lament the waste of a great mind. Adlai E. Stevenson, as our representative at the United Nations, was the right man in the right place. There he could defend freedom unhampered by the gyves and fetters of partisan politics; and how well he defended it is attested by the plaudits of an admiring and grateful world.

Twice he was denied the highest office within the gift of the people, and for that reason some narrow minds have chosen to sneer at him as a failure in politics. If the sole measure of success in politics is the gathering to oneself of honors and dignities, then perhaps he was a failure; but I repudiate with indignation the suggestion that the public service is directed to an end so sordid. On the other hand, if true success in politics means bringing to the public service some accretion of intelligence, integrity and industry, this man was one of the most successful politicians of our time.

Wise men have always agreed that the true measure of success is not the list of a man's achievements, but the extent to which he actually did what he aspired to. If he proposes to build a cottage, we do not call it a failure that he did not build a cathedral. Adlai Stevenson has been quoted as saying that his highest ambition was to raise somewhat the level of political dialog in this country—to make it more realistic, more truthful, more intelligent. It was, in fact, a towering ambition; but his success in this achievement has been remarked by every competent observer in every party, and almost in every faction.

Superficial observers deny that this is statecraft. It wrote no famous statute. It erected no monumental pile. It conquered no foreign territory, and sent no alien tribes under the yoke as the imperial Caesars did. It is a thing altogether of the spirit; but to the extent to which our political discussion adheres more closely to reality, truth, and sense, so will our statecraft approach more nearly to justice, wisdom, and honor. "A song," said Horace, "is more lasting than bronze; and words of wisdom send echoes down the corridors of time far beyond the point where the babble of fools has died away."

I am, therefore, not concerned to recite the list of the political and personal achievements of the leader whose loss we deplore. It is a long and distinguished list, I know, but all that is over and done with. I prefer, instead, to invite your attention to the contribution he made to the dignity and decency of American politics, for that is not finished and gone. On the contrary, it has, as I hope and believe, only begun to exert its beneficent influence upon our lives and upon the history of our Nation.

I have not introduced this topic merely because it is timely, in everyone's mind for the past few days. I have introduced it because I consider it highly appropriate on this occasion and in this place. It is modern evidence of the ancient truth that "man shall not live by bread alone." Neither shall man be honored for his material possessions alone, nor for his success in contesting with other men for place and privilege.

"Not by bread alone"—so it was written in the Old Dispensation, in the Book of Deuteronomy; and so it was quoted by the Master in the New Dispensation, in St. Matthew and St. Luke. "Not by bread alone, but by every word that proceedeth out of the mouth of God." God is truth, and the true word is the word that proceedeth out of His mouth. So any man who brings into our earthly dealings with each other a little more truth, a little more honor, a little more justice, lives a life that is not dependent upon bread alone, and is not subject to the dominion of death and the grave.

The spiritual gift is the only gift whose value is everlasting. He that ruleth his spirit is not only better than he that taketh a city, he is the only successful man whose success detraction cannot reduce and that the passage of time burnishes, rather than tarnishes. For his reward is not of the earth, earthly; it is not gold, nor power over menials, nor imperial pomp, nor any of the things for which men too often sell their souls, but that prove to be only tinsel trinkets in the end. His reward is a share in life everlasting.

If you ask any authority for speaking thus on the Lord's day in the house of the Lord, I cite you the words of the Apostle to the Gentiles: "Whatsoever things are true, whatsoever things are honest, whatsoever things are just * * * whatsoever things are of good report; if there be any virtue, and if there be any praise, think on these things." For thinking on such things is itself a religious exercise, acceptable unto the Lord.

Death, the necessary end of our mortal state comes to one and all, and when it comes to a man whose wisdom and strength have commanded our admiration and trust, a period of solemn contemplation is only a decent recognition of our mortality. But we are recreant to the faith if we make it no more than a period of wailing and lamentation. For the great dead who have not lived by bread alone have not died the death of a beast of the field. The gifts that they gave us of the things of the spirit still live—live not in the Celestial City, but here on this earth, and in them the givers live with a life that shall last until the great globe itself shall pass away.

This is the foundation, the very bedrock of our faith. It is hard to remember when tragedy strikes, but it is precisely then that it is utterly necessary to remember it. For it is not in the sunlight of golden days, it is when we walk in the Valley of the Shadow that there is significance, that there is triumph in the cry of the faithful, "O death, where is thy sting? O grave, where is thy victory?"

Think on these things. It is a form of worship to do so; for as we meditate on the gift of a great soul put for an allotted time in the body of a mortal man, our thoughts must turn to the Giver of every good and perfect gift. For great lives are not of our making; they are shaped by an Almighty hand. Yet once lived, when their mortal frame has passed away, they become our possession forever, to be our comfort and our stay in every dark hour through all our days.

There is pain in the loss of a great man, and a tribute of tears in his due. But to the Christian it is not tragic, for the gifts of the spirit he gave us remain with us, never more vividly alive than when we seem to walk in gloom and peril. For as we consider them and remember whence they were derived, "then shalt thou have thy delight in the Almighty, and shalt lift up thy face unto God; * * * and the light shall shine upon thy ways."

LATIN AMERICAN COMMON MARKET PROPOSALS

Mr. JAVITS. Mr. President, yesterday, when I spoke on the subject of a "Latin American Common Market," through an inadvertence a document which I had intended to have printed in the RECORD was omitted. I therefore ask unanimous consent that there be printed in the RECORD at this point a document published by the Inter-American Development Bank entitled "Proposals for the Creation of the Latin American Common Market."

There being no objection, the document was ordered to be printed in the RECORD, as follows:

PROPOSALS FOR THE CREATION OF THE LATIN AMERICAN COMMON MARKET

(Published by the Inter-American Development Bank)

INTRODUCTORY NOTE

On January 6, 1965, Eduardo Frei, President of the Republic of Chile, addressed a letter to four prominent inter-American leaders asking them to present their views regarding methods of speeding up the economic integration of Latin America.

As a result of this request, the four economists—Raúl Prebisch, Director General of the Latin American Institute for Economic and Social Planning; José Antonio Mayobre, Executive Director of the United Nations Economic Commission for Latin America; Felipe Herrera, President of the Inter-American Development Bank, and Carlos Sanz de Committee on the Alliance for Progress—Santamaría, Chairman of the Inter-American drafted the following "Proposals for the Creation of a Latin American Common Market."

PROPOSALS FOR THE CREATION OF THE LATIN AMERICAN COMMON MARKET

I. THE NEED FOR A GREAT ECONOMIC BASE

Community of effort

Latin America is failing to face resolutely a course of events which is jeopardizing the pace and the very meaning of its economic and social development and shaking its political life to its foundations.

Never before have we seen such a population explosion; nor has the very legitimate desire of our people for a better life been so strikingly expressed. But neither have we witnessed, until recently, the enormous possibilities that modern technology can offer for the eradication of poverty and its accompanying evils.

We have understood these possibilities. We admire the stupendous rise in the living levels of the long-industrialized countries. And we have been impressed by the experience of others which have, within a short time, gathered great economic momentum in their recent development. From both these categories of countries, the technological revolution is striving to spread out to the rest of the world. We are awaiting impatiently what this revolution has to bring us in order to fulfill that desire for a better life, but perhaps we have not perceived the many and complex aspects of what this process inevitably requires.

If we remain disunited, we shall not be able, in our desire to reap the full benefits of contemporary technology, to meet such requirements, among them the need for great economic bases: 95 percent of the industrial output of the more advanced countries is produced within large markets which, even though each of them has immense and varied resources, reach out further in a constant search for more trade.

Our countries, nevertheless, attempt to develop in an area arbitrarily divided into numerous watertight compartments with very little intercommunication. By thus dispersing their efforts in isolated action, these countries cannot carry the weight they should in a world where, in addition to the countries that were already large, vast economic blocs have emerged. The full advantages of industrialization will not be secured if the Latin American countries, thus thrown back on themselves, persist in trying to produce every type of goods and doing, within their own frontiers, everything that the others are doing within theirs.

This mutual isolation is not confined to the economy: it applies to a wide range of activities. Scientific and technological research, and the training of complex skills in these fields, are very haphazard because of the limited range and dispersal of effort. And so far as culture is concerned, creative activity suffers and languishes because of the same limitations of national horizons. Moreover, incapacity to combine resources has been partly responsible for these countries being so far unable to acquire those powerful technical media of expression and dissemination which are available to others. Accordingly, there have prevailed in Latin America certain outside elements of dubious value which not only fail to contribute to the enrichment of the common cultural heritage but are also incompatible with the purpose of enhancing our native values and moulding the true image of our personality.

Technology will be of ever greater influence in our time. We must adapt it to the realities of our own situation and resolutely master it, if we are not to subordinate the essence of our existence and our brotherly relationship to it. We shall not succeed in this if we continue to use up our strength in isolated effort.

We must learn to work together; we must form the community of Latin American peoples. Up to now we have been unable to undertake this great task to any meaningful extent, because we have not been able completely to escape from the pattern in which our development began in the 19th century. Thus separated one from another, without active relationships closely binding them together, each of our countries in those days was attracted, in isolation, toward the world's major economic, political, and cultural centers. We lived in the reflection of those centers, and this has had a far-reaching effect not only on Latin America's past but also on its present. Many features of this pattern continue to exist; we must rid ourselves of them, given the facts of the world's evolution and the growing tensions within our own process of development.

In order to overcome these and other obstacles which stand in the way of Latin America's development, we must combine our forces and harness them to the achievement of major common objectives. It is not enough for us merely to respond to the requirements of technology, or to work together to create a great economic base and widen our cultural, scientific, and technological horizon. Our action in this sense must also be for the purpose of securing greater political influence internationally.

In this context, a new historical dimension is emerging—the dimensions of the developing world. Despite the striking differences that distinguish us from other regions, we have a series of common denominators which inevitably spur us to common endeavors, without detriment to the personality of each of us. We have already set out on this road and must continue along it with tenacity of purpose. We should try, not to set ourselves up against the major centers in sterile and fruitless competition, but to secure better understanding with them, to strengthen our capacity for effective negotiation so as to place the policy of international cooperation on a new basis.

The extraordinary prosperity of the advanced countries and the opulence which some of them are attaining should open a broad path toward this new policy of international cooperation. This is a matter of urgency. Markets for the traditional export of our primary commodities are shrinking and closing, without new ones being offered for our manufacturers. The trend toward imbalance in foreign trade is placing a serious brake on the economic development of many of our countries. And deterioration of the terms of trade is materially reducing the positive contribution of international financial resources to our development.

It is not enough to identify the problems or to talk about the attitude of the major countries toward the lot of the smaller. We must organize our common action in order to secure a constructive response from the former in all fields—in trade, finance and our primary commodities in regard to which a sound policy to uphold values and expend markets is urgently required.

A lesson for all this can be drawn from the United Nations Conference on Trade and Development, held at Geneva in 1964, and from the preparatory meetings of our countries, held at Brasilia and Altagracia. Without joint action we can make no headway toward solving these grave problems at the international level. The more we coordinate our own efforts at this level, the better Latin America will be able to help this action to develop effectively and responsibly—a process that is not incompatible with, but on the contrary strengthens, the regional action defined in the Charter of Punta del Este.

The policy of Latin American integration, regional action and, in general, international cooperation are not alternatives to reforms in our own economic and social structure. Such reforms are inevitable. They are already going forward and must acquire great scope in the vast movement to modernize our countries. But it will be much less difficult to cope with this Herculean task in an economy that is growing at a faster pace, with all the inspiration of a bold and clear-sighted policy of integration and of continental and international cooperation. This policy must be applied concurrently with and not after such reforms if we are to avoid frustrations fraught with dangerous consequences.

The need for political decisions

All of these changes require major political decisions at different levels. Conscious of this pressing need, President Frei has urged the authors of this document to offer suggestions for accelerating Latin American economic integration.

We share the concern of the Chilean President. We also associate ourselves with his desire to further a process that has already begun. The Latin American Free Trade Association, established at Montevideo at the beginning of 1960, is a very important step toward the common endeavor, as is also—and from an earlier date—the happy initiative of the Central American countries.

The Central American nations are proceeding resolutely toward the formation of the common market, under favourable conditions of which their governments took advantage with laudable determination.

The same is not true as regards the broader trend toward Latin American economic integration. What has been done until now, while important, is not enough. We are still far from achieving the goal that the same Latin American countries set for themselves, in August 1961, in the Charter of Punta del Este. There our countries undertook to work during this decade, which is already so far advanced, in order: "To strengthen existing agreements on economic integration, with a view of the ultimate fulfilment of aspirations for a Latin American common market that will expand and diversify trade among the Latin American countries and thus contribute to the economic growth of the region."

The integration objectives are not being fulfilled at the pace required by the magnitude of the problem. The practical obstacles are great but not insuperable.

The slow pace of integration is not, of course, due to the Montevideo Treaty itself, but to the fact that no general integration policy has yet been formulated that clearly and distinctly establishes the desired objectives, the methods to be used, or the time required to attain these objectives, and because not all of the countries of the area have acceded to the treaty.

The treaty has placed in the hands of governments the preferential instrument necessary for applying the trade measures required by this general integration policy. Hitherto it has only been used in limited commodity-by-commodity negotiations, and although this initial experience has been very useful and instructive, it is now becoming imperative to pass on to a new stage of commitments that will lead to a common market in the form described below.

Other instruments are also available: the Inter-American Development Bank, which has been defined as the "bank of integration," will have to participate on a major scale in the promotion and financing of sectoral integration agreements and of other multinational or national programs that are in keeping with the needs of overall integration policy. The Inter-American Committee for the Alliance for Progress and the Panel of Nine, in view of their important functions as regards Latin American development and the coordination of its financing, must make a major contribution toward insuring that national plans, in their pertinent aspects, follow the lines just mentioned. In short, the machinery already available must be fully utilized.

Other important steps are also indispensable. Agreements to supplement the Montevideo Treaty are necessary: instruments are required for the programing and promotion of investments at the regional level; a compensatory payments and reciprocal credit system is lacking; it is necessary to define more precisely, in the light of experience, the principle of reciprocity, special treatment for the relatively less developed countries, procedures to correct the dislocations that could emerge from the liberation of intraregional trade, and the fundamental role of the Latin American entrepreneur in the overall context of the common market.

This general integration policy cannot be carried out without an institutional system which has the powers and resources essential for its independent functioning.

While, for understandable reasons, the proposals presented here respond to the need for a general integration policy that will give a powerful impetus to the constructive work initiated in LAFTA, they are not limited to the geographical area of LAFTA. On the contrary, they are also based on the need to extend this policy to Latin America as a whole. It would therefore be advisable in addition to seeking the incorporation of other nonmember countries, to negotiate the integration of the Central American Common Market in the whole system as a single economic entity. It would thus have to be granted the advantages advocated here in favor of the relatively less developed countries. The fact that Central America is moving more rapidly toward a common market is not an obstacle but rather an advantage as regards implementing the general policy of integration. It would likewise be an advantage if other Latin American countries were to decide on general or specific objectives in order to advance rapidly toward this goal within the framework of the Latin American Common Market.

In this great movement we need the fullest support of our peoples, the active and resolute participation of workers and entrepreneurs, of technicans and researchers, in short, of the Latin American people at all levels.

The idea of a Latin American Parliament is already becoming a reality. It could be an efficient means of giving integration the broad base of popular support that is so essential for its vigorous advance.

The common market that will take shape as integration policy proceeds does not imply that a country should neglect its own development efforts. These efforts remain the prerogative of each country, and to direct them properly will be its individual responsibility. Nevertheless, the common market will provide a favorable environment for national development efforts to be made with the maximum use of our productive resources, thanks to the direct or indirect effects of reciprocal trade and to the possibility of increasing exports to other countries within the system, always provided that imports from the others grow at the same time.

Hence there is no incompatibility between the common market and national development. On the contrary, the common market is one of the means—and certainly a very powerful one—of carrying out a design that is shared by us all; namely, the achievement of vigorous national development. It is a common design in that the national aspect harmoniously expands to cover the entire range of our countries. If our history and our feeling are not sufficient by themselves to demonstrate this, there are inescapable events creating a growing sense of community, of a genuine Latin American community, which, in addition to its vital intrinsic importance, will enable us to guide our relations with the other developing countries and the great industrial centers along the proper lines.

Industrialization, exports and the common market

Even when conceived in its broadest terms, integration is only one aspect of a vast effort to reform and modernize methods of production and the economic and social structure of the Latin American countries.

This must be done in the face of the serious and growing social tensions in our countries, tensions which largely derive from the lack of internal integration, from rapid demographic growth, from the progressively more conspicuous and disturbing presence, in our countrysides and towns, of swarms of people in occasional employment with precarious incomes who are denied the opportunities for a progressively better life that are offered by modern technology. These problems tend to become worse before they are solved and offer clear proof of the present inadequate dynamism of the Latin American economy to absorb, at rising income levels, the steadily increasing human potential.

It is imperative to incorporate this impressive potential into economic activities of higher productivity. Within this process, industry must play a role of the utmost importance, together with services that grow with general economic development, because, the more technology penetrates into the backward agricultural sector and the outdated marketing of its products, and the more that primitive forms of production disappear, the greater must be the the part played by modern industry—and services—in absorbing the surplus manpower which is no longer necessary in those activities where technology is making inroads.

All of this requires considerable capital, which stands in clear contrast to the scarcity of available resources. And here we really touch on the core of our problem, because we are wasting a considerable amount of capital which, if properly employed, would enable growth to be expedited and thereby greatly increase the volume of goods available for Latin American consumption and investment.

We are producing much less than we are capable of, because of the present fragmentation of what should be a large market. It is well known that a large market, the great economic base, is indispensable if production is to be efficient and low cost, even in the most densely populated countries of Latin America. This need is evident both for reasons deriving from productive technology and for other reasons connected with the process of competition.

Modern technology requires large-scale plant; it requires a division of labor, and a specialization that often is not feasible within the narrow limits of national markets. Latin American industrialization is far from having met this requirement. Within each country all kinds of industries have been, and continue to be, established regardless of their economic viability. Moreover, if we continue industrializing in watertight compartments, this evil will tend to grow worse instead of being remedied. But, since it is not possible to interrupt the establishment of new plants while awaiting a new integration policy that is slow in taking shape, the need to formulate such a policy becomes progressively more urgent.

To understand the importance of these considerations, it is sufficient to cite some figures which indicate the order of magnitude of the problem in the iron and steel industry. If a rational integration program were to be brought into existence, it has been calculated that, of the probable increase in output of some 15 million tons of iron and steel by 1975, savings of some $3,700 million could be made as regards the investments required if each producing country continued making, by itself, all the items for its own consumption. This would represent an annual saving in direct production costs of more than $400 million by 1975, i.e., a considerable proportion of the total steel cost by that date.[1]

The considerations regarding competition are also very important because it is closely related to the private enterprise system. In our countries, the scale of competition is usually small or nonexistent owing to the high barrier of tariffs and restrictions behind which industrialization has developed.

This situation conspires against technical progress and greater productivity. And even in those plants that could attain an adequate scale, especially in the larger countries of Latin America, the small extent of competition—or the lack of it—frequently leads to inadequate utilization of capital and other productive resources. Moreover, the establishment of new plants, added to those already producing the same items, does not usually stimulate competition but frequently leads to tacit or explicit understandings that, far from lowering costs and prices, often raises them arbitrarily.

Close communication between markets in a single economic area is essential for industry to feel itself continuously spurred on by competition among the Latin American countries. From the point of view of economic viability, this process will have two main effects. Firstly, it will lead to sectoral complementarity or integration agreements, especially in the major import-substitution industries. To a large extent, products that are now imported from the rest of the world would be replaced by others of Latin American origin in intraregional trade. Secondly, competition will give a powerful impetus to the modernization and readjustment of existing industries.

Of course, the great differences in productivity between our countries and the technically more advanced industrial centers make it necessary to continue protecting our industries. Nevertheless, it will be necessary gradually to reduce this protection, as productivity increases and as the persistent tendency to external disequilibrium prevailing in Latin America is gradually corrected. But, are there any reasons for not promoting active competition among our countries through tariff reductions and the elimination of restrictions?

The reduction of industrial costs, obtained through complementarity and integration agreements and by the effects of reciprocal competition, would further the other objective that must be achieved at the international level, in order to help, together with import substitution, to correct the phenomenon of disequilibrium just mentioned. This objective is an increase in our industrial exports to the major centers. Even if we can achieve rational import substitution—and it is not rational today—we shall still have to continue importing a growing quantity of goods, particularly all those that cannot be produced economically within the common market. Our imports, especially of capital goods, of intermediate products, and of new consumer items, will have to go on growing intensively even though there will be continuous changes in their composition.

We can only obtain these industrial goods in adequate quantities if we export other goods, also of industrial origin, to the major centers. It will not be possible to rely upon primary commodities, since exports of them generally tend to grow slowly whereas the demand for industrial imports tends to develop at a relatively faster pace.

But how are we to increase our exports of manufactures on a large scale if our costs continue to be high? At the abovementioned Geneva Conference, we strongly urged the major centers to change their trade policy toward the developing countries and we asked them to grant tariff preferences for our manufactured goods. Nevertheless this by itself will not be sufficient for our industrial exports to expand to the extent required. Inevitably we must cut our production costs in order to take advantage of these preferences and be capable of existing without them when the period for which they have been granted has expired. This brings us to another of the decisive reasons for creating a common market.

Imports of certain manufactures from developing countries will certainly require adjustments in the industrial structure of the major centers.

Similarly, as a result of reciprocal competition, adjustments will be required in Latin America, together with the safeguards later mentioned in this document. If we are not prepared to make these adjustments to expedite growth, how can we expect the major industrial centers to agree to do so? Will we have the authority to impress upon them the need to transform the traditional structure if we do not show our decision to do likewise in the reciprocal trade between our own countries?

II. INTEGRATION POLICY

As has been previously mentioned, this document conceives the general policy of Latin America integration to be a series of measures covering commercial policy, regional investments, monetary and payments policy, and certain basic principles required for the proper functioning of the common market. Each of these aspects will be dealt with separately in the following pages.

Trade policy

It was already stated that the Montevideo Treaty has put a very important trade policy instrument in the hands of the signatory governments. It would not be fair to examine the best way of using that instrument for the gradual attainment of the Common Market without a frank and explicit recognition of the significance of everything that has been accomplished at Montevideo during the nearly 4 years of the treaty's existence.

A common list of products has been agreed upon with a firm commitment to eliminate completely, by 1973, the customs duties and other restrictions on zonal trade in these products. That common list is subsequently to be gradually enlarged every 3 years. In addition, the annual negotiations have resulted in the inclusion in the national lists of a much larger number of products for which lower duties of differing degrees have been established. All this has created favorable conditions for encouraging industrial investments in the next few years. And reciprocal trade has grown by 38 percent in the 3-year interval between 1959–61 and 1962–63, even though the $950 million recorded in 1963 still represents only a small proportion of the total trade of the LAFTA countries.

At the technical level, very useful work has been carried out, such as the adoption of basic criteria and the clarification of various problems regarding the definition of the origin of goods and others connected with customs technique, and progress is being made with the standard customs nomenclature, without which progress toward a common external tariff vis-a-vis the rest of the world is impossible.

Within LAFTA a group of technical advisers has been established, and private enterprise has been encouraged to establish representative bodies to collaborate in carrying out the treaty. Moreover—and this is particularly important for the future—a capable and efficient Secretariat has been formed with a strong sense of its responsibilities.

Some very commendable results have therefore been achieved. But if these are evaluated in terms of the major objectives of the common market, as previously defined, the enormous field of action still to be covered can be clearly seen.

The Montevideo Treaty constitutes an important step toward the establishment of the Latin American common market, and member governments have declared their intention of doing their utmost to create favorable conditions for attaining that purpose. But the immediate objectives and the commitments assumed have so far been primarily those required in order to create the preferential instrument to which reference was previously made, within the juridical context of a free-trade area, by means of selective negotiations on a commodity-by-commodity basis.

This cumbersome procedure of miniature negotiations is showing itself to be incapable of bringing about a substantial liberalization or an important expansion of trade. As the stage of easy concessions comes to an end, it has become increasingly more difficult to include new products in the lists. Moreover, in each negotiation vested interests exert pressure on governments to exclude products that could be exposed to competition from the rest of the area. As a general rule, the selective procedure limits tariff reductions to a specific number of items and makes it almost impossible to achieve the general liberalization of reciprocal trade. This is even more important if account is taken of the high barrier of tariffs and restrictions on the area's trade. The tariff barrier is largely a result of the improvisation to which our countries have frequently been forced to resort in trade policy under critical pressure from outside. It is estimated that the average tariff level of the LAFTA countries exceeds 100 percent, and duties of 200 and 300 percent are frequent.

Perhaps it would not have been possible to choose any procedure other than these commodity-by-commodity negotiations during the initial stages of the treaty. Still, it was foreseeable, from the experience of the European Common Market, that the procedure would be inhibited by fear of the dislocations which might transpire when the market was gradually opened up to competition from other countries of the system. It might have been seen, in the light of the European experience, that this fear was without foundation, but nonetheless it has been impeding the advance toward the reduction and elimination of tariffs.

Today it is generally recognized that such a system of negotiations will have to be replaced by another, in which reductions take place automatically. Within LAFTA itself, the secretariat has been studying ways and means of achieving that purpose.

---

[1] Estimates based on studies by the secretariats of ECLA, IDB, and the Latin American Institute of Economic and Social Planning.

In order to strengthen the integration process, it is essential to determine clearly and distinctly the point to be reached within a given period of time. Accordingly, it is considered necessary for the Latin American countries to assume four closely interrelated commitments to be fulfilled within a period of 10 years: Firstly, to establish quantitative targets for the desired maximum level of customs duties—including restrictions of equivalent effect—to be attained and to adopt a gradual and automatic mechanism for the application of such a system; secondly, to eliminate gradually the application of quantitative and other nontariff restrictions on intraregional trade; thirdly, to establish a common tariff vis-a-vis the rest of the world; and, fourthly, to establish a system of reciprocal preferences for member countries to enjoy in their intraregional trade pending the establishment of the definitive preferences in the common tariff.

As to the first commitment, it is proposed that, at the end of the specified period, participating countries should not be able to levy customs duties in their intraregional trade exceeding 20 percent of the cost, insurance, and freight value of each product, with the exceptions that are explained later, particularly with respect to the relatively less developed countries. For obvious reasons, those reductions should not be left until the end of the period, but should be introduced annually. Once this idea is accepted, the technicians should present appropriate formulas for bringing this quantitative target into effect within the established time-limit.

Application of this gradual and automatic process would mean that, at the end of the first half of the period concerned, i.e., at the end of 5 years, all customs duties not now exceeding 100 percent would be reduced to levels equal to or lower than 50 percent, which is considered a reasonable minimum target for the first part of the period mentioned. The case of customs duties now higher than 100 percent is different, and it would therefore be advisable to intensify their reduction in such a way that, at the end of the first half of the period, none of them exceeds 50 percent.

In this way the differences in customs duties that now exist between countries and even within the same country for various products would be gradually eliminated until the target is reached; this is an indispensable requirement if a common market is to be attained. It should be borne in mind that the proposed system does not exclude the desirability of continuing those commodity-by-commodity negotiations that help to accelerate the tariff reduction process.

Furthermore, establishment of the common market implies the total elimination of customs duties, and not merely a quantitative target for reduction. It would not, however, be advisable to try to do this immediately. This should rather be left for the final stage, when decisions should be taken in the light of the experience gained during the initial stage when a substantial reduction of tariffs would be obtained.

Clearly it will be necessary to anticipate the difficulties that may arise in fulfilling these commitments. For this purpose, as is explained later, the system would also include adequate safeguard clauses that would make it possible effectively to deal with such situations or possibly to correct any trade disequilibria that might arise. Moreover, countries could introduce internal taxes affecting national production and imports alike for the purpose of restricting consumption of certain items, especially luxuries.

As for the second commitment, quantitative and other nontariff restrictions on intra-regional trade—other than safeguard clauses—should also be gradually and automatically eliminated within the same period in accordance with formulas proposed by the technicians. These formulas should enable the above-mentioned restrictions to be converted into customs duties that would be subject to the other commitments proposed in this section.

As regards the third commitment, a common external tariff, which is an essential element for the creation of a common market, should be gradually worked out. Nevertheless, the greatest efforts should be made both to attain uniform tariffs as soon as possible for raw materials and intermediate products, in order not to dislocate competition among countries of the system, and to establish common external tariffs in the sectoral complementarity or industrial integration agreements, in order to obtain a reasonable degree of protection against external competition.

With regard to the fourth commitment, until the common external tariff is achieved, a system of preferences should be introduced for products of member countries when the preferences resulting from the process of tariff reduction are insufficient to satisfy the principle of reciprocity.

Regional investment policy

It would be a mistake to assume that the efficient manipulation of the trade policy instruments described above is enough to put the integration policy suggested here into effect. The play of economic forces alone, stimulated by tariff reductions, would not by itself lead to this result. It would be imperative to exercise some control over those forces, in order to attain the objectives of that policy.

It is not merely a question of reducing or eliminating duties and restrictions, of creating preferences, of foresightedly introducing safeguard measures to ward off or remedy dislocations, or of having corrective expedients available. It is much more than that. Integration also requires constructive action. Trade policy measures could not be a substitute for it; their function is solely to establish an adequate framework in which integration can be attained.

This constructive action should be translated primarily into a stimulating common market investment policy. Within the broad context of development, this policy must include, in particular, a series of activities relating to integration—first and foremost, the large import-substitution industries which, in addition to their importance in the development process, must help to overcome the external imbalance which is a feature of the more advanced countries of Latin America and which will soon appear in the others if current external trade trends continue.

As is well known, the import substitution process is entering a new stage. Easy substitutions are wholly or nearly exhausted in the more advanced Latin American countries and technically complex industries are beginning to be set up requiring large investments and a sizable market. None of our countries, no matter how large or vigorous, could begin or continue this stage of industrialization on its own in economically viable conditions.

It is therefore necessary to plan the development of these industries on a regional scale. This planning refers principally to iron and steel, some nonferrous metals, some groups of heavy chemical and petrochemical industries, including the production of fertilizers, and the manufacture of motor vehicles, ships, and heavy industrial equipment. This involves a limited number of industries which, in addition to being import-substitution industries, cover fields of vital importance for strengthening the economic structure and accelerating the pace of our countries' development. It is precisely in such fields that economies of scale, the advantages of suitable siting, the utilization of productive capacity and better operational efficiency will be most strikingly achieved. One of the paradoxical situations existing side by side with the Treaty of Montevideo has been that some of these industries have been established or expanded in various countries without regard to the objectives of an integration policy.

It would be appropriate for the governments to decide now to conclude these sectoral agreements in such industries so that a start can be made without delay on the studies needed for carrying out the relevant negotiations.

One result of the investment policy in all these industries might be the conclusion of a series of sectoral agreements within the next few years. Although these agreements are provided for in the Treaty of Montevideo, very few of them have so far been concluded, and those that exist do not relate to the industries that are of basic importance. One circumstance which may have contributed to this situation is the view originally taken that these agreements should conform to the most-favored-nation clause. This has just been corrected by a decision of LAFTA which provides that tariff reductions negotiated under an agreement will not automatically extend to the countries not party to the agreement in the absence of the compensatory measures stipulated.

As a general rule, complementary agreements would have to start from a more rapid and radical reduction in customs duties than would result from the gradual and automatic lowering of tariffs. In most cases, it might be possible for tariffs to be completely eliminated even before the end of the initial period of 10 years. This, of course, does not exclude the possibility of import quotas being established for limited periods so that the industries of some countries might be able to maintain a certain volume of production until such time as they became competitive with the common market.

In order to prevent combinations which, in the execution of the agreements, would restrict competition, it would be desirable to provide for a gradual and reasonable reduction of tariffs vis-a-vis the rest of the world as soon as the Latin American industries had been strengthened.

These sectoral agreements should be based on development plans for the various industries. Each plan should set out the production targets which would enable demand to be met and some or all of the relevant imports to be replaced. In addition, the necessary financing would have to be provided, and the broad lines of the policy to be adopted would have to be determined, especially to forestall any substantial difficulties which might arise from competition.

From another point of view, such agreements should not be exclusive or impede any other action that might be effective in the areas covered by the agreements. The scope of the agreements should, in this regard, be limited to providing incentives—particularly fiscal, technical, and financial incentives—that would direct the flow of investment in accordance with the aims of each plan but would not discourage new forms of action not benefiting from such incentives.

Apart from the sectoral agreements, the regional investment policy should concentrate on the countries that are relatively less developed and on any country in which the process of integration might give rise to substantial difficulties.

On the other hand, it must be recognized that in other branches of the consumer or capital goods industries, too, the progressive integration of markets may require special measures as regards promotional activities, reorganization and both technical and financial assistance, which would differ in degree and kind according to the particular circumstances and be complementary to the action taken to reduce tariffs.

Agriculture presents its own very special problems. Generally speaking, agricultural production has not expanded fast enough to keep pace with a growing population and its needs. Latin America as a whole continues to import a large volume of agricultural products from the rest of the world, whereas its exports are expanding at a slow rate. Imports currently amount to $600 million, about $200 million of which is represented by U.S. agricultural surpluses.

There are thus three objectives to be achieved: an increase in production to improve the diet of the people and supply raw materials for industry; a reduction in the proportion of imported food and raw materials for internal consumption; and the encouragement of agricultural exports as a means of helping to eliminate the external bottleneck.

It is obvious that the solution of this problem cannot be left entirely to the corrective action of a trade policy. The problem is a complex one that has not yet been attacked in its full breadth and depth. What possibilities does Latin America have of achieving these objectives if it takes energetic action to increase productivity? In what form and to what extent will the various countries be able to take part in this action? In what way could the agricultural trade balance of each country be modified in relation to the rest of the Common Market? How far would it be possible to adjust whatever imbalance might arise from purely agricultural trade?

It must be confessed that the lack of systematic research in this matter makes it impossible to give any satisfactory reply to these questions. Nothing more can be done than to make certain very general statements of principle which may serve as a guide to the technicians. One paramount consideration in this regard is that the land of each country and the factors of production related to the land must be employed in the most economically efficient manner possible and that there can be no such thing as chronic unemployment, insofar as these factors are concerned, which cannot be corrected through their absorption in other sufficiently productive types of activity.

What is needed for the achievement of all these things is a program for developing Latin America's production and agricultural trade, a program in which special attention must be given to price policy. Such a program would also have to make provision for the investment necessary to put it into effect.

As to the infrastructural investment of the Common Market, special attention must be given to investment in transport and communications and, in some cases, to investment in power production and distribution. It is not intended that a single program should embrace the entire range of investments to be made in these fields by the countries belonging to the system; the aim is rather to coordinate this investment and to concentrate on carrying out those measures that require joint action.

With regard to air transport, the fragmentation and lack of coordination among the large number of Latin American airlines obviously impairs their efficiency and ability to compete with the airlines of the more advanced countries. This situation will become much more serious than it is now when supersonic aircraft come into use in the near future.

Joint action is also needed in the matter of shipping, which is affected by numerous complex problems ranging from the participation of Latin American fleets in traffic both inside and outside the area to the possible organizing of multinational shipping companies and the establishment of an adequate port régime.

Existing communications are generally poor and inefficient, and the need for improving, expanding and linking the various systems is obvious. The technological revolution in communications resulting from the use of satellites makes it even more imperative to unite efforts that would otherwise continue to be weak and ineffectual.

Investment policy should likewise encourage efforts for the integration of frontiers so as gradually to eliminate the consequences of an artificial division in regions where development calls for a common approach.

The Inter-American Development Bank should channel a considerable part of its resources into these investment programs without thereby giving any less attention to the financing of national development. As the integration policy gathers momentum, however, more extensive resources will have to be forthcoming, either from additional contributions made to the Bank for this purpose, or from funds from other sources. The ICAP is destined to play a leading role in coordinating these various kinds of financing.

Monetary and financial policy

It must be recognized that the inflation prevailing in some Latin American countries is a serious obstacle to integration, besides disrupting their economic and social development.

The struggle against inflation is a long and difficult one and the policy that is being carried out in this connection should be pursued resolutely and persistently. It would not be possible to wait for it to bring about monetary stability before putting the integration policy that is advocated in this document into effect.

In addition to the measures which are mentioned later in this document for dealing in particular with the exchange discrepancies that inflation usually causes, it would be very useful if the Latin American central banks could coordinate their efforts in considering the problems of monetary policy in the context of integration and, more particularly, in examining the phenomena of temporary or permanent disequilibrium in intraregional payments and in trade relations with the rest of the world.

Such joint efforts on the part of the central banks would be important as an expression of the sense of collective responsibility inherent in the policy of integration. This same attitude should prevail in discussions of the domestic measures of one country which might affect other countries and it should also strengthen the joint support of the efforts made by the Latin American countries in the relevant international organizations with a view to solving their balance-of-payments problems.

These movements toward regional unity will be of undoubted importance in the approach that Latin America should take as regards the revision of the world monetary system that has been recently begun. The fact that we and other developing countries are not taking part in the study of problems of international liquidity that is being made by the group of 10 highly industrialized countries is further evidence of the urgent need to strengthen our capacity for international negotiation.

On the other hand, there is no doubt that the lack of an adequate system of reciprocal and multilateral payments and credits is a considerable drawback in the policy of reducing tariffs and eliminating trade restrictions among the Latin American countries. This effort, and, generally speaking, the whole policy of integration, would be largely frustrated if there was no payments union, i.e., no system under which the operations of each country can be compensated by those of the other member countries and reciprocal credits can be granted to cover the balances resulting from regional trade. It is therefore necessary to provide for the periodical liquidation in convertible currencies of the balances which exceed the limits of the established credits and for the adoption of substantive measures to eliminate the causes of the continuing disequilibriums.

In this connection, the idea that has been discussed again recently of forming a joint reserve fund of the central banks should be encouraged, for various reasons, one being that it would help in mobilizing the external resources needed for the proper operation of the payments union.

A general compensatory machinery, designed to simplify payments and to enable sizable economies to be made in currencies and operational costs, would not preclude the establishment of smaller compensatory boards of groups of countries that have close trade relations.

In this regional plan it would be necessary to use the services of the existing commercial banks and, with their close cooperation, to promote the development of a system of short-term commercial loans to encourage Latin American trade.

With regard to the need to establish machinery for the medium-term financing of exports of certain types of goods, the Inter-American Development Bank has already taken a very important step in organizing a regional system for the financing of intraregional exports of capital goods. This system should be made more flexible and should be supplemented by regional machinery for insurance and reinsurance.

III. OTHER RECOMMENDATIONS FOR THE SYSTEM OF INTEGRATION

In the foregoing pages we have considered the measures of trade policy, investment policy and monetary policy that would have to be adopted in order to promote the establishment and smooth functioning of the common market. It would, however, be advisable also to establish clear criteria for other aspects which, if disregarded, might hamper progress toward this great objective. To this end, the following recommendations are put forward concerning the principle of reciprocity, the treatment to be accorded to the relatively less developed countries, the measures needed to deal with the internal dislocations that might arise in the process of liberalizing trade, and measures designed to stimulate Latin American private enterprise within the common market.

The principle of reciprocity

Reciprocity of advantage within the common market is an essential principle for its smooth functioning. No country will be able to go on deriving greater advantages than it grants to others.

It is impossible to lay down specific rules for maintaining this type of balance. Information on the additional trade which each country gains as a result of the reductions and elimination of tariffs and restrictions and of the specific integration agreements will, of course, be an important factor in assessing those advantages. Each specific case, however, will have to be examined carefully, for the disequilibrium working against one country will not always be due to the other countries not having granted it sufficient advantages. It might also have its source in the actual conduct of the country in question—its exchange system, for example, or the lack of adequate action to encourage exports, or other reasons. If that were not the case, however, it would be the responsibility of all to ensure that it obtained due reciprocity. Investment policy is of the utmost importance in the fulfillment of this collective responsibility, which is vital for the proper functioning of the common market, but in order to ensure reciprocity it will be necessary also to adjust tariffs.

In this sense, the countries which persistently gain greater advantages from the Common Market than do the others should speed up the reduction of customs duties and elimination of restrictions, insofar as the imbalance is not due to the attitude or policy of the less-favored countries. Those countries will also have to offer a greater margin of preferences in order to promote their imports from the region in all cases where the reduction of customs duties and the preferences already granted are not sufficient.

This corrective action might prove necessary irrespective of the countries' level of development. The case of the less-developed countries of Latin America, however, would have to be given preferential attention, in accordance with the following general criteria.

The relatively less-developed countries

If integration is to succeed, all the countries must have in actual practice equal opportunities to profit from the establishment of the Common Market. For that reason, the relatively less-developed countries require preferential attention and special treatment, particularly in three fundamental aspects: Trade policy, technical and financial assistance, and regional investment policy.

With regard to the execution of trade policy, the less-developed countries should have longer periods in which to reach the quantitative goals set for the reduction and elimination of customs duties and other trade restrictions and to establish the corresponding preferential margins for intraregional imports. This system would have to be applied in relation to the actual expansion in the volume that these countries manage to export to the Common Market, on the understanding that the less-developed countries will continue to fulfill the obligations they have contracted only insofar as they go on gaining specific advantages from the Common Market.

There is no doubt that the incorporation of the less-developed countries in the regional integration process will require a special effort of technical and financial assistance. As far as technical assistance is concerned, the international organizations, the industrialized countries, and the more developed countries of the region must coordinate their efforts in programs with well-defined objectives that will enable the respective projects to be prepared in good time. Moreover, for the financing of the necessary investments, consideration must be given to external financial assistance on flexible conditions and favorable terms.

The regional investment programs must also give preferential attention to the less developed countries, especially in connection with power supply and the linking of those countries with the rest of the region, with regard both to means of transport and to communications systems. Similarly, the economic integration programs of the less developed countries—as in the case of the Central American countries—and the border programs between those countries and between them and the relatively more developed countries must be given special impetus. Lastly, particular attention must be given to the problems that arise in the less developed countries as regional competition becomes stronger. In this aspect, the action to be taken in order to improve or adapt established industries that are not sufficiently efficient is of special importance.

Measures of protection and readjustment

It is understandable that countries should be reluctant to enter into agreements providing for substantial reductions in tariffs and other trade restrictions until they have a clear picture of what protective measures they will be entitled to take if their imports should involve them in serious and persistent economic difficulties. Reference has already been made to the fact that technical and financial cooperation is needed for the readjustment of any activities which may be affected. While this process of readjustment is going on, it is essential that member countries should have at their disposal defensive measures which they can take in cases where their compliance with the agreements entered into jeopardizes activities of obvious importance to their national economy, or seriously affects their balance of payments or level of employment. Such measures could consist, for example, in the provisional imposition of import quotas or tariff rates higher than those agreed upon.

These measures could not be left to the sole discretion of the importing countries; they would have to be authorized by the competent organs of the common market, indicated above, so that the exporting countries would have some guarantee that measures of this kind would not be arbitrary, or be continued beyond the reasonable period necessary to bring about the required readjustment.

In this connection, the disturbing effects on trade resulting from inflation give rise to justified concern.

Until monetary stability is achieved throughout the region, any marked disparities between internal price levels and the external value of currencies will have to be avoided. Such disparities, whether they take the form of monetary overvaluation or of undervaluation, affect the entire process of trade and the entire payments system, not only our intraregional trade.

Where a country's currency is overvalued, the harmful effects are felt by the country itself, which can rectify them by altering its rate of exchange. However, it is conceivable that the country in question could be authorized to take certain transitional measures to correct the effects of the overvaluation of its currency on its trade with the other Latin American countries.

Where a country's currency is undervalued, the harmful effects are felt by the other countries members of the system. Accordingly, these countries should have at their disposal measures to protect their internal production and their exports until the exchange discrepancy is rectified. These measures, of course, would have to be expressly authorized whenever the country whose currency was undervalued failed itself to take measures of readjustment or compensation, as would be highly desirable.

In any event, the governments concerned will have to avoid or correct these disparities until such time as success has been achieved in removing their causes, whether these are to be found in inflation or in any other phenomenon.

Difficulties may also be caused by the varying tariff treatment given by different countries to imports of raw materials and intermediate products, since this gives rise to cost and price differences which interfere with normal conditions of competition. Until a common tariff—the fundamental solution to this problem—has been achieved, authorization could be given for transitional measures of a compensatory character.

The problem of stimulating Latin American initiative

The signatories to this document share a concern which is extremely widespread in Latin America: that in the most complex and investment-attracting sectors of the common market—i.e. in basic industry—private initiative in the great industrial centers enjoys so great a technical and financial superiority that it may well acquire a predominant position, to the decided detriment of Latin America entrepreneurs. This serious problem, while not the sole problem of the common market, may prove an obstacle to its progress.

Accordingly, solutions must be sought which will effectively dispel this concern. Two types of solutions may be conceived: the formulation of a statute providing a clear and uniform definition of the terms offered by Latin American countries and the Common Market to extraregional investors; and the adoption of a policy providing regional entrepreneurs with solid technical and financial support.

Proposals were recently made for the establishment of an international system to do away with the conflicts of interest which face foreign investors. In refusing to support these proposals, the Latin American countries have implicitly assumed responsibility for creating a system of their own offering practical and stable safeguards, within a code of principles rooted in an entire tradition of independent life.

Foreign capital undoubtedly has an important part to play in the development of our economies, particularly when it operates in association with local entrepreneurs in industries which are so technically complex or so capital-intensive that access to them is difficult for Latin American entrepreneurs alone at their present stage of development. Foreign firms generally have considerable exporting experience, and this experience, in conjunction with the efforts of our own entrepreneurs, could be of great use in insuring better exploitation of the opportunities offered by the Common Market, and, particularly, in promoting the export of industrial goods to the rest of the world. There are already a number of highly positive examples of these forms of association in various Latin American countries.

If the Latin American entrepreneur is to be enabled to take an efficient and equitable part in this type of association, the rules for foreign investment will have to be founded on the principle that the regional market must be an instrument to strengthen the position of our entrepreneurs and confirm their paramount role in the development of Latin America.

Thus foreign investment must be brought into line with the fundamental objectives; that is, it must bring with it modern techniques of production and it must serve increasingly as an efficient vehicle for the transfer of such techniques to our technicians and entrepreneurs and their genuine incorporation in the processes of business management.

But if the Latin American entrepreneur is to be able fully to fulfill his function, this is not enough; he must also be given solid technical and financial assistance. This is a responsibility which will have to be shared by the actual countries concerned and by the international organs and industrialized countries which are participating in the development of Latin America. The former will have to organize themselves with a view to mobilizing their own technical personnel—frequently dispersed among a variety of secondary activities—and setting up credit instruments and capital markets which will be of help in the preparation of projects and will contribute to financing the local costs of the resulting investments.

External financial assistance is a fundamental element in our development process. While the tremendous progress made in the last decade in the volume and quality of international financial cooperation—particularly in the financing of public investment—must be recognized, much remains to be done to create credit instruments by means of which similar finance can be rapidly channeled into the private sector. This is a problem demanding urgent attention, for until it is solved the very high proportion of total investment in Latin America represented by private investment will for the most part go to financing suppliers, frequently in respect of purchases of capital equipment at prices higher than the market prices and on amortization and interest terms incompatible with the capacity to pay of the lending countries. To solve this fundamental problem, concerted and tenacious efforts on the part of all international financial organs and the active cooperation of the competent authorities of the capital-exporting countries will be essential.

IV. THE INSTITUTIONAL MACHINERY OF THE COMMON MARKET

In order to pursue systematic integration policy culminating in the establishment of a Latin American common market, it is necessary to set up institutional machinery which will make use of the various agencies and facilities already in operation and will thus make it possible to coordinate all action taken in connection with the objectives and general criteria stated above.

Council of Ministers

The supreme power of decision should vest in a Council composed of a Minister of State and an alternate representing each member country. The Council would hold regular meetings at least twice a year and special meetings when circumstances so required. When specialized subjects were under examination, the competent Secretaries of State should be present. Without prejudice to the foregoing, the alternates would meet more frequently in order to keep one another informed and to facilitate the work of the Executive Board and specialized bodies referred to below.

It would be desirable that the right to veto the Council's decisions should be restricted from the outset.

It would also be desirable for the Council to have the help of advisory committees composed of high-level technical officials from the member countries, and that of a committee composed of representatives of the workers, entrepreneurs, universities and technical and professional organizations.

Executive Board

The executive authority of the common market would vest in a Board composed of a Chairman and a limited number of members—preferably four and in any case no more than six—appointed by the Council. The Chairman and members of the Board should be nationals of member countries, would be eligible for reappointment and should be selected mainly on their technical qualifications.

The members of the Board would represent, not the Governments appointing them in the Council, but the community itself. They would accordingly be forbidden to receive orders or instructions from countries individually and would be required to exercise complete independence of judgment in the performance of their duties.

The principal functions of the Board would be: to insure that the objectives of the integration policy were attained and that the general criteria of that policy, including the principle of reciprocity and the necessary tariff-adjustment and preferential measures, were applied; to propose to the Council measures designed to accelerate that process; to promote the negotiation of sectoral complementarity agreements; to promote, or to have carried out under its direction, the studies required for the application of the general policy of integration; to decide on the application of safeguards and readjustments when required; to act as a court of first instance in disputes on interpretation; and lastly, to coordinate activities relating to commercial and investment policy, monetary and payments policy and foreign trade financing policy.

In addition, the Board should promote or carry out studies designed to coordinate the action of the Latin American countries in negotiations for the expansion or diversification of exports, should protect the prices of products exported to the rest of the world, and should play an effective part in devising other measures of international cooperation.

Latin American Parliament

The establishment of a Latin American Parliament, composed of representatives of the region's Parliaments, would give great impetus to the integration process. At the recent meeting at Lima, Latin American parliamentarians gave this fundamental decision their unanimous support. The Latin American Parliament would be a regional forum in which the major currents of public opinion would converge to elucidate the most important problems of integration. A climate of opinion would thus be created which would be favorable to the political decisions needed to set the process in train and to maintain steady progress toward regional integration.

Instrument for the promotion of regional investment

In the matter of regional investment policy, the Board should reach agreement with the Inter-American Development Bank on the establishment of an instrument which would actively promote the preparation of studies and projects in connection with the regional market, taking advantage of the work already being done in this direction by various organizations and drawing upon the experience they have gained. This instrument should form part of the IDB system and be under the joint direction of representatives of IDB and of the Board.

Its main function would be to carry out preinvestment studies and to prepare programs and projects in the following fields: basic industry; border programs; regional infrastructural investment; and investment in relatively less-developed countries, or investment designed to correct maladjustments.

These studies and projects in its possession, the Board would be able to promote the sectoral complementarity agreements required to negotiate the financing for the required investment. It should be made clear that the choice of functions for this body implies no disregard of the important contribution currently being made in this field by organizations of the inter-American system and by international agencies. On the contrary, the aim should be to encourage closer collaboration among all concerned, so that their efforts may be put to better use.

Conciliation procedure

Disputes on interpretation may arise in the course of the integration process. Problems not solved by direct negotiation between the parties should be referred, in the first stage of the conciliation procedure, to the Board. If no agreement were to be reached, the problem would be solved by an ad hoc conciliation committee acting as a supreme court; its members would be drawn by lot from a list of persons designated for the purpose by the member countries beforehand. This experiment might lead to the establishment of a regional court of justice.

V. FINAL OBSERVATIONS

These are the proposals which are being submitted to the Latin American governments for their consideration. What is needed, more than technical studies, is a definition of major objectives and the adoption of political decisions at the highest level. However, once these decisions are taken by governments, there will have to be technical discussions on the best means of translating them into specific agreements and commitments which will insure their implementation. Without these prior political decisions, there is a danger that the technicians will unduly prolong their deliberations for want of a complete picture of the aims and objectives to be achieved.

These proposals call for a vast program of work. Our countries must set about this program without delay, however, much effort this may require of them, and resolutely mark out the path of Latin American integration. It would be useless to seek another solution. None exists, nor will one appear with the passage of time; indeed, time will make the task more difficult.

Integration is not something that can equally well be done or left undone. It is of fundamental importance for expediting Latin America's economic and social development, which is so gravely threatened by internal and external factors which must be dealt with most decisively.

We must realize, however, that the solutions which will lead us to that goal are not simple or easy ones. Ever since the great world depression, we have been seeking such simple and easy solutions, but we have not found them. Nor shall we find them, for our ills do not respond to contingent or transitory factors. They are basic ills, and they require basic remedies. In those earlier times, we lacked the experience to undertake this task on a regional scale. To fail to try now, after a long succession of frustrations, would be unpardonable.

Nevertheless, we must not underestimate the serious obstacles barring the way to these solutions. A multitude of immediate problems urgently demand the attention of our governments, leaving little time or energy to attack their fundamental causes. Thus, we are caught in a vicious circle. The immediate problems are becoming more serious and more acute because no basic decisions have been taken, while such decisions are not being taken because of the constant pressure of the immediate problems.

An extraordinary effort is required in order to break this vicious circle, and it is an effort which can no longer be postponed.

There is no doubt that the course of action advocated here—action leading to a common market—is fraught with dangers. However, there are also risks in inaction, and they are far greater. It would be the height of folly to run the risks of inaction in a Latin America which is in the throes of such profound social upheaval.

Moreover, the risks of action should not be exaggerated. There is no risk in the advance toward economic integration which cannot be averted or overcome, nor is there any dislocation which cannot be corrected. Why should the emphasis be placed on all these things rather than on the positive aspects of this great policy? Will it not offer our countries the most promising opportunities for action? Indeed, confined within the narrow limits of a national market, that action lacks broad horizons. Its frontier must be extended so that it can develop as effectively as possible until it reaches the 230 million inhabitants of Latin America.

We must also extend the frontier at the higher levels of Latin American educational and technical and scientific development as an essential part of the vast integration process.

This represents a tremendous challenge. It is a challenge to Latin American statesmen. It is a challenge to entrepreneurs with a spirit of determination and pioneering. And it is also a challenge to the Latin American workers, to technicians, and to the new generations which will find a great vital stimulus in the eager effort to create a Latin American community.

All this must be done now, without delay and with broad vision and constructive boldness. For a great deal is at stake. It is not simply a question of markets and competition. What is threatened in Latin America, given the imperious social demands of development, is the dynamic effectiveness of the system under which we live and the survival of our own values. What is at stake is our ability to step up the pace of development in order to achieve, on an impressive scale, a better life for the entire community through the vast potentialities of technology, within the broad and promising framework of an integrated Latin America which is conscious of its destiny and of the weight it carries in the modern world.

The recommendations appearing in this document represent the unanimous opinions

of the authors and are their own and exclusive responsibility. They wish to point out that they had the cooperation of various persons, including the very valuable collaboration of Mr. Angel Alberto Solá, Executive Secretary of LAFTA.

RECOGNITION FOR LARRY O'BRIEN

Mr. CHURCH. Mr. President, Lawrence F. O'Brien, special assistant to Presidents Kennedy and Johnson, is described in an August 4 article by William S. White, as having performed brilliantly both in making President Johnson's transition to the White House a successful one and in guiding the administration's program through the 89th Congress. I would like to add my praise to these kudos for Larry O'Brien and for his contribution to the record of this Congress.

I ask unanimous consent that this column, which appeared in the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHNSON PROGRAM—O'BRIEN'S CONTRIBUTION

(By William S. White)

There are two incredible realities about President Johnson's program in Congress, and it is a close question as to which is the more improbable.

One is the profound and unexampled scope of the legislation that has moved so sedately and surely through the Senate and House. What Congress under Mr. Johnson's spur is doing in all fields of social legislation is in depth and total meaning beyond what any Congress has ever done for any President in any like period—not excluding Franklin D. Roosevelt at the top of his power.

The other unreal reality is that all this is being accomplished with so quiet, so casual, an air of professional competence that the country is hardly aware of the immense alterations being made in the whole fabric of its collective life.

Five enactments of historic significance have already followed one another in orderly and ordained sequence, as steadily and calmly as a trained squad of men filing by in quickstep. Four of these—aid to the Appalachian region, Federal assistance to education in a fundamental way, medicare and Negro voting rights—had been in one way or another sought for decades—for two to three decades in some instances, for 10 decades in the case of civil rights.

A fifth, the measure not merely to broaden Government-aided housing but also to provide Government rent subsidies to tenants, is so far reaching as never before to have been proposed at all.

In any Congress one had known in the past any one of these huge bills would have provoked a struggle to shake the very walls of the Capitol. This time, each one has gone forward in about the atmosphere of strife and drama a postman might stir in making his rounds in the suburbs.

Perhaps history will have to determine the ultimate degree of wisdom or unwisdom in these unprecedented congressional actions. Some onlookers, including this onlooker, will not wait so long. They cannot down grave anxieties as to whether we ought to have gone so far so quickly in some of these many directions. Anyhow, we have gone there.

So, how was it all done? Primarily, of course, it was done by an occupant of the White House whose skill in leading and prodding Congress is matchless in our time. But the White House shelters more than one man; and the No. 2 man in this performance is entitled to a great share of credit or blame.

This No. 2 man is Lawrence O'Brien, the President's principal agent in liaison with Congress, and before that, a member of what the eggheads around President Kennedy were pleased to call, with a certain condescension, "Kennedy's Irish Mafia." O'Brien, who loved Mr. Kennedy as well as the next fellow, also loved the causes and the country he was supposed to represent. So those causes and that country—and President Johnson, too—he has served with signal loyalty and high competence. If the record of the first session of the first Johnson Congress is extraordinary—and all can agree on that much, at least—extraordinary has been O'Brien's contribubution to it.

No man has so ably embodied the transition from the Kennedy to the Johnson era. And no man has done his full duty with less cocktail-circuit posturing and self-promotion. The reason is not dreadfully hard to find. O'Brien is a true professional; he is concerned with results and not with doctrinal hair splitting and ideological hissing matches.

And so nobody has had to draw him a little map of the trails through that tough terrain where the bureaucratic jungle merges with the legislative jungle up on Capitol Hill.

FAIR TREATMENT FOR FARMERS

Mr. DOUGLAS. Mr. President, one of the primary fears of the proponents of the Dirksen amendment was that State legislatures reapportioned in accordance with the Supreme Court decisions would not support or protect rural interests. I have long maintained that this is not necessarily the case. An editorial published on August 4 in the Oklahoma City Times supports my contention that legislatures reapportioned on a population basis can and do deal justly with the needs of the rural segments of the electorate. Mr. President, I ask unanimous consent that this editorial be printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FAIR TO FARMERS, TOO

One of the bugaboos voiced against reapportionment was that it was going to damage the farmers.

As the U.S. Senate now debates the Dirksen amendment aimed at scuttling reapportionment, it should review the record in those legislatures reapportioned to date.

So far as we have heard, the farmers and rural folk have not been hurt, in any reapportioned legislature.

In Michigan, for instance, high officials in the Grange and the Farm Bureau have admitted to reporters that reapportionment has not harmed them and that the farmer was well treated in the first session of their legislature redistricted on a one-man, one-vote basis.

Certainly the experience in the reapportioned Oklahoma Legislature bears this out.

The 1965 session, for example, repealed the sales tax on fertilizer, something for which farm groups in Oklahoma had fought in vain for years.

The point is that under reapportionment all will be treated fairly, the farmer quite as much as his city cousin.

AN OBJECTIVE JUDGMENT ON THE RAMPART DAM

Mr. GRUENING. Mr. President, in the May issue of the Atlantic Monthly there appeared what I deemed to be a somewhat lurid article on the subject of the proposed Rampart Canyon Dam in Alaska. It was written by Paul Brooks, editor of Houghton-Mifflin, and was entitled "The Plot To Drown Alaska." The editor of the Atlantic Monthly offered to give me approximately one-half the space given to Brooks' article for reply, which appeared in the July issue under the title "The Plot To Strangle Alaska," to which Mr. Brooks appended a further reply, and I, in turn, wrote to the Atlantic Monthly requesting that my reply to Brooks' reply be printed, which I hope will be the case in a forthcoming issue. Reprints appear in the CONGRESSIONAL RECORD issue of July 21.

Meanwhile, an objective comment on the pros and cons of this debate have appeared as an editorial in the Washington Teamster for July 9. I ask unanimous consent that this judgment on the dialog on the subject of the Rampart Dam between Mr. Brooks and myself be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE MAN'S SWAMP, ANOTHER MAN'S SHALLOW WATER

You take two fluent experts with similar interests but different viewpoints and set them to writing about the matter closest to their hearts, and you will get a chance to expand your world.

Say one man is a Senator and the other is the editor in chief of Houghton-Mifflin Co. and an author. Say the Senator is a former editor also, and unusually independent as a writer and a politician.

You have then two men who should be able to give you an honest and instructive explanation of the issues involved in a current controversy. No matter how big the problem, these men should be able to reduce it to simple terms if it is something within their competency.

FINDING THE RIGHT

Further, they should be able to separate feelings from facts, and give their audience the information straight, so each man can decide for himself where right is. And when each man has read for himself, he will know definitely that one side has it over the other. There will be no taking the easy course; readers will not be led to say that truth is somewhere in the middle and neither is right. That reaction comes when the reader is a coward or excessively prudent, or when the reader has lost the thread of the argument. If the reader has given his full attention to the writers, he should be able to decide definitely, perhaps with some reservation, but, nevertheless, conclusively.

This is true even if the controversy is as big as Alaska, for size isn't the deciding element.

If the writers are Senator ERNEST GRUENING and Paul Brooks, a person should be able to follow the course of their exchange with profit.

With that conditional premise, we set out to discover the most important things that these two men know about the proposal to build a dam at Rampart Canyon on the Yukon. The Atlantic Monthly has made it easy to discover what they know by devoting 11 pages to their arguments for and against the dam.

QUALIFIED TO JUDGE

After reading Brooks' argument against building the dam, under the title "The Plot to Drown Alaska," and GRUENING's counter argument, with a title identical except for "Strangle" in place of "Drown," we can say that the premise holds up. Before reading the exchange, we had no opinion on the issue. It would be hard to imagine a more perfect judge. As we say this, we admit to one predilection. We generally favor dams.

On the other hand, we favor conservation, in a general way. If nature isn't hurting anyone, then leave it alone. That's the attitude we take into disputes coming from proposals to blow up, divert, cover, or dam something that has been here longer than man.

Both GRUENING and Brooks identify themselves as conservationists. But GRUENING is concerned about values that conservationists sometimes ignore. On this point, GRUENING wins the argument.

GRUENING put it this way:

"Where I differ with some of my fellow conservationists is that in their zeal for the preservation of every feathered, furred, or scaled creature, they sometimes overlook the requirements of people. Man, too, requires a habitat, and unless it has an economy that will enable him to subsist, it is not a viable one. Let me amplify by saying, by way of example, that we should not preserve moose (or any other wildlife) for its own sake, but so that man may continue to see moose, photograph moose, hunt moose, always in perpetual supply. Wise utilization, not mere preservation, is the essence of sane conservation."

REBUTTAL TO BROOKS

This argument is a reaction to Brooks' contention that damming the Yukon River at the Ramparts in east-central Alaska would wipe out moose, martins, wolverines, weasel, lynx, muskrat, mink, beaver, and otter.

GRUENING maintains that moose are too numerous, that they are all over Alaska. There are so many, he says, that they have become a problem to farmers in the Matanuska Valley, where they eat what was planted by man for man.

This isn't the only issue involved in building a dam that will create the world's largest lake, but it is an issue that arouses the emotions of a lot of articulate people, and one that has to be resolved whenever a proposal is raised to change the face of the earth. The political action that precedes the appropriations for dams comes easier when the conservationists have been satisfied or appeased. It comes hardest when they are ignored.

COVERING ALL POINTS

The debate wages over the other questions common to proposals for building dams: Is the power needed? Will the families displaced by the lake lose their means of livelihood? How many families will be displaced by the new lake? How will fish runs be affected?

On each of these points, GRUENING presents the better argument. He observes that a study by the Development and Resources Corporation of New York, a nationally known hydro consulting firm then headed by David Lilienthal and others who organized and directed the Tennessee Valley Authority, showed that all of Rampart's power would be in demand as soon as generated.

GRUENING notes that only a few natives live along the river behind the proposed dam, and these are on a bare subsistence economy. He points out that 20 native villages have moved voluntarily from their aboriginal location to secure a better environment.

THE LAND AS LAND

There is yet another point to be resolved. It comes from seeing the land as part of all creation.

In some instances, this is the primary consideration. Those who oppose the proposal to dam the Colorado River in the Grand Canyon have right on their side because the dam would mar one of the most inspiring sights on earth. J. B. Priestley has described the Grand Canyon as "a sort of landscape Day of Judgment." "It is not a showplace, a beauty spot," he has written, "but a revelation."

Now, not all men are inspired by views of land uninhabitable in its natural form. Some will think of it as wasteland, and speculate on how it can be changed.

Perhaps every man has to determine for himself whether the land inspires him or makes him despair. Pending the day when every man can be flown to sites of controversy so he can measure the effect himself, all of us will be dependent on relayed reports and pictures.

LITTLE TO INSPIRE

From what we have seen and heard of the Yukon Flats, the area behind the proposed Ramparts Dam, man will lose little that is inspiring if the landscape is changed. Although Brooks writes fondly of the area, his thoughts are mostly on the birds, fish, and animals. He calls the water that covers the area "shallow." GRUENING describes the area to be flooded as "a mammoth swamp." He says, "Scenically it is zero. In fact, it is one of the few really ugly areas in a land prodigal with sensational beauty."

If man could keep things just as they are and still meet his needs, we would agree that the Yukon Flats should be left a swamp. Even a swamp has some inspirational value, when seen from a plane; it has some when seen from a boat, under favorable conditions. But the inspiration is low key: a person may feel a challenge, he may find himself overcome with an urge to brave the swamps.

There is no shortage of this kind of challenge and will not be as long as there is ice at the poles.

Let the dam be built.

SUPERPOWER FOR RADIO STATIONS IS NOT IN THE PUBLIC INTEREST

Mr. NELSON. Mr. President, today I have added my name to Senate Resolution 88. This resolution was submitted by the junior Senator from Florida [Mr. SMATHERS] and by the chairman of the Senate Small Business Committee [Mr. SPARKMAN]. The resolution expresses the sense of the Senate that the Federal Communications Commission should not adopt or promulgate rules to permit any radio station operating on a frequency in the standard broadcast band to operate on a regular or other basis with power in excess of 50,000 watts.

This resolution will have the Senate reaffirm a longstanding position. Fifty thousand watts is the limitation which has been imposed for more than 30 years on all standard broadcast operations in the United States. It was in 1938 that the Senate established its position when it passed Senate Resolution 294. The Senate has never changed that policy. It is time that we reaffirm our stand.

The House of Representatives in 1962 passed House Resolution 714 which states that, notwithstanding the Senate resolution of 1938, it is the sense of the House that the FCC may authorize the use of power in excess of 50,000 watts on any one of the 25 class I-A clear-channel frequencies in the standard broadcasting band, if the FCC determines that such action will serve the public interest, convenience, or necessity.

Eight stations that are now in the so-called class I-A clear-channel category have requested that the FCC grant them licenses to operate with as much as 750,000 watts of power.

The Commission, in a letter to me has said that it has the authority to deny the applications seeking higher power, and could amend or refuse to amend its rules so as to permit it, without further congressional action.

With these applications pending and the existence of House Resolution 714, I believe it is essential for the Senate to express its wishes to the Federal Communications Commission.

The opposition to granting this superpower to these clear channel stations has been almost unanimous in my State of Wisconsin.

The Wisconsin Broadcaster's Association, which represents 92 percent of Wisconsin's broadcasting stations, is opposed to granting this superpower to the clear-channel stations. The association contends that authorizing additional power would result in widespread interference with the signals of smaller stations and give the few clear-channel stations unjustified dominance in a wide area. This, it seems to me, is a valid objection.

So strong has the opposition of the association been that on November 21, 1964, it adopted a resolution in which it registered unconditioned opposition to granting super power to the clear-channel stations.

Mr. President, I ask unanimous consent that a copy of that resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF WISCONSIN BROADCASTERS ASSOCIATION

Whereas the Federal Communications Commission is now considering the granting of power as high as 500,000 or 700,000 watts for the 12 remaining class 1 clear-channnel stations; and

Whereas seven radio stations that presently operate with the maximum of 50,000 watts have requested licenses to operate with as much as 750,000 watts; and

Whereas the granting of superpower of this order to these stations or to any clear-channel station, would give them a dominant voice in the radio medium in dissemination of news, information, and viewpoints, and an overall competitive advantage in coverage, listeners, and potential advertising revenues; and

Whereas this action would result in widespread interference with the signals of smaller stations and adversely affect the local public service potential of smaller stations everywhere; and

Whereas this action in the present current industry environment seems unwarranted, unnecessary, and impractical even for purposes of emergency defense communications: Now, therefore, be it

Resolved, That the Wisconsin Broadcasters Association, joins the many other State associations, independent industry groups (Association on Broadcasting Standards, Daytime Broadcasters Association, and others), in registering unconditioned opposition to this proposed granting of superpower by the FCC; and further be it

Resolved, That a copy of this resolution be forwarded to the Federal Communications Commission, to the Committee on Interstate and Foreign Commerce of the U.S. House of Representatives, to the Committee on Commerce of the U.S. Senate, to the members of the congressional delegation from the State of Wisconsin, and to any other appointed or elected officials or groups interested in this action.

Mr NELSON. I have heard the arguments of the Clear Channel Broadcasting Service for granting the proposed increase in power, and I have heard the arguments in opposition.

The arguments favor the position of the Wisconsin Broadcasting Association. I think it would be bad policy for the FCC to grant these great increases in power.

Let me just indicate some of the feelings of the individual stations in my home State.

George Comte, general manager of radion station WTMJ in Milwaukee, Wis., wrote:

> There is no clear-channel station in the State of Wisconsin. Any increase in service by the (clear-channel) stations through an increase in power will be far overshadowed by the decrease in service your constituents are now offering. The side band (adjacent wave length) interference will cause a disastrous decrease in the signal potential of such stations as WTMJ and the many other stations serving their respective communities in Wisconsin.

Parks Robinson of radio station WISV in Viroqua, Wis., wrote:

> This superpower will give this small number of stations an unfair advantage over the rest of the radio stations in the country. This increased power would cause increased interference for many of the small town radio stations. Most of the United States receives adequate radio coverage through the many local stations.

Eugene A. Halker, president of WATW Inc. in Ashland, Wis., wrote:

> It is the frank opinion of this writer that to allow this unwarranted increase in power would be a further step in allowing small businesses to be sacrificed to the selfish interests of the large corporation.

I ask unanimous consent that the full text of these letters I have quoted along with copies of other correspondence I have received in connection with this issue be prined in the Record at the conclusion of my remarks.

In summary let me say that I am pleased to cosponsor this resolution. I trust that it will be given favorable consideration by this body.

There being no objection, the letters were ordered to be printed in the Record, as follows:

WBIZ,
Eau Claire, Wis., July 16, 1965.
Senator Gaylord Nelson,
U.S. Senate,
Washington, D.C.

Dear Senator Nelson: WBIZ, Eau Claire, Wis., wishes to register a protest concerning some considerations for superpower radio stations.

We have become aware of some expressions of interest in the use of superpower (perhaps as high as 750 kilowatts) by certain clear-channel AM stations.

Creation of superpower, even on an experimental basis, could easily mean the end of service for many smaller stations. Regional networks, especially sports networks, would become unnecessary. The loss of national, regional, and even local revenues would be a grave hazard to the existence of most smaller stations.

Technical problems are sure to arise in the already crowded broadcast band.

The proposal is not in accord with the standards of the International Telecommunications Convention, of which the United States is a member.

There seems to be no real need for such experimentation.

Because of these factors, we express our opposition for further consideration of superpower for broadcast stations.

We ask that you speak in our behalf and in the interest of all smaller stations on this matter.

Sincerely,

WBIZ, Inc.,
Jack O'Farrell,
Station Manager.

WATW, Inc.,
Ashland, Wis., November 25, 1964.
Senator Gaylord Nelson,
Senate Office Building,
Washington, D.C.

Dear Senator Nelson: Within the very near future the Federal Communications Commission will decide whether or not to allow 13 class 1–A clear-channel radio stations to increase their power from 50,000 watts to 750,000 watts.

It is the frank opinion of this writer that to allow this unwarranted increase in power would be a further step in allowing small businesses to be sacrificed to the selfish interests of the large corporation. Although this may be the historical pattern our Nation and our economy is following, it is not necessarily the right step if we believe in the preservation of a competitive economy.

More specifically (and I speak with a selfish interest), if these 13 stations were allowed to increase their power, radio station WGN in Chicago, operating on 720 kc., would undoubtedly wipe out the coverage of WXMT in Merrill, Wis., which operates on 730 kc. Local radio service to this area would be lost. Businessmen and women would be robbed of an important means of advertising. Six full-time and five part-time jobs would be destroyed, the city of Merrill would lose a taxpayer. It is easy to extend the damage caused to the local area if this increase is allowed.

I, and every other broadcaster in the State, ask your immediate support in fighting this proposed expansion.

Thank you,

Eugene A. Halker,
President.

P.S.—Attached is a letter recently received from the Association on Broadcasting Standards, Inc. which I am sure you will find of interest.

Radio Station WISV,
Viroqua, Wis., October 27, 1964.
Senator Gaylord Nelson,
Senate Office Building,
Washington, D.C.

Dear Senator Nelson: The Federal Communications Commission is considering the granting of super power to 12 of the large radio stations in the United States. The clear-channel stations are now urging the FCC, through Congress, to authorize an experiment or several of these.

This super power would give this small number of stations an unfair advantage over the rest of the radio stations in the country. This increased power would cause increased interference for many of the small town radio stations. Most of the United States receives adequate radio coverage through the many local stations.

In the interest of the radio stations of Wisconsin, and their listeners, will you investigate this situation?

Very truly yours,

Parks Robinson.

WKTY Radio,
La Crosse, Wis., October 27, 1964.
Senator Gaylord Nelson,
U.S. Senate,
Senate Office Building,
Washington, D.C.

Dear Senator Nelson: The purpose of this letter is to voice our strong opposition to Congress or the FCC granting superpower to any clear-channel stations in the United States. We are against any granting of superpower because of:

1. The unfair competition it would create for other stations.

2. The embarrassment it would cause the United States in its current efforts to stop superpower in Central American nations.

3. The excessive adjacent channel interference it would cause.

4. The hindrance it would be for the development of smaller stations throughout the country.

5. Superpower is not necessary because new AM and FM stations are already adequately serving the sparsely settled areas of the country.

I hope you will agree with us in this matter and vote against any such superpower proposals.

Thank you.

Yours truly,

Herbert H. Lee,
President.

WGEZ, Radio,
Beloit, Wis., October 28, 1964.
Senator Gaylord Nelson,
Senate Office Building,
Washington, D.C.

Hon. Senator Nelson: Currently there is an effort by a handful (12) of radio stations in the Nation to acquire superpower, on a so-called experimental basis. These stations specifically requesting this "superpower" are essentially stations currently operating under a clear-channel franchise. The objective here we believe is to dominate a region even more than they presently claim.

As owner-operator of WGEZ our objections are as follows:

1. Superpower for a handful of stations will cause overwhelming competition for the other AM and FM stations in the country.

2. Superpower will embarrass the United States in its current efforts to stop superpower AM proposals in two Central American nations.

3. Superpower will cause excessive adjacent channel interference to smaller U.S. stations, mostly the daytimers.

4. Superpower for a few AM stations will hinder the full development of FM.

5. Superpower is unnecessary because new AM grants and FM stations serve the so-called underserved white areas.

6. Superpower experimental operations proposed by the applicants will violate the FCC's own rules by allowing the scheduling of regular programs and unlimited hours.

7. The superpower experimental applicants obviously understand the great economic advantage of such operation since they propose to raise their rates to pay for the added costs. This clearly presupposes that advertising revenues will be syphoned away from other stations.

Please note that under objection No. 7, there is an economic factor involved. There is the distinct potential that with this superpower these 12 stations, which are the only ones eligible, would blanket the Nation, and their respective radio pitches to advertisers would be based on this fact without greater service than now offered to local communities. These revenues that now normally are detailed to local stations would be nonexistent. With this loss of revenue, the basic promise for a local operation possibly may be curtailed.

We strongly urge you to vote against the power grab, when it comes before Congress on an experimental basis.

Should you desire more information on the subject, may I suggest you contact the office of Association on Broadcasting Standards, Inc., 1741 De Sales Street NW., Washington, D.C. Telephone 202–393 7742.

Thank you for your attention to this subject.

Cordially,

C. & J. BROADCASTING, INC.,
RAYMOND W. GRANDLE, *President.*

WTMJ–TV, WTMJ, WTMJ–FM,
Milwaukee, Wis., May 19, 1964.

Senator GAYLORD NELSON,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: Since writing you on April 28 relative to requests for superpower for certain radio stations, I have had a further report from our engineering personnel. Attached is a copy of this report exactly as it was presented by various staff members to our engineering manager, Mr. Phil Laeser.

Sincerely,

——— ———,
General Manager of Radio and Television.

ESTIMATE OF THE EFFECTS OF THE PROPOSED 750-KILOWATT OPERATION OF CLASS 1–A CLEAR-CHANNEL STATIONS ON STATIONS LOCATED IN WISCONSIN

Nearest clear-channel frequency to WTMJ is 640 kilocycles which has KFI, Los Angeles, as the class 1–A station. FCC rules allow for interference ratios of 1 to 30 for signals 20 kilocycles removed. This would allow for a signal of 15 mv/m at WTMJ's 0.5 mv/m contour. With 750 kilowatts KFI's ground wave field at WTMJ's 0.5 mv/m contour would be less than 6 mv/m (microvolts) (the minimum on the FCC charts). Skywave interference ratios for stations 20 kilocycles removed are not specified in the FCC rules. From this we could conclude that WTMJ would not receive objectionable interference from KFI operating with 750 kilowatts.

Other stations in Wisconsin related to this situation are listed as follows:

I–A CLEAR-CHANNEL STATION AND WISCONSIN STATION AFFECTED

WGN Chicago, 720 kc.: WDSM Superior, 710 kc.—5 kw. day and night.

WGN Chicago, 720 kc.: WXMT Merrill, 730 kc.—1 kw. daily.

WBBM Chicago, 780 kc.: WEAQ Eau Claire, 790 kc.—5 kw. day and night.

WBBM Chicago, 780 kc.: WDUX Waupaca, 800 kc.—1 kw. daily.

KOA Denver, 850 kc.: WFOX Milwaukee, 860 kc.—250 watts daily.

WWL New Orleans, 870 kc.: WFOX Milwaukee, 860 kc.—250 watts daily.

WLS Chicago, 890 kc.: WATK Antigo, 900 kc.—250 watts, daily.

WLS Chicago, 890 kc.: WDOR Sturgeon Bay, 910 kc.—1 kw., daily.

KDKA Pittsburg, 1020 kc.: WSPT Stevens Point, 1010 kc.—1 kw., daily.

WHO Des Moines, 1040 kc.: WECL Eau Claire, 1050 kc.—1 kw., daily.

WHO Des Moines, 1040 kc.: WLIP Kenosha, 1050 kc.—250 watts, daily.

KMOX St. Louis, 1120 kc.: WISN Milwaukee, 1130 kc.—50 kw., daily; 10 kw., day and night.

KSL Salt Lake City, 1160 kc.: WAXX Chippewa Falls, 1150 kc.—5 kw., daily.

WCAU Philadelphia, 1210 kc.: WHBY Appleton, 1230 kc.—1 kw., day; 250 watts, night.

WCAU Philadelphia, 1210 kc.: WCLO Janesville, 1230 kc.—1 kw., day, 250 watts, night.

To illustrate how the 750-kilowatt operation would affect Wisconsin stations, the situation for WXMT 730 kilocycles (daytime only) at Merrill, Wis., can be taken as an example. The FCC rules allow for a 1-to-1 ratio between desired and undesired signals for stations on adjacent channels. WXMT would normally be protected to its 0.5 mv/m contour. This means that the interfering signal should be limited to 0.5 mv/m at this contour. However, if WGN should operate with 750 kilowatts, the WGN field at this point would be about 0.8 mv/m. This is for ground wave signals under daytime conditions.

This would result in a reduction of the present WXMT protected coverage area. A new contour for a 1-to-1 ratio for the desired to undesired signals would consequently be 5 miles less distant from station WXMT and represent a limiting signal higher than 0.5 microvolt per meter.

Another example would be in the case of WEAQ at Eau Claire, Wis., on 790 kilocycles. With WBBM using 750 kilowatts, their signal at the WEAQ 0.5 microvolt per meter contour would be 4.63 microvolts per meter for daytime conditions which is very close to the limit specified by the present rules.

WEAQ also operates at night so they would also receive skywave interference from WBBM. The nighttime interference signal received at Eau Claire from WBBM would be about 114 microvolts per meter. However, since the interference, at locations on a station's protected contour, is due to several of the stronger interfering signals on the same and adjacent channels, an interferring signal of 114 microvolts per meter would considerably contribute to the total interference received by WEAQ.

While the two examples used above are of stations which would encounter the greatest interference from the 750 kilowatts operation, all of the Wisconsin stations listed will be affected to a detrimental degree.

E. L. CORDES,
Chief Engineer, WTMJ–TV.
G. L. DAVIDSON,
WTMJ Transmitter Supervisor.

WTMJ–TV, WTMJ, WTMJ–FM,
Milwaukee, Wis., April 28, 1964.

Re super power for certain radio stations.

Senator GAYLORD NELSON,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR NELSON: Of recent date radio stations WWL, New Orleans; WJW, Cincinnati; WGN, Chicago; WJR, Detroit; WHO, Des Moines; and KSL, Salt Lake City, requested the FCC to raise power on their clear channels from 50,000 to 750,000 watts.

It is our hope you will exert whatever influence is appropriate to deter the granting of their requests.

There is no clear-channel station in the State of Wisconsin. Any increase in service by the above stations through an increase in power will be far overshadowed by the decrease in service your constituents are now offering. The side band (adjacent wave length) interference will cause a disastrous decrease in the signal potential of such stations as WTMJ and the many other stations serving their respective communities in Wisconsin.

Warmest regards.

Sincerely,

GEORGE COMTE,
General Manager of Radio and Television.

POLLUTION THREATENS LAKE ERIE

Mr. KENNEDY of New York. Mr. President, I had the opportunity to testify yesterday before the Buffalo session of the Federal Water Pollution Conference for Lake Erie. This Conference, called by Secretary Celebrezze, is determining the exact causes of water pollution in Lake Erie and will recommend ways in which this pollution can be eliminated. Lake Erie is in danger of destruction from pollution unless prompt action is taken now. Cooperation between Federal and State Governments is required if this action is to be taken.

I ask that, with unanimous consent, an editorial appearing in the New York Herald Tribune on August 10, 1965, concerning the dangers to Lake Erie, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LACOCIDE ON LAKE ERIE

Five States—New York, Pennsylvania, Ohio, Michigan, and Indiana—are collectively killing one of the Great Lakes of the United States and of the world—Lake Erie. The facts regarding this shocking case of lacocide (to coin a word) have been pretty well established at the Conference which the Federal Department of Health, Education, and Welfare is currently holding with representatives of the five guilty States. They indicate, in effect, that the billions of gallons of sewage being dumped into the lake every day are turning it into a dead, polluted sea.

Now that the extent of the problem has been generally recognized, the next stage, to be considered at subsequent meetings, is to devise an interstate program for cleansing and protecting the lake's waters. Once the program is drafted, the painful question of meeting the huge cost will arise.

The different States may argue over their respective share of the blame and responsibility. Is Detroit a greater or lesser culprit than Buffalo, Cleveland, and Erie? New York already has suggested that its pollution is being drawn eastward into the Niagara River and toward Lake Ontario (which would only shift, not eradicate, the evil), but Federal scientists are quite certain that our contaminants are also moving westward and mingling with others in the lake.

The fact is that all five States have a stake in the lake, and all five will have to bear a share of the cost—however the share eventually is determined. If the States should prove unable to come to an agreement, then they would simply be inviting Federal intervention to force a decision. Lake Erie, its life ebbing away, cannot wait forever.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1966

The Senate resumed the consideration of the bill (H.R. 8639) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. DIRKSEN. Mr. President, I say to Senators who are present that I never want to detain the Senate at this hour of the day. Senators are quite free to go. I have assured the majority leader that, at the end of my remarks, I would move to adjourn the Senate.

Mr. President, there has been a tendency to believe in some quarters that, because 39 Senators, more than the necessary one-third, managed to defeat Senate Joint Resolution 2, to amend the Constitution of the United States, that ended the fight. The fight has just begun. If a person has convictions on a subject, he is not so lightly deterred from those convictions.

When Lincoln was a flatboat man on the Illinois River, and, at that time, first saw slavery, he said, "I will strike at that institution." From the day of that remark until destiny elevated him to the Presidency, many things happened, including the issue of the preservation of the Union.

Both of those issues were finally resolved. Not only was slavery abolished, but the Union was preserved.

I am not so presumptuous as to think that this resolution will in any wise invoke conflict in this country. I only say that perhaps others who have written these rather facile things, that the measure is now interred, that it is buried, had better revise their views a little.

Tonight I propose to introduce a modification of the amendment which I first offered. I have already asked the chairman of the subcommittee of the Committee on the Judiciary for a meeting so that the new text might be considered.

Mr. President, first of all, I introduce a resolution and ask that it be printed in the RECORD and that it lie at the desk for the next 2 or 3 days so that any Senator who wants to cosponsor it may do so.

The **PRESIDING OFFICER**. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD and held at the desk, as requested by the Senator from Illinois.

The joint resolution (S.J. Res. 103) proposing an amendment to the Constitution of the United States to preserve to the people of each State power to determine the composition of its legislature and the apportionment of the membership thereof in accordance with law and the provisions of the Constitution of the United States, introduced by Mr. DIRKSEN (for himself and Mr. HRUSKA), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That, the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years of its submission to the States by the Congress, provided that each such legislature shall include one house apportioned on the basis of substantial equality of population in accordance with the most recent enumeration provided for in Section 2 of Article I:

"ARTICLE —

"SECTION 1. The legislature of each State shall be apportioned by the people of that State at each general election for Representatives to the Congress held next following the year in which there is commenced each enumeration provided for in section 2 of article I. In the case of a bicameral legislature, the members of one house shall be apportioned among the people on the basis of their numbers and the members of the other house may be apportioned among the people on the basis of population, geography, and political subdivisions in order to insure effective representation in the State's legislature of the various groups and interests making up the electorate. In the case of a unicameral legislature, the house may be apportioned among the people on the basis of substantial equality of population with such weight given to geography and political subdivisions as will insure effective representation in the State's legislature of the various groups and interests making up the electorate.

"SEC. 2. A plan of apportionment shall become effective only after it has been submitted to a vote of the people of the State and approved by a majority of those voting on that issue at a statewide election held in accordance with law and the provisions of this Constitution. If submitted by a bicameral legislature the plan of apportionment shall have been approved prior to such election by both houses, one of which shall be apportioned on the basis of substantial equality of population; if otherwise submitted it shall have been found by the courts prior to such election to be consistent with the provisions of this Constitution, including this Article. In addition to any other plans of apportionment which may be submitted at such election, there shall be submitted to a vote of the people an alternative plan of apportionment based solely on substantial equality of population. The plan of apportionment approved by a majority of those voting on that issue shall be promptly placed in effect."

Mr. DIRKSEN. Mr. President, I have not asked a single Senator to cosponsor this measure. As I recall, 38 Senators cosponsored the original resolution. I believe that there has been some rethinking on this issue in some quarters. The country is rather alert to the matter. After a while, I shall have some editorials printed in the RECORD.

Mr. President, in behalf of the new resolution, let me say that old soldiers, says the old Army ditty, never die. They just fade away. Unlike old soldiers a basic issue neither dies nor fades away. It remains—as challenging and provocative as ever and must be met unless the people are content to see a very substantial change in our entire Federal-State system of government.

The legislative reapportionment issue—that is to say, the Supreme Court decision which compels both branches of every State legislature to be apportioned on the basis of population alone without regard to any other factor, is still here. A little more than one-third of the Senate refused by their votes to send this issue to the people of the various States, but in so doing the issue was neither solved nor killed. It has only been sidetracked.

For anyone to contend that the issue will fade away as more and more State legislatures comply with the order of the Court is to completely miss one of the most essential points involved, and that is the right of the people of this country to fashion the government under which they live by determining the form and the content of the Constitution.

In some States it may well be that after both branches of the State legislature have been set up on a population basis only they may not wish to consider other factors, such as geography and political subdivisions. If so, there can be no quarrel with the people's decision, but it must be their decision if the essential nature of self-government is to be preserved.

But a choice will be there if the amendment which I and others have proposed is adopted and ratified and if the people of the various States care to use it.

I may or may not try at this session to attach this constitutional resolution—I want to emphasize that, Mr. President; I said I may or may not attach this constitutional resolution to other legislation. That consideration will come later.

I think I have revised my ideas about adjournment. I think we are going to be here a little while, and there are going to be some opportunities.

Instead I shall introduce a modified version of the resolution and will ask the chairman of the Subcommittee of the Judiciary Committee handling constitutional resolutions to convene a meeting for the purpose of considering and reporting the new draft. It may be that it does not call for further hearings. The number of witnesses who appeared at the earlier hearings and the number of statements filed approximates nearly 200. The debate on this floor was detailed and exhaustive.

In the modified version I have taken into account every valid contention that was made against the original Senate joint resolution which bore my name and that of 37 other cosponsors. Let me, therefore, examine these contentions one by one and see how we have undertaken to meet them.

But first, let me say that I take the text of my argument from the opinion of Mr. Justice Stewart who was joined by Justice Clark, a man who has served in two of the three branches of this Government—as Attorney General, and now as a Justice of the Supreme Court. It was said in their opinion that:

> It is important to make clear at the outset what these cases are not about. They have nothing to do with the denial or impairment of any person's right to vote. Nobody's right to vote has been denied. Nobody's right to vote has been restricted. Nobody has been deprived of the right to have his vote counted * * *. Second, these cases have nothing to do with the "weighting" or "diluting" of votes cast within any electoral unit.

That is the language of the two Justices of the Supreme Court.

Then they define the concept of representative government:

> Representative government is a process of accommodating group interests through democratic institutional arrangements. Its function is to channel the numerous opinions, interests, and abilities of the people of a State into the making of the State's public policy. Appropriate legislative apportionment, therefore, should ideally be designed to insure effective representation in the State's legislature, in cooperation with other organs of political power, of the various groups and interests making up the electorate. In practice, of course, this ideal is approximated in the particular apportionment system of any State by a realistic accommodation of the diverse and often conflicting political forces operating within the State.

Now I have two grandchildren living in the State of "Estes the bestes'." Estes the bestes' and I were often in disagreement, but I have a fond affection for him which was not diminished one whit by our disagreements. We disagreed openly, we stated our arguments, and then we voted. The majority vote decided the matter. Had I been denied an opportunity to speak and argue in the councils of government even though I may have lost in the voting, or had that right been denied to "Estes the bestes'," we would not have had that affection for each other which grew out of the fact that we could disagree and yet resolve our disagreement by majority vote whether we were in the majority or the minority of that vote.

I want to preserve this way of resolving the issues under our form of government for my grandchildren, and for the grandchildren of every Member of this Senate and of every person in this country. This is a representative form of government and for it to exist there must be representatives of all the people present when public policy decisions are being made. They must have the opportunity as Members of the representative legislative body to argue their points in debate with the representatives of other viewpoints. And when that is done the issue must be determined by majority vote.

We cannot honestly, and we should not constitutionally, deny to members of minorities the opportunity to select and send to the legislative halls persons to represent their viewpoint. Yet, this is what could happen if population-only is the sole standard for legislative apportionment for State legislatures. Ten percent, twenty percent, or even forty-nine percent of the people of a State could be denied any representation in the State legislature. The purpose of the amendment which almost two-thirds of this body favors is simply to provide that if that 10 percent, or 20 percent, or whatever other fraction it may be, moves together in a common geographic area, or in a political subdivision, so that in that area they form a majority of the voters, then they can elect a representative of their viewpoint and send him to the halls of the State legislature.

That is what Justice Stewart and the distinguished Justice Clark, were arguing for. That is what I am arguing for. That is what the vast majority of the Members of this body voted for. And that is what the people of this country want for themselves and for their grandchildren.

Now let us take the arguments which were raised by certain Members of this body in opposition to such an amendment. I asked the Library of Congress to prepare an analysis of the Senate debate on this matter, and they have done so. It is 73 pages long. It sets forth in unbiased fashion the arguments made by each Senator as the debate progressed.

I ask unanimous consent that this analysis may be made a part of my remarks at the end of my discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. DIRKSEN. Let us take those arguments advanced against the proposal and see how they have been met in this revised draft, because it has been my intention and my desire to contrive a fair and workable amendment.

Now the first argument that was raised was that the amendment would permit one house of a State legislature to veto pending legislation. That is true, and the real truth is that that is an argument in favor of the revised amendment which expressly provides that the house of a State legislature apportioned on the basis of population has a veto power not only over the ratification of such a Constitutional amendment but over any plan of apportionment which the legislature may wish to submit to the people.

A plan cannot be sent out to the electorate without the voice of both bodies, one of which is based on population. Thus, if any proposal does not suit the representatives of the people who are elected on a population-only basis, it is dead as a dodo. What greater protection can the majority have?

The next argument that was raised is that unless a State legislature is apportioned completely on the basis of population some citizens will not have the right to an equal vote. But let me ask you, what about the right to an equal vote in the State legislature for the minorities in the State. They may have no right to vote at all if they are denied the right to have a representative in that legislature. The next point raised by that same Senator was that the right to an equal vote is as precious as the right to free speech. With that I agree. The right of a minority to a representative who can debate and vote is as precious as the right of free speech to that minority. And the third point of that same Senator was that there was no evidence that allowing minorities to have representation in one house of a State legislature produced better State government. While I try to understand the varying views and concerns of all of the people, I am only human and I find solace in the fact that viewpoints which I do not comprehend will be stated by Members who have been elected to represent people holding differing views. I think it far better that we get all of these views before us and then make our decision by majority vote. That is true representative government, and that is the way we approach the true democracy in which each man can have his say even though we have grown so large that he must do it through a representative.

I think that the point of reform of the original State constitutions has been belabored sufficiently, but there are apparently some who still persist in looking at only half a provision. One of the great concerns of those who have prepared State constitutions, as well as of our forefathers who drafted the Federal Constitution, was that the State and Federal Governments should be truly representative of all the people. Thus, time after time in apportioning representation, even though it be based on population, there was a provision that each county should have at least one representative in the State legislature. And even for the other body of this Congress which has always been apportioned on the basis of population there was written into the Constitution of this country the express provision that "the number of Representatives shall not exceed 1 for every 30,000, but each State shall have at least 1 Representative." Population was to be the standard, but each State, regardless of its population, was entitled to at least one Representative. And for this body our forefathers provided two Senators from each State, whether large or small and provided in article V dealing with amendments to the Constitution that the only provision in the Constitution which could not be amended in the fashion set forth was "that no State, without its consent, shall be deprived of its equal suffrage in the Senate."

Representation, that is the key. The people under our form of government must be represented, and that means all of the people—not just the majority.

I might say that I cannot take solace in the argument which was made by that same Senator that when a county grew too big the State legislature would have new lines drawn and in that way create another county. Indeed, I believe just the opposite is true. The growth of that great city in my State, with its millions of inhabitants has not prompted the legislature to divide Cook County into many parts to create better representation. Nor has it been true in California, or in other States.

Then the point was made that some State legislatures have not reapportioned as required by their own State constitutions. I condemn such a practice, and this present draft of a constitutional amendment requires as a Federal matter the reapportionment of State legislatures every 10 years at the least. Thus, the people of a State have a constitutional remedy if the State legislature refuses to act.

That happened in Tennessee. That was the reason for the Baker case. For 70 years the legislature evidently did not pay any attention to the voice of the people.

I am one of the first to condemn that kind of practice.

I do not propose to debate the argument that malformed legislatures are unlikely to vote themselves out of office.

The PRESIDING OFFICER. The Senator will suspend to receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 100) to provide for the designation of the period from August 31 through September 6 in 1965, as "National American Legion Baseball Week."

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1966

The Senate resumed the consideration of the bill (H.R. 8639) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

The PRESIDING OFFICER. The Senator from Illinois may resume.

Mr. DIRKSEN. Mr. President, may I intrude, parenthetically, in what I have to say, by indicating that the Senate joint resolution passed by the House and Senate rings a bell, as the saying goes. It really was Senate Joint Resolution 66. I do not know whether 66 is a more captivating number than 100 but, in any event, that is the resolution to designate the first week in September as American Legion Baseball Week, and it was to that first vehicle that I attached my proposal as a complete substitute.

I assured the distinguished Senator from South Dakota that we would get it done in time, and so now the joint resolution assures South Dakota, the American Legion, the Legionnaires everywhere, that there will be that championship game; and I hope that hundreds of thousands of people turn out to enjoy the spectacle.

Mr. President, I can only advise any Member who may hold to that belief that if his constituents feel that they are not satisfied with the manner in which he has acted on such an issue, they will vote him out of office. That is the wonderful thing about this.

Why were Members of the House given a 2-year term under the Constitution and a 6-year term for Senators, with the power to confirm ambassadors and appointments, to have power over treaties; and the President to have a 4-year term in between?

Why were not Members of the House of Representatives given a longer term?

There is now pending a resolution for a 4-year term. There was a reason for it. The reason was simple. With the 2-year term the House of Representatives was given exclusive power to initiate tax legislation. Those oldtimers were wise enough to know that a Congress could place an onerous tax burden upon the people, and they said, "All right; we will give them 2 years. And if that period is too long, we can haul them out of office at the next election."

That was the real reason for the 2-year term. That is true of a legislature where one branch is on a population basis; we can haul them out of office. That is the one-man, one-vote principle in whatever the district is.

I have had some sympathy with the argument that this constitutional amendment should not be ratified by a State legislature which does not properly reflect the views of a majority of the population of that State. It has been suggested that the way to achieve this is to require both houses of a State legislature to be apportioned on the basis of population-only before such a State could ratify this amendment, but that is not necessary. It is sufficient unto the purpose to provide that the amendment cannot be ratified unless that ratification is approved by the house of the State legislature which is apportioned on the basis of population. And by that I mean on the basis of the most recent census, so that a State must provide a legislative body which properly reflects the majority will, and the amendment must have the approval of that body.

A curious argument was raised by one of our colleagues that this amendment would make the franchise less democratic. Indeed, the opposite is true. It will make the franchise more democratic because it will insure the appropriate representation in the State legislature of the 49 percent of the people who might otherwise be denied representation.

I believe that is an answer too, to the argument that there is no clear and compelling reason for adopting this amendment. Certainly, the protection of minority representation is a most clear and compelling reason.

The argument was made that if the proposed amendment were enacted, a State could continue with a malapportioned legislature, but the Senators making that argument are advised to read this new draft carefully, because it states that not only must any malapportionment be corrected in the house based upon population, but also that the adoption of any plan of apportionment based on geography or political subdivisions for the other house must be approved either by the house apportioned on population or by the courts, and also be approved by a majority of the voters in preference to an alternative plan of apportionment based on population. The issue is one for the majority of the people and their representatives to determine. Thus, I adopt the text of a critic of this amendment, but I say instead that this amendment supports the position that our democracy is based on the conception of majority rule and the preservation of minority rights.

Another of our colleagues argued that this type of constitutional amendment would permit a bare majority of the voters to deny individual citizens the right to equal protection of the laws. Indeed, his amendment would, instead, cure the present situation in which a bare majority of the voters can deny representation in the State legislature to all other individuals. This amendment will insure that population, geographic, and political subdivisions may all be taken into consideration by the people in determining State apportionment. It will protect racial and religious minorities who may be living in the same geographic area or political subdivision.

I find that I do not share the feeling of those who oppose this constitutional amendment on the rather strange ground that a majority should not be permitted to govern the lives of all persons, or any one person. Whether we have a direct democracy or a representative form of government, we must rely on the concept of majority rule. What this amendment does provide, as I have repeatedly said, is for minority representation in the halls of government.

Another curious argument has been made that the Constitution cannot be amended in regard to this matter, and so I must remind those who are so disposed to read article V of the Constitution again. It is that article which provides the manner in which the Constitution may be amended, and the only provision which cannot be amended is stated to be the equal suffrage of each State in the Senate. It is my hope that the people of this country will never be misled into modifying the Constitution to take away any of the basic protections which it contains; but they have that right, and we run a greater risk that such an event may come to pass unless we provide for adequate representation of divergent viewpoints in our legislative bodies. That is the best and most effective check upon a rampant majority.

I would venture only one comment at this point on the argument that this amendment would permit the disenfranchisement of suburban voters. Why, within only a few miles of this building, there is an attempt being made by the advocates of the population-only argument to disenfranchise suburban voters by including bits and pieces of suburban areas in city election districts in order to perpetuate city election districts which would otherwise be wiped out because of a lack of population.

I do not believe I have to mention the name of the town, but it is in an adjoining State, and the newspapers have been full of the subject so, those suburban residents who were a part of a cohesive majority would be turned into an unrepresented minority, all under the banner of one man, one vote.

Let me make just one comment on the apportionment of a unicameral legislature which would be provided by this amendment. Where there is a unicameral legislature any plan of apportionment to become effective must have been approved by the courts prior to the election at which it is submitted to the people for their vote. So, I believe we have taken care of this point.

Let me also comment on one other point while it comes to mind. It has been suggested that this type of amendment should be properly ratified by State conventions in order to insure that the will of the people is properly expressed. I would have no quarrel with this, but I find that only some of the States have provisions for the holding of State conventions, and rather than blindly pursue this path, it seemed desirable to be to provide for ratification by State legislatures with the provision that this ratification must include approval by the House apportioned on population only according to the most recent census.

Then there was the argument made that a transient majority in a State could lock up the apportionment of the State legislature for 10 years to the detriment of the individual citizen's voting right. Well, let us think that through. Under the population-only standard advocated by the very Senator who made this argument, it would be possible for a transient majority to lock up State apportionment for 10 years and deprive individuals of their right to participate in self-government by selecting representatives for their viewpoints. It is a purpose of this amendment to cure this very problem by permitting the majority to grant representation in the legislature to other individuals. It would be a voluntary grant. And if the majority did not wish to make such a grant, the Reynolds against Sims rule would apply. Thus, the amendment permits the majority to protect individual rights where under the present situation they cannot create such protections.

I might also say that this amendment provides for judicial review of the constitutionality of an apportionment plan before it is submitted to the people unless it has received the approval of the House of the legislature apportioned on population only. Yet this same Senator talks of the chaos which would be created by judicial review. It seems he is neither willing to trust the wisdom of the majority in making a grant to protect minority rights nor is he willing to submit the constitutionality of apportionment plans to the review of the courts. It must be an unhappy position indeed to trust neither the people nor the courts.

And then there is that argument advanced by one of my good friends, with whom I sometimes disagree, that the reapportioned legislature of his State had not run roughshod over the rural elements. I am content to believe that this is true because I have seen no evidence that the growth of cities, on the other hand, has been impeded by legislatures under the guidance of rural representatives. There is a give and take in our form of government which has worked well and which will continue to work well so long as we take care to provide that all of the people are fairly and effectively represented in the various legislative bodies. If only the majority is represented, or if the majority is overrepresented and the minorities are underrepresented, the stage will not be set for the necessary give and take which makes our system of government work.

And so I conclude my comments on the arguments which were raised in this debate, as they were set out by the Library of Congress. In this draft of a constitutional amendment which I now introduce, every effort has been made to insure that the will of the majority of the people of a State will govern not only the ratification of such an amendment, but also the form and content of any plans of apportionment submitted to the people by a bicameral legislature. In all other circumstances a plan must be found by the courts prior to the election at which it is submitted to the people to be consistent with the provisions of the Constitution, including this article of amendment.

Next, I have tried to provide language which would give fair consideration to the representation problems within each State, and, to this end, I have adopted the language set forth in the opinions of Justices Stewart and Clark. This language also provides the standard against which such plans of apportionment will be tested by the courts or by the representatives of a majority of the people in the case of the submission of a plan by a bicameral legislature. I have also provided as a minimum requirement of the Federal Constitution that State legislatures must be apportioned at least every 10 years on the basis of the most recent census.

So I believe we have continued our labors to produce a constitutional amendment which meets all the challenges which have been directed against it. We have hewn in the forest and we have fashioned on the workbench an instrument of government which will insure the protections which our forefathers sought to achieve when they came to this country—the right to participate in their government whether they be weak or strong, small or great in numbers.

I beseech the chairman of the Subcommittee on Constitutional Amendments to give this proposal his most speedy and careful attention so that the people from his great State of Indiana and the people from all of the other States of this Union will not realize too late that the protections which were thought to be afforded to individuals have somehow been so swept away that, even if it should wish to do so, the majority can no longer provide them. If there are any Members of this body who have comments or suggestions for improving the language of this amendment, I hope they will speedily present them to me and to the chairman of the subcommittee, for I stand ready and willing with an open mind, a willingness and a clean heart to consider such suggestions and to make any modifications that may be desirable. But it is necessary that we proceed with dispatch in this matter lest the people feel that the will of the majority of this body, as their representatives, is being defeated by just over one-third who are willing to oppose but not to work toward the goal of truly representative government for our States.

Mr. President, after this statement and the joint resolution, I ask unanimous consent to insert in the RECORD as a part of my remarks an editorial from the New York Herald Tribune, captioned "DIRKSEN's Rule of Reason."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DIRKSEN'S RULE OF REASON

Defeat of the Dirksen amendment in the Senate this week almost certainly ends, for the present, at least, any hope of returning to the States some part of the right of self-government stripped away by the Supreme Court last year. And it may well end it forever—though it is conceivable that a few years from now, when emotions have cooled, a quiet move to let reason rather than mathematics determine the composition of State legislatures might gain favor.

The fight over the Dirksen amendment was widely pictured as simply a rural-versus-urban battle, with proponents seeking to preserve rural domination—and to some extent it was. But it was also much more. It was an effort to restore some of the balances so carefully built into our political system, and thus to guard minorities from the very real tyranny of the majority—and let it be remembered that there are other kinds of minorities than racial.

The rationale of a bicameral legislature is to provide, as does the U.S. Congress, for different bases of representation in each of the two houses, thus more effectively representing the variety of diverse interests that make up the body politic. The Court summarily vetoed this concept, though in American political practice it antedates the Court itself. What the Dirksen amendment would have done would have been to let the people of a State, by referendum, choose to apportion one house of a bicameral legislature on other criteria than population—a limited form of a broader right they had always had until the Court took it away. Surely this would be no more than to apply a rule of reason to an area thrown into confusion by the Court.

Mr. DIRKSEN. Mr. President, in connection with my remarks, I have before me five editorials from the Buffalo Evening News, which I ask to have printed in the RECORD. They are dated August 3, 4, 5, 6, and 7. They are extremely well written, and just a little caustic at times, but certainly in behalf of the amendment.

I could add other editorials, because the scrapbook is full of them. However, I shall try to be selective and spare the CONGRESSIONAL RECORD as much as possible.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Buffalo (N.Y.) Evening News, Aug. 3, 1965]

DIRKSEN AMENDMENT—I: LET THE PEOPLE CHOOSE

The Senate is engaged in a great debate this week on a basic principle of American government—and it is a pity that New York's Senators seem to have nothing more useful to contribute to it than catering to the political exigencies of a New York City mayoral campaign.

The principle at stake is whether the people of any State shall have a limited right to choose what kind of representation they want in their statehouses. This is what the Dirksen amendment debate is all about.

The Supreme Court has read the Constitution to mean that both houses of every State legislature must be apportioned with population the only controlling yardstick. If Congress now affirms this reading and leaves the Constitution unchanged, it will be slamming the door, probably forever, on any contrary apportionment plan which the people of any State may prefer.

But the Dirksen amendment would give the people some element of choice—between a population-only apportionment and one which bases one house on population but gives some weight to political subdivisions or geographic area in the other.

The U.S. Senate itself, of course, with two Members from each State, is the perfect example of the very kind of representation the Supreme Court forbids any State to adopt for itself. The sole purpose of the Dirksen amendment is to give the States a chance to adopt the Federal plan if their people so desire.

A year ago, New York had two Senators pledged to support this approach. One, Kenneth Keating, was defeated. The other, JACOB JAVITS, has turned turtle on this issue and announces that, if the Senate will not accept his own heavy-handed rewrite of the Dirksen amendment, he will vote against it. For all practical purposes, he thus alines himself in the crucial showdown with his junior colleague, ROBERT KENNEDY.

Both Senators apparently are greatly influenced by the pressures of New York City's labor, liberal, and civil rights spokesmen who see the whole issue in the grossly oversimplified terms of downstate masses versus upstate acres.

Their propaganda repeatedly has pictured the Dirksen amendment as an instrument for "continued rural domination." Our Senators, of course, know better.

They know, because they have heard its every nuance debated a dozen times, that the amendment could not be a vehicle for minority rural domination because it expressly lets the majority prevail.

And they know that it could not be a vehicle for racial discrimination either, as some civil rights leaders charge, for it expressly leaves untouched all the antidiscrimination clauses of the Constitution.

The Dirksen amendment, in short, puts its trust in the voters. It would let them opt for a checks-and-balances plan of representation in any State where the majority of the voters so desire.

But New York's two Senators are against this. By opposing the Dirksen amendment, they would leave all the States forever barred from making this choice. They are saying that the very voters who elected them to represent the whole of New York State in the Senate cannot be trusted to know what kind of representation is best for them in Albany.

We just don't see how either Senator could square such distrust of the people with his pretensions to liberalism.

[From the Buffalo Evening News, Aug. 4, 1965]

DIRKSEN AMENDMENT—II: WHAT IT IS—AND ISN'T

Few issues before Congress have been so grossly distorted by their opponents as the Dirksen amendment, now undergoing Senate debate.

To understand what is at stake, it is as important to be clear about what it does not do as to know what it does.

First, it does not reverse the Supreme Court's one-man, one-vote rule on legislative apportionment; it only gives the people of each State an option of modifying the rule for one house of their legislature if they so desire.

The amendment as presently phrased likewise does not take away any of the Supreme Court's jurisdiction over apportionment questions. Nor does it, by any reasonable reading, modify any present Federal constitutional or statutory protection against racial discrimination.

On this point—just because the Dirksen amendment has been so badly distorted by some civil rights spokesmen—let us call to witness Senator THOMAS KUCHEL, of California, one of the leading sponsors of both the 1964 and 1965 civil rights acts (Senator DIRKSEN himself, of course, was also a leading sponsor and architect of both those milestone laws).

To "those who have deliberately attempted to introduce" a fear that the Dirksen amendment might somehow undermine certain new strengths in the civil rights area, Senator KUCHEL's answer is categorical:

"Nowhere in the language of the proposed amendment, nor in the intent of the authors, will be found the slightest bit of support for such a completely groundless charge. * * * The guarantees of the 14th and 15th amendments as well as all other relevant provisions of the Constitution would continue in force. * * * This amendment, as with other parts of the Constitution, would be subject to judicial review. There would be no removal of apportionment questions from the jurisdiction of Federal courts."

So much for what the Dirksen amendment does not do.

What it does do, very simply, is this: It permits the people of any State, by majority vote, to apportion one legislative house by giving such weight to "population, geography or political subdivisions" as they deem appropriate.

But before any State plan can deviate from the population-only standard even to that extent, it must win a majority vote at a referendum where the people have had a chance to vote simultaneously on a population-only plan.

Thus, it is only if a majority clearly prefers the checks-and-balances approach that it could take effect. And even after it is adopted, the voters would have to reaffirm their preference after each succeeding census.

The issue, then, is not which kind of apportionment plan is best for every State. It is simply whether the so-called Federal plan of apportionment—using population only for one house but giving some weight to area and political subdivisions as well as population for the other—shall remain at least available to any State where the people wish to use it.

Or, as Senator KUCHEL has put it to the Senate: "The basic choice now before this body is: Will we let the people decide? I hope that we will." So do we.

[From the Buffalo Evening News, Aug. 5, 1965]

DIRKSEN AMENDMENT—III: COURT-MADE LAW STANDS

While its supporters vow that their fight is not over, the Dirksen amendment to modify the harsh impact of the Court-made law of one man, one vote for all legislative apportionments looks very sick, if not dead, today, as a result of last night's failure to muster two-thirds passage in the Senate.

It was a valiant effort, and we could hope that the seven votes still needed might somehow be won. But with virtually every Senator now having taken a hard position, it would seem a vain hope for this Congress—and by the time a new one is elected, most States will have been forced to conform to the Court-made law and there will be a new urban-dominated vested interest in preserving the new status quo.

Although his hopes may be slim—in what is, after all, the most urban-minded, leftward leaning Senate in 30 years—Senator DIRKSEN plans to keep fighting, perhaps by trying to tack his amendment to something the liberal bloc wants badly, such as repeal of section 14(b) of the Taft-Hartley labor law. Congress also remains under another kind of pressure on this issue—a movement among the States which is now only a half-dozen States short of forcing Congress, at the petition of 33 State legislatures, to call a constitutional convention under a never-before-used amending procedure.

Actually, as the voting breakdown vividly showed, the issue was never one of small States against large ones, or urban versus rural. Rather, it was a matter of internal concern and division in every State. Thus, 14 States, including some of the biggest and some of the smallest, divided their Senate votes. Twenty-two others, including the biggest of all (California) and the two smallest (Nevada and Alaska) gave the amendment all their votes. Senators from 13 States (including New York at one extreme and Rhode Island at the other) were as solidly against it.

Thus, the Senate vote, like the issue of legislative apportionment itself, cuts across all ordinary political lines. And yet the problem of defining fair representation is not as different for New York and Nevada, say, as it may seem. For in each case, there is a dominant metropolis (New York here, Las Vegas there) with which the rest of the State has to maintain some kind of live-and-let-live relationship. In State after State, the situation is similar.

In Colorado, it is Denver versus the rest of the State; in Utah, Salt Lake City; in Oregon, Portland; in Michigan, Detroit; in Maryland, Baltimore. Or there may be, as in Pennsylvania or Missouri, two great cities with many smaller ones and a rural hinterland strung between.

Probably no two States, left to their own devices, would develop precisely the same answer to the question: What is fair representation? But in State after State where the issue has come to a clear choice, referendum results over the years have shown a preponderant tendency to reject apportionments based on population only when the alternative was a reasonable check-and-balance compromise along lines of the Federal House-Senate compromise.

But as the law now stands, such a choice is arbitrarily denied to the States. They must apportion all districts in both houses on the basis of substantial population equality, even where a majority clearly prefers to give some weight to area as well as population in one house. The sole purpose of the Dirksen amendment was to restore this limited right of choice to the people of any State.

It was a nice try, but barring political miracles, it has failed. Majority rule, which the Supreme Court has denied to the States in choosing their own plans of legislative apportionment, has ironically been frustrated again in the Senate. For here, too, the majority clearly favored the Dirksen amendment—but, falling seven votes short of two-thirds, the majority lost. What do our two New York Senators make of that, we wonder, as an example of the sanctity of the principle that everyone's vote must count alike?

[From the Buffalo (N.Y.) Evening News, Aug. 6, 1965]

DIRKSEN AMENDMENT—IV: UPSTATE LEFT VOICELESS

By voting to kill the Dirksen amendment, New York's Senators KENNEDY and JAVITS may both have scored some liberal points in the New York City mayoral campaign, but they certainly did nothing to win the gratitude of the upstate constituency which they also were elected to represent.

For this was not, as we noted yesterday, an issue of big States versus small ones. It is a matter of far-reaching internal consequence within each State. And within the State of New York, the killing of the Dirksen amendment—if in fact its death is final—means, in the long run, just one thing: Virtually total and unchecked downstate domination of New York State politics.

Until now, the relative power and influence of downstate and upstate have generally been kept in rough balance—with downstate votes by far the most important in presidential, gubernatorial, senatorial, and other statewide elections (including statewide referendums); but with upstate influence generally serving as a restraining influence in the legislature.

This last has been accomplished by what is actually a far more modest degree of weighting of legislative representation than is generally supposed. For despite all the years of downstate crying about "rural domination," the truth is that the vast population of metropolitan New York has long held, and now holds, an unchallenged majority in both houses of the legislature. The weighting has only moderated that majority by making the small-county minority somewhat larger than the one-man, one-vote standard forced upon us by the Supreme Court.

But if this new rule is the one we must now live with forevermore, one need hardly conjecture about the likely effect. This year's legislature, indeed, gave a pretty fair foretaste, with its Republican gubernatorial budget catering to every downstate (city and suburban) spending whim, and bloc-voting bossed delegations of downstate Democratic legislators supplying the votes for passage. This, even without reapportionment, was enough to warn every upstater of both parties how it will be when downstate domination becomes more complete and permanent.

For it is not just the passage of money bills, but total control of the constitutional amending process and of every other parliamentary and procedural check on the "tyranny of the majority" that goes with it.

It is this to which our Senators have committed us by their vote to kill the Dirksen amendment. Senator KENNEDY, it may be said, was against if from the start and never gave anyone any reason to expect otherwise. But Senator JAVITS was an 11th-hour switch—and, by his very switch'ng, he may have influenced enough other wobblers to be crucial in depriving the amendment of the bare seven votes it needed for two-thirds passage.

The whole performance, when you think about it, was one of the most biting ironies of our time: Here is the U.S. Senate engaged in a great debate over fair representation, and the 7 million people of upstate New York—a bigger constituency than 86 of the 100 Senators represent, and with as vital a stake in the outcome as can be imagined—haven't a single voice raised, or a single vote cast, in their behalf.

One man, one vote, indeed.

[From the Buffalo (N.Y.) Evening News, Aug. 7, 1965]

DIRKSEN AMENDMENT—V: IT ALL BEGAN A YEAR AGO

The Senate's failure to muster two-thirds passage of the Dirksen amendment has nipped off—whether temporarily or finally—a great debate of much more recent origin than may be generally supposed.

Its genesis can be precisely dated to a little more than a year ago: June 15 1964. That was the day the Supreme Court laid down the arbitrary law that every State must forthwith "construct districts in both houses of its legislature as nearly of equal population as is practicable."

Six State apportionment plans were slapped down that day, including New York's. But it was the Colorado case in particular decided 6 to 3, which—as we said the following day—sickened those, like us, who believe that the people of a State should have some right to decide for themselves how they want their legislatures apportioned.

For, in Colorado, the voters had voiced a clearcut preference for a balanced apportionment plan, but the Court said they could not have it—the equal protection clause of the 14th amendment, it held, left them no such option.

That's what triggered the quest for what rapidly evolved into the Dirksen amendment. And the Court's decision, of course, also generated the great new liberal lobby that sprung up to defend the new rule of Court-made law. To hear the cries of historic outrage raised by opponents of the Dirksen amendment, one might have supposed that one man, one vote were some kind of sacred doctrine written in blood by the Founding Fathers themselves.

But the truth is that most of the 39 Senators who finally rallied to the defense of that beleaguered decree were as surprised as its opponents were shocked last year when the Court first proclaimed it. For this suddenly discovered doctrine had, as dissenting Justice Stewart wrote at the time, "no support in the words of the Constitution, in any prior decision * * * or in the 175-year history of our Federal Union."

In that same dissent, Justice Stewart went on to denounce the court's "draconian pronouncement" as binding on every one of the 50 States "without regard and without respect for their many individualized and differentiated characteristics."

The new mandate, he said, "forever freezes one theory of political thought into our Constitution, and forever denies to every State any opportunity for enlightened and progressive innovation * * * so as to accommodate * * * the interests and aspirations of diverse groups of people without subjecting any group or class to absolute domination by a geographically concentrated or highly organized majority.

"Throughout our history," he continued, "the apportionments of State legislatures have reflected the strongly felt American tradition that the public interest is composed of many diverse interests, and that in the long run it can better be expressed by a medley of component voices than by the majority's monolithic command.

"What constitutes a rational plan will vary from State to State, since each State is unique, in terms of topography, geography, history, heterogeneity and concentration of population, variety of social and economic interests, and political institutions."

It is those who voted to kill the Dirksen amendment who flouted this tradition of diversity. It is they who would "forever deny to every State any opportunity for enlightened innovation." And it is those who still insist that the court's arbitrary law cannot be final, that the one-man, one-vote rule must yet be modified, who carry the torch of true liberalism, fighting for the right of the citizen majority in each State to have at least some limited choice as to the plan of representation it deems best suited to that State's needs.

Mr. DIRKSEN. So, Mr. President, I conclude as I began. As the old Army ditty says, "Old soldiers never die; they just fade away."

This issue, unlike an old soldier, does not die, and it will not fade away, so help me, if the Lord gives me strength.

The doctors say I am in far better shape than ever before. I was in the hospital again this morning. I want the whole world to know it. The doctors punched me around and said to me, "You are in topflight condition." Fighting at 178 ringside, at my age, I promise a fight, because my heart and my soul are in it; I believe in it.

So let all be admonished as to where this fight may lead. If I get a fair shake, we will get it out of the subcommittee and the full committee, and we will have it here in the form of a joint resolution.

If not, the rules provide that I can hook it onto another joint resolution. The rules also provide that I can offer it as a complete substitute for any other bill that is called up.

I make no threat, but I am going to monitor this issue and see where we go, because we have just begun to fight.

EXHIBIT 1

[All references are to the CONGRESSIONAL RECORD for 1965]

JULY 22, 1965

Senator DIRKSEN moved to call up Calendar No. 436, Senate Joint Resolution 66, to designate a period as "National American Baseball Week" (p. 17843).

Senator DOUGLAS inquired if it was the intention of Senator DIRKSEN to substitute his constitutional amendment on reapportionment once the Senate agreed to make Senate Joint Resolution 66 the pending business before the Senate. Senator DOUGLAS commented that the objective of the Dirksen amendment was "to reverse the decision of the Supreme Court in the Alabama case" (p. 17843).

Senator DIRKSEN agreed that Senator DOUGLAS correctly stated the situation with one exception and that is that the Dirksen amendment would not be a reversal of the decision of the Supreme Court (p. 17843).

Senator DOUGLAS observed that Senator DIRKSEN, being unable, in his judgment, to secure a majority of votes on the Judiciary Committee, decided to bring the measure directly to the floor. Observed that this was unfortunate that as a result of these tactics, the Judiciary Committee did not adequately consider the proposal.

Commented that it requires control of only one house of a State legislature to veto pending legislation. Said that in Illinois, the Illinois House has passed a great deal of legislation in the public interest only to have it defeated in the Illinois Senate (p. 17843).

Senator HOLLAND. The Dirksen amendment is a civil rights step. (Cited States such as Nevada, Arizona, Hawaii, and Alaska, where under the Supreme Court decisions, both houses of the State legislature will be under the domination and control of either one county as in the case of Arizona and Hawaii, or in two counties as in the case of Alaska and Nevada.) The people of the open spaces of these States will be left virtually unrepresented in the absence of such an amendment as Senator DIRKSEN proposes (p. 17844).

Senator DOUGLAS congratulates Senator DIRKSEN on being able to get a measure, not approved by the Judiciary Committee, to the floor of the Senate (p. 17844).

Senator DIRKSEN sent to the desk an amendment to Senate Joint Resolution 66 striking out everything after the resolving clause and substituting the modified language of Senate Joint Resolution 2 (p. 17845).

At Senator DOUGLAS' request, the clerk read the amendment (p. 17845).

Senator DIRKSEN stated if he is defeated in the present endeavor to get his amendment approved, he will "hook it on to" the bill to repeal section 14(b) of the Taft-Hartley law when it comes before the Senate (p. 17846).

Senator MURPHY tenders Senator DIRKSEN his support (p. 17846).

Senator BAYH would have preferred that the measure go through the normal committee procedure (p. 17847).

Senator DIRKSEN expresses "fidelity to the State-Federal system * * *" and the belief that "there is such a thing as sovereign power in the States, and that there are some rights in the States" (p. 17847).

Submission of amendments: Senator DIRKSEN's numbered amendment No. 366, Senator JAVITS' amendment to Senator DIRKSEN's amendment numbered amendment No. 367.

Order for recognition of Senator DIRKSEN following the morning business tomorrow (July 23) agreed to (p. 17880).

JULY 23, 1965

Senator DOUGLAS read into the RECORD a column by Roscoe Drummond, "Dirksen Amendments 1 Man-10 Votes." Commented on the column (p. 18028).

Senator PROXMIRE. The column referred to could also have been called "One Man, One-Tenth of a Vote" (p. 18029).

Senator DOUGLAS. In some cases it would be one man-a thousand votes (p. 17367).

Senator PROXMIRE refers to three questions raised in Drummond article supra: (1) under the Constitution every eligible citizen has the right to vote for State as well as Federal officials. Should this right be diluted by any action which has the effect of saying that, while every citizen has the equal right to vote, some citizens are not to have the right to an equal vote? (2) Is not the right to the equal vote as precious as the right to free speech? Should the Constitution be amended to deprive a citizen of any of these fundamental rights? and (3) Is there any evidence that allowing unequal representation in one house will produce any better State government? Advocates of Dirksen amendment have produced no such evidence (p. 18029).

Senator FANNIN speaks in support of Dirksen amendment. Refers to decisions of the Supreme Court in *Baker* v. *Carr* and *Reynolds* v. *Sims* and observes that with these decisions, the Court usurped the power of the people to determine how their State legislatures shall be apportioned.

The Dirksen amendment "will simply provide a means of repairing the damage which has been done * * *. All this amendment does is restore to the people a right which the Supreme Court has wrongfully taken away from them" (p. 18056).

Refers to Justice Frankfurter's dissenting opinion in Baker against Carr to the effect that the Court had no business interfering in an essentially political question. Says there is only one basic constitutional question at stake "who has the right to determine how State legislatures shall be apportioned" and answers the question "only the people of the States have that right" (p. 18056).

Refers to those who consider State governments as obsolete and unnecessary appendages to the body politic. According to this view, "all we need anymore is the Federal Government and a local disbursing bureaucracy at the community level" (p. 18057).

Refers to those who downgrade the competency and achievements of State governments and says, in his opinion, the State governments have led the way and the Federal Government has followed with many measures as women's suffrage, some labor legislation as workmen's compensation. Comments that the States could accomplish even more if the Federal Government did not preempt available revenue sources.

Questions the thesis that the Dirksen amendment would lead to "rotten boroughs" and asks for one specific example, where this situation would result from the adoption of the amendment.

Refers to the corruptness of the one-party, boss-dominated machine politics of some large cities. Refers to a statement made by the Chief Justice of the U.S. Supreme Court when he was Governor of California to the effect that many California counties are more important to the State than their population bears to the entire population of the State and for that reason, he was not then in favor of restricting their representation in the State senate to a strictly population basis. Also refers to statement of Senator LAUSCHE who served as Governor of Ohio as well as mayor of Cleveland with respect to city bosses. Says the amendment would protect the people "against evils spawned by rotten political subdivisions where government so often becomes a vicious game of pitting one racial minority against another * * *." For these reasons, we need a system of checks and balances which will protect minority groups against "the shifting winds of superficial political change."

The opposition to the amendment reflects a distrust of the democratic process of letting the people decide. The amendment provides safeguards to insure its fairness. It specifically states that no apportionment plan can be based on race or color, and it further provides for automatic and continuing resubmission to the voters every 10 years. Since a statewide referendum is required, before any plan is instituted, the one-man, one-vote principle is protected.

There is only one basic question: "Who has the sovereign power to determine how legislators shall be apportioned and how the diverse interests of a State can best be represented? Is it the people of the State? Or is it the Supreme Court? I submit that only the people have this power" (p. 18057).

Senator DIRKSEN refers to the number of witnesses who testified before the subcommittee, and the fact that the measure was voted out of the subcommittee by a vote of 6 to 2. Refers to the fact that when the matter came before the full committee he was not able to vote the proxies he had, and that the matter was to be put over for a vote in a week or two (pp. 18058–18059).

Senator TYDINGS refers to comments that the Supreme Court never rendered a decision similar to *Reynolds* v. *Sims,* and observes that every State which was admitted to the Union from Maine in 1790 to Montana in 1890 was admitted under a constitution wherein legislative apportionement was based substantially on population. Also refers to the Northwest Ordinance which provided for admission of States into the Union and made a basic requirement of each State constitution for representation in State legislatures based substantially on population (p. 18060).

Senator DIRKSEN. Does the provision in the Northwest Ordinance refer to both houses of the State legislature?

Senator TYDINGS read from the ordinance: "The inhabitants of said territory shall be always entitled to the benefit of * * * an apportioned representation of the people in the legislature * * *" (p. 18060).

"Is it not a fact that the problem of malapportionment of State legislatures did not begin until the latter part of the 19th century, when the industrial revolution caused a great migration of people off the farms into urban and suburban areas? Until that time the legislatures were almost without exception based substantially on population. When a county grew too big, as has been the case in my State of Maryland, the legislature would have new lines drawn and in that way create another county. The real problem of malapportionment did not begin until the latter part of the 19th century and the early 1900's" (pp. 18060–18061).

Senator DIRKSEN. I did not find out anything about the legislative branches in the Northwest Ordinance (p. 18061).

Senator BAYH refers to language in the Indiana Constitution which requires that both houses of the legislature be apportioned by population only.

Senator DIRKSEN. But it was done by the people of Indiana.

Senator BAYH. That is correct (p. 18061).

Senator DIRKSEN. That is all I ask. But it is not what the Senator from Indiana asks. The Senator desires to do it under the aegis of the Supreme Court, and the Senator wishes to take the right away from the people of Indiana (p. 18061).

Senator BAYH pointed out that despite the language of the Indiana Constitution the State legislature for 40 years ignored similar provisions in their State constitutions. Had the State legislators attended to their responsibilities, the U.S. Supreme Court would not have had to act.

Senator DIRKSEN. The people of Nebraska voted on the terms of their constitution and the U.S. Supreme Court disapproved it. Same was true in Colorado where the provisions for apportionment were approved by the people but rejected by the U.S. Supreme Court.

Senator TYDINGS. What can the people of a State do when the State legislature refuses to act? (p. 18061).

Senator DIRKSEN. The State constitution, the initiatory powers of the legislature and the people of the State should respond to correct these abuses (p. 18061).

Senator TYDINGS. Members of malformed legislatures are unlikely to vote themselves out of office.

Senator DIRKSEN. All State legislatures are not necessarily malapportioned. Two professors from Ohio testified that their State had the best representation in the country.

Senator BAYH. When a minority of the people has the majority of the votes in a State legislature it is very difficult to do anything. In California, as an example, 8 percent of the people decide who is to be elected to one house of the legislature (p. 18062).

Senator DIRKSEN. The argument advanced is academic. (Read into the RECORD an editorial, "Apportionment in the Real World," published in the Wall Street Journal.) One of the arguments there advanced is that under the Court's rule, having districts of equal population will not necessarily insure that every man's vote will be reflected equally in the State capitol. If the winner takes all in his district, the citizen whose vote was for the loser is not reflected at all in the legislature. Legislative control requires half of the seats presumably representing some 50 percent of the citizens. But to win those seats it is enough to win a majority within each of the districts comprising that 50 percent or something less than 26 percent of the statewide vote. The theoretical percentage could be substantially lower if more than two candidates ran in some districts or if some had very low voter turnouts.

Senator BAYH. The argument just made is weak. For it to stand it must be assumed that in those legislative districts of the minority, the majority does not get any vote at all. This would be most unusual (p. 18063).

Senator DIRKSEN. In actual practice, no party's votes are so ideally concentrated, but legislative control with some 40 or 45 percent of the popular vote is possible. It is especially possible and distressing where reapportionment gives decisive weight to a large city oppressed by a tight political machine. One could take the largest county in Illinois and add five other counties to it and these six counties would dictate what the remaining 96 counties would have to do (p. 18063).

Senator BAYH. The mayor of Chicago testified that under the present apportionment conditions the opposite is true, that the largest city in the State, which comprises almost half of the people of Illinois, is at the mercy of the less populated areas.

Alternative: What I desire is to find a compromise which would start out with an equitable population basis, and then give each State some leeway with which to adjust to conform to its needs (p. 18063).

Senator DIRKSEN. In the Illinois election 2 years ago, a ballot with 236 names was submitted for the lower house, all running at-large, from which 177 were to be elected. The outcome could be predicted long before the election. The Democratic majority is so great that there was no doubt as to their getting control over the general assembly and in control of that party is the city of Chicago (p. 18063).

Senator BAYH. The Illinois situation demonstrates why the State legislature should have reapportioned then there would not have been a statewide referendum (p. 18063).

There has been a great deal of discussion as to whether "monolithic metropolitan areas" are to penalize rural areas. Does Senator DIRKSEN know if in the last legislative session in Illinois when the assembly was controlled by the large metropolitan area if any punitive legislation was imposed on rural areas? (pp. 18063–18064).

Senator DIRKSEN. It is not a question of punitive legislation. It is a question of asking for things for themselves that will ultimately constitute a burden upon other areas of the State. An illustration, the mayor of Chicago testified that he wanted special tax authority for the city. Who is to pay the bill for all these taxes? (p. 18064).

Senator BAYH. The people of Chicago would have to pay the special taxes, not the people in other parts of the State (p. 18064).

Senator SIMPSON (speaking for the amendment). Our first consideration should be to achieve fair representation and this cannot always be done by one-man, one-vote. Restraints and balances are necessary rather than full reliance on majority rule. The country is too large and diverse to rely on any single set of standards for State representation. Many of the States with the best record of urban renewal, area redevelopment, manpower training, and so forth are those which have legislatures based on other than strictly population factors (p. 18064).

Without this amendment, the political machines of one or two big cities will dominate some of the States. In other States, there will be combinations which will be so strong that they need not heed the minority desires. (Points out what would happen if the U.S. Senate were to be based on population) (p. 18065).

Senator SIMPSON. For 175 years no one ever thought of challenging the State pattern of apportionment (pp. 18065–18066).

Senator TYDINGS. A county is a creature of the State legislature. The legislature can change county lines. No one can change State lines with the exception of Texas (p. 18066).

Senator Simpson. In many States, particularly in the West, a county cannot be divided without the consent of the county. Nearly every State is attempting to reapportion but this is not easy to do. The people should have an opportunity to be heard and to vote in a referendum (p. 18066).

Senator Symington. Under present proceedings, we are not now considering the merits of the proposed constitutional amendment, rather whether to accept the subsitute offered by Senator Dirksen to Senate Joint Resolution 66. This should be discussed thoroughly on the floor (p. 18073).

JULY 26, 1965

Senator Proxmire says letter in Sunday New York Times summarizes historical arguments against the Dirksen amendment. Says 9 of the 14 amendments to the Constitution following the Bill of Rights deal with making the franchise more democratic. The Dirksen amendment would be the first to reverse the trend (p. 18183).

Senator Brewster (speaking against the amendment). There is no clear and compelling reason for amending the Constitution in this way. The States were badly malapportioned before *Baker* v. *Carr*, but after that decision, the situation began to improve. The apportionment system in 32 States were ruled unconstitutional last year. Ten of the legislatures voluntarily reapportioned themselves. The courts did it in three other States. Twenty-four States are currently under orders to reapportion before the next election. The amendment proposed would undo this trend toward fairer reapportionment. Cites conditions in Maryland where the Senate is badly malapportioned (pp. 18216–18217).

Senator Nelson. If the proposed amendment were to be enacted could the State of Maryland continue with its malapportioned senate? (p. 18217).

Senator Brewster. Yes; malapportionment would continue if the Dirksen amendment were adopted.

The great shift in population necessitates changes in State legislatures. The Dirksen amendment would perpetuate the long-outmoded dominance of the rural minorities over the growing urban majorities. The amendment would inhibit the capacities of State governments to deal with the pressing problems these new populations bring, it would frustrate and stalemate responsible State government. Congress has enacted many statutes which should have been within the province of State government. The States could not act because their legislatures were not responsive to the need of their citizens and the Federal Government had to step in to fill the void. Far from taking away rights from the States, one man, one vote will strengthen States.

The proposed amendment is not necessary to protect rural minorities. Other minorities, racial or religious, are not granted the right to have their ballots carry disproportionate weight to protect their minority interests.

Urban voters do not form a monolithic group having identical interests. What is at stake is that the diverse urban interests have a vote equal to that of rural interests.

In answer to the question why, if a majority of the people of a State wish to apportion one house of the legislature on a nonpopulation basis they should not be allowed to do so, he argued that to have an equal vote is a basic constitutional right as are the first amendment rights. Our democracy is based on the conception of majority rule and the preservation of minority rights. The people of a State cannot divest themselves of their basic constitutional rights.

The Federal analogy is not applicable (pp. 18217–18218).

Senator Bayh asks Senator Brewster to comment on procedure followed in circumventing the committee.

Senator Brewster. Should not have followed the course of taking the matter outside of the committee system (p. 18220).

Senator Bayh. Amending the Constitution is so important that it should not be undertaken without the most careful consideration. The issue is of resolving State's rights and majority rule. One basic item not accepted by Senator Dirksen is that before a legislature could submit to the people a plan to apportion one house on factors other than population, the legislature must itself first be apportioned on the basis of population in both houses. Thus the body which frames the proposals to be submitted to the referendum will be more apt to word them fairly. Also, this proposal recognizes that there may be States where there are unique problems caused by geography, communications or otherwise which indicate that there should be some deviation from population equality. There is dicta in the decisions which indicates that this leeway may be permitted. This proposal also recognizes the decisions of the Supreme Court as the law of the land (pp. 18221–18223).

It is my opinion that the problem needs further study and that this can best be done in committee rather than on the floor of the Senate (p. 18224).

There have been changes already made because of deliberations in committee. The original language which contained the implication of the first sentence that Supreme Court review was precluded, the use of all factors with nothing to preclude factors as race, religion, no provision for periodic review, were all shortcomings which have been deleted (p. 18224).

JULY 27, 1965

Senator Mondale. The Supreme Court correctly ruled that the equal protection clause of the 14th amendment requires substantially equal legislative representation for all citizens of the State. Proposed amendment, in seeking to change that holding, seeks to limit the elective franchise; it would restrict or reduce the rights guaranteed by the Constitution.

The proposal has two basic defects. (1) It would permit a bare majority of the voters participating in a referendum to deny to individual citizens the right to equal protection of the laws. (2) It would continue or make possible in practice minority rule over State governments by giving control of one house of the legislature to an overrepresented area, interest groups, or class of people.

It is impossible to represent interests considered separately from the people having those interests. By making interest representation primary, the proposal would discriminate against some people and in favor of others.

The proposal would make possible great discrimination against rural people. It would permit an urban majority the power to draw population lines or geographic lines or political subdivision lines which would give the urban majority unequal and superior representation in their State legislatures. This possibility would be enhanced if a suggested amendment is adopted to require a legislature to be apportioned on population before it is able to submit a nonpopulation plan.

The Federal analogy is inapt.

Adoption of proposal would weaken the American system by continuing ineffective and stalemated legislatures so that the proper role and responsibilities of the States continue to slip away and the people turn more and more to the Federal Government.

Malapportionment would strike hard at Negro rights.

Not enough time has passed to permit an assessment of the effects of reapportionment (pp. 18355–18360).

JULY 28, 1965

Senator Kuchel. The proposal is being considered after long and careful analysis and extensive discussion. It merits passage.

Baker v. *Carr* was a welcome decision. It provided a judicial forum for people who had been wronged. *Reynolds* v. *Sims* also righted a wrong and was correct.

But the Colorado decision inflicted a wrong rather than righted one. The heart of the issue is not what type of reapportionment but what type of representation is desired at the State level. The people of Colorado had decided. The proposal merely seeks to reinstate this right to decide.

The amendment is permissive only; it does not force anything on anyone.

The slogan "one man, one vote" is disingenuous. Proposal does not deprive any one of the right to cast his vote; it preserves that right.

The civil rights issue is a smokescreen. The proposal would not allow racial discrimination. It does nothing to affect constitutional guarantees against discrimination because of race.

The proposal merely allows the long used and understood Federal plan to remain available to the people of any State if the majority of the people of that State so desire.

The people of California desire to have the choice. Their system has worked well there and both parties as well as liberals and conservatives wish to preserve it.

The amendment affirms the right of the people to decide how best to determine the composition of their own legislatures (pp. 18548–18552).

Senator Proxmire. Contrary to Senator Kuchel, one man, one vote is issue because of disparity of population in districts possible if amendment is adopted.

Senator Kuchel. Disparity in population of districts would be so if people on a one-man, one-vote basis voted to provide for such a system.

Senator Case. People do not always make wise decisions. There are times when a transient majority ought not to be permitted to govern lives of all persons or any one person.

Senator Kuchel. People collectively make mistakes as do people individually. But opportunity is provided for correction of any mistake and over the long run people make right decisions.

Senator Hruska. People would be given opportunity to vote on issue after every Federal census. Could vote plans in or out.

Opponents of proposal totally deny the people the opportunity to pass on the issue and that is paradox of their one-man, one-vote slogan. Opponents of amendment do not have one man, one vote in adopting the amendment because it has to have approval of two-thirds, and it is not one man, one vote in ratification because three-fourths of States have to approve. So opponents of amendment benefit by absence here of one-man, one-vote requirement.

Senator Case. Question is whether or not a majority of the people have right to vote away an inalienable right given to even one citizen.

Senator Hruska. Analogy is inapt. We have Bill of Rights for example which was put into Constitution by means provided for and we have a radical new interpretation of the 14th amendment good only since June 1964 (p. 18566).

Senator Proxmire. There is civil rights issue involved (and cited Burke Marshall), (pp. 18572–18577).

JULY 29, 1965

Senator Douglas. Purpose of the proposal is the perpetuation of the rotten borough system of apportioning legislatures. There is great haste to pass the amendment because the opponents of fair representation know that the cause is lost unless malapportioned legislatures have the controlling hand in presenting to the voters the questions under the amendment.

Proposal would be fundamentally unwise even if Senator Bayh's "prior compliance" amendment were added.

There is no chaos in the States on apportionment. Reapportionment is hard, especially if members lose jobs thereby, but progress is being made.

Before the decisions, there were few citizens whose rights to equal representation had not been infringed (citing examples).

The issue is whether we are going to have the substance of representative government or merely the appearance of it. With this amendment, we would only have the appearance.

The argument that the people should be permitted to decide has several fallacies. (1) The right to substantially equal representation is both inalienable and basic to the 14th amendment. It is not the right of any majority to impair this right. (2) The referendum idea is faulty in that: (a) no direct referendum is to be held on ratification or rejection of the constitutional amendment, this being accomplished by malapportioned legislatures or conventions; (b) the decision of the people in any referendum would be that of voting on a question framed by a malapportioned legislature and it can be expected that the legislature will approach the task concerned with preserving itself; (c) the referendum has failed to live up to expectation and those conducted under this proposal would have the same defects of extremely low voter participation (citing examples) and the inability of the average citizen to understand cleverly framed questions. The mass media have enormous influence thus in misleading the voters and have done so (pp. 18849–18861).

Senator Inouye. To argue that if the decision in *Reynolds* is not reversed it will ultimately be applied to the U.S. Senate is wrong. A reading of the Court's decision shows that it accepted equal representation of States in the U.S. Senate and held that this form of representation could not be extended to the States. Moreover, any such extension would have to be ratified as a constitutional amendment.

We must protect the inalienable right of all Americans to have an equal and meaningful vote. The proposal would impair that right.

Legislatures must be so comprised as to effectively represent the entire mass of voters. The argument of minority rights is a misleading one. The proposal would not protect those rights, it would give them dominion.

The amendment would be a dangerous precedent. It might lead to the overturning of other rights (pp. 18865–18868).

Senator Proxmire. Provision relating to nonpopulation apportionment of unicameral legislatures presents opportunity for disfranchisement of urban and suburban voters (p. 18869).

JULY 30, 1965

Senators Dirksen and Mansfield announced the intended submission of a tentative unanimous consent agreement for voting on the substitution of the constitutional amendment and all amendments thereto, early in the following week (pp. 18898–18899).

Senator Javits (p. 18899) announced his intention to make his constitutional amendment, in the nature of a substitute, the pending business on Monday, August 2.

Senator Jordan of Idaho (pp. 18945–18946) announced his support for the proposed constitutional amendment of Senator Dirksen.

Stressed, (1) "crazy-quilt" pattern of court actions on reapportionment in the States; (2) need for the adoption of an apportionment guideline as a means of preserving fair apportionment in the States.

Described the "frustrating" Idaho experience of concomitant legislature and court action.

Described the situation in the Western States and the "need" for balanced representation.

Described a "rising tide of concern" among voters over the question of fairness of representation and urged that the people in each State be given the right to decide the matter for themselves through appropriate referendums.

Inserted a memorial to Congress from the Idaho Legislature seeking the calling of a constitutional convention.

Senators Church and Simpson (p. 18946) associated themselves with the remarks of Senator Jordan.

Senator Proxmire (pp. 18947–18948) expressed concern about a referendum in a State enshrining a minority in control through the possibility of establishing a unicameral legislature with geographic representation.

Expressed concern that a referendum would not be fair were a malapportioned State legislature to frame the question.

Expressed concern that southern legislatures might limit Negro representation by means of malapportionment.

Senator Cooper (p. 18948) challenged the last statement by Senator Proxmire about racial gerrymandering, citing the Supreme Court decision in *Gomillion* v. *Lightfoot*, 364 U.S. 369 (1960).

Senator Proxmire (p. 18948) raised the question of the possible subordination of a large Negro vote in a major urban county such as Los Angeles if apportionment on an area basis allotted only one State senator to the county.

Senator Cooper (p. 18948) stressed newness of one-man one-vote doctrine as a result of *Reynolds* v. *Sims*, 377 U.S. 533 (June 1964). Alleged that the Supreme Court did not have it in mind when deciding *Baker* v. *Carr*, 369 U.S. 186 (March, 1962), and that the U.S. Solicitor General did not argue a population basis for bicameral legislatures before the Court in that case.

Urged that the people in the States should have the right to determine, in a referendum, a fair system of apportionment for their particular State.

Senator Proxmire (pp. 18948–18949) declared that population-based apportionment was a civil rights issue; that it was traditional in the Nation as indicated by statements from the Founding Fathers and by the Northwest Ordinance of 1787.

Senator Gruening (p. 18949) supported the constitutional amendment of Senator Dirksen.

Described the careful consideration given to the apportionment of the Alaska Legislature to insure representation of minority groups in at least one House while requiring votes of over 40 percent of the voters to elect majorities in each House.

Urged that to the majority of the voters in each State be left the determination of the apportionment of the legislature, subject to periodic reviews; and, that apportionment be secured without the contravention of individual rights guaranteed by the Constitution; that a referendum with majority decisions would not be a deprivation of the constitutional rights of a majority, but rather would be a moderate forgoing of such rights in the interests of minorities.

Expressed concern that the one-man, one-vote principle was a danger to States like Alaska where the people had recently determined that it was not suited to their particular situation.

Senator Proxmire (p. 18950) referred to statements by Founding Fathers in answering Senator Cooper's earlier statement that the philosophy of *Reynolds* v. *Sims* was of recent vintage.

Asserted that while he believed in majority rule, it could not be utilized to "destroy" constitutional rights of individuals.

Senator Gruening (p. 18949) suggested that one man one vote would be harmful to States like Alaska which had apportioned the legislature to insure some minority representation, a possibility that would not exist under a one-man one-vote formula.

Senator Aiken (p. 18950) referred to quotes by Senator Proxmire as coming from Franklin, Hamilton, Jefferson and Madison, whose States had relatively large populations and who thus supported a population-basis formula.

Senator Cooper (p. 18950) stressed his arguments that the question was not a civil rights matter since the *Gomillion* decision had been delivered 4 years before the *Reynolds* opinion, and, that the one-man one-vote concept had not been embraced legally until the *Reynolds* decision; that the concept of the U.S. Senate and the example of the apportionment of numerous State legislatures refuted the argument of population-basis being traditional.

Senator Proxmire (p. 18951) asserted that States had generally been apportioned on population until 1900, after which many States changed.

Senator Holland (p. 18951) stressed the difficulty of applying population apportionment to a State like Hawaii.

Senator Proxmire (p. 18951) asserted that some of Hawaii's leading political figures favored population apportionment.

Senator Holland (pp. 18951–18952) stated that the *Reynolds* decision was a misreading of the 14th amendment; that the amendment would never have been ratified if the States had believed that it related to legislative apportionment.

Colloquy between Senators Holland and Proxmire (pp. 18951–18953) on the need for representation of rural interests and of urban interests and of the possible overrepresentation of rural interests. Senator Holland pointed to States such as Arizona and Nevada which had one or two relatively large population centers that could dominate the rest of each of the respective States. Senator Proxmire, in answer to the argument "leave it to the people," asserted that the question was one initially for the Senate and the House to determine as representative bodies.

Senator Murphy (p. 18953) stated that leadership of both parties in California believed the question to be one that should be left "to the people."

Senator Tydings (p. 18954) alternative: Mentioned the defeat in the Judiciary Committee of his amendment to have the amendment of Senator Dirksen ratified by State conventions representing the people rather than by malapportioned legislatures.

Stressed the fact that the Reynolds decision did not require "precisely equal" population districts, that geography and other factors could be taken into account so long as apportionment were based substantially on population.

Senator Proxmire (p. 18954) asserted that if the people decided the "civil right" of one man one vote, by a majority vote, all other questions, i.e., taxes, education, civil rights, could logically not be left to representative majorities in the legislatures.

Senator Dominick (p. 18954) discussed the Colorado situation where the voters adopted a "little federal" plan.

MONDAY, AUGUST 2, 1965

Senator Tydings (p. 19029) inserted in Congressional Record, an article by President (then Senator) Kennedy from the New

York Times of May 1958, opposing "rotten-borough" system in the States.

Senator LAUSCHE (pp. 19031–19032) supported the constitutional amendment of Senator DIRKSEN.

Cited travails of State legislatures over apportionment problems. Cited three occasions in Ohio history, 1913, 1933, 1953, when the voters, in effect, voted down constitutional amendments for population apportionment in both houses.

Supported concept of "federal" system for both Federal and State Governments.

Supported right of "self-determination" by the people in each State on the matter.

Senator HOLLAND (p. 19032) supported referendums under the proposed constitutional amendment which provided for alternative proposals to be submitted to the people in each State. People could not be misled.

Senator LAUSCHE (pp. 19034–19035) stressed his concern that the principle of the Reynolds decision led to tyranny of the masses (and big-city "boss" control) and could lead to majority election of the President. Cited the initiation of several suits (Arkansas, Delaware) in this respect.

Expressed concern about legal basis for challenging composition of the U.S. Senate (p. 19034).

Illustrated how U.S. Senate might look if Senators were apportioned on population.

Described differing treatment by U.S. district courts of apportionment problem in Hawaii, Oklahoma, Georgia, Washington, and California. Stressed resulting confusion.

Senator PROXMIRE (p. 19035) asserted proposed constitutional amendment would not be ratified by the people but by malapportioned State legislatures, and that the latter would frame the eventual referenda questions for the people were the amendment to be ratified; that the option in the proposed amendment was unreal in that the "one man—one vote" option could lead to unwieldly elections of entire State legislatures at large.

Stressed fact that proposed amendment was "unique" in that State legislators who would be called upon to ratify it had a vested interest in it—thus it should be submitted to conventions in each State for ratification (p. 19036).

Senator LAUSCHE (p. 19036) stressed that State legislatures memorializing Congress represented all points of view, indicative of bipartisan feeling toward the issue.

Senator PROXMIRE (p. 19036) alternative: Have ratification by popular conventions.

Stressed that urban centers would not benefit from "one man—one vote," but that suburbs would, where population shifts had occurred.

Argued that population representation would revive State governments (p. 19038).

Senator MORTON (p. 19038). "One man—one vote" is destructive of checks and balances in State government.

"In addition, it could lead to population apportionment of the U.S. Senate." The Senator described the Senate if it were so apportioned.

Asserted that population apportionment would give only token, not real representation to various interests in the States.

Senator JAVITS (p. 19040) called up his substitute for the amendment by Senator DIRKSEN. Indicated its difference from the latter.

Alternative: Apportionment in the second house would be a mixture of population, geography or political subdivisions, but would be required to bear a reasonable relationship to the needs of the State.

The question of "reasonableness" could be determined judicially.

No discrimination on grounds of race or color could be accomplished since all other existing provisions of the Constitution would be enforced by the courts.

Population, as part of a "mix," would have to be given some consideration in apportionment of the second house.

Any referendum under it would have to be statewide with every voter having an equal vote.

Resubmission would be required every 10 years as in Senator DIRKSEN's proposal.

Resubmission would include alternative proposals, that is, a "little federal" and a population plan.

Some of his language was more clear than in Senator DIRKSEN's proposal, he asserted.

Stated that his proposal would commit the problem to the courts under a standard set out in the amendment; that he was uncertain that Senator DIRKSEN's proposal would clearly permit judicial review where final decision was vested in a majority of the voters.

Asserted that his amendment would follow a path indicated by the Supreme Court but which it was powerless to delineate in view of its construction of the equal protection of laws clause in its *Reynolds* decision. That both was one of some flexibility. However, lower courts have been constrained to follow a strict population interpretation and it will be years before the courts will have spelled out what an acceptable formula will be.

Asserted his amendment, with its concepts of "mix" and relation to "reasonable needs" of each State constituted a flexible formula to carry out the Supreme Court's intent and one which would allow the Court to work out more flexible, appropriate apportionments than would be possible under the *Reynolds* decision as strictly interpreted.

Senators MANSFIELD, JAVITS, DOUGLAS, PROXMIRE, and CLARK (pp. 19042–19046) proposal and acceptance of a unanimous-consent agreement to provide, on Wednesday, August 4, for 1 hour debate on any amendment, motion, or appeal relating to the Dirksen substitute, to be equally divided, except that the debate on the Javits amendment would be 2 hours, 1½ to Senator JAVITS and one-half to opponents, plus 4 hours of debate on the Dirksen substitute, to be equally divided.

Senators CLARK and JAVITS engaged in a discussion as to the meaning of the phrase "consistent with the provisions of this Constitution, except for the provisions of this article" in Senator JAVITS' proposal, the one Senator alleging the phrase would cancel the amendment out, the other that it would mean that all provisions of the Constitution would be applicable to apportionment except the equal protection clause of the 14th amendment insofar as it was modified by Senator JAVITS' amendment (pp. 19046–19047).

Senator JAVITS (pp. 19048–19049) asserted that there was some need for reasonableness and flexibility in State apportionment which his proposal would provide, whereas uniform application of the "one-man one-vote" proposal in all States would be very detrimental to some.

His proposal, he stated, would implement the "reasonable" formula spelled out by Mr. Justice Stewart in *Lucas* v. *Colorado*, 377 U.S. 713 (June 1964) (p. 19050).

Senator CLARK (p. 19052) inserted in the CONGRESSIONAL RECORD various documents relating to apportionment in Pennsylvania.

TUESDAY, AUGUST 3, 1965

Senator GRUENING (p. 19083) inserted in CONGRESSIONAL RECORD article by James J. Kilpatrick supporting Senator DIRKSEN's amendment.

Senator MCNAMARA (p. 19095) opposed Senator DIRKSEN's amendment on the ground that it would abridge the integrity of the vote of the American citizen.

Cited legislative accomplishments of reapportioned Michigan legislature (pp. 19095–19097).

Cited "abuses" under malapportioned system in Michigan (p. 19096).

Asserted that any suggestion of inequality be rejected—the Nation was moving past that point (p. 19096).

Cited dangers of any deprivation of rights of a group—that it might in the future turn around and inflict the same treatment on those given control today.

"Only way to make sure that fairness to all will result is to accept population representation," he asserted.

"Adjustment is being made—the proposed amendment would turn back the clock," he stated.

Senator RIBICOFF (p. 19097) saw the issue as a "vital" one of "the right of individual citizens to be represented equally in the legislature."

Asserted adoption of the proposed amendment would constitute the first time that the Constitution had been amended to infringe upon the "fundamental rights of American citizens."

Cited U.S. history as supporting equal rights, free franchise, population apportionment (p. 19098).

Denied any analogy between composition of the Federal Government and that of States.

Opposed any majority, urban or rural, setting aside "fundamental" rights of citizens (p. 19099).

Discussed difficulties in referenda—long ballots, confusion of issues, preparation of the question by malapportioned legislatures, low turnout of its electorate (p. 19100).

Discussed development of malapportionment in Connecticut over long period during which apportionment formula remained unchanged while the population shifted (p. 19100).

Spoke of constitutional convention in Connecticut now in session (pp. 19101–19102).

Asserted State legislatures should be able to reflect needs of the times—revitalize federalism (p. 19106).

Cited examples of inattention to urban needs by "rural dominated" State legislatures (p. 19107).

Cites possible dangers to racial groups through malapportionment (p. 19108).

Senator ALLOTT (p. 19109) discussed Colorado situation and decision by voters in 1962 for balanced representation, for a "little federal" system.

Stressed voluntary aspect of the amendment—did not compel any State to adopt a second house apportioned on factors other than population. The decision would be left to the people of each State (p. 19109).

Asserted that adoption of the amendment would in no way infringe on the movement for civil rights for the Negro. Cited States like Colorado and New York, with "little federal" systems that were in the forefront of civil rights movement (p. 19110).

Stressed difficulty of securing apportionment guidelines from the courts and necessity to adopt the amendment to provide some (p. 19111).

Refuted referenda statistics by Senator DOUGLAS by showing that minority of voting age citizens also elected public officials in Colorado (p. 19114).

Senator DOMINICK (p. 19114) expressed support for the amendment and for the right of the people to choose.

Senator TYDINGS (p. 19115) discussed several dictionary definitions of "geography" (as a factor in apportionment under the proposed amendment)—described it as being very broad and inclusive.

Senator ALLOTT and Senator PROXMIRE discussed whether the 1962 referendum in Colorado involved a "loaded" question or a "loaded" situation (pp. 19116–19117).

Senator COOPER (p. 19117) reasserted this belief that population-based apportionment had not been generally accepted in the Nation heretofore.

Referred to some of the extreme arguments used by opponents of the amendment (p. 19118).

Asserted that fair representation of people and interests would be provided under the proposed amendment (p. 19118).

Senator JAVITS (p. 19118) expressed concern at the speed by which Senator DIRKSEN's somewhat nonflexible proposal was being pushed. Felt the proposal should be more flexible or else more study should be given to it.

Senator TYDINGS (p. 19119) expressed concern that "transient majority" in a State could lock up apportionment therein for 10 years, to the detriment of the individual citizen's voting right.

Stressed panic by which amendment was being pushed—noted absence of extended consideration.

Expressed regret that the word "reasonable" as applying to apportionment of unicameral legislatures had been dropped from final version of Senator DIRKSEN's amendment (p. 19120).

Asserted there were virtually no limits in the amendment to the extent that nonpopulation factors could be considered in apportioning a second house.

Reiterated his argument that if the people were to decide they should be given the right to decide on ratification of the amendment through State conventions (p. 19121).

Reiterated the argument that uninhibited majority rule to the destruction of individual rights was not constitutional.

Senator COOPER (p. 19121) argued that adoption of the amendment would not deprive the courts of jurisdiction to determine if an apportionment plan on factors other than population were rational and fairly representative.

Senator TYDINGS disagreed.

Senator MONDALE (p. 19122) expressed his belief that courts could do little about apportionment plans for the second house adopted under the amendment.

Senator TYDINGS (p. 19123) reiterated his argument that the proposal was considerably different from Senate Joint Resolution 2 and that further hearings and study should be given to it.

Expressed his objection to the "cumbersome" referenda procedure (p. 19123), the lack of alternatives after the first, the chaos from judicial review and pending lawsuits to the stability of plans, etc.

Senator CASE (p. 19174) expressed opposition to the amendment as an abridgement of the equality of the voting right; its "assumption" that virtue is inherent in geographic areas with few people; its effect of enabling current minorities now "enjoying" the "veto" power to perpetuate it.

Has not detected any great "groundswell" of support for the amendment (p. 19175).

No kind of amendment to the Dirksen amendment could change the inherent aspects of the latter in resulting in inequality of the voting right based on geographical considerations (p. 19176).

Senator FONG (p. 19177) supported the amendment.

Discussed the travail of Hawaii in attempting to meet the problem.

Expressed concern with "logical extension" of the *Reynolds* doctrine to the U.S. Senate, under which result 34 of the 50 States would be shorn of representation in the Senate (p. 19179).

Also cited "logical extension" of the decision to the electoral college to the detriment of the small States (p. 19180).

Stressed American doctrine that government derives its just powers from the consent of the governed (p. 19180), and that the system of differing bases of apportionment for a legislature has worked.

Senator HART (p. 19181) expressed his opposition to the amendment; reported that the reapportioned Michigan legislature had not run "roughshod" over the rural elements. Cited Massachusetts, Oregon, and Wisconsin, as other population apportioned States where the same results occurred (p. 19182).

AUGUST 4, 1965

Senator SCOTT. Opponents of the proposal are creating a dangerous situation because if only a few more States petition Congress a convention must be called. Once it is called, no one can be sure of what will be forthcoming (pp. 19311–19313).

Senator JAVITS. The substitute differs from the Dirksen proposal is a number of ways. (1) It requires that population be the base but allows the factors of geography or political subdivision to be given consideration, whereas the Dirksen proposal gives the people the option among the three factors.

(2) It retains court jurisdiction to see if population has been used as a base with the other two factors being also utilized, while the Dirksen amendment does not tie the choice of the people to any standard which a court may consider.

(3) It creates a standard that the plan must bear a reasonable relationship to the needs of the State, which standard the courts will pass upon, while the Dirksen amendment keeps the courts out. The standard is one the courts should have no trouble applying.

A court could pass upon the nonpopulation plan before it was submitted to the electorate.

(4) The substitute makes clear that only the Court's interpretation of the 14th amendment in *Reynolds* is being altered and that no other provision or interpretation is being altered. That is the meaning of "is consistent with the provisions of this Constitution except for the provisions of this article."

(5) The substitute makes clear that a referendum vote must be statewide while the Dirksen amendment does not so state in so many words.

(6) The substitute provides for the submission of a population plan each time a nonpopulation plan is submitted to the voters whereas the Dirksen proposal merely requires such the first time.

The issue is whether Congress is to allow any measure of flexibility to the people of a State who wish to adopt the Federal analogy.

The substitute recognized and seeks to effectuate the dictum of the Court that some divergences might be based upon legitimate considerations incident to the effectuation of a rational State policy (pp. 19308–19311, 19313–19315).

Senator DOUGLAS. What is wrong with the substitute, as well as with the principal proposal, is that it is based on the assumption that something is wrong with the apportionment decision. That decision does not demand mathematical exactness and is being reasonably followed. Substitute would introduce the possibility of great misinterpretations (p. 19315).

Senator BAYH shares Senator JAVITS' regret that Court had to do what it did but there was no other course.

Alternatives: The States should be allowed some leeway, but not without adequate safeguards which the Dirksen amendment does not have. The "reasonable necessity" test of Senator JAVITS is a possible safeguard as well as the "prior compliance" amendment Senator BAYH had considered offering (p. 19318).

Senator MILLER. Court has permitted multimember districts, but has stated that under some circumstances it might not. Therefore, offers and amendment to require subdistricting of multimember districts. Such action would prevent discrimination against minorities and prevent litigation (pp. 19319–19321).

Senator TOWER (p. 19322) supports the Dirksen amendment. Sees loss of system of checks and balances with adoption of one-man, one-vote formula.

Expressed concern over political power being wielded by "transient pluralities" under one man, one vote; that is, by pluralities within the majority party, probably "big city bosses."

Senator SMATHERS (p. 19323) supports the amendment in its revised form; emphasized possibility of judicial review under the amendment, and periodic review.

Stressed possibility of "boss" control under one man, one vote (p. 19325).

Senator ANDERSON (p. 19325) expressed opposition to the amendment, and presented apportionment situation in New Mexico and discussed population changes in the State and their relation to representation.

Senator KENNEDY of New York (p. 19327) discussed examination of one-man, one-vote issue by the Kennedy administration and President Kennedy's general support of the proposition.

Inserted in the RECORD a list of comparative legislative activities by Legislatures of Colorado, Delaware, and Michigan, before and after reapportionment.

Discussed possible racial implications of the amendment since, he argued, under it a malapportioned plan, based, for instance, on geography, discriminating against Negroes could be put into effect now before they are fully registered to vote, the result of which could be to shut them out for some time from effective representation (p. 19329).

Senator HRUSKA (p. 19330) stressed constitutional manner of presenting the amendment for adoption and ratification.

Stressed its possible protection of minorities.

Stressed chaos and confusion resulting from court decisions. Asserted need for a standard (p. 19331). Inserted in the RECORD examples of "mess" arising from litigation in selected States.

Senator BIBLE (p. 19332) supported the amendment.

Declared that the *Reynolds* decision struck at checks and balances and State sovereignty.

Referred to practical problems in each respective State relating to apportionment. The amendment offers a middle ground between extremes and enables the people to make the decisions (p. 19333).

Senator MORSE (p. 19333) opposed the amendment. Contended that dynamic federalism was supported by the *Reynolds* decision.

Argued that judicial review would be abrogated by its adoption.

Senator SMITH (p. 19334) supported the amendment. Expressed concern about the possible extension of the *Reynolds* doctrine to U.S. Senate.

Senator SIMPSON (p. 19335) supported the amendment along prior lines of debate.

Discussed reapportionment travails in Wyoming.

Senator STENNIS (p. 19336) supported the amendment.

Contended that the equal protection clause was not intended to be interpreted as in the *Reynolds* decision nor the *Baker* v. *Carr* decision.

Senator YOUNG of Ohio (p. 19337) stated that the reapportionment amendment was a civil rights question. Argued for the equality of the vote for all citizens within a State.

Senator DOUGLAS (p. 19338) argued that the implications of the *Reynolds* decision could not extend to the U.S. Senate since the Constitution provides that no State, without its consent, shall be deprived of its equal suffrage in the Senate.

Senator CLARK (p. 19338) argued against the procedure of substituting the amendment for the American Legion Baseball Week bill; that it constituted a nongermane amendment procedure.

Senator Kennedy of Massachusetts (p. 19339) opposed the amendments as opening the door to legislative apportionment that would seriously "dilute" the vote of Negroes in all parts of the Nation.

Senator Bayh (p. 19341) stressed the need for some consideration of geographic and local political subdivision factors as well as population in the apportionment of one house, but suggested—

Alternative: That before any State deviates from population-based apportionment it must first reapportion itself so that all States could start from the same base, and, given some leeway, establish a system to fit the needs of each separate State.

Contended that further committee study was necessary on the amendment.

Senator Dodd (p. 19341) opposed amendment; action is too swift following the *Reynolds* decision and no State has yet shown any injury to it as a result of the decision; the amendment failed to receive committee consideration and was not reported from committee.

Contends that no constitutional right can be made the subject of popular referendum.

Senator Aiken (p. 19342) supported the amendment because it would permit the people in each State, on a "one-man, one-vote basis" to determine the framework of their State government.

Senator Hickenlooper (p. 19343) supported the amendment because it would preserve the right of self-determination in the people of each State and would implement the *Reynolds* decision by allowing the voters in each State to make that determination on a "one-man, one-vote" basis.

Contends that in this sense, the amendment would be a bridge between the past and the future.

Asserted that Iowa, with a malapportioned legislature, had adequately met the needs of that State.

Contended that rejection of the amendment would lead to a resurgence of city boss control of State legislatures, a trend that had been broken.

Senator Miller (p. 19345) supported the amendment, along lines of prior debate and stressed reserving to the people the ultimate power of decision.

Senator Dirksen (p. 19346) stated his intention to carry on the effort for his amendment even if it were rejected at the termination of the current debate.

Reviewed the history of the amendment.

Argued for the right of the people to decide, for the continuation of the Federal system and State authority.

Stated that the amendment did not constitute an attack on the Supreme Court, but that the *Reynolds* decision could constitute a barrier to effective State-exercised authority and that it would some day have to be altered in response to demands by the people.

Senator Douglas (p. 19351) opposed to "subtracting from the equality of citizens under the law."

Contended that "letting the people decide" was "deceptive."

(1) The amendment provided for its ratification by "malapportioned" legislatures.

(2) such legislatures would propose the plans to be submitted in referenda.

(3) The provision for periodic review would leave control in the hands of a malapportioned legislature since only an alternative "little federal" plan was called for.

Reiterated arguments on low voter participation in referenda, confusion among the voters, and susceptibility to manipulation by pressure groups.

Contended that "minority" control of one house was sufficient for control of a State legislature since it would possess a veto.

Senator Hruska (p. 19353) presented an amendment to change the three factors in the proposal, i.e., population, geography, and local subdivision as factors to be considered in apportionment of the second house, from disjunctive to conjunctive, thereby requiring that all three be included in such apportionment.

His second amendment was to reinsert "reasonable" in relation to the apportionment of a unicameral legislature as had appeared originally in Senate Joint Resolution 2.

His third amendment would require that alternative plans be submitted to the voters at all referenda, not just the first, that is, one for a "little federal" plan and the other for population basis.

The proposal of Senator Dirksen was so modified by the three amendments (p. 19353).

Senator Boggs (p. 19353) submitted an amendment to provide that any plan for apportionment of a second house would not reduce the representation of voters in rural areas in that house to less than they might have under a one-man, one-vote apportionment.

Senator Dirksen opposed the amendment on the ground of its being ambiguous and difficult of administration (p. 19354).

The amendment of Senator Boggs was rejected (p. 19354).

On the vote for the substitution of Senator Dirksen's amendment, as modified, for the American Legion Baseball Week bill, those in favor were 59, those against 39 (p. 19355).

Senator Prouty (p. 19355) supported the amendment, relying, in part, on Mr. Justice Harlan's dissent in the *Reynolds* case.

Suggested the possibility of Congress legislating under article IV, section 4 of the Constitution (guaranteeing to each State a republican form of government) so as to repeal as "unrepublican" reapportionments of State legislatures brought about by judicial "coercion" (p. 19357).

Senator Symington (p. 19358) supported the modified amendment; argued for the right of the people to choose, the fairness of providing alternative plans in each referenda, and the continuance of judicial review.

Senator Harris (p. 19358) supported the modified amendment on lines of prior debate and presented story of reapportionment in Oklahoma.

Senator Burdick (p. 19358) opposed the modified amendment on grounds of revivification of State legislatures and recognition of the Supreme Court's necessary and reluctant action. Described situation in North Dakota.

Senator Curtis (p. 19362) supported the modified amendment in line with arguments of Senators Dirksen and Allott and presented Nebraska's travails with the popular will being obviated by the courts.

Senator McGovern (p. 19364) opposed the modified amendment in line with arguments of Senator Case and others and presented South Dakota's history of general adherence to population apportionment.

Senator Murphy (p. 19366) supported the modified amendment in line with prior debate and presented history of California's experience with and rejection of "one man, one vote" for both houses.

* * * * *

On the question of agreeing to the proposed constitutional amendment, as modified, the vote was, in favor 57, against 39, and it failed to secure the two-thirds support necessary under the Constitution (p. 19373).

ADJOURNMENT

Mr. DIRKSEN. Mr. President, if there are no further observations to be made, under the order previously entered, I move that the Senate do now adjourn.

The motion was agreed to; and (at 5 o'clock and 58 minutes p.m.), the Senate adjourned, under the previous order, until tomorrow, Thursday, August 12, 1965, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 11 (legislative day of August 10), 1965:

In the Air Force

The following persons for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with date of rank to be prescribed by the Secretary of the Air Force:

To be captains, USAF (Medical)

John D. Best, AO3112587.
Victor A. David, AO3140056.
Ronald S. Green, AO3141329.
Edwin R. Orr III, AO2295716.
John G. Short, AO3126183.
James D. Strong, Jr., AO3140237.
Aubrey M. Worrell, Jr., AO3127075.

To be captains, USAF (Dental)

Clair W. Andrus, AO3091656
Gerald H. Grayson, AO3125591.
Robert L. LaBarge, AO3111159.

To be first lieutenants, USAF (Dental)

Joseph A. Camamo, AO3140811.
Raymond A. Ceresoli, AO3165179.
James C. Comis, Jr., AO3141244.
John J. Forgach, AO3140855.
Robert L. Jackson, AO3140705.
Wilfrid M. Keaton, AO3141326.
Charles R. Killingsworth, AO3140415.
Thomas A. Marquardt, AO3140843.
Warren H. Marttala, AO3141286
David L. Powell, AO3140197.
Donald R. Quick, AO3140272.
William P. Schellhase, AO3165772.
John T. Stamps, AO3140257.
Thomas H. Tatum, AO3140369.
Steve H. Zulawnik, AO3140412.

The following Air Force officers for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force:

To be captain

Robert E. Barretta, AO3037228.

To be second lieutenant

Howard B. Newton, AO3155834.

Subject to medical qualifications and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force, in the grade of second lieutenant, under the provisions of section 8284, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force:

Walter D. Alexander, Jr.
Michael E. Anderson
Stephen E. Bennett
Lawrence J. Biever
Stephen W. Brown
Arlen E. Diamond
William G. Eager III
Leon F. Ellis, Jr.
John L. Emigh
Kevin B. Farrell
Warren T. Harrison
Stephen M. Hunt
Ronald D. Jefferies
David J. Jones, Jr.
Robert H. Jones II
David H. MacLeod
Terrence M. Nelson
Walter D. Ozley
Larry N. Prose
Bernard G. Ragsdale, Jr.
David L. Routhier
Willits A. Smull
Michael F. Trahan
Michael R. Watts

CONFIRMATIONS

Executive nominations confirmed by the Senate August 11 (legislative day of August 10), 1965:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

John W. Gardner, of New York, to be Secretary of Health, Education, and Welfare.

U.S. SUPREME COURT

Abe Fortas, of Tennessee, to be an Associate Justice of the Supreme Court of the United States.

TREASURY DEPARTMENT

W. True Davis, Jr., of Missouri, an Assistant Secretary of the Treasury.

DEPARTMENT OF JUSTICE

William B. Bryant, of the District of Columbia, to be U.S. district judge for the District of Columbia.

Oliver Gasch, of the District of Columbia, to be U.S. district judge for the District of Columbia.

William R. Collinson, of Missouri, to be U.S. district judge for the eastern and western districts of Missouri.

Elmo B. Hunter, of Missouri, to be U.S. district judge for the western district of Missouri.

Robert E. Maxwell, of West Virginia, to be U.S. district judge for the northern district of West Virginia.

Luther B. Eubanks, of Oklahoma, to be U.S. district judge for the western district of Oklahoma to fill an additional position created pursuant to the provisions of title 28, section 372(b), of the United States Code.

Oren Harris, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas, to fill a position created by Public Law 87-36, approved May 19, 1961.

Sylvan A. Jeppesen, of Idaho, to be U.S. attorney for the district of Idaho for the term of 4 years.

John O. Garaas, of North Dakota, to be U.S. attorney for the district of North Dakota for the term of 4 years.

David M. Satz, Jr., of New Jersey, to be U.S. attorney for the district of New Jersey for the term of 4 years.

Anson J. Anderson, of North Dakota, to be U.S. marshal for the district of North Dakota for the term of 4 years.

Robert F. Morey, of Massachusetts, to be U.S. marshal for the district of Massachusetts for the term of 4 years.

Frank W. Cotner, of Pennsylvania, to be U.S. marshal for the middle district of Pennsylvania for the term of 4 years.

Forrest F. Walker, of Virginia, to be U.S. marshal for the eastern district of Virginia for the term of 4 years.

Doyle W. Foreman, of Oklahoma, to be U.S. marshal for the northern district of Oklahoma for the term of 4 years.

COMMISSION ON CIVIL RIGHTS

William L. Taylor, of New York, to be Staff Director for the Commission on Civil Rights.

U.S. SOLICITOR GENERAL

Thurgood Marshall, of New York, to be Solicitor General of the United States.

EXTENSIONS OF REMARKS

The Civil Air Patrol's International Air Cadet Exchange Program

EXTENSION OF REMARKS

OF

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1965

Mr. WOLFF. Mr. Speaker, on Tuesday evening, August 10, I was privileged to attend a dinner sponsored by Pan American World Airways, Inc., honoring the Civil Air Patrol's international air cadet exchange program. A measure of the importance of such programs, which encourage youth to enter the great adventures of the air and space age, was a letter sent by President Johnson, who was unable to attend.

I would like to insert this fine letter in the RECORD, and to add my congratulations to those of the President to all the young men of the free world who have chosen to participate in man's greatest adventure—the conquest of the universe.

The letter follows:

> THE WHITE HOUSE,
> *Washington, August 10, 1965.*
>
> Although I am unable to be with you tonight, I want to express to you my personal greetings through my able assistant, Mike Manatos, on the occasion of your annual pan-American dinner honoring the foreign cadets of the international air cadet exchange.
>
> It is always heartening to welcome young men from abroad to visit the United States and participate in the many activities arranged by our Civil Air Patrol. I am confident that this brief sharing in the family life of your hosts has been a mutually rewarding experience and has encouraged a feeling of cooperation and good will for both you and them. I have no doubt that our representatives to your countries have found their visits equally rewarding.
>
> The enthusiasm, dedication, and self-sacrifice of the Civil Air Patrol members with whom you have visited attest to their strong desire to serve, through their program, a useful purpose in a troubled world. I know that your own programs, which made this visit possible, are enabling you to serve your own countries with equal dedication and gratifying success.
>
> May each of you have a pleasant trip home and may next year's international air cadet exchange sustain the exemplary record which you have set.
>
> LYNDON B. JOHNSON.

Death of Casey M. Jones

EXTENSION OF REMARKS

OF

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1965

Mr. TEAGUE of Texas. Mr. Speaker, it is my sad duty to announce the death of Casey M. Jones, who for a number of years was a professional aid to the Committee on Veterans' Affairs.

Casey was first named to the committee staff in January of 1947, by the late chairman, the Honorable Edith Nourse Rogers. He served continuously with the committee until his retirement a number of years ago and made a real and lasting contribution to the accomplishments of the Committee on Veterans' Affairs during the period he was employed by the committee.

Casey had a distinguished record in World War I, in which he served as an intelligence officer, and had the distinction of serving with Teddy Roosevelt, Jr., and also with two former Members of Congress, the Honorable Jesse Walcott and Clarence Kilburn.

For a number of years Casey was associated with the Veterans of Foreign Wars, and was always keenly interested in the work relating to the needs and responsibilities of the veterans of this country. For a number of years he had been in poor health, and in recent months had found it necessary to be in the hospital almost continuously. He will be sorely missed by his many friends, and to his wife and other members of his family I extend my own sympathy and that of other members of the committee and the Congress who were privileged to know him.

Bolivia Celebrates 140th Anniversary

EXTENSION OF REMARKS

OF

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1965

Mr. COHELAN. Mr. Speaker, on August 6, 1825, a congress of delegates meeting in the city of Chuquisaca formally declared the independence of Upper Peru, later to be renamed Bolivia. A review of this action, which climaxed years of struggle in that country and throughout all of South America, can help us renew our faith in the desire of all men to obtain freedom from outside control. So on the 140th anniversary of that historic date, which was celebrated last Friday, I rise to pay tribute to the courageous men of Bolivia who fought and gave their lives so that their offspring could enjoy the benefits of a national state.

Bolivia has always been a country rich in natural resources, but before 1826 it was not free to use them herself. The Spanish conquered Bolivia in 1532, and it quickly became one of their most valued possessions. The discovery of silver around Potosi made the area known around the world. In 1559 Bolivia was made part of the Viceroyalty of Peru, but the seeds of unrest were already growing. Creoles—Spaniards born in the New World—were denied the right to hold high office, while the Indians were assigned tracts of land to cultivate and were forced to work in the mines.

The first uprising, which began in the year 1661, was unsuccessful, but they continued fairly steadily through the years after that. At first the uprisings were headed solely by the Creoles, but the Indians were included later on. The Spaniards were able to defeat the rebellions until trouble in Europe set the stage for a successful one. In 1808 Napoleon tried to force a French ruler on Spain and the Americas but his plan met with failure. The Audienca of Charcas advocated freedom from Spain for the New World in 1809, and the fight began in earnest.

But Bolivia did not gain its independence easily; it was not until Bolivar's great general, Antonio Jose de Sucre, won the decisive battle of Ayacucho in 1824 that the complete independence of Bolivia was assured. The extraordinary length of this fight for freedom is certainly a great tribute to the spirit and unquenchable thirst for liberty of the people of Bolivia.

Over the years since the congress of delegates met in Chuquisaca, Bolivia has had its share of turbulence, but its exports have always contributed greatly to world trade. Tin has long been a very important Bolivian commodity on the world market. Growing petroleum and rubber industries are sure to aid in the further development of the Bolivian economy. As a member of both the O.A.S. and the United Nations, and with increasing government stability, it now appears that we can now look forward to Bolivia's taking an even greater responsibility for improving the lot of her people and the welfare of the hemisphere.

And so, Mr. Speaker, it is with a feeling of deep pride and admiration that I rise to honor the Independence Day of our neighbor to the south, and to extend to Bolivia my every best wish for future growth, prosperity, and progress.

Profiles of Wyoming Greatness

EXTENSION OF REMARKS

OF

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1965

Mr. RONCALIO. Mr. Speaker, in commemoration of Wyoming's 75th anniversary of statehood, I present the fourth in my series on great Wyoming citizens. Previous biographies featured Joseph M. Carey, Francis E. Warren, and John B. Kendrick.

ORPHANED AT SEVEN

A prominent Republican Party leader for 30 years, Frank Wheeler Mondell was born in St. Louis on November 6, 1860. Orphaned at the age of 7, he joined the family of a Congregational minister at Monona, Iowa, moving with them 2 years later to a homestead in the northwestern part of the State.

Living 100 miles from the railroad, he supplemented a 3-month annual country schooling with books from his guardian's extensive library. At 18, he went to Chicago and a year later to Denver, where for the next 8 years he worked in engineering and construction activities of the expanding West.

FIRST NEWCASTLE MAYOR

In 1887, he went to Wyoming, where he discovered a bituminous coal deposit which opened up the Cambria mines. He laid out the town of Newcastle and became its first mayor, serving until his election as State senator in 1892. He was elected president of the senate in his second term.

In 1894, he was a candidate for Governor, but at the last moment became the Republican nominee for Congress. After serving one term he was defeated in the free silver election of 1896. He then became assistant commissioner of the General Land Office until his reelection to the House in 1898, where he served continuously until 1923.

HOUSE REPUBLICAN LEADER

In the middle of President Wilson's second term, Mr. Mondell had been chosen as Republican leader in the House. He was reelected in the 67th Congress and directed legislation during 4 important postwar years.

A confessed conservative and organization man, Congressman Mondell fought the move to strip Speaker Cannon of many of his powers and opposed the Bull Moose candidacy of Theodore Roosevelt in 1912. As permanent chairman of the 1924 Republican Convention, he scored the party's "radicals" and parried the efforts of the late Senator La Follette and his followers.

ADVOCATED WOMAN SUFFRAGE

As a Member of the House he advocated woman suffrage, authored the enlarged Homestead Act and the bill shifting the Forest Service from the Interior to the Agriculture Department, and had charge of the National Reclamation Act.

It was not until he was in Congress that Mondell began the study of law. He attended night law school, receiving his LL.D. from George Washington University in 1921, and in 1924 was admitted to practice in Wyoming. He was president of the Dry Farming Congress from 1910 to 1915 and was a 33d degree Mason.

IN LINE FOR SPEAKERSHIP

Instead of seeking reelection in 1922, he ran for the Senate, but was defeated by Senator Kendrick, a Democrat. It was said that had Speaker Frederick H. Gillette announced sooner his candidacy for the Senate, Mr. Mondell would have chosen to stay in the House, where he would have succeeded to the speakership.

Following his defeat, Mondell became Director of the War Finance Corporation, having declined President Harding's offers of ambassadorial appointments. Later, he declined a Cabinet position in order to enter a private law practice in Washington, D.C.

He died August 6, 1939, and was buried in Washington's Rock Creek Cemetery. He and his wife, the former Ida Harris, were the parents of five children—William Harris Mondell, who now lives in Billings, Mont.; Frank Wheeler Mondell, of Washington, D.C.; the late George Parker Mondell; Marjorie Mondell, now Mrs. Mills Astin; and Dorothy Mondell, now Mrs. Sherlock Davis.

Frank Mondell rose above the disadvantages of his earlier years, educated himself on his own initiative, became one of his party's most eminent leaders, and nearly gained the post of the most powerful man in Congress, Speaker of the House. His dedication and service make Frank Mondell one of Wyoming's outstanding citizens during her 75 years of statehood.

Section-by-Section Analysis of the Intergovernmental Cooperation Act of 1965

EXTENSION OF REMARKS

OF

HON. CARLTON R. SICKLES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1965

Mr. SICKLES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following section-by-section analysis of the Intergovernmental Cooperation Act of 1965:

SECTION-BY-SECTION ANALYSIS OF THE INTERGOVERNMENTAL COOPERATION ACT OF 1965—H.R. 10212

TITLE I—DEFINITIONS

Sections 101–121: These sections define "Federal agency," "State," "political subdivision" or "local government," "unit of general local government," "special-purpose unit of local government," "grant" or "grant-in-aid," "specialized or technical services," "comprehensive planning," "metropolitan area" or "area," "urban area," "areawide agency," "urban development," "hospital," "displaced person," "business," "farm operation," "family," "elderly individual," "handicapped individual," "displaced," and "person."

TITLE II—IMPROVED ADMINISTRATION OF GRANTS-IN-AID TO THE STATES

Full information on funds received

Section 201: The multiplicity of grant-in-aid programs and their magnitude make it imperative that the Governor (and his principal assistant on budget and management matters) be in a position to become fully informed on such programs, if he is to be able to prepare a suitable budget with respect to the State's finances, and if he is to manage the departments and agencies of the State which are under his supervision. Grant-in-aid programs, however, are normally handled by various program agencies within the State which have the requisite competence in their particular fields. Without in any way detracting from the normal flow of communications between the State program agencies and the Federal program agencies in each case, section 201 provides that the Governor (or some other State officer designated by him or by the legislature) will be informed by the Federal department or agency administering a grant program, upon request, with such facts as it makes available to the State program agency. These facts may relate to grants-in-aid actually made, appropriated for, or recommended by the President to the Congress of the United States.

Most grant-in-aid programs involve some cost sharing between the Federal and State Governments. With respect to some States and some programs, there have been confused budget procedures because the State's financial share is operated through normal budget procedures of the State, while the Federal financial share, even though obligated and disbursed by a State, has sometimes been outside the scope of budget review. It is impossible to make a meaningful budget review with respect to a program if only half, or less, of the program's cost is revealed to the Governor or other State officer designated for the purpose. Therefore, section 201 also provides that no Federal legislation shall be construed as preventing the Governor (or other State officer designated) from participating in the State's determination of its financial matters under Federal grants in the same manner as he does with respect to the budgeting of State funds. This provision does not, of course, extend to any authority to plan for, commit, or expend Federal funds in an amount or manner that would be inconsistent with the conditions which the Federal Government has attached to its grant. But it would place in the State's chief executive the means of bringing about a greater degree of regularity in financial planning and budgeting for all the funds which are used to operate State agencies.

Uniform handling of grant funds

Section 202: This section is intended to systematize the handling of cash in connection with grants-in-aid. It would require that grants be paid to the State treasurer unless the State itself has designated someone else to receive the grants. In recognition of the fact that some State universities keep their moneys apart from the State treasury, the bill authorizes in these cases the use of alternative procedures as may be authorized by State legislation such as the direct receipt of Federal funds by State colleges and universities.

This section also contains a provision that appropriate accounting advice with respect to the transmittal of funds shall be provided to such other State officers as may require the data. This would virtually always mean that advice would be given to the State program agency concerned. In addition, advice might be given to the State comptroller, State auditor, or State budget officer.

State salaries paid from grants-in-aid

Section 203. This section would prevent the use of a Federal grant-in-aid to supplement or bypass State laws with respect to the salaries of State employees. On the other hand, it would permit Federal grants to be used to pay higher salaries than the State pays where the State specifically decides to do so by enactment of an appropriate State law and it is agreed to by the Federal agency concerned. A period of grace is given (until July 1, 1967) before this section becomes operative in order to permit State legislatures to act in those cases where they wish to permit an exception.

Deposit of grants-in-aid

Section 204: This section would make clear the fact that there can be a proper accounting for Federal funds without the use of separate bank accounts. Some of the older Federal laws and regulations were so worded as to leave the impression that Federal money had to be kept in separate bank accounts by the State government. Some States, therefore, have set up a complicated maze of separate bank accounts relating to various Federal grant programs. With modern accounting methods, it is no longer necessary to require that the money be banked separately, so long as the accounting officer of the State keeps appropriate fund accounts to distinguish the balance which the State has received but not yet earned. Section 204 provides for the application of these principles.

The Federal Government has a legitimate concern to see that all grants are applied as intended, and to receive certain elementary facts with respect to the financial status of a program. Section 204 would also provide for regular reports to be made, at such intervals as the Federal program agency may require, covering the status and application of the funds, the liabilities and other obligations on hand, and such other facts as may be necessary.

Scheduling of Federal transfers to the States

Section 205: This section would enact into law a principle which is already being adopted administratively—the principle that grant money should not be advanced from the Federal Government to a State for longer time periods than are necessary prior to its use. Advances for 3 or 6 months at a time, formerly made in several programs, and still required by law for a few programs, result in expenditure of money from the Federal Treasury before it is necessary, with no advantage accruing to either the Federal program agency or the State program agency concerned. Modern methods of transmitting money, including telegraphic transfers, the letter of credit procedure, and sight drafts, make lump-sum advances at stated intervals archaic.

Past decisions of the Comptroller General of the United States required that a grantee return to the United States any interest earned on Federal grants prior to their use. However, the Department of Health, Education, and Welfare Appropriation Act, 1965, enacted on September 19, 1964 (Public Law 88–605), contains a provision (sec. 205, 78 Stat. 979) which precludes the Department requiring the payment of interest or other income earned by a State on grants for research, training, or demonstration projects made prior to July 1, 1964. In view of the legislative history of this matter, the Comptroller General, in a decision dated September 30, 1964 (B–152505), stated that no further action would be taken toward the recovery of interest or other income earned prior to July 1, 1964, on Federal grants made to colleges and universities. Section 205 broadens the principle established, and would not hold the States accountable for interest or other income earned on all grant-in-aid funds, pending their disbursement for program purposes. The new techniques, such as the letter of credit and sight draft procedures, which are now being used should minimize the amounts of grants advanced to States.

Eligible State agency

Section 206: This section would authorize Federal departments and agencies, upon the request of the Governor or other appropriate executive or legislative authority of the State, to waive the requirement for a single State agency and approve other forms of administrative organization, providing the objectives of the grant program are not endangered. This section is intended to remove obstacles to the administrative reorganization of a State government as long as the Federal grant program is not jeopardized.

TITLE III—REVIEW OF FEDERAL GRANTS-IN-AID TO STATES AND TO LOCAL UNITS OF GOVERNMENT

Statement of purpose

Section 301: This section sets forth the purpose of the title, which is to provide for congressional review of future Federal grants-in-aid to States and to local units of government. A uniform policy and procedure is established whereby future programs for grant-in-aid assistance from the Federal Government to the States or to their political subdivisions shall be the subject of review by the Congress, to insure (1) that the effectiveness of grants-in-aid as instruments of Federal-State-local cooperation is improved and enhanced, (2) that grant programs are revised and redirected as necessary to meet new conditions arising subsequent to their original enactment, and (3) that grant programs are terminated when they have substantially achieved their purpose. Grants in some fields have been subjected to scrutiny by the executive and legislative branches from time to time and have undergone consolidations and updatings. In general, however, the review and redirection of grants have proceeded on a sporadic and uncoordinated basis. There has not been continued systematic attention to the problem either from the congressional or executive side with a view toward eliminating areas of conflict and duplication in program operation and achieving more effective, efficient, and economic administration of existing and future grant programs and greater uniformity in their operation.

Expiration of grants-in-aid programs

Section 302: This section provides that where any act of Congress enacted in the 89th or any subsequent Congress authorize the making of grants-in-aid to two or more States or to political subdivisions of two or more States, the Advisory Commission on Intergovernmental Relations shall, not later than June 30 of the fifth calendar year which begins after the effective date of such act, make reports to Congress on such programs. Five years is suggested as a sufficiently long period in which to gain experience upon which to base a judgment as to continuance or discontinuance of a grant. This section does not apply to those future statutes where (1) the Congress has provided another expiration date, or (2) Congress has explicitly waived the application of this section to the new statute. The section also does not result in automatic termination.

Committee studies of grant-in-aid programs

Section 303: This section provides for review by congressional committees of expiring grant programs subject to the act during a period of not less than 12 months immediately preceding the expiration date. The committees are charged with the responsibility of assessing—among other things—the extent to which the purposes for which the grants-in-aid are authorized have been met; the degree to which such programs can be carried on without further financial assistance from the Federal Government; whether any changes in the purpose, direction, or administration of the original program, or in its procedures or requirements should be made; and the extent to which the programs are adequate to meet the growing and changing needs which they were designed to support.

Records and audit

Section 304: This section provides that recipients of grants-in-aid enacted after the effective date of the act, or recipients of existing grants-in-aid which are subsequently altered or modified, must keep records as prescribed by the Federal agency administering the grant. Such records must include records disclosing the amount and disposition of the grants and the total cost of the aided project. The head of the administering Federal agency and the Comptroller General shall have access to these records.

TITLE IV—PERMITTING FEDERAL DEPARTMENTS AND AGENCIES TO PROVIDE SPECIALIZED OR TECHNICAL SERVICES TO STATE AND LOCAL UNITS OF GOVERNMENT

Statement of purpose

Section 401: This section states the purpose of the title to encourage intergovernmental cooperation in the conduct of specialized or technical services; to enable State and local governments to avoid unnecessary duplication of special service functions; and to authorize Federal departments and agencies to provide such services.

An increasingly common characteristic of our Federal system is the extent to which similar governmental functions are performed by all three levels of government—local, State, and Federal. Cooperation and assistance among the three levels in carrying on such activities can yield economies for all. A number of Federal departments already provide specialized services to State and local governments on a reimbursable basis. The Census Bureau makes special censuses or tabulations and collects special additional information during decennial censuses. The Weather Bureau provides meteorological services, and the Bureau of Reclamation undertakes inventories of water resources for State and local governments. As recently as 1962, the Congress authorized the Internal Revenue Service to render statistical services to State and local tax agencies. This bill would extend on a governmentwide basis the principle embodied in these specific cases. Provision for depositing reimbursements to the credit of agency appropriations (sec. 303) would give the agencies an incentive to enter into such arrangements which they do not now have since, unless otherwise provided in law, such reimbursements for service must be paid into Treasury miscellaneous receipts.

Authority to provide service

Section 402: This section authorizes agencies in the executive branch to provide specialized or technical services on written request from a State or local government, upon payment of the cost of the services by the government making the request, and provided such services are not reasonably and expeditiously available through ordinary business channels. Agencies would be permitted, not required, to provide the requested service.

Reimbursement to appropriation

Section 403: This section provides that payments received for furnishing specialized or technical services shall be deposited to the credit of the principal appropriation from which the cost of providing such services is paid. Performance of the service for State and local governments thus would not interfere with the agencies fiscal ability to fulfill their mandated responsibilities.

Reports to Congress

Section 404: This section calls for an annual report on the scope of the services provided to the Committees on Government Operations of the Senate and House of Representatives.

TITLE V—COORDINATED INTERGOVERNMENTAL POLICY AND ADMINISTRATION OF GRANTS FOR URBAN DEVELOPMENT

Declaration of urban assistance policy

Section 501: This section establishes a national urban assistance policy and makes such a policy, consistent with individual program objectives, applicable to all Federal programs affecting urban development. With the increasing numbers of Federal aids for physical development facilities in urban areas, the need for a unified urban development policy and adequate interagency coordination at the Federal level has become imperative. A recent study by the Advisory Commission on Intergovernmental Relations of 43 Federal programs of financial aid showed that they are administered by 13 different departments and agencies within the executive branch. A number of new programs have been enacted even since the Commission's study was made over a year ago.

Federal program administrators are held responsible for carrying out specific legislative objectives, designed to meet such urban needs as those for urban renewal, area redevelopment, public housing, or highway transportation. But rapid urban growth, coupled with fragmented responsibilities for local government in urban areas and new technologies, are making these programs increasingly interdependent. Their impact on other community physical, economic, and social objectives is becoming more pronounced. Authority, machinery, and effort are needed in Washington as well as in the urban areas themselves to assure that each program contributes not only to the more limited program goals, but also to the general goal of orderly urban development. The legislation establishes the principle of Federal interagency coordination and provides a clear legislative mandate for the President to establish the machinery among the Federal departments and agencies to better meet National, State, and local objectives for urban development.

Favoring general purpose governments

Section 502: This section makes units of general local government, such as cities, counties, and towns, eligible to receive Federal loans and grants for urban development for which only special districts or other special purpose units of local government are now eligible. Although a majority of the acts establishing Federal aid to urban development allow local general government as recipients of such aid, there are a number that encourage establishment of special purpose organizations to carry our program objectives. Some examples of Federal encouragement for establishing counterpart special purpose organizations in local jurisdictions may be found in reclamation, area redevelopment, and agricultural programs. The elected officials of every unit of government should be responsible for a wide range of functions to that the governing process involves resolution of possible conflicting interests with significant responsibility for balancing governmental needs and resources. The general purpose units of local government meet these conditions whereas, in many cases, special purpose districts do not.

The legislation would permit the opportunity to simplify intergovernmental relations and reduce the time and effort spent by public officials in coordinating additional independent units of government by providing that, to the extent possible, Federal departments and agencies make Federal aids available to general rather than special purpose units of local government. Any special purpose unit of local government receiving these Federal aids is required to provide full information concerning such aid to the appropriate unit of general local government in the area. Local governments, general or special purpose, are authorized to act as joint sponsors of any federally aided urban project without limiting the total amount of the aid to less than the aggregate available to the participating units of local government acting singly.

Consistency with plans and objectives of general local governments

Section 503: Provides that all applications made to the Federal Government after June 30, 1966, for construction of hospitals, airports, water supply and distribution facilities, sewerage facilities and waste treatment works, water development, and land conservation be certified within 30 days by the unit of general local government in which the project or facility is to be located that such proposed project or facility is consistent with the local government's planning objectives. State and certain regional applicants are exempt from this requirement.

A performance requirement that projects aided by certain Federal loans or grants be consistent with the local government's planning objectives can contribute to insuring effective use of the Federal funds and avoid conflicts with other State, local, and private development projects.

This section establishes similar requirements for consistency with planning efforts of local governments in metropolitan areas for Federal aid programs that significantly affect urban development not currently having such requirements.

More effective utilization of certain Federal loans or grants by encouraging better coordinated local review of State and local applications for such loans or grants

Section 504. Provides that all applications to the Federal Government made after June 30, 1966, for open space land projects and for the construction of hospitals, airports, water supply and distribution facilities, sewerage facilities and waste treatment works, highways, transportation facilities, water development, and land conservation within any metropolitan area shall be accompanied by (1) the comments and recommendations thereon of a planning agency performing metropolitan or regional planning for the area in which the assistance is to be used, and (2) a statement by the applicant that it has considered these comments and recommendations prior to formal application. This section makes it clear, however, that approval of the application by the appropriate Federal agency shall be in accord with pertinent Federal requirements without regard to a possible negative recommendation by the planning agency.

This section is designed to strengthen metropolitan planning and better coordinate local, State, and Federal development activities by (1) encouraging the establishment of responsible metropolitan planning agencies and procedures; (2) stimulating the flow of planning and development information among and between the various levels of government; and (3) assisting the Federal agencies in evaluation of project applications.

To avoid undue delay in the review and comment function, the section provides that the applicant need not include the comments or recommendations of a planning agency if the agency has failed within a 60-day period to make any comments or recommendations on the application itself, or on a plan or description of the project.

TITLE VI—ACQUISITION, USE, AND DISPOSITION OF LAND WITHIN URBAN AREAS BY FEDERAL AGENCIES IN CONFORMITY WITH LAND UTILIZATION PROGRAMS OF AFFECTED LOCAL GOVERNMENTS

Amendment of Federal Property and Administrative Services Act

Section 601: The Federal Government owns over 400 million acres of land throughout the Nation. A significant portion of that land is located in urban areas and the use to which it is put, either by a Government agency or upon sale by a private person or corporation, can have a significant impact upon local government. In order to insure that the use of such land is, to the maximum extent possible, consistent with local zoning and land practices and local planning and development objectives, it is essential that such local governments be fully informed of transactions involving Federal land acquisition or disposal and significant changes in use of Federal lands. Actions of these types can have a significant impact on local schools, highway and street patterns, demand for water and sewer services, and other activities of local government. Only by giving the types of notice herein authorized, and considering their needs in such matters while sufficiently protecting Federal interests, can the impact of such transactions or changes in use on local government be minimized. It might be stated further that last year the Congress enacted legislation establishing similar procedures for the sale and disposition of public lands by the Department of the Interior.

This section amends the Federal Property and Administrative Services Act of 1949 by adding a new title VIII—Urban Land Utilization.

TITLE VII—ESTABLISHING UNIFORM FEDERAL RELOCATION PRACTICES

Declaration of policy

Section 701: The purpose is to establish a uniform policy for fair and equitable treatment of persons displaced by Federal and federally aided programs. Uniformity applies to relocation payments and advisory assistance and, for federally aided programs, assurance of availability of standard housing and Federal reimbursement for relocation payments.

A. Federal programs

Relocation Payments

Section 702: Heads of Federal agencies are required to make relocation payments in accordance with regulations established by the President. The displaced person is given the choice of reimbursement (1) according to actual and reasonable expenses, or (2) according to a fixed schedule. In the case of fixed schedule payments, (a) independent businesses that cannot be relocated without loss of patronage are entitled to an amount equal to their net earnings, or $5,000, whichever is less; (b) persons moving from a dwelling are entitled to a moving expense allowance of up to $200, plus a dislocation allowance not greater than the moving expense allowance, or $100, whichever is less, and an additional payment of $300 if the displacee owned the real property occupied; and (c) farm operators are entitled to a fixed payment of $1,000. Displaced families, elderly individuals, or handicapped individuals who are unable to secure a public housing unit are entitled to additional monthly payments totaling not more than $1,000 over not more than 24 months, for relocation in dwellings of modest standards.

The alternative of reimbursement by fixed payment would (a) recognize the economic impact of displacement on a business owner who must establish a business at a different location, buy an established business, or discontinue business operations; (b) grant those moving from a dwelling the same moving allowance now provided under the urban renewal and highway programs, provide additional reimbursement for loss of property and out-of-pocket costs, and, for the homeowner, recognize to some degree the closing costs and financing charges required for purchase of a replacement home; and (c) allow a farm operator a moderate allowance for loss of property and related costs in securing a replacement farm.

A major effect of this section would be to require payments by displacing agencies not now authorized to make them, such as GSA and the Post Office Department.

Relocation Assistance Programs

Section 703: Requires heads of Federal agencies to provide a relocation assistance program for displaced persons, businesses, and farm operators, and for persons occupying adjacent property if they are caused economic injury. The assistance program must include (a) determining needs for assistance, (b) assisting businesses and farm operators in relocating, (c) supplying information regarding FHA, SBA, and other assistance programs, (d) helping in minimizing readjustment programs, and (e) coordinating relocation with other project activities and governmental activities in the community or nearby areas. This provision applies present urban renewal requirements to all direct Federal programs.

Federal Programs With Local Cooperation

Section 704: Provides that the same requirements for relocation payments and assistance programs shall apply to cases where a State or local agency acquires real property for a Federal public improvement project.

Authority of the President

Section 705: Vests responsibility for relocation regulations in the President to assure governmentwide uniformity and compliance. Authorizes reimbursement equal to cost of moving personal property if displacee chooses to dispose of it rather than move it. Permits Federal agencies to use established relocation facilities of other Federal agencies or State and local agencies.

Fund Availability

Section 706: Stipulates that funds available for property acquisition shall be available to finance provisions of the title.

B. Federally assisted programs

Relocation Payments and Assistance; Assurance of Availability of Housing

Section 707: Provides that a State or local government using Federal funds for property acquisition or improvement may receive Federal reimbursement of 100 percent of the cost of providing relocation payments up to $25,000 for any displaced person provided that the State or local government agrees to follow requirements as to relocation payments and advisory assistance; provides temporary housing for relocated families and individuals; and assures that standard housing is or is being made available for those displaced. Federal agencies would contribute to the cost of any relocation payment above $25,000 according to the project's cost-sharing formula. State and local governments are authorized to utilize the facilities and services of other agencies established to administer relocation assistance programs. Federal agencies are authorized to advance the Federal share of relocation payments if necessary to expedite completion of a federally assisted public improvement.

The principal effect of this section and section 708 would be on the federally assisted highway program. The "before and after" situation in the highway program may be compared as follows:

PRESENT	PROPOSED
Relocation payments are optional with the States. Some 30 States have elected to make payments.	Relocation payments are required as a condition of grants.
Federal reimbursement of relocation payments is according to the project's cost-sharing formula: 90 percent on interstate programs; 50 percent on primary and secondary programs.	Full Federal reimbursement up to $25,000 for any move; Federal-State sharing on project's cost-sharing formula (90–10 or 50–50) for the portion of individual payments above $25,000.
Advisory assistance required for families displaced.	Advisory assistance required for families, businesses, individuals, farm operators, and to be similar to present urban renewal provisions.
No assurance of availability of housing required.	Requires that supply of adequate standard housing be provided or in process of being provided.

As regards the other major federally assisted programs causing or likely to cause substantial displacement in the foreseeable future—public housing and urban mass transportation—the law would require provision of advisory assistance to persons and businesses; none is now required. The present public housing law already requires assurance of available standard housing; the present urban mass transportation law requires it only for families, not individuals.

The Federal Aid Highway Act already encourages States to use existing public agencies to administer the relocation program. The proposed act would extend the encouragement to the urban renewal, public housing, mass transportation, and other federally aided programs that might cause displacement.

Requirements for Approval of Contracts or Agreements for Federal Financial Assistance

Section 708. Requires State or local government agency conducting federally assisted program to agree to provide relocation payments, services, and housing assurances described in section 607 as a condition of payment of Federal funds.

Displacement by Code Enforcement for Urban Renewal Project or Voluntary Rehabilitation Under Urban Renewal Plan

Section 709. Makes clear that persons or businesses displaced by urban renewal code enforcement or voluntary rehabilitation activities are considered displaced persons within the meaning of the act.

National Capital Housing Authority Eligible for Federal Financial Assistance

Section 710: Extends to National Capital Housing Authority eligibility to be reimbursed for relocation payments in same manner as State and local governments covered in section 606.

Applicability of Administrative Procedure Act

Section 711: Specifies application of Administrative Procedure Act.

Severability

Section 712: States that invalidate any provision shall not affect other provisions.

Acts Repealed

Section 713: Repeals relocation sections of statutes applicable to Departments of the Interior and Defense, National Aeronautics and Space Agency, Federal aid highway program and urban mass transportation program, and certain parts of relocation provisions of Housing Act of 1937 and Housing Act of 1949.

Effective Date

Section 714: Title to take effect on first day of fourth month beginning after date of enactment.

The Civil Air Patrol—Vital Partner in the Nation's Air and Space Effort

EXTENSION OF REMARKS

OF

HON. JACOB H. GILBERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1965

Mr. GILBERT. Mr. Speaker, I wish to call to the attention of my colleagues in the House the very excellent speech made by Congressman LESTER L. WOLFF, of New York, before the Civil Air Patrol dinner in Washington on Tuesday evening, August 1, 1965, honoring the annual international air cadet exchange program. Congressman WOLFF calls attention to the vital importance of the Civil Air Patrol in our space effort and to our military forces, as well as to commercial aviation.

His speech follows:

THE CIVIL AIR PATROL—VITAL PARTNER IN THE NATION'S AIR AND SPACE EFFORT

(Speech of Congressman LESTER L. WOLFF, Democrat, of New York)

First of all, I would like to extend my most sincere congratulations to Pan American World Airways, Inc., and Mr. Samuel F. Pryor for making this occasion possible, and to Col. Barnee Breeskin for his incomparable work in arranging this program. Their work in advancing the civil side of aviation, and their interest in air-minded youth, will significantly advance the cause of American air and space power in the future of our Nation.

For many years the Civil Air Patrol has been a very important partner to our military and naval air forces as well as to commercial aviation.

Twenty years ago, during World War II, I played a small part in the vital wartime mission of the CAP. Since that time I have maintained an active interest in the CAP and in aviation in general.

It has thus been a source of considerable gratification to me to be named to the Science and Astronautics Committee—the Space Committee—of the House of Representatives.

The overall perspective on aeronautics and space developments one can gain from membership on this committee has impressed upon me once again the continued importance of the Civil Air Patrol to our Nation's aeronautical strength and progress.

Today we honor air cadets from many nations. Membership in the great brotherhood of airmen, a brotherhood that knows no international boundaries, can be an important factor in developing a greater understanding of other countries, as well as a most valuable means of exchanging information and techniques relevant to aeronautical progress.

I like to think that all of us in the aviation and space business—our Air Force, Army, and Navy pilots in Vietnam, our astronauts, our great aviation companies, our commercial airlines, FAA, NASA, and those of us in the House and Senate concerned with aviation and space affairs—all are partners in promoting further mastery of the great ocean of air and space. And in this partnership the role of the CAP is by no means a minor one. The CAP provides an ideal launching pad for young men from all countries who aspire to careers in aviation and space.

In this partnership we cannot afford to be second best.

The Communist-dominated nations, particularly the Soviet Union, have shown a vigor and ingenuity that we cannot afford to let surpass our efforts. The CAP has helped to insure that this will not happen.

So today we honor these young men who have chosen to participate in man's greatest adventure—the conquest of the skies and now the heavens. We congratulate them for their help in the great effort to push forward ever further, the boundaries of man's knowledge of himself and of his universe.

In conclusion, I would like to recite a poem that has graced the Air Force ready rooms of free nations for the past 25 years, ever a source of inspiration to those who chose to work and fight in the vastness of the skies. It is "High Flight" by John Gillespie Magee, Jr.

"Oh! I have slipped the surly bonds of earth
And danced the skies on laughter-silvered wings;
Sunward I've climbed, and joined the tumbling mirth
Of sun-split clouds—and done a hundred things
You have not dreamed of—wheeled and soared and swung
High in the sunlit silence. Hov'ring there,
I've chased the shouting wind along, and flung
My eager craft through footless halls of air.

"Up, up the long, delirious, burning blue
I've topped the wind-swept heights with easy grace
Where never lark, or even eagle flew—
And, while with silent lifting mind I've trod
The high untrespassed sanctity of space,
Put out my hand and touched the face of God."

The Real Alabama—Part XLIII

EXTENSION OF REMARKS

OF

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1965

Mr. EDWARDS of Alabama. Mr. Speaker, the eastern shore of Mobile Bay offers such substantial recreational advantages that some call it the great undiscovered vacation spot of the eastern United States.

Mobile Bay itself is the large body of water through which the Mobile River empties into the Gulf of Mexico. It is located just a matter of minutes by car west of the Pensacola, Fla., population center, and not far east of Biloxi, Miss., and New Orleans.

The bay makes up a vast boating area protected at its mouth by Dauphin Island on one side and the Bon Secour Peninsula on the other. The neck providing access to the bay is flanked by Fort Gaines on the west and Fort Morgan on the east, reminiscent of the remarkable Civil War history which gives color and interest to the whole area.

Fishing, boating, and many other recreations have long been a center for attraction on the eastern shore of Mobile Bay, particularly for the residents of the Mobile area, centered in the city of Mobile on the west side of the bay.

But the shore, with its established communities, its long shoreline, and its ideal year-round climate, promises to become a major vacation area for the Nation.

On June 3, this year, the Mobile Register newspaper carried an editorial which tells more of the eastern shore area. The text of the editorial follows:

MOBILE BAY'S EASTERN SHORE

(NOTE.—This editorial is from the Mobile Register of June 3, and tells of just a single vacation area in Alabama, the heart of Dixie. Few, if any other areas in America, can offer the great variety of vacation attractions as are found right here in Alabama. This editorial tells of Alabama's unique and most unusual jubilee along the famed eastern shore of Mobile Bay.)

The eastern shore of Mobile Bay has much to attract vacationists, tourists and others looking for recreation, relaxation and interesting things to see.

Geographically, from north to south, Spanish Fort, Daphne, Montrose, Fairhope, Point Clear and beyond * * * by broad description this is the region traditionally known as the eastern shore of Mobile Bay.

"This luxury resort area is also a mecca for those seeking active retirement," says State of Alabama tourist promotion literature in publicizing it.

The eastern shore's exciting fish jubilees are called to attention in this brochure: "Young and young-at-heart pluck a variety of fine seafood from the shore during nature's fish jubilees."

And what are fish jubilees? The eastern shore of Mobile Bay is the only stretch of beach in the world where a phenomenon known as jubilees takes place.

Jubilees are unexplainable, unpredictable, exciting periods (always in summer and most of the time at night) when sea-life (crabs, fish, and shrimp) come to the beaches in great quantity and in stunned condition, and may be readily scooped, gigged and even just picked up.

"If you are lucky enough to witness a jubilee, you can brag about it forever, but outside this section * * * you will have a hard time getting anyone to believe that you are not telling the best fish story of them all."

Maybe a pleasure trip to the eastern shore this summer will land you right in the midst of a fish jubilee. And if so, what a rare experience.

But an abundance and diversity of other things on the eastern shore may interest you more than fish jubilees. Bayside drives, for instance, to the tune of sunset and moonlight on Mobile Bay. Or water skiing, sailing, swimming, golf, tennis, or relaxing in the shade of a towering tree near water's edge to the tune of traditional southern friendliness and hospitality.

Or perhaps you are interested in all these and more eastern shore attractions which beckon so invitingly.

Enjoy a trip to Alabama, where you will find the eastern shore of Mobile Bay and a trillion other reasons why repeat invitations will not be needed to bring you back often in the future.

As visitors to the eastern shore area increase in number each year and as the demands increase for year-around facilities, commercial and industrial projects are much in evidence.

For example, plans are proceeding in the gulf shores area at the south end of the shore for a golf course, a large shopping center, an auditorium, and improved community centers of various kinds.

Along with these there are plans for a large complex consisting of a class A restaurant, a motel and marina.

The restaurant will be situated so as to be accessible from both land and water, located about 1 mile west of the gulf shores drawbridge. It will be on the south bank of the intracoastal canal which is a passage for small craft between Mobile Bay and Pensacola Bay, a waterway which provides some of the most natural and beautiful scenery in the South.

The canal is used extensively by yachts and other craft transiting between the two large bays as well as by commercial craft of various kinds. The restaurant will have a dock area 250 feet in length, with a fueling station and other facilities.

A golf course will be located nearby, with free boat parking available, and transportation through the area, including to the Gulf Shores Golf Club.

Native seafoods in the eastern shore area are unsurpassed. They include oysters, shrimp, roe from the famous gulf mullet, and all the gulf fish in addition. The restaurant will excel in the preparation and serving of these seafoods.

The motel will offer first-class accommodations with direct access to the marina, to good roads and to the restaurant and golf courses and other facilities.

The marina, like the restaurant and motel, will be a 12-month operation, with special emphasis to be put on winter activities.

The eastern shore of Mobile Bay and the entire Alabama gulf coast area promises to become a center for vacationers the country over.

We look forward to this development, and invite others to come and share these natural advantages with us.

H.R. 10212

EXTENSION OF REMARKS

OF

HON. CARLTON R. SICKLES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 11, 1965

Mr. SICKLES. Mr. Speaker, I insert the text of the bill I introduced recently before the House, H.R. 10212—the Intergovernmental Cooperation Act of 1965—in the RECORD:

H.R. 10212

A bill to strengthen intergovernmental relations by improving cooperation and the coordination of federally aided activities between the Federal, State, and local levels of government; to provide for uniform and equitable relocation procedures under Federal and Federal grant-in-aid programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Cooperation Act of 1965".

TITLE I—DEFINITIONS

When used in this Act—

Federal Agency

SEC. 101. The term "Federal agency" means—

(A) any department, agency, or instrumentality in the executive branch of the Government including the National Capital Housing Authority and any wholly owned Government corporation; and

(B) the Architect of the Capitol.

State

SEC. 102. The term "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include the governments of the political subdivisions of the State.

Political Subdivision or Local Government

SEC. 103. The term "political subdivision" or "local government" means a local unit of government, including specifically a county, municipality, city, town, township, or a school or other special district created by or pursuant to State law.

Unit of General Local Government

SEC. 104. "Unit of general local government" means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

Special-purpose unit of local government

SEC. 105. "Special-purpose unit of local government" means any special district, public-purpose corporation, or other strictly limited-purpose political subdivision of a State, but shall not include a school district.

Grant or Grant-in-Aid

SEC. 106. The term "grant" or "grant-in-aid" means money, or property provided in lieu of money, paid or furnished by the United States under a fixed annual or aggregate authorization—

(A) to a State; or

(B) to a political subdivision of a State; or

(C) to a beneficiary under a State-administered plan or program which is subject to approval by a Federal agency;

if such authorization either (i) requires the States or political subdivisions to expend non-Federal funds as a condition for the receipt of money or property from the United States; or (ii) specifies directly, or establishes by means of a formula, the amounts which may be paid or furnished to States or political subdivisions, or the amounts to be allotted for use in each of the States by the States, political subdivisions, or other beneficiaries. The term does not include (1) shared revenues; (2) payment of taxes; (3) payments in lieu of taxes; (4) loans or repayable advances; (5) surplus property or surplus agricultural commodities furnished as such; (6) payments under research and development contracts or grants which are awarded directly and on similar terms to all qualifying organizations, whether public or private; (7) payments to States or political subdivisions as full reimbursement for the costs incurred in paying benefits or furnishing services to persons entitled thereto under Federal laws; or (8) any annual payment by the United States to the District of Columbia authorized by article VI of the District of Columbia Revenue Act of 1947 (D.C. Code, secs. 47–2501a and 47–2501b).

The term "grant" or "grant-in-aid", as it is used in title II of this Act, shall also include payments made under research and development contracts or grants which are awarded directly and on similar terms to all qualifying public organizations.

Specialized or Technical Services

SEC. 107. "Specialized or technical services" means special statistical and other studies and compilations, development projects, demonstration projects, technical tests and evaluations, technical information, training activities, surveys, reports, documents, and any other similar service functions which the Secretary of any department or the administrative head of any agency of the executive branch of the Federal Government is authorized by law to perform.

Comprehensive Planning

SEC. 108. "Comprehensive planning", except in title VI, includes the following, to the extent directly related to area needs or needs of a unit of general local government: (i) preparation, as a guide for long-range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities, together with long-range fiscal plans for such development; (ii) programing of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvements to be constructed in the earlier years of the program; (iii) coordination of all related plans of the departments or subdivisions of the government concerned; (iv) intergovernmental coordination of related planned activities among the State and local governmental agencies concerned; and (v) preparation of regulatory and administrative measures in support of the foregoing.

Metropolitan Area or Area

SEC. 109. A "metropolitan area" or "area" means either (i) a standard metropolitan statistical area as defined by the Bureau of the Budget, except as may be determined by the President or by the Bureau of the Budget as not being appropriate for the purposes of this Act, or (ii) any urban area, including those surrounding areas that form an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities which in the opinion of the President or the Bureau of the Budget lends itself as being appropriate for the purposes hereof.

Urban Area

SEC. 110. "Urban area" means—

(1) any geographical area within the jurisdiction of any incorporated city, town, borough, village, or other unit of general local government having a population of ten thousand or more inhabitants;

(2) that portion of the geographical area within the jurisdiction of any county, town, township, or similar governmental entity which contains no incorporated unit of general local government but has a population density equal to or exceeding one thousand five hundred inhabitants per square mile; and

(3) that portion of any geographical area situated adjacent to the boundary of any incorporated unit of general local government which has such population density.

Areawide Agency

SEC. 111. "Areawide agency" means an official State or metropolitan or regional agency empowered under State or local laws or under an interstate compact or agreement to perform comprehensive planning in an area, or such other agency or instrumentality as may be designated by the Governor (or, in the case of metropolitan areas crossing State lines, any one or more of such agencies or instrumentalities as may be designated by the Governors of the States involved) to perform such planning, which agency or instrumentality is, to the greatest practicable extent, composed of or responsible to the elected officials of the units of general local government within whose jurisdiction such agency is authorized to engage in such planning.

Urban Development

SEC. 112. "Urban development" means all projects or programs for the planning and carrying out of the acquisition, use, and development of open-space land, the planning and construction of hospitals, airports, water supply and distribution facilities, sewerage facilities and waste treatment works, transportation facilities, highways, water development and land conservation, and other public works facilities.

Hospital

SEC. 113. "Hospital" means any public health center or general, tuberculosis, mental, chronic disease, and other type of hospital and related facilities, and central service facilities normally operated in connection with hospitals, but does not include any hospital furnishing primarily domiciliary care.

Displaced Person

SEC. 114. "Displaced person" means—

(A) any person who is the owner of a business which moves from real property or is discontinued on or after the effective date of this Act as a result of the acquisition or imminence of acquisition of such real property, in whole or in part, by a Federal, State, or local government agency;

(B) any person who is the owner of a farm operation which moves from real property or is discontinued on or after the effective date of this Act as a result of the acquisition or imminence of acquisition of such real property, in whole or in part, by a Federal, State, or local government agency;

(C) any individual who is the head of a family which moves from real property occupied as a dwelling on or after the effective date of this Act as a result of the acquisition or imminence of acquisition of such real property, in whole or in part, by a Federal, State, or local government agency, or which moves from such dwelling as a result of the acquisition or imminence of acquisition, by such Federal, State, or local government agency, or other real property on which such family conducts a business or farm operation;

(D) any individual, not a member of a family, who moves from real property occupied as a dwelling on or after the effective date of this Act, as a result of the acquisition or imminence of acquisition of such real property, in whole or in part, by a Federal, State, or local government agency, or who moves from such dwelling as a result of the acquisition or imminence of acquisition by such Federal, State, or local government agency, of other real property on which such individual conducts a business or farm operation; and

(E) any individual, not described in paragraph (A), (B), (C), or (D) of this section, who moves his personal property from real property on or after the effective date of this Act as a result of the acquisition or imminence of acquisition of such real property, in whole or in part, by a Federal, State, or local government agency.

Business

Sec. 115. "Business" means any lawful activity conducted primarily (A) for the purchase and resale of products, commodities, or any other personal property; (B) for the manufacture, processing, or marketing of any such property; or (C) for the sale of services to the public. Such term does not include the activity of an investor in acquiring or holding real property for resale for gain.

Farm Operation

Sec. 116. "Farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

Family

Sec. 117. "Family" means two or more individuals living together in the same dwelling unit who are related to each other by blood, marriage, or adoption.

Elderly Individual

Sec. 118. "Elderly individual" means a person, not a member of a family, who is sixty-two years of age or over.

Handicapped Individual

Sec. 119. "Handicapped individual" means a person, not a member of family, who is handicapped within the meaning of section 202 of the Housing Act of 1959.

Displaced

Sec. 120. "Displaced", when used in relation to any person, means any person moved or to be moved from real property on or after the effective date of this Act as a result of the acquisition or imminence of acquisition of such property for a public improvement constructed or developed by or with funds provided in whole or in part by the Federal Government.

Person

Sec. 121. "Person" means any individual, and any partnership, corporation, or association.

TITLE II—IMPROVED ADMINISTRATION OF GRANTS-IN-AID TO THE STATES

Full Information of Funds Received

Sec. 201. Any department or agency of the United States Government which administers a program of grants-in-aid to any of the State governments of the United States shall, upon request, notify the Governor or other official designated by him, or the State legislature, of the purpose and amounts of recommended or actual grants-in-aid to the State. No act of Congress shall be construed to prevent the Governor or other designated officer from participating in the State's determination of its financial needs in the same manner as he does with respect to the budgeting of State funds.

Subject only to the procedures here enacted, nothing contained in this law shall limit the authority of any department or agency of the United States to make grants-in-aid to the States.

Uniform Handling of Grant Funds

Sec. 202. Notwithstanding any other Federal law, each grant-in-aid to a State shall be paid to the State treasurer or other officer that may be designated by the legislative authority (or by the Governor in the absence of a designation by the legislative authority) to receive said funds and appropriate accounting advice with regard to the transmittal of funds shall be provided to such State officers as may require the data for purposes of financial management and control. The State may provide for or continue providing for the direct receipt of Federal funds in the case of State institutions of higher learning.

State Salaries Paid From Grants-in-Aid

Sec. 203. After July 1, 1967, and except as specifically authorized pursuant to State law and agreed to by the Federal agency concerned, in accordance with regulations promulgated by the President, no Federal grant-in-aid to a State shall be used to pay a salary in excess of the regular salary standards applicable to State employees generally, nor shall a grant-in-aid be used to pay all or part of a salary the full-time equivalent of which is in excess of the normal annual salary rates of employees of the State or of State institutions of higher learning.

Deposit of Grants-in-Aid

Sec. 204. Notwithstanding any other provisions of Federal law or regulation, no grant-in-aid to a State shall be required to be deposited in a separate bank account apart from other funds administered by the State. All Federal grant-in-aid funds made available to the States shall be properly accounted for as Federal funds in the accounts of the State. In each case the State agency concerned shall render regular authenticated reports to the appropriate Federal agency, covering the status and the application of the funds, the liabilities and obligations on hand, and such other facts as may be required by said Federal agency.

Scheduling of Federal Transfers to the States

Sec. 205. Notwithstanding any other provision of Federal law, heads of Federal departments and agencies responsible for administering grant-in-aid programs shall schedule the transfer of grant-in-aid funds consistent with program purposes and applicable Treasury regulations, so as to minimize the time elapsing between the transfer of such funds from the United States Treasury and the subsequent disbursement thereof by a State, whether such disbursement occurs prior to or subsequent to such transfer of funds. States shall not be held accountable for interest earned on grant-in-aid funds, pending their disbursement for program purposes.

Eligible State Agency

Sec. 206. Notwithstanding any other Federal law which provides that a single State agency or multimember board or commission must be established or designated to administer or supervise the administration of any grant-in-aid program, the head of any Federal department or agency may, upon request of the Governor or other appropriate executive or legislative authority of the State, responsible for determining or revising the organizational structure of State government, waive the single State agency or multimember board or commission provision and approve other State administrative structure on arrangements: *Provided*, That the head of the Federal Department or agency determines that the objectives of the Federal statute authorizing the grant-in-aid program will not be endangered by the use of such other State structure or arrangements.

TITLE III—REVIEW OF FEDERAL GRANTS-IN-AID TO STATES AND TO LOCAL UNITS OF GOVERNMENT

Statement of Purpose

Sec. 301. It is the purpose and intent of this title to establish a uniform policy and procedure whereby programs for grant-in-aid assistance from the Federal Government to the States or to their political subdivisions which may be enacted hereafter by the Congress shall be made the subject of sufficient subsequent review by the Congress to insure that (1) the effectiveness of grants-in-aid as instruments of Federal-State-local cooperation is improved and enhanced; (2) grant programs are revised and redirected as necessary to meet new conditions arising subsequent to their original enactment; and (3) grant programs are terminated when they have substantially achieved their purpose.

Expiration of Grants-in-Aid Programs

Sec. 302. Where any Act of Congress enacted in the Eighty-ninth or any subsequent Congress authorizes the making of grants-in-aid to two or more States or to political subdivisions of two or more States and no expiration date for such authority is specified by law, and such grant is not specifically exempted from the provisions of this title, the Advisory Commission on Intergovernmental Relations shall, not later than June 30 of the fifth calendar year which begins after the effective date of such Act, make reports to Congress on such programs. In reviewing such programs, the Advisory Commission on Intergovernmental Relations shall consider, among other relevant matters, the criteria set forth in section 303 of this Act.

Committee Studies of Grants-in-Aid Programs

Sec. 303. Where any Act of Congress enacted in the Eighty-ninth or any subsequent Congress authorizes the making of grants-in-aid over a period of three or more years to two or more States or to political subdivisions of two or more States, then during the period beginning not later than twelve months immediately preceding the date on which such authority is to expire, the committees of the House and of the Senate to which legislation extending such authority would be referred shall, separately or jointly, conduct studies of the program under which such grants-in-aid are made with a view to ascertaining among other matters of concern to the committees, the following:

(1) The extent to which the purposes for which the grants-in-aid are authorized have been met;

(2) The extent to which such programs can be carried on without further financial assistance from the United States;

(3) Whether or not any changes in purpose, direction, or administration of the original program, or in procedures and requirements applicable thereto;

(4) The extent to which such grant-in-aid programs are adequate to meet the growing and changing needs which they were designed to support.

Each such committee shall report the results of its investigation and study to its respective House not later than one hundred and twenty days before such authority is due to expire.

Records and Audit

Sec. 304. (a) Each recipient of assistance under (1) any Act of Congress enacted after the effective date of this Act which provides for a grant-in-aid from the United States to a State or a political subdivision thereof, or (2) any new grant-in-aid agreement, or extension, modification, or alteration of any existing grant-in-aid agreement pursuant to existing law shall keep such records as the Federal agency administering such grant may prescribe, including records which fully disclose the amount and disposition by such recipient of such grant-in-aid, the total cost of the project or undertaking in connection with which such grant-in-aid is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The head of the Federal agency administering such grant and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received.

TITLE IV—PERMITTING FEDERAL DEPARTMENTS AND AGENCIES TO PROVIDE SPECIALIZED OR TECHNICAL SERVICES TO STATE AND LOCAL UNITS OF GOVERNMENT

Statement of Purpose

Sec. 401. It is the purpose of this title to encourage intergovernmental cooperation in the conduct of specialized or technical services and provision of facilities essential to the administration of State or local governmental activities many of which are nationwide in scope and financed in part by Federal funds; to enable State or local governments to avoid unnecessary duplication of special service functions; and to authorize all departments and agencies of the executive branch of the Federal Government which do not have such authority to provide specialized or technical services to State and local governments.

Authority To Provide Service

Sec. 402. The Secretary of any department or the administrative head of any agency of the executive branch of the Federal Government is authorized within his discretion, upon written request from a State or political subdivision thereof, to provide specialized or technical services, upon the payment by the unit of government making the request, of the salaries and such other costs to the department or agency for performing such services: *Provided, however,* That such services shall include only those which the head of the Federal agency concerned determines are not reasonably and expeditiously available through ordinary business channels.

Reimbursement to Appropriation

Sec. 403. All moneys received by any department or agency of the executive branch of the Federal Government, or any bureau or other administrative division thereof, in payment for furnishing specialized or technical services as authorized under section 402 shall be deposited to the credit of the principal appropriation from which the cost of providing such services has been paid or is to be charged, or the appropriation currently available for the cost of similar services.

Reports to Congress

Sec. 404. The Secretary of any department or the administrative head of any agency of the executive branch of the Federal Government shall furnish annually to the respective Committees on Government Operations of the Senate and House of Representatives a summary report on the scope of the services provided under the administration of this title.

Reservation of Existing Authority

Sec. 405. This title is in addition to and does not supersede any existing authority now possessed by any Federal department or agency with respect to furnishing services, whether on a reimbursable or nonreimbursable basis, to State and local units of government.

TITLE V—COORDINATED INTERGOVERNMENTAL POLICY AND ADMINISTRATION OF GRANTS FOR URBAN DEVELOPMENT

Declaration of Urban Assistance Policy

Sec. 501. (a) The economic and social development of the Nation, its strength in world affairs and the achievement of satisfactory levels of living depend in large degree upon the sound and orderly development of urban communities. In pursuit of this basic objective, the President may establish rules and regulations for uniform application in the formulation, evaluation, and review of urban development programs and projects for the provision of federally aided urban facilities, and Federal projects having a significant impact on the development of urban and urbanizing communities. Such rules and regulations shall provide for full consideration of the concurrent achievement of the following specific objectives of urban development, and to the extent authorized by law reasoned choices shall be made between such objectives when they conflict:

(1) Appropriate land uses for residential, commercial, industrial, governmental, institutional, and other purposes;

(2) Wise development and conservation of natural resources, including land, water, minerals, wildlife, and others;

(3) Balanced transportation systems, including highway, air, water, pedestrian, mass transit, and other modes for the movement of people and goods;

(4) Adequate outdoor recreation and open space;

(5) Protection of areas of unique natural beauty, historical and scientific interest;

(6) Properly planned community facilities including untilities for the supply of power, water, and communications, for the safe disposal of wastes, and for other purposes; and

(7) And other objective through which urban development activities can contribute to the economic, social, and cultural development of the Nation, its strength in world affairs, and the achievement of enhanced levels of living.

(b) All viewpoints—National, regional, State, and local—shall, to the extent possible, be fully considered and taken into account in planning urban development programs and projects. Regional, State, and local government objectives shall be considered and evaluated within a framework of national public objectives, and available projections of future national conditions and needs of regions, States, and localities shall be considered in plan formulation, evaluation, and review.

(c) To the maximum extent possible, consistent with national objectives, all Federal aid for urban development purposes shall be consistent with and further the objectives of State and local government comprehensive planning for urban development. Consideration shall be given to all developmental aspects of the total urban community including but not limited to housing, transportation, economic development, natural resources development, community facilities, and the general improvement of living environments.

(d) Each Federal department and agency administering an urban development aid program shall, to the maximum extent practicable, consult with and seek advice from all other significantly affected Federal departments and agencies in an effort to assure fully coordinated programs.

(e) Insofar as possible, systematic planning required by individual Federal programs (such as highway construction, urban renewal, and open space) shall be coordinated with and made part of comprehensive local and areawide urban development planning.

Favoring Units of General Local Government

Sec. 502. (a) Notwithstanding any Federal law providing that special purpose units of local governments are eligible to receive loans or grants-in-aid for urban development, units of general local government (cities, counties, towns, and townships) acting singly or jointly, shall be eligible to receive such loans or grants-in-aid. Heads of Federal departments and agencies shall, in the absence of substantial reasons to the contrary, make such loans or grants-in-aid for urban development to units of general local government rather than to special purpose units of local government.

(b) In the event that a loan or grant-in-aid is made to a special purpose unit of local government, the chief executive officer or the governing body of each unit of general local government in which the loan or grant recipient is located or which would be affected by the loan or grant-in-aid project:

(1) shall be notified of the purpose, amounts, or other factors related to the proposed or actually or grant-in-aid to such special purpose unit of local government;

(2) may participate in such normal procedures as relate to budgeting of said loan or grant-in-aid; and

(3) shall have the opportunity to have their comments made a part of the application for such loan or grant-in-aid.

(c) Notwithstanding any other provision of Federal law, joint sponsorship of a project eligible for grant or loan funds, by two or more units of general local government, two or more special purpose units of government, or any combination thereof, shall not limit the total amount of the loan or grant-in-aid to less than the aggregate available to the participating units of general local government and/or special purpose units of government acting singly.

Consistency With Plans and Objectives of General Local Governments

Sec. 503. Notwithstanding any other provision of Federal law, any application for a loan or grant made after June 30, 1966, for construction of hospitals, airports, water supply and distribution facilities, sewerage facilities and waste treatment works, water development and land conservation within any metropolitan area subject to the provisions of this title, shall be submitted to the unit of general local government with authority to operate in the area within which the project or facility is to be located. No action shall be taken by any Federal agency upon such application unless the governing body of the unit of general local government certifies that such project or facility is consistent with its planning objectives. If said unit does not act on an application within thirty days after its submission, the application shall be deemed approved by said unit. The certification shall accompany the submission of such applition to the areawide agency pursuant to section 504 of this title. The foregoing requirements shall not be applicable in the case of applications from units of government larger than and encompassing the unit of general local government within which the project or facility is to be located.

More Effective Utilization of Certain Federal Loans or Grants by Encouraging Better Coordinated Local Review of State and Local Applications for Such Loans or Grants

Sec. 504. (a) In order to assist Federal, State, and local governments to increase their economy and efficiency of operations in meeting the governmental needs of the increasing concentration of population in metropolitan areas; to facilitate the coordination of intergovernmental relationships and activities on a continuing basis; to provide more effective exchange of information among the governments concerned at the earliest possible stage of planning and throughout the planning and development process; to encourage areawide comprehensive planning on a continuing basis; and to encourage State and local governments to establish or improve facilities for coordinating areawide development, all applications made after June 30, 1966, for Federal loans or grants to assist in carrying out open space land projects or for the construction of hospitals, airports, water supply and distribution facilities, sewerage facilities and waste treatment works, highways, transportation facilities, water development, and land conservation within any metropolitan area shall be subject to the provisions of this title.

(b)(1) Except as provided in paragraph (2) of this subsection, each application for a loan or grant of the type described in subsection (a) shall be accompanied (i) by the comments and recommendations with respect to the project involved by an areawide agency designated to perform metropolitan or regional planning for the area within which the assistance is to be used, and which is, to the greatest practicable extent, composed of or responsible to the elected officials of the units of general local government within whose jurisdiction such agency is authorized to engage in such planning; and (ii) by a statement by the applicant that such comments and recommendations have been considered prior to formal submission of the application. Such comments shall include information concerning the extent to which the proposed urban development project or program is consistent with comprehensive planning developed or in the process of development for the metropolitan area and the extent to which such project or program contributes to the fulfillment of such areawide planning. The comments and recommendations and the statement referred to in this section shall, except in the case referred to in paragraph (2) of this subsection, be reviewed by the agency of the Federal Government to which such application is submitted for the sole purpose of assisting it in determining whether the application is in accordance with the provisions of Federal law which govern the making of the loans or grants.

(2) An application for a Federal loan or grant need not be accompanied by the comments and recommendations and the statement referred to in paragraph (1) of this subsection if the applicant certifies that a plan or description of the project, meeting the requirements of such rules and regulations as may be prescribed under subsection (c) hereof, or such application has lain before an appropriate areawide agency or instrumentality for a period of sixty days without comments or recommendations thereon being made by such agency or instrumentality.

(3) The requirements of paragraphs (1) and (2) shall also apply to any amendment of the application which, in light of the purposes of this title, involves a major change in the project covered by the application prior to such amendment.

(c) The Bureau of the Budget or such other agency as may be designated by the President is hereby authorized to prescribe such rules and regulations as are deemed appropriate for the effective administration of this title.

TITLE VI—ACQUISITION, USE, AND DISPOSITION OF LAND WITHIN URBAN AREAS BY FEDERAL AGENCIES IN CONFORMITY WITH LAND UTILIZATION PROGRAMS OF AFFECTED LOCAL GOVERNMENT

Amendment of Federal Property and Administrative Services Act

Sec. 601. The Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), is amended by adding at the end thereof a new title as follows:

"TITLE VIII—URBAN LAND UTILIZATION

"Short Title

"Sec. 801. This title may be cited as the 'Federal Urban Land-Use Act'.

"Declaration of Purpose and Policy

"Sec. 802. It is the purpose of this title to promote more harmonious intergovernmental relations by prescribing uniform policies and procedures whereby the Administrator shall acquire, use, and dispose of land in urban areas in order that urban land transactions entered into for the General Services Administration or on behalf of other Federal agencies shall be consistent with zoning and land-use practices and shall be made to the greatest practicable extent in accordance with planning and development objectives of the local governments and local planning agencies concerned.

"Disposal of Urban Lands

"Sec. 803. (a) Whenever the Administrator contemplates the disposal for or on behalf of any Federal agency of any real property situated within an urban area, he shall prior to offering such land for sale, give reasonable notice to the head of the governing body of the unit of general local government having jurisdiction over zoning and land-use regulation in the geographical area within which the land or lands are located in order to afford the government the opportunity of zoning for the use of such land in accordance with local comprehensive planning.

"(b) The Administrator, to the greatest practicable extent, shall furnish to all prospective purchasers of such real property, full and complete information concerning—

"(1) current zoning regulations and prospective zoning requirements and objectives for such property when it is unzoned; and

"(2) current availability to such property of streets, sidewalks, sewers, water, streetlights, and other service facilities and prospective availability of such services if such property is included in comprehensive planning.

"Acquisition or Change of Use of Real Property

"Sec. 804. (b) In the acquisition or change of use of any real property situated in an urban area as a site for public building, the Administrator shall, to the extent he determines practicable—

"(2) comply with an conform to zoning regulations of the unit of general local government having jurisdiction with respect to the area within which such property is situated and the planning and development objectives of such local government.

"(1) consider all objections made to any such acquisition or changed use by such unit of government upon the ground that the proposed acquisition or use conflicts or would conflict with such regulations or objectives; and

"(a) To the extent practicable, prior to a commitment to acquire any real property situated in an urban area, the Administrator shall notify the unit of general local government exercising zoning and land-use jurisdiction over the land proposed to be purchased of his intent to acquire such land and the proposed use of the property. In the event that the Administrator determines that such advance notice would have an adverse impact on the proposed purchase, he shall, upon conclusion of the acquisition, immediately notify such local government of the acquisition and the proposed use of the property.

"Definitions

"Sec. 805. As used in this title—

"(a) 'Unit of general local government' means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

"(b) 'Urban area' means—

"(1) any geographical area within the jurisdiction of any incorporated city, town, borough, village, or other unit of general local government, except county or parish, having a population of ten thousand or more inhabitants;

"(2) that portion of the geographical area within the jurisdiction of any county, town, township, or similar governmental entity which contains no incorporated unit of general local government but has a population density equal to or exceeding one thousand five hundred inhabitants per square mile; and

"(3) that portion of any geographical area situated adjacent to the boundary of any incorporated unit of general local government which has such population density.

"(c) 'Comprehensive planning' includes the following, to the extent directly related to the needs of a unit of general local government:

"(1) preparation, as a guide for long-range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities, together with long-range fiscal plans for such development;

"(2) programing of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvement to be constructed in the earlier years of the program;

"(3) coordination of all related plans of the departments or subdivisions of the government concerned;

"(4) intergovernmental coordination of related planning activities among the State and local governmental agencies concerned; and

"(5) preparation of regulatory and administrative measures in support of the foregoing."

TITLE VII—ESTABLISHING UNIFORM FEDERAL RELOCATION PRACTICES

Declaration of Policy

Sec. 701. The purpose of this title is to establish a uniform policy for the fair and equitable treatment of owners, tenants, and other persons displaced by the acquisition of real property in Federal and federally assisted programs, by code enforcement activities undertaken in connection with an urban renewal project, or by a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan. Such a policy shall be as uniform as practicable as to (1) relocation payments, (2) advisory assistance, (3) assurance of availability of standard housing, and (4) Federal reimbursement for relocation payments under federally assisted programs.

Part A—Federal programs

Relocation Payments

Sec. 702. (a) If the head of any Federal agency acquires real property for public use in a State he shall make fair and reasonable relocation payments to displaced persons in accordance with the regulations established by the President under section 705 of this Act.

(b) If any displaced person who moves or discontinues his business elects to accept the payment authorized by this subsection in lieu of the payment authorized for such business by subsection (a) of this section, the head of such Federal agency shall make a fixed relocation payment to such person in an amount equal to the average annual net earnings of the business, or $5,000, whichever is the lesser. No payment shall be made under this subsection unless the head of such agency is satisfied that the business (1) cannot be relocated without a substantial loss of its existing patronage, and (2) is not part of a commercial enterprise having at least one other establishment, not being acquired by the United States, which is engaged in the same or similar business. For purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business, before Federal, State, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business moves from the real property acquired by the United States and includes any compensation paid by the business to the owner, his spouse, or his dependent children during such two-year period. Such earnings and compensation shall be established by Federal income tax returns filed by such business and its owner and his spouse and dependent children for such two taxable years.

(c) If any displaced person who moved from a dwelling elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (a) of this section for moving from such dwelling, the head of such Federal agency shall make the following fixed relocation payments to such person:

(1) A moving expense allowance, determined according to a schedule established by the head of such agency, not to exceed $200;

(2) A dislocation allowance equal to the amount paid under paragraph (1) of this subsection or $100, whichever is the lesser; and

(3) An additional payment of $300 if the displaced person owned the fee title or a life estate in the real property occupied.

(d) If any displaced person who moves or discontinues a farm operation elects to accept the payment authorized by this subsection in lieu of the payment authorized for such farm operation by subsection (a) of this section, the head of such Federal agency shall make a fixed relocation payment to such person in the amount of $1,000. In the case where the entire farm operation is not acquired by such Federal agency, the payment authorized by this subsection shall be made only if the head of such agency determines that the remainder property is no longer an economic unit.

(e) In addition to any amount under subsections (a), (b), (c), and (d) of this section, the head of such Federal agency may pay on behalf of any displaced family, displaced elderly individual, or displaced handicapped inidividual, monthly payments over a period not to exceed twenty-four months an amount not to exceed $1,000 to assist such displaced family or individual to secure a decent, safe, and sanitary dwelling. The additional payment shall be an amount which, when aded to 20 per centum of the annual income of the displaced individual or family at the time of displacement, equals the average annual rental required for such a decent, safe, and sanitary dwelling of modest standards adequate in size to accommodate the displaced individual or family in areas not generally less desirable in regard to public utilities and public and commercial facilities: *Provided*, That such payment shall be made only to an individual or family who is unable to secure a dwelling unit in a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Housing and Home Finance Administrator to have the same general purposes as the Federal program under such Act.

(f) No provision of this section shall be construed to give any person a cause of action in any court, nor may any violation of this section be raised as a defense by such person in any action.

Relocation Assistance Programs

SEC. 703. (a) If the head of any Federal agency acquires real property for public use in a State he shall provide a relocation assistance program for displaced persons which shall offer the services described in subsection (b) of this section. If the head of such agency determines that other persons, occupying property adjacent to the real property acquired, are caused substantial economic injury because of the public improvement for which such property is acquired, he may offer such persons relocation services under such program.

(b) Each relocation assistance program required by subsection (a) of this section shall include such measures, facilities, or services as may be necessary or appropriate in order (1) to determine the needs of displaced families, individuals, business concerns, and farm operators for relocation assistance; (2) to assist owners of displaced businesses and displaced farm operators in obtaining and becoming established in suitable business locations or replacement farms; (3) to supply information concerning the Federal Housing Administration home acquisition program under section 221(d)(2) of the National Housing Act, the small business disaster loan program under section 7(b)(3) of the Small Business Act, and other programs offering assistance to displaced persons; (4) to assist in minimizing hardships to displaced persons in adjusting to relocation; and (5) to assure, to the greatest extent practicable, the coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community or nearby areas which may affect the carrying out of the relocation program.

Federal Programs With Local Cooperation

SEC. 704. Whenever real property is acquired by a State or local government agency for a Federal public improvement project, such acquisition shall, for purposes of this Act, be deemed an acquisition by the Federal agency having authority over such project and such Federal agency shall make relocation payments, provide relocation assistance, and provide assurance of availability of housing as required in the case of acquisitions of real property by a Federal agency.

Authority of the President

SEC. 705. (a) To carry into effect the provisions of this title, the President is authorized to make such regulations as he may determine to be necessary to assure:

(1) That relocation payments authorized by section 702 shall be fair and reasonable and as uniform as practicable;

(2) That a displaced person who makes proper application for a relocation payment authorized for such person by section 702(a)—

(A) shall be reimbursed for his actual and reasonable expenses in moving himself, his family, his business, farm operation, or other personal property, and in the case of a farm operation, for his actual and reasonable expenses in searching for a replacement farm; and

(B) shall, if he disposes of personal property on moving his business or farm operation and replaces such property at the new location, be paid an amount equal to the reasonable expenses that would have been required in moving such personal property to the new location.

(3) That a displaced person who makes proper application for a relocation payment authorized for such person by this Act shall be paid promptly after a move;

(4) That any person aggrieved by a determination as to eligibility for a relocation payment authorized by this Act, or the amount of a payment, may have his application reviewed by the head of the agency; and

(5) That a displaced person shall have a reasonable time in which to apply for a relocation payment authorized by this Act.

(b) The President may, by regulation, establish a limitation on the amount of a relocation payment authorized by section 702(a) with due consideration for the declaration of policy in this title and the provisions of subsection (a) of this section and section 707(d).

(c) In order to prevent unnecessary expense and duplication of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons, the President is authorized to require that any Federal agency make relocation payments or provide relocation services, or otherwise carry out its functions under this title, by utilizing the facilities, personnel, and services of any other Federal agency, or by entering into appropriate contracts or agreements with any State or local government agency having an established organization for conducting relocation assistance programs.

(d) The President may make such other rules and regulations consistent with the provisions of this title as he deems necessary or appropriate to carry out this title.

Fund Availability

SEC. 706. Funds appropriated or otherwise available to any Federal agency for the acquisition of real property or any interest therein shall be available also for obligation and expenditures to carry out the provisions of this Act.

Part B—Federally assisted programs

Relocation Payments and Assistance; Assurance of Availability of Housing

SEC. 707. (a) If a State or local government agency acquires real property, and if—

(1) Federal financial assistance is available to pay the cost in connection with the acquisition of such real property or of the improvement for which such property is acquired, and

(2) Such State or local government agency has agreed with the head of the Federal agency responsible for the administration of such Federal financial assistance to provide to displaced persons for moves from such real property—

(A) fair and reasonable location payments as described in section 702 and in accordance with regulations established by the President under section 705,

(B) fixed relocation payments in the same amounts and under the same terms and conditions as are required to be made by a Federal agency by subsections 702 (b), (c), and (d) of this title.

(C) additional payments on behalf of any displaced family, displaced elderly individual, or displaced handicapped individual in the same amounts and under the same terms and conditions as are required to be made by a Federal agency by subsection 702(e),

(D) relocation assistance programs offering the services described in section 703(b) to the persons described in section 703(a), and

(E) a feasible method for the temporary relocation of families and individuals displaced from the property acquired, and assurance that there are or are being provided, in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and individuals and reasonably accessible to their places of employment,

then Federal financial assistance shall be available to share the cost of such relocation payments and relocation assistance programs in accordance with subsection (d) of this section. However, no State or local government agency need agree to make any relocation payment in excess of $25,000 to any displaced person in order to receive the assistance authorized by this subsection or to meet the requirements of section 708.

(b) In order to prevent unnecessary expenses and duplication of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons, any agreement by a State or local government agency under subsection (e) of this section shall provide that such agency may make relocation payments or provide relocation assistance or otherwise carry out its functions under this title by utilizing the facilities, personnel, and services of any other State or local government agency having an established organization for conducting relocation assistance programs.

(c) Any contract or agreement with a State or local government agency executed before the effective date of this Act, under which Federal financial assistance is available to pay the cost in connection with the acquisition of real property, or of the improvement for which such property is acquired, may be amended to include an agreement as described in subsection (a) of this section.

(d) The cost to a State or local government agency providing the payments and services described in subsection (a) of this section may be included as part of the costs of the project for which Federal financial assistance is available to such State agency, and shall be eligible for Federal financial assistance in the same manner and to the same extent as other project costs, except that the Federal agency providing such assistance shall contribute the first $25,000 of the cost of providing a relocation payment to any displaced person.

(e) If the head of a Federal agency determines that it is necessary for the expeditious completion of a public improvement for which a State or local government agency has entered into an agreement, as described in subsection (a) of this section, to make relocation payments to displaced persons, he may advance the Federal share of such relocation payments to such State agency. Upon determination by the head of such Federal agency that any part of the funds advanced to a State agency under this subsection are no longer required, the amount which he determines not to be required shall be repaid upon demand. Any sum advanced and not repaid on demand shall be deducted from sums otherwise available to such State agency from Federal sources.

Requirements for Approval of Contracts or Agreements for Federal Financial Assistance

SEC. 708. Notwithstanding any other provision of law, on and after the effective date of this Act, no contract or agreement with a State or local government agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement in compliance with the requirements of section 707.

Displacement by Code Enforcement for Urban Renewal Project or Voluntary Rehabilitation Under Urban Renewal Plan

SEC. 709. A person who moves his business or other personal property, or moves from his dwelling, on or after the effective date of this Act, as the direct result of code enforcement activities undertaken in connection with an urban renewal project or a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan, which project or plan receives Federal financial assistance under the Housing Act of 1959, shall, for the purposes of this title, be deemed to be a displaced person.

Part C—General provisions

National Capital Housing Authority Eligible for Federal Financial Assistance

SEC. 710. Whenever, in connection with the acquisition of real property, the National Capital Housing Authority provides to a displaced person any relocation payment or advisory service required by this title, and Federal financial assistance is available to pay the cost in connection with the acquisition of such real property, or of the public improvement for which such property is acquired, the cost of such agency of providing such payments or services shall be eligible for Federal financial assistance in the manner provided for in section 707(d).

Applicability of Administrative Procedure Act

SEC. 711. No provision of the Administrative Procedure Act shall apply to this title except section 3 (5 U.S.C. 1002), which shall apply to section 704.

Severability

SEC. 712. If any provision of this title, or the application thereof to any person or circumstance is held invalid, the remainder of this title and the application of the provision to other persons or circumstances shall not be affected thereby.

Acts Repealed

SEC. 713. (a) The following laws and parts of laws are hereby repealed:

(1) The Act entitled "An Act to authorize the Secretary of the Interior to reimburse owners of lands required for development under his jurisdiction for their moving expenses, and for other purposes," approved May 29, 1958 (43 U.S.C. 1231–1234).

(2) Paragraph 14 of section 203(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473).

(3) Section 2680 of title 10, United States Code.

(4) Section 133 of title 23, United States Code.

(5) Section 7 of the Urban Mass Transportation Act of 1964 (78 Stat. 305).

(6) Section 105(c) of the Housing Act of 1949 (78 Stat. 786).

(7) Sections 114(b) and 114(c) of the Housing Act of 1949 (78 Stat. 788–789).

(8) Paragraph (8) of section 15 of the United States Housing Act of 1937 (78 Stat. 795), except the first sentence of such paragraph.

(b) Any rights or liabilities now existing under prior Acts or portions thereof shall not be affected by the repeal of such prior Acts or portions thereof under subsection (a) of this section.

Effective Date

SEC. 714. This title shall take effect on the first day of the fourth month beginning after the date of enactment of this title.

Effect of the Social Security Increase on Veterans' Pensions

EXTENSION OF REMARKS
OF

HON. OLIN E. TEAGUE

OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 11, 1965

Mr. TEAGUE of Texas. Mr. Speaker, much concern has been expressed about the effect of the recent social security increase on pensions payable to veterans and the widows of veterans. To thoroughly understand the problem it should be noted that pensions are payable to wartime veterans for non-service-connected disability and to widows of veterans who died from non-service-connected causes, on the basis of financial need as prescribed in the pension laws.

Financial need is determined by the amount of the annual income of the veteran or widow exclusive of the pension paid by the Veterans' Administration. It is the theory of the pension law that a dollar of income, regardless of its source, reduces financial need. There are some exceptions as set out in 38 United States Code 503, but these exceptions have been carefully considered and support rather than destroy the theory that all real income, regardless of its source, should be counted in the determination of financial need.

Congress amended the disability and death pension laws by Public Law 88–664, which became effective January 1, 1965. At the time this legislation was under consideration in the House Committee on Veterans' Affairs, the House had already passed a bill granting a 5-percent increase in social security payments and this bill was pending in the Senate where it was amended to provide for a 7-percent increase.

Social security payments, the same as payments received from any retirement program, constitute real income, and have always been considered as income in the determination of annual income for pension purposes. However, in the 88th Congress much concern was expressed because of the fact that the contemplated increase in social security payments would cause the pensions of some veterans and widows to be reduced or terminated. For this reason Public Law 88–664 provided that 10 percent of all payments to an individual under any public or private retirement program, including social security, would be exempt from the computation of income for pension purposes. The bill, which became Public Law 88–664, was reported by the House Committee on Veterans' Affairs on August 5, 1964. The report accompanying that bill explains the 10 percent exclusion provision and in this connection states:

> Obviously, this would permit thousands of individuals who are receiving social security payments and who are on the borderline of the income limitations of the pension law enjoy the increase in social security benefits recently voted by the House of Representatives and at the same time continue to receive their non-service-connected pen-

sion. It should be crystal clear that this 10-percent exclusion would more than compensate for the recently House-approved measure (H.R. 11865) granting a 5-percent increase in social security payments, thus making certain that no veteran, widow, or child receiving a pension under the provisions of Public Law 86-211 would be adversely affected as a result of having an increase in income attributable to the social security increase.

It is clear that the 10-percent exclusion which became effective January 1, 1965, was enacted to prevent the reduction or termination of the pension of any veteran or widow of a veteran because of an increase in social security payments. The 89th Congress has recently enacted a social security increase of 7 percent. It is obvious that the 10-percent exclusion exceeds the 7-percent increase. Therefore no pension will be reduced or terminated by the 7-percent social security increase unless the pension was increased or entitlement incurred because of the 10-percent exclusion, effective January 1, 1965. The fact that the 10-percent exclusion became effective before the social security increase enabled some persons to receive a pension or increased rates of pension they were not intended to have. For example, a single veteran who had, during 1964, a total annual income of $650 from retirement income could exclude 10 percent or $65, effective January 1, 1965. This would reduce the veteran's income for pension purposes below $600 so that he would have been entitled to receive the maximum pension rate. The recently enacted 7-percent increase would result in an annual income of $630.50 and therefore place the veteran in the same income category as before the 10 percent was enacted.

SENATE

THURSDAY, AUGUST 12, 1965

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, in a world filled with the clamor of those who trust in violence, and with the boasting of those who reckon not with the ultimate supremacy of forces unseen and eternal, save us from being victims of the apparent and the transient. Above all, help us in every realm of action to be masters of ourselves that we may be the servants of all.

In meeting grave issues growing out of what we deem to be wrong with the world reveal to us what is wrong with ourselves.

Make us vividly aware that we cannot meet and conquer hatred and rampant selfish aggression abroad with material weapons only—but, that our own hearts must be the home of love, and purity, and honesty, if we are to be Thy instruments for the transforming of this sad and mad world.

In these crucial and creative days enable Thy servants here in posts of high public office to perform faithfully and well what Thou dost require, even to do justly, to love mercy, and to walk humbly with Thee, our God.

In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 11, 1965, was dispensed with.

THE CALENDAR

On request of Mr. MANSFIELD, and by unanimous consent, the following calendar measures were considered and acted upon as indicated:

DISCONTINUE OR MODIFY CERTAIN REPORTING REQUIREMENTS OF LAW

The Senate proceeded to consider the bill (S. 2150) to discontinue or modify certain requirements of law which had been reported from the Committee on Government Operations with amendments on page 3, after line 17, to strike out:

(3) The annual reports to Congress with respect to the positions in grades 16, 17, and 18 of the General Schedule under the Classification Act of 1949, as amended (70 Stat. 762; 5 U.S.C. 1105a).

At the beginning of line 23, to strike out "(9)" and insert "(8)"; on page 4, at the beginning of line 1, to strike out "(10)" and insert "(9)"; at the beginning of line 5, to strike out "(11)" and insert "(10)"; after line 9, to strike out:

(12) The report to the Committees on Public Works of the Senate and House of Representatives on the progress and findings with respect to studies of economic highway geometrics, structures, and desirable weight and size standards for highway vehicles and of the feasibility of uniform State regulations (23 U.S.C. 307(b)).

At the beginning of line 16, to strike out "(13)" and insert "(11)"; at the beginning of line 20, to strike out "(14)" and insert "(12)"; at the beginning of line 24, to strike out "(15)" and insert "(13)"; on page 5, at the beginning of line 6, to strike out "(16)" and insert "(14)"; at the beginning of line 12, to strike out "(17)" and insert "(15)"; at the beginning of line 20, to strike out "(18)" and insert "(16)"; at the beginning of line 25, to strike out "(19)" and insert "(17)"; on page 6, after line 5, to strike out:

(20) The annual report to the President and to the Congress on the status of training and the progress made in strengthening the Reserve components of the Armed Forces (10 U.S.C. 279).

At the beginning of line 10, to strike out "(21)" and insert "(18)"; at the beginning of line 14, to strike out "(22)" and insert "(19)"; after line 16 to strike out:

(23) The semiannual report to the Committees on Armed Services of the Senate and House of Representatives by the Secretary of each military department of options acquired on real property considered suitable and likely to be needed for a military project of his department (10 U.S.C. 2677(c)).

At the beginning of line 23, to strike out "(24)" and insert "(20)"; on page 7, after line 2, to strike out:

(25) The annual report to the Congress by the Secretary of each military department of the number of officers above the grade of major or lieutenant commander by grade and age group who are entitled to incentive pay and the average monthly incentive pay for the preceding six-month period (37 U.S.C. 301(g)).

At the beginning of line 9, to strike out "(26)" and insert "(21)"; at the beginning of line 13, to strike out "(27)" and insert "(22)"; at the beginning of line 18, to strike out "(28)" and insert "(23)"; at the beginning of line 23, to strike out "(29)" and insert "(24)"; on page 8, after line 4, to strike out:

(30) The annual report to Congress by the Secretary of each military department on the progress of the flight instruction program (10 U.S.C. 2110(b)).

At the beginning of line 8, to strike out "(31)" and insert "(25)"; after line 10, to strike out:

(32) The annual report to the Committees on Armed Services of the Senate and House of Representatives by the Secretary of the Army on the number, categories, and grades of Reserve officers (other than in the Medical Corps or Dental Corps) originally appointed in the Reserve grade of captain or above (10 U.S.C. 3353(d)).

After line 16, to strike out:

(33) The annual report to the Committees on Armed Services of the Senate and House of Representatives by the Secretary of the Navy on the number, categories, and grades of Reserve officers (other than in the Medical Corps or Dental Corps) originally appointed in the Reserve grade of lieutenant in the Naval Reserve, or captain in the Marine Corps Reserve, or above (10 U.S.C. 5600(a)).

After line 23, to strike out:

(34) The annual report to the Committees on Armed Services of the Senate and House of Representatives by the Secretary of the Air Force on the number, categories, and grades of the Reserve officers (other than medical or dental officers) originally appointed in the Reserve grade of captain or above (10 U.S.C. 8353(d)).

On page 9, at the beginning of line 5, to strike out "(35)" and insert "(26)"; after line 10, to strike out:

(36) The quarterly report to the Committees on Armed Services of the Senate and House of Representatives by the Secretary of the Navy with respect to the production from the naval petroleum and oil shale reserves (10 U.S.C. 7434).

After line 15, to strike out:

REPORTS UNDER THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

(37) The annual report to Congress on the administration of the Smith-Hughes Vocational Education Act together with related reports made by State boards for vocational education (39 U.S.C. 936; 20 U.S.C. 28).

(38) The annual report of the receipt and expenditures of money and of the work done in the State under the Smith-Hughes Vocational Educational Act which is required to be submitted by the State board for vocational education to the Department of Health, Education, and Welfare (39 Stat. 933; 20 U.S.C. 18).

On page 10, at the beginning of line 5, to strike out "(39)" and insert "(27)"; at the beginning of line 9, to strike out "(40)" and insert "(28)"; at the beginning of line 13, to strike out "(41)" and insert "(29)"; at the beginning of line 17, to strike out "(42)" and insert "(30)"; at the beginning of line 20, to strike out "(43)" and insert "(31)"; at the beginning of line 24, to strike out "(44)" and insert "(32)"; on page 11, at the beginning of line 5, to strike out "(45)" and insert "(33)"; at the beginning of line 11, to strike out "(46)" and insert "(34)"; at the beginning of line 17, to strike out "(47)" and insert "(35)"; at the beginning of line 22, to strike out "(48)" and insert "(36)"; on page 12, at the beginning of line 4, to strike out "(49)" and insert "(37)"; at the beginning of line 8, to strike out "(50)" and insert "(38)"; at the beginning of line 12, to strike out "(51)" and insert "(39)"; at the beginning of line 15, to strike out "(52)" and insert "(40)"; at the beginning of line 19, to strike out "(53)" and insert "(41)"; at the beginning of line 25, to strike out "(54)" and insert "(42)"; on page 13, after line 5, to strike out:

(55) The annual report to the Congress of summary and detail information on the operations with respect to the purchase of surety bonds to cover officers and employees of the Federal Government (6 U.S.C. 14(c)).

At the beginning of line 10, to strike out "(56)" and insert "(43)"; after line 12, to strike out:

REPORTS UNDER THE FEDERAL AVIATION AGENCY

(57) The semiannual report to the appropriate committees of the Congress of the agreements, personnel detail, and evaluation with respect to the participation by members of the armed services in Federal Aviation Agency functions relating to air traffic control (72 Stat. 745; 49 U.S.C. 1343(a)).

At the beginning of line 21, to strike out "(58)" and insert "(44)"; on page 14, after line 2, to strike out:

REPORTS UNDER THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

(59) The semiannual report by the National Aeronautics and Space Administration of its activities and accomplishments which is submitted to the President for transmittal to the Congress (72 Stat. 432; 42 U.S.C. 2476 (a)).

(60) The annual report by the Administrator of the National Aeronautics and Space Administration to Congress which sets forth, as of the close of each fiscal year, the number of positions established under section 203(b)(2) of the National Aeronautics and Space Act of 1958, as amended; the name, rate of compensation, and description of qualifications of each incumbent, together with the position title and a statement of the duties and responsibilities of each incumbent; the positions held and the rates of compensation, during the preceding five-year period; and such other information as the Administrator may deem appropriate or which may be required by the Congress or a committee thereof (75 Stat. 791; 42 U.S.C. 2473a).

At the beginning of line 23, to strike out "(61)" and insert "(45)"; on page 17, after line 3, to insert:

(10) From quarterly to annual submission to the Congress by the Attorney General of a report concerning certain voluntary agreements and programs pursuant to section 708 (e) of the Defense Production Act of 1950 (64 Stat. 818, as amended; 50 U.S.C. App. 2158).

And, after line 8, to insert:

(11) From quarterly to annual submission to the Congress by the Chairman of the United States Civil Service Commission of a report pursuant to section 710(b)(7) of the Defense Production Act of 1950 (64 Stat. 819, as amended; 50 U.S.C. App. 2160).

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following reporting requirements, which relate to the submission of certain reports to Congress or other Government authority, are hereby repealed, as follows:

REPORTS UNDER EACH EXECUTIVE AGENCY

(1) The annual report to Congress relative to agency activities with respect to the disposal of foreign excess property (63 Stat. 398; 40 U.S.C. 514(d)).

(2) The annual report to the Post Office and Civil Service Committees and the Appropriations Committees of the Senate and House of Representatives of the action taken in reviewing certain positions, together with information comparing the total number of employees on the payroll on June 30 and their average grade and salary with similar information for the previous June 30 (65 Stat. 757; 5 U.S.C. 43, note).

(3) The annual report to Congress of the administrative adjustment of tort claims of $2,500 or less, stating the name of each claimant, the amount claimed, the amount awarded, and a brief description of the claim (28 U.S.C. 2673).

REPORTS UNDER TWO OR MORE EXECUTIVE AGENCIES

(4) The annual report to the appropriate committees of both Houses of Congress of the number of grants made for support of scientific research, the dollar amount of such grants, and the institutions in which title was vested to equipment purchased with such funds (72 Stat. 1793; 42 U.S.C. 1893).

(5) The semiannual report to the Congress of purchases and contracts with respect to experimental, developmental, or research work with the name of each contractor, the amount of the contract, and description of the work required (63 Stat. 393; 41 U.S.C. 252(c)).

(6) The annual report to Congress of the number of scientific and professional positions established, the name, rate of compensation, and description of the qualifications of each incumbent, together with a statement of the functions performed by each (61 Stat. 715; 5 U.S.C. 1163, 10 U.S.C. 1582).

(7) The quarterly reports to Congress by the Department of the Treasury, Housing and Home Finance Agency, General Services Administration, and the annual report to the President and to Congress by the Small Business Administration of progress in liquidating the assets and winding up the affairs of the Reconstruction Finance Corporation as required by section 106(b) of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 231; 15 U.S.C. 609, note), by Reorganization Plan No. 1 of 1957, and by Public Law 87-305, section 5(a) (75 Stat. 666; 15 U.S.C. 639(a)).

REPORTS UNDER THE DEPARTMENT OF AGRICULTURE

(8) The annual report to Congress of activities relating to the Puerto Rico hurricane relief loans (45 Stat. 1067; 70 Stat. 525).

(9) The report of the estimates of national farm housing needs and of progress made toward meeting such needs (63 Stat. 435; 42 U.S.C. 1476(b)).

REPORTS UNDER THE DEPARTMENT OF COMMERCE

(10) The annual report of the comparison of costs of ship construction or reconditioning in the various shipyards in the United States with recommendations as to how shipyards may compete for work on an equalized basis (76 Stat. 1201; 46 U.S.C. 1123).

(11) The quarterly report of contracts entered into, proposed contracts, and general progress with respect to aviation war risk insurance activities (72 Stat. 805; 49 U.S.C. 1539).

(12) The quarterly report of contracts entered into, proposed contracts, and general progress with respect to war risk insurance activities under the Merchant Marine Act, 1936 (64 Stat. 776; 46 U.S.C. 1291).

(13) The annual report of the names of contractors and subcontractors for scientific equipment used for communication and navigation and of the names of persons entering into contracts or other arrangements by the terms of which the United States undertakes to pay only for national-defense features, together with the applicable contracts and amounts (49 Stat. 1998; 46 U.S.C. 1155(b)).

(14) The annual report covering each case and the reasons therefor in which an exception is made to the prohibition against payment of an operating-differential subsidy for the operation of a vessel beyond its economic life (49 Stat. 2003; 46 U.S.C. 1175(b)).

REPORTS UNDER THE DEPARTMENT OF DEFENSE

(15) The reports to the Committees on Armed Services of the Senate and House of Representatives on the fifteenth day of January, April, July, and October of each year with respect to the cost, number, and location of housing units constructed or acquired during the past three months and of those intended to be constructed or acquired during the following three-month period (10 U.S.C. 2681(c)).

(16) The report to the Committees on Armed Services of the Senate and House of Representatives with respect to the terms of contracts and names of contractors for storage, handling, and distribution of liquid fuels (10 U.S.C. 2388(d)).

(17) The report to the Committees on Armed Services of the Senate and House of Representatives showing the amounts paid by the Government for medical care of dependents of active duty members of the uniformed services and the amount of adjustments made after the annual review of such payments (10 U.S.C. 1081).

(18) The annual report to Congress of all contributions to States for personnel and administrative expenses under approved civil defense plans (50 U.S.C. App. 2286(f)).

(19) The quarterly report to the Congress of contributions to the States for programs or projects approved for civil defense purposes (50 U.S.C. App. 2281(i)).

(20) The semiannual report to Congress by the Secretary of each military department of the research and development contracts made during the reporting period including specific information on each contract costing more than $50,000 (10 U.S.C. 2357).

(21) The annual report to Congress by the Secretary of the Navy of all vessels used for experimental purposes which have been stricken from the Naval Vessel Register (10 U.S.C. 7306(b)).

(22) The annual report to Congress by the Secretary of the Navy of the appropriations for the Navy Department showing the amount appropriated, amount spent, the amount remaining unspent and estimate of probable demands (10 U.S.C. 7217).

(23) The requirement that the Secretary of the Navy shall communicate to Congress all or a portion of the annual report submitted to the Secretary by the Naval Sea Cadet Corps with respect to its proceedings and activities (76 Stat. 534).

(24) The requirement that the Secretary of Defense or the Secretary of the Treasury, as the case may be, shall report to the Committees on Armed Services of the Senate and House of Representatives the details of the proposed participation by members of the Armed Forces under his jurisdiction in international amateur sports competition (10 U.S.C. 717(b)).

(25) The annual report to the Congress by the Secretary of Defense on action taken under the National Industrial Reserve Act of 1948 (50 U.S.C. 461).

(26) The semiannual report to Congress of the purchases and contracts made for experimental, development or research work or made in the interest of the national defense or of industrial mobilization with the name of each contractor, the amount of the contract and a description of the property or services covered (10 U.S.C. 2304 (e)).

REPORTS UNDER THE DEPARTMENT OF THE INTERIOR

(27) The annual report to the appropriate committees of Congress on the use of the separate fund created for the promotion of the free flow of domestically produced fishery products (68 Stat. 376; 15 U.S.C. 713c-3(f)).

(28) The annual report to Congress with respect to activities of the United States Fish and Wildlife Service under the Fish and Wildlife Act of 1956 (70 Stat. 1123; 16 U.S.C. 742h).

(29) The annual report to the Congress giving detailed information with respect to the establishment of fish restoration and management projects and expenditures therefor (64 Stat. 434; 16 U.S.C. 777j).

(30) The annual report to Congress of the activities of, expenditures by, and donations to, the lignite research laboratory in North Dakota (62 Stat. 85; 30 U.S.C. 403).

(31) The report to Congress of investigations made to determine the effects of domestic sewage, mine, petroleum, and industrial wastes, erosion silt, and other polluting substances on wildlife (60 Stat. 1080; 16 U.S.C. 665).

(32) The annual report to Congress through the Secretary of the Interior by the tribal business committee, representing the fullblood group of the Ute Indian Tribe, of its activities, expenditures, and progress with respect to the development program to assist in making the tribe and the members self-supporting (68 Stat. 877; 25 U.S.C. 677w).

(33) The semiannual report to Congress of the negotiation of contracts for the disposals of surface resources giving the name of each purchaser, the appraised value of the material, the amount of the sale, and the reasons for contracting by negotiation rather than competitive bidding after formal advertising (76 Stat. 587; 30 U.S.C. 602).

(34) The annual report to Congress of all agreements entered into with respect to the payment of compensatory royalties for the drainage of oil or gas by wells drilled on lands adjacent to lands owned by the United States (74 Stat. 781; 30 U.S.C. 226(g)).

REPORTS UNDER THE DEPARTMENT OF LABOR

(35) The annual report of the Secretary of Labor to Congress of the administration of the Longshoremen's and Harbor Workers' Compensation Act including a detailed statement of receipts and expenditures from the funds established by the Act (44 Stat. 444; 33 U.S.C. 943).

(36) The annual report to Congress by the Secretary of Labor of the work of the Bureau of Employees' Compensation including a detailed statement of appropriations and expenditures and a detailed statement showing receipts of and expenditures from the employees' compensation fund (39 Stat. 749; 5 U.S.C. 784).

REPORTS UNDER THE POST OFFICE DEPARTMENT

(37) The inclusion in the annual report of operations of the postal savings system of the names of post offices receiving deposits, the number of depositors in each and the amount on deposit (39 U.S.C. 5205).

(38) The inclusion in the annual report to the President by the Postmaster General of activities with respect to the Postal Modernization Fund (39 U.S.C. 2332).

REPORTS UNDER THE DEPARTMENT OF STATE

(39) The report to the Congress by the President with respect to operations under the Lend-Lease Act (55 Stat. 32; 22 U.S.C. 414(b)).

(40) The report to the Congress by the President not less than once each year on the activities of the International Atomic Energy Agency and on the participation of the United States therein (71 Stat. 453; 22 U.S.C. 2022).

(41) The annual report to Congress by the National Commission on Educational, Scientific, and Cultural Cooperation and the Secretary of State of the receipts and expenditures of funds and bequests received and disbursed in connection with the United Nations Educational, Scientific, and Cultural Organization (72 Stat. 273; 22 U.S.C. 287q).

(42) The annual report by the Secretary of State to the Congress and to the President on the condition of the Foreign Service Retirement and Disability Fund and of estimates of appropriations necessary to continue the system in effect (60 Stat. 1024; 22 U.S.C. 1102).

REPORT UNDER THE DEPARTMENT OF TREASURY

(43) The annual report to Congress by the Secretary of the Treasury on the financial condition of the Postal Modernization Fund (39 U.S.C. 2234).

REPORT UNDER THE FEDERAL POWER COMMISSION

(44) The annual report to Congres of the permits and licenses issued under the Federal Power Act, the parties thereto, the terms prescribed, and money received, together with names and compensation of persons employed by the Commission (41 Stat. 1065, 46 Stat. 798; 16 U.S.C. 797(d)).

REPORT UNDER THE NATIONAL LABOR RELATIONS BOARD

(45) The report at the close of each fiscal year to Congress and the President stating in detail the cases heard by the Board, decisions rendered, the names, salaries, and duties of all its employees and officers, and an account of all moneys disbursed (49 Stat. 451; 29 U.S.C. 153(c)).

Sec. 2. The following reporting requirements, which relate to the submission of certain reports to Congress or other Government authority, are hereby modified as follows:

(1) From quarterly to annual submission to Congress by the Secretary of Commerce of a report with respect to all activities or transactions under the Merchant Ship Sales Act of 1946 (60 Stat. 50; 50 U.S.C. App. 1746).

(2) From semiannual to annual submission to the President and to Congress by the Secretary of Commerce of a report with respect to activities under the International Travel Act of 1961 (75 Stat. 130; 22 U.S.C. 2125).

(3) From quarterly to annual submission to Congress by the Secretary of the Air Force of a report of the number of officers in the executive part of the Department of the Air Force and the justification therefor (10 U.S.C. 8031 (c)).

(4) From quarterly to semiannual submission to the Senate and the House of Representatives by the Secretary of Health, Education, and Welfare of a report with respect to personal property donations to State surplus property agencies and real property disposals to public health and educational institutions (66 Stat. 593; 40 U.S.C. 484(o)).

(5) From semiannual submission through the President to annual submission to Congress by the Secretary of the Interior of a report of the operations of programs to stimulate exploration for minerals within the United States, its territories and possessions together with recommendations regarding the need for such programs (72 Stat. 701; 30 U.S.C. 645).

(6) From semiannual to annual submission to the Congress by the Foreign Claims Settlement Commission of the United States of a report concerning its operations under the War Claims Act of 1948 (62 Stat. 1246; 50 U.S.C. App. 2008).

(7) From semiannual to annual submission to the Congress by the Foreign Claims Settlement Commission of the United States of a report concerning its operations under the International Claims Settlement Act of 1949 (64 Stat. 13; 22 U.S.C. 1622(c)).

(8) From semiannual to annual submission to the Congress by the President of a report of each transaction entered into by any agency of the United States Government pursuant to section 302 or 303 of the Defense Production Act of 1950, as amended, together with the basis for determining the probable ultimate net cost to the United States thereunder (64 Stat. 789; 74 Stat. 282; 50 U.S.C. App. 2094(b)).

(9) From semiannual to annual submission to the Congress by the Export-Import Bank of Washington of a report concerning its operations under the Export-Import Bank Act of 1945 (59 Stat. 529; 12 U.S.C. 635g).

(10) From quarterly to annual submission to the Congress by the Attorney General of a report concerning certain voluntary agreements and programs pursuant to section 708(e) of the Defense Production Act of 1950 (64 Stat. 818, as amended; 50 U.S.C. App. 2158).

(11) From quarterly to annual submission to the Congress by the Chairman of the United States Civil Service Commission of a report pursuant to section 710(b)(7) of the Defense Production Act of 1950 (64 Stat. 819, as amended; 50 U.S.C. App. 2160).

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to discontinue or modify certain reporting requirements of law."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 545), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

EXPLANATION OF AMENDMENTS

S. 2150 was based upon a draft bill transmitted to the President of the Senate by the Bureau of the Budget and referred to the Committee on Government Operations. The committee transmitted the draft, with explanatory material relating to its contents, to the chairman of each standing committee of the Senate, with a request for his views concerning any continuing need or interest in any of the reporting requirements which would be repealed by the draft bill. Recommendations were received to delete four of the provisions in the draft bill and these provisions were not included in S. 2150 as introduced. After the bill was introduced, further recommendations were received from the standing committees to delete 16 other provisions of the bill. All of these recommendations from the committees have been adopted and are reflected in the bill as amended.

The Committee on Banking and Currency also proposed that two existing statutory requirements for quarterly reports be amended to provide only for annual reports. These proposals also have been incorporated in the bill as amended.

BACKGROUND

This bill is similar to legislation which has been enacted from time to time to eliminate requirements for preparation and submission of reports which no longer are needed. For example, the act of May 29, 1928 (45 Stat. 986), repealed requirements for submission of 128 reports; the act of August 7, 1946 (60 Stat. 866), repealed 62 reporting requirements; and the act of October 31, 1961 (65 Stat. 701) repealed 131 statutory reporting requirements. The act of August 30, 1954 (68 Stat. 966), and the act of June 29, 1960 (74 Stat. 245), repealed statutory requirements for submission of 32 and 26 reports respectively.

Most of these reporting requirements originally were intended to provide detailed and periodic information for the use of the Congress in evaluating the effectiveness and efficiency of programs being administered by executive agencies. The Congress must be able to obtain such information whenever it is needed or useful. However, reports which were needed and used may become unnecessary because of changes in program emphasis or because the essential information can be obtained readily through other sources and reports.

Section 1 of S. 2150, as amended, would repeal only those statutory reporting requirements which have outlived their usefulness and would not affect reporting requirements which any standing committee of the Senate recommends to be continued.

Similarly, section 2 of the bill as amended would reduce the frequency with which certain reports are required to be submitted but would not affect the frequency of submitting any reports which any standing committee of the Senate recommends to be continued without such change.

The bill as amended provides for the repeal of 45 reporting requirements and the modification of 11 such requirements.

EXTENDING THE DURATION OF COPYRIGHT PROTECTION IN CERTAIN CASES

The joint resolution (H.J. Res. 431) extending the duration of copyright protection in certain cases was considered, and agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 548), explaining the purposes of the resolution.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this legislation is to continue until December 31, 1967, the renewal term of any copyright subsisting on the date of approval of this measure (including any renewal term extended by Public Law 87-667) where such term would otherwise expire prior to December 31, 1967. The joint resolution would provide an interim extension of the removal term of copyright pending the enactment by the Congress of a general revision of the copyright laws, including a proposed increase in the length of the copyright term. This resolution would be the second such interim extension of copyright. The first extension (Public Law 87-668, approved September 19, 1962) will expire on December 31, 1965.

This legislation merely provides for the prolongation of the renewal term of copyright and does not involve creation of a new term of copyright.

STATEMENT

This legislation arises from a study of the U.S. copyright system authorized by the Congress in 1955. After extensive preparatory work, copyright revision bills were introduced in both Houses during the 88th Congress. During the current Congress copyright revision bills have again been introduced. The Senate bill (S. 1006) is now under consideration by this committee's Subcommittee on Patents, Trademarks, and Copyrights. This measure would increase the basic copyright term of new works from 28 years, renewable for a second period of 28 years, to a term for the life of the author and for 50 years thereafter. It also provides for a substantial extension of the term of subsisting copyrights.

Although this legislation is now receiving consideration in both Houses, it is doubtful that a new law can be enacted before the expiration of the temporary extension. In these circumstances it seems desirable that the terms of expiring copyrights should be extended so that the copyright holders may enjoy the benefit of any increase in term that may be enacted by the Congress. It is the view of the committee that the same considerations that led to the enactment of Public Law 87-668 warrant the approval of this joint resolution.

The present measure has been requested by the Coordinating Committee on Copyright revision representing a number of organizations comprising authors, composers, and publishers of copyrighted literary and musical works.

BILL PASSED OVER

The bill (H.R. 5280) to provide for exemptions from the antitrust laws to assist in safeguarding the balance-of-payments position of the United States was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDENT pro tempore. The bill will be passed over.

YOUTH COUNCILS ON CIVIC AFFAIRS

The Senate proceeded to consider the bill (H.R. 3329) to incorporate the Youth Councils on Civic Affairs, and for other purposes which had been reported from the Committee on the Judiciary with amendments on page 2, line 7, after the word "this", to strike out "chapter" and insert "Act"; on page 6, line 1, after the word "this", to strike out "title" and insert "Act"; on page 8, after line 5, to strike out:

SEC. 14 (a). The financial transactions shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by the depositors, fiscal agents, and custodians, shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than six (6) months following the close of each year for which the audit is made. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

And, in lieu thereof, to insert:

SEC. 14. (a) The accounts of the corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the persons or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than six months following the close of the fiscal year for which the audit is made. The report shall set forth the scope of the audit and include such statements, together with the independent auditor's opinion of those statements, as are necessary to present fairly the corporation's assets and liabilities, surplus or deficit with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the corporation's income and expenses during the year, including (1) the results of any trading, manufacturing, publishing, or other commercial-type endeavor carried on by the corporation, and (2) a schedule of all contracts requiring payments in excess of $10,000 and any payments of compensation, salaries, or fees at a rate in excess of $10,000 per annum. The report shall not be printed as a public document.

On page 11, line 1, after the word "this", to strike out "chapter" and insert "Act"; and in line 2, after the word "reserved", to insert "to the Congress".

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 550), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation as amended is to confer a Federal charter upon the Youth Councils on Civil Affairs.

STATEMENT

The Youth Councils on Civic Affairs had its origin in Jacksonville, Fla., in 1962. Like many other American cities, Jacksonville at that time was experiencing a rising tide of school dropouts, unemployed vagrant youth, and increasing acts of vandalism by young people. There was a definite tendency on the part of the general public, with the exception of a few crusaders, to ignore the problems of school dropouts and out-of-work youth, with the inevitable consequence of increasing juvenile offenses such as intoxication and petty larceny. This situation led to the foundation in Jacksonville of a somewhat unique manner of dealing with youthful offenders. This is known today as the youth jury system, whereby young people who have gotten into trouble must explain their actions before their peers—a panel of young people like themselves. This youth jury serves in an advisory capacity to the judge of the Jacksonville municipal court, who is quoted as stating that this jury has been the sole reason for a decrease of more than 50 percent in the number of youths appearing on the docket of his court. The effectiveness of this system seems to lie in the fact that this jury has devised new types of sentences for offenders convicted in the court, such as street-sweeping, work in local charity hospitals, essays, work in the city's parks, and other similar sentences.

The committee is informed that the purpose of this proposed corporation shall be to promote interest, study, and participation in all civil matters affecting the youth of America, emphasizing the American heritage and the responsibilities of young people to their communities; to offer an organization through which young people may benefit both themselves and their communities through an exchange of mutual problems and programs; to initiate programs and projects to afford the youth of a community an opportunity to meet and deal effectively with such problems as school dropouts, youth employment, vocational guidance, youth offenders, and the like, and to establish means of communication between the youth and adults of the community; and to provide youth the opportunity to practice democracy so as to prepare more effectively for the responsibilities of adult citizenship and leadership.

As a consequence of its success in Jacksonville, this youth jury program has been adopted in other cities throughout the country.

Through the impetus of this and other successful youth programs, the Youth Councils on Civic Affairs evolved and was incorporated under Florida statute in March 1963.

Since this time, the organization has grown in scope, and in seeking a Federal charter the Youth Councils on Civil Affairs proposes to become a national clearinghouse to encourage the formation of local youth councils in communities throughout the country and to help existing youth councils in all possible ways. The committee is informed, however, that this organization does not propose to dictate in any way to force establishment of youth groups, or to establish rules and regulations other than those which may be necessary.

The committee is of the opinion that the objectives sought to be achieved through this incorporation are praiseworthy, and should be encouraged by the favorable consideration of this proposed legislation.

CERTAIN CASES IN WHICH THE ATTORNEY GENERAL HAS SUSPENDED DEPORTATION

The concurrent resolution (S. Con. Res. 49) favoring the suspension of deportation of certain aliens was considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act, as amended (66 Stat. 204; 8 U.S.C. 1251):

A–8249034, Pilch, Jan.
A–4291563, Placzkiewicz, Stanley James.
A–12358710, Hoy, Hom Fook.
A–2563752, Ninomiya, Issaku.
A–4291730, Palumbo, John.
A–5972279, Rieger, Ferenz.
A–4262857, Rosen, Morris.
A–7962109, Tomczak, Michael.
A–1149855, Bohun, Sil.
A–5829164, Gricus, Franciskus.
A–4986241, Jiminez-Gomez, Rafael.
A–11199183, Kong, Dunn Chong.
A–11928583, Louie, King Fong.
A–4169178, Mejia-Cortes, Anacleto.
A–1614102, Rosenberg, Ben.
A–13165758, Wong, Wing Art.
A–4705363, Lubin, Irving.
A–3840332, Sanchez-Monroy, Jose.
A–5055592, de la Trinidad-Berroteran, Jesus.
A–1565564, Vargas-Barrera, Pedro.
A–7930331, Altman, Nathan.
A–7222730, Bach, Harry.
A–10162061, Goon, Phillip Que.
A–12360130, Som, Tom.
A–5848373, Arroyo-Olague, Pedro.
A–6777333, Cornez, Edward A.
A–4360830, Pulido-Hernandez, Julie.
A–3925714, Sobona, Karl.
A–13020489, Suey, Fun Jung.
A–6008514, Vda De Delgado, Antonia Rios.
A–5399916, Pospasil, Rose Antoinette.
A–5621715, Remenyfy, Alajas Aladar.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 551), explaining the purposes of the concurrent resolution.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE CONCURRENT RESOLUTION

The purpose of the concurrent resolution is to record congressional approval of suspension of deportation in certain cases in which the Attorney General has suspended deportation pursuant to section 244(a)(2) of the Immigration and Nationality Act, as amended. Under the prescribed procedure, affirmative approval by both the Senate and the House of Representatives is required before the status of the aliens may be adjusted to that of aliens lawfully admitted for permanent residence.

STATEMENT OF FACTS

The concurrent resolution relates to certain cases in which the Attorney General has suspended deportation under the provisions of section 244(a)(2) of the Immigration and Nationality Act, as amended. These cases are submitted to the Congress under the provisions of that section subsequent to its amendment by section 4 of Public Law 87–885. The aliens are deportable as former subversives, criminals, immoral persons, violators of the narcotic laws or violators of the alien registration laws. The discretionary relief may be granted to an alien within these categories upon a showing (1) of 10 years' continuous physical presence in the United States following the commission of an act or the assumption of a status constituting a ground for deportation; (2) that he has not been served with a final order of deportation up to the time of his application for suspension of deportation; (3) that he has been a person of good moral character during the required period of physical presence; and (4) that his deportation would result in exceptional and extremely unusual hardship to himself or to his spouse, parent, or child, who is a citizen or an alien lawfully admitted for permanent residence.

Included in the concurrent resolution are 30 cases which were referred to the Congress between May 1, 1964, and October 1, 1964. One case referred during that period was not approved. In addition, two cases have been included in the concurrent resolution which were submitted March 1, 1964, under the provisions of section 244(a)(1) in error. In each case included in the concurrent resolution, a careful check has been made to determine whether or not the alien (a) has met the requirements of the law; (b) is of good moral character; and (c) warrants the granting of suspension of deportation.

PARIDE MARCHESAN

The bill (S. 343) for the relief of Paride Marchesan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Paride Marchesan may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the said Act, and a petition may be filed in behalf of the said Paride Marchesan by Master Sergeant and Mrs. Harry Simpson, citizens of the United States, pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 552), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to facilitate the entry into the United States in a nonquota status of an alien child to be adopted by citizens of the United States.

DARLYNE MARIE CECILE FISHER EVERY

The bill (S. 505) for the relief of Darlyne Marie Cecile Fisher Every was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Darlyne Marie Cecile Fisher Every shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 553), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Darlyne Marie Cecile Fisher Every. The bill provides for the payment of the required visa fee.

VASILEOS KOUTSOUGEANOPOULOS

The bill (S. 1397) for the relief of Vasileos Koutsougeanopoulos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Vasileos Koutsougeanopoulos may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of that Act, and a petition may be filed in behalf of the said Vasileos Koutsougeanopoulos by Mr. and Mrs. Paul Apostle, citizens of the United States, pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 554), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to facilitate the entry into the United States in a nonquota status of an alien child to be adopted by citizens of the United States.

KIM SUNG JIN

The bill (S. 1647) for the relief of Kim Sung Jin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kim Sung Jin may be classified as an eligible orphan within the meaning of section 101(b)(1)(F), and a petition may be filed in behalf of the said Kim Sung Jin by Mr. and Mrs. Joe Sims, Junior, citizens of the United States, pursuant to section 205(b) of the Immigration and Nationality Act, subject to all the conditions in that section relating to eligible orphans.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 555), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable an alien to be adopted by citizens of the United States to qualify for nonquota status as an eligible orphan upon approval of a petition filed in his behalf.

DR. AUGUSTINE Y. M. YAO

The bill (S. 1651) for the relief of Dr. Augustine Y. M. Yao was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1651

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Augustine Y. M. Yao shall be held and considered to have been lawfully admitted to the United States for permanent residence as of May 16, 1958, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 556), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Dr. Augustine Y. M. Yao. The bill provides for an appropriate quota deduction and for the payment of the required visa fee.

GUILLERMO MACALINTAL MADRIGAL

The bill (S. 1678) for the relief of Guillermo Macalintal Madrigal was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Guillermo Macalintal Madrigal shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 557), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Guillermo Macalintal Madrigal. The bill provides for an appropriate quota deduction and for the payment of the required visa fee.

JENNIFER ELLEN JOHNSON MOJDARA

The bill (S. 1736) for the relief of Jennifer Ellen Johnson Mojdara was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time Jennifer Ellen Johnson Mojdara, daughter of Ambassador U. Alexis Johnson and Mrs. Patricia Ann Johnson, was residing abroad with her parents, during her minority, when her father was serving abroad as a career Foreign Service officer of the United States, shall be held and considered to be compliance with the physical-presence requirement of section 301(a)(7) of the Immigration and Nationality Act, as amended.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 558), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to transmit U.S. citizenship to her daughter.

ERICH GANSMULLER

The bill (S. 1775) for the relief of Erich Gansmuller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of the Immigration and Nationality Act, the periods of time Erich Gansmuller has resided and was physically present in the United States or any State since October 17, 1957, shall be held and considered as compliance with the residence and physical presence requirement of section 316 of said Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 559), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

LAURA MacARTHUR GODITIABOIS-DEACON

The bill (S. 1919) for the relief of Laura MacArthur Goditiabois-Deacon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1919

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time Laura MacArthur Goditiabois-Deacon, daughter of Ambassador Douglas MacArthur and Mrs. Laura Louise MacArthur, was residing abroad with her parents, during her minority, when her father was serving abroad as a career Foreign Service officer of the United States, shall be held and considered to be compliance with the physical-presence requirement of section 301(a)(7) of the Immigration and Nationality Act, as amended.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 560), explaining the purpose of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to transmit U.S. citizenship to her daughter.

CHOY-SIM MAH

The Senate proceeded to consider the bill (S. 322) for the relief of Choy-Sim Mah, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Choy-Sim Mah, the widow of Poi Wong, a citizen of the United States, shall be held and considered to be within the purview of section 101 (a)(27)(A) of that Act and the provisions of section 205 of the said Act shall be not be applicable in this case.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 561), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to preserve nonquota immigrant status in behalf of the widow of a U.S. citizen. The bill has been amended in accordance with established precedents.

ANNA UNGVARI

The Senate proceeded to consider the bill (S. 782) for the relief of Anna Ungvari, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Act of July 14, 1960 (74 Stat. 504), Anna Ungvari shall be held and considered to have been paroled into the United States on the date of the enactment of this Act, as provided for in the said Act of July 14, 1960.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 562), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable Anna Ungvari to qualify as a refugee-escapee under the provisions of Public Law 86-648. The bill has been amended in accordance with established precedents.

VIRGILIO ACOSTA-MARTINEZ

The Senate proceeded to consider the bill (S. 1748) for the relief of Virgilio Acosta-Martinez, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Virgilio Acosta-Martinez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 22, 1960.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 563), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended in accordance with established precedents.

INCREASING RATES OF SUBSISTENCE FOR SERVICE-CONNECTED TRAINEES UNDER VOCATIONAL REHABILITATION

The bill (H.R. 206) to provide a realistic cost-of-living increase in rates of subsistence allowances paid to disabled veterans pursuing vocational rehabilitation training was considered, ordered to a third reading, read the third time, and passed.

Mr. YARBOROUGH. Mr. President, this is a bill which provides a realistic cost-of-living increase in rates of subsistence allowances to disabled veterans pursuing vocational rehabilitation training. The primary purpose of this legislation is to provide appropriate cost-of-living increases in the monetary allowances payable as subsistence allowances under chapter 31 of title 38, United States Code. It is also designed to replace the cumbersome and outmoded statutory scheme now used in determining the amount of subsistence allowance payable under the vocational rehabilitation program.

The current basic rates of vocational rehabilitation subsistence allowance have been in effect since April 1, 1948. Since that time, the cost of living has increased approximately 30 percent. Obviously, these subsistence allowances have not kept pace with the rise of living cost and do not now furnish anything like the same degree of assistance which was furnished immediately after World War II, or even during the period of the Korean conflict.

Nearly 700,000 veterans have been trained under this program, and in March of 1965 there were approximately 1,500 veterans taking this sort of training under the auspices of the Veterans' Administration.

Mr. President, I ask unanimous consent that an explanation of this bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF H.R. 206

Public Law 16 of the 78th Congress, enacted in 1943 (subsequently codified as ch. 31, title 38, United States Code), authorized vocational rehabilitation (education and training) for veterans in need thereof to overcome the handicap of a service-connected disability.

Under this program, the Veterans' Administration gives the veteran certain tests to determine the type of training which he needs to overcome his disability. Thereafter, he is afforded an opportunity to take this training, with the Veterans' Administration paying the full academic or training cost in addition to a subsistence allowance, which is paid on a sliding scale, depending on the degree of his disability and the number of dependents that he may have. This present payment varies generally from $75 to $120 per month. There is a "floor" on the combined rate of subsistence allowance and disability compensation which varies from $105 per month for an unmarried veteran with a disability rated less than 30 percent to $135 per month, with additional amounts for dependents, in cases of veterans with disabilities rated 30 percent or more and who have dependents. The subsistence allowance is paid in conjunction with the veteran's service-connected compensation.

The current basic rates of vocational rehabilitation subsistence allowance have been in effect since April 1, 1948. Since that time, the cost of living has increased approximately 30 percent. Obviously, these subsistence allowances have not kept pace with the rise of living cost and do not now furnish anything like the same degree of assistance which was furnished immediately after World War II, or even during the period of the Korean conflict.

Nearly 700,000 veterans have been trained under this program, and in March of 1965 there were approximately 1,500 veterans taking this sort of training under the auspices of the Veterans' Administration.

The large number of rates possible under existing law is listed in exhibit A of the letter of the Administrator reproduced beginning on page 12.

The Office of Education has made the following estimates of costs of attending college. They refer to an academic year (9 months).

Estimated costs for tuition and required fees and total cost of attending college, per student, 1942–43 to 1964–65, by control

Year	Tuition and required fees		Total costs of attending college	
	Public	Private	Public	Private
1942–43	$88	$276	$860	$1,120
1944–45	95	280	910	1,200
1946–47	125	330	960	1,290
1948–49	140	396	1,010	1,380
1950–51	138	414	1,070	1,480
1952–53	137	420	1,130	1,590
1954–55	139	438	1,190	1,700
1956–57	142	495	1,260	1,820
1958–59	164	584	1,330	1,950
1960–61	179	676	1,400	2,090
1962–63	191	753	1,380	2,240
1964–65	222	831	1,560	2,370

In order to simplify administration and to provide for a greater degree of equity, subsistence payments have been simplified and increased to the level shown in the table which appears immediately below:

Col. I—Type of training	Col. II—no dependents	Col. III—1 dependent	Col. IV—2 or more dependents
Full-time institutional training	$110	$150	$175
Institutional on-farm, apprentice, or other on-job training	95	125	150

These amounts are above and beyond the amount of disability compensation payable to the veteran.

The cost of this bill, as reported, is estimated to be:

Fiscal year:	
1966	$2,200,000
1967	1,800,000
1968	1,600,000
1969	1,300,000
1970	1,200,000
Total, first 5 years	8,100,000

TRAINING OF SERIOUSLY DISABLED VETERANS UNDER THE VOCATIONAL REHABILITATION PROGRAM

The bill (H.R. 208) to amend chapter 31 of title 38, United States Code, to extend to seriously disabled veterans the same liberalization of time limits for pursuing vocational rehabilitation training as was authorized for blinded veterans by Public Law 87–591, and to clarify the language of the law relating to the limiting of periods for pursuing such training was considered, ordered to a third reading, read the third time, and passed.

Mr. YARBOROUGH. Mr. President, at the present time, vocational rehabilitation training is authorized for veterans who have incurred service-connected disabilities during their period of military service. As the program now exists, it covers all veterans beginning with World War II and is a permanent program for the service-connected veterans of present service. Generally speaking, vocational rehabilitation may not be afforded after 9 years following the date of a veteran's discharge or release from active service.

A special exception to this general delimiting date is found in the case of a blinded veteran who has until June 30, 1975, or 10 years after the general termination date, where it is determined that he has not been previously rehabilitated as a result of his training or where his disability has worsened to such a degree that the training which was originally given him no longer fits him to perform the duties for which he was trained.

The reported bill would continue the existing provisions with respect to blinded veterans but would broaden them to afford identical extensions to all individuals having "a serious disability resulting from a service-connected disease or injury which affords eligibility for vocational rehabilitation."

This proposal results from the recognition that with the passage of time injuries or conditions may so progress as to preclude continuance by the veteran in his present field of endeavor.

This extension was suggested by the Veterans' Administration, and will cost less than $1,400,000 in fiscal year 1966 and approximately $16 million for the first 5 fiscal years. This is a needed program if we are to rehabilitate our veterans so that they may be employed productively and take their rightful places in society.

I ask unanimous consent that a more thorough explanation of it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF H.R. 208

Chapter 31 of title 38, United States Code, originally enacted as Public Law 16 of the 78th Congress, authorized vocational rehabilitation and training for veterans who have incurred service-connected disability during their period of service. As the program now exists, it covers all beginning with World War II and it is a permanent program for the service-connected veterans of present service. It provides a sliding scale of subsistence payments in addition to the basic compensation of the veteran. The Veterans' Administration pays for the academic or training cost of the institution which is selected, after the veteran has been given a battery of tests to determine his need for rehabilitation. There is no initiation date, but, generally speaking, vocational rehabilitation may not be afforded after 9 years following the date of his discharge or release from active service.

A special exception to this general delimiting date is found in the case of a blinded veteran who has until June 30, 1975, or 10 years after the general termination date, where it is determined that he has not been previously rehabilitated as a result of his training or where his disability has worsened to such a degree that the training which was originally given him no longer fits him to perform the duties for which he was trained.

In a vocational rehabilitation context the seriousness of the disability must always be related to employment or employment potential. The considerations leading to the conclusion that in this context the veteran is seriously disabled, are—

(1) the ability of the disabled veteran to hold or maintain himself in competitive employment; and

(2) the veteran's need for special training courses, restorative training courses, or special rehabilitation procedures if he is to pursue a program of vocational rehabilitation training.

It is likely that only a very few veterans with disability ratings under 50 percent will be considered seriously disabled and that many of those rated 70 percent will be so considered. However, for vocational rehabilitation purposes, the rating itself cannot be an invariable guide to identification of serious disability.

The reported bill would continue the existing provisions with respect to blinded veterans but would broaden them to afford identical extensions to all individuals having "a serious disability resulting from a service-connected disease or injury which affords eligibility for vocational rehabilitation" under the basic provisions of the law.

This proposal results from the recognition that with the passage of time injuries or conditions may so progress as to preclude continuance by the veteran in his present field of endeavor. Thus, the veteran who may have been trained to overcome the handicap of a partial disability will have an urgent need for retraining as a seriously disabled person. Examples of the types of cases which would be included by this amendment are veterans with progressive diseases, or paraplegics, who as time passes will become unemployable in the positions for which they are now trained, due to their deteriorating conditions, and will, therefore, need to be retrained in order to take their rightful places in society. In addition, recent medical developments, in the psychiatric field, for example, are making it possible for many veterans who have been hospitalized for extended periods of time to avail themselves of vocational rehabilitation training. In view of the present national program for restoring the mentally ill to useful lives, this seriously disabled group constitutes another important segment of the veteran population requiring rehabilitation who will benefit from the proposed extension. The extension of this legislation to the seriously disabled was suggested by the Veterans' Administration.

The cost of this legislation, as reported, is estimated at less than $1,400,000 for fiscal year 1966 and approximately $16 million for the first 5 fiscal years.

BILL PASSED OVER

The bill (H.R. 227) to amend title 38 of the United States Code to entitle the children of certain veterans who served in the Armed Forces prior to September 16, 1940, to benefit under the war orphans' educational assistance program was announced as next in order.

Mr. MANSFIELD. Mr. President, over.

The PRESIDENT pro tempore. The bill will be passed over.

INCREASE IN RATES OF SUBSISTENCE UNDER WAR ORPHANS' EDUCATIONAL ASSISTANCE PROGRAM

The Senate proceeded to consider the bill (H.R. 205) to amend chapter 35 of title 38 of the United States Code in order to increase the educational assistance allowances payable under the war orphans' educational assistance program, and for other purposes which had been reported from the Committee on Labor and Public Welfare, with amendments, on page 1, line 5, after the word "thereof", to strike out "$130" and insert "$150"; in the same line, after the amendment just above stated, to strike out "$95" and insert "$110"; in line 6, after the word "and", to strike out "$60" and insert "$75"; in line 8, after the word "inserting", to strike out "$105" and insert "$125"; on page 2, at the beginning of line 4, to strike out "$130" and insert "$150"; in the same line, after the amendment just above stated, to strike out "$41" and insert "$50"; in the same line, after the amendment just above stated, to strike out "$41" and insert "$50"; in the same line, after the word "and", to strike out "$4.25" and insert "$5"; and in line 13, after the word "first", to strike out "section" and insert "and second sections".

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. YARBOROUGH. Mr. President, this bill increases the monthly educational benefits that are available to the children of American servicemen who were killed, or later died from permanent injuries, as a result of the Spanish-American War, World War I, World War II, the Korean war, or hostile war actions. The amendment to H.R. 205—the Kennedy amendment—substitutes for the House bill rates, the increased rates proposed by Senator Edward Kennedy and contained in his bill, S. 2067.

Public Law 88–361 extended this same program to the children of living veterans who are totally disabled from service-connected causes, and section 3 of this bill removes a distinction between wartime and nonwartime service connection of disability that is no longer advisable.

There has been no increase in the rates indicated above since the program was first proposed in March of 1956. Since that date, there has been an increase in the cost of living of 16.6 percent.

The rates proposed in this amended bill (Kennedy amendment) are $150 a month for a full-time course, $110 for a course being taken on the basis of three-quarter time, and $75 a month for a half-time course. These rates were first proposed by Senator Edward Kennedy of Massachusetts, who diligently and persistently urged and advocated them, and succeeded in having these increased rates for orphans' education written into this bill. Senator Kennedy supported his bill—this amended House bill; his rates were substituted for the lower House rates—with detailed proof of the increased cost of college education in tuition, books, and living expenses.

The war orphans' program so far has been quite successful, although we are not sure of the extent to which many eligible children have failed to participate because of the low level of assistance. To date, some 77,000 children have entered the program; 80 percent enrolled in colleges and universities, and the rest in the other special training programs. These increased payments should make possible the education of a higher percentage of these orphans.

Mr. President, I ask unanimous consent that an explanation of this bill be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

EXPLANATION OF H.R. 205

Public Law 634 of the 84th Congress, which subsequently became chapter 35 of title 38, United States Code, provided assistance to the children of individuals who lost their lives as a result of service in one of the branches of the Armed Forces during the Spanish-American War, World War I, World War II, or the Korean conflict, and, under certain conditions, periods of service thereafter.

The assistance provided is in the form of a monthly payment which ranges from a high of $110 a month for a full-time education course to $50 a month for a half-time course. The age limitations generally are 18 to 23, and, in effect, this program authorizes assistance during a 4-year college course, since the payments authorized run for a maximum of 36 months—the equivalent of 4 school years.

Public Law 88–361 extended this same program to the children of living veterans who are totally disabled from service-connected causes.

There has been no increase in the rates indicated above since the program was first proposed in March of 1956. Since that date, there has been an increase in the cost of living of 16.6 percent.

The rates proposed in this amended bill are $150 a month for a full-time course, $110 for a course being taken on the basis of three-quarter time, and $75 a month for a half-time course.

The Office of Education has made the following estimates of costs of attending college. They refer to an academic year (9 months):

Estimated costs for tuition and required fees and total cost of attending college, per student, 1942–43 to 1964–65, by control

Year	Tuition and required fees		Total costs of attending college	
	Public	Private	Public	Private
1942–43	$88	$276	$860	$1,120
1944–45	95	280	910	1,200
1946–47	125	330	960	1,290
1948–49	140	396	1,010	1,380
1950–51	138	414	1,070	1,480
1952–53	137	420	1,130	1,590
1954–55	139	438	1,190	1,700
1956–57	142	495	1,260	1,820
1958–59	164	584	1,330	1,950
1960–61	179	676	1,400	2,090
1962–63	191	753	1,480	2,240
1964–65	222	831	1,560	2,370

Existing law for war orphan eligibility requires a disability arising out of service during the Spanish-American War, World War I, World War II, Korea, or the induction period. For service during a period of war the criteria for a determination of "service connection" for purposes of disability compensation apply. For service during the induction period, however, it must be shown that the disability occurred as a direct result from the performance of active military, naval, or air service or have resulted from (1) armed conflict, or (2) from an injury or disease while engaged in extrahazardous service. The amendment proposed by section 3 of this bill removes the restrictions on the individuals serving in the induction period by providing the same basis for determination of service connection as is applicable to a veteran suffering a disability during a period of war. Basically, it would cover those individuals who served and who are service connected beginning with February 1, 1955, and continuing so long as the draft is in effect.

The rates provided in the committee amendments differ from the rates provided in H.R. 205 as passed by the House of Representatives and the existing rates as follows:

Section 1732(a), title 38, United States Code, amended as follows:

Amended rates: $150, full-time program of institutional courses; $110, three-quarter time program of institutional courses; $75, one-half time program of institutional courses.

Original rates in H.R. 205: $130, full-time program of institutional courses; $95, three-quarter time program of institutional courses; $60, one-half time program of institutional courses.

Present rates: $110, full-time program of institutional courses; $80, three-quarter time program of institutional courses; $50, one-half time program of institutional courses.

Section 1732(b), title 38, United States Code, amended as follows:

Amended rates: $125, full-time program of institutional courses and alternate phases of training in a business or industrial establishment.

Original rates in H.R. 205: $105, full-time program of institutional courses and alternate phases of training in a business or industrial establishment.

Present rates: $90, full-time program of institutional courses and alternate phases of training in a business or industrial establishment.

Section 1742(a), title 38, United States Code, amended as follows:

Amended rates: $150, full-time course of special restorative training; $50, tuition and fees; $5, criteria for entitlement.

Original rates in H.R. 205: $130, full-time course of special restorative training; $41, tuition and fees; $4.25, criteria for entitlement.

Present rates: $110, full-time course of special restorative training; $35, tuition and fees; $3.60, criteria for entitlement.

As a technical matter, section 4 of H.R. 205 provides that the first section of the bill shall take effect on the first day of the second calendar month following enactment. The amendment would apply the same effective date to section 2, inasmuch as both sections provide related rate increases, and the time lapse between the date of enactment and the effective date of the increased benefits afforded would be desirable to effect a timely adjustment in the rates.

The amendment to the War Orphans' Act was introduced by Senator Edward M. Kennedy and many cosponsors because of their concern over the future education for children of our war dead. This country has had a war orphans' assistance program for almost 10 years, but in all that time the rates of monthly assistance payments have remained the same. At the same time, college costs have almost doubled.

The children of servicemen killed in past wars, as well as those who have died as a result of Quemoy and Matsu, Cuba, the Vietnam and Dominican action, or from the many hazardous duties of military life are not in a financial position to expect much in the way of advanced education. That was the basis of the War Orphans' Act, but if this act is not periodically attended to, it can become almost meaningless in application.

The median income of an American family headed by a veteran is approximately $7,443 a year. But for families where there is only a mother, the median income is $3,264 a year. And if she has at least a child under the age of 18, it drops down to $2,676 a year. Such families cannot put anything away for years ahead of higher education. When these families are in this situation as a result of our military actions, our obligation to them is clear.

Therefore, it is evident that the war orphans are quite different from other recipients of veterans' benefits. Their economic plight should not be confused with our desire to help returning veterans in their own education.

The war orphans' program so far has been quite successful, although we are not sure of the extent to which many eligible children have not participated because of the low level of assistance. To date, some 77,000 children have entered the program; 80 percent enrolled in colleges and universities and the rest in the other special training programs. The enrollees are about equally divided by sex. Looking at the figures that tell us the fields of study that these children have chosen, it is gratifying to see that those desiring to be teachers lead the list.

This means that we are receiving multiple benefits for the funds expended. We are providing education to children who will in turn advance the cause of education itself. Many others have gone into arts, health, physical sciences, engineering, and the many business professions.

Types of training pursued by orphans prior to Dec. 1, 1963 (ch. 35, title 338, U.S.C.)

Training program	Entered training			Training, Nov. 30, 1963		
	Total	Distribution by sex		Total	Distribution by sex	
		Male	Female		Male	Female
Total	63, 312	32, 695	30, 617	23, 884	12, 970	10, 914
Agricultural and related	587	545	42	238	219	19
Accounting and auditing	1, 041	742	299	290	233	57
Business administration and managerial	4, 640	3, 369	1, 271	1, 505	1, 180	325
Clerical and sales	4, 994	685	4, 309	969	217	752
Crafts, trades, and industrial	4, 652	3, 761	891	738	651	87
Education (preparation for teaching)	7, 083	2, 350	4, 733	2, 697	829	1, 868
Engineering	2, 798	2, 738	60	1, 126	1, 109	17
English and journalism	808	295	513	357	129	228
Fine and applied arts	2, 091	1, 140	951	754	385	369
Health fields	3, 612	973	2, 639	1, 316	386	930
Home economics	599	21	578	228	5	223
Law	448	403	45	154	134	20
Prelaw	223	205	18	110	103	7
Mathematics and statistics	420	291	129	214	142	72
Physical and biological sciences	1, 315	976	339	567	425	142
Premedical, predental, and preveterinarian	520	430	90	264	225	39
Social studies and welfare work	1, 892	1, 036	856	808	454	354
Theology	340	259	81	78	59	19
Miscellaneous (field of study not specified)	21, 079	11, 186	9, 893	10, 697	5, 795	4, 902
Other types of training	4, 170	1, 290	2, 880	774	290	484

The current basic monthly rate of assistance stands at $110. What was generous in 1956 is inadequate now. The average cost of attending a public institution in 1956 was only $130 per month—so $110 went a long way. Today, however, the average cost of attending a public institution is $173, an increase of about 33 percent, and to attend a private college the monthly cost is about $263 a month. These statistics, when measured against the incomes of the families we are talking about, lead us directly to the action we must take. The war orphans' program is one of assistance, not of full payment, but there is no reason why such assistance should not increase with the costs facing the student—and increase realistically.

This amendment raises the rates by $40 a month, to $150. It is a very reasonable increase and is more closely alined to the real facts of college cost increases.

Increases in subsistence payments to veterans in training should be geared to changes in the cost-of-living index. There is a direct relationship between the cost-of-living index and living allowances; and we should keep in mind the allowances are paid on top of full tuition payments. There is no relationship between changes in the cost-of-living index and college tuition increases. College expenses have not been reflected in the index at all.

For the value of the amendment to the Nation, the cost is extremely low. To the current cost of about $28 million per year, the amendment will add $10 million for each of the next 3 years and will be down to $8.9 million a year by 1970. The difference between the bill as it passed the House and the bill as amended by the Senate committee is only about $5 million in the first year. We are discussing a difference of $5 million for a program of education for fatherless children, and this small increase will surely be a large step in making the program more attractive to children who might otherwise not go to school. The larger benefits instituted by this amendment are also supported by the unquestionable assumption that these rates will not be changed again in the near future, but college costs will surely continue to climb. If we fail to get a realistic rate now, after no change in 10 years, the program and the recipients will surely suffer.

REIMBURSEMENT OF TRANSPORTATION EXPENSES FOR MEMBERS OF THE HOUSE OF REPRESENTATIVES

The Senate proceeded to consider the bill (H.R. 9947) to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives and for other purposes, which had been reported from the Committee on Rules and Administration, with an amendment, on page 3, after line 5, to insert:

> SEC. 4. The second paragraph of section 105(c) of the Legislative Branch Appropriation Act, 1961 (Public Law 86–628; 2 U.S.C. 43c), is hereby repealed.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 570), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> H.R. 9947 as referred would amend the Legislative Branch Appropriation Act, 1959, as amended, to provide Members of the House of Representatives with two additional paid round trips to their home districts, making a total of five compensable round trips per calendar year. Members would be reimbursed for one of those trips at the rate of 20 cents per mile, and for four trips at the rate of 12 cents per mile if transportation is by automobile or for actual cost if transportation is by public carrier.
>
> The bill would provide an optional formula, designed primarily for Members who represent districts in close proximity to Washington, D.C., whereby Members may elect to take a lump-sum payment of $300 per year in lieu of the four trips compensable at the rate of 12 cents per mile or for the actual cost of transportation if by public carrier.
>
> The bill would also provide for reimbursement of transportation expenses incurred by not to exceed two employees in the office of a Member for one round trip each, or incurred by not to exceed one employee for two round trips, in any calendar year, between Washington, D.C., and the place of residence of the Member representing the congressional district involved. Reimbursement for such transportation would be at the rate of 12 cents per mile if by automobile or for the actual cost if by public carrier.

AMENDMENT OF ACT RELATING TO TELEPHONE AND TELEGRAPH SERVICE FURNISHED MEMBERS OF THE HOUSE OF REPRESENTATIVES

The bill (H.R. 10139) to amend the act of June 23, 1949, relating to the telephone and telegraph service furnished Members of the House of Representatives was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 571), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> H.R. 10139 would amend the act of June 23, 1949, as amended, to provide an increase of 20 percent in telephone service for Members of the House of Representatives. Each Member now receives 100,000 units of service per Congress, which he may use interchangeably for telephone or telegram service. The increase in telephone service would be effected by reducing the number of units charged for each minutes of telephone service from 5 to 4. For example, a Member is now charged 15 units for a 3-minute long-distance call. Under this bill he would be charged only 12 units for the same 3-minute call.
>
> The unit charge for telegrams—1 unit for 1 word—is not affected by the provisions of this bill.

BILLS PASSED OVER

The resolution (S. Res. 135) authorizing the Committee on Government Operations to make certain studies as to the efficiency and economy of the operations of the Government was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 136) to provide funds for the study of matters pertaining to economy and efficiency of foreign assistance activities by the Federal Government was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 137) to provide funds to study and evaluate the effect of laws pertaining to proposed reorganizations in the executive branch of the Government was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDENT pro tempore. The resolution will be passed over.

PRINTING OF ADDITIONAL COPIES OF HOUSE DOCUMENT NO. 198, ENTITLED "THE COMMISSION ON INTERGOVERNMENTAL RELATIONS"

The concurrent resolution (S. Con. Res. 44) authorizing the printing of additional copies of House Document No. 198 entitled "The Commission on Intergovernmental Relations," was considered and agreed to, as follows:

S. Con. Res. 44

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Government Operations ten thousand additional copies of House Document Numbered 198 of the Eighty-fourth Congress entitled "The Commission on Intergovernmental Relations."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 575), explaining the purposes of the concurrent resolution.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Concurrent Resolution 44 would authorize the printing for the use of the Senate Committee on Government Operations of 10,000 additional copies of House Document No. 198 of the 84th Congress entitled "The Commission on Intergovernmental Relations." This report, issued in June 1955 by the so-called Kestnbaum Commission, represents the first official study of our Federal system since the Constitutional Convention in 1787 and is an extremely valuable examination of the history and philosophy of Federal-State relationships.

PRINTING OF ADDITIONAL COPIES OF THE "CATALOG OF FEDERAL AIDS TO STATE AND LOCAL GOVERNMENTS"

The concurrent resolution (S. Con. Res. 45) authorizing the printing of additional copies of the "Catalog of Federal Aids to State and Local Governments," was considered, and agreed to, as follows:

S. Con. Res. 45

Resolved by the Senate (the House of Representatives concurring), That there be printed thirty-two thousand additional copies each of the committee prints entitled (1) "Catalog of Federal Aids to State and Local Governments," Eighty-eighth Congress, second session, and (2) "Catalog of Federal Aids to State and Local Governments—Supplement, January 4, 1965," Eighty-ninth Congress, first session; prepared by the Legislative Reference Service, Library of Congress, for the Senate Committee on Government Operations; of which twenty-one thousand nine hundred and fifty copies of each shall be for the use of the House of Representatives, and ten thousand and fifty copies of each shall be for the use of the Senate Committee on Government Operations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 576), explaining the purposes of the concurrent resolution.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Concurrent Resolution 45 would authorize the printing of 32,000 additional copies each of the committee prints entitled (1) "Catalogs of Federal Aids to State and Local Governments"—88th Congress, 2d session; and (2) "Catalog of Federal Aids to State and Local Governments, Supplement, January 4, 1965"—89th Congress, 1st session; prepared by the Legislative Reference Service, Library of Congress, for the Senate Committee on Government Operations. Of the additional copies, 21,950 of each would be for the use of the House of Representatives (50 per Member), and 10,050 copies of each would be for the use of the Senate Committee on Government Operations.

PRINTING AS SENATE DOCUMENT OF A STUDY OF INTERNATIONAL COOPERATION AND ORGANIZATION FOR OUTER SPACE

The Senate proceeded to consider the resolution (S. Res. 132) to print as a Senate document a study of international cooperation and organization for outer space which had been reported from the Committee on Rules and Administration, with an amendment, in line 5, after the word "printed", to strike out "two thousand" and insert "one thousand seven hundred"; so as to make the resolution read:

S. Res. 132

Resolved, That there be printed as a Senate document a study entitled "International Cooperation and Organization for Outer Space", prepared for the use of the Committee on Aeronautical and Space Sciences; and that there be printed one thousand seven hundred additional copies of such document for the use of that committee.

The amendment was agreed to.

The resolution (S. Res. 132) was considered and agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 577), explaining the purposes of the resolution.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Resolution 132 as referred would authorize the printing as a Senate document of a study entitled "International Cooperation and Organization for Outer Space," prepared for the use of the Committee on Aeronautical and Space Sciences; and further would authorize the printing of 2,000 additional copies of such document for the use of that committee.

The Committee on Rules and Administration has amended Senate Resolution 132 by reducing the quantity of additional copies from 2,000 to 1,700. This action was necessary to keep the printing cost for such copies within the statutory limitation of $1,200.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. Mansfield, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

SUBCOMMITTEE MEETING DURING SENATE SESSION

On request of Mr. Mansfield, and by unanimous consent, the Subcommittee on Public Roads of the Committee on Public Works was authorized to meet during the session of the Senate today.

ENROLLED BILL SIGNED

The PRESIDENT pro tempore announced that on today, August 12, 1965, the Vice President signed the enrolled bill (H.R. 8856) to amend section 271 of the Atomic Energy Act of 1954, as amended, which had previously been signed by the Speaker of the House of Representatives.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Plans for Works of Improvement in Florida and Nebraska

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on the Big Slough watershed, Florida, and Upper Big Nemaha watershed, Nebraska (with accompanying papers); to the Committee on Agriculture and Forestry.

Report on Excess Purchase of Passenger Motor Vehicles

A letter from the Secretary of the Interior, reporting, pursuant to law, on the excess purchase of passenger motor vehicles over the numerical limitations as set forth in the Department of the Interior Appropriations Acts for fiscal years 1962 and 1963, by the Bureau of Indian Affairs; to the Committee on Appropriations.

Report on Issuance of Guarantee by Export-Import Bank of Washington

A letter from the Assistant Secretary, Export-Import Bank of Washington, Washington, D.C., reporting, pursuant to law, on the issuance of a guarantee by that bank, in the amount of $97,803.27, to a U.S. commercial bank to assist it in financing the export sale of tractors and spare parts to Yugoslavia; to the Committee on Appropriations.

Report on Reconstruction Finance Corporation Liquidation Fund

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the Reconstruction Finance Corporation Liquidation Fund, for the quarterly period ended June 30, 1965 (with an accompanying report); to the Committee on Banking and Currency.

Amendment of Section 321 of Transportation Act of 1940 in Relation to Providing Federal Traffic Management Services

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to amend section 321 of the Transportation Act of 1940 in relation to the providing of Federal traffic management services, and for other purposes (with an accompanying paper); to the Committee on Commerce.

Certain Federally Owned Land Held in Trust for the Minnesota Chippewa Tribe

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to declare that certain federally owned land is held by the United States in trust for the Minnesota Chippewa Tribe (with an accompanying paper); to the Committee on Interior and Insular Affairs.

Disposition of Funds Appropriated To Pay a Judgment in Favor of the Snake or Paiute Indians of the Oregon Area

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposition of funds appropriated to pay a judgment in favor of the Snake or Paiute Indians of the Oregon area (area III of the Northern Paiute Nation), and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

COL. DONALD J. M. BLAKESLEE AND LT. COL. ROBERT E. WAYNE

A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation for the relief of Col. Donald J. M. Blakeslee and Lt. Col. Robert E. Wayne, U.S. Air Force (with an accompanying paper); to the Committee on the Judiciary.

LT. COL. JAMES E. BAILEY, JR.

A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation for the relief of Lt. Col. James E. Bailey, Jr., U.S. Air Force (retired) (with an accompanying paper); to the Committee on the Judiciary.

EDWARD F. MURZYN AND EDWARD J. O'BRIEN

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation for the relief of Edward F. Murzyn and Edward J. O'Brien (with an accompanying paper); to the Committee on the Judiciary.

REPORT ON GRADED EMPLOYEES IN NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Deputy Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on graded employees in that Administration, as of June 30, 1965; to the Committee on Post Office and Civil Service.

PLANS FOR WORKS OF IMPROVEMENT IN VARIOUS STATES

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Choccolocco Creek, Ala., Little Clear Creek, Ark., Grove River, Ga., South Fork Broad River, Ga., Busseron watershed (supplemental), Indiana, and Suasco watershed (supplemental), Massachusetts (with accompanying papers); to the Committee on Public Works.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. MONRONEY and Mr. CARLSON members of the committee on the part of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HAYDEN, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 3320. An act to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes (Rept. No. 580).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.J. Res. 95. Joint resolution to designate the lake to be formed by the waters impounded by Sanford Dam, Canadian River project, Texas, as "Lake Meredith" (Rept. No. 578).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 7181. An act to provide for the commemoration of certain historical events in the State of Kansas, and for other purposes (Rept. No. 579).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with an amendment:

H.R. 881. An act to authorize the establishment of the Alibates Flint Quarries and Texas Panhandle Pueblo Culture National Monument (Rept. No. 581).

By Mr. CANNON, from the Committee on Armed Services, without amendment:

H.R. 1044. An act to authorize the Secretary of the Navy to convey to the city of Norfolk, State of Virginia, certain lands in the city of Norfolk, State of Virginia, in exchange for certain other lands (Rept. No. 582).

By Mr. CANNON, from the Committee on Armed Services, with an amendment:

H.R. 5519. An act to amend title 10, United States Code, to authorize language training to be given to a dependent of a member of the Army, Navy, Air Force, or Marine Corps under certain circumstances (Rept. No. 583).

By Mr. MILLER, from the Committee on Armed Services, without amendment.

H.R. 7843. An act to amend titles 10 and 37, United States Code, to authorize the survivors of a member of the Armed Forces who dies while on active duty to be paid for his unused accrued leave (Rept. No. 584).

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

H.R. 7595. An act to amend title 10, United States Code, to authorize transportation at Government expense for dependents accompanying members of the uniformed services at their posts of duty outside the United States, who require medical care not locally available (Rept. No. 585).

By Mr. THURMOND, from the Committee on Armed Services, with an amendment:

S. 2381. A bill to amend the Universal Military Training and Service Act of 1951, as amended (Rept. No. 589).

By Mr. YOUNG of Ohio, from the Committee on Armed Services, without amendment:

H.R. 546. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within Camp McCoy Military Reservation, Wis. (Rept. No. 588); and

H.R. 5034. An act to amend section 2575 (a) of title 10, United States Code, to authorize the disposition of lost, abandoned, or unclaimed personal property under certain conditions (Rept. No. 587).

By Mr. TOWER, from the Committee on Armed Services, without amendment:

H.R. 3037. An act to amend section 1485 of title 10, United States Code, relating to the transportation of remains of deceased dependents of members of the Armed Forces, and for other purposes (Rept. No. 586).

By Mr. INOUYE, from the Committee on Armed Services, without amendment:

H.R. 3044. An act to authorize payment of incentive pay for the performance of hazardous duty on the flight deck of an aircraft carrier (Rept. No. 594).

By Mr. BAYH, from the Committee on the Judiciary, without amendment:

S. 683. A bill for the relief of Mrs. A. E. Housley (Rept. No. 590);

H.R. 1291. An act for the relief of the children of Mrs. Elizabeth A. Dombrowski (Rept. No. 591);

H.R. 4024. An act for the relief of Lewis H. Nelson III (Rept. No. 592); and

H.R. 5819. An act for the relief of John Henry Taylor (Rept. No. 593).

By Mr. BAYH, from the Committee on the Judiciary, with an amendment:

S. 766. A bill for the relief of Lt. Samuel R. Rondberg, U.S. Army Reserve (Rept. No. 596).

By Mr. BAYH, from the Committee on the Judiciary, with amendments:

S. 1873. A bill for the relief of Mrs. Clara W. Dollar (Rept. No. 597); and

H.R. 4025. An act for the relief of Terence J. O'Donnell, Thomas P. Wilcox, and Clifford M. Springberg (Rept. No. 595).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SCOTT, from the Committee on Commerce:

William W. Hagerty, of Pennsylvania, to be a member of the board of directors of the Communications Satellite Corp.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. YOUNG of Ohio. Mr. President, from the Committee on Armed Services I report favorably the nominations of five Marine Corps colonels for temporary appointment to the grade of brigadier general. I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Without objection, it is so ordered.

The nominations, ordered to be placed on the Executive Calendar, are as follows:

Wallace H. Robinson, Jr., and sundry other officers, for temporary appointment in the Marine Corps.

Mr. YOUNG of Ohio. Mr. President, in addition, I report favorably the nominations of 776 officers for promotions and appointments in the Regular Army in grades not above that of colonel. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, ordered to lie on the desk, are as follows:

George E. Palmer, and sundry other officers, for promotion in the Regular Army of the United States.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. MONRONEY, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Acting Archivist of the United States, dated August 3, 1965, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MONRONEY (for himself and Mr. HARRIS):

S. 2401. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Mountain Park reclamation project, Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. PROUTY (for himself and Mr. KENNEDY of Massachusetts):

S. 2402. A bill to promote the detection of phenylketonuria and other inborn errors of metabolism leading to mental retardation or physical defects; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. PROUTY when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 2403. A bill to authorize the President, in carrying out trade agreements with fully developed countries or areas, to reduce duties below the limitation set forth in section 201(b)(1) of the Trade Expansion Act of 1962, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. McGOVERN:

S. 2404. A bill to safeguard the public health by amending the Federal Food, Drug, and Cosmetic Act to authorize a limitation on the total quantity of aspirin permissible in containers of aspirin intended for children; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. McGOVERN when he introduced the above bill, which appear under a separate heading.)

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 2405. A bill to authorize the Secretary of the Interior to convey certain land to the city of Anchorage, Alaska; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BARTLETT when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS (for himself, Mr. ANDERSON, and Mr. GRUENING):

S. 2406. A bill to amend part A of title XVIII of the Social Security Act to include payment for the costs of hospital inpatient professional services in the field of pathology, radiology, physiatry, and anesthesiology furnished by a hospital or by others under mutually agreeable arrangements between the persons providing such services and the hospital; to the Committee on Finance.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

By Mr. HARTKE (for himself, Mr. CANNON, and Mr. INOUYE):

S. 2407. A bill to provide that after June 30, 1966, amounts in the highway trust fund shall be used only for the purposes of the National System of Interstate and Defense Highways; to the Committee on Finance.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

MOUNTAIN PARK RECLAMATION PROJECT, OKLAHOMA

Mr. HARRIS. Mr. President, no problem facing Oklahoma or America is of greater importance than the problem of providing adequate water supply for our cities.

In the face of our exploding population in this country, it is imperative that we do our utmost to conserve and use every available drop of pure water.

In western Oklahoma, water will become increasingly scarce in the years ahead. We must move now to do everything we can to assure adequate municipal water supplies in this important region of America.

The building of the Mountain Park project is a necessity in line with this aim.

Therefore, Mr. President, I am pleased today, with the mayor of the city of Altus, Okla., and other citizens of that city present in the galleries, to join with my distinguished senior colleague [Mr. MONRONEY] in introducing a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Mountain Park reclamation project.

I send to the desk for introduction and appropriate reference the bill designed to effectuate the construction of this important reservoir.

Mr. MONRONEY. Mr. President, I want to endorse everything my colleague has said in connection with this bill to authorize the Mountain Park project in southwestern Oklahoma.

The project would be constructed by the Bureau of Reclamation. It has been under consideration since 1903. It would provide a municipal water supply for Altus and Snyder and the Altus Air Force Base. It would provide flood control and incidental recreation and fish and wildlife benefits.

Local and State governments affected are willing to meet all requirements of Federal law for reimbursement and repayment.

This project is in an area of our State generally deficient in both quality and quantity of water, and almost annually we suffer severe drought or floods. Therefore, it is necessary to completely develop the resources that are available if cities and towns and industries are to have adequate water supplies for present and future growth and if industries are to be attracted to the area.

I ask unanimous consent that a plan for the development of the Mountain Park project be printed in the RECORD at this point.

There being no objection, the plan was ordered to be printed in the RECORD, as follows:

PLAN FOR DEVELOPMENT OF MOUNTAIN PARK PROJECT, OKLAHOMA

The Mountain Park project would divert a portion of the flows of Elk Creek into Otter Creek, both of which are tributaries of the North Fork of Red River in southwestern Oklahoma, regulate the combined flows to furnish needed municipal water supplies for the cities of Altus (including the Altus Air Force Base), and Snyder, Okla., and deliver those supplies to the cities. It would also provide additional municipal water supplies at the reservoir for anticipated future demands; substantial flood control benefits; desirable fish and wildlife benefits; and needed recreational opportunities.

The plan of development for the Mountain Park project represents the culmination of investigations which began with consideration by the Bureau of Reclamation (then the Reclamation Service) of a Mountain Park reservoir on Otter Creek in 1903. Potentialities of the Elk and Otter Creek Basins were reported by the Arkansas-White, Red Basins Interagency Committee. A reconnaissance appraisal of the project was completed by the Bureau of Reclamation in October 1955. The detailed feasibility investigations are summarized in this report. The latter investigations have been conducted in full cooperation with the concerned local entities, State agencies, and other Federal agencies.

The plan of development contemplates, as a Federal project, (1) the construction of Bretch Diversion Dam on Elk Creek; (2) construction of Bretch Diversion canal to divert a portion of the flows of Elk Creek into Otter Creek; (3) construction of Mountain Park Dam and Reservoir on Otter Creek; (4) construction of an aqueduct system to deliver waters stored in the Mountain Park Reservoir to the cities of Altus and Snyder; (5) purchase of lands and construction of minimum basic recreational facilities at the Mountain Park Reservoir for recreational purposes; and (6) purchase and development of lands at that reservoir to mitigate upland game losses and enhance the waterfowl resources of the project area.

The conservation capacity included in Mountain Park Reservoir provides for the optimum development of the streamflows of Elk and Otter Creeks. This conforms to the declared policy of the State of Oklahoma that, to the extent practicable, project plans provide for maximum development of the available water resources.

The forecast municipal water supply demands and the available streamflow records indicate that Mountain Park Reservoir, developing only Otter Creek flows, could reasonably meet the project water requirements of Altus and Snyder for about 10 years. Thus, the plan of development contemplates stage construction in which the Bretch diversion dam and canal would be deferred for about 10 years, with consequent savings in interest and operation, maintenance and replacement costs.

Inclusion of the aqueduct system necessary to deliver waters stored in the Mountain Park Reservoir to the cities of Altus and Snyder resulted from an analysis of the financial status of those cities, which established that construction of the aqueduct system under private financing would probably not be feasible. Construction of the necessary water treatment and intracity delivery systems would be the responsibility of the project cities.

Adequate storage capacity would be provided in the Mountain Park Reservoir, in accordance with the recommendations of the Corps of Engineers contained in the appended report of that agency, to fully control flood flows of Otter Creek at the damsite.

The plan of development contemplates purchase of the lands and construction of the minimum basic recreational facilities recommended by the National Park Service, as desirable for protection and accommodation of the visiting public. The contemplated minimum basic facilities would be provided at three sites around the reservoir. The plan contemplates that the additional accessory recreational facilities deemed by the National Park Service to be desirable to permit optimum recreational use of the reservoir would be provided at non-Federal expense. The National Park Service report is appended.

The plan of development also contemplates accomplishment of all measures, except maintenance of Snyder Lake, recommended by the Bureau of Sport Fisheries and Wildlife in the appended report of that agency, to provide the optimum project fish and wildlife benefits. Maintenance of Snyder Lake is considered impracticable because of construction difficulties and costs involved and the nominal fishery benefits which would result therefrom. The principal measures involved are purchase and development of lands at the Mountain Park Reservoir to mitigate upland game losses and enhance waterfowl resources.

The Mountain Park project would provide the municipal water deliveries requested by the cities of Altus and Snyder. These deliveries would be supplemental to present sources of supply at Altus, and would provide the total requirement for Snyder.

Estimated construction costs of the various project features are tabulated below. The costs are considered to reasonably represent January 1962 prices.

Stage I facilities:	
Mountain Park Dam and Reservoir	$8,790,000
Aqueduct system	5,008,000
Fish and wildlife facilities	210,000
Recreation facilities	[1] 300,000
Total	14,308,000
Stage II facilities:	
Bretch diversion dam	1,001,000
Bretch diversion canal	3,449,000
Total	4,450,000
Total Federal project construction costs	18,758,000

[1] Does not include $290,000 of non-Federal costs for accessory recreational facilities recommended by the National Park Service.

The average annual operation, maintenance, and replacement costs of the Federal works over the 60-year repayment period are estimated to be about $56,200 based on prevailing prices. This amount envisions the operation of stage I facilities over the 50-year period, with operation of stage II facilities beginning in the 10th year and also continuing through a 50th year. Repayment of stage II facilities would be completed 10 years after repayment of stage I. The plan contemplates the project organization would operate and maintain all project works except the recreational and fish and wildlife facilities. Operation and maintenance of the recreational facilities and the wildlife management area would be assumed by appropriate State entities without cost to the United States.

The annual economic Federal project costs are estimated, on the basis of the above, to average $685,400 for a 100-year period of analysis.

The benefits assignable to project construction have been estimated to total about $1,450,435 annually. Comparison of the evaluated benefits and the estimated annual costs indicate a benefit-cost ratio of 2.12 for a 100-year period.

Of the $18,758,000 construction cost, $13,383,000 is allocated to municipal water supply and is reimbursable with interest. The remaining $5,375,000 is allocated to flood control, recreation, and fish and wildlife and is considered nonreimbursable. These latter allocations are $2,428,000, $836,000, and $2,111,000, respectively.

Of the $13,383,000 in construction costs allocated to municipal water supply, $10,437,000 is apportioned to Altus and Snyder. The remaining $2,946,000 is apportioned to future demands under the provisions of the Water Supply Act of 1958.

Prior to construction, it would be necessary for Altus and Snyder to form a master conservancy district, authorized under the laws of Oklahoma, to execute a contract with the United States for repayment of the reimbursable costs apportioned to those cities, and for operation and maintenance of the appropriate project works. It is anticipated that supplemental contracts would be executed between the master conservancy district and the project cities concerning the water deliveries and repayment arrangements to prevail.

The repayment plan assumes that reimbursable municipal water supply costs apportioned to Altus and Snyder would be repaid, with interest computed in this report at a rate of 2.936 percent, concurrent with payment of operation and maintenance costs, in variable annual installments which would increase from year to year, generally in proportion to the schedule of water deliveries adopted for the repayment period. Final determination of rate of interest to be paid will be made by the Secretary of the Treasury in accordance with provisions of the Water Supply Act. Deferral of interest for a period of 10 years on $1,080,500 of cost apportioned to Altus and Snyder is provided for in accordance with the provisions of the Water Supply Act of 1958. On this basis, the cost of raw water to the master conservancy district over the repayment period would average about 16 cents per thousand gallons.

The plan also assumes that repayment of reimbursable municipal water supply costs apportioned to future demands would be deferred until project water deliveries utilizing waters reserved for future demands are first made.

The Mountain Park project is strongly supported by the project cities. Their governing bodies have submitted formal resolutions endorsing the plan of development, and expressing willingness to enter into negotiations directed toward the consummation of appropriate repayment contracts.

At the request of the project cities, and in accord with Oklahoma laws, the Secretary of the Interior requested withdrawal from further appropriation for use by the Mountain Park project of all unappropriated waters of Elk Creek above the point of diversion, and of Otter Creek above the Mountain Park damsite. By letter of May 4, 1955, the Oklahoma Water Resources Board (then the Oklahoma Planning and Resources Board) advised that these waters were withdrawn for the Mountain Park project.

The Oklahoma Water Resources Board, by letter dated July 3, 1962, concurred in the findings of this report; agreed to take the necessary actions to insure repayment to the United States of the water supply storage costs which are deferred as costs allocable to future water supply under the Water Supply Act of 1958, as amended by Public Law 87–88; and agreed to make, at the appropriate time, a hydrographic survey of Elk and Otter Creeks for the purpose of perfecting water rights in the basin, including the May 4, 1955, withdrawal of waters by the United States.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2401) to authorize the Secretary of the Interior to construct, operate, and maintain the Mountain Park reclamation project, Oklahoma, and for other purposes, introduced by Mr. MONRONEY (for himself and Mr. HARRIS), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

DETECTION OF PHENYLKETONURIA

Mr. PROUTY. Mr. President, I introduce for appropriate reference a bill to promote the detection of phenylketonuria and other inborn errors of metabolism leading to mental retardation or physical defects.

The bill is cosponsored by the distinguished junior Senator from Massachusetts [Mr. KENNEDY].

This legislation would provide a basis for an all-out assault on the metabolic disorder, phenylketonuria or PKU, which causes severe mental retardation.

In addition, it would aid the States in setting up screening programs for the detection of other errors of metabolism which, if undiscovered, could result in physical or mental abnormalities.

More than 5,000 of the 5.5 million mentally retarded in the United States are PKU cases and most of their difficulties could have been avoided had they been found in time.

The Prouty-Kennedy bill would allow the Surgeon General to make grants to the States and, with the approval of State health officers, to local authorities. The grants would be used to pay the costs of blood testing programs and other screening examination expenses.

If PKU is discovered shortly after birth, through special diet nearly all damage can be prevented. Massachusetts has been doing a wonderful job in this area and in that State PKU testing is mandatory.

When a newborn baby is a few days old a drop of blood can be taken from the heel and when analyzed in the laboratory, blood spots on the filter paper will reveal PKU.

It was first thought that the frequency of this disorder is about one in every 20,000 births, but in some areas the incidence of disease has been one in 5,000 births.

The proposal which I have introduced and which is cosponsored by the junior Senator from Massachusetts would cost only a few cents for each infant tested, and on a national basis might prevent the mental retardation of as many as 1,000 babies a year who fall in the PKU category and could prevent mental or physical defects in countless other children who have various other types of metabolic disorders.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2402) to promote the detection of phenylketonuria and other inborn errors of metabolism leading to mental retardation or physical defects, introduced by Mr. PROUTY (for himself and Mr. KENNEDY of Massachusetts), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CHILDREN'S ASPIRIN AMENDMENT OF 1965

Mr. McGOVERN. Mr. President, I have long been concerned about a serious health hazard to small children. I am referring to the self-administered overdose of "baby aspirin" which causes more than 150 deaths per year in children under the age of 5. This is the leading cause of death from poisoning in early childhood.

I believe that the Congress should act to eliminate this needless danger.

The tragic story is repeated again and again. In almost every case the young child finds the bottle of aspirin accidentally and eats all of the sweet, fruit-flavored tablets.

A Michigan mother described to me how her 20-month-old son ate 46 baby aspirin tablets and was saved only by alert medical attention.

In an example even closer to home, the 3½-year old daughter of a member of my staff secretly took a bottle of baby aspirin from a kitchen shelf. The little girl, who weighed only 29 pounds, had taken the lid off the bottle and removed the stuffed cotton. When her mother entered the room, the child had 9 or 10 aspirin in her mouth. This frightening experience has made me even more aware of the necessity to find a solution to this problem.

Accordingly, I introduce for appropriate reference a bill which will have the practical effect of directing the Food and Drug Administration to require that "baby aspirin" be packaged in bottles of not more than 25 tablets.

At the present time, the standard bottle of baby aspirin contains 50 tablets. Each tablet contains 75 milligrams of aspirin. Thus the total dosage in the bottle is 3.75 grams, which is more than a lethal amount for a 30-pound child.

However, if the standard bottle were to contain 25 tablets instead of 50, as my bill provides, the child might eat all the tablets without serious danger. According to the Food and Drug Administration, legislation is necessary to achieve this result. Passage of this legislation could mean the difference between life and death for more than 150 small children each year. I am hopeful that the Congress will not fail to act.

During the past year, I have received suggestions and support for this idea from pediatricians throughout the country. I am especially indebted to Col. William H. Crosby, MC, of the Walter Reed Army Institute of Research who first interested me in the seriousness of the problem. Colonel Crosby's own young son nearly lost his life because of swallowing a bottle of baby aspirin.

I have received numerous letters from parents whose children's health has been impaired by the ingestion of baby aspirin.

Mr. President, it seems to me that a simple requirement could save many lives each year and prevent the unbearable heartache of the families involved. I urge the Senate to act in order that hundreds of young children might live.

I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

The **PRESIDING OFFICER**. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2404) to safeguard the public health by amending the Federal Food, Drug, and Cosmetic Act to authorize a limitation on the total quantity of aspirin permissible in containers of aspirin intended for children, introduced by Mr. McGOVERN, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Children's Aspirin Amendment of 1965".

SEC. 2. Subsection (a) of section 501 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351), relating to drugs or devices deemed to be adulterated, is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following: "or (5) it is an aspirin (acetylsalicylic acid) preparation in a dosage form intended for use by children and is packaged in a retail container, unless the aggregate quantity of such drug in such container does not exceed a limit established by the Secretary by regulation on the basis of a finding that such limit is substantially below the total quantity of aspirin that, if ingested by a child of tender age at one time, is likely to cause death."

PLAYGROUND-RECREATION AREA FOR GOVERNMENT HILL, ANCHORAGE

Mr. BARTLETT. Mr. President, I introduce today, also in behalf of my colleague from Alaska [Mr. GRUENING], for appropriate reference, a bill which would authorize the Secretary of the Interior to convey certain land to the city of Anchorage, Alaska.

Prior to 1961, the property was used by the Alaska Railroad, a Federal agency, in connection with a club established for the benefit of railroad employees. The old club building still stands on one corner of the land but, as I understand it, the structure is in need of expensive repairs. Title to the building and the 4.70 acres upon which it is located is in the Alaska Railroad.

In 1961, the city of Anchorage leased the land and building from the railroad at an annual rental of $50. The city then invested about $3,500 in playground equipment, a ball field, tennis courts, lighting, grounds improvement, and maintenance. The club building has not been used or subleased because of its present poor condition.

After leasing the entire 4.70 acres from the railroad, the city was able to sublease a small portion to the Anchorage Curling Club. This sublease, approved by the Alaska Railroad, allowed the curling club to construct a building, valued at $41,612, and install equipment, valued at $13,000. The curling club suffered damage estimated at $5,400 as a result of the March 1964 earthquake and subsequently asked for and was granted a revised sublease to cover the term of their 20-year loan for repairs.

The present lease arrangement, then, is satisfactory insofar as it allows the city to provide minimal recreation facilities in an area of the city devoid of any other such facilities or property suitable for development. The Anchorage City Council and the parks and recreation board feel obliged to do more. If the city owned the property, several thousand dollars would be spent in landscaping and new equipment. Moreover, at least $10,000 would be invested in refurbishing the old Alaska Railroad Employees' Club building so that it could be used for community meetings, square dancing, and what have you.

Mr. President, I have been advised informally by officials of the Alaska Railroad they would be more than happy to turn this property over to the city for its recreation program if the Congress were to authorize it. The improvements to be made by the city would enhance the general appearance of the neighborhood in which it is located. More important, the many children who live in the area would greatly benefit from improvements to existing recreational facilities. With ownership of the property in the city, long-range plans for the park could be made with additional benefits to the community.

When I stopped by this little park for a few moments one day in May, the grass in Anchorage was just beginning to turn green and the trees were showing small leaves. The sun was delightfully warm and that playground looked mighty inviting. It took a great deal of willpower to pull myself away and return to the day's busy schedule. There was potential for a first rate recreation area, I could see that. On the way down Government Hill I hoped I could convince my colleagues back here in the Senate and the House that the bill I would introduce was important and would mean much to those people it affected.

Mr. President, today I introduce that bill and Alaska's junior Senator joins me. We hope our proposed legislation will be given due consideration and, of course, that it will be enacted.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The **PRESIDING OFFICER**. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2405) to authorize the Secretary of the Interior to convey certain land to the city of Anchorage, Alaska, introduced by Mr. BARTLETT (for himself and Mr. GRUENING), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 2405

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to convey to the city of Anchorage, Alaska, all the right, title, and interest of the United States in and to the tract described in section 2 of this Act, and the improvements thereon.

SEC. 2. The tract to be conveyed under the first section of this Act is a parcel of land lying within the Alaska Railroad Terminal Reserve at Anchorage, Alaska, adjacent to the north addition to the Anchorage townsite and is more specifically described as follows:

Beginning at corner 7 of United States survey 3047; thence north 61°11′30″ east, 240.73 feet; thence south 28°48′30″ east, 91.94 feet; thence south 74°24′ east, 86.31 feet; thence south 15°36′ west, 384.37 feet; thence south 46°36′ west, 161.91 feet; thence south 74°41′35″ west, 161.63 feet; thence north 70°31′30″ west, 179.23 feet; thence north 19°28′30″ east, 431.35 feet; thence north 54°28′30″ east, 78.27 feet, more or less, to the point of beginning, containing approximately 4.70 acres.

SEC. 3. The conveyance made under this Act shall be without monetary consideration, but subject to the provision that if at any time after the lands are conveyed by the Secretary of the Interior, the city of Anchorage attempts to transfer title to or control over the tract to another, or the tract is devoted, in whole or in part, to other than recreational or public purposes, without the consent of the Secretary of the Interior, title to the tract automatically shall revert to the United States. The acceptance of any instrument of conveyance under this Act by the city of Anchorage shall constitute an agreement by the city that a determination of the Secretary of the Interior that a breach of the requirements of this section has occurred shall be conclusive with respect to the necessary facts constituting such a breach.

SEC. 4. The conveyance authorized by this Act shall be made subject to the terms and conditions contained in the sublease of the Anchorage Curling Club, Incorporated, dated September 15, 1964.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 10306) to amend the Universal Military Training and Service Act of 1951, as amended, was read twice by its title and ordered to be placed on the calendar.

ADDITIONAL COSPONSOR OF BILL

Mr. BARTLETT. Mr. President, on July 29 I introduced S. 2345 which would extend certain benefits of the Government Employees' Training Act to officers and employees of the Senate and House of Representatives. I ask unanimous consent that the name of my colleague from Alaska [Mr. GRUENING] be added to the bill at its next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 12, 1965, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 2054. An act to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes; and

S.J. Res. 100. Joint resolution to provide for the designation of the period from August 31 through September 6, in 1965, as "National American Legion Week."

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

S. 2054. An act to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes; and

S.J. Res. 100. Joint resolution to provide for the designation of the period from August 31 through September 6, in 1965, as National American Legion Baseball Week."

TARIFF SCHEDULES TECHNICAL AMENDMENTS ACT OF 1965—AMENDMENT

AMENDMENT NO. 385

Mr. HARTKE submitted an amendment, intended to be proposed by him, to the bill (H.R. 7969) to correct certain errors in the Tariff Schedules of the United States, which was ordered to be on the table and to be printed.

NOTICE OF RESCHEDULED PUBLIC HEARINGS ON FEDERAL SALARY LEGISLATION

Mr. MONRONEY. Mr. President, as chairman of the Committee on Post Office and Civil Service, I wish to announce that the committee has rescheduled hearings to begin at 10 a.m., Monday, August 16, 1965. The initial hearing had originally been set for 2 p.m. on August 16, 1965.

Scheduled to testify on Monday are Mr. John W. Macy, Jr., Chairman of the U.S. Civil Service Commission, and Mr. Charles L. Schultze, Director of the Bureau of the Budget.

Further hearings will be announced at a later time. Anyone wishing to testify may arrange to do so by calling 225–5451.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BYRD of Virginia:

Article entitled "Can Subsidies Solve America's Problems?" written by Senator BYRD of West Virginia, and published in Nation's Business of August 1965.

THE REAPPORTIONMENT THICKET

Mr. PROUTY. Mr. President, yesterday the Washington Star published a highly interesting article entitled "Reapportionment: Thicket Thickens," written by Frank Getlein. The article relates to the Dirksen reapportionment amendment. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Star,
Aug. 11, 1965]

REAPPORTIONMENT: THICKET THICKENS

(By Frank Getlein)

The Great Society rolls forward like the Great Big Muddy, powerful, murky, toward some inevitable ocean, all but silent. It is the all but silence, no doubt, that focused recent Washington attention not on any of the eddies and swirls of the flood of Great Society legislation but on the minor backwater of Senator DIRKSEN's thus far futile effort to turn back the hands of the Supreme Court and let the people be free to disenfranchise themselves if they so wish.

It was a great debate in the Senate, if a little one-sided. DIRKSEN had most of the good lines and all the good gestures, unless you count the nonstop gumchewing of Wisconsin's Senator PROXMIRE, an aide to Senator DOUGLAS in holding back the forces of reaction and the Constitution. At this period with Senator DIRKSEN, there is an almost, never entirely, complete separation of word from gesture that is utterly masterful in the sense that only a long-confirmed master of legislative oratory could risk it.

DIRKSEN not only gets away with it, but, like any artist apparently violating the fundamental rules of his art, makes the separation work for him. The moment's pause between gesture and its word makes each statement seem to be said twice. This is known as mileage. It's what Picasso can do with a fish skeleton after a fish dinner. It's what Nijinski had in mind when he advised the dancer to "get to the top of the leap and then pause."

Most Senators these days don't know what a gesture is. If they put their hands in their pockets they think they're being expressive. DIRKSEN goes all out, with both hands all the time. The resonance of the great voice the other day dominated the Chamber in whispered directions to colleagues, taking all play away from such shouting opposition as that of BIRCH BAYH and the aforementioned cud-chewer from the dairy State. They and the KENNEDYS, both of whom read speeches, seemed like shaggy-haired guitar players totally dependent on electrical amplification compared to the muse itself singing on the mountain.

Down on the pedestrian level of content, the debate was mildly confusing because both sides presented themselves as champions of the people. The Dirksen amendment, disguised as an American Legion baseball resolution, reserved or returned to the people of the several States the right to vote on how they should be represented in their State legislatures, with the option of basing one house on something other than population.

The opposition, led by Senator DOUGLAS, wished to preserve for the people their right to equal representation in both houses of State legislatures, as established by the Supreme Court's "one-man, one-vote" decision. The Court at that time ruled that representation had to be based on people, not on area or trees or anything else, in a memorable phrase. It was here that DIRKSEN missed a bet.

Area had been the basis of much representation in State legislatures until the decision and still is in those States that haven't got around to reform yet. But no one had ever tried or even thought about trees until the Supreme Court rejected them out of hand. If DIRKSEN had framed his amendment in favor of trees as the basis of representation in one house, he might very well have carried the day.

He came close. A heavy majority of the Senate voted for his amendment, though not the two-thirds required. Had he come out for trees instead of just "other than population," it should have made the difference. For trees, once associated with the small-town Republican voter, are now a mystical value for the big city northern liberal.

It isn't that only God can make a tree. But in the city only trees can save our lungs from carbon monoxide. In the suburbs a tree preserved is a housing developer thwarted. Hence such wavering liberals as BAYH might easily have been brought in by taking a leaf out of Joyce Kilmer's book. One tree, one vote is probably too high a ratio, but there is constitutional precedent for, say, three votes for every five trees.

As things stand, then, for lack of a tree the forest was lost in the thicket of judicial reapportionment. But the support for DIRKSEN may yet be enough to bring on a constitutional convention, the first since the first. At such a meeting everything would be up for grabs. The country could even revert to monarchy. If it does, there's only one possible candidate for the one-king, one-vote spot. The government of King EVERETT I would at least be more entertaining than anything now available.

THE SOLID GOLD TURKEY

Mr. YOUNG of Ohio. Mr. President, the new Rayburn House Office Building is quite possibly the worst building costing the most money in the history of the construction art. Architecturally and functionally it is a huge monstrosity—a national disaster. Only 15 percent of its space is devoted to the offices and hearing rooms of Congressmen for which it was erected.

Mr. President, the official blameable and responsible for this fiasco is the Architect of the Capitol, J. George Stewart, who is, in fact, not an architect. However, presumably it is his responsibility to choose architects for construction projects on Capitol Hill. If the Rayburn House Office Building is any indication of his taste, then it is high time that the President appoint another Architect of the Capitol who would select his own staff, including another assistant architect.

Regarding most buildings, there may be room for a difference of opinion as to appearance and usefulness. However, I cannot recall any public building about which adverse opinion of experts and the general public alike has been so unanimous as that regarding the Rayburn Office Building.

Mr. President, many articles have been written in newspapers and magazines on this fiasco. One of the best and definitely the most amusing was written by Thomas R. Guthrie, of the Plain Dealer, of Cleveland, Ohio, and it appeared in that newspaper on August 10, 1965. Tom Guthrie was recently appointed chief of the Plain Dealer Bureau in Washington and has very quickly demonstrated that he is one of the most outstanding newsmen in the Nation's Capital. In his article entitled "The Solid Gold Turkey," he displays unique talent for combining responsible journalism and accurate reporting with humor. I commend this newsy item, "The Solid Gold Turkey," to my colleagues, and ask unanimous consent that this be printed as part of my remarks in the Congressional Record. There is an old Chinese proverb, "One picture is worth 10,000 words," and I am sorry that the photographs by Phillip D. Rush which appeared with this article in the Plain Dealer cannot be reprinted in the Congressional Record. They add much to this very excellent news article.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Solid Gold Turkey

(By Thomas R. Guthrie)

Washington.—Some call it "the 10-year-pyramid"; others, "King Hottentot's Temple." And still others, somewhat more subtly, dub it "edifice rex."

Stylistically it has been described as "corrupt classic," "Mussolini modern," and "Texas penitentiary."

Critics have called it a national disaster, an architectural debauchery, a solid gold turkey.

It squats limpily on the southwest slope of Capitol Hill in the shape of a 50-acre-floor-space H (for hellzapoppin')—a marble and granite monstrosity in which 169 Congressmen and their staffs may be found if one searches diligently.

It is known officially as the Rayburn House Office Building.

Conceived in controversy and constructed in conflict at a cost of anywhere between $86 and $150 million—depending on whose figures you accept—the Federal folly is the greatest thing to happen to the Washington press corps in decades.

On a dull day, the best place for a reporter to go for a story is the Rayburn Building, for never in the field of architecture, to paraphrase that well-known British bricklayer, Sir Winston Churchill, have so many boo-boos been built into one building at such cost to so many taxpayers.

Of course, the initiated reader understands, the reporter starts off with everything in his favor.

Supervising the construction work was J. George Stewart, the Capitol Architect, who is not an architect. He attended the University of Delaware for 3 years and got a bachelor's degree in engineering in 1958 from his alma mater for "distinguished service and accomplishments."

That distinguished service included a 2-year term (1935–37) as Republican Congressman from Delaware.

In recent testimony before a Senate committee, Stewart said he had been made an honorary member of the American Institute of Architects in 1957 and was told he was "entitled to use the title 'architect' and to enjoy all the privileges of membership."

With this knowledge the reporter begins his safari in this behemoth of a building and here are some of the things he comes up with:

In each of the 169 suites is a kitchenette or snack center. It has a refrigerator, plugs for hotplates and metal cabinets—everything but the kitchen sink. Dishes have to be washed in the toilet rooms.

Space is so cramped in the suites, each of which was furnished at a cost of $9,000, that in one Cleveland Congressman's suite, his staff has to run the mimeograph machine in what they describe as "the ladies' john."

There are automatic elevators throughout the building, the pushbutton type to be seen in almost every office and apartment building. Yet, on June 8, the House voted, 244–149, to hire, at an annual cost of $35,000, 16 operators to run these elevators.

Each suite has a huge stainless steel safe. Republican Representative H. R. Gross, of Iowa, says he keeps stamps in his.

A 3-story garage occupies 42 percent of the total space in the building. With space for 1,600 automobiles, the cost works out at $7,622 per vehicle.

If one were to enter by the Independence Avenue entrance and keep walking straight ahead, one would bump one's nose, one would, right into the backside of Sam Rayburn's metal britches. Mr. Speaker's statue, on its pedestal, has its back facing the doorway, the idea being, so it is said, that he would face toward Texas. However, some wise guys with a compass and a map and the like figured out that he is really facing Florida.

Then there are the invisible clocks. Metal hands and figures blend so cleverly into the marble wall into which they are set that people directly below the clocks have been heard to inquire the time of a neighbor. The first set of hands on these clocks, it is reported, was too heavy for the mechanism. The result was that they made record time between 12 and 6, but were laggard on the way up between 6 and 12. The hands were changed.

A Congressman cannot go from his private room to his staff's working quarters without crossing the reception area where eager, but perhaps unwelcome, constituents may be waiting to buttonhole him. To give each Congressman another route to the staff room, it is estimated, would cost $200,000.

If you can find it, there is a swimming pool in the building. But the ceiling is so low that a diving board had to be removed. Cost of pool and equipment was $512,954.

Talking of ceilings, it is very reliably reported by Congressional Quarterly that the height of the ceiling throughout the building was set at 13 feet 9 inches in a most unusual way. Representative Carl Vinson, of Georgia, who was one of the three-man building commission when it was first appointed, climbed on a chair in his Cannon office building one day, pointed to a ventilation grille in the wall and said to one of the designers of the new building, "I want the ceilings that high."

Only 15 percent of the building's gross space, critics charge, is used for Congressmen's offices. And, of course, it was to get more space for Congressmen that the building was built.

"The only way to defend this building is militarily," commented a jaundiced critic. Maybe he's right at that.

ON SUPPORT FOR THE U.N.

Mr. CHURCH. Mr. President, as the world situation becomes more intense and the complexities of foreign affairs grow, the role of the United Nations becomes less clearly defined. Added to this, are the serious internal conflicts now plaguing the U.N.

On June 25 of this year I was privileged to accompany President Johnson to San Francisco, where he spoke before the U.N. on the occasion of its 20th anniversary. In his speech, the President observed that the U.N. draws its very life from the "conscience and reason of mankind." He said:

> We must find the way as a community of nations, as a United Nations, to keep the peace among and between all of us. We must restrain by joint and effective action any who place their ambitions or dogmas or their prestige above the peace of the world. We must find a way to do that. It is the most profound and urgent imperative of our time.

This, Mr. President, calls for a renewed effort to surmount the difficulties at the U.N., not deserting it by burying our heads in the sand.

I ask unanimous consent to include here an editorial from the Rexburg Journal, Rexburg, Idaho, written on the occasion of the 20th anniversary of the U.N.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Don't Desert the Ship

The United Nations has clearly not accomplished all that was envisioned in its charter, adopted 20 years ago in San Francisco. This was never made plainer to the world than at the recent 20th anniversary celebration.

The U.N. is staggering under the burden of grave financial troubles; it is hamstrung by the dispute over voting rights, which may yet tear it apart. Meanwhile, it is struggling to be a vital force in the development of an orderly, peaceful world. This struggle is carried on against great difficulties, which are caused in part by the unrelenting confrontation between great power blocs and by the fact that the original membership has more than doubled since the charter was signed.

It is of prime significance, however, that despite all this the anniversary celebration was not blighted by a prevailing sense of gloom and doom. Among those assembled there was an almost palpable feeling compounded of hope and determination—a sense that the U.N. remains humanity's best chance for solution of world problems. It seemed to be the consensus—and is, we judge, the American consensus also—that there must be a rededication to the dreams embodied in the charter, and a renewal of effort to transform those dreams into reality.

> There are dissenters from this view, among them the reactionary leaders of the John Birch Society. Their head-in-the-sand outlook was in the spotlight again the other day when the John Birch public relations chief, John H. Rousselot, said the United States should withdraw from the United Nations and the U.N. headquarters should be ousted from this country. We believe, and devoutly hope, that Americans will have nothing to do with this kind of neoisolationism. Deserting the U.N. ship as it sails in rough waters would be the worst thing we could do.

IVORY COAST INDEPENDENCE DAY

Mr. LAUSCHE. Mr. President, 5 years ago, on August 7, 1960, the Republic of Ivory Coast proclaimed its complete independence. For nearly three centuries the west coast of Africa had been under European control. Beginning with Portuguese and Spanish trading posts, and later with Dutch and English commercial activities, European influence increased until outright domination became permanent during the 18th century. After intense rivalry between the British and French, the Ivory Coast finally became a French territory in 1893. After half a century of French overlordship, Ivory Coast gained the first measure of self-government in 1946, when—in accordance with the loi cadre—it sent three senators and deputies to the French parliament and elected a territorial assembly. Fourteen years later Ivory Coast was a totally independent state.

Although Ivory Coast is a predominantly agricultural country, great emphasis has been placed on industrial development. Processing industries are expected to contribute over one-fifth of the country's domestic production during the next 5 years, and its economic policy gives top priority to the achievement of self-sustained growth. For this purpose development banks were created, and extensive surveys and feasibility studies have been undertaken with success.

The promotion of public welfare was from the very beginning another of the primary goals of government policies. Whether in terms of public health services, increased elementary and higher education, or in the provision of social welfare services, these domestic policies have been successful. Thus the benefits of economic progress accrue to all the people of Ivory Coast.

We profess admiration and respect for the persevering spirit with which the people and government of the Republic of Ivory Coast have undertaken the difficult tasks confronting them. Together with our sincere congratulations, we extend our best wishes for the future to the Ivory Coast Republic.

THE MERCHANT MARINE FACES THE MOST CRITICAL PERIOD IN ITS HISTORY

Mr. WILLIAMS of New Jersey. Mr. President, today, the American merchant marine faces the most critical period of its existence in the history of the country.

Harassed by a host of problems, our shipping industry is threatened with extinction if aggressive leadership is not provided from Government, from industry, and from labor, toward sensible solutions to the problems that plague the industry.

The American liner companies operating under subsidy contracts are harassed on the one hand by a host of competing unions who suffer from internal division and the competing demands of membership. On the other hand, the Government has been speaking with many voices on maritime policy. Some of these voices threaten day-by-day major changes in maritime policy, but the promise of a new policy is still but a promise. And the various segments of the maritime industry differ as to what future policy should be.

While all this goes on, the future of our subsidized general cargo lines continues to be confused and threatened. The future of the bulk carriers and other nonsubsidized elements of the merchant marine is even more bleak.

While it is highly commendable that the Secretaries of Commerce and Labor have taken an interest in the current strike, I think the long-term fundamental issues involved in continuing as a maritime nation must be looked at by the highest levels of this Government, and firm policy decisions taken if we are to maintain a U.S.-flag merchant fleet so essential to our peacetime commerce and seapower complex in time of war.

The policy review that has been underway in the administration, it seems to me, should be brought to an early conclusion, and, where necesary, new policy announced.

At present, the 15 U.S. liner companies under contract are building 300 modern, highly automated ships at a $2-billion cost to them.

What the industry needs, if it is to survive at all, is some measure of breathing space—stable labor relations and stable Government policy for the foreseeable future. This is mandatory if this private money is to stay in the shipping business.

Some say we do not need a merchant marine.

Some say, Why should the Government spend money subsidizing vessels when American exporters can ship just as cheaply on foreign vessels manned by low-paid crews?

Some say, too, that we can build our ships abroad and thereby save the subsidy dollar on ship construction.

Some say that we can rely on our allies' ships in case of emergency.

To those who argue this sort of false economy and dangerous national policy, I say nonsense.

How many times in this century do we have to be taught simple lessons regarding the necessity for a strong merchant marine?

How much extra did it cost this country in World War I in our frantic effort to create a merchant marine which resulted in great cost and no ships produced before the end of the war?

How much did it cost us when we used foreign lines to ship our war goods in that period when freight rates skyrocketed 2,000 percent? It cost us over $3 billion in our effort to create a merchant marine and some untold billions in added freight charges to ship on foreign liners.

In World War II, a beginning had been made toward the creation of a general cargo fleet under the 1936 act. But it was only a beginning.

It cost $17 billion and took 4 years to build the shipping lifelines that led to victory.

And, if we need any recent evidence, all we have to do to view the fact that in Vietnam today, the most modern cargo vessels with their high speeds and their heavy lift gear, built under the subsidy program, are the very ones the military needs to supply our forces there.

The 1936 act, as far as liner trade is concerned, has worked and worked well. Of course, it can be improved upon, but the replacement program now under way, under the Liner Act, should not be disturbed by "pie in the sky" ideas regarding revolutionary noneconomical changes which lack any relationship to current reality.

Of course, we want to build the most modern ships possible.

Of course, we want to take advantage of all of the latest technological advancements in the replacement program, and, of course, we want to reap the savings that this technology will permit.

The Government, as well as the industry, has a heavy stake in assuring these results. But the bulk of the construction subsidy should continue to go—where Congress intended it to go—to the liner replacement program, building the most modern ships possible with current, tested technology.

Trying to spread the construction subsidy too thin to cover too many needs will only result in a declining merchant fleet, and this is bound to have an adverse effect on the American exporter and importer—and the national economy.

The problem of the dry cargo bulk carriers and tankers is a separate issue that the Government must face. It should not be confused and mixed up with an orderly continuation of the replacement program in the liner fleet—the one part of our merchant marine that is healthy and competitive.

Although the American merchant marine as a whole carries but 9 percent of U.S. foreign trade, the line segment earns 37 percent of the revenues in the ocean liner trades.

If it is determined that on defense grounds and economic grounds, we need to go further in the subsidy program and extend it to bulk carriers—this should be handled as a separate recommendation to the Congress.

Let us not permit confusion and illusion to threaten the one segment of our merchant marine which is in relatively good shape—the liner fleet.

But what is most important, on the behalf of Government, is an announced, firm, dependable policy that looks to years ahead, whether it be in accord with the ideas I have expressed or in other directions. The industry cannot continue to invest its own money in a business so heavily affected by Government when Government is confused and divided over what the country's maritime policy should be.

Investing $2 billion of private money needed to complete the replacement program is not something that private investors can take lightly, nor is it something they can get into and get out of in a hurry. They must have some assurances of firm Government policy or we will see the entire U.S. fleet go down the drain.

Labor, too, has a heavy responsibility in this matter. The fruits of automation cannot be reaped if labor insists on unrealistic manning requirements.

I know the deep concern that many of the labor leaders feel for the industry and its problems.

I know, too, some of the internal problems they have with the reduced crews automation brings.

But, surely, as has happened in so many other industries, labor statesmanship can come forth and survive by not bucking automation and its consequences. It can, instead, take a humane view toward what is needed for the men affected by the change. Unless voluntary cooperation leads to labor peace, stronger measures are bound to be demanded.

I call on my friends in the maritime labor unions to get together and look at the needs of the membership in adjusting to change rather than thinking in terms of resisting the change which is mandatory if the industry is to survive.

And, industry, too, has a deep responsibility to its employees so affected.

Industry initiative of the kind the railroad industry demonstrated would go a long way toward easing the pain that change brings to men and their families in any industry.

Labor, industry, and Government—all have a tremendous responsibility, not only to their immediate interests, but to the overall national good, to see to it that we remain a strong maritime nation.

Surely, no one would advocate that we abandon our foreign trade to the mercy of rates fully set abroad, nor would anyone advocate that we again go through the agony of having to recreate a merchant marine every time there is a national emergency.

In peace and war, the arguments for a strong and vigorous merchant marine are compelling.

Let us then face up to the task and move to an early and courageous decision which will permit stability and progress in our increasingly important maritime industry.

THE DECLINE AND FALL OF OUR DUCK POPULATION

Mr. ROBERTSON. Mr. President, the Fish and Wildlife Service gave to the press on August 10, a statement that saddened the heart of every duck hunter and every lover of the out of doors. That statement was headed: "Interior Department says duck breeding populations reach record low."

As some of my Senate colleagues know, I have been interested in hunting and the out of doors for more than half a century. In 1916, I helped to draft and put through the Virginia Legislature, a bill creating Virginia's first fish and game department. For years, I was a member of the old American Game Conference and on the Migratory Bird Advisory Board of the predecessor to the Fish and Wildlife Service, called the Bureau of Biological Survey. For a number of years, I served on the Federal Migratory Bird Commission that passes on the acquisition of migratory bird refuges. As a Member of the House, I served for 12 years as chairman of a Select Committee on Wildlife Conservation, during which time I sponsored the Pittman-Robertson Act; the Duck Stamp Act, and the Coordination Act of 1946, which requires the consideration of wildlife interests in all water impoundment projects by the Federal Government.

Since I have known a period when there would be rafts of canvasback and redhead ducks on the Potomac River below Washington, estimated from one-half to 1 million in number, and have heard those rafts take flight with a roar comparable to a passenger train entering a tunnel at 60 miles per hour, I cherished the hope that I could do something to pass on to generations yet unborn the pleasures of the great out of doors which I had known and enjoyed. The announcement today that our supply of ducks is at the lowest period since we started making annual surveys, indicates that my ambition to preserve duck hunting for future generations will probably not be realized.

In my opinion, the greatest single detriment to an adequate duck supply has been the drainage of the duck breeding areas both in this country and Canada. Think of paying farmers $16 an acre to drain potholes in the duck breeding areas of the United States in order to further increase the unmanageable surplus of wheat. But that is "water over the pothole," so to speak. Undoubtedly, the current situation calls for drastic action. Consequently, I sent the following telegram today to the Secretary of the Interior, who within the next 2 weeks must decide whether or not there will be an open season in the United States on ducks and if an open season, how long it is to run and what the daily bag limit will be.

Mr. President, I ask unanimous consent for that telegram to be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

AUGUST 12, 1965.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Department of the Interior,
Washington, D.C.:

For more than half a century, I have watched with distress the decline and fall of our duck population. In view of the current report that it is now at the lowest level since surveys were started in 1947, I strongly urge that you close the season in the United States for this year and ask our Canadian friends to take similar action, although the kill in Canada is relatively small. If we wait 1 or 2 more years before taking drastic action to save remnants of brood stock and then close the season, it would probably never be opened again because the brood stock would have gone beyond the point of recall. Many will purchase duck stamps to hunt geese and a substantial number will be sold to stamp collectors. In any event, revenue from the sale of stamps this fall to hunt ducks would, in my opinion, be blood money.

A. WILLIS ROBERTSON,
U.S. Senate.

HOW TO INCREASE JOBLESSNESS

Mr. LAUSCHE. Mr. President, on Wednesday, August 4, the Cleveland Press carried an editorial: "How To Increase Joblessness." The tenor of this editorial holds that the recommendation of the House Education and Labor Subcommittee instead of helping the economy will undoubtedly hurt it.

I ask unanimous consent that the editorial of the Cleveland Press: "How To Increase Joblessness" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW TO INCREASE JOBLESSNESS

We have in our country a problem of unemployment, almost solely confined to those who have little or no employable skills (consult "help-wanted" pages of the Press to see how high the demand for those who have skills).

So, how is it proposed that Congress, in its wisdom, shall cope with the problem?

A House Education and Labor Subcommittee, Congressman JAMES ROOSEVELT, chairman, comes out with a bill providing that the Federal minimum wage, now $1.25 per hour, shall be raised to $1.75 per hour.

Not only shall those now getting the $1.25 minimum get a 50-cents-an-hour increase, but also some 6 million additional workers, not hitherto covered by Federal legislation, shall be hired at the higher wage, if hired at all.

Farmworkers, tenant farmers, sharecroppers, nonprofessional employees of hospitals, restaurants, hotels, laundry, and cleaning establishments.

Many already are receiving more than the present minimum, even more than the proposed higher minimum. And in those areas where unskilled labor is paid less, the new legislation can cause painful economic dislocations.

Thus those who can't get jobs for $1.25 per hour ($10 for an 8-hour day) will have even less chance of getting work at $1.75 per hour ($14 for an 8-hour day).

A law that tries to repeal the old proverb that a laborer is worthy of his hire may increase the relief rolls, but not the job rolls.

CAPITOL CLOAKROOM DEBATE

Mr. CHURCH. Mr. President, the names "hawk" and "dove" have been much overworked in connection with the war in Vietnam. Neither label is accurate in terms of the immediate action to be taken; yet the labels do connote an underlying difference in interpretation of the war as it relates to our national interest.

The two viewpoints were evidenced recently in the CBS radio program "Capitol Cloakroom," in a discussion between Senators GEORGE MCGOVERN, of

South Dakota, and Gale McGee, of Wyoming.

I ask unanimous consent that a transcript of the program be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

From the Nation's Capitol, CBS radio brings you the 864th presentation of "Capitol Cloakroom." This week's guests are Senator Gale McGee, Democrat, of Wyoming and Senator George McGovern, Democrat, of South Dakota. Now, here is CBS correspondent Martin Agronsky.

Mr. Agronsky. Secretary of Defense Robert McNamara came back to Washington this week from a 5-day survey in South Vietnam with a depressing estimate of the state of the Vietnamese war. The overall situation continues to be serious, he said. In many aspects it has deteriorated since 15 months ago when I was last here, the Defense Secretary continued. Then he documented his pessimism with these reasons. The size of the Vietcong forces has increased, he said. The rate of operations and size of attacks have been expanded, the disruption of lines of communications by rail, sea, and road become more intense, terroristic attacks have increased. Mr. McNamara's estimate is in the same unhappy vein as the recent observation of President Johnson last week. That it must be expected that the war in Vietnam will get worse before it becomes better. These grim evaluations by the President and his Defense Secretary are twined with the statements that U.S. forces in Vietnam must be increased, that reserve callups will become greater and that the draft will be stepped up. All of this is expected to precipitate a renewal of congressional debate on the Vietnamese crisis and the conflict between the so-called Hawks who want the war effort intensified and the Doves who want the peace effort intensified. With us today is one of the Senate's most dedicated Hawks, Wyoming Democrat Gale McGee and the equally determined Dove, South Dakota's Democrat George McGovern.

Gentlemen, I think Senator McGee, since you express in a sense the administration viewpoint and defend it, I would like to hear your reaction to Secretary of Defense McNamara's estimate of the deterioration of the situation in Vietnam.

Senator McGee. Secretary McNamara's "deterioration" to which he makes reference refers to the status in Vietnam over a year ago. And the reason that we have had these debates, the reason for the President's new dimensions of his policy stem from the sharp change beginning in the late fall of last year so that this is not necessarily a new dimension that the Secretary is making reference to at all. But what the President outlined in his February speech was what we outlined in our discussions on the floor of the Senate as the serious magnitude of the conflict there. Namely, that it makes a difference to us what happens in Vietnam and southeast Asia. The successful rebalancing of power in the world depends on the outcome there and that China must be prevented from moving into that area at all costs. The national interest requires it as well as the chance for peace. So in that context, all that we're being asked for in Vietnam at the present time is to put our material and our supplies and our manpower where our words have been.

Mr. Agronsky. Well, that is your estimate, sir. What about yours, Senator McGovern?

Senator McGovern. Well, Mr. Agronsky, it doesn't surprise me at all that Secretary McNamara reports the situation is worse than he found it 15 months ago in spite of the fact that when he was there in 1963 he said he thought that we could leave by the end of 1965. He thought then that our job would be done by the end of this year. I thought that that estimate was wrong at the time. I think that it is not at all surprising that the Secretary has been forced to withdraw his optimistic estimates of 2 years ago. The reason for that is that we have been following in recent years a course that just will not work. We have been trying to solve a Vietnamese political problem with increasing amounts of American military power, American military equipment, American soldiers and that formula just won't work in southeast Asia or anywhere else.

Senator McGee. We got into that, George. I disagree with that completely. I think that our first priority in southeast Asia, the President has repeated it, Secretary McNamara has repeated it, Secretary Rusk has repeated it, and that is that the first priority in southeast Asia is to contain the forces of militant expansionism from mainland China and its stooges and that we don't dare forfeit southeast Asia to a power bloc that stands upon a steady course of world imperialism. That is the issue, the internal politics of Vietnam comes second, not first.

Senator McGovern. Well, if that is the doctrine, it represents a radical shift from what our announced position was when we first went into Vietnam in 1954, a position that has been repeated up until recent months by three Presidents. We have been told up until the last few months that this was a Vietnamese war, that it had to be won by the people of Vietnam and that the basic ingredient of victory was the popular political support of the government that we have been trying to assist in Saigon. Now the facts are that we have not been able to put together a government in Saigon that has the support of the people and that is the basic problem. We have been trying to deal with a political rebellion in South Vietnam by bombing villages, and you can't win popular support and influence people in that fashion.

Senator McGee. I think you are in error on such an allegation, that we are bombing villages in order to bring about political reform. We have been bombing villages, we have been bombing across the 17th parallel at the same time in an attempt to arrest or stop an infiltration that certainly by its own nature makes impossible any political advancement in Vietnam. Until the past year, there was hope that it would be possible to hold a line without such massive commitments as this entails. But the clear action from Hanoi and obviously backed from Peiping that they could run the Americans out, force them out and thus have an easier opportunity to take over the area with all of its gain, was a decision that has required our much more stanch determination to hold the line. And you have got to put first things first as we did in Berlin, as we did in Western Europe, as we did in Greece, as we did in Iran and the line that balances the world has to go all the way to the China Sea, and this is the last link in the drawing of that line.

Senator McGovern. Well, Senator McGee, let me intervene here now. I think the press media during this present week have given us some indication again of why this war is going so badly, because the same news accounts that carried Secretary McNamara's statement that he found the situation in Vietnam much worse today than it was 15 months ago in spite of the drastic increase in America's military effort there, quoted an American captain who had walked with his colleagues into a village in South Vietnam that had been under bombardment by American airplanes and American artillery. When they got into that village they didn't find any dead Vietcong, what they found were dead, wounded and horribly scarred and burned women and children weeping in the shambles of that village. The captain's comments were very terse. He said: "This is why we are losing this stupid war. It's senseless, just senseless." The captain is right. It's a senseless operation to try to win a war by using bombs against defenseless villages, against women and children. This is not the way to win either a political operation or a military operation, and as long as we take that formula we are just setting the stage for a bigger debacle in the end.

Mr. Agronsky. Well, Senator, Senator McGovern, may I ask you "How would you win it?"

Senator McGovern. I don't think the war can be won out there by American military power. I think that if it is to be won it is going to have to be won by the Vietnamese Government forces and I am not at all sure at this point that they can win a decisive victory against the Vietcong. But let me quote what President Kennedy had to say about this just shortly before he died, and I think this reflected the American position very well. He said: "I don't think that unless a greater effort is made by the South Vietnamese Government to win popular support that the war can be won. In the final analysis, it is their war. They are the ones that have to win or lose it. We can help them," he said. "We can give them equipment, we can send some men out there as advisers, but they have to win it—the people of Vietnam against the Communists." And then he added this: "We're prepared to continue to assist them, but I don't think the war can be won unless the people out there support the effort."

Senator McGee. May I just say to that same point, Martin, that we are talking about a condition that was long ago and has long since changed, and we are faced with the hard facts that are with us now, not with the much more modest and moderate and almost quiet circumstances that prevailed before.

Mr. Agronsky. How has the situation changed?

Senator McGee. It has changed because of the rather flagrant and open substantial intervention from the north by the Hanoi government; in size and dimension that threatens any chance for the emergence of any stable government in the south. But more importantly that intervention threatens to knock over an established regime that had survived for nearly a dozen years and as a result is being watched by all of the surrounding governments who know that in this game of tenpins internationally they're next. For that reason we have to stand. The Vietnamese are the second priority, not the first one. The first is the rebalancing of this section of the world and that's the dimension that was not as obvious or as clear cut as when President Kennedy made the statement that Senator McGovern has just alluded to or when the situation a year ago was evaluated as not as serious as it is today.

Mr. Agronsky. Well, if your answer is for, Senator, and obviously it is, an increased American force, would you then accept this as an American war now, no longer a South Vietnamese war. You keep saying the South Vietnamese are subordinate. Do you really mean that?

Senator McGee. Oh, I think yes I do at this stage. I think it is very clear now that the Vietnamese are never going to have a chance to emerge in whatever image they chose. I think they ought to have all the chance they can get, unless the forces from the outside can be restrained. We have made it clear. We are not going to take Hanoi. We don't want Hanoi or North Vietnam or any part of anywhere else. We want the outside intervention into the South to cease. That is the basis on which we can have negotiations. Now Senator McGovern suggested to us that we can't win a war here, but we can turn that around in another way in the proper dimension, you don't win wars in this modern age of warfare, but you can lose them, and we dare not lose this part of the world under the duress and the threats and the terrorism that have prevailed. Otherwise we lose the next segment of the world and then the next. And Hitler should have taught us the folly of a piecemeal resistance.

Senator McGovern. It is my view that the course we are now following is playing the Chinese Communists game. They are sitting on the sidelines without a single soldier committed to this war in South Vietnam and all the while we're playing into their hands by lending credence to the propaganda they have been distributing all over Asia—that this is an American war, that it is not a popular defense of their government by the people of South Vietnam but a case of a white Western power coming back into Asia on the heels of the discredited French and trying to win a war against the people of North Vietnam and against their supporters in South Vietnam. What I am suggesting here is that there is a limit to military power.

Senator McGee. Oh, I couldn't agree with you more—and a military solution to this question in southeast Asia. (Interrupting each other.)

Mr. Agronsky. Military solution—you have been proposing one.

Senator McGee. No, I have been proposing that we win the chance for a political solution and you can't win that chance if you forfeit to the other side. This is exactly what we were doing until we were determined to draw the line and resist infiltration.

Senator McGovern. Well, Gale, this is the formula, of course, that has steadily drawn us deeper and deeper into a military dilemma in South Vietnam. We said for a long time that we couldn't negotiate except from a position of military strength. Now, I said 2 years ago and repeatedly since then, and I repeat it now, that that's a formula for escalation, because presumably the other side feels exactly the same way, that they are not going to negotiate until things are running in their favor. I think our offers to negotiate came at least a year too late. I think a year from now it will be even worse.

Senator McGee. George, as I see it the kind of historical perspective as you and I appreciate since you were a historian, too, before you came to the Senate and that is the Communists have clearly reached the conclusion that if they held on long enough and created enough fuss that we were going home, and they sought to hasten the withdrawal of the Americans. They were convinced from reading our own country's history that we grow tired of these things, just as the Russians gambled we were going to withdraw from Europe at the end of World War II and the parallel here we saw in Korea, the same arguments were made that the Russians were sitting by while we tangled with the Chinese and the North Koreans. And what a mistake that was. You and I know that it was necessary to do what we did in Korea, not to win an all-out war, but to restore the 38th parallel for the sake of the U.N. and the security balance and the same issue is here in southeast Asia. We simply insist that South Vietnam have the right to be independent without influence from the outside. How they settle their internals is another matter.

Senator McGovern. I think we have a drastically different situation in Vietnam than we had in Korea. When we went into Korea we did it under the auspices and with the support of the United Nations. In Vietnam we stand virtually alone. In the case of Korea there was an overt, naked, identifiable act of invasion where the forces of North Korea swept across the 38th parallel into South Korea in large invading armies. There has been nothing comparable to that in Vietnam where there was a revolt that seemed to develop from the countryside and from the villages in South Vietnam which to be sure has been aided and abetted and encouraged from North Vietnam. But most of the outside aid has come in the last year and a half since we stepped up our effort.

Senator McGee. Our effort has been stepped up. May I say, George, beginning in the early spring of this year we made a massive step-up in our efforts. The step-up followed a very considerable infiltration beyond any dimensions of aid in comfort and sympathy to a common kin across the lines. In Korea, it was an American war. We were able because of an absence of mind—we were able to pull that off very deftly because the Russians made the mistake of absenting themselves one afternoon from the U.N. Otherwise, it couldn't have been done. The Communists are not static enough to fight every new exercise in the same way they fought the first one. Thus, the Berlin question was fought with the threat of an air strike. The threat in Cuba was fought with the threat of nuclear bases. In Korea, it was the infiltration of a massive assault by the troops there. Now, we have a new phase of Communist technique of imperialism from Peiping and that is infiltration which makes it all the more difficult but it doesn't alter the impact. The impact is to take the area by whatever device they can try that will win. And this is the toughest one of all.

Mr. Agronsky. Senator McGovern, what would be your alternative? You say that they cannot bring into being in South Vietnam a government with popular support. You indicate in effect, I think, that we should pull out? Do you want us to do that or do you have an alternative? What should we do beyond intensification?

Senator McGovern. Before answering that question, let me say, first of all, that when you recommend that a man not jump off a 10-story building and he jumps anyway it is very difficult to advise him when he reaches the fifth floor as to what he ought to do at that point. We are now following a course of action which I have consistently advised against, and it has led us into a trap from which there is no easy way out. But I recognize that, even at this late date, those of us that are critics of our deepening involvement in Vietnam have to look at the facts as they stand today and then begin from there with our recommendations. I think one step we might very usefully take would be a serious effort to determine whether or not the people of South Vietnam really want to continue the war. Do they want us to continue our military effort? If we can establish, as I think we can, that there is little support among the Vietnamese people for this war, we ought to get out as quickly as we can. It does not necessarily follow that even if Ho Chi Minh or somebody of that type should take over the leadership of Vietnam that the country would automatically be a puppet of Red China. Senator McGee has implied that the real enemy here is China. I don't think it follows that Ho Chi Minh or the other leaders of North Vietnam want their country controlled by Red China anymore than Yugoslavia wanted their country controlled by the Soviet Union.

Senator McGee. Senator, first of all, Yugoslavia was able to play both sides each against the other because it was wedged between the front lines of the major opposing sides. Here in southeast Asia who stands in the way of China? Ho Chi Minh can stop China because he doesn't like the Chinese. Can South Vietnam stop China? Can Burma stop China?

Senator McGovern. Have we had any indication that China is moving into North Vietnam to take it over?

Senator McGee. I think that without any case for contradiction that the intentions of the Chinese through the technique of pressure and infiltration have been clear not only now but historically. They have been interfered with sometimes in the past by the fact that the British wanted the area instead of the Chinese and the Japanese started World War II to get the area or the Portuguese got it or the Germans did, but what it does suggest is that this is a major prize in the world and it is imperative that we not let it fall into the hands of someone else.

Mr. Agronsky. Senator McGee, can you document however the answer to Senator McGovern's question? What proof is there that the Chinese Communists are in there—that they are the prime movers.

Senator McGee. The Chinese Communists are following the same technique the Russians followed in Korea that you get others to do the job, that you get the local groups—it isn't a group. The same way that they were pursuing this. May I say in Greece (interruption) I think it is very clearly documented. These are the reports that are brought out at Peiping by the visitors that have gone in there to talk to them, to the reports that are brought out of Hanoi, that the tune is clearly being called from Peiping and that the dimensions of Chinese expansionism, if we can leave the word "Communist" out for the moment, are likewise historical. This is a great prize for China that has too many people and too few resources. Here is the last resource area of the world, and if this is not China's goal, if you assume the other extreme—that it is not China's goal—then China has no stake in worrying about keeping these people independent and that's the only goal we have—is to preserve the independence of this entire area without the application of force from the outside.

Senator McGovern. Now, Senator McGee, I hold no brief for China, but I don't think you can assume that the Chinese are basically responsible for the troubles of southeast Asia. I think we would have revolutions in that area and in a good many other parts of the world even if China had never existed. One reason for that is the unpopular regimes that do not have the support of the people. Consider, for example, the Prime Minister of our ally, South Vietnam. This is the man who said that his political hero was Adolph Hitler. Now, how can we say that we are advancing the cause of freedom in South Vietnam when the government that we are attempting to prop up with American military power is headed by a man who says his hero is Hitler.

Senator McGee. I can answer that, Senator, in this way. That if for the same reason that we had to back the wrong side in Greece at the end of the war. We had to back the monarchy and the black marketeers to prevent a Communist force from the north from taking over. Otherwise, the forces of freedom in Greece would never have had a chance. It is exactly that same issue that is at stake here in Vietnam. You speak of having a plebiscite there. The French left no legacy in South Vietnam where anybody could have any kind of meaningful measure. Democracy as you know it is a long way off in Vietnam and so we have to face the facts of life and those facts are that we are in the real testing period in the Minh era here that we have to survive and only through the subjection of this area to American committal to try to hold the line.

Mr. Agronsky. A brief last word, Senator McGovern.

Senator McGovern. I want to repeat again that as long as we try to solve the political problems of the people of Vietnam by increasing the number of American soldiers and American military equipment, we are headed for trouble.

Mr. AGRONSKY. Gentlemen, thank you both for being with us this week on "Capitol Cloakroom."

VETERANS' ADMINISTRATION HOSPITAL IN THE DISTRICT OF COLUMBIA RENAMED MELVIN J. MAAS MEMORIAL HOSPITAL

Mr. YARBOROUGH. Mr. President, on yesterday, the Senate passed S. 788, a bill which designates the Veterans' Administration hospital in the District of Columbia as the Melvin J. Maas Memorial Hospital. This is a most worthy piece of legislation and will enable the example of the courageous and gallant General Maas to be an inspiration to future generations.

Mr. President, I ask unanimous consent that an explanation of the bill and a short biography of General Maas be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 788

The bill (S. 788), if enacted, would designate the Veterans' Administration hospital in the District of Columbia as the Melvin J. Maas Memorial Hospital.

BIOGRAPHY OF GENERAL MAAS

General Maas was reappointed Chairman of the President's Committee on Employment of the Handicapped on March 4, 1961, by President Kennedy. He had previously served as Chairman since appointed on April 13, 1954, by President Eisenhower. In addition he served as chairman emeritus of the Committee for the Handicapped People-to-People programs, having been named chairman by President Eisenhower on May 29, 1956.

His career included 16 years as a Congressman from Minnesota; service in the U.S. Marines, rising from a private in marine aviation in 1917 to the rank of major general in August 1952. He was a native of Duluth, Minn.

CONGRESS

General Maas was first elected to Congress from Minnesota in 1926, at the age of 27. He served from 1927 to 1933 and from 1935 to 1945. In 1933 he received national recognition and the Carnegie Silver Medal for heroism when he disarmed a man in the House galleries who was threatening Members with a loaded revolver. During his career in Congress, he specialized in legislation promoting aviation, national defense, and measures to improve the unemployment situation. As a member of the Foreign Affairs Committee of the House, General Maas sponsored several international conferences designed to bring about better relations with foreign powers. Prior to World War II he sponsored legislation to fortify Guam and was joint author of legislation setting up a promotion system for the Navy. He also was sponsoring author of the Naval Reserve Act of 1938 which governed the Naval and Marine Corps Reserve until passage of the Armed Forces Reserve Act. He was also the congressional author of the legislation creating the first military women's reserve.

MARINE CORPS

General Maas entered the Marine Corps April 6, 1917. He served with Marine aviation in the Azores throughout the war. In 1926 he accepted a Marine Reserve commission prior to entering Congress. In the summer of 1941 he returned to active duty and served at sea on the staff of Adm. William Halsey and in 1942 with Adm. Frank J. Fletcher in the Solomons campaign. He also served as a Marine Corps observer with Gen. Douglas MacArthur in Australia and New Guinea. He was awarded the Silver Star Medal for service with the Army Air Force at the Battle of Milne Bay in 1942. He also won the Legion of Merit in combat. In addition he was awarded 12 other ribbons. In the fall of 1942 General Maas resumed his duties in Congress but returned to active duty in January 1945. In May of that year he assumed command of the Awase Air Base, Okinawa, where he received the Purple Heart. He was promoted to brigadier general in the Marine Reserve, June 1, 1950. Blindness overtook him in 1951 and on August 1 of that year he retired and was advanced to major general rank for having been specially commended in combat.

PUBLIC LIFE

For his untiring efforts in behalf of the Marine Corps Reserve he was known as "Mr. Marine Corps Reserve." For 6 years he served as a member of the Reserve Forces Policy Board in the Department of Defense. He served as chairman of the board, Marine Corps Reserve Officers Association, and was a past commander in chief, Military Order of the World War, past national commander, Disabled American Veterans (1955–56), and past national president of the Blinded Veterans Association (1960–61).

In his early business career he was a salesman and sales manager. Later, he managed a manufacturing firm in St. Paul, Minn. In 1925 he organized his own insurance firm. He was assistant to the board chairman of the Sperry Corp. from 1946 until recalled to active duty in the Korean conflict. He was a director of the United Services Life Insurance Co. and of Mutual of Omaha.

PRESIDENT'S COMMITTEE

On June 4, 1954, General Maas was awarded a degree of doctor of laws at the College of St. Thomas, St. Paul, Minn., his alma mater. Subsequently, he was honored by Marquette University, Goodwill Industries of America, United Cerebral Palsy, National Rehabilitation Association, American Foundation for the Blind, Tri-Organization Scientific and Rehabilitation Conference, 1961, and with the Veterans' Administration citation for exceptional service. In 1958 General Maas received the AMVETS Silver Helmet Award for his long career in public service.

On January 17, 1961, General Maas received a Presidential citation signed by President Eisenhower, noting his major contribution to the cause of the handicapped. On the following day he was presented with the Department of Defense Distinguished Public Service Medal in recognition of his contribution to national defense.

President Lyndon B. Johnson made the following statement upon being notified of General Maas' death, April 13, 1964:

"Not just the handicapped, but all the land grieves the passing of one of America's true heroes, Maj. Gen. Mel Maas.

"Blinded in the service of his country a decade ago, he taught himself a new existence without sight, traveled the world over, and inspired people everywhere about the capacities and abilities of the handicapped. Arthritis crippled his limbs, and massive heart attacks limited his mobility; yet his spirit was whole; his spirit was never disabled.

"He has shown us how to live in the face of adversity. His courage and conviction have enriched us all. His spirit marches in us and in our land."

The courageous and gallant spirit of Gen. Melvin J. Maas will live on for untold future generations through the designation of this hospital in his memory.

DEATH OF STUART URBACH

Mr. MUSKIE. Mr. President, I was shocked and saddened to learn of the sudden death last Saturday of Stuart Urbach, a senior analyst on the staff of the Advisory Commission on Intergovernmental Relations. All of us who are members of the Commission knew well the brilliance of his work as an expert in the law of Federal-State-local relations.

His efforts since 1961 produced two very important Commission reports. One, on the apportionment of State legislatures, has been cited by the U.S. Supreme Court and other Federal and State courts. His study of "The Problems of Special Districts in American Government" is a landmark in its field, and some of the recommendations in it are found in pending legislation.

Further, his wise advice and counsel was very highly valued by the Subcommittee on Intergovernmental Relations. He assisted in framing S. 561, the Intergovernmental Cooperation Act of 1965, which was passed by the Senate unanimously just 2 days before his death.

It is a tragedy that the career of this young man, already marked by such a high degree of accomplishment, should be cut short. All of us who work in the area of intergovernmental relations will miss his perceptive analysis of the Federal system, and the Federal Government will feel the loss of this dedicated servant.

RATIFICATION OF THE HAGUE PROTOCOL

Mr. KENNEDY of New York. Mr. President, the Senate has before it at this time two proposals which are of great importance to every American who travels abroad by airplane. Pending on the executive calendar is the Hague protocol, a series of amendments to the Warsaw Convention on international air travel. Pending in the Commerce Committee is S. 2032, a bill to require U.S. flag international air carriers to take out $50,000 in accident insurance for each passenger who flies with them. Together these items make up a package which the administration is seeking as a means of providing more adequate protection for international air travelers than they now receive under the Warsaw Convention.

Over 2 million Americans travel annually on international flights. Assuring that they and their families are adequately protected in case of accident is, consequently, a matter of widespread importance, and it is our responsibility in Congress to take a long and careful look at the Hague protocol and S. 2032 to see if these proposals will, in fact, do the job that needs to be done.

No one questions the fact that the protection now afforded international travelers is woefully inadequate. The question is what to do about it. The governing document at present is the Warsaw Convention, which has been in operation in this country since 1934. Under its provisions the liability of international airlines to passengers for loss of life or injury due to negligence is limited to $8,300 for each person, except where willful misconduct is established.

When Warsaw was adopted, these limitations made sense. Commercial air passenger transportation was in its formative stage and the airlines needed such protection. Without it one crash could have sent a company into bankruptcy.

Now, however, airlines are recording huge annual profits—both Pan American and TWA netted over $35 million after taxes last year. And the financial loss to a family in losing its breadwinner and the burdens involved in hospital and medical care are greater today than ever before. The $8,300 limitation in Warsaw is obviously unrealistic and extremely unfair.

In purported recognition of these facts the Hague protocol was adopted. Hague doubles the limitation on liability of international air carriers—to the still meager sum of $16,600.

Our State Department recognizes that Hague is inadequate by itself, and has proposed a complementary program of compulsory insurance. The $50,000 in insurance would be over and above the $16,600 in possible liability for negligence, so the two proposals taken together would increase the total possible recovery to $66,600.

In my judgment, this two-part program is insufficient. First, the monetary limit is too low. We all know of case after case in which the victim of an air crash was a young man in his thirties who left a wife and small children. The $66,600 doesn't begin to approach what his earning potential was. At the same time, even $66,600 is a windfall to someone in cases where there is no close relative. And finally, the insurance requirement would apply only to U.S.-flag carriers.

I do not oppose the idea of compulsory insurance—indeed, it is a welcome experiment, one which could serve as a model for reform in our tort law generally. But the present proposal is too inflexible and too limited. A much larger upper limit is needed, and a formula is needed to base the measure of recovery at least partially on the victim's earning potential and the number and closeness of his heirs. Further, the requirement should apply to foreign flag carriers as well. So structured, the insurance proposal would be a constructive experiment. If successful, it might be extended to other areas and ultimately have a most useful effect in relieving overburdened judicial dockets all over the country.

Let us assume that the insurance proposal is not modified, and instead comes before the Senate as it is now drafted. Would there be an alternative to the package of Hague and S. 2032? The answer is Yes, and the State Department has supplied it. State Department Legal Adviser Leonard Meeker made amply clear in his testimony before the Foreign Relations Committee May 26 and in a supplemental statement on June 14 that if the Senate does not ratify Hague, the State Department will seriously consider recommending the denunication of the Warsaw Convention. His words could not be more plain:

> We do not think a sound argument can be made for remaining in the Warsaw Convention if the Senate does not advise and consent to the Hague Protocol.

Denunciation of Warsaw is specifically provided for in article 39 of the Convention. The effect of such action would essentially be to eliminate the arbitrary restrictions on recovery of damages for international air crashes, so that the victim of an accident in international transportation can get the same relief as the victim of a domestic accident.

I would not oppose Hague if I knew, when voting on it, that we had already enacted a truly adequate compulsory insurance plan as a supplement to it. But if Hague comes up before the fate of S. 2032 is known, I shall feel constrained to oppose it. As a practical matter, I doubt that there is sufficient support for even the modest and inadequate compulsory insurance scheme of S. 2032. Therefore, on the assumption that S. 2032 is either going to be reported as drafted or not reported at all, I shall oppose Hague unless an adequate insurance plan has already been passed.

The situation facing us is dramatized by a resolution which Congressman Lester Wolff of New York is introducing in the House today. Congressman Wolff's resolution—with which I agree on the assumption that an adequate compulsory insurance plan will not be forthcoming—calls for the defeat of Hague in the Senate and the denunciation of Warsaw.

I urge the House to give early consideration to Mr. Wolff's resolution. Its passage would let the Senate know the extent of the discontent with the combination of the Hague Protocol and S. 2032.

What we should all be seeking is fair protection for the international air traveler. If Hague and S. 2032 as a package is the only legislative possibility, I say we should not ratify Hague. Denunciation of Warsaw would be likely to follow a refusal to ratify Hague—and this is the result which is fairest to the traveler in the absence of a realistic compulsory insurance plan.

THE SIGNING INTO LAW OF THE SALINE WATER ACT

Mr. JACKSON. Mr. President, yesterday the President of the United States signed into law S. 24, the bill to extend the Saline Water Act authorizing research and development now being administered by the Secretary of the Interior.

President Johnson, in signing this act committed himself to a goal which I am confident if achieved will bring great rewards to the American people and indeed to many other nations. By his commitment he has thrown out a challenge to the Congress and the American people which must, and I am confident, will be met. In my opinion, the talents and resources of the American people will be mobilized in this important effort to solve the national and, indeed, international problem of water shortages.

Indicative of the widespread interest in water problems, there will be held in Washington in October the First International Symposium on Water Desalination. In conjunction with this the First International Water Desalination Exposition will also take place.

I ask unanimous consent that at this point in the Record a copy of the remarks of the President when he signed the bill yesterday be included in full along with a press release by the Secretary of the Interior announcing the forthcoming symposium and exposition on water desalination.

There being no objection, the remarks of the President and the press release were ordered to be printed in the Record, as follows:

Remarks of the President at the Signing Ceremony of the Saline Water Conversion Act, S. 24, in the Rose Garden, The White House

Senator Anderson, Senator Jackson, Senator Kuchel, Congressman Aspinall, Congressman Saylor, Governors Hughes, Scranton, Terry, and Rockefeller, members of the Cabinet, Members of Congress, my friends, I am very delighted to see so many Members of the House and many of my friends in the Senate come here this morning.

There is always a certain amount of cynicism among members of the executive branch and, I guess, sometimes among even members of the press about the productiveness of the Congress. I will measure my words when I say that over the past several weeks Congress has sent to the executive department, to my desk for signature, what appears to me to be an unprecedented procession of legislative measures which can only be described as truly historic and which I think is a tribute to every Member of both the House and Senate, of both parties.

It is my own studied and considered judgment, however, that this bill that you are witnessing being signed this morning will be the most historic of all of them; not for what it provides but rather for what it promises, not for what it accomplishes but rather for what it symbolizes.

True, this is a research and development bill, and it is only that. This legislation will not, by itself, build a single desalting plant in this country. But this is a commitment, the step across the threshold toward the breakthrough that must and will come, in my judgment, in the last half of the 1960's.

I may or may not be the most optimistic person in America about the progress we can make on desalting the seas, but I am, and I intend to remain, the most determined man that we shall make the great breakthroughs before the calendar turns to 1970.

I believe today what I believed in 1957 about space. That the greatest mistake the political system of a nation can make is to underestimate the pace of this century's advance of human knowledge and of this century's changing capabilities.

We need this research. We need this study. We need the experimentation that this bill provides—but we need to do more than spend all our time just learning.

So what does that mean? It means the time has come to set our sights, to pick our targets, and to act. For if we succeed, our success could well change the condition of man all around the world.

We have lingered too long under the impression that desalting sea water is a far out and a far distant goal. Since the dawn of time, every drop of water that man has drunk or used has been desalted in nature's own still.

Nature's system has been erratic—and we have spent and we are spending billions to overcome those many costly and many cruel uncertainties.

What can we do? What must we do? Well, now, the thing we can do is to free mankind from nature's tyranny by setting out to produce water when and where we need it at a price that we can afford.

And in doing that we are going to need all the skill and all the ingenuity of modern science and modern industry. But I think the time has never been so ripe to get going on this kind of a job. We have new resources of abundant energy that can provide the power that this will require. And what was impossible and inconceivable yesterday is very near to reality today. And I want this Nation to lead the effort to close this gap—not in the next 50 years but in the next 5 years.

I would, therefore, lay out before the talents of our industry and science and institutions of higher learning, and our leaders of this Nation, these challenges this morning and these goals:

(1) That plans be developed for constructing by 1970 desalting plants that will bridge the gap between the 1-million-gallon-per-day plants that we have and the 100-million-gallon-per-day plant that we must have.

That is first.

(2) We aim at having by 1968—or sooner—plants from 1- to 10-million-gallon daily capacity to meet the needs of all of our smaller towns and cities. And I would add, hopefully, such smaller plants would be economical for individual farm use in desalting brackish water from their own wells.

(3) That we realize that the seas are not our only recourse and that we aim to make it feasible to mine, desalt and put to productive use the brackish groundwater which underlies more than 2 million square miles of the United States—all the way from the Appalachians to the Rockies.

(4) That as rapidly as we develop economic desalting plants, we be prepared to share our technology with other countries with desalting answers and the best answer to their water problems.

Desalting is not a dream. Three of our cities, ships at sea, the oil fields of other lands already depend upon desalting plants. We have only to learn to do these things at a price that we can afford—and I am convinced that we can learn them before this decade ends.

The program authorized by this bill will help us to learn—first for our thirsty cities and industries, and then some day for agriculture.

A millenium ago—in what is now the great State of Arizona—there were Indians who built extensive water works, as we ourselves build them now. They irrigated the lands that are now desert. But when the drought came and their works were of no value, the Indians disappeared, remembered in history only as "The People Nobody Knows."

Well, in our Nation, water has long been treated by many as the concern only of the farmer and the rancher. But we are beginning to learn better. In our complex and concentrated urban economy and society, water today, as we meet here, has never had more meaning. The drought experienced now in our most populous region reminds us anew that we cannot and must not rely alone on building bigger reservoirs, longer pipelines, or grander schemes of waterworks to supply this essential of life.

I remember a few years ago when we had a drought in the Southwest, the then great President Eisenhower was very concerned about it and he flew to the south plains of Texas, and Amarillo, and Oklahoma area, and he traveled over it and showed his concern, and called people together as we are calling our people together. There weren't many people interested. It was just the cowman that couldn't get water for his stock. But since, there is not a city in that State that hasn't awakened and the sleeping giants are on the move. So we can, and we must, develop the capacity to produce water and to produce it when and to produce it where we need it at a price we can afford.

I believe we will succeed. I have a vision that such success could be one of history's most vital contributions to the cause of peace among nations. Our water policy will greatly influence our foreign policy.

Many share the credit for this landmark legislation that is before us—Senators ANDERSON, JACKSON, and KUCHEL, and all who have served with distinction on the Interior Committee of the Senate, Congressmen ASPINALL, ROGERS, SAYLOR, Secretary Udall, Chairman Seaborg of the Atomic Energy Commission, and my own Science Adviser Dr. Hornig.

I am proud now to sign this bill into law to mark the beginning of what I hope will be a new era of national effort and national achievement. And I particularly welcome the distinguished chief executives of other States who are here to help us start on this new program this morning, and a little later in the morning to help us explore ways and means for facing up to an emergency we have now, and to the mayors and to the Governors and to the other officials who have come here to meet with us, I say thank you, you are mighty welcome.

PROGRAM ANNOUNCED FOR FIRST INTERNATIONAL SYMPOSIUM ON WATER DESALINATION

Delegates from 58 nations, scientists of world renown, and representatives of leading industrial concerns from many countries will hear about 100 papers at the First International Symposium on Water Desalination, Secretary of the Interior Stewart L. Udall said today in announcing the symposium program.

The symposium—sponsored by the Department of the Interior in cooperation with the Department of State—will be held in the Department of State Building from October 3 through October 9. All meetings will be public. In conjunction with the symposium, the First International Water Desalination Exposition will be held October 3–7 at the Sheraton-Park Hotel in Washington.

In announcing the symposium, a major observance of the International Cooperation Year, President Johnson said:

"It would be difficult to exaggerate the power for good, the palliative effect on age-old animosities and problems, that would result from providing an abundance of water in lands which for countless generations have only known shortage."

Representatives of 17 nations will deliver scientific papers on basic research, engineering development, engineering design studies, conversion plant operations, conversion plant economics, energy sources, and economic and optimum design of systems. The 17 nations are: United States, United Kingdom, Spain, Israel, Japan, U.S.S.R., Germany, India, Greece, Switzerland, Australia, Canada, Italy, South Africa, Kuwait, the Netherlands, and France.

Secretary Udall said the symposium will bring together on one program the world's foremost experts in the water desalting field. He said, "This exchange will be invaluable in advancing world technology. It is a giant step forward in the continuing search for economically feasible means of desalting the waters of the earth."

Opening ceremonies for the sessions will be held Monday, October 4, at 9 a.m. in the Department of State Auditorium. Registration for the symposium takes place Sunday, October 3, from 10 a.m. to 5 p.m. in the Conference Information Center, Department of State.

Information concerning the symposium can be obtained by writing Merrill M. Blevins, Secretary-General, First International Symposium on Water Desalination, Office of International Conferences, Department of State, Washington, D.C.

Information concerning the exposition can be obtained by writing Jerome H. Brown, Exhibit Manager, International Water Desalination Exposition, care of Atomic Industrial Forum, Inc., 850 Third Avenue, New York, N.Y.

A list of the nations accepting invitations to attend the symposium follow:

NATIONS ATTENDING FIRST INTERNATIONAL SYMPOSIUM ON WATER DESALINATION

Argentina, Australia, Belgium, Brazil, Bulgaria, Burma, Canada, Ceylon, Chad, Chile, China, Colombia, Dahomey, Denmark, Ecuador, El Salvador, Finland, France, Germany, Greece, India, Iran, Israel, Italy, Japan, Jordan, Kuwait, Lebanon, Libya, Malagasy, Mauritania, Mexico, Netherlands, Niger, Peru, Philippines, Poland, Portugal, Rumania, Saudi Arabia, Senegal, South Africa, Spain, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, U.S.S.R., United Arab Republic, United Kingdom, Uruguay, Venezuela, Vietnam.

DEATH OF JOSEPH AUSLANDER

Mr. PELL. Mr. President, on June 22, 1965, a well-known and highly respected American lyrical poet, Joseph Auslander, died of a heart attack. I rise to comment briefly because his passing should not go unmarked by this body.

He was a poet who believed that poetry should not be isolated from everyday life but should rather be a product of it. In his own words, he wanted "to reveal poets as human beings who get egg on their shirtfronts and worry about bills, to rescue them from the dust of anthologies and examination papers."

Joseph Auslander practiced what he preached, seeking to include an ever-wider scope of activity in his lifetime pursuit of poetic excellence.

From 1937 to 1943 he served as Consultant in English Poetry to the Library of Congress, thus including public service among his many positions.

During World War II, Mr. Auslander lent his considerable energy and talent to spurring war loan drives, and he was a very effective salesman. A short anecdote is illustrative. A prospective purchaser once asked him why there was no poem to the Free French. He answered by writing an appropriate poem on the spot, and the purchaser, impressed, responded with the purchase of a $5,000 bond.

Joseph Auslander was a valued and longtime friend of my father's and, in turn, a friend of mine; his death is thus a personal loss to me.

Mr. President, I ask unanimous consent that an excerpt from one of his poems be inserted in the RECORD. It is indicative of his far-sighted view that poetry should be a part of everyday life and its inspiration drawn, in part, therefrom.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I AM POETRY

I am Poetry.
I am as old as yesterday.
I am as young as tomorrow.
I am the servant of anguish.
I am the antidote to despair.
I am the grayness of grief.
I am the green of hope.
I am the vessel of courage.
I am the hunger of God.

I am Poetry.
I comfort the sick.
I solace the dying.
I console the bereaved.
I carry the torch of truth.
I light up the dark places.
Against cruelty and corruption
I cry out with a terrible voice;
No tyranny can survive it.

ELIMINATION OF POLLUTION IN LAKE ERIE

Mr. KENNEDY of New York. Mr. President, I ask unanimous consent that two articles appearing in the New York Times today concerning pollution in Lake Erie and Federal-State efforts to eliminate this contamination be printed in the RECORD.

The Federal Water Pollution Conference for Lake Erie has recommended a number of steps that must be taken if the dangerous pollution in the lake is to be cleaned up. I am glad to learn that New York State has joined the other States at the conference in agreeing to abide by the conference recommendations.

I wish to compliment Mr. Murray Stein of the U.S. Public Health Service for the effective way in which he is conducting this conference and commend these two articles to my distinguished colleagues.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

STATE WILL JOIN IN ERIE CLEANUP—PROGRAM TO HALT POLLUTION EXPECTED TO COST BILLIONS

(By Gladwin Hill)

BUFFALO, August 11.—New York will join with Michigan, Indiana, Ohio, and Pennsylvania in formulating a program to clean up the severe pollution of Lake Erie.

Such a program is expected to involve the expenditure of billions of dollars on municipal and industrial waste treatment facilities over a number of years. But it is considered essential to halt the rapid deterioration of one of the Nation's major water resources.

New York's concurrence in principle with the other Erie Basin States was expressed today by its official representative on the second day of a Lake Erie pollution abatement hearing here called by the Department of Health, Education, and Welfare. The delegate was Robert D. Hennigan, director of the State health department's Bureau of Water Resource Services.

UNCERTAINTY DEVELOPED

Some uncertainty about the State's attitude had been generated by its contentions—set forth by Governor Rockefeller yesterday—that New York's discharges into the lake are largely an intrastate matter and that they will be eliminated by the State's pending $1.7 billion antipollution program.

The hearing is expected to get down to the business of drafting a cleanup program tomorrow. Volumes of testimony have been taken from witnesses at the Statler Hilton Hotel here and at sessions in Cleveland last week.

New York's alinement with the other States will make unnecessary the laborious amassing by Federal experts of legal proof that the State's discharges have an interstate effect.

The program will set forth waste treatment standards and time schedules that will be binding on the States and on their individual municipal and industrial pollution sources, which send into the 240-mile-long lake contaminants aggregating at least a ton a minute. Completion of the needed installations by 1969 is being discussed tentatively.

Asked by a Federal hearing officer: "Will New York abide by the findings of the conferees here," Mr. Hennigan replied: "Certainly."

It will be up to the individual pollution sources to arrange financing of the facilities. In the case of municipalities, a Federal grant program provides for subsidies covering 30 percent of the cost of sewage treatment facilities, up to $600,000, in selected instances.

ACRIMONIOUS DEBATE

Mr. Hennigan's statement came in the course of occasionally caustic and acrimonious daylong argument about the efficacy of New York's pollution abatement efforts to date.

Murray Stein, hearing chairman and Federal water pollution enforcement director, suggested that the State had "spent the last 15 years classifying streams and not cleaning up waste." He also chided Mr. Hennigan about the Buffalo River being virtually an open sewer, and said that pollution observed Monday at Niagara Falls, on the Canadian border, left him "not proud that I am an American."

Stanley P. Spisiak, a Buffalo jewelry merchant representing the New York State Conservation Council, told the hearing that violation of Federal and State pollution laws was so flagrant that many people should be "put in jail, as the law provides." He mentioned the plant managers of two large industrial corporations with facilities on the Buffalo River, the Socony Vacuum Oil Co. and the Republic Steel Corp. He said the council "represents approximately 500,000 organized sportsmen and conservationists" outraged at water pollution.

"New York brought into being the biggest fraud since Barnum brought out the Cardiff Giant—namely the so-called Water Pollution Control Act," he asserted. "During the 15 years of its existence, it has become a shield and a protection for the major polluters.

"Although hundreds of violations are occurring daily throughout the 62 counties of this State, there have been only 80 cases which have even been prosecuted in those 15 years."

LEGAL ACTIONS CITED

Mr. Hennigan's formal report said:

"To date, 102 violators have been involved in legal action, representing some 10 percent of the total number of polluters identified."

Debate swirled also about a State law—deplored yesterday by Senator ROBERT F. KENNEDY in an appearance at the hearing—that had been construed as requiring State officials to withhold pollution discharge reports of industrial concerns.

Mr. Hennigan denied the existence of any such restriction. When the law—a 1964 enactment dealing with corporate secrets—was specified, he said the State Attorney General has held that it did not restrict pollution data.

After Mr. Stein said the law had been invoked at a Federal-State water conference in Metuchen, N.J. last December, Jerome Wilkenfeld, representing the Associated Industries of New York State, said the organization's members planned to follow an open-information policy. Federal officials consider this important in pollution abatement, since it obviates long and costly procurement of data by scientific detection.

SEWAGE FOUND AT NIAGARA FALLS IS MARRING ITS FABLED BEAUTIES

BUFFALO, August 11.—Water pollution, a bugbear to many other parts of the country, is impairing even the fabled beauties of Niagara Falls.

Municipal sewage and industrial waste are causing unsightly messes and noxious odors at the traditional mecca of honeymooners on the international border.

A Federal inspection tour Monday disclosed streams of waste pouring over the U.S. section of the falls and gushing from a large sewer main below the falls near Rainbow Bridge.

Arthur B. Williams, general manager of the Niagara Frontier State Park, the public agency on the U.S. side, confirmed that the pollution had been a growing problem for several years.

He identified the sources as municipal sewage from the city of Niagara Falls and waste pulp and chemicals from a plant of the International Paper Co. there. He said an extended series of complaints through various official channels had been fruitless.

The U.S. Public Health Service is starting an interstate pollution abatement proceeding involving Lake Erie, and has studied the Niagara River, which runs over the falls, in its role as the lake's main outlet.

While pollution originating on the river itself might be classified as intrastate, the inspection left no doubt that it was also international. The turbid eddies at the base of the falls churn the pollution from a sewer main across the river and upstream.

On the Canadian side, the boat landing where the two famous "Maid of the Mist" sightseeing boats put in, is surrounded with an extensive accumulation of the brown foam, dotted with lumps of solids, that is characteristic of paper-mill effluent.

In the water going over the falls there can be observed gray-green streams contrasting with the river's normal color. Murray Stein, Federal water pollution enforcement director, said the discolored matter looked like waste fluids.

The effluent from the sewer main gives off a rotten-egg smell that drifts upstream to the U.S. "Maid of the Mist" pier. Waste pulp or other solids apparently are carried upstream several hundred yards also, because at the foot of Horseshoe Falls on the Canadian side, Mr. Williams said, "the odor is sometimes more than you can stand."

THE INTERNATIONAL HOUSE OF RHODE ISLAND

Mr. PELL. Mr. President, a public spirited Rhode Island couple, Mr. and Mrs. Morton I. Blender, have been working long and hard to further the cause of international friendship and international cooperation, and they have made notable progress in their chosen field. Their efforts deserve recognition.

I spoke last year in this body of their founding of International House of Rhode Island, a nonprofit organization whose objective is promoting friendship and understanding between the more than 300 students from more than 30 nations studying in Rhode Island, and the communities of Rhode Island at large. Since then, they have realized their immediate objective of obtaining a home, a community center, where these students from abroad can informally meet Americans and each other.

Since the fall of 1964, when this home away from home was opened, it has steadily grown as a meaningful cultural and intellectual contact point between foreign students, American students, and the community.

I spoke in June of this year at the annual banquet of International House of Rhode Island, at which time I said:

> I have seen the heartwarming letters which have come back from all parts of the world testifying to the fact that foreign students have gone back to their homelands carrying from Rhode Island a special message about the purpose and character of American life.

This appreciation of foreign students for their years in Rhode Island and the United States has manifested itself in a most unusual turnabout: these students have worked together to raise a scholarship fund available to Rhode Island high school graduates for any further education, including vocational or technical training as well as college.

The students were supported in their efforts by the joint planning and assistance of International House of Rhode Island and by the Citizen's Scholarship Foundation of Rhode Island. The Citizen's Scholarship Foundation, under its able and energetic executive director, Daniel A. Walker, Jr., is a nonprofit organization which seeks contributions from the general public to support a scholarship program for needy students.

This turnabout, this scholarship fund supported by foreign students for the benefit of American students, is truly a remarkable phenomenon, and we should be proud of the Rhode Islanders involved who drew such a warm response from the students whose home away from home was the International House of Rhode Island.

I have prepared an exhibit of materials, including a letter from Mrs. Blender, an article from the Providence Evening Bulletin, and a resolution of the Rhode Island General Assembly, which sets out more fully the achievements of these farsighted Americans, and I ask unanimous consent that it be appended to my remarks at their conclusion.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, the letter from Mrs. Blender to me makes a very interesting observation. The students who have returned to their own countries are well equipped, comparatively speaking, to carry the special message of the purpose and character of American life. But they no longer have any direct contact with the United States, and must depend, as a rule, upon the news media of their own countries for their information.

Mrs. Blender has been actively seeking to remedy this lack of information from the United States by producing a newsletter to be sent to former students—the alumni of International House—and has been seeking the funds to support this project. I am sure that we here wish her all possible success in the venture.

It occurs to me that a further effort to keep up contact with these students, once they have returned to their homelands, would be a very good investment for our Government. The magazine Amerika is produced monthly by the USIA in Russian and Polish and distributed in those countries. It occurs to me that the USIA should consider the possibility of printing an English language edition to be sent, perhaps on a subscription basis, to these students. Very often they are the intellectual elite of the countries to which they return, and we would do very well to keep them as friends of the United States.

In sum, it is particularly appropriate at this time to hail the Blenders, and others in Rhode Island as well, who have made such a large contribution to international understanding, because President Johnson has declared 1965 as International Cooperation Year. I am proud and gratified that the people of my own State of Rhode Island continue to explore the common interests and shared beliefs which are the bases of international understanding.

EXHIBIT 1

INTERNATIONAL HOUSE OF
RHODE ISLAND, INC.,
Providence, R.I., April 30, 1965.

Hon. CLAIBORNE PELL,
U.S. Senator,
Washington, D.C.

DEAR SENATOR PELL: In these trying and perilous times the U.S. image and efforts toward a better world are seriously and sometimes violently challenged, more often than not, through misunderstanding and ignorance of our political and economic position. In Rhode Island, as in many States, hundreds of international students are exposed to American life and with few exceptions, the foreign student returns to his native land with a new understanding and appreciation of life and people in the United States. Very often, the student who spends from 1 to 4 years in the United States is a member of a family which occupies a position of political and/or economic influence and the very reason he is sent to the United States for advanced learning is to prepare him for a position of influence in his own country.

Unfortunately, too many of these students return to their own countries and their stay at an American university soon becomes a dim memory to those who should make every effort to correspond with him and at the same time keep him in touch with hundreds of other students in many other lands. Every one of these students can become a superb ambassador of good will for America, especially in critical areas of the world.

Permit me to quote verbatim from a letter written by a former graduate student at the University of Rhode Island, a native of Iran and now a resident of Pakistan:

"This area is also explosive just like the Middle East is, so one can hardly be sure of his future program. We hear the news of disturbances in Iran and wonder what will happen next. What is now going on in this country and its political situation particularly the strong ties with Red China frightens me. We do our best to create the real image of the American life here but unfortunately the people's mind is infested with prejudices and false impressions. I wish America could absorb more foreign students because every one of them upon their return could act as good will ambassadors. Our sympathetic feeling toward Americans, however, is not making us popular among our relatives and the people around here; but one has to stand on his principles and convictions regardless of what others think. Among my wife's family only two are American-educated. You will be surprised to see how these two defend Americans in every issue."

Similar letters and expressions have been received from other students who have returned home. The individual efforts of those who support and administer foreign student centers such as International House of Rhode Island cannot marshal the latent possibilities inherent in this situation which is so full of superb opportunity to implement the policies of the United States and complement the efforts of our governmental agencies at practically no cost whatever except for the outlay of a meaningful program to correlate the effort of willing Americans. A worldwide network of communication among the thousands of foreign students who have studied here would reap a harvest of understanding and good will among people of dozens of nationalities.

Very sincerely,

MRS. ROSE L. BLENDER.

A GOOD TURN DESERVES—

(By Joseph Foote)

In an unprecedented reversal of roles, foreign students studying in Rhode Island are raising scholarship money for American high school graduates.

They are hoping it will counter the impression that the "ugly American" is a worldwide image and that besiged American embassies and burned American information centers are typical results of foreign attitudes.

The move, enthusiastically supported by the foreign student community here, is believed to be the first of its kind in the Nation.

A pretty Italian girl, assisted by two young men from Lebanon and India, will direct efforts of about 300 foreign students to raise the money.

Among fundraising plans is a benefit show later this month featuring such diverse entertainment as authentic African, Arabian, and Indian dances and a judo exhibition by Chinese students, one of whom holds the coveted black belt.

While no goal has been set, the students hope to raise several hundred dollars which will be available to Rhode Island high school graduates for any further education, including vocational and technical training as well as college.

Plans for the move were announced jointly today by International House of Rhode Island, Inc., a United Fund Agency, and the Citizens' Scholarship Foundation of Rhode Island, Inc.

Miss Alfredina Coccoli of Italy, who is taking extension courses at both Brown University and the University of Rhode Island, is coordinating the students' efforts. Working with her are Joseph Abi Hashim of Lebanon, a graduate student at URI, and Daharam Ablachi of India, a graduate student and teaching assistant at URI.

Mr. Ablachi is chairman of the student council at the International House and was the first person publicly to suggest establishing the House, in a letter to the editors of the Journal-Bulletin 2 years ago.

Miss Coccoli hopes that the scholarship drive will stimulate interest in foreign students as well as express appreciation for what Rhode Islanders are doing for the visiting scholars.

"It will show Americans that we are trying to do our best," she says.

"Let me ask you a question, What do you think of the idea?" she added with a rich laugh.

"Part of the proceeds from the second annual international show will be donated to the scholarship pool," Miss Coccoli said. Last year the show drew a near-capacity audience at the Rhode Island School of Design auditorium.

The show, featuring native songs and dances by foreign and American students from the International House, will be presented on March 27 at the RISD auditorium at 8:15 p.m.

Mort Blender, television newscaster on a Providence station, will be master of ceremonies. He also is president of the International House board of directors.

The only professional talent in the show will be that of Myles and Hercie Marsden of the Rhode Island State Ballet, who will present a group of European dances. They are making a benefit appearance.

The idea of foreign students donating scholarship money for Americans was the brainchild of Daniel A. Walker, executive director of the Citizens' Scholarship Foundation in this State and until recently a Journal-Bulletin reporter.

He spoke with Hatem Hussaini, of Jordon, who is executive director of the International House, and with Mrs. Rose Blender, a board member of the house, and they quickly endorsed it.

The recipient of the scholarship will be chosen by the trustees and advisory board members of the scholarship foundation, with the advice and consent of International House representatives.

"It will be known as the International House scholarship," Mr. Walker says, "and the choice of the recipient will be made as much as possible to 'match the interests of the International House'."

Governor Chafee expressed pleasure when informed of the plan.

Mr. Walker's organization is the Rhode Island chapter of a nationwide group that raises scholarship funds for a broad cross section of post-high school students. Graduates of any private, public, or parochial school are eligible, and scholarships are awarded for college, nursing, commercial, technical, and advanced vocational training.

Resolution of the General Assembly of the State of Rhode Island and Providence Plantations

Senate Resolution 359 of the General Assembly of the State of Rhode Island and Providence Plantations gratefully acknowledging the efforts of foreign students living in the State of Rhode Island to raise scholarship funds in order that a deserving Rhode Island high school graduate can continue his education

Whereas students from almost all the countries of the world annually come to Rhode Island in order to further their education at the institutions of higher learning in this State; and

Whereas many of these students benefit from U.S. Government grants and other types of assistance; and

Whereas more than 300 of these students from more than 30 nations are presently studying in the State of Rhode Island; and

Whereas these students, in an expression of warmth and appreciation to the people of this Nation and this State are presently engaged in raising scholarship funds to assist a deserving Rhode Island high school graduate in order that he may further his education; and

Whereas these students, by showing their gratitude are hopeful that their efforts will help create an accurate impression throughout the world of the people of this country; and

Whereas in undertaking this program, together with the Citizens' Scholarship Foundation of Rhode Island, Inc. and the International House of Rhode Island, Inc., a United Fund Agency, they have demonstrated their gratitude, their warmth and their good will toward their hosts in Rhode Island and are deserving of the appreciation and praise of every Rhode Islander: Now, therefore, be it

Resolved, That the General Assembly of the State of Rhode Island and Providence Plantations does hereby acknowledge with gratitude and warmth the efforts of these foreign students to raise scholarship funds: and be it further

Resolved, That the general assembly does likewise acknowledge the assistance given to these foreign students and the outstanding job being done by the International House of Rhode Island, Inc., and by the Citizens' Scholarship Foundation of Rhode Island, Inc.; and be it further

Resolved, That the Secretary of State is hereby directed to transmit a duly certified copy of this resolution to the International House of Rhode Island, Inc., to Daniel A. Walker, executive secretary of the Citizens' Scholarship Foundation of Rhode Island, Inc., to the Secretary of State of the United States of America, which Department of State has responsibility for promoting and arranging the foreign student program in this country, and to the Rhode Island congressional delegation.

COLD WAR GI BILL NEEDED NOW IF COLD WAR VETERANS ARE TO RECEIVE EDUCATION

Mr. YARBOROUGH. Mr. President, the eyes of millions of cold war veterans as well as many servicemen are watching the progress on the cold war GI bill. I receive many letters every day that describe the financial situation of a veteran and most of them write that the cold war GI bill will allow them to go to college and just get by.

This is no large bonus bill, but it is just enough money to give assistance to the veterans, many with families, so that they can receive the education they deserve providing they still struggle financially.

I recently received a letter from Mrs. H. N. Wommack, Jr., of Naples, Tex., the wife of a cold war veteran, which described their economic plight and concludes that with just a little bit of help from this bill, added to their own labors, her husband would be able to return to college. I ask unanimous consent that this letter, which represents many thousands of veterans in the same situation, be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Naples, Tex., *July 20, 1965.*

Dear Sir: I am writing in regard to the educational bill for the cold war veterans which has been passed by the Senate.

Along with so many persons, my husband and I are depending on the bill being passed so it will be possible for him to finish his college education. He availed himself of all opportunities while in the Air Force by taking as many college courses as possible without hindering his job. If I get a job and he gets a part-time job, the aid from the bill will be just what will help us as he wants desperately to finish his college education. A person can hardly get by without one and we don't want to just barely "get by." We have a son to raise and naturally want to provide him with the opportunities of a full life.

There are so many people whose hopes are hanging on the outcome of the educational bill. I hope there is something further you can do to assure us the opportunity of bettering ourselves. This bill could well be the last chance so many will have to finish college.

We'll appreciate your help more than words could ever tell. Thank you so much.

Sincerely yours,

Mrs. H. N. Wommack, Jr.

PRIVATE INDUSTRY (WESTINGHOUSE) ASSISTS LOCAL GOVERNMENT IN ANNE ARUNDEL COUNTY, MD., IN UNIQUE FASHION

Mr. TYDINGS. Mr. President, a unique experiment has taken place in Anne Arundel County, Md. Under a new charter law, the county for the first time installed a completely local form of government on February 1, 1965, and received personnel assistance from one of the county's largest industries.

The charter provided certain qualifications for the nonelected administrative positions in the county. For instance, one of the requirements for one position was that the position be filled by an individual holding a master's degree in business administration. Due to the short interval between the time the new charter government was to be installed, there was not sufficient time to canvass, interview, and select personnel for the positions required to run the county government. In addition, the elected county government under the prior county commissioner system, together with some of their administrative appointees ceased to work for the county government on February 1, 1965.

Mr. H. T. Solomon, assistant general manager of the Westinghouse Defense and Space Center was approached by Mr. Joseph Alton, the newly elected county executive, concerning the possibility of Westinghouse lending personnel for certain key positions to the county for a short interval in order that sufficient time be available to permit the proper selection of permanent key personnel. Since the key positions were to be filled on a temporary basis, it would have been difficult for individuals acting on their own to take such temporary positions without undue financial hardships. Mr. Alton felt that Westinghouse would be doing the county a great service if such arrangements could be worked out. Westinghouse agreed to loan the county three individuals to fill key positions for a period of 60 days commencing February 8, 1965, and this period was later extended to May 8, 1965. Westinghouse continued to pay the salaries of the individuals loaned to the county. The salaries were paid by Westinghouse out of profits, and were not recovered, directly or indirectly, as an item of cost or expense in connection with Westinghouse contracts with the U.S. Government.

During this period of time, Mr. R. W. McClelland served as director of administration; Mr. J. F. Doyle as central service officer; and Mr. R. L. Dwight as director of public works department. Messrs. Doyle and Dwight have returned to their permanent jobs at Westinghouse as scheduled. Mr. McClelland believing that he would like to make a career of government work has terminated his service with Westinghouse and has been employed by Anne Arundel County on a permanent basis, effective May 1, 1965.

Mr. President, the Westinghouse Defense and Space Center is the largest employer in Anne Arundel County. Westinghouse officials and in particular, let me cite Mr. B. M. Brown, the president of the Defense and Space Center, felt a responsibility both to the employees living in the county and to the local government. They felt they would be fulfilling a civic duty as good corporate citizens by loaning these individuals to the county government during this critical formation period. Let me add that the Westinghouse Defense and Space Center does not have a supplier or customer relationship with Anne Arundel County, other than the normal relationship of purchasing water and paying taxes on the same basis of all other corporations and individuals.

Mr. President, I ask unanimous consent to insert at this point in the RECORD an editorial from the February 4 edition of the Maryland Gazette praising the Westinghouse efforts in Anne Arundel County, and let me add my praise to the efforts of a local business interested in seeing that the best government is available to the citizens it serves.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WESTINGHOUSE DESERVES PRAISE FOR AIDING GOVERNMENT

County Executive Joseph W. Alton, Jr., has made a brilliant first move by obtaining agreement from Westinghouse to permit three of its top executives to help guide Anne Arundel County through the difficult months of transition from a county business manager form of government to the charter form.

The Westinghouse Electric Corp. certainly deserves the gratitude of all countians for its generosity in granting leaves of absence to the trio of top-flight company executives.

The three men, named by Westinghouse Assistant General Manager Harry T. Solomon, of Annapolis Roads, are: Richard W. McClelland, John F. Doyle, and Robert L. Dwight.

McClelland was sworn in today as director of administration—second highest county job. Tuesday, Doyle will take office as county director of central services, and Dwight will be sworn in as public works director.

Alton, naturally elated over the Westinghouse grant, noted that it will provide time for the county to carefully sift applications for the top charter jobs under the county merit system.

The county executive also said the experts on loan will assure proper guidance for the county, during the first crucial period of changeover to the charter, or home rule form and will, through their experience, probably save the county a great deal of money.

A giant corporation such as Westinghouse is usually regarded by the average citizen as being cold and thoughtless of its surroundings or humanity in general because of sheer size and power.

The falsity of this belief is certainly shown in the warm, neighborly act by which Westinghouse has agreed to lend an assisting hand to one of its home counties.

The full potential of Westinghouse's kind act not only probably will result in dollars and cents savings to taxpayers but we are sure that our county will be a better one because of having obtained expert direction at this significant time.

Westinghouse has certainly shown its community spirit by pitching in to help Anne Arundel County through a most difficult period.

We know that all countians are tremendously grateful.

OPPORTUNITIES IN FOREIGN MARKETS FOR IMAGINATIVE SMALL BUSINESSES — AIR FREIGHT RATES ON BEEF REDUCED 25 TO 30 PERCENT

Mr. SPARKMAN. Mr. President, on the recent occasion of doubling the membership in the National Export Expansion Council, and the appointment of former Secretary Luther Hodges as its honorary chairman, President Johnson remarked:

> While, as you know, we are now engaged in a most comprehensive program to eliminate our deficit, our future balance-of-payments position will be determined primarily by just one thing: The ability of American business to compete successfully and adequately in all markets of the world.

On August 2, the Department of Commerce publication International Commerce carried articles on several types of novel opportunities for making small businessmen more competitive abroad, and thus benefiting both our small business community and the Nation.

The first article describes a joint venture in Bizerte, Tunisia, between three American small businessmen and one small Tunisian firm. The American companies are in unrelated fields. One manufactures copper and brass accessories; the second, stainless steel equipment for hospitals; and the third, drill bits for oil machinery. They decided to join forces in still another field—the manufacture of metal office equipment.

Members of Congress can take pride in the fact that financing for this venture was available by way of a so-called "Cooley" loan in local Tunisian currency. Such loans result from 1957 and 1961 amendments to the Agricultural Trade Development and Assistance Act of 1954, better known as Public Law 480. Under section 104(e) of this act, up to 25 percent of the local currency proceeds of agricultural commodity sales under title I can be set aside for lending to private commercial enterprise. Many U.S. firms or branches, subsidiaries, or affiliates of a U.S. firm operating in a country where surplus foreign currency has been accumulated for this purpose would be similarly eligible for a loan of this kind.

The second article reports an investment program in the nation of Senegal, which has been especially tailored to attract small and medium size investments, and to afford them special tax and business advantages. Senegal is a small country of about 3,300,000 having an economy quite similar to many States in this country. Agriculture, livestock raising, and peanuts are its main products, and developing industries include food processing, chemicals, and cement.

The third article, which appeared in the Journal of Commerce, concerns a $200,000 investment by the Citizens and Southern Bank of Atlanta in a development bank in Columbia. This investment came as an outgrowth of a seminar by Georgia Tech University for banks and businesses interested in this region. It has made possible consideration of a number of joint business ventures in fields such as shrimp fishing, textiles, and land development.

I ask unanimous consent that the articles from International Commerce and the New York Journal of Commerce be printed following my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibits 1, 2, and 3.)

Mr. SPARKMAN. Mr. President, it appears from this material, that developing countries may be found receptive and sympathetic to American small business enterprises. It is also well for us in this country to do everything possible to encourage and assist small businesses to enter these markets.

Mr. President, the Senate Small Business Committee is continuing in its efforts to assist American small businesses in this regard. Since about 90 percent of all businesses in this country are small, the greatest opportunities for our national export effort would seem to lie in this area.

Our committee is currently considering ways and means of reducing barriers and increasing expansion of the export of U.S. beef and beef products. It has been previously noted that, following our hearings on February 24 and 25, 1965, ocean freight rates on these commodities were reduced 20 to 25 percent. Subsequently, I reported that beef and live cattle exports for 1965 were strongly above 1964 levels, and these trends have continued through the first 4 months of the year.

At this time I would like to report a further development. The American Flag Airlines, in the recent meeting of the International Air Transport Association in Venice proposed a parallel cut in air freight rates, approximating 25 to 30 percent, on all beef and beef products. This proposal was accepted by all members of IATA and will go into effect on September 1.

As a result, air freight rates from the United States on all beef shipments will drop to between 17 and 19 cents per pound to destinations throughout the United Kingdom and continental Europe. Rates on live cattle, which were decreased from $1.39 per pound to about 41 cents per pound last summer, were reduced further to about 37.7 cents per pound for heavier animals. A table showing the magnitude of the reductions on beef from the United States to the metropolitan centers of several European countries is set forth below:

Air freight reductions on beef, as of Sept. 1, 1965

	Percent
Belguim	27.3
Denmark	25.4
Germany	25.4
France	27.3
Greece	30.9
Italy:	
Rome	24.6
Milan	25.4
Netherlands	27.3
Norway	21.1
Spain	27.3
Portugal	30.9
United Kingdom:	
Liverpool	29.1
Manchester	30.9
Edinburgh	29.8

To points in Africa, the reductions are even more spectacular. This is by reason of the fact that beef previously traveled at the general commodity rate, which is usually quite high. Now that separate rates have been posted, indicative reductions are as follows:

	Percent
Libya	52.4
Tunisia	49.7

So, it appears that the barriers are continuing to come down.

I should like to commend the initiative of the American air carriers in taking this step which recognizes the relationship between transportation economics and market development, and which thus holds promise of further increasing markets abroad for the American beef industry.

Mr. President, I believe that these developments demonstrate the range of opportunities open to American firms in foreign markets. Entry into these markets may take an abundance of ingenuity and imagination—new forms of organization, new modes of transportation, new technologies and new financing arrangements. But, coupled with the efficiency and craftsmanship that are part of our heritage and the reduction of artificial barriers, these qualities can gain for American businesses, large and small, the share of world markets and profits to which they should be entitled.

On the basis of the work that the Small Business Committee has recently been doing in this field, we shall soon have an interim report to put before the Senate, which, I believe, will throw further light on these matters.

EXHIBIT 1

NEW VENTURE IN BIZERTE IMPORTS KNOW-HOW FROM DALLAS, MILWAUKEE, AND WAYNESBORO, VA.

(NOTE.—Strangers at the start, three U.S. small businessmen join investment mission to Tunisia and discover something of common interest there.)

Will it work as well in Bizerte as in Dallas, Milwaukee, and Waynesboro, Va.?

A pair of Tunisian businessmen went back to the factory in North Africa last week to test the question in a new joint venture with three U.S. manufacturers.

Goslan et Cie., Bizerte manufacturer of metal office furniture, is the first partner of the recently organized Tunisian-American Small Business Development Corp., a U.S. firm established by a trio of small businessmen to supply technical know-how, management service and capital to their counterparts in Tunisia.

Last month, Claude Goslan and his production manager, Yves Bisanti, put their agreement with the Americans to work. They came to the United States from Bizerte and spent 2 mid-July weeks gathering technological information and management advice in Virginia, Wisconsin, and Texas.

WHO'S WHO

The Americans are Charles Eckman, president of Virginia Metalcrafters, Waynesboro; Robert Moon, president of Lakeside Manufacturing Co., Milwaukee, and Daniel Varel, president of Varel Manufacturing Co., Dallas.

These three met for the first time last December when, with five other U.S. businessmen, they took part in an investment mission to Tunisia. The trip introduced them to Goslan et Cie. as well as to each other—and gave them the idea for the Tunisian-American Small Business Development Corp.

Eckman's firm makes lawnmowers, space heaters, lamps, doorknockers, brass and copper accessories for the home. Moon's makes stainless steel carts and trays for hospitals and cafeterias. Varel's makes drill bits for oilfield machinery.

"The three of us decided to try to find something of common interest in Tunisia," Eckman said.

"The Goslan project appeared to have the greatest promise and flexibility. We thought the company had made a lot of progress and was a savvy corporation, young and adaptable. We could communicate, and they were anxious to get with American partners. It just struck us as being the most logical outfit."

The Tunisian-American Small Business Development Corp. was born. (It's known more familiarly as SOTAD, the initials for the corporation in French-speaking Tunisia.) Eckman is president.

SOTAD has been authorized to borrow up to $60,000 under the Cooley loan program administered by the Agency for International Development. The program provides U.S. businessmen with foreign-currency financing, using money the United States receives in sales of surplus food abroad.

Visiting the United States, SOTAD's Tunisian associates went first to Waynesboro.

LOOK AND LEARN

"They spent quite a bit of time going through our brass foundry and finishing operations and watched us produce certain parts which we hope they can learn to produce in Tunisia. Then they did the same sort of thing in Milwaukee and Dallas.

"They also spent half a day going through a modern woodworking plant in Waynesboro. They had been primarily in metal office furniture and equipment but now they have branched out into wood and upholstered furniture, too, and have moved to a new plant in the old Bizerte shipyard."

Eckman said Moon would go to Tunisia this month on a followup to the Goslan-Bisanti visit here and added, "I hope to go back myself in the late fall."

The investment mission that started it was a project of AID and the Small Business Administration. SBA spokesmen said it was done at the Tunisian Government's request and with the help of the Tunisian Chamber of Commerce, UTICA.

An earlier mission under similar auspices went to Tunisia in June 1964. As a result of that one, SBA spokesman said, Marshall Erdman & Associates, a millwork firm in Madison, Wis., located a Tunisian partner for a joint-venture millwork operation producing window and door frames.

SOTAD is expected to investigate other joint-venture projects in Tunisia but Eckman said no other agreements have been concluded.

"One thing that interested Goslan very much was the potentiality for making our garden tractors in Tunisia and selling them throughout Africa," he said.

Bureau of International Commerce personnel joined in mission briefings.

BIC publications concerning Tunisia include "Basic Data on the Economy of Tunisia," "Preparing Shipments to Tunisia" and "Import Tariff System of Tunisia." They are available from the Superintendent of Documents, Government Printing Office, Washington, D.C., or through any Department of Commerce field office for 15 cents each.

For information on Tunisian investment opportunities, write: Bureau of International Commerce, Office of International Investment, Department of Commerce, Washington, D.C.

[From International Commerce, August 2, 1965]

EXHIBIT 2

SENEGAL ENCOURAGES SMALL PRIVATE INVESTMENTS BY LIBERALIZING RULES; MORE VENTURES NOW WILL QUALIFY FOR PRIORITY, CONTRACT STATUS, CUSTOMS, AND TAX BENEFITS

Senegal has liberalized its investment code to allow smaller investments than contemplated in the original code to qualify for the status of priority or contract enterprises and enjoy the tax and customs benefits to which the two categories of investments are entitled.

The liberalization was authorized by the national assembly in an effort to encourage private investment, particularly medium-sized investment.

Under the original code, an enterprise had to invest about $400,000 or create jobs for 100 Senegalese in order to be approved as a "priority" enterprise. The new change reduces the minimum figure to about $160,000 or 40 Senegalese employees.

To decentralize industry, the modifications provide that a "priority" status can be given to enterprises establishing outside the region of Cape Vert if the investment is about $80,000 or if 20 permanent jobs are created for Senegalese.

DUTY EXEMPTIONS

Another article of the modification increases the tax and customs benefits given to "priority" enterprises in the original code.

Spare parts recognizable as belonging to equipment connected with the investment will be exempt from import duties and taxes for 5 years instead of the period of the investment.

Primary materials not produced in the West African Customs Union that will be used in the manufacture of the finished product will be admitted temporarily and not be subject to customs duty.

Buildings constructed under the investment program will now be exempt from the building tax for at least 15 years instead of a maximum of 15 years as contemplated in the original code.

MINIMUM REDUCED

The minimum investment of about $4 million over a 3-year period for "contract" enterprises under the old code has been reduced to about $2 million.

An article which established the council of ministers as the competent body to issue the decree approving the granting of a privileged status to an enterprise has been abrogated and a separate system has been provided for each category.

For "priority" enterprises, a decree shall be issued on the joint motion of the ministers of finance and those ministers charged with the responsibility for the plan and for industry as well as other competent ministers.

For contract enterprises, the chairman of an interministerial committee which had been organized by the ministry of finance is empowered to issue the decree of approval.

For a copy of the new law in French, on loan, write: OIRE, Bureau of International Commerce, Department of Commerce, Washington, D.C.

Holders of the Overseas Business Report "Investment Law of the Republic of Senegal" (OBR 62-31), which contains the text of the 1962 code, should note these changes.

EXHIBIT 3

[From the Journal of Commerce, Jan. 4, 1965]

ATLANTA BANK INVESTS FIRST DOLLAR OVERSEAS

Citizens & Southern National Bank of Atlanta, Ga., has chosen a development bank in Cali, Colombia, for its first step into foreign investment.

The project is an outgrowth of Georgia Tech's Latin American program, which included a seminar for local Georgia banks and businesses interested in the region. C & S's interest in Columbia began at that time.

Both the university and the bank continued to develop their relations with Colombia and the two projects have now joined hands. Tech got together with the Universidad del Valle at Cali to establish a graduate school of industrial management, while the bank is putting $200,000 into common stock of the Corporation Financiera del Valle, the development bank, in Cali.

Now, it is hoped, the skills provided by the management school and the funds made available through the development bank will be joined in new industrial enterprises. Several joint venture possibilities are now under consideration, including such fields as shrimp fishing, textiles, and land development.

STATEMENT OF UNDER SECRETARY BARR BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HARTKE. Mr. President, I have for the last few weeks concerned myself in some detail with matters of fiscal policy, including the balance-of-payments problem, international liquidity, and monetary reform. In that connection, I made a joint statement together with my esteemed colleague, Senator McCarthy, before the Joint Economic Committee in its recent hearings.

Another witness before that committee was the Under Secretary of the Treasury, the Honorable Joseph W. Barr, a native of my home State of Indiana. Mr. Barr presented what he called "some Treasury views on our approach to long-range fiscal policy." In his statement, he looked forward to the needs of the next decade, presenting the setting for fiscal policy as it now exists and sketching in some of the background, most particularly our experiences since 1961.

It is tempting to note some of the salient points raised by Mr. Barr in his analysis of our objectives and how we may attain them. But rather than a summary account, a reading of his full statement is more desirable. Therefore, in order to make it available to other Members of this body, I ask unanimous consent that Mr. Barr's testimony may be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of the Honorable Joseph W. Barr, Under Secretary of the Treasury, Before the Joint Economic Committee, Wednesday, July 21, 1965

I appreciate this opportunity to present to the Joint Economic Committee some Treasury views on our approach to long-range fiscal policy. It is clearly important that from time to time we look beyond the horizon of short-run decision problems that necessarily absorb so much of our attention. The subcommittee is to be congratulated on its effort to place these problems in perspective. The initial publication of the statements of invited economists and organizations has already provided a useful compendium of views on the issues that lie ahead and possible ways of dealing with them.

THE SETTING FOR FISCAL POLICY

In approaching this topic of fiscal policy over the next decade, I would first like to emphasize several basic aspects of the setting in which fiscal policy is used. Perhaps most fundamental, we should recognize that we are dealing with one of several instruments of economic policy. Further, the broad policy goals are already set forth in the Employment Act of 1946, which commits our Government to seek sustained growth in employment and income in, by implication, an environment of stable prices, all within a framework of a competitive private enterprise system.

That act was a historic step. In the two decades which have followed we have made tremendous strides toward the realization of its objectives—not least by the intelligent and more active use of the tools of fiscal policy. Obviously we still have much to learn, but the improvement of techniques and data for appraising economic developments and a better understanding of our policy tools have both enabled us to realize more fully the tremendous contribution that appropriate fiscal policies can make toward achieving the potential of our economy.

However, let me make one thing quite clear. Under our economic system, by tradition and choice, we place primary reliance on the vigor and skills of our private economy to achieve the objectives of the Employment Act. We reject detailed Government planning of production, consumption, and investment, and direct controls to implement such plans.

This does not mean, of course, that Government policies—and particularly tax and expenditure policy—do not affect the environment in which private decisions are made, or that they do not have a powerful influence on economic activity. Obviously they do But, it does mean that Government cannot itself supplant the market, and that in shaping decisions on fiscal policy we must be alert to the shifting forces in the private economy and to the need to provide constantly a fiscal environment in which these forces can best operate.

There are no magic formulas for fiscal policy applicable to all the variety of problems and needs that may arise. For instance, those few who would still insist on reaching for a balanced budget year in and year out fail to recognize the influence that these taxing and expenditure decisions may have for the performance of the entire economy. Experience shows there are situations in which the forces of expansion in the private economy are not adequate to fully employ our workers and our resources, and in which the level and structure of taxes may themselves be impeding the required growth and investment. In circumstances like these, an effort to balance the budget may be self-defeating if the result is only to further restrain economic activity and to constrict the tax base. Instead, tax reduction may be an essential means of releasing the energies of the private sector, even if projected revenues do not fully cover anticipated spending. Conversely, at times when demand threatens to outrun our capacity to produce, responsible fiscal policy may require tax increases and a budgetary surplus.

This approach by no means implies loss of firm and effective controls on expenditures—a never-ending effort to assure a dollar of value for every dollar spent. Nor does it entail losing sight of the goal of a balanced budget. Rather, it emphasizes the importance of seeking that goal within the framework of a healthy, expanding economy. And it recognizes that that goal is dependent not only upon decisions concerning the level of tax rates and expenditures, but upon all the complex forces at work in the private economy and in other areas of Government policy that importantly affect economic activity, including the structure of our tax system, developments in the credit markets and in monetary policy, and the management of the public debt.

EXPERIENCE SINCE 1961

Our approach toward fiscal policy can, I believe, be illustrated by our experience since 1961. Our fiscal policy recommendations over this period have been made only after painstaking and at times painful evaluation of all relevant economic data and exhaustive consultations with a broad cross section of outstanding economic authorities representing the views of virtually all sectors of the economy. The approach seems to work, since during this period the Nation has experienced the longest peacetime expansion in history, and our price level has been the most stable of any industrialized nation in the free world.

In January of 1961 we were confronted with an economic recession which obviously required expansionary policies. Unfortunately we also faced a balance-of-payments deficit of nearly $4 billion. Under these circumstances, it was not feasible, in an attempt to promote expansion, to push monetary policy to extremes of ease for that could only have aggravated the capital outflows that were materially contributing to the outflows of dollars.

Instead, our response to the recession and to the broader pattern of slow growth that had developed in the late 1950's was to encourage expansion through fiscal policy. Our analyses of the economy indicated very clearly that our problem centered in domestic investment. Faced with necessary increases in defense expenditures in 1961, a broad program of tax reduction was not immediately feasible. However, it was possible, without excessive loss of revenue, to develop an investment tax credit and liberalized depreciation guidelines for productive equipment tailored to providing increased incentives for productive investment—investment that not only would pay dividends in terms of domestic growth but would also help to buttress our international competitive position.

Recovery proceeded through 1961 and into 1962, but as the economy absorbed the higher level of defense spending it was apparent that unemployment was still too high, and that prospects for sustained and vigorous growth continued to be impeded by our tax structure. Calculations showing what the budget would look like if we were operating at full employment indicated a sizable surplus. The difficulty was that the tax rates that produced that large "full employment surplus" were so high as to thwart the growth in the economy necessary to reach full employment. Stated another way, as the economy came out of the recession, the high marginal rates of taxation drained off so much of the added purchasing power that markets were not available to match our full productive potential. There was good reason to believe that these high tax rates, enacted to offset the inflationary pressures caused by war and postwar defense needs many years earlier, were no longer appropriate. Our primary problem was obviously not inflation, but slow growth, high unemployment, and periodic recessions. The solution lay in greater incentives to invest combined with a measured release of purchasing power.

This objective required a carefully balanced program of tax reduction spaced out over time, and we proposed cuts in both corporate and individual rates combined with substantial improvements in our entire structure of income taxation. The result was the $14 billion two-stage tax cut enacted in early 1964, the largest in history. At the same time, a tight lid was imposed on expenditures, assuring that the tax reduction could be absorbed without inflation and consistent with reduction in our budgetary deficit.

Finally, this year we were able to recommend elimination of many of our excise taxes, removing another impediment to growth while improving our tax structure.

THE BASIC OBJECTIVES OF FISCAL POLICY

In extracting lessons for the future from this experience, I want to emphasize that none of us can be sure what the particular problems of tomorrow will be—whether inflation or recession, increased military spending requirements, or what. We can be sure, however, that we must be prepared to use our fiscal policies flexibly, as required by unfolding events, and not be bound by doctrinaire beliefs. And we have learned much of the varied potential of fiscal policy in combination with other economic policies—to fight inflation or deflation and to encourage consumption or investment. Moreover, we will have before us in guiding these decisions the basic continuing objectives of all our economic policies—each implicit in the Employment Act of 1946. These include:

1. Maintenance of an adequate economic growth rate with a broad and equitable distribution of income.
2. Provision of adequate levels of those essential services that we buy collectively through Government expenditure.
3. Maintenance of reasonable price stability.
4. Preservation of healthy levels of international trade and investment along with equilibrium in our balance of payments.

RECONCILING THE GOALS OF POLICY

We suggest that a basic concern of this committee in examining long-range fiscal policy should be to study more intensively the interrelationships between these goals and the adequacy of our existing fiscal policy instruments for achieving them. Let me direct your attention to some of these interrelationships.

In recent discussions of economic policy, there has been much concern about finding a blend of policies to achieve multiple objectives—objectives that, at least in the short run, sometimes seem partially conflicting. For instance, experience suggests that, as our objective of full employment is more closely approached and the economy operates with a smaller margin of excess capacity, problems of maintaining price stability increase.

The active and intelligent use of fiscal policy, has, I believe, contributed to reconciling these goals. Certainly, the record is clear that our sustained advances in economic activity have been accompanied by substantial stability of the wholesale price index. True, there has been some updrift in the consumer price index of about 1 to 2 points a year, but part of this updrift may be associated with our inability to make full allowance for quality improvement within the index itself. This is clearly involved in one of the most rapidly increasing components, the cost of medical services. Altogether our price performance over the past 5 years has been far better than that of our leading competitors in world markets.

The administration has been conscious of the inflation problem in formulating its fiscal policies. In a situation marked by excess capacity and excessive unemployment, we were convinced that a tax cut, intended to spur growth and reduce unemployment, would not lead to inflation.

We have not, on the other hand, sought to drive to unsustainable goals simply by massive injections of purchasing power. Instead, reductions in consumer taxes have been accompanied by measures to provide investment incentives, to encourage steady growth in capacity, and to promote efficiency. At the same time, we have recognized that the whole burden of reconciling these goals could not be placed on fiscal policy alone, and that our fiscal program needed to be implemented with full awareness of the need for complementary policies in other areas. Thus, monetary and debt management policies have been carefully coordinated to assure that Federal deficits would not result in excessive liquidity that might give rise to future inflation. And we have begun to deal directly with problems of structural unemployment—by manpower training and development, the economic opportunity program, Federal aid to education, and the like.

Our ability to achieve an unemployment rate of 4.7 percent without widespread price pressures represents substantial progress over earlier experience, but we must push ahead to extend our gains.

Fiscal policy will continue to have a key role to play in that effort, but it must not be called upon to do the job alone. Let me point out, for instance, that unemployment among particular groups, such as Negroes and teenagers, tends to follow the ups and downs of the national average, but the rate among Negroes stays twice as high as the total rate, and the rate among teenagers stays almost three times as high. Progress toward our social goals of improving the position of the underprivileged and reducing juvenile delinquency certainly requires that we improve job opportunities generally, and fiscal policy can help assure the expanding markets essential to provide those opportunities. But adequate job opportunities for minority groups and for teenagers—consistent with orderly, noninflationary growth—will also require action to reduce and eliminate structural imbalances in our labor market.

Our use of fiscal policy in recent years has also been influenced by the need to reconcile the goals of balance-of-payments equilibrium with domestic growth. One way of encouraging a higher level of domestic investment would have been very low interest rates, but we have learned that in a world of increasingly free trade and payments, no country can afford to ignore the relationships between its own money markets and those abroad. The use of fiscal policy—and particularly tax reduction—offered an alternative. Some measures could be centered directly on investment incentives, such as the investment tax credit, the depreciation reforms of 1962 and 1965, and the corporate tax cut of 1964. More generally, the spur to overall economic activity through reduced tax rates, as it works its way through the economy, provides a more attractive environment for the employment of capital domestically, tending to reduce incentives to the outflow of capital rather than increasing them, as would have been the case with extremely easy money.

In this way, the increasing integration of the world economy has required the United States to explore and use the potentialities of fiscal policy more fully. I believe that these external considerations will remain important in the choice of policy tools, not only for the United States but for other industrialized countries as well in the years ahead.

THE CHOICES FOR THE FUTURE

As we look into the future, and consider the range of issues that will be confronting the fiscal policymaker—such as the need for tax rate reduction as against expenditure increases, possible changes in State and local government fiscal relationships, and the alternative of debt retirement—it is useful to emphasize that a growing economy will year by year generate higher revenues at existing tax rates. This tendency—sometimes referred to as the fiscal drag—presents a clear-cut need to make choices, and much recent discussion has centered on what these choices should be.

For instance, a summary of the replies of 48 economists and 10 organizations to the questions put by the chairman of this subcommittee, stated that "The consensus is that during the next decade, Federal revenues are apt to rise faster than Federal expenditures, thus exerting a drag on the economy. The respondents were hesitant, however, on recommending the proper remedy for fiscal drag, with no clear-cut consensus emerging for either increased spending or for further tax cuts."

This absence of a consensus seems to me readily understandable, for the kind of choice implied is dependent upon a host of other judgments on more particular problems and objectives. First, the degree to which rising revenues may be divided between reduction of the budget deficit or to debt reduction, lower taxes or higher spending, can be based only on a thorough analysis of the impact of these alternatives on the national economy under prevailing conditions. Clearly, lower deficits or a surplus applied to retirement of the debt would be in order if the Nation were at full employment and if inflationary pressures were great. On the other hand, if economic projections indicated sluggish growth and no price inflation, such a policy would not be in order.

BALANCING SAVING WITH INVESTMENT

In considering this issue, we should recognize at the beginning that in our economy borrowing is a necessary concomitant to savings. To take a simple and obvious example, a savings bank can only operate if somebody borrows the money in order to spend it and put it back into the income stream. In addition to lending by individuals, the growth in the money supply required by an expanding economy requires annual increases in net borrowing from commercial banks.

To some extent, of course, savings get back into the income stream through direct investment by the saver or through the purchase of equities. In quantitative terms, however, this represents a relatively small portion of the use of personal savings in our economy. The bulk of our savings must be absorbed by willing borrowers, and put back to work in the economy if we are to achieve sustained increases in employment and output.

We believe that it is desirable that over time a maximum amount of the vast supply of savings the economy is capable of generating should be absorbed by borrowers within the private economy or by State and local governments. In fact, over the postwar period, about $700 billion of such savings have been absorbed by the private economy—nearly $300 billion by corporations, $230 billion by home mortgages, $70 billion by consumer credit, and about $100 billion by other borrowers. About $70 billion was absorbed by State and local governments. About $40 billion has been absorbed by the Federal Government.

A properly designed tax structure can make an important contribution to the private absorption of savings by minimizing any discouragement to investment that might arise from the magnitude of taxes that we have to collect. We could, for example, have obtained about the same dollar amount of revenue from corporations by providing a combined top rate of 46 percent, instead of the present 48 percent, but without an investment credit. We are convinced, however, that collecting this amount of money through a structure that does have an investment credit will result in a larger amount of private investment, and thus more private absorption of savings and less need for Federal deficits.

With a carefully designed tax structure and policies in other areas to encourage investment, there is every reason to believe that a healthy economy operating at full employment will be capable of generating adequate investment outlets to absorb all our potential savings. Certainly, we should aim for this kind of healthy investment climate. And, under these conditions, a budget balance is appropriate, or a surplus which will release funds from the Federal Government to help meet the needs of private investment.

In other circumstances, however, private investment demands may not be great enough to absorb all the savings we are capable of generating. Then Federal absorption of some of our savings means a highly useful purpose, for those savings, instead of being diverted from the spending stream, and thus tending to restrain the level of economic activity, can be carefully employed.

Federal uses of savings are in quite important ways productive in the same sense in which business investment expenditures are productive. Certainly the Federal Government requires buildings, equipment, and powerplants—the same kind of things financed by private borrowing. Much of what is currently labeled as Government expenditure is devoted to producing assets which will be providing services for many years in the future.

One kind of productive Federal investment is increased investment in people; namely, the investment represented by improved education. This we have attempted to advance on many fronts from aid to elementary education through aid to colleges and graduate training and to vocational retraining. This kind of investment in people will be particularly advanced by the adoption of the program to provide scholarships, student employment, and guaranteed subsidized interest loans for college students from low- and middle-income families. This kind of a program, unlike the proposed tax credit schemes, is concerned with opening up college opportunities for capable students who cannot afford college.

Moreover, in considering this issue of the Federal debt, its relation to total output is important. Between 1960 and 1965 while our gross national product will have increased by 30 percent, the public debt has increased by 11 percent. It has fallen from about 52 percent of our gross national product to about 49 percent. This period included 3 fiscal years in which the deficit was over $6 billion.

Currently, the Federal deficit has been reduced considerably below the average level of those years. The point is, however, that even in those years of larger deficits the debt was getting smaller relative to our capacity to deal with it.

EXPENDITURE INCREASES AND TAX REDUCTION

The proper mix between tax reduction and expenditure increase—when the growth in revenues makes this possible—cannot, in my judgment, be decided apart from specific decisions as to particular needs at particular times. The very magnitudes involved mean that this situation opens up dramatic opportunities to improve our society. The compendium deals with many of these, including major tax rate reduction, assistance to State and local governments, the use of general revenues to meet part of the costs of social insurance now covered by payroll taxes, and a larger scale attack on the problem of poverty. There will be others as well, and all merit debate and analysis.

I am sure that, in testifying before you tomorrow, the Director of the Bureau of the Budget will deal with the kinds of specific and particularized choices entailed in expenditure decisions. For my part, I would like to close by briefly touching upon a few of the more important issues that arise, and must be decided, in connection with further tax reduction.

Perhaps most important, we must continue to be concerned about the impact of our tax structure on the entire distribution of income. We have reduced the impact of the high individual surtax rates, and the corporate tax rates, on the growth creating investment process. We have also made a start toward dealing with the problems of poverty. One important future concern is the impact of the individual income tax in the lower, and lower middle, income brackets.

Over the years, if the income tax law does not change, the effective rate of tax at the average income level tends to rise, essentially because the personal exemptions become lower relative to the average income itself. This increasing effective tax rate shows up clearly at the low and middle income levels.

It is instructive to follow the experience of a family with two children that has every year an adjusted gross income equal to the average income of all American families. In 1950 this family paid an effective income tax rate of 6.7 percent. In 1960 the effective income tax rate on this family was 9.8 percent because of the increased average income. In 1965, we estimate that the rate has been reduced to 8.6 percent, but it remains above the 1950 level. On the other hand, the same progression has not been evident for the top income taxpayers, largely because the taxpayers had larger personal deductions.

These considerations were one factor bearing upon our recent action to reduce excise taxes which were a regressive element in our tax structure. In the longer run they require that we be especially alert to finding efficient ways to reduce income taxes at lower income levels. The provision in the Revenue Act of 1964 for the minimum standard deduction was a breakthrough in providing a new method of lessening the tax burden of those who can least afford to carry it. Possible expansion of this and other methods deserves continuing study.

Another issue in the area of tax structure is presented by the impediments to the flow of capital and the unlike treatment of like income. This is a perennial problem that needs continued attention to preserve confidence in the justice of our tax system and efficiency and mobility of our capital markets.

Decisions on changing the level of tax rates will bring to the forefront many other questions of tax structure. It is quite obvious that taxation for revenue only is not a principle that is rigidly adhered to in the United States. We have assigned to our tax law the function of encouraging diversified activities. The difficulty here is that this multitude of specific objectives tends to conflict with the basic objective of raising an amount of revenue necessary for our overall fiscal policy in a way that is equitable between taxpayers. This conflict is the root of our continuing concern about the matter of income tax reform.

The pursuit of diverse objectives through the tax law has in practice meant that some of the particular objectives tend to receive rather cursory examination, without full and continuing analysis of the effectiveness of the provision in accomplishing the desired objective. Expenditure programs are subject to an annual and rather critical review during the appropriation process. This means review both within the committees and on the floor of the House and of the Senate.

On the other hand, the question of whether or not we get our money's worth from a particular incentive in the tax law is raised for discussion perhaps once a decade, and then is dropped if the matter is not carried forward by one committee. What is needed to improve our tax laws is some quite hardheaded analysis of whether or not the various preferential tax provisions—in effect an indirect Government expenditure—are an efficient way of reaching the objectives that we want.

The process that I am referring to is not different from the program analysis that the Bureau of the Budget has been trying to develop in various areas of direct Government expenditure programs. It requires detailed hard work to specify what we are trying to do and to measure the degree and cost of accomplishment. Such analysis might well be applied to areas of the tax collection and administration process as well as to substantive law itself. This kind of analysis calls for considerable cooperation with the business, professional, and academic communities, cooperation between various Government departments, and for a strengthened research and analytic capacity within the Treasury.

FLEXIBILITY

In conclusion, I would like to refer to the matter of flexibility in fiscal policy. Whether we are at full employment or on a path to full employment, we must be aware of the possibilities of unexpected developments in the private economy that would tend to stall the growth of income.

The Congress has demonstrated that it can act quickly on important fiscal legislation, as it did in passing an excise tax cut in 32 days.

The important thing here was a broad initial consensus on policy, aided in large measure by the decision of the Ways and Means Committee to hold hearings on the issue prior to a legislative proposal.

This committee might make an important contribution to this aspect of the fiscal policy problem by undertaking some studies of the kind of temporary changes that should be made in fiscal policy to deal with the unexpected. What role should be assigned to tax cuts or expenditure speed-ups when more expansion is needed? As to tax reduction, what form of tax reduction is most appropriate?

The problem of flexibility in fiscal policy brings home in a striking way the problem before this committee and before all the fiscal policymakers. The problems are not only tough, but also in the future decisions will sometimes have to be made rapidly. The kind of constructive analysis that this committee is undertaking will help assure that these decisions will be soundly based.

LIVESTOCK EXPORTS BOOMING FOR FRENCH CATTLEMEN

Mr. SPARKMAN. Mr. President, since February, the Senate Small Business Committee, of which I am chairman, has been seeking to reduce artificial trade barriers and expand the exportation of U.S. beef and beef products.

A recent article in the London Economist gives some idea of the magnitude of foreign markets for live cattle to be used for breeding purposes. The article states that exports of the French Charollais bulls rose from only 10 in 1950 to 1,846 in 1964, and will probably exceed 2,000 this year. Prices paid for heifer calves between 3 and 4 months of age at a recent auction ranged between $1,260 to $3,080. For bull calves, the prices were between $1,960 and $10,360.

It is reported that:

> The French Charollais breeders make no excuse for the high prices they are now charging in the face of heavy demand from four continents—and from other French farmers.

Apparently, this international trade in these animals is being facilitated by "a powerful export office which looks after the selection of animals for export and sales promotion abroad." French cattlemen pay a voluntary contribution of 10 percent of their export earnings to finance these activities.

An indication of the fortunes that are being made is that the prize winning bull at the 1964 Paris Concours Agricole was bought for 110,000 French francs—the equivalent of about $22,400—by an Argentine cattleman.

Mr. President, I believe this information confirms the fact that the export markets for live cattle exist and are quite profitable. It is my hope that American cattlemen can gain an increasing share of these markets. I ask uananimous consent that the article to which I have referred be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the London Economist, July 17, 1965]

FRENCH FARMING: HURRAH FOR CHAROLLAIS

PARIS.—In September, 220 Charollais calves will be put into quarantine at Brest before crossing the channel to go to British stock farms. It will be one of the most expensive consignments of young animals ever to have crossed the sea: 3s, 4d, a pound, on average. The price of Charollais cattle for breeding has been shooting up for some years under the influence of mounting demand from all over the world. More and more breeders now believe that the Charollais, whose birthplace is in the Nevers region of France, is the best meat breed in the world.

The Charollais makes an excellent, big carcass, covered with thick muscles and practically without waste. It does remarkably well on rough fodder, which explains its success in many tropical countries. The President of Argentina, where they know about beef, has called the Charollais the "breed of the future." The French are now attacking even the Chinese market, and will show six of the breed at the Peiping fair in November.

Charollais breeders have kept herd books for a hundred years, but they have only just waked up to the commercial possibilities. The breed was popular in parts of the American continent by the end of the 19th century, but there was no regular export from France.

In 1950, French farmers sold only 10 Charollais bulls for breeding abroad. Since 1956, progress has been very rapid: 104 were exported in 1959, 670 in 1962, 1,846 in 1964; the figure will probably be over 2,000 in 1965, of which about 220 are expected to go to Britain. Prices have risen to dizzy heights. "Sans-Souci," prize-winning bull of the 1964 Paris Concours Agricole, was brought for Fr. 110,000 (about £8,000) by an Argentine breeder. Ten years ago it was news in France if a bull was sold for £700. A few days ago, some Canadian buyers paid between £450 and £1,100 for young heifer calves 3 or 4 months old, and between £700 and £3,700 for bull calves of the same age.

British breeders also buy very young animals. The United Kingdom health regulations ban the import of all animals vaccinated against foot and mouth disease, for fear that this vaccination will bring undesirable viruses to Britain. All French cattle automatically undergo vaccination at the age of 6 months.

The French Charollais breeders make no excuse for the high prices they are now charging in the face of heavy demand from four continents—and from other French farmers. They are aware, too, of the profits to be earned by the spread of artificial insemination, by which a bull can father between 10,000 and 30,000 calves during his lifetime. The French breeders of the Bourbonnais region have anyway done no more than get into line with the high prices long paid on the Argentine and Brazilian markets for purebred animals of other great meat breeds like the Shorthorn or Hereford or even the "local" purebred Charollais. Until a few years ago, there was no real market for high-priced animals in France or Europe, which is why prices and turnover stayed at modest levels.

The boom of these last years has made the fortune of a small number of breeders—3,800 out of the million-and-a-half cattle breeders in France. Of these privileged few, 2,024 concentrated in Nièvre and Saône-et-Loire have set up a powerful export office, which looks after the selection of animals for export and sales promotion abroad. The office has plenty of money to use, as breeders pay a voluntary contribution of 10 percent of their export earnings to finance the facilities it offers, which includes the shipping of exported animals.

THE 150TH ANNIVERSARY OF SAMUEL KIRK & SON, SILVERSMITHS

Mr. BREWSTER. Mr. President, the residents of Maryland are proud to count among their number one of the leading silversmiths of America, Samuel Kirk & Son, of Baltimore.

It is fitting on this, the 150th anniversary of Samuel Kirk & Son, to recognize the tribute by the Maryland Historical Society to the company in holding an exhibition of American craftsmanship in silver. A priceless collection of Kirk silver will be on display from November 2 through December 10 at the society in Baltimore.

Samuel Kirk, the founder of the House of Kirk in America, was a direct descendant of two great 17th-century silversmiths: Jonah Kirk, registered in Jackson's Register and in Cripps' "Old English Plate" in Goldsmiths' Hall, England, 1696–97; and Sir Francis Child, Lord Mayor of London in 1669 and the founder of the Child Banking House. Samuel Kirk began his apprenticeship during the early days of our country's struggles as an independent nation, and in 1815 he formally opened his own shop in Baltimore, Md., where the Kirk factories and retail stores have been located ever since.

Throughout its growth, through 7 generations of American history, the Kirk Co. has occupied 5 buildings, experienced 2 fires, 7 wars, 5 panics, and 11 major depressions. Today, there are Kirk agencies in every State of the Union, Europe, South America, and the Far East, offering the wide range of Kirk Sterling—traditional and contemporary designs.

The list of patrons includes General Lafayette of the Revolutionary War, Jerome Bonaparte, Betsy Patterson, Robert E. Lee, Jefferson Davis, the Carrolls, Warfields, Lowells, Powells, Peabodys, Belmonts, Astors, Roosevelts, the White House, and many others.

The firm also designed the silver service presented to the armored cruiser, *Maryland*, in May, 1906, as a gift from citizens and schoolchildren throughout the State. In 1921 the new battleship *Maryland* was commissioned, and the silver service was transferred to her. When the battleship was decommissioned in 1946, the service was presented as a permanent gift to the State of Maryland, subject to recall only if another ship should bear that name.

This beautiful silver service is one of the most unique and distinctive masterpieces of silversmithing in existence. Nearly 200 scenes of Maryland history and progress are included in its design. Each of the 23 counties is represented by 1 or more pieces, and on these are depicted views in bas relief of old homes, churches and other historical landmarks of the county concerned.

It is also noteworthy that Samuel Kirk in 1828 introduced Kirk Repousse which has since become world famous as the original flower and foliage design, referred to as Baltimore Silver. From the time of the introduction of Repousse to the modern Signet and Florentine—the House of Kirk has consistently developed new products and designs to keep pace with modern living. Today, Kirk masterpieces are represented in most of the leading museums throughout the country.

We, in Maryland, are proud of the recognition to Samuel Kirk & Son. I commend the Kirk family, executives and artisans who have continued the tradition of craftsmanship through five generations, and made this Baltimore firm known throughout the world for America's finest sterling by America's oldest silversmiths.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS 1966

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8639) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will resume the consideration of the bill.

THE NEW BATTLE OF BRITAIN

Mr. JAVITS. Mr. President, I ask unanimous consent to proceed out of order for 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I intend to lay before the Senate an issue which needs very much to be laid before the country and the world. I do this under the heading of "The New Battle of Britain."

Our oldest ally is facing very considerable difficulty of a character of which we can have a lot to do, and the result will be portentous for the future of all mankind.

Since the end of World War II, the U.S. policy has been geared to the basically sound proposition that the cohesion and strength of Western nations on both sides of the Atlantic is the foundation for the security of the whole world. We need now to back up and implement this assumption in a basic way due to the threat to one of its more essential elements—Great Britain. For, Great

Britain plays an indispensable role in Western strategy, which was underscored only this week by the new crisis in Malaysia, where Great Britain has committed its resources to fight another possible Communist expansionist war of liberation in the Pacific.

The United States has an indispensible and fundamental stake in the well-being of Britain, and her ability to play a strong role in the free world's struggle for peace and freedom. But it needs to be emphasized anew at this time because a new battle of Britain is raging—an economic struggle on the home ground of our closest ally—that could seriously and adversely affect the strength of the West and hence, the fate of the free world itself.

There can be no doubt that a key element of Western strength and cohesion is the contribution of the United Kingdom in international finance, economic development, and in the military security of Europe and the commonwealth nations. Britain's balance of payments crisis of last October and the renewed weakness of the pound sterling—as reflected by the increase in the dollar price of gold in London which hit its highest mark since 1961 1 week ago today—indicates that there is grave danger that Britain's recurrent financial crises will significantly reduce her leading participation in the conduct of Western affairs. This would be a grave blow to the West. And while Europe is politically becalmed—awaiting the German elections in September and President DeGaulle's reelection decision in October—the United States must take the initiative to help the people of Britain to win their new Battle of Britain.

Britain, herself, needs to make drastic and basic economic decisions to meet this crisis, but powerful economic support from the United States is indispensable to back up the required decisions. We must take a number of steps which would have the effect of offering Britain economic partnership with the United States. Specifically, we need to attain a new and stronger trade relationship with Britain which would lead toward a broader trading arrangement to include all the industrialized countries of the free world. Such an initiative would, at the same time, give strong impetus to the progress of the Atlantic Community toward essential economic integration.

Mr. President, I always believe in being specific so I shall make the specific recommendation for our policy in the country as follows:

Because this is a pressing subject which is and will continue to be noted widely in the foreign press, I shall precede my recommendation by saying that no Senator speaks for the United States; only the President and the President's representatives speak for the United States However, as I have had occasion to say before, Senators have a certain importance in expressing a fact, or an opinion, at least, and sometimes a fairly universal opinion.

Specifically, I recommend the following:

First. The United States should offer to enter into a free trade area treaty initially with Britain, then with Canada, and, on a reciprocal basis, with the other EFTA nations, including most of the Scandinavian nations, and others, as well; with the members of the European Economic Community, either individually or as a unit, and with the other industrialized countries of the Organization for Economic Cooperation and Development, of which we are a member, and which has 20 members, constituting the major industrial nations of the world, which are willing to cooperate by lowering their tariffs and nontariff barriers on an across-the-board basis by 5 percent each year over the next 20 years.

The aim of this treaty would be to achieve substantially free trade—subject to national security exceptions—in manufactured products among the industrialized countries by the end of the 20-year period. Associate membership should be offered to underdeveloped countries, giving them the right of access to this market after a transitional period during which they would be permitted to retain—with appropriate safeguards—protection for infant industries.

As an essential precondition to such a free trade area treaty, full meaning must be given to the dominant supplier authority of the Trade Expansion Act of 1962, which has been left without effect by France's veto of United Kingdom membership in the EEC.

It will be remembered that this is a provision—section 211—in the Trade Expansion Act which would permit the reduction of tariffs by as much as 100 percent on commodities in which the United States and the European Economic Community accounted for 80 percent of aggregate world exports. Without the United Kingdom in the EEC, this provision was left without substance.

In order to achieve an opportunity to proceed in the way which I have just outlined, I send to the desk a bill which would authorize the President to eliminate U.S. tariffs on the manufactured products of industrialized countries, thereby giving the President the necessary negotiating tool for the purpose of effectuating the plan which I have suggested.

The **PRESIDING OFFICER**. The bill will be received and appropriately referred.

The bill (S. 2403) to authorize the President, in carrying out trade agreements with fully developed countries or areas, to reduce duties below the limitation set forth in section 201(b)(1) of the Trade Expansion Act of 1962, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Finance.

Mr. JAVITS. Mr. President, my bill would enable the United States to offer full economic partnership to Great Britain and would also provide major incentives to the EEC and other European nations, as well as Canada and Japan, to see the enormous advantages of a closely integrated Western economy.

Second. The United States should make available to Britain the technical knowledge and financial support Britain may call for, to assist the implementation of changes in outlook and methods of British industry and labor that are necessary to permit full participation by the United Kingdom in the trading arrangement I propose. Such changes are yet to take place but they must be implemented by British industry, labor, and Government. U.S. technical advice and financial support could be provided to Britain in the following manner:

The President should call for a major business-to-business program between the United States and the United Kingdom under the auspices of the International Executive Service Corps—IESC—to channel American techniques into all areas of British industry. It is true that at present the IESC is principally concerned with establishing strong private sectors in developing nations. But I can clearly conceive of utilizing this organization as a means of providing the service of volunteer U.S. executives, who would make available to British firms their knowledge of production, cost control, marketing, finance, and administration. The IESC would be reimbursed for these services just as it now is for its services in other parts of the world.

The President should exempt Britain from the interest equalization tax for up to $100 million per year for the purpose of obtaining long-term U.S. private capital for modernizing Britain's industrial plant. Such an exemption could be made on the basis of an agreement between the Bank of England, which must approve the borrowing of British firms abroad, and the U.S. Treasury. I submit that international monetary stability is just as much a consideration in exempting the United Kingdom, as it was in the case of Japan and Canada. The President is fully authorized to make such an exemption under section 4917(a) of the Internal Revenue Code of 1954.

There should also be established a sizable modernization fund by the OECD nations to help industrialized countries such as the United Kingdom with long-term structural economic problems. Assistance from the International Monetary Fund is available only to countries which have short-term balance-of-payments problems. The International Bank for Reconstruction and Development today makes occasional loans to industrialized nations for electric power stations, ports, and railroad construction but these represent only a small proportion of its total loans. I would place this modernization fund in the IBRD and have the United States contribute one-third to one-half of a multibillion-dollar fund over a 5-year period—I would estimate that a fund of $10 billion would be required—other industrialized nations would contribute the rest. An IBRD mission could then draw a modernization plan as a basis for a sizable loan to Britain.

Third. The United States should press forward with its plan for international monetary reform through the IMF and present a plan of action in time for the annual meeting of the IMF in September. The combined economic weight of the United States, the United Kingdom, Japan, Canada, and those EEC countries which are in agreement with the U.S. position, can surely succeed in bringing about a suitable timetable for negotiations over this vital issue.

Fourth. The U.S. Congress in cooperation with parliamentary leaders in Britain should take the lead in the formation of an ad hoc interparliamentary working group whose task would be: first, to chart a course toward the establishment of a consultative Atlantic Assembly composed of both NATO countries and European neutrals; and second, to develop a consensus among parliaments and governments in support of this idea. Such an Assembly was proposed in January 1962 by the Atlantic Convention of the NATO nations and was endorsed that November by the NATO Parliamentarians' Conference. It was studied in 1963 and again endorsed by the NATO Parliamentarians' Conference in November 1964. Such an Assembly could have an enormous impact on creating a favorable atmosphere for a variety of vital transatlantic issues, now deadlocked in view of Franco-American differences.

Mr. President, to sum up the recommendations which I make, the first is to implement the dominant supplier authority given under the Trade Expansion Act which we passed in 1962 and which has been left without effect by France's veto.

The second recommendation is to make available the technical assistance of the United States which may be required and requested by Britain to help the acceleration of the modernization.

The third recommendation is to exempt Britain from the interest equalization tax up to the amount of $100 million a year.

The fourth recommendation is to establish a modernization fund by the OECD nations which I estimate to be approximately $10 billion over a 10-year period. This would be based upon loans made to the World Bank. The World Bank knows how to make good loans, as we all know from experience. The United States would contribute from one-third to one-half to this fund.

The fifth recommendation is for the United States to accelerate the effort for international monetary reform in cooperation with Great Britain.

The sixth recommendation is to begin work on the creation of a consultative Atlantic Assembly in which the NATO countries and the European neutrals both would be represented.

There are basic reasons for the United States to advance these proposals. Although the worldwide influence of Great Britain has declined since World War II, it remains a vitally important element of strength for the West in economic, financial, and military terms.

The United Kingdom plays a major role in development assistance. It ranks third after the United States and France in the amount of economic aid being extended to developing countries. The United Kingdom spent approximately $530 million on economic aid to some 35 countries in 1964 and has committed itself to expand its aid endeavors.

The United Kingdom, together with the United States, plays a major role in the international monetary system. Long before the dollar gained its international standing, the pound sterling was accepted as an international exchange currency in virtually every country of the world. The wide attention now being paid to Britain's current balance of payments difficulties is indicative of the tremendously important role still played by sterling. As one of the world's two key currencies, the strength of the pound is closely related to that of the dollar in international finance. These two currencies alone have the burden of providing the only means, other than gold, to finance world trade, and it is doubtful that the dollar could carry this burden alone. It is greatly to American interest to maintain the dollar and pound international standard. Our economy need not be asked to carry this responsibility alone.

So on those two grounds, development assistance for undeveloped countries and the international monetary system, we are heavily tied to the British.

On military grounds, it is infrequently noted that we are also heavily tied to the British.

The British have committed substantial forces to NATO, including the 52,000 man British Army on the Rhine, the major part of the British V-bomber force and part of the British fleet. The British base at Singapore, which would still remain despite succession from Malaysia, supports the approximately 10,000 British troops engaged in guarding against Indonesia or Communist aggression against Malaysia. This base would be of importance if Britain were ever required to come to the defense of Australia or New Zealand which she undoubtedly would do.

But most importantly, Britain can be a valuable ally to the United States in minimizing the growing trade discrimination created by the EEC and EFTA, a development which would be detrimental to the export interest of all outside countries, and to Western European unity and could start the world on another retreat to economic nationalism.

Indeed, we have some evidence of that in the restrictions against U.S. exports into the European Economic Community which have been put into effect.

It is obvious from Britain's recurrent balance-of-payments crises that without basic domestic economic reforms—that Britain shows every will to effect—aided by substantial U.S. capital, Britain's role in world affairs will be seriously impaired in the coming years to the serious detriment of the West.

Writing in the April 1965 issue of Foreign Affairs, Quentin Hogg—formerly Lord Hailsham, Minister of Science and Technology in the Conservative Government between 1959 and 1964—described Britain's economic plight succintly:

> * * * From being the most secure, we have become among the most vulnerable of human societies, fatally dependent on imports and foreign trade, our extremely prosperous economy poised on the knife edge of the balance of payments, our population dangerously concentrated in a few urban areas, easily accessible to potential enemies, and almost the ideal target for modern weapons of which the nuclear range constitutes only the most dramatic. The material factors which gave ease, grace and prosperity to Edwardian Britain have disappeared in the midst of time and will never come back * * *.

He also points out that Britain's national base as a unit of planning is no longer sufficient and investment in the modernization of Britain's basic industries such as iron and steel or in the great nationalized corporations which dominate power and communications, is not justifiable commercially on a national scale. He finds the need is urgent to modernize management and trade union attitudes in Britain's basic industries, in the internal transport system, in construction, and engineering. It is in these fields that he finds the conservative habits of workers and management to be most widespread, and most difficult to reverse.

There are other problems:

> "Both parties, and the electorate, have favored, or at least acquiesced in, a high rate of personal consumption and of social investment, a more rapid increase in wages than productivity, a budget designed to insure a high proportion of transfer payments in the shape of social benefits, and have ignored the loss in terms of industrial efficiency, capital investment in production plant and redeployment of labor that such factors inevitably meant," declares former Minister Hogg.

He feels, admittedly with little support from his colleagues in either party, that these policies while economically expensive were beneficial in terms of social harmony and human values in Britain. He also points with pride to the many advances of the British economy despite these practices, although he makes no comparison with the rate of progress of other industrialized countries.

William W. Allen, an American management consultant in Britain, claims that the balance between capital equipment and the work force is so out of kilter in Britain that its present gross national product—$89 billion—could be produced with half the 24.5 million workers available. He says that the proper balance could be restored in 10 to 15 years if the British were prepared to accept an 8 to 10 percent annual growth rate and to invest "several thousand million pounds" in new equipment. The problem is where to find this much capital. It is not available at home without severe danger to the stability of the pound sterling.

Some indication of Britain's plight is demonstrated by a few key statistical comparisons:

Between 1961 and 1964 the United Kingdom manufactured exports increased between 4 and 5 percent per year—except for 1963—while the exports of 11 key industrialized nations increased between 5 and 14 percent. The result—Britain's share of world exports declined each year, from 15.7 percent in 1961 to 13.7 percent last year.

Between 1957 and 1964 industrial production in the United Kingdom increased from an index number of 116—1953=100—to 146 while output in the EEC rose from 140 to 217.

Between 1963 and 1964 unit labor costs fell by 1.5 percent in the United States and by 3.3 percent in West Germany, while those in the United Kingdom rose by 1.7 percent.

Let us remember, therefore, that this is the basis for the crisis which affects sterling and for the crisis which affects Britain's balance of payments. This country also has an imbalance in international payments, but it is not nearly as much of a crisis in this country, because of the vast financial resources of the United States, and because of our much greater productivity. So there is an infinitely greater crisis in Britain in terms of sterling and the balances of payments. Let us also note that Britain's crisis continues up to this moment.

It is a combination of these problems plus the financial climate created by last year's election campaign that precipitated Britain's latest balance-of-payments crisis in October 1964. During the latter part of the year, it became clear that Britain's balance-of-payments deficit for 1964 would exceed $2 billion due to the widening gap between rapidly rising imports, caused by heavy domestic demand and expansion, and slowly rising exports. During the second half of the year the deficit on current and long-term capital account rose to almost 500 million pounds—$1.4 billion. To compound Britain's problem, sterling countries reduced their reserves in London at the same time by 170 million pounds—$476 million. The world's confidence in Britain's ability to meet its balance-of-payments problems without devaluation was severely shaken.

In response to this crisis, the new Labor Government took a series of steps to defend the pound, including the imposition of a 15-percent surcharge on imports, new capital gains and corporation taxes, and an increase in the bank rate. The Government was also forced to borrow $1 billion from the Federal Reserve Bank in New York and from European central banks, and to mount a massive $3 billion short-term credit operation in November to prevent the collapse of the pound. Later, the Government borrowed an additional $2.4 billion in medium-term credits from the IMF, some of which was used to repay earlier borrowings.

The Labor Government has also negotiated a national wage-price agreement between management and the unions, and launched a series of measures to increase British exports.

Just within the last few weeks, the Government announced a series of austerity measures designed to deflate the economy and to convince foreign creditors of Britain's determination not to devalue the pound.

Except for the wage and price policy agreement and the creation of two new ministeries—the Ministry of Technology and the Ministry of Economic Affairs—these measures do not deal with Britain's long-term problems. These are: the need to first, consolidate British industry into larger units—now 80 percent in the hands of family firms which turn out 20 percent of British production; second, to instill greater awareness in Britain's trade unions of the need for increased productivity and automation; third, to infuse new capital into British industry; and fourth, to preserve—not shake—confidence in British business tradition by setting to rest further rumors about the nationalization of steel and similar ventures which would not help to reorient Britain toward the rapidly growing and increasingly competitive Western European complex.

Mr. PROXMIRE. Mr. President, will the Senator from New York yield at that point?

The PRESIDING OFFICER (Mr. Harris in the chair). Does the Senator from New York yield to the Senator from Wisconsin?

Mr. JAVITS. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I am delighted to commend the Senator from New York, who is the ranking minority member on the Joint Economic Committee, for this important, significant, and necessary address. I am always impressed by the catholicity of interest, understanding, and ability of the Senator from New York. It is good that he stresses the crucial role which the United Kingdom plays in relationship to this country. He stresses something which very few Americans realize or appreciate; namely, that the United Kingdom is helping the free world on a major scale with developmental assistance to other countries.

The United Kingdom ranks third, as the Senator from New York has stated, in this respect after the United States and France.

The Senator from New York goes on to point out that it is fundamental that we preserve the strength of Britain so that the leadership of the United States and Great Britain in financing the free world—trade, particularly—will continue. The Senator from New York points out that this is a cornerstone of free world economic strength and he is eminently correct.

The Senator is also wise in stressing the significant contribution which Great Britain is making in the area of defense of freedom in Malaysia and elsewhere in the world. Most vital of all, if this country and Britain are to be able to complete with the new, thriving, and growing Common Market, the role which the United Kingdom can play along with us in minimizing the dangers of trade discrimination will be extremely important.

I preface my question with these remarks because I feel that in the last paragraph which the Senator has related to the Senate, lies an area which concerns me very much. He speaks of "The need to consolidate British industry into larger units—now 80 percent in the hands of family firms which turn out 20 percent of British production; and to instill greater awareness in Britain's trade unions of the need for increased productivity and automation."

It is my understanding that in this country there are some 10,100,000 individual proprietorships or family businesses, and only 1.3 million corporations or larger units on any kind of basis.

It seems to me that the comparison between consolidation in this country and consolidation in Britain suggests that they are parallel and similar. What concerns me particularly is that the great economic weakness which I believe exists in the British economy is not, I repeat, not in failure to consolidate into bigger business. Quite the contrary, the United Kingdom's weakness is the price-fixing tradition, the conspiracy to keep prices up, the absence of stronger enforced antitrust laws, the lack of vigorous competition of the kind which we have in this country, the kind of competition which provokes, promotes, and necessitates automation and a general improvement in efficiency. It is this failure on the part of Britain to move ahead in this area which concerns me most. I am, therefore, especially happy to note that both Prime Minister Wilson and the Conservative leader Edward Heath, seem to have some recognition of the advantages which America possesses in pursuing our antitrust policies.

Mr. JAVITS. I agree with everything the Senator from Wisconsin says. The British situation is not spelled out in as much detail as it should be in this speech. I hope to do so in another speech separate from this one. The British have not had the leaders in cost cutting and efficiency which we have had and, at the same time, they have not enforced their antitrust laws.

The family firms embedded deeply in the British economic system are embedded there for the peculiar reason of nonantitrust enforcement. Therefore, they have been able to engage in monopolistic practices which have kept inefficient companies alive; whereas, the competitive factor of the U.S. antitrust laws compels companies to either get out or consolidate because of the tough competition which they face.

We have here another side of the coin—the failure to have effective antitrust laws—which has led to the incrustation in British business of a vast element of traditional businesses which cannot stand the shock of modern competition.

Accordingly, when I say "consolidate," what I really should have said is, "Let in the air of competition, as we do in this country, in order to bring about the weeding out of the weak and the inefficient, which is taxing the British economy artificially and heavily."

That is really what it comes down to, by emphasizing the presence in industry of vast numbers of family firms which have become archaic and obsolescent.

We do not have that in this country in big, tough competitive business. We have a great deal of it in the retail and distribution market, but in Britain it is inherent in the whole basic industrial complex, which is taxing Britain very heavily.

Of course, this is none of our business. We have no right to say what the British should do.

I only point out some of the problems which are troubling British credit as well as British firms. However they wish to solve those problems, that is their choice. But, in any case, we have a right to invite their attention to some of the problems, as we see them, at the same time that we assume the posture which I am assuming.

Mr. PROXMIRE. The Senator from New York has made an excellent and helpful clarification of these problems.

Let me invite his attention to an article which has just been written by William G. Shepherd, a professor at the University of Michigan, which will be published in the Oxford Economic Papers in October 1965, on this very point.

Mr. Shepherd, who is extremely competent in this area, made a study of British industrial concentration covering a long period of recent British economic history. He had this to say about economic consolidation and concentration:

> But many concentration rises have no connection with optimum size changes at all. Many other industries have already been concentrated well beyond what scale economies would have required; accordingly, it would have taken an immense increase in optimum size to explain a further increase in concentration. Altogether, there is little basis for supposing that all, or even a large share, of the increased concentration reflects an adaptation required by increasing optimum size.

The statistics show that in this thriving economy of the 1960's of ours, that in spite of our much greater production, we actually have fewer very big plants now operating in this country than we had a few years ago, and that the number of very large plants has declined by a considerable number because of automation and improvement in technology and techniques. But it comparatively has not recently been the consolidation or the size which has been the source of America's increase in productivity on the basis of the relevant statistics. It is the automation and cost cutting brought about by vigorous competition—a strong antitrust policy that has made this American prosperity with little or no inflation possible.

Mr. JAVITS. I thank the Senator from Wisconsin very much for his most helpful intercession. The Senator is correct, that the problem does not relate merely to consolidation or to size as much as it does to decentralization, to automation and ultimate distribution, as well as integration in many areas of American business which have had these problems. The traditionalist practice of British business is something that they will have to solve; but, after all, we have a right to call their attention to things in the world which are in jeopardy, as we see them.

Mr. PROXMIRE. In general, I wholeheartedly approve of the prime thrust of the excellent address of the Senator from New York. It is a necessary and a vital address. It is so important that we do whatever we can to try to be helpful to a Britain which is our strongest economic as well as military ally, and which is now in economic trouble. The Senator from New York has not simply spoken in the broad, fast generalization, he deals in specifics. He has, indeed, proposed a specific series of recommendations in this very constructive speech.

Mr. JAVITS. I am grateful to the Senator from Wisconsin for his helpful remarks.

Mr. President, with capital available for the modernization of British production, with Britain part of a new competitive trading arrangement working in close concert with the United States in achieving international monetary reform and in creating the vitally important consultative Atlantic Assembly, the basis would be provided for an effective U.S. program to bolster Great Britain.

Let us not underestimate the current economic crisis besetting Britain and its repercussions for the United States and the free world. Major British financial or economic crises could set the world on a critical collision course with depression.

We never know how serious this is until we realize that this new battle of Britain may not be quite so vivid and dramatic as when Britain stood beleaguered as the sole fighting defender of the free world, but it could be just as lethal. It is my conviction that we must take Winston Churchill's advice when, in 1949, he said:

> Never to lose sight of the fact that Britain is an absolutely vital necessity to the strength and future of the United States.

That statement is as valid today as it was then; and with that incontrovertible fact in mind, we must act promptly and affirmatively now.

Britain has its problems. It is in trouble. We cannot expect Britain to trumpet and advertise it. It would be a great mistake if it did. But those of us who see the problem as clearly as I do must state it to the Nation.

Therefore, I very much urge, notwithstanding these statistics and the technicalities, that there is yet plenty of time not to let U.S. policy be the private preserve of the Federal Reserve Board or the Treasury or other central bankers, because that has limited applicability.

There are some things that we can do. Let us lay on the table what America can do to help Britain today. Let us proceed to do it while there is still time to preserve what is certainly in the opinion of many one of the most important allies that we have in the world, one which is filling in a great number of places which, if we had to fill them ourselves would mean either that we would be unable to do so or, if we did, would be infinitely more expensive in men and material to accomplish what is recommended here or what may be recommended.

I hope my colleagues in the Senate and the executive department will give this matter their most urgent attention.

I ask unanimous consent to include various newspaper articles with relation to this subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 6, 1965]

ARDUOUS SESSION OF COMMONS ENDS—MANY LEGISLATIVE PLEDGES BY LABORITES UNFULFILLED

(By Clyde H. Farnsworth)

LONDON, August 5.—A long, arduous, frequently tumultuous session of Parliament came to a close today with many legislative pledges of the government unfulfilled.

It was the first parliamentary session of a Labor government in 13 years, and promise was high when the session began after October's general election.

There was to be a new Britain mobilizing the resources of technology, harnessing the national wealth in brains and affording a new opportunity to equal and, if possible, surpass the roaring progress of other Western Powers.

That was what the Labor Party's manifesto said.

Although he was handicapped by an ever-threatening economic situation and a thin House of Commons majority, Prime Minister Wilson thought he could make a vigorous start.

The session was adjourned today until October 26 with the economic situation still grave—some said it was becoming graver—the Labor majority reduced from four to three and many plans for radical reform shelved.

LEADERS OFF FOR VACATION

The Prime Minister, who believes he has successfully grappled with the economic problem, was headed tonight for the Scilly Isles to rejoin his family, Edward Heath, the new Conservative leader, is headed for the south of France.

Today, the price of gold here rose to its highest level since November 1961. The five London houses dealing in the gold market transacted their first business at $35.19⅛ an ounce, up 1⅞ cents.

Mr. Wilson, trying to counter what he termed "highly neurotic rumors" among British and continental financiers, gave fresh assurances that the Labor government would not devalue the pound.

Perhaps, the most telling commentary on the parliamentary session was offered by Jo Grimond, leader of the Liberals. The greatest failure of the government, he said, was its lack of any clear character.

"No one has felt that Britain is marching to a new horizon," he declared.

Sixty-five government-sponsored bills became law. If simple statistics were the measure of success, the government would get a plus, since this is 14 higher than the average during the first parliamentary session of the earlier Tory governments. But most are peripheral bills that keep the wheels of government grinding.

In Queen Elizabeth's speech last November outlining the legislative program for the session, the government promised to nationalize the steel industry and set up a land commission to buy land for community use at less than market price.

These measures were to have been the pillars of socialist reform. Neither saw the light of day. The furthest the government got on steel was publishing a white paper detailing probable legislative plans.

TAX REFORM WAS PRESSED

The government did press, however, for a radical change in taxation. For 220 parliamentary hours it fought the opposition to get its finance bill through. On one amendment it was twice defeated. On another occasion there was a tie vote in which the speaker cast a vote for the government under parliamentary rules.

The finance bill, establishing a new corporation tax and a long-term capital gains tax, finally got through the session after substantial changes.

Mr. Wilson said later that if he could get the finance bill through he could get anything through. But the finance bill took so much time that other measures suffered.

Minor drafting revisions remain in the race relations bill which would make discrimination a violation of civil law. The bill to abolish capital punishment still has to be debated in the Commons after amendments by the House of Lords. Another bill that would restrict the rights of landlords and strengthen those of tenants must wait until the fall.

In addition to the finance bill, key legislation put through this session strengthens controls over large corporate mergers and takeovers, raises the pay of judges, provides a financial cushion for laid-off workers and protect union officials from prosecution in trying to defend or establish a closed shop.

One private member's bill attracting a good deal of attention was dropped. Its intention was to make homosexual acts between consenting adults no longer a crime.

The session was one of fierce clashes, and all night sittings, but throughout it all there was an air of unreality. The opposition fought hard but never really wanted to endanger the Government. The country was not ready for a new general election. There had not been time for the conservatives to draw up hard alternative policies.

[From the New York Times, Aug. 6, 1965]

Uneasy Money Markets

Some of the world's key financial markets have been suffering a moderately bad case of nerves. The dollar price of gold in London yesterday hit the highest mark since the 1961 Cuban crisis, while on Wall Street investors seemed to have an insatiable appetite for the stocks of gold-mining companies. The recent weakness in the British pound has been accompanied by such a flood of fantastic reports that Prime Minister Wilson felt called upon to protest what he termed some highly neurotic rumors. But even the most baseless rumor can become a market force if it gains wide credence and engenders panicky responses.

The upward movement of the gold price coincides with official confirmation that the United States enjoyed a surplus in its balance of payments during the second quarter of this year—a factor that might normally have been expected to make for stability. Some of the force of Commerce Secretary Connor's announcement was lost, however, because of his candid avowal that the favorable second quarter result was obtained, in part, with the help of factors that cannot be expected to continue. This admission gave encouragement to those who doubt the future soundness of the dollar—doubt which has been spurred in some cases by concern over the Vietnam conflict and its potential future cost. The recent substantial Chinese Communist purchases of gold have also helped to create market pressure.

The present weakness of the pound sterling is directly related, of course, to the widely anticipated sharp drop in Britain's gold and foreign currency reserves last month. That setback notwithstanding, the speculators who are now betting that London will be forced to devalue may be making the same sort of mistake Hitler made when he embarked upon the Battle of Britain a quarter century ago.

Prime Minister Wilson seems just as determined to defend the pound as Churchill before him was dedicated to saving the nation. With the wisdom of hindsight, it is now plain that moves to protect the pound taken under Mr. Wilson have been less effective than they should have been because of their piecemeal nature Yet, these rather orthodox measures—including, most recently, austerity moves at home and a cut in defense spending—do promise to cut British outlays abroad even at the cost of some deflation and unemployment at home. And Mr. Wilson has by no means exhausted the weapons in his armory nor the resources of the friends who may come to his aid.

[From the Washington Post, Aug. 1, 1965]

Stop and Go in Britain

Ever since the end of the Second World War, British economic policymakers, whether Laborite or Conservative, have been caught on the horns of the same dilemma. Britain's economy must be modernized if she is to maintain her share of the vital world export markets. At the same time the pound sterling, one of the two principal reserve currencies, must be defended against speculative attacks.

Efforts to achieve these highly incompatible goals have produced a dreary cycle of "stop and go." In order to placate her continental creditors and save the pound, Britain has applied the brakes of severe monetary restraint. But monetary restraint has inevitably led to economic stagnation. So after stopping economic growth in order to save the pound, it has been necessary to apply stimuli in order to get going again.

The austerity measures recently announced by James Callaghan, Chancellor of the Exchequer, are largely directed toward the reduction of Government spending, and insofar as they are successful in shifting economic resources to the export sector of the economy, Britain's economic position may be strengthened. But the grave risk inherent in such a program of restraint is that incentives to invest in the export industries may at the same time be weakened.

The Labor Party's strategy is to tailor policy to the specific requirements of export promotion and to check inflation by subjecting wage and price increases to Government review. This strategy represents an improvement over the Conservative policies of the recent past. But it is nonetheless likely that a period of induced, deflationary stagnation will follow from the current struggle to save sterling.

[From the New York (N.Y.) Times, July 5, 1965]

Breaking the Stalemate on Monetary Reform

(By M. J. Rossant)

In deciding to join with Britain to seek an international consensus to reform the present monetary system, the United States must do some fresh thinking. Both countries are against a change in the price of gold or a diminution in the role of either the dollar or the International Monetary Fund, but they have not yet settled on what they are for. They may have to take an entirely new approach to break the stalemate that has been in force on the monetary front.

TOO MANY PLANS

The alliance does not have to settle on a precise plan for reform. There are already too many such plans. The prospect of a shortage in international liquidity—the monetary reserves and credit required to finance world trade and development—has generated a surplus of reform proposals. There is the Triffin plan and the Bernstein plan, the Stamp plan, the Maudling plan, the Blessing plan, and the Postuma plan. The roster does not end there. France's Valery Giscard d'Estaing has proposed a variation on the Bernstein plan; the IMF's Pierre-Paul Schweitzer has suggested several schemes; and rumor has it that the Treasury's former Under Secretary will soon unveil the Roosa plan.

At this juncture it is more important to prevent a crisis than to get agreement on a blueprint. Even this will take some doing. In agreeing to build on what they have, Treasury Secretary Henry H. Fowler and Chancellor of the Exchequer James Callaghan must show that the basic mechanism is worth preserving.

The present system is far from perfect, but it is a lot better than it has been cracked up to be. It has been maligned in Europe for permitting the key currency countries to escape monetary discipline and for financing the takeover of European industry. These criticisms had some validity, but Britain now has the tightest credit and the highest interest rates of any advanced industrial nation, and the Johnson administration has curbed the acquisitive instincts of American industry by an effective program of voluntary restrictions on the outflow of capital.

LIQUIDITY BY WHIM

The big flaw in the system is that the two key currency countries possess the power to create or eliminate the major portion of international monetary reserves. This power to affect liquidity by whim makes for instability—either when the deficits of the pound and the dollar grow too big, as they have in recent years, or if they disappear, which is what Washington and Whitehall are now trying to bring about. The object of reform, then, is to arrive at a more rational method of assuring a steady increase in the monetary reserves so that the machinery will not be thrown out of whack by a country running a deficit.

Achieving greater rationality is a knotty technical problem. Even more, it is a political one. President Charles de Gaulle is bitterly critical of the system for giving the Anglo-Saxon currencies too much power and the European nations too little. While the French have disavowed any intention of returning to the old gold standard and have taken a more cooperative attitude on international monetary matters, they have not abandoned their stand that there is a limit to the amount they will hold of another country's currency, specifically the dollar.

The administration is countering the French offensive by its new effort to dry up the supply of dollars going abroad. It is aware, though, that the victims of its counteroffensive are Britain and the reserve-short developing countries. France and other European nations which have a miserly attitude toward reserves are relatively unaffected. If they maintain their present practice of hoarding, the problem will not be how best to increase liquidity but how to cope with a deflationary shrinkage in the liquidity now available.

As the administration cannot count on a show of strength to persuade Europe to change its ways, it may be that the system can be preserved and crisis prevented only if the United States and Britain go beyond purely financial cooperation to forge a close economic partnership. Those who hold this viewpoint out that Britain's competitive position would be enhanced enormously by joint ventures with American industry, perhaps along the lines of the American-Canadian auto agreement. It is open to objections that Britain would end up as an American colony; but it may well be that only a radical economic initiative could pave the way for evolutionary monetary reform.

PYSCHOLOGICAL IMPACT

This proposal for economic partnership rather than for a financial blueprint is worthy of close examination. It would forestall a possible sterling crisis by reinforcing the links between the pound and the dollar. It would serve as a practical application of the possibilities in an Atlantic union. It also has psychological impact, for the potential competitive advantage of an Anglo-American industrial partnership might make the European Economic Community more receptive to British entry. At the least, it may be just the initiative needed to get a consensus on reform.

[From the Washington Sunday Star, Feb. 7, 1965]

Crisis in Britain: Surface Affluence Hides Economic Ills

(By George Sherman)

London.—People here wonder whatever happened to that "crisis of Britain" that clouded the end of 1964.

Did it evaporate with the year? Was it all in the minds of financiers and politicians? Was the run on the pound in world money markets last November only a hard—but passing—price for breaking in a new government?

ORDER OF THE DAY

Most Britons would say "yes." But the fact is that this island is caught in a crisis so chronic that the British have come to accept it as a way of life. They know that the "age of Churchill" is dead and they have mourned the passing of Sir Winston kindly. But they have still to extend the Churchillian challenge of action to modern Britain.

Complacency is the order of the day. Officials congratulate themselves that February opened with the pound at its "highest standing" in money exchanges since last June. The chancellor of the exchequer hints that the emergency 15-percent tax on imports may soon be reduced. And a newspaper headline proclaims that "U.S. Minister Says British Crisis Over" after U.S. Secretary of the Treasury Douglas Dillon told a television panel that "things have turned around for the British."

The contrast with last December is startling. Then the new Prime Minister, Harold Wilson, was calling for a "spirit of Dunkirk" to save Britain from bankruptcy. The deficit in the balance of payments for 1964 was to be a record $2.1 billion. The new Labor government seemed bent on rousing public opinion to the crisis.

Soon not one, but a whole platoon of crises, littered the landscape.

There was the crisis over the zooming cost of living. Rail fares went up, prices on everything from beer to movie seats rose, mortgage rates went to the highest level ever, and the Government launched a campaign to persuade chain stores and shopkeepers to hold the price line.

Then there was the crisis over the key aircraft industry. It is threatened with disaster because the Government needs to cut defense spending, and wants to import cheaper American military airplanes. Aircraft factory workers marched by the thousands on London to protest. And Wilson and his advisers held meetings and even a special dinner for the angry aircraft managers.

But the greatest crisis had been over exports. This island of more than 50 million persons, producing only 40 percent of its own food needs, is not earning enough to pay its way in the world. Export drives were launched. Newspapers suddenly discovered that the docks of London and Liverpool are a national scandal. Dockers' refusal to work overtime on weekends to load and unload ships—some of them waiting 2 weeks—received scathing treatment.

More serious newspapers took to plotting the ups and downs of rallies in the stock and money markets like fever charts of a sick patient. When the monthly trade figures turned more favorable to exports in December, they were published with all the fanfare of a royal wedding.

But if the public has been much impressed with these crises, it is doing its best to hide it. Life goes on as before. Easy living that supports the myth of affluence here continues to be the vogue. The booming retail trade—source of demand for nonessential imports and competition for possible exports—is still booming.

SHOPPING SPREE

The greatest Christmas shopping spree in British history was followed by the usual rush of January sales. Latest figures on "hire purchase," the British equivalent of "buying on time"—shows that the overall consumer debt stands at a record of $3.1 billion.

By the end of 1964 that fortress of British conviviality, the neighborhood pub, was doing 10 percent more business than the year before. And this on top of new taxes.

"Why should anyone get excited and tighten his belt?" asked one small businessman angrily. "Every few years since the war we have had financial crises, and the Government shouts bankruptcy."

"But it is like the father of a family who periodically announces he is on the brink of ruin. Each time he suddenly gets an overdraft from his bank (a personal bank loan) and the family goes on as before, living beyond its means. After a while no one in the house pays any more attention to the cries of distress.

"That's the way it is with Britain. The international bankers have always bailed us out."

He paused for emphasis.

"You see, we may really be on the brink of ruin this time * * * but * * * just who gives a damn?"

He had put his finger on what many people consider the real crisis in Britain today. The country is sick with aimlessness. It is a country where people treat all the dreadful statistics of decline more as a source of humor than of despair. It is a country where people behave as though their monumental retreat from empire during the last two decades is really a retreat from greatness.

"After all, when I was in school large patches on the classroom globe were still colored in British colonial pink," said a middle-aged civil servant. "At the university no one needed to study business or technology. The more general the education the better, for we were being trained to administer an empire."

Hangovers of this "empire training" are still embedded in the national consciousness. Family businesses do not quite believe that the readymade markets for British goods are gone. Salesmanship so essential to modern competition is still not quite acceptable.

Managers take it as a matter of course that foreigners should speak English, and make little effort to have people on their staff who speak foreign languages. The society has a positive reverence for the old and outmoded—no matter how inefficient—and a jovial distrust of the world of computers. It is not that the British work less than their competitors—indeed, statistics show the opposite—it is that they accomplish less and care less about what they do accomplish.

SITUATION CLOAKED

Up to now this maladjustment has hidden behind the facade of postwar affluence. Greater material wealth has cushioned the shock of retreat from empire.

Although the average annual national growth rate in Britain over the last decade has been only 2.5 percent and its industrial production has gone up only a third—compared with more than doubled production in such competitors as Germany, France, Italy, and Japan—this modest growth has been coupled with a substantial redistribution of wealth. Social welfare schemes have blunted the edges of prewar class injustice. Experts love to talk of the "great liberation" of the working class that has accompanied the retreat from colonialism.

But critics are now claiming that this liberation is more fiction than fact. In any case, it is reaching the point of diminishing returns. Washing machines, cars and TV sets may spell affluence, but without opportunity for social and educational advancement, affluence does not spell progress. For young workers and the ill-trained middle class, it spells boredom.

Today, Britain still has a working class that—although richer—still has many of the old working class tastes. It also has a middle class that—although poorer—still has many of the traditional middle-class values. About the only thing uniting their young is mutual aimlessness.

No place is this social immobility more destructive than in the educational system. Twenty years after the great wartime educational reform, Britain still is arguing about which kind of state school is best and how to integrate the privileged private schools into the inadequate state system. Working class parents are under little pressure to keep their children in school beyond the official school-leaving age of 15. Middle-class parents have no incentive to send their children to crowded schools that do not give proper preparation for higher education.

THEY SEEM HAPPY

"I know a working class family with two teenage sons," said a prominent trade union leader. "All four are working, and between them they bring in a cool 60 pounds a week ($168). The boys quit school at 15 and now the family has everything—clothes, a car, television, spending money, fancy furniture. I don't know about their taste, but they seem happy enough.

"Now you take this other family where the man works in a publishing house. He earns 20 pounds a week. He won't let his wife work. And they are living in a basement and saving every penny to send their son to a good private school."

The result is a steady growth of resentment on all sides. Middle-class parents resent the sacrifices necessary to give their children education and status. Working class parents resent any implication that their prosperity is artificial or that their children should not adopt their way of life. And with this resentment comes increased sensitivity to any outside criticism of the British way of life.

"At least we don't have to pay a fortune to have our tonsils out. We have national health. How about you Yanks?" was the quick if illogical rejoinder from the gasoline attendant when this driver casually remarked that it costs "a fortune" (70 cents a gallon) to run a car in Britain.

Wilson has set out to recapture the spirit of national greatness. He is attempting to prove that power in the modern world depends upon the ability to produce, not upon empire. The question is whether either he or his Labor Party is equipped to pierce the mood of aimlessness dominating Britain.

[From the Washington (D.C.) Evening Star, Feb. 8, 1965]

CRISIS IN BRITAIN: SAVING THE POUND POSES HEAVY COST

(By George Sherman)

LONDON.—Does Harold Wilson's determination to "save the pound" reflect that same great power complex he claims to detest in modern Britain?

The question is particularly brutal for the Labor government, but it is continually posed behind the scenes here.

The fear is that the Prime Minister is seeking incompatible objectives—first, to maintain Britain as a central banker in international trade, and second, to make the British economy competitive in the cutthroat markets of the world.

Since the sterling crisis erupted in November, the Prime Minister and his chief Ministers have taken every opportunity to assure anyone within listening distance that the pound is to keep its present value of $2.80.

U.S. MORAL SUPPORT

The United States is the only partner of Britain which has given total moral and money support to this steadfastness.

This is in its own self-interest: If the pound were to cave in, the dollar might not be far behind, and the whole postwar system of international payments might go down the drain.

"Wilson knows that the whole international banking set has to protect sterling to save the system," said a prominent colleague, "and he will not hesitate to play that trump of interdependence whenever he has to."

But critics suspect that Wilson is fired as much by an oversized picture of the British role in the world as by concern for the international payments system.

Wilson is out to bolster the sterling area which comprises most of the Commonwealth.

These Commonwealth countries—except Canada—trade with sterling, keep their gold reserves in London and have the powerful city of London act as their central banker.

Even before he came to power in October, Wilson served notice that he sees the Commonwealth as an alternative to British entry into Europe. Since coming to office he has strengthened that impression.

He has concentrated on the British role east of Suez and irritated already suspicious Europeans.

In Washington in December, the Prime Minister and his advisers went to great pains to persuade the Johnson administration of lasting British defense commitments in the Middle and Far East.

BRITISH PRESTIGE AT STAKE

Wilson feels so strongly about the special British role that he has publicly said that he will preserve an undisclosed number of British nuclear V-bombers for the defense of India and the Far East. This decision is a major compromise with Labor's declared intention to get rid of the whole British independent nuclear deterrent by forming an Atlantic nuclear force inside NATO.

Since most of the sterling area lies east of Suez, British prestige there would suffer a tremendous blow with devaluation.

The crisis of confidence and disruption of trade might mean the collapse of the sterling area, the end of the British role as central banker and the cutting of the strongest remaining bond of cohesion in the former British Empire.

Quite respectable economists maintain that until this bond is cut the British economy will stagnate. They claim that this financial great power great financial power is hamstringing expansion at home.

In outline the problem is simple enough. It is basically the conflict between demands of dynamic growth at home and demands of responsible international banking.

As a banker, Britain must have gold, dollars and other currencies available for other countries wanting to exchange their sterling.

But those reserves may become heavily depleted by demands at home. In an effort to step up exports, heavy investments must be made in equipment in Britain. The investments pour new life into the domestic economy, bringing an increase in imports.

The net product: Imports outpace exports and the country finds itself with a gaping deficit in its balance of payments.

This deficit must be closed by drawing on the meager gold and foreign reserves. Seven times since World War II heavy demand led to a run on the pound like that of last November.

To stop the run without devaluation the government is forced to borrow heavily abroad. But creditors demand proof of financial stability, and that means checking the inflationary pressure at home. The resulting deflation ends the investment boom and economic expansions slows to a walk.

William W. Allen, an American management consultant here, claims that the balance between capital equipment and the work force is so out of kilter in Britain that the present gross national product could be produced with half the workers available.

He says that the proper balance could be restored in 10 to 15 years if the British were prepared to accept an 8 to 10 percent annual growth rate and to invest "several thousand million pounds" in new equipment.

But neither he nor anyone else has explained how this enormous expansion could take place without an impossible drain on the foreign reserves and disruption of the sterling area.

The Labor government claims to have inherited the present crisis over the gap in the balance of payments from the Conservatives. Labor has attacked the Tories for not adopting the Labor remedy of export incentives and an income policy to hold down inflationary prices and wage demands.

At the same time Wilson's team is "saving the pound" through the classic device of restraining credit at home and borrowing abroad.

What remains to be shown is how Britain can resume dynamic expansion at home—Wilson's proclaimed aim—and still carry heavy responsibilities of central banking for the sterling area.

[From the Washington Evening Star, Feb. 9, 1965]

CRISIS IN BRITAIN: CHARGES FLY OVER BLAME

(By George Sherman)

LONDON.—Arguments over who or what is responsible for the crisis of Britain go round and round like a scratchy record no one has the power to turn off.

Technically, the debate is about economics and the yawning gap in the balance of payments—last year estimated at $2.1 billion.

Prime Minister Harold Wilson claims this morass of trouble is a legacy of 13 years of lazy Conservative government. The Conservatives retort that Wilson's clumsy handling of a difficult but "manageable" situation after October set off a crisis of confidence at home and abroad.

The barrage of charges and statistics is obscuring the real issue. Who or what can awaken the British people to the modern competitive world.

The only real attempt to date was former Conservative Prime Minister Harold Macmillan's bid to join the Common Market in 1962. British industry and society would have been forced to modernize within the competitive West European Community. French President Charles de Gaulle vetoed this dream in January 1963.

But even the effort to turn the dream into reality was halfhearted.

RALLYING CRY

For fear of splitting his own party and the country wide open, Macmillan never admitted the aim of modernizing Britain through a final retreat from empire. When De Gaulle closed the European door, no radical reexamination of the British place in the world seemed particularly urgent.

The result was drift. Improvisation began to pass for policy.

Conservatives made prosperity on the British island their rallying cry. In 1963 they finally abandoned the unpopular "stop-go" policy of uneven economic growth, and adopted a policy of steady expansion at 4 percent a year.

By the time the election campaign began last year, "you never had it so good" was the loudest Tory argument for staying in power.

And today—out of power—they are still using the same argument. In the latest Conservative Party pamphlet, with the fighting title, "Labors' Economic Crisis," no statistic is spared in the rosy picture of bygone "Conservative prosperity."

By election 1964, unemployment was running at a record low of 1.5 percent, production was up 5 percent over 1963, the cost of living had risen less than in any other European country, and British private investment abroad was up to £8 billion ($22.4 billion). Britain was a "creditor nation" by more than £1.5 billion ($4.2 billion).

The thrust of this argument is that the new Labor government "talked" Britain into the financial crisis that hit full force after the election.

So long as the Tories remained in power, so the Conservative brief goes, the pound sterling was strong, foreign confidence in Britain was high, and the difficult but temporary trade gap between high imports and low exports could have been met by international borrowing.

Less partisan critics find this Tory case only half convincing.

It is true that Wilson and his Labor lieutenants shouted crisis long before they were elected. They saw the persisting deficit in the balance of payments as proof that Britain under Conservative rule was paying less and less of its own way in the world.

Their election slogan promised "100 days of dynamic action" to start Britain moving.

But Labor leaders became victims of their own promises. Once in power they put action before thought. They pushed through measures that had not been fully thought out and that reinforced the atmosphere of panic.

EMERGENCY TAX

First came the sudden 15-percent surcharge on imports 10 days after taking office. This emergency tax was imposed with almost no prior consultation. It specifically violated nine treaties, infuriated all of Britain's European trading partners, and set off the chain reaction which ended a month later in a massive run on the pound.

The next catastrophe came with the special autumn budget of Chancellor of the Exchequer James Callaghan announcing—without a single detail—that he would introduce a new corporation and capital gains tax.

The plan for the new taxes was not shocking. They are widely held to be necessary. But the vague promise without concrete details looked too much like a facile political maneuver to please trade union opinion in the government campaign for a national incomes policy.

Stockholders reacted by advising investors to hold back investments until the tax situation was "clarified," and the stock market took a monumental dip.

Meanwhile, as the gallop away from the pound in international money markets gained steady momentum, the Labor government refused to take the one step that would have restored confidence. It hesitated to raise the "bank rate"—the basic interest rate governing credit and local interest rates for the country.

When the government finally did raise the bank rate the operation had all the appearance of panic. The Governor of the Bank of England had already threatened to resign. Gold reserves were falling as much as £20 million ($56 million) a day. The Government suddenly jumped the bank rate two points—from 5 percent to the crisis level of 7 percent.

The action was too late. The scent of devaluation was in the air. The following 2 days an estimated £75 million ($210 million) went from foreign reserves to meet selling demands. It finally took the loan of $3 billion from 11 central banks around the world on November 25 to save the pound.

NIGHTMARE MEMORY

Today official Britain still lives with the memory of that nightmare 2 months ago. Wilson's government gives every appearance of having come through a baptism of fire.

The financial situation has been temporarily stabilized, the high export figures for December have somewhat narrowed the trade gap, and an all-out but reasoned attack is being launched against the basic inefficiency of the economy.

It is this image of action that separates the Labor government from the image of complacency projected by its Conservative predecessor.

Whatever its initial faults in handling the financial crisis, the Labor government still can claim it did inherit an economy deep in crisis. The Tories have still to convince the uncommitted voter why their government failed to stop the tide of imports that rose 14 percent last year, or why they failed to get more than a 4-percent rise in exports.

The suspicion is that the incumbents were afraid to clamp down on consumer demand both for imports and home goods before an election. Critics charge that they banked on the free-for-all shopping spree to help them to victory.

The unpleasant task now left to Wilson is to make the British public tailor their shopping sprees to what they earn in the competitive markets of the world.

[From the Washington (D.C.) Evening Star, Feb. 10, 1965]

CRISIS IN BRITAIN: INCOME RESTRAINTS, EXPORT PUSH URGED

(By George Sherman)

LONDON.—"A national incomes policy can create a new atmosphere in Britain—nothing more, nothing less," said one of the grand old men of the trade union movement.

"Only public opinion—not we—can make the unions hold the line on wages," he admitted. He concluded with the sigh of resignation that so often punctuates conversations about the crisis of modern Britain.

"The general council of trade unions is nothing more than a debating society," snapped a younger and more ambitious labor leader.

"They agree on what needs to be done. They talk about the national good and discipline. They claim to preside over 18 million workers. They represent 176 unions. But then they turn around and admit that today their only power is moral persuasion."

MANAGEMENT VIEW

On the management side of the picture—the view is not much better.

"All the incentives in the world will not get exports out of these small family businesses," said a young official of one of London's leading banks. His voice was full of scorn. His feelings are widespread among the up-and-coming generation in the city of London, the financial ghetto 1-mile square that really runs Britain's economy.

"These family firms number about 80 percent of British companies, but they turn out only 20 percent of British production," he said: "So long as the home market is fat, they will sell at home.

"No, the only way to force them off their rear ends into the export market is to squeeze the British consumer."

Here, then, are the two aspects of the problem that the new Labor government faces to carry out its pledge to bring the British economy into the modern world. Its recipe is a national incomes policy to hold down wages and prices, and an exports policy of incentives for pushing newly competitive goods onto the world market.

For the first time in history the wages of a whole nation are to be tied to its production without the compulsory state controls that no one wants.

The trouble is that no one can quite see how this ambitious policy is to work. Government apologists put an almost mystical faith in the power of public opinion to restrain, and in the power of incentives to expand. The accent is on persuasion, on voluntary cooperation, on partnership between government, management and labor.

SKEPTICS WAITING

But after little more than 3 months in power, the infant government of Prime Minister Harold Wilson is already under heavy fire for failing to translate grandiose intentions into concrete deeds. The country is still waiting for its first glimpse of the machinery of renovation.

The man in charge of putting this machinery together is George Brown, Deputy Prime Minister, head of the new Ministry of Economic Affairs, No. 2 man in the Cabinet, and the man who has scored highest marks in public opinion polls on the new government.

Before the Labor Party victory last October he was rather dismissed as a "fun" figure who could never quite do or say the right thing in public.

Today politicians laugh at George Brown at their own risk.

"George Brown is the one man in this Government who knows what he wants and goes straight after it," said a top trade union leader. He and others admit, of course, that Brown's own trade union history gives him a certain advantage in dealing with sensitive union leaders.

But even the critics are impressed with what he had done to date. In December he had agreement by the Trades Union Council and top employers' organizations to a "statement of intent" on a national policy for incomes and price restraint—an accomplishment that had eluded the previous Conservative government for over a year.

Then at the end of January Brown scored another victory when the Trades Union Council accepted his proposals for a Prices and Incomes Court. It will be the machinery for reviewing any disputed rises in prices and wages. If the employers organizations agree—and the prospect is that they will—the new system should be announced soon.

ON EXPORT FRONT

Meanwhile, the Government has also moved on the export front. On January 27, the Board of Trade announced a new comprehensive scheme for giving cheaper, longer term loans to exporters.

The move delighted the big business community. Length of loans the Bank of England will guarantee through private banks has been tripled to 15 years, and they will cost 1 percent less. Further, the Government agreed to subsidize up to half the cost of travel and accommodation for market research trips to set up export councils for Commonwealth countries and to help smaller firms market exports through cooperation with larger firms.

But the most crucial question remains to be answered: Does all this feverish governmental activity mean anything to the ordinary British worker and his employer?

"Let's see what happens when the Government has to back up its incomes court in denying a big wage claim," said one skeptic. "That is, assuming we ever get a wage claim as far as the incomes court."

BARGAINING AHEAD

He meant that the third—and hardest—part of the bargaining on the incomes policy lies ahead. Union, management, and Government have still to agree on the national criteria for judging what is and what is not an excessive rise in prices and wages. A good many critics think that such agreements, even the criteria themselves, are impossible to establish in a free economy.

An even more basic problem is the structure of the whole trade union movement. Many national leaders all too frequently are embarrassed by their inability to control their own shop stewards and factory hands. Whole industries are at the mercy of infighting between unions.

"I do not see the least possibility that the richer unions—like the printers with their closed shops—are going to accept wage restraint if Government accepts wage demands of the poorer unions, whatever their merits," said one union leader. "So, tell me, what are the national criteria for an incomes policy we all can accept and enforce?"

Skepticism is no less rife about the ability of management to meet world competition. The bulk of family firms prefer the old to the new, the small "safe" profit to the larger "unsafe" one overseas. It was only last year that Parliament passed rules breaking down restrictive practices and making the home market far less "safe" for these 19th century businesses.

But tradition changes only slowly.

"I go to Birmingham periodically to plead with these smaller firms to sell abroad," said one banker. "The credits are available. But they say that they are doing the best they can now.

"And do you know what that best is? They have one agent to cover the continent the size of Latin America. He is usually a national of a country over there. He serves German and American companies as well. A member of the directorate here may go once a year, but he knows nothing about the countries and cannot speak their language."

The answer to this argument is that the future of British exports depends upon the giants of industry, not these dwarfs on their way out. Today Britain exports 4.3 billion pounds ($12 billion) worth of goods each year—the highest in its history, and as a proportion of domestic production more than half as great again as before World War II.

But all success in world trade is relative. And the fact is that the British appetite for imports has grown much faster than its ability to export. The Labor Party government has staked its life on correcting this imbalance. It remains to be seen whether British business and British labor are willing to accept the challenge.

[From the Washington Evening Star, Feb. 11, 1965]

CRISIS IN BRITAIN—TOP GAME: VOTE GUESSING

(By George Sherman)

LONDON—The most fashionable political parlor game here these days is guessing the date of the next general election.

Will it be April, June, or the autumn, or beyond to the following spring? Then the next question is, on what issue will the government fall? Will it be steel nationalization, land nationalization or rent control?

In the current state of British politics, the game is inevitable. The Labor Party government rules with a tiny majority of three. Every move, every speech, every appointment must be carefully calculated against the backdrop of a possible sudden election.

The result is more political excitement than this country has known in over a decade. The House of Commons is constantly in the spotlight. Nerves are frayed, the words are bitter and insulting. The recent debate over the Conservative opposition motion to censure the "first 100 days" of Prime Minister, Harold Wilson's government turned into a riproaring shouting match where speakers exchanged charges of "rowdyism and barrackism."

But beneath the uproar a stalemate exists. Both sides are carefully calculating the advantages and disadvantages of "going to the country" so soon after the October elections. And the conclusion is that neither government nor opposition is ready.

The Tory opposition still has not set its house in order after the October defeat. Sir Alec Douglas Home is preparing to announce a new system for naming the leader of the Conservative Party—if and when a replacement for him is needed. And a new party program is still being thrashed out.

Critics are always quick to point out the cynicism behind the blustery Conservative attacks on the Government. Before every major censure motion, they have carefully counted heads to make sure that the small Labor majority would in fact hold.

But the Government is more ready for a new election. All current indicators suggest that the electorate would not return the Labor government to power. The cry in Government councils is to push on with their "constructive program," overcome the unpopularity created by the first handling of the economic crisis last autumn, and establish a record with voter appeal.

The key phrases here are "before Leyton" and "after Leyton"—Leyton being the by-election 3 weeks ago where then Foreign Secretary Patrick Gordon Walker failed to win the seat in Parliament that previously had a "safe" Labor majority of 7,900. The result shocked the Government out of its euphoria.

Three by-elections since Leyton have somewhat revived Labor morale. All three were "safe" Conservative seats, and they were held by the Conservatives safely. But in no case was the landslide of Leyton repeated. Labor held its own. Today the over-all average of all by-elections since last October shows a national swing of 3.6 percent away from the Government—enough to throw Wilson out of office, but not by much.

A common judgment is that the greatest asset of the government is the Tory opposition. Almost from the moment of defeat last October, a chorus of voices has risen inside the Conservative Party demanding that "Home must go." Everything seems against him.

First, his leadership was imposed on the party in October 1963 by retiring Prime Minister Harold MacMillan and an inner circle of the Tory establishment. Second, Sir Alec cannot escape the image of inarticulate aristocracy out of tune with the times.

Even today the most recent opinion poll in the highly respected Sunday Observer shows than 59 percent of the electorate sampled feels that Sir Alec will have to be replaced before the Conservatives can win. And 55 percent feel that "the people who run the Conservative Party are out of touch with ordinary people."

But Sir Alec has stood his ground. He has bowed to demands that the Conservative Party establish machinery for electing its leader openly and in a way consistent with 20th century democracy. This machinery will place greatest power in the hands of Conservative MP's in the House of Commons who will elect their leader by secret ballot.

DELEGATING POWERS

At the same time he is giving greater powers to his younger lieutenants and potential successors. Part of his strength is that none of these candidates stands head and shoulders above the others. The first is Edward Heath, who is taking charge of economic policy in the Conservative "shadow cabinet"—probably the most crucial field in the present political struggle.

To many observers Heath appears the natural leader of a rejuvenated Conservative Party. He is young (48), progressive (he piloted the bill against restrictive price practices through the last Parliament), and dynamic. Sir Alec has put him in charge of the policy advisory committee of 20 top experts writing a new program for the party.

But Heath is running neck-and-neck with Reginald Maudling, who is also young (47) and who was Chancellor of the Exchequer in the last government. He is taking over the important post of foreign affairs in the shadow cabinet. He appeals to Conservative Party politicians for just the reasons Heath does not, Maudling is easy going, almost casual, and has a talent for getting things done without alienating his opponents. Heath lacks this subtlety.

TEMPORARY AT BEST

The uncertainty over whether one of these two candidates will succeed Sir Alec—and if so, when and with what policy—is giving Wilson the time he needs. He can govern with his tiny majority. He can keep the pressure high, introduce new legislation, and play up the contrast between his government and the Conservative one it succeeded.

But at best this is a temporary tactic. The memory of the electorate is short, and people care less about the supposed shortcomings of a previous government than the performance of the present one. Also it is highly debatable whether Wilson has a strong enough party in Parliament to put through that controversial legislation he needs for his record.

The most controversial is renationalization of the steel industry. Two members of his own party have served notice that they oppose these plans.

The Liberal Party opposition is also opposed. If the two Labor dissidents and the nine Liberal MP's vote "no", then Wilson's parliamentary majority evaporates and he must go to the country.

Nevertheless, the Government continues to insist that the steel nationalization, plus rent control legislation—will go to the House of Commons before June.

The outlook, therefore, is for still fiercer partisan combat in the months ahead. And it is from this combat that a clearer definition of Britain's place in the modern world must come.

[From the Economist, Dec. 26, 1964]

BRITONS WILL BE SLAVES

There are two main schools of argument about the reasons for Britain's disappointing economic performance since the war, and the wise socialite will always be careful in polite conversation to find out to which group he is talking. One school lays the blame on what it regards as continuing mistakes by the Treasury and Bank of England men who have been almost continuously in charge of national economic policy: and in particular on their constrictive efforts to maintain sterling in its (to these critics harmfully) prestigious role as a key international currency, by deflating demand more frequently and sharply than many British and Hungarian macroeconomists with a leftwing accent consider to be desirable. This school is regarded by its opponents in the great debate as very arty and unpatriotic. The more patriotic school's explanation is that the whole British people is a collection of lazy slobs and incompetent nits intent on working less hard, and certainly on working less effectively, than admirable modernists like the Germans and Japanese.

Pressing as usual down the middle of the road, and being hooted at by both sides in consequence, the Economist has long considered that there is some element of truth in both these explanations. But in this Christmas week of good will, it seems reasonable to concentrate on the field which arouses least ire from readers who term themselves plain, bluff men. This article will therefore examine the reasons for Britain's disappointments which arise from probing what a terrible lot all we British are.

One part of the conventional argument of self-denigration really does not hold water. It just is not true that the British working class chooses to work shorter hours than other peoples at a similar level of industrial development. Most of the figures about relative lengths of the working week, about overtime eagerly entered into, about the heavy participation of working wives in the labor force, prove precisely the opposite. There may be more of a case for saying that British workers work less assiduously for each hour that they are at the bench, but even this is dubious when one makes on-the-spot comparisons with supposed foreign paragons. It is a refreshing experience to occupy a hotel room in Tokyo opposite a Japanese building site, and to count the number of times per day that work is interrupted for the brewing of cups of tea; or to find out how sloppy and/or bureaucratic some German paperwork can be; or to dart out to the set route in a procession round a Russian factory and find the number of workers in some peripheral sheds who have broken off work for an obviously illegal smoke.

Higher up the ladder in Britain there is substance in the view that British executives work shorter desk hours than their foreign counterparts. The taxi queues at Waterloo at half past 10 in the morning prove it; so do British business lunches of 3 hours over two bottles of Nuits St. George at the Berkeley, compared with the iced water and light snack in the executive canteen which is sometimes (not always) one's experience of an invitation to a business lunch in America. But, at the other end of the day, watch those London taxis roll back to Waterloo with their well-lunched occupants clutching that unique symbol of British serfdom, the bulging briefcase carrying papers from the office for working on at home far into the night. (German businessmen also carry bulging briefcases, but chiefly at 7 o'clock in the morning, as a receptacle for their lunchtime sausage to be masticated at their desks.) In actual hours spent on work, counting those at home as well as at the office, one suspects that the British manager, like the British proletariat, does not come so very far down the international league.

No, the besetting sins of the British in this modern age lie elsewhere. Two of them scream out in their obviousness to anybody whose job is to make international comparisons. First, too many British people in their workaday lives instinctively hate anything modern and new, while it is nowadays more common for the most efficient foreigners to be instinctively captivated by it. Secondly, the British will work long hours at congenial and customary tasks, but they will go to extraordinary lengths to shun uncongenial and (especially) embarrassing tasks—even when the dictates of efficiency and profitability make it quite obvious that these are the tasks that most need to be tackled. Both these traits run right through our society, but they are to be found most cripplingly at the top of it.

The dislike of anything new is rooted most deeply in precisely those sectors of the Establishment which always complain that Britain's troubles cannot possibly be solved by monetary gimmicks, but only by a reform of the British people's character. In the Establishment's mating forum, the correspondence columns of the Times, you will constantly find some gleeful story that a computer has by mistake sent out a check for one million pounds and sixpence, instead of the £1 0s, 6d, that was intended; and a thousand comfortable bellies will then heave up and down in the clubs along Pall Mall in delighted mirth, while a story about some Bob Cratchit of a clerk making an accounting mistake would be regarded as rather bad taste. Tell that tale about a new German computer in Germany, and it will be indignantly assumed that you are impugning their national honor; tell that tale in Japan, and it will be politely explained that such (after all rectifiable) mistakes are to be expected in (according to the informant's research department) about one case out of every ten million and four, so the honorable correspondent is being unjust in his assumed implication that the chairman of International Computers and Tabulators now ought to commit hara-kiri. These examples are exaggerations, but exaggerations illuminate philosophical truth.

Go into a British factory to see its latest machinery, and you will often be shown it by people who will tell you delightedly how frequently during its teething troubles the damned thing broke down, you will then be taken aside to see the real pride of the firm, some ghastly Edwardian relic which, it is explained, is now miraculously working almost as well as in 1905, except that two men have to be kept constantly at work to derust it. Talk to British management about the difficulties of introducing new machines piecemeal to some parts of the factory floor, and it will be assumed that you are discussing the problem of persuading trade unions to work them at all, except at exorbitant rates. Talk to Japanese management about this, and it will be assumed that you mean the difficulty of the jealousy that will arise among men still left working the old machines when more fortunate colleagues have been given the excitement of working the new ones—even when everybody is paid on the same time rates, so that there is no question of financial advantage for anybody.

This revulsion from anything new is most obvious when witnessed in relation to something tangible, like a machine. But it is probably even more inhibiting when it is applied to things that are less tangible, like methods of work. The argument here merges into the consideration of the second great fault of the British, which is the way they shun uncongenial and uncustomary tasks. Nearly all of us are guilty of it. Writing this article in the weekend before Christmas, with a self-satisfied glow because he is doing office work at home again, the present writer should in honesty admit that one reason why he is thus regaling or irritating you with these generalizations is that writing this sort of free-ranging article is rather fun. Probably, he would be performing a greater service to readers if he was down trying to find out what exactly is happening in Britain's docks (which is one obvious story that every British newspaper has failed to tackle effectively for weeks, chiefly because sifting through the farrago of polite covering tales which different vested interests tell about the appalling mess there is embarrassing, and therefore uncongenial). Still, in the newspaper industry, which is not entirely a garden of shrinking violets (and which is often regarded as caddish because it is not), this fault may be very slightly less endemic than in most other British firms. There are glowingly good exceptions; but in much of British industry, this weakness for doing only what is customary and unembarrassing and what will not rock the boat is glaring.

For example, the resistance to time and motion study in Britain runs very deep. Talk to firms about even the most obvious departmental reorganization being undertaken by a rival, and you are liable to be told that this firm intends to copy it, but only in a few years' time when Mr. Smith has retired: Mr. Smith, it will be explained, has been doing his present job in his present way since 1930, and the reorganization would cut across his privileges, or sense of status, or manner of working, intolerably in the old chap's last years. Again, the top executives of British industry divide their time in extraordinarily different ways, and they cannot all be doing what is most needed from the top; a work study in the cost ineffectiveness of the managing directors of even some of Britain's largest 100 companies would make shattering reading. The failure of exports to plumb new markets is partly due to this problem of avoiding internal organizational embarrassment. It is Britain's misfortune that, partly because of the old system of imperial preference, its most traditional markets have lain in the Commonwealth countries, which are now all industrializing themselves like mad chiefly in order to make the very manufactured goods that we have been selling to them. New markets have now become more promising and dynamic, but for a firm to put the main sales emphasis on these would sometimes involve awkward problems in rearranging seniority, or in persuading Mr. Smith to do something different from what he has been doing since 1930.

This problem is not one that affects top management only, and comment on it is not new. The restrictive practices of many British trade unions are rooted most deeply, not in questions of financial advantage or even job security, but in the congeniality of doing things in the anachronistic way that they have always been done. In talking of the low standard of discipline, endeavor, and innovation of British management, during his inaugural lecture at Sheffield University this month, the new professor of applied economics there said sagely that he believed this attitude to business was "an integral part of many of the cultural patterns which we find most attractive in British society, its relative freedom from tensions and anxiety, its easy-going good nature, its uncompetitiveness."

But it is quite obvious that, if the economy is to thrive, some of those cultural patterns will need to be changed.

When and why did the British people fall into this fatal attitude of resentment toward innovation and entrenched opposition to disturbance? Britain was far from guilty of it in Victorian times, when Britons' image as thrustful innovators exceeded that of the most legendary German and Japanese businessmen now. Perhaps this country's trouble is that it never really had a bloody social revolution, so that when the Victorian millmaster prospered he began to ape the "civilised" attitudes of the old aristocratic class. The public school system has carried this on, and so has the ethos of the two great old universities of Oxford and Cambridge; they, more than anybody, have elevated study of the interesting and congenial, instead of the crudely useful, to the status of a cult which only vulgar men impugn. The best new year resolution for the British people, if it wants to escape from the ghastly prospect of unprosperous new years so starkly confronting it, is to start impugning these attitudes now. Perhaps the campaign for nuclear disarmament, which seems to think that it has had its trousers taken away by Mr. Wilson's Atlantic Nuclear Force, could be induced to sit down in Pall Mall and at Waterloo, with banners screaming imprecations about it.

Mr. JAVITS. I again express my gratitude to the Senator from Wisconsin.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1966

The Senate resumed the consideration of the bill (H.R. 8639) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, my remarks on the pending bill, providing appropriations for the State, Justice, and Commerce Departments and the Judiciary and 12 related agencies in fiscal year 1966, will be rather brief. I think it is a good bill.

It has received the unanimous approval of the subcommittee and also the unanimous approval of the full committee after a thorough discussion of the various items in the bill.

As the report to the Senate indicates, the sum recommended in direct appropriations is $2,051,971,800. It is $33,718,100 below the House allowance and $119,963,800 under the total budget estimates submitted. Also provided is $3,898,400,000 for the Highway Trust Fund program.

For the State Department, the committee has added $1,923,000 to the House bill. The major increase covered by that amount is to accommodate the supplemental estimate to the Senate for $1 million to permit construction of a new chancery at Saigon, Vietnam. Other noteworthy items recommended were $348,000 for expansion of the overseas commercial program; $275,000 to provide the full budget estimate for the International Fisheries Commissions and $300,000 for the East-West Cultural Center in Hawaii. This latter sum will provide for 439 grants in fiscal 1966 as compared to the House allowance of 400 and the budget request of 465.

For the Department of Justice the committee added $100,000 of the $145,000 requested restored to the House bill. The allowance will defray the costs of essential expenses anticipated by the Office of Criminal Justice, created in August 1964.

We did not allow the full amount because we felt that with the $100,000 they could draw on the present staffs and heads of divisions for consultation, and that with that help and with some additional counsel and experts drawn from outside they should be able to function adequately with that amount of money.

For the Department of Commerce, the committee recommended a net decrease of $38,399,100 below the total granted in the House bill. This decrease represents the difference between $42,300,000 reduced in three appropriation items; namely, $25 million in the repayable advance to the Highway Trust Fund; $10 million in the operating-differential subsidies; and $7,300,000 in the ship construction account; and increases above the House in the total amount of $3,900,900 in seven categories: $200,000 of that is for the U.S. Travel Service; $350,000 for salaries and expenses, International Activities; $65,000 for Office of Field Services; $200,000 for salaries and expenses, Coast and Geodetic Survey; $1,548,000 for research and technical services, Bureau of Standards; $537,900 for salaries and expenses, Weather Bureau; and $1 million for research and development program, Weather Bureau.

For the judiciary branch, the committee recommends a net decrease of $418,000 from the House bill. The changes proposed are as follows: A decrease of $500,000 is recommended for fees and expenses of Court-appointed counsel, and increases above the House allowance are recommended for two items; namely, for salaries of supporting personnel, $72,000; and for travel and miscellaneous expenses, $10,000. These increases are essential to fund expenses of 11 additional deputy clerks for the Courts of Appeals.

For the 12 related agencies, the committee has recommended a net increase of $3,076,000 above the total House allowance. This net increase is reflected in the following items: Equal Employment

Opportunity Commission, $2,250,000; Federal Maritime Commission, $80,000; Department of Health, Education, and Welfare, Office of Education, Civil Rights Educational Activities, $1 million, making a total increase of $3,330,000, which is decreased by $254,000 in the House allowance for salaries and expenses of the U.S. Information Agency.

I invite the attention of Senators to the committee report with respect to the items to which I have referred.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be regarded for purposes of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 3, line 8, after the word "aids", to strike out "$176,400,000" and insert "$176,748,000".

On page 4, at the beginning of line 12, to strike out "$18,125,000" and insert "$19,125,000".

On page 12, line 6, after the word "Congress", to strike out "$2,025,000" and insert "$2,300,000".

On page 13, line 14, after the name "Hawaii", to strike out "$5,500,000" and insert "$5,800,000".

On page 15, line 12, to strike out "$5,289,000" and insert "$5,389,000".

On page 25, line 18, after the word "exceed", to strike out "$3,500" and insert "$4,000", and in line 19, after the word "aboard", to strike out "$3,000,000" and insert "$3,200,000".

On page 27, line 10, after the word "centers", to insert "mobile trade fairs", and in line 21, after the word "abroad", to strike out "$10,400,000" and insert "$10,750,000".

On page 29, line 6, after the word "possessions", to strike out "$4,200,000" and insert "$4,265,000".

On page 29, at the beginning of line 18, to strike out "$29,000,000" and insert "$29,200,000".

On page 30, line 24, after "(15 U.S.C. 278d)", to strike out "$33,000,000" and insert "$34,548,000".

On page 32, line 11, after the word "law", to strike out "$68,750,000" and insert "$69,287,900".

On page 32, line 17, after the word "equipment", to strike out "$10,786,000" and insert "$11,786,000".

On page 34, line 12, after the word "expended", to strike out "$132,150,000" and insert "$124,850,000".

On page 35, line 1, after the word "Commission", to strike out "$190,000,000" and insert "$180,000,000".

On page 42, line 2, after "(70 Stat. 399)", to strike out "$225,000,000" and insert "$200,000,000".

On page 45, line 25, after the word "for", to strike out "$34,220,000" and insert "$34,292,000".

On page 47, line 2, after "(62 Stat. 684)", to strike out "$3,500,000" and insert "$3,000,000".

On page 47, line 16, after the word "Columbia", to strike out "$4,900,000" and insert "$4,910,000".

On page 50, line 24, after the word "Education", to strike out "$4,000,000" and insert "$5,000,000".

On page 51, after line 2, to insert:

"EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

"*Salaries and expenses*

"For necessary expenses of the Equal Employment Opportunity Commission established by title VII of the Civil Rights Act of 1964, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and not to exceed $100,000 for payments to State and local agencies for services to the Commission pursuant to section 709(b) of the Civil Rights Act, $2,250,000."

On page 51, line 20, after "(5 U.S.C. 2131)", to strike out "$3,100,000" and insert "$3,180,000".

On page 57, line 12, after the word "organizations", to strike out "$140,254,000" and insert "$140,000,000".

On page 59, line 5, after the words "United States", to insert "and for payments in Brazilian cruzeiros".

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I commend the distinguished Senator from Arkansas for the work which he and his subcommittee have done on this bill. It is an extraordinary bill because, as I understand, appropriations to these three major departments of the executive branch of the Government—the Department of Commerce, the Department of State, and the Department of Justice—as the bill was handled by the subcommittee of which the Senator from Arkansas is chairman, would be substantially less than was spent in 1965. Is that not correct?

Mr. McCLELLAN. Which department is the Senator referring to?

Mr. PROXMIRE. I am taking the overall appropriation for all three in total.

Mr. McCLELLAN. Overall, that is correct.

Mr. PROXMIRE. In the aggregate, the 3 Departments would receive $123 million less than the appropriations for 1965.

Mr. McCLELLAN. In part, I believe that the reduction was due, and credit should be given to the President of the United States for his constant reminder to the heads of the agencies and departments—in fact, his insistence—that they pare down their requests as much as possible.

I believe that his requests have achieved some results. The bill is evidence of it.

The committee has gone into the subject pretty thoroughly. We find evidence of that influence on many of the departments and agencies.

Mr. PROXMIRE. That makes the accomplishment of the Senator from Arkansas even more impressive. The President held down the agencies, as the Senator said. But in spite of that, the Senator from Arkansas and his subcommittee were able to cut $119 million below the President's target, the budget estimates and, in addition—and what a rare and happy day for the Senate—the bill is $33 million under the House figure.

Mr. McCLELLAN. That is true.

Mr. PROXMIRE. That is a rare accomplishment, for this body—too rare.

Mr. McCLELLAN. In relation to some of the items in the appropriation bill we were able to accomplish reductions because we had requests reexamined. We interrogated representatives of the departments closely about various questions, and in some instances the agencies themselves would concede that they could get along with less money. Thus, we have been able to bring to the Senate a bill which is approximately $33 million under the House bill and around $120 million under the budget request.

While we are discussing this particular aspect of the subject, in view of the critical situation and the financial burden that is impending with respect to conditions abroad and our engagement there, it behooves all of us who have the responsibility of holding the pursestrings of the Nation, so to speak, to make every economy consistent with the continuation of adequate functioning of the Government, with no waste and no extravagance. I can well foresee, as I am sure each Member of this body realizes, the possible burdensome cost ahead in the financing of our military operations. In instances in which we can reduce expenditures at home or eliminate expenditures, we need to do so.

Mr. PROXMIRE. Frequently, in the past, when a department has felt that it has been unfairly treated, I, as a member of the Appropriations Committee, and other members of the Appropriations Committee, have been approached by representatives of those departments, and they have made a case for a restoration or reduced appropriations and it is a perfectly proper and legitimate thing to do, in my judgment. But in this case the Senator from Arkansas has been so convincingly fair as he has said, the cuts have been accepted. I know of no dissatisfaction or complaint or unhappiness about the fact that expenditures have been reduced in the way proposed.

What has occurred also does great credit to the Senator from Arkansas and the Senator from Maine [Mrs. SMITH], the ranking minority member of the subcommittee. I believe that they rendered a superlative service.

Mr. McCLELLAN. In behalf of all members of the subcommittee, I thank the Senator very much.

An amendment will be offered to increase one item in the bill. It is an item which the House did not pass upon. That item will be in conference. It will be reduced even below the figure recommended by the committee, because the whole item will be in conference. The House did not pass on it. That may be increased somewhat temporarily, or perhaps finally. The point is that we have worked at this job very carefully. There are instances in which questions of opinion arise as to what action shall be taken. It will take some time and demonstration to determine whether we have been too generous or whether we have not provided adequate funds. In the present instance it may be very well established that we have not provided an adequate amount of funds.

But overall, I believe we have hewed well to the line and have come close to what is justified under conditions that prevail today, considering what is necessary for the good administration and operation of our Government.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the distinguished Senator from Massachusetts, a member of the committee.

Mr. SALTONSTALL. First, I wish to join the Senator from Wisconsin [Mr. PROXMIRE] in commending the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Maine [Mrs. SMITH] for the thoughtful and highly conscientious work they have done on the bill. I supported them in the subcommittee; I supported them in the full committee.

I wish to ask the Senator from Arkansas several questions, not to dispute his remarks, but to bring out the problem that is likely to face us when we consider the foreign aid bill.

On page 5 of the bill, line 20, $96,953,000 is provided for the United Nations. This amount was provided by the House of Representatives and was accepted by the Senate committee. That amount is for emergencies and for diplomatic and consular services; $34,479,000 is included, as I understand, as the regular contribution of the United States to the United Nations.

In addition, the amount provided for the United Nations Educational, Scientific, and Cultural Organization, is $6,881,980. That is our contribution to UNESCO, so-called.

Mr. McCLELLAN. Yes.

Mr. SALTONSTALL. That is on the basis of 30 percent.

I invite the Senator's attention to page 6 of the bill, line 9, the item "Missions to Internal Organizations." Of that amount, $1,512,000 is to pay the expenses of our U.N. mission in New York.

Mr. McCLELLAN. That is the amount provided to cover the necessary operating expenses of the mission.

Mr. SALTONSTALL. That is what I understand.

The point I wish to bring out, the question I really leave with the Senator from Arkansas, is this: We hear today a great difference of opinion—it is certainly a fundamental problem—as to the financial stability of the United Nations.

As I see it, that does not come within this bill, because this bill provides for our regular contribution to the United Nations, our regular contribution to UNESCO, and the expense of conducting our mission in New York.

In addition, when the foreign-aid bill comes before the Senate, it will provide, as I understand, approximately $101,235,000 as our contribution to the United Nations in various ways—the technical assistance fund, the emergency forces fund, and so on.

The important question that will arise is whether or not some of the nations have fulfilled their responsibilities by providing their share of the expenses for the forces in the Congo, in Palestine, and in other areas.

It should be made clear—and I hope the Senator from Arkansas will make it perfectly clear—that his budget contains nothing that might be called controversial with relation to whether certain nations have lived up to their obligations under the Charter of the United Nations.

Mr. McCLELLAN. Yes. I should like to follow up that statement.

Mr. SALTONSTALL. That is what I wanted to bring out.

Mr. McCLELLAN. That may be an issue, but that issue is related to or should properly be related to the foreign aid bill, and not related to this bill. These obligations are well established. They have been firmed up, and we owe them, and we should pay them if we are going to support the United Nations.

What we may do or what we may consider it advisable to do, what our judgment may be with respect to the foreign aid bill, and what we do to it are considerations that I believe are not directly and presently related to what we are providing in this bill.

Mr. SALTONSTALL. I agree with the Senator completely. That is why the subcommittee, headed by the Senator from Arkansas and the Senator from Maine, did not change the amounts that were included for these two items.

They are regular appropriations and did not become involved in any of the controversial items, such as the force in the Congo, and so on.

Mr. McCLELLAN. That is correct. I regard these as fixed obligations so long as we are members of the United Nations. We regard these items in the bill as fixed obligations so long as we are members of the United Nations.

Mr. SALTONSTALL. Will the Senator permit one more question and observation?

Mr. McCLELLAN. Yes.

Mr. SALTONSTALL. It is the understanding of the Senator from Arkansas, as well as my understanding, that the goal toward which we are working in the United Nations, with respect to the various funds and contributions, is 33⅓ percent, or one-third. We believe that is a fair estimate of what our proportion of payment should be to those organizations.

Mr. McCLELLAN. I would not pass final judgment on that question. I believe that that is a general assumption, and we have followed that formula pretty well through the years.

Mr. SALTONSTALL. Mr. President, will the Senator further yield?

Mr. McCLELLAN. Yes.

Mr. SALTONSTALL. When the foreign aid bill comes before the Senate, I know that the Senator from Arkansas will join me and many other members of the committee in giving careful consideration to what the United States should do in determining whether or not other nations are living up to their responsibilities, and to how to handle that situation.

Mr. McCLELLAN. I reassure my friend the Senator from Massachusetts, that I shall probably be as conservative as he will be with respect to voting funds for foreign aid, not only in this area but in all aspecst of the bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCLELLAN. Yes.

Mr. SALTONSTALL. Permit me to say that I believe he has been more conservative than I have been in the past, but I hope we are going to do this together.

Mr. McCLELLAN. I agree with the Senator.

I spoke a bit facetiously, of course, because I thought the Senator knew, as well as everybody else, that I have had some reservations about the foreign aid program, although I have never said I oppose all of it. I have had misgivings about the administration of it and the policy of forcing it on nations and governments without requiring something from them in return.

I believe that that has been a great mistake and that we would have made more friends if we had been more firm and not quite so generous; but that is only my opinion.

Mr. SALTONSTALL. I thank the Senator. I believe he and his associate, the Senator from Maine [Mrs. SMITH], have worked out a satisfactory bill.

I observe that the Senator from Maine [Mrs. SMITH] wishes to make a statement, so I will relinquish the floor.

Mr. McCLELLAN. I thank my friend, the Senator from Massachusetts. I wish to record my appreciation of the cooperation of all members of the committee. Each member who attended the hearings made a contribution to the development of the bill we have before us. The bill is the result of teamwork, not of one Senator fixing the amounts or writing the bill.

As it comes before the Senate today, the bill is written by all the members of the committee. They participated, and weighed the problems and issues that were involved in the proper consideration of these appropriations.

Mrs. SMITH. Mr. President, if the distinguished chairman has completed his statement, will he yield to me?

Mr. McCLELLAN. I am happy to yield to the Senator from Maine [Mrs. SMITH] or to yield to the floor.

Mrs. SMITH. Mr. President, as the ranking minority member of the subcommittee which handled H.R. 8639, the appropriation bill for the Departments of State, Justice, Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, I want to congratulate the chairman of the subcommittee [Mr. McCLELLAN], for the excellent manner in which he carried out his assignment and duties in reporting this bill. His sincerity and dedication in conducting the hearings on this bill were of the highest order. I also want to thank the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] for his kind references to me with respect to this bill. The chairman [Mr. McCLELLAN] and I joined together after the hearings were completed, going over each and every item in the bill in an effort to arrive at equitable recommendations to the subcommittee. I believe that the chairman will agree that we attempted to keep a balance of perspective between the department requests and the interest of the taxpayer, who at a later date will be called upon to pay the bill.

The Senate was called upon to act on two items in the bill before you which were not considered by the House; namely, funds for an Embassy in Saigon in the amount of $1 million, and a new program under related agencies, Equal Employment Opportunity Commission in the amount of $3,200,000. The latter item was created under title VII of the Civil Rights Act of 1964. Although the committee did not allow the full amount requested, in its wisdom it did allow sufficient funds to get this new program started and took note of the fact that out of the $2,250,000 provided in fiscal year 1965 the agency was only able to obligate $400,000.

The committee in its deliberation on this item realized that the commission was not sworn in until June 1, 1965, and that a full complement could not be reached much before December 1965.

Another item given serious consideration was civil rights educational activities. I think the committee will agree with me that there is nothing magic about the $5 million recommended to the Senate today for the operation of this program. The history of the appropriation request is that the Bureau of the Budget reduced the department's request from $15 to $8 million and the House action further reduced the amount to $4 million. The committee restored $1 million to the House allowance of $4 million, making the total recommendation $5 million. If all the school districts of the South and border States were to take part in this program our record shows on page 764 of the Senate hearings that this $5 million recommendation before you today would have to be increased by $25 million.

Under international activities in the Department of Commerce, the committee felt that an additional $350,000 would bolster our trade program and, therefore, earmark an additional amount of $250,000 for Mobile Trade Fair projects and $100,000 for a new export promotion program called "America Weeks." This promotion program is a joint venture with U.S. manufacturers and foreign department stores to buy U.S. products for display and sale to foreign consumers. This was motivated by the national policy to increase export trade.

For Coast and Geodetic Survey the committee recommendation of an additional $200,000 will provide $85,000 for cooperative seismic surveys in California. These funds are on a matching basis with the State. A recommendation in the amount of $115,000 was included for the Alaska geodetic control program.

Under Weather Bureau, salaries and expenses, the committee recommends an additional $250,000 to operate three additional upper air weather measurement systems aboard moving ships in the Pacific. Some years ago Congress appropriated funds to purchase equipment for 16 vessels. To date six ships have been completed. These additional funds will outfit three more ships; this will leave equipment still in the warehouse available to outfit seven more ships. I believe that as soon as possible the department should request funds to complete the remaining seven ships.

In addition the committee recommends $52,000 for the operation of a new radar set in Pittsburgh, Pa., and $251,650 for additional weather services.

The committee is recommending an additional $1 million for Weather Bureau research and development which it considers essential to carry out the important activities of the Bureau's research and development program. This amount includes funds for drought relief research. This is one area where I hope the funds provided will give relief to the whole country, especially the northeast section where we have been plagued with a serious water shortage.

I know my own State of Maine has had to contend with a disastrous forest fire situation and is experiencing a very dry season for crops.

Mr. President, the $300,000 increase over the House allowance for the East-West cultural-exchange program will provide for 39 additional student grants, making a total of 439 for fiscal year 1966 as compared to 420 for fiscal year 1965.

In closing, Mr. President, I would like to say that this is a good bill, made possible by the dedicated and excellent staff work of Mr. Harold E. Merrick and Mr. William J. Kennedy. I hope it will have the support of the entire Senate.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The bill is open to further amendment.

Mr. ALLOTT. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 42, after line 2, it is proposed to insert the following:

> None of the funds made available to the Bureau of Public Roads shall be used, either directly or indirectly, for the closing, or planning for closing, or for any activity in connection with the closing of any regional field office.

Mr. ALLOTT. Mr. President, I join my colleagues, including the present Presiding Officer, the Senator from Wisconsin [Mr. PROXMIRE], in paying tribute to the distinguished chairman of the committee, the Senator from Arkansas [Mr. McCLELLAN], and the ranking minority member, the Senator from Maine [Mrs. SMITH], who have done such fine and outstanding work on the pending bill.

The very fact that they can come forth with such substantial savings without in any respect, I believe, restricting the essential operations of any of the departments which come under the bill is a tribute to the diligence, study, and work that they have done on the bill.

Mr. President, my amendment was occasioned by the receipt of a letter. On May 15 I received a letter from a constituent in Denver, telling me of the anticipated closing of the Denver regional office of the Bureau of Public Roads.

I would never have heard anything about this had I not received this letter.

For obvious reasons, I cannot use the name of the person who wrote me the letter, nor can I disclose the correspondence and records.

I had heard nothing about this matter. I immediately called Mr. Alan Boyd, who was then on the Civil Aeronautics Board, and told him about the matter.

On May 21, I wrote a letter to Mr. Boyd, confirming my interest in this subject.

On June 7, I wrote Mr. Boyd in his new office as Under Secretary of Commerce for Transportation in the Department of Commerce.

In my letter I stated:

> As you will recall, I have previously written you to tell you that I wished to discuss the prospective reorganization of the regions of the Bureau of Public Roads. I hope I will have an opportunity to do this before it proceeds to a definite determination.

I did not receive a reply to that letter. Subsequently, on approximately August 2, I called Mr. Boyd and made an appointment with him. Mr. Boyd came to my office and discussed the matter with me.

He was very frank with me and stated, in substance, that what he had in mind was closing all of the regional offices of the Bureau of Public Roads. I do not mind any branch of the Government closing down any part of the system which is not needed for the efficient operation of the Government. If the proper officials were to come to Congress and state that they wanted to close these facilities down and that they can thereby save so many dollars and increase their efficiency so much, I would join them in closing them all down.

The facts are that there are nine regions, and the region he proposes to close down at the present time is Region 9, which is composed of Utah, Colorado, Wyoming, and New Mexico. The regional office covering New Mexico would go to Ft. Worth. That covering Colorado and Utah would go to San Francisco. That covering Wyoming would go to Portland. In other words, Wyoming would have to go almost 2,000 miles, and Colorado would be 1,500 miles from the nearest regional office.

At the time of the markup in the committee, I brought this matter before the committee and offered an amendment to the bill which in substance was the same as the pending amendment. But after discussion we decided that the best way to handle the problem was by putting certain language in the committee report. Consequently, on page 7 of the committee report will be found the following language:

> It has come to the attention of the committee since the closing of the hearings on this bill, that the Bureau of Public Roads is contemplating the closing of one or more of its regional offices. The committee directs the Bureau not to close any of the regional offices until coming before the committee to justify such action.

I might say that Mr. Whitton testified before our committee on June 17 and never metioned the closing of any of these offices.

There was a further understanding at the markup that the chairman would consult with Mr. Boyd, the Assistant Secretary in charge of transportation, and I understand that the chairman has a reply from Mr. Boyd. It would be my hope, in view of the history of the matter, that this amendment could be accepted. For that reason I have offered it at this time.

Mr. McCLELLAN. Mr. President, the idea of closing regional offices did not come to the committee's attention during the consideration of the bill. I am not prepared to say, and I do not suppose any member of the committee would be prepared to say, what disposition they would have wanted to make of it until they might have heard testimony or suggestions from representatives of the regions.

So when the Senator from Colorado brought it to our attention, there were those of us who thought that inserting some language in the report indicating the views of the committee and its attitude with respect to the matter, that it would like to have an opportunity to consider it before such action was taken, would be sufficient. After discussion, it was agreed that such language would be put in the report. The Senator from Colorado has just read that language into the RECORD respecting this matter.

There were members of the committee who raised a question as to whether this language would command respect, that is, whether it would be binding, and whether it would be respected by the officers responsible for the administration of Public Roads.

Perhaps I suggested, or someone else may have suggested, that in the meantime there would be an opportunity for the chairman to contact Secretary Boyd and, if possible, obtain his assurance that he would observe the request of the committee that no action be taken until he came before the committee and justified it, or at least acquainted the committee with what the plan was, so the committee might consider it.

I communicated with Assistant Secretary Boyd by telephone and asked him to refer to the language in the report and advise me whether I could assure the Senate that such language would be adequate, and that no action would be taken before the Bureau came before the Appropriations Committee and presented its justification before closing regional offices.

The Assistant Secretary advised me that, in his opinion, the language in the report was unconstitutional. I gathered from what he said that he was reluctant to make any promise to observe and respect the will of the Senate. So I suggested that he prepare for me a memorandum or letter stating what his position would be, so I could convey that information to the Senate, which he did.

I ask unanimous consent that a copy of that letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION,
Washington, D.C., August 12, 1965.
Hon. JOHN L. MCCLELLAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCCLELLAN: This is in response to your oral request in connection with Senate Report No. 547, which accompanied H.R. 8639, a bill reported by the Appropriations Committee. Because of the statement in this report that the "committee directs the Bureau of Public Roads not to close any of the regional offices until coming before the committee to justify such action," you requested a letter on this matter prior to floor action on this bill.

In view of the constitutional separation of powers and division of responsibilities between Congress and the executive branch, we are unable to make any commitment to comply with the directive of the committee. Such commitment would be contrary to the constitutional responsibility of the executive branch "to implement all laws—a specific and exclusive responsibility which cannot properly be shared with a committee of Congress" (see message from the President, returning without approval S. 327, dated June 5, 1965).

In view of the interest that your committee has shown in the matter of the Bureau's regional offices, I will be glad to inform you of any decision to close such offices prior to the Secretary's announcement of the decision.

We hope that this information meets your requirements in connection with floor action on the bill. If there is any other information that we can supply to the committee, in line with our respective responsibilities, we will be glad to do so.

Sincerely,

ALAN S. BOYD.

Mr. McCLELLAN. Therefore, Mr. President, it is perfectly obvious that the language in the report will not necessarily be effective to accomplish what the committee had in mind. The only alternative would be to forget about it or to place language in the bill that would carry out the will of the Senate. That is the problem with which we are confronted.

I have no personal interest in this matter. I do not know that my State is affected by it. I do not believe anyone knows, under the circumstances, which regional offices will be closed. It may be one or it may be all. I do not know. It is a matter for the Senate to decide, as to whether or not to insert this language in the bill itself. Perhaps we can put language in the bill that will be constitutional. It is a question for the Senate to decide.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT].

The amendment was agreed to.

Mr. ALLOTT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, I send an amendment to the desk, on behalf of myself and the Senator from New York [Mr. JAVITS], which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Rhode Island will be stated.

The LEGISLATIVE CLERK. On page 51, line 12, it is proposed to strike out "$2,250,000", and insert in lieu thereof "$2,750,000."

Mr. PASTORE. Mr. President, the budget request for the Equal Employment Opportunity Commission was $3,200,000. The committee provided $2,250,000. The committee was very understanding and cooperative. In the meantime a further study has been made by the agency. I asked them to sharpen their pencil as much as possible. I have offered an amendment providing $2,750,000, an increase of $500,000 over what the committee recommended. I have reduced the requested increase of $500,000 from $750,000, as originally contemplated.

That is the effect of my amendment.

The Senator from Arkansas has stated he is willing to take the amendment to conference.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. JAVITS. Mr. President, we too have investigated this matter, and were disquieted by the fact that there were a number of matters in the bill not provided for which were necessary to bring about implementation of the civil rights law. I congratulate the Senator from Rhode Island for working on the matter with the committee. I hope the chairman may proceed as indicated.

Mr. CASE. It is my understanding that among the purposes of the amendment which the Senator from Rhode Island has offered—in which, if I may, I should like to associate myself with him and the Senator from New York—so that it will make possible the setting up of the regional offices of this agency which are so important for the carrying out of the purpose for which we in Congress created it.

Mr. PASTORE. It will enable them to consider the overall position, and more effectively to carry out their responsibility.

Mr. CASE. I believe that is true, but it has been represented to me that one of the concerns they had was the cut from the budget request.

Mr. PASTORE. That is the main thrust of the amendment; that is correct.

Mr. CASE. I thank the Senator from Rhode Island. I appreciate his comments.

Mr. McCLELLAN. Mr. President, I should like to make one observation. I have agreed to take the amendment to conference, with some measure of reluctance, but my opinion is that the amount in the bill should be adequate to get the agency started. Other Senators who feel that the amount should be greater have offered an amendment accordingly.

However, we have had such harmony in working out the bill—and there have been no real conflicts—that I felt all of the item as amended to $2,750,000 could be resolved in conference.

Mr. PASTORE. The Senator is correct.

Mr. McCLELLAN. Therefore, there will be discussion of it, I am quite confident, in conference.

This is one reason I would point out why, in addition to what I have said, I felt that this was enough money to adequately get the agency started and become established, recognizing that it could come in in any supplemental bill for any additional funds which it might need.

But there is another reason. A number of agencies are involved in this bill in the estimated transfer of $839,000 to the President's Committee on Equal Employment Opportunity. I believe, therefore, that the committee's functions should be discontinued. We are making appropriations for the other established agencies of the Government; and my judgment is that there is a great deal of overlapping of functions and unnecessary duplication, so that the committee should be closed out.

Another reason is that we added a million dollars to the House figure for civil rights educational activities. The House allowed only $4 million. We added another million dollars to that. We have given consideration to these items, and I thought we had done an equitable job. Again, I point out that the million dollars that we have added to the civil rights educational activities, together with the $2,750,000 allowed for the Equal Employment Opportunity Commission will be in conference. Therefore, if a majority of the conferees conclude that it is too generous, they can be governed accordingly; and if a majority agree that this is probably needed and justified, the will of the two bodies will be worked in that fashion.

Mr. PASTORE. I understand that completely. I greatly appreciate the fine cooperation and understanding displayed by the Senator from Arkansas to this item.

I realize that there are several agencies involved in the panoramic business of civil rights, but this, of course, has to do with fair employment opportunity. It is an important phase of the work; and I would hope that the money would be spent frugally and effectively in a businesslike fashion to carry out the responsibility entrusted to this agency by Congress.

Mr. McCLELLAN. I should like to place in the Record at this point the language in the committee's report respecting the President's Equal Employment Opportunities Committee.

The committee states:

> The committee has no objection to the transfer of adequate funds from the appropriations of the agencies of the executive branch of the Government to meet the necessary "closing out costs" of the President's Committee on Equal Employment Opportunity. However, no funds for this purpose shall be transferred for the expenses of this Committee beyond September 30, 1965.

Therefore, I anticipate, barring some unexpected development, that the President's Committee will terminate before the end of the next fiscal year and, therefore, it would not be in existence next year for appropriations in that function because many of those functions will be taken over by the other agencies.

The PRESIDING OFFICER (Mr. Harris in the chair). The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment was agreed to.

Mr. PASTORE. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. JAVITS. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The Legislative Clerk. It is proposed, on page 27, between lines 2 and 3, to insert the following new language:

> For expenses necessary to discharge the responsibilities of the Bureau of the Census under the Civil Rights Act of 1964 (Public Law 88-352) and the Voting Rights Act of 1965 (Public Law 89-110), $7,500,000 to remain available until December 31, 1968.

Mr. JAVITS. Mr. President, the amendment proposes to include in the bill money which is required to sustain the Bureau of the Census in carrying out its responsibilities under section 801 of the Civil Rights Act of 1964 which relate to registration and voting statistics.

I believe that the problems we face in the civil rights field are so acute that we should do everything we humanly can to deal with those problems with the best and most efficient help we can obtain in the Federal Establishment. We have a way of enacting a law and then making it tough to get it enforced by reason of the fact that we do not put up the money.

Mr. President, I shall propose two amendments to the bill, one of which I have just sent to the desk, and which I hope very much the chairman of the committee will discuss with me.

I gave the chairman notice, incidentally, under date of June 21, 1965, asking for an appropriation for this agency of $7.5 million.

The other amendment which I shall propose following this one, and which may involve perhaps somewhat more discussion, relates to a large cut in the funds allocated to the Department of Health, Education, and Welfare for civil rights educational activities which was cut from the budget request of $8 to $4 million by the House, which is cut here by $3 to $5 million.

Mr. President, first, relating to the census item, it is my understanding that the administration's request for this particular item is expected to be included in a bill.

The item relates to the duty of the Secretary of Commerce. I now read from section 801 of the act:

> Sec. 801. The Secretary of Commerce shall promptly conduct a survey to compile registration and voting statistics in such geographic areas as may be recommended by the Commission on Civil Rights. Such a survey and compilation shall, to the extent recommended by the Commission on Civil Rights, only include a count of persons of voting age by race, color, and national origin, and determination of the extent to which such persons are registered to vote, and have voted in any statewide primary or general election in which the Members of the United States House of Representatives are nominated or elected, since January 1, 1960. Such information shall also be collected and compiled in connection with the Nineteenth Decennial Census, and at such other times as the Congress may prescribe. The provisions of section 9 and chapter 7 of title 13, United States Code, shall apply to any survey, collection, or compilation of registration and voting statistics carried out under this title.

Obviously the point is that we were consistently met with the allegation that it is not possible to ascertain how many Negroes were unable to vote or unable to register to vote because statistics were not kept which would disclose the required information. The need for specific information in these categories induced Congress to pass section 801 of the act.

It has been on the books since July 2, 1964. I am deeply puzzled by the fact that no effort has been made up to now to get any money to implement the requirement under this provision.

We are informed by the Bureau of the Census and by the Department of Commerce that they will ask for funds in the supplemental appropriation bill.

I raise this question at this time to get some concept of whether this subject was considered at all by the Appropriations Committee, headed by the distinguished chairman, the Senator from Arkansas [Mr. McClellan], as to what the disposition is or is likely to be, and whether any consideration was given to the inclusion of this item in this appropriation bill, which comes 1 year after the effective date of the statute which authorized this activity, and which, we are told, is to be included in the supplemental appropriation bill, which will come later than this bill. Can the chairman enlighten me?

Mr. McCLELLAN. Mr. President, if the distinguished Senator from New York was addressing his remarks to me, I must say that I have no information on the subject. No request was made by the Bureau of the Budget. The administration has made no request either. The item is entirely new to our agenda. I therefore am not in a position to speak on it. The committee has not heard any testimony on it. We have no information on it at this time except what the Senator has said.

I understand, of course, that it is an item which in all probability will come up in a supplemental appropriation bill, with Bureau of the Budget's endorsement for some amount. How soon that supplemental bill will come to us, I have no way of knowing, and I have no more information on it than has the Senator from New York.

I think he will agree that, with no request from the executive branch, and no hearings having been held on it, it would not be wise for us to make an appropriation; further, that the proper thing to do would be to be patient and to let the agencies of Government having responsibility in this field perform their functions and come to Congress with their recommendations, supported by some evidence that would sustain and justify the request.

That would be my viewpoint. I hope the Senator will not press his amendment. I am confident that Congress will make an appropriation when the time comes, and that at that time Congress will be liberal in making the appropriation.

I cannot accept the amendment, and I do not believe the Senate can very well accept it, without somewhat abandoning proper procedures and practices.

That is my conclusion. I hope the Senator will withdraw his amendment.

Mr. JAVITS. Mr. President, before I respond to the Senator's question, which is most helpful and gracious, I should like to ask whether any request was made in connection with the 1964 appropriations on this item.

Mr. McCLELLAN. 1964?

Mr. JAVITS. Yes; either in connection with the regular appropriation bill or the supplemental appropriation bill.

Mr. McCLELLAN. The clerk tells me that no request was made.

Mr. JAVITS. No request has been made?

Mr. McCLELLAN. That is correct.

Mr. JAVITS. Our information was that a request had been made in 1964 for this item to be included in the 1965 supplemental appropriation bill. The Senator's information, of course, is much more authoritative.

Mr. McCLELLAN. I had no warning of this item coming up. The clerk tells me that he finds no request in the table of the report. It was not included in the appropriations for the Commerce Department for last year.

Mr. JAVITS. Mr. President, under those circumstances I agree with the Senator from Arkansas, and I shall withdraw the amendment in a moment.

However, I wish to state now on the floor of the Senate that it does seem to me, after the long and hard struggle which we had on the Civil Rights Act of 1964, and in the light of the fact that we just recently passed the Voting Rights Act of 1965—all of them deeply concerned with the authoritative figures on registration and voting—for the administration to have waited all this time and not to have included an estimate for this item in the regular appropriation bill, and now to be looking to a supplemental bill, is most deplorable and regrettable.

I hope very much that my raising this question on the floor of the Senate at this time will have some effect in moving the administration toward more active steps to implement section 801 of the law.

I am making no accusations or charges, because I have no evidence upon which to base them. I have only the record that this statute has been on the books since July 1964, and from what we can see there was no request for its inclusion in the supplemental bill for 1965, and no request for inclusion of it in the regular appropriation bill. All we know is that it will come in the supplemental appropriation bill later this year, before Congress adjourns.

The administration owes us an explanation as to why this delay has occurred and why the matter was not pressed forward, and why we do not have the right to ask for implementation with some vigor and some strength, after we fight so hard to put these bills through.

I hope the public will know that statutes on the books are only as meaningful as the money and personnel to enforce them.

The chairman of the committee has made it very clear that he has no responsibility in the matter. No request has been made. I therefore intend to withdraw the amendment.

Mr. President, I rose to call this subject to the attention of the administration. It is inconceivable that it has been overlooked. I hope it will not be overlooked any more and that it will have prompt and early attention.

To enact statutes and to claim credit for passing them is one thing, but it is another thing not to provide the money to implement the statutes.

All that the administration had to do was to ask for the money, and it would have received it. It is inconceivable to me that it was not done. We are entitled to an explanation. I hope we shall have it. I hope we will have action.

For the reasons stated, I now withdraw the amendment.

Mr. McCLELLAN. Mr. President, I appreciate the Senator's consideration in this matter, because we are not prepared to accept the amendment, or even prepared to oppose the general objective of making adequate appropriations to carry out the functions of the Government.

Mr. JAVITS. I thank the chairman. As always, he has exhibited a fine spirit in connection with this matter.

I send another amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 50, line 24, it is proposed to strike out "$5,000,000" and to insert in lieu thereof "$8,000,000."

MEXICAN MONUMENT

Mr. KUCHEL. Mr. President, the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act for 1966, which is now before us contains an appropriation in the amount of $100,000 for the expenses necessary to provide for a statue of Abraham Lincoln to be presented to the people of Mexico in commemoration of the independence of that country, as authorized in Public Law 88-399, which was approved on August 4, 1964. The legislation which I authored and in which I was joined by colleagues on both sides of the aisle in this Chamber and in the other body provides for a total authorization of $150,000.

The House of Representatives allowed $100,000 for this work. I wrote the Senator from Arkansas [Mr. McCLELLAN] on June 8, 1965, asking for restoration of the $50,000 cut made by the House compared with the request in the President's budget for fiscal year 1966. I ask consent that a copy of that letter be included at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 8, 1965.

Hon. JOHN L. McCLELLAN,
Chairman, Subcommittee on Departments of State, Justice, Commerce, the Judiciary and Related Agencies, Senate Appropriations Committee, Senate Office Building, Washington, D.C.

DEAR CHAIRMAN McCLELLAN: The 88th Congress approved, as you undoubtedly recall, a bill which I had urged for a number of years authorizing presentation to the Republic of Mexico of a statue of Abraham Lincoln. This act was intended to express emphatically the regard and good will of our people for their "good neighbors" below the Rio Grande.

The President's Budget for fiscal year 1966 contemplated an appropriation of $150,000 to implement that act. I regret that the House did not see fit to approve the full amount, which I am informed the Department of State believes is thoroughly justified and necessary. I urgently trust that your subcommittee will give full consideration to the advisability of providing this sum, which the executive branch considers essential for a meaningful expression of this Nation's respect.

The original intention behind this legislation was to cement relations between our two countries on the occasion of the 100th anniversary of Mexico's achieving independence. Unfortunately, that time has passed. We should not delay further, however, an action which would constitute tangible evidence of the appreciation of the United States for the strong support Mexico has given us on many occasions and in a variety of ways.

The significance of the gesture will depend to a large extent upon adequate funds to achieve the purpose which Congress signified it felt worthwhile.

Sincerely,

THOMAS H. KUCHEL,
U.S. Senator.

Mr. KUCHEL. Mr. President, I am informed by the Commission of Fine Arts that $100,000 is sufficient at this time in order for an original sculpture of Abraham Lincoln to be secured and to pay for the sculptor's commission, the materials, and the casting. More funds will be needed at a later date, however, to cover the other items specified in section 2 of Public Law 88-399 which includes "the design and construction of a suitable pedestal therefor, transportation, including insurance, erection of the statue in Mexico, and traveling expenses of persons delegated by the Secretary of State to present such statue, on behalf of the people of the United States, to the people of Mexico."

Thus, Mr. President, I have not pressed for the additional funds at this time since the actual artistic work could be undertaken and completed with the amount appropriated by the House of Representatives and agreed to by the Senate Committee on Appropriations.

Recently, Senator DIRKSEN and I wrote to Secretary of State Dean Rusk urging the Department of State to reconsider its original decision to authorize the procurement of a replica of an existing Lincoln statue rather than to undertake the commissioning of an original work by a living sculptor. I am gratified, as is my colleague from Illinois [Mr. DIRKSEN] that the Department of State has informed the Commission of Fine Arts "that since a reasonable likeness to Lincoln can be easily assured and timing appears to be no longer a determining factor, the Department has no objection to the Commission's reconsidering its recommendation in favor of a replica." There is no difference in cost involved, merely a difference in time. In an era when both Congress and the executive branch are giving increasing attention to furthering the arts in our land, it is only proper that an original sculpture be obtained.

Mr. President, I ask consent that the exchange of correspondence between Senator DIRKSEN and myself and the Department of State on this question be included at this point in my remarks.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

JULY 30, 1965.

Hon. DEAN RUSK,
Secretary, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: We write you to urge you to have the appropriate official of the Department of State request the Commission of Fine Arts to reconsider the decision which has been made regarding the selection of a replica in lieu of an original statue of Abraham Lincoln for presentation to the Republic of Mexico.

As you will recall, Public Law 88–399, approved by the President on August 4, 1964, authorized and requested the Secretary of State "to procure a statue of Lincoln to commemorate appropriately the independence of Mexico, and present the same, on behalf of the people of the United States, to the people of Mexico." This act also provided that "such monument shall be prepared only after the design, plans, and specifications therefor have been submitted to and approved by the Commission of Fine Arts."

On January 21, 1965, the Department of State notified us that "the Commission of Fine Arts has completed its study of the suitability of selecting a replica of an existing statue as distinguished from commissioning an original work. The Commission has recommended donation of a replica of the standing figure of 'Lincoln the Man' by Saint Gaudens." Your Department added: "The original is in Lincoln Park, Chicago, and is so obviously a superior sculpture that a replica of it would be appropriate as an official gift."

We disagree. A replica of this statue has already been presented to the people of Britain in 1920. The molds for it were destroyed by a fire in 1942. But, even more important, we believed that when the U.S. Government has an opportuntiy to further artistic endeavor it should not limit its activities to replicas of past works, but rather encourage contemporary sculptors to undertake such a work. Accordingly, we began investigating the reason for this decision.

We understood that one factor in making this decision was the language on page 4 of House Report No. 1532 (88th Cong., 2d sess.) on S. 944 which stated:

"In approving the bill, the committee expects the Commission on Fine Arts to give most careful consideration to the advisability of procuring a replica of an existing statue of Lincoln, instead of an original statue. Aside from cost factors, it was felt to be of prime importance to insure a recognizable likeness."

Our understanding is that both the Department of State and the Commission of Fine Arts favored an original work but were deterred by the language in the House report. We have discussed this matter with several members of the House Committee on Foreign Affairs, including its distinguished chairman, the Honorable THOMAS E. MORGAN. In a letter of May 21, 1965, the chairman stated that the reason the committee wrote in the language we cited above is that its "only concern was to try and insure that a reasonable likeness of Lincoln be obtained."

We would certainly agree with the chairman that the statue be a "reasonable likeness." We would not want it to be an unrecognizable lump of granite which would not convey the likeness, spirit, and humanity of the Great Emancipator. However, we feel confident that with appropriate review by the Commission of Fine Arts an appropriate original could be procured.

Another factor which seems to have entered into the decision to procure a replica, rather than an original, was that of time. Originally, the Commission of Fine Arts thought that work on the replica could be produced by December for presentation to Mexico. In a letter of July 19, 1965, C. H. Atherton, Secretary of the Commission of Fine Arts, notes that "the matter of time; that is, dedicating the statue by the end of 1965, is now apparently moot, since July 1 has come and gone, and still no action has been completed on making funds available. Therefore, at most, only a symbolic presentation could be made this year. This seems to weaken the argument for recommending a replica."

We agree that time is not a factor. What is important is that the friendship which exists between the people of the United States and the people of the Republic of Mexico be commemorated by the persentation of an appropriate work of original sculpture. We coauthored this legislation originally on January 14, 1960, to commemorate the 150th anniversary of the independence of Mexico. As time passed, the purpose was changed from the recognition of a specific anniversary to a commemoration of the independence of our neighbor to the south by the people of the United States. Thus, time is not a problem.

Neither is there a question of cost since we understand from authorities in the field that there is little difference between the cost of reproducing a replica and creating an original. We recall that the Senate committee in approving S. 944 noted that the statute is "most appropriate because the memory of Lincoln is cherished by the Mexican people for his sympathetic concern for them during the period that Mexico was struggling to regain its independence from European domination." We hope that the memory of Lincoln—in an era when the Federal Government and the Congress are taking an increased interest in furthering the freedom of, and support for, artistic and humanistic expression—will be cherished by an original work.

We are told by the Secretary of the Commission of Fine Arts that they have "long been in favor of an original work of art, and I am sure the members would be willing to reconsider the matter if requested to do so by the Department of State." We respectfully request that the Department of State ask for such reconsideration in view of the reasons and facts which we have cited.

With kindest regards,

Sincerely yours,

THOMAS H. KUCHEL.
EVERETT MCKINLEY DIRKSEN.

DEPARTMENT OF STATE,
Washington, August 6, 1965.

Hon. THOMAS H. KUCHEL,
U.S. Senate.

DEAR SENATOR KUCHEL: Thank you for the letter of July 30, 1965, in which you and Senator DIRKSEN urge reconsideration of the decision to present a replica of a statute of Lincoln to the people of Mexico under the authorization of Public Law 88–399.

I am pleased to inform you that the Department concurs with your views that presentation of a replica this year is rapidly becoming impractical. We appreciate the thoroughness with which you have looked into the matter, and the clarification you have obtained of the reasons for the position taken by the House Committee on Foreign Affairs. While we are not sanguine that an original could be accomplished for the cost of a replica, we hope that, if a disparity should develop, it will not be large.

The Department has informed the Commission of Fine Arts that, since a reasonable likeness to Lincoln can be easily assured and timing appears to be no longer a determining factor, the Department has no objection to the Commission's reconsidering its recommendation in favor of a replica.

I am glad that the matter may be resolved to your satisfaction, and will keep you informed of any action the Commission of Fine Arts may take.

Sincerely yours,

DOUGLAS MACARTHUR, II,
Assistant Secretary for Congressional Relations
(For the Secretary of State).

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I intend to suggest the absence of a quorum——

Mr. LAUSCHE. Mr. President, will the Senator withhold his request?

Mr. JAVITS. Mr. President, I withhold the request, if the Senator from Ohio wishes to speak.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may briefly discuss a subject which is not germane to the issue that is pending before the Senate.

Mr. JAVITS. Mr. President, reserving the right to object—and I shall not object—how long will the Senator speak?

Mr. LAUSCHE. Five or ten minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEVALUATION OF THE YUGOSLAVIA DINAR

Mr. LAUSCHE. Mr. President, on July 26 the word was announced to the world that Yugoslavia had devalued its dinar. It was then stated generally that as of July 26 the Yugoslavia dinar, which had been pegged at 750 to the dollar in 1961, had been devalued to 1,250 to the dollar.

I rise to discuss this subject because of its significance to the people of the United States. The word has been frequent that, under the Communist government of Yugoslavia, great advancement had been made economically, industrially, agriculturally, socially, and otherwise. However, suddenly, out of the clear sky, came the announcement of the devaluation.

In addition to this devaluation of 60 percent, the Yugoslavian Government announced that all prices of goods that are sold would be increased by 24 percent.

Thus there have been two important changes in the economic operation of that Government.

When I read about that devaluation, I wrote a letter to the Secretary of the Treasury in an endeavor to learn from him what the indebtedness of Yugoslavia to the United States was.

On August 10 I received a reply from the Secretary of the Treasury. In that letter, among other things, he said:

> I am enclosing a table which summarizes the Yugoslav debt to the U.S. Government. You will note that the obligations which are payable in dollars amount to $187,600,000, and that the amount payable in Yugoslav currency is equivalent to $388.5 million at the new rate of exchange.

The total indebtedness of the Yugoslavia Government to the United States, either in hard dollars or in dinars, is $576 million. To translate that into dinars under the new devaluation would mean $576 million times 1,250 dinars per dollar. It runs into approximately 720 billion dinars.

We come to a more significant aspect of the problem. Continuing to read from the letter:

> Most of our agreements with Yugoslavia covering loans repayable in dinars contain what we call a maintenance-of-value clause.

Most of the loans containing agreements require a maintenance-of-value clause, that is, as the value of the dinar is decreased, automatically the number of dinars owed to our Government is increased, which means that the obligation, in terms of dinars, is increased in the event of a devaluation of the dinar, so that there is no change in the dollar value of the debt.

Thus the recent devaluation had no effect on the dollar value of this portion of Yugoslavia's debt to the United States.

I shall later come to a discussion of what part of the $576 million is covered by what are now known as the maintenance of value clauses. But the Secretary of the Treasury states there are some loans which do not have a maintenance-of-value clause. The Yugoslavia obligation, under these loans, totals approximately 39 billion dinars. The recent devaluation reduced the dollar value of these holdings from approximately $52 million down to $31,200,000.

Thus, by a stroke of the pen of Tito, who is supported by his Parliament, there was taken from the indebtedness of the Yugoslavia Government to the United States, particularly, the sum of $20,800,000.

We come now to another aspect of the debt. As of June 30, 1965, the United States held approximately 48.8 billion dinars which were available to the U.S. Government. In addition, there were approximately 183 billion dinars which, under the terms of Public Law 480 agreement, which generated these funds, were to be used for loans to Yugoslavia. The dollar value of these holdings was reduced by the recent devaluation. The dollar equivalent of the dinars held for U.S. Government uses dropped from approximately $65 to $39 million.

Mr. President, under Public Law 480 we hold $183.2 million worth of dinars. Those dinars are in Yugoslavia. We do not take the dinars out. We have agreed that in exchange for the surplus food which we have sent to the Yugoslavian Government, we would take their soft currency in the form of dinars, and that we would use those dinars in making loans to Yugoslavia for the building of waterworks, hospitals, sewage disposal plants, highways, and other public facilities.

The value of $183.2 million in dinars has been reduced by 60 percent. It might be argued that that means nothing because we could not take the dinars out of Yugoslavia. But I point out that when the Yugoslav Government increased the cost of living by 24 percent, it reduced by 24 percent the buying power of the dinars which we hold.

In Yugoslavia, as I have already stated, Tito, with the support of his Parliament has in effect said, "We will devalue the dinar by 60 percent and increase by 24 percent the selling price of goods. We care not what impact it has upon our obligation to the U.S. Government or to any other government."

It is especially important that the people of our country know exactly what is happening in Yugoslavia.

The Yugoslav Government is Communist. It adheres to the general theory of the Communists—Marx, Lenin, and Engels. They contemplate an advancement of what is supposed to be their Communist government and the destruction of the free governments of the West, regardless of the ways and means that are necessary to achieve that objective.

From my standpoint, I will not accept with complacence the devaluation of the dinar by the Communist Government of Yugoslavia. I will not give my implied approval to this action, which in effect is a theft of money belonging to citizens of the United States.

Mr. President, I ask unanimous consent that the letter of the Secretary of the Treasury, together with his tabulation of the status of the indebtedness of Yugoslavia to the U.S. Government, be printed in the RECORD.

There being no objection, the letter and the tabulation were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, August 10, 1965.

Hon. FRANK J. LAUSCHE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LAUSCHE: I greatly appreciate your interest in the effect of the currency devaluation recently announced by the Government of Yugoslavia on the value of U.S. holdings of Yugoslav dinars. I am enclosing a table which summarizes the Yugoslav debt to the U.S. Government. You will note that the obligations which are payable in dollars amount to $187.6 million and that the amount payable in Yugoslav currency is equivalent to $388.5 million at the new rate of exchange.

Most of our agreements with Yugoslavia covering loans repayable in dinars contain what we call a maintenance-of-value clause. This means that the obligation in terms of dinars is increased in the event of a devaluation of the dinar so that there is no change in the dollar value of the debt. Thus the recent devaluation had no effect on the dollar value of this portion of Yugoslavia's debt to the United States.

There are, however, some loans which do not have a maintenance of value clause. The Yugoslav obligation under these loans totals approximately 39 billion dinars, and the recent devaluation reduced the dollar value of these holdings from approximately $52 million to $31.2 million, a reduction of $20.8 million.

As of June 30, 1965, the United States held approximately 48.8 billion dinars which were available for U.S. Government uses. In addition, there were approximately 183.2 billion dinars which, under the terms of the Public Law 480 agreements which generated these funds, were to be used for loans to Yugoslavia. The dollar value of these holdings was, of course, reduced by the recent devaluation. The dollar equivalent of the dinars held for U.S. Government uses dropped from approximately $65 million to $39 million.

Sincerely yours,

HENRY H. FOWLER.

Yugoslav debt to U.S. Government

[In millions of dollars or dollar equivalent]

	Amount outstanding	Date
A. In U.S. dollars:		
1. Export-Import Bank loan to Government of Yugoslavia (1950)	14.3	May 31, 1965
2. Export-Import Bank loan to Government of Yugoslavia (1961)	46.3	Do.
Subtotal	60.6	
3. Public Law 480 (title IV agreements)	127.0	Do.
Total	187.6	
B. In Yugoslav dinars (with maintenance of value):		
1. Loans to Government of Yugoslavia made with dinars generated under Public Law 480 agreements	195.0	Mar. 31, 1965
2. Development Loan Fund	99.0	Do.
3. Other loans to Government of Yugoslavia by AID and/or predecessor agencies	63.3	Do.
Total	357.3	
C. In Yugoslavia dinars (without maintenance of value):		
1. Loans to Government of Yugoslavia made with dinars generated under Public Law 480 agreements	[1] 31.2	Do.
D. Total	576.1	

[1] Converted at new 1,250 rate ($52,000,000 equivalent at previous rate).

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MANSFIELD. Will the Senator withhold that request?

Mr. JAVITS. Mr. President, I withhold my request.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. Mr. President, is the Senate working under any time limitation?

Mr. MANSFIELD. No. The Senate is considering the appropriation bill for the Departments of State, Justice, and Commerce, and the Judiciary, and related agencies.

REPEAL OF SECTION 14(b) OF TAFT-HARTLEY ACT

Mr. MORSE. Mr. President, I have two matters to discuss briefly.

As the Senate knows—and I am glad my friend the Senator from New York [Mr. JAVITS] is in the Chamber—the Committee on Labor and Public Welfare and the Subcommittee on Labor, under the very able leadership of the Senator from Michigan [Mr. MCNAMARA], have for some time been marking up the so-called section 14(b) repealer bill.

Every Senator knows that strong representations have been made by certain religious groups in this country that they should be exempt from the law in case section 14(b) is repealed, as I sincerely hope it will be.

Of course, there are only 19 States in which section 14(b) is being used at the present time, therefore, it should be noted that religious groups in the other States are living under whatever restrictions upon their conscience they are subjected to as a result of the existence of the right to enter into union shop contracts that will prevail in the other 19 States in case section 14(b) is repealed.

Not only have I given much consideration to the testimony before our committee, of which I am a member, but I have spent hours with witnesses in the last 90 days, examining them in conference and listening to their point of view. I believe I have read every Supreme Court decision on the subject. I certainly have read every Supreme Court decision that has been cited to me dealing with the matter of conscience, including the cases that involve conscientious objectors in connection with military exemption.

I shall not go into detail on that point at this time, but I shall discuss it at some length when the bill comes to the Senate.

My research leads me to the conclusion that the cases involving military exemptions for conscientious objectors are completely irrelevant to the issue of the repeal of section 14(b).

Nevertheless, there are those who argue, by way of analogy, as though such exemptions are relevant. I do not question their sincere belief and feeling that such cases are relevant.

As a matter of public policy, consideration should be given to the labor law in respect to the feelings of conscience that members of some religious faiths and sects in this country hold in connection with a requirement that may affect their employment if a union shop contract is consummated.

As I have said to those religious groups in writing and as I have said to them in committee hearings, I wish to say now on the floor of the Senate: As religionists, they live in a temporal society, so far as civil law is concerned. The people of the country have the right to ask them to accommodate themselves to the law once it is decided that a given law should go on the statute books to promote public policies and public interests.

We should also recognize that when it is possible to respect feelings of conscience and not do an injustice to the administration of the law, we should seek to accommodate ourselves to the feelings of religious conscience.

That is the attitude which I have taken on the subject. I am perfectly willing to abide by the consensus, whatever it may be.

Mr. President, I came to the conclusion that certain religious groups were entitled to fair consideration for their very sincere and dedicated feelings of conscience—groups such as the Plymouth Brethren No. 14, the Seventh-day Adventists, the Amish, and other groups which have made their protestations in respect to the repeal of section 14(b). Some consideration should be given to their so-called objections based upon a matter of religious conscience.

After many conferences, including conferences with labor leaders of my State and labor leaders on a national level—who, we all know, would have originally preferred no amendment at all—I worked out an amendment that my conscience told me I should offer.

I submitted the amendment formally earlier today. The Senator from Michigan is present in the Chamber. He has not heard my previous reference to him, in which I have already expressed my appreciation for his leadership as chairman of the subcommittee.

In my judgment, if we had not had the leadership of the Senator from Michigan, the chairman of the subcommittee, I would not be standing on the floor at this moment to announce what took place in the subcommittee.

This morning the subcommittee, with a unanimous vote, adopted my compromise amendment. Of course, each member of the committee reserves the right to reoffer next week, when the full committee meets, amendments which were offered this morning in committee and defeated.

I do think it is important at this time that we make a brief record of what the amendment is. All of the telephone calls which I have received since the committee adjourned cause me to believe that there is not very much accurate information abroad as to what my amendment is.

Mr. BASS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The Senator from Tennessee is recognized.

Mr. BASS. Mr. President, would the amendment of the Senator from Oregon mean that one whose conscience tells him that he does not want to belong to a labor union, does not have to join a union, pay the dues, and have an equal responsibilty with the other employees of an industry?

Mr. MORSE. Decidedly not.

Mr. BASS. I should like the Senator to explain the ABC's of his proposed exemption procedure.

Mr. MORSE. I shall explain it in terms of the "(c)." The letter of my amendment is subheaded "(c)."

Mr. BASS. The Senator goes through the alphabet in a hurry.

Mr. MORSE. I shall read the amendment which would be a new subsection (c) to section 8 of the Taft-Hartley Act.

It covers what the rights and privileges of the so-called religious conscientious objector would be. It adds after section 8(a)(3)(B) of the Taft-Hartley Act the following:

> Or (c) if he has reasonable grounds for believing (i) that such employee has been issued a certificate by the National Labor Relations Board either that he is a member of a religious sect or division thereof, the established and traditional tenets or teachings of which oppose a requirement that a member of such sect or division join or financially support any labor organization, or that, even though he is not a member of such a religious sect or division thereof, he holds conscientious objections to membership in any labor organization based upon his religious training and beliefs in relation to a Supreme Being involving duties superior to those arising from any human relation, and (ii) either that such employee has timely paid, in lieu of periodic dues and initiation fees, sums equal to such dues and initiation fees to a non-religious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, designated by the labor organization, or that the labor organization has refused upon request to designate such a fund, or (iii) that such employee has complied with alternative arrangements mutually agreed upon by such employee and such labor organization.

Let me explain the legal language of the amendment. If an objector sought employment in a union shop and based his objection upon religious conscientious grounds, the National Labor Relations Board would be directed under my amendment to determine whether or not the individual was a good-faith, religious objector, or attempting to use this provision of the law as a subterfuge to escape joining a union under the union shop agreement.

Mr. BASS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BASS. Who would have the final determination as to whether the man's conscience were real, whether he had an abiding objection? Who would make the final determination?

Mr. MORSE. The examiner or an appointee or agent of the National Labor Relations Board.

As the Senator knows, the Supreme Court in its decisions in this field of law has held over and over again that it is perfectly proper to give finality to this finding of fact. While we are on the point, this part of my amendment does not make the National Labor Relations Board happy. The Board would like to have some other agency of the Government determine this question. In fact, I have been called by the Board chairman and by their solicitor. They have urged that we select some other agency of the Government to make the finding. My reply was:

> Under the law, the matter of labor relations has been placed by Congress under the Taft-Hartley and Landrum-Griffin Acts, within your jurisdiction. If you need more funds, it is up to you to make an appeal for the funds. However, please note that under the language of my amendment it would fall within the prerogative of the National Labor Relations Board to work out the administrative procedures for the delegating of this finding of fact to individuals selected by them as their agents in the premises.

Under voluntary agreements in many communities, priests, clergymen, judges, or highly respected citizens, pursuant to an agreement between the parties, are selected to determine the solution to the problem under a voluntary arrangement. This practice has been followed for a long time. However, what we would provide now would be that the National Labor Relations Board would have the duty of certifying whatever procedures were worked out. The certification would be up to them. We know that it will have to be subsequently found that they are fair, reasonable, and proper procedures, but the first point I wish to make is that the responsibility for certification is first in the hands of the National Labor Relations Board.

The cases make it perfectly clear that that is a legitimate delegation of authority under the law, and that that finding of fact takes on the characteristics of finality. Therefore, once a certificate is issued, the remainder of the amendment proceeds to operate automatically.

Mr. BASS. That reminds me of a story that I used to hear in my youth. My father was a preacher. A fine old man was a member of my father's church. My father would ask him occasionally, "How is your conduct?" The old man would say, "According to my conscience, according to my own standards, my conduct is good."

Who would determine whether a person's conscience were real? We would be dealing with a human element. We would be dealing with human impression.

I have always felt that anyone could talk to the great Creator, but the great Creator is the only one who can read a person's conscience.

There is one question I wish to ask specifically. The Senator has said that this money can be contributed, during a certain period of time, to a tax-free organization, which would be comparable to or in lieu of paying dues to a union. Are union dues exempt from taxation? Are they deductible from tax accounts?

Mr. MORSE. Let me come to that point in a moment, but first let me reply that the procedure I would apply with respect to who is a conscientious objector is exactly the procedure used in making a determination under the draft laws as to whether a particular individual is truly a conscientious objector based on religious faith.

To understand my amendment, I suggest to the Senator from Tennessee that of the many cases that he might read, I would recommend the U.S. Supreme Court decision in the Seeger case. In fact, the Seeger case happens to be three cases in one. The cases involve three instances of controversy over the application of the conscientious objector section of the draft law.

The first point I wish to make is that there is no question that under my language we would follow the procedures that already exist in a long line of cases in connection with conscientious objector procedures under the draft law.

With respect to the second part of the Senator's comment, if he will bear with me, I think it will be answered when I explain the implications of my language. It would be better for the Record if the Senator would let me go through it point by point and then state his question at the time I reach that point.

Mr. BASS. I would like to make one further comment. Some constituents came to my office with respect to the very question of conscience that the Senator from Oregon is talking about. We went over the entire spectrum of government, government relationships, and responsibilities of citizenship that are involved. They were talking about how their consciences would prevent them from taking part in government. I asked, "What about voting?" They said, "Oh, we don't vote; it is against our religion to vote." So those are the people we are talking about. I said, "Do you mean to tell me you teach people who attend your religious services that it is wrong to vote?" They said, "Yes." I asked, "How do you justify the fact that you are sitting here in my senatorial office in Washington, D.C., lobbying me?"

They said, "Oh, we believe that God chose you, and that God will choose those who will be our Senators." I said, "But you do not trust Him to influence me."

This is the kind of problem we are dealing with. I believe in conscience. I was brought up in a religious home. I went to a religious college. But this involves the idea of saying that one can kneel down in a certain church, and he will be exempt from paying dues. By doing so we in the Senate will be regimenting certain people in the United States in dealing with labor-management relationships, and exempting others if they belong to a certain organization. Are we going to include the John Birch Society and make it exempt?

Mr. MORSE. It is not covered by my amendment.

Mr. BASS. Or whatever it might be. We are being asked to say that certain workers need not enter into a contract with their fellow employees who will receive certain wages and working conditions; that if we can read their minds, we can say, "You are exempt. Because of your conscience, you are exempt, but everybody else is in." My conscience tells me that we will be in a difficult situation if we try to determine what another man's conscience is, when our own consciences say it is all right for this law to apply only to some people.

We do not apply exemptions to taxes. I know some people who conscientiously object to paying taxes because they are used for defense purposes, and it is against their conscience to kill people, as we are killing people in Vietnam. The Senator from Oregon has spoken on that subject once or twice.

Mr. MORSE. More than that.

Mr. BASS. It is rumored that the Senator from Oregon has some interest in that subject.

What are we going to do about the people being regimented in that way? The Senator from Oregon had better search his own conscience and be sure, when he is urging this amendment, that he is not putting an umbrella over a certain group of people because they do not want to "pay the tariff," and for whom the Senator is finding a home in which they can exist outside of the normal area of regimentation and supervision.

I come from a State which has a right-to-work law. Tennessee has a right-to-work law. The Senator from Oregon is going to say to the junior Senator from Tennessee, "When we bring in all your other people down there, there are small groups in your State who really do not want this and do not want to pay dues." They are going to say, "We do not mind your bringing in the others, but do not bring us in, because we do not like labor unions."

I know some people who are yielding to that pressure. My conscience is just as strong as any other individual's and, according to my own standards, to say the least—and that is the only way a conscience can be judged—I do not see how we could conscientiously enact a law to require the higher percentage of American working men and women to join a union and pay their dues, or say that all they have to do is kneel down in a church or belong to a certain sect and say, "O, Lord," and they will not have to come under the provisions of this law.

The Senator has said he has searched his conscience. I believe he has. I believe he has done much soul-searching. But I am worried about this amendment. I am worried about other amendments. But we are told that there will be no amendments when the bill comes on the floor. My friend the Senator from Michigan, who will handle the bill, will say, "We do not want any amendments to the bill." The bill passed through the House on a germaneness rule, where every single amendment was out of order. That was done under the rules of the House. There is nothing wrong in that. I served over there. But they said, "No amendments."

When the bill comes to the floor of the Senate the Senator from Michigan will say, "We do not want any amendments." If we are to start amending the bill and say we are going to have amendments because they deal with religious principles and conscientious objectors, let us decide what kind of bill we will have. Otherwise I say to the members of the committee that, if they do not want any amendments, let us not bring the bill out of the subcommittee with any amendments. I am willing to vote to repeal section 14(b) of the Taft-Hartley Act.

I shall vote to repeal it, although I come from a so-called right-to-work State. I do not know that I am going to vote to repeal it if we are going to bring it in to test my conscience as to whether I am going to say to only a certain group of my people in Tennessee that they must pay dues to the union.

What am I going to say to a man who has been on strike, who has been beaten over the head, who has been involved in a strike because he did not wish to join a union, who is a conscientious objector, and yet when the strike was settled they voted by majority rule to have a union represent that plant, regardless of what this man's personal objection was, although he might belong to a particular religious sect? Will I say, "Yes; this man has been beaten over the head, and he has been arrested, but he has to pay dues now to support the union"?

Are we going to eliminate that man? No; we are not going to eliminate him. The reason is that he is not going to come in and cry that he has been talking to the Lord about his religious convictions. He has only a real personal reason why he does not wish to belong to a union.

Let me say to the Senator from Oregon that he will be stepping on some very sensitive toes when he starts deciding whose conscience is right and whose conscience is wrong. I hope that before the amendment is finally repealed—and the chairman of the main committee is now in the Chamber—and before the committee reports the bill it will decide whose conscience shall be judged, and whose conscience is right.

Let us report a bill correctly. Let us not have these little sweeteners on it.

Mr. MORSE. Let me say to my friend from Tennessee that I thank him from the bottom of my heart for so eloquently expressing a point of view which has been expressed in our debates in the committee representing another point of view in regard to the amendment.

I judge from the Senator's statement that he will be among those who will vote for an amendment, if an amendment is offered to strike the Morse amendment from the bill, if it remains in the bill when it comes from the full committee, as I am sure it will.

Let me say further to the Senator from Tennessee that he can call this "Morse's Conscience Amendment," if he wishes to do so, because I have struggled with this problem and I have come forward with a conclusion which I believe to be fair to all concerned.

The Senator from Tennessee will find that the rank and file of labor in the unions involved will accept the fairness of the amendment because the policies of the amendment are carried out now in hundreds of arrangements entered into between local unions and the so-called religious groups in their communities.

The information presented to us is that in a good many areas they select a priest, a Protestant clergyman, or someone working in the field of labor relations, or teaching in the field of labor relations in a nearby college, or a local judge, or some citizen in whom they have high trust and regard, to make the determination as to whether we are dealing with good faith conscientious objectors. Therefore, there is nothing new about it. The question of political action is whether there should be worked out in the 14(b) repealer a procedure which will make it possible for a determination to be made as to whether exemption should be given to certain individuals, provided there is a safeguard against the so-called "free rider" argument.

I am well aware that if we are to have a union shop agreement which is carried out in the exercise of our freedom—namely, the freedom of contract inherent to employer and to union—it is not fair to have the union pay for the whole load and cost of negotiating a collective bargaining agreement and then have a nonmember of the union come in and get the benefits of that agreement.

Mr. BASS. All right now——

Mr. MORSE. That is why the so-called contributions to charity are provided for in the bill, because the unions themselves—and we cannot name one union that does not contribute to charity—generally contribute to charitable causes, and to that extent the contributions for charitable causes are consistent with the social services of a union.

In this instance, these people are making contributions to a charity which falls within section 3(a) of the Internal Revenue Act.

Mr. BASS. Let me interrupt the Senator——

Mr. MORSE. I am glad to yield.

Mr. BASS. Almost every American has a regular practice of contributing to charitable organizations over the years. What about the person who says, "All right; now I am making my contributions through my union dues. I made a contribution of $60 last year to various charitable organizations, and this year they are taking that $60 out of my salary for union dues. Therefore, that money is going to charity and I do not have to make any more contributions?"

What I am saying to the Senator is that on the surface this is merely an exemption.

Mr. MORSE. Let me say to the Senator that I am not going to jump to the conclusions that he is jumping to.

Mr. BASS. The man can say that he is willing to contribute to charity——

Mr. MORSE. I take judicial notice of the fact that if these men of religion, men of conscience, men of deep religious dedication, have this substitute provided for them, so far as direct payment of union dues and initiation fees are given this exemption, they are not going to be guilty of a subterfuge and not make what otherwise would be a charitable contribution.

Furthermore, I take judicial notice of the fact that the amount they will contribute under this program, in most cases, will be far in excess of what they would contribute to charity without this exemption.

Mr. BASS. Let me ask the Senator from Oregon this question: What are we going to do about the 31 States which now have not been exempted under the act? Do they come under the exemption?

Mr. MORSE. This amendment would apply to every State, including the 31 where there is no right-to-work law, and where many voluntary agreements are already in existence.

Mr. BASS. I know. My friends in organized labor tell me, "Senator, the reason we wish to do that is that we believe everyone should pay a tariff and"——

Mr. MORSE. Let me disabuse the Senator's mind, if he believes that the amendment is not acceptable to the top officials of organized labor——

Mr. BASS. Oh, yes; I am sure it is. Their consciences bothered them but——

Mr. MORSE. We persuaded them.

Mr. BASS. But it never did bother the consciences of the 31 States until it was proposed to repeal section 14(b), which applies to 19 States.

Mr. MORSE. I believe that the Senator is in error regarding the 31 States.

Mr. BASS. The reason is that we never had a conscience bill pass the Senate before.

Mr. MORSE. Let me name some unions in the 31 States. There are the automobile workers——

Mr. BASS. Do they have conscience regulations?

Mr. MORSE. The automobile workers have them at the local level, in local after local. They have a procedure similar to, but not identical with what we have here. There are the building trades, the steelworkers, the teamsters, and we can go on down the line——

Mr. BASS. Why do we not let them continue to do that?

Mr. MORSE. That is the pattern which has existed in the 31 States.

Mr. BASS. If this is all working out so well in States which do not have right-to-work laws, then why do we not leave the situation as it is and let them work it out?

Mr. MORSE. The answer is that that system does not give conscientious objectors the guarantees which they wish.

Mr. BASS. The Senator will find, I am sure, that this would increase the union membership. That is fine. I shall vote for it. The Senator will find it will increase the membership in the right-to-work States when we repeal section 14(b), but the Senator will also find that in the 31 other States they will lose as many members under the conscience clause as they will pick up.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. McNAMARA. I rise for two purposes. The first is to say to the Senator from Oregon that he pays me a great honor, and a most unjustified honor, in talking about my work on the subcommittee. However, I appreciate what he has said. I wish to say to him also that in his labors—and they have been long and hard labors—he has done a fine job in finally coming up with this section, which relates not only to people and their consciences, when their consciences are involved, but also in relation to the other people, who would be affected by it. He has held long and arduous hearings on this subject and on all the areas that are involved. He has done an excellent job. It took someone who understands the constitutionality of the law to do that.

I appreciate very much the Senator's work.

I should like to say to the distinguished Senator from Tennessee, when he tells me how I will conduct myself on the floor, that what he has outlined is not, in my opinion, the proper way to manage a bill on the floor of the Senate. I will do my best, if I have the honor to be the manager of the bill on the floor, to represent the committee and to manage the bill in the form in which it has come from the committee, not in the manner that he has indicated.

Mr. BASS. It is my opinion that, when the bill is reported by the committee, it will be the normal procedure for the committee to say, "This is our bill. We do not want it to be amended. If you wanted any amendments put on it, you should have put them on in the committee."

I say this in a solicitous way, for fear that my friend from Michigan misunderstood me at the outset of my remarks. I did not mean to indicate that he would take any different attitude from the attitude that most Senators take when they are in charge of a bill on the floor. They take the attitude, "That amendment was considered in committee. We do not want any amendments added now."

I know we shall have ample time to discuss this subject when the bill reaches the floor.

I must say, however, that conscience amendments have disturbed me all my life. They disturbed me when I was in the military service. I do not want to kill anyone any more than any other man wants to kill anyone. I never wanted to get into a shooting war. I never wanted to drop bombs on human beings in World War II. That was my duty and my responsibility to my Nation. I responded to the call of my country. With the Norden bombsight I dropped bombs on civilized areas. My conscience is as good as any man's conscience. However, as a man who had the privilege of living in this Nation, I responded to the call of my country to do my duty.

I strongly objected, when I was flying at 25,000 feet, to being shot at, and shot down, and injured.

I searched my conscience, and I searched it with my God. I never found that He told me that He instilled in any man's conscience anything that was different from what He instilled in my conscience. When we talk about conscientious objectors coming under regimentation, whether it be in wartime or peacetime, I hope the Senate, in this connection, will give serious consideration to who the great man will be who will determine what man's responsibility is to his God and to his country.

I wish it clearly understood that, as long as I sit in this legislative body, I have no intention of setting myself up as one who will determine what God has placed in a man's conscience.

I have tried to vote to see to it that all men remain equal under God and in relation to other men.

This kind of amendment disturbs me no end. I hope that before the amendment is brought to the floor under the guise of being a committee amendment, some more consciences will be searched in this area.

Mr. MORSE. Mr. President, I have an apology on my lips for the Senator from Arkansas [Mr. McCLELLAN], for taking so much time. I told him my explanation would not take long. At the same time, I welcome the statement of the Senator from Tennessee. I wish to say to my friend from Arkansas that what I propose to do now, after I make a brief comment on the observation of the Senator from Tennessee, is to yield briefly to the Senator from Utah, and then I shall not yield further until I finish the explanation of my amendment. I owe it to the committee to put this explanation in the RECORD this afternoon, because of the many inquiries that have developed in regard to the action the committee took on it this morning. It will not take long.

Mr. McCLELLAN. Mr. President, I appreciate the Senator's statement, but we have not complained. I know the subject is of great interest to many people. I have not complained.

Mr. MORSE. The Senator has not complained. Nevertheless, I gave my word to the Senator that I would not take a long time.

First, I wish to say to my friend from Tennessee that we understand his point of view. However, there is one point that is controlling with me, to which I believe he has not given sufficient weight. I am offering the amendment with cognizance of what the Supreme Court has held are constitutional rights in respect to conscience in relation to the first amendment, which deals with religious freedom. I feel that we have a duty to respect in legislation the determinations of that long line of U.S. Supreme Court decisions that bear on this constitutional question of conscience.

I point out that I am using in some parts of the amendment the exact language that appears in the Seeger case, which is the latest and the most controlling case in this field.

I now yield to the Senator from Utah.

Mr. BENNETT. The Senator from Utah rises to ask a question in order to clarify his own understanding of the amendment of the Senator from Oregon. Is it the purpose of the amendment to give a conscientious objector the right to select the agency to which his money shall go, or does that right go to the union which represents the employees with whom the employee is associated?

Mr. MORSE. Under the subject heading (1), as I shall explain, the union has the right in the first instance to select the charity, but if the conscientious objector finds himself in dispute with the union over this selection, then item (3) provides that such employee has the right to comply with an alternative arrangement mutually agreed upon by such employee and such labor organization.

The Senator from Michigan and the Senator from New York know that just before the vote in committee this morning, I said that I wished to make the same reservation that others have made of offering any modifications I cared to offer in the full committee next week. I said this discussion has caused me to give serious thought to the possibility of adding to item (3) a procedural provision for breaking a deadlock in case there is a deadlock. Unless a mutual agreement can be reached, the objector is out of a job.

Mr. BENNETT. Or the objector finds that he is being forced to contribute to a charity to which he may object as strenuously as he does to joining the union.

Mr. MORSE. It will be difficult to find one of such charities in view of the qualifications that the Senator will hear as I read my explanation. During the discussion this morning we made an exception to section 3-A of the internal revenue law that is applicable, in that we eliminated religious charities.

Mr. BENNETT. So the money may not be contributed to any religious charity. Is that correct?

Mr. MORSE. The Senator is correct.

Mr. BENNETT. I thank the Senator for his explanation.

Mr. MORSE. I shall read the amendment: "or (C) if he has reasonable grounds for believing (i) that such employee has been issued a certificate by the National Labor Relations Board either that he is a member of a religious sect or division thereof, the established and traditional tenets or teachings of which oppose a requirement that a member of such sect or division join or financially support any labor organization."

There are religious groups that have such tenets of religious faith—"or that, even though he is not a member of such a religious sect or division thereof, he holds conscientious objections to membership in any labor organization based upon his religious training and beliefs in relation to a Supreme Being involving duties superior to those arising from any human relation."

I point out to the Senate that that language is taken from the Seeger case itself, a U.S. Supreme Court decision. I cannot reach any other conclusion from a study of the Seeger case than the conclusion that the amendment would have been defective in that it would not be sufficiently broad in its coverage if we should limit objections only to those religious conscientious objectors who belong to a sector or division of some sect or church, because the Seeger case, in my judgment, makes perfectly clear that the individual does not have to belong to an organized sect in order to enjoy the rights of religious freedom under the first amendment.

So to strengthen my amendment from the standpoint of future court tests, I thought it was wise to take the language of the Court itself. That is why we find the following language in the amendment:

> (ii) That such employee has timely paid, in lieu of periodic dues and initiation fees, sums equal to such dues and initiation fees to a nonreligious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, designated by the labor organization.

When I first submitted the amendment, I referred to section 501 (c) (3) or (4).

The Senator from New York [Mr. JAVITS] called attention to a point he thought I ought to consider in connection with subsection 4 of the Internal Revenue Code in relation to the exemption from taxation of charitable organizations. For example, section 4 included charitable programs that involved welfare funds for employees, and could be interpreted, it was agreed in committee this morning, as encompassing charitable organizations that were directly related to branches of organized labor itself. I quite agree that, in view of what the Senator from New York called to my attention, although they were charitable organizations under the revenue code, section 4 should be stricken from my amendment, and I struck it.

Our discussion this morning brought out that even under section 3 there could be some charitable organizations which are religiously oriented. At this point I wish to express my indebtedness to the other Senator from New York [Mr. KENNEDY], who pointed out that that provision might cause some conflict, although, as I pointed out, there is a safety provision in that language that I thought would keep it at a minimum. But the Senator from New York pointed out that, for example, if the union designated it, one of the religious conscientious objectors could be called upon to donate to a Catholic charity, or if he were of a religious sect that found itself greatly in dispute with Protestant sects, contribute to a Protestant charity.

I happened to think that that will continue in many instances. But, on the other hand, the unions and the employer, in turn, have rights in regard to this subject. Conflict over such a question creates bad labor relations in an employer's plant, and he could very well be the sufferer. There might result precipitate action, which is sometimes caused by too much secretion from the adrenal glands of some workers in a plant, and the employer might be confronted with a wildcat strike or some other disruption in the labor process within his plant. So, in my judgment, in order to protect the great freedom of the union and the employer and the freedom of contract under our constitutional system, there should be a provision that the union can say, "We shall have to bring to an end the policy we followed because it is getting to the point that there are too many of you, and we must require that you make a contribution to some charity that we designate under section 501(c)(3) of the Internal Revenue Act, but it will have to be to a nonreligious charitable fund."

So I agreed to insert in my amendment—which I did not have in it when I submitted the amendment to the committee in the first instance this morning—the word "nonreligious," so that the union would designate a nonreligious charitable fund that is exempt from taxation under section 501(c)(3). Then that charity would be eligible to receive funds from the conscientious objector—"or that the labor organization has refused upon request to designate such a fund."

The evidence before us shows that there are many instances in which local unions have permitted the members of religious sects to work in a union shop in the 31 States that have a right-to-work law and requires no payment from them at all. The unions entertain respect for such people and say to them, "Go and work. Forget about the dues and the initiation fees."

The third part of the amendment provides what I call the safety-device section of my amendment:

> (iii) That such employee has complied with alternative arrangements mutually agreed upon by such employee and such labor organization.

Note that I did not say "alternative payments." I said "alternative arrangements," because Senators will find that in the application of the amendment, in many, many instances the union officials and the conscientious objector on religious grounds will sit down, and after a heart-to-heart talk, they will agree upon any one of many substitutes either for payment, or agree upon payment to some fund or some program in the community that is not included under section 501(c)(3) of the Internal Revenue Code.

For the purpose of the RECORD, I should like to state an example. I can well imagine that in many instances, if an individual employee does not like the charity fund that is designated, and an agreement cannot be reached with respect to any charity fund listed under section 501(c)(3) of the Internal Revenue Code, he might say, "I will tell you what I will do. I will be willing to contribuite an equal amount of money to the boys' camp or the girls' camp that our city operates in summer in connection with the juvenile delinquency program."

The union might then say, "That is fine. Let that be the settlement."

I have left what I call a wide open safety section—safety from the standpoint of avoiding a dispute that would lead to a disruption of labor relations in the plant—because the employer is entitled to some protection, and the amendment would provide it to a degree.

I close by saying that I am giving further consideration, and will consult with other members of the committee and other advisers between now and next Tuesday, when the full committee may meet, to adding to item (iii), a provision in the application of what I call the safety subsection of my amendment for breaking a deadlock, if a deadlock should develop.

I am not so sure that the easiest thing would not be to have the person who does the certifying in the first place give the authority, in the event an agreement cannot be reached, to select a fund into which the payment shall be made under section 501(c), subsection (3).

Mr. President, that is the purpose of the amendment. I have had much evidence that it is not likely to be acceptable to everyone, but let me say something about the parties thereto.

I assure Senators that it is not what religious groups would submit if they had carte blanche authority to submit a proposal. They would say they ought to pay nothing to anyone.

I assure Senators that many persons in the labor movement would prefer that I had not offered the amendment; but labor, as I have learned in my 20 years in the Senate, has grown accustomed to my following a course of action that is in the public interest, irrespective of whether in a given case it is what labor wants or not.

I would be less than appreciative—and I always put my cards on the top of the table—if I did not publicly express my appreciation to Mr. George Meany, Mr. Andrew J. Biemiller, and Mr. Tom Harris, solicitor on legislative matters of the AFL–CIO, for the cooperation they extended to me in respect to this amendment.

I am sure that the membership of the AFL–CIO would have preferred no amendment at all. But they have made it perfectly clear that they can live with the amendment. They consider it to be a fair and equitable adjustment. I prefer to call it a fair and equitable solution to a problem, rather than a compromise.

Congress has to face up to the question. It is easy for the Senate to take the position that we will not follow the course of action proposed by religious conscientious objectors.

Under the first amendment to the Constitution of the United States religious conscientious objectors, too, have constitutional rights in respect to religious freedom. In my judgment, this amendment does no violence to their constitutional right of religious freedom. So far as I am concerned, I would be perfectly willing to support the amendment in any case before the U.S. Supreme Court. I am satisfied that the amendment can be reconciled with all the decisions on the subject of religious freedom which the Supreme Court has handed down to date.

Mr. President, I ask unanimous consent that my amendment may be printed in the RECORD at the close of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> After section 8(a)(3)(B) of the Taft-Hartley Act add the following: ": or (C) if he has reasonable grounds for believing (i) that such employee has been issued a certificate by the National Labor Relations Board either that he is a member of a religious sect or division thereof, the established and traditional tenets or teachings of which oppose a requirement that a member of such sect or division join or financially support any labor organization, or that, even though he is not a member of such a religious sect or division thereof, he holds conscientious objections to membership in any labor organization based upon his religious training and beliefs in relation to a Supreme Being involving duties superior to those arising from any human relation, and (ii) either that such employee has timely paid, in lieu of periodic dues and initiation fees, sums equal to such dues and initiation fees to a nonreligious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, designated by the labor organization, or that the labor organization has refused upon request to designate such a fund, or (iii) that such employee has complied with alternative arrangements mutually agreed upon by such employee and such labor organization."

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1966

The Senate resumed the consideration of the bill (H.R. 8639) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. McCLELLAN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Javits amendment is the pending question.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, if the Senator from New York [Mr. JAVITS] will allow me to do so, that there be a time limitation of one-half hour on the pending amendment, 20 minutes to be controlled by the Senator from New York [Mr. JAVITS] and 10 minutes by the Senator from Arkansas [Mr. MCCLELLAN].

Mr. JAVITS. Mr. President, reserving the right to object, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, I have some matters I wish to insert in the RECORD. Can the allocation of time be made equal?

Mr. MANSFIELD. I modify my request so as to provide 20 minutes to a side.

The **PRESIDING OFFICER.** Is there objection to 20 minutes to a side? There being no objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

My reason for offering this amendment is that the inherent merit in the case, in my judgment, justifies it. I do not believe it is a question of a discretion on the part of a committee which one could argue about. Normally, on the floor of the Senate, we always say that if a question of judgment is involved, we rely on the committee. In this instance, on the basis of the proof before us, we have gone beyond a question of judgment.

The purpose of my amendment is to restore to the amount which was appropriated last year an item for the Department of Health, Education, and Welfare, Office of Education, to deal with its civil rights educational activities.

The activities are referred to on page 750 of the transcript of hearings. These consist of four types of activities, all provided for in the Civil Rights Act of 1964. The first is training institutes, for which $3 million was requested. Next is grants to school boards for in-service training, for which $3,300,000 was requested. Next is a study of the effects of discrimination in education, for which $500,000 was requested. The last is a request for technical assistance to school systems. This request amounted to $1,200,000, including administration.

This made a total of $8 million.

My reason for pressing this amendment in this way is that Congress must face up to the fact that anything we do in the field of civil rights can be directly eroded by the sheer lack of appropriation of funds.

We all know, because the figures are very clear, that the desegregation of the schools has been proceeding at a snail's pace. Therefore, we tried to speed up the pace of school desegregation. We have provided that Federal aid should be conditioned upon the fact that there is compliance with desegregation.

Great efforts are being made in that regard. Then, on the affirmative side, we try to give some help to school districts which seek to desegregate in dealing with the problems created by such a situation.

Mr. President, $8 million was provided by appropriation in the last fiscal year for these activities. The Senate committee has now cut that $8 million to $5 million. Indeed, the Senate committee improved upon the House figure by $1 million. The House committee had cut the request to $4 million.

It still represents almost a 40 percent cut on the part of the subcommittee—a cut not only from some Budget Bureau request, but from what was appropriated last year.

The evidence found in the transcript of the hearings, given by authorities from the Department of Health, Education, and Welfare, at pages 750 through 764, indicates that the Department spent what they were given last year, and that the Department has demands for a good deal more money at the present time.

Dr. Keppel testified, and I shall read part of his testimony because it is so important. It reads as follows:

> Senator SMITH. If you don't get this money, what are you going to do?
>
> Mr. KEPPEL. What we will have to do is eliminate entirely in-service training under the grant program, and provide only technical advice.
>
> The institutes would have to be cut back as we indicated, so it means a very sharp cutting back of the institute teacher and superintendent training program, and elimination of the training program under grants to school boards, which we regret because in the last few months quite a number of school superintendents have said, from what they have seen themselves, "This helps"; and we feel they need all of the help that they can get.

The transcript of the hearings also contains a complete statement in the form of a chart as to exactly what money was provided in the form of grants to school boards. It shows that the estimated obligations to June 30, 1965, were $3 million. The full amount appropriated last year was $2.5 million.

By the end of June, it is indicated that they had estimated their appropriations for the institutes to be completely obligated—$3 million—with $2,893,000 already provided as of June 23, 1965.

Mr. President, there was also testimony as to the very widespread demand for such assistance. I read from page 752 of the transcript of the hearings; Mr. Keppel testifying:

> More than 1,700 school districts have requested detailed information on the program. Through mid-June we had received 101 proposals for institutes at an estimated cost of $10 million and 36 proposals for grants to school systems at an estimated cost of $10 million.

Mr. President, the agency in this instance was very reasonable in its request. Dr. Keppel said:

> Our initial request for funds was modest, perhaps modest out of all proportion to the size of the problems we were dealing with. We have provided you information on the program cutback which would be retired under the House allowance. I hope your committee will appropriate the full $8 million.

Mr. President, this is a very sensitive area. Desegregation has been proceeding at a snail's pace. The Agency has held its request for appropriations to the figure of the actual appropriations in 1965. The testimony indicates that the 1965 appropriation was completely used up. It is indicated that there is also an increased demand for the coming fiscal year, and that material cutbacks are indicated by this 40-percent cut, if it were to stand, as testified to by Dr. Keppel.

It seems to me that we must remember that the full amount requested by the administration would not even go to conference. The Senate committee has provided $5 million. The House provided $4 million. At the very best, there must be a 40-percent cut.

Under those circumstances, I deeply feel that we should restore the amount to at least the amount of the 1965 appropriation.

I make one other point, and that has to do with the meeting before the House committee. Dr. Keppel testified that the House committee did not have as much information as the Senate committee.

All funds had been obligated on the demands that they had for the ensuing fiscal year. When they appeared before the Senate committee, they were far better able to buttress the request, which I submit is modest, of $8 million for the ensuing fiscal year.

As far as my argument in chief is concerned, I would not be pressing this matter quite as hard as I am now, getting a rollcall on a relatively modest appropriation item, were it not for the fact that I think that it is high time that Congress, which has gone through such grief and difficulty in passing civil rights bills, must also show the same kind of authority and strength in putting up the money to implement those bills.

Invariably, civil rights bills must be battled out on the floor. We cannot get what we want to get out of the committee. There are various techniques which have had to be resorted to to bring civil rights bills to the floor.

When it comes to appropriations, Congress seems to back away from the entire question and get very cool about the subject, notwithstanding the fact that these provisions of law are not very meaningful unless the money is available to enforce the provisions.

The Government Department should not be placed in a position in which they feel that notwithstanding whatever Congress legislates with respect to civil rights, the Department must put in a good showing before the Committee on Appropriations because that is where the authority of the law rests, rather than in the conviction displayed by Congress in the first instance.

I believe that it is very important to lay down this principle and give the Senate an opportunity to vote on the subject. Therefore I have pressed this particular matter, which seems to me so very clear, in which an agency has requested an appropriation of the same amount as it received in 1965, all of which money was spent. The agency points out that it has experienced a very greatly increased demand, that the area involved is very sensitive, and that it is essential that the agency respond in a conclusive and affirmative manner.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I yield myelf 1 additional minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 additional minute.

Mr. JAVITS. Mr. President, I hope very much that the Senate will restore this sum as an indication of its determination to make the words contained in the legislation meaningful by implementing them with the proper amount of money.

Mr. President, I reserve the remainder of my time.

Mr. McCLELLAN. Mr. President, how much time have I?

The PRESIDING OFFICER. The Senator has 20 minutes.

Mr. McCLELLAN. I yield myself 5 minutes. I shall be brief.

At the outset, I want to say the committee has tried to go more than halfway in matters involving civil rights. It went beyond the House provision by $1 million. The committee had before it a new item that the House had not considered. It could not be determined how much would be needed, and there was provided what was provided last year. On the floor today, without a fight, we have increased the amount by $500,000. Now we have an item of $1 million more than the House provided. We are still not satisfied.

I wish to read into the Record the testimony of the Director of this program in support of the need for this appropriation. I asked him some questions. This program is to teach teachers to teach in integrated schools. That is what it is for. Perhaps there is a need, but here is the testimony of the Director of the program. I asked the question:

> What training does a competent teacher need to teach a colored child any more than to teach a white child and to teach the two together? That is something that I don't understand. If he is a teacher he is a teacher, and if he can teach one he can teach the other.
>
> If he can teach either or both, he can teach them together. Tell me, where is the complication?

This is the answer of Mr. Seeley, who is the Acting Director of the program:

> It is certainly true that many teachers take this on without difficulty, but we are only responding to a need that the school officials feel, that in this particular difficult kind of problem——
>
> Senator McClellan. What is the difficulty about it? That is what I don't understand. Can you tell me what the difficulty is?
>
> Mr. Seeley. It is felt to be difficult by the school districts.
>
> Senator McClellan. Do you sense any real difficulty? Tell me what it is.
>
> Mr. Seeley. There are two types of difficulties. First, there is the difficulty that the school officials feel, in many cases strongly, that they cannot desegregate at all.
>
> Senator McClellan. You are talking about districts now. This is talking about a teacher and get away from the district. They are integrated and the law requires it, and now they are integrated, and where does this affect the teacher?
>
> Mr. Seeley. Many teachers have great fear of entering into teaching in a desegregated classroom.

In the first place, I cannot understand this statement. What is that fear? Where is the area or location of that fear? It is not in my State.

I asked him:

> What is the fear and I would like some description of it.
>
> Mr. Seeley. It is a little hard to describe.

I can understand that.

> Senator McClellan. It is to me.
>
> Mr. Seeley. Many teachers seem to feel this way, and many teachers refuse to teach.
>
> Senator McClellan. How are you going to get this feeling out of them, by spending more money?
>
> Mr. Seeley. The school officials have felt—and I was just called by a school superintendent from Mississippi last night, who said he had been attending the institute at the University of Mississippi, and he said it was very helpful. I cannot fully explain why he thinks it is helpful.
>
> Senator McClellan. I can't either. What do you tell him.
>
> What is taught in this course, and what do you teach?
>
> Mr. Seeley. One of the major things that they do in most of these institutes is to introduce school officials from other districts which have already desegregated.
>
> Senator McClellan. What do they tell them?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. I yield myself 2 minutes.

I continue to read:

> Mr. Seeley. That it can work.
>
> Senator McClellan. You can tell them that from up there, and the law tells them that.
>
> Mr. Seeley. We don't tell them from up here, and it is usually a school official from some neighboring school which has already desegregated who comes in and discusses the problems that they had and how they overcame them.
>
> That is the typical procedure.
>
> Senator McClellan. That is what this money is for, and that is the best description you can give me of it.
>
> Mr. Seeley. Yes, sir.
>
> Senator McClellan. If that is your best, let the record so reflect.

That is what we are asked to appropriate for.

In the record of the hearings is a table that was submitted along with that testimony. If the program has any value, based on Negro and white population, by way of comparison Arkansas is being cheated. I wish to make a complaint. There is a disparity and discrimination against my State, and I object. If we are to have this program, I want to get as much for my State, proportionately, as any other State gets. If there is to be a program to get teachers to visit, my teachers like to visit as much those in any other State, and I want my teachers to get in on it.

The table shows that there are 12 States in which this money is scheduled to be spent. The amounts range from over $1 million in one State, down to Arkansas, which is to receive the smallest amount; namely, $6,780. If we are to spend this money for that purpose, perhaps I have been a little derelict in not getting a bigger quota for my State. But here is the testimony of the man administering the program, crying for the need of it and the need of a major expenditure in order to have teachers from desegregated districts visit other districts. That is the kind of program that is involved.

The House provided $4 million, and in that $4 million, $1,600,000 was earmarked for that purpose. We have given an extra $1 million without earmarking. So, if they want to use it, there will be available $2,600,000 to spend for this purpose.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. I yield myself 1 minute more.

Mr. President, if this appropriation were for anything else except in the area or category of civil rights, on the strength and basis of the testimony I do not believe the Senate would appropriate $500,000. We want to be fair. The Bureau of the Budget cut the amount from $15 million to $8 million. Let us get the program started and see how it works.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. HOLLAND. I want to say for the information of the Senator from New York that the Senator from Florida had an inquiry from the school board in Dade County, Miami, requesting an increase of this amount. The Senator took this matter before the committee, of which he is a member. The matter was discussed at great length. The committee put in an additional $1 million. I was present at the discussion. I thought we were dealing adequately with the matter. I know of no new facts since that time. I hope the Senator will realize this is not a hit or miss matter, but that it was carefully gone over. Not only the Senator from Florida, but also the Senator from Rhode Island [Mr. Pastore], and the Senator from Massachusetts [Mr. Saltonstall] and perhaps other members of the committee, had had similar requests from districts in their States. This matter was gone into fully and resolved so generously that I hope the distinguished Senator will not insist on his amendment.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. I wish to reply to the comments which have been made, as follows:

First. The Senator from Arkansas states that the committee tried to go more than halfway.

Second. That it is uncertain what the program contains, and let us see what the program can do before we appropriate more money.

Third. The Budget Bureau cut them from $15 to $8 million.

As to the Budget Bureau cut from $15 to $8 million, that seems to me to be a steep cut; and then to be cut by 40 percent more in the Senate, let that much stand if it is to be cut that steeply.

As to "trying to go more than halfway," let us remember that what I am trying to do is to restore it, not to any budget request, even if the cut by the Budget Bureau was to last year's appropriation, but it seems to me that is a rather hard rock proposition to tie to.

The point I wish to talk about most is, "Let us see what the program can do." We have seen what the program can do in the sense that the money was brought out after last year. The schedules which they filed show that their requests are materially increased over last year. So at best we will have cut down on the program now.

With the difficulties which have been mentioned, they know as much as I do about desegregating southern schools. Suppose we spend $3 million for school people to back each other up and give each other a comprehension of the techniques and the strength required to desegregate schools in hostile communities, is that not worth it? How could we better spend money than to do it this way, instead of doing it under what these very same gentlemen have called coercion of law, which they hotly oppose for that reason?

This is the element of the law which is constructive. This goes to school districts which wish to desegregate and which wish to get the best technique. What could be more constructive than that? How can there be a better opportunity than that kind of route?

When this proposal was discussed—and I remember it very well as an element of the Civil Rights Act of 1964—it was exactly what was said with respect to the institutes, with respect to technical assistance, and with respect to the inservice training, that we would have a new situation, to create given areas where we did not have the arm of the Department of Justice to start the suits, but where the areas themselves needed some assistance and help in getting to the point where they could themselves desegregate.

Referring again to Dr. Keppel's testimony, we first cut down the program by 40 percent. Unless we accept the amendment, there will be given them a million dollars to distribute, but to distribute on the backs of things already skimmed down to the bone, as he himself testified. I read from page 763 of the record, as follows:

> Mr. Keppel. What we will have to do is eliminate entirely inservice training under the grant program, and provide only technical advice.
>
> The institutes would have to be cut back as we indicated, so it means a very sharp cutting back of the institute teacher and superintendent training program, and elimination of the training program under grants to school boards.

Mr. President, it is tough enough to make progress in desegregating the public school system of this country, years after the Supreme Court ruling, as it did in Brown against the Board of Education. I do not wish to make it any tougher. As a Senator of the United States, representing in part a State which pays 25 percent of the Nation's taxes, I should like to use a little of that money to help school districts which wish to desegregate and are not standing out against the judgment of the Supreme Court, now implemented and buttressed by the judgment and the law of Congress.

Finally, in the civil rights measures, it is high time that we realize that we do not mean what we say so long as we merely pass a law. Three things are required to implement it—the law, the money, and the people to effect the measures we intend.

I respectfully submit that we should not penalize the Commissioner of Education for being modest and sticking only to last year's appropriation and seeking to justify that. We should reward him by giving him what the situation requires. It would be cheap at the price.

I hope that the Senate will vote to adopt the amendment.

Mr. McCLELLAN. Mr. President, how much time remains?

The PRESIDING OFFICER. Ten minutes to the Senator from Arkansas [Mr. McClellan], and 4 minutes to the Senator from New York [Mr. Javits].

Mrs. SMITH. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield to the Senator from Maine such time as she may desire.

Mrs. SMITH. Mr. President, I should like to have 2 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized for 2 minutes.

Mrs. SMITH. Mr. President, since the distinguished senior Senator from New York read from the hearings one of my questions, I should like to read into the Record another line from the same hearing.

> The chairman asked who got the money, and I think that he said 23 school boards received it.

It is my understanding that of the 25,000 school boards, only 23 received funds from the last year's appropriation. I should like also to reread a part of the statement I made early this afternoon.

> The history of the appropriations request is that the Bureau of the Budget reduced the department's request from $15 million to $8 million and the House action further reduced the amount to $4 million. The committee restored $1 million to the House allowance of $4 million, making the total recommendation $5 million.
>
> If all school districts of the South and border States were to take part in this program, our record shows on page 754 of the Senate hearings that the $5 million recommendation before you today would have to be increased by $25 million.

Mr. President, it does not seem to me that this is a question of being opposed to the program. Certainly my record would show very clearly that I would not oppose the program, but it is a matter of how much is needed and how much money can be wisely spent during the next few months.

If one sat in at the hearings and remembered the testimony, I am sure he would agree with the committee that we have allowed all the money that can possibly be spent, and if we have not, a supplemental bill will surely come up with another request. More than money is needed—a good strong administration of this new and important program is vital to its success.

Mr. JAVITS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 minute.

Mr. JAVITS. I would be the last person in the world to debate with my beloved colleague from Maine, who has such a distinguished record in this field, and no one knows it better than I. However, I should like to add one fact which I believe is pertinent. That is the kind of appropriation which deals with school districts which wished to desegregate; hence, I respectfully submit that that is what we wish to encourage rather than to discourage. I would dislike to see such school districts denied modest resources when they are seeking help in doing the thing which Congress wishes them to do without litigation.

For that reason I hope very much that the Senate will approve the amendment.

Mr. President, I am ready to yield back the remainder of my time.

Mr. McCLELLAN. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now been yielded back. The question is on agreeing to the amendment of the Senator from New York.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Maryland [Mr. Brewster], the Senator from Pennsylvania [Mr. Clark], the Senator from Connecticut [Mr. Dodd], the Senator from Louisiana [Mr. Ellender], the Senator from Washington [Mr. Magnuson], the Senator from Wyoming [Mr. McGee], the Senator from Oregon [Mrs. Neuberger], the Senator from Virginia [Mr. Robertson], the Senator from Florida [Mr. Smathers], and the Senator from Arizona [Mr. Hayden] are absent on official business.

I further announce that the Senator from North Dakota [Mr. Burdick], the Senator from Michigan [Mr. Hart], the Senator from Massachusetts [Mr. Kennedy], and the Senator from Minnesota [Mr. McCarthy] are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota [Mr. Burdick], and the Senator from Florida [Mr. Smathers] would each vote "nay."

On this vote, the Senator from Maryland [Mr. Brewster] is paired with the Senator from Connecticut [Mr. Dodd]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Connecticut would vote "yea."

On this vote, the Senator from Louisiana [Mr. Ellender] is paired with the Senator from Michigan [Mr. Hart]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Michigan would vote "yea."

On this vote, the Senator from Massachusetts [Mr. Kennedy] is paired with the Senator from Wyoming [Mr. McGee]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Wyoming would vote "nay."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. Cooper] is absent on official business.

The Senator from Kansas [Mr. Carlson] is detained on official business.

The result was announced—yeas 18, nays 66, as follows:

[No. 209 Leg.]

YEAS—18

Bass
Bayh
Case
Douglas
Gore
Hartke
Javits
Kennedy, N.Y.
Kuchel
Mondale
Morse
Moss
Nelson
Pell
Proxmire
Ribicoff
Scott
Williams, N.J.

NAYS—66

Aiken
Allott
Anderson
Bartlett
Bennett
Bible
Boggs
Byrd, Va.
Byrd, W. Va.
Cannon
Church
Cotton
Curtis
Dirksen
Dominick
Eastland
Ervin
Fannin
Fong
Fulbright
Gruening
Harris
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Jordan, N.C.
Jordan, Idaho
Lausche
Long, Mo.
Long, La.
Mansfield
McClellan
McGovern
McIntyre
McNamara
Metcalf
Miller
Monroney
Montoya
Morton
Mundt
Murphy
Muskie
Pastore
Pearson
Prouty
Randolph
Russell, S.C.
Russell, Ga.
Saltonstall
Simpson
Smith
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Tydings
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—16

Brewster
Burdick
Carlson
Clark
Cooper
Dodd
Ellender
Hart
Hayden
Kennedy, Mass.
Magnuson
McCarthy
McGee
Neuberger
Robertson
Smathers

So Mr. Javits' amendment was rejected.

Mr. McCLELLAN. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. Kennedy of New York in the chair). The amendment of the Senator from Delaware will be stated.

The Legislative Clerk. On page 58, line 25, after the word "authorized" it is proposed to insert the following:

Provided further, That none of the funds provided for under this Act can be used to defray the cost of producing any film the purpose of which will be to show the contribution that any public official or his family made to the growth and development of the United States.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Is the Senate now proceeding under an agreement to limit time on the amendments?

The PRESIDING OFFICER. No.

Mr. McCLELLAN. I thank the Chair.

Mr. WILLIAMS of Delaware. Mr. President, I have discussed the amendment with the chairman of the committee. The amendment is very simple. First, I wish to emphasize that the amendment has no connection whatsoever with any films that have been produced heretofore. To be specific, the question has been raised as to whether the amendment would affect in any way film which was produced of our late President. To make certain that there is no misunderstanding I point out that the amendment would not in any way affect that film nor is it so intended. It would merely provide that the USIA funds, which are supposed to be used for the purpose of disseminating news and portraying abroad the American position would be used to disseminate information regarding our country abroad and could not be used for the production of a film to portray any public official while he is holding office.

These funds were not intended to be used for political purposes.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. Would the amendment in any way hamper the portrayal in a motion picture of the great history of our past, including our past heroes and our great traditions?

Mr. WILLIAMS of Delaware. No. It would have nothing to do with that. In fact, such pictures as that have not been paid for with USIA funds. Those are considered historical documents and are paid for by special authorization.

Mr. PASTORE. Mr. President, I cannot hear a single word that is being said, and the amendment is important.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WILLIAMS of Delaware. This amendment applies only to the appropriation of USIA funds. Those funds were never intended to be used to produce domestic films of officeholders. The amendment would merely spell out that such funds could not be used for that purpose. I hope that the chairman of the committee, who is in charge of the bill, will be willing to accept the amendment.

I again emphasize that the amendment has nothing whatever to do, nor is it so intended to have anything to do, with any previous films that may have been made by the USIA.

This does, however, lay down clear rules for future expenditures.

I should like to ascertain whether the chairman of the committee would be willing to accept the amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Will the Senator from Delaware state an example of the kind of film to which his amendment is addressed?

Mr. WILLIAMS of Delaware. If the Senator from Rhode Island desires me to do so, I will.

Mr. PASTORE. Yes, I would like to have that. I would like to know what we are talking about.

Mr. WILLIAMS of Delaware. There is currently a film in production which is entitled "The Texas Story," which portrays the life and the contribution which a certain prominent family has made to the growth and development of our country.

Mr. PASTORE. What is the family?

Mr. WILLIAMS of Delaware. The Johnson family is the prominent family who according to this film was responsible for the growth and development of the southwest area of the United States.

Mr. PASTORE. Now I understand.

Mr. WILLIAMS of Delaware. Money appropriated for the USIA was never intended to be used for such purpose. I think that is generally agreed. The amendment would merely prohibit such use. To make the point clear approximately $80,000 has already been spent on this film. I do not believe it has been the intent of the Congress in making appropriations for that agency that the money should be devoted to such use. If that is the intent of the Congress then let us spell it out and let it be known that the fund is available for use by other public officials who might wish to use it for that purpose.

This amendment would not prohibit the use of newsreels featuring the President, his family, or any other public official. Those are routine, but this Texas film is a documentary film of the life of one family.

The best thing we can do now is to stop such a procedure before it goes any further.

I repeat, the amendment would merely stop the use of USIA funds to produce any film, either in the English language or in any other language, the primary purpose of which was to show the contribution that any particular living public official or his family made to the growth and development of our country. I have nothing against such a film being made by an individual if the Senate authorize such a film; otherwise, let the individual pay for his own film, or perhaps his political party wishes to pay for such a film. That is their business. But I do not think that we should use USIA funds for such a purpose.

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. WILLIAMS of Delaware. Yes.

Mr. McCLELLAN. I have the amendment and a description of it. Senators and others can express their own opinions.

I shall read the amendment:

Provided further, That none of the funds provided for under this Act can be used to defray the cost of producing any film, the purpose of which will be to show the contribution that any public official or his family made to the growth and development of the United States.

My contention is that the language of the amendment would prohibit the filming of the action of any public official of this country at any time to show his contribution to the growth of our Nation.

It would prohibit the making of a film of the life of President Eisenhower, of President Hoover, or of any other President. I think that is true under the wording of the amendment before the Senate.

Mr. DOUGLAS. In the Senator's judgment, would it prohibit a film about Abraham Lincoln?

Mr. McCLELLAN. It would prohibit films as to all of them, in my judgment.

Mr. DOUGLAS. Would it prohibit a film about the Kennedy family?

Mr. WILLIAMS of Delaware. No, it would not; nor would it prohibit films about other past Presidents if Congress approves such action.

Mr. McCLELLAN. As the amendment is worded, I do not know about the intent of the author.

Mr. WILLIAMS of Delaware. I explained the intent very clearly. There is nothing that affects the Kennedy film; nor would it prohibit the production of a film of any past President, living or dead. They are former public officials and would not come under the terms of this proposal.

Why should be force the taxpayers to pay for a film glorifying a public official who is seeking reelection.

The amendment has nothing to do with newsreels and films that relate to Presidents or anyone else for the purpose of providing routine news stories. There is no misunderstanding here. There is in production a film entitled "The Great Texas Story," which portrays the contribution that the First Family of the land made to the growth and development of this country. Sure the Johnson family made a contribution, but so did a lot of other pioneers. I do not think that USIA funds were intended for such use.

I understand that since the production of the film was discovered there is a revision underway. I am sure they now realize they have gone too far.

I do not believe it was ever intended that USIA funds would be used for this purpose. If it was let the Senate so indicate, and if they reject this amendment then turn the USIA funds loose for political propaganda of the administration in power.

I do not believe any members of the Appropriations Committee or the Foreign Relations Committee ever intended that USIA funds would be used for this purpose.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MURPHY. It is my understanding—and I hope that I shall be corrected if I am in error—that films made by the U.S. Information Agency are not permitted to be shown within the continental confines of the United States.

Mr. WILLIAMS of Delaware. That is correct.

Mr. MURPHY. In the making of these films—and there were many of them with which I had experience in the past—they are never permitted to be shown within the confines of the United States. They are only for distribution outside the United States. Is that not correct?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. WILLIAMS of Delaware. I yield.

Mr. McCLELLAN. It is not necessarily my function to suggest an amendment to the amendment; I merely undertook to give my interpretation of the amendment.

There are other lawyers in the Senate who are more able than I to place an interpretation on the language. I merely stated what I think the effect of the amendment is.

Whether it be a film of President Johnson and his family, of President Eisenhower and his family, or of any other President, since it cannot be shown in the United States I would much prefer that a film showing that family's struggle in life be shown in foreign countries, than much of the junk that I know the USIA is showing overseas. As between the two types, I would rather show the first kind than some of the pictures that are being shown.

In fact, I voted against any funds for this purpose because I think the program has never been what it was said it would be.

But as to this amendment, if I am not mistaken—and there are lawyers among the membership who are more able than I to interpret it—it would bar any film which showed the contribution made to our country by any President, statesman, or other public official of this Nation, past or present.

It may go so far that even you could not show the actions of Secretary Rusk, Secretary McNamara, or anything they are doing now to preserve the country.

I would not interpret the amendment that way, but it is susceptible of being interpreted that way, and there is no doubt in my mind it encompasses all Presidents.

Mr. WILLIAMS of Delaware. To make sure that there is no misunderstanding, I shall modify the amendment and use words "primary purpose." Surely this will eliminate the objection of the Senator from Arkansas. I feel that the amendment is clear: certainly it was not intended to handicap the USIA in its legitimate functions.

I personally do not believe that the U.S. Information Agency funds were ever so intended, and heretofore they have not been used for such a film.

If it were desired to make a film of Abraham Lincoln, Dwight Eisenhower, Lyndon Johnson, or anyone else living or dead, money could be appropriated for that particular purpose. But such approval has never been requested nor granted.

I hope this amendment will be approved. If not the next step will be that Members of the Congress as well as the President will all be competing as television or movie stars at the taxpayers' expense.

The issue before the Senate is very clear—do we want to establish a precedent of approving the State Department's use of USIA funds in a manner which is so obviously political?

The PRESIDING OFFICER (Mr. Kennedy of New York in the chair). The question is on agreeing to the amendment of the Senator from Delaware [Mr. Williams].

The amendment was rejected.

GREAT LAKES FISHERY COMMISSION BUDGET RESTORATION MUST BE RETAINED

Mr. PROXMIRE. Mr. President, for some time the condition of the Great Lakes fishing industry has been of considerable concern to me. I was therefore distressed over the House action reducing by $77,100 the U.S. share of the Great Lakes Fishery Commission budget. I urged the Appropriations Subcommittee led by the distinguished Senator from Arkansas [Mr. McClellan] to recommend full restoration of the reduction. I know that other Great Lakes Senators, including my able colleague from Wisconsin [Mr. Nelson], were equally concerned. We are all fully aware that sea lamprey predation upon desirable fish species is a major cause of the decline in the Great Lakes fishing industry.

Recognizing this fact, this country and Canada ratified the Convention on Great Lakes Fisheries in 1955. The Great Lakes Fishery Commission was organized, and assigned as a major task the creation and carrying out of a program to eliminate, or reduce to negligible numbers, the Great Lakes sea lamprey population. This country agreed to pay 69 percent of the program's costs as approved by the Commission; Canada agreed to pay 31 percent.

Substantial decreases in the sea lamprey population have been achieved by the program. There has been a small but encouraging upswing in sport and commercial fish catches in the Great Lakes since 1962. The lamprey control program, however, has not been completed. If the encouraging results are to be continued, and the lamprey problem finally conquered, it is essential that the program planned by the Commission remain unimpaired.

Canada has appropriated its full share of the funds for the Commission's control activities during the current fiscal year.

If sustained, the House budget reduction would delay completion of the first round of chemical treatments now being applied to lamprey spawning streams flowing into Lake Michigan. In addition delays would result in planning for treatment of spawning streams flowing into Lakes Huron, Erie, and Ontario. The ultimate effect would be to increase both the total time and total cost of the lamprey control program in the Great Lakes.

Mr. President, I commend the subcommittee and the Senator from Arkansas [Mr. McClellan] for their action in recommending restoration of the amount reduced for the Commission's budget. Although the amount of money involved is relatively small, the matter of sea lamprey control is of tremendous importance. I urge the Senator from Arkansas, when this matter comes up in conference, to press for retention of the Senate restoration.

EAST-WEST CENTER

Mr. INOUYE. Mr. President, I and the people of Hawaii would like to take this opportunity to extend our appreciation to the distinguished members of the Senate Appropriations Committee on the approval of the State Department's appropriations request for fiscal year 1966 which includes $5.8 million for the Center for Cultural and Technical Interchange Between East and West, located at Honolulu, Hawaii.

The East-West Center has played a significant role in improving relations among the peoples of the Pacific Basin. By approving the Department's appropriations, the Senate has, in effect, emphasized its support of the East-West Center and its work, which has proved to be so vitally necessary in our times.

The distinguished members of the Senate Appropriations Subcommittee, and Chairman McClellan, of Arkansas, deserve special credit for their statesmanlike consideration of the funds for the East-West Center. Thanks to their thoughtful efforts, $300,000 of the proposed cut in funds was restored, giving the Center a total of $5.8 million for fiscal year 1966. Although the final figure is $450,000 less than the original State Department budget request, it nevertheless represents an increase of $500,000 over the funds allotted in the previous year.

The $300,000 that the Appropriations Subcommittee restored will provide 39 new grants for study at this great institution, making a total of 439 grants available in the fiscal year 1966. These additional grants will thus enable more individuals to pursue studies and technical training programs which in the end will contribute to an alleviation of the many problems which plague the non-Western world.

It appears particularly timely and appropriate for me to mention the significance of the East-West Center. The instability of southeast Asia only underlines the vast problems which we must face in encouraging and assisting the creation of viable, prosperous non-Communist nations. I can only second President Johnson's concern for a peaceful, stable Asia that will contribute to the economic and political stability of other regions of the world. He has eloquently outlined the needs, and I sincerely believe that the East-West Center is making a vital contribution to Asia in line with the President's expressed interest.

I would like to emphasize that the Center draws its students from countries and areas that represent the majority of the people of the world. Those from the Far East learn how to cope with the many social, economic, and political obstacles that still face them in their homelands. Those from the United States can learn about the great civilizations which border the Pacific and their problems of transition to modern, industrialized societies. Through this mingling of East and West, many of the old myths and prejudices that still fester other parts of the world are being reduced or eliminated.

I should also mention at this time the vigorous leadership of the Center and the University of Hawaii which cooperates with the Center on many of its projects. East-West Center Chancellor, Howard Jones, former U.S. Ambassador to Indonesia, provides experience in Asian affairs and a profound understanding of Asia's problems. Thomas Hamilton, president of the University of Hawaii, has received national attention for his imaginative administration and great ability.

Asia has become a highly competitive marketplace between democracy and totalitarianism, between economic well-being and crushing poverty. By fostering a continuing dialog between East and West and by making available advance skills and techniques to Asia, the East-West Center contributes daily to an improving image of our Nation in Asia. I believe it is in our interest and in the interest of our Asian allies that every effort be made to retain these crucial funds for the Center in the House-Senate conference.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 8639) was read the third time and passed.

Mr. McCLELLAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McClellan, Mr. Ellender, Mr. Magnuson, Mr. Holland, Mr. Pastore, Mr. Fulbright, Mrs. Smith, Mr. Saltonstall, and Mr. Mundt conferees on the part of the Senate.

EXEMPTIONS FROM ANTITRUST LAWS TO ASSIST IN SAFEGUARDING BALANCE-OF-PAYMENTS POSITION OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, before proceeding to the consideration of the tariff schedule bill, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 531, H.R. 5280.

The PRESIDING OFFICER. The bill will be stated by title.

The Legislative Clerk. A bill (H.R. 5280) to provide for exemptions from the antitrust laws to assist in safeguarding the balance-of-payments position of the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That it is declared to be the policy of Congress to safeguard the position of the United States with respect to its international balance of payments. To effectuate this policy the President shall undertake continuous surveillance over the private flow of dollar funds from the United States to foreign countries, the solicitation of cooperation by banks, investment bankers and companies, securities brokers and dealers, insurance companies, finance companies, pension funds, charitable trusts and foundations, and educational institutions, to curtail expansion of such flow, and the authorization of such voluntary agreements or programs as may be necessary and appropriate to safeguard the position of the United States with respect to its international balance of payments.

Sec. 2 (a) The President is authorized to consult with representatives of persons described in section 1 to stimulate voluntary efforts to aid in the improvement of the balance of payments of the United States.

(b) When the President finds it necessary and appropriate to safeguard the United States balance-of-payments position, he may request persons described in section 1 to discuss the formulation of voluntary agreements or programs to achieve such objective. When such a request is made, a notice shall be promptly published by the President in the Federal Register, listing the persons invited to attend and the time and place at which the discussion is to be held. If the President makes such a request, no such discussion nor the formulation of any voluntary agreement or program in the course of such discussion shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States: *Provided,* That no act or omission to act in effectuation of such voluntary agreement or program is approved in accordance with the provisions of subsections (c) and (d) hereof: *And provided further,* That any meeting or discussion comply with the requirements of subsection (e).

(c) The President may approve, subject to such conditions as he may wish to impose, any voluntary agreement or program among persons described in section 1 that he finds to be necessary and appropriate to safeguard the United States balance-of-payments position. No act or omission to act which occurs pursuant to any approved voluntary agreement or program by a person described in section 1 who has accepted a request of the President to participate shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act: Provided, That any meeting or discussion pursuant to any such agreement or program comply with the requirements of subsection (e).

(d) No voluntary agreement or program shall be approved except after submission to the Attorney General for his review as to its effect on competition and a finding by the Attorney General after consultation with the delegate of the President that the actual or potential detriment to competition is outweighed by the benefits of such agreement or program to the safeguarding of the United States balance-of-payments position. The finding of the Attorney General, together with his reasons, shall be published in the Federal Register not later than the time required by section 3 for publication of any approved agreement or program: *Provided, however,* That where the President finds that the balance-of-payments position of the United States requires immediate approval of an agreement or program he may waive the requirement for a finding by the Attorney General and may approve such agreement or program.

(e) Any meeting of representatives of persons described in section 1 requested by the President pursuant to any approved voluntary agreement or program or meetings or discussions pursuant to a request made in accordance with subsection (b), shall comply with each of the following conditions: (1) The Attorney General shall be given reasonable notice prior to any meeting, with such notice to include a copy of the agenda, a list of the participants, and the time and place of the meeting; (2) meetings shall be held only at the call of a full-time salaried officer or empoyee of such department or agency as the President shall designate, and only with an agenda formulated by such officer or employee; (3) meetings shall be presided over by an officer or employee of the type mentioned in (2), who shall have the authority and be required to adjourn any meeting whenever he or a representative of the Attorney General considers adjournment to be in the public interest; (4) a verbatim transcript shall be kept of all proceedings at each meeting, including the names of all persons present, their affiliations, and the capacity in which they attend; and (5) a copy of each transcript shall be promptly provided for retention by the Attorney General.

(f) The Attorney General shall continuously review the operation of any agreement or program approved pursuant to this Act, and shall recommend to the President the withdrawal or suspension of such approval if in his judgment after consultation with the delegate of the President its actual or potential detriment to competition outweighs its benefit to the safeguarding of the United States balance-of-payments position.

(g) The Attorney General shall have the authority to require the production of such books, records, or other information as shall have a direct bearing upon such agreement or program and the implementation thereof from any participant in a voluntary agreement or program as he may determine reasonably necessary for the performance of his responsibilities under this Act.

(h) The President may withdraw any request or finding made hereunder or approval granted hereunder, in which case, or upon termination of this Act, the provisions of this section shall not apply to any subsequent act or omission to act.

Sec. 3. On or before January 1, 1966, and at least once every six months thereafter, the Attorney General shall submit to the Congress and to the President reports on the performance of his responsibilities under this Act. In such reports the Attorney General shall indicate, among other things, the extent to which his review of approved agreements or programs has disclosed any actual or potential detriment to competition. The full text of each voluntary agreement or program approved pursuant to this Act shall be transmitted to the Attorney General immediately upon the approval thereof, and shall be published by the President in the Federal Register not less than three days prior to its effective date unless the President finds that publication of the full text of any agreement or program would be inconsistent with the national interest in which case only a summary need be published.

Sec. 4. The President may require such reports as he deems necessary to carry out the policy of this Act from any person, firm, or corporation within the United States concerning any activities affecting the United States balance-of-payments position.

Sec. 5. The President may delegate the authority granted him by this Act, except that the authority granted may be delegated only to officials appointed by the President, with the advice and consent of the Senate, whether acting singly or jointly or as a committee or board: *Provided, however,* That the President may not delegate his authority under section 2(d) to waive the requirements for a finding by the Attorney General and approve an agreement or program where he has found that the balance-of-payments position of the United States requires immediate approval.

Sec. 6. This Act and all authority conferred thereunder shall terminate twenty months after it becomes law, or on such date prior thereto as the President shall find that the authority conferred by this Act is no longer necessary as a means of safeguarding the balance-of-payments position and shall by proclamation so declare.

Sec. 7. As used in this Act the word "person" includes corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals, satisfying the description contained in section 1.

Mr. MANSFIELD. Mr. President, the bill relates to the balance-of-payments position of the United States. It will be handled by the distinguished Senator from North Carolina [Mr. Ervin]. It is believed that the Senate can dispose of it shortly.

Mr. GORE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 5280, to provide for exemptions from the antitrust laws to assist in safeguarding the balance-of-payments position of the United States.

Mr. GORE. I thank the Chair.

Mr. HARTKE. Mr. President, this bill, to exempt from the antitrust laws banks and other financial institutions participating in voluntary programs to restrain foreign lending, presents a serious problem of public policy.

The problem is that, although its authority terminates 20 months after it becomes law, or "on such earlier date as the President may proclaim," the bill tends to institutionalize what is supposed to be a temporary program. It tends to freeze attitudes and fix policies at precisely the time when flexibility should be our watchword in the entire international financial and monetary area.

When the Senator from Michigan [Mr. Hart] introduced this measure, he said in his opening remarks at the hearing before the Antitrust and Monopoly Subcommittee:

> I do not look lightly on any proposal to grant an exemption from the antitrust laws.

Such a far-reaching step as this bill embodies might well be justified in a time of national crisis, or in a time such as we had in 1931, when our great monetary crisis faced us. However, no such crisis exists today.

If we were to refer to the entire report on this subject, we would find that it refers to a continued balance-of-payments deficit, to the deficit which existed for a period of years prior to the time when the voluntary program was instituted. However, we are now in a surplus position. It is evident that that is going to continue in the next quarter, and it is evident that the President's program will be successful.

During the last 6 months, operating without the benefit and inducement of an antitrust exemption, American banking and business have voluntarily cooperated with the American Government to end our balance-of-payments deficit. The record is clear—in the second quarter of 1965, the United States ran a surplus in its international accounts. There is, of course, no guarantee that this surplus will—or should—be maintained. But in the light of the already manifest success of the President's emergency balance-of-payments program, in the light of the critical shortage of international liquidity threatened by that very success, enactment of this bill would constitute a clear-cut case of legislative overkill.

It is now time to devote ourselves less to the past problem represented by our past payments deficits, and more to the present and future problems flowing from the end of those deficits.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. MANSFIELD. This bill was supposed to be managed by the distinguished Senator from Michigan [Mr. Hart]. However, the Senator from Michigan is unavoidably absent on official business. The bill is therefore in the charge of the distinguished senior Senator from North Carolina.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. DOUGLAS. Mr. President, Congress passed the Webb-Pomerene Act in approximately 1918. That act suspended the antitrust laws, as I remember it, for companies engaged in trade with foreign countries.

That act has been in effect for half a century. Is additional legislation now needed, when the Antitrust Act has already been suspended for combinations overseas?

Mr. HARTKE. I believe that the Senator from Illinois has placed his finger on a very vital point. We are in competition in America, and exemption from the antitrust laws should be looked upon with a great deal of hesitancy. Such action must be looked into very carefully. Such an act should not be temporarily set aside for some expedient that happens to be in existence at the moment.

As the Senator from Illinois has indicated, at the present time there is no threatened action against these banks. They are probably covered, in our opinion, as long as they do not act in restraint of trade, and as long as they act in the best interests of the United States, in free competition.

Mr. DOUGLAS. Mr. President, why is additional legislation needed when the legislation is already on the books? Why should companies which are already supposed to compete internally combine internationally?

Mr. HARTKE. Mr. President, I believe that the Senator from Illinois makes the point that I was trying to make, and makes it in a briefer fashion.

No action is being taken at the present time. This bill would perhaps open the door to something which Congress might not be aware of at the moment.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. ERVIN. Mr. President, this bill would authorize financial institutions, with the approval of the President, and—except in cases of great emergency—with the additional approval of the Attorney General, to enter into voluntary arrangements to curtail the flow of American money abroad in order to better our balance-of-payments situation.

In the absence of a bill of this nature, banking and insurance companies, and other financial institutions, cannot enter into voluntary arrangements to curtail the flow of American money abroad without being subject to prosecution for violation of the antitrust laws.

This is a bill of a temporary nature, designed solely to better our balance-of-payments position. It is subject to very great safeguards. In the first place, no financial institutions can even hold a meeting for the purpose of entering into a voluntary arrangement of this nature without the prior consent of the President of the United States, and without there first being published in the Federal Register the names of all of the institutions which are to participate in such meeting.

It is then provided that, except in cases of emergency, not only must the President approve of any voluntary agreement that is reached, but also that such agreement must be found by the Attorney General to be more beneficial in respect to our balance-of-payments position than it would be detrimental to competition.

The bill then also provides that at any time the President may withdraw or suspend the approval granted, on these voluntary agreements, to these financial institutions, and that, upon such action being taken by the President, their immunity under the antitrust laws ceases.

This would not affect their responsibility under the antitrust laws except with respect to voluntary agreements with regard to the flow of American money abroad. The bill is designed to improve our balance-of-payments position.

Mr. DOUGLAS. Mr. President, do I correctly understand my good friend the Senator from North Carolina to say that the Webb-Pomerene Act would not apply to financial institutions?

Mr. ERVIN. The Senator is correct. As I understand the Webb-Pomerene Act—and I am not a great authority on it—it would only suspend the liability of the antitrust laws with relation to certain restricted agreements between companies shipping goods abroad.

Mr. DOUGLAS. It would not pertain to financial transactions?

Mr. ERVIN. It would not pertain to financial transactions at all, as I understand it.

Mr. HARTKE. Mr. President will the Senator from North Carolina yield?

Mr. ERVIN. I yield.

Mr. HARTKE. Mr. President, the situation arose originally as a result of the President's recommendation at the time he made his balance-of-payments statement to the Congress in February.

Mr. ERVIN. This bill is supported by the administration.

Mr. HARTKE. The administration asked for this measure. It was suggested to Congress in February in the course of the message of the President.

Mr. ERVIN. I am not certain.

Mr. HARTKE. I believe that is correct. As a result, the bill was introduced.

At that time we were running a deficit of over $2 billion in our balance of payments in the last quarter. The President also indicated that a voluntary program of restraint would be instituted.

As I have said before, there is no crisis. There is no necessity for us to consider this measure in the same light and under the same policy which existed at the time when the President made such a recommendation to the Congress in February.

It is now the middle of August. Six months of successful operation under the President's program should give us cause to hesitate to take such far reaching legislative policies on the basis of a temporary extension of 20 months.

Mr. ERVIN. The Senator is correct. The President stated he did not wish to adopt coercive measures to absolutely prohibit these institutions from sending these private funds abroad.

Mr. HARTKE. The Senator is correct.

So this bill is to obtain the assistance of those institutions to better our balance-of-payments situation by voluntary agreements which would otherwise be subject to the antitrust laws.

The fact is that the President set up, with the help of the Secretary of the Treasury, certain guidelines and procedures by which a voluntary program has been instituted, as a result of which the program has worked.

Mr. ERVIN. It is very clear that it cannot work, because if the Senator and I represented two financial institutions and we agreed that we were going to curtail the flow of our money abroad, we would be subject to the antitrust laws.

Mr. HARTKE. The fact of the matter is that the voluntary program has worked so effectively and successfully that, from an annual deficit of $2,300 million, we had a surplus of over $1 billion in the second quarter, and we are going to have a surplus this quarter. So the President is to be commended for the program. It has worked with great success, so much so that a voluntary program is all that is needed.

Mr. ERVIN. I dislike to disagree with the Senator from Indiana, but the fact is that the voluntary program has not been as successful as anticipated. One financial institution can curtail the sending of funds abroad, but two financial institutions cannot agree to curtail the sending of funds abroad, because if they did so they would be making an agreement in restraint of trade and would be violating the antitrust laws.

Mr. HARTKE. Let me say to my friend from North Carolina that if he does not think the President's voluntary program is successful, something has occurred, because we have had a surplus of $1 billion in the last quarter. The next statement will soon be available, and it is expected that it will show a surplus.

I would like to call attention to the statement of Under Secretary Barr that it is not in violation of the present law.

Mr. William McChesney Martin made a statement as follows:

> In his message of February 10, the President requested that the Federal Reserve System work closely with the Secretary of the Treasury and the financial community to develop a program that would sharply limit the flow of credit abroad. The President noted, however, that cooperation among competing financial interests could raise problems under the antitrust laws. Therefore, he requested enactment of an exemption from the antitrust laws. But the President stated that, pending enactment of such legislation, the Secretary of the Treasury and the Federal Reserve System will guide that part of the program assigned to them along lines which raise no antitrust problems.

Mr. ERVIN. If these actions do not violate antitrust laws, why does the Senator object to making that clear by the passage of the bill?

Mr. HARTKE. For the simple reason that exemptions of the antitrust laws should not be granted temporarily, for 20 months, or for a shorter period. It is essential that the antitrust laws be kept in effect and that laws passed as long ago as 1915 be safeguarded.

The Senator from Michigan, when he introduced the bill and made the first statement before the committee, said he was reluctant to have to ask for that type of extension.

At this time, I do not see how it can be stated that the President's voluntary program can be declared to be a failure, and that we have to take the next step and ask for either a compulsory program or stronger guidelines.

Mr. DOMINICK. Mr. President, will the Senator yield for a question?

Mr. ERVIN. I yield.

Mr. DOMINICK. This is a bill of first impression to me, as of about 3 minutes ago, and I have not had an opportunity to study it.

Mr. MANSFIELD. Mr. President, if the Senator will yield, the bill was reported by the Judiciary Committee and it has been on the calendar for more than a week. I make this statement to call attention to the fact that the bill was not pulled out of the air suddenly, but there has been adequate notice of it.

Mr. DOMINICK. I am not criticizing at all. I did not know about the bill, and I did not know it was coming up.

I would like to ask a question. The bill starts with the following language, in the first section:

> That it is declared to be the policy of Congress to safeguard the position of the United States with respect to its international balance of payments.

That is fine. I believe that Senators will agree with that objective, but we have had ample tetsimony that our balance-of-payments problem is not necessarily tied up with the investment of capital abroad. It is tied up with foreign aid, military expenditures abroad, and other expenditures.

The bill continues in the next sentence—and this has caused me some concern:

> To effectuate this policy, the President shall undertake continuous surveillance over the private flow of dollar funds from the United States to foreign countries.

I am concerned over that language. Is this a part of the process that we should give to the executive branch of the Government—continual surveillance over what private people are doing in their industries?

Mr. ERVIN. There is nothing in the bill that would give the President power to control in anyway any activities of private business.

Mr. DOMINICK. I call the Senator's attention to section 4, which reads:

> The President may require such reports as he deems necessary to carry out the policy of this Act from any person, firm, or corporation within the United States concerning any activities affecting the United States balance-of-payments position.

This could mean the prices of products being bought for military aid, as I interpret the language. It could mean anything.

Mr. ERVIN. If the Senator will read the entire bill——

Mr. DOMINICK. I have done so, although quickly.

Mr. ERVIN. He will find that it sets up the following machinery: If the President thinks there should be a curtailment of the shipment of funds or money abroad by financial institutions in the United States, he can call for the holding of a meeting and issue invitations to financial institutions to participate in the meeting.

Mr. DOMINICK. The Senator is talking about section 2.

Mr. ERVIN. Yes. The first step is that the President has to call a meeting; and the announcement of the meeting must be published in the Federal Register. The Federal Register must disclose the names of the institutions invited to attend the meeting.

The bill provides that when the meeting is called, the institutions which are named in the Federal Register can enter into discussions and negotiations to curtail the sending of American funds abroad by such institutions. It provides that the negotiations shall not subject them to prosecutions for the antitrust laws or the laws establishing the Federal Trade Commission.

Then it provides that if they reach a voluntary agreement at such meeting, such voluntary agreement shall first, except in case of emergency, be reviewed by the Attorney General, who will determine whether or not the voluntary agreement by private or financial institutions to curtail sending of their funds abroad has a more beneficial effect upon our balance-of-payments problem than the loss of any competition among them in competing for this foreign business.

If the Attorney General reaches a determination to that effect, the President can approve the agreement. The agreement then goes into effect, which means that private financial institutions will be exempt from prosecution under antitrust laws, and under the provisions of the Federal Trade Commission Act, so long as the voluntary agreement is not withdrawn or suspended by the President. The bill then provides that if the President shall thereafter find that the detriment arising out of the elimination of competition outweighs its benefits to the balance-of-payments problem, the President can withdraw or suspend the exemptions of the participating institutions in the voluntary agreement and, thereupon, their exemption from prosecution under the antitrust laws and the Federal Trade Commission Act ceases.

Mr. DOMINICK. This is a helpful explanation. I know of the long study made by the Senator from North Carolina into this subject. I am sure that his information is accurate so far as section 2 is concerned; but, if this is the purpose of the bill, let me ask what the purpose of section 4 is; and would the chairman have any objection to simply striking section 4, which would, in fact, give to the President absolute and complete authority to require any kind of reports he wished from any person, firm, or corporation within the entire country on anything affecting the balance-of-payments situation. There are so many areas which affect it that it would leave the whole world wide open to the sole discretion of the President as to what kinds of reports he might wish.

Mr. ERVIN. I believe that provision was included for the purpose of enabling the President to make determinations as to whether the agreements would be more advantageous from the standpoint of our balance-of-payments situation than they would be detrimental from the standpoint of any elimination of competition in foreign business inherent in their use.

Mr. DOMINICK. I know that the Senator from North Carolina is as concerned as I am with the fact that this country should remain a government of laws and not a government of men. We are delegating to the President the power to require any reports he wishes, giving him authority which we have never given any agency of the Government before or, for that matter, to any President before, so far as I know.

Mr. ERVIN. I would consent to amend the bill by striking out section 4. Therefore, Mr. President, I modify the bill by striking out section 4, and by renumbering section 5 as section 4, by renumbering section 6 as section 5, and by renumbering section 7 as section 6.

The PRESIDING OFFICER. The Chair advises the Senator from North Carolina that he would have to offer the changes as an amendment.

Mr. DOMINICK. I so move, Mr. President.

Mr. JAVITS. Mr. President, may we have the amendment stated?

Mr. DOMINICK. It is to strike such reports——

The Legislative Clerk. On page 10, it is proposed to strike out section 4.

Mr. ERVIN. Mr. President, I offer an amendment to strike out section 4 on page 10 of the bill, and to renumber section 5 as section 4, to renumber section 6 as section 5, and to renumber section 7 as section 6.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

Mr. JAVITS. Mr. President, I should like to be heard before the Senate proceeds further.

The Senator from Colorado mentioned this to me, and I agree that section 4 is very broad. I believe that the purpose of the act is essential, coming from a State and city which has the largest banking community in the country, and having fought and bled for the proposition that the interest equalization tax was wrong and unwise and that we should have a voluntary program with a capital issues committee. The proposed legislation is very important for that concept, which is working successfully, I point out; whereas, the other did not. I believe that there is a great vindication of the position which was taken by so many in the banking community who wish to cooperate very much.

I am concerned, however, that in trying to bring about that kind of voluntary action and cooperation, we should not fail to realize that the biggest safeguard with respect to suspending the antitrust laws is always to require a followup of what is done with the authority.

Although I believe that the authority requested here is too great, I submit to my colleague on the Judiciary Committee the suggestion as to whether we should not substitute a provision very much like that contained on page 9, lines 11 to 17; in other words, to give the President authority to require reports which are related to the implementation thereof from any participant in the voluntary agreement or program. We give the Attorney General in that particular subsection 2(g) authority to require the production of books and records, which means that we have to extract the information.

Should we not give the President the authority to require the same kind of reports, so that there may be followups on how the exemption from the antitrust law is being used?

I am concerned that if we fail to do that, we will not have a followup and the program could get away from us. It seems to me that that should satisfy what I consider to be the legitimate field of the Senator from North Carolina, without at the same time leaving us vulnerable to the charge that we have launched an express vehicle without any opportunity of surveillance as to how it is working.

Mr. ERVIN. I believe that the Senator from Colorado has made a very good suggestion.

PRIVILEGE OF THE FLOOR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a staff members may be allowed the privilege of the floor during this discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. I agree with the Senator from Colorado that lines 17 and 18 on page 10 are rather broad. I believe that this would probably comply with the suggestion of the Senator from New York, and would also meet the objections of the Senator from Colorado, to change the section so as to read as follows:

> Section 4. The President may require such reports as he deems necessary to carry out the policy of this Act from any person, firm, or corporation within the United States concerning any activities embraced by the provision of this Act.

Mr. JAVITS. Mr. President, if I may make another suggestion to the Senator from North Carolina—although I believe that his suggestion is better—I thought of the possibility of striking the word "policy" in line 15 on page 10, and inserting in lieu thereof the word "authority." However, I believe that what the Senator from North Carolina has done is entirely satisfactory.

Mr. DOMINICK. If I may interject, it seems to me that we are still leaving it very broad. I gather that the Senator from New York is suggesting that we restrict this to those who are engaged in a voluntary agreement of the kind referred to in section 2. The amendment of the Senator from North Carolina would not do that. It would still leave it open for the President to require reports from anyone in the country regardless, although they are connected with this kind of voluntary agreement.

Mr. JAVITS. Mr. President, may I make another suggestion to the Senator from North Carolina.

Mr. ERVIN. I am afraid that it would restrict the amendment too much, because there are certain investigations and discussions which precede any voluntary arrangement.

Mr. JAVITS. I was about to suggest that in the voluntary arrangements——

Mr. ERVIN. I would suggest that instead of using the word "embrace," we make the last clause read, "authorized by the provisions of this Act."

Mr. JAVITS. That would be good.

Mr. DOMINICK. The amendment would read how?

Mr. ERVIN. The amendment would read:

> Section 4. The President may require such reports as he deems necessary to carry out the policy of this Act from any person, firm, or corporation in the United States concerning any activities authorized by the provisions of this Act.

That would permit them to carry on negotiations whether they ever reached——

Mr. DOMINICK. That certainly is far better than what we had before.

Mr. ERVIN. Mr. President, I withdraw my previous amendment, if it is agreeable to the Senator from New York and the Senator from Colorado, and I offer an amendment as follows:

> Strike out the words on lines 17 and 18 on page 10 of the bill, * * * "affecting the United States balance-of-payments position." and insert in lieu thereof the words "authorized by the provisions of this Act."

Mr. JAVITS. That is excellent.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment, and the amendment is withdrawn.

The clerk will restate the amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 10, line 17, after the word "activities", it is proposed to strike out "affecting the United States balance-of-payments position" and insert "authorized by the provisions of this Act".

Mr. ERVIN. Mr. President, I ask unanimous consent to insert at this point the marked portions on pages 5 and 6, and 8 to 13, both inclusive, of the committee report, which explain the necessity for the bill in detail.

There being no objection, the excerpt from the committee report (No. 549) was ordered to be printed in the RECORD, as follows:

PURPOSE

On February 10, 1965, the President addressed a message to the Congress dealing with the international balance-of-payments situation. While offering assurance that "the state of the dollar in the world today is strong—far stronger than 3 or 4 years ago," the President also noted that we had sustained a payment deficit in 1964 of more than $3 billion. To deal with this serious problem he recommended "new steps to speed our progress toward balance in our external payments." Among other things the President proposed a program calling for members of the banking community, working closely with the chairman of the Board of Governors of the Federal Reserve System and the Secretary of the Treasury, voluntarily to limit their lending abroad. In commenting on this program the President stated:

"Cooperation among competing banking interests could raise problems under the antitrust laws and, if extended beyond measures essential to our balance-of-payments objectives, would damage our competitive system.

"Therefore, I request the Congress to grant a statutory exemption from the antitrust laws to make possible the cooperation of American banks in support of our balance-of-payments objectives. I request, also that the legislation require that the exemption be administered in ways which will not violate the principles of free competition."

This legislation fulfills the President's recommendation. Under carefully defined conditions and procedures, it provides an antitrust exemption for banks and other named financial institutions with respect to the formulation and implementation of programs or agreements found necessary and appropriate to the safeguarding of the U.S. balance of payments.

The exemption conferred by the bill is available only under certain conditions and only if the participants in any discussion or meeting relating to a program or agreement comply with the procedural requirements set forth in the legislation. Satisfaction of these standards is essential if, as the President asked, the proposed legislation is not to "violate the principles of free competition."

The bill provides that the President must approve any agreement or program if the participants are to be free from antitrust proscriptions. Before such approval can be granted, except under emergency conditions of a type defined in the bill, the Attorney General must first find that "the actual or potential detriment to competition is outweighed by the benefits of such agrement or program to the safeguarding of the U.S. balance-of-payments position."

Meetings or discussions held by the parties to any such approved agreement or program, or discussions held for the purpose of formulating an agreement or program, must be held in full compliance with the specified procedure. This insures that there will be adequate Government supervision and that the Attorney General will be in a position to carry out his responsibility, imposed by the bill, to review continuously "the operation of any agreement or program" and "recommend to the President the withdrawal or suspension" of his approval where the actual or potential detriment to competition is found to outweigh the benefits to the U.S. balance-of-payments position. Authority is conferred on the President and the Attorney General so that they will be able to obtain information that will permit them to execute their statutory responsibilities. Requirements are imposed that guarantee that the Congress, and the public, will be informed about the way in which the authority granted by the bill is exercised. By its terms the bill will expire 20 months after it becomes law or on such earlier date as the President may proclaim.

* * * * *

STATEMENT

The United States has experienced a deficit in its balance of payments, on regular transactions, in each of the 7 years beginning in 1958 (see table 1). This has contributed to a decline in the U.S. gold stock from $22.9 billion at the end of 1957 to $15.5 billion at the end of 1964 and has made it increasingly difficult to adapt monetary policy to the needs of the domestic economy. Internationally, the payments deficit has placed continued pressure on the dollar, one of the two key reserve currencies. Improvements in our payments position are widely conceded to be important if we are to maintain confidence in the dollar and avoid the risk of devaluation.

Although the basic economic position of the United States has been and remains strong, Presidents Eisenhower, Kennedy, and Johnson have recognized the importance of checking our payments deficit. Each has taken steps to deal with the problem with the result that there has been a gradual improvement in the situation. In 1959 the U.S. payments deficit amounted to $4.2 billion. It has not reached that level in any year since and has shown a downward, if not consistent, movement over the last 6 years. Nevertheless, while the payments deficit has been reduced, it still was regarded as too large. The 1964 results, revealing a deficit of $3.1 billion, prompted further steps to be taken early this year by President Johnson.

The 1964 experience merits review for it is basic to an understanding of the measures taken in February by the President and to an appreciation of the role of H.R. 5280. As noted earlier, the U.S. payments deficit for the year totaled $3.1 billion. But that is only part of the story. What was particularly disturbing about 1964 is that the deficit rose very sharply in the last part of the year. As table 2 (sec. A, line 15) shows, there was hardly any deficit at all in the first quarter of 1964. In the second quarter a deficit of $595 million was recorded. In the third quarter the deficit rose again, to a level slightly in excess of $1 billion. In the fourth quarter the deficit soared to an even higher level, $1.6 billion. This means that at the rate of imbalance noted in the last 3 months of 1964, the deficit for the year as a whole would have been over $6 billion, or twice that which was actually recorded.

The principal cause of the rapid rise in the size of the payments deficit in the latter part of 1964 stems largely from the outflow of private capital. In terms of our trade in goods and services the United States is in a very strong position. We export more than we import; last year the balance in our favor came to $8.6 billion. What creates our deficit is that this net inflow is more than offset by the net outflow of capital, public and private. Of these deficit-producing forces the outflow of private capital was the most powerful and increased the most rapidly in 1964.

As table 2 (sec. I, line 15) reveals, nearly $6.5 billion of private capital was exported in 1964—up by more than $2 billion over 1963. And as the year progressed, the rate of capital outflow increased sharply. In the first quarter it amounted to $1.3 billion—in the last quarter to $2.2 billion, nearly 50 percent higher than that experienced in any quarter since the beginning of 1960.

Of the ingredients in the capital outflow the most important in 1964 were the movements of capital coming from the banks and other financial institutions. In 1963 the long-term capital outflow reported by these sources totaled less than $600 million; but in 1964 this rose by more than twice, to $1.3 billion. An even more pronounced increase occurred in the case of short-term capital outflows, where the 1964 amount of $2.1 billion was up by about 150 percent over the 1963 level.

Sizable though these increases were, they failed to reveal the extent to which these types of capital movements from the United States rose in 1964, particularly with respect to short-term movements emanating from the banks. Table 3 contains the pertinent data. On a seasonally adjusted basis it shows that the Nation's banks increased their short-term capital commitments abroad by nearly $300 million in the fourth quarter of 1964—up from $162 million to $455 million. Long-term bank commitments also rose markedly in the last quarter. Where they had amounted to less than $100 million in the second quarter, they rose steeply in the third quarter to $264 million and then advanced again, to $313 million in the last 3 months of the year. The rate of capital outflow, especially that from the banks, noted in the last half of 1964 was unprecedented. While the precise causes for this movement cannot be isolated, nor their time duration predicted, this floodtide could not be allowed to persist without incurring sizable economic risks.

As 1965 got underway, the pronounced outmovement of private capital continued. Long-term bank claims on foreigners rose by more than $200 million in January alone. In the early days of February this outrush of capital continued unabated. On February 10 the President felt obligated to act in a manner designed largely to curtail the outpouring of private capital from the United States. He declared that it was necessary "to take new steps to speed our progress toward balance in our external payments" and took measures to reduce capital movements from this country. Exercising authority which he had been given in 1963, he applied the interest equalization tax in February to bank loans in the 1-year-and-over category.

Perhaps, most importantly, the President asked American businessmen to curtail their investment and lending abroad under the general supervision of the Federal Reserve Board and the Treasury Department. He met with a representative group of American bankers and asked that they voluntarily check their lending abroad. In this respect he sought legislation "to make voluntary cooperation by American bankers in support of our payments efforts under the Government's auspices, exempt from the antitrust laws wherever such cooperation is essential to the national interest."

In doing so the President wanted to be placed in a position so that he could grant antitrust immunity where this might be necessary to obtain the uninhibited participation of the banks and other financial institutions in the voluntary credit curtailment program. Aware that an antitrust exemption could be abused, the President insisted that it "be administered in ways which will not violate the principles of free competition." Pending enactment of this legislation, he asked that the Secretary of Treasury and the Federal Reserve System administer the credit-curtailment program "along lines which raise no antitrust problems." Legislation of the sort requested was introduced in both Houses of the Congress on February 23.

The White House efforts to curtail the outflow of bank credit got underway in March when the Federal Reserve, after preliminary discussions with representatives of the industry, published a set of guidelines. Among other things, they aimed at holding the increase in outstanding foreign claims of the banks to a level not more than 5 percent above that which prevailed on December 31, 1964.

Since the program went into effect, it has worked well—indeed very well. Long-term bank lending, which had increased by $450 million in January and February, leveled off in March. In April and again in May there was an actual reduction in the amount of outstanding foreign bank credit. How long this cooperation will, or can, continue is uncertain. So far the program which the Federal Reserve put into effect in March has presented no antitrust problems, in the opinion of witnesses from the Federal Reserve Board and Treasury Department. It is possible, however, that in the future, changes in the character of the program will have to be made and they could present a risk of antitrust violation. Court rulings have firmly established that banks are subject to the antitrust laws and thus agreements between banks (and other financial institutions) which relate to the collective approval or rejection of loans and the establishment of the terms on which a loan will be made can run afoul of the Sherman Act or other antitrust statutes. Under these conditions the proposed legislation will permit the President to offer immunity from the antitrust laws and thus induce financial institutions to cooperate fully in the continuing effort to keep the outflow of private capital within acceptable limits. Equipped as it is with the kinds of protective features placed in the bill by amendment, it provides authority which the President may at some future date find useful in his efforts to constrain the U.S. payments deficit. Present and foreseeable conditions do not require or warrant use of the authority conferred by this legislation. It provides standby authority for use under circumstances which might necessitate its prompt implementation even though their exact character cannot now be anticipated by officials in the executive branch of the Government.

Under carefully specified conditions and subject to detailed procedures designed to insure that there will be continuing Government oversight, the bill provides an exemption from the antitrust laws for certain named financial institutions with respect to the formulation and implementation of approved voluntary agreements and programs. Section 1 limits the bill's coverage solely to the institutions mentioned: banks, investment bankers and companies, securities brokers and dealers, insurance companies, finance companies, pension funds, charitable trust and foundations, and educational institutions. While this list of institutions is somewhat more detailed than that contained in the House bill, it also eliminates the general, catchall phrase "and other financial institutions" so as to narrow the bill's application to those institutions specifically described.

In accordance with section 2(b) the President may request specifically named institutions satisfying the description contained in section 1 to discuss the formulation of voluntary agreements or programs designed to safeguard the U.S. balance-of-payments position. Before making such a request the President must first find that it is both necessary and appropriate to the achievement of that objective. When a request is submitted a notice must be promptly published in the Federal Register identifying all the persons invited to attend and the place and time of their meeting or meetings. Where such a request is made (and the appropriate notice published), the discussion and formulation of any voluntary agreement or program is not to be construed as within the prohibitions of the antitrust laws.

This exemption, however, exists only if certain conditions are satisfied. First, the discussions must relate to the objective of safeguarding the balance-of-payments position. Second, the meetings or discussions must satisfy all of the procedural requirements contained in section 2(e). Third, the parties to any agreement or program must take no action in its implementation until after it has been approved pursuant to section 2(c). Failure to meet any of these conditions precludes antitrust exemption.

Before any voluntary agreement or program can be carried out free of antitrust proscriptions, it must first be approved by the President. Before such approval can be granted section 2(d) requires that the agreement or program be submitted to the Attorney General. Unless the Attorney General expressly finds that the actual or potential detriment to competition is outweighed by the benefits of such agreement or program to the safeguarding of our balance of payments, the agreement or program cannot be approved. In making this finding the Attorney General is expected to assign no less importance to the objective of maintaining competition than to the protection of the country's balance-of-payments position.

The finding of the Attorney General, together with a detailed statement of his reasons, including consideration of any competitive implications which may present themselves, is to be published not later than the date specified in section 3. In an emergency which the President personally finds necessitates immediate approval and which makes it impossible to first submit the agreement or program to the Attorney General, the President (but not a delegate) may grant approval. Regardless of the situation it should be emphasized that the agreement or program, if it is properly to be approved, must directly relate to the declared objective of safeguarding the balance-of-payments position.

Once approval is granted in accordance with section 2(c), the action of those occurring pursuant to any such agreement or program, whether or not they were directly involved in the formulation of the agreement or program, is exempt from the antitrust laws. However, only parties described in section 1 whose participation in a program has been specifically requested by the President and who have explicitly manifested their acceptance in advance can claim the exemption.

In order to insure that the formulation and execution of agreements and programs conform to the substantive provisions of the bill and do not run counter to the public interest, section 2(e) imposes stringent standards governing the conduct of meetings and discussions. Failure to comply with any of these requirements terminates the participants' antitrust exemption. Among other things, the Attorney General is to be provided with a copy of the agenda in advance of the time and place of any meeting so that he may have a representative in attendance. Meetings may be held only at the call of and must be continuously presided over by a full-time salaried officer or employee of such department or agency as the President shall publicly designate. (Such department or agency may include the Federal Reserve System.) The presiding officer is required to adjourn any meeting whenever he or a representative of the Attorney General considers adjournment to be in the public interest. A verbatim transcript must be kept of all proceedings at each meeting and a copy promptly provided for retention by the Attorney General. Discussions, communications, and meetings of participants are exempt from the antitrust laws only if the standards of section 2(e) are fully met.

Under the proposed legislation the Attorney General is required to review continuously the operation of any agreement or program and to recommend to the President the withdrawal or suspension of such approval if he finds that the actual or potential detriment to competition outweighs its benefit to the safeguarding of the U.S. balance-of-payments position. In addition, since the antitrust laws remain applicable to the banks and other institutions named in the bill absent specific exemption, the Attorney General must continue to maintain general surveillance over this entire field of activity. So as to enable the Attorney General to fulfill these responsibilities he is given authority to require the production of such books, records, or other information as shall have a direct bearing upon such agreement or program and the implementation thereof from any participant in a voluntary agreement or program as he may determine to be reasonably necessary for the performance of his responsibilities. This may include one who was a participant at or during the time which is the subject of the Attorney General's concern. Normally it is expected that such records will be made available at the participant's regular place of business, subject to other arrangements mutually agreed upon. The grant of authority contained in section 2(g) in no way alters such other power as the Attorney General may have to obtain records and documents, including that conferred by the Antitrust Civil Process Act.

The Attorney General is required to report on his responsibilities semiannually. In his reports he is to indicate, together with his views, the extent to which his review of approved agreements or programs has disclosed any actual or potential detriment to competition.

So that the Congress and the public will know of the nature and content of approved agreements or programs, their full text must be published not less than 3 days prior to their effective date. In extraordinary circumstances, where publication of the full text would be felt to be inconsistent with the national interest, only a summary need be published; but in such case the full text nevertheless must be made available promptly to the Attorney General.

To enable the President to maintain the "continuous surveillance over the private flow of dollar funds from the United States" required by section 1, section 4 authorizes him to require reports concerning activities affecting the U.S. balance-of-payments position.

The President is authorized by section 5 to delegate his authority under the proposed legislation, but only to officials appointed with the advice and consent of the Senate. In respect to section 2(d), however, the President's authority is nondelegable. Section 2 (d) allows the President, in case of emergency, to waive the requirement for the preliminary finding by the Attorney General set forth in section 2(d). Only the President, acting individually, may waive this precondition. If he does so, he may then personally approve the relevant agreement or program.

The proposed enactment expires automatically 20 months after it becomes law or on such earlier date as the President may proclaim.

Mr. ERVIN. Mr. President, I thank the Senator from Colorado and the Senator from New York for their contribution to the clarification of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina [Mr. Ervin].

The amendment was agreed to.

Mr. JAVITS. Mr. President, I wish to say a word on the bill. This is the voluntary approach for which I have contended for so long. We must recognize that the present apparent bringing of our balance of payments into better balance is somewhat deceptive, because we are doing it at the price of restricting American investments abroad, and American investments abroad on net balance pay us a plus in the balance of payments rather than a minus. So we are fooling ourselves. But we are preventing dollars from going out.

I express the hope that the administration will resort to the voluntary means of reshaping them to suit the situation rather than again going to the compulsory means of the interest equalization tax. At the appropriate time I shall seek to amend that statute, to give the President the power to sustain it in whole or in part on the ground that it is a coordinate power with the power which we are giving him in this bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ERVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S.J. Res. 81) to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H.R. 6097. An act to amend title 18, United States Code, to provide penalties for the assassination of the President or the Vice President, and for other purposes; and

H.R. 9075. An act to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS—CONFERENCE REPORT

Mr. McNAMARA. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S.J. Res. 81) to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. McNAMARA. Mr. President, I move the adoption of the conference report. The report is signed by all the conferees on the part of the House and the Senate, and the report has been accepted by the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

CORRECTION OF CERTAIN ERRORS IN TARIFF SCHEDULES OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 519, H.R. 7969.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (H.R. 7969) to correct certain errors in Tariff Schedules of the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW—UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. MANSFIELD. Mr. President, I should like to propound a unanimous-consent agreement. First I ask unanimous consent that when the Senate completes its business this afternoon, it stand in recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Second, I ask unanimous consent that at the conclusion of the prayer tomorrow there be a time limitation of 1 hour on the broom amendment, with the time to be equally divided between the proponent of the amendment and the Senator from Florida [Mr. Smathers], the manager of the bill; that one-half hour be allowed on other amendments, with 15 minutes to a side, to be divided equally and controlled, respectively, by the mover of the amendment and the Senator from Florida; and that 1 hour of debate be allowed on the bill.

Mr. SMATHERS. Mr. President, there are some amendments that will be offered for discussion today, which I am prepared to accept.

Mr. DOMINICK. Is it planned to vote on those amendments tonight?

Mr. MANSFIELD. No; there will be no yea-and-nay votes tonight. If those amendments can be agreed to without a yea-and-nay vote, that is fine. No yea-and-nay vote on any amendment will be had tonight.

Mr. BENNETT. Does the 1-hour limitation apply to the so-called rubber footwear amendment?

Mr. MANSFIELD. There was special consideration for the broom amendment.

Mr. BENNETT. But not for the rubber footwear amendment?

Mr. MANSFIELD. In talking this over with the minority leader, it was felt that a half hour would be sufficient on other amendments, 15 minutes to a side.

Mr. BENNETT. I shall not object.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, the order is entered.

Mr. MANSFIELD. No more amendments will be considered tonight except those that may be accepted. There will be no yea-and-nay votes tonight. At the conclusion of the prayer tomorrow, 1 hour will be allowed on the so-called broom corn amendment, and a half hour on all other amendments, and 1 hour on the bill. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Friday, August 13, 1965, immediately following the prayer and a quorum call, during the further consideration of the bill H.R. 7969, to correct certain errors in the Tariff Schedules of the United States, debate on any amendment (except the so-called broom corn amendment and the amendment of the Senators from Indiana and Connecticut [Messrs. HARTKE and RIBICOFF] No. 385, which shall be limited to 1 hour each), motion, or appeal, except a motion to lay on the table, shall be limited to one-half hour, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Florida [Mr. SMATHERS]: *Provided,* That in the event the Senator from Florida is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the majority leader or some Senator designated by him:

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. SMATHERS. I ask unanimous consent that the committee amendments, other than the amendment beginning on line 10, of page 35—relating to footwear of rubber or plastics—be approved en bloc and that the bill as amended be considered as original text for the purpose of further amendment, and that the amendment beginning on line 10 of page 35 be deleted.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, line 12, after "(a)", to strike out "The" and insert "Except as otherwise provided, the"; on page 3, line 1, after the word "Act", to insert "(other than the amendments made by sections 27(a), 51(a), 55(a), 72(b), and 89(a))"; on page 4, line 10, after the word "section", to strike out "25" and insert "29"; in line 18, after the word "section", to strike out "74" and insert "90"; on page 5, after line 13, to insert a new section, as follows:

"SEC. 6. EDIBLE PREPARATIONS, ANIMAL FEEDS, AND INGREDIENTS THEREFOR.

"(a) EDIBLE PREPARATIONS.—Headnote 3 for schedule 1, part 15, subpart B (p. 78) is amended by inserting before the period at the end thereof the following: ', but such term does not include any substance provided for in schedule 4 (except part 2E thereof) or schedule 5 (except part 1K thereof)'.

"(b) ANIMAL FEEDS.—Headnote 1(a) for schedule 1, part 15, subpart C (p. 79) is amended by inserting after 'respectively' the following: ', but such terms does not include any product provided for in schedule 4 (except part 2E thereof) or schedule 5 (except part 1K thereof)'."

On page 6, after line 3, to insert a new section, as follows:

"SEC. 7. WILD RICE.

"Schedule 1, part 15, subpart B is amended by inserting after item 182.58 (p. 78) the following new item:

"'

182.70	Wild rice, crude or processed	5% ad val.	10% ad val.

,"

At the beginning of line 7, to change the section number from "6" to "8"; at the beginning of line 10, to change the section number from "7" to "9"; at the beginning of line 12, to change the section number from "8" to "10"; on page 7, at the beginning of line 5, to change the section number from "9" to "11"; after line 15, to strike out:

"SEC. 10. GASKETING MATERIALS OF GROUND OR PULVERIZED CORK.

"Schedule 2, part 2, subpart A is amended by inserting after item 220.20 (p. 93) the following new item:

"'

220.25	Slabs and sheets comprised primarily of ground or pulverized cork bonded with rubber or plastics	10% ad val.	25% ad val.

,"

And, in lieu thereof, to insert:

"SEC. 12. CORK.

"(a) GASKETING MATERIALS.—Schedule 2, part 2, subpart A is amended by inserting after item 220.20 (p. 93) the following new item:

"'

220.25	Vulcanized sheets and slabs wholly of ground or pulverized cork and rubber	10% ad val.	25% ad val.

'

"(b) FLOOR COVERINGS.—The article description for item 728.20 (p. 365) is amended by striking out 'composition'."

On page 8, after line 7, to strike out:

"SEC. 11. WOOD PARTICLE BOARD.

"Item 245.50 (p. 98) is amended by striking out '12% ad val.' and inserting in lieu thereof '20% ad val.'."

At the beginning of line 11, to change the section number from "12" to "13"; at the beginning of line 14, to change the section number from "13" to "14"; on page 10, in the headline in line 4, after the word "Or", to strike out "Net" and insert "Knit"; on page 12, at the beginning of line 1, to change the section number from "14" to "15"; at the beginning of line 12, to change the section number from "15" to "16"; on page 13, after line 13, to insert a new section, as follows:

"SEC. 17. USED BAGS AND SACKS SUITABLE FOR BALING COTTON.

"Schedule 3, part 4, subpart C is amended by striking out item 356.50 (p. 146) and inserting in lieu thereof the following:

"'

	Woven fabrics of vegetable fibers, suitable for covering cotton bales:		
356.50	Recovered from used bags and sacks	Free	Free
356.51	Other fabrics, in the piece or in units, containing not over 16 yarns per square inch (counting the warp and filling) and weighing 15 or more ounces per square yard	0.3¢ per sq. yd.	0.6¢ per sq. yd.

,"

On page 14, at the beginning of line 1, to change the section number from "16" to "18"; at the beginning of line 9, to change the section number from "17" to "19"; on page 15, at the beginning of line 4, to change the section number from "18" to "20"; at the beginning of line 7, to change the section number from "19" to "21"; at the beginning of line 12, to change the section number from "20" to "22"; on page 16, at the beginning of line 1, to change the section number from "21" to "23"; on page 17, at the beginning of line 1, to change the section number from "22" to "24"; after line 11, to insert a new section, as follows:

"SEC. 25. PIGMENTS.

"Headnote 1 for schedule 4, part 9, subpart B (p. 208) is amended by striking out 'chiefly used to impart color' and inserting in lieu thereof 'commonly known as pigments and suitable for use in imparting color'."

At the beginning of line 17, to change the section number from "23" to "26"; on page 18, after line 2, to insert a new section, as follows:

"SEC. 27. SYNTHETIC MINERS' DIAMONDS; POWDER OR DUST.

"(a) IN GENERAL.—Schedule 5, part 1, subpart H is amended by striking out item 520.21 (p. 232) and inserting in lieu thereof the following:

"'

	Synthetic:		
520.19	Miners' diamonds	Free	Free
520.20	Powder or dust	Free	Free
520.21	Other	15% ad val.	30% ad val.

'

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act."

At the beginning of line 12, to change the section number from "24" to "28"; at the beginning of line 16, to change the section number from "25" to "29"; at the top of page 19, to insert a new section, as follows:

"SEC. 30. IRON ORE.

"Headnote 2(a) for schedule 6, part 1 (p. 253) is amended by inserting 'iron,' after 'sintered'."

At the beginning of line 4, to change the section number from "26" to "31"; at the beginning of line 9, to change the section number from "27" to "32"; after line 13, to insert a new section, as follows:

"SEC. 33. UNWROUGHT ALUMINUM.

"Schedule 6, part 2, subpart D is amended by striking out item 618.01 and the article description preceding such item, item 618.02 and the article description preceding such item, item 618.04 and the article description preceding such item, and item 618.06 (p. 279) and inserting in lieu thereof the following:

"'

	Unwrought aluminum:		
618.03	Aluminum silicon	2.125¢ per lb.	5¢ per lb.
	Other:		
618.05	Products of uniform cross-section throughout their length (except any such product the least cross-sectional dimension of which is not greater than 0.375 inch, in coils) imported to be melted, rolled, forged, drawn, or extruded, or to be used for sacrificial purposes; and products other than those of uniform cross-section throughout their length	1.25¢ per lb.	4¢ per lb.
618.07	Other	2.5¢ per lb.	7¢ per lb.

'"

On page 20, at the beginning of line 3, to change the section number from "28" to "34"; on page 21, at the beginning of line 1, to change the section number from "29" to "35"; at the beginning of line 13, to change the section number from "30" to "36"; on page 23, after line 10, to strike out:

"(g) Permanent Magnets.—Item 682.70 (p. 321) is amended by striking out '18% ad val.' and inserting in lieu thereof '16% ad val.'."

At the beginning of line 14, to strike out "(h)" and insert "(g)"; at the beginning of line 17, to strike out "(i)" and insert "(h)"; on page 24, at the beginning of line 1, to strike out "(j)" and insert "(i)"; at the beginning of line 4, to strike out "(k)" and insert "(j)"; on page 25, at the beginning of line 5, to strike out "(l)" and insert "(k)"; at the beginning of line 8, to change the section number from "31" to "37"; at the beginning of line 11, to change the section number from "32" to "38"; at the beginning of line 15, to change the section number from "33" to "39"; on page 26, at the beginning of line 1, to change the section number from "34" to "40"; at the beginning of line 19, to change the section number from "35" to "41"; on page 27, at the beginning of line 1, to change the section number from "36" to "42"; at the beginning of line 15, to change the section number from "37" to "43"; at the beginning of line 19, to change the section number from "38" to "44"; on page 28, after line 3, to strike out:

"Sec. 39. Certain Shoe Machinery; Shoe Machinery Molds.

"(a) Certain Shoe Machinery.—The article description preceding item 661.65 (p. 311) is amended by inserting 'shoe machinery,' after 'sugar machinery,'.

"(b) Shoe Machinery Molds.—Schedule 6, part 4, subpart J is amended by striking out item 680.10 (p. 318) and inserting in lieu thereof the following:

''		Molds used for rubber or plastics materials:			
	680.11	Shoe machinery molds.	Free	Free	
	680.12	Other	11.5% ad val.	35% ad val.	'"

And, in lieu thereof, to insert:

"Sec. 45. Shoe Machinery.

"(a) Knives and Cutting Blades for Shoe Machinery.—The article description for item 649.65 (p. 301) is amended by inserting 'and for shoe machinery' after 'blades)'.

"(b) Shoe Machinery for Certain Treatment of Materials.—The article description preceding item 661.65 (p. 311) is amended by inserting 'shoe machinery,' after 'sugar machinery,'.

"(c) Parts of Shoe Sewing Machines.—The article description for item 672.05 (p. 315) is amended by inserting ', and parts thereof (except needles)' after 'uppers'.

"(d) Shoe Machinery Molds.—Schedule 6, part 4, subpart J, is amended by striking out item 680.10 (p. 318) and inserting in lieu thereof the following:

"'		Molds used for rubber or plastics materials:			
	680.11	Shoe machinery molds	Free	Free	
	680.12	Other	11.5% ad val.	35% ad val.	',

"(e) Parts of Copying Lathes.—The article description for item 911.70 (p. 434) is amended by inserting ', and parts thereof provided for in items 674.50, 674.51, and 674.53' after 'schedule 6')."

On page 29, after line 9, to insert a new section, as follows:

"Sec. 46. Machine Clothing.

"Headnote 1(iii) for schedule 6, part 4 (p. 309), is amended by inserting after 'machine clothing' the following: ', other than card clothing provided for in items 670.52 and 670.54'."

After line 14, to insert a new section, as follows:

"Sec. 47. Blowers for Pipe Organs.

"Schedule 6, part 4, subpart A, is amended by striking out item 661.10 (p. 310) and inserting in lieu thereof the following:

"'		Fans and blowers, and parts thereof:			
	661.09	Blowers for pipe organs	10% ad val.	35% ad val.	
	661.10	Other	14% ad val.	35% ad val.	',

On page 30, at the beginning of line 1, to change the section number from "40" to "48"; at the beginning of line 2, to insert "(a) Parts of Filtering and Purifying Machinery.—"; after line 5, to insert:

"(b) Rollers for Machines.—Schedule 6, part 4, subpart J is amended by inserting after item 680.57 (p. 319) the following new item:

"'	680.58	Cast-iron (except malleable cast-iron) rollers for machines, not alloyed and not advanced beyond cleaning, and machined only for for the removal of fins, gates, sprues, and risers or to permit location in finishing machinery	3% ad val.	10% ad val.	'"

After line 8, to insert a new section, as follows:

"Sec. 49. Automatic Pinsetting Machines.

"The article description for item 664.10 (p. 312) is amended by striking out ', and conveyors,' and inserting in lieu thereof '; conveyors; and automatic machines for setting bowling pins;'."

On page 31, at the beginning of line 1, to change the section number from "41" to "50"; after line 12, to insert:

"(c) Internal Combustion Engines.—The article description for item 660.40 (p. 310) is amended by inserting after 'item 692.30' the following: 'or in agricultural or horticultural machinery or implements provided for in item 666.00'."

After line 17, to insert:

"(d) Speed Changers, Etc.—The article description following item 680.40 (p. 319) is amended by striking out 'all the foregoing and parts thereof (except parts of motor vehicles, aircraft, and bicycles)' and inserting in lieu thereof 'all the foregoing (except parts of agricultural or horticultural machinery and implements provided for in item 666.00 and parts of motor vehicles, aircraft, and bicycles) and parts thereof'."

On page 32, after line 5, to insert:

"(e) Tires.—Schedule 7, part 12, subpart C is amended by inserting after item 772.48 (p. 394) the following new item:

"'	772.50	Designed for tractors provided for in item 692.30 or for agricultural or horticultural machinery or implements provided for in item 666.00	Free	Free	',

After line 8, to insert:

"(f) Tubes.—Schedule 7, part 12, subpart C is amended by inserting after item 772.57 (p. 394) the following new item:."

After line 11, to insert a new section, as follows:

"Sec. 51. Certain Machines for Sorting Agricultural Products.

"(a) In General.—Schedule 6, part 4, subpart C is amended by inserting after item 666.00 (p. 313) the following new item:

"'	666.05	Machines with photocell components for the sorting, on the basis of color only, of beans, peas, nuts, or similar agricultural products	Free	Free	

"(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse for consumption, after the date of the enactment of this Act."

On page 33, at the beginning of line 3, to change the section number from "42" to "52"; at the beginning of line 13, to change the section number from "43" to "53"; in line 15, after the word "multiple", to insert "and variable"; at the beginning of line 18, to change the section number from "44" to "54"; on page 34, after line 1, to insert a new section, as follows:

"Sec. 55. Dictation Recording and Transcribing Machines.

"(a) Machines Using Nonmagnetizable Recording Medium.—Schedule 6, part 5, is amended by striking out items 685.40 and 685.42 (p. 323) and the article description preceding such items and inserting in lieu thereof the following:

"'	685.40	Tape recorders and dictation recording and transcribing machines, and parts thereof	11.5% ad val.	35% ad val.	',

"(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act."

At the beginning of line 13, to change the section number from "45" to "56"; at the beginning of line 14, to insert "(a) In General.—"; after line 16, to insert:

"(b) Temporary Rate for Color Television Picture Tubes.—Part 1, subpart B of the appendix is amended by inserting after item 911.70 (p. 434) the following new item:

"'	911.90	Color television picture tubes (provided for in item 687.50)	12% ad val.	60% ad val.	On or before 8/31/69	'"

On page 35, at the beginning of line 3, to change the section number from "46" to "57"; at the beginning of line 6, to change the section number from "47" to "58";

At the beginning of line 17, to change the section number from "48" to "60"; on page 36, at the beginning of line 1, to change the section number from "49" to "61"; at the beginning of line 5, to change the section number from "50" to "62"; at the beginning of line 13, to change the section number from "51" to "63"; at the beginning of line 17, to change the section number from "52" to "64"; on page 37, at the beginning of line 1, to change the section number from "53" to "65"; on page 38, at the beginning of line 5, to change the section number from "54" to "66"; at the beginning of line 12, to change the section number from "55" to "67"; after line 16, to strike out:

"Sec. 56. Heat-Sensitive Papers.

"Item 723.35 (p. 357) is amended by striking out '15% ad val.' and inserting in lieu thereof '7.5% ad val.'."

And, in lieu thereof, to insert:

"Sec. 68. Polyethylene Terephthalate Film Base; Heat Sensitive Papers.

"(a) POLYETHYLENE TEREPHTHALATE PHOTOGRAPHIC FILM BASE.—Schedule 7, part 2, subpart F is amended by inserting after item 723.15 (p. 357) the following new item:

"'

723. 18	Polyethylene terephthalate photographic film base, coated but not sensitized	7.5¢ per lb.	50¢ per lb.

',

"(b) HEAT-SENSITIVE PAPERS.—Item 723.35 (p. 357) is amended by striking out '15% ad val.' and inserting in lieu thereof '7.5% ad val'."

On page 39, at the beginning of line 9, to change the section number from "57" to "69"; at the beginning of line 15, to change the section number from "58" to "70"; on page 40, at the beginning of line 1, to change the section number from "59" to "71"; after line 3, to insert a new section, as follows:

"SEC. 72. MODELS.

"(a) PRECISION MODEL VEHICLES, SHIPS, AND AIRPLANES.—The article description for item 737.07 (p. 373) is amended by striking out 'and cable-car systems;' and inserting in lieu thereof 'cable-car systems; highway vehicles; ships and harbor structures; and airplanes and spacecraft;'.

"(b) TOPOGRAPHIC PANELS FOR MODEL RAILROADS.—Schedule 7, part 5, subpart E is amended by inserting after item 737.15 (p. 373) the following new item:

"'

737. 17	Topographic construction panels, whether or not containing track or switches, for model railroad layouts	16% ad val.	45% ad val.

',

"(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act."

At the begining of line 17, to change the section number from "60" to "73"; on page 41, after line 2, to insert a new section, as follows:

"SEC. 74. BUTTON BLANKS.

"Headnote 2 for schedule 7, part 7, subpart A (p. 379) is amended to read as follows:

"'2. For the purposes of this subpart—

"'(a) the term "line" in the rates of duty columns (items 745.20, 745.22, and 745.32) means the line button measure of one-fourth of one inch; and

"'(b) the term "button blanks" (item 745.40) is limited to raw or crude blanks suitable for manufacture into buttons'."

At the beginning of line 13, to change the section number from "61" to "75"; to strike out the material following line 17, as follows:

"

745. 45	Buckles and buckle slides	19% ad val.	45% ad val.

"

And, insert in lieu thereof:

"

745. 45	Buckles and buckle slides, and parts thereof	19% ad val.	45% ad val.

"

At the beginning of line 18, to change the section number from "62" to "76"; on page 42, at the beginning of line 3, to change the section number from "63" to "77"; in line 7, after the word "lengths", to strike out "but not including tapes wholly of textile fibers"; at the beginning of line 9, to change the section number from "64" to "78"; on page 43, at the beginning of line 1, to change the section number from "65" to "79"; after line 7, to insert a new section, as follows:

"SEC. 80. BROOMS MADE OF BROOM CORN.

"Schedule 7, part 8, subpart A, is amended by striking out items 750.30 and 750.31 (p. 383) and inserting in lieu thereof the following:

"'

	Brooms and brushes consisting of vegetable materials bound together but not mounted or set in a block or head, with or without handles:		
	Brooms wholly or in part of broom corn:		
	Whiskbrooms:		
750. 28	Valued not over 32¢ each	8¢ each.	8¢ each.
750. 29	Valued over 32¢ each	25% ad val.	25% ad val.
	Other brooms:		
750. 30	Valued not over 96¢ each	24¢ each.	24¢ each.
750. 31	Valued over 96¢ each	25% ad val.	25% ad val.
750. 32	Other	25% ad val.	25% ad val.
750. 33	If product of Cuba	20% ad val.(s)	

'"

At the beginning of line 12, to change the section number from "66" to "81"; on page 44, at the beginning of line 1, to change the section number from "67" to "82"; at the beginning of line 10, to change the section number from "68" to "83"; at the beginning of line 13, to change the section number from "69" to "84"; at the beginning of line 16, to change the section number from "70" to "85"; after line 16, to strike out:

"Item 790.45 (p. 397) is amended by striking out '16% ad val.' and inserting in lieu thereof '12.5% ad val.'."

And, in lieu thereof, to insert:

"Schedule 7, part 13, subpart A is amended by striking out item 790.45 (p. 397) and inserting in lieu thereof the following:

"'

	Sausage casings not specifically provided for, whether or not cut to length:		
790. 45	Of cellulosic plastics materials	25.5% ad val.	60% ad val.
790. 47	Other	12.5% ad val.	40% ad val.

'"

On page 45, at the beginning of line 3, to change the section number from "71" to "86"; at the beginning of line 7, to change the section number from "72" to "87"; on page 46, at the beginning of line 3, to change the section number from "73" to "88"; after line 7, to insert a new section, as follows:

"SEC. 89. ELECTRODES FOR USE IN PRODUCING ALUMINUM.

"(a) Temporary Free Entry.—Part 1, subpart B of the appendix is amended by inserting after item 909.20 (p. 433) the following new item:

"'

909. 25	Electrodes (provided for in item 517.61, part 1E, schedule 5) when imported for use in producing aluminum	Free	Free	On or before 7/15/66

',

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act."

At the beginning of line 17, to change the section number from "74" to "90"; on page 47, after line 10, to insert a new section, as follows:

"SEC. 91. PAST IMPORTATIONS OF CERTAIN ARTICLES.

"(a) IGNITION MAGNETO MAGNETS.—In the case of an article provided for in item 682.70 of the Tariff Schedule of the United States, if—

"(1) such article is an ignition magneto magnet, and

"(2) such article was entered or withdrawn from warehouse for consumption after August 30, 1963, and on or before the 60th day after the date of the enactment of this Act,

such article shall be treated as if it were provided for in item 683.60 of such schedules.

"(b) CERTAIN LUGGAGE AND HANDBAGS.—In the case of an article (other than flat goods) provided for in item 706.24 of the Tariff Schedules of the United States, if—

"(1) the textile materials of chief value in such article are fabrics coated or filled, or laminated, with rubber or plastics,

"(2) such article was imported before September 1, 1964, and

"(3) such article was entered, or withdrawn from warehouse, for consumption after August 30, 1963, and on or before the 60th day after the date of the enactment of this Act,

such article shall be treated as if it were provided for in item 706.60 of such schedules.

"(c) CERTAIN TAPES WHOLLY OF TEXTILE FIBERS.—In the case of an article provided for in item 745.74 of the Tariff Schedules of the United States, if—

"(1) such article is tape wholly of textile fibers, and

"(2) such article was entered, or withdrawn from warehouse, for consumption after August 30, 1963, and on or before the 60th day after the date of the enactment of this Act,

such article shall be treated as if it were provided for in item 386.50 of such schedules.

"(d) ENTRIES PRIOR TO ENACTMENT.—This section shall apply in the case of any article entered, or withdrawn from warehouse, for consumption on or before the date of the enactment of this Act only upon request filed with the collector of customs concerned on or before the 120th day after the date of the enactment of this Act, and upon such request the entry or withdrawal of such article shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated in accordance with the provisions of this section."

And, on page 49, after line 6, to insert a new section, as follows:

"SEC. 92. MULTIGAP MAGNETIC SPECTROGRAPH FOR YALE UNIVERSITY.

"The Secretary of the Treasury is authorized and directed to admit free of duty one multigap magnetic spectrograph for the use of Yale University. If such article has been entered before the date of the enactment of this Act, the entry involved shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated in accordance with the provisions of this section, and the appropriate refund of duty shall be made."

Mr. SMATHERS. Mr. President, this bill, substantially similar to H.R. 12253 which the Senate passed last year, contains 92 sections. It makes more than 140 amendments to the new tariff schedules. The great bulk of these amendments merely correct obvious defects, oversights, inadvertencies, and clerical and grammatical mistakes which occurred when the new schedules replaced the old under a proclamation by President Kennedy in August 1963.

This proclamation was authorized by Congress in the Tariff Classification Act of 1962. By that act Congress not only reviewed the work of the Tariff Commission in preparing the new schedules, but also provided rules for updating the proposed schedules to reflect current court decisions and customs rulings, and for actually converting the new schedules into the law of the land.

It will be recalled that the purpose of the new schedules was to carry the old law forward in the new schedules with as little rate change as was possible consistent with good classification principles and orderly arrangement.

Despite the magnificient work that was done in getting the new schedules ready for the President's proclamation—and they deal with literally thousands of articles of commerce worth billions of dollars—a relatively few errors have been detected which require corrective legislation. This bill provides it.

Some of the corrective amendments in the bill involve duty increases—others reduce duty. But in every instance these corrective amendments tend to restore the law as it existed before the changeover to the new schedules, and in this sense they do not involve substantive changes in our tariff.

A few of the amendments made by the bill make substantive changes in the duty on particular imported articles—one closes a tariff loophole—one increases duties. Before describing these rate-changing amendments I want to take just a moment to tell the Senators about the committee consideration of this bill.

More than 80 amendments were presented to the committee with the hope that they would be added to the bill. They came from all directions. More than one-half of them would have changed duties on specific products—ranging from such commonplace commodities as olives all the way to highly sophisticated bacteriological media used in laboratory research.

It became clear to the committee that if we began to make widespread rate changes in the tariff laws, however meritorious they might be, we would be bringing to the floor, not an error correction bill about which there should be little objection, but a general tariff revision bill which could become quite controversial. So the committee decided to limit rate-changing amendments to those it considered most in need of urgent consideration.

Accordingly, of the 31 changes made by the committee only 5 really relate to substantive ratemaking. Three of these reduce duty, and as I have already stated, one increases duty. The bill reduces duty on synthetic diamond dust and miner's diamonds, dictation machines, and bean sorters. Last year the Senate approved the reduction in duty on dictation machines, so we are really only talking about two new rate reduction amendments.

In the case of diamond dust the Customs Court has just held in two separate decisions that synthetic diamond dust is free of duty under the old tariff structure. It has been urged that this synthetic product was subject to a 15-percent tariff. Although the decisions in those cases are not yet final, the committee wanted to make it clear that in the future synthetic diamond dust would be duty free.

Another rate-reducing amendment eliminated the 12-percent duty on certain bean sorters. These instruments separate "bad" beans—and other small agricultural products—from "good" on the basis of color.

A fourth rate change, but one which is more technical than substantive, cut the tariff on model train layouts from 35 percent to 16 percent to conform to the duty on scale-model trains.

Only one amendment in this entire bill makes a substantive rate increase. It relates to brooms of broomcorn. It places a specific duty of 24 cents on brooms valued at 96 cents or less, and a duty of 8 cents on whiskbrooms valued at 32 cents or less. Senators will recall we discussed this broom problem at length last year and ultimately agreed on an amendment which we passed. So there is really no substantial objection to the broom amendment.

A number of additional suggestions were presented for amending the tariff law but although the committee was sympathetic, it did not adopt them because it felt the law already covered the situations involved. Let me describe them.

The first relates to planetariums. Under our law these articles generally are dutiable at 35 percent. However, if they are imported for exhibition by a State, municipal corporation, or certain special type institutions—and for no other purpose—they may be brought in duty free under bond. Instances were called to the attention of the committee where planetariums were alleged to have been imported duty free for purposes other than for exhibition to the general public.

The committee felt the law clearly imposed a duty in these instances and that no change in the law was needed. However, it desires to make clear that in its opinion the duty-free provision should be strictly construed in its administration so that only those planetariums and other articles brought in by qualified institutions for bona fide exhibition to the general public may enter duty free.

The next relates to asbestos roofing paper. A request was made of the committee that TSUS item 251.05 be clarified to emphasize that building papers and building paper-felts having an asbestos base are included in this item. The committee believes the present language already makes this clear. Therefore an amendment is unnecessary. As a matter of fact, data that were presented to the committee showed this paper was being entered at the 5-percent rate under item 251.05.

A third situation relates to the treatment of "all-weather" coats under the amendments made by section 14(d) of the bill. It is the committee's understanding that these coats and similar foul-weather garments "wholly or almost wholly of fabrics which are coated or filled, or laminated, with rubber or plastics" are dutiable under the provision encompassed by section 14(d). Accordingly, no amendment was needed to place them there.

The fourth situation concerns jade. The product before the committee was mined in Canada and is known as Fraser River jade. Under the law this stone is duty free if it is not advanced in value or condition from its natural state. If it is advanced in value or condition to the point where it is an article of jade and it is not especially provided for in the tariff schedule, the duty is 42.5 percent. The precise question concerns what is meant by "advanced in value or condition."

The customs service has ruled that pieces of jade boulders which have been polished or sawed more than once to segregate the better from the poorer quality are classifiable at the 42.5-percent rate, but if they are sawed only once each piece is duty free. Importers state and the committee agrees that this interpretation could lead to the anomalous result that when a boulder is sawed into three pieces each end piece would be duty free under this ruling, but the center piece would be dutiable at 42.5 percent of its value. The committee does not believe the mere objective act of sawing a boulder should cause its tariff status to change so sharply. If the sawing process involves only crude work done by the miner to the stone to indicate its character or quality, or to remove waste, then in accordance with the decision of the customs court in T.D. 32525 (1912), the committee was of the opinion that duty-free treatment is available under the present schedules accordingly, the proposed amendment to make this certain was not agreed to.

The error correction amendments provided by this bill are essential if the tariff negotiations now underway in Geneva are to be conducted in an orderly manner. We gave the negotiators authority to reduce tariffs on the basis of the law as it existed in 1962. Then in 1963, when the new tariff schedules replaced the old, rates were changed on a number of products on which concessions had been granted under trade agreements. In many instances these changes involved errors which this bill corrects. The acting special representative for trade negotiations has advised the committee that it will not be possible to conclude the present negotiations until H.R. 7969 is finally enacted. We are going to have to give concessions to some foreign countries because of changes made in the new schedules. But we cannot tell what the concessions will amount to or what will be their nature until this bill is passed.

Correction of the errors which this bill involves will give us new bargaining strength in Geneva, and, on behalf of the administration, I urge that the bill will be approved.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield to the able Senator from South Carolina.

Mr. THURMOND. I thank the Senator.

Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill, it is proposed to insert the following new section:

"SEC. . SEMI-PROCESSED PICKER STICKS.

"Schedule 2, part 1, subpart C is amended by striking out item 203.10 (p. 90) and inserting in lieu thereof the following:

"'		Blocks, plates, sheets, and strips:			
	203.05	For use in manufacturing picker sticks provided for in item 670.74	14% ad val.	40% ad val.	
	203.10	Other	20% ad val.	50% ad val.	'"

Mr. THURMOND. Mr. President, the amendment is a very simple amendment which is prompted as a result of an inequity in tariff schedules affecting component parts of a textile machine. Briefly, the situation is as follows:

A small factory in South Carolina manufactures picker sticks which are hardwood parts used on textile looms. The factory involved imports the rough-cut hardwoods from Europe. The duty on the imported semiprocessed wood blocks is 20 percent ad valorem, as they fall under item 203.10 of the tariff schedules.

The difficulty arises in that the finished product, a picker stick in completed form, can be imported into this country under item 670.74 of the tariff schedules at a rate of 14 percent ad valorem. This creates an obvious injustice in that the finished product can be imported at a lower tariff rate than can the semiprocessed item.

The amendment provides that wood blocks for use in manufacturing picker sticks would be dutiable at 14 percent ad valorem, the same as the finished product.

I have discussed the amendment with the able and distinguished Senator from Florida, and I hope that he will accept it.

Mr. SMATHERS. Mr. President, I have talked with the Senator from South Carolina about the amendment and I have discussed it with the staff, including the staff members on the other side. We are agreeable to taking the amendment to conference.

The ACTING PRESIDENT pro tempore (Mr. METCALF). The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

PROTECTIVE RUBBER FOOTWEAR

Mr. HARTKE. Mr. President, on behalf of myself and the Senator from Connecticut [Mr. RIBICOFF], I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent to dispense with the reading of the amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment offered by the Senator from Indiana [Mr. HARTKE] on behalf of himself and the Senator from Connecticut [Mr. RIBICOFF], is as follows:

On page 35, delete lines 11 through 16 and substitute the following therefor:

"(a) American Selling Price.—Headnote 3 (b) for schedule 7, part 1, subpart A (p. 332) is amended by striking out 'in item 700.50, if the rubber portion thereof is wholly, or over 50 percent by weight, of natural rubber, and'.

"(b) Protective Footwear.—Schedule 7, part 1, subpart A is amended by striking out item 700.50 (p. 332) and inserting in lieu thereof the following:

"'		Hunting boots, galoshes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather, all the foregoing having soles and uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear with uppers of non-molded construction formed by sewing the parts thereof together and having exposed on the outer surface a substantial portion of functional stitching):			
	700.51	Polyvinyl chloride footwear, not supported and not lined	12.5% ad val.	25% ad val.	
	700.52	Rubber footwear, the upper of which does not extend above the ankle, designed for use without closures whether or not supported or lined	25% ad val.	50% ad val.	
	700.53	Other	60% ad val.	125% ad val.	'"

Mr. HARTKE. Mr. President, on behalf of myself and Senator RIBICOFF I have offered an amendment to the tariff bill, H.R. 7969, as a substitute for the committee amendment dealing with protective rubber footwear. The report discusses the matter in some detail, beginning with the last paragraph of page 15. This amendment received some discussion in the Finance Committee this morning, but objection was made to taking any action there because of the lack of some Members who were not in attendance. It is my belief, however, that the substitute we are offering might very well have been adopted instead of the provision now contained in the bill if it had been available at the time it was originally discussed.

Let me say first, Mr. President, that this amendment has the full support of the Commerce Department and of the Tariff Commission. It is precisely in line with the objectives of the bill, to make technical amendments and remove inequities. And it does so in a more acceptable fashion on some counts of policy than the provision discussed in the report.

Basically, the change proposed by the Senate Finance Committee amendment and that which we now propose achieves the same end, which is to assure for the first time identical treatment for protective rubber footwear made of two kinds of rubber which are indistinguishable to the customer and even to chemical tests. Those two kinds of rubber are natural rubber, which the tariff regulations have always called "india rubber," and synthetic rubber. You will recall that synthetic rubber came into existence during the war because of the lack of imports of raw rubber, and it has now taken over a great share of the market for rubber.

But through what appears to me as an inexplainable oversight, in this particular portion of the tariff schedules no room has ever been made for synthetic rubber protective footwear, or, rather, it has never received the identical treatment with natural rubber protective footwear which it obviously deserves.

I have in my office two galoshes, both made in America. I defy anyone to find any difference between them. They are indistinguishable, and yet one is made of natural rubber and the other of synthetic rubber. On the article made of natural rubber, this footwear pays a duty of approximately 53 cents per pair. But on the article made of synthetic rubber, the duty is approximately 20 cents a pair. Yet, as I have said, it is impossible to tell which is which. It is no wonder, then, that because of what the Tariff Commission has called an "anomaly" whose correction, and I quote, "is a matter for legislative consideration," there is a growing flood of such protective footwear at the unwarranted low synthetic rubber rates.

This flood of imports, mostly from Japan, last year supplied 37 percent of domestic consumption, whereas in 1958 the figure was only 8 percent. The application of the same rates to both types of rubber in these products is simple equity, and the amendment proposed in the bill is needed.

But there has been a great deal of opposition from some Government agencies, in particular the Department of State, because protective rubber footwear is one of the very few and diminishing number of items remaining on an American selling price basis. I do not, nor does Senator RIBICOFF, support American selling price in itself. But we do support the fair and equal treatment of equivalent products, which in this case means not only products which have what is known as similitude but which might be said in this case to be "verisimilitude."

The amendment we propose meets the requirement of equal treatment fully as well as the provision discussed in the report, which my distinguished colleague and I proposed at the time. The big objection to extending equal treatment to manmade rubber in this case has been the fact that it will enlarge rather than restrict the quantity of imports to which American selling price would apply. Our amendment has the positive advantage of converting this to an ad valorem basis.

The question of conversion of rates has always been a stumbling block, since it is difficult to secure a precise equivalent rate. There are disadvantages to the domestic manufacturer in going off American selling price in favor of an ad valorem rate. But the conversion rates which are incorporated in this amendment are those which have been suggested by the Tariff Commission itself as being fair in their judgment. These rates, and this amendment, was suggested by the Tariff Commission to a high-level industry group earlier this week in a meeting which lasted for a number of hours. They agreed, although reluctantly, to give their approval and support to this as a substitute for American selling price, on the understanding that this arrangement would have full administration support.

Now, however, we are informed that although there is still unchanged absolute support by the agencies I have named, State and Treasury are now trying to kill the whole matter by having it referred to study. I have no doubt that such prolonged "study" can only come to conclusions very similar to those which are embodied in this amendment. There is no reason why it cannot be done now, and every good reason why it should be done now. The domestic industry is hard hit, and is suffering, as the Department of Commerce stands ready to affirm. There is no reason why there should not be the same treatment accorded to items which are identical, even to chemical composition, simply because one comes from the sap of a tree and the other comes from a chemical reconstruction of that basic material. The objection to expanding American selling price application is more than met by completely removing American selling price application from natural rubber as well as synthetic rubber in these products.

Therefore the substitute should be adopted.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HARTKE. I am glad to yield.

Mr. RIBICOFF. Mr. President, the amendment introduced by Senator HARTKE and myself regarding protective rubber footwear has a background which the Senate is entitled to hear.

When this bill was in committee, I proposed an amendment to close a loophole with regard to protective waterproof footwear. The issue was whether substantially identical boots, galoshes, overshoes, and so forth, should be treated differently for tariff purposes merely because they are made of synthetic rubber or plastics rather than of natural rubber. The conclusion of the committee, reflected in its original report, was that they should not be treated differently—they should be treated alike. The remedy originally proposed by the committee treated them alike—it did nothing more.

The story behind that amendment began in February of 1933 when President Hoover proclaimed that the 35-percent duty on imported sneaker-type shoes and the 25-percent duty on waterproof footwear should be based upon the American selling price for the articles rather than upon their lower foreign values. This proclamation followed extensive Tariff Commission investigations of the costs of production of such shoes here and abroad—investigations conducted fully in accordance with the requirements of the statute—section 336 of the Tariff Act of 1930, sometimes referred to as the flexible tariff.

The purpose of the proclamation was quite simple. It was to "equalize" the cost of production of these shoes abroad with the cost of similar shoes here in this country. American selling price valuation was the only method available by which this could be done.

Beginning about 1960 questions began to be raised as to whether the 1933 proclamation applied to protective footwear of synthetic rubber or plastics. By 1962 in some very technical rulings the Treasury Department decided the proclamation did not apply to these shoes—that it was limited only to protective footwear of natural rubber.

In other words, from about 1933 to 1962 synthetic rubber footwear was given the same tariff treatment as natural rubber footwear. At that time the rulings made by the Treasury Department that the American selling price valuation did not apply to synthetic rubber were adopted. These rulings were without support in law.

Rubber articles were clearly covered in the statute. Synthetic rubber articles were nowhere covered. What rule should apply? There is a similitude provision in the statute—a ruling signifying that articles not specifically provided for will be dutiable like the articles they most clearly resemble. The question was, did this rule apply to valuation? The Treasury rulings said no.

The Supreme Court, however, has held yes. In *United States* v. *Rice & Co.*, 257 U.S. 536, the Court said that the similitude provision "prescribes a rule of construction applicable to every paragraph of the tariff imposing duties on specifically described articles. It is a general provision intended to enlarge the scope of each paragraph."

The problem arising from these erroneous rulings is that foreign manufacturers have shifted their production techniques to take advantage of the lower duty of synthetic rubber and plastic protective footwear. In effect, a way was provided for them to avoid the higher duty on natural rubber protective footwear.

That they have exploited the rulings is attested to by the facts.

Whereas in 1958 the foreign share of the protective footwear market was only 8 percent, by 1963 imports had skyrocketed to 38 percent of the market and in 1964 they amounted to 37 percent. The Tariff Commission advises the Committee that for the period October 1964 through May 1965 only 3 percent of the imported protective footwear was dutiable at the American selling price. The impact on the domestic industry has been great—they've been hurt by foreign imports.

My original amendment simply corrected this situation, treating this protective footwear alike for tariff purposes. An exception was made, however, for certain overshoes of unsupported polyvinyl chloride.

The Tariff Commission itself, as stated on page 19 of the Finance Committee report, stated:

> The distinctions made under existing law with respect to the valuation of this footwear are technical in nature and result in an anomaly. Footwear of natural rubber or synthetic rubber, or combinations thereof, are not commercially distinguishable and should receive like treatment for value purposes. In view of the significant trade involved, and the fact that the Commission's present study is primarily a classification revision and consolidation, any correction of this valuation anomaly is a matter for legislative consideration.

This is the action the Finance Committee took in its printed report.

On Monday, August 9, a member of my staff received a call from Mr. Louis C. Krauthoff. Mr. Krauthoff is in the Executive Office of the President. He is Chairman of the Trade Information Committee in the Office of the Special Representative for Trade Negotiations—Governor Herter's office.

Mr. Krauthoff asked if he could come to my office to discuss protective rubber footwear, bringing with him for technical advice and assistance Mr. Russell Shewmaker of the staff of the Tariff Commission, well-known to us for his great expertise on tariff matters.

These gentlemen arrived at 1 o'clock with an administration proposal. Would the domestic industry accept a conversion to a regular duty rate, dropping the fight on American selling price? In return the administration would support its proposal on the floor of the Senate and in the conference with the House. If the industry agreed, would I take this agreed-upon compromise back to the Finance Committee on Tuesday morning? Mr. Shewmaker had the amendment all drafted and produced it.

My staff was aware of the industry problems of any such proposal—would the rate be adequate? Would they later be sold down the river at GATT negotiations?

It turned out that the industry's fears were not unfounded.

My staff agreed to take the proposal to the industry, which was holding a convention in Washington at the time. If a fair agreement could be worked out the American selling price formula would be dropped.

The industry met until 2 in the morning, and after much discussion—agreed.

My assistant brought me the administration amendment and a final report at 9:45, Tuesday.

He then called Governor Herter's office to tell him everything was on its way.

Mr. Krauthoff's reply was—"Didn't you know? There is no administration agreement. The administration consensus vanished during the night and we can no longer guarantee our proposal."

Mr. President, the Office of Special Representatives for Trade Negotiations came to us—asked our intercession with the industry to accept a compromise which would have taken American selling price out of the bill—and then changed its mind.

If this is the way the Office of Trade Negotiations deals with our domestic industry, then I fear for the Nation when it goes to GATT and deals with other countries.

Mr. President, the amendment introduced by Senator HARTKE and myself is the same administration proposal. If it was fair Monday, it is fair now.

Our amendment would eliminate the "anomaly" by legislative action, as the 1962 Tariff Commission study implies should be done. There would be no problem were it not for the fact that "india rubber" protective footwear is one of the few items still on American selling price rather than an ad valorem basis.

This amendment would make the rate 60 percent on such items as hunting boots and galoshes involving "uppers" extending above the ankle. On rubbers—below the ankle—the rate would be 25 percent and the plastic type of protective footwear—polyvinylon, unsupported—would remain at the present 12.5-percent rate. Such a conversion would remove the item from the ASP formula and achieve a goal of the State Department. The rates are a result of Tariff Commission analysis and are believed by them to provide a fair figure.

This extension of equity to the synthetic rubber products which are now a mainstay of the protective rubber footwear industry should be upheld. As shown in the Finance Committee report, imports are now at 37 percent of consumption in the United States, and the consequence to the domestic industry is severe.

I ask my distinguished colleague from Indiana [Mr. HARTKE] whether it is not true that the amendment that is now before the Senate as a substitute is an amendment that was presented to the committee by representatives of Governor Herter's office and the Tariff Commission, and that, as a result of discussions with our staffs, an agreement was reached between the rubber-shoe manufacturers and the people in the executive branch, and the amendment that is now being presented is the amendment that was drawn up by Mr. Krauthoff and Mr. Shewmaker for us to present? Is that not correct?

Mr. HARTKE. The Senator from Connecticut is correct. The question was presented in this form to us for submission to the industry in the hope that the industry would accept it. Only after long hours of discussion were they in a position to agree to accept it, and then after the agreement was made, at least the State Department desired to back down on the agreement.

Mr. RIBICOFF. Basically, much of what has happened is due to a misunderstanding. It stems from an erroneous interpretation by the Treasury Department as to what was meant by "rubber." At the present time, almost all rubber shoes are made of synthetics and synthetic chemicals rather than natural rubber and people cannot tell the difference between synthetic and natural rubber.

Mr. HARTKE. The Senator is correct. When rubber footwear is examined, the customer cannot tell the difference between footwear that is made of synthetics and what is called india rubber. Even some chemical tests cannot demonstrate the difference. If one item made of natural rubber is treated in a certain fashion and another item made with synthetics is treated in the same fashion, as far as wearing qualities and every other factor is concerned, the two would be identical.

Mr. RIBICOFF. Is it not true that in the case of *United States* v. *Rice*, 257 U.S. 536, these items would come under the doctrine of similitude; that they are the same thing, and therefore they should be treated the same as natural rubber?

Mr. HARTKE. That is exactly correct, plus the fact that if we do not agree to the amendment, we shall create the opposite result of what was intended by the proposal and the opposite result of the purpose for which corrections were sought to be made in the tariff.

Mr. RIBICOFF. Because of the error that was made, is it not true that in the short space of approximately 3 years imports have skyrocketed from 8 percent to 37 percent, which indicates the harm that is being done to the rubber industry throughout the United States? Is it not also true that by accepting the amendment we would eliminate the American selling price, which is a subject of great controversy in the entire field of rubber footwear, from these goods—and substitute therefore an ad valorem valuation. This is what the executive branch originally wanted us to do, which we agreed to do; and then the State Department said no.

Mr. HARTKE. If we do not act affirmatively on the amendment, we shall be back to the American selling price, and so the Department is now defending the retention of a policy which it was advocating should be abolished.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the Senator from Kansas.

Mr. CARLSON. As one who supported the original amendment, I wish to say that, at the request of some officials in the Department, I voted to take the provision out of the Act. Now if I vote to support the amendment that is pending, is that what the Senators desire?

Mr. RIBICOFF. That is correct.

Mr. CARLSON. I shall be glad to support the amendment.

Mr. RIBICOFF. We appreciate that. I say to the distinguished Senator from Kansas, who is familiar with the entire procedure, and who with me serves as one of the Senators at GATT, that basically what we are trying to do is to come to an agreement with the State Department. They wanted the American selling price out. They drafted the amendment, then changed their minds, and now we are trying to keep them honest.

Mr. CARLSON. I want to help to do it right.

Mr. HARTKE. The truth is that there has been a misunderstanding on the question, and all we are trying to do is to clear up a misunderstanding.

Mr. SMATHERS. Mr. President, there has been considerable misunderstanding. We have marched up the hill and down the hill on this particular amendment on several occasions. As I gather, the State Department was disturbed about a duty based on the American selling price. They sought assurance by the Senator from Indiana [Mr. HARTKE], the Senator from Connecticut [Mr. RIBICOFF], and other Senators who had an interest in the subject that they would not try to have the ad valorem on the American selling price, but would impose an equivalent duty on the foreign value. The State Department agreed to that compromise. However, before that compromise was finally adopted, a motion to reconsider was made and the proposal was eliminated. Then the State Department reneged on their agreement.

I believe that in light of the confusion, it would be wise to take the amendment to conference, so that, once again, we get alined as to what the statements really are. Then we can act in the best interests of the country, which is what we want to do.

I therefore recommend the adoption of the amendment.

Mr. JAVITS. The American selling price amendment is a subject of the strongest kind of opposition by me and by many others, and I cannot see whisking it through the Senate in the still of the night without so much as a farethee-well with respect to it.

I do not feel that I am in any position to agree to the adoption of this amendment today.

We shall have time limitations tomorrow, when plenty of opportunity will be afforded to speak. At the same time, it will be possible to keep a damper on the debate because of the one-half hour time limitation.

Mr. SMATHERS. The able Senator from New York [Mr. JAVITS] is not against the American selling price any more than I am, or any more than is the Senator from Tennessee [Mr. GORE], or the Senator from Kansas [Mr. CARLSON]. We considered this question in committee and touched as many bases as possible. It was the opinion of the committee that the best way to proceed was to take it to conference. The American selling price was in the bill. It has now been eliminated.

Mr. RIBICOFF. The amendment was brought to us by the State Department to eliminate the American selling price. The amendment offered by the distinguished Senator from Indiana [Mr. HARTKE] and me is that same amendment—and it would accomplish what the State Department wanted. They brought it to us and asked us to propose it to the American rubber footwear manufacturers.

Mr. JAVITS. Let me be apprised of the situation. The committee reserved outlines 10 to 16 on page 35?

Mr. SMATHERS. That is correct.

Mr. JAVITS. That is the amendment which raised the whole question of American selling price. What does the Senator intend to do with respect to that?

Mr. RIBICOFF. That would be stricken out. In its stead would be substituted the Hartke-Ribicoff amendment to eliminate the American selling price and substitute an ad valorem basis. This is what Mr. Krauthoff from Governor Herter's office brought us. It is designed to eliminate the American selling price.

After this had been done and an agreement made, they changed their requirements. Basically, the problem of American selling price is no longer involved. We are treating it like any other ad valorem tariff measure. We are trying to get the State Department to live up to its original agreement.

Mr. JAVITS. I am perfectly willing to examine the question from that point of view, to make certain that we are doing exactly what the Senator from Connecticut tells us we are doing. If we may have a quorum call for a few minutes, I shall be able to examine into the subject.

Mr. SMATHERS. Mr. President, would the Senator from New York agree to a unanimous consent request that the amendment temporarily be laid aside, so that we may proceed to other amendments until such time as the Senator is ready to resume consideration of this one?

Mr. JAVITS. That is agreeable.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CASE. Mr. President, I call up my amendment which is at the desk and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be read.

The legislative clerk read as follows:

> At the proper place insert the following new section:
>
> SEC.—. Pulp and paper machinery.
>
> Headnote 1 for schedule 6, part 4, subpart A (p. 309) is amended by inserting "(other than in items 668.00 and 668.02)" after "this part".

Mr. CASE. Mr. President, item 668.00 of the Tariff Schedules of the United States makes specific provisions for "machines for making cellulosic pulp, paper or paperboard" at a 7 percent ad valorem rate of duty.

The Bureau of Customs, however, has ruled that two types of paper drying machines imported from Sweden do not fall within this specific classification but, instead, are classifiable under a general, catchall provision—item 661.70—for heating machinery dutiable at 12.5 percent.

The Bureau based its ruling on the language of headnote 1, schedule 6, part 4, subpart A:

> A machine or appliance, which is described in this subpart and also is described elsewhere in this part, is classifiable in this subpart.

The importer argues—with justice, I think—that the Bureau has ignored the intent of Congress in making specific provisions for pulp and paper-making machinery, and that its interpretation runs contrary to the general interpretative rules which provide that an imported article described in two or more provisions is classifiable under that provision which most specifically describes it.

Mr. President, I understand that the committee has considered the amendment and is perhaps willing to take it to conference.

Mr. SMATHERS. Mr. President, we are prepared to take the amendment to conference. I desire to have the Senator from New Jersey thoroughly understand that there is some difficulty with respect to this amendment. Considerable opposition to it has been expressed. However, once again, we are willing to have it considered in conference. With no further assurance to the Senator than that, we shall be happy to take the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was agreed to.

ORDERLY MARKETING AND H.R. 7969

Mr. MUSKIE. Mr. President, I wish to commend the Committee on Finance for the improvements it has made in our tariff legislation under H.R. 7969. The bill, when enacted, will help close some serious loopholes which have permitted unfair competition with some of our important domestic industries.

Section 15(b), for example, will stop a practice of importing fabrics made of a mixture of wool and ramie or flax at a duty of 10 percent rather than the proper duty of 45 percent ad valorem, plus 30 cents per pound. This means that at the present time, because of a technicality in the existing law, a duty of 15 cents is being paid on a pound of fabric valued at $1.50 instead of the proper duty of 97.5 cents.

Wool-ramie fabrics were first imported under the loophole from Italy in the spring of 1964. The rate in March of that year was 1,263 yards. By April it had increased to a rate of 208,983 square yards. By the end of last year imports of this fabric under the ridiculously low duty totaled 5,199,371.

In the first 5 months of 1965, 5,345,321 square yards of wool-ramie fabrics were imported. This is an enormous growth in a single category of fabrics, and it has had a serious impact on Maine and New England woolen mills.

Section 16 of the bill will close another loophole which has permitted unfair import competition of braid cloth.

I support these changes, not because I am opposed to international trade, but because I am opposed to unfair competition from foreign exporters.

It is for the same reason that I introduced S. 2022, the Orderly Marketing Act. That bill is designed to protect domestic industries from disastrous increases in imports, particularly from low wage countries. It would not stop or hinder international trade; it would encourage its orderly growth without destroying our own industries and throwing thousands of American workers out of jobs.

Fourteen of my colleagues have joined in sponsoring S. 2022. It is our hope that the Ways and Means Committee and the Finance Committee will schedule hearings on this legislation early in the next session of this Congress, so that we can go beyond the stage of closing loopholes in existing tariff legislation to correcting some of the basic imbalances which have developed in international trade.

Early consideration and action on the Orderly Marketing Act in 1966 would offer great encouragement to textiles, shoes, wood products, and other industries plagued by disruptive import developments and the constant threat of low-wage competition overseas.

Mr. SMATHERS. Mr. President, as the Senator from Maine well understands, the whole question of importation is a difficult one. He has asked in his speech that the Committee on Ways and Means and the Committee on Finance undertake hearings on the question of orderly marketing, in order to protect not only domestic producers but also consumers.

I assure the Senator, on behalf of the committee, that the committee wishes to undertake a study of this particular subject and will endeavor to hold hearings on the measure as early as is practicable.

Mr. MUSKIE. I thank the Senator from Florida. The concept is a complex one. It ought to be studied. If it is to be in committee, it would be premature to take action on it now without such action and study.

EXTENSION OF TIME FOR REPORTING S. 96 AND S. 1912

Mr. HRUSKA. Mr. President, a couple of weeks ago, the Committee on the Judiciary favorably reported to the Senate two bills to provide for amendments to the bankruptcy law—S. 976 and S. 1912. The corresponding House bill numbers are H.R. 3438 and H.R. 136, respectively.

Upon learning of the reporting of the bills, the Committee on Finance evidenced an interest in them, because they involve also some tax problems. A request was made that the bills be referred to the Committee on Finance, to be returned to the Committee on the Judiciary within 30 days after the Committee on Finance had considered them.

The chairman of the Committee on Finance has informed the chairman of the Committee on the Judiciary that it is desired to have the return date extended to February 1, 1966, because of the technical and rather complicated nature of some of the provisions, particularly in the tax portions thereof.

This extension of time is agreeable to the Committee on the Judiciary, to the introducer of the bill, and to the cosponsor of the bill, the Senator from Nebraska.

I ask unanimous consent that the RECORD show that the return day for this business be February 1, 1966, in lieu of the original of the 30-day period.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. CARLSON. Our committee held hearings on this legislation. I believe that those of us who were in attendance at the hearings and heard the witnesses, among whom were the representatives of the Government, agree that it is an involved piece of legislation and that additional time is necessary.

The request from the Committee on Finance does not mean that we do not want to be consistent with regard to this legislation. We think that there is language that should be written into the measure. However, we are hopeful that agreement can be reached on some of the problems presented to us.

I appreciate the request of the Senator from Nebraska that we be granted additional time.

I hope that this will be done.

Mr. HRUSKA. The attitude of the Committee on Finance was most cooperative and very helpful.

I join the Senator from Kansas in the hope that we can arrive at a meeting of the minds and get together on the provisions involved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CORRECTION OF CERTAIN ERRORS IN TARIFF SCHEDULES OF THE UNITED STATES

The Senate resumed the consideration of the bill (H.R. 7969) to correct certain errors in the Tariff Schedules of the United States.

Mr. JAVITS. Mr. President, I send to the desk an amendment and ask that it be read.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The Legislative Clerk. It is proposed by the Senator from New York [Mr. Javits] as follows:

> On page 36, in the table following line 9, insert ", and parts thereof" after "(except syringes)".

Mr. JAVITS. Mr. President, this amendment would involve a very small amount of money. It would probably involve a few thousand dollars of imports a year. It might reach the figure of $5,000 or $10,000. It relates to surgical instruments.

The matter was taken care of in the House and in the Senate, except as to the part relating to the fundamental anesthetic apparatus and instruments involved. I understand that there is no objection to the amendment.

Mr. SMATHERS. Mr. President, it is a technical amendment to correct a technical agreement. We accept the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the senior Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President, on the question presented by the Senator from Indiana [Mr. Hartke] and the Senator from Connecticut [Mr. Ribicoff], I understand, with all due respect and deference, that there is quite a set-to about whether this is really a compromise which is acceptable to the administration.

I understand, although I am not sure, that this is not the compromise that the administration would desire. At least insofar as Governor Herter, the President's special representative for trade negotiations, is concerned, it is not one that he is willing to accept. I understand that there is another way in which the matter might be compromised. I have not the remotest notion of what will happen to this provision in conference. I could not, in good conscience, say that I will stand by and permit this amendment to be agreed to tonight without some study and consideration on what is being done here and whether there is any justification for what is being done.

From what I can perceive, it is proposed to increase the duty from 12.5 percent on the big bulk of the items involved to 60 percent. Even though we do not use the naughty words, "American selling price," that is a rather steep climb.

There is an effort here to state, in effect, that the tariff on protective rubber footwear should be based on a natural-rubber basis rather than on a synthetic-rubber basis. That is exactly what is sought at the present time.

The explanation even makes that statement.

The gods have a strange way to work their will around here. There have been occasions when I have been a party to the effort to do the proper thing correctly. However, I do not feel, in all fairness, in view of the fact that I cannot get any assurance that this is satisfactory to the administration, that we should proceed on this matter.

The only assurance that I can get from the administration is that something else is the provision that the administration is willing to agree to. I hope that the matter will go over. I will do my best to clear the matter overnight, and with the short time limitation that we have, it can be settled tomorrow.

I know that the Senator from Connecticut [Mr. Ribicoff] would never have agreed to the unanimous-consent request if he did not have some assurance that the amendment would be agreed to.

Knowing the manner in which we operate, I am sure that, if we cannot clear this proposition, a representation to that effect to the Senate will result in giving the Senator from Connecticut all the time he would wish on his amendment, if he were to feel it necessary, because the arrangement which he thought he was making had not been carried through.

I do not want to be the man to upset the plans. However, I want to take a look at this matter overnight and come back in the morning and dispose of it then. I fully recognize that the position of the Senator from Connecticut [Mr. Ribicoff] and the Senator from Indiana [Mr. Hartke] should not be prejudiced.

If I cannot agree with the position of the Senators, they can very easily override my position. However, if the question involves an element of time, I am sure that the majority leader will give them all the time they desire.

Mr. RIBICOFF. Mr. President, I have no objection to this matter being discussed tomorrow.

I ask unanimous consent to alter the unanimous-consent request, and request that at least an hour be permitted on the Hartke-Ribicoff amendment, instead of one-half hour.

Mr. MANSFIELD. That is satisfactory.

Mr. RIBICOFF. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. RIBICOFF. Mr. President, would this be the pending business tomorrow?

The ACTING PRESIDENT pro tempore. The Chair will first state, with respect to the unanimous-consent request, that if there is no objection, and the Chair hears none, it is so ordered.

Mr. SMATHERS. Mr. President, I ask unanimous consent that this amendment be the first order of business to be considered tomorrow.

Mr. JAVITS. Mr. President, I would have to object unless we were permitted to have a quorum call before the matter was brought up.

The ACTING PRESIDENT pro tempore. This will be the first order of business tomorrow.

Mr. JAVITS. Mr. President, I would amend that request to provide that the matter be brought up after the quorum call and after the prayer.

Mr. SMATHERS. Mr. President, there will be a quorum call after the prayer, and then this matter will be called up.

Mr. RIBICOFF. Mr. President, I want to make the record clear, in view of the statement of the senior Senator from New York, and I would point out that indeed the Hartke-Ribicoff amendment does not reflect the position of the State Department today.

The reason that I ask for the hour instead of the half-hour is to present to the Senate the duplicity of the State Department in this matter.

I have before me, in the handwriting of a member of the executive branch, the proposal that was brought over to my office, and from which this amendment was taken.

But, after the amendment was drawn and agreed upon, they then changed their minds and now come up with the so-called proposal that they have given to the Senator from New York. Now they say: "The amendment is not our proposal. It is absolutely unsatisfactory to us."

While it is a compromise that the executive branch arrived at, it is not what they want today.

I believe that we need time to point out the duplicity on the part of the executive branch and the State Department when dealing with the Senate.

It is even more important to discuss that subject than it is to discuss the pending measure. I believe that should be thrashed out so we might indicate how this situation arose and indicate to the Senate what transpired.

It is a matter of great importance when members of the executive branch come to the offices of U.S. Senators and ask them to agree upon a proposal.

And then, after Senators agree and after they have presented it to an entire American industry, getting the industry to accept the compromise, the executive branch changes its mind—because it finds a few votes in the Finance Committee can be changed— and its representatives renege on the agreement. I think the people and the Senate should have the facts.

Mr. SMATHERS. Mr. President, I think this demonstrates the wisdom of what I was trying to do. I was trying to avoid this kind of a fight. I tried to assure the Senator from New York that he should have no doubt, but it is difficult to get the Senator from New York to accept someone else's conclusion. I do not criticize him for that. I think he has a right to have his own opinion.

The Senator from Kansas indicated that we had word from the State Department and the administration as to what kind of bill they were willing to accept on the first go-around. We thought it had been accepted. Later on they changed their position when they found, as the Senator from Connecticut has said, they had sufficient votes. Therefore, they changed it again.

I agree with the basic conclusion of the Senator from New York. I am against American selling price. I believe the Senator from Tennessee and the Senator from Illinois are against it. I believe the Senator from Louisiana is against it. So the position of the Senator from New York is no different from what was mentioned, or what the Senator from Kansas stated. We were trying to avoid an unfortunate mixup. That is why I said I was willing to take it to conference.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. JAVITS. What the Senator from Florida has said is true. I want to be intellectually convinced of anything that may happen in the trade field. Therefore, I said what I did to the Senator from Connecticut. I am not lashing at the State Department's position. I may very well feel that this is a suitable compromise. I do not wish to have an amendment which may be heavily loaded against the import trade passed on a theory that, somehow or other, it may be worked out in conference, whereas I may not feel the same way about an amendment that represented a compromise already, leaving it to a concept to be adopted by the conference. All I want to do overnight is get in touch with the State Department as to what they want. But I want to convince myself as to what should be done. If I am, I will be willing to agree to it.

Mr. RIBICOFF. I think that when the Senator gets in touch with them he should ask Mr. Krauthoff or Mr. Shewmaker, of the Tariff Commission, the question whether they did not come to my office and discuss it with my staff; whether what I have on this yellow piece of paper is not something in their writing and that they presented; and whether this amendment is not the same as the language on that yellow piece of paper in their handwriting.

This was duplicity. After we worked all night to work it out, they learned that they were able to change enough votes in the Finance Committee, and they said, "The deal is off."

This is a factor that is very important here, and it raises questions of the good faith, good intentions, and ethics of the people who are supposed to represent the United States. I am serving as a Senate delegate to GATT, and I question whether these are people who should be representing us and representing American industry. Do they keep their word—or do they not? Are they interested or are they disinterested in the people of the United States? I am completely in doubt about the good faith and intentions shown in a situation like this, when after they have worked out a compromise, they then feel that they do not have to live up to it, because a few votes have been shifted. Suddenly the agreement is broken, at about a quarter of 10, just before the committee is to meet.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. JAVITS. Since I know of the conscience and devotion to his public duty of the Senator from Connecticut, I think he will agree, at the same time that he is right about people who do not keep their word, that another Senator who was not a party to an agreement could examine carefully into the product about which he has some question and that that other Senator who was not a party to the arrangement is not bound to accept that arrangement if he deeply thinks that it is against the interests of the United States.

Mr. RIBICOFF. None of the 100 Senators has any obligation to accept an agreement entered into by any member of the executive branch. Every Senator should vote his own convictions and conscience. There is no question about it. I do not question the good faith or the intentions of the Senator from New York—but I do question the good faith and intentions of the executive branch. I think the problem we face here is just that.

I do not mind saying I am fighting for Connecticut industry. There are 2,600 people employed in the rubber shoe manufacturing industry in Connecticut. They can see that because of an erroneous and artificial distinction between actual and synthetic rubber—which, under the doctrine of similitude should be treated as the same thing—their business has dropped off substantially—and imports have increased nearly five times in 3 years. The people who are employed in that industry are concerned, and I am concerned for them.

I understand the operation of the American selling price, and I understand how it affects the GATT negotiations. I can understand how the State Department, in order to have an easier job in GATT, wanted to eliminate American selling price. We did eliminate the American selling price and the Hartke-Ribicoff amendment is on an ad valorem basis. The rate schedule was not suggested by us, but rather by the executive branch. We adopted the proposal offered by Mr. Shewmaker of the Tariff Commission and Mr. Krauthoff.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. HARTKE. As far as our intention is concerned, it was not our intention to offer this amendment merely to have it stricken out in conference. This was an amendment sincerely offered to try to clarify the situation which exists for this particular industry. One product is identical to the other. I defy anyone who is a purchaser to tell the difference between the two. One cannot tell by looking at it, but the truth is they are treated differently. So it is brought up on a correction of the schedule of admission. I do not know how many items there are on the list, but it is a list to correct errors. This is an attempt to correct an error, to put it on a basis which was satisfactory to Congress and to the State Department. The Commerce Department still favors this approach. I understand the Tariff Commission still favors this approach.

Mr. JAVITS. Mr. President, if the Senator will yield, let me look it over. The Senator from Florida is right about what he said, that I need to be intellectually convinced before I can consent to it.

I thank my colleague for yielding.

Mr. CARLSON. Mr. President, I do not wish to offer an amendment, but I should like to discuss section 33 on page 19 of the bill, concerning unwrought aluminum.

I bring this up because since the bill has been reported and written, I have received information from the fabricators of aluminum materials in my State of Kansas that the language, particularly in the bill and the report, will require a substantial increase in the amount of bookkeeping.

I am not making any suggestions as to whether we should try to make any changes, but I hope that when the conferees of both House and Senate get together, they will consider some of the statements and some of the reports I have received as to the effect this amendment will have on the fabricators of aluminum materials in Kansas if it is enacted into law.

I merely wish to make this statement a matter of record.

DIRKSEN AMENDMENT STILL PREVENTS "LETTING THE PEOPLE DECIDE"

Mr. DOUGLAS. Mr. President, I was very much interested to read in the Congressional Record this morning the text of the new version of my colleague's amendment on the reapportionment of the State legislatures which he introduced late in the evening yesterday.

The new amendment is a thorough change and differs somewhat in almost every detail from the earlier forms of the Dirksen amendment. In my judgment, it requires careful study and thorough hearings by the Subcommittee on Constitutional Amendments. It is difficult to understand its full implications at first glance, and it is very hard to hit a constantly moving target but I wish this afternoon to make a few comments and raise a number of questions.

NEW VERSION DRASTICALLY CHANGED

First of all, Mr. President, it is clear that the new form of the Dirksen amendment is designed to take some account of many of the criticisms made of the previous forms of the amendment. Those of us who have opposed the amendment pointed out that the argument that it would "let the people decide" was misleading because the ratification of the amendment, the proposing of the initial plans of malapportionment, and the proposing of the succeeding plans of malapportionment, would all be left in the hands of the malapportioned or rotten borough legislatures. My colleague has made some acknowledgment of this and the language of the amendment appears to go part way, but in my judgment not even halfway, toward requiring "prior compliance," that is, a proper apportionment based on population, before ratification of the amendment or the proposing of a minority control plan. He would require proper apportionment in only one house of the legislature before the legislature may ratify the amendment, or before it may approve an initial plan of minority control or a subsequent plan of minority control.

In the case of a unicameral legislature, as I understand his explanation, or perhaps in the case of a plan arising through initiative procedures, since a population-based house would not review the plan of apportionment, there would have to be prior court approval of the proposed apportionment plan. In addition, the junior Senator from Illinois has changed the amendment to require reapportionment following each census and that there must be proposed to the people an alternative population-based plan along with any plan of minority control.

These drastic changes from earlier forms of the amendment may be considered constructive steps, and I welcome this further opportunity for congressional hearings on this amendment and for public discussion of the question of State legislative apportionment. These successive watering downs are caused by the successive defeats he has suffered.

MAY BE A MEANS OF GETTING THROUGH IN HOPE OF FUTURE CHANGES

Nevertheless, Mr. President, I believe that it is important to consider the new language offered by my colleague in the light of the history of this debate. We must recall that the Supreme Court decisions accompanying the Alabama decision which this amendment is designed to revoke, were made only a year and 2 months ago. The attack on that Court decision was made almost immediately thereafter, in August of last year. The first effort of those who sought to discipline the Court and to reverse its decisions on legislative reapportionment was to try for a permanent moratorium on implementation of the Court's decisions in this matter. The second effort was to secure adoption of a constitutional amendment which would permit the rotten borough legislatures not only to ratify the amendment but also to propose the plans which would continue their rotten borough control of the legislatures.

In the context of this history, and the haste with which these attacks on the Court have progressed, I believe that we must have some regard for the future of any amendment which possibly might clear the Senate. It is not unknown that watered-down proposals are often passed by one House of the Congress in the hope that the other House may considerably beef them up and that the parliamentary situation will then permit the conferees to force compliance by the House first acting in the more offensive measure passed by the second House. I am sure that Senators are aware that excepting the Senator from Indiana [Mr. BAYH] the likely conferees which would be appointed from the Senate, namely, the senior members of the Judiciary Committee, all were sponsors of the original form of the Dirksen amendment and supporters of his move to establish a permanent moratorium on the Court decision.

IT IS THE COURT DECISIONS WHICH WOULD "LET THE PEOPLE DECIDE," NOT THE DIRKSEN AMENDMENT

Mr. President while it is true that the new form of the amendment may appear on the surface to require or to meet the objections of so-called "prior compliance," it must be carefully noted that there is only a partial, and perhaps an ineffectual quarter step in this direction—not even a half step. The amendment would provide that before ratification of the amendment or the submission of a plan of malapportionment, a legislature must have one house apportioned on the basis of substantial equality of population in accordance with the most recent census data. It carefully does not say, however, that both houses must comply with the Court's ruling before there is a determination of "the peoples decision" as to giving minority control to other citizens.

I do not say this to quibble, Mr. President, because this is an important matter. Those of us who have experience in legislative bodies know very well that decisions on a piece of legislation frequently may be made because the second house withholds approval of another bill desired by the first house. In other words, we frequently are in the situation of agreements being made between each house of a bicameral legislature that the assembly will let through a bill desired by the senate if the senate will let through another bill desired by the assembly. In other words—and some may regard this as too strong language but I do not think it is—the possibility always exists that the popular house may be blackmailed into ratifying its amendment or into agreeing to the submission of a bad plan of apportionment because of the veto which the malapportioned house holds over a matter of great interest to the popular house. This year in Illinois, for example, senate Republicans forced agreement to their plan of apportionment with respect to Democratic areas by withholding approval of an additional one-half cent of sales tax for Chicago.

The new form of the amendment, therefore, does not settle by any means the question of "letting the people decide." "Letting the people decide" is exactly what my colleague does not wish to do. He is opposed to the basic principle of the Supreme Court decisions that both houses should be apportioned substantially in accordance with population so that all citizens may stand equal before the legislature. The Supreme Court decisions stated that legislatures should be apportioned in this way so that the people might decide public issues. My colleague is opposed to letting them decide in spite of the verbal use which he makes of the slogan.

The rotten-borough members of a legislature may still dictate the alternatives given the people under the amendment and may still have the deciding hand in ratification, although it is, indeed, less likely that they could do so under the new version. This continued minority influence is particularly true, in view of the senior and powerful positions held by these members in the committee system of the legislatures.

ALTERNATIVE POPULAR PLAN STILL NOT A SATISFACTORY GUARANTEE OF FREE POPULAR DECISION

Although it seems to require a population-based plan as an alternative in any referendums on an apportionment plan providing minority control, the new form of the amendment would still permit the so-called popular plan to be constructed so as to be repugnant to the voters. For example, through the special power in the hands of the rotten-borough branch, the legislature may be forced to submit a population-based alternative plan which calls for at-large elections or which would unnecessarily split historically desirable political units. This might well force the voters to reject the popular plan in favor of a bad plan of minority control.

AMENDMENT DESIGNED TO REDUCE AN INALIENABLE RIGHT

Regardless of any adjustments, one theory behind the amendment is that it is all right to tamper with any rights of citizenship so long as the tampering is thought to be legitimized in some sort of referendum. I continue in my belief, Mr. President, that the right of a citizen to stand equal before his legislature is as basic as his right to stand equal before the courts. It is an inalienable right and it should not be tampered with. We should not submit a constitutional amendment which would subtract from the inalienable rights of American citizens.

Citizens cannot sell themselves into slavery. The court will not recognize contracts of that type. They cannot sell themselves into permanent indentured servitude, even though they do so contractually. Inalienable rights to freedom are protected under the Constitution, and they ultimately derive from the moral law.

The Dirksen amendment still assumes that there is something very wrong with the decisions of the Supreme Court on State legislative apportionment. I reaffirm my belief that these decisions were correct. Citizens are entitled to have the same weight in their vote for members of their State legislature as any other citizens. I still believe that it is people who are represented in a government and not trees, nor cows, nor "various groups," nor "interests."

My colleague speaks constantly of "interests" and "groups" being represented. If we go into the theory of American government, we see that it is the "people" who are to be represented. We are not adopting the corporate state of Mussolini, although my colleague speaks as though we were.

The decisions of the Court were correct and they retain sufficient flexibility so that the States will be able to make acceptable resolutions of their apportionment problems. The Court should be supported and not attacked as the Dirksen amendment does.

REFERENDUMS INADEQUATE EXPRESSIONS OF POPULAR WILL

The amendment now offered by my colleague is still based upon the belief that referendums are adequate expressions of the popular will and that apportionment is an appropriate matter to be submitted for a decision in referendums, rather than by the legislature elected by the people as has been the principle followed in a republican form of government. I must continue to point out that the experience of the States in this country which have used referendums shows that public participation in them is so low that they cannot be construed as satisfactory indications of real popular will. The available evidence on participation in referendums shows that even in general elections the decision in referendums is made, on the average, by less than 30 percent of the voting age population of the State.

I ask unanimous consent to have printed in the RECORD at this point a table prepared from data furnished by the Library of Congress describing the participation in referendums on reapportionment held in eight States since 1924.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

22 general elections in which reapportionment referendums were presented to the people

State	Year	Vote on referendum as percent of highest office vote total	Prevailing vote as percent of highest office vote total	Prevailing vote as percent of voting age population
Arkansas	1936	77.0	51.0	10.7
	1956	85.0	49.0	17.6
California	1926	70.0	39.0	----------
	1926	71.0	44.0	----------
	1948	82.0	53.0	41.6
Colorado	1932	69.0	37.0	26.1
	1956	78.5	54.0	42.0
	1962	77.0	49.0	31.1
	1962	75.0	50.6	32.2
Michigan	1924	87.3	68.0	----------
	1930	82.7	48.0	11.9
	1932	73.4	41.0	19.4
	1952	78.0	44.0	30.7
	1952	83.0	49.0	34.2
Missouri	1922	45.0	28.0	--------
Oklahoma	1960	59.0	38.0	24.2
	1962	85.0	47.0	23.6
Oregon	1950	76.0	43.0	22.8
	1952	78.0	50.6	35.5
	1962	86.0	55.0	32.6
Washington	1956	75.0	40.5	29.6
	1962	68.0	36.0	25.5

Mr. DOUGLAS. Mr. President, in the 22 elections described by this table, an average of only 75.5 percent of these who voted for the top office on the ticket also voted on the referendum. In all 22 elections, an average of only 46.1 percent of the people voting for the top spot actually carried the referendum. But most important, in the 18 of these 22 elections for which figures are available through secondary sources available to the Library of Congress, an average of only 27.3 percent of the voting age population prevailed on these questions.

Arizona's recent experience with referenda serves as an excellent example of the generally low voter participation in referenda. In that State, in 1952, only 65 percent of the people who voted in the gubernatorial election of that year also voted for a referendum that was on the same ballot. It took only 35.8 percent of the people who voted for Governor to carry the referendum. And this percentage represents only 21.2 percent of the voting age population.

In 1956 the figures are even more remarkable. In that year only 38.4 percent of the people voting for Governor also voted on a referendum on the ballot, and only 24.3 percent of the people participating in the election were necessary to prevail on the issue. It took only 15.9 percent of the voting age population to carry this referendum. In 1962 it was almost the same story. Sixty-six and two-tenths percent of the Governor's total vote voted on the referendum, and only 38.3 percent of these were needed to prevail on the issue. Only 19.1 percent of the voting age population prevailed on the referendum.

Gov. George Wiley Paul Hunt was largely responsible for the adoption of the referendum in Arizona. I am sure he would turn over in his grave if he knew what the results actually have been.

As I have pointed out before, and one need only read the referendums submitted in the various States to realize that the statements of the question are usually so unintelligible that it is impossible for the average citizen to make a rational decision when he reads it. The result of putting complex questions to referendums is to confuse the voter and to cause him either to refuse to cast a vote or to take a chance and cast an uninformed vote. As I have suggested, the very influential hand of the malapportioned house which will be retained by the Dirksen amendment could still result in the intentional submission to the voters of confusing and unacceptable plans.

I should like to read the celebrated proposition 14, which was voted on in California. I should like to read it first, and then I shall defy anyone in the Chamber and anyone who reads the RECORD tomorrow to tell me what this proposition actually means. This is what was submitted to the voters of California:

PROPOSITION 14

(Submitted to the voters of California in November 1964)

The people of the State of California do enact the following constitutional amendment to be added as section 26 of article I of the constitution of the State of California:

"Neither the State nor any subdivision or agency thereof shall deny, limit, or abridge, directly or indirectly the right of any person, who is willing or desires to sell, lease or rent any part or all of his real property, to decline to sell, lease, or rent such property to such person or persons as he, in his absolute discretion chooses."

Here we have a double negative. What was meant passes the understanding of the average person. What was meant was that this was to invalidate the fair housing provisions passed by the California Legislature and the people. However, it was extremely difficult for the average citizen, reading it, to tell what the purpose of it was. The campaign for the adoption of the amendment was such that it confused the voters. It was waged in an atmosphere of obfuscation. Many people voted for it thinking they were voting for a fair housing law. Some were correctly informed and voted against it; most did not understand what it said, and their vote was unintelligent.

Mr. President, I have selected certain referendum questions submitted in Oklahoma. Here is one which was submitted in 1954. I ask the Senators to listen to this. The gist of the proposition is as follows.

This is not the statement of it, but the legislative interpretation of what it was:

GENERAL ELECTION, NOVEMBER 2, 1954

State question No. 361.—Legislative referendum No. 107

Submitted by House Joint Resolution 526, page 497, session laws 1953.

The gist of the proposition is as follows:

Shall a constitutional amendment amending section 53, article 5, Oklahoma constitution, so as to provide that the legislature shall have power to release or extinguish, or to authorize the releasing or extinguishing, in whole or in part, tax and assessment charges against real property remaining delinquent and unpaid for a period of time as long or longer than that provided by law to authorize the taking title to real property by prescription, be approved by the people?

Shall the amendment be adopted?

Vote:

Yes	372,968
No	159,670

Amendment adopted.

I defy the average person to know what that language was all about.

I should like to read another question stated in an Oklahoma referendum in 1960:

GENERAL ELECTION, NOVEMBER 8, 1960

State question No. 395—Referendum petition No. 130

The gist of the proposition is as follows:

Shall Senate bill No. 153 of the 27th Oklahoma Legislature, relating to income taxes, providing for withholding of income taxes from employees by employers; defining terms; providing for issuance and use of precollections; amending 68 O.S. 1951 section 901, as amended, relating to filing of returns and payment of tax and penalties, be approved by the people?

Shall Senate bill No. 153 be adopted?

Vote:

Yes	246,157
No	450,015

Act adopted. Law vetoed.

Here is still a third, in 1962:

SPECIAL ELECTION, NOVEMBER 6, 1962

State question No. 408—Initiative petition No. 271

The gist of the proposition is as follows:

Shall a constitutional amendment providing method for enforcement of the present constitutional formula apportioning members of the house of representatives and senate; vesting this duty in the attorney general, secretary of State, and State treasurer acting ex-officio as a legislative apportionment commission; conferring original jurisdiction upon State supreme court to review any apportionment upon petition of any qualified elector under prescribed conditions; defining senatorial terms; requiring elections in accordance with apportionments; declaring amendment self-executing; repealing subsections a, b, i, and j. Section 10, and amending sections 11–16 inclusive, article V, constitution of Oklahoma, be approved by the people?

Shall the proposed amendment be approved?

Vote:

Yes	335,045
No	273,287
Necessary to carry	362,488

Amendment rejected.

I should like to choose another illustration from Oklahoma:

GENERAL ELECTION, NOVEMBER 8, 1938

Referendum petition No. 75—State question No. 238

The gist of the proposition is as follows:

Shall Senate bill No. 123, of 16th legislature, providing that Oklahoma Tax Commissioner, instead of "chief oil gas conservation agent of the corporation commission," be State oil inspector; authorizing said inspector to appoint deputy oil inspectors (commonly called gasoline inspectors); prescribing duties and compensation thereof; authorizing rules and regulations for enforcement of act; requiring all fees collected to be deposited in oil inspection enforcement fund, deputy oil inspectors paid therefrom and balance transferred to State treasury; and amending sections 11591 and 11592 and repealing sections 11595 and 11604, Oklahoma Statutes 1931, be approved by the people?

Shall the act be adopted?

Vote:

Yes	99,613
No	259,240

Act rejected. Law sustained.

I have before me a fifth question placed before the voters of that State:

GENERAL ELECTION, NOVEMBER 5, 1940

Initiative petition No. 145—State question No. 215

The gist of the proposition is as follows:

Shall a constitutional amendment authorizing the levy of a graduated tax on land; levying for State old-age security, until otherwise provided, an additional tax upon land owned by any person in excess of 640 acres, graduated from a minimum of 5 mills to a maximum of 50 mills on the valuation of such land according to the number of years such excess land is held and the amount thereof; exempting grazing, forest, reclamation, and certain corporately owned lands; providing for refunds and for enforcement and collection of the tax, be approved by the people?

Shall the amendment be adopted?

Vote:

Yes	408,559
No	196,711

Amendment rejected.

A group which can initiate a referendum and define the terms of the referendum has a great advantage. One house of a malapportioned State legislature has a tremendous leverage to dictate these terms.

The third difficulty with referenda as a tool of democracy, in this modern age, is that the interpretation of them often becomes a matter of propaganda which is controlled by those having the funds sufficient to carry newspaper advertisements and television presentations. As we have seen in numerous examples of recent referenda—and proposition 14 in California in 1964 was a very graphic illustration of that point—particularly when they involve racial and ethnic minorities, are subject to manipulation, whispering campaigns, and wholly untrue propaganda.

UNDERLYING THEORY OF AMENDMENT APPEARS TO BE "CORPORATE STATE"

Mr. President, I am frankly surprised by the extraordinary underlying theory now stated in full in the revised form of the amendment offered by my colleague. This theory appears to be that representative government really means that a legislature is made up of representatives of the various groups and interests making up the electorate.

Mr. President, I had always thought that people made up the electorate, without regard to where they live, or what they do, or what their primary interests are. We do not construct legislatures to represent small businessmen in one district, Negroes in another district, corporation interests in another district, farm laborers in another district, college students in another district, blue collar workers in another district, and white collar workers in yet another district. We construct legislatures to represent people, of whom all stand equal before the legislature.

The fundamental theory of the amendment is, in fact, the theory of the corporate state which has been the underlying principle of syndicalism and other forms of government which have tended to be, as in the case of Mussolini's Italy, totalitarian States.

I do not say that my colleague is intentionally doing that; I merely say that is the effect of what he is doing.

That theory holds that it is economic interests which are to be represented in a State and are to make up the government. I am startled to see this theory of government applied to the United States.

It is a very unusual theory to hear stated as the basis of government in this Nation and I believe it is not one which was envisioned by the Constitution or supported by the people. This radical proposal requires a full discussion and I hope that this question will become a matter of serious concern to every citizen.

I do not want to see a corporate State and the very explicit statement in the amendment that "groups and interests" are what make up the electorate is most alarming.

JUDICIAL REVIEW UNCERTAIN

Mr. President, there are other questions which are not at all settled in my mind about the new form of the amendment. One very important one, of course, is that of judicial review. It is going to take some study to determine the degree of the judicial review which is permitted under the amendment. For example, is it to be left up to the Supreme Court to determine if a plan of apportionment insures "effective representation in the State's legislature of the various groups and interests making up the electorate"? And, Mr. President, I certainly am not prepared at this point to venture an opinion of what this very extraordinary language may mean.

THOROUGH HEARINGS ABSOLUTELY NECESSARY

It would be my hope that the Committee on Constitutional Amendments would undertake a thorough review of the new proposal. I agree with my colleague that this is a very important matter, but I think that we are worlds apart in our fundamental conception of the inalienable rights of the individual and the proper form of government in the United States. I hope that the questions I have tried to raise today and the others which certainly are involved may be thoroughly gone into by the excellent Subcommittee on Constitutional Amendments. The hearings are necessary because this form of the amendment is a drastic change from the language on which the committee took testimony earlier this year. I think the country can have every confidence in the subcommittee and its chairman, Senator BAYH, and that there is widespread agreement in this body that there should be a thorough and continuing study of this matter.

I am unable to determine from the speech of my colleague last night whether or not he intends to apply his referendums to measures such as the repeal of section 14(b) of the Taft-Hartley Act, which may be before this body, without prior action by the committee. In his speech of yesterday there seemed to be certain implicit threats that he might do so—and that just as this year he attached one constitutional amendment as a substitute for a resolution setting aside the week of August 30 to September 6 as National American Legion Baseball Week, so he might try the same device on other measures, whether frivolous or grave.

In his speech there was certainly implicit the possibility that he intended to use the proposed constitutional amendment as a means of tying up the Congress and of preventing adjournment before he was able to get his measure passed by the Congress. I do not make that statement as a definite charge because his statements were veiled in some ambiguity. But those who are acquainted with parliamentary procedure could detect that there was behind all the language the threat that while the hand might wear a glove, the iron fist of King Filibuster was concealed within that glove.

Mr. President, I felt it my duty to take the floor in this matter just as soon as possible before error could get too great a head start. I ask that the necessarily imperfect statement which I have made be considered by the Members of the Senate and by the country, and that we not act in haste.

SENATORS DOUGLAS, ANDERSON, GRUENING INTRODUCE MEDICAL SPECIALISTS AMENDMENT TO MEDICARE

Mr. DOUGLAS. Mr. President, for myself and the senior Senator from New Mexico [Mr. ANDERSON] and also the Senator from Alaska [Mr. GRUENING], I introduce a bill to amend part A of title XVIII of the Social Security Act. The amendment will include payment for the costs of inpatient professional services of pathologists, radiologists, physiatrists, and anesthesiologists under the hospital insurance for the aged program where the services of these physician specialists are furnished by a hospital or by others under arrangements, mutually agreeable to them, between the specialists providing such services and the hospitals.

Mr. President, let me be very clear at the outset that this bill preserves the intent of the Senate amendment; namely, that it permit full freedom of choice between the specialist and the hospital as to whether they shall have an arrangement in which the hospital provides and bills for his service and what this arrangement shall provide, or whether the specialist shall have wholly independent practice.

The crucial paragraph of the bill is section 2(b) which amends paragraph 3 of subsection (b) of section 1861 of the Social Security Act, relating to the definition of inpatient hospital services. If the bill is passed, this definition on page 29 of Public Law 89–97 will then read:

> (3) such other diagnostic or therapeutic services (including specialists professional services as defined in subsection (z)), furnished by the hospital or by others under arrangements with them made by the hospital, as are ordinarily furnished to inpatients either by such hospital or by others under such arrangements;

The bill would, therefore, permit the specialists and the hospitals to reach an agreement or to have no agreement. It would not force coverage of their services under plan A.

Mr. President, I was greatly disappointed that the conferees on H.R. 6675 did not agree with the position of both the Senate Finance Committee and the Senate itself with respect to the handling of the services of radiologists, pathologists, anesthesiologists, and physiatrists. The Senate amended the language passed by the House to include such services, where the hospital bills for them, in the benefits to be provided under the hospital benefits section of the bill. The language which would have restored this feature of the King-Anderson bill was contained in the "medical specialists" amendment which I offered in committee for myself and other Senators. The committee approved it and the Senate endorsed it.

In essence, this amendment would have made it possible for hospitals and physician specialists to determine without interference their own relationships to each other. Under the House language which was retained in conference, however, the Federal Government interferes in the existing and future practices of hospitals and the medical profession. Let me stress here the fact that there was nothing in the Senate amendment which forced any of these physicians to become salaried employees of hospitals or dictated any particular relationship between the physician and the hospital. The amendment was completely in keeping with the general spirit and intent of the legislation that nothing in it would dictate, or interfere with, the administration of hospitals or the practice of medicine prevailing in each community. The Senate amendment was strictly neutral.

As I stated in my comments on the report of the conferees, the present language of the law is, I believe, very damaging to the carrying out of the purposes of the act. Though I am deeply concerned about the effect which the exclusion of the Senate amendment will have upon hospitals, it is the effect upon the elderly beneficiaries which is of greatest concern to me. As I have repeatedly pointed out, this exclusion constitutes an unwarranted reduction in benefits and will greatly confuse elderly beneficiaries because of the multiple billings it will make necessary. I shall not dwell on these points at length today, but I wish to answer certain charges made against the Senate amendment.

At present, a large percentage of all radiologists are paid for their hospital services through their hospitals. An even larger percentage of pathologists have such a relationship. This relationship is worked out through separate agreements between the individual physician and the individual hospital. A typical agreement provides that the pathologist receives a percentage of the gross charges resulting from the services performed in the whole department of pathology, including all those services which we generally think of as laboratory services.

PROFESSIONAL AND FINANCIAL STATUS OF DOCTORS NOT HURT BY THESE AGREEMENTS

I wish to emphasize that the evidence shows these agreements have not resulted in a loss of professional recognition to the physician specialists or in any financial hardship to him. The evidence shows that many radiologists and pathologists receive very substantial incomes from the hospitals. Moreover, many of the individual physicans who are paid by a hospital have additional incomes from their performance of services outside the hospital. Many physician specialists serve three or more small hospitals in outlying communities from each of which, I am informed, they will receive substantial incomes for their performance of part-time services. A leading hospital administrator recently made a study of this matter which disclosed that specialists who receive part of their incomes through a hospital are in no way hurt financially by these agreements. These facts can be brought out in hearings on the bill we have introduced today or by administrative studies.

I state this fact not to criticize anyone, but simply to show that the Senate amendment and the bill Senators ANDERSON, GRUENING, and I introduce today would certainly not result in the exploitation of these physicians by hospitals. Under the existing arrangements which these physicians have worked out with hospitals, the physician specialists have prospered.

EXCLUSION OF SENATE AMENDMENT WILL CONFUSE PATIENTS AND MAKE HOSPITAL ADMINISTRATION MORE COSTLY

Let me again review the effect of the exclusion of the Senate amendment from the act. Under existing practices used generally throughout hospitals, the patient gets one billing which includes all of his hospital services including laboratory and X-ray services. The physician specialists involved who have such agreements receive their income from the hospital in accordance with the particular arrangements agreed to with the hospital. There are no multiple billings to the patient.

Under the new Medicare Act, the hospital will have to separate clearly from the provision of services of the physician specialists all of its costs for operating the department involved. For example, an elderly patient-beneficiary entering the hospital under the law may have laboratory services and X-ray services performed. He will receive as a benefit under the program only those costs incurred by the hospital in the operation of the department of pathology and the department of radiology. He will receive separate bills from the pathologist and radiologist representing the professional fees which these physician specialists assign to the services rendered. If the patient has volunteered for protection under the supplementary insurance plan, part B of the law, he may pay the specialist's bill himself and request reimbursement from the carrier of the insured portion of the bill, or he may submit the bill to the carrier, asking that the insured portion be paid directly to the physician, and pay the remainder himself. Of course, the plan B insurance will pay only the reasonable charge attached to the service in the particular area of the country, while the physician may bill the patient in such amounts as he may determine. However, this is not the whole of the difficulties. Since plan B of the law provides for a $50 deductible, as well as the 20-percent coinsurance feature, which is to be applied to all physician services, somebody will have to work out an agreement between all of the physicians engaged in providing services to the patient as to how the deductible will be applied.

The example outlined here pertains to an inpatient of a hospital. The situation with respect to outpatient services may be even more confusing, but I shall not go into that problem now.

Hospital accountants emphasize the extremely difficult problems that hospitals will have to face in rearranging their costs, accounting, and administrative practices. Inasmuch as upwards of 20 to 25 percent of all patients in a given hospital will receive benefits under the law, hospitals are faced with the additional problem of whether they can maintain two entirely separate systems—one for the beneficiaries of the law and the other for the remainder of the patients. Surely additional and very substantial administrative costs will result from the practices which the law requires.

EXCLUSION MAY FORCE RENEGOTIATION OF EXISTING AGREEMENTS UNDER PRIVATE AND PUBLIC HEALTH PLANS

We are all greatly interested in maintaining and strengthening voluntary health insurance programs in the Nation. In this connection, it is most unfortunate that the medicare provisions of the new act with respect to medical specialists may require nationwide renegotiation of contracts with the providers of service and changes in the millions of subscriber contracts now in existence. Under title I of the act, without the Senate amendment, the Federal Government directly interferes in and requires extensive changes in existing hospital and physician practices. But another part of the same act, the title XIX programs, provides no such stipulations and interference with respect to all the public assistance beneficiaries. As I have pointed out before, moreover, the existing Federal program providing health benefits to the dependents of all members of the uniformed services accepts the existing practices between hospitals and these physician specialists. I do not believe the Congress wants to invoke upon all of these other programs the principle of interference which is prescribed in this new law.

EXCLUSION WILL INCREASE COSTS OF HOSPITAL CARE

The promises made by the sponsors of the earlier aged health legislation over the years, and the goals enunciated by President Kennedy and President Johnson, have rightly led our elderly citizens to expect that they would receive hospital services of a kind and in a manner to which they are accustomed. I am sure these citizens fully expect that the services of the four medical specialists in question would be fully provided by the Federal Government in this new law. They have had no idea the Congress would exclude such services from hospital benefits even where they are now treated as customary hospital benefits, and that they would be expected to obtain the services under another program for which they would have to pay an additional contribution. I strongly believe that exclusion of the Senate amendment from the present law is unfair.

Highly competent authorities experienced in the field of hospital affairs, including the American Hospital Association, have all emphasized their belief that the present language of the law will result in substantial increases in the cost of health services not only to aged persons but to all patients in hospitals. As I suggested in my earlier remarks on this subject, this exclusion may cost the patients of the country an additional $100 to $150 million a year. I believe it is incumbent upon the Congress to exercise every effort to assist in minimizing any potential increase in the cost of health services.

EXCLUSION MAY BADLY HURT SMALL HOSPITALS IN LESS POPULOUS AREAS

There is one other matter I wish to touch upon because it is vital to maintaining the high quality of care, particularly in smaller hospitals in the less populous areas of the country. At the present time, some radiologists and pathologists in particular of the four specialists act as "circuit riders" serving a number of small hospitals on a part-time basis. The services which they provide are absolutely essential in maintaining the high quality of patient care. These physicians are agreeable to traveling the necessary distances involved because they are assured of adequate financial recognition for their time and effort through arrangements made with the hospital. The hospital in other words guarantees the individual an assured income for his work. Under the new act, however, the services of these physicians are completely removed from the definition of hospital services and the billings for such services are to be handled quite apart from the hospital and the hospital benefits portion of the law. It is a justified fear that these specialists will not be likely to continue to serve these remote hospitals when they will no longer have an assured income but will have to bill patients individually for all of their separate services.

LEGISLATION TO CORRECT EXCLUSION SHOULD BE ENACTED BEFORE HOSPITAL BENEFITS GO INTO EFFECT

In summary, Mr. President, the exclusion of the Senate amendment from the act is certain to reduce benefits to our aged people, cause them wholly unnecessary confusion through multiple billings, and increase immediately the costs of hospital care by $10 to $12 million for aged persons and by $100 to $150 million for all persons. The exclusion also constitutes direct Federal interference in the practice of medicine and in hospital administration. It may well reduce the quality of hospital care for millions of patients and it certainly will result in expensive administrative difficulties for many hospitals and doctors.

It is my hope and the hope of Senator ANDERSON and Senator GRUENING, that the bill to restore the Senate provision in this matter will be immediately considered by the Finance Committee in January and that in the interim the responsible officials of the Department of Health, Education, and Welfare will complete an intensive study of the likely effects of the exclusion of these services from the hospital benefits plan. The Senate amendment should be restored to the act before the hospital benefits program goes into effect in July 1966.

I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks and that it be held at the desk for possible cosponsors until the close of business on August 18.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD and held at the desk, as requested by the Senator from Illinois.

The bill (S. 2406) to amend part A of title XVIII of the Social Security Act to include payment for the costs of hospital inpatient professional services in the field of pathology, radiology, physiatry, and anesthesiology furnished by a hospital or by others under mutually agreeable arrangements between the persons providing such services and the hospital introduced by Mr. DOUGLAS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861 of the Social Security Act (relating to definitions of services, institutions, etc.) is amended by adding at the end thereof the following new subsecton:

"Specialists Professional Services

"(z) The term 'specialists professional services' means professional services in the field of pathology, radiology, physiatry, or anesthesiology."

SEC. 2. (a) The heading of subsection (b) of section 1861 of the Social Security Act (relating to definition of inpatient hospital services) is amended to read "Inpatient Hospital Services and Specialists Professional Services".

(b) Paragraph (3) of such subsection is amended by inserting after "services" the following: "(including specialists professional services as defined in subsection (z))".

(c) Paragraph (4) of such subsection is amended by inserting before the semicolon the following: "(other than specialists professional services which are included under paragraph (3))".

SPEEDING THE INTERSTATE HIGHWAY SYSTEM

Mr. HARTKE. Mr. President, today I introduce, for appropriate reference, a bill which will speed the early completion of the Interstate Highway System and at the same time, in a relatively simple manner, solve the problem of the mounting costs which threaten to delay its completion.

Prior to the inauguration of the Highway Trust Fund in 1956, with its special sources of income, the program of Federal highway assistance to the improvement of primary and secondary roads and their urban extension—the ABC program—was financed by appropriations from the general treasury. Although the new structure of the Highway Trust Fund was established for the major purpose of 90 percent financing of the new Interstate System, it has ever since carried the burden of the 50 percent financing of the ABC program as well. The sum used for this purpose, in round figures, is about a billion dollars a year, or roughly a quarter of all Highway Trust Fund allocations.

My bill, in whose introduction I am joined by Senators CANNON and INOUYE, would return the financing of this portion of the highway improvement program to the source from which it was supplied before the start of the Highway Trust Fund; that is, to the general treasury. Since we are already in the 1966 fiscal year, it would not affect present arrangements but would take effect after June 30, 1966. Thus, in the future the "Federal-Aid Highway Program" would become exclusively the "Interstate Program" so far as the Highway Trust Fund is concerned. By thus making the total of the fund available exclusively for the

Interstate System, we shall be able to make available an additional billion dollars a year. The requirement that the fund must be solvent on July 1 of every year, that it cannot run a deficit, would not be altered. But the shift out of the fund of the ABC financing would aid immeasurably both in speeding up the interstate construction and in meeting the financial requirements so that it can be completed not only on schedule but in all likelihood even before 1972.

In its 1965 estimates the Bureau of Public Roads placed the anticipated cost of the completed Interstate System at $46.8 billion, an increase of $5.8 billion over the 1961 estimate. Of this, the Federal share will be about $5 billion. This will be met in part by a yield in taxes amounting to some $1.9 billion above original estimates, but there will still be a net deficit of more than $3 billion.

Since those estimates were made, there has been great concern as to how this huge net deficit should be met. Various proposals have included lengthening the present tax collection period for the fund; transferring some of the other automotive taxes now going to the General Treasury; and the imposition of new taxes, earmarked for the trust fund. There can be no doubt that some new arrangement must be made if we are going to have the funds, as required by present law, to complete the system by 1972. My bill meets that need with a minimum of readjustment. It is not its intent to reduce the support we are giving to the Federal-aid program for primary and secondary roads. The intention is merely to transfer the source of that support, in order that the trust fund may be used exclusively for the Interstate System.

Mr. President, the rapid completion of the Interstate System will bring benefits which dictate the necessity for speed. This is particularly true, as I have frequently pointed out, because of the greatly increased safety factor involved in the interstate type of construction. The Bureau of Public Roads has found a traffic fatality rate of 9.7 per 100 million vehicle miles on highways formerly serving an area now served by the Interstate System. But on the interstate highways the rate was only 2.8 fatalities per 100 million vehicle miles. This comparison was between the new roads and, to quote, "the older highways in the same traffic corridors which formerly carried most of the present interstate traffic."

The same Bureau of Roads statement notes:

> An additional 2,000 lives may be saved each year because of the reduction of the fatality rate on older highways as they are relieved of traffic by the Interstate Highway System.

The estimate of 8,000 lives per year saved because of the existence of the completed system of 41,000 miles works out to the saving of 1 life for every 5 miles of interstate road completed. How many lives could be saved but are lost now because we leave undone the construction that should be accomplished more speedily?

I believe we are being penny wise and pound foolish in our failure to speed and extend the Interstate System with all the speed we could do. I say this because without regard to the saving of lives, each mile of the system completed is saving dollars as well. Every stop and start you can eliminate while traveling at 60 miles an hour saves 2 cents. Already we are saving nearly $3 billion a year by the economies of the portion now finished. Those savings on completion of the 41,000-mile system are estimated to come to as much as the entire income tax cut of last year, $11 billion annually. When you consider the great thrust forward given to the economy by the $11 billion provided by that means, it should be obvious that delay in achieving the $11 billion savings of a completed system is economically unsound, that the economic benefits of early completion should be hastened in every way we can do so.

I have taken a major interest in these problems, particularly because of the safety factor. I have previously introduced this year S. 1272, which would extend the Interstate System from 41,000 to 60,000 miles. I offered S. 1633, which would provide funds and encourage a speeding up of the highway spot improvement program for the primary and secondary system, making those roads safer by removing some of the most dangerous elements in their construction features. In S. 1841 I have proposed a bill to add to the information and opportunity of the interstate highway traveler by providing historical display boards at rest stops, noting nearby points of interest. In S. 1976 I proposed repeal of the section 209(g) of the act, which holds us to the requirement of building the system on a strict pay-as-you-go basis. On Friday of this week I am serving as chairman for another day of hearings on Senator NELSON's bill, of which I am a cosponsor, dealing with tire safety. I am also a cosponsor of S. 1251, providing for standards of safe motor vehicle construction.

So this proposal is not an immediate, unconsidered suggestion. It is one to which I have given thought. I am convinced that it will be a tremendous help in achieving the objective I have sought through all of these means—making our highways safer as rapidly as possible, thereby saving both lives and dollars.

The distinguished Senator from Louisiana [Mr. LONG] has indicated that this is a proposal he favors and hopes will be adopted. Since he is a member of the Finance Committee, in which these matters originate, I believe it is important that we give quick consideration to this proposal.

Mr. President, I ask unanimous consent that the bill may lie at the desk for additional cosponsors until the close of business on Friday, August 20. I also ask unanimous consent that there may appear hereafter the text of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD and held at the desk, as requested by the Senator from Indiana.

The bill (S. 2407) to provide that after June 30, 1966, amounts in the Highway Trust Fund shall be used only for the purposes of the National System of Interstate and Defense Highways, introduced by Mr. HARTKE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of subsection (f) of section 209 of the Highway Revenue Act of 1956 is amended—

(1) by striking out the heading "Federal-Aid Highway Program" and inserting in lieu thereof "Interstate Program";

(2) by striking out "June 30, 1956" and inserting in lieu thereof "June 30, 1966"; and

(3) by striking out "which are attributable to Federal-aid highways" and inserting in lieu thereof "which are attributable to the Interstate System".

(b) The amendment made by this section shall be effective after June 30, 1966.

SEC. 2. Section 2(1) of the Federal-Aid Highway Act of 1964 is amended by inserting after "June 30, 1966, and" the following: "out of any moneys in the Treasury not otherwise appropriated,".

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed in the RECORD the text of a weekly column which I have sent to all Indiana weekly newspapers under date of August 9 as a part of the regular communication from my office entitled "Capitol Comments."

There being no objection, the column was ordered to be printed in the RECORD, as follows:

ARE WE NUMB TO ACCIDENTS?

A family of four is returning home from vacation. Their car proceeds at moderate speed along a 2-lane State highway. Suddenly, without warning, a car in the opposite lane hurdles toward them. A crash. And then silence.

One person is dead. Or maybe two, three, four, and more.

There are no words which can describe the grief which follows. But the real tragedy is that this horrible scene is repeated every day of the year, in every State of the Union.

Is the Nation numb to traffic accidents? I do not think so. Heartbreak has reached nearly every home. Friends and relatives have perished needlessly. Most people, I believe, feel we should do something now to reduce the senseless carnage—the waste of life, of time, and of money which is the inevitable result of traffic accidents.

The time has come to take bold new steps to reduce traffic injuries and fatalities. Those of us in Indiana are especially aware of this need. On a recent weekend, more persons died on Hoosier highways than in any comparable period of history.

What can be done?

There are many steps we can take to reduce traffic accidents. One of the most important is to improve our highways. Many of these now are nothing more than horse-and-buggy roads paved over. But the new Interstate System is proving that safe highways save lives. The fatality rates on these modern roads is less than half that of older roads.

To reduce accidents, I have asked Congress to speed up work on the interstate system. First, I would like to see the system extended from 41,000 miles to at least 60,000 miles. Secondly, I am introducing a bill this week which will add $1 billion a year to interstate construction funds, thus hastening the completion date.

Other bills which bear my name will provide safety standards for cars and tires, and will help to eliminate high accident areas—a so-called "death zones" from older highways.

The Nation is not numb to traffic accidents. By working together, we can and we will return safety and sanity to our highways.

Mr. HARTKE. I might point out one other factor. I took occasion the 4th of July weekend and the next weekend to check the highway fatalities in Indiana. Forty-seven highway fatalities occurred in Indiana on those 2 weekends, the first being the weekend of the 4th of July. It was the highest number of weekend highway fatalities in the history of Indiana.

Out of 47 fatalities, one was on the interstate system, and of the other 46, probably a number could have been avoided. This is very significant.

Although I am concerned about Vietnam, the killing going on there, and the dangers of that war, I think it is high time that we became excited about the rise in killing on the highways.

VOTING RIGHTS AND THE POLL TAX

Mr. HARTKE. Mr. President, this Congress has marked another milestone with the passage of the Voting Rights bill, another marker along the trail of history winding back to the ideals of liberty, equality, and justice on which this Nation was founded. By its passage, and by its culmination in law with the President's signature, we have made even more than ever before explicit the fact that citizenship in the United States is without distinction among our citizens.

There are many leaders whose thought and effort made possible the law whose implementation is already beginning to take place. First among them stands President Johnson, whose unequivocal position gave the strongest possible support. Great credit also belongs to Attorney General Katzenbach, who has so swiftly moved already to deal with the question of the poll tax under the new legislation. As floor leader, Senator HART deserves the highest commendation. The list is long, and I shall not extend it.

But in the light of the events which have begun to stir on the heels of the bill's signature into law, I do want to note that we are already seeing confirmation of the view which I supported, the view of the administration, that the problem could be handled by the bill without a specific effort to repeal the poll tax in itself. In the first place, as I contended at the time, I believe there was a constitutional question involved. But in addition, as we are now seeing, we have in the present enactment a method of action which is prompt and efficient in achieving the objective without running the risks, or perhaps I should say the certainties, of delay by extended litigation. In fact, we need not even wait for the decision of the Supreme Court this fall in the cases coming before it.

The application of the voting rights law, moving swiftly and effectively under the direction of the Attorney General, vindicates the views of those of us who objected to the other approach. The fears and caution expressed by those of us who did not see the need or the constitutionality of the expression on the poll tax resulted in a charge that our support was being given to a weak proposal. But as it turns out, that was not a weak proposal, but rather it was a strong and a courageous approach. I am delighted that it is being so speedily put to use, and I look forward to its success in operation.

RECESS UNTIL 11 A.M. TOMORROW

Mr. HARTKE. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 24 minutes p.m.) the Senate took a recess, in accordance with the previous order, until tomorrow, Friday, August 13, 1965, at 11 o'clock a.m.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 12, 1965

The House met at 12 o'clock noon.

Rabbi Reuven Siegel, Temple Adath Israel, New York City, offered the following prayer:

Heavenly Father, we invoke Thy blessing upon our country, the United States of America. We pray for Thy continuing guidance in the hearts of all who serve to govern and lead its people.

O Lord, we gratefully acknowledge the many blessings wherewith Thou hast blessed both our land and our people. We thank Thee for the abundant resources—resources of men as well as of the material things. Our heritage is a heritage of freedom, achieved by men and women of great principle and of great courage; men and women who shared ideals and visions. Here in a new world, they created a new society dedicated to right and freedom.

May the deliberations in this seat of government reflect the best of this our past heritage. May it reflect our faith that we are truly one nation under God. May God grant us wisdom and the courage to stand for justice. May He make us sensitive to the needs of all who are created in the divine image. May we become God's servants for the cause of peace with righteousness.

The words of Scripture serve as our eternal challenge, Proverbs 14: 34: *Righteousness maketh a nation great, but sin is a reproach to any people.* Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2176. An act to authorize the Secretary of the Interior to convey certain property to the county of Dare, State of North Carolina, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2263. An act to provide for an objective, thorough, and nationwide analysis and reevaluation of the extent and means of resolving the critical shortage of qualified manpower in the field of correctional rehabilitation;

H.R. 6927. An act to establish a Department of Housing and Urban Development, and for other purposes; and

H.R. 9075. An act to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 788. An act to designate the Veterans' Administration hospital being constructed in the District of Columbia as the Melvin J. Maas Memorial Hospital; and

S.J. Res. 32. Joint resolution to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the U.S. Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2054) entitled "An act to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes."

APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, FOR THE FISCAL YEAR ENDING JUNE 30, 1966, AND FOR OTHER PURPOSES

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on the bill (H.R. 7765) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

WORK PLANS UNDER SECTION 2 OF THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication from the Committee on Agriculture, which was

read and, together with accompanying papers, referred to the Committee on Appropriations:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C., August 11, 1965.
Hon. JOHN W. MCCORMACK,
The Speaker,
The House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture today considered the work plans transmitted to you by executive communication and referred to this committee, and unanimously approved each of such plans. The work plans involved are:

WATERSHED, STATE, AND EXECUTIVE COMMUNICATION
Upper Crooked Creek, Arkansas, 1193, 89th Congress.
Haney Creek, Arkansas, 1193, 89th Congress.
Buffaloe Creek, Ohio, 1193, 89th Congress.
Crooked Creek, Alabama, 1193, 89th Congress.
Muddy Fork of Silver Creek, Indiana, 1193, 89th Congress.
St. Thomas Lodema, North Dakota, 1193, 89th Congress.
Assunpink Creek, New Jersey, 1193, 89th Congress.
Mills Creek, Florida, 1320, 89th Congress.
Turkey Creek, Iowa, 1320, 89th Congress.
Mitchell Swamp-Pleasant Meadow Branch, South Carolina, 1320, 89th Congress.
Willis River, Virginia, 1320 89th Congress.
Cub Creek, Nebraska, 1193, 89th Congress.
Cottonwood Creek, Nebraska, 1320, 89th Congress.
Lakin, Kansas, 1320, 89th Congress.
Standing Pine Creek, Mississippi, 1320, 89th Congress.
Fishing Creek, South Carolina, 2182, 86th Congress.

Sincerely yours,
HAROLD D. COOLEY,
Chairman.

THE LATE HONORABLE GRACIE PFOST

Mr. WHITE of Idaho. Mr. Speaker, about the time the Congress went into session yesterday, a former colleague of this Chamber, and a friend of mine, Mrs. Gracie Pfost, died in a Baltimore hospital of Hodgkins disease.

Gracie has already become a legend in Idaho political history. Her hard and intense campaigning on a store-to-store, farm-to-farm, person-to-person level had gained her a multitude of friends in both parties. Beginning her political career at the county level, Gracie set her sights on the U.S. Congress, failing the first time by only 783 votes, but winning by a similar margin the following election in 1952. She loved Idaho and the people there. It was not uncommon for her to stop her car at the side of a road and climb out and talk to a farmer irrigating his fields, or don an apron and help the ladies in the kitchen at a grange meeting. Often she would be at the gate to meet and shake hands with the men changing shifts at the mines, or challenge a political opponent to a logrolling contest in icy cold water.

As many of you recall, she never ran away from what she considered a "good fight," the biggest in her congressional career being the support of a high, multiple-purpose Federal dam in Hell's Canyon on the Snake River on the Idaho-Oregon border. For this, she won the sobriquet, "Hell's Belle."

Even though she told one reporter during an interview that she knew how to cook, but found little time for it, she was known for her sourdough recipe. It was during an Idaho mining event that Gracie was given a can of sourdough which later became famous in the Nation's Capital. She took a small jar of sourdough starter with her when she spoke at a Women's National Press Club dinner the evening of her first day in Congress. Exhibiting the sourdough, she explained that it could be expanded by adding the proper amounts of flour and water, and her recipe for "Gracie's sourdough hotcakes" became a national interest. The publicity which came from this kept her mixing up new batches of sourdough from her Idaho starter and sending them out to everyone who requested it.

I know many of Mrs. Pfost's colleagues remember many such events during her 10 years' service here, and mourn her passing as do her constituents. All will, I am sure, join with her grieving family, friends and constituents in offering a prayer for her eternal rest.

Mrs. GRIFFITHS. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. Mr. Speaker, I would like to associate myself with the remarks of the distinguished gentleman from Idaho.

Gracie Pfost was one of the hardest working Representatives that this House ever had. She did more for her district and the State of Idaho than almost any other Representative has ever done for a State and a district.

You could pass her office at 7:30 in the morning or 11 o'clock at night and you would not be surprised to hear a typewriter tapping away—often it was Gracie herself answering mail. She early made a rule that all mail from her district had to be acknowledged on the day it was received. It was answered if Gracie herself typed the letter at midnight.

She went to extraordinary pains to see to it that a constituent's name was not misspelled. She treated each constituent as if his wishes alone mattered. She worked long and hard at committee work. She checked every bill to determine how it applied to her constituency. There are few Congressmen who served with her who are not indebted to her for help.

But with it all, she was a loving wife; she was a wonderful friend. Not many Gracie Pfosts are born into this world. I consider it a privilege to have known her; and I extend to her remaining family my deep sympathy.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Speaker, it is with a sorrowful heart indeed that I join my colleagues today in paying our respects to our late colleague and friend, Gracie Pfost, former member of this body from the State of Idaho. She was indeed an ideal colleague—taking her place in this great forum, working intelligently and industriously for what she considered to be in the best interest for her constituents and the people of this Nation and, yes, the people of the world.

This gallant lady was a wonderful friend, loyal and true to those who desired and deserved to be included in such relationship with her. Her idea of friendship was not founded upon agreement, but rather upon understanding and with the inherent honesty which was every bit a part of her. She had a legion of friends throughout the land.

It was my privilege to work very closely with Gracie during the 5 terms that she served in the House and I regretted to see her leave the House to run for the other body. When she came to the Congress in January 1953 she was assigned to the Committee on Interior and Insular Affairs of which I was also a member, and she remained a member of this committee for her entire 10-year period of service. She served as chairman of the Subcommittee on Public Lands during the 84th, 85th, 86th, and 87th Congresses. Her hard work and energetic leadership contributed greatly to the outstanding committee records during those years. There was no member of our committee more cooperative and willing than Gracie Pfost when there was committee work to be done. She was just as interested in the problems of other members as she was in the problems of her own district. She was willing to travel at any time and anywhere when local hearings and on-the-ground inspections were necessary. She never let her chairman down on difficult assignments, and the many arduous trips that we were on together were always more enjoyable with Gracie along. She never complained when the going was rough. Her friendly and gracious manner made a hit with the people and groups with whom she came in contact and this always made our work easier.

Gracie was a fighter for what she thought was right and I recall that she came to Congress with the nickname "Hell's Belle" for the great fight she made on the Hells Canyon project—a proposal for developing the water resources of the Snake River in her State of Idaho.

Gracie had a special concern for her fellowman and I am sure that the Nation is better off today because of her great public service. She had deep feelings about problems of the underprivileged of our Nation and a concern for the welfare of our elderly citizens. She was an early and enthusiastic supporter for some of the programs which we have just this year been successful in enacting into law—medicare, housing, poverty, et cetera.

Membership on the same committee brought Gracie and me into closer association than we might have been otherwise and made it possible from that time on for her husband, Jack, Mrs. Aspinall, and the two of us to enjoy a most valued friendship. Her husband, Jack Pfost, was just as friendly and companionable in his way as was Gracie and never throughout the years did he fail to show his pride and his joy in his talented and charming wife. When that union was broken by Jack's death, some divine spark went from Gracie's life that she was never able to recapture during her remaining time with us. Now she has broken the barrier and with her loneliness and suffering over, she has joined Jack once again. May God grant eternal peace to them throughout the time of eternity.

Gracie Pfost left her imprint upon my life and upon the committee of which I am chairman. We shall never forget her. Mrs. Aspinall joins me in expressing heartfelt sympathy to her family.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman.

Mr. McCLORY. Mr. Speaker, I want to express in my own behalf and in behalf of my Republican colleagues the deep sorrow occasioned by the death of former Congresswoman, Gracie Pfost of Idaho. I did not happen to know her personally but I know that the Republican Members who did know Mrs. Pfost held her in very high esteem and regarded her as an able legislator and as a great American. On behalf of my Republican colleagues in the House of Representatives and on behalf of Mrs. McClory and myself, I extend to the family of the late Congresswoman Pfost our deep sympathy.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. ROGERS of Colorado. Mr. Speaker, we of the West know that the death of Gracie Pfost removes from that area an outstanding leader. It was my happy pleasure to have served with her for 10 years in this body. Those of us who knew her well recognized her ability, honesty, and fairness. As some of our colleagues have noted, she was a scrapper. She fought for what she thought to be right. That was her dedication as a Representative from the great State of Idaho. We in the Congress know the contribution she made and we are saddened by her untimely death.

My deepest sympathies go to her family at this time.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. LANDRUM. Mr. Speaker, I was shocked to learn of the death of our good and warm friend, Mrs. Gracie Pfost, of Idaho. She was one of the great Members I was privileged to come here with as a freshman Member of the Congress in 1953.

I soon learned of her conscientious and industrious attitude to represent the people of her congressional district. But later when Mrs. Landrum and I were privileged to live in the same hotel with her for a number of years, we learned that Gracie Pfost was truly a gentlewoman, a delightful person, always a lady. She gave us all a better understanding and a greater appreciation of the fine things that go to make up responsible citizenship and real character in our American public officials.

Mr. Speaker, Mrs. Landrum joins me in extending to her family and loved ones, our genuine sympathy and deep regret at the passing of this truly distinguished lady.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, everyone who ever knew Gracie Pfost must have been shocked as I was on hearing the sad news of her death. Gracie in her life and in her career represented the noblest attributes of womanhood, the finest qualities of public service. What a strong person, what a fine character she was. She was a constructive, dedicated Member of this body. She was a working Member of the House. She was a contributing Member of the Congress. She was a wonderful person. She was my friend. I shall miss her. I extend my deepest sympathy to her loved ones.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Louisiana.

Mr. BOGGS. Mr. Speaker, I should like to associate myself with the remarks made concerning our late colleague, Gracie Pfost. I believe the expression which the majority leader used a moment ago, that she was a wonderful person, describes her better than any other words of which I can think.

As all have said, she was diligent, hardworking and dedicated. Through it all she was always pleasant and easy to get along with. She had a host of friends here on both sides of the aisle, and I believe all over this great Nation of ours.

I, too, join in extending the deepest sympathy to her family.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I should like to join my colleagues in expressing sorrow at the untimely passing of the late Gracie Pfost.

It was my pleasure to know Gracie early in her service in the Congress. She was a very wholesome person, very sincere and very much down to earth. She was intelligent and industrious. She had no malice in her heart or in her soul.

I have served with no one who had more friends or a greater appreciation among her colleagues. Gracie Pfost was an effective Member of Congress. She was a credit to her family, to herself, to her district, to her State, and to the Nation. Certainly she leaves in the annals of the Congress a long time record of service and one that all of us might well emulate.

I join with my colleagues in extending to her family my sincerest sympathy.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Speaker, it was a great shock to me to hear this morning of the death of our former colleague, Gracie Pfost.

I had the privilege—and I consider it a real privilege—of serving with her for 10 years. She and I were minority Members on the so-called committee to investigate foundations, during which a succession of extremists tried to prove that the great foundations of this country were Communist dominated. Mrs. Pfost effectively cross-examined the witnesses and helped to show that they were speaking in doubletalk and poppycock. For this she took a great deal of criticism in the extremist press. It did not bother her, because she knew she was right.

I had the privilege of going out to Idaho and campaigning with her in one campaign, from Nampa to Moscow to Coeur d'Alene. I had a greater respect for her desire to serve when I came back, because I flew in a little single-engine plane with Gracie and her husband, Jack, up through Hells Canyon. I will say now that I would not repeat that voyage if I knew I could not come back to Congress any other way. She did it all the time and regularly.

She was greatly loved and greatly respected by her constituents. Her loss is a loss not only to Idaho but to the whole United States.

Mrs. KELLY. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Speaker, I join my colleagues in expressing grief on the death of our former colleague, the Honorable Gracie Pfost.

Two days ago our former colleague, Hon. Ralph Harding, of Idaho, told a few of us that Gracie was in the hospital and was very ill. It was a shock to me, because I did not know she was so ill. We made several plans that we thought might cheer her, but before we had time to execute them the word came that she had been called to her eternal reward. To hide this illness from her friends is an added indication that she was such a valiant woman, and to me this is a characteristic of greatness in any person.

It is, therefore, with pride that I rise to pay tribute to my close friend.

Gracie was a hard worker, who represented the people of her district honestly and effectively. For 11 years she served them well because she loved and respected them. They brought their causes to Gracie to fight, and fight them she did, honorably and always respecting the rights of others.

During these years she endeared herself to all. It was a joy to know Gracie, humble when successful and undaunted by defeat, an inspiration to witness her working tirelessly for the people of her State and an honor to serve with her.

We will all miss Gracie, but her family and friends can be comforted because I am sure that the last words in the book of life for Gracie are these: "Well done."

Mr. WHITE of Idaho. I thank the gentlewoman from New York.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Arkanses.

Mr. HARRIS. This morning when Mrs. Harris and I learned of the untimely passing of our former distinguished colleague and friend, Gracie Pfost, we were deeply grieved. It was our pleasure to have known and associated with Gracie during the years she served so ably and so well in the House of Representatives. She was a native of our State, born in Harrison, Arkansas. We came not only to admire and respect her but to love her for what she was and for what she did for her people and the Nation. I want to join in paying appropriate tribute to the life and sterling character of this great woman. I have been enriched by the fellowship and the associations I have had with her.

This Congress has been benefited by her presence and her service. The Nation has been blessed by the 10 years of service she has rendered to it. I, for Mrs. Harris and myself, join in extending our sympathies to her family and loved ones.

Mr. EVINS of Tennessee. Mr. Speaker, permit me to join with the gentleman from Idaho and my other colleagues in paying a brief but sincere tribute to the memory of our late colleague, Mrs. Gracie Pfost, of Idaho. I was shocked and saddened to learn the news of her passing.

It was my pleasure to serve with Congresswoman Pfost for a number of years and I learned to respect and admire her immensely. She was most energetic, capable and dedicated. I knew her to be constructive and devoted to Democratic principles. She served well her district, the State of Idaho, and the Nation, as a most conscientious Congresswoman, and she has left her mark in the annals of history.

I extend to her family an expression of deepest sympathy in her passing.

Mr. McCORMACK. Mr. Speaker, we grieve today at the passing of a lovely woman, a former colleague, a stanch friend, a dedicated public servant, a true patriot, Mrs. Gracie Bowers Pfost, the first woman to represent the State of Idaho in Congress.

She was born in Harrison, Ark., and moved with her family when she was a little girl to a farm in Boise Valley, Idaho. There she attended the local schools and was graduated from Links Business University in Boise.

Her career as a public servant began in 1929 when she was appointed county clerk, auditor, and recorder of Canyon County. She was only 23 at the time.

She was a charter member of the Young Democrats of Idaho, and she served on the platform and resolutions committee at five Democratic national conventions. She was first elected to the House of Representatives in 1952 and served her district, her State, and her country with fervor, with boundless energy and enthusiasm, and with extraordinary competence and ability. In keeping with her concern for humanitarian causes and her tender regard for the unfortunate and the needy, she recently served with distinction as a special assistant for the housing of elderly persons in the Federal Housing Administration.

All who have known her unfailing courtesy and her selflessness will mourn her loss. As Speaker of the House of Representatives, I know I express the sentiments of this body when I say that she made a record here that will not soon flee the minds or hearts of those with whom she served.

Mr. O'HARA of Illinois. Mr. Speaker, I was shocked when I heard of the passing of Gracie Pfost. I had seen her and we had chatted together in the lobby of the Congressional Hotel only a short time ago. If she were ill, and her strength was diminished by the pull of advancing physical frailties, she gave no visible indications. Her smile was as radiant and confident as always it had been. Hers was the courage of the truly brave. I do not think she ever complained. The death of Jack, her husband, was a crushing blow to her, but she took it in the spirit of the brave and the dedicated and went on with the work that was given her to do. Gracie and Jack and I were good friends, residing at the same hotel, and meeting frequently. Gracie and Jack were closely bound together in affection and common interests. They were inseparable. Gracie Pfost made an outstanding record as a member of the House. Her industry knew no limits and her ability was of the highest order. She was respected by all her colleagues as a wholesome pattern of American womanhood and a fellow worker in the finest traditions of the Congress of the United States. Idaho has lost a daughter of radiant accomplishment. Our country has lost one of its finest public servants, and I have lost a friend beloved. To her loved ones I extend my deepest sympathy.

Mr. JOHNSON of California. Mr. Speaker, the passing of a very fine friend and a distinguished former colleague here in the House of Representatives, Gracie Pfost, has saddened me very deeply.

Shortly after I first was elected to Congress and was sworn into office I made the acquaintance of Gracie Pfost, whose Idaho congressional district had many of the same problems as that of the Second Congressional District of California, which I represent. Similarities of the two districts were emphasized by the forest economies, natural resource development, and in many other ways. The wisdom, the warm-heartedness, and generosity of Gracie Pfost helped me tremendously during those early years in which we served together.

Later I was privileged to serve on the same committees as Mrs. Pfost. Here I learned much from the tremendously knowledgeable way in which she handled legislative duties. During this time it was indeed a pleasure and privilege to have the Public Lands Subcommittee hold formal hearings in California under her chairmanship. Her ability to handle the many witnesses pro and con on the various issues taken up by the subcommittee during this trip provided all of us an outstanding example of skillful committee leadership through which both sides of a controversial issue were fully heard and considered by the subcommittee.

I know Gracie Pfost, who was loved and respected in her home State of Idaho and also here in Congress will be missed greatly. She was one of the most hard-working representatives I have ever known. She lived on the Hill, as I do, and I know from personal experience she was in her office working late every night and on weekends spending a tremendous amount of time on the job serving the people of her district, State and Nation. We have lost a fine friend and we have also lost one of the finest examples of a dedicated, hard-working Member of Congress.

Mrs. Johnson joins me in extending our deepest sympathy to the family of our good friend Mrs. Pfost.

Mr. EDMONDSON. Mr. Speaker, it was my privilege to serve for a number of years as a colleague and fellow member of the House Committee on Interior and Insular Affairs with the gracious and able Congresswoman from Idaho, Gracie Pfost.

Mrs. Pfost was a dedicated legislator and a wonderful person, and she brought to the Congress an unusual combination of enthusiasm, courage, and ability.

She was a hard worker and a conscientious public servant who gave her best to the State she loved and served so well.

Washington, Idaho, and the Nation will miss this lovely lady who won so many friends and such universal respect during her service here.

Mrs. HANSEN of Washington. Mr. Speaker, it was with deep sorrow that I learned of the passing of a very beloved colleague, Congresswoman Gracie Pfost.

I had the privilege of serving as a member of her subcommittee during my first 2 years in this Congress. I have never known a finer woman nor a more able presiding officer.

Gracie always had a laugh, time for courtesy and graciousness, and time for consideration of any Member's problems.

She was never petty or small. Her spirit was as large and splendid as her State.

She was not only an inspiration to women everywhere, but to every human being.

Gracie was beloved not only in her own State of Idaho which she represented with such tremendous success, but she was beloved throughout the entire Northwest.

She was a friend, neighbor, and colleague we could ill afford to lose.

To her family and to her State, my deepest and sincerest sympathy in their loss which is also ours in large measure.

Mr. HANSEN of Idaho. Mr. Speaker, I was deeply shocked and grieved to learn of the untimely death of former Congresswoman Gracie Pfost, and I know that her many friends on both sides of the aisle will share that feeling.

Mrs. Pfost was an untiring worker for our State of Idaho, and a relentless fighter for the causes she espoused. But she was eminently fair and just, and had gained the admiration and respect of even those who opposed her politically.

She was most amiable, congenial and pleasant to meet, and she made friends easily. These qualities made her a formidable campaigner—unbeatable in Idaho's First Congressional District.

Gracie devoted much of her life, her time, and her talents to the service of her fellow man. She served her district, her State, and her country well.

She will be sorely missed.

Mr. ULLMAN. Mr. Speaker, it is with a heavy heart I join my friend the gentleman from Idaho in paying tribute to a dear and wonderful departed friend, our former distinguished colleague Gracie Pfost.

Gracie would want to be remembered with her husband, Jack. They were a delightful couple, inseparable and devoted to each other. When he died it left a big empty spot in her life, though she gallantly went ahead to meet the tasks of her new life. What a big heart she had, and what a gallant soul. She went about sharing her overflow of compassion with others—spreading good cheer, lending encouragement, leaving behind hearts made happier because she walked that way.

Gracie Pfost loved people. When she won public office she gave herself totally to the task, living for the people she served, devoting her life to their causes. Gracie represented the great Idaho district across the Snake River from Oregon's Second District which it is my honor to represent in Congress. I worked closely with her on the mutual problems of that vast and beautiful area.

Gracie Pfost cut her teeth in politics in the fight to achieve full development of the Snake River at Hells Canyon. She fought long and hard for that cause, being nicknamed "Hells Belle" affectionately by her thousands of friends and admirers. What a gallant fight she made and how devoted she was to the cause.

Mrs. Ullman and I shared many happy moments with Gracie and Jack. We offer heartfelt condolences to Gracie's loved ones. Her life was not lived in vain.

Mr. SELDEN. Mr. Speaker, Gracie Pfost and I both came to Congress at the beginning of the 83d Congress. As freshmen Congressmen, we had many similar problems, and from the very beginning of our service in the House of Representatives we exchanged ideas that we felt would be beneficial to our respective constituents. I therefore had an opportunity to observe Mrs. Pfost very closely, and, in my years as a Member of the House of Representatives, I have never seen a Member of Congress who devoted longer hours to her constituency. She was a gallant lady, and she will be greatly missed by her many friends here in Washington.

Mr. Speaker, I join with my colleagues in the House in expressing my deepest sympathy to the members of Mrs. Pfost's family.

Mr. COHELAN. Mr. Speaker, like our colleagues, I was saddened to learn this morning of the passing of our dear friend and former colleague, Mrs. Gracie Pfost.

I will always consider it my good fortune to have had the privilege of serving with her in this great body for 6 years. Few will ever forget her friendliness, her grace and her charm. I will particularly remember her and be thankful for the advice and counsel she gave me on the many issues that were of interest and concern to both of us.

For 12 years Mrs. Pfost served the First District of Idaho with distinction. Since then she has made still further contributions through her efforts as special assistant in charge of housing for the elderly, one of the projects which we had worked on together when she was in the House.

Mrs. Pfost made countless friends during her many years of service in Washington, not to mention the many people who admired and respected her in the First District of Idaho and across the United States. The memory of her bright spirit and dedicated public service will always be remembered by those who had the privilege of knowing her. Mrs. Cohelan and I offer our sincere condolences to the family.

Mr. FRIEDEL. Mr. Speaker, I was deeply saddened to learn of the untimely death of my good friend and former colleague, Mrs. Gracie Pfost, at Johns Hopkins Hospital yesterday.

Gracie and I began our service in the House together and it was a privilege for me to know this great lady personally. During her years of service in the House, Mrs. Pfost gained the admiration and respect of all of us for her outstanding ability and hard work on behalf of the people of the First Congressional District of Idaho.

As a member of the Public Works and the Interior and Insular Affairs Committees, Mrs Pfost contributed to the passage of many bills of vital importance to the Nation. Her ability was recognized when she was appointed chairman of the Subcommittee on Public Lands and served in this capacity for many years.

But Mrs. Pfost will not only be remembered for her service in the House of Representative. A great interest in public affairs, coupled with a desire to serve her people, caused her to enter the political life of her State many years ago. From 1929 until 1939 she was deputy county clerk, auditor, and recorder of Canyon County, Idaho, and from 1941 until 1951 she was the treasurer of that county.

The people of Idaho recognized her ability and she was selected regularly for many years as one of the delegates to the Democratic National Convention, where she served as a member of the platform and resolutions committee. At the time of her death, Mrs. Pfost was still serving the people as special assistant for elderly housing in the Federal Housing Administration.

Mr. Speaker, our former colleague, Gracie Pfost, has compiled an enviable record of more than 30 years of public service and I am grateful for the privilege of paying deserved tribute to her. I have lost a good friend and the country has lost a dedicated public servant.

Mr. MATTHEWS. Mr. Speaker, I join with my colleagues in expressing sadness because of the passing of our former colleague, the Honorable Gracie Pfost, of Idaho. Mrs. Pfost and I came to Congress during the same year, and I esteemed her most highly. She was faithful to her constituents, hard working, and loyal to her friends. I participated in the funeral services here in Washington, and should like to print here in the RECORD the opening prayer that I gave on that occasion:

> O Lord our God, how excellent is Thy name in all the earth, who hast set Thy glory above the heavens. In Thee do we put our trust, for God so loved the world that He gave His only begotten Son that whosoever believeth in Him should not perish but have everlasting life.
>
> We thank Thee for the life of our silent friend and colleague. Because of her, many lives have been fortified with hope and faith. Because of her, America, our fatherland, is a more beautiful temple of groves and streams.
>
> She has been blessed by the privilege of great service.
>
> Abide, O God, with her loved ones, her friends, and all for whom she labored so valiantly.
>
> With joy into Thy loving hands we commend her this day, with the blessed assurance that in our Father's house are many mansions and He has promised to be with us forever.
>
> Hear our prayer in the name of Thy Son, our Lord. Amen.

I express to her family my deepest sympathy, and I join Gracie Pfost's many friends in saying that our lives have been ennobled because of our associations with her.

Mr. ROONEY of New York. Mr. Speaker, it is with deep sorrow that I join in paying tribute to our former distinguished colleague, the Honorable Gracie Pfost, of Idaho. Her passing brought to a close a long career of dedicated and conscientious public service. She began this career as deputy county clerk, auditor, and recorder of Canyon County, Idaho, before being elected to the House of Representatives. For 12 years she served the people of the First Congressional District of Idaho and devoted long hours and hard work to the myriad duties demanded of a representative of the people. At the time of her passing, she was a special assistant for housing for the elderly in the Federal Housing Administration. I am sure that the service and accomplishments of Gracie Pfost will long be remembered.

It was my privilege to have served with Gracie during her entire tenure as a Member of Congress. She was admired and respected by her associates on both sides of the aisle, and her indefatigable spirit was an inspiration to all with whom she came in contact.

To her family and her many friends, I extend my heartfelt sympathy.

GENERAL LEAVE TO EXTEND

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the RECORD on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

COMMITTEE ON VETERANS' AFFAIRS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs have until midnight tonight to file certain reports on certain bills.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 233]

Baring
Blatnik
Bonner
Brademas
Brown, Ohio
Burton, Utah
Cahill
Callaway
Cameron
Carter
Colmer
Culver
Cunningham
Dague
Dawson
Diggs
Ellsworth
Fraser
Hawkins
Irwin
Keogh
King, N.Y.
Lindsay
McVicker
Miller
Pool
Powell
Roncalio
Roybal
Ryan
Scott
Slack
Sullivan
Thomas
Toll
Tupper
Willis
Wilson, Charles H.

The SPEAKER. On this rollcall 394 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INTERSTATE SYSTEM APPORTIONMENT

Mr. KLUCZYNSKI. Mr. Speaker, I call up the conference report on the joint resolution (S.J. Res. 81) to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report follows:

CONFERENCE REPORT (H. REPT. NO. 778)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S.J. Res. 81) to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the joint resolution and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out 'the additional sum of $2,900,000,000 for the fiscal year ending June 30, 1967,' and inserting in lieu thereof 'the additional sum of $3,000,000,000 for the fiscal year ending June 30, 1967,'.

"SEC. 2. The Secretary of Commerce is authorized to make the apportionment for the fiscal year ending June 30, 1967, of the sum authorized to be appropriated for such year for expenditures on the National System of Interstate and Defense Highways, using the apportionment factors contained in table 5 of House Document Numbered 42, Eighty-ninth Congress, but the Congress reserves the right to disapprove the cost estimate for completion of such National System submitted by the Secretary on January 11, 1965, and contained in such document.

"SEC. 3. It is the sense of Congress that the Secretary of Commerce, acting under authority of existing law and through the Bureau of Public Roads, shall report to Congress in January, 1968, and in January of every second year thereafter, his estimates of the future highway needs of the Nation.

"SEC. 4. (a) Chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following new section:

" '§ 135. Highway safety programs

" 'After December 31, 1967, each State should have a highway safety program, approved by the Secretary, designed to reduce traffic accidents and deaths, injuries, and property damage resulting therefrom, on highways on the Federal-aid system. Such highway safety program should be in accordance with uniform standards approved by the Secretary and should include, but not be limited to, provisions for an effective accident records system, and measures calculated to improve driver performance, vehicle safety, highway design and maintenance, traffic control, and surveillance of traffic for detection and correction of high or potentially high accident locations.'

"(b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

" '135. Highway safety programs.' "

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title and agree to the same.

GEORGE H. FALLON,
JOHN C. KLUCZYNSKI,
FRANK M. CLARK,
WILLIAM C. CRAMER,
JOHN F. BALDWIN,
Managers on the Part of the House.
PAT MCNAMARA,
JENNINGS RANDOLPH,
EDMUND S. MUSKIE,
HIRAM L. FONG,
JAMES B. PEARSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S.J. Res. 81) to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate joint resolution after the resolving clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate joint resolution and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline.

The first two sections of the conference substitute are identical with the first two sections of the House amendment.

Section 3 of the House amendment authorizes the Secretary of Commerce to make a comprehensive study of the needs of the Federal-Aid Highway System including the Interstate System after 1972. Such study is to be made in cooperation with the State highway departments and is to include possible extensions of the Interstate System, costs, and all other considerations that the Secretary deems advisable. A report of his findings is required to be made not later than January 1, 1967. The proposed conference substitute expresses the sense of Congress that the Secretary utilizing the authority available to him under existing law and acting through the Bureau of Public Roads shall submit to Congress in January 1968 and every two years thereafter his estimates of the future highway needs of the United States.

Section 4 of the House amendment amends title 23 of the United States Code to add a new section 135. This section provides that after December 31, 1967, a State not having a highway safety program approved by the Secretary shall not have funds apportioned to it. A State highway safety program is required to be in accordance with uniform standards approved by the Secretary which shall include accident records system, measures calculated to improve driver performance, motor vehicle safety, highway design and maintenance, traffic control, and surveillance of traffic for detection and correction of high or potentially high accident locations. Funds withheld from a State are to be reapportioned to other States. The proposed conference substitute deletes from this section all provisions requiring funds to be withheld from a State in case of non-compliance and providing for their reapportionment, and substitutes for these provisions a statement that by December 31, 1967, each State should have an approved highway safety program. It is the expectation of the conferees that the Committees on Public Works will examine from time to time the extent of voluntary compliance by the States with this new section of title 23 with a view of determining whether any further legislative action is necessary.

GEORGE H. FALLON,
JOHN C. KLUCZYNSKI,
FRANK M. CLARK,
WILLIAM C. CRAMER,
JOHN F. BALDWIN,
Managers on the Part of the House.

Mr. KLUCZYNSKI (interrupting reading of statement). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KLUCZYNSKI. Mr. Speaker, as a result of the action of the conference committee on Senate Joint Resolution 81, I can report to the House that the Senate receded and went along with the House action which authorizes $3 billion for the fiscal year 1967 for the continued construction of the Interstate System. It is my hope that as soon as this conference report is passed by the Congress and signed into law by the President, funds will be allocated immediately by the Bureau of Public Roads to the various State highway departments to keep the program on an even keel.

I might point out that the conferees agreed not to approve the new estimate of cost submitted by the Secretary of

Commerce for fiscal years 1967, 1968, and 1969 for the Interstate System because sufficient financing for this program up to this time has not been authorized by the Congress.

The conferees agreed to modify the House language on the needs study for the highway system beyond 1972. Language was substituted which will require the Bureau of Public Roads, beginning January 1, 1968, to report to the Congress on that date and every 2 years thereafter the estimate of the future highway needs of the Nation. It is my hope that this report will be an all-inclusive one and will cover all phases of the highway problems faced by the country in all fields encompassed by the highway program which is now in full swing throughout the Nation.

Finally the conferees modified language dealing with highway safety programs by striking from that section the penalty clause which was originally in the legislation whereby if the various States had not enacted a highway safety program into law by December 31, 1967, they would be cut off from all Federal aid. The language contained in the conference report has a statement to the effect that the Congress expects the State highway departments themselves to get a program underway to cover this most vital phase of the highway operations, the safety of those who travel the roads. It is the further expectation of the Committee on Public Works that they and the Congress will from time to time examine the attempts of the States to set up the highway safety program and that if it is needed, legislation will be introduced at a later date to implement this much-needed program.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman from Iowa.

Mr. GROSS. I wish to commend the gentleman and the conferees for having stricken the language which was an unjustified invasion of States rights, and would have given the Federal Government authority to dictate to the Governors of the various States in the matter of safety programs. Failure to conform to what some bureaucrat in Washington wanted could have resulted in all funds being cut off to any State. This was entirely too drastic.

It was for that reason I voted against the bill. I want the RECORD to show clearly that I now support this bill, and I thank the gentleman for yielding.

Mr. KLUCZYNSKI. I thank the gentleman.

Mr. Speaker, I now yield 5 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, I merely want to say that I think this is a good conference report, so far as the position of the House is concerned, and on these respective amendments. The other body accepted the $100 million increase in the authorization for 1967 because it can be supported. The funds will be there. This information came to the attention of the House subsequent to hearings on the legislation in the other body. They accepted the $100 million increase in our proposal. They also accepted a modified version with regard to a highway study which I have been advocating.

I have introduced legislation for 3 years now for the purpose of providing for a study relating to the future needs of highways on a long-range plan basis, a study relating to what additional mileage is necessary, and the missing links, and whether they should be considered at a future date, meaning after 1972, when the present interstate program expires. There are such missing links in the system. There is one in my State which would go from Tampa-St. Petersburg to Miami. There is no Interstate System that connects the west coast with the east coast, in the southern part of the State. There should have been at the outset, but at the time there was not enough traffic to justify it. There is now, unquestionably. There was a dispute between the House and Senate whether the Bureau of Public Roads has authority for the study. It is my opinion they needed this legislation to authorize the study in order to get it. Florida has started on such a study, and I believe that will be accomplished. A study relating to highway needs and all phases of highway needs will be authorized under this new revised language, and it will be available and made available on a 2-year basis.

So I say this is a fair, reasonable compromise, although I would have preferred the stronger language in the House version.

The gentleman from California [Mr. BALDWIN], is going to discuss the highway safety amendment to the highway bill. It was the gentleman's amendment that properly brought before this House the question of needed safety regulations from a legislative standpoint. They have been tearing out some of these safety regulations at the present time. I think the gentleman from California [Mr. BALDWIN], should be complimented for the leadership he has shown. He had a reason that he will explain to you relating to his own district, which shows his leadership in bringing this safety requirement to the attention of the Congress. This is the sense of Congress, and is a direction to the States as the conference report indicates.

I think this is a good conference report, and I support it.

Mr. KLUCZYNSKI. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, I rise in support of the conference report on Senate Joint Resolution 81.

I would like to speak particularly on section 4 of this report which deals with highway safety. I think all the Members of the House know we have a tremendous problem in this country now in the field of highway accidents. Last year our Nation set some records that were appalling—47,000 people were killed on the highways of this Nation last year and 1,700,000 people were injured on those highways. During the 4th of July weekend, just a little more than a month ago, during a 3-day period of time, more people were killed on our Nation's highways than there have been Americans killed in the war in Vietnam since we first began participating in that country's defense 10 years ago. Just think of it—in 3 days on our Nation's highways, we lost more lives—555 men, women, and children—than we have lost in South Vietnam from the time we entered that situation more than 10 years ago. I believe the people of this Nation expect us to take action to try to bring this highway accident situation under better control than now exists.

Just last December, a matter of 8 months ago, a stretch of 6 miles of interstate highway was opened in my own district in Contra Costa County, Calif. At one particular location, within 3 weeks there were 17 or 18 accidents. This is one of those areas that is called a high frequency accident location. The State division of highways and the U.S. Bureau of Public Roads should have a system whereby accidents will be reported immediately at these high accident locations and should take corrective action before 17 or 18 accidents occur that may kill people and permanently injure and paralyze people as happened in this particular case.

The House bill set up a compulsory requirement that the States set up an adequate highway safety program by December 31, 1967, and that if they did not do so, they would lose their right to qualify for Federal funds.

The Senate conferees pointed out they had not had hearings on this subject and they felt that a penalty of this magnitude might be too drastic pending their having more thorough hearings on this. But they did feel, as we did, that we should have a clear expression of congressional policy in this field. So we agreed on the wording in the conference report which states:

> Each State should have a highway safety program by December 31, 1967, approved by the Secretary of Commerce, designed to reduce traffic accidents, deaths, injuries, and property damage resulting therefrom, on highways in the Federal-aid system—

And the Secretary of Commerce will have the responsibility of working with the States to see that adequate standards are set up and maintained.

Now, our committee does not expect to forget this problem. We intend to review the extent of State compliance by this date of December 31, 1967. We set that date to allow the State legislatures to meet again. Most of them will meet in the early part of 1967, and can therefore at that time, pass whatever laws may be necessary to establish an adequate highway safety program. But I can assure you, as one Member of the House conferees, that when we make a review at that time and if we find that the States are not taking the steps that seem necessary to meet this highway safety problem, we then certainly are going to determine what further steps we should take in an endeavor to establish proper controls in this field.

I do not believe the American people would want us to do less than that. I think if we are proposing to put into the Federal interstate highway program $3 billion a year of the taxpayers' funds, that those taxpayers are also entitled to have Congress take every step that may be necessary to insure that when they are on those highways, their lives will be protected to the very maximum extent possible.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman.

Mr. DON H. CLAUSEN. Mr. Speaker, I take this time to again commend the conferees for their excellent work on this particular resolution and in particular to commend the gentleman in the well who, whenever he takes unto himself the task of dedication to a safety measure, the field of conservation or as in this case, highway safety, he goes all out. His record of dedication and devotion to a cause is unparalleled in the House.

The passage of the conference report culminates an effort by the members of our Public Works Committee of many months.

The earliest possible completion date of the Interstate Highway System is of utmost importance. The rate of accidents on our highways is appalling. As the gentleman from California has said, we kill more Americans on one weekend than in 10 years of combat in Vietnam. This demands action from this Congress, and I intend to pursue this cause with all the vigor at my command. Further, we must plan to extend and expand the system as soon as possible.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. CRAMER. I ask the gentleman to yield for the purpose of clearing up a question of the gentleman from Illinois. I would like the record to be clear and I would ask the gentleman, Is it not your understanding, as it is mine, that under this revised language relating to future studies of future highway needs, the Bureau, in conjunction with the States, will have authority to study interstate highway needs after 1972, as a part of that study; is that not correct?

Mr. KLUCZYNSKI. The gentleman is correct.

Mr. CRAMER. I thank the gentleman.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

RATES OF BASIC PAY FOR MEMBERS OF THE UNIFORMED SERVICES

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9075) to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

"That section 203(a) of title 37, United States Code, is amended to read as follows:

" '(a) The rates of monthly basic pay for members of the uniformed services within each pay grade are set forth in the following tables:

" 'COMMISSIONED OFFICERS

" 'Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O-10 [1]	$1,380.00	$1,428.90	$1,428.90	$1,428.90	$1,428.90	$1,483.20	$1,483.20	$1,597.20	$1,597.20	$1,711.20	$1,711.20	$1,825.20	$1,825.20	$1,939.50	$1,939.50
O-9	1,223.10	1,254.90	1,282.20	1,282.20	1,282.20	1,314.60	1,314.60	1,368.90	1,368.90	1,483.20	1,483.20	1,597.20	1,597.20	1,711.20	1,711.20
O-8	1,107.90	1,140.90	1,167.90	1,167.90	1,167.90	1,254.90	1,254.90	1,314.60	1,314.60	1,368.90	1,428.90	1,483.20	1,542.90	1,542.90	1,542.90
O-7	920.40	983.40	983.40	983.40	1,026.90	1,026.90	1,086.60	1,086.60	1,140.90	1,254.90	1,341.90	1,341.90	1,341.90	1,341.90	1,341.90
O-6	681.90	749.70	798.60	798.60	798.60	798.60	798.60	798.60	825.90	956.10	1,005.00	1,026.90	1,086.60	1,178.70	1,178.70
O-5	545.40	641.10	684.60	684.60	684.60	684.60	706.20	744.00	793.20	852.90	901.80	928.80	961.50	961.50	961.50
O-4	460.20	559.80	597.60	597.60	608.40	635.70	678.90	717.00	749.70	782.40	804.00	804.00	804.00	804.00	804.00
O-3 [2]	427.80	477.90	510.60	565.20	592.20	613.80	646.50	678.90	695.40	695.40	695.40	695.40	695.40	695.40	695.40
O-2 [2]	342.60	407.40	489.00	505.20	516.00	516.00	516.00	516.00	516.00	516.00	516.00	516.00	516.00	516.00	516.00
O-1 [2]	294.60	325.80	407.40	407.40	407.40	407.40	407.40	407.00	407.00	407.00	407.00	407.40	407.40	407.40	407.40

" 'COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS' ACTIVE SERVICE AS AN ENLISTED MEMBER

" 'Pay grade	Years of service computed under section 205											
	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O-3	$565.20	$592.20	$613.80	$646.50	$678.90	$706.20	$706.20	$706.20	$706.20	$706.20	$706.20	$706.20
O-2	505.20	516.00	532.20	559.80	581.40	597.60	597.60	597.60	597.60	597.60	597.60	597.60
O-1	407.40	434.70	450.90	467.10	483.30	505.20	505.20	505.20	505.20	505.20	505.20	505.20

" 'WARRANT OFFICERS

" 'Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4	$435.60	$467.10	$467.10	$477.90	$499.80	$521.40	$543.00	$581.40	$608.40	$630.30	$646.50	$668.10	$690.00	$744.00	$744.00
W-3	396.00	429.30	429.30	434.70	440.10	472.50	499.80	516.00	532.20	548.40	565.20	586.80	608.40	630.30	630.30
W-2	346.50	375.00	375.00	385.80	407.40	429.30	445.50	461.70	477.90	494.40	510.60	526.80	548.40	548.40	548.40
W-1	288.90	331.50	331.50	358.80	375.00	391.20	407.40	423.90	440.10	456.30	472.50	489.00	489.00	489.00	489.00

" 'ENLISTED MEMBERS

" 'Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
E-9	--------	--------	--------	--------	--------	--------	$494.70	$506.10	$517.80	$529.20	$540.60	$551.70	$580.50	$636.90	$636.90
E-8	--------	--------	--------	--------	--------	$415.20	426.60	438.00	449.40	460.80	472.20	483.60	512.10	568.80	568.80
E-7	$261.00	$312.90	$324.30	$335.70	$347.10	358.20	369.60	381.30	398.40	409.50	420.90	426.60	455.10	512.10	512.10
E-6	225.00	273.00	284.40	295.80	307.50	318.60	330.00	347.10	358.20	369.60	375.60	375.60	375.60	375.60	375.60
E-5	194.10	239.10	250.50	261.60	278.70	290.10	301.50	312.90	318.60	318.60	318.60	318.60	318.60	318.60	318.60
E-4	163.50	204.90	216.00	233.10	244.80	244.80	244.80	244.80	244.80	244.80	244.80	244.80	244.80	244.80	244.80
E-3	117.90	164.70	176.40	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80	187.80
E-2	97.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50	136.50
E-1	93.90	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10	125.10
E-1 (under 4 months)	87.90	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

" '[1] While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $2,140.20 regardless of cumulative years of service computed under section 205 of this title.

" '[2] Does not apply to commissioned officers who have been credited with over 4 years' active service as an enlisted member.'

"SEC. 2. (a) Chapter 19, title 37, United States Code, is amended by adding the following new section at the end thereof:

" '§ 1008. Presidential recommendations concerning adjustments and changes in pay and allowances

" '(a) The President shall direct an annual review of the adequacy of the pays and allowances authorized by this title for members of the uniformed services. Upon completion of this review, but not later than March 31 of each year, the President shall submit to Congress a detailed report summarizing the results of such annual review together with any recommendations for adjustments in the rates of pay and allowances authorized by this title.

" '(b) Whenever the President considers it apprporiate, but in no event later than January 1, 1967, and not less than once each four years thereafter, he shall direct a complete review of the principles and concepts of the compensation system for members of the uniformed services. Upon completion of such review he shall submit a detailed report to Congress summarizing the results of such review together with any recommendations he may have proposing changes in the statutory salary system and other elements of the compensation structure provided members of the uniformed services.'

"(b) The chapter analysis of chapter 19, title 37, United States Code, is amended by adding the following new item:

" '1008. Presidential recommendations concerning adjustments and changes in pay and allowances.'

"SEC. 3. Section 308 of title 37, United States Code, is amended by adding the following:

" '(g) Under regulations to be prescribed by the Secretary of Defense, or the Secretary of the Treasury with respect to the Coast Guard when it is not operating as a service in the Navy, a member who is designated as having a critical military skill and who is entitled to a bonus computed under subsection (a) of this section upon his first reenlistment may be paid an additional amount not more than four times the amount of that bonus. The additional amount shall be paid in equal yearly installments in each year of the reenlistment period. However, in meritorious cases the additional amount may be paid in fewer installments if the Secretary concerned determines it to be in the best interest of the members. An amount paid under this subsection does not count against the limitation prescribed by subsection (c) of this section on the total amount that may be paid under this section.'

"SEC. 4. Section 310(a) of title 37, United States Code, is amended by striking out '$55' and inserting in place thereof '$65'.

"SEC. 5. (a) The retired pay or retainer pay of a member or former member of a uniformed service who is entitled to that pay computed under rates of basic pay in effect before the effective date of this Act shall be increased, effective that date, by the per centum (adjusted to the nearest one-tenth of 1 per centum) that the Consumer Price Index (all items—United States city average), published by the Bureau of Labor Statistics, for the calendar month immediately preceding the effective date of this Act has increased over the average monthly index for calendar year 1962.

"(b) Section 1401a(b) of title 10, United States Code, is amended to read as follows:

" '(b) The Secretary of Defense shall determine the per centum that the Consumer Price Index for each calendar month after the calendar month immediately preceding the effective date of this Act has increased over the base Consumer Price Index (that for the calendar month immediately preceding the effective date of this Act or, if later, that used as the basis for the most recent adjustment of retired pay and retainer pay under this subsection.) If the Secretary determines that, for three consecutive calendar months, the index has shown an increase of at least 3 per centum over the base index, the retired pay and retainer pay of members or former members of the Armed Forces who became entitled to that pay before the first day of the third calendar month beginning after the expiration of those three months shall be increased, effective that day, by the highest per centum of increase in the index during those three months, adjusted to the nearest one-tenth of 1 per centum.'

"SEC. 6. Column 1 of formula 1 and column 1 of formula 2 of section 1401 of title 10, United States Code, are each amended by striking out ', increased, for members credited with two or less years of service for basic pay purposes, by 6 per centum'.

"SEC. 7. Notwithstanding any other provision of law, a member of an armed force who was entitled to pay and allowances under any of the following provisions of law on the day before the effective date of this Act shall continue to receive the pay and allowances to which he was entitled on that day:

"(1) The Act of March 23, 1946, chapter 112 (60 Stat. 59).

"(2) The Act of June 26, 1948, chapter 677 (62 Stat. 1052).

"(3) The Act of September 18, 1950, chapter 952 (64 Stat. A224).

"SEC. 8. The enactment of this Act does not reduce—

"(1) the rate of dependency and indemnity compensation under section 411 of title 38, United States Code, that any person was receiving on the day before the effective date of this Act or which thereafter becomes payable for that day by reason of a subsequent determination; or

"(2) the basic pay or the retired pay or retainer pay to which a member or former member of a uniformed service was entitled on the day before the effective date of this Act.

"SEC. 9. (a) Chapter 53 of title 10, United States Code (relating to miscellaneous rights and benefits of members of the Armed Forces), is amended by adding at the end thereof the following new section:

" '§ 1040. Free postage from combat zones.

" 'Any first-class mail matter admissible to the mails as ordinary mail matter which is sent by any member of the Armed Forces from—

" '(1) Vietnam, until such time as the President determines that Vietnam is no longer an area in which members of the Armed Forces are engaged in combat, and

" '(2) any other area or areas in which the President determines members of the Armed Forces are engaged in combat,

to any person in the United States (including Puerto Rico or any possession of the United States) shall be transmitted in the mails free of postage, subject to such regulations as the Secretary of Defense may prescribe after consultation with the Postmaster General.'

"(b) The analysis of such chapter 53 is amended by adding at the end thereof the following:

" '1040. Free postage from combat zones.'

"SEC. 10. This Act becomes effective on the first day of the first calendar month beginning after the date of enactment of this Act."

Mr. RIVERS of South Carolina (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendments be dispensed with and that they be printed in the RECORD.

The **SPEAKER**. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The **SPEAKER**. Is there objection to the request of the gentleman from South Carolina to concur in the Senate amendments?

Mr. **BATES**. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from South Carolina if he would outline for us the essential differences between the House and Senate versions.

Mr. **RIVERS** of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. **BATES**. I am glad to yied to the gentleman from South Carolina.

Mr. **RIVERS** of South Carolina. Mr. Speaker, yesterday, August 11, 1965, the Senate of the United States passed H.R. 9075, the military pay bill, with a record vote of 89 to 0.

This bill as passed by the House on July 20, 1965, was amended by the Senate by striking all after the enacting clause and substituting new language.

The Senate amendment adopted the House language on H.R. 9075 without change except for adjustments in the amounts of basic pay increases recommended for officer and enlisted personnel with over 2 years of service.

In addition, the Senate added a number of new provisions to the bill, all of which, I strongly believe, strengthen and improve this legislation.

Briefly, let me summarize the differences between the House and Senate versions of H.R. 9075:

First. The bill as passed by the House involves an estimated cost of $996 million. The bill as amended by the Senate results in an increase in annual military pay costs of $991 million, an actual difference of less than $5 million.

Second. The Senate bill adopts, without change, all the increases in basic pay recommended by the House for both officers and enlisted personnel with less than 2 years of service.

Third. All officers with over 2 years of service would receive a flat across-the-board increase of 6 percent as contrasted to the House recommendation of 6.4 percent.

Fourth. All enlisted personnel with over 2 years of service would receive a flat across-the-board increase of 11 percent as contrasted to the House recommendation of an average of 11.1 percent.

Fifth. The overall average basic pay increase recommended by the Senate is 10.4 percent as contrasted to the House 10.6 percent.

That briefly summarizes the Senate changes to the basic pay tables. The Senate explained its reluctance to go along with the House recommendations on personnel with over 2 years of service on the premise that:

> There should be no structural change in the career military pay rates * * * pending a thorough review of the entire system.

As a consequence, the Senate attempted to achieve the House objectives by using a flat percentage increase rather than the House approach.

Now, since the overall result of the Senate approach is an average increase in military pay almost exactly that recommended by the House, I do not propose to quarrel with the Members of the other body on their rationale.

On the other hand, I would like the record to show that the effort made to adjust military pay scales in a manner which would reflect a reasonable relationship with the pay provided other Federal civilian employees was an approach utilized by the other body itself during its development of the Military Pay Act of 1963.

In addition to the adjustments in the proposed basic pay rates, the Senate made the following substantive additions to the bill:

First. It provides an increase of $10 a month in hostile-fire pay, thus raising the monthly payment from $55 to $65 a month. The additional annual cost of this change is $15 million. I believe you will agree with me that it is a good change.

Second. The Senate added a provision refining the formula whereby cost of living adjustments are made to military retired pay. This is a change recommended by the administration but which reached the House after the committee had acted on the bill. The net effect of the change is to make the adjustment more responsive to the changes in the Consumer Price Index.

Third. The Senate also added by way of a floor amendment a provision which provides free postage to military personnel who are in combat areas.

In my review of the Senate changes to the pay structure I find that a larger number of military personnel will receive a greater increase in military pay under the Senate amendment than will be the case under the House bill.

Approximately 65,000 military personnel would achieve a better increase under the Senate amendment than under the House bill. This results from the fact that some of the larger increases provided personnel in higher grades have been distributed to officer and enlisted personnel in the lower grades.

In view of this fact, and because I and every other Member of Congress is anxious for this pay increase to go into effect on September 1, 1965, I am pleased to advise the House that I have been instructed by the Committee on Armed Services to accept the Senate amendment.

For purposes of the RECORD, I will now explain in more detail each of the various specific differences in the House and Senate bills.

The Senate in amending the House bill adopted all the provisions of the House bill without change except for section 1, the section relating to changes in basic pay. In addition, the Senate added new language which appears as sections 4 to 7 inclusively in the Senate amendment.

The differences, therefore, in the House and Senate bills are found in sections 1, 4, 5, 6, and 7 of the Senate bill. Section 1, as previously mentioned, represents a change in the basic pay structure, and the other sections represent additions to the House-passed bill.

CHANGES IN BASIC PAY STRUCTURE

First. The rates of basic pay for personnel with less than 2 years of service, both officer and enlisted, were adopted by the Senate as recommended by the House.

Second. Officer grades with over 2 years of service were given a flat 6 percent increase across the board as contrasted to the House bill which provided an average 6.4-percent increase.

Third. Enlisted personnel with over 2 years of service were given a flat across-the-board increase of 11 percent as contrasted to the average increase provided by the House of 11.1 percent.

Fourth. The overall average increase in basic pay recommended by the Senate is 10.4 percent as contrasted to the House bill which was 10.6 percent.

Fifth. The annual cost of an increase in basic pay for active duty personnel of the Department of Defense in the House bill is $824.6 million and in the Senate amendment $809.8 million. A detailed breakdown of the specific changes recommended by the Senate in basic pay as contrasted to those recommended by the House, together with related costs, are discussed later.

SENATE ADDITIONS

For purposes of brevity, the new provisions added by the Senate which do not appear in the House bill are identified as they appear in the Senate bill, together with a short explanation of their purpose.

Section 4—Hostile fire pay: Section 4 of the Senate bill authorizes an increase in hostile fire pay by $10 a month—from $55 to $65. This pay was originally enacted as part of the Military Pay Act of 1963 and authorizes the payment of $55 a month for those personnel who may be subject to or exposed to hostile fire. Eligibility for this pay is as prescribed under regulations issued by the Secretary of Defense. The increased annual cost of this additional payment is estimated to be $15 million.

Section 5—Adjustments in retired pay: This section reflects a Department of Defense recommended change in the formula utilized by the Secretary of Defense to provide periodic increases in military retired pay on the basis of changes in the Consumer Price Index. The language change will accomplish two things:

(a) It will provide an immediate increase in military retired pay equivalent to the average change in the Consumer Price Index as compared with 1962. The amendment will advance the effective date of the increase by 7 months by making the increase effective immediately—September 1, 1965—rather than April 1, 1966. The increase in military retired pay will average approximately 3.7 percent and will cost approximately $33,111,000 for the balance of fiscal year 1966. This is a one-time change which will create a new reference point for subsequent adjustments in military retired pay.

(b) Future adjustments in retired pay, after the one-time adjustment indicated above, would be authorized whenever the Consumer Price Index increases by 3 percent or more for 3 consecutive months over the point in the index from which the last increase had been granted. Existing law requires that the index advance by an average of 3 percent or more for a full calendar year rather than only for 3 consecutive months as provided in the Senate amendment. The change is desirable since it permits a more rapid and equitable adjustment in retired pay than is presently authorized under existing law.

Section 6—Technical amendments to 1958 legislation: This Senate language repeals a provision of law contained in the Military Pay Act of 1958. That provision insured that military personnel with less than 2 years of service retiring for disability would receive a 6 percent increase in their retired pay so as to extend to them the same 6 percent increase that had been provided those retiring before 1958. Since the new military pay scales provide personnel with less than 2 years of service an increase in basic pay substantially larger than 6 percent, this special provision is no longer required in the law and is therefore obsolete.

Section 7—No increase for certain four- and five-star officers: This provision specifically excludes certain four- and five-star officers, whose pay is authorized under special acts of Congress, from receiving increases in basic pay. These officers are now authorized full pay and allowances based upon the rates that were in effect at the time Congress had singled them out for special treatment. These five-star officers—Bradley and Nimitz—now receive $20,543.36 annually, and the four-star officers—Spaatz, Spruance, and Vandergrift—receive $20,143.36.

This special provision therefore clearly indicates that the pay and allowances authorized these officers will not be affected by H.R. 9075.

SENATE FLOOR AMENDMENTS

During Senate consideration of H.R. 9075, two amendments were added on the floor.

The first amendment was a technical change to insure that individuals on the emergency officer retired list—World War I disabled Reserve officers—were also included in the adjustments to military retired pay provided by section 5 of the Senate bill.

The Senate also added language which would provide military personnel free postage from combat areas.

IMPACT ON PERSONNEL OF HOUSE AND SENATE CHANGES IN BASIC PAY

An analysis of the impact on military personnel of the proposed changes in basic pay as recommended by the House and Senate is set out in the table below. On the basis of the figures reflected in the table below it is apparent that a larger number of military personnel would experience greater increases under the Senate amendment—937,305—than would be the case under the House bill—871,972. Approximately 833,000 personnel of the 2.6 million personnel on active duty would receive exactly the same under both the House and Senate bills.

Impact

	Total	House greater	Equal	Senate larger
Total	2,642,405	871,972	833,128	937,305
Officer		134,870	43,830	156,172
Enlisted		737,102	789,298	781,133

Comparative basic pay increases—Average increase in basic pay for persons with over 2 years service

DOD PROPOSAL

Pay grade	Number	Increased active duty cost	Average percent increase	Average dollar increase	
				Annual	Monthly
5 star	2				
Chief of Staff	5	$6,000	5.0	$1,213.20	$101.10
O-10 general	31	34,000	5.0	1,098.80	91.50
O-9 lieutenant general	118	114,000	5.0	968.40	80.70
O-8 major general	488	427,000	5.0	874.80	72.90
O-7 brigadier general	642	488,000	5.0	759.60	63.30
O-6 colonel	15,147	9,578,000	5.0	632.40	52.70
O-5 lieutenant colonel	36,982	19,824,000	5.0	536.40	44.67
O-4 major	56,217	24,657,000	5.0	438.60	36.55
O-3 captain	105,970	38,152,000	5.0	360.00	30.00
O-2 1st lieutenant	50,202	13,492,000	5.0	268.80	22.40
O-1 2d lieutenant	9,419	2,077,000	5.0	220.56	18.38
W-4 warrant officer	3,621	1,454,000	5.0	401.88	33.49
W-3 warrant officer	4,113	1,372,000	5.0	333.24	27.77
W-2 warrant officer	6,108	1,691,000	5.0	276.84	23.07
W-1 warrant officer	1,984	470,000	5.0	236.64	19.72
Total, officers	291,049	113,836,000	5.0	391.08	32.59
E-9 sergeant major	13,720	$4,217,000	5.0	$307.32	$25.61
E-8 master sergeant	35,613	9,369,000	5.0	263.16	21.93
E-7 sergeant, 1st class	113,754	25,625,000	5.0	225.24	18.77
E-6 staff sergeant	228,369	43,568,000	5.0	190.80	15.90
E-5 sergeant	394,979	63,144,000	5.0	159.84	13.32
E-4 corporal	405,297	49,362,000	5.0	121.80	10.15
E-3 private, 1st class	274,953	25,784,000	5.0	93.84	7.82
E-2 private	44,449	3,361,000	5.1	75.60	6.30
E-1 recruit	7,101	486,000	5.1	68.40	5.70
Total, enlisted	1,518,235	224,916,000	5.0	148.20	12.35
Grand total	1,809,284	338,752,000	5.0	187.20	15.60

H.R. 9075 (HOUSE)

Pay grade	Number	Increased active duty cost	Percent increase	Average dollar increase	
				Annual	Monthly
5 star	2				
Chief of Staff	5	$7,000	6.0	$1,451	$120.90
O-10 general	31	61,000	8.9	1,951	162.60
O-9 lieutenant general	118	224,000	9.8	1,897	158.10
O-8 major general	488	1,006,000	11.8	2,059	171.60
O-7 brigadier general	642	1,199,000	12.3	1,868	155.70
O-6 colonel	15,147	17,035,000	8.9	1,125	93.72
O-5 lieutenant colonel	36,982	26,114,000	6.6	706	58.84
O-4 major	56,217	32,439,000	6.6	577	48.09
O-3 captain	105,970	37,927,000	5.0	358	29.83
O-2 1st lieutenant	50,202	13,437,000	5.0	268	22.31
O-1 2d lieutenant	9,419	3,054,000	7.3	325	27.06
W-4 warrant officer	3,621	4,380,000	15.1	1,209	100.79
W-3 warrant officer	4,113	4,321,000	15.8	1,051	87.56
W-2 warrant officer	6,108	3,331.000	9.9	545	45.42
W-1 warrant officer	1,984	$1,053,000	11.2	$532	$44.33
Total, officers	291,049	145,588,000	6.4	500	41.69
E-9 sergeant major	13,720	8,753,000	10.4	638	53.16
E-8 master sergeant	35,613	16,382,000	8.8	460	38.33
E-7 sergeant, 1st class	113,754	78,158,000	15.3	687	57.26
E-6 staff sergeant	228,369	107,458,000	12.3	471	39.21
E-5 sergeant	394,979	155,672,000	12.4	394	32.84
E-4 corporal	405,297	86,169,000	8.7	213	17.72
E-3 private, 1st class	274,953	40,449,000	7.9	147	12.26
E-2 private	44,449	5,120,000	7.8	115	9.60
E-1 recruit	7,101	766,000	8.1	108	9.00
Total, enlisted	1,518,235	498,927,000	11.1	329	27.38
Grand total	1,809,284	644,515,000	9.5	356	29.69

H.R. 9075 (SENATE REVISION)

Pay grade	Number	Increased active duty cost	Average percent increase	Average dollar increase	
				Annual	Monthly
5 star	2				
Chief of Staff	5	$7,000	6.0	$1,451	$120.90
O-10 general	31	41,000	6.0	1,318	109.80
O-9 lieutenant general	118	137,000	6.0	1,163	96.90
O-8 major general	488	511,000	6.0	1,048	87.30
O-7 brigadier general	642	585,000	6.0	911	75.90
O-6 colonel	15,147	11,492,000	6.0	759	63.23
O-5 lieutenant colonel	36,982	23,762,000	6.0	643	53.54
O-4 major	56,217	29,660,000	6.0	528	43.97
O-3 captain	105,970	45,744,000	6.0	432	35.97
O-2 1st lieutenant	50,202	16,197,000	6.0	323	26.89
O-1 2d lieutenant	9,419	2,494,000	6.0	265	22.06
W-4 warrant officer	3,621	1,739,000	6.0	480	40.03
W-3 warrant officer	4,113	1,646,000	6.0	400	33.35
W-2 warrant officer	6,108	2,022,000	6.0	331	27.59
W-1 warrant officer	1,984	$563,000	6.0	$284	$23.66
Total, officers	291,049	136,600,000	6.0	469	39.11
E-9 sergeant major	13,720	9,286,000	11.0	677	56.40
E-8 master sergeant	35,613	20,576,000	11.0	578	48.15
E-7 sergeant, 1st class	113,754	56,322,000	11.0	495	41.26
E-6 staff sergeant	228,369	95,747,000	11.0	419	34.94
E-5 sergeant	394,979	138,548,000	11.0	351	29.23
E-4 corporal	405,297	108,509,000	11.0	268	22.31
E-3 private, 1st class	274,953	55,912,000	10.9	203	16.95
E-2 private	44,419	7,201,000	11.0	162	13.50
E-1 recruit	7,101	1,048,000	10.9	148	12.30
Total, enlisted	1,518,235	493,149,000	11.0	325	27.07
Grand total	1,809,284	629,749,000	9.3	348	29.01

AVERAGE MONTHLY BASIC PAY

Pay grade	Number	Present	DOD proposal	H.R. 9075	Senate revision
5 star	2				
Chief of Staff	5	$2,019	$2,120	$2,140	$2,139
O-10 general	31	1,830	1,921	1,992	1,940
O-9 lieutenant general	118	1,614	1,695	1,772	1,711
O-8 major general	488	1,456	1,528	1,627	1,543
O-7 brigadier general	642	1,266	1,329	1,422	1,342
O-6 colonel	15,147	1,042	1,094	1,135	1,105
O-5 lieutenant colonel	36,982	886	930	944	940
O-4 major	56,217	745	782	794	789
O-3 captain	105,970	607	637	637	643
O-2 1st lieutenant	50,202	457	480	480	484
O-1 2d lieutenant	9,419	366	384	392	388
W-4 warrant officer	3,621	666	699	766	706
W-3 warrant officer	4,113	556	584	644	589
W-2 warrant officer	6,108	471	494	517	499
W-1 warrant officer	1,984	$406	$426	$452	$430
Total, officers	291,049	654	687	696	693
E-9 sergeant major	13,720	505	530	557	561
E-8 master sergeant	35,613	433	455	471	481
E-7 sergeant, 1st class	113,754	372	391	429	413
E-6 staff sergeant	228,369	318	334	358	353
E-5 sergeant	394,979	266	280	299	295
E-4 corporal	405,297	205	215	223	227
E-3 private, 1st class	274,953	155	162	167	172
E-2 private	44,449	123	129	133	137
E-1 recruit	7,101	113	118	122	125
Total, enlisted	1,518,235	242	254	269	269
Grand total	1,809,284	306	322	335	337

Comparative basic pay increases—Average increase in basic pay for persons with over 2 years service—Continued

AVERAGE MONTHLY PAY AND ALLOWANCES[1]

Pay grade	Number	Present	DOD proposal	H.R. 9075	Senate revision
5 star	2				
Chief of Staff	5	$2,602	$2,703	$2,722	$2,722
O-10 general	31	2,262	2,353	2,425	2,372
O-9 lieutenant general	118	1,905	1,986	2,063	2,002
O-8 major general	488	1,704	1,777	1,876	1,791
O-7 brigadier general	642	1,514	1,578	1,670	1,590
O-6 colonel	15,147	1,260	1,312	1,352	1,323
O-5 lieutenant colonel	36,982	1,090	1,135	1,149	1,144
O-4 major	56,217	936	974	985	980
O-3 captain	105,970	783	813	813	819
O-2 1st lieutenant	50,202	623	646	646	650
O-1 2d lieutenant	9,419	522	540	548	544
W-4 warrant officer	3,621	858	891	958	898
W-3 warrant officer	4,113	733	761	821	766
W-2 warrant officer	6,108	638	662	684	666
W-1 warrant officer	1,984	$564	$584	$609	$588
Total, officers	291,049	861	895	905	901
E-9 sergeant major	13,720	661	686	713	717
E-8 master sergeant	35,613	588	611	627	636
E-7 sergeant, 1st class	113,754	523	542	580	564
E-6 staff sergeant	228,369	464	481	504	499
E-5 sergeant	394,979	406	420	439	435
E-4 corporal	405,297	338	350	358	360
E-3 private, 1st class	274,953	264	272	277	281
E-2 private	44,449	227	235	238	241
E-1 recruit	7,101	215	222	225	227
Total, enlisted	1,518,235	421	436	457	452
Grand total	1,809,284	508	527	545	541

ANNUAL COST OF SEVERAL PAY ALTERNATIVES[2]

	DOD	House	Senate revision
Officers under 2 years, percent and cost	5 ($6.5)	22 ($28.8)	22 ($28.8).
Enlisted under 2 years, percent and cost	2.7 (average) ($23.7)	17.3 (average) ($151.2)	17.3 ($151.2).
Officers over 2 years, percent and cost	5 ($113.8)	6.4 (average) ($145.5)	6 ($136.6).
Enlisted over 2 years, percent and cost	5 ($224.9)	11.1 (average) ($498.9)	11 ($493.5).
Grand total cost (12 months)	$447,586,000 ($37,299,000 monthly)	$997,085,000 ($83,090,000 monthly)	$991,268,000 ($82,606,000 monthly).
Fiscal year 1966 cost, beginning Sept. 1, 1965	$372,988,000	$830,905,000	$820,978,000.

---

[1] For personnel receiving quarters and subsistence allowances.

[2] The costs indicated by each of the percentage increases include only active duty costs. The grand total cost includes the various related items which must be added to active duty costs. This total is, therefore, greater than the sum of the active duty costs. The related items include reenlistment bonus, terminal leave pay, severance pay, Reserve readjustment, social security, death gratuity, Reserves (with drill pay), retired pay for retirements after effective date, Coast Guard, PHS, and C. & G. S.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include tables.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BATES. Mr. Speaker, further reserving the right to object, I should like to say that I concur generally with the statement made by the gentleman from South Carolina.

Nevertheless, I feel constrained to say with reference to the warrant officers, especially the W-3's and W-4's, that I do wish we had accepted the House version. Nevertheless, the overall bill is within one-half of a percent of our bill, so in the interests of comity and saving time I think we ought to adopt the conference report.

Mr. RIVERS of South Carolina. Mr. Speaker, if the gentleman will yield further, if we accept this amended bill now, we may get it on the books and a part of the law by the first of September. If we do so, $83 million plus will go into the pockets of these paupers in uniform for the month of September. They need this money and need it now. If we do not pass it today, we may not get it to them for September and they require this increase immediately.

Mr. BATES. Mr. Speaker, I withdraw my reservation of objection.

Mr. GUBSER. Mr. Speaker, reserving the right to object, and I shall not object, because this bill is in the national interest and is also a tribute to the leadership of the gentleman from South Carolina, the chairman of the House Committee on Armed Services, I would like to ask a question of the chairman.

Mr. Speaker, regarding the cost of living increase which was included in the other body for military retirees, it has been said or we have served notice that the principle of recomputation which prevailed in military retired pay for more than 100 years would be considered in the future on its merits.

I would like to ask the distinguished chairman of the Committee on Armed Services if this 3.5-percent increase on a cost-of-living basis in any way prejudices an independent future consideration of the question of restoring the principle of recomputation to military retired pay.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I am happy to yield to the gentleman.

Mr. RIVERS of South Carolina. I may say this to the distinguished gentleman from California: Not only does it not prejudice a fair and impartial hearing in the future, which may come next year, but other benefits to the retirees, such as the historic space available hospital rights. All of these areas will be explored with a view toward resolving them for the future. They will have a fair and impartial hearing and will have their day in court with the view that we can restore these much needed, and at present temporary, benefits to these men of another generation who also served their country ably and well.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from Iowa.

Mr. GROSS. How did the other body do with respect to the pay schedules? Did they make any serious changes?

Mr. RIVERS of South Carolina. Two-tenths of 1 percent is the only difference between the two bills or about $5 million across the board.

Mr. GROSS. They did not increase the brass and braid?

Mr. RIVERS of South Carolina. On the contrary, they reduced the brass about which the gentleman speaks.

Mr. GROSS. I thank the gentleman. I am glad to hear the emphasis still remains on the enlisted men's pay increase.

Mr. RIVERS of South Carolina. This is an enlisted man's bill.

Mr. GUBSER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objecton to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PENALTIES FOR ASSASSINATION OF PRESIDENT AND VICE PRESIDENT

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6097) to amend title 18, United States Code, to provide penalties for the assassination of the President or the Vice President, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 16, strike out "preclude" and insert "suspend".

Page 3, line 17, strike out all after "law," down to and including "direct." in line 19 and insert "until Federal action is terminated."

Page 3, after line 19, insert:

"(1) Violations of this section shall be investigated by the Federal Bureau of Investigation. Assistance may be requested from any Federal, State, or local agency, including the Army, Navy, and Air Force, any statute, rule, or regulation to the contrary notwithstanding."

The **SPEAKER**. Is there objection to the request of the gentleman from Colorado?

Mr. **HUTCHINSON**. Mr. Speaker, reserving the right to object, and I shall not object, Mr. Speaker, I would ask the gentleman from Colorado to point out to the House the improvements which the Senate has made in this bill.

Mr. **ROGERS** of Colorado. Mr. Speaker, Senate amendments Nos. 1 and 2 make clear that there is no final preclusion of State or local jurisdiction under this act, but only a suspension thereof. The amendments also make clear that the suspension of State or local jurisdiction will terminate when Federal investigative or prosecutive jurisdiction is terminated.

Senate amendment No. 3 adds a new subsection (i) to the bill and makes clear that the Federal Bureau of Investigation has jurisdiction over the investigation of violations of this act. This amendment does not diminish the existing authority and responsibility of the Secret Service for the protection of the President or Vice President or for making arrests for violations of this act. The Senate amendment also authorizes the Bureau to request cooperation from any State or local agency, and thus recognizes that subsection (h) is broad enough to permit State cooperation. In addition, the Senate amendment expressly authorizes the cooperation of the armed services, and overcomes the effect of section 1385 of title 18, United States Code, which prohibits, except as authorized by Congress, the use of the Army or Air Force, to apprehend felons.

Mr. Speaker, these amendments do not weaken the bill as it passed the House on June 21 of this year. They serve the purpose of clarifying Federal preemption and explicitly provide the agency which will exercise investigative jurisdiction over violations of the act.

This House should concur in these amendments.

Mr. **HUTCHINSON**. Mr. Speaker, I thank the gentleman for his explanation and withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

NATIONAL LITERACY WEEK

Mr. **ROGERS** of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 4) designating the 6-day period beginning September 13, 1965, as "National Literacy Week," and for other purposes.

The Clerk read the title of the joint resolution.

The **SPEAKER**. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 4

Whereas the month of September marks the return to school for millions of American children and illustrates our commitment to the goals of an educated and enlightened society; and

Whereas the total eradication of illiteracy is a matter of grave concern since in the United States there are two million adult Americans who cannot read or write; eight million three hundred thousand persons twenty-five years or over who have had less than five years of schooling; and twenty-two million individuals of working age who have had less than eight years of education; and

Whereas these individuals are committed to a future of minimum earnings, recurrent or persistent joblessness, social dependency, and personal deprivation and represent a staggering cost to the United States in public assistance and welfare programs; and

Whereas it is recognized that the learning tools of reading, writing, and arithmetic open the doors of opportunity not only to occupational training and productive work, but also to the larger life of mind and spirit; and

Whereas the illiterate or near illiterate person, while employed, may be shut off from unlimited personal growth opportunities, as well as from occupational advancement opportunities; and

Whereas adult basic education is a fundamental approach to independent learning, to adjustment of manpower to changing occupational requirements, to elimination of poverty, and to the larger satisfaction in personal growth made possible through acquisition of the basic learning tools: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the six-day period beginning September 13, 1965, and ending September 18, 1965, both dates inclusive, is hereby designated as "National Literacy Week" in recognition and appreciation of the private and public organizations which are working to reduce illiteracy in the United States. The President of the United States is authorized and requested to issue a proclamation inviting the people of the United States to join in the observance of such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPUDIATION DAY

Mr. **ROGERS** of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 401) requesting the President to designate November 23, 1965, as Repudiation Day.

The Clerk read the title of the joint resolution.

The **SPEAKER**. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 401

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is requested to issue a proclamation designating November 23, 1965, as Repudiation Day in recognition of the historic significance of the action of the Frederick County Court on November 23, 1765, in repudiating the Stamp Act, as a preamble to the American Revolution, and to bear witness to the importance that this Nation still places on a judiciary that has the courage to be independent and the wisdom and strength to protect the liberties of the people against every sort of tyranny, and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CRUSADE FOR SAFETY DAY

Mr. **ROGERS** of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Con. Res. 448).

The Clerk read the resolution, as follows:

H. Con. Res. 448

Resolved by the House of Representatives (the Senate concurring), That the President is authorized and requested to issue a proclamation designating September 3, 1965, as Crusade for Safety Day and calling upon the people of the United States to observe such day with appropriate ceremonies and activities designed to reduce traffic accidents.

The **SPEAKER**. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. **FRIEDEL**. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The **SPEAKER**. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. **FRIEDEL**. Mr. Speaker, I want to thank the distinguished member of the Judiciary Committee, the gentleman from Colorado [Mr. Rogers], for bringing my resolution before the House for action.

This House Concurrent Resolution 448 authorizes and requests the President to issue a proclamation designating September 3, 1965, as "Crusade for Safety Day." The reason we have specified September 3, 1965, is that on that day the Postmaster General will join other Maryland officials in issuing a special traffic safety stamp in Baltimore to call to the attention of the public the need for safe driving to stop the tragic slaughter on our Nation's streets and highways.

Baltimore has been selected as the site for the issuance of this special traffic safety stamp because the members of the Safety First Club of Maryland originally suggested that such a stamp be issued as a means of reminding the driving public that "Safety is everybody's business." For more than 6 years we have been campaigning for this stamp and we are gratified that it has now been approved by the Postmaster General and will be issued just before the Labor Day weekend.

Mr. Speaker, it is shocking to note that during the year 1964, 48,000 Americans were killed in traffic accidents. Another 3,840,000 Americans were injured and there were 285,000 pedestrian casualties. We must make an all-out effort to stop this slaughter by automobile.

I urge all of my colleagues to support this resolution as one means of calling to the attention of the public the need for safe driving. Should the President comply with our request to issue a proclamation designating September 3 as Crusade for Safety Day I think he will urge drivers and pedestrians to be especially careful during the Labor Day weekend, but to drive carefully at all times to save lives.

I also urge all citizens in every State of the Union to join the Safety First Club of Maryland in the celebration for the special traffic safety stamp and the "crusade of safety" to protect their own lives, the lives of their dear ones, their neighbors, and their fellow Americans.

The President has indicated that he will issue such a proclamation if requested to do so by the Congress. Again I urge my colleagues to support my resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1648) to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 1648, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday it was agreed that title I of the committee substitute, ending on line 8, page 68, be considered as read and open for amendment at any point.

Are there any amendments to title I?

AMENDMENT OFFERED BY MR. SISK

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: On page 67, strike out line 20 and all that follows down through and including line 8 on page 68 and insert in lieu thereof the following:

"SEC. 102. (a) In addition to the assistance otherwise authorized, the Secretary is authorized to make grants in accordance with the provisions of this title to those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas of substantial unemployment during the preceding calendar year.

"(b) Areas designated under the authority of this section shall be subject to an annual review of eligibility in accordance with section 402, and to all of the rules, regulations, and procedures applicable to redevelopment areas except as the Secretary may otherwise prescribe by regulation.

"SEC. 103. Not more than 15 per centum of the appropriations made pursuant to this title may be expended in any one State.

"SEC. 104. No part of any appropriations made pursuant to this title may be expended for any project in any area which is within the 'Appalachian region' (as that term is defined in section 403 of the Appalachian Regional Development Act of 1965) which is approved for assistance under the Appalachian Regional Development Act of 1965.

"SEC. 105. There is hereby authorized to be appropriated to carry out this title not to exceed $500,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1969."

Mr. SISK. Mr. Chairman, the amendment I have introduced, first, would modify the present title so as to make the so-called labor areas, or areas of substantial unemployment, eligible for grants under the public works title of this bill. Second, it would increase the present authorization of title I from $400 million to $500 million annually. Third, it would reduce the duration of the program of title I from 5 years to 4 years, so as not to increase the total amount of funds which would be authorized by this bill. No other change in this title has been made or is intended.

The effect of my amendment would be to restore for the purposes of this title those areas which have severe current unemployment on the basis of Labor Department statistics for the preceding calendar year. This is a slightly more rigid standard than the criteria of the Accelerated Public Works Act, which depended upon monthly statistics, but it is more in conformity with the long-range purposes of the present bill and would include approximately the same number of areas.

The reason for my amendment, in my view, is a matter of simple fairness and justice, since the proposed program we are considering today was presented to us as an extension and continuation of both the Accelerated Public Works Act and Area Redevelopment Act programs, and was intended to combine the best features of both. It is impossible to understand how it can combine the best features of both if it completely disregards the areas which were originally designated under the Public Works Acceleration Act.

In addition, while Members like myself who represent large urban areas, see the need to support, and do support, numerous special programs to help the unemployed in the so-called depressed areas of our country, we fail to understand why metropolitan areas with equally serious problems should be totally excluded—particularly when it was the substantial labor surpluses in our areas which largely gave rise to the accelerated public works program in the first place. We want to help these other areas, but we do not want to completely exclude our areas in order to do so.

The reason that this amendment takes the form of an amendment to title I, rather than simply a new eligibility provision under title IV, is, first, that we are not asking for anything other than what we already had under accelerated public works. Second, we have agreed with the leadership that if this amendment is to be adopted, additional funds must be provided. And, third, we do not want to increase the cost of the bill. We originally considered increasing the $400 million annual authorization up to $600 million, but the $500 million figure was arrived at as a compromise. Therefore, this substitute title should be considered in toto, rather than as three separate provisions.

I am sure that every Member of this House will agree with the reasonableness and fairness of this amendment, since it will not increase the total cost of the program and since we have all been told that the bill we are considering is intended to replace the Accelerated Public Works Act as well as the Area Redevelopment Act.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. SISK. I would be glad to yield to the gentleman from Minnesota.

Mr. BLATNIK. I do not mean to interrupt the gentleman until he completes his statement, but if I understand the gentleman's amendment it would make eligible for assistance only under title I which deals with grants to public facilities, those areas which have before met and do now yet meet the standards which were set forth in our previous accelerated public works program but which have subsequently been dropped from this new version of the current legislation; is that not correct?

Mr. SISK. That is exactly right and that, of course, was my sole intent, to put back the main criteria that was available under that program.

Mr. BLATNIK. In changing the annual authorization from $400 million to $500 million, you are also reducing the 5-year period now provided in the proposed version under consideration to 4 years, so the total sum authorized would still be $2 billion; is that correct?

Mr. SISK. That is right. We made certain that the total amount would be retained in the bill in the way of an authorization. We realize, of course, we are dependent on the Appropriations Committee and for the Department to justify such amount as may be appropriated.

Mr. BLATNIK. While I cannot speak officially for the committee, and do not speak officially for the committee, but speaking for myself as the manager of the bill, and in view of the unanimous conference on this side, we believe this is a justifiable amendment. It sets no new precedent. These are areas that were included in the public works bill before. They are still eligible under the same criteria now, and they would only be included in title I of this bill. So we would be willing to accept the amendment. We have no objection to it.

Mr. SISK. I want to express my appreciation to the gentleman from Minnesota. We have been conferring with various members of the committee and, as I indicated yesterday, we placed in the RECORD a statement of intent to offer such amendment, and also outlined the areas that would be affected by that amendment.

Mr. Chairman, I wish to insert a copy of a letter from Governor Brown in support of the legislation, and also in support of the amendment which I have offered here.

State of California,
August 6, 1965.

Hon. B. F. Sisk,
Rayburn House Office Building,
Washington, D.C.

Dear Bernie: As you know, I supported S. 1648, the proposed Public Works and Economic Development Act of 1965, before both House and Senate Committees as being important to the people and the economy of California and the Nation.

Now that the bill is approaching a House vote I want to reiterate and reinforce this support. I know the record already shows that our California Members worked diligently in efforts to perfect the measure in the House Public Works Committee.

Both the Area Redevelopment Act and the Accelerated Public Works Act—measures this new legislation is designed to supersede—have proven in California that this type of incentive stimulates local endeavor in promoting badly needed development programs in areas that are lagging behind the economy as a whole.

I am told that the measure as reported from committee would make 20 California areas eligible for assistance, to the extent of an estimated $22.6 million annually over the 5 years of the act, or over $100 million for our State.

These areas are: Del Norte, El Dorado, Lassen, Madera, Mendocino, Modoc, Nevada, Plumas, San Benito, San Joaquin, Santa Cruz, Sierra, Siskiyou, Stanislaus, Sutter, Trinity, Tuolumne, Yuba, Oakland City, and San Diego City.

The efforts of you and other Members of the Congress to amend the legislation to extend its benefits to additional areas by changing the eligibility requirements to include all areas with a 6-percent unemployment rate are commendable. I offer you my full support.

I am told that 15 additional areas in California would benefit by this amendment, adding as much as $10 million annually to the State share of the program. All these counties have shown a need and most have evidenced a willingness to participate. They are: Glenn, Yolo, Lake, Humboldt, Sonoma, Mariposa, Shasta, Merced, Fresno, Kern, Santa Clara, San Diego, San Bernardino, Riverside, and Tulare.

In addition to the grant and loan provisions of title I the eligible areas would benefit from the development facilities and business loan provisions of title II, the technical assistance and administrative planning grants-in-aid of title II and the additional training assistance for redevelopment areas provided by the Manpower and Development Training Act.

Under the Area Redevelopment Act, enacted in 1961, California has certified 47 applications representing loans and grants totaling over $18 million for our State.

The Accelerated Public Works Act, enacted in 1963, has generated 265 projects in California with a total investment of $59 million and Federal assistance of $31 million.

In order to qualify, all of these programs have had to be immediately needed in the community and because of the lack of local financial ability, would not have otherwise been built.

Best wishes,

Edmund G. Brown,
Governor.

Mr. CRAMER. Mr. Chairman, I rise in opposition to the pending amendment. I take this time first to oppose the amendment being proposed, and second to indicate that the distinguished gentlewoman from Illinois [Mrs. Reid] is going to offer a substitute which will have the effect of reducing the amount of authorization under title I to $250 million instead of the $400 million contained in the bill. Of course, she will discuss the merits of that substitute amendment. I support that substitute. I oppose this amendment now before us.

The reason I do so I think is rather obvious. No. 1, this extra $100 million—let us not kid ourselves—is a sleight-of-hand trick, cutting back 1 year and making it 4 years instead of 5 years, and adding $100 million for the 4 years in order to come out with the same $2 billion figure, claiming there is no increased authorization. The authorization is being increased by $100 million by an amendment offered on the floor of the House, an amendment that was not even considered in committee, an amendment that was not approved by the Johnson administration, in fact, opposed by that administration in that it submitted a bill that left out specifically the same areas this amendment is trying to bring back into the legislation.

Those who want to support the administration will vote against the amendment, and, as a matter of fact, will vote for the substitute offered by the gentlewoman from Illinois [Mrs. Reid]. Her amendment calls for money which is in the same amount as the administration asked for, $250 million, in title I.

Lo and behold, we come up with an extra $150 million on the floor of the other body without any basis for it in the hearings before the committees of the other body. As a matter of fact, it was testified by the administration that they did not need more than $250 million because they have only a backlog, they estimate, of $150 million of projects on the shelf now. How in the world can you justify an increase of $150 million and now an additional increase of another $100 million? The $100 million that the gentleman is proposing has no basis in the hearings and no basis of fact to support it.

We held long hearings on the question. There is no way that anyone can estimate how much additional cost will result by putting in this new $100 million and putting in these new—as I understand it—96 counties that cannot qualify under the bill otherwise.

This, in effect, is a gift to certain individuals, in my opinion, in the hopes of getting them to support the bill. If that is the way we want to legislate, play Santa Claus for more Members so that they will support the bill, when it is not justified on the merits, is not asked for by the administration, loads the bill down even more than it presently is, will result in an additional $100 million a year cost over a 5-year period, get the whole legislation out of kilter—this being a 4-year proposal and everything else being 5-year proposals, as it relates to the authorization, except for the revolving fund that has no limit, and there are reasons why it has no limit, then it is so obvious what is being done here that I am amazed that the leadership approved the amendment which is obviously for the purpose of increasing it by $100 million and bringing in 96 new areas, all of which was not requested by the administration. Furthermore, this $250 million more was not in the budget, and it is not in the President's budget. If you want to really free the situation, and if you want to open this thing up almost endlessly, this is the way to start it. I want to caution my colleagues as to what is happening.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. ARENDS. If I correctly understand the gentleman, then this is in addition and beyond and above anything that the committee endorsed?

Mr. CRAMER. This is $100 million more than even the $150 million extra that the committee put into the $250 million that the administration requested.

Mr. ARENDS. The committee had already increased it and this is a double increase?

Mr. CRAMER. This makes it twice what the administration asked for in their own request. It is not in the budget, and it is not justified on the merits.

The gentlewoman from Illinois is going to offer an amendment to reinstall the administration figure of $250 million.

The CHAIRMAN. For what purpose does the gentlewoman from Illinois rise?

AMENDMENT OFFERED BY MRS. REID OF ILLINOIS

Mrs. REID of Illinois. Mr. Chairman, I offer an amendment as a substitute for the pending amendment.

The Clerk read the amendment as follows:

Amendment offered by Mrs. Reid of Illinois as a substitute for the amendment offered by Mr. Sisk: Page 68, line 6, strike out "$400,000,000" and insert "$250,000,000."

Mrs. REID of Illinois. Mr. Chairman, many times since I have been a Member of this great legislative body I have heard fellow Members open their remarks with the phrase, "this is just a simple little substitute amendment." More often than not, however, these so-called simple little amendments turn out to be very complicated and difficult to understand. I assure you that this is not the case with my substitute amendment. The amendment which I urge you to adopt today is certainly uninvolved and easily understood. All that it does is cut out money which was not requested and which is not needed. Can anything be simpler and more sensible than that? To my mind, it is fiscally irresponsible for the Congress to authorize expenditures which have not been requested and which are not needed.

When the President transmitted the proposed Public Works and Economic Development Act to the Congress, he recommended that $250 million annually be authorized for grants under section 101. Surely, we should not press upon the President more money than he and his advisers think is needed to carry out the objectives of the act.

The Senate Committee on Public Works amended the bill to increase the annual grant authorization from the

$250 million recommended by the President to $400 million. I was amazed to learn that the Senate committee's report on the bill contains absolutely no discussion of the reasons for the amendment, and, in fact, contains no indication that the amendment was ever made. The report of the House committee makes only a passing reference to the annual authorization of $400 million.

During the debate on the bill by the other body, the increase in authorizations was defended on the grounds that there are presently pending some 2,518 applications for grants under the accelerated public works program, totaling $467,858,000, and that work on this backlog should be expedited.

I do not believe that this justifies the increase. Surely the President and his advisers must have considered these pending applications in reaching the decision to recommend annual authorizations of $250 million.

In fact, Secretary of Commerce Connor submitted to the Senate committee an "analysis of the accelerated public works backlog" in which he stated:

> These figures have only limited significance as a measure of the potential demand for grants under section 101 of the Public Works and Development Act. Conservatively estimated, no more than one-third of the accelerated public works backlog, or about $150 million in grant requests, will be eligible under the new act.

The increase of $150 million annually over the request of the President is not included in the budget, but would be added to the deficit which is now expected to exceed $4 billion. Also, let us not forget that the President is requesting additional billions to carry on the struggle against Communist aggression in South Vietnam. The problem is pointedly brought out in an editorial entitled "Guns and Butter" which appeared in yesterday's Washington Daily News. This editorial states in part as follows:

> Everyone will expect that as Vietnam war costs expand, domestic spending should be held down as much as possible. * * * If the administration can * * * call on tens of thousands of young men to join the military and be prepared to join the war in Vietnam, it should follow a course to assure those young men that the home front joins, at least partially, in their sacrifices.

Frankly, I do not consider that acceptance of the reduction in funds which I propose can even be considered a sacrifice inasmuch as there is no evidence whatsoever that this money is really needed. Under these circumstances, I urge that my substitute be adopted.

Mr. GRAY. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, it is with great reluctance that I rise in opposition to the substitute amendment offered by my very able and charming colleague from the great State of Illinois, but this amendment would cut out the heart of the bill.

All of us recall when the accelerated public works program started. All these small communities went to work. Some of them borrowed money to make studies of what they needed. While they were making those plans for needed improvements in their communities, the cities that had plans ready to go came in and, yes, took all the $900 million provided under the accelerated public works program. This left the small community which was struggling to do something with their plans but no funds.

The amendment of the gentlewoman from Illinois would cut, over the life of this 5-year program, $750 million out of the grant program. If we never receive another application there are now in backlog more than $3 billion in applications, and many of them in the State of the able gentlewoman from Illinois.

In my congressional district, and other divisions in the country, there are scores of applications not yet funded, therefore if the substitute amendment is not defeated we will be unable to take care of this large list of unfunded projects.

A study recently made by the Department of Commerce projecting the needs of communities throughout this Nation between 1962 and 1970 shows that we need at least $19 billion available for public works throughout the country. If we cut out $750 million, I can say truthfully that we will spread this program so thin that it will not be effective.

In all due respect, I would call this the "foofoo" amendment.

The word "foofoo" is the name of a bird. This bird flies backwards. It always looks where it has been and does not pay any attention to where it is going. We need to go forward in this program and not backward.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to the gentleman from Ohio.

Mr. HARSHA. The gentleman mentioned the backlog which had accumulated for applications for projects of this kind. Is it not a fact, also, many communities have been discouraged from filing any application because the funds have already been used up?

Mr. GRAY. The gentleman makes a very good point. He is exactly correct. But if we consider no additional applications, we have more applications pending now than would be funded under the committee bill. So you can just imagine how we can take care of these communities if we cut out $750 million from the grant section. I plead with you to reject the substitute amendment.

Mr. CRAMER. Mr. Chairman, I rise in support of the substitute.

If, as the gentleman suggests, something is "foofoo," I would suggest that what is "foofoo" is the administration. This amount of money that the distinguished gentlewoman proposes cutting back this particular authorization to $250 million from the $400 million, is exactly what Mr. Connor, the Secretary of Commerce, Mr. Batt, the Administrator of ARA, and the President of the United States asked for—$250 million per year. Of course, they wanted the authorization indefinitely. We now have it for 5 years. That is what the administration requested. It is a little ironic that it takes the Republicans, the minority, to try to preserve the administration's position relating to this and in doing so to be called "foofoo." It is a rather interesting situation. What we are trying to do is to fly as far and as fast forward as the administration says can logically be done without throwing money away. That is what we are doing. The Secretary himself said in his testimony that the only projects that will be available for funding in the coming fiscal year are $150 million worth of projects under title I. That is in the record. There is not any question about it. We placed this fact in the minority views on S. 1648. Here is what the minority views say in this regard:

> In fact, Secretary of Commerce Connor submitted to the Senate committee an analysis of the accelerated public works backlog in which he stated, "these figures have only limited significance as a measure of the potential demand for grants under section 101 of the Public Works and Economic Development Act.

This is referring to the $467 million backlog and not the $2 billion as the gentleman from Illinois discussed. The Secretary went on to say:

> Conservatively estimated, no more than one-third of the accelerated public works backlog or about $150 million in grant requests will be eligible under the new act.

In the minority report we detailed the fact that the 1966 fiscal year budget does not provide for this $150 million increase. Under these circumstances, and in the absence of any persuasive evidence that the President underestimated the amount of money needed, the increase should not be made.

If there is going to be any fiscal responsibility at all exercised by this body relating to this legislation, this is the place to do it. Return the figure to the $250 million that the administration requested, the amount in the budget, and turn down the Sisk amendment which calls for over $100 million more than the additional $150 million added heretofore. The administration did not ask for it and does not want it. Vote for the Reid substitute, and we will be exercising responsibility instead of adding another half a billion dollars to this already too big boondoggle bill which we have before us on the floor of the House at the moment.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Illinois.

Mr. GRAY. I thank the gentleman from Florida for yielding.

First, let me comment on your second statement about the difference between the $3 billion in backlog and the figure you quoted. First of all, when the funds were depleted in the first year of the accelerated public works program, the Community Facilities Administration at the regional level quit processing applications and said, "We are out of funds. There is no use for you to come in and make application." It is our best judgment, after talking to these people in the field, there are $3 billion backlog of applications.

Mr. CRAMER. Did the gentleman have a question that he wished to ask me?

Mr. GRAY. I was commenting on the gentleman's statement.

Mr. CRAMER. I do not think I have time for the gentleman's full comment. If the gentleman has a question I would be glad to answer it. I know the gentleman's position.

Mr. GRAY. I was going to ask the gentleman from Florida if it was not true that we had mayors and people from all over the United States who came to our committee and testified, gave us valuable information that the President or anyone else did not have as to what were the real needs in the various areas of the country? Therefore, we exercised our responsibilities and independence judgment in this field.

Mr. CRAMER. Mr. Chairman, I refuse to yield further.

The administration, after considering all of the factors, recommended $250 million as adequate to do the job. There is no way that this House can justify going beyond that figure. I would like to ask the sponsor of the amendment, the gentleman from California [Mr. Sisk] a question, and then I will be glad to answer his question if he wishes me to do so. The gentleman's amendment relates to these surplus labor areas and the new tests that he is trying to write into the legislation. It says that the unemployment statistics indicate that there was substantial unemployment "during the preceding calendar year." For how long a period—1 day, 2 days, 3 days?

Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. As I read it, there is no period covering unemployment requirements. It seems 1 day during the year would be enough. The reason I ask the question is that the present law says that this amount of unemployment existed during 9 of the preceding 12 months. Now, what does the gentleman mean?

Mr. SISK. I mean the annual average. This is not unusual at all. This is the procedure which they go through every year in determining the annual average unemployment per year. That is actually what it is based on. It would simply require an appraisal once a year.

Mr. CRAMER. With all due respect, the way the amendment is written, if you had such an average for a period of 1 month during the year you could qualify.

Mr. Chairman, I think that would be bad legislation.

Mr. SISK. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I simply want to say, and I am sure the gentleman understands, that the average statistics as they are prepared by the Department of Labor are as I have mentioned. This is not unusual. It is used constantly, and this very information is obtained each year. Mr. Chairman, I would like to make this other comment to my good friend from Florida. He indicated that this was a possible bid for some extra votes.

Mr. Chairman, let me say this—and I would like the attention of my good friend from Florida—that I am going to support this bill whether or not my amendment is adopted. I supported the original Area Redevelopment Act legislation which was brought before this House. I supported the distinguished gentleman from Pennsylvania, Mr. Dan Flood, years ago, on this kind of legislation. I am going to support this legislation today, as I say, whether or not my amendment is adopted.

I have simply tried here to keep in the bill for qualification purposes those same areas that would qualify under APW, under which many areas thought they came under the bill. As far as I am concerned I shall support the committee and the bill. But I think my amendment is a good one, and I urge its adoption.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. CRAMER. Mr. Chairman, does not the gentleman realize that the test that he is writing into this bill is not the same as the test that was in the accelerated public works legislation, presently the law?

Mr. SISK. Mr. Chairman, if I may comment on that, basically it is the same test. It actually eases the administrative problem in a determination of unemployment, so that they only have to make this determination annually, whereas under the language of accelerated public works it was 9 out of the past 12 months, which required a monthly analysis. On the basis of an annual average, it still comes out in essence exactly the same determination, with the same qualifications for the annual average.

Mr. CRAMER. Mr. Chairman, is it not true that the present wording of the test under the Accelerated Public Works Act is, "those areas which the Secretary of Labor designates each month as having been areas of substantial unemployment for at least 9 of the preceding 12 months"?

The gentleman's wording is: "On the basis of average annual available unemployment statistics, were areas of substantial unemployment during the preceding calendar year."

That is quite a difference.

Mr. SISK. No; I still maintain that you will come out with the same answer insofar as your average annual unemployment is concerned.

Mr. JOELSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a Representative of a district which has benefited greatly from the accelerated public works program, I can safely say that of the millions upon millions of dollars allocated to the congressional district which I represent, not a dollar was spent on a useless or unnecessary project.

Two greatly needed hospital buildings are now being constructed in the Eighth Congressional District of New Jersey with the help of money from the program, and several municipalities of Passaic County have benefited with millions of dollars of Federal grants for sewers which were badly needed.

The Passaic Valley Water Commission has benefited from the program. The city of Paterson has obtained a firehouse that is essential to public safety, and many other desirable public facilities have been aided.

The charge that the program would spawn wasteful and superfluous projects is unfounded. I point to the fact that all the agencies helped by it had to advance at least 50 percent of the cost themselves. It is unthinkable that any agency would dissipate vast amounts of their own money in order to obtain a handout from Uncle Sam.

I have been interested in the Republican charge that the public works program is a "boondoggle."

Upon consulting the dictionary I find that the first definition of that word is "a looped cord or lanyard." This prompts me to warn the GOP that by its blind opposition to the construction of necessary projects for the good of the people, it is placing a boondoggle around its own neck.

The Republican Party is now kicking and gasping because it is apparently intent upon strangling itself.

The CHAIRMAN. The question is on the substitute amendment offered by the gentlewoman from Illinois.

The question was taken and the Chair announced that the noes appeared to have it.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. Reid of Illinois and Mr. Blatnik.

The Committee divided, and the tellers reported that there were—ayes 66, noes 117.

So the substitute amendment was rejected.

Mr. CARTER. Mr. Chairman, I rise in opposition to the amendment offered by the gentlemen from Florida, which woud bar my people from participating in title I of the Public Works and Economic Development Act.

The Appalachian program has been received with great enthusiasm by the people of eastern Kentucky who very much need its aid and assistance. The Appalachian program is a program of specific designated activities designed to accomplish certain limited purposes. It is our hope that it will provide some of the underpinning for economic development needed in eastern Kentucky. My people have always understood that the Appalachian program was part of the broader efforts of the Federal Government and was designed to meet only certain needs.

My people were never given to believe that the Appalachian program was being given to them, but they were then to be denied future participation in national programs because the Congress had already attempted to do something about their historic distress. If we are going to deprive Appalachian citizens of participation in new programs because they participate in the Appalachian Act, similar reasoning must be applied to other sections of the country.

We should, on this basis, exclude other regions and States from the benefits of title I. Because Florida has received funds from the Corps of Engineers for the construction of the Cross-Florida Canal, because Western States receive funds under the reclamation program, which is limited to those States, because some States participate in the wheat program, then they should not participate in title I. Clearly this reasoning is indefensible, whether it is applied to Appalachia or to Florida.

One of the most telling arguments in support of the Appalachian program was the fact that Appalachia with 8.5 percent of the Nation's population has received 4.9 percent of Federal expenditure. Those figures were cited time and again in the debate in the Appalachian Act. The Appalachian program was designed to bring those figures to a somewhat more proportionate level. We cannot give with one hand and take what we have given with the other because we will have no progress in Appalachia if that is to be the case.

Some $840 million of the dollars in the Appalachian Act are for the construction of a developmental regional highway system that will provide communication within the region and from the region to the rest of the country. This system will go far to break down the historic isolation of Appalachia which is among the primary causes of the Appalachian distress. That highway program, which covers a 5-year period, contains close to 80 percent of the funds authorized, at present, for the Appalachian program.

The present highway network in Appalachia is inadequate for the region's needs because in much of Appalachia it has cost and will continue to cost a great deal more to build a road than it does in many parts of the country. For instance, in West Virginia it costs about $795,000 to build a typical mile of two-lane primary rural road. To build that same road in Arkansas it would cost $206,000; in Michigan $249,000; in Arizona $285,000; and in Iowa $241,000. Under the federally aided primary road system, funds are allocated on the basis of three factors: area, population and the mileage of rural delivery, and star routes as certified by the Postmaster General. No highway money is allocated taking into account the differing cost of construction. This fact alone has for years resulted in Appalachia's being unable to build the highways it needs.

The rough and mountainous terrain, the inadequacy of existing roads, the relatively high cost of construction, and the lack of sufficient traffic upon which most highway needs are met, have all pointed toward highways as being the key to Appalachia's development. These things add up to the kind of inaccessability which retards growth and development. But highways alone are not the answer to Appalachia's problems.

The architects of the Appalachian program, in designing that program, realized that the administration and the Congress would press for the continuation of the Area Redevelopment Act. They carefully designed the Appalachian program to minimize duplication with that act or its successor.

The bill under consideration today serves different needs than the Appalachian Act. Title I provides funds for water plants and sewage lines which are desperately needed in Appalachian Kentucky and which cannot be provided through the Appalachian Development Act.

Railroad sidings, water reservoirs, dams and bridges as well as industrial parks and tourism facilities are other examples of projects that can be funded from title I that cannot be supported under the Appalachian Act. The Public Works and Economic Development Act is designed in part as a continuation of the accelerated public works program and the Area Redevelopment Administration's public facilities grant program.

Both of these programs were a tremendous aid to communities in eastern Kentucky. Without the facilities provided under those acts, the economy of eastern Kentucky would be very poor indeed. We need those facilities and others like them just as your communities do. We hope that you will support our right to participate fully in what is truly a national program by voting "no" to this amendment.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from California [Mr. SISK].

The question was taken; and on a division (demanded by Mr. CRAMER), there were—ayes 90, noes 56.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: Page 67, strike out line 23 and all that follows through line 4 on page 68, and insert the following:

"SEC. 103. No part of any appropriations made pursuant to this title may be expended for any project which is eligible for assistance under sections 201, 202, 211 or 212 of the Appalachian Regional Development Act of 1965 (Public Law 89–4; 79 Stat. 21)."

Mr. CRAMER. Mr. Chairman, this amendment is very simple. It is one about which we debated at length in the committee. I would like to say at the outset, however, that it appears after the vote on the last amendment, which vote was in about as irresponsible a fashion as I could imagine with this House having added $100 million to be put into a new program in addition to the $150 million extra above what the administration requested, that it cannot be expected any minority amendment will be given any reasonable consideration. I intend, however, and so does the minority, to offer them as a matter of record. I think it is essential, for I think we have to carry out our responsibilities. Whether we are outvoted or not, it is our responsibility to try to make this S. 1648 a decent bill in those areas where we think it has shortcomings. Frankly, this bill is a very poorly drafted and vaguely worded piece of legislation, costing more money and giving the Secretary of Commerce more blanket authority, than any bill that I can remember, and that includes the Area Redevelopment Act, the Public Works Act, and the Appalachia Act combined. In effect, this bill broadens the authority of the administration in each of those areas.

To get more specifically to the amendment, the amendment is very simple. The purpose of it is to make certain that Appalachia, for which we have legislated $1,092 million during this Congress, does not get a second layer of Federal assistance, to the exclusion of the rest of America which is entitled to a fair break under this legislation. If we are going to legislate, let us not discriminate against areas of America, in favor of Appalachia which has already had made available to it $1,092 million.

Let me make sure my amendment is understood, because I know what is going to be debated on the other side. It will be the same thing as in committee. All this amendment does is to say that in those areas where Appalachia is covered; highways to the tune of $840 million, and millions for demonstration facilities, vocational educational facilities, sewage treatment works, all of which had specific authorizations in the Appalachia legislation, that in those programs, and only in those programs which had specific authorization in the Appalachia legislation, they should not also get a second layer of Federal assistance for those same programs under the provisions of this bill. That is all the amendment does.

I cannot imagine how anybody would oppose it who wants to be fair to the rest of America, because when they get a second layer of icing on the Federal assistance cake, you do not have two pieces of cake, comparatively speaking, in the rest of the Nation.

So I say this amendment should be adopted. The Appalachian Regional Development Act supposedly was tailormade to fit the specific problems of the Appalachian region. We passed it earlier this year. Under that act, Federal grants may be made for those programs I have mentioned, in the amounts which the administration said would do the job relating to those programs. Lo and behold, now we find that even before that program gets substantially underway, apparently, if the House legislates in this way without my amendment, it will not do the job.

When were they wrong on the majority side? When the Appalachia bill was here they said, "This is a bill to do the job." Or is it when this bill is here? They cannot be right in both instances. They must be wrong in one. So they must have been wrong, unless my amendment is accepted, when the Appalachia bill was enacted. It was stated all over the Nation then, "This is going to solve the economic problems of Appalachia. There is $1.1 billion in a 2-year period, and 5 years for highways. We do not need any more money."

Now we are asked to give an unlimited amount of additional funds for Appalachia, unless my amendment is adopted.

The key word in my amendment is the word "eligible." It is with that word that it differs from the majority approach to the problem.

Yes, it will be claimed that they wrote in an Appalachia exclusion, but what does it say? It says only that they are not going to have double Federal money for any given project that has been approved. Who would ever claim such a silly thing in the first place? Nobody would think of putting $200 into a $100 project.

That is all their Appalachia amendment provides. In other words, any project approved for assistance is not to be given double money. That is obvious.

What my amendment would do is to say that they are not going to have double layers of frosting on the same cake for Appalachia.

I trust and sincerely hope that the amendment will be adopted.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the Committee, I wish to point out that if the amendment were to prevail, it would mean that we would void the action of the Congress earlier this year in passing the Appalachia bill.

We have gone through this question at great length in the committee and before the Rules Committee, and the gentleman from Florida [Mr. CRAMER] has repeated the same statements here today in support of his proposition. Each instant he has been rejected.

The purposes of the Public Works and Economic Development Act are quite distinct from the Appalachian Regional Development Act. The program enacted earlier this year to strengthen the economy of the Appalachian region is aimed at rebuilding, and in many cases building for the first time, various types of public improvements which underlie economic growth. Of the $1,200 million authorized by that act, $840 million is earmarked for highways. Other funds are provided for the construction of demonstration health facilities, vocational education schools, sewage treatment works, the restoration of areas damaged by mining operations, and supplements to other Federal grants.

The Appalachian program contains no funds for industrial loans, working capital guarantees, or grants and loans for water systems and many other types of public facilities covered by title I of the economic development bill.

The Secretary of Commerce is authorized to supplement on-going Federal grant-in-aid programs to a maximum Federal share of 80 percent. This provision is somewhat similar to the title I grant program in the Economic Development Act, however, only those grant-in-aid programs which were in existence when the Appalachian Act was passed can be supplemented and projects for grants may be made under title I will not be eligible for supplementation.

I should also point out that projects eligible for title I grants could not be funded under the Appalachian program since they were not covered by a Federal grant-in-aid program when the Appalachian act was passed. Specifically, water works, water and sewer lines, harbor facilities, rail sidings, industrial parks, city streets—all of which are cited by the House Public Works Committee as worthy projects under Economic Development Act—are not provided for in the Appalachian program. The experience of the Area Redevelopment Act and accelerated public works programs forecasts that water and sewer line projects will absorb a substantial portion of the grant funds for public works authorized by the Public Works and Economic Development Act.

To insure that there will be no duplication in the administration of these two programs, the House Public Works Committee added section 103 which reads as follows:

> No part of any appropriations made pursuant to this title may be expended for any project in any area which is within the "Appalachian region" (as that term is defined in section 403 of the Appalachian Regional Development Act of 1965) which is approved for assistance under the Appalachian Regional Development Act of 1965.

The Appalachian program is aimed at encouraging private development in Appalachia by creating a highway network and a public facility base which will support it. The Economic Development Act follows a different route toward the same goal. Aside from title I, which I have already mentioned, the bill provides for loans for public works and development facilities and loans and guarantees for industrial and commercial projects. None of these aids to local communities and industries is available through the Appalachian program.

Title III of the bill authorizes funds for technical assistance, research and information, and for the administrative expenses of local development districts.

This should not preclude a development district subsequently created in Appalachia from benefits under the Economic Development Act. In fact, the existence of this early effort in Appalachia should promote more effective and economical use of local development district funds provided under the Economic Development Act.

The most significant difference between the two programs is that the Appalachian program seeks to produce an overall regional strategy for economic development which may well mean spending a substantial portion of the funds authorized by the act in areas which will not be eligible for assistance under the Economic Development Act.

The criteria which will govern the allocation of funds under the economic development program are substantially different from those of the Appalachian Act. Eligibility for participation in Economic Development Act is largely determined by unemployment and low income. The Appalachian Regional Commission, on the other hand, is specifically directed to invest in areas which have "a significant potential for growth." Of the 360 counties in the Appalachian Region, only approximately 230 will be eligible under Economic Development Act. Appalachia contains over 30 percent of the population that would qualify under present standards. To exclude Appalachia from participation in the Economic Development Act program would have the same effect as excluding it from the Hill-Burton program because there is a demonstration health program included in the Appalachian program.

In two respects the programs are complimentary.

First. The Appalachian program will help to produce a public facility base needed in the region to support private investment. The programs contained in the economic development bill will help build other types of public facilities and actually promote private investment through industrial and commercial loans and working capital guarantees.

Second. The Appalachian Commission, while taking regional approaches to the problems of the area, may well devote a substantial portion of the funds authorized by the act to areas which are not eligible for Economic Development Act assistance. Areas not directly benefiting from the Appalachian program will look to Economic Development Act for help in building their economies.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, the gentleman from Alabama has just presented, I think, the highlights of the arguments which were carefully reviewed in the Committee on Public Works which led the majority of us in the committee representing districts not in the Appalachia region to conclude that it would be unfair to adopt the Cramer amendment. I think it might also be added and with equal validity that the adoption of the Cramer amendment would probably endanger the passage of this act.

Mr. JONES of Alabama. The gentleman is correct.

Mr. HARSHA. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Florida.

As was pointed out by the distinguished gentleman from Alabama, there is written into the bill a safeguard to prevent any duplication of programs or projects either under this act or the Appalachia Act. As was likewise pointed out by the gentleman from Alabama [Mr. JONES] almost 85 percent of the Appalachia bill is highway funding and highway construction money. Leaving only a small sum for funding other projects. For example, one of the projects which the proponents of this amendment claim would be a duplication is that feature which provides for the construction in the Appalachia region of sewage treatment plants. As the gentleman and all members of the committee well know, during the water pollution control hearings of the Public Works Committee, there was a great volume of evidence as to the tremendous need for sewage treatment plants all over the Nation in addition to the Appalachia area.

There was only $6 million put in the Appalachia bill for sewage treatment plants. There are over 340 counties involved in the Appalachia bill. Six million dollars will hardly build one adequate sewage treatment plant let alone build the needed facilities in all counties. So that there is an insufficiency in the Appalachia bill to meet the needs of that area in this field. Likewise, in the other programs the gentleman mentioned in his argument, there is a great insufficiency of funds. The job to be done cannot be accomplished on the meager funds authorized by the Appalachia bill.

Not too long ago, when we considered the Appalachia bill, we heard a great hue and cry about discrimination, that we were discriminating in this Nation in favor of one region over another. Now it seems rather peculiar to me that those same people who were charging discrimination are now up here pleading with you in effect to discriminate against the Appalachia region because that is exactly what this amendment will do. The amendment says that no part of any appropriation made pursuant to this title may be expended for any project which is eligible for assistance under certain provisions of the Appalachian Regional Development Act.

There will be many projects that would be eligible for assistance under the Appalachia Act, but because of limited funds for those programs under that act they will never be funded. Yet this amendment would discriminate against them because of that eligibility and they would never be able to be funded or constructed as long as they were eligible under the Appalachia bill. We would in effect be defeating the very purposes of both this and the Appalachia Act.

So it seems to me, Mr. Chairman, that it is rather peculiar for those who once cried discrimination in the Appalachia Act now to ask this body to discriminate against that very region. I hope in their good judgment that the House will defeat this amendment.

Mr. KEE. Mr. Chairman, I rise to vigorously oppose the amendment.

Mr. Chairman, I completely associate myself with the very able, competent and accurate remarks of the distinguished Representative from Alabama [Mr. JONES].

At this point, Mr. Chairman, in order to clarify the situation I would like to state that the basic purpose of the Appalachian Regional Development Act is to lay the foundation for the overall economic development of the region.

Over 80 percent of the Appalachian funds are devoted to building a system of regional development highways—which will make it possible to carry on development activities in the Appalachian communities.

The basic purpose of the Economic Development Act—which we are now considering—is to help communities plan and carry out their own economic development. Funds for this type of community economic development are very limited in the Appalachian bill—it would not only be unfair to the Appalachian communities to deny them the opportunity to use these economic development funds—it would also make it impossible for this area to take the fullest advantage of the developmental highway system plan under the Appalachian Act.

In short, the Appalachian Act simply provides the foundation for economic development.

This economic development bill will make it possible to build a strong structure to complete the house.

Mr. KUNKEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment offered by the gentleman from Florida [Mr. CRAMER]. In my opinion, if this amendment is adopted, we might just as well not have adopted and passed and put into effect the Appalachian program.

I acknowledge that I am one of the 58 Congressmen whose district and whose people would be gravely harmed by the passage of this amendment.

This is the first time, since I have been in the U.S. Congress, that I have ever seen an amendment such as this one—an amendment which would arbitrarily penalize citizens of one section of the United States by forbidding their participation in a vital public works program. And I find it inconceivable that the people who would be so penalized are among those Americans most in need of every form of Federal assistance that can be made available. The fact that these people are in such desperate straits was clearly demonstrated by this Congress in March, when it passed the Appalachian Regional Development Act of 1965.

We said then what is clearly true—that normal Federal programs were not sufficient to enable this region to raise its economic levels and that special assistance would be necessary.

We said this because in contrast to other sections of the United States—in contrast to national averages—and in contrast to any measurement that we have to gage economic well being—this region of 11 States and more than 16 million people was lagging behind.

We said, in effect, that without a full continuation of existing Federal programs and without special help this region would fall even further behind—to the detriment of the national economy.

Now we have a bill before us which extends the area redevelopment program and which reactivates the accelerated public works effort. But this amendment would deny the benefits of those programs to people who are among those most in need.

It is my personal belief that the Appalachian program was vigorously applauded throughout this country. It was vigorously applauded in the Congress, where Senators and Congressmen from 48 of the 50 States voted for it. The people of the United States had been made aware, over a period of several decades, of the hardships and deprivation which characterized all too much of these 11 States. Every major national magazine and national television and radio network and local newspapers all over the United States featured, on countless occasions, the hard facts of Appalachian life. Both Presidents Kennedy and Johnson brought these same facts to their own presentation of economic life in the United States. The headlines and in the news stories which marked our action and the editorials which followed, were almost unanimously favorable.

If we pass this amendment, we will do nothing but confuse the people of the United States as much as we will have obviously confused ourselves. I cannot believe we wish to write headlines which will read—and I can predict these headlines virtually word for word—"Appalachia Denied Public Works Assistance."

In Pennsylvania we have many communities which have, for a decade, suffered the effects of changing technology in the steel and coal industries. These communities have made valiant efforts to replace the coal and steel jobs which have disappeared with employment opportunities in other industries. One of these communities, in order to realize the economic future it believes it has, requires water and sewage lines to attract potential employers. There is no present Federal grant program including the Appalachian program, that can assist them to obtain those facilities.

The Public Works and Economic Development Act of 1965 will offer such assistance. But they will be denied that assistance if this amendment carries.

I can cite community after community which has had a similar history of unemployment and which has a similar need for public facilities which can only be provided through this act.

Technically the counties in my district are eligible for highway funds under the Appalachian Act merely because those counties are included in the region. They will not get those funds, however, because of higher highway priorities in the State. Is this a logical reason to deny these counties the benefits of this act? Of course not.

As every Congressman on this floor knows, the overwhelming bulk of Appalachian dollars that we authorized last March is intended for developmental highway construction. These highways can directly serve only about a fourth of the Appalachian counties. I totally agree that the secondary benefits of these highways will be felt throughout the region, but in order that these secondary benefits can be felt throughout the region, the communities not directly involved must be served by other Government funds.

I challenge any Member of this body to cite any precedent for the type of action that this amendment proposes. To my knowledge there has never been a piece of national legislation enacted in this body in which any region, any State, any county, or any subdivision has been excluded from participation.

Without question this Congress has a right to set standards which, in their application, will make eligible specific geographic entities in this country, but we have never singled out a geographic entity for exclusion and I trust we will not do so in this instance.

For these reasons, I urge every Congressman to vote against this amendment.

Mr. SAYLOR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and members of the Committee, if there has ever been an amendment which would do a disservice to a vast area of the United States, it is the pending amendment offered by the gentleman from Florida.

Congress in its wisdom several months ago passed legislation known as Appalachia. The reason for its passage was that every Presidential report from 1934 to 1965 has indicated that there was in this country a region, loosely defined as Appalachia, which consists of 355 counties—all of West Virginia and parts of 10 States—Alabama, Georgia, Kentucky, Maryland, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia that must have aid in order to recover from its doldrums.

It was contended that economic activity in the Appalachian region lagged substantially behind that of the rest of the country. So Congress decided to initiate a series of special programs and expansions of existing programs of Federal assistance for this geographical region of the United States to bolster its economy. As the chairman of the subcommittee, the gentleman from Alabama [Mr. Jones] has stated, 85 percent of the money in Appalachia is for one purpose, for the development of roads so that the people in that area had provision of access into, out of, and within the area and so that business and factories would settle there. They needed a place where it was good to live and where the area could keep pace with the rest of the country.

Mr. Chairman, the Appalachian bill provided, in addition, other benefits so that this tremendous backlog referred to might be programed and that officials might make plans for the future as other communities in this country make their plans.

Mr. Chairman, if the amendment as offered by the gentleman from Florida [Mr. Cramer] is adopted, it will have but one effect and that is to say on the one hand, we want this area to come up to the same level of the rest of the United States, and on the other hand, we will not give you any money to accomplish your goals. We are not going to allow you to participate in the tremendous public works bill which is now pending before us.

Mr. Chairman, I urge this amendment be defeated so that those of us who come from Appalachia, who have actually seen the development that can occur, will be able to have our area participate in the program as the rest of the Nation.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I would be glad to yield to the gentleman from Pennsylania.

Mr. DENT. Mr. Chairman, I join the gentleman from Pennsylvania in his remarks and I want to call to the attention of the sponsor of this particular amendment the fact that what he was complaining about, the fact that the bill now prescribes that there shall be no duplication, is in fact a weakness in the bill in the Appalachian area for the simple reason when you read your report and relate it to the bill, you will find that the committee has added language to this bill to make it clear that a project which has been finally approved for assistance under the Appalachian program for which funds have been set aside, cannot be financed for assistance under this program.

The Appalachian people have taken the same view insofar as programs that were approved prior to running out of money under this program. Therefore, they are refusing to make grants and approve projects under the supplemental grants that have heretofore been approved under this particular program, on the basis of duplication.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. Mr. Chairman, I join the gentleman from Pennsylvania [Mr. Saylor] in his excellent statement and I oppose the Cramer amendment eliminating the Appalachian States from the bill. I would further add that there is no real duplication with Appalachia programs because the money will not be spent twice on the same project for the same purpose.

Finally, this legislation would represent the first time in history that a region has been specifically excluded from a U.S. public works bill, which is general and should be considered on the merits of the policies and various programs.

Mr. HECHLER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am glad to yield to the gentleman from West Virginia.

Mr. HECHLER. Mr. Chairman, I believe the arguments presented by the gentleman from Pennsylvania [Mr. Saylor] and others against this amendment are very convincing and I hope that the Committee will reject this amendment.

The Cramer amendment would in effect negate the Appalachian Regional Development Act, and the benefits which have accrued and which will be derived from the passage of that legislation. I happen to believe that the advantages of the Appalachian Act have been overstressed, and that it certainly is not the cure-all which some advocates have contended. Since 80 percent of the funds under the Appalachian Act go for highway development, there is comparatively little in other features of the Appalachian Act to cover the development of needed public facilities. To act now to take away these small benefits will set us back seriously in the Appalachian region, and bring in its train additional unemployment, more people on the relief rolls and force the Congress to take additional action to take care of these serious problems.

Mr. Chairman, the Public Works Committee has very adequately taken care of any possible duplication, by writing into the bill that no project can receive double assistance under both this act and the Appalachian Act. It seems to me that if we are going to deprive the people of the Appalachian area of benefits under this act, it would be just as logical to omit from the benefits under the medicare legislation or other legislation all residents of the Appalachian area.

I strongly oppose the pending amendment for this reason.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. Cramer].

The amendment was rejected.

AMENDMENTS OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I have two amendments to offer, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Cramer: Page 63, following line 8, insert the following new section:

"CRITERIA FOR FINANCIAL ASSISTANCE

"Sec. 3. (a) In order to promote the purposes of this Act, and to assure the proper and effective expenditure of Federal funds, the Secretary shall by regulation provide for the supervision and review of all projects and activities for which financial assistance is extended under this Act so as to insure that Federal funds are not wasted or dissipated.

"(b) No grant, loan, guarantee or other financial assistance shall be approved for any project under section 101, 201, 202 or 403 unless the Secretary—

"(1) makes an independent investigation and finding as to the number of jobs to be created or saved and the savings in public relief and welfare funds to be realized as a result of such project;

"(2) makes an affirmative finding, supported by evidence, that the amount and nature of Federal financial assistance is reasonably related to and justified by the number of jobs to be created or saved and the amount of public relief and welfare funds to be saved;

"(3) makes an affirmative finding, supported by evidence, that the applicant for financial assistance proposes to contribute to the cost of the project in proportion to its ability so to contribute, that the project will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and that there is little probability that such project can be undertaken without financial assistance under this Act."

Page 63, strike out line 11 and all that follows through and including line 18 on page 66 and insert in lieu thereof the following:

"Sec. 101 (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary of Commerce (hereinafter referred to as the Secretary) is authorized to make direct grants for the acquisition or development of land and improvements for public works, public service, or development facility usage, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment, within a redevelopment area, if he finds that—

"(1) the project for which financial assistance is sought will directly or indirectly—

"(A) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities,

"(B) otherwise assist in the creation of additional long-term employment opportunities for such area, or

"(C) primarily benefit the long-term unemployed and members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964;

"(2) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located; and

"(3) the area for which a project is to be undertaken has an approved overall economic development program as provided in section 202(b)(10) and such project is consistent with such program.

"(b) The amount of any direct grant under this section for any project shall not exceed 50 per centum of the cost of such project."

Mr. CRAMER. Mr. Chairman, these amendments are offered en bloc for the obvious reason to try to expedite consideration of the legislation, recognizing the fact that apparently the railroad has a full head of steam. I doubt if there are going to be any amendments that will be given reasonable consideration.

I am offering these amendments which were offered in committee and are minority amendments relating to title I. This will be the last of the amendments relating to title I. We will do our best to expedite further consideration of the remainder of the bill.

The first amendment, No. 1, attempts to set up some sort of criteria under the bill, which is very loosely drawn, on page 63 and tries to write in some meaningful criteria so the legislation will properly carry out its intent and purpose.

Amendment No. 1 would add a new section, section 3, to the bill to impose specific criteria for financial assistance. It is designed to assure that the Federal assistance will be offered only where such assistance is needed and where it will be effective. The criteria established would do exactly that.

The amendment would appear on page 63. The report on the bill states:

> The general purpose of S. 1648 is to provide a comprehensive program of Federal assistance to help provide more jobs and higher incomes for people who live in areas where jobs are scarce or incomes are low.

Despite this objective the bill as written provides few, if any, definite criteria on the basis of which financial assistance is to be extended.

In several reports to the Congress, the Comptroller General has pointed out that ARA has grossly overestimated the number of jobs to be created and in some cases has extended financial assistance when no jobs at all were created. Under these circumstances and considering the basic purposes of the legislation, it is the view of the proponents of this amendment that the bill should contain specific criteria for financial assistance to prevent the same things from happening in the future.

What this proposed new subsection does is to prohibit financial assistance for a project unless the Secretary, first, makes an investigation as to the number of jobs to be created or saved and the savings in public relief or welfare funds to be realized as a result of the project; and second, finds that the amount and nature of Federal financial assistance is reasonably related to and justified by the number of jobs to be created or saved and the amount of public relief and welfare funds to be saved, and third, makes an affirmative finding, supported by evidence, that the applicant for financial assistance proposes to contribute to the cost of the project in proportion to its ability so to contribute, that the project will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and that there is little probability that such project can be undertaken without financial assistance under this act.

In other words, if you are going to create new jobs or save existing jobs, it is only reasonable to hope that then they can provide reasonable Federal funds. That is all it does, based upon the General Accounting Office criticism of the present program.

The other amendment has for its purpose striking out the Secretary's authority to make supplementary grants which are grants in order to enable States and other entities within development or redevelopment areas, supposedly, which make up the designated Federal-aid programs.

The term "designated Federal-aid programs" is defined to mean such existing or future Federal grant-in-aid programs as the Secretary may designate.

My second amendment, No. 2, would delete the provision of section 101 which authorizes supplementary grants and would thus limit direct Federal grants to 50 percent of the cost of the projects.

It is believed that statutory limitations on the Federal share payable under the various grants-in-aid programs should be either preserved unchanged or changed by the Congress on an individual program-by-program basis. We do not believe the Secretary of Commerce should be given the authority to change the statutory limitations on a blanket basis, which is what the committee bill does. The material to be inserted by the amendment is simply a restatement of language already contained in the bill which must be deleted and reinstated because of technical problems, and the amendment takes care of that as well.

So these two amendments are an attempt to make a better bill out of the bill that is before us.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, both of the amendments that have been discussed by the gentleman from Florida are amendments that received consideration in the committee. There is no question about the fact that they have some surface appeal. But I do not think there is any question about the fact, on the other hand, that they would operate to hamstring the effective operation of this program. The requirement that the Secretary, before making any kind of grant or loan, would have to go out into the local area, where there had been a strong case made for assistance in a local project and there make an independent investigation and finding, not only as to the number of jobs to be created, but also as to the savings in public relief and welfare funds to be realized, would impose an almost impossible burden upon the Secretary of Commerce in connection with these projects.

It would be almost impossible to make that kind of determination in advance of approval of one of these projects. We believe that the criteria which have been established in the form of sound guidelines to direct local planning and initiative are good and solid criteria without the addition of this hamstringing burden upon the Secretary of Commerce. We believe the first amendment should be rejected for that reason.

As to the supplementary grant provision, it would be most undesirable to eliminate this supplementary grant provision if we want to have projects in the most needy areas of the country, because the operation of the accelerated public works program has demonstrated very clearly that some communities have found it absolutely impossible to get the local financing to meet their end of the program unless the local financing requirement is reduced to the lowest possible denominator.

We have a clear precedent for the supplementary grant provision in the area public works program and in the Appalachia program, both of which have been overwhelmingly approved by the Congress. We feel that the supplementary grant provision is an essential part of this program and should be retained.

On these grounds, Mr. Chairman, I submit that both these amendments should be voted down and the program kept intact.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I am glad to yield to the gentleman from New Jersey.

Mr. HOWARD. To simply this, as to the supplementary grant provision which would be eliminated, could we merely say that the supplementary grant section gives more help and more aid where the need is greater and the ability of a municipality to pay is less? Where they need more money we give more money, and where they need less money we give less money. That is about as fair as a bill could be.

Mr. EDMONDSON. And we retain the requirement that in no project shall the local contribution be less than 20 percent.

Mr. HOWARD. That is right.

Mr. EDMONDSON. That is the provision of the bill as it is, and we believe the amendments should be defeated.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I seldom presume upon the time of the Committee or the House, but for a change this time I know what I am talking about, which will appeal to you in some way or other.

The original Area Redevelopment Act distressed area bill was introduced in the House by me in 1954.

The reason for that was, I come from the hard coal fields of Pennsylvania. I am a hard coal miner. Do not let this mustache fool you, for I worked around the mines for years going to college.

When I first came to this House 20 years ago, I had 30,000 men working in my mines. Today I have 4,000. Why, is a long story.

Twenty years ago there were 110,000 more people who lived in my district than live there today. That makes me a pretty lousy Congressman, but it was not all my fault that they left town. You know why.

The greatest export from my district has been young men and young women who had to go out to get jobs. We were producing them and exporting them. They all want to come home.

Remember the old picture, "How Green Was My Valley"? Well, my valleys were green at one time.

All of these young men and women, now with families, want to come home to my district. I am not going to paint this bill in broad, sweeping, philisophical strokes today. My distinguished friend from Minnesota [Mr. BLATNIK], and the gentleman from Florida [Mr. CRAMER] can do that far beyond my poor power to add or detract, and you have heard them.

This bill passed the Senate in 1956, the ARA section, and, parenthetically, the chairman of the Subcommittee on Labor in the Senate—and you oldtimers remember this—who was the floor manager for the bill when it passed the Senate in 1956 was a young fellow who was in the House with me from Massachusetts, a Senator named Jack Kennedy. It was too late to bring it over here. We only had 2 days. We did not try. Well, it passed the House in 1958 and it passed the House in 1960, and it passed the Senate and the Congress, and President Eisenhower vetoed it twice. Jack Kennedy came to my hometown when he campaigned for President, and it did not hurt me a bit when he stood up in the public square before countless thousands of people and put his hand on my shoulder and said to them, "If I am elected and if FLOOD is elected, the first major bill that I want to pass the Congress, if I can help it, will be the ARA bill," known as the Flood-Douglas bill then, DOUGLAS being the distinguished Senator from Illinois. He said "It will be the first bill I will sign." Well, with the help of God and you in Congress and the people, it was the first bill that passed that Congress, and President Kennedy signed it. Eight million dollars came to my district, half of it from this fund. Now, let me tell you something, Mr. Chairman. In all these 20 years I never stood on this floor and asked for a handout. I do not want one now. I am the mouthpiece for my people. We are a rugged breed in the coalfields. We do not want you to give us anything—nothing. We will pay back every dime with interest. We have been doing it and we will do it again and again. But we did ask you, as you did, to put your imprimatur upon some kind of Federal responsibility. If there is a cancer of a nondemocratic nation in the world, it may affect others. So if there is a cancer of poverty in one part of the Nation, it can spread the same thing in other places. I have seen it happen and so have you. You put 1,400 people to work in my district since June 1 of 1961. One thousand and four hundred people. You put $5 million on our payrolls and spread that tax base.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDMONDSON. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FLOOD. You put $5 million on that payroll. You made those 1,400 people ultimate taxpayers and not taxeaters. Thank God for that and you, too. Under the public works bill you sent us $5 million. Do you know how we raised it? By payroll deductions, like a Red Cross drive or a community chest drive. We organized it, factory to factory, shop to shop, office to office—payroll deductions, cash contributions. The man or woman who got a job kicked into the pot to create our revolving fund to pay the percentage that you properly by law put into that bill, so that we would pay our share. We are paying our way, and in cash—as good as yours. Do not forget that. There are no chiselers on this ship, no chiselers on board here.

Five million dollars—and over $2 million we paid out of our own funds. That gave us the waterworks; that gave us the sewer collection and disposal systems. Do you know about those little brick houses that we used to have in the back of our houses in the coalfields? They are not there any more. You took them away. You made our places look decent. These people had been bankrupt; nobody worked. It became a vicious cycle, nobody working, no taxes, no tax base, no public utilities, no public facilities, nothing coming in, and nobody cared.

Now, that cycle has been destroyed. You smashed it. On June 1, 1961, I had 13½ percent of my people out of work. On June 1, 1965, the figure is 6.4 percent. Now, that "ain't good" as against the national average of 4.5, but we think it is a miracle. And it is a major miracle, not a minor one. Twenty-five thousand four hundred men and women at work who were not working on June 1, 1961—25,000. One thousand and two hundred people off the relief rolls. You boys with the pencils figure that out—1,200 you took off my relief rolls.

Sixty thousand dollars a month this saved the Federal Government; $750,000 last year you saved the American taxpayer with this kind of thing.

This is socialism? This is communism? My name is DANIEL JOHN FRANCIS ALOYSIUS FLOOD, Fourth Degree Knights of Columbus. I would make a great Communist with a puss like this, would I not? Why, that is unadulterated bilge, and you know it is.

This pleading and this mouthing that this is socialism—what happened to American integrity? Where is the old American workingman? In my district, and don't you forget it—in my district.

I am making this speech today because I am "over the hill." We are out of the woods. We have got it made. In a couple of more years we will be at the 4.5 percent, the national average. We have got it licked. We helped to do it ourselves for 20 years, and you helped us. I speak today for the people in your States, the other 49 great sister States that have not done or did not know how to do what we did.

Well, the 11th District of Pennsylvania, the hard coal fields where coal is no longer king, we are breathing and we are alive, in the very best American tradition. And if that is socialism, make the most of it. But I dare you to come up to one of my coal miners to say that. If you do—duck.

Mr. Chairman, I am convinced that the ARA experience has been of great value and that its value could be increased by enacting the proposed Public Works and Economic Development Act of 1965. A Congress dedicated to strengthening the free enterprise system has no alternative but to pass the legislation now under consideration.

The district which I represent, Luzerne County, Pa. has been designated a redevelopment area because of high unemployment which has persisted for over a quarter-century. This area has found necessary and extremely helpful all of the programs established under the Area Redevelopment Administration.

That financing has helped local industrial development organizations to secure loans to finance four new industrial expansions in the county, provide facilities to serve new sites in an industrial park for future industries, set up a research center to meet industrial expansion needs, and establish a regional economic development coordinating program.

Loans amounting to $3,100,000, which will accrue interest at 4 percent and be fully repaid to the U.S. Treasury, have stimulated private capital investment totaling $6,683,000 in Luzerne County.

Public facility loans and grants have been provided to a large industrial park that has made additional land available for industrial use.

This area has an excellent potential for future growth if industrial sites can be made available at reasonable cost and the outstanding local industrial loan programs can be supplemented by outside financing. Many millions of dollars have been raised in the county which have been used successfully to stimulate local industrial expansion. Despite the tremendous local efforts, so much capital is tied up in existing industrial loans that a supplemental loan program such as S. 1648 is vital.

Public facility grants and loans will be required if land for industry is to be carved from the remaining unoccupied land. Steep hills, extensive strip mining, heavy residential and commercial development have taken most available land. What remains is much too expensive to develop by private funds. It will be far cheaper to stimulate private enterprise by developing this land than to continue to finance unemployment and welfare assistance to the thousands that could be employed in the area.

Additional technical assistance will be needed to provide information about the area for use by its sophisticated industrial development organizations.

In summarizing, Mr. Speaker, the major communities in my district have found the programs of the Area Redevelopment Administration of significant value and are in need of the assistance provided in the proposed legislation, S. 1648.

I pray that this legislation be enacted.

Mr. Chairman, I want to urge this Committee to adopt the proposed new Public Works and Economic Development Act of 1965, S. 1648.

As one of the earliest proponents of this type of legislation and as one of the principal original sponsors of the Area Redevelopment Act, I think that I know something about the need for this legislation and its purpose.

In 1958, and again in 1960, and again in 1961, I advocated the original Area Redevelopment Act. I pleaded. I argued. I begged. I cajoled. I did everything in my power as a legislator to secure the passage of that act.

Later, in 1962, I labored to secure the passage of the Public Works Acceleration Act.

These two acts have worked wonders in my district, and that is why I am convinced that this new bill, which is based upon the ARA and APW experience, ought to be passed.

Under the ARA program, six projects for financial assistance were approved in my district. The total investment in these projects was over $8 million, the Federal share over $4 million. Many people are now at work on these projects, earning salaries and paying taxes instead of drawing compensation or receiving public assistance. The employment potential of these projects alone is over 1,400. The projects involve an improved industrial park, a research center, two textile mills, and two plastics plants—all desirable industries for a growing and diversified economy in the area.

Over $5 million a year in new payrolls is being put into our economy as a result of this one program.

In addition, ARA technical assistance funds are helping to establish an economic center for community development and a new warehousing and distribution center. Moreover, they are supporting a project which will eliminate dangerous culm bank fires and replace them with industrial sites. As a result of one ARA sponsored technical assistance project in my area, I am convinced that we will one day see the pleasant and productive smoke of an industrial smokestack replacing the obnoxious and destructive smoke of a burning culm bank.

Under the public works acceleration program, 40 projects were approved in my district with a total investment of $4,800,000 and a Federal investment of $2,373,000. These projects are making it possible for people in the impoverished coal towns to have decent sewer and water service once again, to see roads and streets and public buildings improved, so that industry will be attracted to the area.

The improvement in my area since the area redevelopment program was first passed in 1961 is almost miraculous.

We had 25,400 more people at work in Luzerne County in June of 1965 as opposed to June of 1961.

We had 8,900 fewer people out of work in Luzerne County in June of 1965 as opposed to June of 1961.

Our unemployment rate was 13.2 percent in June of 1961. It was only 6.4 percent in June of 1965.

The average number of cases on our welfare program in the county dropped by 1,160 cases from June of 1961 to June of 1965.

The Federal share alone of these cases is $60,000 a month less because of the drop in caseload. The Federal Government is saving over $700,000 a year in this one county on this one program because of the improvement in the economy.

The Federal Government is collecting about $10 million a year in taxes on the extra employment in my district as a result of all the new jobs which have been created since 1961.

Mr. Chairman, I am not maintaining that all this improvement is due to the ARA and APW program. The national economy has improved all over. But if the economy of Luzerne County had improved in the past 4 years only at the same rate as the national economy, it would only have achieved 70 percent of what was achieved. And this is an area which for the past 35 years has always done worse than the national economy.

What is responsible for this amazing turnaround? Certainly, not the ARA program alone, or even all the Federal programs alone. Local efforts have been largely responsible.

But keep in mind that the people at the local level think this program is just what they need to make their own work successful. A constituent of mine, nationally known for his work on economic development in the city of Hazleton said, "ARA is like a breath of spring."

And the gentleman I have quoted is a member of the national board of directors of the chamber of commerce.

This is not a Federal effort alone. But the job is too big for the local people to do it alone, and when they see that Federal assistance is available, they get new courage, and they do much more than they would otherwise.

We need the new Public Works and Economic Development Act of 1965 to complete the job of restoring and rebuilding our economy. That job was begun many years ago by local efforts alone. Later on the State came in and helped. But we never really began to see real progress until we got Federal help, too.

In those early years, we all thought that we were running as hard as we could just to stay in the same place and keep things from getting worse. But when we got Federal aid, we could see the improvement. And now we know we are going to win this war on poverty in Luzerne County, Pa.

But the job is not yet completed.

We need this new act, S. 1648. We need this public works and economic development bill to keep up the momentum, to get us over the top.

This bill has been wisely put together. It will give us help in constructing public works, but not just any public works. We will have to prove that the projects contribute to economic development.

The new bill will help us with financial assistance for new and expanding businesses in the area, and we desperately need this help. We have gone to the local people for money for this purpose for so many times and they have given so generously that we are running out of money just when we need it the most.

The new bill will help us with technical assistance to solve our problems like the burning culm banks, and to help us plan and carry out sensible programs for community and economic development.

Mr. Chairman, we made no mistake when we first passed the Area Redevelopment Act and the Accelerated Public Works Act. These acts will go down as landmarks in the progress of our economy.

It would be a mistake to label these programs as spending programs. They are investment programs. It costs money to maintain people in idleness. Is it not more sensible to invest money to make it possible for idle people to find jobs? As the President said, this is a program for making taxpayers out of tax consumers. That is why I cannot label this program a spending program.

I repeat. We made no mistake when we first plassed ARA and APW. But we will be making a grave mistake if we allow these programs to lapse by failing to pass the proposed new Public Works and Economic Development Act.

We will make a costly mistake for the Federal Treasury.

We will make a tragic mistake from the standpoint of the thousands of hardworking community leaders who have used these programs to lift themselves up by their economic bootstraps and who are looking to this new program to help them even more.

We cannot fail them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 68, after line 8, insert the following:

"FINANCIAL ASSISTANCE FOR SEWER FACILITIES

"SEC. 106. No financial assistance, through grants, loans, guarantees, or otherwise, shall be made under this act to be used directly or indirectly for sewer or other waste disposal facilities unless the Secretary of Health, Education, and Welfare certifies to the Secretary that any waste material carried by such facilities will be adequately treated before it is discharged into any public waterway so as to meet applicable Federal, State, interstate, or local water quality standards."

Mr. DINGELL. Mr. Chairman, the amendment is really self-explanatory. It is very simple. It provides simply that where sewer facilities or waste disposal facilities are constructed they will meet applicable Federal, State, interstate, or local quality standards as the case may require.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my good friend, the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, not to interrupt the distinguished gentleman from Michigan, but we have discussed this amendment very thoughtfully and it has been discussed not only with me but with other members of the committee.

Is this a similar amendment to the one which the gentleman offered and which was accepted in the housing bill?

Mr. DINGELL. The gentleman is correct, this is as nearly exactly the same amendment as I can possibly draw to that which I offered and which was accepted unanimously by the House to the housing bill.

Mr. BLATNIK. If the gentleman will yield further, this places priority upon the fact that there shall be a treatment facility first so that the waste material may be properly treated, instead of providing for a sewer line which would merely dispose of the waste into some stream?

Mr. DINGELL. The gentleman is correct.

Mr. BLATNIK. It is a very valid amendment and we do accept the amendment and raise no objection to it.

Mr. DINGELL. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GIBBONS

Mr. GIBBONS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIBBONS: On page 68, strike out lines 7 and 8 and insert in lieu thereof the following: "for each of the fiscal years ending June 30, 1966, and June 30, 1967."

Mr. BLATNIK. Mr. Chairman, I make a point of order against the amendment because that has already been amended and perfected by the Sisk amendment and would not be subject to amendment at this point.

The CHAIRMAN. Does the gentleman from Florida wish to be heard on the point of order?

Mr. GIBBONS. Mr. Chairman, the Sisk amendment went much further than this amendment. This amendment is a very simple amendment. It does not affect the substantive matter of the bill. It merely provides for the Congress to retain control over the program.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The Sisk amendment has already changed that.

The CHAIRMAN (Mr. LANDRUM). The point of order is well taken. It would be an amendment to an amendment which has been agreed to. The Chair sustains the point of order.

Are there additional amendments to title I?

If there are no further amendments, the Clerk will read.

The Clerk read as follows:

TITLE II—OTHER FINANCIAL ASSISTANCE

Public works and development facility loans

SEC. 201. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to purchase evidence of indebtedness and to make loans to assist in financing the purchase or development of land and improvements for public works, public service, or development facility usage, including public works, public service, and development facility usage, to be provided by agencies of the Federal Government pursuant to legislation requiring that non-Federal entities bear some part of the cost thereof, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment, within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will directly or indirectly—

(A) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities,

(B) otherwise assist in the creation of additional long-term employment opportunities for such area, or

(C) primarily benefit the long-term unemployed and members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964;

(2) the funds requested for such project are not otherwise available from private lenders or from other Federal agencies on terms which in the opinion of the Secretary will permit the accomplishment of the project;

(3) the amount of the loan plus the amount of other available funds for such project are adequate to insure the completion thereof;

(4) there is a reasonable expectation of repayment; and

(5) such area has an approved overall economic development program as provided in section 202(b) (10) and the project for which financial assistance is sought is consistent with such program.

(b) Subject to section 701(5), no loan, including renewals or extensions thereof, shall be made under this section for a period exceeding forty years, and no evidence of indebtedness maturing more than forty years from the date of purchase shall be purchased under this section. Such loans shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, less not to exceed one-half of 1 per centum per annum.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section and section 202: *Provided,* That annual appropriations for the purpose of purchasing evidences of indebtedness, making and participating in loans, and guaranteeing loans shall not exceed $170,000,000, for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1970.

(d) Except for projects specifically authorized by Congress, no financial assistance shall be extended under this section with respect to any public service or development facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State or Federal regulatory body, unless the State or Federal regulatory body determines that in the area to be served by the facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake.

(e) The Secretary shall prescribe regulations which will assure that appropriate local governmental authorities have been given a reasonable opportunity to review and comment upon proposed projects under this section.

Loans and guarantees

SEC. 202. (a) The Secretary is authorized (1) to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participations in loans) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings; and (2) to guarantee loans for working capital made to private borrowers by private lending institutions in connection with projects in redevelopment areas assisted under subsection (a) (1) hereof, upon application of such institution and upon such terms and conditions as the Secretary may prescribe: *Provided, however,* That no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) Such financial assistance shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts theretofore customarily performed by them: *Provided, however,* That such limitation shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment of the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

(2) Such assistance shall be extended only to applicants, both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision.

(3) The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area wherein it is or will be located.

(4) No loan or guarantee shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or from other Federal agencies on terms which in the opinion of the Secretary will permit the accomplishment of the project.

(5) The Secretary shall not make any loan without a participation unless he determines that the loan cannot be made on a participation basis.

(6) No evidences of indebtedness shall be purchased and no loans shall be made or guaranteed unless it is determined that there is reasonable assurance of repayment.

(7) Subject to section 701(5) of this Act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding twenty-five years and no evidences of indebtedness maturing more than twenty-five years from date of purchase may be purchased hereunder: *Provided,* That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in

other proceedings attendant upon insolvency of the obligor.

(8) Loans made and evidences of indebtedness purchased under this section shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose.

(9) Loan assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project, and shall, among others, be on the condition that—

(A) other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) not less than 15 per centum of such aggregate cost be supplied as equity capital or as a loan repayable in no shorter period of time and at no faster an amortization rate than the Federal financial assistance extended under this section is being repaid, and if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance: *Provided, however,* That, except in projects involving financial participation by Indian tribes, not less than 5 per centum of such aggregate cost shall be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, unless the Secretary shall determine in accordance with objective standards promulgated by regulation that all or part of such funds are not reasonably available to the project because of the economic distress of the area or for other good cause, in which case he may waive the requirement of this provision to the extent of such unavailability, and allow the funds required by this subsection to be supplied by the applicant or by such other non-Federal source as may reasonably be available to the project;

(C) to the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in subparagraph (B), any Federal financial assistance extended under this section may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided,* That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located, nor prevent the Secretary from requiring such periodic revisions of previously approved overall economic development programs as he may deem appropriate.

Economic development revolving fund

SEC. 203. Funds obtained by the Secretary under section 201, loan funds obtained under section 403, and collections and repayments received under this Act, shall be deposited in an economic development revolving fund thereinafter referred to as the ("fund"), which is hereby established in the Treasury of the United States, and which shall be available to the Secretary for the purpose of extending financial assistance under sections 201, 202, and 403, and for the payment of all obligations and expenditures arising in connection therewith. There shall also be credited to the funds such funds as have been paid into the area redevelopment fund or may be received from obligations outstanding under the Area Redevelopment Act. The funds shall pay into miscellanous receipts of the Treasury, following the close of each fiscal year, interest on the amount of loans outstanding under this Act computed in such manner and at such rate as may be determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, during the month of June preceding the fiscal year in which the loans were made.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: Page 71, strike out line 16, and all that follows through and including line 10 on page 77, and insert in lieu thereof the following:

"PROGRAMS FOR ECONOMIC DEVELOPMENT

"SEC. 202. No financial assistance shall be extended under section 101, 201 or 403 for any project in or for the benefit of a redevelopment area unless there has been submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof responsible for the economic development of such area, that the project for which financial assistance is sought is consistent with such programs: *Provided,* That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located, nor prevent the Secretary from requiring such periodic revisions of previously approved overall economic development programs as he may deem appropriate."

Page 70, strike out lines 16 through 23, inclusive, and insert in lieu thereof the following:

"(c) There is hereby authorized to be appropriated to carry out this section not to exceed $85,000,000 for the fiscal year ending June 30, 1966, and a like amount for each fiscal year thereafter through the fiscal year ending June 30, 1970."

Page 69, line 24, strike out "(b)."

Page 70, line 1, strike out "(10)".

Page 77, line 19, strike out ", 202,"

Mr. CLEVELAND. Mr. Chairman, the amendment I have offered is described in detail on page 58 of the committee report in my supplemental views. The amendment strikes out the loan and guarantee of loans to private business sections of this legislation.

I have two reasons for proposing this amendment. First, it seems to me a great deal of the criticism and the trouble with the ARA has been it has been lending taxpayers' money to sponsor competition with other taxpayers of the country. Recently it has been reported the ARA contribution to improving the economic situation in at least one Pennsylvania town was to build a large broiler plant which would do nothing more than supply further broilers in an already glutted broiler market. I commented on this in the RECORD yesterday, August 11, 1965, page 19986.

Mr. CLARK. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Pennsylvania.

Mr. CLARK. I am wondering if the gentleman has information I do not have at the present time on what you are saying is really true and correct.

Mr. CLEVELAND. If the gentleman will read the RECORD for yesterday at page 19986 he will see my remarks, which also referred to the gentleman, and I hope he enjoys them.

Mr. Chairman, the second reason for introducing the amendment is also described in my supplemental views on page 58. It is simply this: The Small Business Administration is already in the field as a Federal agency to lend money to businesses that need money and cannot obtain loans from a bank, or from other sources. The Small Business Administration has done a good job. If loans of the ARA type are needed, then the authority of the Small Business Administration could be changed accordingly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire.

The amendment was rejected.

AMENDMENT OFFERED BY MR. KUNKEL

Mr. KUNKEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KUNKEL: Page 69, line 17, after "Secretary" insert a comma and the following: "giving consideration to the financial ability of the applicant,". Page 73, line 22, after "Secretary" insert a comma and the following: "giving consideration to the financial ability of the applicant and the revenues which may reasonably be expected to be generated by the project,".

Mr. KUNKEL. Mr. Chairman, section 201 of the bill, as reported, provides for loans to assist in financing public works or development facilities, and section 202 of the bill, as reported, provides for industrial and commercial loans to purchase and develop land and facilities, purchase machinery and equipment, and construct and rehabilitate buildings. Section 202 further provides for Federal Government guarantee of working capital loans made in connection with loan projects.

The language of these two sections, with regard to the criteria to be used by the Secretary of Commerce in determining the need and extent of financial assistance, is vague and ambiguous.

Mr. Chairman, the amendment which I have just offered would amend sections 201 and 202 of the bill, as reported, to require that the Secretary of Commerce take into consideration the financial ability of an applicant, as to public works and development facilities loans, and the financial ability of the applicant and the revenues reasonably expected to be generated by the project, as to business loans, in determining if funds are available from private lenders or other Federal agencies on terms which will permit accomplishment of the project.

This amendment was recommended to the committee by representatives of the General Accounting Office. There were lengthy discussions on this provision in public hearings before the committee. The amendment was offered in committee by the distinguished gentleman from Florida [Mr. CRAMER] but was not adopted by the committee. It is a meritorious amendment. It would tighten the provisions of this bill, and I hope that the Committee of the Whole House sees fit to adopt the amendment today.

What this amendment would do is to write into the legislation reasonable standards which would overcome one objection of the General Accounting Office with regard to this legislation. This is an effort to tighten up the provisions of the legislation. Certainly in giving consideration to the financial ability of an applicant, no aid should go to an applicant who does not have financial need. If grants are made to those who do not need it, obviously those who do need it will not get as much.

The language in the bill, as reported, merely stipulates that no loan or guarantee shall be extended unless the financial assistance applied for is not otherwise available from private lenders or from other Federal agencies on terms "which in the opinion of the Secretary" will permit the accomplishment of the project. Since many provisions of this bill are more attractive than agreements which might be worked out by companies with private lenders, one wonders about the meaning of the words "opinion of the Secretary."

The language of this provision not only gives the Secretary unnecessary discretionary power, but also creates ambiguity.

The General Accounting Office has been highly critical of ARA's administration of the Area Redevelopment Act. It has submitted numerous reports to the Congress on the administration of that act, and two reports, in particular, have relationship to the problem which this amendment would help to resolve.

In January 1965 a report of the Comptroller General, concerning deficient analysis by the ARA which resulted in approval of unneeded grants, reported that in December 1962 the Pueblo of Laguna, an Indian tribe, applied for an ARA grant in connection with the construction of a new industrial plant which the pueblo planned to build for lease. In the project proposal submitted to ARA for grant assistance, the grantee stated that it was unable to finance the facility.

Although the project proposal form submitted to the ARA called for a current statement of financial condition, none was submitted, but in the application the Pueblo did submit a summary of cash receipts and disbursements covering the preceding three fiscal years. Apparently on the basis of this material, a grant was approved in the amount of $118,000. It was later learned that the Pueblo was "one of the wealthiest Indian tribes in the country due to the income received from lease of that portion of the reservation upon which uranium had been discovered and was being mined."

Twelve days after the grant was approved, the Bureau of Indian Affairs of the Department of the Interior, was asked for certain financial information concerning the Pueblo. The Bureau advised that for calendar years 1960, 1961, and 1962, the Pueblo's income was $1.6 million, $1.7 million, and $1.5 million—a total of some $4.8 million in 3 years. The Pueblo's cash balance at the end of 1962 was $1.2 million, and that the market value of the Pueblo's investments in stocks and bonds at the end of 1962 was $9.9 million.

Mr. Chairman, while this particularly applied to a grant, not a loan, it is highly indicative of the poor administration of the Area Redevelopment Act by those who must determine financial abilities. This is a clear example of what might occur under loan provisions of the bill before us today, unless this amendment is adopted.

Another GAO report dated April 1965, concerning Federal participation in unnecessary project costs resulting from failure to properly recognize the effect of intercorporate ownership further substantiates the need for such an amendment.

There is no need to permit the Secretary of Commerce to have unnecessarily broad discretionary authority in this area, the result of which will most probably cause even more inconsistencies in the program, when the adoption of this amendment will require the Secretary to take into consideration the financial ability of the applicant in determining if funds are available from private lenders or other Federal agencies on terms which will permit the accomplishment of the project.

I strongly urge the adoption of this amendment by my colleagues.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment.

I do this with a completely favorable response—and I mean this sincerely—to the intent of the gentleman. The gentleman is trying to get a rather firm assurance as to the financial ability of the applicant to make repayment. The only problem is that we are dealing with depressed areas, where the need is great and credit risks are great.

We have written into the bill that the applicant must try other available sources of borrowing capital, both private and public, and only when this fails is there a slightly more liberal scale under which this program will assist the borrowers.

We ought to have a little more leeway. There is a little more risk involved. We should not subject an applicant to a rigid means test. If the applicant could proceed in advance to guarantee that he could pay the money without question, the local banker would make the loan. We are considering loans to men the local bankers will not consider. Over and over again they have become successful.

In most cases the local organizational development group is involved, and it conforms with the overall economic pattern for the local area.

This would be too restrictive and would greatly curtail the program. One of the big criticsms about the way the ARA operated concerned the redtape an applicant had to go through when he ran the long gantlet of meeting the eligibility requirements of ARA, then going to the SBA, then back to the ARA. He was bounced back and forth like a volleyball. We are cutting out some redtape and getting a more reasonable assurance that deserving projects can obtain financing.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I am pleased to yield to my good friend.

Mr. KUNKEL. One of the great objections which I have to the gentleman's argument is that I do not believe these requirements are rigid. I believe they are just good commonsense requirements that will protect but not injure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The amendment was rejected.

Mr. BARRETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of S. 1648, the public works and economic development bill. This bill embodies the legislation requested by President Johnson to continue the important work being done by the Area Redevelopment Administration. Since 1961, many communities with basic economic problems have been helped by the Area Redevelopment Act, one of the first pieces of major legislation to be signed by President Kennedy. Hundreds of depressed areas throughout the country, including many in my own State of Pennsylvania, have received the loan and grant assistance which that act authorized. The bill now before us has the benefit of the experience under that act and I believe it is a sound bill deserving the support of all Members of the House.

The experience under the Area Redevelopment Act, and particularly under the highly successful accelerated public works program, is reflected in the bill before us today. This bill places great emphasis on Federal grant assistance to local public works in recognition that a community can prosper only if it is able to provide the many forms of public investment, such as streets, water and sewer facilities, public buildings, and the like.

Mr. Chairman, it is most important that we approve this bill today to continue the important work of helping areas with special economic problems. The fact that the country as a whole is enjoying unprecedented prosperity should not mislead us into forgetting that many communities and many groups of our population do not share in that prosperity.

Equally important, we should not let the rise of the economy in recent years lull us into a false feeling of security or make us think that this bill is not needed. All of us who have experienced the ups and downs of the economy and who know the deep-rooted nature of unemployment problems in particular areas, realize that basic economic growth and improvement is a long-range undertaking. We should not abruptly end the kind of assistance provided by this act. We should allow those efforts to continue until the recovery demonstrates that it is based on solid ground. Moreover, in the early stages of recovery there are always subareas which do not share the prosperity of the overall city or labor market.

Mr. Chairman, legislation to help depressed areas has come before the Committee on Banking and Currency, of which I am a member, many times in the past. The drive to establish this long-range program began a full decade ago and I am pleased to say that every time it was acted upon by our committee it had strong bipartisan support. This is because poverty and unemployment do not respect party lines, and responsible Members on both sides of the aisle have recognized the need for aid and the Federal responsibility to extend it. I am sure that when the final vote is taken today, those of us who believe that prosperity and the dignity and security of the American workingman are worth fighting for will be in the majority by a substantial margin.

AMENDMENT OFFERED BY MR. CRAMER

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: Page 71, line 16, strike out "AND GUARANTEES".

Page 71, line 17, strike out "(1)".

Page 72, line 2, strike out the semicolon and all that follows through and including line 9, and insert in lieu thereof a period.

Page 73, line 19, strike out "or guarantee".

Page 74, line 5, strike out "or guaranteed".

Mr. CRAMER. Mr. Chairman, very briefly, what this amendment does is to try to make this commercial loan section somewhat consistent with the GAO reports and recommendations or the existing law relating to area redevelopment. What it does is to strike out the guarantee of loans for working capital purposes. Working capital loans cannot be guaranteed under present law. What this does is it reverts the law to what it presently is relating to area redevelopment so that working capital loans cannot be made or guaranteed.

Section 202 of S. 1648 authorizes the Federal guarantee of loans for working capital made to private people by private lending institutions in connection with projects in redevelopment areas.

Now, what is the reason for striking this out? The Area Redevelopment Act specifically prohibits Federal financial assistance for working capital purposes. The bill contains no limitations for putting working capital guarantee loans in. It does so in such a fashion that it will contain no limitation or no guidelines concerning these loans. There is no limitation on the size of the loans to be guaranteed. They can be $1 million or $10 million of working capital. There is not any limitation whatsoever. There is no limitation on the period or the rate of interest or the terms of the loans. There is no limitation as to the amount of the guarantees to be outstanding at any one time. The only limitation—and it is not a real one—is found in section 201 which limits annual appropriations to $170 million annually. If we are going to act responsibly, what we should do is strike out these working capital loans. Otherwise a very substantial portion of this $170 million could go into working capital loans. If an outfit does not have enough working capital, the Government guaranteeing its plants, its sites, and the access to it and the public facilities to serve it and providing grants for the latter and loans for the former is not a very good type of business to try to encourage. It should be discouraged. So working capital loans, it has been the earlier decision of this Congress, should not be made. The issue is clearly before us. I do not think they should be made in the future particularly on such a broad and unlimited basis as is provided in this legislation, and this amendment will strike it out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: Page 71, following line 15, insert the following:

"(f) No financial assistance shall be extended under this section for the new construction of hotels, motels, or other housing for transients' use unless the community in which the project is located, under regulations prescribed by the Secretary, has caused to be made a competent, independent analysis of the local supply of transient housing and as a result thereof has determined that there exists in the area a need for additional units of such housing."

Page 77, following line 10, insert the following:

"(11) No such assistance shall be extended for the new construction of hotels, motels, or other housing for transients' use unless the community in which the project is located, under regulations prescribed by the Secretary, has caused to be made a competent, independent analysis of the local supply of transient housing and as a result thereof has determined that there exists in the area a need for additional units of such housing."

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. CLEVELAND. Mr. Chairman, these amendments are described in some detail on page 58 of the report on this bill, in my supplemental views. What these amendments do is to prohibit the construction of new motel and hotel facilities in areas which do not need them. I think the purpose of the amendment is quite clear. There have been several glaring examples of the abuse of ARA loans to construct new motels and hotels in areas that did not need them, where they were competing directly with hard-pressed taxpayers. Of course, the outstanding example was the construction of a large motel on the outskirts of Detroit, for almost $2 million, at a time when Detroit hotels and motels had an occupancy rate of 54 percent.

I think the Congress should bear in mind that the hotel and motel industry is having a tough time because of Internal Revenue Service regulations.

Also, as many of you know, there are drastic new minimum wage provisions which will certainly hurt some smaller motel and hotel operators. Generally speaking, it seems the height of unfairness to permit the construction of a new hotel or motel facility with ARA funds in those areas where it can be shown they do not need them, because existing facilities have excess facilities.

I think my amendment is adequately described on page 58 of the report, and I hope the House will adopt it.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment because while I am not on the committee I have a story to tell you about a hotel. We had a governmental agency. The Muskingum Conservancy District, which is a river watershed conservancy district, apply for a grant to build a hotel in a county, Carroll County, which was formerly in my district. The bureaucrats did everything they could to prevent this grant from being made because, they said, Congress had put in some language about hotels and there were people saying that we did not need it, that it would be a failure and it would not work. I had to go clear to the White House for a talk with President Kennedy to finally get that broken loose.

The grant was made. The local people put up $1,200,000. The Government put up $800,000. They built this hotel on the shores of a lake which was the only resource the county had. It provided a considerable amount of employment while it was being built. They dedicated it this year. It is booked to capacity for the rest of the season. It is booked two-thirds for next season. They are employing in this place 1 percent, not of the unemployed people of that county, but 1 percent of the total population of the county. This is a small county, only 18,000. They have 180 full- and part-time employees. And because of this single project that county is not any more eligible for ARA.

I cannot say this as eloquently as the gentleman from Pennsylvania said it, but that project has taken this county out of the class of high unemployment. If you approve any kind of an amendment which will give some bureaucrat—and most of them are afraid of their shadows—a chance to deny an application, you can bet that they will deny it.

Now, Mr. Chairman, as far as the hotel and motel industry is concerned, I do not know what it is like in Detroit but I can tell you that in my district there are many motels going up, along Interstate 70 and you cannot find a vacant room yet at night if you stop after 4 o'clock in the afternoon.

You know, Mr. Chairman, that is a little bit like the highway situation. I have long said that we cannot build interstate highways as fast as Detroit can build cars. If you put your motels in the right place, we are not producing motels as fast as they are producing babies in this country to fill them.

So, I would not worry too much about it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire.

The amendment was rejected.

AMENDMENT OFFERED BY MR. KUNKEL

Mr. KUNKEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KUNKEL: On page 77, line 21, after the period insert the following: "The fund may be used for the foregoing purposes, and for expenses of administration only in such amounts as shall be specified in annual appropriation Acts."

Mr. KUNKEL. Mr. Chairman, section 203 of S. 1648, as reported, establishes an economic development revolving fund in the U.S. Treasury to receive collections and repayments and to extend financial assistance under sections 201, 202, and 403 of the bill. Sections 201, 202, and 403 apply to loans for projects and loans for the administration of economic development districts.

Section 203 provides for a revolving fund, known as the economic development revolving fund, into which funds appropriated for loans and guarantees, and funds collected on outstanding loans under the existing Area Redevelopment Act, would be deposited. The Secretary of Commerce will draw funds for the purpose of providing loans and working capital guarantees from this fund.

One hundred and seventy million dollars appropriated for loans and guarantees under sections 201 and 202 of the bill and the loan portions of the $50 million appropriated for section 403 of the bill would go into the fund annually.

This section does not provide that moneys in the fund may be used for the loan program and for expenses of administration only in amounts specified in annual appropriation acts. The amendment which I have just offered would do this.

Section 203 of the bill, as reported, sets up the revolving fund without any restrictions whatsoever as to any review by the Congress being specifically provided.

There are few such precedents, if any, for this type of revolving fund. The Appropriations Committee has the right to review the revolving fund of the FHA, and I strongly believe that some type of congressional review should be established for this economic development revolving fund. I do not think that the Congress can justify establishing this revolving fund, which is in perpetuity, with absolutely no time limitation on its existence.

Even though some of the titles of this bill are limited to 5 years, this economic development revolving fund shall be in perpetuity, endless, and without the right of Congress specifically provided to review what the administrators of this legislation intend to do in forthcoming years and requiring them to make specific requests for money to be spent during a particular year out of the revolving fund, or to be used for guarantee purposes from the revolving fund, unless the language of this amendment is adopted. This is really the old back door spending question which keeps arising from time to time. Here it is a particularly aggravated form.

Congressional review is the usual procedure, and I would not think there would be too much question about the adoption of this amendment. There is no such provision in the current Area Redevelopment Act.

Mr. Chairman, this provision of the bill bypasses the Congress to a great degree and deprives it of the opportunity to subject the operating program to an annual review through the annual appropriation process. In 1961 the Comptroller General stated in a letter to Senator A. WILLIS ROBERTSON of Virginia, chairman of the Senate Committee on Banking and Currency:

> The continuing feature of these authorizations avoids the need of annual appropriations, and thus there is less compulsion for careful evaluation by successive Congresses of the need for continuing particular programs. We believe that * * * combining program authority with funding, tends to perpetuate programs that might not otherwise stand the test of recurring congressional reviews.

Speaking to the same point, during the public hearings on this bill this year, the Comptroller General said:

> We have consistently taken the view that the public interest is best served when congressional control of Federal activities is exercised through annual review and affirmative action on planned programs and financing requirements which attend the appropriation process.

The Comptroller General suggested that if the Congress decided to retain the revolving fund, the bill should be revised to provide that funds may be used for the loan programs and for administrative expenses only in amounts stipulated in annual appropriations acts.

Mr. Speaker, I agree fully with the Comptroller General on this recommendation on this section. Bypassing congressional review is unwise, and the Congress would be shrinking from its responsibilities, if it permitted such action.

Mr. Chairman, I strongly urge the adoption of this amendment.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Florida.

Mr. CRAMER. This is a new revolving fund; is it not? It is not in present law?

Mr. KUNKEL. It is not in the old law.

Mr. CRAMER. It involves $1.1 billion at the rate of $220 million a year for 5 years that can be paid into this fund and not at any time be subject to congressional review unless the gentleman's amendment is adopted?

Mr. KUNKEL. That is correct.

Mr. CRAMER. In addition, it provides in specific language for nearly $302 million of existing ARA loan money to be paid into the revolving fund, and not be subject to the appropriation processes; is that correct?

Mr. KUNKEL. That is correct.

Mr. CRAMER. We are talking about $1.4 billion, and in addition to that, interest will come into the fund, increasing it further. This fund is not subject to the 5-year limitation written in the other sections of the bill?

Mr. KUNKEL. Yes.

Mr. CRAMER. Unless the amendment is adopted, the Congress is not going to get another look at this unprecedented process involving $1.4 billion that this new section provides for under section 203?

Mr. KUNKEL. That is correct. And may I say to the gentleman there has always been bipartisan support to eliminate backdoor spending or at least to keep it at a minimum. Now we appear to be going overboard the other way.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, there is no need for this amendment. It would utterly negate the entire purpose of having a revolving fund. It is the common practice of lending agencies of the Government, as well as in the private sector, that when moneys come back from loans those moneys were available for new loans.

The provision in this bill setting up a revolving fund is identically the same as that employed by the Small Business Administration for years in administering its revolving fund.

Do the gentleman say there is no congressional review? There will be congressional review. The Secretary is going to need appropriations to the revolving fund, periodically, perhaps every year. He will have to go to the Appropriations Committee for those appropriations as well as for certain administrative expenses. He will have to give an accounting at that time to the Appropriations Committee on his stewardship of the revolving fund as do the administrators of the FHA, the Small Business Administration, and other revolving funds.

There is nothing new in this. It is exactly the same, and there is no need for the amendment. It would, as I said, negate and complicate administration of the act.

I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KUNKEL].

The amendment was rejected.

Mr. BLATNIK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to call attention to the language at the bottom of page 76, and at the top of page 77, where there is this provision:

> No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area.

A significant aspect of this bill is the requirement that projects be submitted in accordance with an overall economic development program for the area or district. The reason why this is so important is the necessity of assuring ourselves that there is a logical, consistent plan for making these public and private investments and that most of the people in the area are agreed upon what ought to be done and what the priorities are.

For this reason, it is absolutely essential that the overall economic development program be prepared in cooperation with a representative committee or group with membership from the major economic elements within the area, particularly those which will feel the impact of the program and who can make a contribution of it.

In addition, the overall economic development program ought to be official, that is, the group preparing it ought to be recognized as qualified by an appropriate governmental authority.

The local development program itself ought to contain provision for the organizations which will have the responsibility for seeing to it that it is carried out, and it ought to contain provisions for periodic updating.

I believe that if we adhere to these criteria, we will have good overall economic development programs, and we can be assured that the money appropriated to these programs will have the maximum economic effect.

The CHAIRMAN. If there are no further amendments to title II of the bill, the Clerk will read.

The Clerk read as follows:

TITLE III—TECHNICAL ASSISTANCE, RESEARCH, AND INFORMATION

SEC. 301. (a) In carrying out his duties under this Act the Secretary is authorized to provide technical assistance which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment (1) to areas which he has designated as redevelopment areas under this Act, and (2) to other areas which he finds have substantial need for such assistance. Such assistance shall include project planning and feasibility studies, management and operational assistance, and studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff, through the payment of funds authorized for this section to other departments or agencies of the Federal Government, through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to appropriate public or private nonprofit State, area, district, or local organizations. The Secretary, in his discretion, may require the repayment of assistance provided under this subsection and prescribe the terms and conditions of such repayment.

(b) The Secretary is authorized to make grants to defray not to exceed 75 per centum of the administrative expenses of organizations which he determines to be qualified to receive grants-in-aid under subsection (a) hereof. In determining the amount of the non-Federal share of such costs or expenses, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services. Where practicable, grants-in-aid authorized under this subsection shall be used in conjunction with other available planning grants, such as urban planning grants authorized under the Housing Act of 1954, as amended, and highway planning and research grants authorized under the Federal Aid Highway Act of 1962, to assure adequate and effective planning and economical use of funds.

(c) To assist in the long-range accomplishment of the purposes of this Act, the Secretary, in cooperation with other agencies having similar functions, shall establish and conduct a continuing program of study, training, and research to (A) assist in determining the causes of unemployment, underemployment, underdevelopment, and chronic depression in the various areas and regions of the Nation, (B) assist in the formulation and implementation of national, State, and local programs which will raise income levels and otherwise produce solutions to the problems resulting from these conditions, and (C) assist in providing the personnel needed to conduct such programs. The program of study, training, and research may be conducted by the Secretary through members of this staff, through payment of funds authorized for this section to other departments or agencies of the Federal Government, or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants to such individuals, organizations, or institutions, or through conferences and similar meetings organized for such purposes. The Secretary shall make available to interested individuals and organizations the results of such research. The Secretary shall include in his annual report under section 706 a detailed statement concerning the study and research conducted under this section together with his findings resulting therefrom and his recommendations for legislative and other action.

(d) The Secretary shall aid redevelopment areas and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas. The Secretary may furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

(e) The Secretary shall establish an independent study board consisting of governmental and nongovernmental experts to investigate the effects of Government procurement, scientific, technical, and other related policies, upon regional economic development. Any Federal officer or employee may, with the consent of the head of the department or agency in which he is employed, serve as a member of such board, but shall receive no additional compensation for such service. Other members of such board may be compensated in accordance with the provisions of section 701(10). The board shall report its findings, together with recommendations for the better coordination of such policies, to the Secretary, who shall transmit the report to the Congress not later than two years after the enactment of this Act.

SEC. 302. There is hereby authorized to be appropriated $25,000,000 annually for the purposes of this title, for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1970.

Mr. BLATNIK (during the reading of the bill). Mr. Chairman, I ask unanimous consent that title III be considered as read and be open for amendment at any point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. Are there any amendments to title III?

If there are no amendments, the Clerk will read.

The Clerk read as follows:

TITLE IV—AREA AND DISTRICT ELIGIBILITY

Part A—Redevelopment areas

Area Eligibility

SEC. 401. (a) The Secretary shall designate as "redevelopment areas"—

(1) those areas in which he determines, upon the basis of standards generally comparable with those set forth in paragraphs (A) and (B), that there has existed substantial and persistent unemployment for an extended period of time and those areas in which he determines there has been a substantial loss of population due to lack of employment opportunity. There shall be included among the areas so designated any area—

(A) where the Secretary of Labor finds that the current rate of unemployment, as determined by appropriate annual statistics for the most recent available calendar year, is 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (B); and

(B) where the Secretary of Labor finds that the annual average rate of unemployment has been at least—

(i) 50 per centum above the national average for three of the preceding four calendar years, or

(ii) 75 per centum above the national average for two of the preceding three calendar years, or

(iii) 100 per centum above the national average for one of the preceding two calendar years.

The Secretary of Labor shall find the facts and provide the data to be used by the Secretary in making the determinations required by this subsection;

(2) those additional areas which have a median family income not in excess of 40 per centum of the national median, as determined by the most recent available statistics for such areas;

(3) those additional Federal or State Indian reservations or trust or restricted Indian-owned land areas which the Secretary, after consultation with the Secretary of the Interior or an appropriate State agency, determines manifest the greatest degree of economic distress on the basis of unemployment and income statistics and other appropriate evidence of economic underdevelopment;

(4) upon request of such areas, those additional areas in which the Secretary determines that the loss, removal, curtailment, or closing of a major source of employment has caused within three years prior to, or threatens to cause within three years after, the date of the request an unusual and abrupt rise in unemployment of such magnitude that the unemployment rate for the area at the time of the request exceeds the national average, or can reasonably be expected to exceed the national average, by 50 per centum or more unless assistance is provided. Notwithstanding any provision of subsection 401(b) to the contrary, an area designated under the authority of this paragraph may be given a reasonable time after designation in which to submit the overall economic development program required by subsection 202(b)(10) of this Act;

(5) notwithstanding any provision of this section to the contrary, those additional areas which were designated redevelopment areas under the Area Redevelopment Act on or after March 1, 1965: *Provided, however,* That the continued eligibility of such areas after the first annual review of eligibility conducted in accordance with section 402 of this Act shall be dependent on their qualification for designation under the standards of economic need set forth in subsections (a)(1) through (a)(4) of this section.

(b) The size and boundaries of redevelopment areas shall be determined by the Secretary: *Provided, however,* That—

(1) no area shall be designated until it has an approved overall economic development program in accordance with subsection 202(b)(10) of this Act;

(2) any area which does not submit an acceptable overall economic development program in accordance with subsection 202(b)(10) of this Act within a reasonable time after notification of eligibility for designation, shall not thereafter be designated prior to the next annual review of eligibility in accordance with section 402 of this Act;

(3) no area shall be designated which does not have a population of at least one thousand five hundred persons, except for areas designated under subsection 401(a)(3), which shall have a population of not less than one thousand persons; and

(4) except for areas designated under subsections (a)(3) and (a)(4) hereof, no area shall be designated which is smaller than a "labor area" (as defined by the Secretary of Labor), a county, or a municipality with a population of over two hundred and fifty thousand, whichever in the opinion of the Secretary is appropriate.

(c) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, the Secretary of the Interior, and such other heads of agencies as may be appropriate are authorized to conduct such special studies, obtain such information, and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Secretary shall reimburse when appropriate, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(d) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Secretary as a redevelopment area.

Annual Review of Area Eligibility

SEC. 402. The Secretary shall conduct an annual review of all areas designated in accordance with section 401 of this Act, and on the basis thereof shall terminate or modify the designations of such areas in accordance with objective standards which he shall prescribe by regulation. No area previously designated shall retain its designated status unless it maintains a currently approved overall economic development program in accordance with subsection 202(b)(10). No termination of eligibility shall (1) be made without thirty days' prior notification to the area concerned, (2) affect the validity of any application filed, or contract or undertaking entered into, with respect to such area pursuant to this Act prior to such termination, (3) prevent any such area from again being designated a redevelopment area under section 401 of this Act if the Secretary determines it to be eligible under such section, or (4) be made in the case of any designated area where the Secretary determines that an improvement in the unemployment rate of a designated area is primarily the result of increased employment in occupations not likely to be permanent. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the classification of any area.

Part B—Economic development districts

SEC. 403. (a) In order that economic development projects of broader geographical significance may be planned and carried out, the Secretary is authorized—

(1) to designate appropriate "economic development districts" within the United States with the concurrence of the States in which such districts will be wholly or partially located, if—

(A) the proposed district is of sufficient size or population, and contains sufficient resources, to foster economic development on a scale involving more than a single redevelopment area;

(B) the proposed district contains two or more redevelopment areas;

(C) the proposed district contains one or more redevelopment areas or economic development centers identified in an approved district overall economic development program as having sufficient size and potential to foster the economic growth activities necessary to alleviate the distress of the redevelopment areas within the district; and

(D) the proposed district has a district overall economic development program which includes adequate land use and transportation planning and contains a specific program for district cooperation, self-help, and public investment and is approved by the States or States affected and by the Secretary;

(2) to designate as "economic development centers," in accordance with such regulations as he shall prescribe, such areas as he may deem appropriate, if—

(A) the proposed center has been identified and included in an approved district overall economic development program and recommended by the State or States affected for such special designation;

(B) the proposed center is geographically and economically so related to the district that its economic growth may reasonably be expected to contribute significantly to the alleviation of distress in the redevelopment areas of the district; and

(C) the proposed center does not have a population in excess of two hundred and fifty thousand according to the last preceding Federal census.

(3) to provide financial assistance in accordance with the criteria of sections 101, 201, and 202 of this Act, except as may be herein otherwise provided, for projects in economic development centers designated under subsection (a)(2) above, if—

(A) the project will further the objectives of the overall economic development program of the district in which it is to be located;

(B) the project will enhance the economic growth potential of the district or result in additional long-term employment opportunities commensurate with the amount of Federal financial assistance requested; and

(C) the amount of Federal financial assistance requested is reasonably related to the size, population, and economic needs of the district;

(4) subject to the 20 per centum non-Federal share required for any project by subsection 101(c) of this Act, to increase the amount of grant assistance authorized by section 101 for projects within redevelopment areas (designated under section 401), by an amount not to exceed 10 per centum of the aggregate cost of any such project, in accordance with such regulations as he shall prescribe if—

(A) the redevelopment area is situated within a designated economic development district and is actively participating in the economic development activities of the district; and

(B) the project is consistent with an approved district overall economic development program.

(b) In designating economic development districts and approving district overall economic development programs under subsection (a) of this section, the Secretary is authorized, under regulations prescribed by him—

(1) to invite the several States to draw up proposed district boundaries and to identify potential economic development centers;

(2) to cooperate with the several States—

(A) in sponsoring and assisting district planning and development groups, and

(B) in assisting such district groups to formulate district overall economic development programs;

(3) to encourage participation by appropriate local governmental authorities in such economic development districts.

(c) The Secretary shall by regulation prescribe standards for the termination or modification of economic development districts and economic development centers designated under the authority of this section.

(d) As used in this Act, the term "economic development district" refers to any area within the United States composed of cooperating redevelopment areas and, where appropriate, designated economic development centers and neighboring counties or communities, which has been designated by the Secretary as an economic development district.

(e) As used in this Act, the term "economic development center" refers to any area within the United States which has been identified as an economic development center in an approved district overall economic development program and which has been designated by the Secretary as eligible for financial assistance under sections 101, 201, and 202 of this Act in accordance with the provisions of this section.

(f) For the purpose of this Act the term "local government" means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

(g) There is hereby authorized to be appropriated not to exceed $50,000,000 for the fiscal year ending June 30, 1967, and for each fiscal year thereafter through the fiscal year ending June 30, 1970, for financial assistance extended under the provisions of subsection (a)(3) and (a)(4) hereof.

(h) In order to allow time for adequate and careful district planning, subsection (g) of this section shall not be effective until one year from the date of enactment.

Mr. BLATNIK (during the reading of the bill). Mr. Chairman, I ask unanimous consent that title IV be considered as read and be open for amendment at any point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

AMENDMENT OFFERED BY MR. BALDWIN

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN: Page 84, line 24, strike out "on or after March 1, 1965" and insert in lieu thereof "as of the date of enactment of this Act".

Mr. BALDWIN. Mr. Chairman, under the provisions of the bill on page 84, this bill would automatically bring in under the coverage of this act any area that met the test of the present Area Redevelopment Act, as of March 1 of this year, 1965, even though the area may have gone off the rolls as a depressed area between that date and the present time.

In fact, there are 423 areas in the country that met the test of the ARA, the present act, on March 1, 1965, which between then and now have been removed from that category. It seems to me that there is no valid purpose to put a retroactive date in this act and to cover 423 areas that no longer meet the test of a depressed area under the ARA which now exists.

My amendment would simply eliminate that retroactive provision and provide that only those areas that meet the test of the present Area Redevelopment

Act, as of the date of enactment of this bill, will qualify under this particular section of the bill and be brought in under the coverage of the bill.

Mr. Chairman, the purpose of this type of legislation is to provide special aid for areas of surplus unemployment. To allow areas to come in through a retroactive provision that no longer qualify as having surplus unemployment is not only not consistent with the objectives of this bill, but is one of the things that the General Accounting Office has pointed out is completely inconsistent with the purposes of this act. The General Accounting Office in some of its reports has mentioned that the Area Redevelopment Administration has abused the purposes of the present act by allocating funds to areas that had already gone off the rolls as areas that meet the test of the Area Redevelopment Act. So, my amendment would correct that abuse as well, by making sure that we do not cover any areas under this provision that, as of the date of enactment of this bill, would not qualify under the present Area Redevelopment Act.

Mr. OLSEN of Montana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we discussed this matter in committee at great length and discussed at length just what date we should have as the cut-off date for communities that had gone off the ARA rolls. The reason we provided this retroactive date to qualify these communities is that many communities that had qualified and were on the rolls are still sick.

They are still having their troubles. The only reason why the unemployment percentage has dropped has been the exodus of the unemployed. The community is still a sick community and needs assistance under the Area Redevelopment Act. For that reason we picked a retroactive date to qualify these some 400 communities to have administered to them some of the medicine of ARA to cure their economic ills. As the gentleman from Pennsylvania [Mr. Flood] said so well, we wish to make taxpayers out of these communities, instead of taxeaters.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California, Mr. Baldwin.

The amendment was rejected.

AMENDMENT OFFERED BY MRS. MINK

Mrs. MINK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. Mink: On page 86, after line 16, insert the following:

"(d) If a State has no area designated under the preceding subsections of this section as a redevelopment area, the Secretary shall designate as a redevelopment area that area in such State which in his opinion most nearly qualifies under such preceding subsections. An area so designated shall have its eligibility terminated in accordance with the provisions of section 402 if any other area within the same State subsequently has become qualified or been designated under any other subsection of this section as of the time of the annual review prescribed by section 402: *Provided*, That the Secretary shall not terminate any designation of an area in a State as a redevelopment area if to do so would result in such State having no redevelopment area."

And reletter the succeeding subsection and any references thereto accordingly.

Mrs. MINK. Mr. Chairman, the amendment I offer to title 4 is a very simple amendment. It will incorporate into this new measure, which replaces the old Area Redevelopment Act, a provision which enabled two or three States to qualify for ARA assistance although these States did not meet the specific eligibility requirements set forth under that act. Without this amendment these three States, which have indeed received benefits under ARA, upon having the annual review next year would find themselves without any ability to qualify under this measure.

In order to continue the benefits which these communities have received, this amendment is necessary to assure that no State in the Union goes without recognition in terms of its particular problems in economic development.

Mr. MATSUNAGA. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I am happy to yield to my colleague from Hawaii.

Mr. MATSUNAGA. I commend the gentlewoman from Hawaii, my colleague, for offering the amendment. Hawaii offers a unique situation which calls for unique treatment. I ask my colleagues of the House to support this amendment.

Mr. BLATNIK. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I am delighted to yield to the gentleman from Minnesota.

Mr. BLATNIK. The gentlewoman has offered a very proper amendment. Her case, of course, is always a sound, logical, and persuasive one. The Members from the great State of Hawaii have discussed this with the chairman and the members of the committee. Their argument is a valid one.

The amendment would set no new precedent. Language rather similar to this, permitting such action, was contained in the original Area Redevelopment Act. There was some question about an interpretation, which I will not go into at this point, for it is available in the record, from the General Accounting Office. The other body reaffirmed and upheld the original intent that each State shall have at least one such area.

We do accept the amendment sponsored by the gentlewoman from Hawaii.

Mrs. MINK. I thank the gentleman.

Mr. CLEVELAND. Mr. Chairman, I rise in support of the amendment.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Vermont.

Mr. STAFFORD. I want to take this opportunity to compliment the gentlewoman from Hawaii on the amendment which she has offered. I think it is a very constructive step and an improvement of the legislation which is now pending before the House. I appreciate the gentleman from New Hampshire yielding so that I can assure the gentlewoman of my support of her amendment.

Mr. CLEVELAND. Mr. Chairman, I rise in support of the amendment offered by the gentlelady from Hawaii. This amendment is exactly the same as mine which the committee previously rejected. I think this amendment accomplishes the same purpose as the amendment I intended to introduce and which I discussed at some length on pages 58 and 59 of the committee report on this bill.

Not only would I like to commend the gentlewoman for having offered this amendment, but apparently in doing so she has been most persuasive. So I want to commend her not only on having offered this excellent amendment, because the amendment is sound, but also I want to commend the gentlelady for her persuasive powers. The purpose of this amendment is to insure that every State will have at least one area entitled to the advantages of this act. The ARA Administrator will benefit from having at least one area in every State. It is only fair to States which do not have areas that qualify for the benefit to have at least one area, however small. Under the present state of the law and the facts, New Hampshire, probably Vermont, Hawaii, and Delaware will be left without any area covered as soon as the first annual review is completed. The reason that they have areas now is because of the so-called Proxmire amendment, which requires the broadest possible distribution of the program, and because of the grandfather clause in the bill.

I cannot speak for Vermont, Delaware, or Hawaii, but the reason that New Hampshire will not qualify after the first annual review is because the unemployment rates in our most disadvantaged area—northern New Hampshire—do not qualify under the criteria of S. 1648. This is because people in northern New Hampshire, when they have not been able to obtain work, have had the "get-up-and-go" spirit to go out to find work, often at great personal sacrifice. They do not stay at home on unemployment, but their departures leave a diminished number of taxpayers to bear the burdens of the communities which they have left. This problem of out-migration, which is a real one, has been almost totally ignored and overlooked by ARA officials who rely too heavily on official unemployment statistics. The committee has amended the bill to force upon the ARA Administrator consideration of out-migration problems, but apparently he remains unconvinced.

Mr. CRAMER. Mr. Chairman, I rise in opposition to the amendment, and respectfully I say to the distinguished gentlewoman, and with some reluctance, that I think this amendment demonstrates just how foolish this program is getting. What you are going to do is in effect have a redevelopment area in every State even though within that State there is no need for it. There is no area which qualifies under the criteria in the rest of the legislation. So what you are going to do is give that area a discriminatory advantage as compared to all other areas which do meet the criteria. It shows how far afield from the objective we are getting when we are going to force money into a State by forcing an area to be declared a redevelopment area even though under the tests in the legislation they would not so qualify.

I understand what is trying to be done. This gets a few more votes for the bill and brings in States that would not be in otherwise. I say I do not think it is sound or rational or logical. It is one of the areas of the legislation that the General Accounting Office strongly criticized because it was decided that under present law you can do this and it makes no sense to put money where you do not have the need as compared to the need in other areas.

Mrs. **MINK**. Mr. Chairman, will the gentleman yield?

Mr. **CRAMER**. I yield to the gentlewoman from Hawaii.

Mrs. **MINK**. I would certainly like to correct the record on this point, if in not concluding my remarks I left the impression that one county in Hawaii that has received benefits under the Area Redevelopment Act is not a county that is economically depressed. Hawaii is a very unique State in that it is not made up of one contiguous mass of land. We are separated by bodies of water. One of the large islands, consequently, having some 4,000 square miles in area, being four times the size of Rhode Island and twice the size of Delaware and just about the same size as the entire State of Connecticut, is an island that has only 60,000 inhabitants living on it. Eighty percent of the total population of my State lives in the city and county of Honolulu. The fact that this island, which contains nearly two-thirds of the land area of my State is so underpopulated has made our State ineligible to qualify under the old Area Redevelopment Act. We have benefited a great deal by the provision which was so wisely inserted by the 87th session of Congress which made it possible for at least one county of a State, regardless of the eligibility requirements, eligible to receive these benefits. All I ask in the approval of my amendment is that this same consideration be incorporated in this new measure.

Make no mistake; no county will be forced to accept this money, as some may believe. The counties must request this and must participate in it. Therefore, I urge that my colleagues support this amendment.

Mr. **CRAMER**. Mr. Chairman, in answer to the gentlewoman's question, I appreciate her position and I appreciate every State wanting to get some of this money. But I say again, if a State does not have a redevelopment area that needs it under the same test that the rest of the States have to conform to, then it does not make sense to force money into that State, into an area that is not really depressed under the definition of the bill.

GAO said it should not be done under the old law. The administration said it should not be done in the bill that they sent up this year. I say it should not be done, regardless of the gentlewoman's position.

Mr. **MATSUNAGA**. Mr. Chairman, will the gentleman yield?

Mr. **CRAMER**. I yield to the gentleman.

Mr. **MATSUNAGA**. Mr. Chairman, I wish to point out two unique conditions which exist in the State of Hawaii which do not exist in other States. One is that we have only four counties in the State of Hawaii. The second is that the counties consist of several islands. The county of Maui, for example, consists of three islands. On one island we had an unemployment rate of about 6.3 percent at one time. While the unemployment rate on this island was 6.3 percent, the island itself could not qualify because on the two other islands there was an unemployment rate of about zero, which brought down the unemployment rate in the county as a whole below the qualifying rate.

So that with this unique situation existing in Hawaii, while we do have need for programs such as this, because of the county divisions we cannot qualify legally. We ask you on the other side of the aisle, as well as on this side, to support this amendment which will provide needed assistance to our youngest sister State.

The **CHAIRMAN**. The question is on the amendment offered by the gentlewoman from Hawaii.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FARBSTEIN

Mr. **FARBSTEIN**. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by FARBSTEIN: Page 86, line 3, strike out "or".

Page 86, after line 4, insert the following: "or a compact contiguous area containing a population of over two hundred thousand,".

Mr. **FARBSTEIN**. Mr. Chairman, under the definition of this bill only a county or a municipality with a population to over 250,000 may be entitled to assistance, provided they meet the other qualifications of the law. That is to say, they are a labor area where there is greater than 50 percent unemployment. One may wonder why as a Representative of the great county of New York I offer an amendment to this bill, especially in view of the fact that Wall Street is in the county of New York and Park Avenue is also in the county of New York.

It so happens that under the statistics of the Bureau of Labor Statistics, New York County is not entitled to any assistance under this act because there is only 7 percent unemployment for the year 1964, and 7.8 percent unemployment is required for that year. Although the entire county of New York is not entitled to any assistance because it does not qualify within the county of New York there are pockets of tremendous poverty; there are pockets of poverty that exceed those in Appalachia. In my district on the lower East Side, in West Harlem, in Spanish Harlem, and on the East Side you have truly disadvantaged people who certainly should get assistance under this act.

Why should there be discrimination against the city simply because the entire city or the county taken together does not qualify? If a certain area or neighborhood has a population of over 200,000—and it is a compact and contiguous area; it should qualify for assistance.

Now, Mr. Chairman, one of the objections I have heard has been that the Department will be unable to administer it. That to me is a lot of poppycock, because it certainly can be administered by the city of New York wherein these three areas which are disadvantaged and underprivileged are entitled to support.

Further, they say that they are unable to determine the population. Well, I feel the same as to that as I did of the other, because I have a statement here from the Bureau of the Census showing that on the East Side there are over 200,000 and in Harlem there are over 200,000 in population. Under these circumstances, it seems to me it is only a matter of common decency that these areas should be aided.

In upstate New York and other sections, there is legislation which covers them. There is one particular area which has a population of about 30,000 people and they have received about $800,000 under this legislation.

Mr. Chairman, there are five or six different areas with a population of under 90,000 who have been receiving assistance. Yet areas of New York City and other large cities in the country fail to receive assistance.

Therefore, I urge your favorable consideration of this amendment.

Mr. Chairman, I support S. 1648, the Public Works and Economic Development Act of 1965, because it expands and improves upon its progressive and worthwhile predecessors, the Area Redevelopment Act of 1961 and the Public Works Acceleration Act of 1962. I believe S. 1648 will continue the vital task of rescuing from the vicious cycle of creeping economic deterioration, the poverty pockets of this Nation, poverty pockets which continue to exist in the very midst of our unprecedented national prosperity.

The successful administration of area redevelopment programs in depressed areas has demonstrated to most of us that an area with a high unemployment rate and a low economic potential often can pull itself out of the economic quagmire if it received just a little outside help. Public works construction provides jobs, but that is only an immediate benefit—the long-term payoff comes when a community with improved public facilities can attract a high-caliber population and large industrial enterprises, which, in turn, generate more jobs. Thus, financial assistance to localities in the construction of public works projects turns out to be one of the strongest weapons in the war on poverty arsenal.

But in providing for economically depressed areas across this great Nation, we have overlooked, both in this bill and in previous legislation, a group of poverty pockets which sorely needs area redevelopment assistance. I refer to depressed areas within our large cities.

As this bill is now drafted, Mr. Chairman, it excludes from eligibility all areas smaller than a labor area as defined by the Secretary of Labor, a county, or a municipality with a population of over 250,000.

The result is that small depressed areas which lie within municipal or county boundaries, no matter how intensely populated, no matter how poverty stricken, are rendered ineligible for aid under this bill. I believe that this is a needless inequity which can and must be remedied.

My amendment will accomplish that end. It will make eigible for area redevelopment assistance "compact and contiguous areas containing a population of over 200,000." Such areas as Harlem and the lower East Side, in my own city of New York, and similarly depressed urban areas in other cities, will then come under the provisions of S. 1648.

I submit, Mr. Chairman, that the economics of deterioration has the same effect on the lower East Side, which is in the district I represent, as it does in Appalachia. Masses of people live where jobs are scarce and incomes are low. In either case, only a very few are able to overcome their origins and migrate to places where economic opportunities are more promising. Most stay, and stagnate and suffer.

On one hand, in areas like Appalachia, a low economic base makes it very difficult for a locality to finance public improvements which, in turn, attract business and industry and jobs. On the other hand, depressed urban areas like the lower East Side suffer from a dearth of public improvements financed by city and State, because its set of problems is only one of a great number with which local officials must try to cope. There are simply never enough funds to finance the necessary public works projects, projects which will provide jobs in the slums, projects which will indicate to business and industry that there are opportunities for commerce within the urban concentrations.

Mr. Chairman, my dream is to see the slums of our great cities transformed into attractive and well-planned complexes of employment providing business and industry, side by side with enough decent and reasonably priced housing for the city dweller. I believe the urban industrial and commercial opportunities, which exist, for those who are imaginative and farsighted enough to recognize them, are limitless.

Congress can attract industry to the slums. Congress can attract jobs to the slums. Congress can attract to the slums the large-scale financial pump-priming that only private enterprise, investing in its own future, can contribute. Congress can accomplish all this by passing my amendment to make eligible for area redevelopment assistance the urban concentrations not now covered by S. 1648.

The other day, I was reviewing a list of public works projects approved by the Area Redevelopment Administration of the Department of Commerce as of June 15, 1965. I was struck by the fact that Putnam County, N.Y., is to receive area redevelopment assistance under the Accelerated Public Works Act of 1962 totaling $838,000 for construction of a hospital, a jail, and for habitat improvement. I looked up the population figures and discovered that Putnam County, which is predominantly rural, has a population of 31,722.

Mr. Chairman, I do not doubt that the 31,722 people of Putnam County need the 1,356 estimated man-months of work this assistance will provide. But, I would like to make the point that the almost 300,000 people of Harlem, a compacted area within New York County with a much higher rate of unemployment than the 7 percent reported for New York County as a whole, are also in dire need of area redevelopment assistance. And they are not getting it under this bill. They are specifically excluded from such assistance under title IV, section 401 (b) (4).

I do not know how many of my colleagues have been to New York City and have viewed firsthand the poverty and lack of economic opportunity which exists in Harlem and on the lower East Side today. Those who have, know that area redevelopment assistance such as is provided by S. 1648 would go a long way toward making these pockets of poverty decent places to live and work.

I ask that every Member of the House support my amendment to extend such assistance to the depressed and deteriorated areas of urban America.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Chairman, I would like to congratulate the gentleman from New York for his excellent amendment. I believe if the amendment were adopted—and I certainly hope that the Committee will adopt it—this would bring the large cities of America that now have 78 percent of this Nation's population into this program.

Mr. Chairman, one of the great inequities of this program is that the large cities have not been able to participate to the extent that the gentleman from New York has expressed in his amendment.

I would like to congratulate the gentleman for his amendment. I feel it is an important amendment and I hope the membership will realize the full scope of what the gentleman is trying to do here and support him in his efforts.

Mr. HOWARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the problems raised by unemployment in parts of our large cities are certainly very real problems and they do demand solution.

We would hope that no one would think that in opposing this amendment we are denying the seriousness of the problems in the large cities.

However, this proposed amendment would be almost impossible to administer, would be difficult to explain, it would dilute the bill's total effectiveness and it is doubtful if it would really meet the needs of the people who live in the cities.

First of all, Mr. Chairman, there is the problem of compact and contiguous areas which must be designated within the large cities if this amendment were adopted. Anyone who has had any experience in recent days with reapportionment within our States, knows the difficulty we would have with "compact and contiguous." We may take a certain family that has three or four people working and say, "We are going around that house because to include it would make us ineligible, but we will cut through a backyard and include the Kelly family where they have two persons unemployed and therefore make our compact and contiguous area eligible."

Mr. Chairman, certainly we have a problem with the figure of 200,000. Why 200,000? Perhaps in 10 or 15 minutes we will have an amendment the purpose of which would be to bring it down to 50,000 or 25,000 or 10,000. It would be extremely expensive to get the figures for any particular area within a city.

Most importantly and most significantly, however, this bill does not address itself to the problems that do exist in our cities. If a city does not have the high rate of unemployment that would make it eligible, we must assume that there are jobs there. The problem, mainly, with our cities and our city people being unemployed is racial discrimination on the one hand and, also, it is the problem of lack of training of people for the jobs that are available on the other hand.

Mr. Chairman, this bill addresses itself to creating more jobs where they are needed. It creates within an area a climate that will attract industry to provide jobs in high unemployment areas.

Mr. Chairman, we have worked on the problems of the big cities to train the people for the jobs that are available. We have passed a great aid-to-education bill which hits at the real problem—at the secondary and elementary school levels. We have passed an antipoverty bill. We have extended and expanded the Manpower Development and Retraining Act.

Mr. Chairman, the intention of the amendment offered by the gentleman from New York is an excellent one indeed.

But I submit his amendment is not proper at this time, and certainly not in this bill.

I urge that the amendment be defeated.

Mr. YATES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have listened to the arguments in opposition to the amendment, and I must say all of them, in my judgment, were unrealistic. Most of them have been directed at the difficulty of administering the program. But difficulty of administration is not an argument where the purpose of the amendment is well founded in equity and in fairness.

The purpose of this bill is to help those areas that contain pockets of unemployment, to be able to find a way to put those people to work. Why should not all cities be included, the big cities, too? In the area of the type described by the gentleman from New York, or in my city of Chicago, there are pockets of unemployment within the cities themselves. They qualify in every respect for help under this bill in the event that the definition for area is changed. Would they be ruled out by a faulty definition?

The gentleman talks about the difficulties of establishing compactness and continuity, and he cites the reapportionment statute. But that argument is not appropriate in a discussion of this kind. All of us, particularly those facing reapportionment, now know the facts of life relating to apportionment. We know the political maneuvering that goes on in State legislatures, and the reasons underlying selection of political boundaries. Those arguments are not applicable in a bill of this kind.

The gentleman spoke about the fact that this bill is not addressed to large urban centers. That is true, and that is the purpose of this amendment, to make it applicable to urban centers. Why should they not be included? Is unemployment less of a problem if it exists in urban centers? If an area of New York City of the type described by the gentleman from New York qualifies in every respect except for the definition, then the definition is faulty and should be changed. In my city of Chicago there are pockets of unemployment, where the unemployment rate is 9.1. Why should not the benefits of this bill bring relief to such areas?

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. FARBSTEIN. In connection with this difficulty of obtaining census figures, and what is compact and contiguous, I went to the Library of Congress, and the Library of Congress wrote me in a letter dated August 11, 1965:

> The New York City Planning Commission estimates that the population of central Harlem in 1960 was 221,300.

And it gives the boundaries. This letter states further:

> The 1960 estimated population of the lower East Side is 215,600.

And it gives the boundaries. If the Library of Congress can get this information, how can anybody suggest there is any difficulty in learning what is a compact and contiguous area as far as population is concerned? In Census they will be able to give you the figures.

Mr. YATES. I agree with the gentleman.

Mr. FARBSTEIN. The argument is ridiculous.

Mr. YATES. The purpose of this bill is to help people find jobs. What difference does it make if the people are located in an area that is now within the definition of the act, or an area that is within the confines of a big city, if they cannot find jobs in the big city?

The benefits of this bill should be directed to the people of cities, too, and that is the purpose of the amendment. The amendment should be adopted.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New Jersey.

Mr. HOWARD. The gentleman stated this is not addressed to urban centers. Under this qualification, whether it be urban or rural, it qualifies them under this bill.

Mr. YATES. It should qualify under the bill but unfortunately, the definition in this bill does not apply to an area within a city such as has been described by the gentleman from New York.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. FARBSTEIN. Under the law, it has to be either a city or county. I do not care whether it is urban, suburban, or rural, it has to be a city or a county under this legislation which permits any area to get assistance.

Mr. YATES. I agree with the gentleman from New York. We are concerned with the Nation's largest cities, the metropolis. Many of the cities in this country are tremendous in size. They do not fit the present definition of this bill. It is said it was the purpose of this bill to exclude them. If so, that purpose should be changed to include them. We are trying now to see that they are included. They should be included because within their boundaries areas exist where the unemployment statistics show almost 10 percent unemployment. I think the purposes of this bill can be met in accordance with the amendment offered by the gentleman and I certainly urge that this amendment be accepted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is no question about the severity of the problems in these areas—these large complex cities. We are not only sympathetic—we want to do something to help them. But you are not going to help them by making it impossible to administer this. You are only going to foul it up. This is only one of a series of bills in an effort to try to correct these economic ills.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I will be glad to yield to the gentleman after I complete my statement.

Mr. FARBSTEIN. I would just ask the gentleman to be specific when he talks of the inability to administer this.

Mr. BLATNIK. Mr. Chairman, we want to define and we should define these areas legally and the proper place to do it is to amend the law that directs the Secretary of Labor to line up and identify the labor surplus and unemployment areas so as to properly take into account those areas in which economic distress is severe and has been prolonged. We have not been unmindful of these problems. These large metropolitan areas, these hard core areas, have cause us to double the size of the poverty program which will be going into effect mostly in the areas to which the gentleman refers throughout the country.

We have increased the Manpower Development and Training Act to give these young men and women who are untrained the skills that are required to do the jobs, some of which are not too far away, and in many cases are only a 20-minute subway ride away where these jobs are available if these young people have the skills and training.

We have allowed $150 million annually for grants for water and sewerage facilities and an additional $50 million annually for grants for neighborhood facilities through the new Housing Act which was signed into law by the President on Tuesday.

Take this enormous Urban Renewal Act. Small communities like my hometown with a population of 7,000 people just cannot take advantage of that large and very important program for large metropolitan areas. We have passed the education bill, the vocational training bill, and a library bill, and many other such programs of that type to assist these areas. Now, I just ask the gentleman, with full recognition of your problems, and as one who has supported these programs, and other programs, that I have just enumerated completely from A to Z—I ask the gentleman: Do not encumber this bill. This is no place to try to direct the Secretary of Commerce who does not have jurisdiction over the determination of what are these labor areas, when it is the prerogative and responsibility of the Secretary of Labor to do so.

If the gentleman wishes to offer a proper amendment, I will join him in it—I have discussed this with him repeatedly and sympathetically, and I mean what I say and he knows I mean it—but we should amend the proper existing statutes, which pertain to the Department of Labor.

Mr. FARBSTEIN. Will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from New York.

Mr. FARBSTEIN. I thank the gentleman for yielding.

The gentleman suggests that this amendment will be difficult of administration. It is very simple to come to a conclusion. Give me the specifics. Tell me why it is going to be difficult of administration.

The city of New York has a city hall perhaps 5 miles from this area and perhaps a half mile from my area. Why can they not administer this legislation? I believe the gentleman understands that if the administration, the Department of Labor, and the Department of Commerce want to find ways and means of administering this they can do so. They can write rules and they can write regulations to come within the purview of this law. Why they are opposed to it I do not know, except that they may be given a little more work than they have now.

So long as the gentleman also mentioned the fact that he has a keen interest in the bill, I cannot understand why he himself, who is being disadvantaged in one of his own counties, would oppose this.

Mr. BLATNIK. I oppose it exactly for the reasons I have given. The department responsible for designating these labor areas or income-group areas is a different one. That responsibility falls, under laws passed by Congress, under the purview of and within the responsibility of the Department of Labor. Those are the laws which should be amended. This is no place for that language.

Mr. KLUCZYNSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and ladies and gentlemen of the House, I am really put in a tough spot today, to follow that great man from Minnesota, whom I honor and respect, one of the greatest fellows with whom I have ever served, who is handling this very important legislation today. I am happy that he has brought this fine legislation before us for consideration today.

I wish to congratulate the gentleman from New York [Mr. FARBSTEIN] for offering the amendment. This will help Mr. KLUCZYNSKI in the stockyard area. When we talk about compact and contiguous, there is a section in Chicago which is 1 mile square, which is one of the finest communities in the city, if not in the country. A lot of good people came from there. I was born and raised there.

I am telling you that, in the stockyard district, we had 50,000 employees not so long ago. Today we have about 2,500.

When we talk about a distressed area and where the Federal Government can help somebody, they can help the people of my district.

I ask you not to do what was done yesterday by taking the 5th Army away from Chicago. Only a few years ago the Quartermaster Corps was taken from my district and sent to Natick, Mass.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman from Illinois.

Mr. YATES. I join the distinguished gentleman from Illinois in the commendation he has given to my very good friend from Minnesota. I dislike disagreeing with my good friend from Minnesota, but I suggest with respect to my friend that his arguments were successfully met both by the gentleman from New York and by me, this is a distressed areas bill, we are talking about distressed areas. Distressed areas within cities are nevertheless distressed areas.

The gentleman cited certain pieces of legislation which he said were applicable to deal with problems in the cities. This is true, but the fact remains that the problem of unemployment needs every kind of assistance this Federal Government has to offer. If this bill can offer an additional tool to help areas reduce unemployment in distressed areas no matter where they exist, why should we not include areas within cities like Chicago? One was well described by the gentleman from Illinois. The gentleman suggested that the law does not provide for it. That is correct. That is why we are trying to amend the law now, so that it will provide for it.

Mr. KLUCZYNSKI. I thank the gentleman. You see the position I am in. I have to vote against a gentleman I highly respect. Should I go along with the gentleman from Minnesota [Mr. BLATNIK] or should I go along with 100,000 people in my district?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman from Iowa.

Mr. GROSS. You still have the White Sox ball park there, do you not?

Mr. KLUCZYNSKI. We have that, but we do not have the hogs or the cattle or the sheep. We sent them out to Iowa and Nebraska when we took them away from the stockyards of Chicago.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman from Illinois.

Mr. PUCINSKI. The gentleman from Minnesota suggests that we ought to amend this bill which will permit the Secretary of Labor to have more latitude in designating the area. I wonder if the gentleman from Illinois will yield for an answer by the chairman of the committee. We must also amend this bill because this bill limits the Area Redevelopment Act assistance to cities or counties. This is the box we are in. Even if the Secretary of Labor should ascertain that the stockyard area represented by the gentleman in the well has a labor surplus and met all of the other qualifications, still the restriction in the bill before us limiting the Area Redevelopment Act only to entire cities or counties, the stockyards being located within the city of Chicago, automatically disqualifies us. That is why the gentleman from New York redesignated this and redefined it to a compact contiguous area rather than a city or a county. Will the gentleman, the chairman of the committee, comment on that?

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the chairman.

Mr. BLATNIK. The gentleman asked for my comment, and I will be pleased to do so. If you will turn to page 86 of the bill, lines 1, 2, and 3, it says:

> No area shall be designated which is smaller than a "labor area"—

And here is the heart of the matter—

> (as defined by the Secretary of Labor)—

Who does so under existing law. We do not pass in this bill or any other previous bill or attempt to authorize or limit or empower the Secretary of Commerce or the Secretary of Labor in any other way.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KLUCZYNSKI. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KLUCZYNSKI. Mr. Chairman, I now yield to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I wonder if the gentleman in the well will yield for a further remark from the chairman of the committee. Do we understand and can we write some legislative history here on the floor now that if the Secretary of Labor, as stated on page 86, lines 1, 2, and 3, if the Secretary of Labor shall designate that area as a labor surplus area, the language of "city or county" notwithstanding, it would make the gentleman's area, the stockyards area, eligible for ARA assistance and all of the things that come within the program? Do I understand the chairman correctly on that?

Mr. BLATNIK. No. Not quite.

Mr. PUCINSKI. I did not think so.

Mr. BLATNIK. If you amend the existing law authorizing the Secretary of Labor to do so, he can do so, but this is not the place to do it.

Mr. KLUCZYNSKI. Mr. Chairman, I refuse to yield any further.

I just want to say that this helps us all. I would appreciate it if you will accept the amendment.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I think that in all fairness it should be pointed out the language of this bill does make possible the designation of areas other than counties or municipalities in two particulars. The first of those particulars is shown under subsection (a)(3) and the second is shown under subsection (a)(4). They appear on pages 83 and 84 of the bill.

The first of them involves something that I doubt would be of much use to the gentlemen from the districts presenting this amendment, because they involve Indian areas. They completely represent an exception to the county or city requirement.

The second appears in (a)(4) on page 84 which says:

> (4) upon request of such areas, those additional areas in which the Secretary determines that the loss, removal, curtailment, or closing of a major source of employment has caused within three years prior to, or threatens to cause within three years after, the date of the request an unusual and abrupt rise in unemployment of such magnitude that the unemployment rate for the area at the time of the request exceeds the national average, or can reasonably be expected to exceed the national average, by 50 per centum or more unless assistance is provided.

The description of the area about which our beloved committee member from Chicago has spoken certainly would indicate to me that it is an area that would have no problem presenting evidence of a rising unemployment rate. It seems to me that there is latitude within this particular part of the bill to meet this problem within city limits and within county limits if the Secretary found the conditions outlined in section (a)(4) to be present.

I am not saying, and I would not want to deceive the gentleman by suggesting that this would be a catch-all provision that would meet any kind of a situation, but it certainly does go beyond the limits of a city and county limits and gives some latitude to the Secretary to meet extraordinary problems such as it appears you have in Chicago with the closing of this large base that was approved by this body.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman.

Mr. PUCINSKI. What my colleague from Oklahoma is saying is somewhat contrary to what the chairman, the gentleman from Minnesota, says. So I wonder if we may not clarify the record. What I want to know is whether or not the area described by the gentleman from Illinois [Mr. KLUCZYNSKI], the stockyards area, from which the stockyards have moved out perhaps in the last 10 years, would qualify? All I want to know from the members of the committee is this, so that we know how to deal with the Secretary.

I would like to have assurance from these gentlemen who wrote this bill that that stockyards area now may qualify for Area Redevelopment Act assistance if the Secretary finds a labor surplus in that geographic area—not the city of Chicago, but in that specific area. If the gentleman from Oklahoma and the gentleman from Minnesota will say "yes," then I am satisfied.

Mr. EDMONDSON. I will say to the gentleman that it is my judgment, and mine alone, because I cannot speak for the gentleman from Minnesota who is managing this bill—it is my judgment that the facts presented by our colleague, the gentleman from Illinois [Mr. KLUCZYNSKI] with reference to the rising unemployment rate, with reference to the closing of a base, would certainly appear to fall squarely within the four sides of subsection (a)(4) and would appear to me to give a basis for a designation within a city or county or area that presented an application to the Secretary, for this designation.

Mr. PUCINSKI. Mr. Chairman, does the gentleman from Minnesota concur in that?

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from New York.

Mr. FARBSTEIN. Mr. Chairman, if the chairman of the committee will declare that it is the intention of the committee to accept the definition as stated by the gentleman from Oklahoma, to the effect that any area within a city or a county below 250,000 can be declared by the Secretary of Labor to be entitled to assistance providing they meet all the qualifications of this legislation, then I will be satisfied to accept that and go along without the amendment.

Mr. YATES. Mr. Chairman, if the gentleman will yield to me, I will accept that, too.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. EDMONDSON] has expired.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. DENT. Mr. Chairman, I object.

Mr. BLATNIK. Mr. Chairman, I move that all debate on this amendment and all amendments thereto terminate in 10 minutes, the last 3 minutes to be reserved to the chairman.

Mr. YATES. Mr. Chairman, I make the point of order that the last part of the request may not be part of the motion; reserving 3 minutes to the committee.

The CHAIRMAN. It may not be reserved.

Mr. BLATNIK. Mr. Chairman, I move that all debate on this amendment and all amendments thereto terminate in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I think that we have all stated our case here. I want to use my time by asking the chairman of the committee, the gentleman from Minnesota [Mr. BLATNIK] to respond to the question put by myself, the gentleman from Illinois [Mr. YATES], and the gentleman from New York [Mr. FARBSTEIN] as to whether or not the statement made by the gentleman from Oklahoma [Mr. EDMONDSON] to the effect that an area within a city if it is found to be a labor surplus area under this bill and so determined by the Secretary of Labor, if that area is so designated by the Secretary, whether or not that area could come under the purview of this act?

Mr. Chairman, I have in mind the area described by my colleague from Chicago [Mr. KLUCZYNSKI], the Chicago stockyard area, which has less than 250,000 people and has an unemployment rate in excess of 9 percent.

Mr. Chairman, all we want to know now from the chairman is, Does this area or does it not come under this act, if the Secretary so certifies?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. DENT].

Mr. KLUCZYNSKI. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to the gentleman from Pennsylvania [Mr. DENT].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DENT. Mr. Chairman, I want to say to the Committee whether I am on the committee or not I do have a very serious interest in this legislation and for the first time since we started debate on it I have been able to take the floor because I had previously been denied time.

Mr. Chairman, I want to say to all of you that there is a serious flaw in this legislation. I hope to clear it up by questioning the chairman, and if I am not given the opportunity through that method, I intend to offer an amendment that will clear it up. They have added the Secretary of Commerce's right to designate the so-called districts or areas that would receive assistance, when they added on page 86 of the bill, after the word "labor" on line 3 thereof, the designation "county" or a "municipality."

Mr. Chairman, by adding further the restriction of 250,000 population, when you say the labor area is designated by the Secretary of Labor, you wipe out the first part of the designation. If you stopped there then you would have allowed these people to come in under the law because the Secretary of Labor can designate any unemployment area within the Nation, in any State, whether it is a county, municipality, combination of counties, municipalities, or parts of counties and municipalities. However, further reservations are added by giving the Secretary absolute discretion.

So, this amendment is not required. However, when you say on line 5, "whichever in the opinion of the Secretary is appropriate," then you compound the felony that is now being practiced by the agreements between the Secretaries of Labor and Commerce, in some instances.

Mr. Chairman, when they take a county like mine of 352,000 people and tie it onto Allegheny County with four other counties and because Allegheny County's unemployment rate may be so low that it takes the high rate of unemployment in my county and wipes it off the low average of the Nation, then my county of 352,000 people is denied the surplus-labor-market designation.

This denies us the privileges of a labor surplus area in preferential treatment so badly needed in some instances.

Mr. Chairman, what must be done here is to correct the inequity in the bill; you do not need this Farbstein amendment. It can be corrected simply by striking out all on page 86 after line 5.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from Illinois [Mr. MCCLORY].

Mr. McCLORY. Mr. Chairman, I do not represent any part of the city of Chicago. I do represent two counties that are in the Chicago metropolitan area. A great many of my constituents work in the city of Chicago and commute there daily. I am very interested in the welfare of Chicago as well as the welfare of the State of Illinois and the Nation as a whole.

I do not see any reason why this legislation should discriminate against the city of Chicago and, it seems to me, in its present form that is what this legislation does.

Mr. Chairman, without commenting on the merits of this legislation it seems to me that, if it is going to be enacted, it should provide adequately for the city of Chicago and to the large metropolitan areas. Accordingly I am pleased to support the amendment offered by the gentleman from New York [Mr. FARBSTEIN].

Mr. Chairman, I want to say this with regard to the transfer of the 5th Army headquarters to Fort Sheridan: This proposed new location is within the Chicago metropolitan area and I am happy that the House has taken the very appropriate action of providing the funds for this new location of the 5th Army headquarters at historic Fort Sheridan. Let me say again that this 600-acre military post located about 30 miles from the center of Chicago is well located and ideally suited to accommodate the headquarters command of the great 5th U.S. Army.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, I think this amendment has been amply debated. I do not think we should permit confusion to overcome that which has been very clearly delineated. Unless the chairman of the committee, the gentleman from Minnesota, who is handling this legislation, will define it, as suggested by my question and by the questions of the two gentlemen from Chicago, I say the only way we can adjust this inequity is by adopting my amendment. In all decency, in all fairness, there should be no discrimination against the large cities. When communities throughout the various States that have one-third or 25 percent, or even 15 percent of the population of the large cities are able to get assistance, but not the cities. There is no reason why the larger cities should not be able to obtain assistance under this legislation.

I ask for the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I think this debate is very interesting, because it has proven conclusively what an unsatisfactory, poorly drafted, vague, and ambiguous bill we have before us. How it discriminates against some areas compared with other areas is disturbing. There is no question about that. We wrote into the bill that in a large number of cities that have no depressed areas you are excluding many pockets of unemployment in the big cities which do not have that. There is no rhyme or reason to the bill.

Let me say this: There is no money in the bill for the gentleman's amendment and, also, if it is a 200,001 area they are out, and if it is a 199,999 area they are in. That is not fair. You do not know what the area involved would be, if the Secretary decided to make it smaller. That is not fair. So the amendment itself is imperfect. It is not the answer to the problem, but it shows why this bill should be sent back to the committee, where this, along with other matters, should be given proper consideration.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, the last thing I want to do on this floor is to mislead the Members of the House. Committee counsel advises me there is no instance in which the Secretary has designated a labor area smaller than a municipality. There is disagreement as to whether the Secretary has the authority to make such a determination or not, and I think the chairman of our subcommittee has properly argued that this is not a jurisdictional question for our committee. It belongs to another committee.

For my own part, it seems to me to make very good sense that the Secretary should have the discretion and the authority to recognize the existence of a labor surplus problem within a large municipality where millions of people are involved. I would strongly urge that there be action along that line by the Secretary at the earliest possible time, but I do not see how we can go along with this amendment in the bill we are considering.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HARSHA].

(By unanimous consent, the time allotted Mr. HARSHA was given to Mr. BLATNIK.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I think the answer to this whole question has been given by the gentleman from Oklahoma [Mr. EDMONDSON]. I think in view of the situation which exists, and which has resulted in such spirited debate, that we have had a demonstration of the inadvisability of writing a very serious piece of legislation by amendment at what may be the wrong place. And I am convinced that this is the wrong place.

I do ask my friends who have problems to bring these problems out. Let us get together and work for a sound amendment at the proper time. Let us refer this problem to the Committee on Education and Labor for legislation which authorizes or directs or empowers the Secretary of Labor to determine what labor districts, or markets or economic markets, whatever they may be, should receive help.

That is the problem as we see the problem. So when I speak it is not at all in opposition to the effort to solve these problems. I respect the fight that is being put up here but this is not the place to do it, to jeopardize the whole program that involves about 1,000 areas throughout the country and over 35 million people.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. YATES. The gentleman knows that the furthest thing from the minds of the gentleman from New York and myself is to jeopardize a program of this type. The reason I rose is to ask the gentleman whether he agrees with the gentleman from Oklahoma that the possibility does exist that the Secretary of Labor does have the authority, as suggested by the gentleman from Oklahoma, to make the benefits of this act available to distressed areas within the Nation's large cities.

Mr. BLATNIK. He may have. But we do not know. We will certainly find out; and if he does not I will help you to find a way so that he does have that authority.

The CHAIRMAN. The time of the gentleman has expired. All time has expired on the pending amendment.

The question is on the amendment offered by the gentleman from New York [Mr. FARBSTEIN].

The amendment was rejected.

AMENDMENT OFFERED BY MR. THOMPSON OF NEW JERSEY

Mr. THOMPSON of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of New Jersey: On page 86, line 4, after the word "over" strike out "two hundred and fifty thousand" and insert in lieu thereof "one hundred thousand."

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. THOMPSON] in support of his amendment.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. ARENDS. Mr. Chairman, I have asked the gentleman to yield so that I might ask the chairman of the subcommittee in charge of the bill if he expects to finish this bill tonight.

Mr. BLATNIK. In answer to the gentleman, I want it to be known by all Members on both sides that we have received excellent cooperation from the ranking minority Member and his colleagues on the other side to expedite this business. My understanding is that we may have perhaps 2 or maybe 3 more amendments that would be of any consequence. There may be other minor amendments. So I hope that we ought to be able to get through within 20 minutes or half an hour, at the most.

Mr. ARENDS. No doubt there are going to be some votes. I thank the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Mr. Chairman, I am a little less than sanguine, shall I say, after what happened to the last amendment.

Mr. Chairman, the main thrust of the Public Works and Economic Development Act of 1965 is to make various forms of Federal assistance available to those areas of our country which are afflicted with substantial and chronic unemployment.

Title IV of the act sets forth several criteria for eligibility. The basic criterion is an average rate of unemployment above the national average for specified periods of time. In designating redevelopment areas, the Secretary of Commerce is given considerable latitude, subject to certain specific restrictions. One of those restrictions is that no redevelopment area may be designated which is smaller than a labor market area as designated by the Secretary of Labor—a county, or a municipality with a population of over 250,000.

Mr. Chairman, I can well understand the need for establishing a population floor for municipal eligibility. Nevertheless, the National League of Cities has expressed concern that the 250,000 figure would arbitrarily foreclose from eligibility many cities that might otherwise benefit from the act.

For that reason, I have offered an amendment reducing the population floor to include municipalities of more than 100,000. This amendment has been strongly urged by Gov. Richard J. Hughes of my own State of New Jersey. According to the 1960 census, the amendment would bring within the scope of the act 78 more cities, including Paterson, Trenton, Camden, and Elizabeth, N.J.

Because of the rigidity of the qualifying criteria under the current ARA Act, cities such as Trenton and Camden have not been able to obtain badly needed assistance. Camden has substantial unemployment as a result of cutbacks at the New York Ship Co. and, to a lesser extent, at the RCA plant.

Camden's inclusion as part of the Philadelphia labor market area has made it ineligible for assistance. Trenton's inclusion as part of Mercer County's labor market area has foreclosed any hope of assistance for its problems.

Mr. Chairman, I would hope that my colleagues would accept this amendment to bring Trenton, Camden, and other cities similarly situated within the purview of the act.

Herewith are the cities which would be brought under the act by my amendment:

Cities in the United States with population 100,000–250,000

[1960 census]

	Population
Montgomery, Ala	134, 393
Mobile, Ala	202, 779
Tucson, Ariz	212, 892
Little Rock, Ark	107, 813
Anaheim, Calif	104, 184
Berkeley, Calif	111, 268
Fresno, Calif	133, 929
Glendale, Calif	119, 442
Pasadena, Calif	116, 407
Sacramento, Calif	191, 667
San Jose, Calif	204, 196
Santa Ana, Calif	100, 350
Torrance, Calif	100, 991
Bridgeport, Conn	156, 748
Hartford, Conn	162, 178
New Haven, Conn	152, 048
Waterbury, Conn	107, 130
Jacksonville, Fla	201, 030
Columbus, Ga	116, 779
Savannah, Ga	149, 245
Peoria, Ill	103, 162
Rockford, Ill	132, 109
Evansville, Ind	141, 543
Fort Wayne, Ind	161, 776
Gary, Ind	178, 320
Hammond, Ind	111, 698
South Bend, Ind	132, 445
Des Moines, Iowa	208, 982
Kansas City, Kans	121, 901
Topeka, Kans	119, 484
Baton Rouge, La	152, 419
Shreveport, La	164, 372
Cambridge, Mass	107, 716
New Bedford, Mass	102, 477
Springfield, Mass	174, 463
Worcester, Mass	186, 587
Dearborn, Mich	122, 007
Flint, Mich	196, 940
Grand Rapids, Mich	202, 379
Lansing, Mich	113, 058
Duluth, Minn	106, 884
Jackson, Miss	144, 122
Lincoln, Nebr	128, 521
Camden, N.J	117, 159
Elizabeth, N.J	107, 698
Paterson, N.J	143, 663
Trenton, N.J	114, 167
Albuquerque, N. Mex	201, 189
Albany, N.Y	189, 726
Niagara Falls, N.Y	102, 394
Syracuse, N.Y	216, 038
Utica, N.Y	100, 410
Yonkers, N.Y	190, 634
Charlotte, N.C	201, 564
Greensboro, N.C	119, 574
Winston-Salem, N.C	111, 135
Canton, Ohio	113, 631
Youngstown, Ohio	166, 689
Allentown, Pa	108, 347
Erie, Pa	138, 440
Scranton, Pa	111, 443
Providence, R.I	207, 498
Chattanooga, Tenn	130, 009
Knoxville, Tenn	111, 827
Nashville, Tenn	170, 874
Amarillo, Tex	137, 969
Austin, Tex	186, 445
Beaumont, Tex	119, 175
Corpus Christi, Tex	167, 690
Lubbock, Tex	128, 691
Wichita Falls, Tex	101, 724
Salt Lake City, Utah	181, 454
Newport News, Va	113, 662
Portsmouth, Va	144, 773
Richmond, Va	219, 958
Spokane, Wash	181, 608
Tacoma, Wash	147, 979
Madison, Wis	126, 706

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Pennsylvania.

Mr. DENT. The gentleman's amendment seeks to make eligible cities.

Mr. THOMPSON of New Jersey. Cities of 100,000 rather than of 250,000. I ask the gentleman's support.

Mr. DENT. Under the terms of the language which is on page 86, the discretion is in the Secretary.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. THOMPSON of New Jersey. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes, 30 seconds of which I will yield to my friend from Pennsylvania.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DENT. I do not want the time. I wanted to ask a question.

Mr. THOMPSON of New Jersey. I will answer it.

Mr. DENT. All I say is that this would not help the city, because it would be under the discretion of the Secretary. He would still keep it in a labor area.

Mr. THOMPSON of New Jersey. No; at least, I do not believe that is so. If the gentleman has a perfecting amendment, I will be glad to have it. Let us go this far and then perfect it beyond that.

Mr. Chairman, I thank you and I thank the Members of the committee for their attention.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. Thompson].

The amendment was rejected.

AMENDMENT OFFERED BY MR. DENT

Mr. DENT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dent: Amend page 86 by striking all of line 5.

Mr. DENT. Mr. Chairman, perhaps the gentleman from New Jersey is correct and I am completely wrong. Of course, if I am there will be nothing left to do other than withdraw the amendment.

However, as I read the language of the bill—and I have read a few—when they designate the areas that are to be given aid they designate a labor area, one, as defined by the Secretary of Labor—who, in spite of the arguments here, does have the right to designate any area, a combination of geographical areas, into an area of excess unemployment. And added to the labor area designation is added a county or a municipality with a population of over 250,000——

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. DENT. I will yield to the gentleman for 30 seconds in a minute.

Mr. THOMPSON of New Jersey. I will take it.

Mr. DENT. If they stopped at that point, then every county or every municipality would have the right to be designated as an area eligible for this assistance and grants. But when they say "as defined by the Labor Secretary" and leave it up to the discretion of the Secretary of Commerce, that wipes out the very cities the gentleman from New Jersey wants to put in.

If you want proof, just go up in the area in which I live. As Congressman Morgan knows, because his county is about as large as mine, and they have not been divorced from Allegheny County, because the survey would not let them be divorced. We have two complete legislative congressional districts that are being denied the benefits of what the committee is supposed to be trying to give them. The words "county or municipality" do not mean a thing here unless the chairman of the committee will answer this question. Will you answer this question, Mr. Chairman? Is it your understanding of this law, as the gentleman from New Jersey stated, that every county and every municipality with over 250,000 prior to his amendment would be designated an area eligible for aid? Is it your understanding that is true?

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman.

Mr. BLATNIK. No, that is not my understanding.

Mr. DENT. Then, am I right that if the Secretary of Labor or the Secretary of Commerce persists in using the designation of a labor area put out by the Secretary of Labor, that he can deny every city the aid that the gentleman wants to aid by the amendment that we just accepted? He can deny them the assistance if it is in a labor area of less than average size?

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. DENT. Yes. I yield to the gentleman.

Mr. THOMPSON of New Jersey. Unhappily the amendment was not accepted. My understanding was it was defeated.

Mr. DENT. I know that.

Mr. THOMPSON of New Jersey. But going back to the language, it says an area shall be designated which is smaller than a labor area as defined by the Secretary of Labor, a county or a municipality with a population of over 250,000. In other words, it needs, under this language, to be a labor area. It may be a county or it may be a municipality, but the municipality must be 250,000 or more.

Mr. DENT. I disagree with your analysis at that point when you state that every county or municipality can be a labor area when my amendment is accepted.

Mr. THOMPSON of New Jersey. I hope I helped you as much as you did me.

Mr. DENT. I appreciate your help. What I am driving at is, if it stops where the gentleman stopped reading, then he is right, but it continues on and says, "whichever in the opinion of the Secretary is appropriate," meaning that he can take the cities, as he is now doing, and include them in a labor area and deny them the benefits of this legislation. Here is the law, and here is the gentleman who administers it and he said it is the law, and so did the chairman. All I am saying is if you want to help the communities of over 250,000, all you have to do is take away the discretion from the Secretary to designate this community as part of a labor area. So I ask that the amendment be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. DENT), there were—ayes 28, noes 61.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. OLSON OF MINNESOTA

Mr. OLSON of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. OLSON of Minnesota: Page 83, strike out lines 17 through 20 inclusive and insert in lieu thereof the following:
>
> "(2) those additional areas in which 40 per centum or more of the families have annual incomes of $3,000 or less as determined on the basis of the most recent available statistics;"

Mr. OLSON of Minnesota. Mr. Chairman, the general purpose of S. 1648 as stated in the report is to provide a comprehensive program of Federal assistance to help provide more jobs and higher incomes for people who live in areas where jobs are scarce or incomes are low.

Mr. Chairman, I agree completely with this purpose and am offering an amendment which, I hope my colleagues will agree, will improve the likelihood of this legislation to fulfill this objective. I agree that previous legislation in this area has unquestionably been instrumental in reducing unemployment and in spurring our national economy. This has been accomplished primarily where assistance has been made available because of substantial and/or persistent unemployment.

I agree with my colleague from Minnesota [Mr. BLATNIK] when he pointed out yesterday that, though we are justifiably proud of our healthy economy as it now exists, it is necessary to maintain our persistence in searching out those instances where people are not sharing as they should in this healthy economy.

I believe the act we are considering contains the necessary ingredients to accomplish this purpose where we can identify our problem through lack of employment. I do not believe we have had the same satisfactory results in areas of underemployment. Furthermore, I do not believe the language in the bill before us is adequate to correct this deficit. I admit my amendment benefits primarily rural areas, but no one disputes that a substantial portion of the poverty this and previous Congresses have sought to eliminate is found in our rural areas. My amendment will identify those areas where substantial percentages of the families have incomes below $3,000, the figure we have identified as the poverty level.

From the statistics available for those counties which are added by my amendment, I find that about 10 percent of the families have gross incomes—from all sources—of less than $1,000. There can be little question that a family whose gross income does not exceed $1,000 is, for all practical purposes, unemployed.

Mr. Chairman, we cannot wage a successful campaign to reduce underemployment as well as unemployment unless we are willing to uniformly identify those areas where we know underemployment exists. In my discussions, I find little difference of opinion concerning the alarming economic impact of pockets of poverty on fellow citizens as well as on the national economy.

All that remains is the will to properly identify areas of need and to apply our energies in seeking a solution. I expect the most serious—if not the only—disagreement with my amendment will be its effect in expanding the areas covered under this act. The Committee's action to enlarge the funds available and the very probable reduction in the number of eligible areas because of the annual review provision, coupled with the fact that the areas added by my amendment are less significant when viewed in terms of population, has convinced me the contention of insufficient funding is not adequate to reject my amendment.

There are excellent provisions in title 3 of this act in which the benefit is not predicated on the funds expended but from the technical assistance, research, and information that is essential to helping the areas of which I speak.

Mr. Chairman, the point I would like to emphasize is that the benefits from this act with the change I have recommended would make a more significant contribution than merely the addition of a community facility. The recognition of these areas of underemployment will be a first step to the solution of this problem, which we all know exists.

Part B of title 4, would stimulate the underemployment areas to mobilize their resources through economic development centers, and this is essential if these areas are to improve the conditions in which they find themselves.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to say initially that I have been impressed, as I am sure all Members have, with the thoroughness of the preparation of the very able gentleman from Minnesota and with the eloquence of his presentation. No man could argue more effectively in behalf of the district which he represents. He has used one argument that has been unusually persuasive with me in that he has called to my attention the fact that he believes this amendment, if adopted, would add a county in my district to the eligible list of counties. I know that a number of Members have shared that experience with the gentleman from Minnesota.

Nonetheless, Mr. Chairman, I think it must be pointed out that the gentleman's amendment if adopted would have the effect of adding approximately 600 additional areas of eligibility to the act. This is an increase of more than 50 percent of the number of eligible areas presently covered by the act.

Mr. Chairman, we have already made an addition of 97 counties through the approval of the Sisk amendment. I feel it is a sound thought to have in connection with this bill that we will spread far too thin the resources that we are proposing to devote to this program, if we add another 600 counties.

Now, Mr. Chairman, there is no doubt about the merits of the problem within some of these counties.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Minnesota.

Mr. OLSON of Minnesota. It is less than 600.

Mr. EDMONDSON. I would like to be accurate.

Mr. OLSON of Minnesota. It is about 500, because some of the counties added by the Sisk amendment are duplicated in my amendment. The figure is about 510 or 511 countries.

Mr. EDMONDSON. I certainly want to be correct in my statement, because the basis for the estimate of 600 that we had could very easily be off in view of the number of counties which were covered by the Sisk amendment. I want to apologize if I have made an incorrect statement. I want to apologize to the gentleman from Minnesota for not taking into account the Sisk counties in calculating the figure of 600 additions to this program.

However, Mr. Chairman, even at 510 or 511 this still represents almost a 50-percent enlargement of the program.

I feel it can also be accurately said that there has been a genuine effort on the part of the committee to deal more generously with the problem in the rural counties in this bill. We have changed the formula with reference to income, changed it from the 33 percent of the national median, which was the income criterion under ARA, to 40 percent of the national median, which has served to bring in a very large number of counties that were not covered under the ARA program.

Mr. Chairman, I feel it also should be noted that we adopted the Roberts amendment which was aimed directly at rural areas in the committee, which makes it possible to bring counties in where there has been a substantial reduction in population due to lack of employment opportunity.

Mr. Chairman, both of these represent efforts to meet more adequately the problem in the rural areas.

We are not contending that this is a perfect bill. We are aware of the fact that there are some areas of need in the cities which are not met. We are aware of the fact that there are some areas of need in the country which it will not meet. But it does more and it does it more effectively than was the case under the previous program.

Mr. Chairman, we believe we have a balanced program that will make the most effective use possible of the resources being devoted to this program.

Mr. Chairman, I urge that this amendment not be adopted, even though I apparently am thereby excluding one of the counties which it is my honor to represent, and which the Olson amendment might add to the program.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Missouri.

Mr. CURTIS. If I understand the argument of the gentleman correctly, this will simply spread it thinner. Why do you not just vote some more money? That would take care of it, if the need is really there. Why do you not just vote more money? That does not seem to bother anyone here.

Mr. EDMONDSON. I think if the gentleman from Missouri offered one to increase the money, I am sure he would get some votes.

Mr. CURTIS. I would, but I am not going to offer such an amendment.

Mr. EDMONDSON. This committee is trying to maintain a balanced budget and stay as close to the budget as possible. I am sure the committee wants to stay as close as it can to the President's budget figures, and do an effective job with those funds which we believe the bill as it stands will do.

This amendment should be rejected.

Mr. MATTHEWS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. I come from a beautiful State, a magnificent peninsula with various flora and fauna. This part of the southeastern United States invites all of you to participate in its many enjoyable opportunities and resources.

As you come into Florida from the north you get into the Eighth District which I represent and you pass through Fernandina Beach. If you were to go west you would come to the land of my birth, Micanopy. Just a few miles back to the east you would come to the community of Hawthorne, the largest city between Lochloosa and Cones Crossing going north and south, and Grove Park and McMeekin going east and west. Here I lived most of my life.

If you go down south you come to some of the lesser-known cities, such as Fort Lauderdale and Miami. If you were to go around the west coast you would come to St. Petersburg and Tampa, all jewels, I admit, delightful places.

Mr. Chairman, some months ago, as our great friend, Mr. Forrester, from Georgia used to say, I had "to divorce myself" from the Area Redevelopment Administration because it did not seem quite equitable to me that by the formula they used they declared the great gold coast areas of Broward County, Fort Lauderdale, and Miami, which is in Dade County, as the areas in Florida that because of various reasons needed particular help. The undeveloped rural areas in my district and in other parts of Florida coulld not qualify for assistance.

I hope my colleagues from these areas will forgive me. It is not because I love other areas less, it is because I love my area more.

Mr. Chairman, the proposition of the gentleman from Minnesota addresses itself to this problem of underemployment. It would seem to me that one of the biggest problems in America today is underemployment. Surely we are concerned with unemployment, but I would remind you there are areas in this Nation that have always lived in gentle poverty. They have always had a little bit of a depression. They have always been underemployed.

I think the proposition of the gentleman from Minnesota addresses itself particularly to this problem of underemployment, especially this problem that exists in rural areas. The Secretary of Agriculture has said one-half of all the poverty in America exists in the rural areas, which is just a fraction of the total population.

But what a high percentage of really significant poverty caused by underemployment.

When we speak about the cost, I would remind you it is my understanding—and I address this question to the gentleman from Minnesota—is it not true there would probably be 8 million or even less affected if the gentleman's amendment is carried?

Mr. OLSON of Minnesota. I thank the gentleman for giving me the opportunity to point this out again. In terms of population, this is a much less significant amendment than those amendments that have been accepted without argument. Statistics that I have compiled prove that the Sisk amendment added 13 million people. My amendment, before being affected by the Sisk amendment, adds 9 million people. The 29 areas that the Sisk amendment took away from my amendment, were the most populous areas, and my amendment is now down to less than half of the people affected in my amendment that were affected in an amendment that was accepted without argument.

Mr. MATTHEWS. I want to thank the gentleman. Let me say again it is because of my conviction that his amendment addresses itself to this great problem of underemployment in many, many areas of this country that I think this amendment should be passed, and I hope the committee will approve it.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a question to ask of the gentleman from Minnesota [Mr. Blatnik] that directly affects this amendment. There was a very serious flaw in the ARA program which was formerly in effect and that involved the rural areas of this country. The need for employment opportunities in these areas were not properly reflected in the criteria which were used. It used unemployment figures but the farmers of this country are not subject to unemployment compensation laws and they do not appear in the Bureau of Labor Statistics figures. I think the committee tried to take care of it in this bill in section 401 (a)(1) where it states that redevelopment areas that are eligible include those areas where "there has been a substantial loss of population due to lack of employment opportunity."

However, in addressing himself to the amendment before the House, the gentleman from Oklahoma indicated there are 510 counties covered by the amendment of the gentleman from Minnesota [Mr. Olson]. Now, if that is the case, I misunderstand the language that I just read, because I think several hundred of those counties would be included in that language. Mr. Chairman, there are two industries in this country, that have had very great and rapid changes due to automation. One of them is coal mining. In the coal mining industry, the efficiency per man has increased at the rate of about 9 to 10 percent per year.

The other industry is agriculture where the efficiency per man has been increasing at the rate of 14 percent per year.

Whenever you have this kind of increase in efficiency in an industry, obviously hundreds of thousands are going to be automated out of their jobs. They must look for an opportunity for employment in some other industry. In the case of coal miners, most of them tended to stay in their area, but that did not happen in the case of agriculture. Out in our country, most of the people followed the motto, "I am unemployed—I will travel." They immediately go somewhere to look for a job. They go to Cleveland or Los Angeles or somewhere else to try to get a job that some city man has. And they take their families with them and they then also will look for a job elsewhere. So we have a lot of areas where we have not kept pace with the national growth, and they are not reflected in any criteria that has been previously used.

This is the reason I flatly refused to vote for another extension of the old ARA program that we had before.

I believe the Roberts amendment, which I described previously, is for the purpose of taking care of this problem. But I am somewhat doubtful as a result of the statement that 510 counties are included in the amendment of the gentleman from Minnesota. I want to ask this—under this Roberts amendment, which is section 401(a)(1), on page 82, is it true that these rural areas in my State, in the State of Minnesota, and other rural areas, that have failed to keep pace with the national growth, would be included as areas eligible under this bill?

Mr. BLATNIK. Yes. The purpose of this amendment is to assist those areas which, despite their long history of economic problems and high unemployment, are not reflected in the current statistics and particularly on the basis of family income. But the unemployment statistics do not tell the truth because of this high out-migration. That is why we felt very strongly in the committee that special consideration ought to be given to those areas.

We need to know much more about them than now and to have much more information than is now available. We direct the attention of the Secretary to these cases, to see exactly what are the reasons for this out-migration. This will take into consideration all the economic factors. We will then be in a better position to come up with a sound recommendation to help these people, who do need help, in my opinion.

Mr. SMITH of Iowa. Then the areas which have failed to keep pace with the national growth may be eligible in spite of the fact that they did not have sufficient unemployment to qualify under other provisions of the bill.

Mr. BLATNIK. They may be; we do not know. We direct the Secretary to find out. They may be.

Mr. SMITH of Iowa. I thank the gentleman.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. OLSON of Minnesota. What about the people who live in these areas who do not have sufficient money to get out? What about the old people? We have heard the talk about the coal fields. There are many rural areas we know well enough which have people without sufficient income, far from job opportunities and training. They are still living there, and we have not done anything about them with the Roberts language.

Mr. CRAMER. Mr. Chairman, I move to strike the requisite number of words.

I will say that we now have seen the fourth demonstration as to what a bad bill this one before us is.

This is the language of the present law. The effect of the language in the bill before us will be that these rural areas which now qualify will not qualify under the bill. That is all there is to it. The gentleman's amendment is understandable, because he wants those areas that did qualify in the past to continue to qualify.

The present law specifically provides $100 million to go to these rural areas about which the gentleman has been talking. The legislation before us would eliminate them.

This is a pretty interesting display we are having today. We see that areas formerly in are now out, so far as rural areas are concerned. We see that areas which do not have any reason to be in, because there is not adequate unemployment, are put in. We find municipalities with large pockets of poverty are eliminated.

I say that the only answer to the amendment which has been offered, when you have an opportunity to give an answer, is to take care of these areas throughout the Nation with problems—and there are many, as exemplified by this debate, which are not covered—is to send the bill back to the committee telling the committee to do the job it should have done in the first place.

Mr. OLSON of Minnesota, Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Minnesota?

Mr. OLSON of Minnesota. If the gentleman is correct—and I am not certain his figures or interpretation would jibe with mine, but saying he is correct, the last act carried much less funding than this bill. If these areas were in before and there was not a problem caused, then making of these areas eligible according to the formula Members have all read and heard, would be of no harm if we agree with the formula I submitted; that is, on gross income and not a statistic on median income.

Mr. CRAMER. The gentleman clearly showed that $100 million would go to rural areas but will not now go to them for the simple reason that the rural areas do not qualify under this new legislation. This shows again that if everyone is to be treated properly and not discriminatorily the bill should go back to the committee. Let us take care of these problems where they should be taken care of, in the committee.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that all debate on this amendment and any amendments thereto cease in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FUQUA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members of the House, I have been associated with economic improvement in my community, and my county, long before I came to Congress, helping to work out a program so that we could take advantage of the old Area Redevelopment Administration as it would affect our counties.

I now have in my district probably more counties than are in any other district in my State which are eligible under this bill, but I rise in strong support of the amendment offered by my good friend and distinguished colleague from Minnesota [Mr. OLSON] because I feel that if we really want to help some of the rural areas, where help is really needed, where there is poverty and low income and high amounts of unemployment, this is the way we can help these people.

It has been pointed out already that this amendment only affects some 8 million people compared to some 190 million people that we have in this country. It is a very small percentage that is helped. The number of counties is certainly large. It sounds like a large number, but when you look at the number of people you are helping, it is only a small number. These are the people who really need this help. We have counties where people want and need help. We have many areas where the high school graduates are finishing school and have no place to go except for migrating to some larger cities and seeking employment. This is a way we can help these local communities in providing local leadership which we so desperately need in the rural areas of America.

I strongly urge the House to support the Olson amendment, where we can give some help to the local areas. I am not sure all of the local areas can take advantage of it. Many of them cannot and maybe a majority cannot, but I am sure it will be in the best interests of this country if we can give these people an opportunity to take advantage of this program.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Minnesota [Mr. OLSON].

The question was taken; and on a division (demanded by Mr. OLSON of Minnesota) there were—ayes 73, noes 98.

Mr. OLSON of Minnesota. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. OLSON of Minnesota and Mr. EDMONDSON.

The Committee again divided, and the tellers reported that there were—ayes 75, noes 111.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. SAYLOR. Mr. Chairman, reserving the right to object——

Mr. CRAMER. Mr. Chairman, reserving the right to object, and I reserve the right to object solely for the gentleman to restate his request because I could not hear it.

Mr. BLATNIK. Mr. Chairman, I had asked unanimous consent that the balance of the bill be considered as read and open to amendment at any point.

Mr. CRAMER. Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. SAYLOR. Mr. Chairman, reserving the right to object, there are a number of amendments still at the Clerk's desk.

Is it the intention of the gentleman from Minnesota who is handling this bill to limit the time, if his unanimous-consent request is granted?

Mr. BLATNIK. Well, it would depend upon the length of time consumed.

Mr. SAYLOR. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

TITLE V—REGIONAL ACTION PLANNING COMMISSIONS

Establishment of regions

SEC. 501. The Secretary is authorized to designate appropriate "economic development regions" within the United States with the concurrence of the States in which such regions will be wholly or partially located if he finds (A) that there is a relationship between the areas within such region geographically, culturally, historically, and economically, (B) that with the exception of Alaska and Hawaii, the region is within contiguous States, and (C) upon consideration of the following matters, among others, that the region has lagged behind the whole Nation in economic development:

(1) the rate of unemployment is substantially above the national rate;

(2) the median level of family income is significantly below the national median;

(3) the level of housing, health, and educational facilities is substantially below the national level;

(4) the economy of the area has traditionally been dominated by only one or two industries, which are in a state of long-term decline;

(5) the rate of outmigration of labor or capital or both is substantial;

(6) the area is adversely affected by changing industrial technology;

(7) the area is adversely affected by changes in national defense facilities or production; and

(8) indices of regional production indicate a growth rate substantially below the national average.

Regional commissions

SEC. 502. (a) Upon designation of development regions, the Secretary shall invite and encourage the States wholly or partially located within such regions to establish appropriate multistate regional commissions.

(b) Each such commission shall be composed of one Federal member hereinafter referred to as the "Federal cochairman", appointed by the President by and with the advice and consent of the Senate and one member from each participating State in the Senate, and one member from each participating State in the region. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the commission shall elect a cochairman of the commission from among their number.

(c) Decisions by a regional commission shall require the affirmative vote of the Federal cochairman and of a majority, or at least one if only two, of the State members. In matters coming before a regional commission, the Federal cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(d) Each State member of regional commission shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal cochairman of each regional commission. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal cochairman for which he is an alternate.

(e) The Federal cochairman to a regional commission shall be compensated by the Federal Government from funds authorized by this Act up to level IV of the Federal Executive Salary Schedule. His alternate shall be compensated by the Federal Government from funds authorized by this Act at not to exceed the maximum scheduled rate for grade GS-18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal cochairman shall perform such functions and duties as are delegated to him by the Federal cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

(f) If the Secretary finds that the State of Alaska or the State of Hawaii meet the requirements for an economic development region, he may establish a Commission for either State in a manner agreeable to him and to the Governor of the affected State.

Functions of Commission

SEC. 503. (a) In carrying out the purposes of this Act, each Commission shall with respect to its region—

(1) advise and assist the Secretary in the identification of optimum boundaries for multistate economic development regions;

(2) initiate and coordinate the preparation of long-range overall economic development programs for such regions;

(3) foster surveys and studies to provide data required for the preparation of specific plans and programs for the development of such regions;

(4) advise and assist the Secretary and the States concerned in the initiation and coordination of economic development districts, in order to promote maximum benefits from the expenditure of Federal, State, and local funds;

(5) promote increased private investment in such regions;

(6) prepare legislative and other recommendations with respect to both short-range and long-range programs and projects for Federal, State, and local agencies;

(7) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(8) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(9) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(10) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation; and

(11) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences.

(b) The Secretary shall present such plans and proposals of the commissions as may be transmitted and recommended to him (but are not authorized by any other section of this Act) first for review by the Federal agencies primarily interested in such plans and proposals and then, together with the recommendations of such agencies, to the President for such action as he may deem desirable.

(c) The Secretary shall provide effective and continuing liaison between the Federal Government and each regional commission.

(d) Each Federal agency shall, consonant with law and within the limits of available funds, cooperate with such commissions as may be established in order to assist them in carrying out their functions under this section.

(e) Each regional commission may, from time to time, make additional recommendations to the Secretary and recommendations to the State Governors and appropriate local officials, with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in its region in the fields of natural resources, agriculture, education, training, health and welfare, transportation, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the commission deems necessary to further the purposes of this Act.

Program development criteria

SEC. 504. In developing recommendations for programs and projects for future regional economic development, and in establishing within those recommendations a priority ranking for such programs and projects, the Secretary shall encourage each regional commission to follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project, on a continuing rather than a temporary basis, will improve the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

Regional technical and planning assistance

SEC. 505. (a) The Secretary is authorized to provide to the commissions technical assistance which would be useful in adding the commissions to carry out their functions under this Act and to develop recommendations and programs. Such assistance shall include studies and plans evaluating the needs of, and developing potentialities for, economic growth of such region, and research on improving the conservation and utilization of the human and natural resources of the region. Such assistance may be provided by the Secretary through members of his staff, through the payment of funds authorized for this section to other departments or agencies of the Federal Government, or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to the commissions. The Secretary, in his discretion, may require the repayment of assistance provided under this subsection and prescribe the terms and conditions of such repayment.

(b) For the period ending on June 30 of the second full Federal fiscal year following the date of establishment of a commission, the administrative expenses of each commission as approved by the Secretary shall be paid by the Federal Government. Thereafter, not to exceed 50 per centum of such expenses may be paid by the Federal Government. In determining the amount of the non-Federal share of such costs or expenses, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services.

(c) There is hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1970, for the purposes of this section.

Administrative powers of regional commissions

SEC. 506. To carry out its duties under this Act, each regional commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal cochairman on the commission and no member, alternate, officer, or employee of such commission, other than the Federal cochairman on the commission and his staff and his alternate, and Federal employees detailed to the commission under clause (3), shall be deemed a Federal employee for any purpose;

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the commission such personnel within his administrative jurisdiction as the commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status;

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency;

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel, and the Civil Service Commission of the United States is authorized to contract with such commission for continued coverage of commission employees, who at date of commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government;

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible;

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation;

(8) maintain an office in the District of Columbia and establish field offices at such other places as it may deem appropriate; and

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

Information

SEC. 507. In order to obtain information needed to carry out its duties, each regional commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a cochairman of such commission, or any member of the commission designated by the commission for the purpose, being hereby authorized to administer oaths when it is determined by the commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized, to the extent not otherwise prohibited by law) to furnish to such commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection.

Personal financial interests

SEC. 508. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of a regional commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than $10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the regional commission involved of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the commission may expect from such State member, alternate, officer, or employee.

(c) No State member of a regional commission, or his alternate, shall receive any salary, or any contribution to or supplementation of salary for his services on such commission from any source other than his State. No person detailed to serve a regional commission under authority of clause (4) of section 506 shall receive any salary or any contribution to or supplementation of salary for his services on such commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from such commission. Any person who shall violate the provisions of this subsection shall be fined not more than $5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal cochairman and his alternate on a regional commission and any Federal officers or employees detailed to duty with it pursuant to clause (3) of section 10 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) A regional commission may, in its discretion, declare void and rescind any contract or other argeement pursuant to the Act in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

Annual reports

SEC. 509. Each regional commission established pursuant to this Act shall make a comprehensive and detailed annual report each fiscal year to the Congress with respect to such commission's activities and recommendations for programs. The first such report shall be made for the first fiscal year in which such commission is in existence for more than three months. Such reports shall be printed and transmitted to the Congress not later than January 31 of the calendar year following the fiscal year with respect to which the report is made.

Mr. BLATNIK (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that all of title V be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am for the Public Works and Economic Development Act because I understand the need for the program. I have seen the good effects of ARA and APW, and I believe its passage is in keeping with sound principles of progress in all areas of our country.

We hear that the Nation is prosperous. Our economy is booming. Our people are productive. And these statements are true from the standpoint of the whole country. But they are not true for many parts of the country.

They are not true for some of the counties in my district and in my State and please note that I am talking about glamorous, progressive, growing Florida. We have problems there, too.

These counties are not prosperous. Some of the little "economies" are depressed. Some of the people who live in these counties, do not have an opportunity to work or produce to their fullest capacity.

That is why we need a program which looks to the economic growth of the lagging areas of the Nation.

Congress has enacted many measures intended to support and promote the overall economy for the Nation.

Congress should continue the measure that supports the "little economies" scattered throughout our country which are in need of help. This is overdue.

I am familiar with the Area Redevelopment program. I have seen its good effects at first hand. I have seen its potential. It has served a useful purpose in my State. I am confident that it has made a good contribution to the economic growth of the Nation.

It is not easy to accomplish a stimulus for individual initiative. The road is rough. This program relies on the local community to put together practical ideas for new industrial or commercial enterprises. Local leaders have to get the ideas and prove that they are practical.

All this takes time. It takes effort. It requires individual initiative.

When Congress first passed the Area Redevelopment Act, we estimated that it would take 4 years to commit $100 million in loans to the large urban areas and an additional $100 million in loans to the smaller rural areas.

Despite a number of unfavorable circumstances the Administration committed all of the authorized $100 million for loans to create new employment in industrial and commercial facilities in rural areas, the so-called "5-b" areas, almost a year ago.

Because Congress did not act last year, the rural areas and the smaller towns and villages have been the principal losers. We should keep this program going in the rural areas as well as in the urban areas. Perhaps it is even more important to rural areas but it has much to contribute to both.

I am particularly impressed with the opportunity we now have in many of the smaller depressed areas to give new life to their economies by helping them develop recreation and tourism projects. Recreation and tourism projects offer new hope for many lagging rural economies. Recreation and tourism depend on open space, water, trees, and fresh air—all of which are items generally available in rural areas. Recreation and tourism are fast-growing industries, growing faster than the increase in population—faster than the increase in leisure time—faster than the increase in good roads makes it possible for city dwellers to get a change in scenery. Recreation and tourism provide jobs for the relatively unskilled—jobs for people in their home areas where they are adjusted and comfortable, thereby making it unnecessary for them to crowd into city slums in order to find work.

These are all reasons why I feel that it is essential that we renew this program and make it possible for its benefits to be available to the rural areas for another 5 years.

This is a program which relies primarily on the free enterprise system to do something about unemployment and underemployment. It is directed almost wholly toward helping community leaders in depressed areas find the means to help businessmen create new job opportunities. It is the only program that is pointed toward this goal. I consider this very important. It places the emphasis on individual initiative but it helps the individual to find an opportunity which was not there before.

This act, like the ARA program, was conceived on behalf of our local communities. It has been planned by and in cooperation with local community leaders. It is started on local initiative. It is carried out by and with local businessmen.

The EDA program gets maximum help from the private banking community. Private lending institutions are encouraged to take the maximum possible portion of every project. The Government may not finance more than 65 percent. Private lending institutions are allowed favorable mortgage terms. Private investors will respond by making large contributions to EDA projects. The experience of the last 4 years assures us that is so.

And, finally, we all need to keep in mind that dollars invested under the EDA program come back to the Federal Treasury in the form of loan repayments with interest and increased Federal taxes on the incomes of the new wage earners and the profits resulting from the new businesses.

The program still is needed. It is effective. I consider it sound. We need its help for areas of high unemployment or underemployment.

Mr. DON H. CLAUSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I had intended to offer an amendment to this section and a couple of other sections, but in the interest of time I shall withhold the introduction of these amendments and request that I be permitted to revise and extend my remarks associated with these amendments and also that the gentleman from Mississippi [Mr. WALKER] be granted the same privilege.

Mr. Chairman, I had intended to offer three amendments to the bill that I think would have improved the bill immeasurably. Briefly, they were designed to retain congressional approval over regional and interstate compacts, insert an antipiracy provision to protect existing industries, and restrict loans to certain agricultural products that are substantially in surplus or experiencing an oversupply of production, thus creating a depressive effect on existing markets. In particular, I refer to the poultry industry throughout the Nation. The poultry producers and the Broiler Council have spoken to me and other Members of the House about their concern over lending Federal financial assistance to create new businesses in depressed areas, while a marked surplus of production in a given commodity is very much in evidence. I do not think this is fair and I am sure many of my colleagues will agree. However, with the mood of the House today and their attitude of rejecting nearly all amendments up until now. I think the offering of these amendments would be an exercise in futility.

The gentleman from New Hampshire [Mr. CLEVELAND] and I have been working on the problem to stop the pirating of industry from one area by another. If his amendment carries, I will withhold the offering of my antipiracy amendment.

Mr. Chairman, I planned to offer an amendment to S. 1648 which, briefly stated, would require congressional approval as a prerequisite to the establishment of each and every multistate regional commission under the terms of title V of the bill.

This amendment would be consistent with the terms of article I, section 10, of the Constitution of the United States, which provides, among other things, that:

> No State shall, without the consent of Congress, * * * enter into agreement or compact with another State.

Title V of S. 1648 authorizes the Secretary of Commerce to designate economic development regions within contiguous States in the United States. Upon designation of development regions, the Secretary is required to invite and encourage the States to establish appropriate multistate regional commissions. S. 1648 contains general requirements relative to the membership, functions, and administrative powers of such commissions, together with certain other general provisions. The bill provides that the 2 full fiscal years after the date of establishment of each multistate regional commission 100 percent of its administrative expenses will be paid by the Federal Government. Thereafter, forevermore, without limitation as to time, one-half of such administrative expenses will be paid by the Federal Government.

The establishment of these multistate regional commissions, and the resulting financial commitment of the Federal Government would be accomplished through actions of the Secretary of Commerce, without further consideration or attention by the Congress. I believe that this is contrary to the concepts of our Government as set forth in our Constitution. If enactment of this bill is to be construed as a blanket congressional endorsement of any and all multistate regional commissions. I believe that it is a distortion of the meaning and intent of the Constitution.

Whether a multistate regional commission is needed or desirable in a particular region depends upon the peculiar circumstances involved. In the case of the Appalachian region, the Congress, after due deliberation, decided that an Appalachian Regional Commission was justified. Whether it would make the same decision in the case of a different region would depend upon the facts. But, in any event, the decision should be that of the Congress. The decision should not be left to the Secretary of Commerce who, however competent, is still a political appointee.

No matter how vague the language of S. 1648 may be—and it is exceedingly vague—one fact cannot be hidden: The creation of multistate regional commissions interposes an additional level of government between the State and the Federal Government. Therefore, inevitably, it would dilute and weaken the position of the State and local governmental organizations. This may be necessary in particular cases—but I do not believe that it should be accomplished without due consideration of the Congress, in furtherance of the constitutional directive that:

> No State shall, without the consent of Congress, * * * enter into agreement or compact with another State.

The day may come when regional government will have a place in our Federal system but a change in the Constitution would be required so as to guarantee responsiveness to a regional electorate. If the particular case has merit, I believe the Congress can be relied upon to give its approval. If it does not have merit, I would rather rely upon the wisdom of the Congress, rather than that of the Secretary of Commerce, for appropriate action.

My amendment would not prohibit the establishment of multistate regional commissions. It would simply require the Secretary of Commerce to submit a report and recommendations concerning each of such proposed commissions to the Congress, and require congressional approval as a prerequisite to their establishment.

I believe that my amendment was meritorious, and consistent with the Constitution of the United States and our basic concept of the structure of the Government of the United States.

Mr. Chairman, my poultry protection amendment would have added a new section to S. 1648, to prohibit financial assistance under the act for the production, processing, or wholesale marketing of poultry, eggs, and poultry or egg products. The amendment is designed to protect the poultry and egg industry, which is already plagued with problems of oversupply, from additional production by new competing enterprises which would have an unfair advantage if financed with Federal tax dollars.

It is regretted that any specific industries would require identification in this legislation, but it has come to my attention that the Area Redevelopment Administration is currently giving serious consideration to one or more loans in the poultry industry which would increase national productive capacity by 2 percent or more. Because of this fact, and because of conditions in the broiler and egg industries—both current and long run—the amendment is essential to the health of these major segments of the agricultural economy.

All available information plainly indicates that the broiler industry is threatened with an imminent danger from overabundant supply. The current increase in production casts a dangerous shadow on the year's final quarter and is expected to produce sharply reduced prices. Most noteworthy is a very recent analysis by the U.S. Department of Agriculture which accurately describes the situation now facing the broiler industry from which I quote:

> By January the broiler breeder flock will have climbed to about 12 percent above a year earlier. This expansion will create strong pressures for a substantial increase in broiler production through early 1966.
>
> Any further buildup in hatchery supply flocks would so extend the broiler industry's production capacity in 1966 that a prolonged period of heavy production and depressed prices would be likely.

Yet in the face of this condition, the ARA is nevertheless seriously considering a loan which would increase broiler production by an additional 2 percent. This would amount to an enormous volume of 18 million more chickens annually being placed on the market, and the history of the industry demonstrates, as is the case with most meat products, that even relatively small shifts in supply produce dramatic changes in price. If private entrepreneurs choose to bring about these situations themselves, that is their business, but I do not believe that a chaotic market condition should be the result of Government financing, especially when accomplished under an act which seeks to enhance economic development and create employment.

In my view, it was never and is not now the intendment of Congress that Federal loans, grants, or other financial assistance would be made available in such a manner as would cause or contribute to depressed market conditions in any industry. Such a policy could at best create minimal employment opportunities in one area while causing disemployment and unemployment of more substantial proportions in others. More important, any loan which creates an industrywide critical situation through oversupply harms not only existing producers but those who would ostensibly be assisted by the loan itself; the loan thus becomes a hollow promise and inexcusable hoax on persons and firms making counterpart investments and the very workers which the loan would appear to employ.

It should be pointed out that my amendment deals only with the special programs of financial assistance provided by S. 1648. It would not, in any way, limit or affect any benefits or assistance now available under other Federal programs such as those administered by the Small Business Administration and by the Farmers' Home Loan Bank under the Farmers' Home Administration. It would protect the poultry and egg industry from federally financed competition under a program supposedly designed to alleviate depressed economic conditions.

The CHAIRMAN. Is there objection to the request by the gentleman from California?

There was no objection.

Mr. WALKER of Mississippi. Mr. Chairman, until recently I was relatively unfamiliar with the Area Redevelopment Administration and the work it does; but since about early May, I have been in close contact with this agency.

I strongly question the desirability of continuing through the proposed Economic Development Administration the work of the ARA.

In a recent meeting on a certain loan application for ARA funds, Mr. William Batt, ARA Administrator, stated that the EDA in essence would merely extend the ARA on a more permanent basis, and although he had been given no authority to do so, he was proceeding to consider loan applications under provisions of the bill that we are now discussing.

The point I would like to make is that I feel this agency could do more harm than good. At the present time, Mr. Batt and the ARA, upon counsel of the Department of Agriculture, are considering a loan of $2.7 million for an integrated poultry complex in western Pennsylvania. If this loan is approved, it will provide Government funds to go into competition with free enterprise. This firm reportedly would employ 300 to 500 people in an area that was dropped from the distressed areas list 6 months ago—and in an area that has an unemployment rate of less than 3 percent. Also, this new poultry complex would create over 200 new poultry farms, adding production in an industry which is already in distressed condition. As late as July 22, the USDA warned that broiler prices may be heading for a sharp drop and that overproduction could cause an even greater drop in prices.

It is hard for me to understand how we can create another bureau that would in many cases use Federal funds to finance businesses which would cause severe unemployment conditions in other areas.

There is another industry with which I am familiar and which is closely alined with the broiler industry—this is the commercial egg industry. The U.S. Department of Agriculture is currently supporting a bill which is before the Dairy and Poultry Subcommittee which would set up a marketing order limiting the production of eggs. It seems to me that if the poultry industry is in such bad shape that it needs Federal restrictions to curb production, we are certainly in no position to turn around through another agency and use Federal funds which would magnify the overproduction problem.

Mr. Chairman, this is only one of many instances where Federal funds have been used under the guise of area redevelopment, to expand industries which were already in poor positions.

I must oppose this legislation and humbly urge my colleagues to do likewise.

Mr. KEITH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I make this motion in order to ask a question of the chairman of the committee.

On pages 62 and 63 under the subject of area eligibility, there is in my view a question as to whether or not a community in my district would be covered under the provisions of this act.

It says that the Secretary of Labor must find that the current rate of unemployment as determined by appropriate annual statistics for the most recently available calendar year is 60 percent or more and has averaged at least 60 percent for the qualifying period specified in paragraph (b).

Mr. Chairman, it goes on to say that there are further qualifications which with reference to the city of New Bedford are very vital to me.

It says that the Secretary of Labor must also find that the annual average rate of unemployment has been at least 50 percent above the national average for 3 of the preceding 4 calendar years. Then there are additional subparagraphs.

But, Mr. Chairman, I am not concerned with those other items. I would like to know to what average it refers when it speaks of a national average for the 3 of the preceding 4 calendar years. I will spell out the question: If we assume that in the years of 1961, 1962, 1963, and 1964 the national averages are as I have gathered them from the Department of Labor 6.7, 5.6, 5.7, and 5.2, and then if you increase them by 50 percent in order to make the comparison called for under the formula you have 10.05, 7.9, 8.55, and 7.8 percent for the years 1961 through 1964.

In those same years, the figures for the city of New Bedford are, for example, the 9.8, 7.9, 8.0, and then 8.4. If you take the year 1964 as the base year and take the New Bedford figures for the 3 or 4 years preceding that, New Bedford does qualify.

My question is: In this city of 102,000 people, with their current figure of 8.4, and a national figure of 7.8, for 1964 they qualify but they do not appear to qualify in 3 out of the 4 years if you compare 1964 with 1964, 1963 with 1963, and 1962 with 1962.

Mr. BLATNIK. I may advise the gentleman that New Bedford and other towns up there are eligible, even though they may not be under the existing or current rate. I cannot speak precisely because I do not have all of your figures in mind, but they qualify under the grandfather clause. Where eligible as of March 1965, that would continue for a year until the next annual review by the Department.

Mr. KEITH. They would qualify under the grandfather clause but what about the years in the future. My question is important to all of us, and it is simple:

In taking 50 percent above the national average, do they mean the current national average or the average for three of the preceding years?

Mr. BLATNIK. I cannot give that answer, and the gentleman knows it, I am sure. We will all know after the next annual review. We do not know now what the national unemployment figures are going to be.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. KEITH. I yield to the gentleman from Florida.

Mr. CRAMER. That is one of the most startling replies that has been given to any question yet. In other words, when you vote on this bill you do not know whether your areas are in or out of the bill, according to the gentleman from Minnesota.

Let me say what I think the answer to the gentleman's question is. I think the answer is that gentleman's community will not qualify under the criteria set forth in the bill.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CRAMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman is entitled to a reply. He has raised a serious question. His community qualifies at the national average of last year, because its unemployment rate was 50 percent above the national average for that year, but it would not qualify if the national average for the 3 preceding years are used, since those national averages were different.

So the gentleman's question is a serious one. It is my opinion his community would not qualify because you take the national average on each annual basis, and that changes each year.

Therefore, he would not qualify because he would only meet the requirements in 1 of the 4 preceding years, and not 3. I think the gentleman's question is a very sound one and one that should be answered unquestionably in the legislative history of this bill.

Mr. BLATNIK. My answer to that would be, under the grandfather clause, those areas are qualified.

Mr. CRAMER. If the gentleman asks the same question after the year period, would he qualify—that is the question.

Mr. BLATNIK. I may be speculating, but as to the grandfather clause, on March 1, 1965, for a year thereafter, the areas are qualified.

Mr. CRAMER. I think it is a very interesting situation, where the sponsor of legislation cannot tell a Member whether a city in his district is going to meet or not meet the test that has been written into this legislation, and does not even know how to interpret it.

Mr. PHILBIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to commend the distinguished gentleman from Minnesota [Mr. BLATNIK] on the fair, able way in which he has handled this bill. I would also like to ask the gentleman a question.

On page 8 of the committee report, under the caption or title "Types of Facilities Eligible for Assistance," there is a list of the types of projects that are deemed to be eligible and another short list of types that the committee feels might not be appropriate.

I would appreciate very much if the distinguished Chairman could advise me whether, in his judgment, libraries and recreational centers for the elderly would be eligible for grants and assistance under the act.

Mr. BLATNIK. I am making a general statement now. Of course, area by area, conforming to the economic development plan for that area, and within that framework of reference, we would be able to give you a more precise answer. If these projects carry out, either directly or indirectly, the purposes of this act, to enhance and encourage and improve the capability for long term private permanent employment, then they would be eligible.

Mr. PHILBIN. Does the gentleman believe the two projects that I mentioned; namely, libraries and recreational centers for the elderly would be eligible?

Mr. BLATNIK. Certainly, offhand—yes. Libraries could be eligible and certainly recreational areas for the aged, provided the projects otherwise meet the criteria of the bill.

Mr. PHILBIN. I thank the gentleman very much.

Mr. CLEVENGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had intended to do two things today. I wanted first to tell the Members of this House something about my district which is a depressed area and what it is going to gain under this bill. I also wanted to go back to my district and tell my people there something about this bill and this House. I am not going to do the latter if I do not cut short the former. Therefore, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CLEVENGER. Mr. Chairman, I represent a district which will benefit from this act. I would like to describe some of the conditions within this district and tell the Members of the House why I think this act would be of such great benefit, not only to the people of the 11th District of Michigan, but all of America.

Let me describe the situation in the city of Sault Ste. Marie where I live. During the last 15 years, 5 out of 5 industries in Sault Ste. Marie have closed down. We had a carbide plant which closed; a tannery; a woolen mill; a lumbermill; and a ship machine shop. These closed because of technological obsolescence. They came to the Soo area around the turn of the century. They closed because they no longer provided the goods and services now required.

During the last two decades, we have seen our iron and copper mining decline. In our iron mining industry, we have had over 100 years of mining of top grade iron ore. In fact, Mr. Speaker, until the discovery of the iron ore in the north country, the future of America's economy was that to be an agrarian economy. But despite the century of mining, there is still more ore in the ground than has been mined.

Fortunately, there has been a resurgence in iron mining, even at the time mines are closing. This resurgence is due to the pelletization and beneficiation of iron ore so that low-grade ores can be economically utilized. Part of the research on pelletization is being paid for by ARA funds. Also, we have deepened the channels in the Great Lakes so that our ore carriers can carry fuller loads and thus transport the ore to the mills more economically.

In our copper mining industry, we have literally hundreds of years of mining because there is evidence of copper mining being carried on before the white man came to the north country. Yet, in spite of all of these years of mining, only 20 percent of the copper deposits in the Upper Peninsula of Michigan have been mined.

Let me tell a tale of Government aid to an industry. In 1951, a corporation obtained a Government loan of over $57 million. These funds were used to finance a new mining operation which used new techniques to mine what was then considered low-grade ore. This company has repaid the loan to the Government, and it now mines over one-half of the copper coming from Michigan. Since the opening of the mine, copper production has jumped from 22,000 short tons in 1952 to over 56,000 short tons in 1960. This is the type of Government aid we are talking about in this bill.

There is talk of our tourist industries, and it is an important one that has grown recently. Since the opening of the expressway system financed principally by Federal funds, the north country is within a 1-day drive of over 50 million people. Now we find that almost one-half of all the tourists traveling to and in Michigan are headed toward northern Michigan and the Upper Peninsula. Better highways within my district will help this travel to continue.

Mr. Chairman, there are two ways of reducing the unemployment rate in a distressed area: First, move men out. Second, put men to work. This act will help put men to work. Mr. Speaker, resources can be used or wasted. This act will help us use the resources of northern Michigan and prevent their waste. This act provides capital, permits cooperation among people who want to work toward economic development, and it gives the people of this great area hope for the continued development of this great part of America.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield.

Mr. EVANS of Colorado. Mr. Chairman, the Congress now has the benefit of more than 3 years of accumulated experience under the Area Redevelopment Act to assist us in considering the Public Works and Economic Development Act of 1965. The record of the Area Redevelopment Administration on a nationwide basis is impressive. Unemployment in redevelopment areas has been dropping steadily and at a faster rate than the national average; economically depressed areas and communities have been assisted in preparing inventories of basic skills and resources which are an essential foundation to a successful search for new industry; the simple fact is that thousands of new jobs have been created under the ARA.

It is to be expected that problems with a program of such novelty and breadth should occur. The 1965 act has been drafted in light of this experience and of the problems it revealed. One example of great importance to the West and to the sound economic development of certain areas in southeastern Colorado is the regional development concept, allowing planning and assistance on a multicounty or multistate basis.

In discussing past experience under the ARA it is helpful to deal with specific examples. One such example is the Stonewall Forest Products, Inc., of Trinidad, Colo.

Trinidad is an area suffering from severe economic dislocation as a result of the abrupt decline of the coal mining industry before and following World War II. It is an area where outside financial backing and technical assistance is essential to reverse the trend of steady economic deterioration. Once this trend is reversed it is clear that private enterprise can do the great bulk of the job of economic recovery.

Stonewall Forest Products was established at a total cost of $585,000. It now provides some 70 jobs in the sawmill and the surrounding areas. It is an important element in the effort to diversify the economy of the Trinidad area formally dependent on coal mining alone.

The $380,250 ARA industrial loan provided basic financing of the enterprise. This loan is repayable within a 17-year period and bears an annual interest rate of 4 percent. A local economic support entity, Community Enterprises of Trinidad, has provided $58,500 to the company. The membership of this group is very broad and includes the bulk of the local business community. This is a clear recognition of the importance of such an economic development effort to all elements of the Trinidad community. The support of these local businessmen was well placed: one investor was an auto dealer who contributed $1,000. Within the next few weeks sales of automobiles to the company had already returned the amount of his initial investment.

Equally important is the fact that local residents formerly unemployed or not holding steady jobs are now receiving a steady income and a chance to break away from the impending cycle of welfare, unemployment, and inadequate training.

Additional investment has been provided by a joint loan from the First National Bank of Trinidad and the Trinidad National Bank to the amount of $61,500. The applicant himself supplied $84,750 and came into the enterprise with a substantial amount of personal experience in the lumbering business obtained in California and Washington.

Stonewall Forest Products, Inc., is a going business in a city that 4 years ago had no such enterprise and little hope of receiving it. It is one of the numerous examples of the success in practice of the ARA concept and program.

Mr. HORTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I recommend approval of the Public Works and Economic Development Act of 1965 because it will continue the work of two Federal programs that have accomplished a good deal during their short lives, but leave a good deal more to be done. I refer to the accelerated public works program and the area redevelopment program. The first used $850 million to speed up 7,700 needed public facility projects throughout the Nation, an amount equal to the matching funds supplied by the local communities and the States. On the construction work, a million man-hours of employment was generated, and most of the projects have probably opened up, directly and indirectly, thousands of permanent jobs, because most of the public works that were accelerated and assisted made their communities better places to live and work and thereby more attractive to industry.

In addition to public works grants, S. 1648, the EDA package, includes public facility loans, private commercial and industrial loans, technical assistance grants and contracts, and long-term assistance for economic development districts and regions.

Federal aid is needed for the hundreds of disadvantaged areas in the country, as well as those faced with the loss of an industry upon which their economic well-being depends. Recently the village of Clyde, N.Y.—in Wayne County, which I represent—learned that the General Electric plant there would soon close down. Production will be consolidated in other GE plants, including the one at nearby Auburn, where 150 Clyde employees can be transferred and absorbed. But out of a total payroll of 450, that still leaves 300 workers without jobs. Obviously, the only practical way to get them working again is to find a new tenant for the GE plant, which is being phased out rapidly.

Bill Batt and his Area Redevelopment Administration were prompt to respond to my call for help. A Presidential task force was set up, consisting of representatives of ARA and of the Department of Labor. They came to Clyde and conferred with officials of the town and of General Electric, and with me, in order to explore every practical means of filling the alarming employment gap.

Only a couple of weeks ago, Bill Batt made a personal visit to Clyde, where he announced that he had just approved a technical assistance project that will send in a team of experienced business consultants to carry on the work of getting not only a new manufacturer into the vacant GE plant but other new industry into Wayne County as well.

I am personally convinced that it is in our best interests, local as well as national, to support the continuation of such valuable programs as these, by enacting S. 1648.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VI—ADMINISTRATION

SEC. 601. (a) The Secretary shall administer this Act and, with the assistance of an Assistant Secretary of Commerce, in addition to those already provided for, shall supervise and direct the Administrator created herein, and coordinate the Federal cochairmen appointed heretofore or subsequent to this Act. The Assistant Secretary created by this section shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule. Such Assistant Secretary shall perform such functions as the Secretary may prescribe. There shall be appointed by the President, by and with the advice and consent of the Senate, an Administrator for Economic Development who shall be compensated at the rate provided for level V of the Federal Executive Salary Schedule who shall perform such duties as are assigned by the Secretary.

(b) Paragraph (12) of subsection (d) of section 303 of the Federal Executive Salary Act of 1964 is amended by striking out "(4)" and inserting in lieu thereof "(5)".

(c) Subsection (e) of section 303 of the Federal Executive Salary Act of 1964 is amended by adding at the end thereof the following new paragraph:

"(100) Administrator for Economic Development."

Advisory Committee on Regional Economic Development

SEC. 602. The Secretary shall appoint a National Public Advisory Committee on Regional Economic Development which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, State and local governments, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

Consultation with other persons and agencies

SEC. 603 (a) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of area and regional unemployment or underemployment.

(b) The Secretary may make provision for such consultation with interested departments and agencies as he may deem appropriate in the performance of the functions vested in him by this Act.

Mr. BLATNIK (interrupting the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. OLSEN of Montana. Mr. Chairman, I move to strike the requisite number of words.

I should like to direct a question to the manager of the bill, the gentleman from Minnesota [Mr. BLATNIK].

I refer to page 116 of the bill, section 703(e), and I read:

> No financial assistance authorized under this Act shall be used to finance the cost of facilities for the generation, transmission, or distribution of electric energy, except on projects specifically authorized by the Congress, or to finance the cost of facilities for the production or transmission of gas (natural, manufactured, or mixed).

Then, comparing that language with the report, page 8, in the section entitled "Competition with privately owned utilities," which states, and I quote:

> Language is provided under sections 101 (e), 201(d), and 703(e) which would prevent the act from being used for purposes which

would compete with an existing private utility subject to State or Federal regulation. The Secretary would, in fact, be prohibited from financing the cost of facilities for the production, generation or transmission or gas or electrical energy, or for the distribution of electrical energy. The language of the bill does not prohibit financing facilities for gas distribution which do not compete with existing utilities, because the committee recognizes that assistance may be required for local communities to undertake the extension of short line distribution gas to industrial sites. These provisions are intended to prevent the approval of projects which would compete with privately owned utilities, and the committee is confident that the Secretary of Commerce will administer the proposed act in a manner which will insure that the intended effect will be realized.

Sections 101(c) and 201(d) are virtually identical and spell out what is obviously the committee's intent in this regard, that is:

> Except for projects specifically authorized by Congress, no financial assistance shall be extended under this section with respect to any public service or development facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State or Federal regulatory body, unless the State or Federal regulatory body determines that in the area to be served by the facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake.

However, the language of section 703(e), if interpreted literally, would seem to preclude funds under this act from being used to develop new sources of fuel. As my colleague knows, with the rapidly increasing population in the West and on the west coast, there is an urgent need for the development of new sources of fuel gas. I would hope that the language of the report is legislative history, and I wonder if you would confirm that the legislative history and the intent of Congress is that these sections of the act, including section 703(e), have specific reference only to the use of funds authorized by the act being used to finance enterprises that would constitute public utilities which would compete with similar existing facilities.

Mr. BLATNIK. Mr. Chairman, the gentleman's question refers to page 116, lines 7 to 12, which is a prohibition of the use of any of these funds for projects in the utility field such as gas and electricity which compete with privately owned utilities. However, it is understood and intended by the committee, as explained in the committee report on page 8, that this prohibition of competing with private utilities would not preclude a local municipality or area redevelopment organization or unit from extending short distances, where it might be required, a gasline or an electric powerline to an industrial park.

Mr. OLSEN of Montana. I thank the gentleman.

The **CHAIRMAN.** The Clerk will read.

The Clerk read as follows:

TITLE VII—MISCELLANEOUS

Powers of Secretary

SEC. 701. In performing his duties under this Act, the Secretary is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with loans made or evidences of indebtedness purchased under this Act, and collect or compromise all obligations assigned to or held by him in connection with such loans or evidences of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with loans made or evidences of indebtedness purchased under this Act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made or evidences of indebtedness purchased under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made or evidences of indebtedness purchased under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 201, 202, 301, 403, and 503 of this Act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or evidences of indebtedness purchased under this Act;

(10) employ experts and consultants or organizations therefor as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of $100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(11) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 507(b) and 2679 of title 28, United States Code, and of section 367 of the Revised Statutes (5 U.S.C. 316); and

(12) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

Saving provisions

SEC. 702. (a) No suit, action, or other proceeding lawfully commenced by or against the Administrator or any other officer of the Area Redevelopment Administration in his official capacity or in relation to the discharge of his official duties under the Area Redevelopment Act, shall abate by reason of the taking effect of the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such taking effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the Secretary or the Administrator or such other officer of the Department of Commerce as may be appropriate.

(b) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties under the Area Redevelopment Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer of the Department of Commerce as, in accordance with applicable law, may be appropriate.

Transfer of functions, effective date, and limitations on assistance

SEC. 703. (a) The functions, powers, duties, and authorities and the assets, funds, contracts, loans, liabilities, commitments, authorizations, allocations, and records which are vested in or authorized to be transferred to the Secretary of the Treasury under section 29(b) of the Area Redevelopment Act, and all functions, powers, duties, and authorities under section 29(c) of the Area Redevelopment Act are hereby vested in the Secretary.

(b) The President may designate a person to act as Administrator under this Act until the office is filled as provided in this Act or until the expiration of the first period of sixty days following the effective date of this Act, whichever shall first occur. While so acting such person shall receive compensation at the rate provided by this Act for such office.

(c) The provisions of this Act shall take effect upon enactment unless herein explicitly otherwise provided.

(d) Notwithstanding any requirements of this Act relating to the eligibility of areas, projects for which applications are pending before the Area Redevelopment Administration on the effective date of this Act shall for a period of one year thereafter be eligible for consideration by the Secretary for such assistance under the provisions of this Act as he may determine to be appropriate.

(e) No financial assistance authorized under this Act shall be used to finance the cost of facilities for the generation, transmission, or distribution of electric energy, except on projects specifically authorized by the Congress, or to finance the cost of facilities for the production or transmission of gas (natural, manufactured, or mixed).

Separability

SEC. 704. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act or the application thereof to any persons or circumstances shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Application of act

SEC. 705. As used in this Act, the terms "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Annual report

SEC. 706. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1966. Such report shall be printed and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made.

Use of other facilities

SEC. 707. (a) The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act.

(c) Funds authorized to be appropriated under this Act may be transferred between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

Appropriation

SEC. 708. There are hereby authorized to be appropriated such sums as may be necessary to carry out those provisions of the Act for which specific authority for appropriations is not otherwise provided in this Act. Appropriations authorized under this Act shall remain available until expended unless otherwise provided by appropriations Acts.

Penalties

SEC. 709. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under sections 101, 201, 202, or 403 or any extension thereof by renewal, deferment or action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(b) Whoever, being connected in any capacity with the Secretary, in the administration of this Act (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans, grants, or other assistance from the Secretary, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

Employment of expediters and administrative employees

SEC. 710. No financial assistance shall be extended by the Secretary under sections 101, 201, 202, or 403 to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and (2) execute an agreement binding such business enterprise, for a period of two years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

Prevailing rate of wage and forty-hour week

SEC. 711. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not extend any financial assistance under section 101, 201, 202, or 403 for such a project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

Record of applications

SEC. 712. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for financial assistance under section 101, 201, 202, or 403, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved; (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan or grant for which application is made, (3) the purposes for which the proceeds of the loan or grant are to be used, and (4) a general description of the security offered in the case of a loan.

Records and audit

SEC. 713. (a) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this Act.

Conforming amendment

SEC. 714. All benefits heretofore specifically made available (and not subsequently revoked) under other Federal programs to persons or to public or private organizations, corporations, or entities in areas designated by the Secretary as "redevelopment areas" under section 5 of the Area Redevelopment Act, are hereby also extended, insofar as practicable, to such areas as may be designated as "redevelopment areas" or "economic development centers" under the authority of section 401 or 403 of this Act: *Provided, however,* That this section shall not be construed as limiting such administrative discretion as may have been conferred under any other law.

SEC. 715. All financial and technical assistance authorized under this Act shall be in addition to any Federal assistance previously authorized, and no provision hereof shall be construed as authorizing or permitting any reduction or diminution in the proportional amount of Federal assistance to which any State or other entity eligible under this Act would otherwise be entitled under the provisions of any other Act.

Mr. BLATNIK (interrupting the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CLEVELAND: On page 113, following line 17, insert the following new section:
>
> "PREVENTION OF UNFAIR COMPETITION
>
> "SEC. 702. No financial assistance under this Act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, material, commodities, services, or facilities, to employ the efficient capacity of existing commercial or industrial enterprises."
>
> And renumber succeeding sections and references thereto accordingly.

Mr. CLEVELAND (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispsensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. CLEVELAND. Mr. Chairman, I share with many people here a desire to conclude debate on this legislation and to conclude our deliberations for the week at the earliest possible time. This is an important amendment, however, and I urge your careful attention to it.

The amendment is written in its entirety on page 59 of the report on this bill. I would appreciate it, Mr. Chairman, if the members of the committee would take the time and trouble to scan the amendment as it appears on page 59 and to read my brief remarks in support of the amendment.

This is probably one of the most constructive amendments offered here today. Generally speaking, this amendment would prevent the incredible situation which arises when the ARA lends money to establish a business which is going to create goods and services that are already in oversupply.

This amendment comes from hard experience in my own district.

This comes directly from the experience I have had in New Hampshire. When shoeshops in New England and New Hampshire were closing, we read that ARA funds were building shoeshops in rural Indiana. Not only were they creating more shoes at a time of bad oversupply, but they were creating jobs in an unorganized labor market and in a low wage labor market in direct competition with New England labor. This is but one of many examples. Hardwood plywood plants were being built with ARA money at a time when we had an oversupply of it. The same is true in the pulp and paper industry.

This amendment is simple. It will prevent this type of shocking misuse of the taxpayers' funds. It is my understanding that a perfecting amendment and an improving amendment will be offered by the gentleman from New York [Mr. MCCARTHY]. I can say that I approve of his amendment because it improves my amendment.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto cease in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENT OFFERED BY MR. M'CARTHY TO THE AMENDMENT OFFERED BY MR. CLEVELAND

Mr. McCARTHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MCCARTHY to the amendment offered by Mr. CLEVELAND: In the new section 702 proposed to be inserted, strike out "existing commercial or industrial enterprises" and insert in lieu thereof "existing competitive commercial or industrial enterprises."

Mr. McCARTHY. Mr. Chairman, I ask the indulgence of the Members.

As a member of the subcommittee who sat for many weeks on this bill, I would not be offering this amendment if I were not convinced that it is necessary. This narrows the Cleveland amendment. What it would do in effect is prohibit the ARA from coming in and loaning money to set up a new company to compete directly in the same market area with an established company in the same line of business. This is against their policy, they tell me. I said, "Why do you not accept my amendment, then?" They said it would tie their hands. But they come in in the shoe industry, in the paper industry, and in the particle board industry and the gypsum industry where I had firsthand knowledge of it and do this. There were six gypsum plants out in the southwestern part of the United States. They were not getting enough business and they needed a new gypsum plant out there like they needed a hole in the head. Well, what did the ARA come in and do? They did not put one new gypsum plant there but they put two new gypsum plants there. Now they are working 3 days a week and most of them are in the red. I suggest this is not a liberal or a conservative matter but is a matter of woolyheadedness, of people taking tax dollars from one company which does not have enough business and turning around and giving it to another company to set them up in direct competition with the other company. I think it is absolutely woolyheaded and is the kind of thing that hurts the Democratic Party more than anything else. There is nothing, nothing, that drives a businessman more to apoplexy than that.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I am rather surprised at the distinguished, the amiable, and capable gentleman from Minnesota because he does not accept this amendment. I think the amendment ought to be accepted. Let us not kid ourselves. The people who are administering this law downtown could care little about the amendment. They are willing to grant these loans to any place, anywhere in the Nation. All this does, this amendment offered by the gentleman from New Hampshire [Mr. CLEVELAND], and perfected by the gentleman from New York [Mr. MCCARTHY], is tighten up this law. We are given the ARA a lot of personnel to make marketing analyses of the particular products assembled and manufactured by industries looking for loans. The gentleman from New Hampshire cited three or four instances concerning his area. I could cite a number of instances concerning Wisconsin, New York, California, Massachusetts, and other areas in the United States. All this amendment does is to say to the ARA Administrator that we are not going to permit you to give loans to an industry that is going to manufacture a product that is now in oversupply. That is all we are doing. This would seem to me to be a sensible amendment, and I am amazed that it is not accepted by the Committee. It ought to be. It is a good amendment. It protects industry in your area and ought to be adopted by this Committee.

The CHAIRMAN. The question is on the amendment to the amendment as offered by the gentleman from New York.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended.

The amendment as amended was agreed to.

AMENDMENT OFFERED BY MR. SAYLOR

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SAYLOR: On page 123, after line 7, add the following new section:
>
> "SEC. 715. Any moneys available under authority of this Act to be used, directly or indirectly, for the construction, reconstruction, alteration or improvement of any facility, or for the purchase, repair or improvement of any equipment, shall be expended for such purposes subject to the condition that there shall be purchased for use in such construction, reconstruction, alteration, repair or improvement only articles, materials and supplies manufactured in the United States substantially all from articles, materials, or supplies produced or manufactured, as the case may be, in the United States, except in the case of any such manufactured article, material, or supply where the price thereof exceeds by 50 per centum or more the bid or offered price of a comparable manufactured article, material, or supply of foreign origin (including applicable duty and all costs incurred after arrival in the United States)."

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. GROSS. The amendment is an excellent one. The minority accepts it.

Mr. SAYLOR. Mr. Chairman, if you will notice, the report on this bill states that:

> The general purpose of S. 1648 is to provide a comprehensive program of Federal assistance to help provide more jobs and higher incomes for people who live in areas where jobs are scarce or incomes are low.

Already this year a great many bills have been introduced in the House and Senate for the express purpose of holding down the volume of imported goods competitive with American production.

My amendment serves to meet this intent, though it is in no way open to criticism by either our State Department or representatives of other nations involved in trade and tariff agreements with the United States.

Use of funds available under the Public Works and Economic Development Act for purchase of materials made outside the United States would be just as foreign to the intent of the legislation as the use of these funds for providing employment of aliens in their native countries. Without my amendment it would actually be possible for projects to involve vast expenditures from which American workers would share only to a minimum degree.

I need only remind you that the Tennessee Valley Authority, Bonneville Power Administration, and other publicly created agencies have made a specialty of buying generators, turbines, and steel for transmission towers from companies located outside the United States. In the absence of a prohibition against such practices, what chance has the American steelworker and electrical worker in any program supposedly designed to boost the economy of areas in this country?

If there is any question about the propriety of confining purchases of materials for public works to the manufacturers of this country, then I suggest that careful perusal be made of the documented study on policies and practices of foreign governments in the purchase of materials for public works. I published that extensive study in the CONGRESSIONAL RECORD earlier this year, and I should be glad to make copies available to interested parties.

If Congress is going to make Federal funds available to boost the economy of areas in this country, then certainly expenditures should be confined to this country. We should follow a rigid policy of buying only homemade materials for public works. After all, what are we trying to do but help our districts.

The very basic purpose of this bill is to help Americans. My amendment is simply known as the buy-American amendment. All it does is say to any community that is going to use these funds, "If you are going to provide jobs in America use American products."

I have heard some members of the committee say they would like to accept this amendment but it seems that this bill does not involve very much money. This bill, with the amendment calling for $100 million additional a year that has been adopted, comes to approximately $760 million a year over and above administrative expense. Over a 5-year period that is $3.8 billion. If the people on the Democratic side of the aisle say they are interested in America and interested in jobs for Americans, then there should be no reason why this amendment should not be adopted. Are you really interested in taking care of the people of this country or are you just putting this up as a sham?

How does it come that the departments downtown, particularly the State Department, do not like the buy-American amendment? What is wrong with the American workingman?

What is wrong with the products that are being produced in this country? If you are going to try and help people and spend $3.8 billion over a 5-year period in public works and ARA, do it by requiring the communities which are going to receive the benefit of this money to turn around and spend that money in America.

Now, Mr. Chairman, this amendment must be good because everyone downtown does not like it. The entire Democratic leadership in the House is against it. They do not like a "buy American amendment."

Well, Mr. Chairman, I happen to be one of those who was born in this country. I am proud of the fact that I was born in this country.

I have the honor to represent an area that has received a great deal of benefit out of the predecessors of this bill and all I can tell you is that the laboring men in my district, the men who work in the steel mills, would like to see, if we are going to spend $3.8 billion in this country on this bill, that they be allowed to produce the steel that is going to be used in these projects to make this country of ours a better country. I offered this amendment not at 100-percent but at a 50-percent differential. Representatives of the steel mills located in my district have said to me, "at that figure we can produce and compete with labor anywhere in the world in the production of steel."

The people who make the bricks and the people who make the tile that are going to be used in the sewer projects say they can compete with anybody in the world with a 50-percent differential, provided it is based upon the delivered product in this country.

Mr. Chairman, since I have made a very exhaustive study of what other countries do in matters like this, I will include, as a part of my remarks, a summary of the laws in other countries that are a great deal more stringent than my amendment. They cover purchases by countries or cities or municipal subdivisions in those countries.

My amendment ties the funds in the proposed act exclusively to American workers and products.

I urge the support of my colleagues.

I am concerned, as are all Americans, with our Government's monetary and economic policies. Today, the two most persistent economic problems facing the United States are our unfavorable balance of payments and unemployment.

While our present unemployment level is acute, should there be a downturn in the economy, this situation would become critical. Pennsylvania had 233,000 persons unemployed during March. The Nation as a whole had 3,740,000 persons out of work during the same period. We are faced with an inescapable and unavoidable responsibility to provide employment for these unfortunate fellow citizens. The Appalachian program, the Manpower Training and Development Act, the antipoverty programs and other proposals are splendid ideas and promise dividends in higher employment, but we must be relentless in our fight to create more work for our labor forces. The President's economic report for 1965 calls unemployment "the greatest test now confronting our general economic and manpower policies." I submit that Congress should continue to support measures which provide that moneys expended by this administration will be used for the benefit of the people of this country.

The balance-of-payment deficit and the outflow of gold poses far more complex problems in that internal actions alone cannot eliminate this deficit but could reduce it substantially. In the main our trade and tariff policies have been formulated to coincide with our foreign policy requirements rather than considered in conjunction with our current unemployment problems.

This country is committed to efforts to end our balance-of-payments deficit, and I would remind my colleagues that this administration pledged itself to eliminate this deficit. Congress has been asked to enact various measures to strengthen our checks on foreign use of U.S. capital markets. The Secretary of the Treasury has been asked to enroll our banking community in a major effort to limit lending abroad. American industry has been requested to limit direct investments in foreign countries. The Department of Defense and the Agency for International Development have been directed to cut oversea spending to the bone. Finally, our citizens have been encouraged to "see America first."

Whether these various measures will be adequate is not yet determined, but it is clear to me that we should carefully analyze our trade policies and the policies of other nations in their entirety if we are to rectify these pressing problems. It is the nontariff barriers imposed by other nations that have in great measure contributed to our present balance-of-payments deficit.

Let me make my position clear. I am not blind to the need for dealings with the other trading nations of the world, but I ask that we keep in mind the fact that we are beset with acute problems that are directly related to our foreign spending policies.

If we are to maintain our economic and military commitments to other nations with the attendant gold outflow, we should at the minimum be afforded reciprocity by foreign governments in the field of public procurement policies.

Mr. Chairman, am I to understand that our Nation is to be committed to correcting our international balance of payments on the one hand while, on the other, we are to permit Federal contracts to be awarded to foreign concerns? This possibility especially concerns me when I consider that the major trading countries of the world discriminate against foreign industry in favor of their domestic concerns.

I submit that the individual taxpayer has a right to ask that his Government buy domestic products because that taxpayer has contributed his money toward procurement of those services and supplies. Purchases from domestic concerns are sound and logical from an economic viewpoint if all factors are considered.

For example, a Government agency recently procured some supplies from a foreign supplier at a cost of $500,000 and contended that it had saved the Government approximately $100,000. A careful analysis of this procurement would have disclosed that such a savings was not, in fact, achieved by our Government. If the procurement had been made from a domestic concern, a considerable percentage of the money involved would have been used to pay local, State, and Federal taxes. Additional tax revenue would have been achieved from the necessary procurement of raw materials necessary to produce the manufactured products desired by the agency. Further, the workers necessarily employed to produce the raw materials and the manufactured items would have received several hundreds of thousands of dollars in wages, part of which would have been applied to their social security funds, pensions, payroll taxes, along with a corresponding decrease in unemployment compensation that many otherwise received.

One major domestic industry has recently estimated that at least 30 percent of every dollar collected from the sale of the product involved eventually goes—through corporate, personal, property, and sales taxes—to Federal, State, and local taxing bodies.

Mr. Chairman, advocates of free trade may label my case for domestic preference of public supply and public works contracts as an attempt to return to the days of isolationism and protectionism. Domestic preference is neither isolationism nor protectionism. As a matter of fact, it is the accepted way of transacting public business in almost every major trading country in the world. For example, in a recent staff study made by the U.S. Bureau of the Budget, the following statement concerning foreign procurement policies of the members of the Organization for Economic Cooperation and Development—OECD—is made:

> The State Department has obtained reports from U.S. embassies on the foreign procurement policies of all OECD countries which indicate that * * * various practices hamper or restrict the opportunities of foreign firms to compete for Government contracts.

The study further states:

> Practices which limit the opportunity to compete for Government contracts include such things as * * * exclusive preference to domestic firms; regulations which preclude foreign bidding on Government contracts.
>
> In summary, few other countries have defined their "buy national" policies as publicly as the United States, but widespread administrative discretion generally permits them to show preference for domestic firms.

Mr. Chairman, at the time the Bureau of the Budget staff study was made, a complete compilation of domestic preference laws and regulations of the major world trading companies was not available. However, such a compilation is now available. I shall introduce beginning today for inclusion into the Congressional Record a two-volume report, prepared by Joseph W. Marlow, associated with Cravath, Swaine & Moore of New York City, which report substantiates the fact that the major world trading countries, such as Japan, France, Italy, Canada, the United Kingdom, and some 27 others do, in fact, favor their domestic concerns to the almost complete exclusion of U.S. products.

The report that I shall institute cites chapter, page, and verse from the laws and regulations of these major trading countries, proving that a domestic preference program exists in each one of these countries.

I submit that the policy of domestic preference pursued by these major trading countries is a sound and logical policy. The United States must be as wise as these countries have been and recognize that domestic preference is good for the country and its citizens.

Japan, for example, has recently recognized that domestic preference does, in fact, benefit the nation. On September 20, 1963, the Japanese Cabinet issued a "Buy Japan" decision, justified in part as follows:

> In order for the Japanese economy to attain growth at the rate expected by the Government, the Government should take the lead in carrying out such measures as are within its jurisdiction to take, while keeping the international payments in balance, and at the same time voluntary cooperation should be expected from the industrial and financial circles.
>
> It is therefore decided that correct evaluation for domestic products * * * be established and that effort be made to encourage the use of domestic products by the Government and Government agencies, in order to prevent the outflow of foreign exchange through unnecessary imports and to promote the domestic industries.

Our Nation, with its similar problems, must be equally as wise and recognize that domestic preference is in the Nation's best interests.

In summary, Mr. Chairman, I submit that public procurement of foreign supplies and services should be held to an absolute minimum. My daily remarks will prove that such action would be in step with the practices and policies of the major world trading countries. Such action would also be compatible with our national interests regarding balance of payments, gold reserves, employment, and real net cost.

I produce this material not to castigate or condemn our foreign friends, but only to demonstrate that it is unorthodox as well as idiotic for our own Government to spend public funds for materials that, if supplied by domestic producers, would provide employment for Americans, bring taxes into all levels of government, and improve our balance-of-payments position. In the midst of our current make-work programs, how can we justify buying materials from alien sources to the exclusion of U.S. industry and labor?

The one justifiable alternative to the policies and practices of foreign governments described in the following study is for our own Government to buy from producers and suppliers in the United States—not as a retaliatory move but only as the reasonable answer to America's unemployment and balance-of-payments problems.

Introduction

In a staff study on the "Foreign Procurement of the United States Government" made in 1963 (and released in April 1964),[1] the United States Bureau of the Budget made the following statement (at page 24) concerning the foreign procurement policies of other members of the Organization for Economic Cooperation and Development (OECD):

"G. Foreign Procurement Policies of other OECD Governments.

"The State Department has obtained reports from United States embassies on the foreign procurement policies of all OECD countries which indicate that a majority of them do not have legislation covering foreign procurement by government agencies and that in practice procuring agencies have broad administrative discretion in all phases of procurement. Also, procurement decisions are not infrequently handled on the basis of unpublished internal administrative orders. In general, it appears that various practices hamper or restrict the opportunities of foreign firms to compete for government contracts.

"Practices which limit the opportunity to compete for government contracts include such things as little or no advance publicity regarding planned government procurement; exclusive preference to domestic firms; regulations which preclude foreign bidding on government contracts; cumbersome administrative or excessive bonding requirements. In some cases bids are open to foreign firms only when domestic sources are unable to meet specifications or supply desired products; in others, bulk supply agreements between government agencies and domestic suppliers provide for selective tender from closed lists of suppliers and confidential negotiations.

"In summary, few other countries have defined their 'buy national' policies as publicly as the United States, but widespread administrative discretion generally permits them to show preference for domestic firms. National procurement policies are currently under examination in the OECD."

The results which are reported in the attached volumes of an investigation of the statutes, regulations, policies, and practices of selected foreign countries providing for preferences for domestic materials and firms in the awarding of public supply and public works contracts amply support the conclusions of the Bureau of the Budget, not only as to members of OECD, but also as to almost all other countries covered by the investigation. Quite obviously, every nation "favors its own."

The investigation was made by Joseph W. Marlow, associated with Messrs. Cravath, Swaine & Moore, of New York, with the assistance of their European office in Paris and Messrs. Wilmer, Cutler & Pickering, their correspondents in Washington, D.C.

A variety of methods was employed in making the investigation. For a few countries (Belgium, Italy, France and Japan), attorneys practicing in those countries were retained to make an initial investigation and report, for all countries, desk officers in the Bureau of International Commerce of the United States Department of Commerce in Washington, D.C., were interviewed and copies of unclassified foreign service dispatches and airgrams to the Department of State from various embassies of the United States in foreign countries were obtained, where pertinent and available. In some cases the embassies were contacted directly To the extent available in the United States, an independent review was made of statutes, regulations, etc., in the original languages and translations were prepared of the more important ones which were not originally issued in English. Pertinent published secondary material was also located and reviewed, including treatises, law review articles, and the like. In cases of ambiguity, cross-checks were made of several sources of information.

---

[1] Printed in Appendix 3 to the Transcript of Hearings Before the Subcommittee on Defense Procurement of the Joint Economic Committee of Congress, Apr. 16 and 21, 1964.

Caveat: Cravath, Swaine & Moore have emphasized that statements concerning foreign law must not be regarded as expressions of opinion, except where a specific reference is made that attributes such statements to counsel authorized to practice in the particular country. Moreover, although every effort has been made to render an accurate report, the very nature of the subject matter leaves open the possibility of omissions and erroneous interpretations as well as of developments subsequent to the time when the investigation was made which could entirely change the legal position in a particular country.

NOTE CONCERNING INTERNATIONAL ORGANIZATIONS

The major regional economic organizations are the subject of separate articles in the attached volumes. They are the European Economic Community, the Benelux Economic Union, the European Free Trade Association, the Latin American Free Trade Association and the Central American Common Market.

Two others—the General Agreement on Tariffs and Trade (GATT) and the Organization for Economic Cooperation and Development (OECD)—will be described briefly. Most of the countries which are dealt with in the attached volumes are members of both GATT and OECD.

THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT)

In March 1965 GATT had 66 "Contracting Parties", of which 26 of the most important ones are dealt with in the attached volumes.

GATT is an international (multilateral) trade agreement—encompassing a code of rules for fair trading in international commerce. While it has no irrevocable enforcement power other than what can be accomplished by moral suasion, it has nevertheless helped to reduce obstacles to trade, particularly in the tariff area, and to foster expansion of world trade. GATT is "the only (existing) international instrument which lays down the rules for trade on a worldwide basis."

Meetings of GATT countries provide a forum for discussion of participants' trade problems and for submission of complaints arising from alleged breaching of GATT rules.

GATT resulted from the determination of the Allies in World War II to remove or at least to reduce the depression-born hindrances to world trade—high tariff protection, quotas, exchange controls, etc.—and to seek to establish a world trading system based on nondiscrimination, with the goal of achieving fair, full, and free exchange of goods, and, as a result thereof, it was hoped, higher standard of living for all. In October 1947, 23 of the nations which were meeting to negotiate the initial draft for the charter of the International Trade Organization (ITO), planned as one of the United Nations specialized agencies, conducted tariff negotiations among themselves and formulated GATT. GATT was intended to be a stopgap measure, effective only until the ITO charter was ratified. But the refusal of Congress to permit the United States to join ITO resulted in its demise so that GATT remained as the only continuing instrument for international trade negotiations and cooperation.

As formulated in 1947, GATT's objectives are to help raise standards of living; to ensure full employment; to develop full use of the world's resources; to expand production and exchange of goods; and to promote economic development.

More recently, the emphasis has been on the expansion of trade, the resolving of the trade problems of the lesser developed countries, the removal of barriers to trade, and wider access to world markets.

In pursuit of those broad objectives, GATT is guided by the following principles:

1. Trade should be conducted on the basis of nondiscrimination. All contracting parties are bound by the most-favored-nation clause in the application of import and export duties and charges and in their administration, subject to the right to form free trade areas and customs unions.

2. Any protection afforded to domestic industries should be through customs tariffs only and not by use of commercial restrictions, such as import quotas, licensing requirements, or other controls of a quantitative nature.

3. The concept of consultation should be pursued to provide a forum for discussion of members' trade problems and complaints, aimed at avoiding damage to trading interests of contracting parties.

4. Tariffs and other barriers to trade should be negotiable.

Essentially a trade agreement, GATT provides for none of the trappings of a formal organization. The work of the Contracting Parties, when not in session, is performed by a Council of Representatives (consisting of delegates of countries maintaining permanent GATT missions in Geneva), by groups of experts, and by working parties and committees, with the administrative assistance and collaboration of a small Secretariat. Aside from the regular semiannual meetings, major tariff negotiating conferences are held as and when a majority of the membership deems them desirable. What may well be the most important conference (the so-called "Kennedy Round") began in May 1964.

The agreement embraces a total of 35 articles. The first two deal specifically with tariffs. Article I states the most-favored-nation obligation, i.e., that tariff concessions offered to any one nation, either in or outside of GATT, must be extended to all GATT members. Article II incorporates the concessions (mainly reductions or bindings of import duties) set forth in the schedules annexed to the agreement. The schedules resulting from the original negotiations in 1947 and the subsequent negotiations include an estimated 60,000 items covering more than one-half of the total foreign trade of the world. Article III contains rules relating to the application of internal taxes and regulations which are designed to ensure that imported goods will be treated equally with domestic products. Paragraph 8(a) of Article III contains an exception to the national treatment rules of that article which is of major importance in the field of public procurement. Paragraph 8(a) provides as follows:

"8. (a) The provisions of this article shall not apply to laws, regulations or requirements governing the procurement by governmental agencies of products purchased for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale."

Articles IV to X are the technical articles, providing a set of rules and principles applicable to transit trade, to antidumping (Art. VI), to customs valuation, to customs formalities and to marks of origin. Article XI prohibits quantitative restrictions on imports and exports. Articles XII through XV qualify that rule where necessary to accommodate countries with balance-of-payments problems. Subsequent articles deal with state trading, subsidies, economic development, opportunities for joint discussion and settlement of differences arising out of the application of the agreement.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD)

In March 1965 OECD had 21 members, all of which were located in Europe, except Canada, Japan and the United States. All its members except Iceland and the United States are dealt with in the attached volumes.

OECD is an organization established by a convention ratified by 18 Western European countries, Canada and the United States, which formally took effect on September 30, 1961. (Japan joined in May 1964.) Its purpose is to achieve maximum economic cooperation among its members so as to foster and further their sound economic development, partnered with financial stability, and, thus, to contribute to the economic well-being of nonmembers as well.

Although OECD does not develop or administer trade rules or conduct tariff negotiations, one of its primary purposes is to contribute to the expansion of world trade on a multilateral non-discriminatory basis in accordance with international obligations. It provides a forum for discussion of the activities, objectives and problems of members in the broad economic sphere.

OECD is the successor organization to the Organization for European Economic Cooperation (OEEC), which was created in the early postwar years (1948) to administer the U.S. Government's Marshall plan aid program and to restore economic viability to war-ravaged Europe. Although those tasks were successfully completed by the OEEC, the need for continued international economic cooperation remained. Because of changing economic conditions in the world and the increasing interdependence of the industrialized nations, however, Western leaders deemed it advisable to create a new organization for international cooperation, with greater breadth of interest and membership.

The member countries have agreed to promote the efficient use and development of their economic resources; to encourage research; to promote vocational training; to pursue policies designed to achieve economic growth and internal and external financial stability; to pursue efforts to reduce or abolish obstacles to the exchange of goods and services and current payments; to extend the liberalization of capital movements and to contribute to the economic development of member and non-member countries.

OECD has three broad major assignments—the coordination of the economic policies of its members, the extension of aid to developing countries, and consideration of trade and payments problems. More specialized assignments cover a wide range of economic activity, including agriculture, industry and energy, science, technology and productivity.

The Convention has 21 articles, as well as several special protocols, which generally cover the aims and responsibilities of the members, including the provision of information necessary to the pursuit of OECD tasks, consultation on a continuing basis, the carrying out of studies and the participation in agreed upon projects, close cooperation and, where necessary, coordinated action. Article 5 specifically outlines the powers of the Organization: it may make decisions which, with provided exceptions, shall be binding on members; make recommendations to members and enter into agreements with members, nonmembers, and international organizations. Article 6 requires that all decisions, with a few exceptions, be made by mutual agreement of all members, who have one vote each. The remaining articles are organizational or administrative in purpose.

The Council, composed of representatives of all member states, is the supreme body of OECD, making all general and administrative decisions for the OECD.

The Executive Committee, with 10 members chosen annually by the Council, acts only on authority of the Council. General policy questions on progress of work of OECD are submitted to the Executive Committee before submission to the Council. The Secretariat, which is staffed by international civil servants headed by the Secretary General, exercises all the functions necessary for administration of the Organization assigned to it.

The basic work of OECD is carried on by numerous committees and special committees to which member governments appoint representatives. There are committees working in the areas of Economic Affairs; Development Assistance; Trade, Payments and Related Activities; Agriculture and Fisheries; Scientific Affairs; Industry and Energy; and Manpower and Social Affairs.

In 1963 the Trade Committee, in connection with its investigation of administrative and technical regulations which hamper the expansion of trade, initiated an inquiry on regulations regulating the awarding of public contracts by OECD members.

ABBREVIATIONS

Benelux: Belgium-Netherlands-Luxembourg Economic Union.

CACM: Central American Common Market.

EEC: European Economic Community.

EFTA: European Free Trade Association.

Euratom: European Atomic Energy Community.

GATT: General Agreement on Tariffs and Trade.

LAFTA: Latin American Free Trade Association.

OECD: Organization for Economic Cooperation and Development.

Stat.: United States Statutes at Large.

UNTS: United Nations Treaty Series (published by the United Nations).

UST: United States Treaties and Other International Agreements (published by the United States Department of State).

EUROPEAN ECONOMIC COMMUNITY

The actions which have thus far been taken, and which are proposed to be taken, to achieve the aims of the European Economic Community (often referred to as the Common Market) offer indisputable evidence of the existence in the Member States of legislative, regulatory and administrative provisions, policies and practices which exclude foreigners from participation in public contracts or discriminate against their participation and the use of foreign products and materials. As those discriminations are progressively eliminated within the Community, United States firms and products will suffer increasing disadvantages vis-a-vis materials and companies of the Member States in competition for public contracts of the Member States.

The Community was established by the Treaty of Rome of March 27, 1957 (298 UNTS 11 (1958)), which took effect on January 1, 1958. The Member States are Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands.

The objectives of the Community are to establish a common market and to bring the economic policies of the Member States progressively into harmony during a transitional period ranging from 12 to 15 years beginning January 1, 1958. The most significant measures designed to achieve those objectives are: (1) the elimination of customs duties and quantitative restrictions; (2) the establishment of a common tariff and a common commercial policy; (3) the establishment of free movement of persons, services and capital; (4) the inauguration of common agricultural and transport policies; (5) the establishment of a system of fair competition; (6) the taking of measures to coordinate economic policy and adjust balance of payments; (7) the creation of a Social Fund and a European Investment Bank; and (8) the association of overseas countries and territories related to certain Member States.

The Community operates through four principal organs. The Council has one representative appointed by each Member State. It coordinates the economic policies of the Member States, formulates general policy for guidance of the Commission and exercises final decisionmaking powers. The Commission has nine members appointed by common agreement of the Member States. Its members are responsible to the Community rather than to their appointing governments. It executes the decisions of the Council, decides technical questions of Treaty application, advises the Council on basic issues and exercises powers conferred on it by the Council. The Court of Justice consists of seven judges appointed by the Member States. It serves as the common court for the Community, the European Coal and Steel Community (ECSC) and the European Atomic Energy Community (Euratom). It concerns itself with the legal problems arising out of the operations of the respective treaties involved. The European Parliament or Assembly consists of 142 representatives who are elected by and from legislatures of the Member States and is also common to the Community and the ECSC and Euratom. Its functions are largely limited to those of review and debate, but it is armed with powers of censure and must be consulted by the Council, before taking an official act, in most cases where there is interference with national legislation. Also of importance is the Economic and Social Committee, composed of 101 private persons representative of all sectors of the economic and social life of the Community. The Council must consult it in cases which entail acts of special economic and social significance, including the taking of action in the field of right of establishment.

The Treaty of Rome is a complex and lengthy document composed of six parts and numerous annexes, conventions, protocols and declarations. The Treaty is silent on the subject of public contracts and public works, except for a reference in article 132 relating to association with overseas countries and territories. Nevertheless, it contains a number of provisions which have been, and will continue to be, applied to eliminate discrimination in that field.

The most important are those contained in chapter 2 of title III (sec. 52–58) relating to the right of establishment and in chapter 3 of that title (sec. 59–66) relating to services. Of lesser importance are the provisions of articles 30–37 relating to the elimination of quantitative restrictions and the general prohibition of discrimination contained in article 7. The provisions of article 100 for the approximation of the legal and administrative provisions of the Member States are not of immediate, but are undoubtedly of great future, importance, particularly in the field of public supply contracts. Also of importance are the provisions of part 4 (arts. 131–136) relating to the association with the Community of the non-European countries and territories which had special relations with Belgium, France, Italy and the Netherlands, as well as those of article 237 relating to membership in the Community by other European countries and article 238 relating to association with the Community of third countries, unions of states or international organizations.

Copies of an unofficial English translation of the foregoing provisions of the Treaty are attached hereto as schedule A.

Under article 52, paragraph 1, sentence 1, restrictions on freedom of establishment are to be gradually abolished during the transitional period. The right to freedom of establishment is defined in the second paragraph of that article to mean the privilege to start and conduct non-wage-earning activities, which include any independent activity aimed at the production of income. In order to exercise the freedom of activity under chapter 2, it is necessary, as a rule, for the particular person to go into the Member State in which the activity is to be conducted and to create his economic center there. A far-reaching exception from this principle, which is of special importance for companies, is provided in the second sentence of article 52, paragraph 1, for the establishment in other Member States of agencies, branch establishments and subsidiary companies.

Pursuant to the provisions of paragraph 1 of article 54, the Council of the Community issued on December 18, 1961, a General Program for the Abolition of Restrictions on the Freedom of Establishment (Journal Officiel of the European Communities, January 15, 1962, p. 36 et seq.). The General Program lays down the order of priority in which discrimination is to be abolished for the various areas of activity. Under title I of the program, its beneficiaries are:

(1) Physical persons, provided they are nationals of the Member States or of the overseas countries and territories; and

(2) Firms or companies established under the laws of the Member States or of the overseas countries and territories whose registered office, central administration, or place of business, is located in the Community or in one of the overseas countries or territories.

Where a company has only its registered office within the Community, it must show that it has an actual and continuous link with the economy of a Member State (or overseas country or territory). Such link may not, however, be conditioned on nationality, that is, no nationality requirement may be imposed on managers, partners or shareholders so as to defeat the application of the test. The present position as to overseas countries and territories is discussed infra in the section on association and additional membership.

The provisions of titles III and IV of the program with regard to public contracts are as follows (unofficial translation from French by Commerce Clearing House, Inc.):

Title III

"Subject to the exceptions or special provisions set forth in the Treaty, and particularly those of:

"Article 55, pertaining to activities relating to the exercise of public authority in a Member State,

"Article 56, pertaining to provisions covering special treatment for foreign nationals and justified by reasons of public order, public security or public health,

the restrictions to be lifted according to the timetable provided for in title IV are as follows:

"A. Any prohibition on or impairment of the non-wage-earning activities of nationals of other Member States, consisting in differential treatment based on nationality as provided under a legislative, regulatory or administrative provision of a Member State or resulting from the application of such a provision or of administrative practices.

"Among such restrictive provisions and practices are particularly those which, with regard to foreigners only:

"* * * * *

"The same applies to provisions and practices which, solely with respect to foreigners, exclude, limit or make subject to certain conditions the ability to exercise the rights normally attached to a non-wage-earning activity and, in particular, the opportunity:

"* * * * *

"(b) To tender bids or to participate as co-contractor or sub-contractor in public contracts or contracts with other public bodies.

* * * * *

to the extent that the professional activities of the party concerned require the exercise of such opportunity.

"Finally, the provisions and practices mentioned also include those which limit or impair the admission of the personnel of the principal establishment, located in one Member State, into the managing or supervisory bodies of the agencies, branches or subsidiaries opened in another Member State.

"B. The conditions to which a legislative, regulatory or administrative provision, or an administrative practice, subjects the access to or exercise of a non-wage-earning activity and which, although applicable regardless of nationality, impair the access to or exercise of such activity by foreigners either exclusively or principally."

Title IV

"For the purpose of the effective elimination of restrictions on the freedom of establishment, the following time-table shall be adopted:

"A. Before the expiration of the second year of the second stage [December 31, 1963] of the transitional period as regards the activities listed in Annex I [which include most manufacturing activities], subject to paragraph B;

"B. By December 31, 1963, as regards the activities mentioned under item 400, 'Construction,' of Annex I, carried out in the form of participation in public works contracts.

"However, with respect to the characteristics and requirements peculiar to this sector, and in order to ensure a gradual and balanced abolition of restrictions, together with the measures desirable for coordinating methods of procedure:

"1. The awarding of public works contracts by a State, its territorial subdivisions such as *Länder*, regions, provinces, departments, communes and other bodies under public law to be determined, to nationals and companies of the other Member States through their agencies or branches established in such State, may be suspended in this State as of the time when the number of public works contracts awarded in such State to nationals and companies of other Member States exceeds the quota referred to in title V, paragraph C(e), 1(a) of the general program relating to services.

"2. As regards the awarding of public works contracts to these agencies and branches by bodies under public law which, on December 31, 1963, shall not have been included among those mentioned in the first paragraph, the elimination of restrictions shall take place before the expiration of the transitional period."

In March 1964 the Commission submitted to the Council a proposal for modification in several respects, particularly as to effective dates, of the General Program on Establishment as well as the General Program on Services referred to infra (hereinafter sometimes referred to as the general programs modification proposal). The text of the proposal was published in the January 29, 1965, issue of the Journal Officiel of the European Communities. The Proposal was submitted by the Council to the European Parliament and to the Economic and Social Committee as well as to the Member States for advice and approval. In February 1965 it still had not taken effect.

The General Programs Modification Proposal would change the date in the third line of subparagraph 2 of paragraph B of title IV from December 31, 1963, to January 1, 1965, and would add the following new subparagraphs 3 and 4 following subparagraph 2:

"3. The liberalization by steps provided for works contracts applies to the works contracts of establishments which, regardless of their legal nature, operate the national railways in the six Member States.

"4. The regulations concerning the awarding of public works contracts are also applicable to the allocation of works concessions."

Under the provisions of chapter 2 and the above-quoted provisions of the General Program on Establishment, to the extent that a national of a Member State has established himself in another Member State or has established an agency, branch establishment or subsidiary company in such State, his right to receive the same treatment as a national of that State includes the right to make applications for contracts to all authorities and public corporate bodies just like a national of that State and to be awarded such contracts on the same conditions as such a national. In that regard, it makes no difference whether the contracts pertain to goods or services. There are, however, special provisions for the building and construction industry which are discussed below.

Chapter 3 of the Treaty relating to services is of importance, and then only of limited importance, if there is no "establishment" by a national of one Member State in another Member State. Under article 59, "services" within the meaning of the Treaty are involved if a person residing in one Member State furnishes services of any of the types specified in article 60 to a recipient of such services who lives in another Member State. Borderline problems vis-a-vis chapter 2 arise only if the person rendering the services goes temporarily into the country of the recipient in order to furnish those services, as article 60, paragraph 3, expressly contemplates. To the extent that an overlapping with chapter 2 results, the latter takes precedence under article 60, paragraph 1.

On December 18, 1961, the Council of the Community, pursuant to article 63, paragraph 1, also issued a General Program for the Abolition of Restrictions on the Free Provision of Services (Journal Officiel of the European Communities, January 15, 1962, p. 32 *et seq.*). Title I thereof provides for the same application as the General Program on Establishment (except for the overseas countries and territories). Title III of the Program on Services provides as follows with regard to public contracts (unofficial translation from French by Commerce Clearing House, Inc.):

"Subject to the exceptions or special provisions of the Treaty and specifically to:

"Article 55, dealing with activities in a Member State relating to the exercise of public authority;

"Article 56, dealing with the provisions for special treatment for foreign nationals, justified by reasons of public order, public security and public health;

"Article 61, dealing with the free movement of services, in matters of transport, which is governed by the provisions of the title relating to transport;

the provisions relating to the free movement of goods, capital and persons as well as those relating to systems of taxation;

those restrictions to be lifted according to the schedule provided in Title V, whether they affect the offerer, either directly or indirectly through the recipient or through the service, are as follows:

"A. Any prohibition on or any impairment of the non-wage-earning activities of the offeror, consisting in a treatment differentiating on a basis of nationality as provided by a legislative, regulatory or administrative provision of a Member State or resulting from the application of such a provision or of administrative practices.

"Among such restrictive provisions and practices are particularly those which, with regard to foreigners only:

"* * * * *

"The same applies to provisions and practices which, solely with respect to foreigners, exclude, limit or make subject to conditions the ability to exercise the rights normally attached to the provision of services and, in particular, the opportunity:

"* * * * *

"(b) To tender bids or to participate as a co-contractor or sub-contractor on public contracts or contracts with other bodies under public law,

"* * * * *

to the extent that the professional activities of the party concerned require the exercise of such opportunity.

"Furthermore, the conditions to which a legislative, regulatory or administrative provision or an administrative practice subjects the provision of services and which, although applicable regardless of nationality, impair the provision of these services by foreigners either exclusively or principally, also constitute restrictions."

Title V of the General Program on Services, which contains the timetable for the abolition of restrictions, contains the following special provision with regard to public works contracts (unofficial translation from French):

"For purposes of the effective elimination of restrictions on the free provision of services, the following time-table shall be adopted:

"* * * * *

"C. Other restrictions: The other restrictions on the free provision of services, defined in title III [which include those defined in paragraph A of title III] shall be eliminated at the latest at the time of the carrying out of the time-table provided for establishment. However, the elimination of restrictions shall take place:

"* * * * *

"(e) As regards public works contracts:

"1. When the provision of services is carried out with the participation of nationals and companies of the other Member States in the public works contracts of a State, or its territorial subdivisions such as Lander, regions, provinces, departments, communes and other public bodies to be determined, by December 31, 1963, under the following conditions, in order to take into account the characteristics and requirements peculiar to this sector and to ensure a gradual and balanced abolition of restrictions, together with the desirable measures for coordinating methods of procedure:

"(a) When the number of public works contracts awarded in one Member State to nationals and companies of the other Member States by such State, its territorial subdivisions or the other public bodies determined as stated above exceeds a certain quota, such State may suspend until the end of the current year the awarding of such contracts to these nationals and companies.

"This quota shall be determined on the basis of a certain percentage, equal in principle for all Member States and increasing every two years, from December 31, 1963, to December 31, 1969, to the average of the amounts of public works contracts awarded during the two preceding years.

"Furthermore, except for justified exceptions, the amount of work contracts which nationals and companies of one State, established in such State, obtain in the other Member States shall be taken into account.

"(b) Public works contracts awarded in one State to nationals and companies of other Member States are understood to mean: contracts awarded directly to these nationals and companies established in the other Member States; and contracts awarded to these nationals and companies through their agencies or branches established in such State.

"Each Member State shall take the necessary steps to determine and publicize periodically the amount of public works contracts awarded to nationals and companies of the other Member States.

"2. When the services are supplied in the form of participation in public works contracts entered into by public bodies which, on December 31, 1963, have not been included among those mentioned in the first subparagraph of paragraph 1, before the expiration of the transitional period."

The above-quoted special provision for a gradual transition was made because some Member States feared that an immediate elimination of discrimination might entail difficulties for their building and construction industries.

The General Programs Modification Proposal referred to supra, page 8, would effect the following changes in the above-quoted provision of title V of the General Program on Services:

(1) The date of December 31, 1963, in paragraph C.(e)1. would be changed to January 1, 1965.

(2) The wording of the second paragraph of clause (a) in (e)1 would be changed to read as follows:

"This quota shall be determined on the basis of a percentage. This percentage must in principle be the same for all Member States. It is fixed for the first time for the year 1965 and increases each two years from January 1, 1966, to December 1, 1969."

(3) The date of December 31, 1963, in paragraph (e)2. would be changed to January 1, 1965, and the following would be added as (e)3 and (e)4:

"3. The liberalization by steps provided for works contracts applies to the works contracts of establishments which, regardless of their legal nature, operate the national railways in the six Member States.

"4. The regulations concerning the awarding of public works contracts are also applicable to the allocation of works concessions."

The general programs do not in themselves have a binding effect for the elimination of restrictions. The elimination must be initiated by directives issued on proposal of the Commission by the Council (after prior consultation with the European Parliament and the Economic and Social Committee). It was not until March 1964 that the Commission forwarded to the Council a draft of a first directive on tenders for, and execution of, public building work. A copy of an unofficial translation from German of such draft directive is attached hereto as Schedule B. The Press Release (dated March 12, 1964) of the Commission with regard thereto is as follows (CCH Common Market Reporter, par. 9129):

"In pursuance of the General Programs on Freedom of Establishment and Freedom to Supply Services, the Executive Commission of the Common Market has forwarded to the Council the draft of a first directive on tenders for, and execution of, building work for the State, local authorities and public corporations.

"Under this draft directive each Member State will in certain circumstances abolish as of January 1, 1965, restrictions on the undertaking of such work by firms from other Member States.

"Work carried out for railway boards, however constituted, will be considered for this purpose as government work.

"Although there will in future be no discrimination against nationals of other Member States, the awarding of public contracts to such nationals may be suspended when a certain quota has been filled. The first quota will run from January 1, 1965, and the last will expire on December 31, 1969.

"The quota system will apply to public works contracts as a whole and also to two categories: those costing up to $600,000 and those costing more than this sum.

"In each case the Member States will fix the 1965 quota by applying a factor of 15 percent to the average annual value of public works contracts awarded between January 1, 1963, and December 31, 1964. Each State will be able to suspend the award of such contracts when their total amount is in excess of the general quota or when one or the other of the two partial quotas referred to above is attained. However, suspension may be applied only when the amount of the public contracts which nationals and companies of a Member State have obtained since January 1 in other Member States is not more than half the quota fixed for each of the three cases.

"The draft directive contains a further safeguard clause applicable only to contracts above $600,000. Under this clause each Member State may suspend, until the end of the current year at the latest, the award of public works contracts in excess of $600,000 to nationals and companies of other Member States when the amount of such contracts awarded to these nationals and companies reaches twice the quota fixed annually in relation to the contracts above $600,000.

"The draft directive also provides that the Member States shall send to the Commission certain information, within specified time limits, so that the liberalization of tenders for public works contracts may be put into effect.

"The Commission will be assisted by an advisory committee in dealing with any problems or disputes arising from the application of the measures taken by the Member States."

A second proposed draft directive on public works contracts was announced by the Commission in July 1964. Its object is to coordinate procedures for the awarding of public works contracts in the Member States. A copy of an unofficial translation from German of such draft directive is attached hereto as Schedule C. The "Information Memo" (No. P-48/64 dated July 1964) of the Official Spokesman of the Commission with regard thereto is as follows:

"The Commission has prepared a second proposed directive on public contracts. Its object is to coordinate procedures for the award of public works contracts in the Member States, and it has been drawn up by the Directorate-General for Competition in collaboration with Government experts in pursuance of Article 100 of the treaty. Under this article the Council, acting by means of a unanimous vote on a proposal of the Commission, is to issue directives for the approximation of such legislative and administrative provisions of the Member States as have a direct incidence on the establishment or functioning of the Common Market.

"The draft of the directive was put before the Council on 16 March 1964. The purpose of the new directive, as of the earlier one, is to liberalize public works contracts.

"One class of restrictions at present in force consists of laws, regulations and administrative practices in the Member States which wholly or partly exclude persons in other Member States from tendering for or executing such contracts. The first directive proposed by the Commission is aimed at abolishing these provisions and practices.

"The second type of restriction results from the differences between the procedures for the award of public works contracts in the various Member States. Hence, in accordance with the General Programmes for the removal of restrictions on freedom of establishment and freedom to supply services, the second proposed directive lays down coordination measures intended to ensure that calls for tenders in this field are given publicity in all Community countries, that there shall be no discrimination in technical specifications, and that objective criteria shall be applied in judging the capacities of the persons tendering and the suitability of their tenders.

"The two directives are closely connected. 'Public works contracts' therefore has the same meaning in both. But they differ in so far as public works contracts awarded by railways do not come within the scope of the second directive. In some member countries the railways are operated by private enterprise, in others by the State, and coordination of the provisions for award of contracts by railways is therefore to be the subject of a separate directive.

"The present directive provides for the abolition of all discrimination in technical specifications. Such discrimination covers any technical requirement that has the effect of penalizing or excluding enterprises in other Member States that wish to compete for contracts. Further discriminatory measures include specifications indicating particular patents, types, categories, models or processes when such indication is not justified by the nature of the project concerned. The directive does not, however, cover discriminatory specifications for building materials in the general annexes to the contract. Prohibition of such specifications will be provided for in another directive, based on article 33(7) of the Treaty.

"The directive lays down that a notice of public works contracts must be published in the official gazette of the European Communities. The notice must give all essential data. This will ensure that participants know in advance the exact grounds on which their tender may be accepted or rejected. The proposed rules for publication will at first apply to contracts worth more than 1,000,000 units of account. With effect from 1 January 1966 they will apply to contracts for more than 600,000 u.a., and from 1 January 1968 to contracts for more than 300,000 u.a.

"All other provisions, in particular those introducing objective criteria for judging the capacities of the individuals tendering and the suitability of their tenders, apply to contracts with a value of more than 60,000 u.a. The draft includes a list of possible exceptions in which contracts may be awarded without compliance with the terms of the directive.

"Finally, arrangements are made for setting up an expert committee of officials from the Member States to advise the Commission on questions which arise as the directive is implemented."

The participation in public supply contracts of another Member State by nationals residing in a Member State and not "established" in the other State is outside the scope of the chapters of the rights of establishment and services. Possibly, discriminations in that area could be deemed to be measures having the same effect as quantitative restrictions within the meaning of articles 30-37 of the Treaty and eliminated under the provisions of paragraph 7 of article 33. The general prohibition of discrimination contained in article 7 could also be applied. In order to eliminate discriminations entirely, however, it will probably be necessary to approximate the legal and administrative provisions of the Member States under article 100 of the Treaty, since articles 7, 52-58 and 59-66 authorize only the prohibition of differential treatment according to nationality. The same problems and possible solutions are applicable to provisions that give controlling effect to the origin of goods by requiring, for example, that goods furnished pursuant to public contracts must have been manufactured in the country of the public agency which awarded the contract.

Any effective action in this field is, it would appear, several years away, although recent annual reports of the Commission indicate that some exploratory work is in progress.

ASSOCIATION AND ADDITIONAL MEMBERSHIP

Under the provisions of the Treaty of Rome the Community may conclude a membership agreement with any European State (art. 237) or an agreement of association with a third country (art. 238) or with an overseas country or territory having special relations with a Member State (art. 131).

The Community has concluded Agreements of Association with Greece (effective November 1, 1962) and Turkey (effective December 1, 1964). The provisions of those

Agreements relating to establishment and services, discrimination on the basis of nationality and related provisions are discussed in the respective sections on those two countries.

The Community also signed (on July 20, 1963) an Agreement of Association under Article 238 with the 18 African and Malagasy States (the Kingdom of Burundi, the Federal Republic of Cameroon, the Central African Republic, the Republic of Chad, the Republic of Congo (Brazzaville), the Republic of the Congo (Leopoldville), the Republic of Dahomey, the Republic of Gabon, the Republic of Ivory Coast, the Malagasy Republic (Madagascar), the Republic of Mali, the Islamic Republic of Mauretania, the Republic of Niger, the Republic of Rwanda, the Republic of Senegal, the Somali Republic, the Republic of Togo, and the Republic of Upper Volta). The Agreement took effect on June 1, 1964 (Journal Officiel of the European Communities, June 11, 1964, page 1429), and will remain in force until May 31, 1969, but may be extended.

Title III (articles 29–34) contains provisions with regard to establishment and services which amount to what is in effect a negatively worded reciprocity clause. The Associated States assume the obligation of giving nationals of the Member States equal treatment among each other. A Member State can claim rights for its nationals in an Associated State, however, only to the extent that the Member State grants comparable rights to the nationals of the Associated State. Accordingly, the Member States do not assume any obligations under the Agreement and, in particular, no obligation to grant national treatment. As a result, upon the taking effect of the Agreement, the references in Title I of the General Program on Establishment with regard to overseas countries and territories ceased to have any application to the Associated States. There is no comparable problem in the case of services, since the General Program on Services does not apply to nationals of overseas countries and territories.

In the case of the remaining overseas countries with special relations with a Member State, which now consist only of a number of unimportant French territories and the Netherlands and Surinam, which are autonomous parts of the Kingdom of the Netherlands Antilles, the Council of the Communities rendered a decision on February 25, 1964, under the provisions of Article 136 of the Treaty of Rome, the provisions of which conform largely to those of the Agreement of Association with the African and Malagasy States. The decision took effect simultaneously with the Association Agreement (Journal Officiel of the European Communities, June 11, 1964, page 1472) as to all such territories except the Netherlands Antilles for which the effective date is October 1, 1964 (Journal Officiel, October 1, 1964, page 2413). The provisions made in the decision on the right of establishment and the right of services conform to those of the Association Agreement with the African and Malagasy States and, accordingly, the consequences are the same.

In the case of the remaining French overseas departments (French Guiana, Guadelupe, Martinique, and Reunion) the Council of the Community rendered a second decision on February 25, 1964, which also took effect on June 1, 1964 (Journal Officiel, June 11, 1964, page 1484), and which provides that articles 52–58 of the Treaty of Rome shall continue to apply to such departments. In exceptional cases the Council, in issuing directives under articles 54, is authorized to make special provisions for such departments. In addition, the decision provides for accelerated elimination of discriminatory distinctions between nationals of the Member States. By reason of the provision of article 227, paragraph 2, of the Treaty of Rome, the provisions of the Treaty with regard to services continued to apply to such departments.

EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM)

Article 97 of the Treaty establishing the European Atomic Energy Community of March 25, 1957 (298 UNTS 167 (1958)), permits nationals of member states (who are the same as the Member States of the European Economic Community) to participate in the construction of commercial and research reactors on a nondiscriminatory basis.

Principal sources

(1) Association of the bar of the City of New York, Committee on Foreign Law.

"The European Economic Community. Some Problems for Consideration by Lawyers," 14 Record 365 (1959).

"The European Economic Community: A Second Report," 17 Record 227 (1962).

"Current Developments in the European Economic Community," 18 Record 329 (1963).

(2) Commerce Clearing House, Inc., CCH Common Market Reporter.

(3) de Grand Ry, L'Harmonisation des Legislatións au sein du Marché Commun en Matière de Marchés Publics [The Harmonization of Laws concerning Public Contracts in the Common Market], Revue du Marché Commun (No. 37) pp. 247–251, (No. 38) pp. 282–292 (1961).

(4) Everling, "The Right of Establishment in the Common Market" (Commerce Clearing House, Inc., Chicago, 1964).

(5) Hainaut and Joliet, Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun (Public Works and Supply Contracts in the Common Market), vol. 2 (Brussels, 1963).

(6) Leleux, "Companies, Investment and Taxation in the European Economic Community" (in International and Comparation Law Quarterly Supplementary Publication No. 1, "Legal Problems of the European Economic Community and the European Free Trade Association" (1961)).

(7) Stein and Nicholson (eds.), "American Enterprise in the European Common Market: A Legal Profile" (Ann Arbor, 1960).

(8) Surrey and Shaw (eds.), "A Lawyer's Guide to International Business Transactions" (Philadelphia, 1963).

SCHEDULE A. TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY AND CONNECTED DOCUMENTS

(English translation issued in 1961 by the Publishing Services of the European Communities)

(NOTE.—In response to the numerous requests which have been received the Publishing Services of the European Communities have undertaken to reprint the English translation of the Treaty of Rome, made in 1958 and in circulation since then.

(It should be emphasized that this translation has no legal authority whatsoever, and that only those versions of the Treaty are valid which were drawn up, signed and ratified in the four languages of the European Economic Community: Dutch, French, German and Italian.

(Reference should therefore be made to those versions in case of disagreement or uncertainty arising from the English translation.

(According to information received to date by the Publishing Services this applies in particular to the following articles of the treaty: Article 32; articles 85, 1 and 92, 1; article 86; article 112, 1; articles 165, paragraph 4, and 166, paragraph 3; articles 169 and 170; article 173; article 179; article 184; article 237, paragraph 2.)

PART 1. PRINCIPLES

* * * * *

Article 7

Within the field of application of this Treaty and without prejudice to the special provisions mentioned therein, any discrimination on the grounds of nationality shall hereby be prohibited.

The Council may, acting by means of a qualified majority vote on a proposal of the Commission and after the Assembly has been consulted, lay down rules in regard to the prohibition of any such discrimination.

* * * * *

PART 2. BASES OF THE COMMUNITY

Title I. Free movement of goods

* * * * *

Chapter 2. The Elimination of Quantitative Restrictions as Between Member States

Article 30

Quantitative restrictions on importation and all measures with equivalent effect shall, without prejudice to the following provisions, hereby be prohibited between Member States.

Article 31

Member States shall refrain from introducing as between themselves any new quantitative restrictions or measures with equivalent effect.

This obligation shall, however, only apply to the level of liberalisation attained in application of the decisions of the Council of the Organisation for European Economic Cooperation of 14 January 1955. Member States shall communicate to the Commission, not later than six months after the date of the entry into force of this treaty, the lists of the products liberalised by them in application of these decisions. The lists thus communicated shall be consolidated between Member States.

Article 32

Member States shall, in their mutual trade, refrain from making more restrictive the quotas or measures with equivalent effect in existence at the date of the entry into force of this treaty.

Such quotas shall be abolished not later than at the date of the expiry of the transitional period. In the course of this period, they shall be progressively abolished under the conditions specified below.

Article 33

1. Each of the Member States shall, at the end of one year after the entry into force of this Treaty, convert any bilateral quotas granted to other Member States into global quotas open, without discrimination, to all other Member States.

On the same date, Member States shall enlarge the whole of the global quotas so established in such a way as to attain an increase of not less than 20 per cent in their total value as compared with the preceding year. Each global quota for each product shall, however, be increased by not less than 10 per cent.

The quotas shall be increased annually in accordance with the same rules and in the same proportions in relation to the preceding year.

The fourth increase shall take place at the end of the fourth year after the date of the entry into force of this treaty; the fifth increase shall take place at the end of a period of one year after the beginning of the second stage.

2. Where, in the case of a product which has not been liberalised, the global quota does not amount to 3 per cent of the national output of the State concerned, a quota equal to not less than 3 per cent of such output shall be established not later than one year after the date of the entry into force of this Treaty. At the end of the second year, this quota shall be raised to 4 per cent and at the end of the third year to 5 per cent. Thereafter, the Member State concerned shall in-

crease the quota by not less than 15 per cent annually.

In the case where there is no such national output, the Commission shall fix an appropriate quota by means of a decision.

3. At the end of the tenth year, each quota shall be equal to not less than 20 per cent of the national output.

4. Where the Commission, acting by means of a decision, finds that in the course of two successive years the imports of any product have been below the level of the quota granted, this global quota may not be taken into consideration for the purpose of calculating the total value of the global quotas. In such case, the Member State shall abolish the quota for the product concerned.

5. In the case of quotas representing more than 20 per cent of the national output of the product concerned, the Council, acting by means of a qualified majority vote on a proposal of the Commission, may reduce the minimum percentage of 10 per cent laid down in paragraph 1. This modification shall not, however, affect the obligation annually to increase the total value of global quotas by 20 per cent.

6. Member States which have gone beyond their obligations concerning the level of liberalisation attained in implementation of the decisions of the Council of the Organisation for European Economic Co-operation of 14 January 1955 shall, when calculating the annual total increase of 20 per cent provided for in paragraph 1, be entitled to take into account the amount of imports liberalised by autonomous measures. Such calculation shall be submitted to the Commission for its prior approval.

7. Directives issued by the Commission shall lay down the procedure and the timing according to which Member States shall abolish as between themselves any measures which exist at the date of the entry into force of this treaty and which have an effect equivalent to quotas.

8. If the Commission finds that the application of the provisions of this Article and, in particular, of the provisions concerning percentages does not make it possible to ensure the progressive nature of the abolition of quotas provided for in Article 32, second paragraph, the Council, acting during the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote on a proposal of the Commission, may amend the procedure referred to in this article and may, in particular, raise the percentages fixed.

Article 34

1. Quantitative restrictions on exportation and any measures with equivalent effect shall hereby be prohibited as between Member States.

2. Member States shall abolish, not later than at the end of the first stage, all quantitative restrictions on exportation and any measures with equivalent effect in existence at the date of the entry into force of this Treaty.

Article 35

Member States hereby declare their willingness to abolish, in relation to other Member States, their quantitative restrictions on importation and exportation more rapidly than is provided for in the preceding Articles, if their general economic situation and the situation of the sector concerned so permit.

The Commission shall make recommendations for this purpose to the States concerned.

Article 36

The provisions of Articles 30 to 34 inclusive shall not be an obstacle to prohibitions or restrictions in respect of importation, exportation or transit which are justified on grounds of public morality, public order, public safety, the protection of human or animal life or health, the preservation of plant life, the protection of national treasures of artistic, historical or archeological value or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute either a means of arbitrary discrimination or a disguised restriction on trade between Member States.

Article 37

1. Member States shall progressively adjust any State monopolies of a commercial character in such a manner as will ensure the exclusion, at the date of the expiry of the transitional period, of all discrimination between the nationals of Member States in regard to conditions of supply or marketing of goods.

The provisions of this Article shall apply to any body by means of which a Member State shall de jure or de facto either directly or indirectly control direct or appreciably influence importation or exportation between Member States. These provisions shall apply also to monopolies assigned by the State.

2. Member States shall abstain from any new measure which is contrary to the principles laid down in paragraph 1 or which may limit the scope of the articles relating to the abolition, as between Member States, of customs duties and quantitative restrictions.

3. The timing of the measures referred to in paragraph 1 shall be adapted to the abolition, as provided for in Articles 30 to 34 inclusive, of the quantitative restrictions on the same products.

* * * * *

Title III. The free movement of persons, services and capital

Chapter 2. The Right of Establishment

Article 52

Within the framework of the provisions set out below, restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be progressively abolished in the course of the transitional period. Such progressive abolition shall also extend to restrictions on the setting up of agencies, branches or subsidiaries by nationals of any Member State established in the territory of any Member State.

Freedom of establishment shall include the right to engage in and carry on non-wage-earning activities, and also to set up and manage enterprises and, in particular, companies within the meaning of Article 58, second paragraph, under the conditions laid down by the law of the country of establishment for its own nationals, subject to the provisions of the Chapter relating to capital.

Article 53

Member States shall not, subject to the provisions of this Treaty, introduce any new restrictions on the establishment in their territories of nationals of other Member States.

Article 54

1. Before the expiry of the first stage, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted shall lay down a general programme for the abolition of restrictions existing within the Community on freedom of establishment. The Commission shall submit such proposal to the Council in the course of the first two years of the first stage.

The programme shall, in respect of each category of activities, fix the general conditions for achieving freedom of establishment and, in particular, the stages by which it shall be attained.

2. In order to implement the general programme or, if no such programme exists, to complete one stage towards the achievement of freedom of establishment for a specific activity, the Council, on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall, until the end of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives.

3. The Council and the Commission shall exercise the functions entrusted to them by the above provisions, in particular:

(a) by according, as a general rule, priority treatment to activities in regard to which freedom of establishment constitutes a specially valuable contribution to the development of production and trade;

(b) by ensuring close collaboration between the competent national authorities with a view to ascertaining the special situation within the Community of the various activities concerned;

(c) by abolishing any such administrative procedures and practice whether resulting from municipal law or from agreements previously concluded between Member States as would, if maintained, be an obstacle to freedom of establishment;

(d) by ensuring that wage-earning workers of one Member State employed in the territory of another Member State may remain in that territory for the purpose of undertaking a non-wage-earning activity there, provided that they satisfy the conditions which they would be required to satisfy if they came to that State at the time when they wished to engage in such activity;

(e) by enabling a national of one Member State to acquire and exploit real property situated in the territory of another Member State, to the extent that no infringement of the principles laid down in Article 39, paragraph 2 is thereby caused;

(f) by applying the progressive abolition of restrictions on freedom of establishment, in each branch of activity under consideration, both in respect of the conditions for setting up agencies, branches or subsidiaries in the territory of a Member State and in respect of the conditions governing the entry of personnel of the main establishment into the managerial or supervisory organs of such agencies, branches and subsidiaries;

(g) by co-ordinating, to the extent that is necessary and with a view to making them equivalent, the guarantees demanded in Member States from companies within the meaning of Article 58, second paragraph, for the purpose of protecting the interests both of the members of such companies and of third parties; and

(h) by satisfying themselves that conditions of establishment shall not be impaired by any aids granted by Member States.

Article 55

Activities which in any State include, even incidentally, the exercise of public authority shall, in so far as that State is concerned, be excluded from the application of the provisions of this Chapter.

The Council, acting by means of a qualified majority vote on a proposal of the Commission, may exclude certain activities from the application of the provisions of this Chapter.

Article 56

1. The provisions of this Chapter and the measures taken in pursuance thereof shall not prejudice the applicability of legislative and administrative provisions which lay down special treatment for foreign nationals and which are justified by reasons of public order, public safety and public health.

2. Before the expiry of the transitional period, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted, shall issue directives for the coordination of the above-mentioned legislative and administrative provisions. After the end of the second stage, however, the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall issue directives for co-ordinating such provisions as, in each Member State, fall within the administrative field.

Article 57

1. In order to facilitate the engagement in and exercise of non-wage-earning activities, the Council, on a proposal of the Commission and after the Assembly has been consulted, shall, in the course of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives regarding mutual recognition of diplomas, certificates and other qualifications.

2. For the same purpose, the Council, acting on a proposal of the Commission and after the Assembly has been consulted, shall, before the expiry of the transitional period, issue directives regarding the co-ordination of legislative and administrative provisions of Member States concerning the engagement in and exercise of non-wage-earning activities. A unanimous vote shall be required on matters which, in at least one Member State, are subject to legislative provisions, and on measures concerning the protection of savings, in particular the allotment of credit and the banking profession, and concerning the conditions governing the exercise in the various Member States of the medical, paramedical and pharmaceutical professions. In all other cases, the Council shall act in the course of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote.

3. In the case of the medical, para-medical and pharmaceutical professions, the progressive removal of restrictions shall be subject to the co-ordination of conditions for their exercise in the various Member States.

Article 58

Companies constituted in accordance with the law of a Member State and having their registered office, central management or main establishment within the Community shall, for the purpose of applying the provisions of this Chapter, be assimilated to natural persons being nationals of Member States.

The term "companies" shall mean companies under civil or commercial law including co-operative companies and other legal persons under public or private law, with the exception of non-profit-making companies.

Chapter 3. Services

Article 59

Within the framework of the provisions set out below, restrictions on the free supply of services within the Community shall be progressively abolished in the course of the transitional period in respect of nationals of Member States who are established in a State of the Community other than that of the person to whom the services are supplied.

The Council, acting by means of a unanimous vote on a proposal of the Commission, may extend the benefit of the provisions of this Chapter to cover services supplied by nationals of any third country who are established within the Community.

Article 60

Services within the meaning of this Treaty shall be deemed to be services normally supplied for remuneration, to the extent that they are not governed by the provisions relating to the free movement of goods, capital and persons.

Services shall include in particular:

(a) Activities of an industrial character;
(b) Activities of a commercial character;
(c) Partisan activities; and
(d) Activities of the liberal professions.

Without prejudice to the provisions of the Chapter relating to the right of establishment, a person supplying a service may, in order to carry out that service, temporarily exercise his activity in the State where the service is supplied, under the same conditions as are imposed by that State on its own nationals.

Article 61

1. The free movement of services in respect of transport shall be governed by the provisions of the Title relating to transport.

2. The liberalisation of banking and insurance services connected with movements of capital shall be effected in harmony with the progressive liberalisation of the movement of capital.

Article 62

Except where otherwise provided for in this Treaty, Member States shall not introduce any new restrictions on the freedom which has been in fact achieved, in regard to the supply of services, at the date of the entry into force of this Treaty.

Article 63

1. Before the end of the first stage, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall lay down a general programme for the abolition of restrictions existing within the Community on the free supply of services. The Commission shall submit such proposal to the Council in the course of the first two years of the first stage.

The program shall, for each category of services, fix the general conditions and the stages of such liberalization.

2. In order to implement the general program or, if no such program exists, to complete one stage in the liberalization of a specific service, the Council, on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall, before the end of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives.

3. The proposals and decisions referred to in paragraphs 1 and 2 shall, as a general rule, accord priority to services which directly affect production costs or the liberalization of which contributes to facilitating the exchange of goods.

Article 64

Member States hereby declare their willingness to undertake the liberalization of services beyond the extent required by the directives issued in application of Article 63, paragraph 2, if their general economic situation and the situation of the sector concerned so permit.

The Commission shall make recommendations to this effect to the Member States concerned.

Article 65

As long as the abolition of restrictions on the free supply of services has not been effected, each Member State shall apply such restrictions without distinction on grounds of nationality or residence to all persons within the meaning of Article 59, first paragraph, who supply services.

Article 66

The provisions of Articles 55 to 58 inclusive shall apply to the matters governed by this Chapter.

* * * * *

PART 3. POLICY OF THE COMMUNITY

Title I. Common rules

* * * *

Chapter 3. Approximation of Laws

Article 100

The Council, acting by means of a unanimous vote on a proposal of the Commission, shall issue directives for the approximation of such legislative and administrative provisions of the Member States as have a direct incidence on the establishment or functioning of the Common Market.

The Assembly and the Economic and Social Committee shall be consulted concerning any directives whose implementation in one or more of the Member States would involve amendment of legislative provisions.

* * *

PART 4. THE ASSOCIATION OF OVERSEAS COUNTRIES AND TERRITORIES

Article 131

The Member States hereby agree to bring into association with the Community the non-European countries and territories which have special relations with Belgium, France, Italy and the Netherlands. These countries and territories, hereinafter referred to as "the countries and territories", are listed in Annex IV to this Treaty.

The purpose of this association shall be to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole.

In conformity with the principles stated in the Preamble to this Treaty, this association shall in the first place permit the furthering of the interests and prosperity of the inhabitants of these countries and territories in such a manner as to lead them to the economic, social and cultural development which they expect.

Article 132

Such association shall have the following objects:

1. Member States shall, in their commercial exchanges with the countries and territories, apply the same rules which they apply among themselves pursuant to this Treaty.

2. Each country or territory shall apply to its commercial exchanges with Member States and with the other countries and territories the same rules which it applies in respect of the European State with which it has special relations.

3. Member States shall contribute to the investments required by the progressive development of these countries and territories.

4. As regards investments financed by the Community, participation in tenders and supplies shall be open, on equal terms, to all natural and legal persons being nationals of Member States or of the countries and territories.

5. In relations between Member States and the countries and territories, the right of establishment of nationals and companies shall be regulated in accordance with the provisions and by application of the procedures referred to in the Chapter relating to the right of establishment and on a non-discriminatory basis, subject to the special provisions made pursuant to Article 136.

Article 133

1. Imports originating in the countries or territories shall, on their entry into Member States, benefit by the total abolition of customs duties which shall take place progressively between Member States in conformity with the provisions of this Treaty.

2. Customs duties imposed on imports from Member States and from countries and territories shall, on the entry of such imports into any of the other countries or territories, be progressively abolished in conformity with the provisions of Articles 12, 13, 14, 15 and 17.

3. The countries and territories may, however, levy customs duties which correspond to the needs of their development and to the requirements of their industrialisation or which, being of a fiscal nature, have the object of contributing to their budgets.

The duties referred to in the preceding sub-paragraph shall be progressively reduced to the level of those imposed on imports of products coming from the Member State with which each country or territory has special relations. The percentages and the timing of the reductions provided for under this Treaty shall apply to the difference between the duty imposed, on entry into the importing country or territory, on a product coming from the Member State which has special relations with the country or territory concerned and the duty imposed on the same product coming from the Community.

4. Paragraph 2 shall not apply to countries and territories which, by reason of the special international obligations by which they are bound, already apply a non-discriminatory customs tariff at the date of the entry into force of this Treaty.

5. The establishment or amendment of customs duties imposed on goods imported into the countries and territories shall not, either de jure or de facto, give rise to any direct or indirect discrimination between imports coming from the various Member States.

Article 134

If the level of the duties applicable to goods coming from a third country on entry into a country or territory is likely, having regard to the application of the provisions of Article 133, paragraph 1, to cause diversions of commercial traffic to the detriment of any Member State, the latter may request the Commission to propose to the other Member States the measures necessary to remedy the situation.

Article 135

Subject to the provisions relating to public health, public safety and public order, the freedom of movement in Member States of workers from the countries and territories, and in the countries and territories of workers from Member States shall be governed by subsequent conventions which shall require unanimous agreement of Member States.

Article 136

For a first period of five years as from the date of the entry into force of this Treaty, an Implementing Convention annexed to this Treaty shall determine the particulars and procedure concerning the association of the countries and territories with the Community.

Before expiry of the Convention provided for in the preceding sub-paragraph, the Council, acting by means of a unanimous vote, shall, proceeding from the results achieved and on the basis of the principles set out in this Treaty, determine the provisions to be made for a further period.

PART 6. GENERAL AND FINAL PROVISIONS

* * *

Article 237

Any European State may apply to become a member of the Community. It shall address its application to the Council which, after obtaining the opinion of the Commission, shall act by means of a unanimous vote.

The conditions of admission and the amendments to this Treaty necessitated thereby shall be the subject of an agreement between the Member States and the applicant State. Such agreement shall be submitted to all the contracting States for ratification in accordance with their respective constitutional rules.

Article 238

The Community may conclude with a third country, a union of States or an international organisation agreements creating an association embodying reciprocal rights and obligations, joint actions and special procedures.

Such agreements shall be concluded by the Council acting by means of a unanimous vote and after consulting the Assembly.

Where such agreements involve amendments to this Treaty, such amendments shall be subject to prior adoption in accordance with the procedure laid down in Article 236.

SCHEDULE B. EUROPEAN ECONOMIC COMMUNITY

(First directive of the Council concerning participation of entrepreneurs in the placement and execution of building projects for account of the state, the territorial subdivisions as well as other public law juridical persons submitted by the Commission to the Council)

(Unofficial translation from German)

The Council of the European Economic Community—

In view of the Treaty establishing the European Economic Community, and in particular its Articles 54, Section 2, and 63, Section 2,

In view of the General Program for the Elimination of Restrictions on the Freedom of Establishment, in particular, Chapter IV, Letter B, Item 1,

In view of the General Program for the Elimination of Restrictions on the Free Exchange of Services, in particular, Section V, Letter C(e), Item 1,

In view of the amendments to the General Programs by Council Decision dated ———, upon the proposal of the Commission, after consultation of the European Parliament, after consultation of the Economic and Social Committee, and, in consideration of the following:

The above-mentioned General Programs provide for a first step with simultaneous elimination of the restrictions on the freedom of establishment and the free exchange of services in connection with the placement of public works contracts. These public construction works may, unless executed by the State itself, be placed in the form of a construction contract or a concession. This Directive must, therefore, include the grant of concessions, which represent a large part of those construction works. Otherwise, the import of the Directive would be severely limited.

The elimination of the restrictions must be tied in with a regulation which will make it possible, during the transition period, to temper the effects of an elimination of the restrictions in the individual Member States.

Each Member State must thus have the possibility to exclude temporarily nationals of the other Member States from the placement of public works contracts where contracts already placed with such nationals have reached or exceeded a quota to be established annually and where certain other prerequisites exist.

Recourse to this exclusion measure must, however, be tied to guaranties for the protection of the interests of the entrepreneurs.

Such right of temporary exclusion from the placement of orders must, in particular, be provided for contracts in an amount exceeding 600,000 Units of Accounts,[1] since an elimination of restrictions can be expected to have the most drastic effects on that category of public contracts.

For a realization step by step of the complete elimination of restrictions, computation of the first quota must be based on a 15 percent rate, since the Directive, measured against the transition period, will become effective at a relatively early time.

When fixing the quotas for the consecutive years, factors will have to be taken into consideration which are unknown at the present time; for that reason, it seems appropriate to entrust to the Commission the task of establishing such quotas with the help of a simple and expedient procedure.

The simultaneous realization of freedom of establishment and free exchange of services in the realm of public works contracts which are placed in the Member States for account of the State, of the territorial subdivisions as well as other public law juridical persons must go hand in hand with the coordination of national procedures concerning the placement of public works contracts. That coordination forms the subject of a separate directive.

For the purpose of assisting the Commission in the examination of the numerous problems which may result from the implementation of this directive, as well as with a view to preparing the way for future Community regulations in the realm of public works, it is appropriate to create an Advisory Committee within the framework of Article 54, Section 3, Letter b—

Has decreed the following directive:

Chapter I. Elimination of the Restrictions on Taking Up and Exercising Entrepreneur Activities

Article 1

1. As of January 1, 1965, the Member States shall eliminate the restrictions on taking up and exercising the independent activities of entrepreneurs of the Member States in the execution of construction works for account of the State, its territorial bodies corporate as well as the public law juridical persons listed in this Directive, in accordance with the terms and conditions stipulated below.

As construction works for account of the State shall be deemed also construction works which are executed for enterprises which, regardless of their juridical nature, operate the national railroads in the six Member States.

2. The restrictions to be eliminated are those listed in Chapter III of the General Programs for the Elimination of Restrictions on the Freedom of Establishment and on the Free Exchange of Services (hereinafter called the General Programs).

As incompatible with the freedom of establishment and a free exchange of services shall be deemed, in particular, any statutory, legislative or administrative provisions as well as administrative practices which prevent or limit participation by entrepreneurs of other Member States in the placement and execution of construction works for account of the State, its territorial subdivisions and the persons listed in this Directive. This shall apply also to technical standards which, if only indirectly, obstruct the activities of entrepreneurs of other Member States.

Article 2

For the application of this Directive, the following definitions shall govern:

(a) Activities: The activities listed under General Group 40, Group 400, of Annex I to the General Program for the Elimination of Restrictions on Freedom of Establishment. Those activities comprise the execution of all works performed for account of the contract awarding entities listed in Article 3 which relate to the erection, repair, maintenance or demolition of construction works.

(b) Construction works: all above and below surface construction as well as parts of such construction, as e.g.: all kinds of buildings, below-surface construction, technical construction, tunnel construction, marine construction, port installations, installations for ocean, river and inland navigation, streets, railroad construction (substructure and superstructure), pipe lines, buildings for telecommunication purposes and cable laying for telecommunication purposes.

The following shall be deemed construction works or parts of construction works:

Construction completion such as painting, glazing, insulations, electric installations, installation of heating, ventilation and air conditioning equipment in the rooms;

Installation of elevators for persons and freight with a capacity not exceeding 500 kilos.

Not to be deemed construction works shall be any works performed in connection with

---

[[1] NOTE.—One Unit of Account is equivalent to one United States dollar.]

the installation of mechanical, electrical or energy-producing industrial facilities; exempted from this provision shall be such parts of those facilities which can be considered as above or below surface construction.

Insofar as the classification of construction works does not result from the foregoing provisions, each Member State shall apply its internal legal provisions until a common nomenclature has been developed.

Article 3

The elimination of restrictions pursuant to Article 1 shall be carried out in favor of the beneficiaries listed under Section I of the General Programs.

This includes:

(a) All physical and juridical persons acting as entrepreneurs who become active as bidders, principal entrepreneurs or concession-holding entrepreneurs or who—insofar as possible under the legal provisions of individual States—have undertaken the performance of defined construction works on behalf of the principal entrepreneur in the capacity of sub-contractors;

(b) Companies and associations of persons without juridical personality whose members are capable, pursuant to the legal provisions of the individual State, of jointly entering into contracts.

Chapter II. Quotas

Article 4

1. For the application of this Chapter, the following definitions shall govern:

(a) Nationals and companies of the other Member States: the entrepreneurs of the Member States with the exception of entrepreneurs of the State where the contract is placed, regardless of whether they received the contract directly from the State or through agencies or branch offices established by them in that State;

(b) Public works contract: the contract in writing which is entered into between the entrepreneur on the one hand and the State, a territorial subdivision or one of the remaining juridical persons listed in this Directive, on the other hand, the subject of which is the erection, repair, maintenance or demolition of a construction work from among those listed in Article 2, paragraph (b);

(c) Amount of a construction contract: the originally agreed price at which the entrepreneur has undertaken to perform the construction work, regardless of whether a lump sum price is involved or whether the price has been determined with the help of a basic price contained in a table or price list.

When determining the amount of a contract for purposes of computing the quotas, the price of all building materials and supplies required for the erection and completion of the construction works must also be taken into consideration; in this connection, the form in which those building materials and supplies are procured is of no concern.

(d) Unit of Account: the Unit of Account established in Article 4 of the Charter of the European Investment Bank.

2. For the application of this Chapter, concessions granted to private law persons the subject of which is the execution of the works listed in Article 2, paragraph (b), and contracts entered into between the beneficiaries of those concessions and the entrepreneurs shall be considered as public works contracts.

Since, pursuant to this Chapter, the amount of a contract must be taken into consideration, the estimate of the works at the time of completion of the building plans shall be controlling for purposes of the above-mentioned concessions.

Article 5

1. Any Member State may temporarily, but for not longer than to the end of the respective current year, exclude nationals or companies of the other Member States from the placing of contracts, regardless of the amount of the individual contract, provided that one of the following three prerequisites exists on one of the days fixed by Article 8, Section 1:

(a) If the amount of the public works contracts which the State itself, its territorial subdivisions as well as the remaining juridical persons listed for purposes of this Directive have placed since January 1 with the above-mentioned nationals and companies exceeds the quota set for the respective year for the aggregate amount of such contracts and the amount of the public works contracts which its nationals and companies residing within its sovereign territory have received since January 1 in the other Member States does not amount to more than one-half of the above-named amount;

(b) If the amount of the public works contracts exceeding 600,000 Units of Account which the State itself, its territorial subdivisions as well as the remaining juridical persons listed for purposes of this Directive have placed since January 1 with the above-named nationals and companies exceeds the quota for the aggregate amount of contracts exceeding 600,000 Units of Account established for the respective year, and the amount of the public works contracts exceeding 600,000 Units of Account which its nationals and companies residing within its sovereign territory have received since January 1 in the other Member States does not amount to more than one-half of the above-mentioned amount;

(c) If the amount of the public works contracts of up to and including 600,000 Units of Account which the State itself, its territorial subdivisions as well as the remaining juridical persons listed for purposes of this Directive have placed since January 1 with the above-named nationals and companies exceeds the quota for the aggregate size of contracts of up to and including 600,000 Units of Account established for the respective year, and the amount of the public works contracts of up to and including 600,000 Units of Account which its nationals and companies residing within its sovereign territory have received since January 1 in the other Member States does not amount to more than one half of the above-mentioned amount.

2. Independently from the provisions contained in Article 1, any Member State may temporarily, but for not longer than to the end of the current year, exclude nationals and companies of the other Member States from the placing of public works contracts exceeding 600,000 Units of Account if the amount of contracts of that kind placed with said nationals and companies attains double the quota for the aggregate amount of contracts exceeding 600,000 Units of Account established for the respective year.

3. If the requirements listed in Section 1 exist and special circumstances justify it, the Grand Duchy of Luxembourg may be authorized by the Commission of the European Economic Community to exclude temporarily from the placement of public works contracts nationals and companies of the other Member States without regard to the aggregate amount of construction contracts which nationals and companies residing within its sovereign territory have received since January 1 in the other Member States.

Article 6

1. The first quota shall become effective on January 1, 1965; the last quota shall be effective until December 31, 1969.

2. The quota related to the aggregate amount of public works contracts for the year 1965 shall be established by each Member State at 15 percent of the annual average of the amount of public works contracts which it has placed during the period from January 1, 1963, through December 31, 1964.

3. The quota related to the aggregate amount of public works contracts exceeding 600,000 Units of Account for the year 1965 shall be established by each Member State at 15 percent of the annual average of the amount of public works contracts exceeding 600,000 Units of Account which it has placed during the period from January 1, 1963, through December 31, 1964.

4. The quota related to the aggregate amount of public works contracts of up to and including 600,000 Units of Account for the year 1965 shall be established by each Member State at 15 per cent of the annual average of the amount of public works contracts of up to and including 600,000 Units of Account which it has placed during the period from January 1, 1963, through December 31, 1964.

5. The rate applicable to each of the kinds of quotas named in the foregoing Sections 2 through 4 during the two subsequent two-year periods shall be fixed by the Commission of the European Economic Community after hearing the Member States, in each case at a rate exceeding the preceding rate.

6. In deviation from Article 4, Section 2, the annual average referred to in Sections 2 through 4 shall not apply to concessions granted prior to January 1, 1965.

Article 7

1. Not later than by March 31 of the respective current year, each Member State shall pass on to the Commission of the European Economic Community the following information:

(a) The amount of the public works contracts placed during the preceding year, subdivided into contracts exceeding 600,000 Units of Account and contracts of up to and including 600,000 Units of Account.

(b) The quota in effect for the respective current year with respect to each of the kinds of quotas listed in Article 6, Sections 2 through 4.

For purposes of application of the first quota, however, the information shall relate to the annual average of values of contracts entered into during the two preceding calendar years, in consideration of the subdivision provided for in paragraph (a) above, and to the quota pursuant to paragraph (b) above.

All contracts must be stated in the national currency and must be converted into Units of Account.

2. The Commission of the European Economic Community shall see to it that all fixed quotas are published for general information in the Official Gazette of the European Communities.

Article 8

1. Each Member State shall determine, as of April 30, June 30 and October 31, and, for statistical purposes, as of December 31 of each year, the amount of contracts which were placed with the nationals and companies of each one of the other Member States as well as to the nationals and companies of the other Member States as a group. The amounts must be stated in the national currency and must be converted into Units of Account; they must be subdivided into contracts exceeding 600,000 and contracts of up to and including 600,000 Units of Account.

Each Member State shall make those figures known to each of the other Member States as well as to the Commission of the European Economic Community prior to May 31, July 31, November 30 and March 31, respectively, of each year.

2. For purposes of determining the amount of contracts granted to nationals and companies of the other Member States:

Contracts given to subsidiaries which clearly are not in a position to exercise their activities without substantial cooperation from the parent company shall be considered as placed with the parent company;

Contracts with respect to which, in conformity with the national provisions, the principal entrepreneur transfers the execution of a part of the performances forming the subject of the contract to one or several authorized sub-contractors shall be considered, up to the amount of works to be executed by such sub-contractor or sub-contractors, as concluded with such sub-contractor or sub-contractors, and for the remaining amount, as concluded with the principal entrepreneur;

Contracts given to an association of entrepreneurs the members of which do not reside within the sovereign territory of one and the same Member State shall be considered, up to the amount of payments to which individual entrepreneurs are entitled—insofar as such amounts are stated separately—as placed with the individual entrepreneurs. In the case of contracts for which the aggregate amount of the works is not subdivided into individual entrepreneurs, the Member States may take appropriate measures to oblige said associations of entrepreneurs, upon conclusion of the contract, to subdivide the aggregate amount of the works among the individual entrepreneurs and to publicize such subdivision.

If the subdivision into individual entrepreneurs is not stated in the contract, and if it cannot be determined after conclusion of the contract, the contract shall be considered as entered into with the entrepreneur to which payment will have to be made.

Article 9

1. If a Member State asserts its right, pursuant to Article 5, of temporarily excluding nationals and companies of other Member States from the placement of public works contracts, it must immediately so advise the Commission of the European Economic Community.

The Commission of the European Economic Community shall see to it that such a decision is published in the Official Gazette of the European Communities.

2. Temporary exclusion from the placement of contracts by a Member State shall be effective until the end of the respective current year, unless one prerequisite listed under Article 5, Section 1, no longer exists, i.e., the amount of contracts placed by the other Member States with nationals and companies of the respective Member State residing within its sovereign territory as of June 30 or October 31 of the respective current year no longer exceeded one-half of the corresponding amount of contracts placed with nationals and companies of the other Member States. In that case, the Member State which temporarily excluded the nationals and companies of the other Member States from the placement of public works contracts must include them again and advise the Commission of the European Economic Community of that fact without delay.

3. On the basis of a suspension decision by a Member State, nationals and companies of the other Member States cannot be excluded from participation in the placement and awarding of those contracts for which an invitation for bids had been issued prior to the publication of such suspension decision.

4. The Commission of the European Economic Community shall inform the other Member States, by a notice to be published in the Official Gazette of the European Communities, of the resumption of the placement of public works contracts in the respective Member State with nationals and companies of the other Member States.

Chapter III. The Role of the Commission—Advisory Committee for Public Works Contracts

Article 10

When examining disputes and problems which arise from the implementation of measures which the Member States will take by virtue of the Directives on the elimination of restrictions on the freedom of business establishment and the free exchanges of services in the realm of public works as well as for the coordination of procedures relating to the placement of public works contracts, the Commission of the European Economic Community shall be assisted by a committee. That committee shall, in particular, have the following task:

(a) To prepare opinions for the Commission on individual cases which the Commission or one of the members of the committee submitted to it in connection with the implementation of the Directives as well as the application of the provisions concerning the placement of public works contracts by the public administrations and public law juridical persons of one Member State to the nationals and companies of the other Member States;

(b) To examine in connection with the application of these Directives whether supplemental provisions or possibly amendments would be appropriate.

Article 11

The Member States shall be obliged, upon request by the Chairman, to supply to the advisory committee any information required to carry out its tasks.

Article 12

The members of the committee shall be appointed by the Member States; each Member State shall supply one regular and one substitute member. The substitute member may attend meetings at any time.

The members of the committee may ask for assistance from officials in an expert capacity.

If the Committee considers it necessary when examining special cases, it may ask for assistance from additional persons.

The Commission shall bear the travel and lodging expenses of regular and substitute members.

The Member States shall bear the travel and lodging expenses for the experts and other persons whose advice had been sought.

Article 13

The chairmanship of the advisory committee shall be held by an official of the Commission of the European Economic Community.

The Chairman shall not participate in the voting. He may ask for assistance from technical advisers.

The secretarial duties of the committee shall be performed by the services of the Commission.

Article 14

Notwithstanding Article 214 of the Treaty, the members of the committee and the technical advisers shall be obliged to observe secrecy.

Article 15

Meetings of the committee shall be called by the chairman, when he so desires, or upon motion by one of the Member States.

Article 16

The committee shall have a quorum when two-thirds of the members are present. Each member or, respectively, his substitute, in his absence, shall have one vote.

The opinions of the committee must be reasoned opinions; they shall be adopted with absolute majority of votes. Upon request of the minority, a memorandum containing the opinions held by the minority must be attached to the opinions.

Article 17

If necessary, the committee shall adopt internal regulations.

Chapter IV. Final Provisions

Article 18

The Member States shall take the necessary measures to safeguard implementation of this Directive at the times set forth in the preceding Articles; they shall advise the Commission without delay of such measures.

Article 19

The Member States shall see to it that the Commission of the European Economic Community is informed of all future proposals for legal and administrative provisions which they intend to enact in the field of taking up and exercising the activities governed by this Directive.

Article 20

The text of the Annex shall be an integral part of this Directive.

Article 21

This Directive is addressed to all Member States.

Brussels, this — day of ——— 196 .
On behalf of the Council,
——— ———,
The President.

ANNEX

To the first directive concerning the participation of entrepreneurs in the placement and execution of building projects for the account of the State, its territorial subdivisions as well as other public law juridical persons.

List of public law juridical persons referred to in the first article

In addition to the State (and organs on the same footing referred to in the first article, paragraph 1, sentence 2, of the Directive) and its territorial subdivisions such as Länder, regions, departments and communes, there are subject beginning with January 1, 1965, to the regime instituted for the participation of the entrepreneurs of all the Member States in public works contracts, the following specific public law juridical persons, with regard to:

I. All the Member States: The public law associations organized by the territorial subdivisions, as for example, "Gemeindeverbände", "Zweckverbände", etc.

II. In the Federal Republic of Germany: The "bundesunmittelbaren Körperschaften, Anstalten und Stiftungen des öffentlichen Rechts" [direct federal corporate bodies, institutions and establishments of the public law].

III. In the Kingdom of Belgium: The Highway Funds 1955–1969, the Airway Administration, the Public Assistance Commission, the Church Vestries, the Office Regulating Internal Navigation, the Refrigerating Services Administration of the Belgian State.

IV. In the Republic of France: The other public establishments of an administrative character, at the national, departmental and local levels.

V. In the Republic of Italy: The State universities and university institutes, the consortiums for the construction of universities, the higher scientific and cultural institutes, the astronomical, astrophysical, geophysical and volcanological observatories, the "Enti de riforma fondiaria," the welfare and benevolent institutions of all kinds.

VI. In the Grand Duchy of Luxembourg: The Social Insurance Offices.

VII. In the Kingdom of The Netherlands: The "Waterschappen" [The Boards of Dikes Surveyors],

The "Rijksuniversiteiten" [the Royal Universities],

The "Academische Ziekenhuizen van de Rijksuniversiteiten" [the Academic Hospitals of the Royal Universities], and the "De Gemeentelijke Universiteit van Amsterdam" [the Municipal University of Amsterdam],

The "Technische Hogescholen" [the Technical High Schools],

The "Nederlandse Centrale Organisatie voor toegepast natuurwetenschappelijk Onderzoek (T.N.O.)" [the Central Netherlands Organization for Applied Natural Science Research] and the organizations which are attached to it.

SCHEDULE C. EUROPEAN ECONOMIC COMMUNITY—FIRST DIRECTIVE CONCERNING THE COORDINATION OF PROCEDURES FOR THE PLACEMENT OF PUBLIC WORKS CONTRACTS

(Submitted to the Council by the Commission)

(Unofficial Translation From German)

The Council of the European Economic Community—

In view of the Treaty establishing the European Economic Community, in particular, Articles 7, 54, 63, 100 and 223,

In view of the General Program for the Elimination of Restrictions on the Freedom of Establishment, in particular, Title IV, Section B, Paragraph 1,

In view of the General Program for the Elimination of Restrictions on the Free Exchange of Services, in particular, Title V, Section C(e), Paragraph 1,

Upon proposal of the Commission,

After consultation of the European Parliament,

After consultation of the Economic and Social Committee,

Whereas the simultaneous realization of the freedom to establish a business and of a free exchange of services in the field of public works contracts placed in the Member States for account of the State, the territorial subdivisions as well as other public law juridical persons requires, in addition to an elimination of restrictions, a coordination of national procedures governing the placement of public works contracts;

Whereas such coordination must, however, take into consideration the procedures and administrative practices existing in each Member State;

Whereas the Council, in its statement relating to the above-mentioned General Programs, has stressed that the coordination must be based on certain principles which relate to prohibition to describe technical characteristics with discriminatory effect; sufficient publication of proposed awards; preparation of objective criteria for participation; and introduction of a procedure which will offer a guaranty that such principles are observed;

Whereas it must be avoided that different systems are applied to construction contracts of railroad administrations because of their differing juridical personalities and, thus, railroads which are juridical persons under public law must be excluded from the sphere of application of this Directive and it is expected that that area will be covered by a separate directive;

Whereas, while it is necessary to make provision for exceptional cases to which the measures for coordination of the procedures will not be applied, it is likewise necessary to limit such cases explicitly;

Whereas construction contracts of a size below 60,000 Units of Account do not appear liable to affect [adversely] competition at the level of the Common Market and, therefore, such contracts must be excluded from the application of the coordination measures;

Whereas, for technical reasons, publication in the Community cannot extend to all proposed awards subject to the coordination measures and, therefore, during the transitional period, decreasing thresholds of 1,000,000, 600,000 and 300,000 Units of Account must be distinguished;

Whereas it is appropriate to create an Advisory Committee within the framework of Article 54, Section 3, Paragraph (b), for the purpose of assisting the Commission in the examination of problems which might arise in the implementation of this Directive; with a view to preparing the future joint regulations in the field of public works contracts; as well as to comply with one of the provisions contained in the above-mentioned statement by the Council—

Has enacted the following Directive:

Title I. General provisions

Article 1

1. (a) As public works contracts shall be deemed agreements in writing which are concluded between an entrepreneur on the one hand and the public contracting authorities as they are named in greater detail under paragraph (b) of this Article, on the other, and which relate to the construction, maintenance or demolition of one of the construction works listed in Article 2, Item (b), of the first Directive concerning Participation of Entrepreneurs in the Placement and Execution of Building Projects for Account of the State, the Territorial Subdivisions as Well as Other Public Law Juridical Persons.

(b) As public contracting authorities in the six Member States shall be deemed the State, the territorial subdivisions and the bodies corporate which are listed in the annex to the Directive mentioned above under (a).

(c) Unless otherwise provided for in this Directive, the public contracting authorities shall apply their national procedures to public construction works.

(d) Application of the placement procedures to public construction contracts shall be compulsory, except for cases in which the counter-performance for the work to be done consists not only of the payment of a price, but of the grant of a right to use the construction project for a certain period. In this case, the public contracting authority may avail itself of the system for grants of concessions. If the owner of the concession is a public contracting authority within the meaning of paragraph (b), such authority must apply to the award of construction services to be rendered by third parties the national procedures concerning awards of public construction contracts as adjusted on the basis of this Directive.

(e) These provisions shall not apply to the public construction contracts of the railroad administrations. The prerequisites under which construction contracts of railroad administrations in the six Member States are to be placed will be governed by a separate coordination directive.

2. Within the meaning of this Directive,

(a) The word "entrepreneur" shall be taken in its broadest meaning; it shall include without differentiation "entrepreneur" in the proper meaning as well as "enterprise", "tradesman" and "company" within the meaning of Article 58 of the Treaty;

(b) The entrepreneur who has submitted a bid shall be designated by the word "bidder"; the entrepreneur who has applied for an invitation to participate in a restricted procedure on the basis of the publication as it is provided for in Article 8, Section 2, shall be designated as "applicant".

Article 2

1. The common provisions of this Directive concerning open procedures (Articles 6 through 10, 13, 14, 18, 20 through 26, 28 and 29) within the meaning of this Directive shall apply to the individual State procedures under which all interested entrepreneurs may bid.

2. The common provisions concerning restricted procedures (Articles 6 through 9, 11 through 13, 15, 16, 18 through 29) within the meaning of this Directive shall apply to the individual State procedures under which only entrepreneurs invited by the public contracting authority may bid.

3. To a placement of contracts in the cases stated in Article 5, only the common provisions of Articles 6, 7 and 17 shall apply; this does not affect contracts placed pursuant to Article 5, paragraph (j), to which all common provisions of this Directive shall apply, with the exception of the provisions contained in Title III.

4. To the contracts named in paragraphs 1, 2 and 3 above, the provisions of Articles 30 through 37 concerning the Advisory Committee for Public Works Contracts shall apply in addition.

Article 3

The common provisions contained in this Directive and the provisions of Article 5 shall be applied, subject to the prerequisites of Article 2, to all public works contracts the estimated amount of which attains or exceeds 60,000 Units of Account (EEC).

The common provisions on publication contained in Articles 8 through 17 shall not apply to construction contracts of an estimated amount not exceeding 1,000,000 Units of Account (EEC) for the period from January 1, 1965, to December 31, 1965; 600,000 Units of Account (EEC) for the period from January 1, 1966, to December 31, 1967; 300,000 Units of Account (EEC) from January 1, 1968.

Exclusion from the award of contracts as provided for in Article 5 of the Directive mentioned in Article 1, Section 1, paragraph (a), shall not entitle the Member States to suspend publication pursuant to Title III.

The amounts which result from conversion of values stated in Units of Account into the respective national currencies can be found in the annex.

Article 4

When computing the amount pursuant to Articles 3, 5 and 28, the cost of deliveries made simultaneously with the construction works, but forming the subject of a separate public contract, must also be taken into consideration.

Article 5

The public contracting authorities may award construction contracts without applying for common provisions of this Directive, with the exception of Articles 6, 7 and 17:

(a) If, after applying one of the procedures provided for in the Directive, no bids, or no proper bids, were received or if bids received were unacceptable, in accordance with Chapter IV, pursuant to national provisions regulating the placement of contracts, because of some provision contained therein;

(b) If the only entrepreneur to be considered for the respective performance is the one who owns the patents or improvement patents or licenses therefor, or the exclusive right to import or use granted by the manufacturer with respect to the technical know-how or supplies related thereto, or if the performance can be rendered by only one entrepreneur or supplier, regardless of whether or not he is domiciled within the territory of the Community;

(c) If a performance, in the absence of a legal or factual monopoly, can, because of compelling technical reasons, obviously be rendered only by a particular entrepreneur, regardless of whether or not he is domiciled within the territory of the Community;

(d) If, because of its artistic nature, the repair or maintenance of a construction work can only be done by experienced artists or experts, regardless of whether or not they are domiciled within the territory of the Community;

(e) If the performance is rendered only for purposes of research, testing, exploration, or improvements;

(f) To the extent that it is unavoidably necessary, because the time-limits provided for in the other procedures cannot be kept for compelling reasons of urgency which could not be foreseen by the respective person or entity placing the public contracts;

(g) If the construction work is of a secret nature;

(h) In the case of additional construction works which were not foreseen in the original proposal submitted for bids and the first contract entered into, but which are required, because of an unforeseen event, in order to execute the construction works described therein, provided the work is placed with the entrepreneur who executes such contract:

Provided that such works cannot, in technical and economic respects, be separated from the main contract without substantial disadvantage to the person or entity placing the public contract;

Or provided such work may be separated from the first contract, but is inevitably necessary for its improvement;

The aggregate amount of contracts which are placed in application of the provisions contained in the first or second paragraph may, however, not exceed 50% of the original amount of the first contract;

(i) In exceptional cases, if works are involved which, because of their nature or the risks attaching thereto, do not admit of sound price formation at the outset and which, therefore, must be executed at cost; the public contracting authorities shall advise the Advisory Committee of all cases to which this provision was applied;

(j) During the transition period, if the price formation is withdrawn from the normal effects of competition in the Community and if the number of entrepreneurs from other Member States invited to bid is not less than one-third of the aggregate number of invited entrepreneurs. However, in that case, entrepreneurs invited to bid must fulfill the criteria for acceptability contained in Title IV, Chapter 1 of this Directive; the adjudication shall be made pursuant to the provisions contained in Title IV, Chapter 2. The Member States shall advise the Advisory Committee of all cases to which this provision has been applied.

The Member States shall send to the Advisory Committee, before the end of the month of March of each year, a statement concerning the number and amount of orders placed in the preceding year on the basis of items (a) through (i). If possible, they shall subdivide contracts placed by each separate item.

This obligation relates to contracts the amount of which exceeds 1,000,000 Units of Account (EEC) during the period from January 1 to December 31, 1965; 600,000 Units of Account (EEC), during the period from January 1, 1966, to December 31, 1967; and 300,000 Units of Account (EEC), from January 1, 1968.

Title II. Common provisions concerning the description of technical characteristics

Article 6

The description of technical characteristics in the realm of public works contracts shall comprise, pursuant to this Directive, all technical prescriptions, and in particular those contained in the general and specific contract specifications, with the help of which a work, building material, product or supply (in particular quality; performance) is objectively outlined so that the work, building material, product or supply will fit the purpose which the public contracting authority has in mind.

Included in such description of technical characteristics shall be the mechanical, physical and chemical properties; classifications and standards; requirements for testing, supervision and acceptance of the construction work, construction components or building materials; it shall further include the techniques and construction methods as well as all other requirements of a technical nature to which the public contracting authority will subject the building materials, the construction components and the finished construction by way of general or specific rules.

If a project prepared under provisions concerning the computation of prices for construction work which are different from those customary in the country where the contract is placed, but which can be reconciled with the requirements contained in the contract specifications, belongs to those projects which can be taken into consideration, the public contracting authority shall be obliged to examine the project with special care with respect to the justifications and explanations submitted by the bidder.

Article 7

The description of technical characteristics pursuant to Article 6 may not have any discriminatory effect or consequence.

The prohibition contained in the preceding paragraph shall relate to all discriminatory provisions in legal and administrative regulations which represent restrictions on the free exchange of services within the meaning of Article 60, Section 1, of the Treaty and Title III of the General Program for the Elimination of Restrictions on the Free Exchange of Services, as well as any discrimination in connection with the award of an individual contract which may be contained, in particular, in the special contract specifications for that individual contract. Applicability of Articles 31, 32, Section 1, and 33, Section 7, to discriminatory provisions in legal and administrative provisions through which the importation of merchandise is restricted shall be reserved.

As discriminatory within the meaning of this Directive shall be considered, in particular, any technical requirement which directly or indirectly results in preferential treatment of one or several enterprises to the disadvantage of enterprises in the remaining countries of the Community or the exclusion of the latter enterprises.

As discriminatory shall be deemed, in particular, descriptions which, without any justification by the particular construction work, have the following content:

1. A mention of the trademark of a designated product, appliance or building material or of the firm which produces or distributes such merchandise, even where the trademark is followed by words such as "* * * or of a similar kind", "* * * or of another kind of equal quality", etc., or if the corresponding inference is made by mere reference to price lists or leaflets;

2. A reference to patents, types, generic names, models, procedures or to objects already used in constructions, or to price lists, or any defining reference to an object of particular manufacture or origin;

3. Indication of the place of origin, exploitation, extraction, fabrication, or production;

4. Indication of particular technical or other characteristic if worded in such a manner that a priori objects of a particular manufacture or origin are preferred or excluded.

If Community standards or clear rules of equal value exist, these must be used as the basis for contract specifications. If that is not the case, the description of technical characteristics as well as of methods of testing, control, acceptance and price computation shall be established in the contract specifications, with the exclusion of exceptional cases for which such action can be justified by the peculiarity of the construction project.

If national standards are prescribed for a description of technical characteristics, this does not represent discrimination, unless Community standards or provisions of equal value, as they are described in the preceding paragraph, exist.

Title III. Common rules for publication

Article 8

The publication provided for in this Directive is intended to produce the largest possible competition in open as well as in restricted proceedings. For that purpose, entrepreneurs who are nationals of the Member States shall be notified of construction contracts which the public contracting authorities of the Member States intend to award.

In the case of restricted proceedings, the publication is intended particularly to make it possible for entrepreneurs of the Member States to evidence their interest in the contracts by applying to the public contracting authority for an invitation to submit a bid in accordance with the prescribed requirements.

Article 9

The public contracting authorities which intend to award a construction contract by way of a public or a restricted proceeding, shall declare their intent through a notice.

That notice shall be forwarded to the EEC Commission and published in the Official Gazette of the European Communities in full in the official languages of the Community, the original language representing the only authentic text.

In an expedited proceeding, the notice shall be published in the original language only in the four editions of the Official Gazette of the European Community.

The notice shall be published in the Official Gazette of the European Community not later than 10 days after its mailing; in the case of the expedited proceeding provided for in Article 12, not later than six days after mailing.

In the Official Gazette or, where it does not exist, in specially designated organs of the press of the awarding State, the notice may not be published prior to the above-mentioned mailing date, and that date must be shown in such notices.

The public contracting authority must be able to prove the time of mailing.

Article 10

In the case of open proceedings, the time-limit for offers to be fixed by the public contracting authority must be at least 35 days, counted from the day of mailing of the notice. The public contracting authority must furnish additional information, if any, not later than six days before expiration of the time-limit for offers.

If offers can only be submitted after the inspection of the site or examination of publicly displayed adjudication procedures or if they require complicated computations, the time-limit for offers shall be at least 49 days, counted from the day of mailing the notice.

Article 11

In the case of restricted proceedings, the time-limit for the application to participate to be set by the public contracting authorities must be at least 21 days, counting from the day of mailing the notice.

The public contracting authorities must give additional information, if any, until not later than six days prior to the expiration of the time-limit for offers.

If the offers can only be submitted after an inspection of the site or examination of publicly displayed contract specifications or if they require complicated computations, the time-limit for offers must be at least 35 days.

Article 12

If the time-limits provided for in Article 11 cannot be kept for reasons of urgency, the public contracting authorities shall be authorized to shorten the time-limits as follows:

—the time-limit for application to participate, to not less than 12 days from the day of mailing the notice;

—the time-limit for the offer, to not less than eight days from the day of mailing the notice.

The public contracting authority must give any additional information which may be requested until not later than four days prior to the expiration of the time-limit for offers.

The time-limit for inviting bids shall be established by the public contracting authorities in their own discretion.

The application to participate as well as the invitation to bid may be transmitted in writing, by telegram, by telephone or by telex.

Article 13

All details which enable the entrepreneur to form a sufficient idea of the construction work to be executed and requirements to be complied with in that connection must appear from the notices in the Official Gazette of the European Community.

A notice of the national official gazettes or, in their absence, in the press organs designated for that purpose may not contain any other information than that contained in the notice in the Official Gazette of the European Community.

Article 14

In the case of open proceedings, the notice shall at least contain the following information:

(a) The date of its mailing to the Official Gazette of the Communities;

(b) The type of proceeding;

(c) The place of execution, the type and size of the performances to be rendered as well as the essential characteristics of the works;

—if the order consists of several lots: the size range of the individual lots and the possibility to submit a bid for one lot, several lots or for the entire project;

—in the case of announcements relating to contracts which, in addition to the possible execution of construction works, require the preparation of draft projects, only such information as will make it possible for the entrepreneurs to recognize the objective of the contracts and submit corresponding proposals;

(d) Where applicable, the time-limit for execution;

(e) The address of the office submitting the invitation for bids;

(f) The address of the office from which contract specifications may be requested, as well as the day until which they must be requested; there must be indicated furthermore the amount payable in order to obtain said specifications, as well as the manner of payment of such amount.

(g) The address of the office which will supply additional information on the adjudication particulars or on the work to be performed, as well as the times at which such information can be obtained;

(h) The day until which bids must be submitted, and the records to be attached which relate to the technical description of the bid; the address of the office to which they are to be submitted, as well as the language in which they must be drafted;

(i) The records to be attached to the bid which facilitate an evaluation of the technical and economic capacities of the bidder pursuant to the provisions contained in Articles 20 through 26.

(j) Who may be present when the bids are opened, as well as the day, hour and place for the opening of the bids;

(k) If applicable, indication of deposits and other sureties which the person or entity placing the public contract may require in some form;

(l) The terms for financing and payment and/or reference to the regulations in which they are set forth;

(m) The formal requirements for admission of the bid or reference to the regulations in which they are set forth;

(n) Whether associations of entrepreneurs must have a designated juridical form in order to be admitted to submit bids;

(o) The criteria for adjudication pursuant to Article 28;

(p) The period for which bidders shall remain bound by their bids.

Article 15

In the case of restricted proceedings, the notice shall contain at least the following information:

(a) The information under Article 14, Items (a), (b), (c), (d), (e), (n), and (o);

(b) The day until which applications to participate must be submitted, the address of the office to which they must be submitted as well as the language in which they are to be drafted;

(c) The day until which invitations to submit bids will be mailed out by the office inviting the bids;

(d) Description of information which will facilitate an evaluation of the technical and economic capabilities of the competitor under the provisions contained in Articles 20 through 27, and which must be attached to the application for participation in the form of statements which may later be examined and verified.

Article 16

In the case of restricted proceedings, the invitation to submit bids shall contain at least the following information:

(a) The information listed under Article 14, Items (f), (g), (h), (j), (k), (l), (m) and (p);

(b) A reference to the notice described in Article 15;

(c) A request for records which, if the case should arise, may serve to prove the correctness of the statements to be made by the competitor pursuant to Article 15, Item (d).

Article 17

It is left to the discretion of the public contracting authorities to call attention by public notice to an award of public works contracts which are not subject to the publication duty under this Directive, provided that the amount of such orders is not below 60,000 Units of Account.

Title IV. Common participation provisions

Article 18

1. The criteria for participation comprise aptitude criteria and adjudication criteria.

2. The public contracting authorities shall examine the technical aptitude of entrepreneurs who are not eliminated on the basis of Article 20, pursuant to uniform criteria of economic, financial and technical capacities as stated in Articles 23 through 26, while adjudication shall be made on the basis of the adjudication criteria stated in Chapter 2 of this Title.

Article 19

In the case of restricted proceedings within the meaning of Article 2, Item 2, the public contracting authorities shall select from among the competitors who fulfill the capacity requirements provided for in Articles 20 through 26 those competitors who will be invited to submit a bid.

When the Advisory Committee examines individual cases, it shall be assumed that discrimination by reasons of nationality does not exist if the number of competitors from other Member States who are invited to submit a bid amounts to at least one-third of the aggregate number of invited competitors.

Should the number of competitors from the other Member States who fulfill the capacity requirements provided for in Articles 20 through 26 not be sufficient, that assumption can be made only if the public contracting authority invited all competitors to submit a bid.

Chapter I. Capacity Criteria

Article 20

It shall be possible to exclude from participation in adjudication proceedings entrepreneurs:

(a) With regard to whom a bankruptcy proceeding or a settlement proceeding has been instituted or who are in liquidation, who have ceased to exercise their professional activity or who are in a corresponding status because of a similar proceeding instituted pursuant to national legal provisions;

(b) Against whom institution of a bankruptcy proceeding or a proceeding for court settlement has been requested or against whom other similar proceedings have been requested on the basis of national legal provisions; who have been condemned under a legally effective decision for reasons which place their professional reliability in question;

(c) Who have committed, within the scope of their professional activities, a violation of the law, a grave offense or a violation of trust and good faith which can be proven to have been ascertained by the public contracting authority;

(d) Who, at the time of adjudication, have obviously not complied with their obligation to pay social welfare contributions under the law of the country in which they are domiciled or under the law of the country in which the public adjudication takes place;

(e) Who have been guilty of false statements when giving such information as can be requested pursuant to this Chapter.

The entrepreneur shall submit a certificate issued by the competent authority and, in cases where this is not possible in accordance with national legislation, a declaration, from which appears that the conditions listed under Items (a), (b), (c), (d) and (e) do not exist in his case.

If the conditions listed under Items (a) and (b) exist with regard to an entrepreneur, possible participation in the adjudication procedure may be made subject to a declaration from which his financial situation as well as the facilities at his disposal for regular execution of the works clearly appear.

Article 21

The public contracting authority who excludes an entrepreneur on the basis of Article 20 shall inform the Advisory Committee to that effect.

The public contracting authority shall inform the entrepreneur concerned upon his request of the reasons for exclusion if he is excluded by reason of the provisions contained in Items (a), (b) or (c) of Article 20.

Article 22

Entrepreneurs who desire to participate in public works contracts may be invited to submit proof of entry into the professional register of the particular country of the Community in which they have their establishment: for Belgium, the "Registre de Commerce" or "Handelsregister"; for Germany, the "Handelsregister" or the "Handwerksrolle"; for France, the "Registre de Commerce"; for Italy, the "Registro della Camera di Commercio, Industria e Agricoltura"; for Luxembourg, the "Registre de Commerce" and the "Rôle de la Chambre des Métiers"; for the Netherlands, the "Handelsregister".

Article 23

The proof of financial and economic capacities of the entrepreneur may be made:

(a) By appropriate bank references;

(b) By submitting balance statements or excerpts from balance statements of the enterprise, if publication thereof is required under the corporate law of the country in which the entrepreneur has his business seat;

(c) By a statement concerning the aggregate turnover and the turnover in execution of construction works of the enterprise during the last three business years.

The public contracting authorities shall indicate in the notice or in the invitation to submit bids the kind of proof that should be submitted to them.

If the above means of proof are not available to the entrepreneur, he may submit evidence of his financial and technical capacities by submission of other documents.

Article 24

Proof concerning the technical capacity of the entrepreneur and of the persons and installations listed under Item (e) may be made as follows:

(a) By documents evidencing the technical training and professional experience of ranking employees of the enterprise, in particular of the person(s) responsible for the execution of the work in technical respects;

(b) By certificates showing what types of work were executed and/or directed during the last five years; in this connection, the amount of the construction size as well as time and place of construction execution must be indicated; furthermore, the certificates must show whether the works satisfied the recognized rules of technical science and whether they were executed in good order;

Where construction works were involved which had been performed or directed for public contracting authorities, the certificate must be issued by the authority having jurisdiction or be fixed by it; it shall be granted to an entrepreneur or, if the authority having jurisdiction does not deem it possible to deliver it to an entrepreneur, it shall be sent by it to the public contracting authorities in the other Member States upon request of the entrepreneur;

If, on the other hand, construction works are involved which were performed or directed for persons or entities placing private orders, the certificate must, if possible, be issued by such person or entity or by the person in charge of construction, where appropriate, and in that case, ratified by the person or entity placing the order;

(c) By a declaration stating the type of the facilities, building apparatus and technical equipment which the entrepreneur has at his disposal for the execution of the works;

(d) By a declaration setting forth the average number of persons employed by the entrepreneur during the last three years;

(e) By a declaration concerning the technical management, planning or building direction offices, regardless of whether or not they are attached to the enterprise, if the public contracting authorities require their intervention or if the entrepreneur intends to avail himself of their intervention.

The public contracting authorities shall indicate in the notice or in the invitation for bids the type of documentation that must be submitted to them in each case.

Article 25

1. The Member States which keep official lists of entrepreneurs admitted for public construction works must reexamine such lists upon effectiveness of this Guideline, on the basis of Article 20, Items (a) through (d) and (f), and Articles 20 through 24.

2. Entrepreneurs who are entered in such lists may submit to the public contracting authority a certificate from the competent authority concerning such entry whenever an order is awarded.

3. The entries in such lists as certified by the competent authorities shall represent as against the person or entity of the other Member States who places public orders an assumption of recognition of that particular entrepreneur, within the meaning of Articles 20, Items (a) through (e) and (f), and Articles 20 through 24, for the type of work resulting from his classification.

Information to be gathered from the list shall not be placed in doubt. However, with respect to payment of social security contributions, an additional certificate may be requested from each entrepreneur entered in the lists whenever an order is awarded.

The preceding provisions shall apply as against public contracting authorities of the other Member States in favor of such entrepreneurs who have a business establishment in the country in which an official list is kept.

4. For acceptance of foreign entrepreneurs for entry into such a list, only those proofs and declarations can be required which apply in the case of national entrepreneurs, and in any event, only those which are listed in Articles 20 and 22 through 24.

5. Those Member States which keep official lists shall communicate to the other Member States the office, and the address thereof, at which the applications for listing may be filed.

Article 26

The public contracting authorities shall determine the certificates which the entrepreneur will have to submit in accordance with Article 20, last paragraph, and Articles 22 through 25, and the nature, importance and size of the works to be executed as well as the financing and payment terms in accordance with Articles 14 through 16 will have to be taken into consideration in such determination.

Article 27

At the first stage of restricted procedures, the competitors must comply with the requirements of Articles 20 and 22 through 25 by simple statements.

Records required to prove such statements may be requested by the public contracting authority only when an invitation to bid is made, with the exception of the case provided for in Article 20, paragraph 2.

Chapter II. Adjudication Criteria

Article 28

When adjudicating a contract, the public contracting authority shall apply the following criteria:

Either the criteria of lowest price exclusively;

Or various criteria changing with the contract, such as price, transportation costs, period of execution, operating expenses, profitability and, in the case of adjudication proceedings which relate to a competition of ideas or provide for, or require, presentation of alternative proposals, the technical value.

If several adjudication criteria are used, they shall, so far as possible, be stated in all cases in the published notice in the order of importance attributed to them by the public contracting authorities. They may, furthermore, be provided with a coefficient which permits the exact evaluation in figures of such importance.

During the transition period, public contracting authorities can select the criterion of the price to be computed under the national provisions then in effect; this shall be applicable, during the period from January 1, 1965, through December 31, 1965, for orders of an estimated size not exceeding 1,000,000 Units of Account (EEC); during the period of January 1, 1966, through December 31, 1967, for contracts of a size not exceeding 600,000 Units of Account (EEC); and from January 1, 1968, to the end of the transitional period, for contracts of a size not exceeding 300,000 Units of Account (EEC).

Article 29

1. The financial terms and conditions, e.g., payments in advance, payments on account, payment terms, shall be indicated for each contract pursuant to Article 14, Item (1), and Article 16, Item (a). The public contracting authority shall be strictly bound by these provisions and cannot consider any other financing terms when making the awards.

2. If the works comprise deliveries by the entrepreneur, the adjudication particulars or the special cost estimates shall establish whether the price shall include transportation costs or not.

3. If the period of execution published in the notice will be used as one of the adjudication criteria, the contract specifications or the special cost estimates shall determine the terms of application of such criterion.

The contract specifications or the special cost estimates shall determine the extent of contractual penalties or premiums arising in the case of delays or accelerated completion of the construction work, to be related to the execution term established in the contract.

4. The contract specifications or the special cost estimates shall determine the specific requirements under which the technical value of the contract subject will be judged, to the extent that that criterion can be applied pursuant to Article 28, paragraph 1, second hyphenated paragraph.

Title V. Task of the Commission—Advisory Committee for Public Construction Orders

Article 30

When examining disputes and problems which may arise through application of the measures which Member States have taken pursuant to the Directives on Elimination of Restrictions on the Freedom of Establishments and on the Free Exchange of Services in the area of public contracts, as well as for the Coordination of Procedures for the Placement of Public Works Contracts, the Commission of the European Economic Community will be assisted by an Advisory Committee. That Committee shall have, in particular, the duty:

(a) To prepare opinions for the Commission on individual cases which the Commission or one of the members of the Committee submitted to it in connection with the implementation of the directives as well as the application of the provisions concerning the placement of public works contracts by the public administrations and public law juridical persons of one Member State to the nationals and companies of the other Member States;

(b) To examine in connection with the application of these directives whether supplemental provisions or possibly amendments would be appropriate.

Article 31

The Member States shall be obliged upon request by the Chairman to supply to the Advisory Committee any information required to carry out its tasks.

Article 32

The members of the Committee shall be appointed by the Member States; each Member State shall supply one regular and one substitute member. The substitute member may attend meetings at any time.

The members of the Committee may ask for assistance from other officials in an expert capacity.

If the Committee considers it necessary when examining special cases, it may ask for assistance from additional persons.

The Commission shall bear the travel and lodging expenses of regular and substitute members.

The Member States shall bear the travel and lodging expenses for the experts and other persons whose advice has been sought.

Article 33

The chairmanship of the Advisory Committee shall be held by an official of the Commission of the European Economic Community.

The Chairman shall not participate in the voting. He may ask for assistance from technical advisers.

The secretarial duties of the Committee shall be performed by the services of the Commission.

Article 34

Notwithstanding Article 214 of the Treaty, the members of the Committee, the experts, the officials of the Commission and the technical advisers shall be bound by secrecy.

Article 35

Meetings of the Committee shall be called by the Chairman when he so desires, or upon motion by one of the Member States.

Article 36

The Committee shall have a quorum when two-thirds of the members are present. Each member or, respectively, his substitute, in his absence, shall have one vote.

The opinions of the Committee must be reasoned opinions; they shall be adopted with absolute majority of votes. Upon request of the minority, a memorandum containing the opinions held by the minority must be attached to the opinion.

Article 37

If necessary, the Committee shall adopt internal regulations.

Title VI. Final provisions

Article 38

The thresholds provided for in Article 3, paragraph 2, for application of the common provisions on publications during the two last sub-periods preceding the end of the transitional period may be amended within six months prior to their effectiveness.

The time-limits provided for in Articles 10, 11 and 12 may be amended beginning with July 1, 1965.

The provisions contained in Article 5, Item (j), and in the last paragraph of Article 28 will be amended at the end of the transitional period.

Article 39

For purposes of assimilating the national procedures to the provisions contained in this Directive, the Member States shall enact the necessary legal and administrative provisions within a period of six months after publication; they shall immediately advise the Commission of such measures.

Article 40

The Member States shall see to it that the Commission of the European Economic Community is informed of all drafts of legal and administrative provisions which they intend to enact in the area of procedures relating to the adjudication of public works contracts in the future.

Article 41

The text of the Annex shall be an integral part of this directive.

Article 42

This Directive is addressed to all Member States.

BENELUX ECONOMIC UNION

Unlike the Treaty of Rome establishing the European Economic Community, the treaty establishing the Economic Union between Belgium, the Netherlands, and Luxembourg (commonly referred to as Benelux) contains specific provisions recognizing that each of the contracting parties has legislative and administrative provisions, policies, and practices which discriminate against foreigners and products of foreign origin in the field of public contracts and providing for their elimination in a manner much more complete than any action heretofore taken or which will be taken in the foreseeable future under the provisions of the Treaty of Rome.

The treaty was signed on February 3, 1958, and entered into force on November 1, 1960. It is accompanied by (1) a convention of transitional provisions which acknowledges "that circumstances require temporary derogations from certain provisions of the treaty" and provides for the progressive abolition of such derogations by joint action, to the end that the full economic union may become effective, and (2) an implementing protocol, which provides for the methods by which certain provisions of the treaty and the convention will be executed. The official texts of the treaty, the convention and the protocol are published in Benelux, Bulletin Trimestriel, annex to No. 4, March 1958.

The treaty was preceded by a number of agreements looking toward full economic union. Moreover, Belgium and Luxembourg had constituted an economic union since 1921 under the provisions of the convention of July 25, 1921. Article 233 of the treaty establishing the European Economic Community and article 202 of the treaty establishing the European Atomic Energy Community permit the creation of the Benelux Union insofar as its objects are not attained by the application of those two treaties.

The purpose of the Union is declared to be the free movement of persons and the free exchange of goods, services, and capital. Internal and external economic, financial, and social policies of the three contracting parties are to be coordinated and imports and exports are subject to a common tariff.

The provisions of the treaty with regard to the elimination of discrimination in the field of public contracts are contained in articles 62 and 63, which are as follows (unofficial translation furnished by the Secretary General of Benelux):

"Article 62: In the field of public contracts and tenders, the authorities of a high contracting party may not discriminate in any way whatsoever in favor of national products or of their nationals and to the detriment of products or nationals of other high contracting parties.

"Article 63: The following are to be considered, for the application of article 62 of the present treaty:

"(A) As public contracts and tenders: All public contracts and tenders for the execution of works or the purchase of goods by the authorities for their own requirements, irrespective of the way the order is given.

"(B) As public institutions:

"(a) all organs of the State;

"(b) all regional and local organs in Belgium and in the Grand Duchy of Luxembourg as well as subordinate authorities of public law in the Netherlands;

"(c) inasmuch as the states effectively influence their public contracts: the 'parastatal' institutions in Belgium and in the Grand Duchy of Luxembourg and the semipublic institutions in the Netherlands."

By reason of the provisions of articles 4, 5, and 37 of the transitory convention, the provisions of articles 62 and 63 of the treaty will not become fully effective until November 1, 1965, the transitory period of 3 years after the entering into force of the treaty foreseen by articles 4 and 5 of the transitory convention having been extended for an additional period of 2 years by the Committee of Ministers pursuant to article 37. Articles 4, 5, and 37 provide as follows (unofficial translation furnished by the Secretary General of Benelux):

"Article 4:

"1. During a period not exceeding 3 years, measures may be taken derogating from the provisions of article 62 of the treaty for the Union, in accordance with the terms of conventions concluded between the high contracting parties, if an important disparity exists between public contracts awarded by the public authorities of one high contracting party to nationals of another high contracting party and public contracts awarded by the public authorities of the latter party to the nationals of the former party.

"2. In the case referred to in the first paragraph of the present article the college of arbitrators, referred to in article 15 of the treaty for the Union, shall decide exclusively ex aequo et bono.

"Article 5: During a period not exceeding 3 years, article 62 of the treaty for the Union shall only be applied to public contracts by public authorities, referred to in article 63, subparagraph B(b) thereof, insofar as the State effectively influences the award of these contracts.

* * * * *

"Article 37: If necessary, the Committee of Ministers may prolong by 2 years the periods of time provided for in the present convention."

Article 2 of the implementing protocol provides that the protocol concerning the national treatment in matters of tenders for works and purchases of goods signed at Brussels on July 6, 1956 (Moniteur Belge, Sept. 4, 1958), shall determine the terms of implementation of articles 62 and 63 of the treaty as well as the safeguarding clause provided for by article 4 of the transitory convention.

Under the provisions of a decision of the Council of Ministers of the Union dated November 3, 1960, the Special Commission for Tenders, which was instituted under the provisions of the 1956 protocol and the existence of which was confirmed by article 29 of the treaty, has responsibility for the application of the safeguarding clause of article 4 of the transitory convention and also serves as an appeal body for firms injured by discriminatory acts of national administrations.

PRINCIPAL SOURCE

Hainaut and Joliet, "Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun" (Public Works and Supply Contracts in the Common Market), volume 2 (Brussels, 1963).

BELGIUM (MEMBER OF BENELUX, EEC, GATT, OECD)

All government contracts are governed (effective January 1, 1965) by the law relating to contracts entered into on behalf of the state of March 4, 1963 (Moniteur Belge, Apr. 3, 1963), as implemented and regulated by the royal decree of October 14, 1964, and by a ministerial decree of the same date which prescribes the general contract conditions (Moniteur Belge, Oct. 17, 1964).

The 1963 law provides for the following methods for the award of government contracts:

1. General public tendering (adjudication publique)—publication of an invitation for competitive bidding in the bulletin published for that purpose and the opening of bids in public.

2. Restricted public tendering (adjudication restreinte)—invitation for competitive bidding (without publication) limited to those entrepreneurs or suppliers whom the Minister concerned decides to consult. Those entrepreneurs and suppliers are the only ones permitted to submit bids and to attend the opening thereof.

3. General invitation for offers (appel d'offres général)—publication of an invitation for competitive bidding in the bulletin published for that purpose.

4. Restricted invitation for offers (appel d'offres, restreint)—invitation for competitive bidding (without publication) limited to only those entrepreneurs or suppliers with

whom the Minister concerned decides to consult.

5. Negotiated contract (marché de gré à gré)—negotiation of a contract by the Minister concerned with, and assignment of the contract to, the entrepreneur or supplier whom the Minister selects.

The Minister concerned has complete discretion to designate the method to be used in any case, except that the negotiated contract method may be used only in the 12 cases specified in the law, which include contracts that must be concluded abroad by reason of their nature or their special conditions.

In the case of general or restricted public tendering the Minister concerned is bound to accept the lowest bid (if he accepts any). In the case, however, of general or restricted invitations for offers the Minister concerned has complete discretion to accept the bid which he deems the most advantageous (la plus intéressante) according to objective criteria set out in the law. Moreover, in either case the Minister concerned may decide not to conclude a contract and may order that the procedure be repeated, even in a different manner, if necessary.

The law thus affords ample basis for the exercise of administrative discretion in favor of Belgian nationals and Belgian firms.

Outright discrimination in favor of Belgians and Belgian products is permitted, and in fact encouraged, by Royal Decree No. 204 of October 1, 1935 (Moniteur Belge, Oct. 3, 1935), as implemented and regulated by a second royal decree of the same date (Moniteur Belge, Oct. 3, 1935), which created a Permanent Consultative Commission on Matters of Contracts or Awards. All organs of the Government are required to submit to the Commission contracts for supplies or services "if they involve either the designation of a successful bidder, cocontractor or subcontractor of foreign nationality or recourse to personnel of foreign nationality or the furnishing or use of products or materials other than products or materials of Belgian origin." Copies of unofficial English translations from French of the two royal decrees are attached hereto as schedules A and B, respectively.

The Commission automatically increases offers by foreign bidders by a certain percentage, normally 10 percent. It recommends the granting of the contract to the Belgian bidder whose offer is lower than or the same as the thus increased offer by the foreign bidder. The Minister concerned is, however, not required to accept the recommendation of the Commission.

The Commission is made up of senior civil servants from the various ministries and is presided over by a "Directeur Général." According to Belgian counsel, the role of the Commission is to protect Belgian interests from unfair foreign competition, such as dumping, lack of reciprocity, etc. The factors which the Commission is said to take into account in making its recommendations include: (a) the level of unemployment in Belgium; (b) the interests of the Belgian Treasury; (c) encouragement to those countries which import substantial amounts of Belgian manufactured products; and (d) the interests of the Belgian Customs as to import duties on materials or equipment which it is proposed to import.

Under the provisions of the Decree No. 204 persons of Luxembourg nationality are placed on the same level with Belgians. Products and materials of Luxembourg origin are likewise placed on the same level with products and materials of Belgian origin.

Article 1 of the second royal decree requires that the producer, supplier, and the subcontractors, if any, be of Belgian or Luxembourg nationality and the "Belgian or Luxembourg preponderance of interests they represent must be proven." According to a report from the U.S. Embassy in Brussels, based on a discussion with an official of the Belgian Ministry of Economic Affairs (which is charged with the execution of the decree), companies with more than 30 percent foreign ownership are in effect not considered Belgian (or Luxembourg) nationals. According to the same report, the various Belgian ministries in fact have a tacit understanding that only bona fide Belgian (or Luxembourg) firms with less than 30 percent foreign ownership will be consulted with regard to procurement.

Decree No. 204 has broad application to all Government departments, the provinces, the communes, state corporations, and companies operating under license or concession.

A second statutory discrimination exists in the field of public works contracts. Article 1 of the decree-law of February 3, 1947 (Moniteur Belge, Feb. 12, 1947), as implemented and regulated by the decree of the regent of March 29, 1947, and the ministerial decree of the same date (Moniteur Belge, Mar. 30–31, 1947), expressly limits to Belgian nationals and to companies at least two-thirds of the capital of which is Belgian participation in public works contracts of the state and those which are financed or subsidized by it. A copy of an unofficial English translation from French of the decree-law of February 3, 1947, is attached hereto as schedule C.

The decree-law provides for the creation of an Approval Commission in the Ministry of Public Works with which contractors are listed after approval of their applications. The decree-law requires approval only at the time of the letting of public works contracts; hence, any company, whether Belgian or foreign, may bid on public works projects. Article 8 provides that a ministerial decree, stating the reasons on which it is based, issued upon receipt of an opinion by the Approval Commission, may dispense with any of the requirements of articles 1 through 7, including the nationality requirement. According to reports from the U.S. Embassy in Brussels, the nationality requirement will be thus dispensed with and the contract awarded to a foreign company only if no Belgian contractor is able to execute the proposed work or if the bid of the foreign company is more than 10 percent below that of the nearest domestic competitor.

The decree of the regent provides for the classification by the Approval Commission of contractors according to work categories and the cost of works. The ministerial decree lists the documents which must be attached to requests to the Approval Commission for approval.

By virtue of the convention dated July 25, 1921, between Belgium and Luxembourg, Luxembourg contractors are placed in the same position as Belgian contractors.

Articles 15, 16, and 17 of the royal decree of October 14, 1964, a copy of an unofficial English translation from French of which is attached hereto as schedule D, contains provisions which are designed to facilitate the enforcement of the 1947 decree-law and the 1935 decree and which further evidence the discriminatory nature of Belgian Government procurement. Thus, under section 15, the bidder must state his nationality and, if the bid relates to supplies or materials originating in a foreign country and to which the 1935 decree applies, the bid must state the merchandise of foreign origin which is involved in the bid, the country of origin of the products to be furnished, and the materials to be used and the nationality of subcontractors, if any, and the numbers of personnel employed by the bidder. Moreover, under article 17, the contracting authority can require a foreign bidder to elect a domicile in Belgium and also to furnish security or the guarantee of a Belgian bank.

PRINCIPAL SOURCES

1. Letters dated July 9 and October 27, 1964, from Maitre Etienne Gutt, Avocat à la Cour d'Appel, Brussels, to Cravath, Swaine & Moore, Paris.

2. Letter dated December 6, 1963, from the U.S. Embassy in Brussels to Cravath, Swaine & Moore, Paris.

3. de Grand Ry, "L'Harmonisation des Legislatións au sein du Marché Commun en Matière de Marchés Publics" (The Harmonization of Laws concerning Public Contracts in the Common Market), Revue de Marché Commun (No. 37) pages 247 to 251. (No. 38) pages 282 to 292 (1961).

4. Hainaut and Joliet, "Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun" (Public Works and Supply Contracts in the Common Market), volume 1 (Brussels, 1962), volume 2 (1963).

5. Foreign Service despatch No. 8 dated July 5, 1961, from the U.S. Embassy in Brussels, entitled "Export—Reporting on Construction Projects in Belgium."

6. Foreign Service despatch No. 23 dated July 6, 1961, from the U.S. Embassy in Brussels, entitled "Belgian Government Procurement Policy."

7. U.S. Department of Commerce, "Market for U.S. Products in Belgium" (1963).

SCHEDULE A: BELGIUM

ROYAL DECREE NO. 204 OF OCTOBER 1, 1935, ORGANIZING THE PERMANENT CONSULTATIVE COMMISSION ON CONTRACTS OR AWARDS (MONITEUR BELGE, OCT. 3, 1935)

(Unofficial Translation From French)

Leopold III, King of Belgians, to all, present and future, greetings:

In view of the law of July 31, 1934, extended and supplemented by the law of December 7 of the same year, as well as by the laws of March 15 and 30, 1935, which confers upon the King certain powers for the purpose of economic and financial reconstruction and the lowering of public burdens;

In view, in particular, of subparagraphs d and h of item III of the first article of the above-mentioned law;

In view of the law of March 5, 1922, which approves the convention entered into between Belgium and the Grand Duchy of Luxembourg, concluded at Brussels on July 25, 1921, for the establishment of an economic union between the two countries;

In view of the protocol of May 23, 1935, dealing with the subject of the system of public awards in the Belgo-Luxembourg economic union;

Upon review of the royal decree of February 28, 1935, which established for the heads of provinces, communes, establishments which are subordinated to them and intercommunal associations certain obligations concerning calls for competitive bidding and acts of awards;

Whereas there is reason to extend, while supplementing them, the provisions of the last decree cited above to all public administrations as well as to institutions or organizations subordinated to them or in favor of which the public powers intervene financially;

Upon proposal by our Council of Ministers, we have decreed and are decreeing as follows:

Article 1. The following are subject to the provisions of this decree:

1. State administrations, the provinces, the communes, the groupings of provinces and communes, the institutions or organizations subordinated to the public powers.

2. The State corporations ["régies"] and companies operating under license where contracts subjected to the control of a public power are involved.

3. Organizations or institutions in favor of which the public powers intervene in one of the following forms:

(a) Where the public powers have a direct interest in the management and in particular where they have financially participated in the creation of the organization or the institution, where they share in the profits or cover possible losses, or further where they have, or may have, a responsibility for interests in the form of dividends or amortization [sic].

(b) Where, through subsidies or in other forms, the public powers intervene continuously in the business costs of the organization or institution.

(c) Where the public powers grant subsidies or grants for a fixed purpose as long as contracts concerning the objects or services to which the subsidies or grants relate are involved.

Article 2. Where the administrations, organizations, or institutions, State corporations or companies operating under license which are subject to the terms and provisions of article 1, in application of this decree, enter into contracts for the rental of services or for work, contractor's services or deliveries, either privately or after a call for competitive bidding, the cocontractor or bidder shall be held to state in the contract or in the bid:

(a) The nationality and actual residence of the cocontractor or bidder and of subcontractors, if any;

(b) The nationality of the staff members employed;

(c) The origin of the products to be furnished or materials to be used.

This article shall, however, not be applicable to contracts for the delivery of objects exclusively intended for education, studies, or scientific research.

Article 3. There shall be established with the Ministry of Economic Affairs a Permanent Consultative Commission on Contracts and Awards.

Its composition, the manner in which its president and its members are appointed, the remunerations to which they may be entitled, and its functioning shall be decreed by the king.

Article 4. The contracts referred to in article 2 and entered into by administrations, organizations, institutions, State corporations, and companies operating under license which are subject to the terms and conditions of article 1 in application of this decree must be notified, within 10 days of their date, to the president of the Permanent Consultative Commission by registered mail if they involve either the designation of a successful bidder, cocontractor, or subcontractor of foreign nationality or recourse to personnel of foreign nationality or the furnishing or use of products or materials other than products or materials of Belgian origin.

Article 5. The president of the Commission shall immediately forward the contract with an opinion by the Commission to the Minister having jurisdiction or to the Minister for Economic Affairs, in accordance with the rules to be established by royal decree.

Article 6. Apart from the application of other legal or regulatory provisions, the contract can only be executed if, within 30 days of mailing by registered mail, as provided in article 4 the Minister, after an opinion was rendered by the Commission, has not raised any objection to such execution.

The time limit of 30 days may be extended to no more than 50 days by decree of the Minister, notified to the contracting parties by registered mail within a period of 30 days.

Article 7. In case delay would imperil the matter, the Minister of Economic Affairs can suspend application of articles 4, 5 and 6.

Article 8. Unless so provided in a new contract drawn up in conformity with the prescriptions of this decree, it is prohibited to the cocontractors or successful bidders to call upon subcontractors or foreign personnel of a nationality other than that indicated, to furnish or use products or materials of foreign origin other than that provided for, or to take any measure which would be of a nature to enlarge the size of foreign factors of the contract.

Article 9. Where information furnished by virtue of article 2 is incorrect or in case of violation of the provisions of articles 6 or 8, the state is entitled to damages and interest equivalent to the value of the faulty delivery or to the amount of salaries paid to improperly employed personnel.

The action shall be instituted and pursued on behalf of the state by the Minister for Economic Affairs.

Article 10. For purposes of application of this decree, persons of Luxembourg nationality are given equal treatment with Belgians.

Article 11. A royal decree shall regulate the execution of this decree.

It shall determine in particular:

1. The terms and conditions on the basis of which products and materials shall be considered, for purposes of the application of this decree, as products and materials of Belgian origin.

2. The terms and conditions on the basis of which products and materials of Luxembourg origin shall be given equal treatment with products and materials of Belgian origin.

3. The effective date of this decree.

Article 12. The royal decree of February 28, 1935, is hereby repealed.

Article 13. Our Ministers are charged, each one as to what concerns him with the execution of this decree.

Done at Brussels, this 1st of October 1935.

LEOPOLD.

(Here follow the signatures of all the Ministers.)

SCHEDULE B: BELGIUM

ROYAL DECREE NO. 658 OF OCTOBER 1, 1935, REGULATING THE IMPLEMENTATION OF THE ROYAL DECREE OF THE SAME DATE ORGANIZING THE PERMANENT CONSULTATIVE COMMISSION ON MATTERS OF CONTRACTS OR AWARDS (MONITEUR BELGE, OCT. 3, 1935)

(Unofficial Translation From French)

Leopold III, King of the Belgians to all, present and future, greetings:

In view of the royal decree dated of the same date and organizing the Permanent Consultative Commission on Matters of Contracts or Awards and establishing for the heads of public administrations and institutions or organisms which are subordinated to them or in favor of which the public powers intervene financially, certain obligations concerning contracts;

In view of the law of March 5, 1922, which approves the convention concluded at Brussels on July 25, 1921, between Belgium and the Grand Duchy of Luxembourg and establishing an economic union between the two countries;

In view of the protocol of May 23, 1935, dealing with the questions of the system of public awards in the Belgo-Luxembourg Economic Union;

Upon proposal by our Minister for Economic Affairs, we have decreed and are decreeing:

Article 1. With a view to applying the royal decree of this date mentioned above, products or materials shall be considered as of Belgian origin—and the products or materials of Luxembourg origin shall be given equal treatment with them—where they fulfill the following requirements listed below:

1. The producer, supplier and the subcontractors, if any, must be of Belgian or Luxembourg nationality, and the Belgian or Luxembourg preponderance of interests they represent must be proven;

2. The management and working personnel of the producer, supplier and the subcontractors, if any, must be, to the largest extent possible, of Belgian or Luxembourg nationality.

3. The raw materials, products and materials used must be of Belgian, Congolese or Luxembourg origin, except in cases where such raw materials are not found, and such products or materials not manufactured or prepared, in the territory of the Belgo-Luxembourg Union or in the Colony.

Article 2. The interested parties are entitled to file with the Permanent Consultative Commission on Matters of Contracts or Awards requests for information concerning the provisions of article 1 of this decree and subparagraphs (a), (b), and (c) of article 1 of the royal decree of this date mentioned above.

Article 3. The Commission shall render its decision within 15 days from receipt of the files by the President.

The President may decide, where the necessity is felt, that the procedure is urgent; in that case, the Commission shall issue its decision within 8 days.

Article 4. With a view to applying article 5 of the royal decree mentioned above, jurisdiction shall rest with the following:

(a) For contracts entered into by state administrations, the institutions or organizations subordinated to them, the state corporations and companies operating under license controlled by such administrations: the Minister under whose direction those administrations stand.

(b) For contracts entered into by the provinces, the communes, the institutions or organizations which are subordinated to them, the state corporations or companies operating under license controlled by those public powers, the groupings of provinces and of communes: the Minister of the Interior, within the limits of his competence.

(c) For contracts concluded by the public aid commissions: the Minister of Justice.

(d) For contracts concluded by organizations or institutions for the benefit of which public powers intervene financially in one of the forms listed under item 3 of article 1 of the above-mentioned royal decree: the Minister of the Department of the Budget in which the expenses appear, or the Minister under whose direction the public powers which have intervened financially stand.

(e) If one of the rules established in items (a), (b), and (c) applies simultaneously with that of item (d): the Minister having jurisdiction by virtue of items (a), (b), and (c).

(f) Where, by virtue of the rules established above, several Ministers have jurisdiction or where said rules do not apply: the Minister for Economic Affairs.

Article 5. The Minister for Economic Affairs may constitute within the Commission subcommissions with jurisdiction to examine contracts whose value does not exceed 1 million francs.

Article 6. The internal administrative rules of the Commission and the subcommissions shall be established by decree of the Minister of Economic Affairs.

Article 7. The Permanent Consultative Commission on Matters of Contracts or Awards shall have at least 15 members; it shall have a quorum only if at least 9 members are present.

The subcommissions, which shall have at least seven members, will not have a quorum unless a majority of members is present.

Article 8. The Commission may hear, with respect to each matter that is submitted to it, a delegate of the public powers or organizations concerned.

It may likewise hear experts or especially competent persons.

Voting may not take place in the presence of persons not belonging to the Commission.

Article 9. Our Minister for Economic Affairs shall be in charge of the execution of this decree, which shall become effective on the date on which the above-mentioned royal decree of today's date becomes effective.

Done at Brussels, October 1, 1935.

LEOPOLD.

For the King:

PH. VAN ISACKER,
The Minister for Economic Affairs.

SCHEDULE C: BELGIUM

DECREE-LAW OF FEBRUARY 3, 1947, ORGANIZING THE APPROVAL OF ENTREPRENEURS (MONITEUR BELGE, FEB. 12, 1947)

(Unofficial Translation From French)

Charles, etc., in view of articles 1, 3, of the coordinated laws of September 7, 1939, and December 14, 1944, investing the King with extraordinary powers;

Whereas the absence of any limitations for participation in public tenders presents serious problems;

Whereas the needs of the administration of the country, its reconstruction and its reequipment make it imperative not to entrust the execution of public enterprises and enterprises of public utility to persons other than those who are considered able to execute them well;

Whereas to that effect it is necessary and urgent to substitute new provisions for those maintained in effect, until December 31, 1946, by the decree of the regent dated February 14, 1946, with respect to the approval of entrepreneurs charged with the execution of works offered by the state or financed by it in whatever form it may be;

Whereas such approval must be regulated with all desirable guarantees and through a collaboration of the representatives of the state, the entrepreneurs and union representatives concerned;

In view of the law dated May 15, 1846, on accounting of the state;

Upon suggestion of the Minister of Public Works and of the opinion of the Ministers who have deliberated it in council, we have decreed and are decreeing:

Article 1A. Without prejudice to the law dated May 15, 1846, concerning accounting of the state, the execution of works offered by the state, or financed or subsidized by it, under whatever form it may be, can only be entrusted to entrepreneurs who satisfy the following conditions:

They must:

1. Be entered in the commercial register;

2. Be of Belgian nationality. If companies are involved, it is necessary that at least two-thirds of the capital be Belgian;

3(a) Not have been sentenced for a crime or offense against the external safety of the state;

(b) Not have been entered by the military auditor on the list prepared by virtue of article 4 of the decree-law dated September 19, 1945, on civil purification;

(c) Not have been excluded from contracts and bids of the state and not be so excluded in application of the provisions of article 6 of this decree-law.

(B) Furthermore, a special and previous approval shall be required:

1. If, at the time the contract is terminated or in the course of the execution, the total amount of all the works, public or public utility as well as private, executed simultaneously by the entrepreneur exceed a maximum which will be established by royal decree;

2. If the monetary value of the work to be awarded exceeds an amount established by royal decree.

The rules for classification of approved entrepreneurs in various categories of works and in classes by monetary value shall be established by royal decree.

The Minister of Public Works shall determine for each category of works the classes of entrepreneurs authorized to execute them.

Article 2. A Commission established in the Ministry of Public Works and composed as specified in article 3 shall be charged with giving its opinion on requests for approval.

The Commission shall examine the requests and establish by categories of specialties and by classes of monetary value of the enterprise, the list of entrepreneurs which it shall recommend to the Minister of Public Works for approval. The latter shall prepare the list of approved entrepreneurs and publish it for purposes of the administrative services and the para-state organizations.

In order to arrive at its recommendation, the Commission shall take into consideration the technical and financial capacities of the applicant, his organizational means of execution in qualified material and personnel, the volume and monetary value of works previously executed by him, their quality of execution as well as his commercial probity.

Article 3. The Approval Commission shall be composed:

1. Of a president, as "magistrat," and

2. Of an equal number of:

(a) Representatives of the various ministerial departments concerned in the execution of the works under consideration;

(b) Representatives of the professional entrepreneur organizations which are most representative (at least 5);

Representatives from labor union organizations of the construction industry which are the most representative (at least 3):

There shall be for the president, as well as for each incumbent, a substitute who may be seated only in case of the absence of the first.

The President, the incumbent members, the substitute president, and the substitute members shall be appointed and dismissed by royal decree.

A royal decree shall establish the scope of administrative personnel attached to the Commission.

Article 4. The Commission shall establish its internal regulation which shall enter into effect after having been approved by the Minister of Public Works.

Article 5. The Minister of Public Works shall send to every approved entrepreneur a certificate with the number of his entry in the list as to category and class of approval.

The approved entrepreneurs shall be held to indicate to the Commission any changes which may be of a nature to cause it to review its previous recommendations (amendments to the bylaws, the capital, the board of directors, its organic means of execution, etc.).

When bidding on works offered by the State, or financed or subsidized by it, entrepreneurs, whether or not they are approved, affirm implicitly that the total amount of the works, public or of public utility as well as private, simultaneously executed by them does not exceed, or will not exceed in the course of the execution, the maximum established by the royal decree referred to in article 1, (B)(1), and the next to last subparagraph of said article.

Article 6. Declassification, suspension and withdrawal of approval, temporary or final exclusion from contracts offered by the State or financed or subsidized by it may be ordered for the following reasons:

(a) Failure to comply with the terms and conditions of the awarded contracts;

(b) Diminishing of financial or technical guarantees;

(c) Serious mistake in the execution of the works;

(d) Lack of commercial probity;

(e) Failure, false statement or fraud relating to compliance with the obligations deriving from the two last subparagraphs of articles 5 and 7 of this decree law;

(f) Moral unworthiness, particularly in matters of citizenship.

The Approval Commission shall be charged with giving its advice on all records submitted to it by the administrations concerned, the public establishments and parastate organizations in general, which concern approved or nonapproved entrepreneurs who are accused of anything which may justify the application of an administrative penalty to them.

After an entrepreneur has been heard on his grounds for defense, the Commission shall propose to the Minister of Public Works, by reasoned opinion, the penalty to be applied. The Minister shall decide either on declassification, suspension, withdrawal of approval, temporary exclusion for a duration which he may determine or definitive exclusion from contracts or bids for account of the State, the subordinated administrations, public establishments and parastate organizations in general.

These decisions shall be published by the Minister for Public Works for the information of ministerial departments, subordinated administrations, public establishments and parastate organizations in general.

Article 7. Temporary associations of entrepreneurs may be admitted to the execution of works as long as at least one of the associates is approved for the works of the speciality and monetary value of those placed in tender and as long as the others satisfy the general conditions referred to in article 1, section A.

At the time the bid is deposited, details to that effect must be given by the nonapproved associates.

That information shall not weaken and shall not eliminate the liability of the various entrepreneurs concerning the choice of their associates.

Article 8. The Ministers charged with the execution of a budgetary law or who have under their jurisdiction the control of public establishments or parastate organizations to which the works placed in tender relate may, for the latter, after an opinion from the commission and by reasoned decree, decide to waive all or part of the requirements provided in articles 1 and 7.

Article 9. The Minister for Public Works shall be charged with the execution of this decree law which shall enter into effect on January 1, 1947, with the exception of article 1, which shall not become effective until April 1, 1947. In this respect and as a transitory measure, the provisions of article 1 of the decree dated February 22, 1941, shall be maintained in effect until March 31, 1947, inclusive.

Consequently, any decisions taken before January 1, 1947, concerning requests for approval submitted before that date shall remain valid until March 31, 1947, inclusive.

SCHEDULE D: BELGIUM

ROYAL DECREE OF OCTOBER 14, 1964, RELATING TO CONTRACTS ENTERED INTO IN THE NAME OF THE STATE (MONITEUR BELGE, OCT. 17, 1964)

(Unofficial Translation From French)

Article 15, section 1. The bid must indicate:

1. The name, first names, capacity or profession, nationality, and domicile of the bidder or, where the bidder is a company, the firm name or designation, its form, nationality, and business seat;

2. The name and designation of the account of the bidder with the postal checking office;

3. The entry relating to the registration of the bidder in the list of approved enterprises where the work offered in tender requires such approval.

Section 2. If the bid relates to supplies or materials which originate in a foreign country and to which Royal Decree No. 204, dated October 1, 1935, is applicable, it must furthermore indicate:

1. The goods of foreign origin which are involved in the bid, as well as the amount in which they figure therein, reduced by customs duties;

2. The country of origin of the products to be furnished and materials to be used;

3. The nationality of subcontractors, if any, and of members of personnel employed by the bidder;

4. Where products or materials to be finished or worked up in Belgium are involved, the value of the materials and work which will be incorporated into them in Belgium.

Section 3. The documents, models, and samples required by the special order specifications must be attached to the bid, except where said specifications provide otherwise.

Section 4. 1. The bidder who employs personnel subject to the decree law dated December 28, 1944, concerning the social security of workers, must attach to his bid, or produce for the administration before bids are opened, an attestation from the National Office of Social Security stating his standing with respect to that office concerning contributions of social security and of subsistence security as of a date not earlier than 3 months prior to the date of the session at which bids are opened.

2. A bid shall be regarded as irregular and discarded in the following cases:

(a) If the attestation mentioned under section 1 is not furnished within the required time, unless the bidder proves, before the administration allocates the contract, that the delay was not his fault;

(b) If it results from the attestation mentioned under section 1:

Either that the bidder has not sent to the National Office of Social Security all declarations as required up to and including those relating to the last but one quarter elapsed counting from the day of the session at which bids will be opened;

Or that he owes a total amount of contributions exceeding 50,000 francs;

Unless he has been granted term payments for that debt and strictly observes the terms; or

Unless he proves, before the contract is awarded, that he has one or several certain and due credits, with respect to the State or the public services listed in article 9, section 1, last but one subparagraph, of the decree by the regent dated January 16, 1945, concerning the functioning of the National Office of Social Security, for an amount which is at least equivalent to that by which he is in arrears on payment of contributions.

3. The provisions of this section 4 shall not be applicable where the amount of the bid does not exceed 300,000 francs.

It may likewise be waived if none of the bidders fulfill them and the contract has become of urgency.

Article 16. Where a bid relating to a works enterprise is deposited by a company having juridical personality, it shall mention all the information relating to what is prescribed by article 1(A), 2, of the decree-law dated February 3, 1947, organizing approval of entrepreneurs and relating to capital ownership of the company.

Article 17. Section 1. The administration can demand, for a certain date prior to the award of the contract:

1. From any Belgian bidder, a physical person: exhibition of a certificate of good conduct, life and morals.

2. From any Belgian bidder, a juridical person: exhibition of its bylaws or company charter and its latest balance statements as well as all information relating to its directors, commissioners or managers.

3. From any bidder of foreign nationality, whether a physical or juridical person:

(a) the election of domicile in Belgium;

(b) exhibition of an attestation by competent authority certifying that the party concerned is in good standing under the provisions of the social laws of his country.

4. From any foreign bidding company: exhibition of a copy of its bylaws, possibly accompanied by a translation thereof into the language used in the bid, and information on the latest balance statements, approved in accordance with the provisions of those bylaws and the legal provisions in effect.

5. From any bidder in general: all information concerning his manufacturers, suppliers or subcontractors.

Section 2. If the administration so requests, the foreign bidder must, before the opening of the bids, furnish either security in cash or in Government bonds or the guaranty of a Belgian bank.

LUXEMBOURG (MEMBER OF BENELUX, EEC, GATT AND OECD)

The only statutory provision relating to public contracts is article 36 of the law of July 27, 1936, on the accountability of the state (Loi sur la Comptabilité de l'Etat) (Memorial du Grand-Duché de Luxembourg, 1936, p. 1333) which lays down the general principle of closed competitive bidding with public advertisement. That method is employed much more by Luxembourg than by any other member of the European Economic Community. Article 36 provides as follows (unofficial translation from French):

"All works or supplies for the account of the state form the subject of contracts entered into with competition and publicity, except in one or the other of the following cases:

"1. When the necessity therefor is established by a 'motivated' resolution of the Council of Government;

"2. When the expenses to be incurred do not exceed 30,000 francs [$600];

"3. When in a second invitation for tenders there are no bidders or only unacceptable prices have been offered."

That principle was spelled out and placed in effect by the ministerial decree of December 29, 1956 (Memorial, Jan. 14, 1957), which fixes the terms and conditions generally applicable to the award of public works and supply contracts the effectuation of which calls for public credits. The decree provides for the following methods of awarding contracts:

1. Public invitation for tenders (soumission publique)—public invitation for tenders made by means of the press to an unlimited number of bidders.

2. Restricted invitation for tenders (soumission restreinte)—invitation for tenders made to a restricted number of entrepreneurs (generally between three and seven) selected by the contracting authority.

3. Direct negotiation (marché de gré à gré)—the granting of the execution of a contract in the discretion of the contracting authority and without recourse to publicity.

Article 6 of the 1956 decree provides that the second method may be used only if contracts are concerned the special character or urgency of which requires bidders with particular technical or commercial abilities, or if a public invitation for tenders has not given a satisfactory result. Under the provisions of article 7 the third method may be used only in the cases provided for by article 36 of the 1936 law, supra. Nevertheless, article 7 goes on to provide for six situations in which the approval of the Council will be assumed, thereby leaving the way open for the exercise of considerable discretion by the contracting authorities.

Moreover, article 35 of the decree provides that price alone will not determine the choice of the successful bidder. The selected bidder must possess an establishment permit and be registered in the registry of firms and with the chamber of commerce and must satisfy a number of other prerequisites, including competence, experience, and technical and commercial capability. Accordingly, the way is again left open for the exercise of considerable administrative discretion. Some measure of control is provided, however, by the Tender Commission established by chapter XII of the decree, which exercises broad authority over all aspects of public contracts.

The fifth paragraph of article 3 provides that, except as otherwise provided in international agreements (of which there appear to be none), foreign bidders must satisfy the same requirements as domestic bidders or fulfill conditions deemed to be equivalent by the competent Luxembourg authorities.

Although the municipalities are not governed by any specific statutory provision, they in general follow the principle of closed competitive bidding with public advertisement laid down by article 36 of the 1936 law.

The sixth paragraph of article 3 provides that (unofficial translation from French): "Bidders under the jurisdiction of a country which has not concluded a treaty of reciprocity in matters of public bidding with Luxembourg can be excluded from bidding."

The Treaty of Friendship, Establishment of Navigation between the United States and Luxembourg of February 23, 1962, which entered into force on March 28, 1963 (14 UST 251), does not contain any provisions with respect to public contracts. Accordingly, Luxembourg authorities are free in their discretion to exclude U.S. bidders in any invitation for offers. The quoted provision clearly favors, on the other hand, nationals of Belgium and the Netherlands, since article 3 of the Convention of Economic Union between Belgium and Luxembourg of July 25, 1921, and article 62 of the treaty of February 3, 1958, establishing the Benelux Economic Union both provide for a system of reciprocity.

Article 19 of the 1956 decree also discriminates against U.S. firms and products by providing, in the second paragraph, that (unofficial translation from French): "As a matter of principle products of foreign origin shall not be used if producers of the Netherlands-Belgium-Luxembourg Customs Union are in a position to furnish the same quality at essentially equal prices."

In practice, products of Benelux origin benefit from a preferential margin of 10 percent as against foreign products. The preference is purely a matter of administrative practice which is left to the judgment of the procurement authorities. There appears to be no provision in the treaty between the United States and Luxembourg which precludes the granting of such a preference.

Another obstacle faced by foreign (as well as domestic) bidders is the requirement that public works and supply contracts cannot be awarded to those who do not possess establishment permits, which under the provisions of the law of June 2, 1962 (Memorial, June 19, 1962), are issued by the Minister of Economic Affairs. Article 19 of the 1962 law provides that only those under the jurisdiction of countries which accord reciprocal rights to Luxembourgers may obtain such a permit. Article VI of the treaty between the United States and Luxembourg appears, however, to guarantee such rights to Luxembourgers.

PRINCIPAL SOURCES

1. Letter dated December 5, 1963, from the U.S. Embassy in Luxembourg to Cravath, Swaine & Moore, Paris.

2. de Grand Ry, "L'Harmonisation des Legislations au sein du Marché Commun en Matière de Marchés Publics" (The Harmonization of Laws concerning Public Contracts in the Common Market), Revue du Marché Commun (No. 37) pages 247–251 (No. 38), pages 282–292 (1961).

3. Hainaut and Joliet, "Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun" (Public Works and Supply Contracts in the Common Market), volume 2 (Brussels, 1963).

NETHERLANDS (MEMBER OF BENELUX, EEC, GATT AND OECD)

Among the six member states of the European Economic Community the Netherlands public contract system is undoubtedly the least organized, the least codified and the one in which the discretionary power of the contracting authorities is the greatest. In fact, the Commission of the Community in its explanatory statement accompanying the draft directive presented to the Council in July 1964 (Document IV/COM (64) 233 final) on the coordination of procedures in awarding public works contracts stated (p. 6) that "in the Netherlands the contracting authority negotiates under the same conditions as a private person." As a result, and because of the total absence of any guarantees of impartiality, there is in principle broad administrative discretion to discriminate against foreign bidders and foreign materials.

The sole legal provision governing public procurement is article 33 of the Comptabiliteitswet (Civil Accountability Act) of July 21, 1927, which lays down the basic rule of public tendering (openbare aanbesteding) in the following terms (unofficial translation from Dutch):

"1. All the works which are not executed by the administration and all supplies entailing an anticipated expenditure of 2,500 guilders [about $650] shall be the subject of public tendering.

"2. Nevertheless, by motivated decree a copy of which is sent to the General Audit Chamber, we may grant deviations from this rule for various cases of the same kind or for each special case.

"3. Contracts amounting to more than 1,000 guilders shall be entered into in writing.

"4. Notice shall be given to the General Audit Chamber of all awards of contracts by public tendering and of all private contracts concluded in writing."

In effect, there are only two methods of letting contracts—public tendering as prescribed by the 1927 law and private contract (rechtstreekse opdracht), although under a variation of the latter termed "onderhandse aanbesteding," which does not have any legal sanction, the letting of the contract is preceded by what amounts to a limited invitation for offers to selected suppliers or contractors on the private list of the particular contracting authority.

Almost all Government departments and agencies have been authorized to use the private contract method in a number of situations very broadly worded. Consequently, public tendering has been almost completely abandoned in the field of public supply contracts. In the field of public works contracts, it is still used, although it does not constitute the dominant method. Contracting authorities prefer, especially in important works, to use the variation of the private contract method (onderhandse aanbesteding) referred to above. According to reports from the U.S. Embassy in The Hague, public works contracts are rarely awarded to foreigners.

In the case of public tendering the law does not define the procedure to be followed or the rules for the awarding of contracts. Those rules have been prescribed for the "Rijkswaterstaat," which is concerned with the construction of highways, bridges, dikes and other hydraulic works, by the "Reglement op de door of vanwege het Departement van Waterstaat te houden openhare aanbestedingen van werken en leveringen" (regulations for inviting public tenders for works and supplies by or on behalf of the Department of Waterstaat) approved by royal decree of August 30, 1932. Most of the other departments do not have similar regulations and they follow, or incorporate by reference in their own regulations, the rules applied by the "Rijkswaterstaat."

Under the Waterstaat Regulations requests for public tenders are to be announced by a notice inserted in the Staatscourant and, if necessary, by any other method prescribed by the competent minister. In principle all interested parties can submit tenders. Nevertheless, the unlimited character of the competition is counterbalanced by the freedom which the contracting authority has as to the choice of contractor, since at the time of the awarding of the contract, the contracting authority can assess the professional and financial qualifications of each of the bidders and eliminate doubtful ones.

Moreover, the following provisions of article 11, paragraph 1, of the Waterstaat Regulations make it clear that there is no obligation either to make any award or to award the contract to the lowest bidder (unofficial translation from Dutch):

"Unless there appear to our Minister reasons for not awarding the contract, the contract is awarded to the bidder whose offer seems the most acceptable [het meest aanemelijk], without any obligation to give any reason for such choice."

The same principle is applied by all other contracting authorities.

As an example of the royal decrees which dispense with the legal requirement of public tendering, the "Rijkswaterstaat" is authorized by Royal Decree No. 15 of December 17, 1949, to conclude contracts by the private contract method under the following circumstances (unofficial translation from Dutch):

"1. When the works or supplies are ordered through the intermediary of the 'Rijksinkoopbureau' [Government Purchasing Office] or by State Enterprises;

"2. If the work or the supply cannot be determined in advance in a manner permitting an exact description;

"3. If the works to be executed or the goods to be furnished are of a nature so special that only one or a few bidders can be expected;

"4. If public tendering has not yielded an acceptable bid and a better result cannot be expected in a second public tendering;

"5. If the urgent character of the contract is incompatible with the time required for public tendering;

"6. If, by reason of special circumstances, it is improbable that an acceptable bid can be obtained by means of public tendering;

"7. If there are valid reasons for assuming that public tendering will be contrary to the financial interest of the Kingdom;

"8. If a work or a supply is so related to a work or a supply already ordered that a separation is not possible or desirable;

"9. If the special requirements connected with the work or the supply cannot be sufficiently taken into consideration in case of public tendering;

"10. If the scantiness of the construction area does not permit simultaneous work by several contractors (or suppliers) or does not permit the profitable use of material already installed;

"11. If the expenditures involved in the contract are so small that they do not justify the work and expense of public tendering."

The "Rijksinkoopbureau" is authorized completely to dispense with the rule of public tendering by royal decree No. 43 of September 16, 1929. That organization is the central purchasing office for the Netherlands Government and all ministries make their purchases of supplies through it, except the Ministry of Defense. It is also authorized to do the purchasing for all institutions, etc., which receive a government subsidy and, in addition, the 11 Dutch Provinces and most of the larger municipalities avail themselves of its services.

In addition to the broad administrative discretion which the contracting authorities have to discriminate against foreign bidders and foreign materials, there are also a number of written discriminatory provisions. For example, paragraph 7 of article 7 of the Waterstaat Regulations provides as follows (unofficial translation from Dutch):

"7. If the bidder resides abroad, then domestic [i.e., Netherlands] domicile must be elected and a statement to this effect must be made in the tender."

Almost all government purchasing organizations impose the same requirement, including the "Rijksgebouwendienst" (Government Building Service), the General Contract Specifications [1] of which specifically incorporate the Waterstaat Regulations with exceptions not here pertinent, and the "Rijksinkoopbureau" (Government Purchasing Office).

It should be noted that the Dutch Government and some commentators take the position that the above-quoted provision merely means that, in order to obtain the contract, the bidder must have an address in the Netherlands where he can be reached, more particularly if any difficulties arise at the time of the execution of the contract.

In addition, paragraph 4 of article 4 of the general contract specifications of the "Rijksgebouwendienst" provides as follows (unofficial translation from Dutch):

"4. The contractor is obliged to declare to the administration ('directie') his intention as to the use of building materials or construction components which have their source in foreign countries.

"The administration is empowered to require a certificate of origin concerning the declared materials or construction components.

"If in the judgment of the administration such materials or construction components of domestic manufacture of equally good quality and at a not higher price can be substituted, then the contractor is obliged to do so.

"If on the other hand Netherlands manufacture is prescribed in the specifications, there may be no deviation therefrom."

Prior to 1963, works and supply contracts for the Ministry of Defense were reserved to Netherlands nationals and corporations or partnerships in which the members of the management, or the partners were Dutch nationals. In 1963, however, the Ministry took account of the provisions of the Treaty of Rome and of the treaty establishing the Benelux Economic Union to which reference has already been made, and amended section 9, paragraph 1, of its General Conditions[2] to read as follows (unofficial translation from Dutch):

---

[1] "Algemeene Bepalingen van de bestekken voor werken, welke onder directie van den Rijksgebouwendienst worden uitgevoerd" approved by decision of the Minister of Finance dated Nov. 22, 1933, No. 68.

"1. As contractors are permitted:

"a. Netherlanders according to the law and corporations or partnerships of which, respectively, the members of the management and any 'delegated supervising director' ['gedelegeerde Commissaris,' that is a supervising director with management powers] or the partners of which, are Netherlanders according to the law concerning whose capacity and sufficiency of means to execute the work [which word is defined in a footnote to section 1 to include supplies] and concerning whose dependability no doubt exists to the Minister of Defense.

"b. Foreign contractors which are established in 'partner nations' that have acceded to:

"1. Benelux.

"2. The European Economic Community (for works contracted for after December 31, 1963); provided that with regard to persons specified under (a) or (b) no doubt exists to the Minister of Defense as to their capacity and sufficiency of means to execute the work and their dependability.

"Before an order can be issued to any foreign bidder as to the carrying out of the work in the Netherlands, the interested party must elect domicile in the Netherlands upon a request to that effect of or in the name of the official who invites the tender.

"During the execution of the work the statutory and administrative regulations applicable in the Netherlands with regard to special rules, established for foreigners, remain in full force."

Finally the Vestigingsbesluit Bouwnijverheidsbedrijven 1958 (decree concerning the Establishment of Construction Industry Enterprises) requires that every civil and profit-making construction enterprise obtain an establishment permit under the provisions of the Vestigingswet Bedrijven, 1954 (law concerning the establishment of businesses). The permit is issued by the Chamber of Commerce and Industry, an official organization, in its discretion and may be withdrawn by it after issuance. In order to obtain a permit, it is necessary to satisfy a large number of formalities.

Insofar as the provinces are concerned, there is no legal provision requiring public tendering, although internal regulations apparently require recourse to that procedure. The municipalities are required by the Gemeentewet (municipality law) of June 29, 1851, to resort to public tendering, unless it appears preferable in the interest of the municipality to negotiate a private contract. Such a decision must be approved by the municipal council in public session and approved by the executive committee of the provincial council. In practice, the latter approval is a formality for the larger municipalities.

PRINCIPAL SOURCES

1. Letter dated October 14, 1964, from Jhr. Mr. P. J. W. de Brauw, advocaat (attorney) of The Hague, the Netherlands, to Cravath, Swaine & Moore, New York.

2. Letter dated December 5, 1963, from the U.S. Embassy in The Hague to Cravath, Swaine & Moore, Paris.

3. Foreign Service despatch No. 641 dated February 29, 1960, from the U.S. Embassy in The Hague, entitled "Procurement Policies and Practices of Netherlands Government."

4. Foreign Service despatch No. 246 dated September 15, 1954, from the U.S. Embassy in The Hague.

5. de Grand Ry, "L'Harmonisation des Législations au sein du Marché Commun en Matière de Marchés Publics" (The Harmonization of Laws Concerning Public Contracts in the Common Market), Revue du Marché Commun (No. 37) pages 247–251, (No. 38) pages 282–292 (1961).

6. Hainaut and Joliet, "Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun (Public Works and Supply Contracts in the Common Market), volume 2 (Brussels 1963).

FRANCE

(Member of EEC, GATT, and OECD)

French Government contracts are generally governed by the Public Contracts Code established by Decree No. 64–729 of July 17, 1964 (Journal Officiel, July 21, 1964, p. 6438), which is for the most part a codification of a large number of earlier decrees and other regulatory provisions.

The Code provides for the following principal methods of letting contracts:

1. Open public tendering (adjudication ouverte): bidding is open to all interested persons.

2. Restricted public tendering (adjudication restreinte): Only persons approved by the contracting authority may submit bids.

3. Open invitation for bids (appel d'offres ouvert): Bidding is open to all interested persons.

4. Restricted invitation for bids (appel d'offres restreint): Only persons approved by the contracting authority may submit bids.

5. Private contract (marché de gré à gré): The contract may be negotiated with a supplier or contractor selected by the contracting authority.

The Code also provides for a special type of competitive invitation for bids (appel d'offres avec concours), which is authorized when technical, aesthetic or financial considerations justify special research, such as a proposal for a new public building of modern design. The competition takes place on the basis of a program drawn up by the contracting authority.

Both types of public tendering and the open invitation for bids must be preceded by advertisement in the official bulletin published for that purpose and in other media, such as trade and technical journals. Most government departments maintain lists of approved suppliers and contractors and written application must be made to each department for inclusion on its list. The lists are used in the selection of suppliers and contractors who are to be contacted in the case of restricted invitations for bids as well as the negotiation of private contracts. An unofficial translation from French of the application form of the PTT (Posts, Telegraphs and Telephones Administration) is attached hereto.

In the case of public tendering the contracting authority must award the contract to the lowest bidder, provided the price does not exceed the stipulated maximum and subject, in the case of open public tendering, to the right of the contracting authority to exclude bidders whom it regards as presenting insufficient moral, financial or technical qualifications.

In the case of invitations for offers the contracting authority need not accept the lowest bid and may accept the bid which it deems the most advantageous (la plus intéressante) according to objective criteria set forth in the Code.

Except for the private contract method, the contracting authority has complete discretion to select the method by which the contract is to be let. Theoretically, the use of the private contract method is limited to the special cases specified in the Code.

In any case the contracting authority always retains the right to reject every bid and to order the bidding procedure repeated. In the case of invitations for bids, the contracting authority may elect to negotiate a private contract.

Under the provisions of article 104 of the code that method of awarding contracts may be used for items of exclusive manufacture, for negotiating with owners of patents or inventors, or persons with exclusive rights to patents or inventions; in cases for which the technical problems and investments require the use of direct agreement, for products which must be bought at the place of production or at the stockpile, for work and services carried out at research centers in places of experimentation, etc.; whenever bidding by other methods has proved unacceptable to the contracting authority; for products and supplies as to which, on account of the shortage of material it is impossible to employ competitive bidding; when the enterprises and persons who were previously awarded contracts failed to carry them out and they are awarded to others at their risk and peril; in cases of shipping by public transportation services; and for all work, supplies and services which, due to urgency, are motivated by unforeseeable circumstances; for all those which, in the interest of the nation, must be kept secret or for any similar work, supply or service concerning national defense.

As the result of the broad interpretation given by the administrative authorities to the special cases permitting the use of the private contract method, which the code and previous statutory and other provisions on which it is based regard as the exceptional method, it is in fact the one most frequently used. According to the December 1964 issue of "Marchés Publics" [public contracts] published by the French Ministry of Finance and Economic Affairs, during the calendar year 1963 contracts concluded by open or restricted public tendering represented 1 percent of the total value of all contracts, contracts concluded by open invitations for bids 6.4 percent, contracts concluded by restricted invitations for bids 33 percent, and private contracts 58.8 percent. During that year the military contracting authorities continued to use the private contract and restricted procedures in preference to open procedures much more frequently than the civilian contracting authorities.

In practice, therefore, there is ample opportunity for discrimination against foreign bidders.

Under the provisions of decree No. 60–724 of July 25, 1960 (Journal Officiel, July 27, 1960), contracts of the departments, communes, departmental and communal public establishments, urban districts and other local and municipal entities, including the City of Paris, are governed in general by the same rules as French government contracts. The 1960 Decree does not, however, suppress the supremacy of public tendering, as does the Public Contracts Code, and grants much less discretion to use the invitation for offers method and the private contract method.

The 1964 code is not applicable to nationalized industries or state monopolies or to corporations wholly or partly owned by the state. Their procurement practices are essentially the same as those of private enterprises, although the provisions of the Code naturally have considerable influence.

In many cases, government contracts may be reserved for French nationals by the terms of the request for tenders or the invitation for offers. That situation is expressly recognized in the "Guide de Fournisseur de L'État" (Guide for the State Contractor) published in 1964 by the Commission Centrale des Marchés (Central Contracts Commission). The Guide states (page 12) that foreign suppliers can submit bids subject to having satisfied, if necessary, the conditions prevailing for importations of goods, but that in certain cases the French citizenship of the contractors is required. The French

---

[2] "Algemene Voorwarden voor de uitvoering van werken voor de Dienst de Genie" approved by decision of the Minister of Defense dated Oct. 11, 1930, as last amended by like decision on June 27, 1963.

Council of State has held, however, that the contracting authority does not have the power to reject a bidder by reason of his foreign nationality, if the exclusion of foreigners was not expressly provided for by a provision of the law or of the General Contract Specifications. An example of such a provision is Section 2 of Article 6 of the General Administrative Clauses applicable to contracts for current supplies (fournitures courantes) approved by Decree No. 62–1510 of December 14, 1962 (Journal Officiel, December 16, 1962), which provides that, subject to not contravening the stipulations of international agreements, the Minister can decide that the bidders must be of French nationality. The decision must be mentioned in the notice of public tendering or invitation for bids. The notice must also specify the nature of the documents to be furnished by way of proof of nationality. According to the treatise by Hainaut and Joliet cited infra (volume 1, section 104 bis), similar provisions are contained in the General Contract Specifications of the Ministry of War (article 11) and the Ministry of the Navy (article 2), the General Contract Specifications for Military Supplies (article 21), the General Contract Specifications for Public Works of the P.T.T. (Posts, Telegraph and Telephones Administration) (Article 2) and the General Contract Specifications for Public Works of the City of Paris (Article 2).

In the field of military procurement and works contracts, specific regulatory provisions have the effect of reserving orders (except on very rare occasions) to purely French companies. Section 2 of Article 30 of the Arrêté (Order) of the Minister of National Defense and Armed Forces of May 7, 1958 (Journal Officiel, May 29, 1958, p. 5111), approving the General Administrative Clauses applicable to industrial contract of the Departments of National Defense, provides as follows (unofficial translation from French):

"2. Unless authorized by the Minister [of National Defense] and subject to the supplemental provisions of Article 33 relating to war materiel, allocation of orders can only be obtained by:

"Physical persons who are nationals of the French Union;

"Corporate bodies which are not, in law or in fact, subject to foreign influences which the contracting authority would consider incompatible with the requirements of national defense."

The provisions of Article 33 of the same Ministerial Order relating to orders for "war materiel" imply that enterprises manufacturing such equipment must be French or at least must manufacture in France. The provisions of that Article are as follows (unofficial translation from French):

"1. In addition to the obligations provided for in Art. 30, every candidate for a 'war materiel' contract must fulfill the special legal and regulatory obligations concerning such materiel, and in particular:

"Special nationality requirements;

"Obtaining a manufacturing license or a sales authorization;

"Control of the management;

"Maintenance of net price accounting in compliance with the provisions of Article 34 below;

"These provisions apply to concession holders, to sub-contractors as well as to sub-suppliers ["sous-commandiers"] who are themselves manufacturing components classified as war materiel.

"2. If, in an exceptional case, the State should give formal notice of a war contract to an enterprise which does not hold a manufacturing license or sales authorization for the materiel concerned, such notice shall take the place, for such enterprise and for the materiel under consideration, of a manufacturing license or sales authorization.

"During the entire duration of the execution of the contract, the enterprise shall remain subject to all legally enacted regulations which apply to license holders.

"Not later than one month after the giving of formal notice of such contract, the enterprise must deposit with the competent authority a file containing the documents laid down for all requests for a manufacturing license or sales authorization for the materiel which forms the subject of the contract.

"In case of non-compliance with this time-limit, the holder is liable to fines which, in the absence of respective regulation in the contract, shall be computed at the rate of ½ per mil of the amount of the contract per day of delay."

Under the provisions of Article 1 of the Decree-Law of April 18, 1939 (Journal Officiel, June 13, 1939, p. 1589) the term "war materiel" is defined as firearms and ammunition conceived or intended for land, naval or aerial war and material intended to carry or employ such firearms in combat.

Article 2 of the same Decree-Law provides that enterprises manufacturing or engaging in the purchase and sale of "war materiel" cannot operate without the previous authorization of the State and under its control, pursuant to the conditions prescribed by decree. Article 5 of the Decree of August 14, 1939, for the implementation of such Article 2 and following Articles (Journal Officiel, August 19, 1939, p. 10438) provides that, in order to receive a manufacturing license, a corporation (société par actions) must be of French nationality, must be managed and directed by French citizens and the majority of its capital must be held by French citizens.

In the field of public works, article 21 of the General Administrative Clauses applicable to public works contracts entered into in the name of the State established by Decree No. 61–529 of May 8, 1961 (Journal Officiel, May 31, 1961, p. 4915), provides for preferences for materials, etc., of French origin in the following terms (unofficial translation from French):

"5. With the exception of provisions arising from international treaties or agreements, where applicable, all materials, materiel, machines, apparatus, tools and appliances used for the execution of the works must be of French origin.

"6. With the same exception, special deviations may be provided for in the special contract specifications or may be granted in the course of the contract by ministerial decision."

The reference to international treaties and agreements is obviously intended to take into account the provisions of the Treaty of Rome, particularly those relating to the right of establishment and the free provision of services.

Article 3 of the same decree requires the submission with bids of proof of the nationality of the bidder and its personnel as required by the tender notice or the invitation for offers, if the contract is entered into for defense requirements.

The opportunities for preference in favor of French contractors and French materials in practice and under the applicable regulatory provisions are described in the following statement contained (pages 8–9) in the letter dated December 10, 1963, from Maitre Jean L. Sarrut and Maitre Bernard Siegler, cited infra.

"(b) Our public authorities have various possibilities to put aside foreign suppliers:

"In connection with national defense they may invoke the above referred regulations;

"They may raise the import duties;

"In connection with adjudications they may put aside the foreign tenderers, in the same manner as French tenderers who, in their opinion, do not fulfill the required conditions, without any recourse being possible;

"In connection with the 'appels d'offres' and the 'marchés de gré à gré' they may choose French suppliers without contacting foreign suppliers.

"Another means may consist, in connection with contracts concerning equipment of material, for example, in requiring such characteristics concerning the material that only French equipment can comply with.

"(c) In fact, certain of these means are indisputably used in some cases in France. In connection with national defense, for example, it might happen that French suppliers be selected, although their prices are much higher than those of foreign suppliers.

"But according to the information that we have gathered, the preference in favor of French suppliers has certain limits:

"The preference for French suppliers will not play if French prices are fairly higher than foreign ones. If, for example, foreign equipment costs, say 10 percent less than French equipment, our public authorities will hesitate to order French equipment as such decision might be criticized by the public control accountants.

"Also there are cases when, by reason of economic policy, for example when the French prices are going up, our public authorities buy abroad deliberately.

"All this is not theoretical, and we know, for example that our public authorities in charge of the manufacturing of French coins made abroad substantial orders which might have been passed in France. Also certain employers' federations complain about the fact that our public authorities pass too often contracts abroad."

The situation in the field of civilian government procurement is succinctly and accurately summarized in a publication entitled "France's Fifth Republic and the Business World" published in 1963 by Business International S.A., as follows (at page 31):

"Foreign companies can sell to civilian state 'markets' whether they manufacture in France or import, provided they abide by import regulations. There is no equivalent of the 'Buy American Act' in France. But in the absence of written regulations and presuming equal prices and services, the 'love-rate' (cote d'amour) is applied in favor of national suppliers, a reaction that the Commission Centrale [des Marchés] calls 'visceral.' "

The situation in France was confirmed by a conversation which two members of the United States Embassy in Paris had in April 1960 with Mr. Paul Gros, then Chief Purchasing Officer of the French State Railways and at the same time President of the French Association of Purchasing Agents, and a Mr. Dumas, of the Government Procurement Committee. The conversation is reported in Foreign Service Despatch No. 1585 (unclassified) dated April 12, 1960, from the United States Embassy in Paris to the Department of State. Messrs. Gros and Dumas were reported as stating that, while there are no legislative or administrative regulations corresponding to the Federal Buy American Act in France, preference would generally be given to the French suppliers without any official requirement to do so. Mr. Gros is also reported as stating that for a non-French firm to be seriously considered as a potential supplier, its bid would have to be 20 percent to 30 percent below the lowest French bid.

PRINCIPAL SOURCES

(1) Letter dated December 10, 1963, from Maitre Jean L. Sarrut and Maitre Bernard Siegler, Avocats à la Cour d'Appel, Paris, letter dated May 28, 1964 from Maitre Siegler and letter dated November 6, 1964, from Maitre Sarrut, all to Cravath, Swaine & Moore, Paris.

(2) Foreign Service Despatch No. 1585 dated April 12, 1960, from the United States Embassy in Paris entitled "EXPORT: Public Procurement Methods in France".

(3) Business International, S.A., "France's Fifth Republic and the Business World" (Geneva, Switzerland, 1963).

(4) Commission Centrale des Marchés (France), "Guide du Fournisseur de l'État" [Guide for the State Contractor] (Paris, 1964).

(5) de Grand Ry, "L'Harmonisation des Legislations au sein du Marché Commun en Matière de Marchés Publics" [The Harmonization of Laws concerning Public Contracts in the Common Market], Revue de Marché Commun (No. 37) pp. 247–251 (No. 38), pp. 282–292 (1961).

(6) Hainaut and Joliet, "Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun" [Public Works and Supply Contracts in the Common Market], vol. 1 (Brussels, 1962), vol. 2 (1963).

Posts—Telegraphs—Telephones

FORM OF GENERAL INFORMATION FOR SUPPLY CONTRACTS [FRANCE]

(Unofficial translation from French)

I. Administrative and Legal Information

A. to be furnished by all candidates:

Correct name of enterprise------------------
Address and telephone number:
(a) of business seat--------------------
(b) of plants, workshops or storage places where the supplies will be manufactured or kept------------------------------
Manner of working: working owner------; lessee-manager (state since what date)* ------

B. to be furnished by companies only:

Juridicial form (example: stock company, limited liability company, partnership limited by shares)------------------------------
Business capital----------------------------
Date of information-----------------------
Persons authorized to bind the company in matters of contracts:
Name.
Office.
Nationality.
Authorizing documents.

(1) President-director general, manager, commercial director, etc.

(2) As applicable: by-laws, board of directors' resolutions dated------, etc.

II. Technical Information

1. Activities of the enterprise:

(a) List current manufactures:-----------

(b) Do you wish to be consulted on all these manufactures or only on certain among them? (In that case, list them):-----------

2. Area of plants, workshops, or storage spaces indicated on page 1 under 1–A, section b:----------

3. Personnel force used: Total number: ------ of which ------ laborers.

4. Energy used: Nature and power:------

5. Machines and installations comprising plant equipment (list with indication of power and maximum capacity of each):-----

* Strike out one or the other, as applicable.

GERMAN FEDERAL REPUBLIC

(Member of EEC, GATT and OECD)

The only statutory provision relating to public procurement in the Federal Republic of Germany is the Reich Public Budget Regulation (Reichshaushaltsordnung) adopted December 31, 1922, and now in effect as last revised on April 30, 1938. Section 46 of the Regulation provides as follows (unofficial translation from German):

"(1) Contracts made for the account of the Reich must be preceded by public tender, unless the nature of the transaction or special circumstances justify a deviation.

"(2) The Government of the Reich shall establish uniform principles for the making of contracts."

The public budget laws of the Länder (States) contain similar provisions.

The basic provisions which are applied by public procurement authorities are:

(1) Regulations for the Placing of Public Orders—Except those in the Construction Industry (Verdingungsordnung für Leistungen—ausgenommen Bauleistungen) (VOL); and

(2) Regulations for the Placing of Construction Contracts (Verdingungsordung für Bauleistungen) (VOB).

The VOL and the VOB are not mandatory legal provisions but only general principles drafted by specialists and considered by them to constitute the best procedures. They have, however, been made binding on federal government departments and agencies and the Länder by means of administrative circulars.[1] The VOL applies to most government departments, including the Ministry of Defense, the Ministry of Posts and Telecommunications (PTT), the State Railways, the Ministry of the Interior and the Ministry for Economic Property. The VOB is applicable to all public works financed by means of federal credits. All nine Länder have also adopted both the VOB and the VOL and they are also binding on the municipalities.

Section 3 of the VOL and Section 3 of the VOB prescribe the following methods for the letting of contracts:

(1) Public invitation for offers (öffentliche Ausschreibung)—invitations for offers are made to an unrestricted number of firms by publication in the Bundesausschreibungsblatt (Federal Bulletin for the Invitation of Offers) and in the Bundesanzeiger (Federal Bulletin) as well as in daily newspapers and trade journals.

(2) Restricted invitation for offers (beschränkte Ausschreibung)—limited invitation for offers addressed privately to selected firms.

(3) Direct procurement (freihändige Vergabe)—contracts are awarded without formal proceedings in the discretion of the contracting authorities, usually on the basis of informal offers by at least three firms.

The first method is the standard one, but is used principally for construction contracts and even then accounts for only about one-third of such contracts in value. The second method may be used, if the nature and extent of the order or work demands special reliability, capability, or competence. The third method may be used in the restricted cases specified in the VOL and the VOB. In practice, however, the applicable provisions of the VOL and VOB are liberally interpreted by the contracting authorities, with the result that the method to be used is largely in their complete discretion.

In any event, even in the case of a public invitation for offers, the contracting authority is under a duty to accept the offer which is the most economical (wirtschaftliche), taking into account all relevant factors; hence, there is no duty to accept the lowest offer pricewise. There is, accordingly, ample opportunity for discrimination in favor of domestic suppliers and contractors.

Both the VOB and the VOL regulate explicitly the utilization of products or materials of foreign origin but they do not contain any specific provision dealing with the treatment to be given to foreign bidders.

Section 10, No. 4, of the VOL contains the following discriminatory provision (unofficial translation from German):

"4. Specified places of origin or supply sources shall be prescribed only in a case where required because of important reasons. Foreign products may not be supplied if appropriate products are manufactured in the interior of the country at reasonable prices."

Section 9, No. 7, of the VOB provides that (unofficial translation from German):

"The use of materials or construction components of foreign origin must not be requested if appropriate national products exist on the same terms and conditions."

Section 8, No. 1, of the VOB provides that (unofficial translation from German):

"In case of public invitation for offers, the contract documents must be sent to all domestic applicants who undertake professionally to effect performance of the class for which tenders have been invited".

All the foregoing provisions are, however, temporarily suspended. On May 20, 1954, the Federal Finance Minister issued a Circular (Ministerialblatt das Bundesministers für Wirtschaft, No. 12, June 30, 1954) initially providing for their suspension in the following terms (unofficial translation from German):

"In trade exchanges with the country of origin, the principle of reciprocity must be granted in the case of public invitations for tenders, i.e., offers by foreign competitors and of foreign products will, in the evaluation of bids, be considered in application of the same handicaps which the country of origin concerned will apply to West German bidders."

Moreover, for contracts valued at more than DM50,000 ($12,500), which involved the designation of a foreigner as the contractor or the use of products of foreign origin, the authorization of the Federal Minister of Finance was required.

The 1954 Circular was superseded by a Circular of the Federal Minister for Economic Patrimony dated April 29, 1960, and still in effect, which, at least literally, placed foreign competitors and products on the same level with domestic competitors and products. An unofficial translation from German of the 1960 Circular is attached hereto. It should be noted that paragraph 3 of the Circular states that application of the principle of reciprocity will again be taken into consideration if difficulties should arise.

The 1960 Circular does not affect provisions for the award of contracts to the following privileged groups:

(a) Expelled people and refugees from the Soviet Zone of Germany, individuals and firms in areas classified as "distressed areas" (including West Berlin), evacuees and victims of National Socialist persecution.

(b) Suitably qualified German "medium-sized" firms (i.e., employing not more than 50 persons). The Ministry of Defense places a proportion of the total value of its contracts with such firms. The proportion varies according to the type of supplies required but in practice ranges between 30 and 40 percent.

In the case of the first mentioned group, the contract is to be placed with the privileged applicant provided he is otherwise qualified and his bid is as economical as (or even, subject to adequate budgetary funds being available, slightly above) the most economical bid submitted by a non-privileged applicant. The *Länder* and municipalities are required to apply the same preferences.

It will be noted that the provisions relating to privileged groups bear considerable resemblance to the provisions of Executive Order No. 10582 under the Federal Buy American Act relating to awards to small business concerns and to concerns located in economically distressed areas.

By virtue of agreements with the United States a great deal of German defense procurement is carried out in the United States, primarily to offset the cost of maintaining United States armed forces in the German Federal Republic.

---

[1] The current (1960) edition of the VOL was confirmed in effect with amendments by a Circular dated May 11, 1960, of the Federal Ministers of Economic Property and Economy. The current (1952) edition of the VOB was promulgated by a Circular dated April 23, 1953, of the Federal Ministers of Finance, Trade and PTT.

PRINCIPAL SOURCES

(1) Airgram No. A-737 dated October 31, 1963, entitled "Orders Placed by the German Bundespost with 'Privileged Bidders'".

(2) Letters dated January 31, 1964, and October 15, 1964, from the United States Embassy in Bonn to Cravath, Swaine & Moore, Paris.

(3) de Grand Ry, "L'Harmonisation des Legislatións au sein du Marché Commun en Matière de Marchés Publics" [The Harmonization of Laws concerning Public Contracts in the Common Market], Revue du Marché Commun (No. 37) pp. 247-251, (No. 38) pp. 282-292 (1961).

(4) Hainaut and Joliet, "Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun" [Public Works and Supply Contracts in the Common Market], vol. 2 (Brussels, 1963).

(5) Marketing Conditions: Germany—III, Business International, February 5, 1965.

GERMAN FEDERAL REPUBLIC

(Joint Ministerial Circular dated April 29, 1960 (Ministerialblatt of the Federal Minister for Economy, No. 11, 1960, page 269)

(Unofficial translation from German)

Bonn, April 29, 1960.

The Federal Minister for Economic Property of the Federation: Ref.: III gen.—0 6060—2/60.

The Federal Minister for Economy: Ref.: I B 9—4436/60.

Foreign Office: Ref.: 400—80.10 (21).

To:

(a) The Federal Minister.

(b) The Federal Minister for Atomic Energy and Water Administration.

(c) The Federal Minister of the Interior.

(d) The Federal Minister for Post and Telecommunications.

(e) The Federal Minister for Transportation—with a copy to the Central Administration of the German Federal Railroads.

(f) The Federal Minister for Defense.

For information to: (g) the Federal Minister for Housing Construction.

Subject: Procurement Matters: Consideration of Foreign Bidders and Foreign Products (VOL/A § 10, No. 4, second sentence; VOB/A § 8, No. 1, first sentence, § 9, No. 7).

Reference:—

Enclosures: One.

The rules provided for in the Regulations (VOL/A § 10, No. 4, second sentence; VOB/A § 8, No. 1, first sentence; § 9, No. 7), concerning:

(a) the consideration of foreign bidders, and

(b) the use of products of foreign origin (where domestic bidders perform services) in the case of public orders must be applied in keeping with the general economic development and, in particular, the progressive integration within the framework of the European Economic Community (EEC); in agreement with the Federal Finance Minister, it is requested that the following principles be observed in connection with all procurements within the Federal territory:

1. In view of the increasing liberalization, especially of the European Market, the German economic situation makes the purchase of foreign products and the consideration of foreign bidders desirable from the viewpoint of commercial and economic policies.

2. The advantages and disadvantages for the domestic employment situation which arise from the use of foreign products or ordering from foreign bidders must not be judged from the viewpoint of the individual economic section directly concerned. In the case of individual sectors of the economy for which special circumstances exist (e.g., mining), a need for protection might be justified from the point of view of national economy; in cases of doubt, it is recommended that an inquiry be addressed to the Federal Minister for Economy (Department I B 9; telephone Bonn 8 01 61).

3. The principle of reciprocity in the case of granting state orders to foreign bidders, as it had been set forth in the circular by the Federal Finance Minister dated May 20, 1954 (II D-O-6060-25/54), shall for the time being not be applicable. If in the future, in certain cases, particular difficulties should arise, the problem of reciprocity will be examined again. The circular of the Federal Finance Minister dated May 20, 1954 (II D-O-6060-25/54) shall in this respect become invalid.

4. When considering offers by foreign bidders, attention is to be given first of all to the following:

(a) the principle for granting orders must be observed (VOL/A § 2, No. 1, VOB/A § 2), i.e., that the bidders are competent, efficient and reliable;

(b) considering all circumstances, the offer must be the most economical ["das wirtschaftlichste"] (VOL/A-§ 24, VOB/A-§ 25), in which connection, particularly in the case of foreign bidders and foreign products, the sufficient securing of warranty rights, supplies of replacement parts and, where applicable, servicing of delivered equipment must, among other things, be carefully weighed.

Since the Federal Republic will, for the time being, no longer apply the principle of reciprocity in the case of public orders (No. 3), offers by foreign bidders shall be evaluated the same as all other offers, although the guiding principles for preferred bidders shall be observed.

5. The principles set forth in Nos. 3 and 4 shall apply mutatis mutandis in cases where domestic bidders intend to use foreign products in the execution of the work.

6. The participation of foreign bidders in public bids is promoted by the distribution abroad of the Federal Gazette publishing invitations to bid which the Foreign Office has originated. In connection with the nomination of suitable foreign bidders for limited invitations for offers and direct orders, to which special attention should be paid, it is recommended that inquiries be addressed to the representatives of foreign industrial organizations in the Federal Republic of Germany (see enclosure) or to the Consular offices.

The Economic Ministers (Economic Senators) and Finance Ministers (Finance Senators) of the States ["Länder"] as well as the municipal central organizations have today been informed correspondingly.

The Federal Minister for Economic Property of the Federation:
By order:
ROSSIG.

The Federal Minister for Economy:
By order:
Dr. LANGER.

Foreign Office:
By order:
Dr. HARKORT.

Attested
[OFFICIAL SEAL]
HOWALD.
(Howald)

Enclosure: to the joint circular from the Federal Minister for Economic Property of the Federation, the Federal Minister for Economy and the Foreign Office dated April 29, 1960 concerning: Defense Matters: Consideration of Foreign Bidders and Foreign Products (VOL/A § 10 No. 4 second sentence; VOB/A § 8 No. 1 first sentence, § 9 No. 7)

German-Belgian-Luxembourg Chamber of Commerce: (22c) Köln Cäcilienstr. 46.

United States Chamber of Commerce (16) Frankfurt (M) Rossmarkt 12.

Italian Chamber of Commerce for Germany (16) Frankfurt (M) Feldbergstr. 24.

Netherlands Chamber of Commerce for Germany (16) Frankfurt (M) Forsthausstr. 111.

French Commercial Service in Germany (22 c) Bad Godesberg Kappellenstr. 1 a.

Federation of British Industries (22 c) Köln—Marienburg Goltsteinstr. 219.

The Austrian Commercial Delegate in the Federal Republic of Germany (16) Frankfurt (M) Friedensstr. 5.

ITALY

(Member of EEC, GATT, and OECD)

The public works and public supply contracts of the State are governed by the provisions of Royal Decree No. 2440 of November 18, 1923, making new provisions regarding the administration of Government funds and the general accounting for Government services, as implemented and regulated by Royal Decree No. 827 of May 23, 1924, approving the rules for administration of Government funds and the general accounting for Government services.

Articles 3, 4, and 6 of the 1923 decree provide for the following four methods for the letting of contracts:

(1) Public tender (asta pùbblica)—public invitations for tenders are issued to an unlimited number of bidders by notices in the press, and, in the case of larger contracts, in the Gazetta Ufficiale (Official Gazette) of the Republic.

(2) Selective tender (liticazione privata)—private invitations to tender are issued to a limited number of suppliers or contractors selected by the contracting authority.

(3) Competitive tender (appalto-concorso)—this method is essentially the same as selective tender but is used in special cases.

(4) Private contract (trattativa privata)—the contract is let after private negotiation with one or more selected suppliers or contractors.

The 1923 decree prescribes public tendering by means of advertising as the normal method. Under the provisions of the 1924 decree selective tendering may be adopted in specified cases, including cases of urgency. Competitive tendering is essentially the same, except that it is used only for special works or supplies requiring well established technical, artistic or scientific qualifications. Under the provisions of the 1924 decree the private contract method may be used in specified cases where special or exceptional circumstances prevail which do not conveniently permit the use of any of the other procedures.

Under the public tendering and selective tendering procedures, the contract is awarded to the bidder who offers the best terms (i.e., the lowest tender in price). The contracting authority does not have discretion to select the bid which appears to it to be the best or the most advantageous. Nevertheless, the contracting authority has the power to exclude any bidder, despite the regularity of the documents which he presents. The exclusion may not be appealed and no reason need be given therefor.

The bidding procedures described above are mandatory for the entire State administration, that is, not only for the Ministries and their subordinate departments, but also for the autonomous agencies and other governmental agencies. They are also mandatory on the local administration level but different rules obtain in the Regions. They are not, however, applicable to industrial enterprises owned by the State, which operate like private corporations.

The only express statutory provision discriminating in favor of Italian firms and Italian materials are contained in Law No. 429 of July 7, 1907, as amended, relating to the State Railways, Articles 33 and 34 of which provide as follows (unofficial translation from Italian):

"33. Supplies of fixed and moveable material and metal structures are, as a rule, contracted out to national industry, by the system of public bidding.

"The general management of the State Railways, upon appropriate resolution of the Board of Directors, may proceed by selective tendering or private contract, when the interest of the Administration so advises or for the purpose of assuring an equitable distribution of the equipment among similar establishments in the various parts of the Kingdom, the provisions of Art. 16 of the Law of July 8, 1904, No. 351, remaining in effect.

"If the result of the public bidding, selective tendering or private negotiations demonstrate that the conditions of national industry do not permit the obtaining of satisfactory prices, the general management of the State Railways, upon due deliberation of the Board of Directors, and following authorization of the Council of Ministers, may proceed with international tenders, to which national firms are also invited.

"The director general shall give a detailed accounting of the above-mentioned supplies in the annual report pursuant to Article 9.

"34. Under the same conditions, national industry must be preferred in international tenders.

"For supplying of materials pursuant to the preceding article, there will be granted by deliberation of the Board of Directors an adequate protection to national industry, which, however, may never exceed 5% of the offer of foreign industry, increased by the expenses of customs and transport to the place of delivery.

"By offer of foreign industry is meant the average of the lowest offers which represent one-half of the number of foreign offers deemed valid. If these are in odd numbers, one-half is arrived at by the number itself increased by one.

"If the foreign offer consists of only one, the determination of equality of conditions will be submitted to the judgment of the Board of Directors.

"Whenever it may be necessary to provide promptly for the normal supply of materials for the operation of the State Railways, there may be specially authorized, upon resolution of the Council of Ministers, selective tendering or private negotiations with foreign firms.

In the case of public works, bids by foreign firms are effectively precluded by the fact that all contractors who perform works pertaining to the State or to public entities in general in an amount exceeding 10,000,000 lire (about $16,600) shall be registered in the national list of contractors established by Law No. 57 of February 10, 1962 (Gazzetta Ufficiale, March 2, 1962). Articles 13–15 of such Law, copies of an unofficial translation from Italian which are attached hereto, contain detailed prerequisites for inscription on the list. Most important, Article 13, read in conjunction with Article 15, requires, with respect to private firms, partnerships and corporations that the technical manager and all legally responsible directors be Italian nationals, or if they are foreigners, residents of Italy and nationals of countries which grant the same privilege to Italian citizens on a reciprocal basis. Exceptionally, Article 4 of the 1962 Law provides that, when the works described required a very particular skill and no suitable contractor appears to exist among those registered on the list, the contract may be awarded to Italian contractors not registered on the List or even to foreign contractors, subject to prior notice setting forth the reasons therefor being given by the contracting authority to the Committee in charge of the List.

Nevertheless, the basic form of discrimination against foreign bidders is administrative in nature. Despite the fact that the basic laws and regulations prescribed public tendering as the standard and normal method of letting contracts, the contracting authorities have so interpreted the law and regulations as to relegate public tendering to second place in favor of selective tendering, with the result that that method is used in an estimated 70 to 80 percent of the cases.

In selective tendering the contracting authorities resort to companies included on lists of suppliers, the most important of which is that maintained by the Provveditorato Generale dello Stato (General State Purchasing Office).

In order to obtain registration on the List of that Office, an application must be submitted and the applicant's technical and commercial ability must be established. Other lists of suppliers, more or less governed by the same practice, are maintained by various autonomous and state agencies and by the three branches of the Ministry of Defense (Army, Navy, and Air Force). Other ministries and government offices normally use the first mentioned list. It is extremely difficult, although not impossible, for a foreign company to obtain inclusion on any particular list, unless it operates in Italy through its own organization or a permanent representative. Each agency maintaining a list has full and complete discretion, moreover, as to whether it will or will not inscribe a company on the list, even if it complies with all the requirements prescribed. The same discretion exists in the case of removal from a list.

Furthermore, a number of important agencies are expressly authorized to let contracts by private negotiations. Article 1 of Royal Decree No. 540 of March 11, 1923, prescribes that method as the normal one for the General State Purchasing Office, which purchases certain supplies for all central and local administrations, except the State Railways. Under the provisions of Article 1 of Royal Decree-Law No. 1718 of September 30, 1929, the Ministry of Defense (Air Force) has complete discretion in most cases to use either the selective tendering or private contract methods. Also, Article 31 of Royal Decree No. 728 of June 28, 1912, grants the State Railways complete discretion to use the private contract method. Numerous other agencies have similar statutory dispensation.

PRINCIPAL SOURCES

(1) Letter and memorandum dated May 4, 1964, from Avv. Nicola Troilo of Studio dell'Avv. Ercole Graziadei, attorneys of Rome, Italy, to Cravath, Swaine & Moore, Paris.

(2) Foreign Service Despatch No. 922 dated March 25, 1960, from the United States Embassy in Rome, entitled "EXPORT—Italian Procurement Regulations and Practices as they affect American Bidders and Suppliers".

(3) Airgram No. A–1241 dated March 5, 1963, from the United States Embassy in Rome, entitled "Foreign Government Procurement Practices".

(4) Letter dated December 6, 1963, from the United States Embassy in Rome to Cravath, Swaine & Moore, Paris.

(5) de Grand Ry, "L'Harmonisation des Legislation au sein du Marché Commun en Matière de Marchés Publics" [The Harmonization of Laws concerning Public Contracts in the Common Market], Revue du Marché Commun (No. 37) pp. 247–251, (No. 38) pp. 282–292 (1961).

(6) Hainaut and Joliet, "Les Contrats de Travaux et de Fournitures de l'Administration dans le Marché Commun" [Public Works and Supply Contracts in the Common Market], volume 1 (Brussels, 1962), volume 2 (1963).

ITALY

(Excerpts from law of February 10, 1962, concerning the institution of a national registry of contractors (Gazzetta Ufficiale, Mar. 2, 1962))

(Unofficial translation from Italian)

ARTICLE 13. GENERAL REQUIREMENTS FOR REGISTRATION

The general requirements and necessary certifications for registration in the Registry are:

(1) Italian citizenship, or residence in Italy with respect to foreigners, contractors or directors of legally constituted commercial companies, provided they belong to States which grant reciprocal treatment with respect to Italian citizens.

(2) absence of penal records or pending matters relating to crimes under No. 2 of article 21.

If the technical manager (direttore) of the undertaking is a different person from its owner, the requirements of Nos. 1 and 2 must apply to both;

(3) certificate of registration with the Chamber of Commerce, Industry and Agriculture with indication of the specific activity of the firm;

(4) certificate of direct taxes of the district office from which income under category B is realized, for which the applicant has been registered in the income tax rolls in the 3-year period preceding the registration application, with respect to the particular activity as a contractor developed by him. If the latter is not yet registered, he must produce an appropriate statement by such office;

(5) certificate (optional) of registration in a similar association.

ARTICLE 14. SPECIFIC REQUIREMENTS FOR REGISTRATION

(1) Technical qualification—Technical qualification is demonstrated by means of diplomas, certificates issued or confirmed by technical officials in service activities referring to work executed or directed by the applicant and by any other document.

The certificates under the preceding paragraph must specifically indicate the works executed or directed, their amount, the time and place of execution and state if they were carried out properly and successfully or whether there were disputes with the Administration by arbitration or judicially, with an indication of the results of the same.

If the works were executed on behalf of the State or public entities, the certificate is issued by an official in active service, with qualifications no less than those of the Chief Engineer of Civil Engineering or by an office director, under the immediate direction of whom or under the supervision of the office, of which the official himself is chief, the works were executed.

If the works were executed on behalf of private parties, the relative declaration to be issued by the contractor or, if there was one, by the director of the works, must be confirmed, subject to verification, by the Chief Engineer of Civil Engineering.

For works executed or directed abroad, there may be submitted certificates by the proper consul, which contain all data required above, with the explicit declaration that, before issuing them, the official by whom the documents are signed carried out accurate investigations and obtained information from the technical authorities of the location.

(2) Financial capacity—This is demonstrated by proper bank references or by documents which validly prove the economic and financial potential of the interested party.

Bank references are requested directly and reservedly by the competent Committee of the institutions indicated by the applicant in the registration of the request in question. The other documents must be of a date not earlier than one month from the date of the application for registration and, if of an earlier date, must be expressly confirmed under date no earlier than 1 month from that of the application.

(3) Technical equipment—The possession of technical equipment must appear in the declaration of the applicant, in which there must be listed and described means of operation, equipment, and materials in general at its disposal, reserving to the Administration facilities to execute controls and to provide for legal redress in case of false or inaccurate statements.

Whenever the owner of the undertaking is someone other than the technical manager, the documents under No. 1 must refer to the manager, those under Nos. 2 and 3 must refer to the owner.

ARTICLE 15. REQUIREMENTS FOR COMMERCIAL COMPANIES AND COOPERATIVES

For the registration of commercial companies, cooperatives and their branches:

(a) The requirements under Nos. 1 and 2 of article 13 are applicable: to the technical manager and all "components" if it is an unlimited partnership; to the technical manager and all partners, if it is a limited partnership; to the technical manager and the directors (amministratori) furnished with powers of representation, for every other type of company.

(b) The documents under No. 1 of article 14 are applicable to the technical manager.

The companies must also exhibit an authentic copy of their certificate of incorporation and a certificate of the court issued not more than two months prior to the application for registration, from which it may be ascertained that the company is not in a state of liquidation or bankruptcy and has not submitted an application for bankruptcy. It must also be ascertainable from the certificate whether bankruptcy proceedings or an application for bankruptcy have occurred within the 5-year period prior to the above date.

GREECE

(Associate member of EEC; member of GATT and OECD)

Under the provisions of Law No. 3215 of April 26, 1955, Greek industrial products are accorded preference in purchases (through public bidding or otherwise) by State or quasi-governmental agencies, municipalities and communities as well as private business organizations enjoying partial or total duty-free import privileges. An unofficial translation from Greek prepared by the U.S. Embassy in Athens is attached hereto as schedule A.

The preferences are applied as follows:

(a) The margin of preference for Greek products is 8 percent of the landed cost of foreign products (i.e., c.i.f. invoice price plus all duties and taxes, other than turnover tax, payable upon importation). The maximum allowable margin of preference, calculated on the c.i.f. price of a similar foreign product, is 30 percent for domestic products in general and 35 percent for the products of the domestic iron and steel and metalworking industries. In determining the landed cost of imported products, the amount of import duty and taxes added as above to the c.i.f. invoice value may not be higher than 30 percent ad valorem generally and 35 percent ad valorem for metal products, exemption being granted for any duties and taxes in excess of those percentages.

(b) In lieu of the foregoing preferential treatment, Greek enterprises may apply for the duty and tax-free importation of the raw and auxiliary materials required for the production of the goods being procured, in which case the margin of preference accorded the domestic industry is 10 percent (instead of 30 percent or 35 percent) of the c.i.f. price of the foreign product.

(c) In comparing the prices of Greek provincial industrial and handicraft products with those of imported products, the price differentials in favor of Greek products indicated in paragraphs (a) and (b) above, are further increased by the margins of preference accorded provincial products in relation to products manufactured in the capital area, under the provision of Decree Law 2176 of 1952. The margin of preference accorded provincial products over those of the Athens area varies, according to the type of product involved from 2 percent to 5 percent and may in no case exceed 8 percent. By virtue of Law No. 3213 of 1955 those percentages are further increased by 50 percent for industrial enterprises operating on Greek islands (except the island of Euboea). Accordingly, provincial industrial and handicraft enterprises may be given a price preference of 11 percent to 20 percent of the landed cost of foreign products, depending on the location of the producing plant and the type of product involved.

The provisions of Law No. 3215 are not applicable to procurement contracts pertaining to industrial projects authorized under Greece's basic foreign investment law (Law No. 2687 of 1953) and under Law No. 4171 of 1961. For such projects, equipment and supplies may be purchased freely from any source at the discretion of the investor.

THE AGREEMENT OF ASSOCIATION WITH THE EUROPEAN ECONOMIC COMMUNITY

The Agreement was signed on July 9, 1961, and took effect on November 1, 1962 (Journal Officiel of the European Communities, February 18, 1963). It provides for the association of Greece with the Community under the provisions of Article 238 of the Treaty of Rome on the basis of a customs union, with the prospect of full membership when the progress of the Greek economy allows Greece to assume fully the obligations imposed by the Treaty. The customs union is to become fully effective on November 1, 1974, except in the case of specified manufactured goods produced in Greece as to which the effective date will be November 1, 1984.

Article 3 of the Agreement provides for an institutional structure for its implementation. The Association Council, which is composed of representatives of Greece on the one hand and of the Member States and of the Community on the other hand, has the general function of taking all measures necessary to assure the realization of the aims of the Agreement and to conduct all examinations into the development of the cooperation between the Contracting Parties. All decisions adopted by the Council must be unanimous.

The Agreement in general follows the outline of the Treaty of Rome. In the field of public contracts the most important provisions are Article 5 relating to the elimination of discrimination on the basis of nationality, Articles 47 and 48 relating to establishment, Article 49 relating to services, Article 57 dealing vaguely with the approximation of laws and Protocols 1 and 9 limiting the application of the Agreement in the field of public contracts. A copy of an unofficial translation from French of those Articles and Protocols is attached hereto as Schedule B.

It seems obvious that the application of the provisions of the Agreement, as limited by the Protocols, is not likely to have much effect in the foreseeable future in the field of public contracts. Protocol 1 contains express limitations on the application of Article 5 of the Agreement insofar as public contracts are concerned; Protocol 9 contains an exception with regard to agreements for financial aid between the United States and Greece and exempts them, at least until the end of the first transitional period ending in 1974, from the application of the provisions of Article 5. Moreover, Articles 47 and 48 contain only vague provisions with regard to the right of establishment and leave the ultimate decisions in this field to be worked out by the Association Council. Also, under Article 49 the authority to regulate the furnishing of services between the Community and Greece is reserved to the Association Council.

PRINCIPAL SOURCES

(1) Industrial Development Corporation S.A. (Athens), "Greece: Basic Incentives to Industrial Development and Foreign Investment" (July 1963).

(2) United States Department of Commerce, "Basic Data on the Economy of Greece," Overseas Business Reports, No. OBR 64-20 (February 1964).

(3) United States Department of Commerce, "Establishing a Business in Greece," Overseas Business Reports, OBR No. 62-10 (November 1962).

SCHEDULE A. GREECE

(Law No. 3215 of 1955 providing preferences for domestic industrial and handicraft products (Official Gazette, Apr. 30, 1955))

(Unofficial translation from Greek by U.S. Embassy in Athens)

PAUL, KING OF THE HELLENES

Having unanimously voted with Parliament, we decide and ordain:

Article 1

1. In connection with procurements effected by the State, or by Municipalities, or Communities, or any other legal entity of public or private law enjoying total or partial exemption from import duties, either through competitive tender or otherwise, directly or through the State Procurement Service or any Committee, the products of domestic industry and handicraft are given preference as against the products of foreign origin even if the cost of the domestic products in question is higher up to 8 percent than that of the respective foreign products.

2. Procurements of domestic fertilizers are excepted, as coming under the application of law 760 of 1948 "re marketing of fertilizers" and as long as the law in question is valid.

3. Power production enterprises operating by virtue of contract privileges ratified by specific law, are excepted as well.

Article 2

To determine the comparative cost of a foreign product, we add to the offered CIF price the corresponding import duty—basic and additional—which is provided for each time by the duty tariff, as well as any other tax or due levied on importation, excepting the business turnover tax, which is not reckoned on the cost of the respective home product, and then we add the 8-percent rate provided for in the previous article to the price resulting in this way.

Article 3

1. A 30-percent rate on the respective CIF price of the foreign product is fixed as a maximum of the preference provided for in article 1 hereof in respect of home industry and handicraft products.

2. The maximum rate provided for in the previous paragraph is increased to 35 percent in respect of home metal industry products.

3. As places of delivery for such comparison of prices, according to the above, are determined: (a) the Customs House for the imported foreign products, and (b) the supplier's factory warehouse for the local products.

Article 4

1. At the request of a local industry or handicraft, in lieu of the protection provided for in articles 2 and 3 hereof, exemption from import duty is granted by joint decision of the Ministers of Finance and Industry in respect of the raw and auxiliary material required for the manufacturing of the products offered, in which instance the home product preference rate is fixed at 10 percent on the CIF price of the respective foreign items.

2. The terms and formalities for duty free importation of the raw and auxiliary material dealt with in the previous paragraph, as well as for control over the disposal of these for whatever purpose they have been imported, will be determined by joint decisions of the Ministers of Finance and Industry to be promulgated in the Government Gazette.

Article 5

In respect of monopoly items, as well as of industrial products, on which no direct or indirect duty is levied according to the duty tariff operating each time, the preference rate for the respective home industry and handicraft products is fixed either at 10 percent on the CIF cost of the foreign product, with duty free importation of the raw and auxiliary material required for the manufacturing of such home products, or up to 30 percent without duty free importation of the material in question. The above 10-percent preference rate can fluctuate between 10 and 20 percent in respect of certain monopoly items, following decision of the Ministerial Council.

Article 6

1. The terms of the procurements provided for in article 1 hereof are compulsorily formulated in such a way as to correspond to the possibilities of the local industrial or handicraft production under the prerequisite that the relative products can meet the requirements for which they are intended.

2. The method of application in general of the previous paragraph will be specified each time by joint decisions of the Ministers of Finance and Industry to be promulgated in the Official Gazette.

3. After 3 months from effect hereof, the procurements provided for in article 1 of the present law shall be effected in accordance with the decisions provided for in the previous paragraph.

Article 7

1. In connection with procurements effected according to the provisions hereof, eventual preference for items of foreign origin as against the respective local ones, entails an obligation for payment of the relevant duties and other taxes whose total cannot, however, exceed 30 percent on the CIF cost of these, or 35 percent as regards iron or metal industry products. In respect of duties and taxes over this percentage, exemption is granted in accordance with the relevant provisions, paragraph 3 of article 2 of E.L. 896/37 having no effect in this connection.

2. Particularly as regards Municipalities and Communities, full exemption from duties and taxes can be granted—following decision of the Ministerial Council issued upon proposal of the Ministers of Finance and Industry—in respect of water pipes imported from abroad, as long as the price of those offered by the local industry exceeds the preference rate of the CIF cost of the former.

3. The previous paragraphs are applicable on procurements of State items as well.

Article 8

The preference rates in favor of local industry products which were determined by virtue of the relative R.D. of the 2nd September 1952 in application of the provisions of article 3 of L.D. 2176/52 re protective measures for provincial industry, as well as by virtue of para. 1 of article 2 of the Law "re amendment and supplementation of the provisions concerning protective measures for provincial industry", are valid collectively in every instance of application of the provisions of the present Law.

Article 9

The contribution on every kind of wax materials, either foreign or local, which is levied in favor of T.A.K.E. (Greek Clergy Insurance Fund) by virtue of E.L. 816/1937, as subsequently amended and supplemented by E.L. 2293/1940, Law 1017/1949 and E.L. 3092/1954, is hereby abolished, as long as the materials in question are utilized—in the opinion of a Committee to be set up by joint decision of the Ministers of Industry and Education—for industrial or handicraft purposes, except for the manufacturing of candles or tapers.

Article 10

Transgression of the provisions hereof constitutes a disciplinary offense, while any civil, municipal or communal servants, or any municipal or communal authorities, or any of the administrative councils or the competent officials of the other entities provided for in article 1, who would eventually approve, or suggest for approval, the minutia of an adjudicated competition, or otherwise carry out a procurement in transgression of the above provisions, shall receive a disciplinary punishment by the competent agents, irrespective of any other legal consequence of such transgression.

Article 11

The following provisions are abolished: (a) article 6 of Law 2948/1922 re promoting industry and handicraft, (b) article 2 of Law 4536/1930 re amendment and supplementation of Law 2948/22, the Decrees issued in application of this article (1) of 14–5–31 re extending the preference limit for all kinds of stamps, (2) of 23–3–32 re extending the preference limit for military cartridges and ammunition from 20 to 30 percent, (3) of 25–10–35 re extending the preference limit up to 27 percent in respect of machinery and iron construction in general made by the Greek industry, (c) of article 8 para. 4 of E.L. 254/36 re amendment of the emergency laws of 19–10–35 and 28–12–35 re organization of a cotton institute, (d) of joint decision No. 6825/1263/22–1–37 of the Ministers of Finance and National Economy re fixing the preference limit for local cotton industry products at 35 percent, issued in application of para. 4 of article 8 of E.L. 254/36, and (e) of E.L. 477/37 re supplementation of article 16 of Law 2948/22 re promoting industry and handicraft, as amended by article 2 of Law 4536/30.

Article 12

Acts Nos. 261/3–3–1951 and 628/21–5–51 of the Ministerial Council are hereby ratified for the period they have operated, and are abolished by the present. Act No. 602/7–6/52 of the Ministerial Council is likewise abolished.

The acts in question read as follows:

[Note: Translation of Acts No. 261 and 628 of 1951 and Act No. 602 of 1952 omitted]

The present Law, having been passed by Parliament and ratified by Us today, shall be promulgated in the Official Gazette, and enforced as a Law of the State.

ATHENS, *April 26, 1955.*

PAUL R.

The Ministers of Industry:

A. PROTOPAPADAKIS.

Finance:

L. EFTAXIAS.

Ratified and sealed Athens, April 29, 1955.
The Minister of Justice:

CL. THEOPHANOPOULOS.

SCHEDULE B. GREECE

(Excerpts from agreement establishing an association between the European Economic Community and Greece and attached documents[1])

Article 5

1. In the area of implementation of the Agreement, and without prejudice of any special provisions which it contains, none of the Contracting Parties shall exercise or tolerate discriminations by reason of nationality or against physical persons who are nationals of another Contracting Party established in the territory of one of them.

2. For the implementation of the preceding paragraph, companies constituted pursuant to legislation of a Member State of the Community or of Greece which have their corporate business seat, their central administration or their principal establishment in the territory of one of the Contracting Parties shall be given equal standing with physical persons.

By companies, companies of the civil or commercial law shall be understood, including cooperatives, and other juridical persons under public or private law, with the exception of non-profit companies.

3. The Association Council shall, insofar as necessary, make the appropriate decisions for putting an end to the discriminations referred to in this article.

TITLE III. CIRCULATION OF PERSONS AND SERVICES

Article 47

The Contracting Parties shall facilitate, in a progressive and balanced manner, the establishment of nationals of the Member States in the territory of Greece and of nationals of Greece within the Community, in accordance with the principles of articles 52 to 56, inclusive, and 58 of the Treaty establishing the Community, with the exception of the provisions and articles relating to time-limits and to the procedure for the realization of a liberalization of establishment.

Article 48

The Association Council shall by decree set the tempo for this realization and establish the terms of implementation concerning the provisions of the preceding article for the different categories of activities; progressive implementation shall take place after the corresponding directives provided for in articles 52 to 56, inclusive, of the Treaty establishing the Community have become effective and in consideration of the special economic and social situation of Greece.

Article 49

The Association Council shall decide, during the transition period provided for in article 6 of the Agreement [1962–1974], on appropriate provisions to be taken in order to facilitate the rendering of services between the Community and Greece.

TITLE IV. PROVISIONS RELATING TO COMPETITION, TAXATION AND GRADUAL ELIMINATION OF DIFFERENCES BETWEEN LEGISLATION

Article 57

In the areas not covered by the provisions of this Agreement which have a direct influence on the functioning of the Association or in the areas covered by these provisions where they do not contain any specified procedure, the Association Council may make recommendations to the Contracting Parties inviting the latter to take measures which will serve to harmonize legislative, regulatory or administrative provisions.

PROTOCOL NO. 1—CONCERNING PUBLIC CONTRACTS

The contracting parties have agreed on the following provisions:

In deviation from the provisions of the Association Agreement, and in particular article 5, the Contracting Parties shall progressively adjust the terms and conditions for participation in contracts awarded by the administrations or public enterprises as well as private enterprises to which special or exclusive rights have been granted, in such a manner that, by the end of the transition period provided for in article 15 of the Agreement [1984], all discrimination between nationals of the Member States of the Community and those of Greece established within the territory of the Contracting Parties will be eliminated.

The terms and tempo under which the adaptation provided for in this Protocol must be realized shall be fixed by the Association Council taking its inspiration from the solutions which may be adopted in this field by the Member States of the Community.

---

[1] Unofficial translation from French. The Agreement was executed in Dutch, French, German, Greek and Italian, each of which is equally authentic (Article 77). There is no official English translation.

This Protocol shall be attached to the Association Agreement.

PROTOCOL NO. 9—CONCERNING UTILIZATION OF AMERICAN AID BY GREECE

The contracting parties, in an endeavor not to interfere with the utilization of American aid by Greece, have agreed on the following provisions:

1. If the provisions of the Association Agreement form an obstacle to utilization by Greece of special assistance funds placed at the disposal of the Greek economy, either directly by the Government of the United States of America, or by intermediary of an organization designated by it, Greece shall have the power, after notification to the Association Council:

(a) To establish tariff quotas in observation of article 21, paragraph 2, of the Agreement for the importation of merchandise originating in the United States the purchase of which is financed with the funds in question;

(b) To import duty-free merchandise which forms the substance of the gifts provided for by Title III of "Public Law 480";

(c) To restrict awards of contracts to suppliers of products originating in the United States only where the utilization of the funds in question involves the importation of merchandise originating in the United States and where a competitive bidding procedure is required under legislative provisions either of Greece or the United States.

2. At the end of the transition period provided for in article 6 of the Agreement [1974], the Association Council may decide whether the provisions of this Protocol should be abolished or amended.

In the meantime, if changes occur in the nature of the funds referred to in paragraph 1 of this Protocol or in the procedures for utilization, or if difficulties arise with respect to such utilization, the Association Council shall re-examine the situation with a view to taking appropriate measures.

This Protocol shall be annexed to the Association Agreement.

TURKEY

(Associate member of EEC; member of GATT and OECD)

The basic law concerning public procurement is Law No. 2490 of June 2, 1934 (Official Gazette, June 10, 1934), as subsequently amended. Under the provisions of that Law, sealed public tenders are the standard and, in practice, the usual procedure. Procurement authorities may resort to open public tenders or to direct negotiation only when an invitation for sealed public tenders has met with no response, the volume of the goods and services is small or the articles in question are available only from a single source.

The objective of the sealed-envelope bidding system was to eliminate bargaining and price cutting by requiring every bidder to state his lowest price at the outset of the adjudication. In practice, however, there is much bargaining after the bids are opened, since all of them must then be reviewed privately by the Adjudication Commission, which subsequently invites each bidder separately to explain or amplify his offer.

Foreign firms or individuals may tender in the same way as Turkish nationals, unless the contract is for less than LT15,000 (about $1,667). In that event foreign nationals may not tender unless they are registered with the Turkish Commercial Registry Office and have been established in Turkey for at least 10 years.

In principal no preferential treatment is given to tender from any one foreign country as compared to any other country, except in the case of "tied" external financing arrangements. Under the provisions of Decree No. 6/3083 dated June 1, 1964, however, the Ministry of Finance is authorized to designate the country from which imports of capital goods exceeding $50,000 are to be made by departments, organizations and establishments in the State sector. The procurement authorities concerned are required to obtain information concerning foreign financing possibilities from the Ministry of Finance prior to their decision to purchase, or award of contracts for, imports exceeding $50,000. The Ministry may require that the terms and conditions of available credits be taken into consideration by the procurement authority concerned before a contract award is made.

Preference for Turkish products is provided by the requirement that, if the Ministry of Industry determines that a product is manufactured in Turkey in sufficient amounts to meet local demands, no similar product can be imported. On July 28, 1964, the Minister of Industry announced that a new list of products manufactured in Turkey was being compiled with a view to issuing new regulations precluding the importation of all such products.

AGREEMENT OF ASSOCIATION WITH THE EUROPEAN ECONOMIC COMMUNITY

The Agreement between Turkey and the European Economic Community was signed in Ankara on September 12, 1963, and entered into force on December 1, 1964 (Journal Officiel of the European Communities, December 29, 1964).

The Agreement provides for the association of Turkey with the Community under the provisions of Article 238 of the Treaty of Rome on the basis of a customs union, with the long-term possibility of full membership of Turkey in the Community.

The Agreement provides for a preparatory, a transitional and a final stage in the association. During the preparatory period of 5 years, possibly extended to 9 years, from the effective date, Turkey will continue its efforts to reorganize its economy and for that purpose the Community granted certain concessions in the form of tariff quotas for imports of particular importance to the Turkish economy as well as the granting through the European Investment Bank of financial assistance.

The Agreement provides only a general outline of the arrangements for the transitional stage, the details of which will be settled only towards the end of the preparatory stage. During the transitional stage, which may not exceed 12 years from the effective date, the Contracting Parties will gradually institute a customs union and bring into alignment the economic policies of Turkey and the Community.

The final stage is based on the customs union, which will cover all commodity trade except products of the European Coal and Steel Community.

Article 23 of the Agreement provides for an institutional structure for its implementation similar to that provided by the Agreement of Association with Greece. The Association Council, which is composed of representatives of Turkey on the one hand and of the Member States and of the Community on the other hand, has the general function of taking all measures necessary to assure the realization of the aims of the Agreement and to conduct all examinations into the development of the cooperation between the Contracting Parties. All decisions adopted by the Council must be unanimous.

The Agreement in general follows the outline of the Treaty of Rome. Unlike the Agreement of Association with Greece, there is no specific provision with regard to the elimination of discrimination on the basis of nationality in the field of public contracts. Articles 8 and 9, however, contain the following general provisions with regard to the elimination of discrimination on the basis of nationality during the transitional stage (unofficial translation from French by the American Society of International Law, 3 International Legal Materials 65 (1964)):

"Article 8

"In order to realize the objectives set forth in Article 4, the Association Council shall establish, prior to the start of the transitional phase, and in accordance with the procedure provided in Article 1 of the Provisional Protocol, the conditions, terms and rate of application of the provisions pertaining to the fields covered by the Treaty establishing the Community which will have to be considered, specifically those covered by the present Title, as well as any safeguard clause which might be considered useful.

"Article 9

"The Contracting Parties acknowledge that within the field of application of the Convention, and without prejudice to the specific provisions which might be established by virtue of Article 8, any discrimination on account of nationality is prohibited in accordance with the principle set forth in Article 7 of the Treaty establishing the Community."

Vague provisions relating to the right of establishment and the free rendering of services are contained in Articles 13 and 14, which provide as follows:

"Article 13

"The Contracting Parties agree to take inspiration from Articles 52 through 56 and 58 of the Treaty establishing the Community in order to eliminate the restrictions on the freedom of establishment among them.

"Article 14

"The Contracting Parties agree to take inspiration from Articles 55, 56, and 58 through 65 of the Treaty establishing the Community in order to abolish the restrictions on the free performance of services among them."

Similarly, vague provisions relating to the approximation of legislation are contained in Article 16, which provides as follows:

"Article 16

"The Contracting Parties recognize that the principles set forth in the provisions relating to competition, fiscality, and the approximation of legislation, contained in title I of the third part of the Treaty establishing the the [sic] Community, must be made applicable in their Association relations."

It seems obvious that the application of the provisions of the Agreement is not likely to have much effect in the foreseeable future in the field of public contracts.

PRINCIPAL SOURCES

(1) Union of Chambers of Commerce, Industry and Commodity Exchanges of Turkey, "Investment Guide to Turkey" (Ankara, 1964).

(2) United States Department of Commerce, "Investment in Turkey: Basic Information for United States Businessmen" (1956).

(3) United States Department of Commerce, "Selling in Turkey," Overseas Business Reports, OBR No. 64-97 (September 1964).

EUROPEAN FREE TRADE ASSOCIATION (EFTA)

Like the treaty establishing the Benelux Economic Union, and unlike the Treaty of Rome establishing the European Economic Community, the Stockholm Convention establishing the European Free Trade Association (EFTA) (HMSO, Cmnd. 906 (1959)) contains specific provisions recognizing the existence in the member states of legislative and administrative provisions, practices, and policies discriminating against foreigners and products of foreign origin in the field of public contracts and providing for their elimination.

The Stockholm Convention was signed on November 20, 1959, by Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom and entered into force on May 2, 1960. An Agreement of Association with Finland was signed on March 27, 1961, and entered into force on June 26, 1961 (HMSO, Cmnd. 1335 (1961)).

The Stockholm Convention is concerned primarily with the liberalization of trade through the elimination of tariffs and all other restrictions on the flow of trade between the member states. Unlike the Common Market and Benelux, each member state retains its own external tariffs and commercial policies.

The organization of EFTA is simple. The Council is the principal organ and can meet at either the ministerial or official (permanent resident) level. Each member state is represented with one vote. The Council has responsibility for supervising the application of the Convention and exercising the powers of functions conferred upon it by the Convention. Its decisions are binding on member states but they must, with specified exceptions, be made by unanimous vote.

The provisions of the Convention with regard to purchases by public undertakings are contained in article 14, which reads as follows:

"1. Member states shall insure the progressive elimination, during the period from July 1, 1960, to December 31, 1969, in the practices of public undertakings, of—

"(a) measures the effect of which is to afford protection to domestic production which would be inconsistent with this Convention if achieved by means of a duty or charge with equivalent effect, quantitative restriction or Government aid, or

"(b) trade discrimination on grounds of nationality insofar as it frustrates the benefits expected from the removal or absence of duties and quantitative restrictions on trade between member states.

"2. Insofar as the provisions of article 15 (relating to restrictive business practices) are relevant to the activities of public undertakings, that article shall apply to them in the same way as it applies to other enterprises.

"3. Member states shall insure that new practices of the kind described in paragraph 1 of this article are not introduced.

"4. Where member states do not have the necessary legal powers to control the activities of regional or local government authorities or enterprises under their control in these matters, they shall nevertheless endeavor to insure that those authorities or enterprises comply with the provisions of this article.

"5. The Council shall keep the provisions of this article under review and may decide to amend them.

"6. For the purposes of this article, 'public undertakings' means central, regional, or local government authorities, public enterprises and any other organization by means of which a member state, by law or in practice, controls or appreciably influences imports from, or exports to, the territory of a member state."

Those provisions are explained as follows in an analysis of the provisions of the Convention entitled "Stockholm Convention Examined" published by the Secretariat of EFTA in January 1963 (pp. 37–38):

"It has long been recognized, for example in article XVII of the GATT, that state trading enterprises should act in commercial matters according to normal commercial principles insofar as this may affect international commerce. Because a trading concern is owned or controlled by the state, it should not behave in commercial matters as if it were above the 'law' as it is defined or established by international commercial agreements to which the state concerned is party.

"The governments of even the most rigorously free-enterprise economies indulge in extensive commercial activities, if only through the purchase and disposal of supplies and equipment. In the Europe we live in today, most governments go beyond this and operate railways and telephones, while many have established organizations to produce and trade in tobacco manufactures or alcoholic beverages; others mine coal and make steel. These activities may be undertaken by central, regional or local governments, and may be undertaken directly or through state corporations, state-owned or state-controlled companies, or other publicly controlled bodies.

"Article 14 provides that all these activities shall, by the end of the transitional period, be carried out according to normal commercial principles so far as this may be necessary to insure that the obligations of the Convention are applied to them as to any purely private concern. In the first place member states must bring to an end measures the effect of which is to afford protection to domestic production, where that protection would be inconsistent with the Convention if it were achieved through tariffs, quotas, or subsidies. Secondly, they must cease to discriminate on grounds of nationality, insofar as this would frustrate the benefits to be expected from the freeing of trade; that is to say that governments or state enterprises should not give preference to their own national producers simply because they are of that nationality; if they buy national products this should be for normal commercial reasons, such as cheapness, quality, suitability, facility of production control, or earlier delivery. Thirdly, it is made clear that the provisions of the Convention relating to monopolies and restrictive business practices apply to state trading no less than to private trading organizations.

"The article requires that, during the transitional period while these provisions come gradually into full effect, no new practices inconsistent with those provisions shall be introduced. If the governments of the member states do not have complete control over regional or local authorities or public undertakings, they are required to use their influence to insure that those bodies comply with the article.

"The Council is empowered to amend the article. The provisions of paragraph 1 are so worded as to refer obliquely to the consultation and complaints procedure, through which control must ultimately be exercised. Paragraph 6 defines public undertakings in terms wide enough to insure that particular undertakings do not slip through the net by virtue of some special peculiarity of their constitutions or of their relationships with the central governments."

By decision of the Council No. 10 of 1963, adopted on May 10, 1963, the date of December 31, 1969, in paragraph 1 of article 14 of the Convention was replaced by the date of December 31, 1966.

Since the provisions of article 14 relate only to the elimination of practices which control or influence imports and exports, they are much more limited in effect in the field of public contracts than the broad provisions of articles 62 and 63 of the treaty establishing the Benelux Union.

Article 16 of the Stockholm Convention contains the following provisions with regard to the right of establishment:

"1. Member states recognize that restrictions on the establishment and operation of economic enterprises in their territories by nationals of other member states should not be applied, through accord to such nationals of treatment which is less favorable than that accorded to their own nationals in such matters, in such a way as to frustrate the benefits expected from the removal or the absence of duties and quantitative restrictions on trade between member states.

"2. Member states shall not apply new restrictions in such a way that they conflict with the principle set out in paragraph 1 of this article.

"3. Member states shall notify the Council, within such period as the Council may decide, of particulars of any restrictions which they apply in such a way that nationals of another member state are accorded in their territories less favorable treatment in respect of the matters set out in paragraph 1 of this article than is accorded to their own nationals.

"4. The Council shall consider not later than December 31, 1964, and may consider at any time thereafter, whether further or different provisions are necessary to give effect to the principles set out in paragraph 1 of this article, and may decide to make the necessary provisions.

"5. Nothing in this article shall prevent the adoption and enforcement by a member state of measures for the control of entry, residence, activity, and departure of aliens where such measures are justified by reasons of public order, public health or morality, or national security, or for the prevention of a serious imbalance in the social or demographic structure of that member state.

"6. For the purposes of this article:

"(a) 'Nationals' means, in relation to a member state, (i) physical persons who have the nationality of that member state and (ii) companies and other legal persons constituted in the territory of that member state in conformity with the law of that state and which that state regards as having its nationality, provided that they have been formed for gainful purposes and that they have their registered office and central administration, and carry on substantial activity, within the area of the association;

"(b) 'Economic enterprises' means any type of economic enterprise for production of or commerce in goods which are of area origin, whether conducted by physical persons or through agencies, branches, or companies or other legal persons."

It seems apparent that the provisions of article 16 are not of much importance in the field of public contracts. Moreover, particularly since the convention contains no provisions for the rendering of services which do not require establishment in the territory of a member state, articles 14 and 16 probably are not of much importance in the field of government public works contracts.

Principal sources

(1) EFTA Secretariat, "Stockholm Convention Examined" (Geneva, 1963).

(2) Hay, "Some Problems of Doing Business in the Regional Markets of Europe," 17 Rutgers Law Review, page 305 (1963).

(3) Jantzen, "The Operation of a Free Trade Area" (Geneva, 1964).

(4) Surrey and Shaw (editors), "A Lawyer's Guide to International Business Transactions" (Philadelphia, 1963).

AUSTRIA (MEMBER OF EFTA, GATT, AND OECD)

Procurement procedures for the ministries, affiliated agencies, and institutions of the Federal Government are laid down in ÖNorm A–2050, "Procurement Practices" (Vergebung von Leistungen) dated March 30, 1957.

ÖNorm A–2050 prescribes the following methods for the letting of contracts

(1) Public invitation for offers (öffentliche Ausschreibung)—invitations for offers are published in the official Wiener Zeitung or the Amtlicher Lieferanzeiger (official procurement gazette) and also in daily newspapers and trade journals.

(2) Restricted invitation for offers (beschränkte Ausschreibung)—limited invitations for offers are privately addressed to selected firms.

(3) Direct procurement (freihändige Vergebung)—contracts are awarded without formal proceedings in the discretion of the contracting authorities.

The first method is the standard one and is normally used for all contracts of more than 300,000 Austrian schillings (about $11,700). The second method may be used in the restricted cases specified in article 1.432 of ÖNorm A–2050 and the third method in the even more restricted cases specified in article 1.433.

In any case the contracting authority is under a duty to accept the offer which best satisfies all technical and economic viewpoints and hence not necessarily the lowest one in price.

The following provisions of article 1.34 of ÖNorm A–2050 provide for an outright preference for domestic firms and domestic products (unofficial translation from German): "Insofar as possible, only domestic products shall be used and only domestic enterprises shall be employed."

In compliance therewith most advertisements for offers specify that only Austrian firms may submit offers.

The standards set forth in ÖNorm A–2050 were drawn up and published by the quasi-official Austrian Standardization Association (Österreichischer Normenausschuss) but in 1963 the Austrian Cabinet approved the provisions thereof and Federal ministers were requested to, and did, issue internal service regulations making compliance with such provisions mandatory for the ministries, affiliated agencies, and institutions of the Federal Government. At the same time, provincial governments and municipal administrations were invited to issue similar instructions and by the end of 1964 most of them had complied with the Federal Government's requests.

Principal sources

(1) Letter dated October 28, 1964, from the U.S. Embassy in Vienna to Cravath, Swaine & Moore, Paris.

(2) Foreign Service Dispatch No. 1017 from the U.S. Embassy in Vienna entitled "Bidding in Award of Public Contracts."

(3) Airgram No. A–76 from the U.S. Embassy in Vienna entitled "Procurement Practices of Austrian Government Agencies."

(4) U.S. Department of Commerce, "Selling in Austria" (Oversea Business Rept. No. 64–70, June 1964).

DENMARK (MEMBER OF GATT, EFTA, AND OECD)

Procurement for public purposes in Denmark takes place under a variety of regulations, and there is no uniform law with regard to inviting tenders or the letting of contracts by the various official agencies.

Discrimination against foreign bidders and foreign materials exists by administrative practice and the discretion vested in the various procurement authorities.

Public tenders are invited infrequently, principally in connection with the procurement of engineering products. The general and usual procedure is one of selective tender under which estimates may be obtained from a number of suppliers, with complete discretion in the particular procurement authority as to whether estimates will be requested from foreigners. In considering the estimates the procurement authority takes into account not only the price but also quality, servicing, and other factors.

Consequently, contracts are generally awarded only to Danish firms.

Principal sources

The foregoing is based principally on information supplied by the Bureau of International Commerce of the U.S. Department of Commerce on the basis of reports from the U.S. Embassy in Copenhagen.

NORWAY (MEMBER OF EFTA, GATT, AND OECD)

Norwegian Government procurement is conducted under the provisions of the Government Regulations Concerning Tenders of July 4, 1927, as amended, which were promulgated by royal decree.

The normal procedure established by the regulations calls for general competition through the medium of public invitation for tenders by means of advertisement. The regulations themselves contain no provisions discriminating against foreign bidders or foreign materials. Nevertheless, discrimination does exist as a result of administrative practice, particularly the discretion which procurement authorities have in the tendering procedure.

In the first place, there is no requirement that foreign tenders be invited. In general, such tenders are invited where there is only one Norwegian supplier of the procurement item or where the procurement authority finds that foreign competition is in the public interest.

Secondly, even if foreign tenders are invited, preference is given to a Norwegian tender and a foreign tender is accepted only in exceptional cases, such as where a substantial price differential (price offered plus tariff) exists or where no Norwegian bidder is deemed to be qualified to perform a contract for technical, financial, or other reasons the application of which is in the complete discretion of the procurement authority.

Finally, even if products manufactured in Norway are considered, the degree to which such products incorporate foreign raw materials or semimanufactured products enters into the determination as to which Norwegian product is chosen.

Special concessions with regard to the acquisition of waterfalls (in connection with hydroelectric plants) and the development of mining resources granted under the General Concessions Act (Lov om Ehverrelse av Vandfald, Bergverk og Anden Fast eiendom) of December 14, 1917, require that machinery, equipment, and other materials must be purchased in Norway if the price of the Norwegian product is not more than 10 percent above the cost of a similar foreign product.

Principal sources

The foregoing is based principally on information supplied by the Bureau of International Commerce of the U.S. Department of Commerce on the basis of reports from the U.S. Embassy in Oslo.

PORTUGAL (MEMBER OF EFTA, GATT, AND OECD)

Article 359 of the Portuguese Administrative Code establishes public tendering preceded by advertisement as the basic method of awarding contracts.

The basic law applicable to Government procurement is decree-law No. 41,375 of November 19, 1957. It establishes the legal regime under which Government services, including those granted administrative and financial autonomy, may effect expenditures for construction and repair of public works or for acquisition of supplies, equipment, and other material.

The decree-law provides for three administrative systems of inviting tenders, as follows:

(a) Public tendering (concurso público)—all who satisfy the general conditions established by law can submit tenders. This method is compulsory for supplies or services costing more than 100,000 escudos (about $3,500).

(b) Restricted tendering (concurso limitado)—only firms specifically invited (in principle, more than three) may submit tenders. Restricted tenders (or, if determined by the contracting authority, public tenders) are compulsory for works, supplies, or services costing more than 20,000 escudos (about $700).

(c) Direct negotiation (ajuste directo)—the contract is awarded by the contracting authority without competition. Wherever possible, however, the award is preceded by consultation with at least three firms. Prior consultation is compulsory for expenditures exceeding 2,500 escudos. Tendering whether public or restricted may be dispensed with in the interest of the state and direct negotiation employed particularly where there is only one possible supplier, when the prices of the goods are officially controlled, when national security is involved, or when responses to previous calls for tenders for the same work or material have not resulted in any tenders or the tenders received were deemed unacceptable.

Article 24 of Portaria (Ministerial Order) No. 7,702 of October 24, 1933, provides as follows concerning the awarding of contracts (unofficial translation from Portuguese):

"Subject to the provisions of section 4 of article 6 contracts for works or supplies shall be awarded as a rule to the bidder who has submitted the bid which is lowest in price [a propuesta de menor preço]. The Government reserves nevertheless the right to make the award to the bidder who offers the best guarantees [maiores garantias] although not the one who submitted the lowest bid, it being necessary in such case that the award decision be duly justified."

Article 6, section 4, as amended by Portaria No. 8,716 of May 19, 1937, reserves to the Government the right not to make any award, if the conditions attached to the bid are not satisfactory, if the bidders do not possess the indispensable moral suitability or if there is a presumption of collusion.

Discrimination in favor of Portuguese contractors and suppliers and Portuguese products is practiced in a number of different ways, among which are the following:

(1) Although the same procedure and criteria are applied to foreign and domestic bids, contracting authorities are required to give preference to Portuguese products, other things being equal. Article 359, section 5 of the Administrative Code provides in that regard that "conditions of quality and price being equal, Portuguese products shall always be preferred in the furnishing of materials." Article 2 of decree with force of law No. 22,037 of December 27, 1932, requires that the departments and services of the state, the autonomous administrations, the administrative bodies and corporations and private firms and companies which are concessionaires of the state prefer national products in their purchases, provided that the price be equal to, or lower than, the price of foreign products that are similar or which serve the same purpose. Decree No. 38,504 of November 12, 1951, provides that the latter determination must be made by the Economic Coordination Commission.

(2) In the case of contracts for supplies, equipment, etc., foreign companies can submit bids, but, since Government departments can usually buy goods through national importers, they only deal directly with suppliers in foreign countries in exceptional cases.

(3) Effective competition by foreign contractors for public works contracts requires, as a practical matter, association with a Portuguese company, either as agent or as a subsidiary of the foreign company. The licenses which are required are not granted to foreign companies and Portuguese engineers must enter invoices or participate in the supervision of the projects. In many situations a considerable number of licenses is required.

In an example cited by the U.S. Embassy in Lisbon on the basis of an official source, a large French construction company bid five times in its own name but was unsuccessful until it secured a local subsidiary which employed Portuguese engineers.

The Embassy also reported that Portuguese officials based the award in February 1961, of the $66 million contract for the construction of a long bridge over the Tagus River Estuary (scheduled for completion in 1966) to a consortium headed by U.S. Steel Export Co. on the following considerations, among others: United States Steel was represented by a Portuguese agent, the bridge was to be constructed in association with a

Portuguese steel company and Portugese engineers would (as required by law) participate in the supervision of the project.

In general, every bidder on a public works contract exceeding 250,000 escudos (about $8,750) must possess a license issued by the Commission for Registration and Classification of Public Works Contractors established in the Ministry of Public Works by decree-law No. 40,623 of May 30, 1956, which is regulated by Portaria No. 18,475 of May 16, 1961. The Portaria provides for the classification of contractors according to construction category and the size of the projects that they are qualified to undertake. The issuance of the license is conditioned on compliance with a large number of formalities.

Article 4 of the decree-law provides that licenses may be issued only to Portuguese citizens and Portuguese companies. In order to qualify as a Portuguese company, at least 60 percent of its capital must be owned by Portuguese citizens and a majority of its board of directors and its managing director must be Portuguese.

Section 2 of article 15 provides exceptionally that, when the characteristics of the work justify it, foreign firms may be permitted to submit bids by decision of the competent minister. In that event, they must comply with the following requirement of section 4 of article 17 of Portaria No. 7,702 of October 24, 1933 (unofficial translation from Portuguese):

"If the bidder is foreign, [he must] attach a declaration, notarized by the legation or consulate of his country, that he renounces whatever rights or prerogatives he possesses as a foreigner, renouncing any special forum, and that he submits, in everything that relates to the execution of the contract, to what is prescribed by Portuguese legislation in force."

Principal sources

(1) Ventura Reimão, "Obras Públicas, Empreitadas e Forneciementos—Legislacão Coordenada e Anotado" [Public Works, Contract Work and Supplies—Legislation Coordinated and Annotated] (Lisbon, 1950, with 1960 supplement).

(2) Foreign Service dispatch No. 314 dated March 15, 1962, from the U.S. Embassy in Libson, entitled "Export: Government Tenders: General System of Portuguese Ministries."

(3) U.S. Department of Commerce, "Basic Data on the Economy of Portugal," World Trade Information Series, pt. I, No. 60–44 (1960).

SWEDEN (MEMBER OF EFTA, GATT, AND OECD)

The procedures for procurement of commodities and services by the national government as well as national public works contracts are regulated by Royal Decree No. 496, dated June 6, 1952, as amended.

As a general rule, procurement at the national level is made on the basis of competitive bidding. The 1952 decree provides for the following procurement methods:

(1) Public tender (anbud, som infordras genom annonsering)—public invitation for offers published in the "Tidning for leveranser till staten," a weekly publication devoted entirely to state procurement, and occasionally also in the daily press.

(2) Selective tender (anbud, som infordras genom särskilda skrivelser)—solicitation of offers by circular letters to selected suppliers or contractors.

(3) Private tender (anbud, som infordras under hand)—solicitation of offers by informal communications to as many suppliers or contractors as good business practice requires.

All government-owned business undertakings and public utilities of the central government, as well as certain designated government institutions and agencies may, considering the nature and size of the procurement and paying due regard to efficient business practices, invite bids "in any such manner as may be deemed proper and appropriate."

The rules and regulations set forth in the Royal Decree make no distinction between domestic and foreign suppliers or contractors or materials. They do, however, give wide discretion to the responsible government purchasing institutions and agencies in selecting such suppliers or contractors and in rejecting bids submitted by them. Moreover, there is nothing to prevent a government institution or agency from purchasing from whatever source it deems appropriate. The contracting authority has the duty of accepting the "most beneficial" offer; hence, price is not necessarily a decisive factor and equal importance is attached to quality, delivery time, the general reputation and integrity of suppliers, and their ability or willingness to meet required standards and specifications.

The same considerations are reported to be employed by the city governments, municipalities, and rural communities, which are not regulated by statutory provisions or administrative decrees in the procurement of commodities and services and the construction of public works. The normal procedure for inviting bids appears to be through the medium of circular letters addressed directly to firms known to be reputable and reliable.

In view of the wide discretion which is vested in procurement authorities at all levels of government, there is inevitably a natural administrative preference for Swedish suppliers and Swedish materials, despite the official Swedish liberal trading policy.

Principal sources

(1) Letter dated November 29, 1963, from the U.S. Embassy in Stockholm to Cravath Swaine & Moore, Paris.

(2) Airgram No. 448 dated November 29, 1963, from the U.S. Embassy in Stockholm entitled "Procurement: Swedish National and Local Government Procedures."

SWITZERLAND (MEMBER OF EFTA AND OECD)

Swiss Government procurement is generally subject to the provisions of the Order (Arrêté) dated March 4, 1924, of the Swiss Federal Council concerning federal government supply and works contracts.

The procedure for inviting tenders for supplies and the placing of orders depends usualy on the kinds of supplies to be purchased, but the procurement authorities have a great deal of discretion and supply contracts are usually awarded on grounds of technical suitability rather than solely on price.

Public works contracts and contracts for construction materials of any importance are usually awarded on the basis of public or selective tendering, in the complete discretion of the procurement authorities.

Article 3 of the decree of March 4, 1924, provides in part as follows:

"Preference will be given to Swiss industry in the case of offers which are approximately equal.

"Among Swiss bidders whose offers are equal, preference will be given to those who undertake to employ principally Swiss workers in the execution of the work or the supply contract."

Also, foreign suppliers and contractors must be represented in Switzerland by a person or firm domiciled in Switzerland (i.e., a representative, agency, or branch) and legally entitled to act on behalf of the foreign supplier or contractor.

The Federal railways are reported to have a buying policy based on sound economic principles and are unhampered in the choice of supplier by any specific statutory provisions.

Due in part to the traditionally decentralized nature of the Swiss Confederation, many public projects, including some which are totally or partially financed by the Federal Government, are carried out by cantonal and communal procurement authorities. They are for the most part required to give preference to suppliers and contractors located in the town, region, or canton concerned, or failing such a supplier or contractor, located elsewhere in Switzerland, if their prices are not substantially higher than those of other possible sources.

Semipublic services are not bound by any statutory requirements but, in practice, it may be assumed that private firms holding shares in a particular concern will be given preference when suppliers are chosen.

Principal sources

(1) Letter dated November 5, 1964, from the U.S. Embassy in Bern to Cravath, Swaine & Moore, Paris.

(2) Foreign Service Despatch No. 252 dated October 16, 1956, from the U.S. Embassy in Bern.

(3) U.S. Department of Commerce, "Selling in Switzerland," Overseas Business Reports, OBR No. 64–108 (September 1964).

UNITED KINGDOM (MEMBER OF EFTA, GATT, AND OECD)

There is no statute governing public procurement or requiring that public contracts be let by competitive bidding and advertising. Apart from the requirement that contracts involving £50,000 (about $140,000) or more be referred to the Treasury for review, if it is contemplated that the contract will be awarded to a foreign firm, the Government departments have full discretion to follow the practices best suited to their needs and the nature of the purchase.

Government contracts can be placed in one of the following three ways:

(1) Public tender—invitations to tender are normally published in the appropriate trade journals and, also where appropriate, in the public press.

(2) Selective tender—this method is used in the great majority of cases. Invitations to tender, which are not made public, are sent to a limited number of suppliers drawn from approved lists maintained for the purpose in respect of each class of goods which a department expects to buy. Although foreign materials are, in general, eligible for inclusion on such lists, their inclusion thereon is in the discretion of the particular department.

(3) Single tender—this method involves the negotiation of a contract with a selected firm and is used where circumstances do not permit normal competition, such as instances where it is impracticable to obtain the supplies elsewhere, either in the United Kingdom or abroad.

In the public tender and selective tender procedures, the contract is normally but not invariably awarded to the lowest bidder, thus leaving room for considerable administrative discretion.

The Stationery Office grants a 10-percent preference in favor of United Kingdom companies. Limited preference is also given by Government departments and nationalized industries to domestic firms located in districts declared to be in need of assistance because persistent and high unemployment exists, or is expected.

Contracts involving £50,000 or more are normally submitted for review to the Treasury, if it is contemplated that the contract will be awarded to a foreign firm. The Treasury is the instrument through which the Government exercises fiscal control over its constituent departments and is governed by a board of commissioners composed of the First Lord of the Treasury (an office usually held by the Prime Minister), the Chancellor of the Exchequer and a varying number of junior lords nominated by the First Lord and appointed by the Crown. If there are no overriding balance-of-payments considerations and if there is a significant saving to be realized by the letting of a contract to a foreign firm, the Treasury ordinarily does not oppose the awarding of a contract to a supplier or contractor outside the United Kingdom.

Since many contracts are placed under public supply agreements, or through selective tender from a closed list of suppliers, or by confidential negotiations, there are many opportunities for the exercise of discrimination by purchasing department. Moreover, in accordance with the practice reaffirmed by the Commonwealth Trade and Economic Conference in Montreal in 1958, purchasing departments intending to place orders abroad seek to inform themselves as to whether the goods concerned can be obtained on competitive terms within the Commonwealth.

The selective and discretionary process is best illustrated by the offers for building contracts which are solicited from short lists of selected firms appropriate to the particular project and are awarded to the firm making the lowest suitable offer. Contracts are not advertised in the press or put out for open competition in any way.

Another example recently brought to light in proceedings under the British Restrictive Trading Practices Act is illustrative of the sort of "gentlemen's agreement" approach which is employed by purchasing departments. The proceedings revealed that the British Postmaster General had concluded a Crown Agreement with a group of eight United Kingdom manufacturers to supply all telephone apparatus for the British Post Office. Under the terms of the agreement the Post Office and the manufacturers agreed on the specifications and the prices (which were not published), and, when a contract was to be let, the manufacturers' group selected one of the eight companies for the purpose. Exchange equipment, cables, and loading cables were covered by comparable agreements, which brought the total number of manufacturers involved to 13, 5 of whom were parties to more than 1 agreement.

Principal sources

(1) Airgram No. A-2658 dated May 6, 1963, from the U.S. Embassy in London entitled "United Kingdom Government Procurement Practices."

(2) Letters dated November 21, 1963, and January 2, 1964, from the U.S. Embassy in London to Cravath, Swaine & Moore, Paris.

(3) Whelan, "Public Contracts of the United Kingdom: A Comparative Survey and Introduction," 32 George Washington Law Review 80 (1963).

(4) Arthur Andersen & Co., "Tax and Trade Guide: United Kingdom" (New York, 1964).

FINLAND (ASSOCIATE MEMBER OF EFTA; MEMBER OF GATT)

Finland has no general laws or statutory regulations relating to public supply and public works contracts. Each contracting authority has its own special "provisions for procurement." Those of the National Board of Public Roads and Waterways (the NBR) relating to procurement of machinery and other equipment, which were approved on August 21, 1964, are regarded as typical. They provide for a system of selective tendering under which bids are requested from at least four vendors "known to be reliable and able to supply." Vendors who do not receive the initial invitation may, however, submit tenders if found to be qualified.

Paragraph 8 of section 2 provides as follows concerning the acceptance of tenders (official translation from Finnish):

"Such bid shall be accepted as is deemed to be the most advantageous from the point of view of the state. Solely the price quoted shall not be deemed to be decisive for an acceptance. Where the NBR accepts a bid which is higher than the lowest one, the respective motivation shall be duly recorded."

Preliminary investigation has revealed no Finnish laws or regulations which favor Finnish firms or Finnish products in the field of public contracts.

According to the U.S. Embassy in Helsinki, Finnish officials endeavor wherever feasible to satisfy their requirements from domestic sources, but there is no deliberate discrimination against foreign products or foreign bidders. The "Provisions for Procurement" of the NBR referred to above clearly contemplate the possibility of foreign contractors, but the above-quoted provisions concerning the acceptance of tenders obviously permit discrimination in favor of Finnish products and bidders.

Agreement of Association with the European Free Trade Association

The agreement creating an association between the member countries of the European Free Trade Association and Finland was signed in Helsinki on March 27, 1961, and entered into force on June 26, 1961. The first tariff reduction and the first relaxation of quantitative import restrictions took place on July 1, 1961, when duties on most of the trade in industrial goods between Finland and the seven member countries of EFTA were reduced by 30 percent.

The Agreement of Association provides for the application to Finland of most of the provisions of the Stockholm Convention establishing EFTA, including article 14 relating to purchases by public undertakings and article 16 relating to the right of establishment.

The Agreement of Association created a Joint Council composed of representatives of Finland and the seven in which each country has one vote and which has jurisdiction to deal with matters arising out of the Agreement of Association. Decisions of the Joint Council bind Finland and all of the seven. Decisions of the EFTA Council, if taken by a unanimous vote, are only binding upon Finland if referred to the Joint Council and accepted by Finland without reservation. Decisions of the EFTA Council taken by a majority vote, if referred to the Joint Council, becoming binding upon Finland if passed by an affirmative vote of four, whether or not Finland is one of those four.

Principal sources

(1) Letter dated November 3, 1964, from the U.S. Embassy in Helskini to Cravath, Swaine & Moore, Paris.

(2) Letter dated December 10, 1964, from the Embassy of Finland, Washington, D.C., to Cravath, Swaine & Moore, New York.

OTHER EUROPE

IRELAND (MEMBER OF OECD)

The Government Contracts Committee directs and controls the placing of contracts. There are no laws or specific statutory regulations relating to the awarding of government contracts. In general, the system prevailing in the United Kingdom is followed.

The general procurement procedure is one of selective tendering under which tenders are invited from all firms that are known to be interested which are considered capable of supplying satisfactorily the goods, services, or works required. If the contracting authority considers it necessary to secure satisfactory competition, use may be made of public tendering and invitations for tenders are published in the press and in trade and technical journals.

It is in the discretion of the contracting authority to invite foreign tenders but foreign firms that learn of invitations for tenders are not precluded from submitting tenders.

In cases where foreign tenders are solicited and/or submitted, preference is given to Irish firms to the extent of the duty or import quota in cases in which the goods to be purchased are subject to such a duty or quota and to an unknown extent in the case of nondutiable items or those not subject to quota.

Usually, but in the discretion of the contracting authority, the lowest suitable tender is accepted.

The Irish tariff is three column: Full, preferential, and special preferential. Special preferential rates apply to specified classes of goods originating in the United Kingdom and Canada and are generally equal to one-half or two-thirds of the full rates. Preferential rates apply to products of the Commonwealth not entitled to special preferential rates. Full rates apply to all other dutiable imports, including imports from the United States. Accordingly, U.S. firms are at a distinct disadvantage in bidding on Government contracts.

Principal sources

(1) Letter dated December 15, 1964, from the Embassy of Ireland, Washington, D.C., to Cravath, Swaine & Moore, New York.

(2) U.S. Department of Commerce, "Foreign Trade Regulations of Ireland," Overseas Business Reports, OBR No. 64-64 (June 1964).

SPAIN (MEMBER OF GATT AND OECD)

Public procurement in Spain continues to be governed by the provisions of the law on the state administration and accountability (Ley de Administracion y Contabilidad del Estado) of July 1, 1911, as amended by the law of December 20, 1952, until such time as the Government publishes an implementing text (texto articulado) of law No. 198 of December 28, 1963 (Boletin Oficial, Dec. 31, 1963), concerning the bases of Government contracts (Bases de Contratos del Estado).

Under the 1911 law, as amended, there are primarily three kinds of systems used in Government procurement: public tendering (subasta), competitive tendering (concurso-subasta) and direct contracting (concierto directo). Contracts for public works or public services to be carried out on behalf of the state are normally awarded through public tendering. The letting of contracts by competitive tendering and direct contracting is exceptional and the circumstances under which contracts may be awarded by those two methods are narrowly defined.

The formalities as to the publication of notices and specifications, etc., are not as great as in the case of competitive tendering as they are for public tendering. In the latter case the contract is normally awarded to the lowest bidder, that is, the one who makes the most economically advantageous offer consistent with the specifications. In the case of competitive tendering the contracting authority has the option of either awarding the contract for the works or services which are the subject of the tender or of nullifying it. The award is made by selecting the bid which offers the most advantages both in the light of the specifications and the various tenders, without any legal obligation to award the contract to the bidder offering the lowest price.

The new law will give much more discretion to the contracting authorities in the selection of the method which they use and also permits the use of a fourth method—selective tendering (concurso). In the case of public works contracts the contracting authorities will have complete discretion to choose between public and competitive tendering. The circumstances under which selective tendering and direct contracting may be resorted to will be defined in the implementing text. In the case of public supply contracts, selective tendering is specified as the normal method, with direct contracting permitted in exceptional and restricted cases. The new law also provides for the first time for the prior qualification and classification of public works contractors and the establishment of a Register of Contractors in which they are to be enrolled.

The new law provided that the implementing text was to be drawn up and promulgated by the Government within a period of 1 year. Under the provisions, however, of the decree-law of December 28, 1964 (Boletin Oficial, December 29, 1964), the Government was given an additional period of 4 months, that is, until April 30, 1965, in which to do so.

Article 10 of the law of November 24, 1939 (Boletin Oficial, December 15, 1939), for the Coordination and Protection of the National Industry (Protección y Fomento de la Industria Nacional) provides that a wide variety of public bodies must use articles exclusively of Spanish manufacture. A copy of an unofficial translation from Spanish of article 10 is attached hereto.

Principal sources

The foregoing is based principally on information obtained from private sources and the U.S. Department of Commerce.

SPAIN

(Law of November 24, 1939, for the Coordination and Defense of National Industries, (Boletin Oficial, December 15, 1939)—Unofficial translation from Spanish)

Article 10. In any works, installations, services and purchases carried out with funds of the state, provinces, municipalities, agencies, and delegations of the movement, monopolies, public service concessions or companies enjoying benefits or assistance in any administrative, economic, or financial form, use will solely be made of goods manufactured in Spain, as evidenced by the national certificate of manufacture issued by the Ministry of Industry and Trade.

Exceptionally and following consultations with the Technical Services of the General Directorate of Industry, the Ministry of Industry and Trade may authorize the purchase of foreign industrial products by special dispensation in each case, for one of the following reasons:

(1) When the national product is expressly declared to be unsuited for a specific purpose, following appropriate analyses, tests, or trials carried out at the request of the interested party.

(2) When the Spanish industry is unable to meet a recognized urgent need, provided the agency or body concerned in the purchase conclusively shows that the need in question was impossible to foresee in the time available, or that the product cannot be replaced in a shorter time by a similar article of national manufacture.

(3) When no similar article is nationally produced, subject to the proviso that no arbitrary, irregular or untoward competitive conditions unjustly excluding the national product shall be tolerated under such a pretext.

The foregoing conditions shall not exclude others which urgent circumstances and the special duties of the ministries responsible for national defense may require them to impose in regard to matters coming under their jurisdiction.

CANADA

(Member of GATT and OECD)

FEDERAL GOVERNMENT

In the case of Government departments other than the Department of Defense Production and Defence Production (1951) Limited, the procedures governing the awarding contracts are prescribed in the Government Contracts Regulations (P.C. 1964–1467 of September 23, 1964; S.O.R. 164–390, Canada Gazette, Part II, Vol. 98, No. 19, October 14, 1964), which were issued under the provisions of the Financial Administration Act (Rev. Stat. Canada, 1952, c. 116), as amended. A copy of the Regulations is attached hereto as Schedule A.

Contracts are divided into three categories with different tendering requirements established for each category as follows:

(1) Construction contracts (including repairs and alterations to works)—Tenders must be invited by public advertisement (which includes advertising in the public press) except where:

(a) the work is one of pressing emergency in which delay would be injurious to the public interest;

(b) the work can be more expeditiously and economically executed by the employees of the appropriate contracting authority; or

(c) the estimated cost of the work is less than Can. $15,000 and. in view of the nature of the work, it is not advisable to invite tenders.

(2) Purchase contracts (contracts for the supply of articles, commodities, equipment, goods, materials or supplies)—Tenders must be invited by public advertisement or from a representative list or lists of suppliers, except where

(a) the need is one of pressing emergency in which delay would be injurious to the public interest;

(b) there is only one available source of supply;

(c) the estimated cost is less than Can. $15,000 and, in view of the nature of the purchase, it is not advisable to invite tenders; or

(d) the contract is one of a class of contracts designated by the Treasury Board as a class in respect of which the invitation of tenders is not required.

(3) Service contracts—Tenders must be invited by public advertisement or from a representative list or lists of suppliers, except for those cases or classes of cases as to which it is not considered in the public interest to do so.

Under the provisions of the Defense Production Act, 1951 (Rev. Stat., 1952, c. 62), as amended, the Department of Defense Production procures material, equipment and supplies (including services) on behalf of the Department of National Defense. Defence Construction (1951) Limited, a government corporation organized under the provisions of Section 6 of the 1951 Act, undertakes construction on behalf of the Department of National Defense.

The Government Contract Regulations are not applicable to the Department of National Defense (except for provisions relating to bonds and security deposits), but its procurement practice is substantially the same as that followed by other Government departments. The Department does not, however, rely to the same extent as other departments on public advertisement for tenders and places more reliance on invitations for offers against specifications from lists of suppliers deemed to be in position to compete for the particular contract. The 1951 Act also gives the Department more flexibility and somewhat greater authority in purchasing, particularly to meet urgent defense requirements. The Act allows the Department to enter into contracts of greater value without prior approval by the Treasury Board than is the case for civil departments. Moreover, under certain circumstances, for example, during an emergency when delay would not be in the public interest or where there is only one source of supply or where there is need for defense secrecy, the Department is permitted by law to negotiate a contract directly with one firm or a few firms rather than use one of the other two methods.

The tendering procedures of Defence Construction (1951) Limited are the same as those for Government departments except for classified works as to which tenders are invited from a representative list of companies deemed qualified to perform the work satisfactorily.

In early 1965 the supply procurement responsibilities of the Department of National Defense were being expanded to include procurement for most civil departments. The development is described in the following excerpt from a speech made by Hon. C. M. Drury, Minister of Defense Production (and Industry), to the Purchasing Agents Association of Toronto on February 10, 1965:

"The [Canadian Government] Supply Service is a direct result of the recommendations of the Royal Commission on Government Organization, better known as the Glassco Commission. Following their detailed analysis of the activities of the Federal Government, the Commission recommended that a new Department of Supply be formed around the existing Department of Defence Production. The essence of their many recommendations on purchasing and supply was to form not only a consolidated purchasing agency, but also to group the supply activities relating to the civil departments and agencies in the same organization. This would then enable the Government to take advantage of all the opportunities for savings and improvements that would result from consolidation. The Government decided to proceed with these proposals.

"During the past eighteen months, Defence Production has been busily engaged in planning for its transformation into a new Department of Supply. Two important components of the new Department will be the Canadian Government Supply Service and the Canadian Government Purchasing Service. The latter consists of ten central purchasing branches, each of which specializes in the bulk buying of certain commodities or the procurement of major equipment."

There are no Canadian acts or regulations which discriminate in favor of Canadian firms and Canadian products. In practice, however, if the cost of Canadian goods is not higher than the laid-down duty-paid cost of imported goods, preference is given to the Canadian goods. A considerable element of discretion permitting discrimination derives from the fact that the larger contracts require approval of the Treasury Board, which is, in effect, a committee of the Cabinet. Accordingly, in deciding whether or not a preference should be given in a particular case for goods of Canadian origin, the Government is in position to take into account all relevant factors.

The Treasury Board also controls purchasing by the majority of Government corporations and agencies. There are, however, a number of Crown companies, corporations and boards (all of which are corporate bodies) established by special acts of the Canadian Parliament whose purchasing is to a large extent outside the jurisdiction of the Treasury Board and not subject to the Government Contract Regulations. Most of them are of a commercial nature with functions relating to transportation, marketing, trading or manufacturing.

The Canadian customs tariff also affords some opportunity for discrimination in favor of Commonwealth firms and suppliers. The tariff is protective and three-column. Goods from the United States are accorded most-favored-nation or middle rates, but the lowest or preferential rates are reserved for the United Kingdom and other Commonwealth countries. The highest or general rates apply to imports from countries with which Canada has no treaty or trade agreement.

In recent years, Canadian Government departments have been endeavoring to give preference to Canadian firms and Canadian materials by including, as a matter of administrative discretion, a clause in contracts requiring the use of Canadian labor and materials. Although the clauses vary in wording, most of them embody the phrase "consistent with proper economy".

Trade associations, and in particular the Canadian Manufacturers' Association, have conducted active "Buy Canadian" campaigns in recent years. In the brief of the Association to the Royal Commission on Canada's Economic Prospects in 1955, the Association urged the inclusion of a standard clause in all Government contracts which would provide as follows:

"To the full extent to which the same are procurable, consistent with proper economy and the expeditious carrying out of this contract, Canadian labour, parts and materials shall be used in the work."

The Federal Department of Public Works requires that, in contracts for the construction of highways, bridges, tunnels, etc., which are financed jointly by the Federal Government and the Provinces, the Provincial authorities accept tenders only from contractors resident in the particular Province or in another Province of Canada. Moreover, all material must be purchased in Canada in so far as possible.

By virtue of the joint defense procurement policy originating in the "Statement of Principles for Economic Cooperation" approved by the Letter Agreement dated October 26, 1950, between the United States and Canada (I UST 716), Canada and the United States do not discriminate against each other's materials and products in the field of procurement of defense supplies. The policy is not, however, applicable to defense construction. A copy of Section 6-103.5 of the Armed Services Procurement Regulation issued by the United States Department of Defense, which describes the policy as applied by the United States, is attached hereto as Schedule B.

Similar principles are applied by the Canadian Department of Defense Production.

PROVINCIAL GOVERNMENTS

Each Province tends to give preference in its purchasing to manufacturers, wholesalers or agents located in the Province. Active "Buy Provincial" campaigns have been conducted in recent years, particularly in the Provinces of Ontario and Quebec.

British Columbia: The British Columbia Purchasing Commission is charged with the purchase of all supplies required for the public service of the Province, including public institutions under the administration of the Provincial Government. Section 9 of the Purchasing Commission Act (Statutes of British Columbia, 1943, c. 54), provides as follows:

"Notwithstanding any of the provisions of this Act, the Commission shall have power to give a preference in favour of goods produced, manufactured, or sold within the Province; and in the case of goods required within a local area of the Province, in favour of goods produced, manufactured, or sold within that area."

The preference policies of the Commission are described in the following excerpt from a letter dated January 27, 1965, from the Chairman of the Commission:

"Since the Government of the day must find the money to pay for all purchases we do work under the publicly stated policy rules of the Government such as calling for quotes on all purchases, lowest quote to be accepted, other things being equal. Preference is given first to goods manufactured in B.C., then those made in Canada and lastly those made outside of Canada."

The policy of the British Columbia Hydro and Power Authority, a Crown agency which is responsible for the instruction, maintenance and operation of provincially owned public utilities facilities, is indicated by the following excerpt from a letter dated January 25, 1965, from the Manager, Purchasing & Stores Division, of the Authority:

"* * * I enclose, for your information, two copies of a brief summary of our purchasing policies. You will note that this policy contains the statement that: 'All things being equal, suppliers located in British Columbia will be given preference.' This clause does not prevent us, from time to time, giving a slight price preference to a British Columbia supplier if we considered it in the interest of the Authority to so do. It is our practice, if practical, to invite public tenders for all material, supplies and service over an estimated $10,000. On large contracts, where we deem it advisable, we seek tenders on a world-wide basis and place advertisements in leading trade publications in various countries, including the United States. In the U.S. we often advertise in the 'International Construction Reporter.' "

Manitoba: The Purchasing Bureau is responsible for the purchase of nearly all equipment and supplies required for provincial operations. Section 7(d) of the Government Purchases Act (Revised Statutes of Manitoba, 1954, c. 104) provides that "wherever possible, qualities and prices being equal, products or manufactures of the Province of Manitoba shall be purchased."

Nova Scotia: Under the provisions of the Purchases Act (Statutes of Nova Scotia, 1964, c. 4) the Government Purchasing Agency is responsible for the purchase of all supplies that are required by the Provincial departments and most Provincial boards, commissions and agencies. Section 8(b) of the Act provides that the Agency:

"(b) Insofar as it may be consistent with good business practices and in the public interest, shall purchase Nova Scotia products and purchase from persons who maintain and operate places of business in the Province of Nova Scotia;"

Ontario: The policy of the Department of Highways is indicated by the following excerpt from a letter dated February 3, 1965, from the Director, Legal Branch, of the Department:

"The Department follows the policy of buying supplies on a competitive basis with no limitation on the nationality of the bidder. If, however, two identical bids are submitted, one by a Canadian supplier and one by a non-Canadian supplier, the contract would be awarded to the Canadian supplier."

Quebec: Both the Provincial Purchasing Service of Quebec and the Quebec Hydro-Electric Commission are reported to discriminate in favor of Quebec firms. According to statements made to the press in 1963 by Commissioner Gignac, the Commission will pay to 10 percent more for a Quebec product than for the equivalent item manufactured elsewhere in Canada and up to 15 percent more for a Quebec product than for a foreign product. The Commission operates a public utility system which supplies electric light and power requirements to municipalities (including Greater Montreal and surrounding districts), industrial and commercial undertakings and private citizens. It is said to be the largest single buyer in Quebec with projected capital expenditures for 1964 exceeding Can$250,000,000.

The Provincial Purchasing Service is reported to have adopted guide lines essentially the same as those of the Hydro-Electric Commission. The policy is carried out by the Provincial Treasury Board, which must approve all purchases over Can$25,000.

Saskatchewan: Under the provisions of The Purchasing Agency Act (Revised Statutes of Saskatchewan, 1953, c. 42), the Saskatchewan Government Purchasing Agency is responsible for the purchase of most supplies required by provincial departments. Section 7 of the act provides as follows:

"In acquiring supplies the agency shall acquire, to the extent that it is practicable, supplies produced or manufactured in the province or sold by persons carrying on business in the province."

According to a booklet entitled "Selling to the Saskatchewan Government," published by the Ministry of Industry and Information, the basic provincial purchasing policy is to "purchase 'Made in Saskatchewan' goods, providing quality and price are satisfactory."

PRINCIPAL SOURCES

General

British Board of Trade "Canada: Selling to Federal and Provincial Public Departments" (London, 1963).

Federal

(1) Report dated March 17, 1960, to the United States Department of Commerce by the Commercial Attaché of the United States Embassy in Ottawa, entitled "Canadian Government Procurement Policies and Practices".

(2) Foreign Service Despatch No. 248 dated September 22, 1960, from the United States Embassy in Ottawa, entitled "Canadian Government Procurement Policies and Practices".

(3) Canadian Department of Trade and Commerce, "Selling to the Canadian Government" (Ottawa, 1960).

(4) United States Department of Commerce, "Import Tariff System of Canada," Overseas Business Reports, No. OBR 63-10 (January 1963).

Provincial

(1) Airgram No. A-35 dated March 4, 1964, from the United States Consulate in Quebec, P.Q., entitled "The 'Buy Quebec' Policy".

(2) Letter dated January 27, 1965, from the Chairman, British Columbia Purchasing Commission, Victoria, British Columbia to Cravath, Swaine & Moore, New York.

(3) Letter dated January 25, 1965, from the Manager, Purchasing & Stores Division, British Columbia Hydro and Power Authority, Vancouver, British Columbia, to Cravath, Swaine & Moore, New York.

(4) Letter dated February 17, 1965, from the General Purchasing Agent, Purchasing Bureau, Province of Manitoba, Winnipeg, Manitoba, to Cravath, Swaine & Moore, New York.

(5) Letter dated February 19, 1965, from the Director of Purchases, Government Purchasing Agent, Province of Nova Scotia, Halifax, Nova Scotia, to Cravath, Swaine & Moore, New York.

(6) Letter dated February 3, 1965, from the Director, Legal Branch, Department of Highways, Province of Ontario, Downsview, Ontario, to Cravath, Swaine & Moore, New York.

(7) Letter dated February 19, 1965, from the Director of Purchases, Purchasing Agency, Province of Saskatchewan, to Cravath, Swaine & Moore, New York.

SCHEDULE A. FINANCIAL ADMINISTRATION ACT

GOVERNMENT CONTRACTS REGULATIONS

(P.C. 1964-1467)

At the GOVERNMENT HOUSE
AT OTTAWA,
Wednesday,
the 23rd day of September, 1964.

Present: His Excellency the Governor General in Council.

His Excellency the Governor General in Council, on the recommendation of the Treasury Board, pursuant to the Financial Administration Act, is pleased hereby to revoke the Government Contracts Regulations made by Order in Council P.C. 1954-1971 of 16th December, 1954[1], as amended[2], and to make the annexed Government Contracts Regulations in substitution therefor.

REGULATIONS RELATING TO GOVERNMENT CONTRACTS

Short Title

1. These Regulations may be cited as the Government Contracts Regulations.

Interpretation

2. (1) In these Regulations:

(a) "Advance payment" means a payment made by or on behalf of Her Majesty under the terms of a contract prior to any work or specified part thereof being done under the contract;

---

[1] SOR/54-691, Canada Gazette, part II, vol. 89, No. 1, Jan. 12, 1955, p. 175 and Statutory Orders and Regulations Consolidation 1955, vol. 2, p. 1350.

[2] SOR/61-361, Canada Gazette, part II, vol. 95, No. 17, Sept. 13, 1961.

(b) "Amount", where used in respect of a contract, means the cost or price of the contract whether such cost or price is fixed or estimated;

(c) "Contract" means

(i) A contract for the construction or repair of a work (in these Regulations called a "construction contract"),

(ii) A contract for the supply of articles, commodities, equipment, goods, materials or supplies including a contract for printing or reproduction (in these Regulations called a "purchase contract"),

(iii) A contract for the furnishing or performance of a service of any kind (in these Regulations called a "service contract"), and

(iv) A lease or an agreement whereby Her Majesty acquires a leasehold interest in, or a license to occupy, real property situated in or outside Canada (in these Regulations called a "lease"),

entered into by or on behalf of Her Majesty in right of Canada;

(d) "Contracting authority" with respect to any contract, means

(i) The appropriate Minister as defined in subparagraphs (i) and (ii) of paragraph (a) of section 2 of the Financial Administration Act, and

(ii) The corporations named in Schedule B to the Financial Administration Act, the National Capital Commission, the National Battlefields Commission and the Northern Canada Power Commission;

(e) "Progress payment" means a payment made by or on behalf of Her Majesty under the terms of a contract in respect of a portion of the work done under the contract prior to the completion of the whole work to be done under the contract;

(f) "Public advertisement" means advertising in the public press; and

(g) "Tender" means,

(i) With respect to a construction contract, a tender invited by public advertisement, and

(ii) With respect to a purchase or service contract, a tender invited by public advertisement or from a representative list or representative lists of suppliers.

(2) For the purposes of these Regulations and for greater certainty each one of the following shall be deemed to be a construction contract:

(a) A contract for the supply of a structure prefabricated in accordance with plans and specifications supplied by the contracting authority;

(b) A contract for the construction or repair of a vessel;

(c) A contract relating to dredging;

(d) A contract relating to demolition, and

(e) A contract for the hire of equipment to be used in or incidental to the execution of a work.

Application

3. (1) Except as provided in this section, these Regulations apply to all contracts.

(2) These Regulations do not apply to

(a) Contracts entered into by a corporation named in Schedule C to the Financial Administration Act other than the National Capital Commission, the National Battlefields Commission and the Northern Canada Power Commission;

(b) Contracts entered into by a corporation named in Schedule D to the Financial Administration Act;

(c) Contracts for the conveyance of mail entered into under the Post Office Act;

(d) Contracts entered into by the Canadian Wheat Board;

(e) Contracts entered into by the National Film Board;

(f) Contracts for the purchase of metal entered into under the Currency, Mint and Exchange Fund Act;

(g) Contracts for construction of buildings entered into under the Veterans Land Act; and

(h) Contracts entered into under the Indian Act relating to Indian moneys as defined in that Act.

(3) Parts I to IV of these Regulations do not apply to contracts entered into under the Defence Production Act.

(4) Where by the Defence Production Act the approval of the Governor in Council is necessary or a report is required to be made to the Governor in Council

(a) In respect of a contract, or

(b) In respect of any of the matters mentioned in paragraph (f) of section 15 of the Defence Production Act,

such approval may be granted by and such report shall be made to the Treasury Board.

4. Nothing in these Regulations authorizes the appointment or employment of any person as an officer, clerk or employee of Her Majesty.

5. Where there is no authority under these Regulations for a contracting authority, without the approval of the Treasury Board.

(a) To enter into a contract; or

(b) To increase the amount payable under a contract,

the Treasury Board may approve the entry into the contract by the contracting authority or the increase in the amount payable under the contract, as the case may be.

6. Except as provided in these Regulations, no contract shall be entered into without the approval of the Treasury Board.

Part I. Construction contracts

Tenders

7. (1) Before any construction contract is entered into, the contracting authority shall invite tenders therefor, except where

(a) The work is one of pressing emergency in which delay would be injurious to the public interest;

(b) The work can be more expeditiously and economically executed by the employees of the appropriate contracting authority; or

(c) The estimated cost of the work is less than fifteen thousand dollars and it appears to the contracting authority, in view of the nature of the work, that it is not advisable to invite tenders.

(2) Where tenders have been obtained pursuant to subsection (1) and it appears to the contracting authority not to be expedient to let the contract to the lowest tender, the contracting authority shall obtain the approval of the Treasury Board to pass by the lowest tenderer.

Entry Into Construction Contracts

8. A contracting authority, without the approval of the Treasury Board, may enter into a construction contract if

(a) The amount payable under the contract does not exceed fifteen thousand dollars, or

(b) The amount payable under the contract exceeds fifteen thousand dollars but does not exceed one hundred thousand dollars and not less than two tenders have been obtained and the lowest tender accepted,

but the contracting authority shall make a report monthly to the Treasury Board in respect of every construction contract, the amount payable under which exceeds ten thousand dollars, that was entered into without the approval of the Treasury Board during the preceding month.

9. (1) The amount payable under a construction contract shall not be increased without the approval of the Treasury Board except

(a) Where the contract was entered into pursuant to paragraph (a) of section 8,

(i) In the event that before the construction contract was entered into not less than two tenders were obtained and the lowest tender accepted, the amount may be increased

(A) By not more than five thousand dollars, or

(B) To fifteen thousand dollars,

whichever results in the greater amount, and

(ii) In any other event, the amount may be increased to fifteen thousand dollars;

(b) Where the contract was entered into pursuant to paragraph (b) of section 8, the amount may be increased by not more than ten thousand dollars; or

(c) Where the contract was entered into with the approval of the Treasury Board, the amount may be increased

(i) By not more than ten per cent, or

(ii) By fifteen thousand dollars,

whichever results in the lesser amount.

(2) Notwithstanding subsection (1) where the amount payable under a construction contract has been increased with the approval of the Treasury Board, the aggregate increased amount payable under the contract, being the aggregate of the amount payable under the contract before such increase and the amount by which the contract was so increased, may be further increased, without the approval of the Treasury Board,

(a) By not more than ten per cent, or

(b) By fifteen thousand dollars,

whichever results in the lesser amount.

Part II. Purchase contracts

Tenders

10. Before any purchase contract is entered into, the contracting authority shall invite tenders therefor except where

(a) The need is one of pressing emergency in which delay would be injurious to the public interest;

(b) There is only one available source of supply;

(c) The estimated expenditure involved does not exceed fifteen thousand dollars and it appears to the contracting authority, in view of the nature of the purchase, that it is not advisable to invite tenders; or

(d) The contract is one of a class of contracts designated by the Treasury Board as a class in respect of which the invitation of tenders is not required.

Entry into Purchase Contracts

11. A contracting authority, without the approval of the Treasury Board, may enter into a purchase contract if

(a) The amount payable under the contract does not exceed fifteen thousand dollars, or

(b) The amount payable under the contract exceeds fifteen thousand dollars but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest tender accepted,

but the contracting authority shall make a report monthly to the Treasury Board in respect of every purchase contract, the amount payable under which exceeds ten thousand dollars, that was entered into without the approval of the Treasury Board during the preceding month.

12. A purchase contract may provide for the making of progress payments or advance payments in such amounts and at such times as may be agreed to,

(a) In the case of a purchase contract entered into pursuant to section 11, by the contracting authority, or

(b) In any other case, by the Treasury Board.

13. (1) The amount payable under a purchase contract shall not be increased without the approval of the Treasury Board except:

(a) Where the contract was entered into pursuant to paragraph (*a*) of section 11

(i) In the event that before the purchase contract was entered into not less than two tenders were obtained and the lowest tender accepted, the amount may be increased

(A) By not more than five thousand dollars, or

(B) To fifteen thousand dollars,

whichever results in the greater amount, and

(ii) In any other event, the amount may be increased to fifteen thousand dollars;

(b) Where the contract was entered into pursuant to paragraph (b) of section 11, the amount may be increased by not more than five thousand dollars; or

(c) Where the contract was entered into with the approval of the Treasury Board, the amount may be increased

(i) By not more than ten percent, or

(ii) By fifteen thousand dollars, whichever results in the lesser amount.

(2) Notwithstanding subsection (1) where the amount payable under a purchase contract has been increased with the approval of the Treasury Board, the aggregate increased amount payable under the contract, being the aggregate of the amount payable under the contract before such increase and the amount by which the contract was so increased, may be further increased without the approval of the Treasury Board

(a) By not more than ten percent, or

(b) By fifteen thousand dollars,

whichever results in the lesser amount.

Part III. Service contracts

Tenders

14. Before a service contract is entered into the contracting authority shall invite tenders except in such cases or classes of cases as the contracting authority considers the invitation of tenders not to be in the public interest.

Entry into Service Contracts

15. (1) A contracting authority may, without the approval of the Treasury Board, enter into a service contract (other than a contract that results in the appointment or employment of a person as an officer, clerk or employee of Her Majesty) for any of the following purposes:

(a) For engineering, architectural and other services required in respect of the planning, preparation for or supervision of the construction or repair of a work

(i) If the amount payable under the contract does not exceed twenty-five thousand dollars, or

(ii) If the amount payable under the contract exceeds twenty-five thousand dollars but does not exceed fifty thousand dollars and the specific work project has been approved in writing by the Treasury Board;

(b) For the hire of equipment, with or without the operator thereof, if

(i) The amount payable under the contract does not exceed fifteen thousand dollars, or

(ii) The amount payable under the contract exceeds fifteen thousand dollars but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest accepted

except in the event such equipment is to be used in or incidental to the execution of a work;

(c) For advertising services, if the amount payable under the contract does not exceed ten thousand dollars;

(d) For transportation services, regardless of the amount payable under the contract, if the service is to be furnished or performed by common carriers at rates not in excess of standard rates;

(e) For transportation services other than those described in paragraph (d) and for the hire or charter of vehicles, vessels or aircraft if

(i) The amount payable under the contract does not exceed twenty-five thousand dollars, or

(ii) The amount payable under the contract exceeds twenty-five thousand dollars but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest accepted;

(f) For the supply of electricity, gas, water (including sewage disposal services) or heat, regardless of the amount payable under the contract if the rates do not exceed the established rates charged to other comparable consumers in the same rate structure area in which the service is supplied, except that no contract shall be entered into without the approval of the Treasury Board where

(i) The rates charged are based on the value or assessed value of the property serviced, or

(ii) The contract involves payment by Her Majesty of negotiated installation or capital charges

(A) In the case of electricity, gas or heat in an amount exceeding five thousand dollars, or

(B) In the case of water, in any amount;

(g) For stenographic recording, reporting, transcription or similar services if the amount payable under the contract does not exceed five thousand dollars and the rates charged are no greater than the rates prescribed from time to time by the Treasury Board for those services;

(h) For maintenance services (including cleaning, laundry, drycleaning and towel services) and road clearing or snow, garbage and waste removal or disposal services if

(i) The amount payable under the contract does not exceed fifteen thousand dollars, or

(ii) The amount payable under the contract exceeds fifteen thousand dollars but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest accepted;

(i) For maintenance and inspection of elevators and escalators, regardless of the amount payable under the contract, if the rates charged are not greater than the rates prescribed from time to time by the Treasury Board for those services;

(j) For maintenance and inspection of boilers, fire alarm and sprinkler systems and other classes of equipment if

(i) The amount payable under the contract does not exceed fifteen thousand dollars, or

(ii) The amount payable under the contract exceeds fifteen thousand dollars but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest accepted;

(k) For the maintenance, repair, overhaul and refitting of vehicles, aircraft and other equipment if

(i) The amount payable under the contract does not exceed fifteen thousand dollars, or

(ii) The amount payable under the contract exceeds fifteen thousand dollars but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest accepted;

(l) For telecommunication services as follows:

(i) For telephone services, regardless of the amount payable under the contract, if the rates charged do not exceed the established rates charged to other comparable consumers in the same rate structure area in which the service is supplied and if the contract does not involve payment of capital or negotiated installation charges exceeding five thousand dollars,

(ii) In respect of all telecommunication services except as otherwise specified in this paragraph, if the amount payable under the contract for such service does not exceed fifteen thousand dollars and the contract does not involve payment of capital or negotiated installation charges exceeding ten thousand dollars,

(iii) In respect of rental of telecommunication equipment, if the amount payable under the contract for the rental of such equipment does not exceed fifteen thousand dollars and the contract does not involve payment of capital or negotiated installation charges exceeding ten thousand dollars,

(iv) For the rental of short or local lines, if the amount payable under the contract in respect of the rental of such lines does not exceed one thousand dollars, and

(v) In respect of rental of long lines, if the amount payable under the contract for the rental of such lines does not exceed fifteen thousand dollars;

(m) for air surveys and mapping services if

(i) The amount payable under the contract does not exceed twenty-five thousand dollars, or

(ii) The amount payable under the contract exceeds twenty-five thousand dollars, but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest accepted;

(n) For the relocation of powerlines, telephone lines, pipelines and similar installations that are not owned by Her Majesty, if the amount payable under the contract does not exceed one thousand dollars;

(o) For the processing of materials owned by Her Majesty if

(i) The amount payable under the contract does not exceed fifteen thousand dollars, or

(ii) The amount payable under the contract exceeds fifteen thousand dollars but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest accepted; and

(p) For catering services, if

(i) The amount payable under the contract does not exceed fifteen thousand dollars, or

(ii) The amount payable under the contract exceeds fifteen thousand dollars but does not exceed fifty thousand dollars and not less than two tenders have been obtained and the lowest accepted.

(2) A contracting authority, without the approval of the Treasury Board, may enter into a contract for the furnishing of performance of any service not specified in subsection (1), if the amount payable under the contract does not exceed five thousand dollars.

16. A service contract may provide for the making of progress payments or advance payments in such amounts and at such times as may be agreed to

(a) In the case of a service contract entered into pursuant to section 15, by the contracting authority, or

(b) In any other case, by the Treasury Board.

17. (1) No service contract the term of which exceeds five years shall be entered into without the approval of the Treasury Board.

(2) Subsection (1) does not apply to a service contract described in paragraph (f), (i) or (l) of subsection (1) of section 15.

18. (1) The amount payable under a service contract shall not be increased without the approval of the Treasury Board except,

(a) Where the contract was entered into, in accordance with these Regulations, without the approval of the Treasury Board, the amount may be increased to the maximum amount specified in section 15 for a contract of that kind; or

(b) Where the contract was entered into with the approval of the Treasury Board, the amount may be increased by not more than ten per cent.

(2) Where a service contract entered into with the approval of the Treasury Board has, set out in the Treasury Board approval thereof, the term or period during which the service is to be furnished or performed, the said term or period may, subject to paragraph (b) of subsection (1), be increased without the approval of the Treasury Board by not more than ten per cent.

19. Contracts for the performance of legal services may be entered into only by or under the authority of the Minister of Justice and these Regulations do not apply to such contracts.

Part IV. Leases

Entry into leases

20. (1) A contracting authority, without the approval of the Treasury Board, may enter into a lease,

(a) In the case of a lease required in connection with the administration of the Department of Public Works, where

(i) The annual rate calculated on the basis of the amount to be paid under the lease does not exceed fifteen thousand dollars and the term thereof does not exceed five years, or

(ii) The annual rate calculated on the basis of the amount to be paid under the lease exceeds fifteen thousand dollars but the total amount to be paid under the lease does not exceed fifteen thousand dollars; or

(b) In any other case, where

(i) The annual rate calculated on the basis of the amount to be paid under the lease does not exceed five thousand dollars and the term thereof does not exceed five years, or

(ii) The annual rate calculated on the basis of the amount to be paid under the lease exceeds five thousand dollars but the total amount to be paid under the lease does not exceed fifteen thousand dollars and the term thereof does not exceed one year.

(2) A contracting authority may, upon the termination of the term of a lease described in subparagraph (i) of paragraph (a) of subsection (1) or subparagraph (i) of paragraph (b) of subsection (1) of any premises, renew the lease or enter into a new lease of those premises, subject to the provisions set out in subsection (1) respecting the amount to be paid under the lease, but in no event, without the approval of the Treasury Board, may the contracting authority remain in continuous possession of the premises for longer than ten years except if each lease of the premises or each renewal of the lease is required in connection with the administration of the Department of Public Works and the amount to be paid under each such lease does not exceed five thousand dollars per annum.

(3) In no event, without the approval of the Treasury Board, may the contracting authority, upon the termination of the term of a lease, described in subparagraph (ii) of paragraph (a) of subsection (1) or subparagraph (ii) of paragraph (b) of subsection (1) of any premises, renew the lease or enter into a new lease of those premises except if the aggregate of amounts payable for possession of the premises under each lease of the premises and each renewal thereof does not exceed fifteen thousand dollars.

21. No contracting authority shall, without the approval of the Treasury Board, enter into a lease of premises intended to be used as living quarters for officers or servants of Her Majesty.

General

22. Notwithstanding anything in these Regulations, the Treasury Board may, in respect of a particular contracting authority, upon notification to the contracting authority, increase or decrease any one or more of the amounts specified in Parts I, II, III, and IV.

23. Nothing in these regulations authorizes the making of an ex gratia payment.

24. Notwithstanding anything in these Regulations, a contracting authority may execute on behalf of Her Majesty

(a) Any form of agreement in use by a railway company for permission to construct or maintain a private crossing for any department or agency of the Government of Canada, or a pipe or cable crossing over, across or under property of the company; or

(b) Any agreement with a railway, telegraph, telephone or power company for permission to attach wires to poles of the company at rates not in excess of those normally charged for such permission.

Part V. Bonds and security deposits

25. In this Part,

(a) "Bid bond" means a bond given to guarantee entry into a contract that is

(i) In a form approved by the Treasury Board, and

(ii) In the amount of at least 10 percent of the amount that would become payable under the contract if it were entered into;

(b) "Comptroller" means the Comptroller of the Treasury appointed under the Financial Administration Act;

(c) "Contract" means

(i) A construction contract, and

(ii) Any other contract in respect of which, in the opinion of the contracting authority, it is in the public interest to obtain security to ensure the due performance thereof;

(d) "Holdback" means the amount withheld under a contract pursuant to section 40 of the Financial Administration Act and includes a holdback within the meaning of section 32 of these Regulations;

(e) "Labour and material payment bond" means a bond given to guarantee the payment of certain persons performing labour or supplying materials that is

(i) In a form approved by the Treasury Board, and

(ii) In the amount of at least 50 percent of the amount payable under the contract in respect of which the bond is given;

(f) "Performance bond" means a bond given to guarantee performance of a contract that is

(i) In a form approved by the Treasury Board, and

(ii) In the amount of at least fifty percent of the amount payable under the contract in respect of which the bond is given; and

(g) "Security deposit" means

(i) A certified cheque drawn on a bank to which the Bank Act or the Quebec Savings Banks Act applies, or

(ii) Bonds of the Government of Canada or of a company included in "National Railways" (as that expression is defined in the Canadian National Railways Capital Revision Act) unconditionally guaranteed as to principal and interest by the Government of Canada, if such bonds are

(A) Payable to bearer,

(B) Hypothecated to the Minister of Finance and Receiver General of Canada in accordance with the Domestic Bonds of Canada Regulations, or

(C) Registered in the name of the Minister of Finance and Receiver General of Canada.

26. Where tenders are called in respect of a construction contract or where the contracting authority deems it appropriate, the contracting authority shall require every person wishing to enter into a contract to give to Her Majesty, to ensure the entry into the contract,

(a) A bid bond; or

(b) A security deposit in an amount, or having a par value, of not less than

(i) Ten per cent of the amount that would become payable under the contract, if it were entered into, where the amount payable does not exceed two hundred and fifty thousand dollars, or

(ii) Twenty-five thousand dollars plus five per cent of the amount by which the amount that would become payable under the contract, if it were entered into, exceeds two hundred and fifty thousand dollars, where the amount exceeds two hundred and fifty thousand dollars.

27. (1) Where a contract is entered into, a contracting authority shall require the contractor to give to Her Majesty

(a) A performance bond and a labour and material payment bond, or

(b) A security deposit in an amount calculated in accordance with paragraph (b) of section 26 and a labour and material payment bond.

(2) Where a contractor has not been able to obtain a labour and material payment bond as required by paragraph (a) or (b) of subsection (1) on making application therefor to at least two bonding companies, the contracting authority shall require the contractor to give to Her Majesty a security deposit in an amount calculated in accordance with paragraph (b) of section 26 together with an additional security deposit of at least ten per cent of the amount payable under the contract.

(3) Where a security deposit, other than an additional security deposit required pursuant to subsection (2), is required to be given by a contractor under this section, the amount of such deposit shall be reduced by the amount of any security deposit given pursuant to section 26.

28. (1) Notwithstanding section 26 or 27, in the case of a construction contract, the contracting authority may

(a) Accept security of less value or dispense with any security where

(i) The contract provides that the amount payable by or on behalf of Her Majesty is to be computed in relation to the cost incurred by the contractor, and

(ii) By the terms of the contract, the materials upon being incorporated in the work or otherwise appropriated to the contract become the property of Her Majesty;

(b) Accept security in such form and such amount as the contracting authority deems appropriate in the case of a contract for the construction or repair of a vessel;

(c) Limit the security deposit in respect of any one contract to one hundred thousand dollars, except that the amount of the additional security deposit required under subsection (2) of section 27 shall not be included therein; and

(d) Where the amount payable under the contract is less than twenty-five thousand dollars,

(i) Accept security in such form and such amount as the contracting authority deems appropriate, or

(ii) Dispense with any security.

(2) Where in the opinion of a contracting authority it is in the public interest to obtain security to ensure the due performance of a service contract or a purchase contract, the contracting authority may, notwithstanding section 26 or 27 in the case of the service or purchase contract, accept security in such form and such amount as the contracting authority deems appropriate.

29. Coupon bonds delivered as a security deposit under these Regulations shall have attached thereto all coupons that are unmatured at the time of such delivery.

30. Where a security deposit has been given under these Regulations in the form of a certified cheque and the amount of the cheque has been paid into the Consolidated Revenue Fund, interest shall be allowed on the said amount from the day on which it is paid into the Consolidated Revenue Fund until it is repaid or otherwise disposed of, at the rates that from time to time are applicable to deposits in the post office savings bank.

31. Whenever the amount payable under a contract is increased by reason of extras, additions or extensions, the contracting authority may require such additional security as he or it considers necessary to ensure the due performance of the contract.

32. (1) Subject to subsection (2), where the contracting authority deems it necessary, a construction contract may provide that progress payments shall be made thereunder in such amounts and at such times as may be agreed to by the contracting authority.

(2) Progress payments in respect of a construction contract shall not exceed such amounts as will ensure that the holdback is at least

(a) Five per cent of the value of the work done and the materials supplied under the terms of the contract, as determined by the contracting authority, where a labour and material payment bond has been provided, or

(b) Ten per cent of the value of the work done and the materials supplied under the terms of the contract, as determined by the contracting authority, where a labour and material payment bond has not been provided.

(3) Subsection (2) does not apply to a shipbuilding contract or to any contract under which the amount payable is to be computed in relation to the cost incurred by the contractor.

33. (1) The security deposit shall be paid

(a) to any person

(i) Who gives such security deposit pursuant to paragraph (b) of section 26, and

(ii) With whom Her Majesty is not prepared to enter into the contract in respect of which the security deposit is given; or

(b) to the contractor where, having given a security deposit pursuant to paragraph (b) of section 26, the contractor furnishes a performance bond and a labour and material payment bond pursuant to paragraph (a) of subsection (1) of section 27.

(2) Where a contract has been satisfactorily performed or has been terminated for a reason that is not attributable to any fault of the contractor and Her Majesty has no claim against the contractor arising out of or relating in any manner whatsoever to the contract in respect of which the security deposit or holdback may be required, the security deposit and the holdback shall be paid to the contractor.

(3) Where, in respect of any contract, the security deposit or the holdback is in excess of the amount required by the contract and these Regulations, the amount by which such security deposit or holdback exceeds the amount required shall be paid to the contractor.

(4) Where the work, or any part thereof, performed in respect of any contract is handed over to Her Majesty and the contractor is not in default under the contract, the contracting authority may pay to the contractor the amount by which

(a) the aggregate of the security deposit and the holdback exceeds

(b) an amount equal to

(i) the amount obtained by multiplying by two the value of the work that, in the opinion of the contracting authority, is still to be performed under the contract,

minus

(ii) the amount, if any, still payable by Her Majesty in respect of the work still to be performed under the contract.

(5) A contracting authority may direct that payments under this section be made to any person entitled thereto notwithstanding that such person is not a contractor or a person giving a security deposit pursuant to paragraph (b) of section 26.

34. Notwithstanding anything in these Regulations, a security deposit or holdback may be paid in such manner and at such time as the Treasury Board may direct.

35. Notwithstanding anything in these Regulations, the Treasury Board may authorize in any particular case or classes of cases the acceptance of security in a form and having a value other than prescribed in these Regulations.

36. (1) Where a security deposit, in the form of a certified cheque, is received from any person as a deposit incidental to a tender for a contract, the contracting authority shall hold the cheque

(a) until the tender is rejected, in which case the cheque shall be returned to the tenderer; or

(b) until the tender is accepted, in which case the cheque shall be forwarded to the Comptroller

(i) to be deposited to the credit of the Receiver General, or

(ii) in the event the contractor so directs, to be held uncashed, and thereafter the security deposit shall be dealt with in accordance with these Regulations.

(2) Where a security deposit, in the form of bonds, is received from any person as a deposit incidental to a tender for a contract, the contracting authority shall forward the bonds immediately to the Comptroller to be held by him or where the contracting authority considers its safe-keeping arrangements satisfactory, hold the bonds

(a) Until the tender is rejected, in which case the bonds shall be returned by the Comptroller or by the contracting authority, as the case may be, to the tenderer; or

(b) Until the tender is accepted, in which case the contracting authority shall

(i) In the event the bonds are being held by the contracting authority, forward the bonds immediately to the Comptroller to be held by him, and

(ii) In any event, notify the Comptroller that the bonds are to be dealt with in accordance with these Regulations.

(3) Where a bid bond, a labour and material payment bond or a performance bond is received by a contracting authority under these Regulations, the bond shall be held in the custody of the contracting authority.

37. Interest on security deposits deposited in the Consolidated Revenue Fund accrued up to the end of each fiscal year, or the matured coupons belonging to bonds deposited as security, may be paid or forwarded by the Comptroller to the contractor at the request of the appropriate contracting authority.

38. (1) Where money is received from any person as a deposit to ensure the return to the appropriate contracting authority in good condition of plans and specifications, the contracting authority shall hold the money

(a) In the case of the contractor, until the contract has been awarded whereupon the money shall be returned to the contractor, or

(b) In the case of any person other than the contractor, until the plans and specifications have been returned in a condition and within a time limit satisfactory to the contracting authority, whereupon the money shall be returned to such person.

(2) Where any person described in paragraph (b) of subsection (1) fails to return the plans and specifications in a condition and within a time limit satisfactory to the contracting authority, the contracting authority shall deposit the money, referred to in subsection (1), that was received from such person, to the credit of the Receiver General.

39. Where a payment under a contract has been withheld as a holdback under these Regulations to ensure the due performance of the contract and, pursuant to section 40 of the Financial Administration Act, the payment has been charged to the appropriation for that contract, the amount so charged shall be credited to a special account in the Consolidated Revenue Fund and shall only be paid out from such account in accordance with the contract and these Regulations.

APPENDIX

Subparagraphs (i) and (ii) of paragraph (a) of Section 2 of the Financial Administration Act, to which reference is made in subparagraph (i) of paragraph (d) of Section 2 of the Regulations, provide as follows:

"(i) with respect to a department mentioned in subparagraph (i) of paragraph (f) [that is, any of the departments named in Schedule A], the Minister presiding over the department,

"(ii) with respect to any other department, the Minister designated by the Governor in Council as the appropriate Minister,"

Schedules A, B, C and D of the Financial Administration Act, as amended, to which reference is made in Section 2 of the Regulations, are as follows:

SCHEDULE A.

Department of Agriculture.
Department of Citizenship and Immigration.
Department of Defence Production.
Department of External Affairs.
Department of Finance.
Department of Fisheries.
Department of Insurance.
Department of Justice.
Department of Labour.
Department of Mines and Technical Surveys.
Department of National Defence.
Department of National Health and Welfare.
Department of National Revenue.
Post Office Department.
Department of Public Works.
Department of Public Printing and Stationery.
Department of Resources and Development.
Department of the Secretary of State of Canada.
Department of Trade and Commerce.
Department of Transport.
Department of Veterans Affairs.
Department of Forestry.[3]

SCHEDULE B.

Agricultural Prices Support Board.
Atomic Energy Control Board.
Canadian Maritime Commission.
Director of Soldier Settlement.
The Director, The Veterans' Land Act.
Dominion Coal Board.
Fisheries Prices Support Board.
National Gallery of Canada.
National Research Council.
Unemployment Insurance Commission.

SCHEDULE C.

Canadian Arsenals Limited.
Canadian Commercial Corporation.
Canadian Patents and Development Limited.
Canadian Sugar Stabilization Corporation Ltd.
Commodity Prices Stabilization Corporation Ltd.
Crown Assets Disposal Corporation.
Defense Construction (1951) Limited.
Federal District Commission.
National Battlefields Commission.
National Harbours Board.
Park Steamship Company Limited.
Atomic Energy of Canada Limited.[4]

SCHEDULE D.

Canadian Broadcasting Corporation.
Canadian Farm Loan Board.
Canadian National (West Indies) Steamships, Limited.
Canadian Overseas Telecommunication Corporation.
Central Mortgage and Housing Corporation.
Eldorado Mining and Refining (1944) Limited.
Export Credits Insurance Corporation.
National Railways as defined in the Canadian National-Canadian Pacific Act.
Northern Transportation Company (1947) Limited.
Northwest Territories Power Commission.
Polymer Corporation Limited.
Trans-Canada Air Lines.
Eldorado Aviation Limited.[5]

---

[3] Added by the Department of Forestry Act, 1960 (8–9 Eliz. II, c. 41).

[4] Added by Order in Council dated September 15, 1953 (P.C. 1953–1401; SOR/53–382).

[5] Added by Order in Council dated September 15, 1953 (P.C. 1953–1402; SOR/53–383).

SCHEDULE B. CANADA

United States Armed Services Procurement Regulation (March 1, 1963)

6–103.5 Canadian Supplies.

(a) Listed: The Secretaries of the Departments have determined that it would be inconsistent with the public interest to apply the restrictions of the Buy American Act with respect to certain supplies, which have been determined to be of a military character or involved in programs of mutual interest to the United States and Canada, where such supplies are mined, produced, or manufactured in Canada and either (i) are Canadian end products offered by the lowest acceptable bid or proposal or (ii) are incorporated in end products manufactured in the United States. Each Department maintains a list of these supplies, which is approved by the Secretary concerned. (The Departmental lists provide that parts and equipment for listed supplies are considered to be included in the lists, even though not separately listed, when they are procured under a contract that also calls for listed supplies.)

(b) Not Listed: The Secretaries of the Departments have also determined that it would be inconsistent with the public interest to apply the restrictions of the Buy American Act (i) to the acquisition of any unlisted Canadian end product that is offered by a bid or proposal which is the lowest acceptable bid or proposal after any applicable duty (whether or not a duty-free entry certificate may be issued) is included for evaluation purposes, and (ii) with respect to any supplies mined, produced, or manufactured in Canada that are incorporated in end products manufactured in the United States.

(c) Application of Canadian Exception: The effect of (a) and (b) above may be summarized as follows.

(1) As to any end product that is manufactured in the United States, all Canadian components are treated as components mined, produced, or manufactured in the United States for the purpose of determining whether the end product is a domestic source end product.

(2) Listed Canadian end products are treated as domestic source end products and neither duty nor the evaluation factors prescribed by 6–104.4 shall be used for evaluation.

(3) Unlisted Canadian end products are evaluated by including any applicable duty, whether or not a duty-free entry certificate may be issued.

(4) Award will not be made for a Canadian end product if there is a lower bid or proposal which would be acceptable in the absence of the Buy American Act.

(d) Limitations: The above exceptions from the provisions of the Buy American Act which are applicable solely with respect to Canadian supplies, and the special procedures relating thereto which are set forth in this Part, do not apply to, or affect determinations made with respect to, (i) items contained in the list set forth in 6–105, (ii) the purchase of supplies for civil works acquired with funds appropriated for Civil Functions, Department of the Army, or (iii) food items.

FAR EAST

INDIA (MEMBER OF GATT)

According to reports from the U.S. Embassy in New Delhi, in recent years the Government has been under pressure from some elements of the Indian business community to take steps to enact a "Buy India" act but thus far the Government has resisted such pressure.

Nevertheless, in all fields of supply and works government procurement, every effort is made to use local Indian resources to the utmost extent possible, subject to limitations imposed by "tied" external financing arrangements, such as those of the U.S. Agency for International Development.

For example, the Directorate General of Supplies and Disposals, in implementing the policy, accords price preferences to locally manufactured items and may also allow some relaxations in specifications and standards for such items. In effect, the Directorate imports foreign items only when unavoidable because of inadequate domestic manufacturing capacity. The Directorate, which accounts for more than 5 percent of total Indian imports, is responsible for the procurement of the major portion of the supplies and equipment purchased by the Central Government of India, state governments, municipalities, district boards, port trusts, and various other official and quasi-official agencies.

Procurement by the Ministry of Railways, commonly known as the Railway Board, which exercises all the powers of the Central Government for the construction, maintenance, operation, and regulation of the Indian railway system, is governed by the provisions of "Indian Railway Code for the Stores Department." The Code provides that, when making purchases, preference shall be given to local materials and that they should be accepted unless it is considered that the quality cannot meet the standard required. The Board has interpreted the provision to mean that local materials will be utilized insofar as possible even though imported materials may be of better quality and on occasion cost less. Most of the tenders for equipment and materials procured by the Board outside India are to be financed by loans made by the International Bank for Reconstruction and Development, which requires international public bidding, and by the United States Agency for International Development.

PRINCIPAL SOURCES

(1) Airgram No. A–57 dated July 12, 1963, from the U.S. Embassy in New Delhi, entitled "Indian Government Procurement Procedures—Directorate General of Supplies & Disposals."

(2) Airgram No. A–81 dated July 19, 1963, from the U.S. Embassy in New Delhi, entitled "Indian Government Procurement Procedures—Railway Board."

(3) U.S. Department of Commerce, "Investment Factors in India," Overseas Business Reports, OBR No. 62–40 (December 1962).

(4) U.S. Department of Commerce, "India: A Growing Market for U.S. Products and Investment," Overseas Business Reports, OBR No. 63–26 (January 1963).

(5) Kust, "Foreign Enterprise in India: Law and Policies" (Chapel Hill (N.C.), 1964).

JAPAN (MEMBER OF GATT AND OECD)

The fundamental principle of Japanese Government procurement is competitive tendering with public advertisement, but many exceptions have been provided for in laws and orders pursuant to Article 29 of the Account Law. In many cases it is customary to adopt limited competition by selected suppliers.

The most important exceptions, which provide for an outright preference for Japanese products, are set forth in the Cabinet Order No. 336 of September 25, 1963 (published in the Official Gazette of the same date), which amended the special exceptions to the Cabinet order concerning budget, settlement of accounts and accounts (Imperial Order No. 558 of 1946) to provide additionally as follows (unofficial translation from Japanese):

"Article 4–(15). In purchasing any of the goods included in the goods designated by the Minister of Finance (hereinafter referred to as the 'Designated goods'), the chief of any Ministry or Agency may, for the time being for the purpose of encouraging the use of domestic products, make such purchase through limited competition, in addition as provided for in laws and orders in accordance with the provisions of Article 29–(3), paragraph 5, of the Account Law.

"Before inviting the limited competition in accordance with the provisions of the preceding paragraph, the Chief of any Ministry or Agency shall confer with the Minister of Finance.

"Article 4–(16). If the Chief of any Ministry or Agency finds that in a competitive bidding invited with respect to the purchase of any of the Designated goods, there are two or more persons who have offered the same price that would make their bids successful, he may, for the time being, designate as the successful bidder, the person who will supply such Designated goods in domestic products. If, in that case, there are two or more persons who would be the successful bidders, the successful bidder shall be determined in accordance with the provisions of article 83 of the Cabinet Order."

According to Japanese counsel, the "Buy Japan" policy reflected by the above-quoted provisions will be carried on in such a way as to give preference to Japanese goods, regardless of cost, notwithstanding the provisions of article 4–(16).

Notification No. 382 dated December 13, 1963, of the Minister of Finance (published in the Official Gazette of the same date), a copy of an unofficial translation from Japanese of which is attached hereto as Schedule A, designated 14 items, including automobiles, office machines, and agricultural machinery, for purposes of Article 4–(15) of the Cabinet Order, that is, items that can be purchased by selecting suppliers without recourse to public tendering.

The Cabinet Order and the Ministerial Notification obviously have the effect of virtually shutting out from Government procurement foreign-made articles on the list because only Japanese manufacturers and dealers with items made in Japan will be permitted to participate in the bidding. Proposals have also been made to broaden the list of designated articles.

The Cabinet Order of September 25, 1963, was adopted in implementation of the "Buy Japan" policy laid down in the Cabinet Decision of September 20, 1963 (Cabinet (TSU) No. 90 of 1963), in the following terms (unofficial translation from Japanese):

"In order for the Japanese economy to attain growth at the rate expected by the Government, the Government should take the lead in carrying out such measures as are within its jurisdiction to take, while keeping the international payments in balance and at the same time voluntary cooperation should be expected from the Industrial & Financial Circles.

"So far, there has been a tendency in this country for excessive preference for foreign products and it is often the case that foreign products are used despite the fact many domestic products are available which are not inferior to foreign counterparts in quality, performance, design, price, etc. Such tendency is particularly conspicuous with respect to machineries, partly because they are low in reliability, the important factor that makes them competitive as a result of insufficient experience in their manufacture and use. Such tendency seems to be threatening to aggravate with the furtherance of liberalization from now on.

"It is therefore decided that correct evaluation for domestic products, including machineries, be established and that effort be made to encourage the use of domestic products by the Government and Government agencies, in order to prevent the outflow of foreign exchange through unnecessary imports and to promote the domestic industries.

"The local public entities, the industrial and financial circles are hereby called upon to render cooperation in this matter."

By Cabinet decision of November 1, 1963, a copy of an unofficial translation from Japanese of which is attached hereto as Schedule B: The Department for Standardization of Government Goods and Promotion of Use of Domestic Products was established in the Office of the Prime Minister of Japan for the purpose, among others, of promoting the "Buy Japan" policy.

In the field of public works, Japanese construction firms are clearly favored under the construction enterprises law of 1949, which requires a foreign construction firm to qualify as a Japanese firm and contractor under the provisions of that law in order to bid on or participate in a construction contract of the Japanese Government. Contractors must first make application for registration and a license to the Ministry of Construction or the appropriate prefectural government and, except in the case of small projects, contractors who obtain licenses also must make application to become "designated contractors." That procedure involves the rating of contractors according to their size and capabilities.

The Minister of Home Affairs still had under consideration in February 1965 the issuance of "Buy Japan" instructions to the various local governments, but by then many Government-owned corporations had also initiated action to implement the "Buy Japan" policy. By notification No. 45 of July 3, 1964 (published in the Official Gazette of the same date), the Nippon Telegraph and Telegraph Public Corporation, which operates all the domestic telecommunications facilities, amended its accounting regulation by the insertion of the following provision (unofficial translation from Japanese):

"(Preference of domestic products in case of same price offered in bidding.)

"Article 42-2. If in a competitive bidding invited with respect to the purchase of any of the goods falling within the items to be provided for separately, there are two or more persons who offered the same price that would make their bids successful, the person who will supply the goods which are among the designated domestic products shall be the successful bidder."

The items referred to are the same as those designated by Notification No. 382 dated December 13, 1963, of the Minister of Finance, and Article 42-2 apparently will be applied in the same way as Article 4-(16) quoted above on page 2 so as to give preference to Japanese goods regardless of cost.

The Japanese Monopoly Public Corporation has not codified the "Buy Japan" policy in its regulations, but, in recognition thereof, it has limited its purchase of automobiles to domestic products.

Similarly, the Japanese National Railways have taken the position that there is no need for codification because their policy already is to purchase domestic products in most cases.

By Cabinet Decision of September 25, 1964, it was decided to initiate a strong drive on the entire domestic front for recognition of the excellence of domestic products. For that purpose the Domestic Product Promotion and Improvement Headquarters, an incorporated foundation (Zaidan Hojin), was designated to conduct a campaign to encourage and expand the use of domestic products. By Cabinet Decision of October 13, 1964, the week of November 16–22 was fixed as "recognition week" for the second half of 1964.

PRINCIPAL SOURCES

(1) Memoranda dated December 5, 1963, May 2, 1964, June 10, 1964, September 17, 1964, and December 18, 1964, prepared by McIvor, Kauffman & Christensen, attorneys of Tokyo, Japan, for Cravath, Swaine & Moore, New York.

(2) Foreign Service Despatch No. 1094 dated March 11, 1960, from the United States Embassy in Tokyo, entitled "Procurement Practices and Policies of the Government of Japan".

SCHEDULE A—JAPAN: MINISTRY OF FINANCE NOTIFICATION NO. 382 DATED DECEMBER 13, 1963 (OFFICIAL GAZETTE, DECEMBER 13, 1963)

(Unofficial translation from Japanese)

In accordance with the provisions of Article 4-15, paragraph 1, of the Special Exceptions to the Cabinet Order concerning Budget, Settlement of Accounts and Accounts (Imperial Order No. 558 of 1946), the items mentioned hereunder were designated.

December 13, 1963.

KAKEUI TANAKA,
Minister of Finance.

1. Four-wheeled vehicles:
(a) Passenger car (including car for passenger and cargo use).
(b) Buses.
(c) Trucks.
2. Calculation-type electronic computer (including input and output power apparatus and auxiliary parts).
3. Office machines:
(a) Electric computers, accounting machines, cash registers.
(b) Typewriters.
(c) Copying machines and rotary mimeographs.
(d) Micro-photographic equipment.
4. Air-conditioners.
5. Measuring apparatus and measuring instruments:
(a) Testers.
(b) Electric measuring instruments.
(c) Analyzers.
(d) Water gauges.
(e) Scales.
6. Civil engineering and construction machinery:
(a) Caterpillar tractors.
(b) Shovel-type digging machines.
7. Agricultural machinery:
(a) Wheeled tractors.
(b) Plows and harrows.
8. Wired and wireless communication apparatus, wireless applied apparatus and their parts:
(a) Wired telegraphic instruments.
(b) Wired telephone equipment.
(c) Electric communication equipment for carrier system.
(d) Wireless communication apparatus.
(e) Wireless applied apparatus.
(f) Parts for equipment and apparatus mentioned in (a) through (e).
9. Wires and insulating cables.
10. Aircraft.
11. Thermal electric generators:
(a) Dynamos.
(b) Steam boilers and their auxiliary equipment.
(c) Steam turbines (including steam condensers).
12. Pumps, blowers (including exhaust blowers), and compressors.
13. Printing and bookbinding machines.
14. Machine tools:
(a) Lathes.
(b) Drilling machines and boring machines.
(c) Milling machines.
(d) Planing machines.
(e) Grinding machines.

SCHEDULE B—JAPAN: CABINET DECISION OF NOVEMBER 1, 1963, REGARDING ESTABLISHMENT OF THE DEPARTMENT FOR THE STANDARDIZATION OF GOVERNMENT GOODS AND PROMOTION OF USE OF DOMESTIC PRODUCTS

(Unofficial translation from Japanese)

1. Establishment: For the purpose of the Government and Government agencies making efficient use of the appropriated money and assisting in the promotion of industrial standardization by standardizing the goods to be purchased by them, and encouraging the use of domestic products by giving preference to the purchase of domestic products, and in order to attain closer connection and coordination among the agencies concerned and carry out the policies uniformly, there shall be established in the Prime Minister's Office the Department for Standardization of Government Goods and Promotion of Use of Domestic Products (hereinafter referred to as the "Department").

2. Organization: The organization of the Department shall be as set forth below; provided, however, that the members may be added to as the necessity arises.

Chief of Department: General Affairs Deputy Director, Prime Minister's Office.

Members: Chief of Deliberation Office, Prime Minister's Secretariat, Chief of Inspection Bureau, Administrative Management Agency, Chief of Budget Bureau, Ministry of Finance, Chief of Heavy Industry Bureau, Ministry of International Trade and Industry, Standard Department, Agency of Industrial Science and Technology, and Chief secretaries or similar persons of the following Ministries and agencies:

Police Agency, Imperial Household Agency, Administrative Management Agency, Hokkaido Development Agency, Defense Agency, Economic Planning Agency, Science and Technology Agency.

3. Operation:

(1) The Department shall hold a meeting from time to time when necessary, such meeting to be called by the Chief of the Department.

(2) The Department shall hold, from time to time when necessary, a meeting of the Managing Committee composed of officials of the agencies concerned, such meeting to be called by the Chief of Deliberation Office, Prime Minister's Secretariat.

(3) The general affairs of the Department shall be handled by the Deliberation Office, Prime Minister's Secretariat, and the Heavy Industry Bureau, Ministry of International Trade and Industry, or the Standard Department, Science and Technology Agency.

THE PHILIPPINES

Philippine central procurement activities are carried on by a number of departments, agencies and government corporations, as well as by provinces, cities and municipalities. The most important national procurement authorities are the Department of Public Works and Communications (through the Director of Public Works) and the Department of General Services (through the Bureau of Supply Coordination). The Director of Public Works is generally responsible for contracts relating to the construction and repair of public works and buildings. Revised Administrative Code, section 1901. Rule 1 of the "Rules, Procedure, and Guides Governing the Procurement of Supplies, Materials, Equipment, and Non-Personal Services" (hereinafter called the Supply Rules), promulgated by Department Order No. 32 of the Secretary of the Department of Public Works (59 Official Gazette [O.G.] 1895, March 25, 1963) contains the following provisions with regard to supply contracts:

"Rule 1. Who are required to file requisitions with the Bureau of Supply Coordination.—All departments, bureaus, and offices of the National Government, including their branches, dependencies, and instrumentalities, shall file their requisitions for supplies, for official use, with the Bureau of Supply Coordination. However, government-owned or controlled corporations, and provinces, cities, and municipalities may avail of the procurement service of the Bureau at their option. They shall be subject, however, to these rules and regulations."

The basic principle that public contracts shall be awarded only through public bidding is well established in Philippine law and practice. In the field of public service and public supply contracts, Executive Order No. 298 of August 12, 1940, as last amended by Executive Order No. 40 of June 1, 1963 (59 O.G. 3579), provides that no contract for public service or for furnishing supplies, materials and equipment to the government or any of its branches, agencies or instrumentalities shall be renewed or entered into without public bidding, except for "very extraordinary reasons" to be determined by a committee the composition of which is specified in the Executive Order. The Order contains exceptions for emergency purchases and for purchases from an exclusive dealer or manufacturer. A copy of Executive Order No. 298, as amended, is attached hereto as Schedule A.

In the case of public works contracts, Section 1917 of the Revised Administrative Code, a copy of which is attached hereto as Schedule B, provides that contracts for all national public works involving an estimated cost of 10,000 pesos (about $2,600) or more shall, with the exceptions therein provided, be awarded to the "lowest responsible bidder" after publication in the Official Gazette. The annual public works appropriation acts usually contain a provision making publication of the calls for bids for public works projects in newspapers sufficient compliance with the advertising requirement contained in Section 1917. See, for example, Section 14 of Republic Act No. 2701 of June 18, 1960.

Executive Order No. 114 of December 27, 1947 (44 O.G. 11) provides that, except in cases of urgent necessity and those where the law or charter of the particular corporation concerned expressly authorizes the award of public works contracts without public bidding, all contracts for repair or construction works entered into by government-owned or controlled corporations, when the estimated cost is 3,000 pesos (about $780) or more, shall be submitted to public bidding and awarded to the lowest responsible bidder after publication or advertisement.

Generally, a qualified bidder who has properly exercised his right to bid is entitled to the award only if (1) he is the lowest bidder; (2) he has complied with the requirements and specifications of the advertised proposals to bid; and (3) his bid proves to be "advantageous" to the Government. See *Dumdum v. Secretary of Public Works and Communications* et al., 54 O.G. 1844 (1957) (Philippine Court of Appeals). In the case of public works contracts, the terms "lowest responsible bidder" in Section 1917 of the Revised Administrative Code is interpreted to mean the lowest bidder in price who the contracting authority determines has the requisite business judgment, capacity, skill and responsibility and who proposes to furnish contract materials of the requisite quality.

Supply Rule No. 46 establishes the following criteria for the award of supply contracts:

"Rule 46: Basis of awards.—Contracts shall be generally awarded to the lowest complying bidder. The following points shall be the basis for making awards:

(1) Public interest;

(2) Price quoted, considering the Flag Material Law, Commonwealth Act 138, (see Appendix H) and other laws and policies pertinent to procurement;

(3) Quality and kind of supplies offered and/or conformity with specifications;

(4) Time of delivery. When time is essential, the bidder who offers to deliver within the period stipulated in the invitation to bid shall be awarded the contract; provided that the price is not unreasonably higher than the lowest price offered;

(5) Whether the offer is whole or partial. All other things being equal, the bidder who offers to supply the whole quantity shall be preferred in order to obtain uniformity in quality, tensile strength, color shade, etc.;

(6) Reliability of supplier as bidder or contractor. The supplier may be required to furnish satisfactory evidence of his ability to comply with the contract;

(7) Requirement and recommendation of the using unit or agency. Justifications (for recommending an award) that are not contained in the advertisement for bids should not be entertained.

"The Director may consult the NASSCO on requisitions for shop manufacturing work; the National Development Company on clothing materials; the National Coconut Corporation on laundry soap; the Cebu Portland Cement on cement; and other government agencies for supplies about which they have official technical knowledge, familiarity, and/or authority."

Philippine laws and regulations abound in provisions that discriminate against foreign bidders and foreign products, some of which are in seeming conflict with one another. The basic preferential provisions are contained in the so-called Philippine Flag Law (Commonwealth Act No. 138 of November 7, 1936, 36 Philippine Annotated Laws [PAL] §§ 12–15), a copy of which is attached hereto as Schedule C. The Law is obviously based on the Buy American Act of 1933 of the United States.

Section 1 of the Flag Law contains broad provisions requiring every governmental instrumentality of any nature to give preference to materials and supplies produced, made and manufactured in the Philippines or in the United States, and to domestic entities, in the purchase of articles, materials and supplies for public use, public buildings and public works. Section 3 provides, among other things, that only articles, materials and supplies grown, produced or manufactured in the Philippines or in the United States shall be purchased for public use. When the lowest foreign bid, including customs duties, exceeds 2,000 pesos (about $520), the award must be made to the lowest domestic bidder, provided his bid is not more than 15 percent, in excess of the lowest foreign bid.

For purposes of the Law, the term "domestic entity" is defined to mean any citizen of the Philippines or of the United States habitually established in business and engaged in the manufacture or sale of the merchandise covered by his bid, or any corporate body or commercial company duly organized and registered under the laws of the Philippines, 75 percent of which is owned by citizens of the Philippines or of the United States, or both.

The application of the Flag Law is buttressed by the general provisions of annual appropriations acts, which usually contain a proviso granting a 10 percent differential in addition to that granted by the Flag Law. For example, section 9 of the Appropriation Act for the fiscal year July 1, 1963–June 30, 1964 (Republic Act No. 3845 effective July 1, 1963), provides as follows:

"Sec. 9. Purchase of locally manufactured equipment, parts, accessories, supplies, and materials.—All appropriations for the purchase of equipment, supplies and materials authorized in this Act shall be available only for locally manufactured equipment, parts, accessories, supplies and materials, except when none is available in the market, or when the prices of the locally manufactured article exceed those determined by the Flag Law by ten percent."

Other discriminatory provisions are contained in Commonwealth Act No. 541 of May 26, 1940 (36 PAL 325–326), a copy of which is attached hereto as Schedule D. Act No. 541 requires all branches, offices and subdivisions of the government and all government-owned or controlled companies authorized to contract, and make disbursements, for construction or repair of public works to give preference in awarding contracts to Filipino and American contractors and domestic entities when the lowest bid of a domestic bidder is not more than 15 percent in excess of the lowest foreign bid, subject to the proviso that "foreign bids" shall not be allowed on national defense construction contracts.

Act No. 541 differs from the Flag Law in that:

(a) Act No. 541 gives preference only to persons whereas the Flag Law gives preference not only to persons but also to articles, materials and supplies.

(b) Act No. 541 contains an absolute prohibition against the admission of foreign bids on national defense construction contracts.

Still further discriminatory provisions are contained in Republic Act No. 912 of June 20, 1953 (36 PAL §§ 16–20), a copy of which is attached hereto as Schedule E. Section 1 of that Act provides that in construction or repair work undertaken by the Government, whether done directly or through contract awards, "Philippine made" materials and products, whenever available, practicable and usable, and if they will serve the purpose as well as foreign made products or materials, shall be used. In effect, Act No. 912 greatly diminished the preference enjoyed by domestic bidders and domestic products under the Flag Law, insofar as materials and products for "construction or repair work" undertaken by the government are concerned. The principal differences between the Flag Law and Act No. 912 are as follows:

(a) The Flag Law requires that raw materials used or to be used in the manufacture of products be substantially of the growth, manufacture or production, as the case may be, of the Philippines or the United States, whereas Act No. 912 requires merely that the materials or products be Philippine-made, without any further requirement as to the percentage or quantity of the local raw materials that go into the manufacture of the products.

(b) The Flag Law contains a scale of differentials in favor of domestic bidders, entities and products, whereas no such differential in prices is provided in Act No. 912.

A fourth discriminatory provision is contained in Public Act No. 4239 of August 22, 1935 (36 PAL § 24), section 1 of which provides as follows:

"Section 1. No contract for the construction of any public building, excavation, pipe laying, bridges, piers, drainage, roads, water works, irrigation projects, or any other class of public works or improvements which shall be undertaken and done at the expense of the government or semi-government entities, shall be awarded to any contractor who is not a citizen of the Philippine Islands or of the United States, or of any country the laws of which grant similar right or privilege to citizens of the Philippine Islands or of the United States, nor to any association or corporation that is not duly registered or incorporated under the laws of the Philippine Islands, and of which at least seventy per centum of the capital stock or of any interest in said capital stock, belongs wholly to citizens of the Philippine Islands or of the United States."

The application of the Flag Law, Commonwealth Act No. 541 and Public Act No. 4239 to foreign bidders and materials with the exception of United States bidders and materials is clear. The application thereof to United States bidders and materials must be considered in the light of the provisions of Republic Act No. 76 of October 21, 1946 (18 PAL § 43), and Article VII of the Trade

Agreement of July 4, 1946 (61 Stat. 2611), as revised by an agreement signed on September 26, 1955 (6 U.S. Treaties and Other International Agreements 2981) (hereinafter called the Revised Trade Agreement).

Section 1 of Republic Act No. 76 provides as follows:

"Section 1. Existing laws or the provisions of existing laws granting privileges, rights or exemptions to citizens of the United States of America or to corporations or associations organized under the laws of any of the States of the United States of America, which are not enjoyed by citizens or nationals of any other foreign State or by corporations or associations organized under the laws of such State, are hereby repealed unless they affect rights already vested under the provisions of the Constitution or unless extended by any treaty, agreement or convention between the Republic of the Philippines and the United States of America."

Article VII of the Revised Trade Agreement provides as follows:

"1. The United States of America and the Republic of the Philippines each agrees not to discriminate in any manner, with respect to their engaging in business activities, against the citizens or any form of business enterprise owned or controlled by citizens of the other and that new limitations imposed by either Party upon the extent to which aliens are accorded national treatment with respect to carrying on business activities within its territories, shall not be applied as against enterprises owned or controlled by citizens of the other Party which are engaged in such activities therein at the time such new limitations are adopted, nor shall such new limitations be applied to American citizens or corporations or associations owned or controlled by American citizens whose States do not impose like limitations on citizens or corporations or associations owned or controlled by citizens of the Republic of the Philippines.

"2. The United States of America reserves the rights of the several States of the United States to limit the extent to which citizens or corporations or associations owned or controlled by citizens of the Philippines may engage in any business activities. The Republic of the Philippines reserves the power to deny any rights to engage in business activities to citizens of the United States who are citizens of States, or to corporations or associations at least 60 percent of the capital stock or capital of which is owned or controlled by citizens of States, which deny like rights to citizens of the Philippines or to corporations or associations owned or controlled by citizens of the Philippines. The exercise of this reservation on the part of the Philippines shall not affect previously acquired rights, provided that in the event that any State of the United States of America should in the future impose restrictions which would deny to citizens or corporations or associations owned or controlled by citizens of the Philippines the right to continue to engage in business activities in which they were engaged therein at the time of the imposition of such restrictions, the Republic of the Philippines shall be free to apply like limitations to the citizens or corporations or associations owned or controlled by citizens of such States."

The Revised Trade Agreement will expire on July 3, 1974, unless extended, which seems unlikely, or unless abrogated or modified prior to July 3, 1974, by mutual agreement between the United States and the Philippines, which seems more likely in view of the highly nationalistic opposition to most of its provisions by many Filipinos.

The application of Act No. 76 and Article VII has been the subject of several conflicting interpretations.

In an informal opinion addressed to an undisclosed private company in August 1962, Mr. John J. Czyzak, the then Assistant Legal Adviser for Far Eastern Affairs of the United States Department of State, stated that the Department did not consider that Article VII of the Revised Trade Agreement was applicable to government procurement of goods or services either in the United States or in the Philippines and that whether foreign bidders may participate in such procurement is within the discretion of either government. The opinion is directed specifically to Commonwealth Act No. 541 but obviously has much broader application. The opinion reads in part as follows:

"The United States 'Buy American Act' is not unlike Philippine laws relating to governmental procurement contracts in that it also establishes preferences in favor of domestic bidders. Executive Order 10382 prescribes the procedures and provides the tests for determining whether an offer by a domestic supplier is unreasonable, thus allowing an award to a foreign bidder. While in the case of Philippine laws the differential is 15 percent, under the Buy American Act, it is either 6 percent, after deducting the duty and costs incurred after arrival in the United States, or 10 percent excluding such duty and costs.

"The lack of specific provision on government procurement in the Revised Trade Agreement indicates that the agreement was not intended to interfere with the operation of either the 'Buy American Act' or like Philippine laws.

"Although Commonwealth Act No. 541 provides for equality of treatment as between Philippine and American bidders, your attention is invited to Republic Act No. 76, an act approved October 21, 1946, which provides that the laws of the Philippines granting privileges, rights or exemptions to citizens of the United States or to corporations or associations organized under the laws of the United States which are not enjoyed by citizens or nationals of any other foreign state or by corporations or associations organized under the laws of such state are repealed unless they affect the right already vested under provisions of the Philippine Constitution or unless extended by any treaty, agreement or convention between the Philippines and the United States. Since government procurement of goods or services lies outside the scope of Article VII of the Philippine Trade Agreement, the saver clause of Republic Act No. 76 would appear to be of no avail. Accordingly, an American bidder is on the basis of the Philippine laws subject to the 15 percent differential in the same manner as any other foreign contractor bidding on Philippine contracts."

Earlier, in 1956, the then Secretary of Justice of the Philippines rendered an opinion (Opinion No. 294, Series 1956), in which he took the much narrower position that the commitment of nondiscrimination in Article VII of the Revised Trade Agreement did not require goods manufactured in the United States to be treated as if they were produced in the Philippines for the purposes of Commonwealth Act No. 138. The Secretary declined to state definitively whether the treaty provision had the effect of placing bidders who were United States citizens or enterprises owned or controlled by such citizens in the same preferred position as "domestic entities."

In an opinion which is in many respects in conflict with the opinion of the Secretary of Justice, and which does not refer to such opinion, the Government Corporation Counsel in the Department of Justice of the Philippines, in Opinion No. 179 dated October 23, 1962, to the National Power Corporation, interpreted Article VII of the Revised Trade Agreement as restoring Commonwealth Act No. 541 in its entirety (and presumably also Public Act No. 4239). Nevertheless, the Counsel interpreted Act No. 541 as requiring that United States enterprises owned or controlled by enterprises of the United States had to organize and register under the laws of the Philippines and that at least 75 percent of their capital must be owned by Filipino and/or United States citizens in order to enjoy the 15 percent preference.

The opinion of the Government Corporation Counsel appears to be the latest decision on the point. According to the United States Embassy in Manila, United States corporations must register either with the Bureau of Commerce or the Securities and Exchange Commission of the Philippines in order to participate in bidding for public works contracts, regardless of whether or not they are interested in the 15 percent preference. Registration is not necessary if (1) the materials or services sought are not available locally or (2) if the project in question is to be financed by "tied" arrangements, such as arrangements with the United States Export-Import Bank or the Agency for International Development.

Administrative Order No. 3 dated June 27, 1953, of the Department of Public Works and Communications, a copy of which is attached hereto as Schedule F, seems to be somewhat at variance with the foregoing and to require that at least 75 percent of the capital stock of foreign corporations registered in the Philippines must be owned by Filipinos, in order to be allowed to submit bids for the construction of buildings and other public works and structures under the jurisdiction of that Department.

Under the provisions of Supply Rule No. 15 only a bona fide supplier or a manufacturer, producer, regular dealer or service establishment licensed as such and who holds a valid and subsisting supplier's identification certificate may participate in bidding for supply contracts. Those who wish to obtain such a certificate must submit a certificate of registration with the Bureau of Commerce of the Philippines and/or incorporation or partnership papers duly registered with the Securities and Exchange Commission of the Philippines.

Among the other preferential provisions are the following:

(1) Under the provisions of Executive Order No. 51 dated May 18, 1964 (60 O.G. 3197), all departments, bureaus, offices, agencies, instrumentalities and political subdivisions of the Government, including Government-owned and controlled corporations, the Armed Forces, Government hospitals and public educational institutions, must purchase through public bidding from domestic textile mills, whenever available, all their requirements for clothing materials.

(2) Under the provisions of Executive Order No. 290 of 1958, in all construction which may be undertaken by the national, provincial, city and municipal governments in which it is necessary to use cement, the use of cement manufactured by Government-financed companies is obligatory whenever such cement is available. When it is absolutely impossible to use cement manufactured by Government-financed companies, express authority in each case must be secured in writing from the Secretary of the Department of General Services.

(3) Memorandum Circular No. 56 of the Government Enterprises Council, series of December 31, 1949, requires all government offices and institutions using laundry soap to make their purchases of soap from the National Coconut Corporation.

Provinces, cities and municipalities

Section 3 of the Local Autonomy Act (Republic Act No. 2264 effective June 19, 1959, 17 PAL § 135.22 (1963 Cum. Supp.)) provides that purchases of supplies not exceeding 5,000 pesos (about $1,300) in the case of provinces and chartered cities and 1,000 pesos (about $260) in the case of municipalities and municipal districts may be effected without public bidding, but only after a canvass of prices in the particular province, municipality or city. Otherwise, contracts must be awarded through public bidding.

The letting of contracts for provincial public works is governed by the provisions of Section 1919 of the Revised Administrative Code, a copy of which is attached hereto as Schedule G.

Section 3 of the Local Autonomy Act, supra, provides that awards of contracts for provincial, city and municipal public works should follow the "usual bidding procedure of the government". The "usual bidding procedure" for local public works is that provided for in Section 1919, supra.

The charters of each of the upwards of 40 chartered cities are contained in Acts of the Philippine Congress. Each of them contains provisions with regard to public works contracts. The following provisions of Section 32 of the Revised Charter of the City of Manila (Republic Act No. 409 of June 18, 1949, 17 PAL § 166) are typical:

"SEC. 32. Execution of public works and improvements.—All repair or construction of any work or public improvement except parks, boulevards, streets or alleys involving an estimated cost of three thousand pesos or more shall be awarded to the lowest responsible bidder after public advertisement in the Official Gazette for not less than ten days, by the Mayor upon the recommendation of the city engineer: *Provided, however,* That the city engineer may, with the approval of the President of the Philippines upon the recommendation of the Secretary of Public Works and Communications, execute by administration any such public work costing three thousand pesos or more.

"In case of public works involving an expenditure of less than three thousand pesos, it shall be discretionary with the city engineer either to proceed with the work himself or to let the contract to the lowest bidder after such publication and notice as shall be deemed appropriate or as may be, by regulation, prescribed."

Principal sources

(1) Cobacho and Lucenario, Law on Public Bidding and Government Contracts (Manila, 1960).

(2) Foreign Service Despatch No. 369 dated November 17, 1961, from the United States Embassy in Manila, entitled "Philippine Government Bids".

(3) Airgram No. A-376 dated October 31, 1962, from the United States Embassy in Manila, entitled "Angat Dam Construction Contract", with which is enclosed a copy of the opinion dated November 23, 1962, of the Government Corporation Counsel referred to above.

(4) Airgram No. A-737 dated February 15, 1963, from the United States Embassy in Manila, entitled "Bidding Requirements in the Philippines-Marikina Dam Project".

(5) Letters dated February 2 and February 17, 1965, from Enrique Belo, Esq., of Ponce Enrile, Siguion Reyna, Montecillo & Belo, attorneys of Manila, to Cravath, Swaine, & Moore, New York.

(6) United States Department of Commerce, "Summary and Text of Revised United States-Philippines Trade Agreement," World Trade Information Service, Part 1, No. 55-95 (September 1955).

(7) United States Department of Commerce, "Establishing a Business in the Philippines," Overseas Business Reports, OBR No. 64-11 (February 1964).

SCHEDULE A. THE PHILIPPINES

(Executive Order No. 298 of August 12, 1940 (38 O.G. 2455) as last amended[1] by Executive Order No. 40 of June 1, 1963 (59 O.G. 3579))

(By the President of the Philippines, Malacañan Palace, Manila)

Executive Order prohibiting the automatic renewal of contracts, requiring public bidding before entering into new contracts, and providing exceptions therefor

Whereas, as a matter of general policy, it is in the interest of the public service that Government contracts for public services or for furnishing supplies, materials, and equipment to the Government be submitted to public bidding;

Whereas, when a Government contract has expired, to continue it automatically without again calling for bids is contrary to such policy;

Now, therefore, I, Diosdado Macapagal, President of the Philippines, by virtue of the powers in me vested by law, do hereby direct that no contract for public service or for furnishing supplies, materials and equipment to the Government or any of its branches, agencies or instrumentalities shall be renewed or entered into without public bidding except for very extraordinary reasons to be determined by a Committee composed of the Executive Secretary, as Chairman, and the Auditor General and the Secretary of Justice, as Members: *Provided,* That when there is a tie in the voting of the Committee, the case shall be submitted to the President for decision: *Provided, further,* That when the Head of the Department concerned certifies on the requisition that the supplies, materials or equipment are urgently needed to meet an emergency which may involve the loss of, or damage to, life and/or property or are to be used in connection with a project or activity which cannot be delayed without causing detriment to the public service, the Director of Supply may purchase the supplies, materials or equipment so requisitioned without public bidding, but only after thorough canvass of the market. The Director of Supply may likewise purchase without public bidding supplies, materials or equipment which are sold by an exclusive dealer or manufacturer which does not have subdealers selling at lower prices and for which no suitable substitutes can be obtained elsewhere at more advantageous terms to the Government.

However, highway district engineers, city engineers, or project engineers and headquarters engineers in division offices and in Manila can make direct legitimate emergency purchases with any known company in their province, or in nearby provinces, or in Manila, of spare parts for machinery and equipment used in public works which are of the make of the company and/or locally manufactured spare parts of any make which have been tested and found satisfactory by the Secretary of Public Works and Communications and at their prices, less the usual discount extended to government offices and another discount for cash purchases, provided that if a spare part being purchased in Manila will cost ₱50.00 or more, the representative of the Department of Public Works and Communications shall be accompanied by a representative of the Bureau of Supply Coordination; provided further that if such purchases exceed ₱3,000 per month, prior authority shall be secured from the Secretary of Public Works and Communications; and, provided finally, that except in cases of urgently needed spare parts for immediate use and not for the purpose of carrying them in stock, the approval of the Auditor General or his authorized representative shall be secured before such direct purchases are made.

This Order shall not in any way affect the regulations contained in Department Orders Numbered Seventy-three and Seventy-four of the former Department of Commerce and Communications, which will continue in full force and effect; and it contemplates that the provisions of Department Order Numbered Two, dated January fourteenth, nineteen hundred and thirty-six, of the Department of Finance, are hereby followed by all concerned.

Executive Order Numbered Sixteen, dated February third, nineteen hundred and thirty-six, as amended by Executive Order Numbered Ninety-eight, dated April twenty-fourth, nineteen hundred and thirty-seven, is hereby revoked.

SCHEDULE B. THE PHILIPPINES

(Revised Administrative Code, Section 1917)

§ 1917. Letting of contracts for National Public Works.—When any national public works of construction or repair involves an estimated cost of ten thousand pesos or more, the contract therefor, shall, except as hereinbelow provided, be awarded by the Director of Public Works to the lowest responsible bidder after publication in the Official Gazette, in accordance with Commonwealth Act Numbered Six hundred and thirty-eight, for at least three times extending over a period of at least ten days: *Provided, however,* That in case of urgent necessity, the Director of Public Works may, with the approval of the President of the Philippines, upon the recommendation of the Secretary of Public Works and Communications, execute by administration and without advertising for bids any public work costing ten thousand pesos or more.

In the case of national public works involving an expenditure of less than ten thousand pesos, it shall be discretionary with the Director of Public Works either to proceed with the work himself or to let the contract to the lowest bidder after such publication and notice as shall be deemed appropriate or as may be, by regulation, prescribed.

SCHEDULE C. THE PHILIPPINES

(Commonwealth Act No. 138 of November 7, 1936 (36 PAL §§ 12-15))

Commonwealth Act No. 138.—An Act to give native products and domestic entities the preference in the purchase of articles for the Government.

Be it enacted by the National Assembly of the Philippines:

SECTION 1. The Purchase and Equipment Division of the Government of the Philippines and other officers and employees of the municipal and provincial governments and the Government of the Philippines and of chartered cities, boards, commissions, bureaus, departments, offices, agencies, branches, and bodies of any description, including government-owned companies, authorized to requisition, purchase, or contract or make disbursements for articles, materials, and supplies for public use, public buildings, or public works, shall give preference to materials and supplies produced, made, and manufactured in the Philippines or in the United States, and to domestic entities, subject to the conditions hereinbelow specified.

SEC. 2. For the purposes of this Act, the terms hereunder are hereby defined as follows:

(a) The term "United States" includes the United States of America, the District of

---

[1] Previously amended by Executive Order No. 146 of December 27, 1955 (52 Official Gazette [O.G.] 2), Executive Order No. 212 of November 6, 1956 (52 O.G. 6455), Executive Order No. 318 of September 17, 1958 (54 O.G. 6399) and Executive Order No. 358 of September 23, 1959 (55 O.G. 8259).

Columbia, and any State or territory of the North American Union;

(b) The term "domestic entity" means any citizen of the Philippines or of the United States habitually established in business and engaged in the manufacture or sale of the merchandise covered by his bid, or any corporate body or commercial company duly organized and registered under the laws of the Philippines of whose capital 75 per centum is owned by citizens of the Philippines or of the United States, or both;

(c) The term "domestic bidder" means any person or entity offering unmanufactured articles, materials, or supplies of the growth or production of the Philippines or of the United States, or manufactured articles, materials or supplies manufactured or to be manufactured in the Philippines or in the United States, substantially from articles, materials or supplies of the growth, production or manufacture, as the case may be, of the Philippines or of the United States;

(d) The term "foreign bid" means any offer of articles, materials, or supplies not of the growth or production of the Philippines or of the United States, or of manufactured articles, materials, or supplies not manufactured or to be manufactured in the Philippines or in the United States, substantially from articles, materials, or supplies of the growth, production, or manufacture, as the case may be, of the Philippines or of the United States.

SEC. 3. Only unmanufactured articles, materials, or supplies of the growth or production of the Philippines or of the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the Philippines or in the United States, substantially from articles, materials, or supplies of the growth, production, or manufacture, as the case may be, of the Philippines or of the United States, shall be purchased for public use and, in case of bidding, subject to the following conditions:

(a) When the lowest foreign bid, including customs duties, does not exceed two pesos, the award shall be made to the lowest domestic bidder, provided his bid is not more than one hundred per centum in excess of the foreign bid;

(b) When the lowest foreign bid, including customs duties, exceeds two pesos but does not exceed twenty pesos, the award shall be made to the lowest domestic bidder, provided his bid is not more than fifty per centum in excess of the lowest foreign bid;

(c) When the lowest foreign bid, including customs duties, exceeds twenty pesos but does not exceed two hundred pesos, the award shall be made to the lowest domestic bidder, provided his bid is not more than twenty-five per centum in excess of the lowest foreign bid;

(d) When the lowest foreign bid, including customs duties, exceeds two hundred pesos but does not exceed two thousand pesos, the award shall be made to the lowest domestic bidder, provided his bid is not more than twenty per centum in excess of the lowest foreign bid;

(e) When the lowest foreign bid, including customs duties, exceeds two thousand pesos, the award shall be made to the lowest domestic bidder, provided his bid is not more than fifteen per centum in excess of the lowest foreign bid.

SEC. 4. Whenever several bidders shall participate in the bidding for supplying articles, materials, and equipment for any of the dependencies mentioned in section one of this Act for public use, public buildings, or public works, the award shall be made to the domestic entity making the lowest bid, provided it is not more than fifteen per centum in excess of the lowest bid made by a bidder other than a domestic entity, as the term "domestic entity" is defined in section two of this Act.

SEC. 5. This Act shall take effect on its approval.

Approved, November 7, 1936.

SCHEDULE D. THE PHILIPPINES

(Commonwealth Act No. 541 of May 26, 1940
(36 PAL §§ 325–326))

(Commonwealth Act No. 541)

An Act to regulate the awarding of contracts for the construction or repair of public works

Be it enacted by the National Assembly of the Philippines,

SECTION 1. All branches, offices, and subdivisions of the Government and all government-owned or controlled companies, authorized to contract and make disbursements for the construction or repair of public works, shall give preference in awarding contracts for such works to Filipino or American contractors and domestic entities when the lowest bid of a domestic bidder is not more than fifteen per centum in excess of the lowest foreign bid: *Provided, however,* That for the construction of land, air, and seacoast defenses, arsenals, barracks, depots, hangars, landing fields, quarters, hospitals, and all other buildings and structures required for the national defense of the Philippines, no foreign bids shall be allowed.

SEC. 2. For the purposes of this Act, the following terms shall be taken in the sense hereinbelow indicated:

(a) The term "Filipino or American contractor" means any citizen of the Philippines or of the United States habitually established in business and engaged in general construction work.

(b) The term "domestic entity" means any corporate body or commercial company duly organized and registered under the laws of the Philippines seventy-five per centum of the capital of which is owned by citizens of the Philippines or of the United States, or by citizens of both countries.

(c) The term "domestic bidder" means any Filipino or American contractor or domestic entity which bids for any public work or work of construction or repair for the Government of the Philippines and/or any of its instrumentalities as enumerated in section one of this Act.

(d) The term "foreign bid" means the bid of any other contractor or entity, not included in subsection (a) of this section.

SEC. 3. This Act shall take effect upon its approval.

Approved, May 26, 1940.

SCHEDULE E. THE PHILIPPINES

(Republic Act No. 912 of June 20, 1953
(36 PAL §§ 16–20))

(Republic Act No. 912)

An Act to require the use, under certain conditions, of Philippine made materials or products in government projects or public works construction, whether done directly by the government or awarded thru contracts

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled,

SECTION 1. In construction or repair work undertaken by the Government, whether done directly or thru contract awards, Philippine made materials and products, whenever available, practicable and usable, and will serve the purpose as equally well as foreign made products or materials, shall be used in said construction or repair work, upon the proper certification of the availability, practicability, usability and durability of said materials or products by the Director of the Bureau of Public Works and/or his assistants.

SEC. 2. For the purpose of carrying into effect the purposes of this Act, the Director of Public Works shall prepare or cause to be prepared, from time to time, a list of building and construction materials and products made in the Philippines that are available, durable, usable and practicable for construction and building purposes.

SEC. 3. No contract may be awarded under the provisions of this Act unless the contractor agrees to comply with the requirements of this Act, and a contract already awarded may be rescinded for unjustified failure to so comply.

SEC. 4. It shall be the duty of the Director of Public Works and/or his assistants, including the district engineers, to see to it that the requirements of this Act are faithfully complied with by the persons concerned, and failure on their part to do so shall subject them to dismissal from the government service or other disciplinary action.

SEC. 5. The Director of Public Works, subject to the approval of the Secretary of Public Works and Communications, is hereby empowered to promulgate such rules and regulations as may be necessary to carry into effect the purposes of this Act.

SEC. 6. This Act shall take effect upon its approval.

Approved, June 20, 1953.

SCHEDULE F. REPUBLIC OF THE PHILIPPINES, DEPARTMENT OF PUBLIC WORKS AND COMMUNICATION, BUREAU OF PUBLIC WORKS, MANILA

(Administrative Order No. 3)

Rules governing the filing of contractor's confidential qualification statements, issuance of plans, specifications, and/or proposal book, submission of bids, opening and consideration of same and recommendations.

1. General information for bidders:

Pursuant to requirements of law, bidders for the construction of public buildings and other public works and structures should meet one of the following requirements:

(a) Be a citizen of the Philippines; or if not such a citizen.

(b) Be a citizen of a country the laws of which grant similar right or privilege to citizens of the Philippines. To prove the latter, he is required to produce his citizenship papers and other proper evidence showing that the laws of his country grant similar right or privilege to citizens of the Philippines. (Act 4239 & Adm. Ord. No. 96, s. 1935.)

(c) Be an association or corporation duly registered or incorporated under the laws of the Philippines and of which at least 75 percent of the capital stock belongs wholly to citizens of the Philippines. Act 4239 & Com. Act No. 541. The Manager or head or other duly authorized representative of said association or corporation should be required to file evidence of registration or incorporation and that at least 75 percent of the capital stock belongs wholly to citizens of the Philippines.

What foreign entities or individuals are allowed to bid in the Philippines?

(1) Citizens of foreign countries who have proved that the laws of their country grant similar right or privilege to citizens of the Philippines.

(2) Associations or corporations duly registered or incorporated under the laws of the Philippines, of which not less than 75 percent of its capital stock, or of any interest in said capital stock, belongs wholly to citizens of the Philippines.

Flag law applicable to foreign bidders

Pursuant to Act 4239, as modified by Com. Act No. 541 and Republic Act No. 76, foreign bidders of the above classifications (1) and (2), otherwise qualified, may bid for public works (except defense works) but preference shall be given in awarding contracts for such works to Filipino citizens or domestic entities when the lowest bid of such domestic bid is not more than 15 percent in excess of the lowest foreign bid.

What foreign entities or individuals are disqualified from bidding?

(1) Citizens of foreign countries who have not proved by proper evidence that the laws of their country grant similar right or privilege to citizens of the Philippines.

(2) Foreign corporations or associations not duly organized, registered, or incorporated under the laws of the Philippines.

Purchase of materials

For the application of the Flag Law to purchase of materials and supplies, please see Com. Act No. 138.

2. Technical qualifications of personnel:

In addition to either of the foregoing requirements, a bidder must also qualify in any one of the following:

(a) An individual contractor should be a registered and currently licensed civil engineer. In case of buildings, a registered and currently licensed architect may take the place of a civil engineer. In the case of the installation or construction of machinery, or electrical apparatus or plant, the services of a duly registered and licensed professional mechanical engineer or electrical engineer shall be necessary.

(b) Subject to the above conditions, an association of duly registered civil engineers and/or of architects duly registered and licensed professional mechanical engineers or electrical engineers, may also submit bids for projects for which they are qualified individually.

(c) Individuals, associations and/or corporations, duly qualified to enter into these kinds of contracts, although lacking by themselves the above qualifications, may also submit bids provided that they engage the services of persons qualified to assume responsibility for the proper prosecution of the project for which a bid is being submitted.

In this case, the contract of employment, or a valid contract to employ, duly signed by the prospective bidders and the civil engineer, architect, mechanical or electrical engineer, as the case may require, whom he has already employed or has contracted to employ for the project under consideration, should be presented.

3. Financial resources:

A prospective bidder must convince the committee that he has financial resources in the form of cash on hand, or usable materials, fixed or current deposit in a reputable bank, or a credit line granted by such a bank, in the amount specified in the Advertisement, exclusively available for use on the project for which his bid is being submitted.

A certificate of the bank where the deposit is kept, or with which the credit line has been arranged, shall be acceptable evidence of the bidder's financial resources.

4. Necessary machinery and equipment:

The prospective bidder must also prove through his answers to the Equipment Questionnaire in his Confidential Statements (Pre–C–1 & 2) that adequate working machinery and other equipment or tools, both in number and in kind, are owned by him, or available to him through actual lease contract or contract to lease, copy of which shall be presented, for the efficient and speedy accomplishment of the project on which he proposes to bid.

For the guidance and information of prospective bidders, the minimum requirements in this connection for the specific project should be enumerated, if necessary, in the Notice or Advertisement calling for bids on the Project.

5. Proposal bond:

The bidder shall also present a duly accomplished cash or surety proposal or bid bond, in an amount equivalent to at least 5 percent of his total bid price. Any bid supported by a bid bond in an amount less than 5 percent of the total bid price shall be disqualified and will not be considered in the award.

The bond shall be made out specifically and exclusively for the definite project for which the bid is submitted, by a duly licensed bonding company or firm, in favor of the Director of Public Works, and conditioned to the effect that it shall be forfeited totally to the Bureau of Public Works, if the bidder should refuse or fail to enter into contract with the said Bureau, if his bid is accepted and the Contract is ordered awarded to him.

6. Confidential qualifications statements to be submitted by prospective bidders to the Committee on Prequalification and Awards:

(1) The contractors' confidential qualification statement (Form No. Pre–C–1) shall be submitted to the executive officer and secretary of the Committee on Prequalification and Awards once every calendar year, not later than the 15th day immediately preceding the opening of bids in which the Contractor proposes to participate for the first time, provided that, for bids scheduled to be opened during the first twenty (20) days of any calendar year, the contractor's confidential qualification statement (Form No. Pre–C–1) of the previous year, if any had been previously filed, will be sufficient.

(2) To obtain a copy of the plans, specifications and/or proposal book from the Division concerned, a prospective bidder should present to the chairman of the Committee on Prequalification and Awards an additional statement entitled contractors' confidential statement for the issuance of plans, specifications and/or proposal book (Form Pre–C–2), not later than the deadline set by the corresponding committee, after which date no other statements will be received by the said committee.

7. Prequalification:

The committee, together with the Representatives of the other entities concerned in the project, shall examine the qualifications statements (Form Pre–C–1 & 2) and all the other papers filed by the prospective bidders, with a view to determining who of the prospective bidders are to be deemed prequalified or pre-disqualified by the committee for this particular project, in the light of the requirements stated in the advertisement and of these Rules.

8. Reservations:

The Bureau of Public Works reserves the right to waive any stated requirements or impose additional ones for certain projects, or disqualify a bidder on account of poor performance in previous contracts, or for such other causes as it may deem adequate, as the best interests of the government may require.

9. Issuance of plans, specifications and/or proposal book:

The Plans, specifications and/or proposal book for the Project scheduled for bidding shall be issued only by the Office of Division concerned to prospective bidders who have been prequalified by the committee as evidenced by the presentation of the prospective bidder's confidential statement for the issuance of plans, specifications and/or proposal book (Pre–C–2) duly stamped or marked "Prequalified by the committee" and signed by the chairman of the Committee on Prequalification and Awards of the Division concerned. The official receipt evidencing deposit of the necessary amount to guarantee return of such plans, specifications and/or proposal book, when necessary, shall also be presented.

10. Opening of bids and preparation of abstract and tabulation:

The sealed bids will be received by the Chief of the Administrative Division or his representative as heretofore done, and opened as scheduled in the presence of a representative of the General Auditing Office and the Division concerned. The abstract of bids shall be prepared and signed immediately after the opening of bids. Then the tabulation of bids shall be prepared by the corresponding Division of the bureau of public works as heretofore done. The abstract, together with the tabulation shall be submitted without unnecessary delay to the executive officer and secretary of the Committee on Prequalification and Awards of the Division concerned.

11. Deliberation and recommendations: Reservation.

Said committee, together with the representative of the other entities concerned, shall meet to examine and consider in all its particulars all the bids received.

The comments, suggestions, observations and other manifestations, if any, of the representatives of the other entities concerned, should be accorded due consideration, and, if necessary, noted in the minutes of the proceedings of the committee.

The committee by a vote of at least two (2) of its three (3) members, shall recommend award of the Contract to the Bidder whose proposal appears to be the most advantageous to the Government, but the right is reserved to reject any or all bids, to waive any defect or informality in the bids received, and to accept or reject any bid, as the best interests of the Government may warrant. The committee may also disregard any bid which is obviously unbalanced or below what the work can be done for. Reasonable grounds for supposing that any bidder is interested in more than one bid for the proposed work under this bidding will be a sufficient cause for the rejection of all bids in which he is interested; likewise, where there is reason to suspect that there is evident collusion on the part of the bidders, then the right to reject may be freely exercised.

12. The recommendations of the committee shall be indicated on the tabulation; which shall be signed by the committee, and then submitted to the Chief of the Administrative Division for preparation of the corresponding Contract and transmittal papers. The whole set of papers will then be presented to the Director of Public Works to serve as basis for his recommendation to the Secretary of Public Works and Communications.

At its option, when necessary, the committee may require the winning bidder to fill out and submit a supplementary Contractor's Confidential Qualification Statement (Pre–C–3), before forwarding its recommendation.

13. Scope of application of these rules:

These rules shall govern all construction, reconstruction and major repair works prosecuted under contract, financed, wholly or partly, by national funds.

For national public works projects, bids for which are called for solely in the provinces and cities, the Committee on Prequalification and Awards shall be composed of the District/City Engineer, as Chairman, the Senior Civil Engineer, as Member, and Chief Clerk, as Member and Secretary.

This committee shall have the powers and duties specified in these rules, and such others as may be necessary and proper for the accomplishment of the stated duties.

14. Effectivity:

These regulations shall be uniformly followed by all divisions effective upon being furnished a copy hereof, for all projects then still under consideration.

15. Repealing clause:

All previous orders, rules or regulations of this Office inconsistent herewith, are hereby revoked. Those not in conflict herewith are to be deemed still in effect.

(SGD.) ISAIAS FERNANDO,
Director of Public Works.

SCHEDULE G. THE PHILIPPINES

(Revised Administrative Code, Section 1919)

§ 1919. Letting of contracts for provincial work.—Except in the case of work upon roads or trails, every provincial work of construction or repair involving an estimated expenditure of ten thousand pesos or more shall be let to the lowest responsible bidder, after advertisement for not less than ten days in the Official Gazette, and by notice posted for not less than ten days at the main entrance of the provincial building, but nothing herein shall be construed to prevent the giving of such further notice or making such further publication as will secure ample publicity for all invitations for bids: *Provided, however,* That in case of urgent necessity, the provincial board may, with the approval of the President of the Philippines upon the recommendation of the Secretary of Public Works and Communications, execute by administration and without advertising for bids any public work costing ten thousand pesos or more.

Provincial work not within the purview of the preceding paragraph may be prosecuted upon provincial account or may be let without advertisement, subject to the regulation of the Bureau of Public Works.

The district engineer shall perform the duties incident to advertising for bids for provincial public work, and the letting of contracts therefor; and with the approval of the provincial board, he may reject any or all bids received, in which case he may advertise anew or, with the approval of the board, may proceed with the execution of the work upon provincial account.

LATIN AMERICAN FREE TRADE ASSOCIATION (LAFTA)

Unlike the various European regional economic treaties, the Treaty of Montevideo establishing the Latin American Free Trade Association (LAFTA) does not contain any specific provision for the elimination of, or any provisions which could form a direct basis for action to eliminate legislative, regulatory administrative provisions, practices and policies of the contracting parties discriminating against foreigners and foreign products in the field of public contracts.

The treaty was signed on February 18, 1960, by Argentina, Brazil, Chile, Mexico, Paraguay, Peru, and Uruguay. All the signatory governments deposited their instruments of accession on May 2, 1960, except Paraguay (June 21, 1961). Colombia and Ecuador acceded by instruments of accession deposited on September 30, 1961, and November 3, 1961, respectively. Article 58 of the treaty leaves the way open for accession by any other Latin American country but thus far only Venezuela appears to have given serious consideration to acceding.

Basically, the treaty provides for the creation of a free trade area during the 12-year period following the entry of the treaty into force by the gradual and progressive elimination by the members of LAFTA, "in respect of substantially all of their reciprocal trade", of such duties, charges and restrictions that may be applied to imports of goods originating in the territory of any contracting party. The contracting parties have also agreed to attempt to harmonize their import and export regimes, to establish consistent treatment for capital, goods and services entering the free trade area, and to coordinate their plans for industrial development. Until 1973 each contracting party will continue to set its own tariffs against nonmembers, but at that time all the contracting parties will review what they have created, and, if the results justify such action, they have agreed to multilateral negotiations to adapt the treaty to a new stage of economic integration.

The treaty establishes three interrelated devices by which the contracting parties will reduce tariffs and other barriers to interarea trade. Those devices are (1) annual negotiations of reciprocal concessions on particular products; (2) triennial negotiations of a "common" list of products that the parties irrevocably agree will circulate free of all barriers by no later than 1973; and (3) negotiations from time to time by two or more contracting parties of so-called "complementation" or "integration" agreements providing for preferential treatment for particular products or for the products of particular industries.

The supreme organ of LAFTA is the Conference of the Contracting Parties, which "shall adopt all decisions in matters requiring joint action". The permanent organ of LAFTA is the Standing Executive Committee, which acts as the executive branch. Its membership consists of a permanent representative from each Contracting Party, which has a single vote, and a Secretariat headed by an Executive Secretary.

The theme which is expressed in the preamble to the Treaty and runs throughout the Treaty is the desire of the Contracting Parties to pool their efforts to achieve the progressive complementarity and integration of their national economies on the basis of an effective reciprocity of benefits. Conceivably, application of that theme in the course of the evolution of the free trade area toward full operation in 1973 may give rise to action to eliminate national discriminations in the field of public contracts. For example, although "dumping" is not referred to in the Treaty, the Second Session of the Contracting Parties adopted a resolution (No. 65 (II)) declaring "dumping" and other unfair commercial practices in international trade to be incompatible with the Treaty and containing an undertaking by the Contracting Parties to use all their power to prevent such practices and to enact national legislation to that end.

Thus far, however, no action appears to have been taken in the field of public contracts, although all the Contracting Parties discriminate in one way or another against foreigners and foreign products in the letting of public contracts.

Principal sources

(1) Association of the Bar of the City of New York, Committee on Foreign Law, Economic Integration in Latin America, 17 Record (Supplement, June 1962).

(2) Business International, Latin America's Merging Market: The Challenge of Economic Integration (New York, 1964).

(3) Hoagland, The Latin American Free Trade Association, in Surrey and Shaw (eds.), A Lawyer's Guide to International Business Transactions (Philadelphia, 1963).

(4) United Nations, Multilateral Economic Co-operation in Latin America, Vol. 1: Text and documents (1962).

(5) Wionczek, Latin American Free Trade Association, International Conciliation, No. 551 (January 1965).

ARGENTINA

(Member of LAFTA)

The basic Argentine legal provision relating to public supply and public works contracts is Chapter VI of the Accountability Law (Ley de Contabilidad) (Decree-Law No. 23,354 of 1956), as last amended by Decree No. 2554 of April 4, 1961 (Boletín Oficial, April 7, 1961). The Decree-Law is regulated by Decree No. 9,400 of August 12, 1957 (Boletín Oficial, August 23, 1957), to which are attached the General Specifications for Public Tenders, Private Tenders and Direct Contracting—General Clauses.

Article 55 of the Decree-Law establishes the general principle that every purchase or sale for the account of the Nation as well as every contract concerning the giving on lease (locación), and the taking on lease (arrendamiento), of works or supplies shall be made after public bidding (licitación pública). Article 56 authorizes private bidding (licitación privada) for small contracts and direct contracting (contratación directa) in 13 cases, including the case in which, for urgent reasons, there is no time for tendering. The exceptions are capable of being broadly construed. All contracts exceeding 5,000,000 pesos (about $33,000 in January 1965) must be approved by the Executive Power.

Paragraph 40 of the Regulations under Article 61 provides that as a general rule bidders must be enrolled in the Register of State Suppliers maintained by the General Administration for State Supplies under the provisions of Paragraph 1. Under Paragraph 41, however, enrollment is not necessary in the case of foreign firms which do not have representatives or agents in Argentina. In order to comply with technical tender requirements and procedures, however, it is almost imperative that a foreign firm have a representative or agent in Argentina.

The quotation of each bidder must, under Paragraph 47, specify whether products of Argentina or foreign industry are involved and Article 48 implies that bids contemplating products to be imported will be accepted only if so provided in the bid proposal.

Paragraph 68 of the Regulations under Article 61 provides that the most advantageous (más conveniente) offer shall be accepted, it being understood that such offer, quality being equal, is the one that is lowest in price. Nevertheless, the way is left open for discrimination against foreign materials by providing exceptionally that the contracting authority may award the contract to a higher bidder if it is determined that the quality of his product is better. Moreover, Paragraph 69 permits the rejection of all bids.

The General Conditions attached to the Regulations require that bidders establish legal domicile in Argentina.

A strong "Buy Argentine" policy is in effect by virtue of Decree-Law No. 5340 of July 1, 1963 (Boletín Oficial, July 5, 1963), as amended by Decree-Law No. 6672 of August 9, 1963 (Boletín Oficial, August 16, 1963). An unofficial translation from Spanish of Decree-Law No. 5340, as so amended, is attached hereto.

Article 1 of Decree-Law (page 4 of the translation) requires all Government departments, agencies, autonomous State entities, State enterprises, public service concessionaires and their contractors to purchase only merchandise, materials and products of Argentine origin when available at "reasonable" prices. Article 13 provides for the extension of the policy to the provinces.

The Decree-Law is complemented by a circular of the same date of the Central Bank of Argentina to commercial banks which states that, in order to put domestic suppliers on a more competitive footing with regard to credit terms, the Bank will finance up to 80 per cent. of the payments contracted by national and provincial agencies for periods of up to five years.

The criteria set forth in Article 3 (pages 5–7 of the translation) for price comparison purposes are obviously discriminating against foreign bidders and foreign products. Particularly discriminating is the provision that an amount equivalent to the sales and profits taxes shall be included in the price of the imported product, even though the latter is destined for the importer's own use and hence is not subject to those taxes.

Moreover, Article 4 gives a distinct advantage to products originating elsewhere in the Latin American Free Trade Association over products originating elsewhere.

Principal sources

(1) Airgram No. 177 dated August 14, 1963, from the United States Embassy in Buenos Aires.

(2) Letter dated November 12, 1964, from the Bureau of International Commerce, United States Department of Commerce, to Cravath, Swaine & Moore, New York.

(3) United States Department of Commerce, "Basic Data on the Economy of Argentina," Overseas Business Reports, No. OBR 63-84 (1963).

(4) United States Department of Commerce, "Establishing a Business in Argentina," Overseas Business Reports, No. OBR 64-33 (1964).

ARGENTINA DECREE-LAW NO. 5340 OF JULY 1, 1963

(Boletin Oficial, July 5, 1963)

(Unofficial translation from Spanish)

Whereas in order to promote the general welfare, which is one of the essential aims of the Government, measures may be enacted, which are conducive to the prosperity of the country and to the advancement and welfare of all the provinces, for the promotion of the existing industries and the introduction and establishment of new industries through laws for the protection of these purposes, as expressed in the Preamble to the National Constitution and its Article 67, paragraph 16;

Whereas it is considered absolutely essential and urgent to take certain measures to promote domestic activities for the production of goods;

Whereas purchases abroad of goods which could be acquired in the domestic market unnecessarily increase the deficit in the balance of international payments of the Republic, since they require payments in foreign exchange which can be avoided;

Whereas the larger the sales on the domestic market, the more employment there will be and the larger the degree to which the causes for employment will be eliminated;

Whereas a larger volume of sales is generally accompanied by a reduction in cost, which in turn is reflected in a reduction of sales prices;

Whereas a strengthening of the domestic market encourages new investments and, consequently, creates an element of competition which is the basic mechanism for improving production and lowering the costs thereof;

Whereas purchases to be made by the public administration, the agencies, departments and economically independent and self-governing entities, the State enterprises and public service enterprises operating under license represents a very large volume;

Whereas it is essential to take measures to insure that the purchasing potential of the State, of the State organizations and of those rendering public services is directed toward the domestic market by acquiring to the largest extent possible products, merchandise and materials of domestic origin whereas their price level is reasonable compared to similar products, merchandise and materials acquired abroad;

Whereas the customs duties and exchange surcharges on imports tend to establish a balance between the prices for domestic products and for imported products within reasonable margins and in consideration of the convenience of the establishment of certain production activities;

Whereas since the public administration, the State organizations and enterprises and the public service enterprises operating under license are, in some instances, exempt from payment of customs duties and import surcharges and, in other instances, are granted financial facilities for payment thereof, there naturally exists a tendency to acquire imported materials, merchandise and products;

Whereas for these purposes it seems the most appropriate to establish absolute preference in favor of materials, merchandise and products of domestic origin for direct or indirect acquisitions by the public administration, the State organizations and enterprises and public service enterprises operating under license where the price is reasonable, a reasonable price to be deemed a price which is not higher than that of the imported materials, merchandise or products after computing all exchange surcharges, duties, imposts, taxes and charges which a non-privileged importer would have to pay, i.e., a person who cannot claim the exemptions or privileges of the State;

Whereas in this manner, the same policy is followed which the industrialized countries have adopted and which secured for their own industries a market for public investment;

Whereas with the establishment of this system, the National Government proposes to secure permanently an important sector of the domestic market for supply with production of domestic origin, without disregarding the commitments under the Treaty of Montevideo which established the Latin American Free Trade Association; and now therefore,

The President of the Argentine Nation decrees with force of law:

Article 1. The Public Administration, the agencies, departments, economically independent or self-governing bodies, the public service enterprises operating under license and the State enterprises shall exclusively acquire materials, merchandise and products of domestic origin, provided the price be reasonable.

Under the same obligation shall be persons who enter into works or services contracts with the public administration, the agencies, departments, economically independent or self-governing bodies and State enterprises.

Article 2. For purposes of Article 1, it shall be understood that a material, merchandise or product is of domestic origin when it is:

(a) a mineral extracted from mines situated within the national territory and processed within said territory;

(b) a farm product produced within the national territory;

(c) an industrial product manufactured in the Argentine Republic for the finishing of which raw materials, semi-finished products or parts produced in the national territory are used;

(d) an industrial product manufactured in the Argentine Republic for the finishing of which raw materials, semi-finished products or parts produced abroad and which are not, or cannot be, produced within the national territory at reasonable prices are used;

(e) an industrial product manufactured in the Argentine Republic by industrial plants which are developing a plan of industrial integration approved or established by competent authority, even though the product may not comply with the requirement of paragraph (d) above.

Article 3. The cost shall be considered reasonable when the price of the materials, merchandise or products of domestic origin is not higher than the price of imported materials, merchandise or products which, for purposes of price comparison only, shall include:

(a) value c.i.f. Argentine port (cost, insurance, freight);

(b) the exchange surcharges established for import of the materials, merchandise or products in question which must be paid by a non-privileged importer; the minimum surcharge shall be computed at 25 percent if the established surcharge should be less or should not exist;

(c) the imposts, duties and customs charges which would have to be paid by a non-privileged importer;

(d)[1] all remaining imposts, duties, taxes or charges which are payable by a non-privileged importer, and an amount equivalent to the sales and and profitable activities tax, even though the import may consist of goods intended for the personal use of the importer;

(e) any interests, commissions and financial charges which the purchaser must pay if term payment for the imported materials, merchandise and products may have been offered, in the amount which may exceed the current percentage in the country of origin for financed exports, on the value of the delivered materials, merchandise and products; there shall also be computed in this context the income tax payable on remittance of interest abroad where it is imposed on the purchaser.

Article 4. On materials, merchandise and products originating in countries belonging to the Latin American Free Trade Association, only the surcharges and customs tariffs in force on the Argentine national list shall be computed.

Article 5. If the Ministry of Industry and Mines, upon request by an interested party or ex officio, should validly determine that the price in the internal market of the country of origin of the imported material, merchandise or product which may have been offered is at least 10% higher than the export price and provided that there does not exist an established index price, the price C.I.F. Argentine port shall be substituted, for purposes of price comparison, by the current price in the internal market of the country of origin, increased by the factors necessary to determine the value C.I.F. Argentine port.

Article 6. For purposes of the price comparison provided for in Article 3, if the amount of all the taxes on the imported finished product which the non-privileged importer would have to pay should be less than the total amount of taxes paid on the imported component parts of the domestic finished product, that difference shall decrease the price of the material, merchandise or product of domestic origin included in paragraph d) and e) of Article 2. That amount shall be determined by the Ministry of Industry and Mines, and the lesser amount determined shall be applied to each one of the various similar materials, merchandise or products of domestic origin offered in public bid if imported raw materials, semi-finished products or parts had been used to differing extents in the finishing.

Article 7. A certificate by the Ministry of Industry and Mines to the effect that a material, merchandise or product is of domestic origin pursuant to the provisions of Article 2 and stating the amount determined in accordance with Article 6 shall be a prerequisite for the application of the regulations established. The Ministry of Industry and Mines shall issue the certificates within 10 business days from the date of request, and the certificates shall be permanently valid as long as they are not rectified or modified ex officio or at the request of an interested party.

Article 8. The official banks may grant credits, endorsements, or guarantees for the financing of the purchase in foreign countries of materials, merchandise, or products by the provincial or municipal public administrations, departments, economically independent or self-governing bodies or State, provincial, or municipal enterprises only after issuance of the joint resolution to which Article 12 refers.

---

[1] As amended by Decree Law No. 6672, dated August 9, 1963, published in the Boletin Oficial of August 16, 1963.

Article 9. Exemption from exchange surcharges or customs duties requested by the provinces, municipalities, or any other public body for the import of materials, merchandise or products shall not be granted if the conditions established in this decree do not prevail.

Article 10. The regulations established are hereby declared of public order, and any contracts entered into in violation thereof are declared absolutely null. Nullity may be declared ex officio or at the request by an interested party, considering as such also a party offering materials, merchandise or products of domestic origin.

Article 11. There is hereby established, under the jurisdiction of the Ministry of Economy, an Honorary Advisory Commission formed by representatives of State organizations and private activities, which shall supervise compliance with the provisions of these regulations by advice to said Ministry. An internal regulation to be issued shall establish the number of members, the organizations represented and the procedure under which it must discharge its assignment.

Article 12. Upon receipt of advice from the Commission to be created, import permits may be granted by joint resolution of the Ministry of Economy and the Ministry of Industry and Mines in the following cases:

(a) Where the provisions of the regulations established by this decree have been complied with and the price C.I.F. Buenos Aires for the imported materials, merchandise or products is more advantageous in accordance with the criterion for comparison established under Article 3.

(b) Where the object on which international public bids have been made is protected by an exchange surcharge in excess of 25 percent and, after a cost study, including a reasonable profit for the Argentine manufacturer, the conclusion was reached that the existing protection exceeds the protection that would be necessary for purposes of the comparison mentioned in Article 3, paragraph (b), the surcharge may be reduced to the extent of the amount in excess and the new charge shall under no circumstances be lower than 25 percent.

(c) Where there is an urgent reason and it is validly proven that the local suppliers are not in a position to deliver the product involved within the required time.

(d) Where imports from countries which are members of the Latin American Free Trade Association are involved and it is believed that a specified import will promote exports in other sectors.

(e) Where operations financed by foreign governmental agencies or international credit organizations are involved, provided that, after the corresponding economic studies have been undertaken, the production or work to be financed is considered of high priority and that, as a consequence thereof, a correlative increase in general domestic activities and an adequate participation by the Argentine industry will occur.

(f) Where it is validly proven that the quality of the domestic product is not satisfactory or that the technical specifications demanded by the purchasing entity substantially differ from those of the domestic product and cannot be adapted to those of the domestic industry without serious detriment to the buyer.

(g) Where the previous business transactions of the domestic supplier have, in the judgment of the Commission, not been satisfactory as to his ability to comply with the terms and conditions of his offer.

(h) Where the bidder, by virtue of the benefits granted by the State, has committed himself to operate at a level of protection below that which is established by these regulations.

Article 13. The Ministry of the Interior shall invite the provincial governors to enact standards similar to those of these regulations in their respective jurisdictions.

Article 14. The provisions of this decree shall not apply to comparisons to be made in international tenders undertaken under financings already agreed upon with foreign government agencies or international credit organizations in which the corresponding contingencies had especially been provided for.

Article 15. This decree shall be countersigned by the Ministers and Department Heads in the Departments of Economy; Public Works and Services; National Defense; and Interior, and signed by the Secretaries of State for Energy and Fuels; Industry and Mines; Commerce; and Finance.

Article 16. To be communicated, published, passed on to the Office of the Director General of the Official Bulletin and Printing, and deposited in the archives.

GUIDO.—José A. Martínez de Hoz.—Horacio J. Zubiri.—José M. Astigueta.—Osiris G. Villegas.—Jorge Bermúdez Emparanza.—Luis Gottheil.—Juan B. Martín.—Eduardo B. M. Tiscornia.

BRAZIL

(Member of LAFTA and GATT)

Article 244 of Decree No. 4536 of January 28, 1922, as amended, containing the General Regulations for Public Accounts establishes the basic principle that contracts for supplies or the furnishing of services exceeding 5,000,000 cruzeiros (about $2,825 in January 1965 at the free rate) and all public works contracts exceeding 10,000,000 cruzeiros (about $5,650) must be awarded through public tendering (concorrência publica) in accordance with Chapter I of Title VII of the Decree.

Notices of calls for public tenders must be published in the official newspaper (Diário Oficial) of the Federal Government or the official newspapers of the States. Article 750 contains the somewhat unusual provision that all bids must be published in their entirety in the same official newspaper or newspapers in which the notices were published.

Restricted tendering (concorrência administrativa) is permitted in cases of "emergency" and for contracts the amount of which are less than those stated above. That method is subject to the same rules as public tendering except for the publication of notices and bids. Written notices must, however, be delivered or mailed to all suppliers of the article desired.

In the case of ordinary supplies the procurement authorities may effect direct purchases through what is called standing tendering (concorrência permanente). Under this method suppliers file in advance their names and other details, the prices at which they are willing to sell the supplies and information as to quality, delivery, etc.

The contracting authorities have the legal right to cancel any call for tenders as well as to reject bidders not deemed to be suitable (idoneidade). Under Article 743 the contract must be awarded to the lowest bid (a proposta mais barata), however small the difference between such bid and any other bid.

Preferences

Article 742 of the Accountability Decree provides that Federal Government departments shall always prefer domestic bidders, conditions being equal (em igualdade de condições).

Article 744 of the Decree provides as follows (unofficial translation from Portuguese):

"Article 744: It is permitted that the Government stipulate a second condition which, in the case of absolute equality between the two proposals, with right to better classification, will serve to decide to which falls the preference."

A check made by the United States Embassy in Rio de Janeiro of government tenders published in the Diário Oficial during January 1965 showed that, when conditions were stipulated under Article 744, first preference was given to bidders of Brazilian nationality. For example, in a tender published by the Ministry of Aviation, the condition was as follows:

"In cases of equality of prices, the decision will obey the following preferential order (Art, 744 of R.G.C.P.):

"1. National bidder;

2. Reduction of prices;

3. Supplier of article or labor during the past year;

4. Drawing [i.e., by lot]."

Another tender for sale of used equipment stated that, in the event of equality of offers between a national firm and a foreign firm, preference would be given to the former.

According to information supplied by the United States Department of Commerce and the United States Embassy in Rio de Janeiro, the Government and its agencies and autonomous entities are required to purchase articles of domestic origin similar to foreign articles (artigos de produção nacional similares aos estrangeiros), rather than making purchases abroad, if the products are included in the list of equivalent domestic products ("similars") determined by the Customes Policy Council. Articles so included are automatically ineligible for exemption from, or reduced of, import duties, and are, moreover, transferred to the least favorable category of exchange.

Basic exemptions from, or reductions of, import duties are regulated by Decree-Law No. 300 of February 24, 1938, as supplemented by Law No. 3244 of August 14, 1957, which established a new tariff system listing items according to the Brussels nomenclature. Additional exemptions or reductions are granted by other laws and decrees, either permanently or temporarily, for specified articles, but all exemptions or reductions are dependent upon the fact that the imported article has no equivalent produced domestically in a quantity sufficient to supply the market. Moreover, Article 3 of Law No. 3244 provides that the Customs Policy Council may increase by a maximum of 30 per cent. the import duty on items of a type registered as "similars".

The basic provisions relating to the determination of "similars" are contained in Chapter XXVI of Decree-Law No. 300. The Commission on Similars established under its provisions was superseded by the Customs Policy Council under the provisions of Law No. 3244.

The basic regulation requiring the use of "similars" in public procurement, unless special permission is obtained, is reported by the United States Embassy in Rio de Janeiro to be Circular No. 7 of February 26, 1942, of the Director of Customs Revenue, which reads as follows (unofficial translation from Portuguese by the Embassy):

"In accordance with a decision rendered by his excellency the Minister of Finance in a document filed with the Treasury Department as No. 9,159 of this year, which resulted in the issuance of Official Memorandum No. PL/53/561.1(P.1.1.176) of January 29, 1942, from the Federal Foreign Trade Council, I hereby inform all Customs Inspectors and other Customs Boards of the country, for their guidance and necessary action that, in accordance with recommendations made by His Excellency the President of the Republic, preference should be given to the national similar products in all purchases made by the Public Administration of the Country."

Preference for products of the products of the Volta Redonda steel plant of the National Steel Company is provided by Circular No. 36 of December 18, 1947, of the Director General of National Finance, which reads as follows (unofficial translation from Portuguese by the Embassy):

"The Director General of the National Finances, taking into consideration the resolution of His Excellency the President of the Republic, to be implemented by order of the Minister of Finance, recommends to all chiefs of departments and services of this Ministry, as well as all autonomous agencies, that in their operations they shall not purchase from other sources those products manufactured by Volta Redonda steel plant of National Steel Company (Cía Siderúrgica Nacional].

"It is further declared that the National Steel Company has already been requested to provide a list of products which it manufactures and that this list will be published so that the importation of similar products for use by government agencies can be completely discontinued."

The Government regularly encourages both its own entities and Brazilian private industry to develop national "similars". As an example, Petrobras, the Government petroleum monopoly, has a special division for developing information on, and specifications for, "similars".

Principal sources

(1) Letters dated December 16, 1964, January 22, 1965, and February 10, 1965, from the United States Embassy in Rio de Janeiro to Cravath, Swaine & Moore, New York.

(2) Letter dated November 12, 1964, from the Bureau of International Commerce, United States Department of Commerce, to Cravath, Swaine & Moore, New York.

(3) Foreign Service Despatch No. 1635 dated June 16, 1955, from the United States Embassy in Rio de Janeiro, entitled "Protection Against Imports of 'Similar' Products".

(4) American Chamber of Commerce for Brazil, São Paulo, Supplement No. 28 dated October 9, 1957, entitled "Registration of Similars".

(5) United States Department of Commerce, Establishing a Business in Brazil, Overseas Business Reports, No. OBR 63-149 (December 1963).

(6) United States Department of Commerce, Foreign Trade Regulations of Brazil, Overseas Business Reports, OBR 63-150 (December 1963).

(7) Harvard Law School (World Tax Series), Taxation in Brazil (Cambridge, 1957).

CHILE

(Member of LAFTA and GATT)

In principle, Chilean law requires that public supply and public works contracts be awarded through public tendering, but there are many exceptions.

The two most important procurement agencies are the State Purchasing Department (Dirección de Aprovisionamiento del Estado) and the Ministry of Public Works. Under the provisions of Article 1 of Decree with Force of Law No. 353 dated April 5, 1960 (Diario Oficial, April 6, 1960), the Purchasing Department, a public organism dependent on the Ministry of Finance, is in charge of the purchase, storage and distribution of all materials, machinery and other equipment required by the Government, including the armed forces, as well as of office supplies, material and equipment required by semi-governmental institutions, regardless of the origin of the funds with which the purchases are made. Under the provisions of Article 1 of Law No. 15,840 of November 2, 1964 (Diario Oficial, November 9, 1964), the Ministry of Public Works is charged, among other things, with the construction, improvement and repair of public works financed by the Treasury. Under Article 2 Ministries which have legal power to construct works, the State institutions and Government enterprises (such as the State Railways) and the municipalities can entrust to the Ministry the construction, etc., of works, agreeing with it on the conditions, the methods and the financing thereof.

Article 2 of Decree with Force of Law No. 353 requires that, as a general rule, the State Purchasing Department make its purchases through public or private tendering (licitación pública o privada). Public tendering may be omitted, however, in a number of specified cases, including those involving a purchase of not more than 5,000 escudos (about $2,100 at the official rate) and in urgent and emergency cases.

Article 50 of Law No. 25,985 provides that public works shall be executed by means of contracts awarded through public bids. The Article provides, however, for a number of exceptions which permit works to be executed by direct negotiation (por trato directo), by contracts awarded through private tendering (por cotización privada), by administration (por administración) or by delegated administration (por administración delagada), all as determined by the Regulations. Works executed by administration are carried out by the department or entity concerned. Those executed by delegated administration are carried out as a rule by contractors on a cost plus fixed fee or cost plus percentage basis, or a combination of the two.

There are a number of legal provisions which contain preferences for Chilean bidders and Chilean products and materials. Article 4 of Decree with Force of Law No. 353 provides as follows concerning purchases of the State Purchasing Department (unofficial translation from Spanish):

"The Department shall give preference in the purchases which it makes to materials, supplies, and equipment of domestic manufacture, price and quality being equal and giving protection to the national [fiscal] interest.

"Conditions being equal, the manufacture of materials, furniture, fixtures, and equipment by national [i.e., Government] factories will be preferred."

By virtue of the registration requirements of the Regulations for Public Works Contracts approved by Decree No. 1,240 of June 6, 1961 (Diario Oficial, October 14, 1961), as amended by Decree No. 539 of March 7, 1963 (Diario Oficial, May 8, 1963), and Decree No. 2,193 of August 27, 1964 (Diario Oficial, September 22, 1964), contracts for public works can be awarded only to Chilean firms that are enrolled in the General Register of Contractors or in the Registers of Minor Works and Specialized Works maintained by the Divisions of the Ministry of Public Works. Contractors are enrolled in the General Register according to one or more principal specialties and are also classified in five categories according to the maximum amounts of the contracts which they are deemed qualified, ranging from the First Category of 2,000,000 escudos (about $840,000) to the Fifth Category of 100,000 escudos (about $42,000).

In order to be registered in the First Category of the General Register, a corporation must be organized by public instrument and its constitutive document must require that at least one of its directors be a professional Chilean civil engineer. Less restrictive requirements apply to the other Categories but at least one director must enjoy specified professional status. The Regulations also provide for numerous other technical and financial qualifications.

A Special Register is maintained for contractors deemed qualified to execute a work amounting to more than 1,000,000 escudos. The prerequisites for registration are fixed for each work by the officials of the Ministry; hence, the possibility exists for the registration of foreign contractors. Even if the amount is less than 1,000,000 escudos, a Special Register may be established, if the technical characteristics of the work justify it.

Decree No. 1,250 of October 20, 1964 (Diario Oficial, November 18, 1964), an unofficial translation from Spanish of which is attached hereto as Schedule A, requires all governmental and semi-governmental entities to purchase domestic metallurgical products or parts in preference to similar imports.

Article 2 provides that domestic metallurgical products "of equal price and quality" must be given preference over similar imports and that, for purposes of price comparison, the amount of the duties levied by the customs authorities shall be added to the price of the goods of foreign origin, even though the purchasing entity may bear such duties. According to reports from the United States Embassy in Santiago, the Chilean Metallurgical Trade Association (ASIMET) takes the position that such duties must be included, even though the purchasing entity may be exempt from paying such duties.

Reasons for purchasing foreign metallurgical products must be certified to the Department of Industry and Commerce in the Ministry of Economy. The certification must show that there are no equivalent domestic products, that no bids for similar domestic products were received, or that there exist acceptable reasons justifying metallurgical imports. A maximum amount of domestic components should be incorporated in the imported products, if the complete product is not available domestically. Preference must be given to foreign offers of equal "price" and "quality" which would permit maximum incorporation of domestic components in the final product.

Most unfinished metallurgical products manufactured in Chile are already protected by prohibited lists or high surcharges.

Finally, Circular No. 30 dated August 4, 1961, of the Ministers of Economy and the Treasury, an unofficial translation from Spanish of which is attached hereto as Schedule B, contains instructions to State enterprises (empresas del Estado), such as the State Railways, concerning the letting of bids and provides that, in cases where there exists domestic production of the article required, bids should be limited to Chilean suppliers.

Principal sources

(1) Letters dated November 9, 1964, and January 15, 1965, from the United States Embassy in Santiago to Cravath, Swaine & Moore, New York.

(2) Letter dated February 5, 1965, from Dr. Gustavo Serrano M. of Price Waterhouse Peat & Co., Santiago, to Cravath, Swaine & Moore, New York.

(3) United States Department of Commerce, Market for U.S. Products in Chile (December 1961).

(4) United States Department of Commerce, Licensing and Exchange Controls—Chile, World Trade Information Service, Part 2, No. 62-18 (May 1962).

SCHEDULE A. CHILE

Decree No. 1250 of October 20, 1964, concerning preference to be given to the National Metallurgical Industry in public bids

(Diario Oficial, November 18, 1964)

(Unofficial translation from Spanish)

(No. 1250)

SANTIAGO, *October 20, 1964.*

Today the following has been decreed:

Whereas it is necessary to stimulate the development of the national metallurgical industry, for which purpose it is appropriate to broaden its internal market;

Acquisition of its products by the public sector will furthermore diminish the outflow of foreign exchange; and in view of:

The provisions contained in Articles 1, para. (b), and 4, Nos. 15 and 18, of the Decree with Effect of Law No. 88, dated May 12, 1953; Article 1 of Decree No. 1,272, dated September 7, 1961, which established the definitive text of the Law concerning Exports, Imports and International Currencies;

I decree:

Article 1. In addition to those special provisions which may apply in each case, acquisitions of machinery, tools, equipment and appliances made by governmental and semigovernmental institutions shall be governed by this Regulation.

Article 2. Where equality of price and quality exists and the interests of the purchasing institution have been safeguarded, domestically produced goods shall be given preference.

For the purposes of price comparison, the amount of duties levied by the Customs Authorities shall be added to the price of the goods of foreign origin, even where the purchasing institution may bear such duties.

Article 3. If an offer for sale of goods of foreign origin is accepted, it must be stated that, in accordance with information received from the Department of Industry and Commerce, no adequate domestic production exists and that no offers for goods of domestic origin had been submitted, or the reasons for which offers that had been submitted were not accepted must be given.

Article 4. In the absence of an adequate domestic offer, preference shall be given to that foreign offer which, where equality of price and quality exists and the interests of the purchasing institution have been safeguarded, offers to integrate the largest proportion of its value with parts or elements of domestic production.

Article 5. The value of the foreign offer referred to in the previous article shall be only that part which relates to the price offered for machinery, tools, equipment or appliances. Thus, the price for assembling, for construction on the land and other work of a secondary nature shall be excluded.

Article 6. For the purposes of Article 4, a part or element of domestic production shall be understood to be a part or element in which the principal raw material originates in Chile and those with respect to which, although they are of foreign origin, the aggregate value in Chile produced by their processing is at least equal to 50% of the price offered for the finished product. That percentage must be proven in the offer by the bidder.

Article 7. For the effects of controlling the quality and uniformity of specifications between parts and elements of domestic production and of foreign origin which must be integrated, the Quality Standards to be used for such control must be specified in the conditions of the bid.

Article 8. The foreign bidder whose offer may be given preference pursuant to Article 4 must guarantee the material, efficiency, production and quality of the final products of the entire integrated project.

To be recorded, communicated and published.

J. ALESSANDRI R.,
MANUEL PEREIRA Y.,
Minister of Economy, Development and Reconstruction.

What is transcribed is for your information.

Very truly yours,

CARLOS GREBE HERNÁNDEZ,
Undersecretary of Economy, Development and Reconstruction.

SCHEDULE B. CHILE

Circular No. 30 dated August 4, 1961, of the Ministers of Economy and the Treasury

(Unofficial translation from Spanish)

Bearing in mind:

(a) The need for avoiding in so far as possible the outflow of foreign exchange from the country;

(b) The advisability of stimulating the development of national industry, improving its competitive position with relation to foreign industry;

(c) The intentions of the Government of acquiring the greatest volume of national products without detrimentally affecting the consumer;

(d) The importance of progressively substituting imported products with those of national origin;

The Government has decided to give the following instructions to State Enterprises [Empresas del Estado] concerning the handling of bids:

(1) In the case where there exists domestic production of the article required, bids should be limited to domestic suppliers.

(2) In such bids all quotations should be requested on the basis of the normal conditions of payment utilized by the Enterprise for domestic purchases, but in no case may payment be extended beyond date of delivery of the merchandise.

(3) Whenever performance of the preceding clause brings about financial difficulties to the purchasing Enterprise, it should advise the Budget Division of its additional financing requirements.

(4) The Enterprise should place special emphasis on the requirements of quality that the material must meet, indicating them with the greatest preciseness at the time that bids are called for.

(5) At the same time that bids are called for, the Enterprise should take the necessary steps to determine the international market prices for similar articles. In determining the price of the imported article, there should be taken into account, in addition to freight, insurance and taxes and import and export duties, all the expenses, such as import deposits, which a private individual would incur if he himself had effected the operation.

(6) Should the cost of the domestic product prove to be greater than that of the imported product, calculated on the basis established in paragraph No. 5, the Enterprise should send the record to the Budget Division. This organization will advise as to the financial implications of the transaction, with special relation to paragraph 3 of this circular. The Budget Division will answer within a maximum of 10 days. In case that no answer is received within 10 days, the Enterprise will be free to request bids with the participation to foreign suppliers.

Should the Enterprise run into legal obstacles in the application of these instructions, it is requested that the Minister of Economy be advised concerning the particular point as soon as possible.

We communicate this to you with the certainty that it will be strictly observed by the Enterprise under your direction.

JULIO PHILIPPI,
Minister of Economy.
EDUARDO FIGUEROA,
Minister of the Treasury.

COLOMBIA

(Member of LAFTA)

Article 21 of the Fiscal Code establishes the general principle that contracts shall be awarded only through public tendering (licitación pública). Direct contracting with a selected firm is authorized, however, in a number of cases. The most important is when the Council of Ministers has approved a declaration of urgency to the effect that there is insufficient time in the particular case to carry out the tendering procedure.

Various specific laws and decrees also permit deviation from the general principle. Decree No. 2880 of October 24, 1959 (Diario Oficial, November 10, 1959), relating to the National Supply Service, permits the use of private tendering (licitación privada) for the awarding of contracts which involve the procurement of goods or supplies for national defense or those which by virtue of their nature or the service for which they are intended are not appropriate for public tendering.

Also, Law No. 4 of September 30, 1964 (Diario Oficial, October 6, 1964), which relates to the awarding of public works contracts by the Nation, the Institutes, the decentralized public undertakings or establishments and other Government and semi-Government entities, authorizes public tendering to be dispensed with in the awarding of very small contracts (less than 200 pesos) and in cases of imminent paralyzation or suspension of, or damage to, a public service. Those circumstances must be verified, however, by a declaration of the Council of Ministers, if national works are involved, and otherwise by a "motivated" resolution of the entity concerned.

Under Colombian law and practice the contract is awarded to the person whose bid is most advantageous (más conveniente), which is not necessarily the one that is lowest in price. Law No. 4 of 1964 provides that the Government will regulate the form in which, in addition to the amount of the bid, there should be weighed the equitable distribution of work, the technical capability, experience, organization, economic responsibility and the equipment and facilities of each bidder, in order that those factors may be taken into account in the award.

Colombian public contract law is characterized by two unusual features: (1) all contracts exceeding 100,000 pesos (about $8,000) are subject to review and revision by the Council of State and (2) the complete text of all contracts must be published in the official newspaper.

The basic discrimination in favor of domestic bidders and domestic products stems from Colombia's import policy, which is aimed not only at conserving foreign exchange but also at protecting domestic industries. The policy applies as a rule to all Government and semi-Government agencies as well as to the private sector of the economy.

Imports are classified in three lists: (1) free, (2) prior license, and (3) prohibited. So-called free imports are considered essential and may be imported without quantitative restriction. The prior license list includes a vast number of items which may be imported only upon the issuance of a license by the Superintendency of Imports. They include iron and steel products and most machines and equipment. Prohibited imports are those that are considered luxuries and nonessentials or those that are produced in Colombia and in quantities sufficient to meet demand.

As an example, a Government agency can obtain a license to import foreign steel for a construction project only if it obtains a certificate from the Government steel plant that the particular steel product is not produced by it or is produced by it in quantities insufficient to meet domestic demand.

Various laws and regulations specifically discriminate against foreign firms and foreign products. Thus, Article 14 of Law No. 4 of 1964 provides as follows (unofficial translation from Spanish):

"The construction industry and the engineering and architectural callings in all their branches are activities useful and necessary for the economic development of the country, for which reason the State ought to stimulate and protect domestic natural and juridical persons devoted to them.

"The Government will regulate the form in which this protection and stimulus should be given and that which should be encompassed within the term 'domestic juridical persons' for those purposes."

Article 25 of Decree No. 2880 of October 24, 1959, requires persons who wish to enter into public supply contracts to be registered with the Supply Division of the National Supply Service and with the Ministries and Administrative Departments authorized to make special purchases. Registration requires compliance with the following prerequisites:

(1) Proof of registration in the Public Commercial Register (which, for a foreign corporation, entails almost the same formalities as the incorporation of a Colombian corporation);

(2) If a juridical person is involved, proof of its constitution, existence and legal representation; and

(3) Establishment of antecedents of good commercial reputation by means of a certificate of a bank or the National Federation of distributors or the National Association of Manufacturers.

Upon being registered, the registrant, under the provisions of Article 26, must submit to the Supply Division and the Ministries and Administrative Departments price lists of the goods, or merchandise which it wishes to sell and must inform the same entities, in a permanent fashion, concerning variations in such prices. Compliance with the requirement is indispensable if the bids of the registrant are to be taken into account in any class of purchases.

Compliance with the foregoing requirements is obviously very difficult for any foreign corporation which has not already established a branch in Colombia and complied with the registration provisions.

Furthermore, Article 42 of the Fiscal Code provides that all contracts made by the Government in Colombia with foreign persons are subject to Colombian law and the jurisdiction of the Colombian courts and that such contracts must contain a clause stating that the foreigner subjects himself to the Colombian courts and laws and waives the right to make a diplomatic claim, except in case of denial of justice. Such a denial is not considered as existing if the remedies allowed by Colombia were available to the foreigner.

Principal sources

(1) Letter dated November 10, 1964, from the United States Embassy in Bogotá to Cravath, Swaine & Moore, New York.

(2) Vidal Perdomo, Derecho Administrativo General [General Administrative Law] (Bogotá 1961).

(3) Sarría, Derecho Administrativo [Administrative Law] (4th ed., Bogotá, 1962).

(4) United States Department of Commerce, Colombia: A Market for U.S. Products (1964).

(5) United States Department of Commerce, Foreign Trade Regulations of Colombia, Overseas Business Reports, OBR No. 64-3 (January 1964).

MEXICO

(Member of LAFTA)

Article 134 of the Mexican Constitution provides as follows (unofficial translation from Spanish):

"All the contracts which it is necessary that the Government enter into for the execution of public works will be awarded by competitive bidding through notice in order that proposals may be submitted in sealed envelopes which will be opened in public."

In practice, however, open public tendering is used only infrequently, largely because of the absence of adequate implementary legislation. Most contracts are awarded through private invitations for offers or by direct negotiation.

According to the U.S. Embassy in Mexico, there is a wide divergence among Government agencies in the procedure for inviting bids, which, by virtue of the registration requirements described below, is almost never done by advertisement. Some agencies inform all registrants of a proposed contract or order. Others select only a few registrants and give them invitations to bid. In either case, once the bids have been received, the contracting authority is not required to accept the lowest bid.

Under the provisions of the Presidential Decree of January 13, 1959 (Diario Oficial, January 29, 1959), an unofficial translation from Spanish of which is attached hereto, all Mexican ministries and departments of state, decentralized federal entities and enterprises with state participation are required generally to acquire goods, equipment, materials and merchandise that are of Mexican origin and are permitted to acquire articles of foreign origin only in exceptional cases. Imports of foreign origin are permitted only in cases in which the material is unavailable in Mexico or is not available in sufficient quantity or satisfactory quality.

The Decree establishes a Committee on Government Imports composed of the Director General of the National Foreign Trade Bank as Chairman and representatives of four ministries and the Bank of Mexico for the purpose of screening all requests for imports by Government agencies. Only those imports which are authorized by the Committee are permitted.

National credit institutions which extend financial assistance, either themselves or through guarantees of the Federal Government, to state and municipal governments which are intended for acquisition of goods of foreign origin are required by Article 11 of the Decree to prescribe as a condition precedent that the provisions of the Decree are satisfied.

Under the provisions of the Presidential Decree of April 27, 1962 (Diario Oficial, May 22, 1962), all natural and juridical persons which desire to enter into public works and supply contracts with the Federal Government, must register once a year in the Register of Contractors and Suppliers of the Federal Government maintained by the Department of National Property (Secretaría del Patrimonio Nacional).

In order to be registered, foreign corporations must obtain the authorization of the Department of Industry and Commerce after complying with the following requirements:

(1) Proof that they have been legally constituted according to their domestic laws.

(2) Proof that their Articles of Incorporation and other constitutive documents are not contrary to the precepts of public order established by Mexican laws.

(3) Registration in Mexico as a foreign corporation or the appointment of an agent in Mexcio.

Foreign corporations must also comply with other requirements. For example, in an announcement issued in the Fall of 1963 by the Department of Public Works outlining procedures for qualifying for bidding for contracts for machinery and other equipment during the remainder of 1963 and 1964, the following requirements were specified:

(a) Registration in the Public Commercial Register of the City of Mexico (which entails compliance with the same requirements as those for registration in the Register of Contractors and Suppliers) as well as registration in the latter Register.

(b) Permission of the Secretary of Foreign Relations to operate in Mexico, in accordance with Article 33 of the Law of Nationality and Naturalization, which requires an agreement by the corporation to consider itself as Mexican for the purposes of any contract awarded to it and an undertaking not to invoke the protection of its government in any dispute.

(c) Compliance with Mexican legal formalities for the appointment of any agent. To be effective the power of attorney must be legalized and stamped and recorded in the Public Commercial Register of the City of Mexico. If the agent is a foreigner, he must demonstrate his legal status in Mexico in accordance with the procedures established by the General Law of Population.

The situation is summarized in the following excerpt from a letter dated February 15, 1965, from the United States Embassy in Mexico:

"It is believed that the registry of the Secretariat of National Property consists exclusively of persons or companies resident in and/or organized under Mexican law. Foreign companies are represented on the list through local firms organized in accordance with Mexican law and domiciled in Mexico. No foreign companies domiciled outside Mexico are on the registry. Foreign firms wishing to be registered must apply through a Mexican firm (usually a subsidiary or affiliate) or buy into a local firm which is or can be registered.

"Having one's name on the registry merely permits a supplier or contractor to compete with other firms. Except where international contracting requires the receipt of competitive bids, the letting of contracts is usually handled on a restricted basis, with only domestic firms entering the bidding."

Principal sources

(1) Letter dated February 15, 1965, from the Commercial Officer, United States Embassy in Mexico, to Cravath, Swaine & Moore, New York.

(2) Foreign Service Despatch No. 684 dated January 27, 1959, from the United States Embassy in Mexico, entitled "Mexican Government Entities Required to Purchase Mexican Goods in Preference to Imports."

(3) Foreign Service Despatch No. 1104 dated May 19, 1959, from the United States Embassy in Mexico, entitled "Government Controls; Establishment of Register of Suppliers and Contractors to the Mexican Federal Government."

(4) Foreign Service Despatch No. 1157 dated May 29, 1959, from the United States Embassy in Mexico, entitled "Data Regarding Conditions and Requirements Confronting Foreign Contractors and/or Engineering Firms Desiring to Operate in Mexico."

(5) Foreign Service Despatch No. 952 dated February 29, 1960, from the United States Embassy in Mexico, entitled "Procurement Policies and Practices of Foreign Governments."

(6) Airgram No. A-430 dated October 8, 1963, from the United States Embassy in Mexico, entitled "Mexican Government Invitations to Bid—Procedures for Qualifying."

(7) United States Department of Commerce, Establishing a Business in Mexico, Overseas Business Reports, No. OBR 64-82 (July 1964).

(8) Gabino Fraga, Derecho Administrativo [Administrative Law] (9th ed., México, 1962).

(9) Marentes, Contratos Administrativos [Administrative Contracts] (México, 1962).

MEXICO

Decree of January 13, 1959, providing for the establishment of a Committee of Imports of the Public Sector

(Diario Oficial, January 29, 1959)

(Unofficial translation from Spanish)

THE EXECUTIVE,
DEPARTMENT OF THE INTERIOR.

Decree: for the establishment of a Committee on Imports of the Public Sector, which shall be in charge of resolving on the exceptions for import or purchase in the country of articles of foreign origin which the Ministries and Departments of State, decentralized organizations and enterprises with State participation must make, in the discharge of their duties, of goods, equipment, materials and merchandise.

In the margin, a seal with the National Coat of Arms, which reads: Mexican United States. Presidency of the Republic.

To all Ministries and Departments of State:

Whereas purchases of articles of foreign origin made by the entities of the public sector have rapidly increased to the point where they represent a high proportion of the total imports of the country;

Acquisitions of domestic products by the State, the decentralized organizations and the enterprises with State participation must contribute to the stimulation of internal production and to the development of the domestic market;

The scattering of the purchases of the public sector and, in particular, the lack of uniformity in demand and supply vis-a-vis foreign countries limit the buying capacity and affect the negotiation possibilities of the country in foreign markets;

The absence of a mechanism which would permit an adequate channelling of imports of the public sector has to date prevented an adjustment of such purchases to the real needs and to the financial potential of the State;

In order to have acquisitions of the public sector stimulate to a larger extent the domestic production and keep them from exercising unjustified pressures on the trade balance, it is imperative to use flexible instruments which will contribute to a better use of available foreign exchange;

The strengthening of the domestic economy demands, not only the ever increasing cooperation by individuals, but the better organization and larger responsibility of the State:

I have seen fit to enact the following Decree:

1. In the discharge of their duties, the Ministries and Departments of State, decentralized organizations and enterprises with State participation must, in general, acquire goods, equipment, materials and merchandise produced in the country. Articles of foreign origin may be acquired only in exceptional cases, provided that the requisites established in this Decree and applicable both to direct imports and to internal purchases of articles of foreign origin are fulfilled.

2. In order to study and resolve on the exceptional cases referred to in Item 1, there shall be created a Committee on Imports of the Public Sector presided over by the Director General of the National Foreign Trade Bank and consisting also of a representative of each of the following entities: Ministry of Foreign Affairs, Ministry of Finance and Public Credit, Ministry of National Property, Ministry of Industry and Commerce and the Bank of Mexico, S.A.

3. The Ministries, Departments, decentralized organizations and enterprises with state participation must request from the Committee authorization for direct imports and local purchases of articles entirely of foreign origin, or of articles assembled, bottled or packaged in Mexico which, in the opinion of the Committee, contain a high proportion of foreign products.

Said information shall be submitted to the National Foreign Trade Bank and contain the following data:

(a) Amount of imports proposed to be made, including purchases to be made within and outside of the country of articles of foreign origin described under Item 3, as well as their volume or the number of units which it is proposed to import;

(b) Name and firm name of suppliers, indicating, where applicable, existing previous commercial transactions and the reasons for which a specified supplier is preferred;

(c) Technical and commercial specifications of the products;

(d) Chronological account of the dates of purchase, deliveries of the articles and their utilization;

(e) Unit prices of the products;

(f) Country or countries of origin of imported goods;

(g) Forms and terms of payment;

(h) Financing and sources of payment for the purchases;

(i) Proof, at the discretion of the Committee, for the effects of paragraph (e) of Item 4, that the articles which it is proposed to import are not produced in the country or are produced in a quantity which is insufficient, or a quality which is unsatisfactory, for supplying the national market;

(j) Reasons justifying the need for direct imports or purchases in the country of articles of foreign origin.

4. The Committee shall decide on the applications which are presented to it, taking into account, in addition to the requisites listed in the preceding item, the following:

(a) General trends of production, employment and prices in the country and abroad;

(b) Foreign trade trends and the commercial policy of the country;

(c) The balances of trade and payments;

(d) The possibilities of effecting offsetting barter or exchange transactions and the arrangements or measures of a commercial or financial character which the Federal Government may be projecting or negotiating with other countries;

(e) The potential production and supply, by domestic companies, of the articles which form the subject of the petition;

(f) The capacity for payment and financial situation of the Federal Government and of the public sector in general;

(g) The availability of assets in the possession of entities which form part of the public sector, as well as the possibility of a better use of said assets, especially where capital assets are involved;

(h) The productivity of the investments, their economic and social importance, and the degree of urgency of making the purchases for which authorization is requested.

5. For the purpose of facilitating as much as possible the supply with products of foreign origin to the department, decentralized organizations and enterprises with State participation, and so that the procedure established by this Decree may be as effective as it should be, import applications shall be decided according to the following system:

(a) The applications must be made on special forms which the Committee will approve for this purpose and which the National Foreign Trade Bank will distribute;

(b) The Committee shall make its decisions and shall notify the applicants thereof within 15 days, counting from the date on which the applications are submitted or, where applicable, from the time at which the respective file may have been duly completed, in the discretion of the Committee;

(c) The decisions of the Committee shall be made by a majority of votes. In case of tie, the Chairman will have the deciding vote;

(d) The Committee shall meet as frequently as it may deem convenient to fulfill its functions with the highest degree of efficiency, and shall establish the working procedures and operating rules that it may deem most expeditious and efficient;

(e) The Chairman of the Committee shall have the power to convoke the Committee as often as may be necessary and must propose the administrative organization and the rules and procedures required for effective compliance with this Decree.

6. Where imports included within the investment program of the public sector are involved, once the steps referred to in the previous articles have been concluded, the National Foreign Trade Bank must obtain from the Department of the Presidency a confirmation to the effect that said investment program has been approved.

In every case in which transactions involving the acquisition of foreign products are authorized, these transactions must be carried out through, and with the intervention of, the National Foreign Trade Bank, which shall be the only institution authorized to open and establish credits and to participate in the resulting financial arrangements.

7. The Ministry of Finance and Public Credit and, where applicable, the Ministry of National Property shall not authorize within their respective jurisdictions expenditures for the acquisition of goods which the Agencies of the Federal Executive or decentralized organizations or enterprises with State participation may acquire, if the requisites of this Decree have not been previously met.

The Ministries mentioned in the preceding paragraph as well as the Department of the Presidency must contribute, through the functions of planning, coordination and supervision legally vested in them, to the accomplishment of an application of this Decree to the fullest extent.

Customs offices shall not process any customs declaration for the import of goods acquired abroad until the interested agency submits to them proof, issued by the National Foreign Trade Bank, of the fact that such import has been authorized.

8. The national credit institutions shall make financings which they grant to the Federal Government, to decentralized organizations and enterprises with State participation, and to accredited individuals, or to associations and corporations of any kind formed by them, subject to the terms of this Decree, in so far as they may cause purchases of articles of foreign origin.

9. The Cabinet Ministers, Heads of Departments, counsellors, commissioners, directors, managers, officials and employees of the decentralized organizations, national credit institutions and other enterprises with State participation shall be directly responsible for non-compliance with the terms of this Decree, within their respective spheres of action.

The Committee concerned shall be informed of all cases of non-compliance referred to in the preceding paragraph, and shall propose to the President of the Republic the measures which it considers appropriate to ensure complete compliance with this Decree.

10. The preceding provisions shall be applicable also in the case of direct imports or purchases in the country of articles of foreign origin made by the Federal Government, decentralized organizations and enterprises with State participation within the free perimeters or zones.

11. In order that the National Credit Institutions may grant financings, either of their own or guaranteed by the Federal Government, to the Governments of the States and Municipalities, which are intended for the acquisition of goods of foreign origin, they must demand as a prior requisite that the rules established in this Decree are satisfied.

12. The National Foreign Trade Bank shall be in charge of the preparation and management of the budget of the Committee.

The annual budget of expenditures as well as any amendments thereto shall be submitted, after authorization by the Committee, for the approval of the Ministry of Finance and Public Credit, which shall propose to the President of the Republic the form in which the expenses brought about by the application of this Decree shall be covered.

Done in the Palace of the Federal Executive, in Mexico, D.F., on January 13, 1959, The President of the Republic, Adolfo Lopez Mateos. [Here follow the signatures of fifteen Ministers and three Chiefs of Departments.]

PERU

(Member of LAFTA and GATT)

Peru has no central procurement agency for government purchases, and the various government industries, agencies, and entities are generally free to purchase their own requirements. Competitive bidding is required where possible, but there are many exceptions.

The general regulations for bidding and contracts for public works were promulgated by Supreme Decree No. 36 of October 6, 1961. Article 4 provides for a Register of Public Works Contractors in which contractors are classified according to financial capacity. Registration entails compliance with numerous formalities and only those who are registered may submit bids for most public works contracts. All invitations for bids must be published in the Official Gazette ("El Peruano") and in other media. Contracts usually are awarded to the lowest bidder.

Article 55 of the Industrial Development Law (No. 13270 of November 30, 1959) contains the following preferential provisions (unofficial translation from Spanish):

"The Government, branches of the public administration, including quasi-governmental, municipal, and benevolent organizations, and any institution receiving financial support from the Government, may not buy foreign articles similar to those manufactured in the country. If domestic production is not sufficient, acquisition of imported articles will be in order, but only for the balance [required], which will be authorized in each case by the Bureau of Industries and Electricity [of the Ministry of Development and Public Works]."

Article 17 of the Peruvian Constitution of 1933 provides as follows (unofficial Pan American Union translation from Spanish):

"Art. 17. Commercial companies, national or foreign, are subject, without restrictions, to the laws of the Republic. In every state contract with foreigners, or in the concessions which grant them in the latters' favor, it must be expressly stated that they will submit to the laws and courts of the Republic and renounce all diplomatic claims."

Principal sources

(1) Letter dated February 10, 1965, from Dr. Luis Echecopar Rey, attorney of Lima, Peru, to Cravath, Swaine & Moore, New York.

(2) Letter dated November 12, 1964, from the American Republics Division, Bureau of International Commerce, United States Department of Commerce, to Cravath, Swaine & Moore, New York.

(3) United States Department of Commerce, Market for United States Products in Peru (July 1961).

(4) United States Department of Commerce, Establishing a Business in Peru, World Trade Information Service, Part 1, No. 62-78 (1962).

URUGUAY

(Member of LAFTA and GATT)

The basic Uruguayan law concerning the awarding of public contracts is Law No. 9,542 of December 31, 1935, as amended by Law No. 11,185 of December 20, 1948. The 1935 Law establishes public invitation for offers (licitación pública) as the basic method for the awarding of contracts by the Government and the autonomous entities and decentralized services relating to public works or the investment of funds (except where the amount involved is small). If the contract does not relate to a public work or the investment of funds or if it falls within one of the special exceptions provided for by the Law, then the contracting authority may award the contract by direct negotiation.

The 1935 Law also recognizes the use in some cases of the restricted invitation for offers method (licitación restringida), in which invitations for tenders are issued only to selected firms.

In the case of both public and restricted tendering, the contracting authority has the duty of accepting the offer which it deems the most advantageous (más ventajosa), which is not necessarily the one which is lowest in price. Moreover, if all the offers are deemed unsuitable, the contracting authority can reject all of them and order a new invitation for offers.

Law No. 11,232 of January 8, 1949, specifically provides that in all public works the acquisition of all materials, apparatus, fixtures, installations, etc., and the procurement of services therefor shall be effected by means of a public invitation for offers, except as provided in the 1935 Law and with three further exceptions.

Article 374 of Law No. 13,032 of December 7, 1961 (Diario Oficial, December 22, 1961), contains the following preferential provision (unofficial translation from Spanish):

"In all tenders or direct purchases to be performed by the Executive Power, Departmental Governments, Autonomous Public Enterprises and the Decentralized Public Service Departments, preference shall be given to locally produced goods, products, machinery, equipment and articles, always provided that this procedure should not become inadvisable as a result of duly justified technical considerations or that their price does not exceed by more than 40% similar offers from foreign sources.

"The same procedure shall be followed in case that only part or parts of the locally produced goods, products, machinery, equipment or articles, offered by the bidders, were manufactured in the country. If this should occur, the tolerance in the price margin shall only be calculated on said part or parts.

"The protection accorded by this article is with regard to the surcharges which the Administration might impose on [imported] goods, products, machinery and articles, in use of the faculty granted to it under the Law of December 17, 1959."

Principal sources

(1) Sayaqués, Enrique, Tratado de Derecho Administrativo [Treatise on Administrative Law] (Montevideo, 1953).

(2) Information supplied by the Bureau of International Commerce of the United States Department of Commerce.

VENEZUELA

Venezuela has no general statute governing public contracts and there is no central procurement agency. The various ministries and agencies and autonomous entities and establishments generally make their own purchases. Public bids tenders are usually invited by advertisement for supplies and materials and for the execution of government works in accordance with the requirements of Article 427 of the Finance Law of March 17, 1961 (Gaceta Oficial, March 17, 1961). Article 427 exempts from those provisions contracts involving national defense, those relating to technical services and those not amounting to more than 10,000 bolivares (about $2,200 at the free rate in January 1965).

Article 428 contains the following provision concerning the awarding of contracts (unofficial translation from Spanish):

"The award shall be made to the bid which offers bigger advantages [mayores ventajas], these conditions being stated in the record. If it is determined that none of the bids fulfills the required conditions, the bidding shall be declared void."

The various ministries and agencies generally require that local manufacturers or dealers and agents of foreign suppliers who wish to qualify as bidders must first register. In order to be registered they must, among other things, establish that they are current in the payment of Venezuelan taxes and that financially and technically they are qualified to participate in government bidding.

Under the rules and regulations for bidding on government contracts for public works adopted by Resolution No. 623 of August 12, 1964, of the Ministry of Public Works (Gaceta Oficial, August 13, 1964), all contracts must be let through public bidding (licitación pública), except those amounting to not more than 1,000,000 bolivares (about $220,000 at the free rate in January, 1965). Exceptions are also provided in the case of emergency works necessitated by public calamities, such as earthquakes and floods, and those involving state security or national defense, subject to the approval of the Cabinet. The Minister of Public Works is also authorized to dispense with the requirement of public bidding in situations which, according to his determination, affect the public or social interest.

Subject to the applicability of the other exceptions, if the amount of the contract is more than 200,000 bolivares (about $44,000 at the free rate in January 1965) but less than 1,000,000 bolivares, it must be awarded by means of private bidding (concurso privado) with the participation of at least three firms enrolled in the Register of Public Works Contractors.

The rules and regulations provide for a Tender Commission (Comisión de Licitación) for each contract for the purpose of selecting eligible bidders from among those enrolled in the Register, the filing of bids, the selection of the successful bidder and the awarding of the contract. Provision is made for the rejection by the particular Commission of unqualified bids. Of the remaining bids, the contract must be awarded (Article 34) to the bid determined to be, all things considered, the most beneficial (más conveniente) to the interests of the Nation. Article 35 requires the Commission, in making that determination, to take into account not only the lowest price but also the experience, technical capability and economic status of the bidder, thereby permitting the exercise of considerable discretion and possible discrimination against foreign bidders.

Article 53 contains detailed provisions as to the prerequisites for enrollment in the Register of Public Works Contractors maintained by the Ministry.

Obstacles are placed in the way of foreign bidders not only by the prior registration requirements of the various ministries and agencies but also by the fact that all firms submitting bids on government contracts must be domiciled in Venezuela. In the case of foreign corporations, that requirement entails domiciliation under the provisions of Articles 354 through 358 of the Venezuelan Commercial Code. Those provisions require, among other things, the filing of certified copies of the articles of incorporation (or corresponding documents) and the by-laws of the foreign corporation and the translation into Spanish and publication of the articles of incorporation, as well as the appointment of a representative in Venezuela with full powers to act in Venezuela for the foreign corporation, except the power to dispose of the business of the corporation.

Accordingly, foreign corporations which are not already registered with a ministry or agency and are not domiciled in Venezuela are at a substantial disadvantage, particularly if the period allowed for the submission of bids is relatively short.

The protection of existing national industry and the encouragement of new industries is the declared policy of the Venezuelan Government. In furtherance of that policy, the "Buy Venezuelan" Decree of January 9, 1959 (Decree No. 512, Gaceta Oficial, January 13, 1959), a copy of an unofficial translation from Spanish of which is attached hereto, requires all government departments and agencies and autonomous entities and establishments to purchase Venezuelan products, provided the domestic price is not over 25% greater than that of the imported product.

Principal sources

(1) Foreign Service Despatch No. 328 dated November 3, 1961, from the United States Embassy in Caracas, entitled "EXPORT: Government Tenders".

(2) Airgram No. A-171 dated September 18, 1964, from the United States Embassy in Caracas, entitled "Rules and Regulations for Bidding on Government Contracts for Public Work".

(3) Airgram No. A-217 dated October 7, 1964, from the United States Embassy in Caracas, entitled "Venezuelan Law Governing Bids on Government Contracts".

(4) Letter dated November 12, 1964, from Bureau of International Commerce, United States Department of Commerce, to Cravath, Swaine & Moore, New York.

(5) United States Department of Commerce, Venezuela: A Market for U.S. Products (1964).

VENEZUELA

Decree No. 512 of January 9, 1959

(Gaceta Oficial, January 13, 1959)

(Unofficial translation from Spanish)

The Government Junta of the Republic of Venezuela, in exercise of the authority conferred upon it by its Constitutive Act, in Council of Ministers,

Whereas one of the major obstacles for our industrial and economic development consists in the insufficient capacity of the internal market;

Whereas a large part of the national consumption is vested in the Public Administration; and

Whereas as part of the protection policy which the National Government has developed in favor of the production of the country, the adoption of measures to channel the purchases of the Public Administration towards the market of national products is necessary;

Decrees:

Article 1. The Public Administration shall not be allowed to acquire goods abroad at prices which, added to the corresponding duties which regular import causes, plus a surcharge up to 25 percent ad valorem, will be higher than, or equal to, the prices paid for similar articles or adequate substitutes in the internal market. Prices for the goods to which this article refers shall be determined in the corresponding port of entry into the country.

Article 2. Acquisitions of nationalized goods shall be subject to the provisions of the preceding article. In that case, only the surcharge provided for shall be applied to the price of said goods in the internal market.

Article 3. The Autonomous Official Institutes and Establishments of the Public Administration shall expressly be subject to the provisions of this Ordinance.

Article 4. The Industrial Council shall determine the goods to which this Decree shall be applied and the surcharges in each case.

Article 5. The provisions of this Decree shall not be applicable to cases in which the acquisition of goods produced abroad will be a particular necessity in the judgment of the Ministry of the branch in question. For this purpose, the Ministry which may have ordered or authorized the acquisition must state to the office of the Controller of the Nation the reasons on which it bases its resolution.

Article 6. When inspecting [Al fiscalizar"] the acquisition of goods pursuant to the Law, the Office of the Controller of the Nation shall apply the provisions contained herein.

Article 7. Decree number 131 dated May 20, 1949, is hereby repealed.

Article 8. This Decree shall become effective 120 days after its publication.

Palace of Miraflores, Caracas, the ninth of January of nineteen hundred fifty nine. The 149th Year of the Independence and 100th Year of the Federation.

The Government Junta,
EDGARD SANABRIA,
President.

CENTRAL AMERICAN COMMON MARKET (CACM)

The five Central American countries—Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua—are parties to a number of agreements which comprise or relate to the Central American Economic Integration Program. The two main agreements—the General Treaty of Central American Economic Integration signed on December 13, 1960, and the Multilateral Treaty on Free Trade and Central American Economic Integration signed on June 10, 1958—deal specifically with eliminating trade barriers within the group (the "common market" or CACM), and generally with the whole problem of economic integration.

Article XVI of the General Treaty contains the following provisions with regard to national treatment for construction enterprises (unofficial United Nations translation):

"The Contracting States shall grant national treatment to enterprises of other Signatory States engaged in the construction of roads, bridges, dams, irrigation systems, electrification, housing and other works intended to further the development of the Central American economic infrastructure."

Article III of the General Treaty contains the following provision with regard to national treatment of goods (unofficial United Nations translation):

"Goods originating in the territory of any of the Signatory States shall be accorded national treatment in all of them and shall be exempt from all quantitative or other restrictions or measures, except for such measures as may be legally applicable in the territories of the Contracting States for reasons of health, security or police control."

To encourage investment, the concept of "integrated industries" has been developed. Integrated industries are regulated by the Multilateral Agreement of June 10, 1958, which was validated by Article XVII of the General Treaty. An integrated industry is one that, even at minimum capacity, must have access to the entire Central American market in order to operate under reasonably competitive conditions. An integrated industry is granted a number of special incentives. Article VII provides in part that "the Government and other State bodies shall also give preference in their official imports to the products of the Central American integration industries."

Like LAFTA, CACM has an Executive Council consisting of a representative from each member country, and a permanent secretariat that carries out the administrative functions. The latter is under the direction of a Secretary General. Unlike LAFTA, the supreme authority of CACM is the Central American Council, consisting of the Ministers of Economy of the five member countries.

Principal sources

(1) Association of the Bar of the City of New York, Committee on Foreign Law, Economic Integration in Latin America, 17 Record (Supplement, June 1962).

(2) Business International, Latin America's Merging Market: The Challenge of Economic Integration (New York, 1964).

(3) Duvall, Latin American Integration Developments, 9 International and Comparative Law Bulletin 34 (December 1964) (published by Section of International and Comparative Law, American Bar Association).

(4) Nattier, The Central American Program of Economic Integration, in Surrey and Shaw (eds.), A Lawyer's Guide to International Business Transactions (Philadelphia, 1963).

(5) Pincus, The Central American Common Market (U.S. Department of State, Agency for International Development, Washington, D.C., 1962).

(6) United Nations, Multilateral Economic Cooperation in Latin America, Vol. 1: Text and documents (1962).

AUSTRALIA—MEMBER OF GATT

Departments of the Commonwealth Government are required to purchase their supplies and equipment in accordance with the Treasury Regulations (Statutory Rules, 1942, No. 523, as amended by No. 32 of 1943, No. 3 of 1953, No. 9 of 1959, and No. 77 and No. 122 of 1961), which were issued under the provisions of the Audit Act, 1904–60. Article 52 of the regulations provides that, except in special circumstances, public tenders are required for all purchases within the Commonwealth exceeding LA500. Such tenders are normally open to suppliers both in Australia and overseas and are usually advertised in the Commonwealth Gazette and in the principal daily papers.

Preference is given to Australian manufacturers and products by the addition, for purposes of comparison, of duty to any price quoted by a foreign bidder, as if it were a normal commercial transaction, even though the Commonwealth does not pay duty. When the prices quoted by foreign bidders have been adjusted to take account of duty, all other things being equal, the lowest suitable tender is normally accepted.

The practice of discriminating in favor of Australian suppliers and products is part of the announced policy of the Government to offer protection under the customs tariff to economic and efficient local industries.

The Australian customs tariff has three columns—the British preferential tariff, the intermediate tariff, and the general tariff. Where different rates of duty are provided under the three columns of the tariff, the lowest rates are under the British preferential tariff. For the most part, it applies to imports from the United Kingdom and to certain specified imports from members of the Commonwealth and British colonies. The intermediate tariff provides for higher rates, which have been established for a large number of products, and applies to imports from countries accorded most-favored-nation status, including the United States. The general tariff, with still higher rates, applies to imports from the few remaining countries. As an example of the operation of the tariff, for most machine tools and machinery the intermediate rate applicable to imports from the United States is 55 percent, while the British preferential rate is at least 7½ percent lower.

Accordingly, the policy of the Government discriminates not only in favor of Australian suppliers and products but also in favor of suppliers and products of the United Kingdom and other members of the Commonwealth.

According to unofficial reports, the Government calls on Australian steel companies to supply all its steel requirements which are within the manufacturing range of such companies.

There are a number of Commonwealth public corporations owned by the Commonwealth the purchasing procedures of which are not usually subject to treasury regulations. Nevertheless, many of them follow the contract procedures of the Commonwealth Government and a number of them compare prices of foreign and local bids on a duty-paid basis, even when they are not required to pay duty.

The individual States have considerable authority in making their own purchases. They are reported to follow substantially the same policy as the Commonwealth Government.

The policy followed by Victoria, the second most populous State, is succinctly described in the following excerpt from a letter dated February 4, 1965, from the Secretary of the Premier's Department:

"I desire to refer to your letter of January 20, relative to the award of public supply and public works contracts in the State of Victoria, and to inform you that there is no specific form of preference applicable in this State.

"However, with the object of promoting local production and providing more employment in Victoria the Government has directed that wherever possible, preference is to be given by Victorian departments and instrumentalities to goods manufactured in Victoria.

"Likewise preference is to be given to goods manufactured in the Commonwealth of Australia over goods manufactured in the United Kingdom and other parts of the British Commonwealth.

"Preference is also to be given to goods manufactured in the United Kingdom and other parts of the British Commonwealth over those from other countries.

"So far as other local authorities are concerned such as municipal councils and waterworks and sewerage trusts, etc., these are also bound to give some form of preference under the provisions of section 504 of the Local Government Act, 1958, No. 6299, and section 4(1) of the Public Contracts Act, 1958, No. 6347."

Section 504 of the Local Government Act, 1958, of Victoria (Act No. 6299) provides as follows:

"(1) In purchasing or obtaining any goods machinery or material for any municipality the Council thereof shall give effective and substantial preference to goods machinery or material manufactured or produced in the Commonwealth.

"(2) If goods machinery or material manufactured or produced in the Commonwealth cannot be purchased or can only be purchased in insufficient quantities or of a quality unsuitable for the work the Council shall give substantial and effective preference to goods machinery or material produced and manufactured in the United Kingdom as against those of foreign manufacture."

Section 4(1) of the Public Contracts Act, 1958, of Victoria, provides as follows:

"(1) All goods machinery or materials purchased to the amount of five hundred pounds or upwards at any one time by any local authority or by any contractor with the local authority for any works undertaken by or on behalf of the local authority shall be goods machinery or materials manufactured or produced in the Commonwealth unless the Minister first certifies in writing under his hand that he is satisfied that goods machinery or materials (as the case may be) manufactured or produced in the Commonwealth cannot be purchased or can only be purchased at an unreasonable price or within an unreasonable time or in insufficient quantities or of a quality unsuitable for the works."

PRINCIPAL SOURCES

1. Letter dated December 4, 1963, from the U.S. Embassy in Canberra to Cravath, Swaine & Moore, Paris.
2. Airgram No. A-195 dated September 6, 1963, from the U.S. Embassy in Canberra, entitled "Australian Government Policy on Bidding for Government Contracts."
3. Letter dated February 18, 1965, from the Director of Contracts, Contracts and Disposals Branch, Department of Supply, Canberra, to Cravath, Swaine & Moore, New York.
4. Letter dated February 17, 1965, from the First Assistant Secretary, Commonwealth Treasury, Canberra, to Cravath, Swaine & Moore, New York.
5. Letter dated February 5, 1965, from the Secretary, Premier's Department, State of Victoria, Melbourne, to Cravath, Swaine & Moore, New York.
6. U.S. Department of Commerce, "Report of the 1964 Trade Commission to Australia" (1964).
7. U.S. Department of Commerce, "Foreign Trade Regulations of Australia," Overseas Business Reports, No. OBR 63-129 (1963).
8. U.S. Department of Commerce, "Import Tariff System of Australia," Overseas Business Reports, No. OBR 62-43 (1962).

New Zealand—Member of GATT

The established policy in New Zealand is to give preference to domestic and Commonwealth bidders in the award of public supply contracts. The policy is not based on any specified law but is carried out administratively by the particular government department making the purchase.

The application of the policy is best described in the following excerpt from the letter dated December 4, 1964, cited infra from the New Zealand Government Stores Board:

"The Government Stores Board is responsible for the supervision and coordination of all Government supply work. However, most of the day-to-day buying, including by far the majority of items purchased direct from overseas, is conducted by the various Government agencies and departments themselves in accordance with rules and instructions issued by the board from time to time.

"The basic method of purchase is by written competitive tender although there are obvious exceptions to this in the case of items procurable from one source only, such as many items of spare parts and accessories. There is a distinct preference for purchase ex local merchants stocks but this of course is not practicable for many stores items used by Government and when direct import is warranted or necessary the general policy applicable is to invite tenders on a worldwide basis.

"Departments maintain indexes of suppliers for particular commodity groups and normally send invitations to all firms listed. These lists are culled periodically to remove the names of those suppliers who have not shown interest in tenders or who have failed consistently to meet specifications. In practice overseas manufacturers appear to rely heavily on local agents in New Zealand to keep them informed on tenders but departments also send copies of invitations to the trade missions and representatives of overseas countries domiciled in New Zealand and also to New Zealand Government trade representatives overseas.

"For comparative purposes all tenders are brought to a common basis by the addition of shipping charges and ocean freight and are then loaded with appropriate rates of duty prescribed by the New Zealand tariff. In normal circumstances the tariff is regarded as a true reflection of Government policy with regard to the various preferences accorded to British and most favored nations and to local manufacture. The board itself may however in certain cases direct purchase from a local source where this is deemed necessary in the light of current import policy."

New Zealand operates under a multicolumn tariff in which three tariff rates exist—the British preferential, the most-favored-nation, and the general—plus special rates which apply to certain items imported from Australia, Canada, and South Africa that are not placed under the British preferential tariff. With those exceptions the British preferential rates apply to members of the Commonwealth and British colonies. The most favored nation, or intermediate rates, which have been established for a large number of items, apply to most other countries, including the United States. The still higher rates under the general tariff apply to the few remaining countries. It is estimated that the rate of duty for goods under the intermediate tariff is on the average 18 percent higher than the rate of duty under the British preferential tariff.

Accordingly, it is clear that the application of the above-described policy results in a substantial preference to domestic and Commonwealth bidders, since the Government does not, of course, actually pay any duty.

Bids for supply to Government departments operating as commercial enterprises, such as the railways department and the hydroelectric department, are on the basis of landed cost, including the customs duty which is paid by the particular enterprise. As a result, domestic and Commonwealth bidders also have an obvious advantage.

According to the commissioner of works, who is responsible for the execution of all Government works, no domestic or Commonwealth preferences are available in respect of contracts for building or engineering construction contracts. The usual method of awarding contracts is by public tender after advertisement, either locally or, in the case of exceptionally large works, through the press of all Commonwealth and certain other countries, including the United States. The most satisfactory tender in every respect is accepted and in general this is the lowest tender unless there are good and valid reasons to the contrary. Nevertheless, according to the U.S. Department of Commerce, domestic and Commonwealth bidders are accorded a preference of up to 10 percent.

PRINCIPAL SOURCES

1. Letter dated December 4, 1964, from the Government Stores Board, Wellington, New Zealand, to Cravath, Swaine & Moore, New York.
2. Letter dated December 15, 1964, from the Commissioner of Works, Ministry of Works, Wellington, New Zealand, to Cravath, Swaine & Moore, New York.
3. Letter dated November 19, 1964, from the senior New Zealand trade commissioner in the United States, Washington, D.C., to Cravath, Swaine & Moore, New York.
4. U.S. Department of Commerce, "Basic Data on the Economy of New Zealand," World Trade Information Service, part 1, No. 62-72 (1962).
5. U.S. Department of Commerce, "Foreign Trade Regulations of New Zealand," Overseas Business Reports, No. OBR 64-4 (1964).
6. U.S. Department of Commerce, "Selling to New Zealand: Report of the 1964 Trade Mission to New Zealand" (1964).

Republic of South Africa—Member of GATT

The usual method of awarding Government contracts on all levels in the Republic of South Africa is competitive bidding on invitations for tenders published in official newspapers.

The largest share of Government procurement is carried out by the State Tender Board of the Central Government. The provisions of state tender board regulations, a copy of the English version of which is attached hereto as Schedule A, govern the procedure for the procurement of supplies and services (including works) and the disposal of stores by the Government (excluding the South African Railways and Harbors Administration, the Provincial administrations and the South West Africa Administration).

Invitations for tenders and the arrangement of contracts are centralized in the State buyer's office under the direction of the State buyer, who is also an ex officio deputy chairman of the state tender board. The functions of the latter include the definition of general procurement policy and the issuance of invitations for, and acceptance of, formal tenders.

With the exceptions specified in regulation 13, formal tenders must be invited where the estimated value exceeds 2,500 rands (R) ($3,500). Tender notices are published only in the Republic in such manner as the board deems expedient.

Regulations 33 and 34 contain a number of preference provisions designed to implement the policy of the Government to encourage local industry to the maximum extent possible without disrupting the economy. The most important are those contained in regulation 34, which authorize the board to grant preferences to commodities produced, manufactured, or assembled within the Republic according to the percentage of local content, that is, the landed cost at factory in the Republic of that portion of the tender price which does not comprise components, parts, or materials which have been or are still to be imported by the tenderer or by his suppliers or subcontractors. The sliding scale of preference reaches a maximum of 10 percent, where the local content of the article exceeds 80 percent of the price.

In addition to the normal scale of preference, the board has discretion to introduce an additional scale of preference, inclusive of customs duty, of not to exceed 15 percent. For example, locally produced steel products have a local content exceeding 80 percent, and are, therefore, accorded a preference of 10 percent. Since the customs duty is 3 percent, the board may grant an additional preference of up to 12 percent (15 percent, less customs duty of 3 percent).

Moreover, the board is empowered to grant further preference over and above those preferences after consultation with, and on the recommendation of, the board of trade and industries.

Another provision of regulation 33 empowers the board to grant preferences to commodities produced in the Commonwealth by adding to the respective prices the customs duties ordinarily payable, even though not actually payable, since the commodities are destined for Government use. South Africa has a three-column tariff consisting of minimum, intermediate, and maximum rates. The minimum or preferential rate applies to specified items imported from the United Kingdom, Canada, Ireland, and other Commonwealth countries. The intermediate rate applies to most dutiable items imported from the United States.

The Department of the South African Railways and Harbors is also an important procurement factor. Its tender board regulations and instructions, a copy of selected excerpts from the English version of which is attached hereto as schedule B, are patterned after the regulations of the state tender board, and instructions 30 and 31 correspond generally to regulations 33 and 34 of the state tender board, with the same sliding scale of preferences.

The four provinces—Cape of Good Hope, Natal, Orange Free State, and Transvaal—conduct a considerable amount of procurement activity under the provisions of tender regulations which correspond generally to those of the state tender board. Copies of selected excerpts from the English version of the regulations of the Cape of Good Hope, Natal, Orange Free State, and Transvaal are attached hereto as schedules C, D, E, and F, respectively. All four provide for preferences for articles manufactured in the Republic and the regulations of the latter two Provinces also provide for preferences for articles manufactured within the Province, "all things being equal."

PRINCIPAL SOURCES

1. Letter dated December 26, 1963, from the Acting Director, Africa Division, Bureau of International Commerce, U.S. Department of Commerce to Cravath, Swaine & Moore, Paris.

2. Airgram dated December 18, 1962, from the U.S. Embassy in Pretoria, entitled "State Tender Board Increases Preferences for Local Bidders."

3. U.S. Department of Commerce, "Basic Data on the Economy of the Republic of South Africa," Overseas Business Reports, No. OBR 63-3 (January 1963).

4. U.S. Department of Commerce, "Foreign Trade Regulations of the Republic of South Africa," Overseas Business Reports, No. OBR 64-92 (August 1964).

SCHEDULE A

REPUBLIC OF SOUTH AFRICA, STATE TENDER BOARD REGULATIONS, 1964

(Government Gazette Extraordinary, October 2, 1964)

It is hereby notified that the Minister of Finance has, in terms of section 61 bis of the Exchequer and Audit Act, 1956 (Act No. 23 of 1956), made the regulations as contained in the schedule to this notice to provide for the appointment of the State tender board and the procedure for the procurement of supplies and services and the disposal of stores by the Government of the Republic of South Africa (excluding the South African Railways and Harbors Administration, the Provincial Administrations, and the South West Africa Administration).

Government Notice No. R. 171 of the 30th June, 1961, as amended by Government Notices Nos. R. 2022, dated the 7th December, 1962, R. 445, dated the 29th March, 1963, R. 859, dated the 14th June, 1963, R. 1503, dated the 27th September, 1963, R. 1775, dated the 15th November, 1963, and R. 421, dated the 20th March, 1964, is hereby withdrawn.

SCHEDULE

Definition of terms

1. In these regulations, unless the context otherwise indicates:

"Board" means the State tender board referred to in regulation 2;

"Chairman" means the Chairman of the State tender board;

"Current domestic value", in relation to supplies imported or to be imported into the Republic means the market price at which, at the time of tendering, such or similar supplies are freely offered for sale, for consumption in the territory from which exportation took place or is to take place, in the usual wholesale quantities in the ordinary course of trade to all purchasers in the principal markets of that territory, including the cost of packages ordinarily used in those markets plus the extra cost of packing and packages for export, carriage to the port of shipment or other place of final despatch in that territory, and all other expenses incidental to placing the supplies on board ship or vehicle at that port or place, ready for export to the Republic, but excluding excise duties or sales taxes imposed by the government of that territory.

"Due date and hour" means the date and hour specified in the tender form for the receipt of tenders.

"Formal tender" means a tender for purchases, services or sales the estimated value of which exceeds R2,500.

"General contract" means a contract entered into for the supply of commodities, the rendering of services or the disposal of Government stores over a specified period.

"Government" means the Government of the Republic of South Africa.

"Imported content" means the landed cost at factory in the Republic of South Africa, of that portion of the tender price which comprises components, parts or materials which have been or are still to be imported whether by the tenderer or by his suppliers or subcontractors.

"Informal tender" means a tender for purchases, services, or sales the estimated value of which does not exceed R2.500.

"Landed cost of factory" means the oversea costs plus direct importation costs such as freight, all landing charges, dock dues, import duties and the like at the South African port of entry as well as inward transportation and handling to factory in the Republic of South Africa where the supplies tendered for are manufactured or assembled.

"Local content" means that portion of the tender price which is not included in the definition "imported content."

"Minister" means the Minister of Finance.

"Republic" means the Republic of South Africa and includes the territory of southwest Africa.

"Secretary" means the Secretary to the Board referred to in subregulation (8) of regulation 2.

"State buyer" means the State buyer referred to in regulation 10.

"State buyer's office" means the State buyer's office referred to in regulation 10.

State tender board

2. (1) There shall be a State tender board, which shall consist of a chairman, a deputy chairman who shall be the State buyer, and not more than 14 other members and their alternates.

(2) Except as provided in subregulation (3), the other members and their alternates shall be appointed from persons who are officers or employees in the public service.

(3) One member and an alternate shall be appointed in respect of each of the following organizations from a list of nominations submitted by them to the Minister for the purpose:

(a) the Association of Chamber of Commerce of South Africa;

(b) the South African Federated Chamber of Industries;

(c) the Afrikaanse Handelsinstituut;

(d) the South African Agricultural Union.

And in addition one member and an alternate shall be appointed to represent the trade unions in the Republic.

(4) The chairman and the other members (excluding the deputy chairman) and their alternates shall be appointed by the Minister for such period as the Minister may determine in the case of the chairman and for a period of 3 years in the case of the other members and their alternates, and they shall be eligible for reappointment at the expiry of their respective terms of office: *Provided*, That the period of 3 years in respect of those members and their alternates referred to in subregulation (2) who are appointed as such prior to the 1st day of October 1963, shall be deemed to commence on that date.

(5) The deputy chairman shall act as chairman in the absence of the latter and the Minister shall appoint a member to act as chairman in the absence of both the chairman and the deputy chairman.

(6) In the absence at any particular meeting of the chairman, the deputy chairman and the member referred to in subregulation (5), the members present shall elect

from amongst themselves a member to act as chairman at that meeting.

(7) In the absence of the State buyer the officer referred to in regulation 12 shall be co-opted as a member of the board.

(8) There shall be a secretary to the board appointed by the State buyer from the State buyer's office staff who shall keep full records of the meetings of the board and perform such other duties as may be assigned to him by these regulations or by the State buyer.

(9) The board shall meet at such intervals and on such special occasions as may be determined by the chairman or, in his absence, by the deputy chairman or, in the absence of both of them, by the member referred to in subregulation (5), and any meeting thus called may be adjourned or postponed by the chairman, the deputy chairman or the member, as the case may be.

3. In the event of equality of votes at a board meeting, the chairman shall have a casting vote as well as a deliberative vote. Five members shall form a quorum, but if only four members are available consideration of the business on hand may be proceeded with and in the latter case any decision arrived at unanimously shall be regarded as the decision of the board.

4. (1) Votes may be cast either at a meeting of the board or by individual members being circularized but in the latter case any member may demand that a meeting of the board be convened.

(2) A resolution taken by circularizing members shall be recorded in the minutes of the next board meeting.

(3) The number of members voting for or against any resolution shall be entered in the minutes if so decided by the meeting. Any member may demand that a record of his vote shall likewise be entered.

5. When a matter affecting a department or organization represented on the board is under consideration, the member representing such department or organization shall be considered as being present at the meeting in an advisory capacity only and shall not be entitled to vote on the matter under discussion.

6. (1) All discussions at board meetings and matters considered and decisions arrived at by the board shall be treated as confidential and shall not be disclosed by any member of the board or of the State buyer's office staff, without the prior consent of the board.

(2) Decisions of the board shall be communicated to those concerned by the chairman or State buyer.

7. Expert advice may be engaged by the board with the consent of the Treasury. Any Government official may be required by the board to give expert or technical advice.

8. The functions of the board shall be, inter alia—

(a) To define the general policy to be followed in the invitation and acceptance of tenders for supplies, services and sales and in the placing of orders;

(b) To invite and accept formal tenders;

(c) To decide for what supplies, services and sales common to more than one department general contracts shall be arranged;

(d) To insure that proper specifications and descriptions are prepared for all supplies, services and sales submitted to competition;

(e) To standardize requirements as far as possible by eliminating unnecessary articles and unnecessary grades and varieties of articles and to provide for the procurement of such articles as are best suited to the requirements of the Government;

(f) To insure that the conditions of contract for supplies, services and sales are framed on uniform lines and to provide adequate safeguards for due delivery, cancellation necessitated by breach of contract and any other matter in the interest of the Government;

(g) To deal with breaches of the conditions of tenders or contracts and to decide what action, if any, shall be taken against defaulters.

(h) To grant extension of contract delivery periods;

(i) To approve, ex post facto, of emergency purchases, services or sales by departments where the board is satisfied that the action of the department was in the best interests of the Government: *Provided*, That where the delay in taking timely action is due to negligence or where fruitless expenditure is involved, the matter shall be submitted by the department concerned to the Treasury for approval;

(j) To authorize departments to invite formal tenders;

(k) To dispense with the invitation of tenders or letter quotations when such action is considered to be in the interests of the Government; and

(l) To exercise such other powers or duties as may be conferred or imposed by these regulations.

9. (1) The board may, with the approval of the Minister, institute one or more committees of the board and may at its discretion delegate to any committee so instituted such of its powers and functions as it may from time to time deem expedient.

(2) Any committee instituted in terms of subregulation (1) shall consist of the chairman, the deputy chairman, and at least two other members and the provisions of subregulations (5), (6), (7), (8), and (9) of regulation 2 and of regulations 3, 5, 6, and 7 shall apply mutatis mutandis in respect of any such committee.

State buyer and State buyer's office

10. (1) There shall be a State buyer's office under the direction of the State buyer.

(2) Subject to the provisions of regulation 13, the invitation of all tenders and the arrangement of contracts on behalf of the Government and all other matters incidental thereto shall be centralized in that office.

11. The functions of the State buyer shall be, inter alia—

(a) To authorize, where necessary, communications between departments and tenderers in order to elucidate doubtful points in tenders;

(b) To award contracts by the spin of a coin or by the drawing of lots in the case of equal tenders not in excess of the maximum amount laid down for an informal tender in these regulations;

(c) To dispense with the invitation of informal tenders when such action is considered to be in the interests of the Government, and to authorize the invitation of letter quotations or to make the best arrangements in terms of paragraph (a) of regulation 14;

(d) To authorize departments to invite informal tenders in terms of paragraph (b) of subregulation (2) of regulation 13;

(e) To grant authority in terms of the second proviso to paragraph (c) of subregulation (2) of regulation 13;

(f) To admit late tenders for consideration as offers in terms of subregulation (a) of regulation 31;

(g) To accord additional preference in terms of paragraph (a) of subregulation (2) of regulation 34 to tenders the value of which does not exceed the maximum amount laid down for an informal tender in these regulations;

(h) To authorize the placing of indents in terms of regulation 43;

(i) To enter into written contracts in terms of regulation 46;

(j) To vary the amount of the security to be provided in terms of regulation 47;

(k) To approve the cession of contracts in terms of regulation 48;

(l) To insure that contracts are properly executed;

(m) To determine in consultation with departments which supplies or services are best suited to the particular requirement;

(n) To exercise supervision over the sale of Government property by public auction subject to such directions as may be given by the Treasury; and

(o) To exercise such other powers or perform such duties as may be conferred or imposed upon him by the Minister or the board.

12. In the absence of the State buyer, a senior officer in the State buyer's office nominated for the purpose by the State buyer in consultation with the Treasury or failing such nomination, by the Treasury, shall perform the functions assigned to the State buyer in terms of regulation 11 and carry out the authorities delegated to the latter by the Minister or the board.

Tenders

13. (1) The procedure laid down in paragraphs (a), (b), and (c) of subregulation (2) shall govern the procurement of all supplies and services required by the Government or the disposal of Government stores, except—

(a) Where supplies are indented for in terms of regulation 43;

(b) Where tenders for items appearing on approved lists are invited in terms of regulation 44;

(c) Where authority for the disposal of stores by public auction or out of hand has been obtained from the Treasury; or

(d) Where authority has been given to dispense with the invitation of tenders or letter quotations in terms of regulation 14.

(2) (a) Where the estimated value exceeds the maximum amount laid down for an informal tender in these regulations, formal tenders shall be invited by the State buyer on behalf of the board, unless prior approval has been granted by the board for a department to invite such tenders.

(b) Where the estimated value does not exceed the maximum amount laid down for an informal tender, the State buyer shall invite informal tenders, unless prior approval has been granted by him for a department to invite such tenders.

(c) Where the estimated value does not exceed R100, tenders shall, where practicable, be invited locally: *Provided*, That tenders may be dispensed with if a department considers this course to be more advantageous or convenient in the interests of the Government: *Provided further*, That the State buyer may authorize an increase of the said amount from R100 to R250 in certain instances and at the request of departments which have obtained Treasury approval for such request.

(3) (a) The estimated value shall cover or include the total value of all items on a requisition or order and not the value of any individual item appearing thereon.

(b) A supply, service or sale shall not be subdivided in order to bring the estimated value within the limits of paragraph (b) or (c) of subregulation (2).

14. Where it is considered to be impracticable or not in the interests of the Government to invite tenders in terms of regulation 13, prior authority to dispense with such tenders and to invite one or more letter quotations or to make the best arrangements for the supply, service or sale shall be obtained from—

the state buyer, if the estimated value exceeds R100 (or R250 in terms of the second proviso to paragraph (c) of subregulation (2) of regulation 13) but does not exceed the maximum amount laid down for an informal tender;

(b) The board, if the estimated value exceeds the maximum amount laid down for an informal tender.

Informal tenders and letter quotations

15. (1) Subject to the provisions of paragraphs (b) and (c) of subregulation (2) of regulation 13, the state buyer shall invite informal tenders or letter quotations from likely tenderers.

(2) Informal tenders or letter quotations received shall be decided upon by the state buyer in cases where the total value of the tenders or quotations recommended for acceptance does not exceed the maximum laid down for an informal tender in these regulations and by the board in all other cases.

(3) The procedure hereinafter prescribed for formal tenders shall, save insofar as such procedure is inconsistent with the concept of informal tenders or letter quotations, also apply to informal tenders, and for the purposes of such application any reference in the regulations to the board shall be construed as a reference to the state buyer.

Formal tenders

(1) Invitation of Tenders

16. (1) Tenders shall be invited in the Republic only and shall indicate the place at and the latest date and hour up to which they will be received and give such further particulars as may be necessary.

(2) Tender notices shall be published in such manner as the board may deem expedient.

17. Departments shall not divulge information about their anticipated requirements nor shall any communication take place between departments and likely tenderers in regard to tenders invited by the state buyer without the prior consent of the latter.

18. (1) Where the contract necessitates the use of transport for its fulfillment, the successful tenderer shall, in cases where he does not own transport vehicles used solely for the purpose of his business, use South African Railways and Harbors Administration transport wherever available, but the services of public haulers as provided for in the Motor Carrier Transportation Act, 1930 (No. 39 of 1930), as amended, sea transport or parcel post may also be used.

(2) The successful tenderer shall also comply with the terms of any shipping freight agreement to which the Government is a party.

19. The use of trade names and reference to proprietary articles in tender forms shall be avoided as far as possible but where this is not possible, the words "similar or equal" shall be added to indicate the style, type, or quality of the article required.

20. (1) Samples supplied to prospective tenderers, shall be charged for at prices determined by the board.

(2) A nominal charge may be made for prints, specifications, and tender forms, which will be refunded in the event of the return of the documents so issued in the form of a bona fide tender, or if a bona fide tender is not submitted, within such period as may be specified in the tender form for the return of the documents.

21. (1) Samples in support of a tender shall be supplied by the tenderer at his own cost and risk. There shall be no obligation on the Government to keep or purchase such samples. Samples of value may be purchased by the Government at the tendered price, but if not so purchased, they shall be reconsigned to the tenderer at a place within the Republic at Government expense, but at the tenderer's risk.

(2) Where samples are destroyed or damaged in the process of testing or examination the Government shall not accept liability for the cost of such samples unless so specified in the tender form and approved by the Treasury.

(3) Samples made up from materials supplied by the Government shall not be returned to the tenderer, nor shall the Government accept any liability for the cost of such samples, unless so specified in the tender form and approved by the Treasury.

22. (1) The due dates of formal tenders shall be determined as follows:

(a) For supplies ex stocks held in the Republic or to be manufactured in the Republic from materials already in the Republic, not less than 21 days from the date of first publication; and

(b) In cases not covered by (a), not less than 30 days from date of first publication.

(2) The board may vary these periods in its discretion if circumstances make this expedient in the interests of the Government.

23. Unless otherwise directed by the board, tenderers shall be required to hold their offers good for 30 days from the due date of the tenders.

24. (1) Tenderers may tender for one or more items specified in the tender form.

(2) If it is necessary to accept a larger or a lesser quantity than called for against any item, the tenderer shall have the option of refusing acceptance.

25. When the date for the receipt of tenders falls on a Sunday or public holiday, tenders shall be received up to the stipulated hour on the following working day of the office of the State buyer.

26. Tenders invited by the board shall be addressed to the secretary of the State tender board and shall be submitted by the tenderer under sealed cover with the tender number, due date and name and address of the tenderer endorsed on the outside.

27. Tenders received open or without the endorsement on the cover referred to in regulation 26 shall, after the tender reference has been ascertained, be sealed and a note shall be made on the envelope indicating—

(a) The date and time of receipt;

(b) The relative tender number and due date; and

(c) The condition in which it was received.

28. Tenders received by telegraph on or before the due date and hour shall be admitted if the name of the tenderer, the tender number, the price against each item tendered for and the delivery period offered, are clearly stated therein: *Provided*, That—

(a) Such tender shall be confirmed on the prescribed official tender form or in any other bona fide manner; and

(b) Such confirmation shall be posted or delivered within 24 hours after the due date and hour of the tender.

(2) Opening of Tenders

29. As soon as practicable after the due date and hour for receiving-tenders, the officials to whom that duty shall be assigned by the state buyer shall open in public all tenders duly received. If a member of the public so desires, the names of the tenderers shall be read out, but not the prices, unless the prior authority of the board has been obtained.

30. All tenders after being opened and listed by the officials to whom that duty has been assigned by the state buyer, shall be forwarded to the state buyer for consideration and, if deemed necessary, consultation with the department concerned.

31. Any tender arriving after the due date and hour for receiving it shall not be considered and, where practicable, shall be returned immediately to the tenderer unopened with an explanatory letter: *Provided*, That—

(a) If no tender has been received on or before the due date and hour, and a tender is received subsequently, the state buyer may in his discretion admit the late tender as an offer;

(b) If there is evidence that the tender should have, but for unavoidable reasons, has not reached the secretary in time, such tender shall be submitted to the board at the first opportunity for a decision as to whether it should be admitted or not.

(3) Submission of Tenders to Board With Recommendations

32. (1) All tenders duly received or admitted in terms of these regulations shall be submitted, together with the recommendations of the state buyer, to the board for consideration but the board shall not be obliged to consider any tender which does not comply with the advertisement in response to which it is submitted.

(2) The board may, in its discretion, consider any tender received in response to a tender invitation although it does not comply with the conditions of tender.

(4) Preferences

33. (1) (a) Where tenders for goods manufactured in the Republic and tenders for imported goods are compared, any preference to be accorded in terms of regulation 34 shall be deducted from the former, whilst to the latter (if not already allowed for in the tender) shall be added freight, insurance, duty, landing charges and railage.

(b) Where tenders for imported goods only are being compared a preference of 1 percent shall be allowed on supplies offered from stocks already held in the Republic.

(c) Where tenders for imported goods only are to be compared there shall be added to the respective prices the customs dues ordinarily payable, in order that countries entitled thereto may receive the benefit of any customs preference, and there shall also be added any difference there may be in the ordinary freight charges from the different ports of shipment.

(d) Where tenders on an f.o.r. basis for goods manufactured in the Republic are to be compared, railage to the point of delivery shall be added.

(2) Where transport is involved, calculations for purposes of comparison of prices shall be based on rates normally paid by the public.

34. (1) In the comparison of tenders for supplies produced, manufactured or assembled within the Republic from imported and local materials, the following preferences shall be allowed:

(i) One percent if the local content in relation to the tender price is not in excess of 5 percent.

(ii) Two percent if the local content in relation to the tender price is more than 5 percent but not in excess of 10 percent.

(iii) Three percent if the local content in relation to the tender price is more than 10 percent but not in excess of 20 percent.

(iv) Four percent if the local content in relation to the tender price is more than 20 percent but not in excess of 30 percent.

(v) Five percent if the local content in relation to the tender price is more than 30 percent but not in excess of 40 percent.

(vi) Six percent if the local content in relation to the tender price is more than 40 percent but not in excess of 50 percent.

(vii) Seven percent if the local content in relation to the tender price is more than 50 percent but not in excess of 60 percent.

(viii) Eight percent if the local content in relation to the tender price is more than 60 percent but not in excess of 70 percent.

(ix) Nine percent if the local content in relation to the tender price is more than 70 percent but not in excess of 80 percent.

(x) Ten percent if the local content constitutes more than 80 percent of the tender price.

(2) In addition to the foregoing preferences the board may in its discretion accord—

(a) Additional preference, provided such additional preference together with the existing customs duty on the supplies concerned does not exceed 15 percent;

(b) Further additional preference after consultation with and on the recommendation of the board of trade and industries.

(3) (a) For the purpose of determining the degree of preference to be accorded to supplies produced, manufactured or assembled within the Republic, tenders shall be requested to embody in their tenders a certificate showing the classification under which the supplies offered fall in terms of subregulation (1).

(b) The question of bona fide manufacture or assembly of supplies in the Republic and of current domestic value of imported supplies shall be considered when tenders are compared, and in case of doubt documentary evidence may be called for to substantiate any claims or statements made. Furthermore, any other steps may be taken, then or later, to verify the authenticity of claims and statements made.

(c) Where a contract has been awarded as a result of a preference claimed, the contractor shall, before final payment of the contract price is made to him, be required to furnish an affidavit to the effect that the claim for preference made in the certificate is correct and that the local content of the items supplied in execution of the contract is as classified in the certificate.

(d) Where the supplies tendered for originate from a country other than the Republic, the board may, in its discretion, require the tenderer to furnish the current domestic value of the supplies offered.

(e) Should the current domestic value of the supplies be greater than the price tendered, the board may, when considering the additional preference provided for in paragraph (a) of subregulation (2), draw a comparison between the current domestic value of such supplies plus freight and all other charges incidental to the transport of such supplies to and within the Republic, and the tendered price of the supplies produced, manufactured, or assembled in the Republic.

(4) The board may, in its discretion, exclude from the operation of this regulation such products as it may from time to time deem necessary or expedient to exclude.

(5) In addition to the foregoing preferences, such further preference as may be decided upon by the Minister from time to time shall be accorded to items bearing the mark of the South African Bureau of Standards.

35. (1) In case of equality after the provisions of regulations 33 and 34 have been applied, the order of preference in the award of contracts shall be as follows:

(a) Tenders for supplies entirely or mainly produced within the Republic;

(b) Tenders for supplies manufactured from raw or nonfabricated materials entirely or mainly imported;

(c) Tenders for supplies assembled in the Republic from components entirely or mainly imported;

(d) Tenders for supplies from imported stocks held in the Republic;

(e) Tenders from accredited agents for goods for import who are in position to give expert advice or service;

(f) Tenders from oversea firms (preference being given to firms having branches or agencies and carrying stocks in the Republic).

(2) All things still being equal, the award may be made in the following order:

(a) To cooperative societies;

(b) To tenderers quoting for delivery from points of dispatch nearest to the centers at which delivery is required;

(c) By the spin of a coin or the drawing of lots.

36. Notwithstanding the provisions of regulations 33, 34, and 35, articles of a perishable nature shall, as far as practicable and in the interest of economy, be purchased at, or as near as possible to, the center where the supplies are required.

(5) Board's Decision

37. The board shall not necessarily accept the lowest or any tender, or assign any reason for the acceptance or rejection of any tender, and shall have the right to accept the whole or part of any tender or in the event of a number of items being tendered for, any item of a tender.

38. (1) Any decision of the board regarding the acceptance of tenders shall be final.

(2) If the state buyer does not agree with any decision of the board regarding any matter other than that referred to in subregulation (1), he may refer such decision for review to the treasury whose decision shall be final. The state buyer shall in such a case intimate to the board his intention to defer the execution of the board's decision pending the treasury's ruling.

(6) Notification of Acceptance of Tenders

39. Successful tenderers shall be promptly notified by the state buyer or the department of the acceptance of their tenders, and the unsuccessful tenderers shall be informed accordingly.

40. The acceptance of a tender may be notified to the tenderer by letter or by telegram or by placing an order and in such case the posting of such letter or order or the delivery of such telegram to the post office or telegraph office shall be regarded as notification of such acceptance to the tenderer.

(7) Information Which May Be Made Available

41. (1) After the acceptance of tenders, the tender documents shall not be made available to the public but the following information may on request be furnished by the State buyer:

(a) The names and addresses of all tenderers;

(b) The prices and bases of delivery quoted by all tenderers;

(c) The brands and the names of manufacturers, if available, in respect of the accepted tenders only; and

(d) Where applicable the percentage of preference claimed by the successful tenderer in terms of sub-regulation (1) of regulation 34 for supplies produced, manufactured or assembled in the Republic of South Africa.

(2) Where no tender has been accepted particulars of the tenders received shall not be made public.

(8) Amendments to Tenders

42. (1) If it is considered desirable to amend, alter or subsitute samples, specifications, prints, or conditions after tenders are returnable and before acceptance has been notified, fresh tenders shall, if so directed by the board be invited. The board may, however, in its discretion and subject to the provisions of regulation 24 authorize an increase or decrease in the number of articles ordinarily involved without calling for fresh tenders when it considers that the interests of the Government will be best served thereby.

(2) When it is found necessary in the interests of the Government to alter the conditions after a tender has been accepted the board may, in its discretion, authorize the best arrangement practicable with the contractor, provided that if such arrangement is to the disadvantage of the Government, Treasury approval shall be obtained.

Indents

43. When prices quoted in a tender invited in terms of these regulations for supplies are considered to be excessive or when supplies cannot be obtained in the Republic, or through agents in the Republic, such supplies may be indented for by the state buyer through the Republic's representatives abroad.

Lists of approved tenderers

44. (1) Where the board considers it advisable that tendering for specific articles or services should be limited to tenderers who comply with the requirements of sub-regulation (3) hereof, lists of approved tenderers for such specific items or services may be framed by the board.

(2) Before framing such a list, the board shall cause to have published in such manner as may be deemed expedient, a notice inviting manufacturers and others interested to submit applications on or before a stated date for inclusion in the list.

(3) After consultation with the department of labor and other departments concerned and other public bodies where considered necessary, the board shall include in the list of approved tenderers the names of such companies, firms, or persons as it considers suitable in all respects to undertake Government contracts.

(4) The board may at any time in like manner remove from an approved list the name of any company, firm, or person whom it considers to be no longer suitable in all respects to undertake Government contracts.

(5) The board may at any time after an approved list has been framed consider further applications for inclusion therein.

(6) The board shall publish from time to time in such manner as it may deem expedient lists of commodities and services in respect of which there are lists of approved tenderers.

(7) Tenders for items appearing on approved lists shall be invited only from the companies, firms, or persons whose names are included in the relative approved list.

(8) The names of the companies, firms, or persons appearing in the approved lists concerned may be made available on request.

Contracts, securities, and deliveries

45. General contracts may be entered into on any of the following bases:

(a) For a definite quantity which may not be varied without mutual consent;

(b) For an estimated quantity subject to an increase or decrease of 10 percent;

(c) For a maximum quantity where the minimum quantity ordered cannot be guaranteed but where the maximum quantity may not be exceeded without the consent of the contractor; or

(d) For a quantity not specified or an estimated quantity not guaranteed.

46. When the value of a supply, service, or sale exceeds R2,500 and is for other than immediate delivery or execution, security shall be provided and, unless otherwise directed by the board, a written contract shall be entered into with the contractor by the state buyer. Such contract shall be signed and administered on behalf of the department concerned by the state buyer or an officer appointed by him.

47. (1) When security is required to be provided by successful tenderers, it shall be preferably in the form of a guarantee by a bank or approved guarantee corporation or the deposit with the state buyer of cash or Government or approved municipal stock in negotiable form.

(2) The security shall represent 10 percent of the value of the contract unless otherwise decided by the state buyer.

48. The state buyer may authorize the cession of a contract after satisfying himself as to the sufficiency of the cessionary's security (if any is required).

49. Where imported supplies are to be inspected before shipment or where shipment is to be arranged by one of the Republic's representatives abroad, the successful tenderer shall request his principals to notify the Republic's representative abroad con-

cerned when consignments are available so that arrangements for inspection or shipment may be made.

50. Unless in special cases the board agrees to the contrary, the law of the Republic of South Africa shall govern the contract created by the acceptance of a tender and the tenderer shall choose a domicilium cinandi et executandi at a place in the Republic to be specified by the tenderer in his tender at which all legal process may be served on the tenderer who shall agree to the jurisdiction of the courts of the Republic. A tenderer abroad shall also state in his tender the name of his accredited agent in the Republic duly appointed to sign the contract in case the tender is accepted and to act in all respects on behalf of the contractor.

51. (1)(a) Deliveries of suppliers shall be systematically inspected, sampled and tested by the purchasing department, institution or a testing house as directed by the board and shall not be accepted unless they comply with the specifications or approved samples or conform to the quality indicated in the contract.

(b) In the event of rejection the supplier shall be responsible for all costs and expenses incurred as a result of such rejection.

(c) The board may arrange for any additional inspections, analyses or tests considered necessary and any representative of the state buyer's office shall be afforded immediate access to any stores for inspection purposes on exhibiting a written authority from the state buyer.

(d) Results of inspections, analyses and tests and particulars of rejection shall be reported to the state buyer.

(2) The board or the state buyer may in their discretion authorize the acceptance of supplies not conforming strictly to the specification provided such acceptance is not to the disadvantage of the Government.

Penalties

52. (1) If a tenderer varies or withdraws his tender after the due date and hour but before he is notified of its acceptance or if a tenderer, when notified that his tender has been accepted—

(a) Notifies the state buyer of his inability to execute the contract in terms of his tender; or

(b) Fails within the period stipulated in the conditions of tender or such extended period as the state buyer may allow to sign a contract and to provide security in terms of regulation 46; or

(c) Fails to execute the contract;

he shall forfeit any deposit which may have been required with the tender or pay the Government any additional expense incurred by its having to invite fresh tenders or to accept any less favorable tender or to make any less favorable arrangements: *Provided*, That the board may in its discretion waive or vary the enforcement of this subregulation as circumstances may warrant: *Provided further*, That where such waiver or variation is to the disadvantage of the Government or where the deposit forfeited is less than the additional expense incurred, Treasury approval shall be obtained.

(2) When the successful tenderer—

(a) Notifies the state buyer of his inability to execute the contract; or

(b) Fails within the period allowed to sign the contract or to provide the required security; or

(c) Fails to execute the contract;

and it is not practicable within the available time to invite fresh tenders, the state buyer may negotiate for the acceptance of the next most acceptable tender and shall, after consultation, where necessary, with the department concerned, submit to the board for decision his recommendations either for the acceptance of such tender or, if no other tender is acceptable, for the making of such other arrangements as he considers to be in the best interests of the Government.

(3) Where a contract has been awarded to a tenderer because of preferences claimed by him and allowed in terms of subregulation (1) of regulation 34, and it is subsequently shown to the satisfaction of the board that the preferences claimed were too high, the board may, in addition to any restrictions it may impose in terms of regulation 54, or any other remedy it may have—

(a) Recover from the contractor all costs, losses or damages incurred or sustained by the Government as a result of the award of the contract to him, and/or

(b) For good cause shown impose on the contractor a penalty not exceeding 5 percent of the value of the contract.

53. For the purpose of the application of the procedure prescribed in regulation 52, any reference to the board shall, insofar as it concerns contracts arising out of the invitation of informal tenders as defined in these regulations or letter quotations the value of which does not exceed the maximum laid down for informal tenders, be construed as a reference to the state buyer.

54. (1) If the board is satisfied that—

(a) The execution of a Government contract by a person, firm, or company has been unsatisfactory; or

(b) A person, firm, or company has offered, promised, or given a bribe or any other consideration to an official in the service of the Government in relation to the obtaining or the execution of a contract; or

(c) A person, firm, or company has acted fraudulently or in bad faith or in any other unsatisfactory manner in the obtaining or execution of any contract with the Government, any public body or company or firm or person, or has in the conduct of his or its business failed to observe statutory requirements resulting in a criminal conviction; or

(d) A person, firm, or company has varied or withdrawn his or its tender after the due date and hour but before he or it has been notified of its acceptance; or

(e) A person, firm, or company, when notified that his or its tender has been accepted, has notified the state buyer of his or its inability to execute the contract in terms of his or its tender or has failed to execute the contract or has failed within the period stipulated in the conditions of tender or such extended period as the state buyer may allow, to sign a contract or to provide security in terms of the tender form.

the board may in its discretion after consideration of all the circumstances resolve—

(i) Subject to the provisions of regulation 52 that the particular contract and any other contract held by the person, firm, or company be canceled; or

(ii) That no tender from that person, firm, or company shall be considered during such a period as it may decide.

(2) The board may, after further consideration, at any time rescind or vary a resolution passed by it relative to the restriction of tenderers.

(3) Any restriction relative to tendering imposed upon any person, firm, or company shall apply also to any other enterprise under the same or different name with which the person, firm, or company restricted is actively associated.

(4) For the purpose of this regulation the term person, firm, or company shall include an authorized employee or agent of such person, firm, or company.

(5) The board may, in its discretion, apply any decision of any other governmental tender board, including those of the South Africa Railways and Harbors, the provincial administrations, and the administration of South-West Africa relative to the restriction of tenders, to the person, firm, or company so restricted.

55. The state buyer shall inform state departments, the South African Railways and Harbors Tender Board, provincial administrations, the South-West Africa administration, and, where necessary, the Republic's representatives abroad of any resolution relative to the restriction of tenderers passed under regulation 54 and any rescission or variation thereof.

General

56. Whenever under these regulations any power is to be exercised or any duty is to be performed by a department or by the state buyer such power or duty shall be exercised or performed by the accounting officer of the department concerned or the state buyer as the case may be or by any officer delegated thereto by them.

57. The financial standing of tenderers and their ability to manufacture or supply shall be considered before acceptance of their tenders is recommended.

58. Without the express prior permission of the state buyer, no communication of any nature shall take place between any official of the Government or of a duly appointed testing house and a member of the public on a question affecting a tender during the period between the due date of tenders and the date of notification of the successful tenderer.

59. Nothing in these regulations shall be deemed to prohibit the purchase of stores by one department from another, and stocks surplus to the requirements of a department shall be offered to other departments and provincial administrations before being disposed of to the public.

60. In the event of a contract being placed for the supply of products of the Republic of South Africa the successful tenderer shall not be permitted to substitute imported products without the prior consent of the board.

61. Articles manufactured in the Republic, purchased by the Government, shall be marked by the supplier "Made in the Republic of South Africa" whenever practicable.

62. (1) When a tender or quotation for a supply or service to the Government is received from an official of the public service, this fact shall be specifically stated if the tender is recommended for acceptance. The acceptance of such tender shall be subject to treasury approval.

(2) Unless otherwise prescribed, however, an official of the public service shall not be precluded from making purchases from the Government by tender, at auction sales or at tariffs prescribed for sales to members of the public.

63. If, in exceptional circumstances, the treasury deems it expedient in the interest of the Government to depart from the provisions of these regulations, it may, after consultation with the chairman and the state buyer, authorize such departure and at the first meeting of the board held after such departure has been so authorized, the board shall be fully informed thereof.

64. The state buyer shall furnish the controller and auditor general with full particulars of all authorities granted and decisions taken under these regulations.

SCHEDULE B

SELECTED EXCERPTS FROM REGULATIONS AND INSTRUCTIONS OF THE SOUTH AFRICAN RAILWAYS AND HARBORS TENDER BOARD

REGULATIONS: GOVERNMENT NOTICE NO. R. 273 OF JULY 21, 1961, AS AMENDED BY NOTICE NO. 1481 OF SEPTEMBER 27, 1963

Under the powers vested in me by subsection (2) of section 2 of the Railway Board Act, 1916 (Act No. 17 of 1916), I, Barend Jacobus Schoeman, Minister of Transport of the Republic of South Africa, do hereby after consultation with the Railways and Harbors Board, make the following regulations with regard to the composition, functions, powers, and duties of the South African Railways and Harbors Tender Board:

Definitions

1. In these regulations—

"Administration" means the railway administration according to the meaning assigned to that expression by section 2 of the Railway Board Act, 1916 (Act No. 17 of 1916);

"Board" means the South African Railways and Harbors Tender Board;

"Chairman" means the chairman of the South African Railways and Harbors Tender Board;

"General Manager" means the General Manager of the South African Railways and Harbors;

"Instructions" means the instructions issued in terms of regulation No. 29;

"Minister" means the Minister of Transport; and any expression to which a meaning is assigned in the Railways and Harbors Service Act, 1960 (Act No. 22 of 1960), or in the regulations framed thereunder shall, when used in these regulations, bear the meaning so assigned thereto.

Cancellation of previous regulations

2. The regulations governing the South African Railways and Harbors Tender Board published under Government Gazette No. 3998, dated July 16, 1948, are hereby cancelled and any action lawfully taken under any provision of the said regulations shall be deemed to have been taken under the corresponding provisions of these regulations.

Policy

3. It shall be the policy of the administration to purchase its requirements, obtain its services and dispose of surplus stores with a maximum of economy and efficiency, due regard being had to the importance of encouraging industrial and commercial undertakings established in the Republic of South Africa.

Transactions which must be arranged by tender

4. Unless exemption has been obtained under these regulations or unless the supply, service or sale is being dealt with under the provisions of regulation Nos. 24, 25, 26 or 27, all services, supplies, purchases, sales or trading concessions shall be arranged through the medium of public tenders duly advertised in the Gazette and in such newspapers as the general manager may prescribe from time to time; provided that the general manager may in his discretion arrange, outside the scope of these regulations, for the following:

(a) The services of professional consultants;

(b) The erection of buildings under the house ownership scheme;

(c) The purchase and lease of immovable property;

(d) Authorization of tariffs for trading concessions, leases, rentals, hire charges, and prices to be charged for permanent way material sold for use in private sidings;

(e) The purchase of goods at auction sales;

(f) Advertising;

(g) The purchase of the products of sheltered employment factories under the control of the Department of Social Welfare;

(h) The disposal of surplus, dormant or obsolete aircraft spares.

Framing lists of approved tenderers for specified goods or services

5. Notwithstanding anything in regulation No. 4 contained, the general manager may in his discretion direct that tendering for specific articles or services or classes of articles or services for which there is a constant demand, shall be limited to tenderers, or to the products or services of tenderers, who comply with the relevant requirements laid down from time to time in the instructions, and may frame lists of approved products or approved tenderers for specified articles, products or services. The invitation of tenders for such specified articles, products or services shall be confined to the tenderers or products appearing on the relevant list.

Constitution of board

6. There shall be a South African Railways and Harbours Tender Board, which shall consist of the following members who shall be appointed by the minister for such period as he may determine:

(a) A chairman;

(b) A deputy chairman, who shall be one of the senior officers mentioned in paragraph (c) hereof whose office is located in Johannesburg;

(c) Six senior officers of the administration, with alternates; and

(d) Four other members, of whom one shall be nominated by the Association of Chambers of Commerce of South Africa, one by the South African Federated Chamber of Industries, one by Die Afrikaanse Handelsinstituut, and one by the South African Bureau of Standards, with alternates.

When general manager dispenses with calling for tenders (value not exceeding R20,000)

24. (1) If the general manager is satisfied that it would not be in the administration's interest to call for tenders for a service, or the sale of stores or materials, or for the supply of stores, when the need for the service, sale or supply is very urgent, or when there is only one source of supply, or when the stores or materials are in short supply, and the transaction is not one that can be dealt with in terms of Regulation No. 4, 5, 25, 26 or 27, the general manager may authorise the head of the department concerned to dispense with the procedure prescribed in respect of the invitation of tenders and to obtain instead one or more quotations, depending on the circumstances, and may—

(a) When the value of the service or of the stores or materials to be sold or supplied, does not exceed R20,000 give authority for such service, sale or supply to be arranged, after consideration and recommendation by the board; provided that the general manager may, in cases of urgency or in exceptional circumstances, give authority for such service, sale or supply to be arranged even though the matter has not been referred to the board, provided the prior consent of the minister has been obtained; and

(b) When the value of the service or of the stores or materials to be sold or supplied exceeds R20,000 give authority for such service, sale or supply to be arranged, subject to the prior consent of the minister being obtained.

(2) Whenever in terms of the proviso to paragraph (a), or of paragraph (b) of subregulation (1), the general manager is required to obtain the consent of the minister before giving authority for a service, sale or supply to be arranged, he shall have power to act without such consent in any case where for good and sufficient reasons, he considers that the delay involved in obtaining the minister's consent will cause loss to the administration, provided that in every such case the minister's confirmation shall be obtained at the earliest opportunity.

(3) In every case dealt with in terms of paragraph (b) of subregulation (1), the quotation or quotations, together with the recommendation of the head of the department concerned, shall, whenever practicable, and in any event whenever the general manager so directs, be submitted to the board for consideration and recommendation before any such quotation is submitted by the general manager to the minister for his consent.

(4) Every case dealt with in terms of the proviso to paragraph (a) or of paragraph (b) of subregulation (1) (where the procedure prescribed in sub-regulation (3) has not been followed), shall be reported to the chairman for the information of the board at the earliest opportunity, and any subsequent variation of the terms and conditions of the contract entered into in any such case shall likewise be so reported at the earliest opportunity.

DELEGATION OF AUTHORITY

25. The general manager may grant to the chairman and to such officers of the administration as he may determine, such standing authority for inviting and accepting tenders, obtaining services and supplies and for the sale or the disposal of stores or materials as the general manager may from time to time prescribe after having obtained the recommendation of the board.

Proprietary articles

26. Subject to any standing authority granted under Regulation No. 25, every proposal to purchase any specified proprietary article or articles—

(a) Where the value of any one such article exceeds R400; or

(b) Where the aggregate value of all such articles covered by the proposal exceeds R400,

shall, unless it falls under the exceptions mentioned in Regulation No. 27, be referred to the chairman for submission to the board, together with a certificate that no other suitable article is available, and a statement from the head or sub-head of the department concerned as to whether or not the prices quoted are considered to be fair and reasonable. If the board recommends the purchase and the general manager approves thereof, the purchase may be effected.

Exceptions in respect of proprietary articles

27. Spare parts for proprietary makes of aircraft, vehicles, machines, and similar appliances, or requirements of proprietary drugs as specified by the sick fund, may be purchased by the officers thereto authorized only, without the prior concurrence of the board, and without limit as to the value, but all such purchases—

(a) Where the value of any one such article purchased exceeds R400; or

(b) Where the aggregate value of all such articles covered by the purchase exceeds R400;

shall be reported to the board at the earliest opportunity accompanied by a statement from the head or subhead of the department concerned as to whether or not the prices quoted are considered to be fair and reasonable.

No contact with tenderers without authority

28. In cases where tenders are returnable to the chairman, a tenderer may at any time communicate with the chairman on any matter relating to his tender, inquiry, quotation or offer, but, in the absence of written authority from the chairman, no communication on a question affecting a service, supply, sale or disposal which is the subject of a tender, inquiry, offer or quotation shall take place between a tenderer or other potential supplier and any member of the board or servant of the administration during the period between the closing date for the receipt of the tender and the date of the notification of the successful tenderer. Every such case of unauthorized communication shall forthwith be reported to the board. A tender in respect of which such communication has occurred, may be disqualified.

Instructions

29. These regulations shall be carried out and applied in conformity with such instructions as may be issued by the administration from time to time.

Law governing contract

30. The law of the Republic of South Africa shall govern the contract created by the acceptance of a tender, and the domicilium citandi et executandi shall be at a place in the Republic of South Africa to be specified by the tenderer in his tender, at which all legal process may be served on the tenderer who shall agree to submit to the jurisdiction of the courts of the Republic of South Africa. Oversea tenderers shall, therefore, state in their tender forms the name of their accredited agent in the Republic of South Africa who is empowered to sign any contract which may have to be entered into in the event of their tender being accepted, and to act on their behalf in all matters relating to the contract.

INSTRUCTIONS: GOVERNMENT NOTICE NO. R. 118 OF 1961, AS AMENDED BY NOTICE NO. 258 OF FEBRUARY 15, 1963, AND NOTICE NO. 1,000 OF JULY 3, 1964

The following instructions appertaining to purchases and sales by the administration are issued in terms of regulation No. 29 of the tender board regulations and are published for general information:

* * * * *

Indents placed overseas

9. When it is considered that the prices tendered from the sources of the Republic of South Africa will be or are too high for supply from local sources or from overseas through local representatives, or when acceptable tenders cannot be obtained in the Republic of South Africa, or the articles or services are not available in the Republic of South Africa, or the services, delivery, manufacturing or producing conditions are unsatisfactory, such supplies or services may, with the approval of the general manager, be placed on indent overseas or obtained from outside the Republic of South Africa.

* * * * *

(v) Preference

30. In order that a correct comparison may be made between tender prices, the following procedures shall be observed:

South African and oversea tenders

(a) (i) Where the comparison lies between tenders for supplies produced or manufactured within the Republic of South Africa and supplies from overseas, any preferences accorded in terms of instruction No. 31 shall be deducted from the former and railage at the departmental rate applicable shall be added from the point at which the supplies are tendered to the place where delivery is required, whilst to the latter shall be added freight, insurance, duty, landing charges, wharfage (if not allowed in the tender) and railage at the departmental rate from the port of entry to the place where delivery is required.

(ii) In the case of tenders for supplies manufactured within the Republic of South Africa the difference between railage at the public tariff, in respect of material used in the commodities produced by South African manufacturers and railage at the departmental rate from the point of supply or from the nearest port, to the point where the supplies are manufactured, shall be deducted.

(iii) In the case of supplies from overseas offered from stock, the preference accorded in terms of instruction No. 31 and railage at ordinary public rates from the nearest port to the place at which the supplies are tendered shall be deducted and railage at the departmental rate applicable shall be added from the nearest port to the place at which the supplies are tendered and thence to the place where delivery is required.

Exception: If Lourenço Marques is the nearest port the railage adjustments must be made from Ressano Garcia.

Tenders for supplies from overseas

(b) Where a comparison has to be made between tenders for supplies from overseas there shall be added to the respective prices the customs dues ordinarily payable, in order that countries entitled thereto may receive the benefit of any customs preference, and in the case of f.a.s. or f.o.b. offers there shall be added also any difference there may be in the ordinary freight charges from the different ports of shipment.

Adjustment to current exchange rate

(c) For purposes of comparison in (a) and (b) hereof prices shall be adjusted, where necessary, to the current buying rate of exchange.

(d) Where a comparison has to be made between tenders for supplies produced or manufactured within the Republic of South Africa, the various preferences accorded in terms of instruction No. 31 shall be deducted from the respective tendered prices, and railage or other transport charges applicable to the point where the supplies are required by the administration shall be added at the rate determined by the administration.

31. (a) As the encouragement of local industries and commercial interests in the Republic of South Africa is the policy of the Government of the Republic of South Africa, departments shall, in comparing tenders received, allow the preferences set out in subparagraph (c) hereunder.

(b) In determining the "local content" of supplies for the purposes of paragraph (c) (iii), the following definitions shall be applied:

"Local content" means that portion of the tender price which is not included in the "imported content," as defined below.

"Imported content" means that portion of the tender price which represents the landed cost at factory (as defined below) in the Republic of South Africa, of components, parts or materials which are to be used in the manufacture, production or assembly of the supplies tendered for, and which have been or are still to be imported, whether by the tenderer or by his suppliers or subcontractors.

"Landed cost at factory" means the oversea cost plus direct importation costs such as freight, all landing charges, dock dues, import duties and the like at the South African port of entry as well as inward transportation and handling to factory in the Republic of South Africa where the supplies tendered for are manufactured or assembled.

(c) The following rates of preference shall be allowed:

(i) One percent on imported supplies offered from stocks already held in the Republic of South Africa; this is applicable only when a comparison is being made with goods still to be imported.

(ii) One percent on supplies bearing the standardization mark of the South African Bureau of Standards; this is applicable only when comparing tenders for supplies manufactured in the Republic of South Africa.

(iii) (a) One percent if the local content in relation to the tender price is not in excess of 5 percent.

(b) Two percent if the local content in relation to the tender price is more than 5 percent but not in excess of 10 percent.

(c) Three percent if the local content in relation to the tender price is more than 10 percent but not in excess of 20 percent.

(d) Four percent if the local content in relation to the tender price is more than 20 percent but not in excess of 30 percent.

(e) Five percent if the local content in relation to the tender price is more than 30 percent but not in excess of 40 percent.

(f) Six percent if the local content in relation to the tender price is more than 40 percent but not in excess of 50 percent.

(g) Seven percent if the local content in relation to the tender price is more than 50 percent but not in excess of 60 percent.

(h) Eight percent if the local content in relation to the tender price is more than 60 percent but not in excess of 70 percent.

(i) Nine percent if the local content in relation to the tender price is more than 70 percent but not in excess of 80 percent.

(j) Ten percent if the local content constitutes more than 80 percent of the tender price.

Order of preference

32. In case of equality in price and quality after the provisions of Instructions Nos. 30 and 31 have been followed, the order of preference shall be as follows:

(a) South African manufacturers or merchants tendering supplies entirely or mainly produced within the Republic of South Africa.

(b) South African manufacturers or merchants tendering supplies manufactured from raw or nonfabricated materials entirely or mainly imported.

(c) Merchants tendering supplies from imported stocks held in the Republic of South Africa.

(d) Accredited agents for goods for import who are in a position to give expert advice or service.

(e) Oversea firms, preference being given to firms having branches or agencies and carrying stocks in the Republic of South Africa.

* * * * *

(vii) Recommendations

Compliance with tender conditions

43. Tenders not complying with the tender conditions may be taken into consideration if other tenderers are not prejudiced thereby and if it is considered to be in the administration's interest to do so, but otherwise they may be rejected. Qualified tenders may be regarded as not complying with tender conditions.

Checking and compilation of schedule

44. All documents must be carefully checked and must be dealt with by all concerned as expeditiously as possible. In order to provide a comparison all tenders for an item shall be reduced on a schedule to a common basis. Any charges to be added, and preferences to be deducted, in terms of Instructions Nos. 30 and 31 must be clearly indicated on the schedule.

Recommendations

45. The lowest or any tender shall not necessarily be recommended for acceptance. The acceptance of the whole or part of any tender, or in the event of a number of items being tendered for, any item or part thereof may be recommended.

Passing over lowest tender

46. Where a tender other than the lowest is recommended for acceptance, the recommending officer shall certify that the recommendation is made in the best interests of, and represents the best value to, the administration and shall give his reasons therefor.

Reasons for recommending tenders

47. The reasons for recommending tenders shall be clearly stated and when only one tender is received and recommended for acceptance, it shall be certified that the prices are fair and reasonable. In the latter case, if the article or service has been previously obtained the price paid on that occasion, the date of such transaction and

the delivery conditions shall, where possible, be given for purposes of comparison.

Financial standing

48. A tender shall not be recommended for acceptance if the officer required to make the recommendation has any doubt, based on reasonable grounds, as to whether the tenderer is sufficiently experienced and equipped and is of sufficiently sound financial standing, to enable him to carry out satisfactorily any contract that may be awarded to him pursuant to his tender.

SCHEDULE C

PROVINCE OF THE CAPE OF GOOD HOPE—SELECTED EXCERPTS FROM TENDER REGULATIONS (PROVINCIAL NOTICE NO. 760 OF SEPTEMBER 18, 1953, AS AMENDED BY NOTICE NO. 665 OF NOVEMBER 22, 1957, AND NOTICE NO. 721 OF OCTOBER 14, 1960)

The Administrator has made the subjoined tender regulations for the Province of the Cape of Good Hope, which shall come into operation as from January 1, 1954, as from which date the regulations published under Provincial Notice No. 585 dated August 15, 1952, as amended by Provincial Notice No. 627 dated August 22, 1952, and Provincial Notice No. 60 dated January 23, 1953, are hereby withdrawn.

Chapter I

Definition of Terms

1. In these regulations—

"Administrator" means the Administrator personally unless otherwise provided in these regulations;

"Provincial Secretary" shall include Deputy Provincial Secretary;

"Provincial Hospital" means a hospital conducted, administered, and financed by the administration under the provisions of the hospitals ordinance No. 18 of 1946, as amended.

Method of Obtaining Supplies or Services, and of Disposal of Stores

2. All supplies and services required by the administration of the Cape of Good Hope and all sales of public stores shall be governed by these regulations.

The regulations in chapter II shall apply to all supplies and services and to all public stores, except—

(a) certain supplies and services for provincial hospitals as specified in regulation 47 of chapter III, and

(b) certain provincial hospital stores as specified in regulation 65 of chapter III, which shall be governed by the provisions of chapter III.

* * * * *

Chapter II

Definition of Terms

6. In this chapter—

"Department" means a department, a subdepartment, a branch of a department, or an institution under the control of the Provincial administration;

"Formal tender" means a tender required to be submitted to the tender board;

"Head of department" means the head of a department, subdepartment or of an institution, to whom power has been delegated by the Provincial secretary to act under these regulations;

"Informal tender" means a tender submitted to and dealt with by the head of department without reference to the tender board.

* * * * *

Formal Tenders for Supply or Service

9. Except as otherwise provided for elsewhere in these regulations, formal tenders shall be invited for every supply or service required by the Provincial administration.

10. All invitations to tender shall be published in the Provincial Gazette and when deemed desirable shall also be advertised in the public press. They shall state to whom the tenders are to be addressed, the date and hour up to which they will be received, the period for which they shall hold good, and shall contain full information stating where the necessary tender documents and all relevant particulars, including specifications can be obtained, and to whom samples should be sent.

The use of trade names and reference to proprietary articles in tender forms shall be avoided as far as possible, but where this is not possible the words "similar or equal" shall be added to indicate the style, type or quality of the article required.

All tenders shall be made receivable by the chairman of the tender board unless the Provincial secretary shall direct that in any specific case or class of cases they are to be received by some other official.

Immediately after an invitation to tender has been published in the Provincial Gazette, the department concerned shall furnish the chairman of the tender board (or other official by whom the tenders are receivable) with one copy of the relative notice as published in the Provincial Gazette, together with a complete set of the tender documents as issued to prospective tenderers.

In connection with tenders for supplies, tenderers must be requested to specify in detail on the tender form the following particulars:

(a) Whether manufactured locally from supplies entirely or mainly produced within the Union;

(b) Whether manufactured locally from raw materials entirely or mainly imported;

(c) Whether manufactured from imported stocks held in the Union, and if so, the country of origin;

(d) If to be imported, the country of origin.

It shall not be obligatory upon the board to consider any tender unless it complies with the advertisement in response to which it is submitted, and open or qualified tenders may be disregarded.

All tenders shall be subject to the understanding that the tenderer has fully acquainted himself with and undertakes to be bound by the terms of these regulations, and any amendment thereof, as published from time to time in the Provincial Gazette, and all tenders shall be received subject to this condition.

* * * * *

12. (1) All tenders after being opened by the chairman of the tender board or other officer duly authorized thereto shall, together with a copy of the list referred to in regulation 11, be forwarded to the head of the department concerned for scheduling and report and shall be returned by that officer to the chairman with such recommendations as he desires to make for the consideration of the board.

(2) The following shall, in every case, be attached to the tenders when forwarded to the chairman for the board's consideration:

(a) Three copies of the advertisement inviting tenders;

(b) Three copies of the relative specifications;

(c) A comparative schedule in triplicate of the tenders received, incorporating the following particulars in respect of each tender:

(i) Name and address of tenderer.

(ii) Description of article or service required.

(iii) Quantity required (where applicable).

(iv) Price (delivered, f.o.b., f.o.r., c.i.f., etc.).

(v) Name of tenderer whose tender is recommended for acceptance, and reasons in support thereof.

(vi) Reasons for rejection of other tenders.

(d) A schedule in triplicate of the tender or tenders recommended for acceptance;

(e) A statement of the surety of nature of the security and the monetary value thereof that it is proposed to demand from the successful tenderer against any default by him in carrying out his duties and obligations under the contract to be entered into between him and the Cape Provincial Administration.

(3) In the case of the documents referred to in subregulations 2 (c), (d) and (e), the original shall be signed by the head of the department concerned or by such officer as may be duly authorized thereto.

(4) For comparative purposes the prices shown on the comparative schedule referred to in subregulation (2) (c) should be brought to a common basis by adding the charges or allowing the preferences, or both, as laid down in regulations 21 and 22. The charges so added and the preferences so allowed shall be clearly indicated in the comparative schedule.

(5) Where a recommendation is based on the fact of the tender being lowest for major requirements although higher for minor requirements, the total quantity of each article likely to be required shall be clearly indicated.

(6) When only one tender is received and is recommended for acceptance, it must be stated whether the rates are fair and reasonable.

(7) When no tenders are received in response to an invitation or when no tender can be recommended for acceptance the department concerned shall report to the tender board whether it recommends—

(a) Postponement of further action for the time being;

(b) Invitation of fresh tenders (formal or informal);

(c) Making the best arrangements for the supply, service or sale without calling for further tenders.

* * * * *

General

Comparison Between Tender Prices

21. When making a comparison, on the one hand, between tender prices of goods to be imported and, on the other hand, tender prices of goods manufactured or otherwise supplied in the Union of South Africa, there shall be added to the price of the goods to be imported freight, insurance, duty, landing charges and railage at rates which are normally paid by the public and there shall be deducted from the price of the South African goods the preferences provided under regulation 22.

Preference on Locally Manufactured Supplies

22. As it is the Government's policy to encourage local industries and the commercial interests in the Union, departments shall, in comparing tenders received for supplies produced, manufactured or assembled within the Union, from imported and/or local materials, allow the following preferences:

(1) (a) Ten percent if less than 20 percent of the tendered price constitutes the cost of imported components or materials.

(b) Seven and one-half percent if 20 to 45 percent of the tendered price constitutes the cost of imported components or materials.

(c) Five percent if 46 to 70 percent of the tendered price constitutes the cost of imported components or materials.

(d) Two and one-half percent if more than 70 percent of the tendered price constitutes the cost of imported components or materials.

(2) One percent on imported goods offered from stocks already held in the Union, applicable only when comparison is being made with goods to be imported.

In order to determine the degree of preference to be accorded to supplies produced, manufactured, or assembled within the Union, tenderers shall be required to embody in their tenders a certificate by a managing director or a responsible official of the firm, certifying the classification (a), (b), (c), or (d) under which the cost of imported components or materials falls.

The question of bona fide manufacture or assembly of goods in the Union shall be carefully observed when tenders are compared, and in case of doubt the matter shall be referred to the board who may call for documentary evidence to substantiate any claims made.

The board may, in its discretion, exclude from operation of this paragraph such products as it may from time to time deem necessary.

PREFERENCE TO COOPERATIVE SOCIETIES AND COMPANIES AND ON GOODS BEARING THE STANDARD MARK OF THE SOUTH AFRICAN BUREAU OF STANDARDS

23. In comparing tenders, heads of departments and the tender board shall—

(a) In case where tenders are equal, give preference to tenders from cooperative societies or cooperative companies registered in terms of the cooperative Societies Act, 1939 (act No. 29 of 1939):

(b) Allow a 2½-percent preference to goods bearing the standard mark of the South African Bureau of Standards.

* * * *

Schedule D

PROVINCE OF NATAL: SELECTED EXCERPTS FROM RULES RELATING TO TENDERS AND QUOTATIONS (PROVINCIAL NOTICE NO. 368 OF SEPTEMBER 1, 1960, AS AMENDED BY NOTICE NO. 257 DATED JULY 5, 1962, AND NOTICE NO. 263 DATED JULY 11, 1963)

The administrator has been pleased to repeal the rules relating to tenders and contracts for the Natal Provincial administration, published under Provincial notice No. 51 of 1954, as amended, and to substitute the following:

1. In these rules—

"Administrator" means the administrator of the Province of Natal, acting on the advice and with the consent of the executive committee;

"Administration" means the Natal Provincial administration;

"Board" means the Natal Provincial tender advisory board constituted in terms of these rules;

"Current domestic value," in relation to supplies imported or to be imported into the Republic, means the market price at which, at the time of tendering such or similar supplies are freely offered for sale, for consumption in the territory from which exportation took place or is to take place, in the usual wholesale quantities in the ordinary course of trade to all purchasers in the principal markets of that territory, including the cost of packages ordinarily used in those markets plus the extra cost of packing and packages for export, carriage to the port of shipment or other place of final dispatch in that territory, and all other expenses incidental to placing the supplies on board ship or vehicle at that port or place, ready for export to the Republic, but excluding excise duties or sales taxes imposed by the Government of that territory;

"Imported content" means the landed costs at factory in the Republic of South Africa, of that portion of the tender price which comprises components, parts or materials which have been or are still to be imported whether by the tenderer or by his supplier or subcontractors;

"Landed cost at factory" means the overseas cost plus direct importation costs such as freight, all landing charges, dock dues, import duties, and the like at the South African port of entry as well as inward transportation and handling to factory in the Republic of South Africa where the supplies tendered for are manufactured or assembled;

"Local content" means that portion of the tender price which is not included in the definition "imported content";

"Tender" means a formal tender required to be submitted to the board in terms of these rules;

"Quotation" means an informal written tender dealt with without reference to the board.

* * * * *

3. (1) Subject to the provisions of the next succeeding rule and to rule No. 26—

(a) All stores, supplies and services, excluding oversea indents, the value of which can reasonably be anticipated to exceed £500 (R1,000) in the course of any financial year; and

(b) All public works or kindred services which can reasonably be anticipated to exceed £2,000 (R4,000) in value;

shall be offered to tender.

* * * * *

7. If urgency or other sufficient reason renders it inexpedient in any specific instance to call for tenders or to dispose of property by tender or quotations or by public auction, the Administrator may authorize the waiver of the provisions of these rules.

8. Tenders shall be invited by notice in the Natal Provincial Gazette and by such advertisement in the press or otherwise as may be necessary.

* * * * *

14. (1) After the opening of tenders in terms of rule 11(2), the Secretary shall forward such tenders to the head of the department/branch by whom tenders have been invited, and after consideration the latter shall return the tender or tenders to the Secretary, together with any recommendation he may wish to make. The Secretary shall thereupon place such tenders before the board for its consideration.

(2) In considering such tenders, the board may, if it thinks fit, require the attendance of the head of the department/branch for which the tenders have been invited or of any technical departmental officers in connection with the consideration of the tenders.

(3) All things being equal, the award shall be by division where practicable or by the spin of a coin or the drawing of lots.

(4) After such consideration the board shall convey its recommendations to the administrator, who shall decide on the acceptance of tenders. If the administrator is not prepared to accept the tender recommended by the board, he shall not depart from such recommendation until such time as he has advised the board of his decision and his reasons therefor for further review by the board.

(5) In any case where the administrator finally accepts a tender other than that recommended by the board, he shall advise the tenderer recommended by the board that he is acting contrary to the board's recommendation.

15. (a) The board need not recommend nor need the administrator necessarily accept the lowest or any tender or assign any reason for the acceptance or rejection of any tender and shall have the right to accept the whole or part of any tender or, in the event of a number of items being tendered for, any item of a tender.

(b) If it is necessary to accept a larger or a lesser quantity than called for against any item, the tenderer shall have the option of refusing acceptance.

* * * * *

22. (1) With a view to the encouragement of local industries and the commercial interests of the Republic, departments shall, in the comparison of tenders for supplies produced, manufactured, or assembled within the Republic from imported and local materials, allow the following preferences:

(a) One percent on imported supplies offered from stocks already held in the Republic, applicable only when comparison is being made with supplies to be imported.

(b) (i) One percent if the local content in relation to the tender price is not in excess of 5 percent.

(ii) Two percent if the local content in relation to the tender price is more than 5 percent but not in excess of 10 percent.

(iii) Three percent if the local content in relation to the tender price is more than 10 percent but not in excess of 20 percent.

(iv) Four percent if the local content in relation to the tender price is more than 20 percent but not in excess of 30 percent.

(v) Five percent if the local content in relation to the tender price is more than 30 percent but not in excess of 40 percent.

(vi) Six percent if the local content in relation to the tender price is more than 40 percent but not in excess of 50 percent.

(vii) Seven percent if the local content in relation to the tender price is more than 50 percent but not in excess of 60 percent.

(viii) Eight percent if the local content in relation to the tender price is more than 60 percent but not in excess of 70 percent.

(ix) Nine percent if the local content in relation to the tender price is more than 70 percent but not in excess of 80 percent.

(x) Ten percent if the local content constitutes more than 80 percent of the tender price.

(xi) Two and one-half percent on goods bearing the standard mark of the South African Bureau of Standards.

(xii) Twenty percent on timber grown within the Republic when competing against imported timber.

The preference prescribed in subparagraph (xi) hereof shall be in addition to those prescribed in this subrule. The preference prescribed in subparagraph (xii) shall be in lieu of any other preferences prescribed in these rules.

(2) In addition to the foregoing preferences the administrator may in his discretion accord—

(a) Additional preference, provided such additional preference together with the existing customs duty on the supplies concerned does not exceed 15 percent.

(b) Further additional preference after consultation with and on the recommendation of the Board of Trade and Industries.

(3) (a) Where the supplies tendered for originate from a country other than the Republic, the administrator may, in his discretion, require the tenderer to furnish the current domestic value of the supplies offered.

(b) Should the current domestic value of the supplies be greater than the price tendered, the administrator may, when considering the additional preference provided for in paragraph (a) of subrule (2), draw a comparison between the current domestic value of such supplies plus freight and all other charges incidental to the transport of such supplies to and within the Republic and the tendered price of supplies produced, manufactured, or assembled in the Republic.

(4) Tenderers offering imported supplies may be requested to certify in an affidavit to the current domestic value of the supplies offered.

(5) For the purpose of determining the degree of preference to be accorded to supplies produced, manufactured, or assembled within the Republic, tenderers shall be requested to embody in their tenders an affidavit certifying to the classification under which the supplies offered fall in terms of subrule (1) and, for the purpose of subrule (2) the existing customs duties on the supplies concerned.

(6) The question of bona fide manufacture or assembly of supplies in the Republic and of current domestic value of imported supplies shall be carefully considered when tenders are compared, and in case of doubt

documentary evidence may be called for to substantiate any claims or statements made, and submitted to the board for consideration whose decision shall be final.

(7) The administrator in his discretion may from time to time exclude from the operation of this rule or any part of it such products as he may deem necessary.

23. (1) Where the competition lies between South African manufacturers or suppliers and oversea tenderers, any preference to be accorded in terms of rule 22 shall be deducted from the former, whilst to the latter (if not already allowed for in the tender) shall be added freight, insurance, duty, landing charges, and railage at rates which are normally paid by the public.

(2) Where the comparison lies between oversea tenderers only, there shall be added to the respective prices the customs dues ordinarily payable, in order that countries entitled thereto may receive the benefit of any customs preference, and there shall be added also any differences there may be in the ordinary freight charges from the different ports of shipment.

(3) Where the comparison lies between South African tenderers only (f.o.r.), railage to the point of delivery shall be added at the rate normally paid by the public.

24. In case of equality after the provisions of rules Nos. 22 and 23 have been followed, the order of preference shall be as follows:

(1) South African manufacturers or merchants tendering supplies entirely or mainly produced within the Union.

(2) South African manufacturers or merchants tendering supplies manufactured from raw or nonfabricated materials entirely or mainly imported.

(3) Merchants tendering supplies from imported stocks held in the Union.

(4) Accredited agents for goods for import who are in a position to give expert advice or service.

(5) Oversea firms (preference being given to firms having branches or agencies and carrying stock in the Union).

* * * * *

SCHEDULE E

PROVINCE OF ORANGE FREE STATE PROVINCIAL TENDER BOARD REGULATIONS

ADMINISTRATORS' NOTICE NO. 157 OF 1949 AS AMENDED BY ADMINISTRATOR'S NOTICES NOS. 107 OF 1951 AND 112 OF 1958

Method of obtaining supplies or services and disposal of stores

1. The method of obtaining supplies or services required by the Provincial administration and all sales of public stores shall be governed by these regulations which shall not be varied or departed from except upon the authority of the administrator, through the Provincial secretary, who shall forthwith notify the Provincial Auditor stating the reasons for the departure from the ordinary procedure.

Public officers contravening these regulations will render themselves liable to surcharge.

It shall be competent for the Provincial secretary to arrange for Provincial requirements to be met under Union Government contracts, or through the high commissioner, London, or any other authorised foreign representative of the Union of South Africa, whenever deemed desirable, in which case the Provincial auditor shall be notified and supplied with details.

Definition of terms

2. In these regulations—

"Administrator" means the officer appointed under subsection (1) of section 68 of the South Africa Act of 1909 acting under the executive committee of the Province;

"Board" means the O.F.S. Provincial tender board;

"Department" means a department, branch, or an institution under the control of the O.F.S. Provincial administration;

"Formal tender" means a tender required to be submitted to the Tender Board;

"Informal tender" means a tender to be dealt with without reference to the Tender Board;

"Provincial secretary" shall include the assistant Provincial secretary;

"Manufacture" means bona fide workmanship and construction and not a putting together of pieces of manufactured articles or the making of additions.

* * * * *

Formal tenders for supplies or services

4. (a) Any supply or service the value of which can reasonably be anticipated to exceed £500 shall be put to formal public competition; provided that in the case of works or buildings estimated to cost not more than £1,000 the Provincial secretary may, in order to save delay that would result if formal tenders were called for, determine whether such tenders should be called for or not; provided further that with the approval of the Provincial secretary supplies of proprietary articles or services in connection therewith may be obtained on quotation without calling for tenders. Notwithstanding anything contained in these regulations the Administrator may decide that any service may be undertaken departmentally.

(b) With a view to limiting the number of contracts and in order to secure uniformity in respect of services of a similar nature tenders for the combined requirements of the various departments should, as far as possible, be called for and as far as it is practicable they should be for the term of the financial year.

Tender notices

5. (a) In the case of formal tenders all invitations to tender shall be published in the O.F.S. Official Gazette. Such notice shall state clearly at what place, up to what day and at what hour tenders will be received and when deemed desirable notices may also be inserted in the Union Gazette and in the public press giving such further particulars as may be necessary.

(b) In connection with tenders for supplies tenderers must, if so requested, specify in detail on the tender form the following particulars:

(i) Whether manufactured locally from material entirely or mainly produced within the Union of South Africa;

(ii) Whether manufactured locally from raw materials entirely or mainly imported;

(iii) Whether manufactured from imported stocks held in the Union, and, if so, the country of origin;

(iv) The country of origin if the raw material or article is to be or has been imported.

(c) It shall not be obligatory upon the Board to consider any tender unless it complies with the notice of advertisement in response to which it is submitted.

(d) Open or qualified tenders may be disregarded.

(e) The notice inviting tenders shall indicate the period from the date and time of opening such tenders, for which tenders shall hold good; and unless the contrary be stated in any tender, all tenders received shall be valid for the period specified in the notice.

* * * * *

Department's recommendations

11. (a) All tenders after being opened shall be forwarded by the chairman of the tender board or, in case they were received by some other officer appointed by him, by such officer to the head of the department or branch concerned for report and shall be returned by that officer with such recommendations as he desires to make to the Chairman for the consideration of the Board.

(b) In cases where sureties have been required the officer shall before making a recommendation ascertain and certify whether the sureties are satisfactory.

(c) Financial standing of tenderers and their ability to carry out the tenders must be considered before making recommendations.

12. The following documents shall in every case be attached to the tenders for submission to the Board:

(i) A copy of the advertisement inviting tenders;

(ii) A detailed comparative schedule of tenders received which should also contain:

(a) In the case of recurrent services or supplies rates and prices under existing contracts (if any);

(b) In the case of works the departmental estimates of the cost of the service where available;

(c) Any further information which may be of assistance to the Board in its determinations.

13. The reasons for recommending tenders shall be clearly stated in the remarks column of the comparative schedule and when only one tender is received and is recommended for acceptance, it shall be stated whether the rates are considered fair and reasonable. In cases where the tender recommended is the lowest for the majority of articles, or for those chiefly required, the acceptance thereof as a whole may be recommended, notwithstanding that it may not be the lowest, for all the articles, provided adequate reasons are advanced that the acceptance thereof as a whole will facilitate administration.

14. Where other than the lowest tender is recommended for acceptance the officer in charge of the department or branch concerned shall state that in his opinion the recommendations made are in the best interest of and represent the best value to the administration.

Preferences

15. (a) When considering tenders the country of origin of the articles tendered for shall be taken into consideration and the following preferences may be allowed:

(i) Twenty percent on timber grown within the Union of South Africa when competing against imported timber;

(ii) Ten percent on supplies produced or manufactured within the Union of South Africa from materials mainly or entirely produced in the Union;

(iii) Five percent on supplies manufactured within the Union of South Africa from materials entirely or mainly imported; and

(iv) One percent on imported goods offered from stocks held in the Union—applicable only when comparison is being made with goods to be imported.

(b) In case of equality after the provisions of regulations 15(a) have been applied, the order of preference shall be as follows:

(i) South African manufacturers or merchants tendering supplies entirely or mainly produced within the Union.

(ii) South African manufacturers or merchants tendering supplies manufactured from raw or nonfabricated materials entirely or mainly imported.

(iii) Merchants tendering supplies from imported stocks held in the Union.

(iv) Accredited agents for goods for import who are in a position to give expert advice or service.

(v) Oversea firms (preference being given to firms having branches or agencies and carrying stocks in the Union).

(c) All things being equal, preference may be given in respect of articles produced or manufactured within the Province of the Orange Free State.

(d) The question of bona fide manufacture shall be carefully observed when comparing prices, and in case of doubt the facts shall be reported to the administrator, whose decision shall be final.

SCHEDULE F

TRANSVAAL PROVINCIAL TENDER BOARD REGULATIONS

(Administrator's Notice No. 855, November 11, 1964)

The administrator-in-executive committee has been pleased to approve the regulations for the Tender Board of the Province of Transvaal as set forth in the schedule hereto with effect from the date of publication of this notice.

The regulations published under Administrator's Notice No. 370, dated June 23, 1948, as amended from time to time, are hereby repealed.—T.A.S. 30/E/1.

PART I.—INTRODUCTION

Method of obtaining supplies or services and of disposal of stores by tender

1. The method of obtaining supplies or services required by the Provincial administration and all sales of public stores, shall be governed by these regulations which shall not be varied or departed from except under the authority of the administrator obtained through the Provincial secretary, who shall forthwith notify the Provincial auditor stating the reasons for departure from the ordinary procedure. It shall be competent for the Provincial secretary to arrange for Provincial requirements to be met under Central Government contracts, through the South African Embassy, London, any South African legation, or other authorized representative of the Republic of South Africa, whenever deemed desirable, in which case the Provincial auditor shall be notified and supplied with copies as the case may be of—

(a) Relative State tender board contracts; or

(b) Advices received in respect of external purchases.

* * * * *

Definitions

3. In these regulations—

"Administrator" means the officer appointed under the provisions of section 36 of the Republic of South Africa Constitution Act of 1961 (act No. 32 of 1961) acting on the advice and with the consent of the executive committee of the Province;

"Formal tender" means a tender required to be submitted to the board.

"Informal tender" means a tender dealt with without reference to the board;

"Provincial secretary" shall include the deputy Provincial secretary, or any other officer to whom authority has been delegated;

"Manufacture" means bona fide workmanship and construction and not a putting together of pieces of manufactured articles or the making of additions to such articles;

"Board" means the Transvaal Provincial Tender Board;

"Branch" includes section, institution, or other subdivision of the Transvaal Provincial administration;

"Officer" means an official of the Transvaal Provincial administration or of the Government of the Republic of South Africa;

"Head of branch," the officer at the head of a branch or other officer to whom the head has delegated authority.

PART II.—FORMAL TENDERS

Tenders for supply or service

4. (a) Any supply or service including works and buildings the value of which during the ensuing 12 months can reasonably be expected to exceed R2,500 shall, where such supply or service is not provided for in existing contracts, be put to formal public competition.

(b) Supplies of proprietary articles or services may with the approval of the Provincial secretary be obtained from the sole agent on quotation without calling for tenders.

(c) Whenever it becomes necessary to call for tenders for any supply or service under regulation 4(a) hereof the head of the branch concerned shall write to the chairman of the board giving particulars of the supply or service required. Thereafter no variation in or additions to such particulars shall be communicated to individual tenderers without the prior consent of the board.

Tender notices

5. (a) All invitations to tender shall be published in the Transvaal Provincial Gazette, such notice to state clearly at what place and up to what day and hour tenders will be received. When deemed desirable relevant notices may also be inserted in the Government Gazette and in the public press.

(b) In connection with tenders for supplies tenderers must be requested to specify in detail on the tender form the following particulars:

(i) Whether manufactured locally from material entirely or mainly produced within the Republic of South Africa.

(ii) Whether manufactured locally from raw materials entirely or mainly imported.

(iii) Whether manufactured from imported stocks held in the Republic, and, if so, the country of origin.

(iv) The country of origin if the raw material or article is to be or has been imported.

(c) The notice inviting tenders shall indicate the period calculated from the date and time of opening such tenders, for which tenders shall hold good. Unless the contrary be stated in any tender, all tenders received shall be valid for the period specified in the notice.

(d) All tenders shall be subject to the understanding that the tenderer has fully acquainted himself with and undertakes to be fully bound by the terms of these regulations and any amendment thereof and all tenders shall be received subject to this condition.

* * * * *

Recommendations by branch

11. (a) All tenders received by the chairman of the board shall, after being opened, be forwarded to the head of the branch concerned for report and return with recommendations to the board for consideration.

(b) When making recommendations in terms of subsection (a) of this regulation the financial standing of tenderers and their ability to manufacture or supply shall be taken into consideration.

12. (a) The following documents shall in every case be attached to the tenders before they are returned to the board:

(i) A copy of the advertisement inviting tenders.

(ii) A comparative schedule of the tenders received showing the rates of the existing contract if any, and those of the tender or tenders submitted.

(iii) A schedule in triplicate of the tender or tenders recommended for consideration by the board.

(b) The reasons for recommending tenders should be clearly stated in the remarks column of the comparative schedule. Reasons, together with an indication, if possible, of the total quantity of each article likely to be required should be given in cases where the recommendation is based on the fact of a tender or tenders being lowest for the articles chiefly required although higher than others for those of less importance.

(c) Where other than the lowest tender is recommended for acceptance the head of the branch concerned shall certify that the recommendations made are in the best interest of and represent the best value to the administration.

(d) When only one tender is received and recommended for acceptance it should be stated whether the rates are fair and reasonable.

(e) In recommending tenders the probable annual consumption of articles should be taken into consideration and shown on the comparative schedule.

Comparison between tender prices

13. To enable a correct comparison to be made between tender prices, the following procedure shall be observed:

(a) Where the comparison lies between tenders for South African and imported manufactures or supplies any preference to be accorded in terms of regulation 14 shall be deducted from the former, whilst to the latter (if not already allowed for in the tender) shall be added freight, insurance, import duty, landing charges and railage, at rates which are normally paid by the public.

(b) Where the comparison lies between overseas tenders, there shall be added to the respective prices the customs dues ordinarily payable, in order that countries entitled thereto may receive the benefit of any customs preference and there shall be added also any difference there may be in the ordinary freight charges from the different ports of shipment.

Preferences

14. (a) The following preferences shall be allowed when considering tenders received:

(i) Two and one-half percent on South African manufactured goods bearing the mark of the South African Bureau of Standards, when competing with other South African manufactured goods not bearing such mark, the preference being calculated on the tender price of the former and being additional to any preference allowed under (iii) hereof;

(ii) One percent on imported goods, offered from stocks already held in the Republic, applicable only when comparison is being made with corresponding goods to be imported; and

(iii) In the case of all offers received for supplies which are produced, manufactured or assembled wholly or partly in the Republic, the following preferences shall apply:

(A) One percent if the local content in relation to the tender price is not in excess of 5 percent.

(B) Two percent if the local content in relation to the tender price is more than 5 percent but not in excess of 10 percent.

(C) Three percent if the local content in relation to the tender price is more than 10 percent but not in excess of 20 percent.

(D) Four percent if the local content in relation to the tender price is more than 20 percent but not in excess of 30 percent.

(E) Five percent if the local content in relation to the tender price is more than 30 percent but not in excess of 40 percent.

(F) Six percent if the local content in relation to the tender price is more than 40 percent but not in excess of 50 percent.

(G) Seven percent if the local content in relation to the tender price is more than 50 percent but not in excess of 60 percent.

(H) Eight percent if the local content in relation to the tender price is more than 60 percent but not in excess of 70 percent.

(J) Nine percent if the local content in relation to the tender price is more than 70 percent but not in excess of 80 percent.

(K) Ten percent if the local content constitutes more than 80 percent of the tender price.

"Local content" means that portion of the tender price which is not included in the definition "imported content."

"Imported content" means the landed cost at factory in the Republic of South Africa, of that portion of the tender price which comprises components, parts, or materials which have been or are still to be imported whether by the tenderer or by his suppliers or subcontractors.

"Landed cost at factory" means the oversea cost plus direct importation costs such as freight, all landing charges, dock dues, import duties, and the like at the South African port of entry as well as inward transportation and handling to factory in the Republic of South Africa where the supplies tendered for are manufactured or assembled.

The board may, in its discretion, exclude from the operation of the foregoing provisions of this paragraph such products as it may from time to time deem necessary.

Any tenderer claiming preference for goods produced, manufactured or assembled wholly or partly in South Africa shall certify what percentage of preference he is entitled to and furnish an assurance to the effect that costs have been fully and carefully investigated by him and that to the best of his knowledge, belief, and experience the rate of preference claimed is correct and in accordance with what the actual "local content" will be. The administration, however, reserves the right at any time, at its discretion, to demand a sworn statement confirming any such claim and to call for supporting documentary evidence.

Any successful tenderer who has claimed preference shall undertake to report and explain the position immediately to the head of the Provincial department or branch concerned should circumstances arise which cause the percentage of actual local content to become lower than certified in the preference claim form.

(b) In case of equality after the provisions of regulations 13 and 14(a) have been applied, the order of preference shall be as follows:

(i) South African manufacturers or merchants tendering supplies entirely or mainly produced within the Republic.

(ii) South African manufacturers or merchants tendering supplies manufactured from raw or nonfabricated materials entirely or mainly imported.

(iii) Merchants tendering supplies from imported stocks held in the Republic.

(iv) Accredited agents for goods for import who are in a position to give expert advise or service.

(v) Oversea firms (preference being given to firms having branches or agencies and carrying stocks in the Republic).

(c) All things being equal, preference will be considered in respect of articles manufactured within the Province of the Transvaal.

(d) The question of bona fide manufacture shall be carefully observed when comparing prices, and in case of doubt the facts shall be reported to the administrator, whose decision shall be final.

Recommendations by board

15. (a) (i) It shall not be obligatory upon the board to consider any tender unless it complies with the advertisement in response to which it is submitted.

(ii) No tender will be considered where alterations have been made on the tender form unless such alterations are duly authenticated by the tenderer or if any material particulars required therein are not complete in every respect: *Provided*, That the board may in its discretion in any particular case dispense with the requirements of this regulation if it is satisfied that there is reasonable cause for such dispensation and that the interests of any person will not be prejudiced thereby.

(iii) Qualified tenders may be disregarded.

(b) The board shall not necessarily recommend the acceptance of the lowest or any tender and may recommend the acceptance of the whole or part of any tender, or in the event of a number of items being tendered for, any item of a tender.

(c) The reasons for the board's decision in recommending the acceptance of a tender other than the lowest tender shall be communicated to the administrator through the Provincial secretary.

(d) The board shall after consideration forward all tenders and accompanying documents to the Provincial secretary with its recommendations.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if this were entirely limited to or largely limited to Federal procurement, whether it be civilian or military, then it would be very much in order—not in order but it would be very, very pertinent and I would support the amendment. But in this case, as the record has shown in connection with ARA, which was rather limited in terms of amount, but in terms of the accelerated public works program in which 7,700-and-something municipal projects were constructed throughout this country, over 95 percent—and that is a conservative figure; yes, I can say 97 percent of the generators, the pumps, the valves, the mechanisms, the tubing, specialized piping tubing, glass, control networks, were made in the United States.

Mr. Chairman, what the gentleman is doing under his proposed amendment is in effect batting at a mosquito with a baseball bat and what he is really going to do is to wreck the furniture and a part of the room while he is at it.

So, Mr. Chairman, this is really a situation of making a mountain out of a molehill.

Mr. Chairman, I do hope the members of the committee will not take the amendment seriously because its effect would be very damaging.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Arkansas.

Mr. MILLS. I would like to join the gentleman from Minnesota in expressing the opinion that the amendment should not be adopted, not only for the reason that the gentleman from Minnesota has pointed out, but if this change in tariff laws and in rates of duty is to be made applicable, it should be made applicable across the board.

Mr. Chairman, I do not believe that it is administratively possible for the Bureau of Customs to make a determination with respect to imports to come in for a single program of Government and determine whether the rate must be higher for that particular import.

Mr. Chairman, the gentleman from Minnesota points out that there is a very small amount involved here and the amount is not sufficient to justify the administrative problems.

In addition to that I have no idea of what it may do with respect to other aspects of our tariff law and our relationships in the field of export of American products.

But, Mr. Chairman, on the basis of the administrative problems I would certainly recommend that the amendment be defeated. I thank the gentleman for yielding.

Mr. BLATNIK. As usual, the gentleman from Arkansas makes a very, very sound case.

The result would be to just unduly and unnecessarily have a rigid restriction in each one of these cases where it would be necessary to find that some little gadget in the whole mechanism was not from some foreign country. The local municipalities and the private industries involved all should have the right in certain instances to make a choice which might be to their economic benefit.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Would we not be doing this sort of thing: We would not only provide for the Federal Government and its purchases, but State, local, and municipalities, as well as private business, something we have never done under a "Buy American" act?

Mr. BLATNIK. The gentleman is correct.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. This is Federal money, what difference would it make whether it came out of the State or anywhere else? I am trying to protect the American workingman.

Mr. BLATNIK. The other 50 percent is local money, so it is about a 50–50 proposition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Saylor].

The question was taken; and on a division (demanded by Mr. Saylor) there were—ayes 71, noes 115.

So the amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

As we near the close of this historic debate, approaching the time when we shall vote on this landmark program, I think it appropriate and fitting that some acknowledgement be made of the great and truly significant contributions made by our colleague, the distinguished chairman of the subcommittee. His guiding hand has been evident not only in the deliberations leading up to our consideration of this bill, but also to passage of other great landmark pieces of legislation down through the years and in the present Congress. I think particularly of the Water Pollution Bill, but also of many other large, important, significant and far-reaching legislative goals. Both in the committee and on the floor of this House, magnificent leadership has been offered by the gentleman from Minnesota who has had the primary responsibility of this bill.

The fairness, the thoroughness, the candor, the scholarship and the decency exhibited by the gentleman from Minnesota [Mr. Blatnik], long have been hallmarks in the Committee on Public Works. He has given of his talents, his time and his energies tirelessly and without restraint to the Congress and to this great committee of the Congress.

Mr. Chairman, I should think it would be appropriate at this time that a word of tribute and expression of our thanks be extended to the gentleman from Minnesota, our able and honorable subcommittee chairman, Hon. JOHN BLATNIK.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. FALLON. Mr. Chairman, I would like to join with the distinguished gentleman from Texas in commending and congratulating the chairman of this subcommittee on the fine manner in which he has handled this legislation today. I might say to the Committee of the Whole House on the State of the Union that many hours, many nights and days, were spent in formulating this legislation before it came here. I must say we congratulate not only the gentleman from Minnesota but the subcommittee as well, and also express our thanks to the minority for the contribution they may have made and the criticisms we have benefited from, to make better the legislation that was finally reported out of the committee, which is a tribute not only to the chairman of the committee, Mr. BLATNIK, but to the minority on the other side and the committee as a whole.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Chairman, I am delighted that the very eloquent and outstanding Member of the House and of the committee, the gentleman from Texas, [Mr. WRIGHT] have taken, this time for this purpose. I am proud that I came to the Congress with JOHN BLATNIK. He is one of the great leaders of this House and certainly in the area of conservation and public development, he is one of the great leaders of the Nation. I join my friends in commending him on this job and on many jobs so well done over the years.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this for the purpose of advising the House as to what the action will be on this side of the aisle when we start voting on the legislation. It will be my intention to ask for a separate vote on the Sisk amendment because I believe that that amendment, adding $100 million annually to title I of the bill, where the Congress had already added $150 million more than the administration requested, which, in effect, doubles the annual amount that the administration asked for—in other words adding $250 million more to the $250 million that the administration asked for, and the House certainly is entitled to a vote on that and we will find out who the people are who are responsible when it comes to trying to meet the budgetary requests that are already high relating to the administration, and we will see who supports the administration with regard to their requests to the Congress, and with regard to trying to keep spending at a fairly reasonable level. So we will have an opportunity to vote on that amendment.

Second, it is my intention to offer a motion to recommit with instructions. I think the Members would be interested in knowing what will be in the motion to recommit with instructions. First, there will be the buy-American amendment previously offered. I cannot imagine why it was turned down by the House, in legislation that was supposed to have the objective of trying to employ more Americans and doing something about poverty in this country. Why this House would not even pass the Buy-American Act that would guarantee that the money will be plowed back for American employment in this country so as to try to create employment. I do not think that the Committee of the Whole acted wisely when it voted that way.

The buy-American provision will be in the motion to recommit.

There will be three phases of the motion to recommit—the buy American is No. 1.

No. 2: There will be the striking out of all Area Redevelopment commercial loans and guarantees, and reducing the authorizations accordingly, for the obvious reason that it is the most criticized phase of the legislation. It has been poorly handled in the past, and that will be worse under this legislation, because the authority of the Secretary would be broadened under it. It is legislation under which hotels and motels have been built which were not needed. It is bad legislation. It would be striken by the motion to recommit.

No. 3: It will try to prevent backdoor spending by requiring an annual review by the Appropriations Committee of the revolving fund, which involves $1.1 billion plus $302 million of the ARA money. In other words, approximately $1.4 billion will go into that fund, and Congress will not have a look at it unless you vote for the motion to recommit.

I believed the membership would be interested in knowing the three phases of the motion to recommit and that a separate vote would be requested on the Sisk amendment, which would add $100 million anually of additional free spending to this legislation without any consideration by the committee whatsoever. It is obviously an effort to get votes for the bill and cannot be justified on the merits.

Mr. O'KONSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe I would be derelict in my responsibility, knowing and realizing what these two programs have done for my area, if I did not say a few words of endorsement.

I should like to give an illustration of a little community of less than 400 people in my district, which had only one industry employing 150 people. There was a very cold and bitter winter and the needed heavy fires caused the industry to burn down. One hundred and fifty families were left stranded without jobs and without income.

If it had not been for the ARA program and a loan of $800,000 that industry never would have been rebuilt. Today 180 families have their jobs back—30 more than originally worked there. I can say that I can sleep better each evening because the accelerated public works program, of which this is a followup, and the ARA program have brought a better life, better conditions, and better health to 75 communities in the 10th Congressional District of Wisconsin. Between the ARA and the public works program $20 million of Federal money is working in northern Wisconsin.

I would be derelict in my responsibility if I did not say those words. I intend to support these two programs, and I hope that many Members of Congress will do likewise. The largest single ARA business loan to private enterprise in excess of $4 million was made in my district. The plant was dedicated a few days ago and soon 200 families will have a fuller life because of the new jobs created by this industry. These are but two instances. There are more.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I commend the gentleman for his very impressive statement and for the courage which he again has demonstrated with reference to legislation on the floor.

I add a further thought that the gentleman also will be able to sleep better in the conviction that we will buy a lot more American products under this program if the recommittal motion of the gentleman from Florida is defeated, because the recommittal motion of the gentleman from Florida would reduce the funds for expenditure in this country so substantially that we would not be able to buy as many American products under it with the buy-American clause as we would under the program we are preparing to pass in this House.

Mr. O'KONSKI. One final word. I want to add to the words of appreciation spoken on behalf of the gentleman from Minnesota, Congressman BLATNIK, who is sponsoring this bill. He is a neighbor and a good friend of mine from across the river. We have worked together on many things. The problems of his district and of mine are akin. I, too, compliment him for bringing this bill to the floor of the House. Both he and I know what this type of help means to our people. I am glad to say I offered him my hand in helping bring this bill up for final passage.

Mr. SWEENEY. Mr. Chairman, the Public Works and Economic Development Act of 1965 provides an intelligent and comprehensive program of Federal assistance which will guarantee more jobs and improved incomes for those people who live in areas where employment opportunity is limited and income of workers is low. I am happy to support this bill, S. 1648, for I have confidence that it will accelerate the Federal public works programs and make grants and loans possible for communities who heretofore have been unable to participate in such programs.

Throughout America, our public and private leaders on the community level seem to be groping for answers to the specific economic and technical problems which they are daily confronted with and which retard the economic growth of their area. This program makes possible long-term, low-cost loans in eligible areas and helps establish and expand job creating businesses. This bill coordinates the activities of our Federal Government, acting through the Secretary of Commerce, to better assist in the economic development of our land. This bill provides incentive for communities to study and investigate regional economic development and provides a means by which our Federal Government can deal effectively with the economic disaster of high unemployment.

Mr. Chairman, by the adoption of this Congress and the enactment into law of the Public Works and Economic Development Act of 1965, this is one way for America to express its belief that the free enterprise, capitalistic system is not standing still, moving sideways, but rather moving forward and ever expanding. The passage of this bill will promote industrial expansion and create jobs at a time when our society is moving dramatically and desperately to provide job opportunity for all of our citizens.

The Public Works and Economic Act of 1965 is not only needed, but essentially important in the total national program to keep America's economy rolling at a high and ever-expanding level.

For these reasons, with great vigor, I support S. 1648.

Mr. HECHLER. Mr. Chairman, I support the pending bill, because I believe that it carries great economic potential for the development of the Nation's economy. I have always felt that the accelerated public-works program was the finest program of this nature which had ever been tested in operation. Under the accelerated public-works authority, it was possible for communities to construct streets, sewage treatment plants, interceptor sewer lines, water systems, libraries, and other public buildings, and provide employment as well as making communities more attractive for industrial development.

I have felt that it was highly unfortunate that there could not be a simple extension of the accelerated public-works program. Now we have a program which seems to have more redtape than the old accelerated public works program. Also, I believe to be more effective it should be far larger, perhaps at the rate of $750 million annually, as I testified before the House Committee on Public Works. I wish that title I of this bill, containing this authority, might have been expanded to authorize $750 million per year.

But in the legislative process, each of us must compromise, and despite the smaller size of the title I authority, I feel that this bill is a good one which deserves wide support.

Mr. DULSKI. Mr. Chairman, what the Public Works and Economic Development Act of 1965 calls for is not a new, untried scheme to solve all the Nation's economic and unemployment ills. Rather, it calls for a continuation and expansion of two programs that have in a few short years clearly proved their value: the area redevelopment program of 1961 and the accelerated public works program of 1962.

Nationwide, the first has created an employment potential of 115,000 new permanent jobs, direct and indirect. The accelerated public-works program has spent close to a billion dollars on hundreds of essential public facilities and created a million man-months of employment in construction and allied jobs.

The employment picture in many redevelopment areas has improved appreciably but, for the most part, much remains to be done, especially in the numerous places where high joblessness has become an unwelcome tradition. It is to carry forward the valuable Area Redevelopment Act and accelerated public works programs that S. 1648 was conceived. It combines the best features of the former programs, and has eliminated or changed those features that experience has proved unworkable. One example: The Area Redevelopment Act called for 10 percent in local contributions—loan or equity—to be invested in every private loan, and to remain in the project until the Federal portion of the loan was fully repaid—up to 25 years. It was found that individual local citizens were reluctant to have their funds tied up that long, no matter how much faith they had in the project. Moreover, it often proved difficult—if not impossible—to raise locally the full 10 percent of project cost without a major assist from the new-business owner.

So the new bill we are considering will overcome this double obstacle by requiring only 5 percent in community money and will allow this to be repaid as fast as the Federal loan is paid off. There are also other improvements in the proposed legislation.

I know that Area Redevelopment Act and accelerated public works have had a strong and beneficial impact nationwide. I have witnessed their usefulness in Buffalo, which I represent, and in the surrounding areas. I therefore urge the passage of S. 1648 so that our Nation will build on the experience successfully demonstrated by the Area Redevelopment Act and accelerated public works in the last 4 years.

Mr. OTTINGER. Mr. Chairman, I deeply regret the necessity for me to rise today to speak in opposition to the administration's Public Works and Economic Development Act before this House.

In the past, I have supported the administration's wise and effective legislation to deal with problems of chronic unemployment and localized depression. But the measure before us today is neither wise nor effective. It is vague, ambiguous, and wasteful—and it should be defeated.

The broad powers that are granted to the Secretary of Commerce under this bill are, in my opinion, unwarranted. The tremendous amount of money that has been given over to the Secretary is unprecedented in a program of this kind.

If Congress is to pass this legislation it will be establishing an unfortunate precedent. It will be, in effect, abrogating its responsibility to the Nation.

Frankly, I question whether adequate consideration has been given to the ways and means of this legislation. Remember, we are authorizing the Secretary to spend some $450 million each year for 5 years—a total we are told, of more than $3.3 billion over the 5 years covered in the act. What standards are we establishing for the expenditure of these funds?

In essence, we have left to the discretion of the Secretary of Commerce and the Governors of the various States the determination of how and where and on what the money will be spent. Now if this were an expansion of a program that had already been worked out in detail—that had already demonstrated its effectiveness, for which there were sound and proven guidelines and standards—there would still be considerable question as to the advisability of such abrogation of responsibility by Congress.

But this is not such a program.

It is a strange and disturbing hodgepodge of new programs, imperfectly defined, and extensions of old programs which have been proved less than successful.

I would remind my colleagues that many of the features in this omnibus bill previously have been before the Congress. They were incorporated in the area redevelopment bill which was defeated by this House in 1963. Now they are before us again in a new giant-sized economy package that we can sell the Nation for only $3.3 billion. I believe that none of the new features that have been added to this package makes it any more acceptable.

A great deal has been said about the protections in this bill against piracy of business from a developed area to an underdeveloped area. Where are the protections? They are not included in the bill. Is this another matter we are to leave to the discretion of the Secretary and the Governors of the various States? As a Representative of an area that has already suffered greatly from piracy of business and industry I cannot accept private assurances. I am not prepared to concede such power without proper and explicit guarantees. I find none in this bill.

No less serious in my opinion is the ease with which we are being asked to accept the concept of governmental interference in business and industrial development. We are already too far down the road of Federal involvement in private enterprise. I think this bill may take us farther still, and I question whether my colleagues or the Nation have considered the final impact that these precedents will have on our free enterprise system.

This bill has many deficiencies and poses many unresolved problems. For that reason alone, I would urge my colleagues to defeat it.

But even more, it would be foolish to embark upon this wild spending, this gigantic undertaking, at a time when we are cutting taxes and when the President is asking for an additional $1.7 billion to support military action in Vietnam with more requests to come.

I urge my colleagues to defeat H.R. 1648.

Mr. MOORHEAD. Mr. Chairman, I think the time has come to consider seriously what contribution can be made by the proposed Public Works and Economic Development Act of 1965 to the economic development of our Nation, particularly those areas disadvantaged by high levels of unemployment or low levels of income.

The forerunners of this proposed legislation were the Area Redevelopment and the Accelerated Public Works Acts, both of which we considered experimental legislation, both of which are now expired. The question is, then, what did these two programs accomplish?

I stand with those who insist that these experimental programs made a most significant contribution to the economic growth and stability that our various districts now enjoy. Without the Area Redevelopment Act and accelerated public works our businessmen would not have been able to take advantage of the economic boom that now blesses our land.

In my district, a portion of the city of Pittsburgh lies in a designated redevelopment area. This city, as we all know, is one of the principal steel centers of the world. When steel booms, Pittsburgh booms. When steel is depressed, Pittsburgh is depressed. We cannot assume a continued boom in steel. What we need is a more diversified economic base, and new modern public facilities to enable us to seize upon growth opportunities that come our way. Area Redevelopment Act and accelerated public works are helping Pittsburgh and Allegheny County to do just this.

Public facilities financing as proposed in S. 1648, the pending legislation, will be of vital assistance in developing presently planned industrial parks to encourage investment by private enterprise in manufacturing and research facilities.

Under Area Redevelopment Act, technical assistance studies have contributed to developing information pertinent to establishing manufacturing complexities for grain milling, foundries, salt based chemical complexes, and small businesses. Commercial loans have been made to establish plants for food processing and metal fabricating. Public facilities to serve industrial districts have been provided to adjacent townships in Allegheny County by loans and grants.

Eighty-seven projects were approved under the accelerated public works program totaling $16 million in Federal funds. These grants accelerated local and State public works projects.

In summing up, Mr. Chairman, both programs have been of significant value to Allegheny County and Pittsburgh. The proposed legislation offers more vitally needed financial assistance to further stimulate private industries' increased investments in the Pittsburgh area.

I urge the passage of S. 1648.

Mr. CALLAWAY. Mr. Chairman, I am opposed to the passage of S. 1648. My colleagues have ably pointed out the bill's objectionable features and the dangers inherent within them. I support their findings; I agree with their conclusions—but I particularly wish to stress the dangers involved in the reenactment and expansion of the discredited Area Redevelopment Act and PWA programs.

As a concrete example of what can—and has—happened under these programs, I present testimony given before the Department of Agriculture and the Area Redevelopment Administration of July 28. On that date I appeared before a joint hearing to urge their strongest consideration of the dangers involved in a proposed loan by the Area Redevelopment Administration to help finance the Lipman Bros. poultry operation in New Castle, Pa. There are a number of facts and current signs within the poultry industry pointing to the hazards apparent in such a move—facts and signs which I can only assume have been overlooked by those favoring the loan.

Certainly there is a philosophy in question here—the philosophy of Government competition with private industry. In this case that philosophy raises the specific question of the wisdom involved in placing a poultryman's tax dollars into a Government financed operation in direct competition with him. Such a move goes against the traditions of the American free enterprise system. I believe it goes against the beliefs of the American citizen and certainly it is in direct opposition to my own convictions. But having found that this type of argument is often overlooked in our modern complex government, I want now to turn to the more practical aspects of this case.

A study of the situation has led me to believe that the implementation of the Lipman Bros. loan will multiply the woes of the poultry industry which is already facing a precarious fall.

The arguments advanced in favor of the loan have failed to convince me.

First. It has been said that the Lipman operation will not create an overproduction of broiler poultry in the industry due to the increased per capita consumption and population growth, and reduced competition from red meat. Let me emphasize that it does not need to create overproduction. The National Broiler Council has warned that at the present rate of production alone, there will be 7 percent more poultry on the market during this month than the same period last year; 14 percent more next month; and between 20 and 25 percent more by October. While I am not an economist, I do doubt that the parallel consumption and population growth can match and absorb this increase, and I have seen no facts to substantiate the statement about red meat.

Second. It is stated that the Lipman operation will not adversely affect one geographic area because of the broad base of supply in the area to be serviced by the Lipmans. Yet I am afraid that it would adversely affect at least one geographic area: my own State of Georgia. The Georgia Processors Association ran a survey on July 24 which revealed that approximately 11 million pounds of fresh ice-packed Georgia poultry is shipped monthly within a radius of 300 miles of New Castle, Pa. This area, it would seem, it already an important outlet for other members of the industry.

The third major argument asserts that the Lipman loan is justified by the fact that their high quality poultry brings 6 cents a pound more on the market than does other poultry. Aside from the assurances from poultry growers that the same high quality exists throughout the industry, I fail to see that reasoning behind the argument that a man who sells for more should borrow for less.

But the most telling argument is the fourth and last one that the Lipman operation will result in a tremendous economic and employment impact in western Pennsylvania. I am sure that this is so, and I certainly have no objection to spurring the economy of western Pennsylvania—but not at the expense of the poultry broiler producers in other States and indeed the entire industry. The fact that the broiler industry faces a seriously glutted market has been forecast in poultry publications throughout the country for some time. The most prominent forecast that I have seen was prepared by the Economic Research Service of the U.S. Department of Agriculture, and released on July 22, 1965, as follows:

> [From the Daily Times, Gainesville, Ga., July 22, 1965]
>
> BROILER PRICES MAY SLIDE, ECONOMISTS WARN PRODUCERS
>
> WASHINGTON—Agriculture Department economists today warned that broiler producers may be heading for a drop in prices.
>
> A Department report said that strong broiler prices for the past year have led to rapid expansion of production. For the months from July through August, broiler production may be about 10 percent above the same months of 1964.
>
> The report said the heavy production is expected to drive July and August prices down slightly below last year's average of 14.7 cents a pound for those months.
>
> Looking further ahead, the report said that if the current expansion follows typical patterns, broiler prices in late 1965 and most of 1966 will drop substantially below present levels.
>
> Department experts said two factors explain the strength in broiler prices during the past year. One is a growing domestic demand produced by increased population and rising consumer income. The second is the fact that prices of beef and other red meats have risen in recent months.
>
> But the Department said that the market now may be approaching the point at which consumers will not be willing to take increased supplies of broilers unless prices go down.

Mr. Chairman, these were the points that I brought out in testimony before the joint Department hearing. At that time I was astounded that the findings of their own economists had apparently been overlooked in an effort to favorably process the loan. Today I am further astounded that some would wish to expand and continue a program capable of this and other irresponsible actions. For this reason, and for the many reasons given, I sincerely urge that we back up and take a harder look at this unwise, expensive piece of legislation—and that we reject its enactment.

Mr. RYAN. Mr. Chairman, I rise in support of S. 1648, the Public Works and Economic Development Act of 1965.

The bill embodies the best features of the Area Redevelopment Act, the Accelerated Public Works Act, and the Appalachian Regional Development Act. Each of these earlier acts has proved, and is continuing to prove, valuable to our Nation, its people, and its economy.

The Area Redevelopment Act was enacted in May 1961, to establish a 4-year program of assistance to depressed areas throughout the Nation to help areas plagued by chronic unemployment to revive their lagging economies by creating new jobs. The program has proved unusually successful. By January 31 of this year, it had been responsible for the establishment of 548 industrial, commercial, and public facility projects. In addition, 1,335 technical assistance and training projects had been begun. Altogether these projects are expected to be responsible for the creation of over 115,000 jobs.

I am especially familiar with the excellent work of the Area Redevelopment Act, for in New York 11 projects have been approved which are expected to ultimately create over 2,700 new jobs. Loans have been approved for such varied projects as restoration and expansion of a milk plant and construction of a furniture polish factory in the Amsterdam area to construction of facilities for the manufacture of electronic assemblies in the Auburn area. Though New York has only been granted four work training projects, it has also received aid from eight technical assistance programs with a total Federal investment of a half million dollars. One of the most interesting of these technical assistance programs, and one which will benefit individuals in pockets of poverty within big cities, including New York City, was approved last October, and involves a grant to the Small Business Development and Opportunities Corporation to develop small business opportunities among minority groups.

The Public Works Acceleration Act, passed into law in 1962, has also been quite successful. A total of approximately 7,700 projects of all types, involving a total Federal expenditure of $843 million, have been approved. These projects have not only been responsible for an estimated 2 million man-months of onsite and offsite employment in needy areas, but they have also proved to be of significant effect in spurring economic development in areas of both temporary and long-term distress.

While it may be too early to properly evaluate the success of the Appalachian Regional Development Act, passed in March by this Congress, it has become apparent to a majority of our colleagues that there are other regions in the Nation which could benefit from the approach to regional economic development being tried in Appalachia.

The general purpose of the bill before us is to provide a comprehensive program of Federal assistance to help provide more jobs and higher incomes for people who live in areas where jobs are scarce or incomes are low. Specifically, it would authorize the Secretary of Commerce to make grants of up to 80 percent in eligible areas for public works which are necessary for the economic development of the area or for the objectives of the antipoverty program, as well as supplementary grants which would reduce the local share for needy communities in eligible areas down to as low as 20 percent for other Federal public works programs which require community contributions.

The Secretary could also make long-term, low-cost loans in eligible areas to help establish or expand job-creating businesses, and guarantee up to 90 percent of the outstanding balance of private loans for working capital made in connection with the expansion or establishment of businesses assisted under the program. He could pay up to 75 percent of the cost of providing full-time planning staff for State, district, and selected local economic development organizations, undertake research on general problems of long-term unemployment or underemployment, and give communities information and advice on how to reduce unemployment and attain economic growth.

The bill would also establish an independent study board to investigate the effects of Government procurement on regional economic development. It would authorize the payment of an incentive bonus for redevelopment areas that cooperate in the formation of economic development districts, to be provided in the form of an additional Federal grant of 10 percent of the costs of public works and development facilities projects—though not to exceed the 80 percent limit on these grants otherwise provided in the bill. Finally, it would allow the Secretary of Commerce to help the States establish multistate regional development commissions and pay all the necessary administrative expenses of each commission for the first 2 years of its existence—and half the necessary expenses after 2 years are over.

Mr. Chairman, these are the main provisions of the bill. As you can see, it is a coordinated, comprehensive program with which we are presented. As the report of the House Public Works Committee so correctly points out:

> Each part of the program reinforces the others. Public works and related facilities are necessary to the development of new, job-creating businesses, but adequate means must be available to insure the actual establishment or expansion of the new businesses. In like manner, a business loan program, useful as it may be by itself, is inevitably limited to those areas which have facilities able to support new or expanding businesses. Without a public works program to support it, its usefulness is severely limited. These problems can be partially solved through the use of technical assistance.

The bill is urgently needed. In the midst of unprecedented national prosperity, there are still large numbers of people who cannot find jobs because they are living in areas where jobs are too scarce. As President Johnson said last March, in sending the present bill to the Congress:

> The conditions of our distressed areas today are among our most important economic problems. They hold back the progress of our Nation, and breed a despair and poverty which are inexcusable in the richest Nation on earth. We will not permit any part of this country to be a prison where hopes are crushed, human beings chained to misery, and the promise of America denied. The conditions of our depressed areas can and must be righted. In this generation they will be righted.

We have been summoned to a war on poverty and have pledged ourselves to the President's goals. But if we are to do the job, we must have the proper tools. The Economic Opportunity Act, passed last year and enlarged this year, is one such tool. The present bill will be another basic tool. I call upon my colleagues to give this bill their strong support.

Mr. GALLAGHER. Mr. Chairman, I am in almost complete agreement with the Public Works and Economic Development Act of 1965. I do feel, however, that in certain aspects the act could be made to apply to a greater number of areas which are presently suffering from unemployment.

I am strongly in favor of the amendment being offered by my good friend from California [Mr. SISK]. This provision will make counties and cities which have an average rate of unemployment for the preceding year of 6 percent or more eligible for public works assistance as specified in title I of the act.

The amendment will make a good number of deserving counties and cities eligible which are presently excluded by the provisions of the act.

Hudson County, part of which I represent, is a prime example of a county offered assistance by this amendment. The county last year had an annual average unemployment rate of 6.7 percent which is above the national average of 5.2 percent. Yet Hudson County and Jersey City would be ineligible for assistance as the act now stands.

I feel that for the Nation to reap the full benefits offered by this type of legislation this amendment should be adopted.

Mr. GILLIGAN. Mr. Chairman, I rise in support of S. 1648, which, as the members of the committee know, is designed to provide a comprehensive program of Federal assistance to help provide more jobs and higher incomes for people who live in areas where jobs are scarce or incomes are low.

In my judgment the great Committee on Public Works has done a fine job of drafting a broad and imaginative piece of legislation which will bring help and hope, as well as badly needed public improvements, to many areas of our Nation.

While it may be possible to quibble about minor details in the bill, certainly this program commends itself to every Member of the House and I urge my colleagues to vote for its passage.

Mr. MOELLER. Mr. Chairman, I have the privilege and challenge of representing a district that is sorely beset by economic problems. These problems are so deeply rooted that they cannot be solved by my people alone. What we need—what we must have is the help and understanding of the Federal Government.

Unemployment in some of my counties runs as high as 13 percent. It has consistently doubled and even tripled the national average ever since the coal mining industry collapsed right after World War II and threw thousands of my people out of work.

We have been unable to attract much new industry to southeastern Ohio because many of our towns and villages lack the facilities that business rightfully demands, such as adequate sewerage systems and modern waterplants. The townships cannot finance these essential projects alone because the tax base is depressed more and more each year as unemployment rises and industry stays away.

So my area, more than most, is trapped in a vicious, ever-widening circle. We can not build for industry until we increase our tax base. And we cannot increase the tax base until job opportunities are provided for our people. In the meantime, industry goes elsewhere.

The Members of this House hold in their hands today the power to help us break the circle of poverty and unemployment and to begin doing the things that must be done.

Let me say that I can think of nothing more demoralizing than for a man to be told that there is no work for him, that circumstances beyond his control have consigned his family to a life of doles and handouts.

The United States, as a whole, is the richest and most prosperous nation in the history of mankind. Our gross national product stands at a fantastic $650 billion. Our people, collectively, own more houses, more automobiles, more color TV sets, more home air conditioners, more luxury boats, more stocks and bonds—more of everything than any other society on earth.

And no one can convince me that the American people are unwilling to commit just a tiny fraction of this Nation's staggering wealth to the struggle for an even richer and more prosperous land.

That is just what we are being asked to do here today: We are being asked to help underwrite the most constructive development program yet envisioned.

The Public Works and Economic Development Act of 1965 would provide grants of up to 80 percent for the development of community facilities. There are some who argue that this act would duplicate grant programs already on the books. This is not true.

The present grant program for sewage treatment plants, for example, authorizes Uncle Sam to put up a third of the money and the local community to come forward with the remaining two-thirds.

The economy of my district is such that to ask a community to provide two-thirds of the money is like asking the tides to stand still. Just offhand, I can think of a dozen towns in southeastern Ohio that have been forced by economic realities to turn down proffered grants of 33⅓ percent.

Moreover, the Federal Government at this time sponsors no grant programs for the construction of pure water plants. It sponsors no grant program at this time to help our communities construct necessary municipal buildings, or to do many of the other things demanded by potential industry.

The area redevelopment and accelerated public works programs were a good start in what should be a continuing effort to assist needy communities lift themselves from economic blight.

The problems of unemployment must be controlled if our common country is to continue to move ahead—and I need not remind you that we will have to create 3 million new jobs each year just to maintain our present rate of growth.

Federal assistance is imperative where local and State resources are limited. The Area Redevelopment Act and accelerated public works programs provided us with many examples of the progress that can be made through teamwork and cooperation.

Under the old Area Redevelopment Act and accelerated public works programs, my district received $1,292,123 for the construction of community facilities; for land and channel improvements; for work-training projects; and for commercial enterprises.

Just today, the Area Redevelopment Administration approved a grant of $107,517 to continue and expand the work of the highly successful Institute for Regional Development. The Institute for Regional Development is an organization founded by Ohio University to promote the economic and industrial growth of southeastern Ohio. It is doing a wonderful job.

Much has been done by the Federal Government to help our communities help themselves. Much remains to be done. We cannot afford to falter and stumble now.

Let us pass the Public Works and Economic Development Act and get on with the job of building the kind of America that we all want for ourselves and our children.

Thank you.

Mr. RHODES of Arizona. Mr. Chairman, I rise in opposition to the passage of this bill. This legislation is among the worst I have seen in my many years in Congress.

It does nothing to correct the causes of previous failures in two of the programs it continues. These programs, the Area Redevelopment Administration and the Public Works Administration, have been almost totally discredited by the reports submitted to Congress by the Comptroller General and the General Accounting Office.

Republican attempts to transform this bill into a responsible piece of legislation have been summarily rejected in committee.

Twelve of the most objectionable provisions of S. 1648 are noted in the Republican Policy Committee statement which I, as chairman of the committee, insert, under unanimous consent, at this point:

Although this country currently is enjoying a high level of prosperity, there remain pockets of persistent unemployment and depression.

Each of the so-called depressed areas, however, suffers from conditions peculiar to itself.

It is therefore necessary that any legislation capable of effectiveness be drafted with the utmost care and with this fact in mind.

It must contain specific guidelines and controls for proper administration of the programs it establishes. Moreover, it must be drafted in such a way as to avoid the mistakes and failures with which previous programs of this nature have been plagued.

S. 1648, the Public Works and Economic Development Act of 1965, falls completely to fit any of the above criteria.

It is drafted carelessly. It does nothing to eliminate the causes of the mistakes and failures of two of the most discredited programs of this nature ever devised, the Area Redevelopment Administration and the accelerated public works program.

Despite the fact that both the Area Redevelopment Act and the Public Works Acceleration Act have been discredited thoroughly because of their ineffectuality and poor administration, S. 1648 would reactivate and broaden both programs.

The ARA demonstrated conclusively that pockets of poverty cannot be eliminated through the methods it employed. The Public Works Administration program, touted widely as a panacea for unemployment, did little to solve the problem of unemployment.

The Comptroller General has submitted 17 reports to the Congress which show that neither program was properly administered.

For example, a General Accounting Office report reflects that in 80 projects that had been completed and in operation for 1 year, only 4,912 jobs had been created, and these at excessive cost although ARA had estimated that these projects would create 9,539 jobs.

Unfortunately, GAO reports of this nature, although they are designed to provide the Congress with background information which will enable it to legislate with full knowledge of the subject at hand, have been ignored completely in the drafting of this bill.

Indeed, amendments offered by Republican members of the Committee on Public Works which were based upon recommendations of the GAO were rejected summarily.

The following provisions of S. 1648 are particularly objectionable.

1. There is no requirement for maintenance of effort by the States or local governments which receive assistance under the proposed program.

2. The bill as presently written can and will result in federally financed competition to private enterprise, thus endangering healthy business operations in the affected areas.

3. Grants and loans may be made to private organizations that could, under the ambiguous language of the bill, result in unfair competition to private enterprise.

4. As written, the bill could result in federally financed "pirating" of industry from one area to another.

5. The authorization for grants contained in the bill exceeds the President's request by $150 million.

6. The bill does not provide for standards for guaranteeing loans for working capital. There is no limitation on the size of the loans to be granted, the period of rate of interest or other terms of the loan, and no limitation as to the amount of guarantees outstanding at any one time.

7. The revolving fund device in title II of the bill will bypass annual congressional appropriations review.

8. Standards for designation of redevelopment areas are inadequate.

9. The bill as now written will result in a duplication or pyramiding of projects in the Appalachian region.

10. Areas enjoying prosperity can, under section 403 of the bill, be designated to receive assistance.

11. The bill will permit the designation of multistate economic development regions without regard to the eligibility of areas in the regions for financial assistance under the bill.

12. As presently written the bill will permit the program to exist in perpetuity.

These are a few of the many objectionable features of the bill.

The mere fact that it does little more than perpetuate two programs that failed without making any attempt to correct the causes of the past failures should be sufficient reason for its defeat.

When the many crippling deficiencies of the bill are added, however, its defeat becomes an absolute necessity.

In voting for an $11.5 billion income tax cut in 1963 and 1964 the House pledged to reject new pump-priming measures and to give the private sector of the economy a chance to find solutions to economic problems particularly unemployment. We have now voted to end almost 5 billion in annual excise taxes.

We cannot afford to go further into debt by enacting legislation which will spend $2 billion for grants alone and $3.325 billion for the entire bill, especially when past experience with ARA and PWA holds out little chance for the success of the program.

The Republican policy committee is opposed to enactment of S. 1646.

Mr. LANDRUM. Mr. Chairman, since the enactment, in 1961 and 1962, of legislation authorizing the Federal assistance programs to depressed areas, the Ninth Congressional District of Georgia has benefited tremendously. Most of the counties in the district secured funds for industrial development, and for public works—water facilities and sewage treatment plants, needed public buildings, additions to industrial parks, and recreation facilities.

In many cases the smaller towns in the area did not have sufficient funds of their own to improve the water supply. Many have not had assistance since the early 1930's when they received help under the old WPA program.

In traveling over the area and talking with the mayors and people of communities, I feel that new life has been instilled into them knowing that someone cares—that someone being the Congress of the United States.

Even with the expenditures during the last 3 to 4 years there still is a backlog of needed services that will affect the the economy of the area. These needed services will be provided under the Public Works and Economic Development Act of 1965, S. 1648, which combines the best parts of the original programs with the improvements brought out by the experience of the past 4 years.

Several technical assistance studies have been completed in the area, including a long-needed mineral study covering two of the counties. The most significant, however, was the study made by the University of Georgia on the feasibility of establishing a recreation experiment station in the north Georgia mountain area that would serve the entire eastern seaboard and the Appalachian region. This study has received favorable consideration all along the line. Local and State actions to implement the study have been initiated, however, completion of the project cannot move forward until new funds are available. The Governor of Georgia has committed property valued at approximately $1 million along with cash funds of $1,500,000. This unique project is the result of a multicounty effort to take advantage of its only natural resource—the beauty of the Georgia mountains—to achieve economic growth. It will undoubtedly have a substantial and favorable impact on the overall economy of the entire area.

It is fortunate that we have—and highly desirable that we take full advantage of—the opportunity to assist those areas suffering from chronic depression to help themselves to a fair share of the prosperity of our great Nation.

I ask favorable consideration of S. 1648.

Mr. ULLMAN. Mr. Chairman, I want to express my support for favorable action by the House on the Public Works and Economic Development Act of 1965. The benefits to depressed economic areas through the past programs of accelerated public works and area redevelopment are well known. Certainly, these programs have been of great assistance to areas of my district in providing new jobs and public facilities where needed.

One particular case in my district points up some of the past benefits, as well as the prospects for future participation under the bill we are considering today. The Warm Springs Indian Reservation in central Oregon has long had a need for means to expand employment opportunities for Indian citizens in the area. Tribal leaders had long wanted to develop a tourist resort to capitalize on one of the reservation's valuable resources, the Kah-Nee-Ta Hot Springs. It was an area of superb scenery and climate, but without suitable accommodations and facilities to handle the potential tourist traffic.

In 1963, the ARA financed a study which showed that a major resort facility at Kah-Nee-Ta would be a feasible undertaking. I introduced a bill to authorize the tribe to purchase the site from non-Indian interests, and it was approved by Congress. The resort was planned for three stages of development. The tribe, with their own funds, completed the first stage, and the new resort was opened in June 1964. It had a highly successful first season, and plans for construction of the succeeding phases were accelerated on the basis of this early success.

Although the disastrous floods of last December caused considerable damage, the tribe, with the assistance of emergency funds appropriated to the Bureau of Indian Affairs, accomplished a near miracle in getting the facilities back into operation in time for this summer's tourist season. Latest word is that they will have another successful season.

Plans are now continuing for construction of the latter phases of the project. A spokesman for the tribe said that the ARA study and planning provided "an uplift in morale and outlook as valuable to our people as the economic opportunities that will be opened to them."

Mr. Chairman, the Public Works and Economic Development Act will make available the necessary assistance to continue this and other similar developments to provide long-range job opportunities in areas of chronic unemployment. On the basis of past experience, I am supporting passage of S. 1648.

Mr. O'NEILL of Massachusetts. Mr. Chairman, I strongly endorse the proposed Public Works and Economic Development Act of 1965—S. 1648—and urge its early passage.

This act is a direct descendant of the expiring Area Redevelopment Act—ARA—and the Accelerated Public Works Act—APW.

The Area Redevelopment Act, conceived as a long-term antirecession measure, was established to experiment with ways and means to alleviate unemployment associated with technological change and depletion of natural resources. The Area Redevelopment Act was instructed to distribute the projects widely among the several States so far as is feasible and proper, in order that actual experience with this program might be shared by as many States and as many areas, under as many different circumstances as possible. Although the Area Redevelopment Act's limited funds were spread quite thin through a thousand or so counties in the United States, results were dramatic in many of the smaller rural areas and immeasurable in some of the larger urban areas.

The second antirecession measure was the Accelerated Public Works Act. This act provided for grants for public facilities to create immediate jobs of a more short-term nature. These funds provided needed water and sewer lines, access roads, and public administration buildings, many of which aided in the establishment of industrial parks which assisted long-time local industries to expand and encouraged the establishment of many new entrepreneurs.

The Public Works and Economic Development Act of 1965 incorporates the best features of the Area Redevelopment Act and the accelerated public works programs based on 4 years of practical experience.

A fine example of industrial development is the Cabot, Cabot & Forbes miracle electronic mile, which came about as a result of the construction of Route 128, a circumferential highway around Boston. The key ingredient was the proximity to the centers of higher learning—Harvard and MIT—located in Cambridge.

The next decade will see an accelerated need for public works projects to modernize the water and sewer systems in my district, to provide feeder roads, and antipollution measures to realize the full potential of the NASA space center projected for construction in Cambridge, Mass.

The Federal Government must provide the key toward realizing this potential. All communities within commuting distance, such as our good neighbors to the north, Lowell and Newburyport, will feel the impact from the employment potential realized in the Boston metropolitan area.

I strongly urge favorable consideration of this legislative proposal.

Mr. HOWARD. Mr. Chairman, Monmouth and Ocean Counties in New Jersey have no hesitancy in recommending that the programs initiated under the Area Redevelopment and the Accelerated Public Works Act be continued and expanded. We have found that these programs are logical and legitimate tools in our own self-help efforts at promoting and fostering enlightened self-interest and the American free enterprise system.

In my district we have benefited immeasurably from Area Redevelopment Administration Act assistance. For example, a loan of $690,000 to a small firm in Tuckerton, N.J., has led to the establishment of a prefabricated housing plant, a boat repair shop, and marina facilities. The total cost of the project was $1,250,000, of which $560,000 was provided by commercial lenders, the local community and entrepreneurs.

This particular project has had a dramatic effect on its community. For example, tax revenues to be generated have been estimated at well over $30,000 a year from sources which will require little service from the community. Current employment in the project ranges upward to nearly 450, considerably more than the 112 originally estimated. In addition, the project will consume about $1.5 million in goods and services to be provided mostly by local business enterprises. Secondary employment benefits by way of site preparation, home construction, contracting and subcontracting, and related services already have added significantly to the economy of the area, and are expected to continue to increase.

This loan is being repaid to the Federal Government. It is interesting to note that the project was originally offered to a number of commercial lenders, who—because of the nature of the project—could not provide the money necessary to get it off the ground. The Area Redevelopment Administration made the project possible. This is the kind of work that we should want to have continued under the Economic Development Administration which, I hope, we will pass into law.

Mr. SCHISLER. Mr. Chairman, I would like to take note of the passage of Senate bill 1648, the Economic Development Act of 1965 which passed the House today.

The purpose of this legislation is to provide a comprehensive program of assistance to areas and regions of economic distress in order that unemployment can be arrested and facilities can be improved and upgraded. President Johnson, in his message of March 25, 1965, to the Congress said:

> The promise of America is opportunity for all our people. It must, therefore, be a matter of concern to all Americans when any of our fellow citizens is denied the chance to build a full life for himself and his family.

This program goes a long way in fulfilling the promise of America. It is a program which combines the best features of the Area Redevelopment Act, the Public Works Acceleration Act, and the Appalachian Regional Development Act. It provides assistance for local communities, for economic development centers, for counties, for labor areas, for multicounty combinations called "development districts," and for multistate regions. This legislation makes assistance available at whatever level of economic development that assistance can be most effective.

The bill contains five major programs, each contained in a separate title.

Title I of the bill provides for grants of up to 80 percent for public works in eligible areas which are necessary for economic development or meet the objectives of the antipoverty program. Supplementary grants are available also, to communities where unemployment is exceptionally high and the requirements for local matching funds cannot be met.

Title II provides financial assistance for loans for public facilities, for commercial or industrial facilities, and for guarantees of working capital loans made in connection with business being established or expanded.

Title III provides the means by which communities and businessmen can find the answer to economic problems which are obstacles to economic growth. This title authorizes 75 percent of the funds to provide a full-time staff for State, district, and selected local economic development organizations to undertake research on the problems of long-term employment.

Title IV provides for the designation of eligible areas on the basis of unemployment or heavy loss of population. In general, the standards for designation on the basis of unemployment are the same as those under the Area Redevelopment Act. This means that counties with a median family income of $2,264 or less would qualify.

Title V of the bill provides for Federal participation in the organization of regional development commissions similar to the Appalachian Region Development Commission. This Commission will draw up a plan for economic action in the region and recommend appropriate action to State and Federal bodies.

The upgrading of community facilities is an integral part of this legislation, and two counties in our 19th District have had projects approved in this area. In Knox County the sewerage system at Abingdon will see treatment and improvement. A sewage lagoon has been approved for Oneida and Yates City.

In Mercer County, Matherville, New Boston, and Sherrard have had sewerage facilities projects approved.

Mr. Speaker, this legislation is going to influence the lives of a great many people. Looking at it in terms of the national interest, it will replace hopelessness with hope for hundreds of thousands of families. Thousands of children will be able to continue their education where otherwise it might be interrupted. It will bring needed new payrolls for depressed communities and new jobs for the unemployed. I was pleased to be able to lend my support to this legislation, for I feel it will mean a real boost and a program of self-help for communities all over our country.

The CHAIRMAN. The question is on the committee amendment to the Senate bill.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Landrum, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1648) to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions, pursuant to House Resolution 503 he reported the bill back to the House with amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment?

Mr. CRAMER. Mr. Speaker, I demand a separate vote on the so-called Sisk amendment.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. Sisk: Page 67, strike out line 20 and all that follows down through and including line 8 on page 68 and insert in lieu thereof the following:

"Sec. 102. (a) In addition to the assistance otherwise authorized, the Secretary is authorized to make grants in accordance with the provisions of this title to those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas of substantial unemployment during the preceding calendar year.

"(b) Areas designated under the authority of this section shall be subject to an annual review of eligibility in accordance with section 402, and to all the rules, regulations, and procedures applicable to redevelopment areas except as the Secretary may otherwise prescribe by regulation.

"Sec. 103. Not more than 15 per centum of the appropriations made pursuant to this title may be expended in any one State.

"Sec. 104. No part of any appropriations made pursuant to this title may be expended for any project in any area which is within the 'Appalachian region' (as that term is defined in section 403 of the Appalachian Regional Development Act of 1965) which is approved for assistance under the Appalachian Regional Development Act of 1965.

"Sec. 105. There is hereby authorized to be appropriated to carry out this title not to exceed $500,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1969."

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. Sisk].

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 196, nays 194, not voting 44, as follows:

[Roll No. 234]

YEAS—196

Adams
Addabbo
Albert
Anderson, Tenn.
Annunzio
Ashley
Aspinall
Bandstra
Barrett
Bates
Beckworth
Bingham
Blatnik
Boggs
Boland
Bolling
Brooks
Brown, Calif.
Burke
Byrne, Pa.
Callan
Casey
Celler
Clark
Clevenger
Cohelan
Conte
Conyers
Corman
Craley
Daddario
Daniels

Dawson
de la Garza
Delaney
Dent
Denton
Dingell
Donohue
Dorn
Dow
Dulski
Dyal
Edmondson
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Farnsley
Fascell
Fino
Flood
Flynt
Fogarty
Foley
Ford, William D.
Fraser
Friedel
Fulton, Tenn.
Gallagher
Garmatz
Gettys
Giaimo
Gilbert
Gonzalez
Grabowski
Gray
Green, Pa.
Griffiths
Hagen, Calif.
Hanley
Hanna
Hansen, Wash.
Harris
Hathaway
Hays
Hechler
Helstoski
Holifield
Holland
Howard
Hull
Hungate
Huot
Ichord
Jacobs
Jennings
Joelson
Johnson, Calif.
Johnson, Okla.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kee
Keith
King, Calif.
Kirwan
Kluczynski
Krebs
Landrum
Leggett
Long, La.
Long, Md.
Love
McDowell
McEwen
McFall
McGrath
Machen
Mackay
Mackie
Madden
Matsunaga
Matthews
Meeds
Mills
Minish
Mink
Moeller
Monagan
Morgan
Morrison
Morse
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
O'Brien
O'Hara, Ill.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neill, Mass.
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pirnie
Poage
Powell
Price
Randall
Redlin
Resnick
Reuss
Rhodes, Pa.
Rivers, Alaska
Roberts
Rodino
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
St Germain
St. Onge
Scheuer
Schmidhauser
Secrest
Senner
Sickles
Sisk
Slack
Smith, Iowa
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sweeney
Teague, Tex.
Tenzer
Thompson, N.J.
Thompson, Tex.
Trimble
Udall
Ullman
Van Deerlin
Vanik
Vivian
Waggonner
Watts
Weltner
Wilson, Charles H.
Wright
Young
Zablocki

NAYS—194

Abbitt
Abernethy
Adair
Anderson, Ill.
Andrews, George W.
Andrews, Glenn
Andrews, N. Dak.
Arends
Ashbrook
Ayres
Baldwin
Baring
Battin
Belcher
Bell
Bennett
Berry
Betts
Bolton
Bow
Bray
Brock
Broomfield
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson
Byrnes, Wis.
Cabell
Carey
Cederberg
Chamberlain
Chelf
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Conable
Cooley
Corbett
Cramer
Curtin
Curtis
Davis, Ga.
Davis, Wis.
Devine
Dickinson
Dole
Dowdy
Downing
Duncan, Tenn.
Dwyer
Edwards, Ala.
Erlenborn
Farnum
Feighan
Findley
Fisher
Ford, Gerald R.
Fountain
Frelinghuysen
Fulton, Pa.
Fuqua
Gathings
Gibbons
Goodell
Green, Oreg.
Greigg
Grider
Griffin
Gross
Grover
Gubser
Gurney
Hagan, Ga.
Haley
Hall
Halleck
Halpern
Hamilton
Hansen, Idaho
Hansen, Iowa
Hardy
Harsha
Harvey, Ind.
Harvey, Mich.
Henderson
Herlong
Hicks
Horton
Hosmer
Hutchinson
Jarman
Johnson, Pa.
Jonas
Jones, Mo.
King, Utah
Kornegay
Kunkel
Laird
Langen
Latta
Lennon
Lipscomb
McCarthy
McClory
McCulloch
McDade
McMillan
Macdonald
MacGregor
Mahon
Mailliard
Marsh
Martin, Ala.
Martin, Mass.
Martin, Nebr.
Mathias
May
Michel
Minshall
Mize
Moore
Moorhead
Morris
Morton
Mosher
Murray
Natcher
Nelsen
O'Hara, Mich.
O'Neal, Ga.
Ottinger
Passman
Pike
Poff
Pucinski
Purcell
Quie
Quillen
Race
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Rhodes, Ariz.
Rivers, S.C.
Robison
Rogers, Fla.
Rogers, Tex.
Roudebush
Roush
Rumsfeld
Satterfield
Saylor
Schisler
Schneebeli
Schweiker
Selden
Shriver
Sikes
Skubitz
Smith, Calif.
Smith, N.Y.
Smith, Va.
Springer
Stalbaum
Stanton
Talcott
Taylor
Teague, Calif.
Thomson, Wis.
Todd
Tuck
Tuten
Utt
Vigorito
Walker, Miss.
Walker, N. Mex.
Watkins
Watson
Whalley
White, Tex.
Whitener
Whitten
Widnall
Williams
Wilson, Bob
Wolff
Wyatt
Wydler
Yates
Younger

NOT VOTING—44

Ashmore
Bonner
Brademas
Brown, Ohio
Burton, Calif.
Burton, Utah
Cahill
Callaway
Cameron
Carter
Colmer
Culver
Cunningham
Dague
Derwinski
Diggs
Duncan, Oreg.
Edwards, Calif.
Ellsworth
Gilligan
Hawkins
Hébert
Irwin
Kelly
Keogh
King, N.Y.
Lindsay
McVicker
Miller
Pelly
Pool
Roncalio
Roybal
Ryan
Scott
Shipley
Sullivan
Thomas
Toll
Tunney
Tupper
White, Idaho
Willis

So the amendment was agreed to.

The Clerk announced the following pairs.

On this vote:

Mr. Keogh for, with Mr. Pool against.

Mrs. Kelly for, with Mr. Ashmore against.

Mr. White of Idaho for, with Mr. Brown of Ohio against.

Mr. Toll for, with Mr. Callaway against.

Mr. Lindsay for, with Mr. Derwinski against.

Mr. Miller for, with Mr. Scott against.

Until further notice:

Mr. Gilligan with Mr. Pelly.

Mr. Edwards of California with Mr. Tupper.

Mr. Duncan of Oregon with Mr. Dague.

Mr. Roncalio with Mr. Burton of Utah.

Mr. Cameron with Mr. Cunningham.

Mr. Roybal with Mr. Ellsworth.

Mrs. Sullivan with Mr. King of New York.

Mr. Shipley with Mr. Carter.

Mr. Irwin with Mr. Hawkins.

Mr. Hébert with Mr. Burton of California.

Mr. McVicker with Mr. Thomas.

Mr. Tunney with Mr. Ryan.

Mr. Colmer with Mr. Culver.

Mr. Brademas with Mr. Diggs.

Mr. Willis with Mr. Bonner.

Mr. O'HARA of Michigan changed his vote from "yea" to "nay."

Mr. HANNA changed his vote from "nay" to "yea."

Mr. EVANS of Colorado changed his vote from "nay" to "yea."

Mr. SLACK changed his vote from "nay" to "yea."

Mr. KEITH changed his vote from "nay" to "yea."

Mr. PICKLE changed his vote from "nay" to "yea."

Mr. FLYNT changed his vote from "nay" to "yea."

Mr. CASEY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CRAMER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CRAMER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CRAMER moves to recommit the bill, S. 1648, to the Committee on Public Works with instructions to report it back forthwith with the following amendments:

I

Page 71, strike out line 16, and all that follows through and including line 10 on page 77, and insert in lieu thereof the following:

"PROGRAMS FOR ECONOMIC DEVELOPMENT

"SEC. 202. No financial assistance shall be extended under section 101, 201 or 403 for any project in or for the benefit of a redevelopment area unless there has been submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof responsible for the economic development of such area, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located, nor prevent the Secretary from requiring such periodic revisions of previously approved overall economic development programs as he may deem appropriate."

Page 70, strike out lines 16 through 23, inclusive, and insert in lieu thereof the following:

"(c) There is hereby authorized to be appropriated to carry out this section not to exceed $85,000,000 for the fiscal year ending June 30, 1966, and a like amount for each fiscal year thereafter through the fiscal year ending June 30, 1970."

Page 64, line 16, strike out "(b)(10)".

Page 69, line 24, strike out "(b)".

Page 70, line 1, strike out "(10)".

At each of the following places strike out "subsection 202(b)(10)" and insert "section 202":

Page 84, lines 19 and 20; page 85, lines 11 and 14; and page 87, line 4.

At each of the following places strike out the reference to section 202:

Page 77, line 19; page 112, line 6; page 118, line 17; page 120, line 4; and page 121, lines 5 and 18.

II

Page 77, line 21, after the period insert the following: "The fund may be used for the foregoing purposes, and for expenses of administration only in such amounts as shall be specified in annual appropriation Acts."

III

On page 123, after line 15, add the following new section:

"SEC. 716. Any moneys available under authority of this Act to be used, directly or indirectly, for the construction, reconstruction, alteration or improvement of any facility, or for the purchase, repair or improvement of any equipment, shall be expended for such purposes subject to the condition that there shall be purchased for use in such construction, reconstruction, alteration, repair or improvement only articles, materials and supplies manufactured in the United States substantially all from articles, materials, or supplies produced or manufactured, as the case may be, in the United States, except in the case of any such manufactured article, material, or supply where the price thereof exceeds by 50 per centum or more the bid or offered price of a comparable manufactured article, material, or supply of foreign origin (including applicable duty and all costs incurred after arrival in the United States)."

Mr. CRAMER (interrupting the reading of the motion to recommit). Mr. Speaker, in that I have previously explained this amendment and in that explanation I indicated it strikes out commercial loans in the area redevelopment program and secondly that it has the objective of closing the door to back-door spending and provides for annual review of the funding set up under one section of the bill, I ask unanimous consent that the further reading of the motion to recommit be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BLATNIK. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 163, nays 224, answered "present" 1, not voting 46, as follows:

[Roll No. 235]

YEAS—163

Abbitt
Abernethy
Adair
Anderson, Ill.
Andrews, George W.
Andrews, Glenn
Andrews, N. Dak.
Arends
Ashbrook
Ayres
Baldwin
Baring
Bates
Battin
Belcher
Bell
Bennett
Berry
Betts
Bolton
Bow
Bray
Brock
Broomfield
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson
Byrnes, Wis.
Cabell
Casey
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Conable
Conte
Cooley
Cramer
Curtin
Curtis
Davis, Ga.
Davis, Wis.
Devine
Dickinson
Dole
Dowdy
Downing
Duncan, Tenn.
Dwyer
Edwards, Ala.
Erlenborn
Findley
Fisher
Ford, Gerald R.
Fountain
Frelinghuysen
Fulton, Pa.
Gathings
Gibbons
Goodell
Griffin
Gross
Grover
Gurney
Haley
Hall
Halleck
Hansen, Idaho
Hardy
Harvey, Ind.
Harvey, Mich.
Henderson
Herlong
Hosmer
Hungate
Hutchinson
Jarman
Johnson, Pa.
Jonas
Jones, Mo.
Keith
Kornegay
Kunkel
Laird
Langen
Latta
Lennon
Lipscomb
McCarthy
McClory
McCulloch
Macdonald
MacGregor
Mahon
Mailliard
Marsh
Martin, Ala.
Martin, Mass.
Martin, Nebr.
May
Michel
Minshall
Mize
Moore
Morse
Morton
Mosher
Nelsen
O'Neal, Ga.
Ottinger
Passman
Pike
Pirnie
Poage
Poff
Purcell
Quie
Quillen
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Rhodes, Ariz.
Robison
Rogers, Fla.
Rogers, Tex.
Roudebush
Rumsfeld
Satterfield
Saylor
Schneebeli
Selden
Shriver
Skubitz
Smith, N.Y.
Smith, Va.
Springer
Stafford
Stanton
Talcott
Teague, Tex.
Thomson, Wis.
Todd
Tuck
Utt
Vivian
Walker, Miss.
Watkins
Watson
Whalley
White, Tex.
Whitten
Widnall
Williams
Wilson, Bob
Wolff
Wyatt
Wydler
Younger

NAYS—224

Adams
Addabbo
Albert
Anderson, Tenn.
Annunzio
Ashley
Aspinall
Bandstra
Barrett
Beckworth
Bingham
Blatnik
Boggs
Boland
Bolling
Brooks
Brown, Calif.
Burke
Byrne, Pa.
Callan
Carey
Celler
Chelf
Clark
Clevenger
Cohelan
Conyers
Corbett
Corman
Craley
Daddario
Daniels
Dawson
de la Garza
Delaney
Dent
Denton
Dingell
Donohue
Dorn
Dow
Dulski
Dyal
Edmondson
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Farnsley
Farnum
Fascell
Feighan
Fino
Flood
Flynt
Fogarty
Foley
Ford, William D.
Fraser
Friedel
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gettys
Giaimo
Gilbert
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Greigg
Grider
Griffiths
Hagan, Ga.
Hagen, Calif.
Halpern
Hamilton
Hanley
Hanna
Hansen, Iowa
Hansen, Wash.
Harris
Harsha
Hathaway
Hays
Hechler
Helstoski
Hicks
Holifield
Holland
Horton
Howard
Hull
Huot
Ichord
Jacobs
Jennings
Joelson
Johnson, Calif.
Johnson, Okla.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kee
King, Calif.
King, Utah
Kirwan
Kluczynski
Krebs
Landrum
Leggett
Long, La.
Long, Md.
Love
McDade
McDowell
McEwen
McFall
McGrath
McMillan
Machen
Mackay
Mackie
Madden
Mathias
Matsunaga
Matthews
Meeds
Mills
Minish
Mink
Moeller
Monagan
Moorhead
Morgan
Morris
Morrison
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nix
O'Brien
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neill, Mass.
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Powell
Price
Pucinski
Race
Randall
Redlin
Resnick
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roush
St Germain
St. Onge
Scheuer
Schisler
Schmidhauser
Schweiker
Secrest
Senner
Sickles
Sikes
Sisk
Slack
Smith, Iowa
Staggers
Stalbaum
Steed
Stephens
Stratton
Stubblefield
Sweeney
Taylor
Tenzer
Thompson, N.J.
Thompson, Tex.
Trimble
Tuten
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waggonner
Walker, N. Mex.
Watts
Weltner
Whitener
Wilson, Charles H.
Wright
Yates
Young
Zablocki

ANSWERED "PRESENT"—1

Gubser

NOT VOTING—46

Ashmore
Bonner
Brademas
Brown, Ohio
Burton, Calif.
Burton, Utah
Cahill
Callaway
Cameron
Carter
Colmer
Culver
Cunningham
Dague
Derwinski
Diggs
Duncan, Oreg.
Edwards, Calif.
Ellsworth
Gilligan
Hawkins
Hébert
Irwin
Kelly
Keogh
King, N.Y.
Lindsay
McVicker
Miller
Pelly
Pool
Roncalio
Roybal
Ryan
Scott
Shipley
Smith, Calif.
Sullivan
Teague, Calif.
Thomas
Toll
Tunney
Tupper
White, Idaho
Willis

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Pool for, with Mr. Keogh against.

Mr. Ashmore for, with Mrs. Kelly against.

Mr. Gubser for, with Mr. Miller against.

Mr. Smith of California for, with Mr. Tupper against.

Mr. Derwinski for, with Mr. Lindsay against.

Mr. Teague of California for, with Mr. King of New York against.

Mr. Brown of Ohio for, with Mr. Edwards of California against.

Mr. Callaway for, with Mr. Culver against.

Mr. Tunney for, with Mr. Duncan of Oregon against.

Mr. Pelly for, with Mr. Brademas against.

Until further notice:

Mr. Roncalio with Mr. Dague.

Mr. Roybal with Mr. Burton of Utah.

Mr. Shipley with Mr. Carter.

Mr. Colmer with Mr. Ellsworth.

Mr. Hébert with Mr. Cunningham.

Mr. Cameron with Mr. Scott.

Mr. Burton of California with Mr. White of Idaho.

Mr. Ryan with Mr. Hawkins.

Mr. Irwin with Mr. McVicker.

Mrs. Sullivan with Mr. Toll.

Mr. Gilligan with Mr. Willis.

Mr. Diggs with Mr. Bonner.

Mrs. GREEN of Oregon and Mr. FEIGHAN changed their vote from "yea" to "nay."

Mr. MIZE changed his vote from "nay" to "yea."

Mr. GUBSER. Mr. Speaker, I have a live pair with the gentleman from California [Mr. MILLER]. Had he been present, he would have voted "nay." I voted "yea." Therefore I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 246, nays 138, answered "present" 1, not voting 49, as follows:

[Roll No. 236]

YEAS—246

Adams
Albert
Anderson, Tenn.
Annunzio
Ashley
Aspinall
Bandstra
Barrett
Bates
Beckworth
Bingham
Blatnik
Boggs
Boland
Bolling
Brooks
Brown, Calif.
Burke
Byrne, Pa.
Callan
Celler
Chelf
Clark
Clausen, Don H.
Cleveland
Clevenger
Cohelan
Conable
Conte
Conyers
Corbett
Corman
Craley
Curtin
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Dent
Denton
Dingell
Donohue
Dorn
Dow
Dulski
Duncan, Tenn.
Dyal
Edmondson
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Farnsley
Fascell
Feighan
Fino
Flood
Flynt
Fogarty
Foley
Ford, William D.
Fraser
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gettys
Giaimo
Gibbons
Gilbert
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Greigg
Grider
Griffiths
Hagan, Ga.
Halpern
Hamilton
Hanley
Hanna
Hansen, Wash.
Harris
Harsha
Hathaway
Hays

Hechler
Helstoski
Henderson
Holifield
Holland
Horton
Howard
Hull
Huot
Ichord
Jacobs
Jennings
Joelson
Johnson, Calif.
Johnson, Okla.
Johnson, Pa.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Keith
King, Calif.
King, Utah
Kirwan
Kluczynski
Krebs
Landrum
Leggett
Long, La.
Long, Md.
Love
McCarthy
McDade
McDowell
McEwen
McFall
McGrath
McMillan
Macdonald
Machen
Mackay
Mackie
Madden
Martin, Mass.
Mathias
Matsunaga
Matthews
Meeds
Mills
Minish
Mink
Moeller
Monagan
Moore
Moorhead
Morgan
Morris
Morrison
Morse
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nix
O'Brien
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neal, Ga.
O'Neill, Mass.
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pirnie
Powell
Price
Pucinski
Quillen
Race
Randall
Redlin
Resnick
Reuss
Rhodes, Pa.
Rivers, S.C.
Rivers, Alaska
Roberts
Rodino
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roush
St Germain
St. Onge
Saylor
Scheuer
Schisler
Schmidhauser
Schweiker
Secrest
Senner
Sickles
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Stafford
Staggers
Stalbaum
Steed
Stephens
Stratton
Stubblefield
Sweeney
Taylor
Tenzer
Thompson, N.J.
Thompson, Tex.
Trimble
Tuten
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Vivian
Waggonner
Walker, N. Mex.
Watkins
Watts
Weltner
Whalley
Whitener
Wright
Wyatt
Yates
Young
Zablocki

NAYS—138

Abbitt
Abernethy
Adair
Addabbo
Anderson, Ill.
Andrews,
  George W.
Andrews,
  Glenn
Andrews,
  N. Dak.
Arends
Ashbrook
Ayres
Baldwin
Baring
Battin
Belcher
Bell
Bennett
Berry
Betts
Bolton
Bow
Bray
Brock
Broomfield
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson
Byrnes, Wis.
Cabell
Carey
Casey
Cederberg
Chamberlain
Clancy
Clawson, Del
Collier
Cooley
Cramer
Curtis
Davis, Wis.
Devine
Dickinson
Dole
Dowdy
Downing
Dwyer
Edwards, Ala.
Erlenborn
Farnum
Findley
Fisher
Ford, Gerald R.
Fountain
Frelinghuysen
Gathings
Goodell
Griffin
Gross
Grover
Gurney
Hagen, Calif.
Haley
Hall
Halleck
Hansen, Idaho
Hansen, Iowa
Hardy
Harvey, Ind.
Harvey, Mich.
Herlong
Hicks
Hosmer
Hungate
Hutchinson
Jarman
Jonas
Kornegay
Kunkel
Laird
Langen
Latta
Lipscomb
McClory
McCulloch
MacGregor
Mahon
Mailliard
Marsh
Martin, Ala.
Martin, Nebr.
May
Michel
Minshall
Mize
Morton
Mosher
Nelsen
Ottinger
Passman
Pike
Poage
Poff
Purcell
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Rhodes, Ariz.
Robison
Rogers, Fla.
Rogers, Tex.
Roudebush
Rumsfeld
Satterfield
Schneebeli
Selden
Shriver
Skubitz
Smith, Va.
Springer
Stanton
Talcott
Teague, Tex.
Thomson, Wis.
Tuck
Utt
Walker, Miss.
Watson
White, Tex.
Whitten
Widnall
Williams
Wilson, Bob
Wilson,
  Charles H.
Wolff
Wydler
Younger

ANSWERED "PRESENT"—1

Gubser

NOT VOTING—49

Ashmore
Bonner
Brademas
Brown, Ohio
Burton, Calif.
Burton, Utah
Cahill
Callaway
Cameron
Carter
Colmer
Culver
Cunningham
Dague
Derwinski
Diggs
Duncan, Oreg.
Edwards, Calif.
Ellsworth
Gilligan
Hawkins
Hébert
Irwin
Kelly
Keogh
King, N.Y.
Lennon
Lindsay
McVicker
Miller
Pelly
Pool
Quie
Roncalio
Roybal
Ryan
Scott
Shipley
Smith, Calif.
Sullivan
Teague, Calif.
Thomas
Todd
Toll
Tunney
Tupper
White, Idaho
Willis

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Miller for, with Mr. Gubser against.
Mr. Keogh for, with Mr. Ashmore against.
Mrs. Kelly for, with Mr. Pool against.
Mr. McVicker for, with Mr. Lennon against.
Mr. King of New York for, with Mr. Brown of Ohio against.
Mr. Tupper for, with Mr. Smith of California against.
Mr. Ellsworth for, with Mr. Pelly against.
Mr. Carter for, with Mr. Callaway against.
Mr. Gilligan for, with Mr. Derwinski against.
Mr. White of Idaho for, with Mr. Teague of California against.

Until further notice:

Mr. Hébert with Mr. Burton of Utah.
Mr. Colmer with Mr. Quie.
Mr. Toll with Mr. Cunningham.
Mr. Thomas with Mr. Dague.
Mr. Cameron with Mr. Ryan.
Mr. Culver with Mr. Irwin.
Mr. Roncalio with Mr. Hawkins.
Mr. Brademas with Mr. Bonner.
Mr. Edwards of California with Mr. Diggs.
Mr. Tunney with Mr. Duncan of Oregon.
Mr. Shipley with Mr. Scott.
Mr. Burton of California with Mr. Willis.
Mrs. Sullivan with Mr. Todd.

Mr. GUBSER. Mr. Speaker, I have a live pair with the gentleman from California [Mr. Miller]. Had he been present he would have voted "yea." Therefore, I withdraw my vote of "nay" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the bill S. 1648.

The SPEAKER pro tempore (Mr. Smith of Iowa). Without objection, it is so ordered.

There was no objection.

EBONY MAGAZINE ARTICLES ON RACE RELATIONS

Mr. NIX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. NIX. Mr. Speaker, I have read and studied the 21 discriminating and lucid articles, all embracing elements of the white problem in America, set forth in the special issue of Ebony magazine, August 1965.

The timing, as related to the receptivity of white America's mind, is flawless; the present acute need for this kind of analysis and pragmatic presentation is compelling. The possible solid progress to white America in reassessment of values as well as of personal worth and responsibility might well light some candles or cure some of the blind spots now displacing reason in the minds of many Americans.

Mr. Speaker, if this article does no more than center white America's thinking processes on the fact that the real problem is not the Negro, but the white man's attitude toward the Negro—that white America created and invented the race problem at the moment it relegated the Negro to the status of inequality, then a giant step shall have been made toward understanding and final solution.

Mr. Speaker, the crises in race relations existing in the United States today places upon each one of us an awesome responsibility, which entails and exacts the exertion of every effort toward a solution.

I am deeply convinced that the articles referred to above, if perused with care and with an open mind, will make a great contribution in the field of Negro-white relations.

I, therefore, wish to say to each of my colleagues that I have arranged with the publisher to mail a copy of this publication to your Washington office, with the fervent hope that my effort will help to bring clarity and comprehension on the issues involved and a high measure of courage and wisdom to all of us.

U.N. PEACEKEEPING ASSESSMENTS

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, on next Monday, it is reported, Ambassador Arthur J. Goldberg will announce a more flexible American position on peacekeeping assessments in the United Nations. Such action is wise, farsighted, and completely in keeping with the country's foreign policy goals. As a member of the House Committee on Foreign Affairs, I want to be on record as strongly supporting this policy.

I am dismayed by Russia's failure to pay its share of the cost of recent United Nations operations. But it is quite clear that our insistence on their payment is not about to be successful. The only effect of such insistence indeed has been to tie up the General Assembly.

It seems to me, Mr. Speaker, that our choice must be between a narrow concern with limited demands, which will have the effect of continuing the paralysis of the General Assembly, and a more flexible policy which looks beyond short-range disturbances to long-term commitments. By refusing to satisfy their obligations, the Russians have dramatized their disregard for the United Nations. It seems to me we can rise above such behavior.

In any case, practical political judgment compels us to acknowledge that the present United Nations is incapable of forcing a major world power to pay for peacekeeping operations of which it disapproves. However unfortunate this obstacle, however inadequate the provisions of article 19, it simply does not justify protracted obstinacy with the Russians which would paralyze the United Nations. Indeed, the only way of handling this problem is to keep the United Nations alive, restrain ourselves from a myopic preoccupation with the past problems, and then sit down to devise a more practicable formula for funding peacekeeping operations. If this is to be the substance of Ambassador Goldberg's speech to the 33-nation committee on United Nations finances, then I am anxious to register my highest regard for such enlightened policy.

The lead editorial in today's New York Times, which I would like to commend to the attention of my colleagues, deals with this problem, and it certainly echoes my sentiments.

[From the New York Times, Aug. 12, 1965]

Putting the U.N. Back to Work

Washington's plan to announce a more flexible position on peacekeeping assessments may prove a lifesaver for the United Nations. Ambassador Arthur J. Goldberg in his maiden speech Monday to the 33-nation committee on the U.N. financial crisis will apparently be in a position to help put the General Assembly back into business despite the controversy over Moscow's arrears.

The American effort to make the Soviet Union pay its share of the U.N.'s Congo and Middle East operations—or lose its General Assembly vote under article 19—has paralyzed the Assembly but failed to make the Russians pay up. A majority of the member nations is determined to sidestep the question. It has become clear that a major power at this time cannot be compelled to pay for peacekeeping activities of which it has disapproved; any effort to force the issue could only destroy the United Nations.

The problem of the U.N.'s $108 million deficit is serious. But it can be resolved through voluntary contributions. Britain, Canada, and the Scandinavian countries have shown the way with donations of almost $18 million. The Soviet Union has indicated that it will make a "substantial" contribution if it is not required to prejudice its legal position that it was illegally assessed and owes no peacekeeping arrears.

It should not be necessary, in resolving the assessment conflict, to abandon article 19. The constitutional power of the General Assembly to apportion the expenses of the world organization should be maintained. The precise legal device that makes this possible is of secondary importance. Many methods have been suggested at the United Nations. The task now is to select one of them, liquidate this sterile controversy and put the General Assembly back to work when it meets next month.

Many peacekeeping operations, including the Korean war and the current Cyprus program, have been conducted with voluntary financing. The U.N.'s biggest challenges still lie ahead—in Vietnam, for example. It would be tragic to wreck the world organization in an argument over past liabilities. The need is to preserve it for what it can do—and that is a great deal.

U.S. CAPITOL PAGE ACT OF 1965

Mr. HULL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HULL. Mr. Speaker, on July 19 I introduced a bill to establish a U.S. Capitol page system for needy and deserving college students. Since then I have been highly encouraged by the warm and approving response to my proposal.

At that time I stated my reasons for proposing this reform. Under the present system, in my opinion, the pages receive neither the adequate supervision nor the necessary formal education which are demanded for youngsters between the ages of 14 and 18 in all other situations.

They are both overworked and overpaid. It is clearly unreasonable to require working hours of them inconsistent with the standards of the Federal child labor provisions of the Fair Labor Standards Act. Nor is it reasonable to provide salaries that are disproportionate to the tasks assigned them.

Under my bill, page positions would be open to deserving college students who have both the maturity and the discipline to profit most from the opportunities uniquely offered to a Capitol page. With the lower salaries I have proposed, the savings effected would allow for the appointment of additional pages, and consequently would allow each student greater time for his individual studies.

Enactment of my bill would eliminate the actual and potential liabilities of the present page system; it would eliminate the need for the proposed construction of a new Capitol page school and residence; and it would provide those most likely to benefit with the opportunity of becoming pages.

Since I introduced this bill, I have been greatly heartened by the number and quality of letters I have received from my district and from the Nation as a whole. Many have included editorials from their local papers strongly in support of my proposal. I would like to share a few of them with my colleagues:

[From the Washington Post, July 28, 1965]

Capitol Pages

Representative W. R. Hull has introduced a bill to change the Capitol page system which, if it can be enacted swiftly enough, may spare Congress a humiliating scandal. The present page system is loaded with a high explosive form of danger. It gives Congress collectively, and Congressmen individually, an inescapable responsibility for the welfare of youngsters—14 to 18 years of age—brought here at the instance of the Congressmen who appointed them and left almost wholly to their own devices, far from the beneficent influences of home, in a great and not always benevolent city. These boys have been overpaid, undereducated and recklessly exposed to temptation.

Mr. Hull proposes that the minimum age for pages be raised to 18 and that the selection be made from needy college students. This would give to Congress much more helpful pages. It would give the college students chosen a splendid opportunity to learn at firsthand about the operations of their Government as well as a chance to earn money for their college tuition. It would relieve American taxpayers of the silly and needless expense involved in maintaining the Capitol Page School. And it would take a load off the conscience of Congress. The sooner the better, we say.

[From the Kansas City (Mo.) Star]

Capitol Page System Is Target for Hull

(By Joe Lastelic)

Representative W. R. Hull, Jr., Democrat, of Missouri, put on his battle gear today and led a charge against the present system of pages being used in the House, Senate and Supreme Court.

His attack against one of the most sacrosanct aspects of Capitol Hill is sure to result in a barrage against him. The boys who get the jobs do so strictly on a patronage basis. They make fine salaries for running errands, answering telephones and delivering documents. Hull wants the system used now to be phased out and replaced with college students who need financial help.

"Under the present arrangement," Hull said, "youngsters between 14 and 18 years old are set adrift, far from home, and removed from proper supervision in a large and fast-paced metropolis. They are grossly overpaid. Pages earn more money than some commissioned officers of the Army fighting in Vietnam. They are largely left to their own devices in finding housing and eating wholesome meals."

The page system began in 1827 when three boys were hired as runners. Today the House has 50, the Senate 26 and the Supreme Court 4.

Hull did his homework well, bombarding the House with facts about the system:

New pages get $4,600 a year while those with a year of experience make $5,050.

The salary received by some 15-year-old pages this year exceeds the total income in 1963 of more than 45 percent of this Nation's families.

Bureau of Labor statistics state that not more than five States would permit boys to attend school and engage in general employment to the extent of 40 hours a week.

In any job subject to the Federal child labor provisions it would be illegal for boys of 14 and 15 to maintain the work schedule of a congressional page.

The schooling of pages is stuffed into a 3-hour period between 6:30 and 9:30 in the morning.

The Capitol Page School they attend is unique in that it cannot refuse to accept students who are deficient scholastically and cannot dismiss students once they are enrolled, no matter how poor their scholastic performance.

SEEK COLLEGE STUDENTS

Hull said his bill calls for employing needy college students at the rate of $3,640 a year. They would be 18 to 24 years old. College students employed on Capitol Hill now are mostly either elevator operators or patrolmen.

He noted that adoption of his plan would eliminate the necessity for building a dormitory for pages, a matter now under study, and would close the Capitol Page School, thus saving that expense to taxpayers.

"The system Congress uses in educating, supervising, and housing its pages," HULL said, "is archaic, cumbersome, and wasteful, and in many respects detrimental to the young men it purports to benefit. This system cries out for reform and my bill would provide it."

[From the St. Joseph (Mo.) News-Press, July 20, 1965]

DUE FOR A CHANGE

Congressman WILLIAM R. HULL is absolutely right in calling for reform of the archaic page system of Congress.

Many Congressmen in the past have recognized that the page setup was out of hand, with salaries out of proportion for the duties rendered and the ages of those rendering them. Some—including at least one from this northwest Missouri district—have refused to take advantage of opportunities to name pages.

They felt, and rightfully, that boys of that age would be better off at home and attending regular schools instead of trying to get by on a few hours scant schooling a day far away from home influences.

Congressman HULL had the courage to call for the reform, a move that will not endear him to some in Washington. The Congress certainly can find better use for its money than paying it out in exhorbitant salaries to boys who in most instances don't need the work.

[From the Columbia (Mo.) Missourian, July 26, 1965]

PAGE BOY PATRONAGE

Recent evidence poses a question as to how the U.S. Government obtains services from congressional page boys that warrant the high salaries that they receive.

Representative W. R. HULL, of Missouri, is seeking legislation to overcome the injustices of the program for hiring, paying, and using the boys. He contends these boys, 14 and 15 years old, shouldn't be brought to Washington and that the age limit for page boys should be 18.

HULL also contends their $4,600 first year salaries and $5,050 second year salaries are unrealistic for the services performed.

The schooling program seems inadequate for these boys; for it appears most of them have only 3 hours of schooling, from 6:30 to 9:30 a.m. each day. It is debatable whether the schooling is of any long-range value.

This appears to be another example of the proverbial political plum that is a waste in Government.

Many of the boys selected aren't needful of employment at the ages of 14 or 15. Representative HULL feels that these positions could and should be filled more ably.

It is certainly gratifying to find a legislator is seeking to overthrow this age-old political plum.

[From the Springfield (Mo.) Leader and Press]

NEEDED REFORM

Remember Bobby Baker?

Of course, but do you know where he got the start that enabled him to build a misbegotten fortune by unsavory means in such a short time—a fortune which eventually rocked the U.S. Congress and the Nation with its scandals?

Bobby Baker got his start as a Senate page boy—not only the start, but the seeds of his unethical ideas, the blueprints for questionable action, and later the opportunities to carry them out. At the Senate hearings on the Baker case, it was brought out that the offender had patterned himself after certain Senators he had idolized in his page boy days.

Does this sound like an indictment of the traditional page boys in Congress? Well, it isn't precisely that but it is an intentional indictment of the system itself.

We'd never even thought much about it until Representative WILLIAM HULL, of Missouri, introduced a reform bill in Congress, recently. Here are some of the things HULL's bill would achieve:

Boys of high school age would be kept in school where they belong, to be replaced by maturer, deserving college youths, boys and girls, who are working their way through school. There are a half dozen universities in or near Washington to supply such students.

The number of pages would be increased from 80 at the moment to 102 in the future, and their hours staggered to permit class attendance.

Congress for the first time would be brought into compliance with Federal child labor laws, which forbid boys 15 or 16 to work more than 3 hours daily, more than 18 hours a week. Page boys normally work 44 hours a week, often 50 or more hours, HULL says.

It would abolish the school the United States maintains for page boys who must attend early morning classes 3 hours a day—before their long workday begins—would even eliminate the need for, and cost of, building a special school, as Congress is now considering.

It would establish a realistic wage scale to replace a most ridiculous one. Pages now begin work at $4,600 a year, are soon raised to $5,050 a year. Imagine that.

A 15-year-old boy earning more than the enlisted men, even second lieutenants, fighting in Vietnam—a 15-year-old with an income greater than nearly half of America's families can earn!

Even more, Representative HULL is worried about what this ridiculous system has done and is doing to the boys themselves. They are employed at an age when they ought to be in school, the Congressman says. Worse, they are taken away from their homes and sent to live in one of the largest cities in the Nation—to lead free and independent lives without supervision.

With a salary that to boyhood is fabulous, even generous to half of America's families, these youngsters are free to roam the streets, do as they please in their nonworking hours. Imagine what spoiled brats this makes, what malcontents it sends home when the pages' tenure is done—as it soon is.

The system has flourished for years as a patronage plum for Congressmen and Senators to dispense where it will do the most political good back home. If reformed as HULL proposes, one Congressman would lose no more than another.

Deserving and needy students would be given $3,640 a year—a salary they need to get through college. More mature, their work would be meaningful to them, a part of their education for future citizenship.

There's a lot wrong with the old system, but what could be wrong with the new?

[From the Los Angeles Herald-Examiner, July 27, 1965]

PAGE SYSTEM PLAN TO OUST 14-YEAR-OLDS

(By Ruth Montgomery)

At long last Congress has before it a sensible approach to a sensitive problem—the archaic Capitol page system which produced the free-wheeling Bobby Baker.

Representative WILLIAM R. HULL, of Missouri, has introduced a bill which outlaws the hiring, at fantastic salaries, of 14- and 15-year-old boys who are free to roam Washington streets at night without adult supervision.

These patronage plums would hereafter go to needy students 18 to 24 years old who are working their way through college. The pay would be reduced and the work hours staggered, so these potential leaders of tomorrow could earn and learn at the seat of government while continuing their higher education.

MORE PAY THAN MOST AMERICANS

Incredibly, 15-year-olds now serving their second years as pages are receiving $5,050 a year. This exceeds the total income of 45 percent of America's families. It also tops the pay of second lieutenants who are fighting in Vietnam.

These teenagers, their pockets stuffed with money, find their own living quarters and eat when the spirit moves them. Rising before sun-up, they attend a special page school in the Supreme Court Building from 6:30 to 9:30 a.m.; then work a full day at the Capitol.

Under Federal child labor laws, it is illegal for 14- and 15-year-olds to work the schedule of congressional pages. Legally they can be employed no more than 3 hours a day, 18 hours a week, and never after 7 p.m.

Here in the building where the laws are enacted the page boys work a 40-hour week, sometimes until after midnight when Congress is filibustering or pushing toward adjournment.

Away from home for the first time, the youngsters tend to pick up a tawdry set of values. A landlady at whose home several of the pages rent rooms told HULL when she sought to caution them, they retorted:

"Congressmen get drunk and chase around with women, so why can't we?"

This is reminiscent of the Bobby Baker hearings, when some witnesses suggested the former Senate secretary to the majority had been patterning himself after certain Senators ever since his boyhood days as a Capitol page.

"Under our present system, the pages cannot be discharged even if they are failing scholastically," HULL reminded. "Their job depends only on the legislator who appointed them, and if their fathers had enough pull to get them the job, a Congressman is unlikely to risk the political consequences of sending them home in disgrace."

HULL, a veteran of 11 years in the House, always refused the patronage privilege of appointing a page, when constituents have approached him on behalf of their sons, he has invariably replied:

"I would not allow my own son to be a page. The value of their 3-hour schooling is dubious, and Washington is no place for an unchaperoned youngster."

HULL's bill specifies needy students who already have completed 1 year of college could be appointed without regard to race or sex. He sees no reason why "young ladies" should not have this training for "future leadership."

WILL SAVE ON SEVERAL FRONTS

The salaries which now run from $4,600 to $5,000 a year would be cut to $3,640, and the page corps would be increased from 80 to 102, so staggered working hours would permit them to attend classes at such nearby universities as George Washington, Georgetown, American, Catholic and Howard.

Further savings would be made by abolishing the tax-supported Capitol page school and a previously introduced bill to construct and operate a dormitory for housing the high-school-aged boys would be unnecessary.

An already overburdened Congress, hopefully pushing for a Labor Day adjournment, may not have time to act on the bill this year. That seems a pity, for the Bobby Baker case has dramatized the urgent need for prompt action.

[From the Jefferson City (Mo.) Post-Tribune, Aug. 4, 1965]

REPRESENTATIVE HULL'S LOGICAL PLAN

The winds of change have been sweeping away social, political, and economic customs, traditions, and boundaries across the country and around the globe.

One section, though, seems to have a sacred immunity to evolvements, sensible or otherwise: Taxpayers might be appalled and cynics redeemed if we were given an annual report, say, regarding the way affairs of Government are conducted in Washington.

Now and then individual lawmakers try to ventilate the hallowed Halls of Congress with a blast of fresh air. Representative William R. Hull, of Missouri, is attempting to do just that with his page boy bill which would eliminate the objectionable practice of paying second-year, 15-year-old Capitol pages the immoderate salary of $5,050 a year.

It may be cute to have politically favored 14- and 15-year-old boys running about the corridors, but it's also unnecessary, as is a proposal to build and maintain a dormitory for them.

Representative Hull, who hasn't appointed a single page during his 11 years in the House, doubts the value of the daily, 3-hour sessions the boys receive at the Capitol page school. Pages can't be discharged from their assignment even if their grades are unsatisfactory.

Representative Hull also emphasizes that "Washington is no place for an unchaperoned youngster." His bill would require that needy students between the ages of 18 and 24, with 1 year of college, be appointed to the page corps at a reduced salary, with no regard to race or sex.

It would increase the number of pages from 80 to 102, stagger the work hours, permit students to attend classes at nearby universities, and abolish the page school.

Unfortunately, no action is expected on the bill before Congress adjourns, but we will be looking forward to a full and frank discussion of Congressman Hull's gusty attack on this inept, timeworn patronage system.

[From the Wilmington (Del.) Morning News, Aug. 2, 1965]

Turning To a New Page

An ancient institution of the Congress will be drastically altered if Representative William Hull of Missouri has his way. We wish him luck in his effort to completely revise the system of employing pages in the National Legislature.

At present, the corps of pages consists of about 80 boys, aged 14 and 15, whose task is to run the errands of Members of Congress during congressional sessions. They carry papers back and forth, set out bills and other documents for Members, and perform other similar services.

Pages, who work only during congressional sessions, are paid $5,050 per year—a substantial amount of money for a youngster in his middle teens. Pages are the personal choices of Members of Congress who have accumulated sufficient seniority. Thus, appointments are often political plums to which the sons of influential constituents are named.

The education of pages is carried out in a special school which meets at 6:30 in the morning so that the boys may be on the job when Congress convenes. They have little supervision in the National Capital. There has been considerable concern and complaint over the behavior of some pages and over the unhealthy results from lack of a family environment. Representative Hull, who has declined the privilege of appointing a page, explained the situation this way: "I would not allow my son to be a page. The value of their schooling is dubious and Washington is no place for an unchaperoned youngster."

Since the services which pages perform are important, Representative Hull offers an alternative: He would raise the age range to 18 to 24 years and limit appointments to college students in need of financial support. Only students who have completed 1 year of college would be qualified and the salary would be reduced to $3,640.

The reforms urged by Representative Hull would certainly help cure the ills of the present system.

They would, in fact, greatly improve the capacity of the pages, since older, more experienced, and more responsible people would be given the jobs. They would also make a contribution to the education of hundreds of young people over the years, an important asset to the Nation as a whole.

Representative Hull's bill deserves prompt favorable action.

Leawood, Kans.,
July 26, 1965.

Representative W. R. Hull, Jr.,
House of Representatives,
Washington, D.C.

Dear Representative Hull: Although Mr. Peterson and I are not residents of Missouri, we read with great interest an article which appeared in the Kansas City Star recently written by Joe Lastelic, the Star's Washington correspondent, concerning your bill proposing to change the Capital page system.

We feel this is a change which is long overdue and hope you will continue your courageous fight. Of course, our support can mean nothing to you politically, but we feel you might like to know that many, many people feel as we do about this page system.

Sincerely,

Evelyn Peterson.

De Land, Fla.,
July 20, 1965.

Representative W. R. Hull,
House of Representatives
Washington, D.C.

Dear Sir: A salute from a college student for the sponsorship by you of the bill to make congressional page jobs available to needy college students. So many of today's college young people are deeply interested in politics and governmental operations and the result of your bill would be to make it possible for them to study said workings at firsthand.

Sincerely,

Stark Ligon.

Silver Spring, Md.

Hon. W. R. Hull,
House of Representatives,
Washington, D.C.

Dear Mr. Hull: I was pleased to see in the paper that you are introducing legislation to raise the age of the Capitol pages and to reform the present system. Best wishes in your effort.

The way too many of these high school boys are worked, schooled, paid, housed, and neglected has long bothered me, because it is unfair to them and unworthy of Congress.

Sincerely,

Winston H. Taylor.

Washington, D.C.,
July 28, 1965.

Representative W. R. Hull,
House Office Building,
Washington, D.C.

Dear Mr. Hull: May I congratulate you on the bill which you have prepared on the subject of the Capitol page system? Your proposal would seem to be the intelligent solution to the archaic "child labor" system which has prevailed at the Capital in the 20th century. "Child labor" is the term a foreign visitor, who accompanied me to the House gallery used, when he discovered the boy pages. I had no defense to offer.

Sincerely,

Matilda Young.

Marshall, Mo.,
July 24, 1965.

Hon. W. R. Hull,
Representative from Missouri,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Hull: In the July 19 issue of the Kansas City Star I noticed with much interest an article about your effort to revise the system of pages used in the U.S. Congress. I am in complete agreement with you; I am pleased to know that you have taken the initiative to create a better, more efficient, program. I am enclosing the clipping of the article I thought you might like to have.

As a high school senior, I have given some thought to studying political science and government at a university in the Washington area. Certainly your proposal would provide not only a financial income to needy college students but also an opportunity for important inservice training.

I hope you achieve passage of your bill. I will look forward to reading more about it in the news.

Sincerely,

Charles P. Humphreys.

PEACEFUL SOLUTIONS OF INTERNATIONAL DISPUTES

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, today's Washington Post reports that the distinguished chairman of the Armed Services Committee in a speech at Hartford, Conn., urged this Nation to get prepared for an atomic attack on mainland China. It is my hope that the gentleman was quoted inaccurately. For, if this statement is true, the gentleman has suggested a very dangerous policy for our country.

It has been the policy of both the Kennedy and Johnson administrations to seek peaceful resolutions of international disputes. Above all, they have worked ceaselessly to avoid atomic warfare, for they realize there can be no victors of an atomic holocaust.

Even today, negotiators are meeting in Geneva at the initiative of the Johnson administration to seek ways and means to achieve atomic arms control and, indeed, the eventual elimination of all atomic weapons.

Statements urging preparation for atomic warfare are therefore not only dangerous and inflammatory but undercut the very basis of American foreign policy. We in Congress can best serve the interests of this Nation by supporting policies which will lead to peace through negotiation of international disputes and through the peacekeeping machinery of the United Nations.

May I respectfully remind my distinguished colleague of specific provisions of the national Democratic platform of 1964, which state that:

> Peace should be the first concern of all governments as it is the prayer of all men. The search for peace requires the utmost intelligence, the clearest vision, and a strong

> sense of reality. The complications and dangers in our restless, constantly changing world require of us consummate understanding and experience. One rash act, one thoughtless decision, one unchecked reaction—and cities could become smouldering ruins and farms parched wasteland.

I would suggest to all Members of this body that we reaffirm President Johnson's resolve to "use every resource at the command of the Government and the people to find the road to peace."

NATIONAL DRUM CORPS WEEK

Mr. VIGORITO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VIGORITO. Mr. Speaker, August 15 through 22 is National Drum Corps Week, and I would like to say a few words today to my colleagues in the House of Representatives on the significance of this event.

We all know of the great import this movement has had on the youth of our Nation. Thousands of young boys and girls have joined drum corps in their local communities and have participated with profit in this activity. In many cases these groups have won honors and prizes and have reflected favorably on their communities and States.

Drum corps are one of this country's most effective and most rewarding youth activities and I hope to see their continued growth and expansion.

As the Representative of the 24th Congressional District of Pennsylvania I would today like to single out for special mention the Keynote Girls Drum and Bugle Corps of Erie, Pa. It was founded in 1931 and it is, I believe, one of the oldest drum corps of its kind. It has been in continued existence since its founding 34 years ago.

I believe it deserves recognition for all that it has contributed to the city and county of Erie, the State of Pennsylvania, and especially, to the many young women who are proud to say that they are or were members of this excellent drum corps.

U.S. POLICY ON U.N. DUES AND ASSESSMENTS

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Speaker, it was with some amazement that I listened to the gentleman from New York [Mr. ROSENTHAL] announce the action that is going to be taken, so he says—and he may be right—by the administration in relation to the payment of dues or nonpayment of dues by certain members of the U.N. I attended the same meeting that he did yesterday and the new Ambassador, Mr. Goldberg, said that the administration had not made up their minds, but that they were canvassing opinion and seeking alternatives; and we were assured that the President had not yet decided to do this. I should think such announcements as that by the gentleman from New York certainly will not help American foreign policy in any way, shape, or form, because he is telling the Russians, "Don't pay, and eventually you won't have to pay," just the same as he is aiding the Communists in Vietnam, by holding hearings on Vietnam which he implies have some connection with the Foreign Affairs Committee, but which are not meetings of the Foreign Affairs Committee. All he does is to allow all the crackpots and Communists in the country to have a forum for their propaganda. I wonder how the boys in the jungles of Vietnam view this form of aid and comfort to the enemy.

I regret that I have to say this, Mr. Speaker, but I think it is time somebody said it.

DOUBLE STANDARDS ON DEMONSTRATIONS

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, the hypocritical double standard practiced by critics on my section of the country has once again been made apparent by the reaction to the recent demonstrations in Chicago and Washington.

Whenever irresponsible and disruptive elements select southern communities, such as my home community of Greensboro, Ala., they immediately receive support from so-called liberal spokesmen. Such spokesmen are always quick to condemn the responsible leadership and citizenry of these other communities—as has been the case of Greensboro in recent weeks.

On the other hand, when the same disruptive demonstrators dare to attack the citadels of purported northern liberals—such as Chicago and Washington—that is quite another matter. Their stanch "liberal" friends who encourage them to assault southern communities, then say that matters are going too far. I point to the position of the Washington Post and other northern liberal editorial voices on this subject in recent days. It would seem that it all depends on whose community ox is being gored.

This double standard was the subject of a recent editorial that appeared in the Greensboro, Ala., Watchman. I commend its reading to all those who would better understand and regain some perspective on the problems facing this and other Alabama communities which have borne the brunt of irresponsible attacks on their institutions and laws.

The editorial follows:

[From the Greensboro (Ala.) Watchman, Aug. 5, 1965]

IN THE FAR, FAR AWAY

A religious agency in Chicago—neither the name of the agency nor its denomination being important—reveals that during the Selma march, the money poured into its treasury—but a few days ago, when the civil rights crowd paraded in Chicago to Grant Park, the money just about stopped. There was real zeal, and real generosity, on the part of the Chicago people when it came to setting those Alabamians straight, to reforming them, and to telling them what boobs they have been. But when matters came closer to home, when the time came from changing the doorstep status quo, when their own difficulties had to be recognized and dealt with, there was quick cooling.

It's the same old story to which any number of cliches might be applied. The monkey on the back is all right as long as it is a distant back. The world must be reformed and remade, as long as it is far enough away. This has been called Afghanistanism—a term denoting that the farther a problem is from us, the easier we know how to solve it. We are amazed how these Chicago people see so much so far away and so little so close at hand.

U.S. POLICY ON U.N. DUES

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BINGHAM. Mr. Speaker, I rise to associate myself with the remarks made a few minutes ago by my distinguished colleague from New York [Mr. ROSENTHAL].

I have not been informed, and I do not know, what the policy of the President and Ambassador Goldberg will be with respect to the article 19 problem at the United Nations, but I agree with my colleague from New York that a flexible approach to this question will serve the interest of the U.N. and of the United States.

Obviously the U.N. cannot continue with the attempt to postpone a decision on this question which resulted in the near paralysis of the General Assembly at its last session. The question, as it seems to me, is whether we should insist on a vote on the question of whether article 19 should be applied to the Soviet Union, France, and other countries that are in default on their assessments for peacekeeping operations—a vote which we would almost certainly lose—or whether we should adjust ourselves to what has become the consensus of most of the members of the United Nations. I believe that the latter course is clearly preferable.

During the past 10 months it has become increasingly clear that the great majority of the members of the U.N. are not willing to try to impose upon one or more of the great powers an obligation to pay for peacekeeping operations of which they disapprove. It is true that in adopting this position, the majority of the U.N. members are being inconsistent with the position they took, over the Soviet and French objections, to submit the legality of the assessments to the International Court of Justice and then to vote to approve that Court's decision in the General Assembly. The fact remains, however, that when it came to the point of voting to deprive a great power of a vote in the General Assembly, the majority of the members were unwilling to force the issue and take the risk that the great power would withdraw from the U.N. altogether.

For myself, I must say that I can see some good sense in the present position of the majority of the Members. And I can see some advantages in it from the U.S. point of view. For several years, I have myself been concerned about what would happen if the General Assembly by a two-thirds vote should embark on a U.N. peacekeeping operation to which the United States was opposed and then seek to assess the United States for one-third or perhaps more of the cost. As a practical matter, I do not think the United States would pay under such circumstances. This indicates that it may be wise to rely primarily on voluntary financing for U.N. peacekeeping operations in the future.

At the same time, it is important to recognize that article 19 should remain in full force and effect with regard to the regular budget of the U.N. If an effort were made to impose the sanctions of article 19 on the Russians and the French and this effort were to be defeated, as is likely, this might lessen the possibility of being able to apply article 19 to regular budget defaults in the future.

I hope that Ambassador Goldberg will be able to negotiate a solution which will result in the payment by the Communist countries and the French of all or a substantial part of their unpaid assessments, without attempting to override their objections in principle to the legality of the assessments.

Whatever is done, it is imperative that we be guided by the objective of preserving the maximum strength of the United Nations, and that we not be influenced by any spirit of vindictiveness against the Communist powers or the French, or those many members which have agreed with the logic of our position but have been unwilling to carry it to its risky conclusion.

I also hope that the Members of Congress will look at the situation as it exists today and not as it looked a year or two or three ago. Undoubtedly the representatives of the executive branch were overly optimistic when the U.N. bond issue was under discussion as to the likelihood that article 19 would be applied. But this was an honest miscalculation and it should not prevent us from taking realistic and sensible action now.

NEWSPAPERMAN'S TRANSATLANTIC VOYAGE

Mr. MINSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MINSHALL. Mr. Speaker, the world is joining the city of Cleveland in following the last lap of the dramatic, solitary, transatlantic voyage of Robert Manry, a Cleveland Plain Dealer newspaperman.

Manry set sail alone on June 1, from Falmouth, Mass., in his 13½-foot sailboat, *Tinkerbelle,* so far as is known the smallest craft ever to cross the Atlantic.

For 73 days he has fought the perils of the great ocean in his courageous one-man journey to Falmouth, England.

Now he is within a few days of his destination.

High winds and rough water have combined to slow him down in the last treacherous 200 miles of his historic trip. In an attempt to minimize the dangers our English friends are providing him with a trawler escort and the Royal Air Force is keeping an eye on him. He hopes to reach Falmouth by Monday or Tuesday.

Robert Manry and *Tinkerbelle* have stood the stern test of sea and weather. Ohio is proud of the courage he has shown. It is in the pioneering spirit of our State's Wright brothers, who gave wings to the world, and of John Glenn, who first explored outer space.

Cleveland is preparing for Bob Manry one of the biggest welcomes it has ever extended to a returning son.

I feel his achievement is so notable that I am today introducing a resolution on which I urge the Congress to speedily act.

The resolution reads:

> Whereas since June 1 the world has watched the solitary journey of Robert Manry, a Cleveland, Ohio, newspaperman, across the Atlantic Ocean on his 13½-foot sailboat, *Tinkerbelle;* and
>
> Whereas Robert Manry is completing his historic transatlantic feat of individual courage in an age keyed to jet propulsion and rocketry: Therefore be it
>
> *Resolved by the House of Representatives (the Senate concurring)*, That Robert Manry be cited and commended for his bravery, resourcefulness, and success in conquering the Atlantic, and that his sailboat, *Tinkerbelle,* after a suitable period of time, be retired for permanent display in the Smithsonian Institution along with such historic craft as Lindberg's the *Spirit of St. Louis.*

I also include the Cleveland Plain Dealer article of August 11 describing the welcome our city is planning for Bob Manry on his return:

[From the Cleveland (Ohio) Plain Dealer, Aug. 11, 1965]

MANRY TO GET HUGE "WELCOME HOME"

A huge civic reception is being planned to welcome Capt. Robert Manry, the daring Atlantic mariner, back to Cleveland.

Just as a hero's welcome is being prepared for Manry at Falmouth, England, where he is expected shortly to end his long, lonely voyage across the ocean, civic leaders are planning a rousing reception upon his return here.

The exact date will be set as soon as Manry rests up in England.

A "Welcome Home Bob and *Tinkerbelle* Committee," headed by Thomas Vail, publisher and editor of the Plain Dealer, and Allen J. Lowe, president and general manager of Hotel Sheraton-Cleveland, has been formed to coordinate plans for the Greater Cleveland reception.

Honorary chairmen of the committee are Alastair G. Maitland, British consul general here, Mayor Ralph S. Locher of Cleveland, and Mayor Donald J. Swetland of Willowick, where Manry lives.

Committee vice chairmen are Cleveland City Council President James V. Stanton; Curtis Lee Smith, president of the Cleveland Chamber of Commerce; Vernon B. Stouffer, president of the Stouffer Foods Corp., and Jay C. Ehle, commodore of the Cleveland Yachting Club and president of the Cleveland Builders Supply Co.

Plans call for a reception at Cleveland Hopkins International Airport for Manry, a Plain Dealer copy editor who is making nautical history with his tiny sailboat, *Tinkerbelle.*

Then Manry and *Tinkerbelle* (on a trailer) will be escorted by motorcade into Cleveland, where Locher will present Manry with the keys to the city.

Following that, Manry will be feted at a civic banquet at the Hotel Sheraton-Cleveland, where *Tinkerbelle* will be on display in the ballroom.

Locher will proclaim an official "Capt. Robert Manry Day" and Cleveland City Council will pass a special resolution honoring the sailor.

A second "Capt. Robert Manry Day" is being planned in Willowick, his hometown, where a parade and civic reception will be held later.

"Words cannot describe Captain Manry's tremendous feat of conquering the Atlantic in such a small boat," Lowe said yesterday. "Everyone—boating enthusiasts and landlubbers alike—should welcome him home with enthusiasm."

No date for the huge Manry reception has yet been determined, Lowe explained, because no one knows exactly when he will arrive in Falmouth and, later, in this country.

It probably will be around September 1.

Other members of the reception committee are:

Henry E. Fuller, president, Cleveland Rotary Club; George E. Mead, president, Cleveland Advertising Club; Robert S. Latham, president, Kiwanis Club of Cleveland.

Earl E. Platell, president, Lions Club of Cleveland; W. Neil Conaster, president, Shrine Luncheon Club; Paul J. Hoover, vice president of the Halle Bros. Co., and Robert E. Mason, vice president of the Miller Mason Corp.

Commodores of the following yacht clubs who are also committee members are:

William C. Henry, Edgewater Yacht Club; Carl O. Barr, Forest City Yacht Club; George Winter, Gordon Shore Yacht Club; George H. Rozelle, Lakeside Yacht Club; Melvin Wyant, Jr., Mentor Harbor Yachting Club; Richard Grandia, North-East Yacht Club; Mervin W. Creagear, South Shore Cruising Club.

Sylvester Granzy, Chagrin Outboard Boating Club; L. A. Schafer, Edgewater Marina Boat Club; Walker S. Case, West Shore Boat Club; William C. Link, Westlake Yacht Club, and Christopher Artale, Wildwood Yacht Club.

THE RED GRAIN PLOT

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, yesterday's edition of the Chicago Tribune carried an article that is indeed disturbing to me, and I take this time to call it to the attention of my colleagues. It says:

> It was learned that a high-level interagency committee within the administration has been grappling for several weeks with the problem of facilitating a new grain deal.

This makes reference to trade with the Communists. And, Mr. Speaker, it goes on later to say this:

> The committee also is studying proposals, supported by Under Secretary of State George W. Ball * * * and others in the administration and in Congress, which eventually would make it possible for the Communist Chinese and Cubans to buy U.S. agricultural products directly.

Now, my colleagues if you care to go out in the Speaker's lobby and read the ticker you will find news that the Communists have shot down another of our planes today with a Russian mobile missile—losing another American pilot, the value of whose life cannot be estimated and a plane valued at between $2 and $3 million.

Mr. Speaker, I find it difficult to reconcile the sale of wheat and grain and food to the Communists who are making it available to our enemies that are destroying our planes, killing our boys, and encouraging aggression in South Vietnam, and I want the RECORD to show my most vigorous protest.

Mr. Speaker, I do not see how we can sit here under the Capitol dome and tolerate such a situation.

THE USE OF ATOMIC WEAPONS

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, my remarks are being made in reference to those made a little earlier by the gentleman from California [Mr. EDWARDS], who alleged that the initiative in Geneva on disarmament was that of the present administration.

Mr. Speaker, the fact is that today's meeting in Geneva is the 223d meeting of the same 18-nation disarmament group that began meeting back in 1958.

I would like also to comment on his criticism relative to the speech by the distinguished gentleman from South Carolina who is chairman of the Committee on Armed Services. I have not read the speech, but I understand it concerned the possibility of utilizing nuclear weapons in our stockpile if the appropriate need ever should arise. I do not think my colleague from California's remarks should go unchallenged. If from this floor Members of this body promise there shall be no use of atomic weapons under any circumstances at any place, then others bent on aggression may doubt our will to preserve freedom. Our ability to do this is based on a combination of that will and the necessary hardware to implement it. Let there be no hints or doubts that we lack this will, otherwise our atomic arsenal for which billions of dollars of Americans' money has been invested, becomes utterly useless for the purpose of deterrence or for any other purpose in connection with the defense of the United States of America.

EXTENSION OF REMARKS

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. CARTER] be granted permission to extend his remarks in connection with the bill just passed with respect to debate on title I of the bill.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. GERALD R. FORD. Mr. Speaker, the gentleman from Utah [Mr. BURTON] is absent on official business for the purpose of testifying before hearings of the Interstate Commerce Commission in Ogden, Utah. He has requested that I advise the House that if he were present and voting he would vote in favor of S. 1648.

LEGISLATIVE PROGRAM

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I take this time to ask the distinguished majority leader of the program for the remainder of the week and the schedule for next week.

Mr. ALBERT. Mr. Speaker, will the distinguished gentleman from Michigan yield to me?

Mr. GERALD R. FORD. I yield to the majority leader.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the minority leader, we have finished the legislative program for this week and will ask to go over, upon the announcement of the program for next week.

Monday is Consent Calendar Day. There are 12 suspensions.

H.R. 6431, suspension of duty on certain forms of nickel;

H.R. 6438, making accounting adjustments between appropriations;

H.R. 4653, authorizing checks to be drawn in favor of banking organizations for the credit of a person's account under certain conditions;

H.R. 8715, International Committee of the Red Cross;

H.R. 9336, amending title V of the International Claims Settlement Act relating to claims against Cuba;

S. 511, Gorgas Memorial Laboratory;

H.R. 8635, to establish the Federal Boxing Commission;

H.R. 9544, authorizing the disposal of rubber from the national stockpile;

H.R. 10305, authorizing the disposal of nickel from the national stockpile;

H. Con. Res. 453, authorizing the disposal of magnesium from the national stockpile;

H. Con. Res. 454, authorizing the disposal of diamond dies and nonstockpile grade bismuth alloys from the national stockpile; and

H. Con. Res. 455, expressing the approval of Congress for the disposal of hyoscine from the national stockpile.

Tuesday is Private Calendar Day.

For Tuesday and the balance of the week:

The gentleman from Arkansas [Mr. MILLS] has announced that he may call up under a unanimous consent request H.R. 9570, authorizing the Secretary of the Treasury to grant relief from certain provisions of the Federal Firearms Act, a bill unanimously reported from the Committee on Ways and Means.

Also on Tuesday and the balance of the week there will be:

H.R. 9811, Food and Agriculture Act of 1965. This will be under an open rule with 5 hours of debate. The bill will be read for amendment by titles instead of by sections;

H.J. Res. 403, the 22d World Health Assembly;

H.R. 2091, relating to the establishment of concession policies in the areas administered by National Park Service;

H.R. 7811, authorizing the sale or loan of naval vessels to friendly Latin American countries;

H.R. 7812, authorizing the loan of naval vessels to Itally and Spain;

H.R. 7813, authorizing the loan of naval vessels to Turkey, China, and the Philippines; and

H.R. 8333, establishing a program of cash awards for members of the Armed Forces and for other purposes.

Mr. Speaker, the principal business for the week, of course, is the general farm bill.

This announcement is made subject to the usual reservation that conference reports may be brought up at any time and any further program may be announced later.

ADJOURNMENT TO MONDAY, AUGUST 16, 1965

Mr. ALBERT. Mr. Speaker, if my friend will yield further, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

Mr. GROSS. Mr. Speaker, reserving the right to object, does the gentleman have any news for us on adjournment, to help me with my problem with respect to wanting to get in a little fishing?

Mr. ALBERT. I would say to the distinguished gentleman that we have just completed action on one of the most important bills of the year. We have another one of the most important coming up next week. We expect to have one or two the following week.

So there is some faint ray of hope in the sky now.

Mr. GROSS. I am glad it has gone from hope to a faint ray of hope. I thank the gentleman.

The SPEAKER pro tempore (Mr. SMITH of Iowa). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE GERMAN RESISTANCE IN AMERICAN PERSPECTIVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. YOUNGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ilinois?

There was no objection.

Mr. YOUNGER. Mr. Speaker, the following address entitled "The German Resistance in American Perspective" was presented on July 20, 1965, at the occasion of the memorial convocation honoring the dead of the July 20, 1944, uprising of the German resistance, by Dr. Karl Brandt, professor of economic policy, emeritus, presently senior research fellow of the Hoover Institution on War, Revolution, and Peace, of Stanford University, Stanford, Calif., held in the courtyard of the former Reich Ministry of War in the Stauffenbergstrasse, Berlin, before the relatives left behind by the men of July 20 and the survivors and honorary guests representing the Federal Republic of Germany and the city of Berlin. The address follows:

THE GERMAN RESISTANCE IN AMERICAN PERSPECTIVE

Today 21 years have passed since at this place the last desperate attempt of valiant German men failed by which they tried to remove the tyrant and his system of violent coercion. Thus collapsed also their tenacious endeavor to terminate the Second World War which the tyrant had frivolously started at his own whim and which had accelerated already for 5 dreadful years.

This place is hallowed by the blood of men who, after profound torment by their own conscience, put their lives at stake in order to enable their fellow men and their nation to start on the march back on the road toward a state and society in which justice, liberty for all and respect for human dignity could at long last be restored. However, instead of yielding the rescue from tyranny and a rapid termination of the war, the tragic failure of their plot initiated a chain of systematic assassinations by which the magically protected fanatic on the throne did his satanic best to eradicate a veritable elite of German citizens of highest moral caliber.

In this memorial hour we are paying homage to the martyrs at the very spot where the last phase of the spontaneous uprising of a group of the German resistance ended. Our minds and hearts are deeply moved by the sense of the enormity of the tragedy and the unspeakable suffering which the martyrs had to pass. All of us are still stunned by our knowledge of the ocean of tears which the stupendous numbers of victims of that war filled in so many countries, including Germany.

While time permits wounds and grief to heal, it is nevertheless the duty of conscientiously living human beings not to simply forget but to digest intellectually and spiritually the horrible and humiliating experiences of recent history and to sublimate the results. This is so much the more necessary in view of the fact that since the end of the devilish, tyrannic Nazi state with all its perversions of justice there has grown in all the affected countries, including Germany, a new generation of young people, the oldest of whom have already passed their 20th year of age. They all had no possible part in these violations and dreadful undoings, and have no knowledge and no evaluation of the days of darkness and terror. These young people are unable to orient themselves in the present or in the near future and to understand what ultimately moves this dynamic world and what makes it tick.

The difficult task has come to me to say what the German resistance and the sacrifices of the men of the 20th of July mean to the American public today.

While in 1954 I reported at the occasion of the 10th anniversary of the 20th of July on the "Assassination of the German Elite," and my report given in San Francisco was brought to the attention of the Members of Congress through the Congressman from California, the Honorable J. ARTHUR YOUNGER, I shall try today to express a few additional thoughts from the perspective of the other side of the Atlantic. These thoughts will reflect a greater distance in time from the events as well as the new situation of the world which is everything else but one of peace and tranquillity, and the problematic and brittle solidarity of the free world.

On this very spot, and in this house, where I often passed in and out before the half-educated magician of the racial craze began his hideous policies, memories are stirring also of the immeasurable misery and suffering during the winter of 1945–46 which I witnessed in this city. But I am simultaneously still under the entirely different shock of impressions of most bitter disappointments gained at the 20th anniversary celebration of the founding of the United Nations in San Francisco, in the same room where I had attended its inauguration in 1945. Unfortunately, there are many appalling and overwhelming relations between the manifestations of hostility, disunity, and Babylonic confusion of tongues displayed in San Francisco and the events which are the cause of our memorial gathering and our paying of tribute to the living dead in the tragic event of the 20th of July 1944.

For all the inhabitants of this earth who do not only vegetate but who fulfill their duty of responsible existence inherent in the free will with which their Creator endowed them, it can never have been as mandatory as it is today to obtain a clear picture of how it was possible that a nation could fall into the abyss and morass of terror, inhumanity, and self-destruction in the course of the national Socialist revolution, exactly a nation which was known for such outstanding contributions to the economic, social, political, and cultural achievements of the world.

In order to get this puzzle solved, it is even more important for all the responsible citizens and statesmen in the leading industrial countries of the free world to understand how this German nation, which during its history has been punished many times by its Creator almost mercilessly, could ever succeed in surviving the greatest catastrophe of history the way it did. For us in the United States of America the most important question is not only how the people of the Federal Republic were able to work themselves physically out of the rubble and cinders of their total defeat; the most pertinent question is by what secret they were able to rehabilitate themselves morally and to return to the timeless values and the foundations of the Judaeo-Christian culture of the West, to restore government by law which respects and protects human dignity, and to regain their seat as a respected partner at the table of the nations which abide by the rules of freedom and justice. Indeed, it is a still more portentous phenomenon that this nation which so tragically fell and rose again was suddenly, at the depth of its disastrous defeat and in its greatest emergency, morally and in its social conscience in better form than it had been in many decades.

This sacred place where we are gathered which radiates the living spirit of the martyrs, as well as the presence of those beloved ones they left behind, and of those who escaped torture and the grip of the tyrant's henchmen—all these forbid euphoric or progressivistic oratory. This tabu receives its special emphasis by the fact that in the present apocalyptic constellation the secular powers have not succeeded in diminishing the danger of further conflagrations, but are literally reaching out for the stars, aiming in self-defense at the steering of absolute weapons by astronauts while they are even unable to prevent the spreading of guerrilla warfare over many spots on this globe.

This is why I shall speak without any diplomatic embellishment or any effort at giving my expression of thoughts the most subtle modification. My words are just as much determined by my unconditional identification with the security and the well-being of the fatherland of my choice, the United States of America, as they are carried by the worries concerning the future of the Nation to which I owe my origin, my youth, my education and training in the first part of my career. It has been my good fortune that I have never been in the dilemma of the conflict of conscience in dealing with foreign political and economic issues of both countries because there has never existed a serious conflict between the true, intelligently interpreted, long-term interests of both nations which belong not only to the same culture but which as members of the Atlantic Community are today allied de facto, de lege and de jure: the United States of America and the Federal Republic of Germany. This is also why I am convinced that my very frank and solemn words of today will get an unprejudiced hearing on both sides of the Atlantic, as it has occasionally been the case in the past.

The part of the American public which is interested in foreign affairs has not only an unsatiable hunger for education on temporary historical events but it enjoys an extraordinary abundance of means of information and communication and of interpretive knowledge. But perhaps even due to this abundance this public is by no means well acquainted with the true nature, the extent, the period of time or the real importance of the German resistance against the National Socialist variety of the almost ubiquitous species of the totalitarian power-state, which is a typical feature of this 20th century of ours.

The public sees even much less clearly which ones of the partly exogenous causes were responsible for the military and political defeat of the German resistance against Hitler. I go so far as to say that even those circles in my country which are familiar with certain religious, juridical or political aspects are nevertheless without a balanced judgment on this historical phenomenon and their interest has with the years become weaker rather than more intensive. This has several reasons: on the one hand, historians like John Wheeler Bennett and such successful journalists as William L. Shirer have contributed their ample share in this decline in interest with their "Leitmotiv" of "indetermined officer-cliques" in their attempts at a "Putsch" and their default.

Simultaneously the rapidly expanding serious German literature concerning the Resistance, which probes into the depth, as well as the increasing documentary evidence, has remained mostly unknown in the United States due to the absence of English language editions. On top of this, the sensational reporting of the testimony of witnesses in the delayed prosecution of war crimes by German courts and the daily injection of the readers of hundreds of newspapers with column-length details on the atrocities of extermination camps have chiefly had one result. The reader's horror is reflected in his views about the German people and to revive earlier assumptions of a collective guilt of all Germans for the "liquidation" of millions of innocent men, women and children of Jewish race or creed.

This flaring up of resentments is occurring despite the fact that such collective guilt concept is the antithesis of the principle of individual responsibility. This latter is solidly anchored in the American Constitution and in the Declaration of Independence. Moreover, such collective guilt concept implies an unconscious sliding down toward the racial ideology of Hitler.

Unfortunately, the termination of the payments equivalent to nearly 12 billion U.S. dollars of restitutions by the Federal Republic of Germany to the State of Israel have also unleashed in the eastern United States a new wave of critical comments on Germany which are, if understandable, not exactly justified. All this has, in my view, pushed the already weak interest of the American public in the German resistance rather further into the background.

Therefore it is cause for special appreciation that a magazine of such wide national and international circulation like Life has published in its May issue of 1965 a uniquely distinguished memorial to one of the outstanding martyrs of the German resistance, Dietrich Bonhoeffer, and his way to the Mount of Calvary. Moreover, in lay circles of all faiths and denominations an interest in understanding the resistance and its literary legacy, particularly the testimonies, testaments, and last letters of the martyrs, is much alive in all States of the Union without any visibility in the press.

For the previously mentioned regression of the public interest in the resistance several circumstances and their pragmatic evaluation are chiefly responsible. Among these popular views on the real or seemingly real circumstances are the following: The most visible actions, the "attentat" and the "military revolt" were a failure. The leading brains were prominent high-ranking professional officers. The group in the plot was small and comprised, besides military personalities, predominantly members of the Prussian landed nobility. The group delayed action so long that the final phase of the raging World War II could no longer be prevented. To this picture of a too-long-delayed military putsch of Prussian militarists who were worried to see their role in history coming to an end, another even more incriminating observation is added: While obviously one of the most horrible consequences of the Hitler terror, next to the orders to kill all Soviet commissars and a multiple of hostages, was the killing of the Jews in extermination camps, the men of the 20th of July did not give top priority to the prevention of these crimes, although many of them paid with their lives for their activities in the resistance.

So much about the essence of the arguments, which are in circulation in broad layers of the American public by which one classifies and assigns to dead files the resistance which had to operate inside the terror state which operated with awe-inspiring scientific perfection and an all-pervasive efficiency. Unfortunately, it seems that this sort of appraisal is not unknown in many other countries and even not in some German circles. I shall try to lay bare the untenability of nearly all these theses, with the only exception of the failure of the revolt. And I shall also explain why I have serious doubts as to the justification of washing one's hands abroad of any part in the responsibility for exactly this failure and for the stark historical tragedy it was.

When did the resistance begin? It began already before the seizure of power by Hitler. It began in the summer of 1932, when the Christian Labor Unions tried to stem the first stage of the tyranny by a general strike, an attempt in which they failed. The resistance attained its full proportions in 1933 and 1934. On January 30, 1933, Pastor Bonhoeffer preached a sermon over the radio in which he denounced the glorification of a single person beyond the rank of his office as idolatry. This radio broadcast was promptly interrupted by the agents of the tyrant before the pastor had finished. In the Protestant church the militant wing of the "professing church" split the clergy and the laity from the very first days into tagged resisters and compromisers. As numerous reports by the Nazi Party and the Gestapo testify, those in power of the Third Reich saw in the Catholic Church with its unbreakable resistance its most dangerous adversary. The 10 commandments on which the constitutions of nearly all governments by law are built were never abandoned by the Catholic Church. On the contrary, they were pronounced most audibly and incessantly in every church in nonabbreviated form. The resistance of the political parties began when on March 23, 1933, the Social Democratic Deputies in the Reichstag refused to vote for the bill which gave the Chancellor dictatorial powers, at a time when the German electorate had even in the election of March 1933 cast no more than 43 percent of the votes for the National Socialists, i.e., for Hitler.

The next question concerns the composition of the group within the widely scattered resistance which was engaged in the plot of the 20th of July.

Who were they? By contrast to the mentioned one-sided and entirely erroneous assumptions which have such wide circulation, it is a fact that the executed victims and the survivors belonged to nearly all professions, all social strata, all political, and all religious affiliations or attitudes, including agnostics. Their group comprised men and women, Secretaries of State and labor union leaders, Catholic priests and laymen, Protestant ministers, commoners and noblemen, men and girl students in universities, professors, soldiers and civilians. What is more important, all these people of all walks of life matured in their thoughts one common philosophy of the humane and civilized society.

A further question concerns the number of those who belonged to the resistance and the reasons why it did not develop into a powerful mass movement. As to the numerical strength, it was incomparably much stronger than it is generally assumed in the United States. In the 8 years from 1933, when the first concentration camp was erected, until 1941 it is most likely that 1.5 million people, but possibly even up to 2.5 million, passed through the camps being conditioned in them by the terror system and its arbitrariness. The reason why these very impressive figures do not indicate an organized mass movement, but an amorphous structure of the resistance composed of individuals, had its logic in the fact that the corporal had lured the German people in the emergency of the great depression into a trap which he locked. In this trap all weapons were exclusively in the hands of the government so that ultimately only the army or parts of it could organize an effective opposition.

For American citizens, it is practically incomprehensible how efficient and powerful the modern machinery executes the penal code of the illegitimate power-state in the suppression of any opposition. During the first phase of the Third Reich from 1933 to 1936, moreover, the energetic effort at overcoming mass unemployment sidetracked the attention of the public from the rapidly advancing progress of the perversion of law and justice and the promotion of informers and agents-provocateurs. If then during the course of the 12 years that ended in the catastrophe, the army officers belonging to the resistance tried but did not execute the potential rescue actions, there is ample evidence that the reciprocal impact of decisions of statesmen and officers of other countries diminished progressively the leeway for action by the resistance .

While this does not divert full responsibility for his criminal deeds from the German tyrant and his cohorts, it shows nevertheless how much the delaying tactics and the regrettable opportunistic compromises of the other powers poured more and more sand into the cogwheels of action by the Resistance. The unity of the Allies emerging from World War I had fallen to pieces, and in the throes of the world economic crisis finally every single country withdrew into autarchic measures of its own. What had been denied Reichs chancellor Bruning, a statesman abiding by international law, was hastily conceded in multiple proportions to Hitler. France permitted Hitler to remilitarize the Rhineland. England and France not only let Hitler have his merger with Austria, but they weakened willingly the freedom of action of the members of the Resistance inside the German general staff when Daladier and Chamberlain on the road of appeasement went to Munich. All this happened at a time when the tyrant's methods, his chain of murders of Germans, and the initial stages of his persecution of Jews and Christians were long known in detail to the heads of states.

In order to gain a balanced judgment concerning the resistance, it is mandatory to consider both its progressively rising difficulties inside the gestapo state and outside the concurrent rapid growth of the resentment against all Germans involved in the Third Reich.

When Hitler concluded his pact with Stalin and both tyrants divided Poland among themselves, the joint yet separate interests of the Gestapo and the GPU proliferated additional jeopardies for every member of the Resistance. When later on the Soviet Union had its agents active in London and Washington in their new capacity of allies, information concerning the Resistance regrettably found its way via the GPU to the Gestapo.

One of the many chapters of the fateful consequences of human imperfection in this stark tragedy concerns the legal circumstances of factual treason and the risking of the lives of the plotters day in and day out for many years which was inseparable from the negotiations with the British, and later on with the American Chiefs of State.

After the failure of the men in the plot to prevent the frivolous start of the war and when the opportunity—which ex post looks so good—to slay the now power-drunk demagogue at the Obersalzberg when he announced to the generals his determination to rule in the East like Genghis Khan, the resistance accelerated and intensified its diplomatic initiative. Toward the end of

December 1939, Adam von Trott zu Solz negotiated in Washington, D.C., for the resistance with President Roosevelt, but without receiving any encouragement. On his way back to Germany via Japan and Russia, Von Trott visited me in Palo Alto. Dietrich Bonhoeffer negotiated in May 1942 in Sweden with the Anglican bishop of Chichester, G. K. B. Bell. But on January 24, 1943, Roosevelt and Churchill proclaimed in Casablanca "unconditional surrender" as the war goal. When some time later Bonhoeffer twice again tried to obtain conditions for termination of the war under a "new" government in Berlin, he received the ironclad response: Unconditional surrender.

In March 1943, Fabian von Schlabrendorf put the bomb personally into Hitler's airplane. It was a dud. On April 5, the Gestapo arrested Dietrich Bonhoeffer who thus was lost for further action in the resistance. During all that time, close contacts with the resistance existed in the American OSS (Office of Strategic Services), and the American Embassy in Bern and the staff of Allen Dulles. In the spring of 1944, Gen. William Donovan brought to New York an offer by members of the resistance in Ankara. I was personally consulted in greatest secrecy. However, on the following day, in contradiction to General Donovan's pleading, any concession to the resistance was refused once more from the summit in Washington.

On this entire nexus John Wheeler Bennett comments: the most cogent arguments in favor of such a possibility—that the Allies would be enabled to make peace with a new Germany—are that a conclusion of hostilities in the summer of 1944 would have resulted in the saving of many thousands of lives at all fronts and that Germany herself would not have sustained the loss of many of her political leaders, "men of probity and tradition, of ability and strength and of character," who perished in the purge which followed after the failure of the Putsch. But he concludes that one cannot admit such charitable considerations because President Roosevelt, Mr. Churchill, and Marshal Stalin had repeatedly emphasized that it was among the most salient of their war aims that Prussian militarism should be destroyed along with the iniquities of national socialism, and they were now in the position to make good these statements.

This comment of the beginning of the 1950's has in the present circumstances already acquired an involuntary ironical flavor.

Insofar as the motheaten cliche of Prussian militarism is concerned, I may mention only what the Congress of the United States had inscribed on the monument which it erected in 1913 at the corner of Lafayette Square in front of the White House in Washington, one of the finest bronze statues to be found anywhere in the 50 States of the Union.

"Erected by the Congress of the United States to Frederick William Augustus Henry Ferdinand Baron von Steuben in grateful recognition of his services to the American people in their struggle for liberty. Born in Prussia, September 17, 1730, died in New York in 1794. After serving as aide-de-camp to Frederick the Great of Prussia, he offered his sword to the American colonies and was appointed major general and inspector general in the Continental Army. He gave military training and discipline to the citizen soldiers who achieved the independence of the United States."

Most recently, General Eisenhower has declared that in his view the policy of unconditional surrender was an error. The British military historian, Maj. Gen. G. F. C. Fuller, has passed a much harder judgment; namely, that this policy prolonged the war unnecessarily, destroyed Italy, and wasted thousands of American and British lives.

Referring to the hesitation and loss of time for which the martyrs of the resistance are being criticized, some other observations shall be mentioned. They demonstrate how other conscientious and responsible men, under far less aggravating circumstances than those of the inner circle of the martyrs of the resistance, have also not made the necessary decisions in all cases at the appropriate time. Prof. Stefan Possony, who during World War II worked on psychological warfare in the U.S. Department of the Navy, reported recently that he and several other experts recommended many times without any success that the German public should be informed by all methods about the crimes of the Hitler regime, including the activity in the extermination camps. The American Information Service had enough evidence in hand to prove with hard facts the criminal extermination policy.

Here in Berlin we are in closest proximity of mementos which remind us that when crucial hours of destiny have slipped by unused, it is difficult if not impossible to utilize them, if ever.

Next to the uprisings in East Germany and in Hungary, during which the NATO Allies wasted precious time for possible action, there is a few hundred yards from where I speak the even far more depressing wall of shame. There the date of the beginning of construction was known well in advance, and the construction would not have been tried if one had followed General of the Army Lucius Clay's thoughts and had put the U.S. forces here merely on alert.

What all this demonstrates is how little, in the tragic course of events, in the years in which the prestige of Germany was sullied by criminals, constituted a typically or uniquely German degeneration of a society's institutions. Of what it also reminds us is that, since the end of one tyranny, quite some other equally gruesome systems have come to bloom in many spots on this earth. Seventeen million Germans have been deprived of their basic rights and are kept as truly captives, denied the privileges of the Atlantic Charter: no transfer of territory without plebiscite.

However, all these sobering experiences more than 20 years after the horror of World War II, and such human catastrophes like Dresden, Hiroshima, and Nagasaki, cannot in any way diminish the unique importance of the martyred elite of the German resistance.

What happened here was the purification of human beings in the smelter of suffering to such noble, pure humaneness, neighborly love and true freedom of the heart that their soul was not only immune against torture and humiliation, but also high above hatred and feeling of revenge. From all posthumous letters and messages shineth the light of the Holy Grail.

Thereby, however, a unique position is secured forever for the martyrs of the German resistance, not only in the history of the German people, but in the history of the world. This position is forever removed from the realm of tactics, of journalistic, nationalistics, party political, or confessional or denominational disputes—and it is remote from any protocol.

Responding to the human race's eternal longing for peace, the distant glow of the light of the martyrs' humaneness shineth through the darkness. This light reminds us never to forget that the individual human beings in nearby as well as distant lands are our brethren. This light, which shineth with greater luminescence exactly in these present days, is prodding us never to forget that what happened here in Germany from 1933 through 1945 can happen at any time in any country of the world, but that since 1945 it has happened and still does happen right now before our and the world's eyes and ears, from Helmstedt and Luebeck to West Berlin, and from the Wall of Shame to Vladivostok and the Bering Straits.

Power carries in itself man's temptation by the Devil to abuse it. Total power increases the jeopardy of those who possess it to degenerate into destroyers of human dignity and freedom—in any and every country in the world.

There is only one way to protect freedom and human dignity against this never ending jeopardy in any country of the world: eternal vigilance of that elite of citizens who have the incorruptible conscience and the valor to put their lives at stake in the defense of those inalienable rights bestowed upon man by his Creator, in which the Declaration of Independence of the United States of America and the basic law of the Federal Republic of Germany are anchored.

In closing I quote St. Joan of Arc whom Bernard Shaw let say: "O Lord, who created this wonderful earth, how long will it last, until it will be ready to receive your saints, how long, O Lord, how long?"

EARL "SKIP" BUTE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. ANDREWS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANDREWS of North Dakota. Mr. Speaker, North Dakota has many noted individuals who have gained recognition nationwide. One of our finest men is Earl "Skip" Bute, veteran coach at the Wahpeton School of Science, Wahpeton, N. Dak. He was named small college coach of the year by the Football Writers Association of America. The Associated Press reported Bute was honored by the writers group meeting in Chicago in conjunction with the college All-Star football game.

Bute, 65, has been on the Wahpeton Science staff 41 years. In 1962 he was named Coach of the Year by North Dakota sportswriters and sportscasters. He is a graduate of North Dakota State University at Fargo.

Bute has been responsible for carrying on a football program at Wahpeton Science, a 2-year college which plays teams from 4-year colleges. Over 40 years Science compiled 137 victories against 90 defeats and 17 ties.

North Dakota is a better State because of the contribution "Skip" Bute has made, and America is stronger because of having a man of his character and ability work with our young people.

THE HONORABLE JOSEPH CAMPBELL, COMPTROLLER GENERAL

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at his point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, Congress and the Nation owe a debt of gratitude to an outstanding public servant, the Honorable Joseph Campbell, Comptroller General of the United States, who retired July 31, 1965.

As a former member of the House Government Operations Committee and presently as a member of the Appropriations Committee, it has been my privilege to have been associated with Mr. Campbell and the work of the General Accounting Office. Mr. Campbell served with complete dedication, ability, and integrity and made many contributions to the effectiveness of the General Accounting Office. Under his able direction, the General Accounting Office reached a new high in serving Congress and its task as watchdog of Government expenditures.

Mr. Campbell fully understood the fact that the General Accounting Office serves as an arm of Congress and realized completely the importance of the work the General Accounting Office does toward keeping the Government running on an efficient, modern basis.

It is sincerely regretted that Mr. Campbell's health will not permit him to continue in the post of Comptroller General for the full 15-year term. The solid groundwork he has laid, however, will help assure that the General Accounting Office will continue to work effectively in the months and years ahead.

The best wishes of many go with Mr. Campbell and his family. May he continue to have many happy and productive years ahead.

PROPOSED AMENDMENT OF SECTIONS 8 AND 9 OF THE NATIONAL LABOR RELATIONS ACT

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Reid] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. REID of New York. Mr. Speaker, today I am introducing a bill to amend sections 8 and 9 of the National Labor Relations Act to provide for the holding of an expedited election in lieu of recognition on the basis of authorization cards or other evidence purporting to show that a majority of an employer's employees wish to be represented by a union. A similar bill has been introduced in the other body by Senator Jacob K. Javits.

This bill is a revision of a previous one, H.R. 9060, which I introduced covering the same general subject. The present bill differs from H.R. 9060 in that it revises and clarifies the procedures to be utilized for an election in lieu of recognition on the basis of a card check.

It has become increasingly clear that the NLRB has resorted to card checks as a basis for compelling union recognition. As the law presently stands, if a union presents an employer with cards signed by 51 percent or more of the employees, the employer is legally obligated to recognize and bargain with the union, unless the employer has a good faith doubt as to the authenticity of the union's showing a majority. Under this rule, an employer can be effectively deprived of his right to present his arguments against the union and then have the employees decide.

The employees likewise can be deprived of the right to a secret ballot, even though section 9 of the act provides machinery for conducting such a secret ballot election. A racket posing as a union has a much better chance to get in.

On the other hand, it is sometimes argued that the ordinary election procedures of the act, except in organizational picketing cases, may in some cases unnecessarily delay the process of determining the wishes of the employees.

This bill, however, would neither be a vehicle for delay nor limit the right to a secret ballot election.

The bill makes two changes in existing law:

First. Section 1 of the bill would create a new section 9(c)(6) of the act, and thereby would provide that an employer faced with a card check of more than 50 percent may file a petition and get an election. If he files such a petition, no unfair labor practice proceeding based solely upon refusal to recognize the card check will be processed unless the employer dissipates the majority by other unfair labor practices or so poisons the air by unfair labor practices that it would be futile or unfair to hold an election at all. Any petition for an election filed under this amendment would be followed by an expedited election under procedures comparable to those now in use under 8 (b)(7)—the high-speed election in cases of organizational or recognition picketing, established by the Landrum-Griffin Act. Under the expedited election procedure, all determinations of bargaining unit questions, eligibility of voters, objections to the conduct of the election, and so forth, would be resolved by the regional director with only discretionary review by the Board. Under this procedure, the time lapse between filing the petition and issuance of a certification would rarely exceed 30 days and often be much shorter.

Second. Section 2 of the bill would create a new section 8(g) of the act, under which, if a card check is presented, the employer is given a reasonable time to verify whether the signatures on the cards are genuine and whether the cards have indeed been signed voluntarily by the employees and have not been revoked. Thereafter, if he has no good faith doubt as to the authenticity of the union's majority showing on the basis of cards, the employer is obligated either to recognize the union or else file a petition for an expedited election as provided in this bill. If he has no good faith doubt and fails either to recognize the union or request an expedited election, he is guilty of an unfair labor practice.

In short, these changes cure the main defects in the card check procedure—that it is inaccurate and deprives the employer of the right to tell his side of the story—while at the same time definitely improving the existing certification procedure by providing a union with a quick procedure heretofore available only in strange picketing cases.

INDEMNITY PAYMENTS TO DAIRY FARMERS

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. Mathias] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MATHIAS. Mr. Speaker, today the gentleman from Maryland [Mr. Morton], the gentleman from Maryland [Mr. Sickles], the gentleman from North Dakota [Mr. Andrews], and I are introducing identical bills to continue the program of indemnity payments to dairy farmers.

These payments have been made to farmers forced to dump milk contaminated by certain pesticides, notably heptachlor and dieldrin. The Agriculture Department recommended these chemicals until early 1964, when Food and Drug Administration studies found them to be harmful.

Payment of indemnities to affected dairy farmers was authorized from last fall until January 31, 1965, under title III of the Economic Opportunity Act of 1964. These payments were later extended until June 30 of this year.

Recent studies have shown that the problem persists. Residues of these chemicals still remain in the ground, causing contamination of each successive feed grains crop. Thus the bills which my colleagues and I are introducing today would continue indemnity payments to affected farmers until all traces of the pesticides have disappeared and their milk has been reinstated for commercial marketing.

Mr. Speaker, we have made many efforts to secure an extension of this indemnity program. Two weeks ago, an attempt was made to include a 2-year extension in the Economic Opportunity Act amendments on the floor, but the amendment offered by the gentleman from Maryland [Mr. Sickles] was ruled out of order because the section which we sought to amend had already expired. I understand that similar efforts will be made during consideration of the poverty bill amendments in the other body.

Continuation of this program of indemnities would fulfill the Federal Government's responsibility to those dairy farmers who are suffering economic hardship through the consequences of governmental miscalculations. The cost of this program is not great: in fiscal 1965, $8.8 million was appropriated for indemnity payments, but less than $400,000 was actually paid. Yet the need for this bill is clear, and I urge its prompt enactment.

VOTER DISCRIMINATION AGAINST YOUNG ADULTS

Mr. FARNUM. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. Fulton] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. **FULTON** of Tennessee. Mr. Speaker, I rise to protest voter discrimination against one of the most valuable groups of citizens in this Nation, our young adults.

The future of this Nation lies in the hands of these young people. Our world of tomorrow will not only be shaped by them, it may well be permanently preserved by them.

Never before in history have we asked more of our young Americans than we do today. And never before have they answered the call with greater resolve, determination and dedication.

We have asked young Americans to work in the remotest regions of the earth as volunteer Peace Corpsmen. They have worked well and brought honor to their country.

We have called on them to aid in the battle against poverty and deprivation. They have given of themselves tirelessly and unselfishly.

Today, once again, we are calling on them to give their lives in a remote but important region of the world where Godless communism threatens world peace and security and they are prepared to offer the ultimate sacrifice to protect the freedoms which we hold so sacred.

We ask much of the 8 million young Americans between the ages of 18 and 20 in behalf of their country. We demand from them higher standards, confront them with greater competition and leave them with greater challenges than we ever faced at their age. And yet we do not allow them that one great privilege which millions of Americans, many of whom may have less interest or may be less qualified, now possess. The right to vote.

Mr. Speaker, if we can demand all this from these, who have proved themselves ready, willing, and able to serve their country, then I submit it is discrimination to perpetuate the existing situation which denies them the right to vote.

At this time, I am privileged to introduce a resolution to amend our Constitution to this end, that no citizen of this Nation, who is 18 years of age or older shall be denied the right to vote by reason of age.

Mr. Speaker, this Congress has moved with boldness in correcting voting inequities which plague many citizens. The job, however, is not done and will not be finished until this discrimination against young Americans is eliminated.

WATERFOWL HEARING

Mr. **FARNUM**. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. Dingell] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. **DINGELL**. Mr. Speaker, at the request of the members of the Louisiana delegation, the Subcommittee on Fish and Wildlife of the Committee on Merchant Marine and Fisheries will hold a hearing on the continental waterfowl situation as it might affect the coming season on ducks and geese. The hearing will occur Tuesday next, August 17, 1965, at 9:30 a.m.

Witnesses will be the members of the Louisiana delegation, Assistant Secretary of the Interior, Dr. Stanley Caine, Commissioner of Fish and Wildlife Gottschalk, and other interested persons.

Notice is being sent to State conservation agencies, conservation organizations, and other interested parties.

As chairman of the subcommittee, I feel compelled to point out that it is the request and the strong interest of the gentlemen from Louisiana [Mr. Waggonner, Mr. Morrison and Mr. Long], that has brought this hearing about.

CONGRATULATIONS TO UPPER VOLTA ON ITS INDEPENDENCE DAY

Mr. **FARNUM**. Mr. Speaker, I ask unanimous consent that the gentleman from Hawaii [Mr. Matsunaga] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. **MATSUNAGA**. Mr. Speaker, it is with great pleasure that we honor the fifth anniversary of the independence of the Republic of the Upper Volta. This republic of some 4 million people, which celebrated its independence day on August 5, occupies an important position in the economic and political development of Africa. It comprises an area approximately equal to that of our State of Colorado, but is twice as densely populated. In fact, the average population density of 30 persons per square mile varies from a scant three in the northern sector of the country to over a hundred in the south-central regions. The Republic of the Upper Volta supplies much needed labor for many of its neighbors; for example, it is estimated that an average of some 350,000 workers are usually out of the country, working on the coffee and cocoa plantations in the neighboring republics to the south. In addition to supplying many needed animal and plant foodstuffs for the coastal nations, Upper Volta thus also contributes from its labor force to build a better Africa.

The Republic of Upper Volta is situated on an extensive plateau between the Republics of the Ivory Coast, Togo, and Dahomey on the south, the Republic of Mali to the north and west, and the Republic of Niger on the east. Occupying such a central position, the strategic importance of Upper Volta in the future development of Africa cannot be denied. With great wisdom and foresight, then, this new nation joined the United Nations within 2 months of its independence and is presently a member of most of the specialized agencies of the U.N. With Dahomey, the Ivory Coast, and Niger, the Upper Volta formed the Council of the Entente, resulting in a customs union and a common development and emergency fund. Furthermore, not content to be an active member of a solely regional or a worldwide organization such as the U.N., it also associated itself with other former French West African nations in the UDOA or West African Customs Union, and belongs to the ECA, CCTA, and the OCAM. Its sharp spirit of international interest and dedication to world cooperation is certainly to be commended.

As a continent emerging for the most part from the shackles of political and economic colonialism into the rapidly changing world of today, Africa needs leadership, willingness to cooperate, peace, and stability, all of which we happily witness in the Upper Volta. The Government of the Republic of Upper Volta has demonstrated clearly that it realizes its position of importance in Africa's development, and that it will readily and effectively assume its responsibilities. For this, and the success with which the many and various internal problems unavoidably rising from independence have been met, we sincerely congratulate the Government and people of the Republic of Upper Volta.

HON. JOSEPH CAMPBELL, AN OUTSTANDING COMPTROLLER GENERAL OF THE UNITED STATES

Mr. **FARNUM**. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Stratton] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. **STRATTON**. Mr. Speaker, at the end of last month there came to a close the term of active service of the Honorable Joseph Campbell, of Cooperstown, N.Y., the Comptroller General of the United States. General Campbell, who had served in that capacity since December 14, 1954, had tendered his resignation before the expiration of his official term because of ill health. Joe Campbell was not only a distinguished constituent of mine and a fine personal friend, but in my judgment he has also been one of the finest Comptrollers General ever to serve in that capacity in our Government.

It is characteristic of the great job which Joe Campbell did that he pursued the duties and responsibilities of his office with vigor and without fear or favor under three different Presidents and two different party administrations. He had only one boss, his assignment to work for economy and efficiency in Government and in behalf of the rank and file American taxpayer.

As a member of the Committee on Armed Services I had many occasions to observe Comptroller General Campbell's vigorous conduct of his office in connection with investigations of operations of the Nation's military departments. Although these investigations required that the staff of the General Accounting Office penetrate the maze of a whole multitude of special technical jargons, and be constantly subjected to the charge that they really did not understand these specialized operations, they were looking into, Mr. Campbell persisted in his determination that no branch of the Government, not even the military branches, should be immune from the obligation to adhere to strict principles of accountability and economy and the elimination of all waste insofar as practicable. And the result was that he came up with reports that did result in very substantial savings to the taxpayers.

Mr. Speaker, Joe Campbell's service typified the kind of courage, technical skill, and tireless devotion to duty that are in the highest traditions of Government service. He has set a standard which all of us will find it very hard to emulate.

While I regret the circumstances that led to his decision to retire, I can well understand his desire to spend some quiet days in the beautiful environs of Cooperstown. Those of us who know Joe will look forward to seeing him there, and in the meantime we will say "well done" to him for outstanding and distinguished service to his country.

A COMMISSION TO SUPERVISE THE ACQUISITION OF AN OFFICIAL RESIDENCE FOR THE VICE PRESIDENT OF THE UNITED STATES

Mr. FARNUM. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Pepper] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PEPPER. Mr. Speaker, today I have introduced legislation which would provide for a commission to supervise the acquisition of an official residence for the Vice President of the United States.

This bill was sponsored in the other body by Senator Mike Monroney.

It is unrealistic, Mr. Speaker, to expect a modern Vice President to fulfill his heavy around-the-clock responsibilities without the aid of an official Government residence. In past years, it may be granted, the responsibilities of the Vice President were not so great as to require such a residence. But recent trends steadily expanding the Vice President's role make the provision of an appropriate residence a necessity.

The Vice President is now truly our second in command and he should be provided with a residence befitting the new status of the office. The social functions, alone, now required of him, make it unreasonable to expect him to fulfill his duties in a private residence, which has limited space, insufficient staff, and is exhaustive of his private means.

I personally believe that it would be desirable to find a location for the Vice President's official residence convenient to both the White House and the Capitol. But I believe it would be unwise for the Congress to specify the location of the residence without a thorough study of all of the factors involved and all of the sites that are available.

My bill provides a sound, logical procedure for arriving at the selection of an official vice-presidential residence. It would create a three-man Commission, two of whose members would be outstanding private citizens, to survey the entire problem and recommend the most convenient and appropriate site. This Commission would make a complete analysis of the needs of the Vice President now and in the future and would, on the basis of this analysis, evaluate all of the sites and structures available. This would assure a choice that would be proper and fitting, rather than hasty and superficial.

As we recognize the need for an official residence for the Vice President, and I think every serious student of this matter must come to this conclusion, the creation of such a Commission is clearly indicated as the best way to assure a sound and lasting response to this need of our Nation's second ranking officer.

Mr. Speaker, I commend this course and this bill to the House.

REPRESENTATION IN CALIFORNIA

Mr. FARNUM. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Corman] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CORMAN. Mr. Speaker, two articles by Mr. Joseph Allan Beek, the secretary of the Senate of California, have recently been called to my attention. The articles, entitled "The California Federal Plan of Representation" and "Shall We Restore Government by the People?" were printed by the California Office of State Printing. I wish briefly to discuss them because I feel they touch on certain basic issues in the controversy over one man, one vote.

One of Mr. Beek's major contentions is that under California's old one-man, one-vote system of senatorial apportionment, the legislature was dominated by big city political machines. As a point of historical fact, this is simply not true. I wish to insert into the Record a summary of the California statutes of reapportionment of 1891, 1901, and 1911. They show clearly that at no time from 1891 to 1926 did the three heavily populated counties have control of either house of the legislature. That the heavily populated areas were themselves controlled by "machines" is questionable. That they dominated the legislature is impossible.

The summary follows:

Assembly—80 members; senate—40 members

(1891 Stats., p. 71)

	Assemblymen
Districts 28 to 45 (San Francisco)	18
Districts 46 to 51 (Alameda)	6
Districts 70 to 75 (Los Angeles; 70, 71, 72 all outside Los Angeles city)	6
	Senators
Districts 17 to 25 (San Francisco)	9
Districts 26 to 28 (Alameda)	3
Districts 36 to 38 (Los Angeles; 36 all, 38 largely outside Los Angeles city)	3

Assembly—80 members; senate—40 members—Continued

(1901 Stats., p. 535)

	Assemblymen
District 28 to 45 (San Francisco)	18
Districts 46 to 52 (Alameda)	7
Districts 67 to 75 (Los Angeles; 67 and 68 outside Los Angeles city)	9
	Senators
Districts 17 to 25 (San Francisco)	9
Districts 13 to 16 (Alameda)	4
Districts 34 to 38 (Los Angeles; 34 mainly, 35 all outside Los Angeles city)	5

(1911 Stats., p. 140)

	Assemblymen
Districts 21 to 33 (San Francisco)	13
Districts 34 to 41 (Alameda)	8
Districts 61 to 75 (Los Angeles; 62, 68, 69, 70 all outside Los Angeles city)	15
	Senators
Districts 18 to 24 (San Francisco)	7
Districts 13 to 16 (Alameda)	4
Districts 29 to 31, 33 to 38 (Los Angeles; 33 all, 34 and 35 partly outside Los Angeles city)	8

The assumption that a legislature which is controlled by rural areas is, in the words of Mr. Beek, "free from domination of selfish interests and responsive to popular will" is far from sound, as the history of California under the federal system clearly shows. Less than 20 years after the federal system was adopted in California, the lobbying and pressuring from private groups had become so prominent in the legislature that in 1949 a special session was called to deal with the problem.

The assumption that a legislature weighted in favor of certain geographic areas will be free from selfish interests is, of course, pure fantasy. In California, 28⅓ senators come from northern counties with a 1960 population of 6 million, and 11⅔ senators come from southern counties with a population of 9½ million. Thus, 60 percent of the population living in 50 percent of the area of the State has 30 percent representation in the Senate.

This imbalance has inevitably resulted in marked sectional preferences. For example, the 13 southern counties receive only 55 percent of the funds to be spent for the construction of State highways, although these counties contribute 63 percent of the gas revenue.

Another of Mr. Beek's contentions is:

> The people of Los Angeles County have been better served under the federal plan of representation than they were when the one-man, one-vote rule applied. That they realized this was indicated by the fact that on three of the five occasions this matter appeared on the ballot, the voters of that great county sustained the federal plan.

Mr. Beek's statement that the people of Los Angeles have supported the federal plan of apportionment is false. The original 1926 federal system plan was passed by initiative in an alliance of San Francisco with the rural areas of the State in an effort to overcome the growing strength of Los Angeles County. At this time, the voters of Los Angeles overwhelmingly rejected the proposal. Since 1926, the people of Los Angeles have been called upon four times to vote on proposals for reapportionment. Only once, when the reapportionment plan was highly discriminatory against Los

Angeles, did the voters reject a plan for more equitable representation of urban areas. The votes of Los Angeles County on reapportionment plans are as follows:

Los Angeles County vote

Year	Proposition No.	Yes	No
1926	20 (reapportionment commission-population)	195,300	79,253
	28 (so-called Federal plan)	103,155	158,543
1928	1 (to approve Federal plan reapportionment statute)	185,170	[1]334,680
1948	13 (labor plan to reapportion)	579,197	842,209
1960	15 (Bonelli plan to reapportion)	1,155,308	925,996
1962	23 (Bonelli plan to reapportion)	1,353,849	432,187

[1] "No" vote was against Federal plan.

Source: Los Angeles County Registrar of Voters.

Mr. Beek's argument that the urban areas have been better treated under the "Federal plan" than under one-man, one-vote strikes at the heart of the controversy over fair representation. California provides an excellent background for studying the relationship of urban and rural legislative factions, because of its unusual two-party structure. Unlike most States, the partisan registration throughout California is fairly uniform. Thus, the relationship of urban and rural areas is not complicated by party divisions.

With this clear separation of interests, it is easy to see a pattern of discrimination against certain urban and farm labor groups at the hands of the rural dominated senate. During the decade from 1935 to 1946, for example, assembly bills regulating wages, hours, and working conditions particularly of women, children, and farm laborers were killed by the senate. During the 1950's, a large number of assembly measures providing improved or expanded health and welfare measures were defeated in senate committees or on the senate floor. In the 1960's it has taken many long years to persuade the senate to agree to a program of water development that begins to meet the urgent needs of the southern part of the State.

It is true that except for the farm labor issue, the senate has approved much of benefit to urban groups. But far too often in California's recent history, it has been too little and too late. In a rapidly growing State like ours, we can no longer afford the luxury of having to wait years for watered-down versions of needed legislation.

SOMALI WALKS THE TIGHTROPE

Mr. FARNUM. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. CONYERS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CONYERS. Mr. Speaker, recently the Somali Republic celebrated its fifth anniversary of independence which I saluted in my remarks of July 1, 1965. This hot desert country perfumed by wild frankincense trees is the subject of an article which appeared in the Sunday, August 8, 1965, issue of the New York Times Magazine. Somali is following a policy of political rather than expressly economic development, and consequently is being courted by most of the world's major powers. United States-Somali Republic relations have traditionally been good, and we have given the country a great deal of economic and technical assistance. However, our efforts in Somali have recently been questioned on the grounds that we have given arms to its enemies while we gave Somali only grain.

The New York Times Magazine article which I am having inserted into the RECORD following my remarks explores both the internal and external problems of the Somali Republic. Its author stresses the fact that despite the cooling of United States-Somali relations, the 60 Peace Corps representatives who are working in the country nevertheless remained there and continued their amicable relations with the Government. I feel that this is a credit to the efficiency and effectiveness of such a program of foreign assistance.

Somali, like many of the other newly independent African nations, faces the challenge of walking a tightrope between two major ideological camps. Most of these countries want to develop in their own manner without undue pressure from either the East or the West. Yet, most of these countries are forced to accept vital aid from whatever source they can, and it therefore becomes increasingly difficult for them to maintain complete neutrality in foreign relations. Jeanne Contini's analysis of the problem is excellent in its scope and depth.

SOMALIA WALKS THE TIGHTROPE

(By Jeanne Contini)

Two trade winds and the pauses between establish the rhythm of seasons in Somalia. The November monsoon brings dust, drought, crises of nerves, blacks the tops of the casuarina trees along the Lido, blows the Arab dhows south to Dares-Salaam, drives nomads and their herds to seek the rare waterholes, and opens the hunting season as lions, elephants, antelope emerge to slake their thirst. The June monsoon brings relief, harvests of durra, evenings cool enough for light blankets, the reopening of school, blows the dhows back to the Persian Gulf, signals men and livestock to start the long trek home. Tangabili—Swahili for "between monsoons"—marks the pauses, heat with no wind to stir anything not obliged to move. If it is a good year, big Tangabili ends in rain, and you learn to be cheerful about the green mold on your shoes, the rust on your car, the leaks in your ceiling, because the bush turns a life-giving green.

The Somali Republic has just celebrated its fifth birthday. But the daily slow evaporation of time gives little indication of the dizzying propulsion of a race of warriors, mullahs and poets from pastoral tribal life into a 20th-century nation. A bas-relief depicting an expedition sent by Queen Hatshepsut to buy incense from the Land of Punt is probably the earliest pictorial record of the African horn, the East Coast spur thrust into the Arabian Sea. Like the frankincense tree that grows wild only in Somalia, the origins of the people are as mysterious as their power to survive in a wind-scorched biblical wilderness of sand, rock, and thorn.

No one is certain when the Somalis appeared on the horn or from where. Their own history in terms of jihads (religious wars), battles for grazing land or water rights, camel raids and reprisals, interwoven with legend, has been passed on in epic poems only now being systematically collected and set down. Each of the six main Somali tribes or clans traces its lineage to a noble Arab, and through these ancestors to the Prophet Mohammed, but today they consider themselves at least officially, part of the black African community.

For the Somalis, the only comparatively easy thing about independence was achieving it. The former Italian colony became a United Nations Trust Territory after World War II. Italy was assigned the job of preparing the groundwork for the new state, with the decade 1950–60 to do it in, the deadline being fixed by the General Assembly. Britain decided to grant independence to her Somaliland Protectorate in the north a few days before the Italians bowed out, and the two territories were joined on July 1, 1960, forming the Somali Republic.

The act of becoming a free nation was immediately followed by a monstrous tangle of problems. Some are common to all developing countries, like the humiliating reliance on foreign aid, and the need to adopt alien methods and standards in the race to force growth. Some are shared by other African states, such as the legacy of arbitrary colonial borders, though the Somali case is unique in many respects. Added to these are a whole set of difficulties arising from the character of the country and the Somalis themselves.

The Somali word for water is bio, similar to the Greek word for life. The coincidence is more than semantic, it is the literal truth. The 300,000 square miles comprising the Republic are mostly flat, scrub-covered savanna, watered by two shallow serpentine rivers—the Juba and the Webi Shebeli—and by sparse, erratic, rainfall. In the dry season, it looks yellow and hot orange, fissured by the hard clay banks of parched wadis. Yet one can see by the perennial green that borders the rivers and overlays the entire bush after rain that the soil is fertile. But the weather runs to extremes: in the past 5 years, the government has had to cope with unprecedented floods as well as severe droughts that three times brought the country to the brink of famine.

No important mineral resources have been unearthed, although traces of oil continue to hold out promise for the four companies (three American, one Italian) with drilling concessions. Somalia's ancient trade in ivory, incense, and the world's finest leopard pelts has been overtaken by livestock and bananas without adding up to a viable economy. The absence of potential natural wealth apparently discouraged investment by the former colonial powers in the infrastructure necessary for development. Everything has to be done from scratch, at astronomical cost, because of the primitive communications (only 375 miles of all-weather roads existed at the time of independence and no deepwater ports), not to speak of the rapid deterioration of all equipment due to the humid climate. Foreign technicians have run into novel hazards—giant cranes toppling into the sea, and new road surfaces being corroded by camel urine.

There has been no dearth of offers to help. The new white-starred blue national flag had hardly been hoisted when foreign missions and experts began pouring in from all sides. The United States, United Kingdom, United Arab Republic, U.S.S.R., U.N., and its specialized agencies, Italy, West Germany, Communist China, Czechoslovakia, the European Common Market were busy getting the show on the road according to their respective lights.

The capital city of Mogadiscio, a sleepy town of about 50,000, was shaken to its crumbling Moorish foundations. The shiny limousines of 21 embassies dodged camels, goats, fat-tailed sheep, donkeys, and trotting boys with whole tuna, bedsprings or stacks of chairs on their heads. The city urchins made a profitable business of watching cars on a trick or treat basis. Real estate boomed. A whole new suburb of startled luxury villas sprang up opposite a huddle of sapling-walled Somali dwellings. The view of the limpid Indian Ocean was screened by a solid procession of cement bathhouses leased to the various foreign missions and individuals of consequence. Italian, Arab, and Asian merchants restocked their shops, and found the Russians their best customers. A Chinese from Aden opened a restaurant serving the only porkless chow mein in East Africa.

Two essential services were unable to keep the new pace. The Somali signorinas at the telephone exchange preserved their nerves by interrupting or simply cutting off when the conversation went on too long. Everyone complained from Cabinet ministers on down. The 18th-century practice of sending messages by hand was revived. But there was no substitute for the single decrepit funeral black truck carrying fresh water.

The source of the water is 2½ miles beyond the city limits and it is sold to the poor from old gasoline cans clanking on the backs of small donkeys. The truck services all who can afford to have tanks on the roofs of their houses. When a new arrival asked how to secure regular delivery from the truck, he was told by a seasoned resident: "When you see it coming, lie down in the road and try to stop it."

This water is for cooking and is potable. Distilled water in demijohns and bottled mineral water are available for the finicky. An aqueduct pipes semibrackish water to the city's taps for washing, shaving, laundry, and house cleaning. Gardens with flowers or shrubs requiring fresh water are status symbols, maintained almost exclusively by embassy or oil company representative. Sinclair Oil and the U.S. AID compound (which has its own water truck) have the only lawns in town. A remarkable golf course was staked out in the bush beyond the city limits, all sandtraps and no greens, with camels and shepherd boys providing special obstacles.

The foreign experts of diverse backgrounds and ideologies all concluded that Samalia's hope of real economic independence lay in agriculture. The Italians had irrigated and cultivated flourishing banana plantations along the river banks. The crop was sold exclusively to Italy through a now defunct monopoly at a third higher than the world market price. With the passing of this phase, efforts have been initiated to diversify and spread out. The Soviets are trying wheat in the north, cotton and oil seeds on a huge state farm on the Juba.

A new U.S. agricultural center is planned at Afgoi on the Shebeli. West Germany and the European Common Market have built stretches of road through the plantations. And three exhaustive expensive surveys have been made of the potential dry farming belt between the rivers, first by the Italians, then by the United States, and currently by the U.N. Special Fund with the Food and Agricultural Organization. The American survey was part of a feasibility study that justified construction of an $8 million port for Chisimaio, at the Juba's mouth.

The reasoning behind all these undertakings is predicated on turning nomad herdsmen into farmers. In other words, what is wanted is a revolution in the structure and values of Somali society. Among the nomads who constitute about 70 percent of the population, fighting, leading family and livestock to fresh grazing areas, and piety and poetry are the traditional honorable male pursuits. They consider most forms of manual labor undignified. To call a man "you ironmonger" or "you shoemaker" is a deliberate insult punishable by law. Women do the daily chores. Tillers of the soil are close to the bottom of the social hierarchy. The settled riverine people who make up the present farm labor pool are either Bantu African or of mixed lineage, whose forefathers had been enslaved. Today, they are represented in the highest echelons of Government and in Parliament, but are still considered low caste, their daughters unsuitable matches.

Wealth and prestige have been represented by livestock, especially camels. In the north at the turn of the century, horses were prized as battle mounts but chiefly for status. The celebrated nationalist mullah and poet Sayid Mohammed Abdullah Hassan, who successfully fought the British for 20 years, erected a tomb not to his favorite wife but to his horse. It is the camel, however, that sustains life and resists the long treks between waterholes.

A diet of camel meat and milk, amplified when possible by a little grain, oil and sweet spiced tea, has bred a tall, lean, handsome race with great capacity for endurance. Somali camels transport everything except people—collapsible nomad huts, the few household effects, any sort of merchandise (including contraband). A man knows the soft individual clack of each camel bell in his herd, and will brave leopards and hyenas to search for a stray. Camels will buy him a wife, and compensate his clan if he is murdered. The payment of "diah," or blood-money, by one clan to another is calculated in camels: 100 for a man, 50 for a woman. The Somalis have even put a camel in heaven, whose neck is formed by the Southern Cross.

To settle down, a nomad must acquire a love of the land at least equal to that he bears his animals, without being made to feel déclassé. He must acquire a taste for more than the portable amenities that money can buy; he now invests in a rifle, a transistor radio (on which he follows political developments in the capital with the avidity of a baseball fan), a flashlight to ward off night marauding game, a wristwatch, new clothes, possibly a gold trinket for his wife, in that order. He must be taught to want education for his children beyond the learning of the Koran from a traveling sage. He will have to put his faith in doctors and hospitals rather than traditional cures such as cauterization of the skin covering an internal pain. A World Health Organization malaria-control team reported a setback for science when they returned to a remote village sprayed the previous year, and were assailed by a group of angry elders. It turned out that the insecticide had killed the mosquitoes but nourished and increased the bedbugs.

Settlement would help gradually to bring about detribalization. Somali tribes are rather like old Scottish clans who enjoy fighting among themselves but instantly close ranks against any threat from outside. The country's political leaders are extremely sensitive to the need for supplanting tribal or clan loyalties with national loyalties—so sensitive that the subject is taboo. In the north, a thousand miles from the seat of the government, tribal rivalries are freely discussed even with foreign friends, and a man's clan affiliation appears on records of court proceedings. In the south the euphemism "ethnic group" is used when absolutely unavoidable.

Truthfully, in spite of efforts to abolish nepotism and to bolster the resistance of public officeholders to clan pressure, the tribe or clan remains the bone and sinew of Somali life. The system can neither be ignored nor talked out of existence. As an executive of the leftwing Somali Democratic Union Party pointed out: "The tribe feeds me, supports me when I am sick or unemployed, and buries me. This will continue until some of the millions spent annually to secure the support of tribal chiefs is diverted for public welfare."

Internal politics are intelligible only in terms of the tribal power struggle behind the scenes. Somalia is one of the few young African States with a multiparty system, and no fewer than 18 parties participated in last year's first postindependence elections. Of these, only three have national status—the governing Somali Youth League (SYL), the Somali National Congress (SNC), and the Somali Democratic Union (SDU). As an avowedly leftist party, the SDU comes closest to having an ideology in the Western sense, and considers itself the leader of the formal opposition in the National Assembly. However, the real political battle is ethnic, regional, or personal, since all parties support the same fundamental foreign and domestic policies.

For example, it was the split within the SYL, rather than the rival parties, that made it impossible to form a government for 6 months after the party won a landslide at the polls. Prime Minister Abdirizak Haji Hussein was the storm center, having been asked to form a government over stiff opposition by the SYL, which supported the incumbent Dr. Abdirashid Ali Shermarke. Dissident SYL votes outnumbered those of the SNC and SDU, and the total defeated the Premier's first Cabinet last July.

The Prime Minister, regarded by his friends as a potential innovator and by his enemies as a potential tyrant, mended the party rift with the patience of a watchmaker, using the most traditional Somali method. He let the opposition talk itself to exhaustion. Somalis are genuine political democrats by long tradition. Clan questions are threshed out in the style of cracker-barrel meetings, where any adult male can express his opinion, and there are no hereditary chiefs. It is government by consensus at bush level. After 2½ months of day and night discussion, Premier Abdirizak got the maverick Parliament to back an unorthodox Cabinet that left out almost all the old guard political pros.

Like most of Somalia's public figures, the Premier joined the SYL while it was still an underground nationalist movement, in 1944, and held a variety of jobs. He was a post office clerk, a wireless operator, vice president of a bank, president of the local university institute, a deputy, and successively Minister of Interior and Minister of Public Works in the previous Shermarke government. He has the typical Somali tall, lean frame, dazzling smile, tough political acumen, and respect for the value of compromise. He works 18 hours a day, probably longer and harder than anyone else. Regardless of how effectively he may grapple with the domestic hydra, he will be judged by his compatriots on how he deals with the only issue that matters deeply to all of them: union.

The fact that not all Somalis were united at the time of independence is Somali's most serious dilemma. And it is one that may be laid legitimately at the door of colonialism. About one-third of the total population (estimated at 5 million) were left outside the Republic's frontiers in the Ogaden region of Ethiopia, the Northern Frontier District (N.F.D.) of Kenya, and French Somaliland. All Somalis from Djibouti to Garissa speak the same language, honor the same traditions, and worship facing Mecca. The boundaries dividing them were drawn by the European powers where no natural barriers exist, and are marked by lonely police posts sticking up out of the bush.

Their aspiration of union through peaceful means was written into the Republic's Constitution. However, border incidents never cease. The Government had been led to believe Britain would solve the N.F.D. problem prior to Kenya's independence. When it became clear that the United Kingdom intended to do nothing, the bitterly disillusioned Somalis broke diplomatic relations in March 1963.

To emphasize their isolation from the rest of Kenya, the N.F.D. Somali political parties issued a pamphlet stating among other things: "Our territory has always been regarded as a punishment station. Our only guests have been colonial officials, exiles, and political prisoners." (Kenyatta was interned there.) For the past 18 months, N.F.D. Somali secessionists have conducted hit-and-run raids on villages and police posts from the Republic side of the border. A young British fisherman captured in one of the raids was marched 100 miles into Somali, where he was rescued by the rural police, having acquired a fondness for his captors and a violent distaste for sheep ragout.

Last year, an irredentist movement in the Ogaden sparked a war engaging the military forces of both sides. The Somali insurgents were led by a henna-bearded giant, Muktal Dahir, who harassed Ethiopian troops for 9 months before things came to a head. He told me that although his men had no defense against tanks, they could easily take cover from aircraft. "The bush is perfectly suited to guerrilla warfare," he said. "We never stay longer than 2 days in the same place, and we are prepared to hold out indefinitely." What defeated him was the cease-fire imposed by the Organization of African Unity, which he was bound to respect for the sake of the Republic. It had been assumed, despite official denials, that the Somali Government was giving the rebels much more than moral support. Then the O.A.U. stepped in, urging a solution via bilateral talks. If Muktal had continued his resistance, the talks would never have taken place, irretrievably compromising the Government's nonbelligerent position.

A state of emergency now prevails on both the Kenyan and Ethiopian frontiers. By this time, everyone involved is frozen in formal public postures and cannot afford to give way, even if the desire to do so were there. Officially the republic requests that self-determination be granted her nationals living across the boundaries.

Foreigners never cease to marvel at the Somali passion to annex more barren acreage that could only compound the already staggering problems of development. Yet regardless of how irrational it might look from the outside, the passion is deep seated. Obviously the Somalis have not been assimilated by their neighbors. The republic's moderate President Aden Abdullah Osman explains: "If they were content to be Ethiopians or Kenyans we would have no problem. But when our brothers cannot tolerate living under foreign rule, how can we simply sit by and ignore their appeals for help?"

As a result, the goal of "Greater Somalia" sits like the Old Man of the Sea on the republic's shoulders, dominating foreign policy, complicating relations with the rest of the continent, unbalancing domestic policy, and retarding economic progress by sapping the national energies and resources.

Fellow members of the Organization of African Unity have been unsympathetic on the whole, primarily because so many feel vulnerable on the question of colonial borders. At last year's Cairo meeting the O.A.U. adopted, by a thumping majority, a resolution to maintain the status quo of borders as established at the time of each member's independence.

Having escaped bloodshed and long foreign exile for her leaders as a prelude to liberty, Somalia does not belong to the exclusive African "club" that includes Kenyatta, Emperor Haile Selassie, Nkrumah and Nyerere. The personal factor is so important in African politics that it probably would have helped in the present conflicts with Ethiopia and Kenya, had Somali statesmen shared the long-distance nationalist struggle carried on from Britain by their neighbors.

One consequence of the tension is the impossibility of initiating any form of economic cooperation with Ethiopia. The republic could give the Ethiopians additional access to the sea, while a T.V.A.-type river basin development project would greatly benefit both. But under present conditions, the fact that Somalia's two rivers have their sources in Ethiopia is a threat instead of a promise.

The sealing of the border is a severe hardship for the northern Somali nomads. For centuries, they have moved during the dry season to the wells and reservoirs of the Haud, now on the Ethiopian side. The nomads say: "We hold our camels, religion, and women sacred—in the dry season only religion can survive." So they keep trying at the risk of being shot by border patrols, since drought makes it a matter of life and death in any case.

The "Greater Somalia" issue has tempered the Republic's efforts to maintain the official policy of nonalinement. It is the key element in what looks like an eastward list. The potential menace of Ethiopian forces receiving $10 million annually in U.S. military aid made the buildup of the Somali Army seem indispensable. After 3 years of turning deaf ears to Somali appeals, in 1963 the United States made a joint offer with Italy and West Germany to equip 6,000 men and an engineer corps. This was considered a force scaled to proportions the limited national budget could sustain. The offer posed the condition that Somalia accept no military aid from other sources. It was turned down in favor of a Soviet proposal to equip an army of 20,000.

Kenya and Ethiopia reacted to the Soviet Arms deal with a mutual defense pact. While the Russian arms did not arrive in time to be used during the border strife, the American shells coming from the Ethiopian side left an indelible impression. The $38 million spent by the United States on Somali aid projects from 1954 to 1964 could not erase it. However, it is a tribute to the 60 Peace Corps volunteers teaching school in Somalia that when anti-American sentiments reached white heat, no one suggested they go home.

With the same military aid, the Soviets skillfully outmaneuvered the Communist Chinese after a short Sino-Somali honeymoon. According to the Chinese, the colonialists rudely interrupted a happy relationship with Somalia dating back to the Middle Ages. A medieval Chinese mariner is on record as having touched the shores of the horn, but he wrote in his log it wasn't worth the effort. The present Peiping regime took a different view.

Chinese prestige was highest in August 1963, when former Premier Shermarke returned from Peiping with a cash gift of $3 million to replace the former British contribution to the Somali budget plus a $20 million interest-free loan—the third largest Chinese aid program in Africa at the time, after Guinea and Algeria. Chou En-lai elected to wind up his 1964 African tour in Mogadiscio, where he first delivered his brisk, businesslike statement: "The prospects for revolution are excellent throughout Africa."

Nevertheless, the imposing three-story Chinese Embassy is to date the only concrete monument to the courtship. Not a penny of the credit has been spent, nor a single Chinese aid project started. No contribution to the budget was forthcoming for 1965. Attempts to find out why have been met with official silence.

By contrast, Soviet projects are forging ahead all over Somalia. They are always tangible, like a 50-kilocycle transmitter for Radio Mogadiscio, and a press that prints the English, Italian, and Arabic Government newspapers. They do not go in for expensive surveys whose value cannot be appreciated by the average citizen. The completion of Soviet projects is guaranteed by supplying the government with commercial products on credit, which are sold to meet local costs.

Naturally, they made mistakes in Somalia like everyone else. The Somalis are now aware that to operate the new Soviet meat cannery in Chisimaio at full capacity would quickly decimate the nation's livestock. Also the not yet completed Mogadiscio dairy is located too far from the cows. The first huge shipment of Soviet flour could not be properly warehoused, and mildewed in customs. It was forced on the city's bakers, who produced atrocious bread for weeks.

The U.S. aid geared to long-term economic needs has suffered by comparison with the number of operating Russian projects. Much of the American contribution has been spent on invisible surveys and training programs. At one stage, a former U.S.A.I.D. director exclaimed fervently, "I wish to God we were doing something above ground." Doubtless it made better economic sense to build the port at Chisimaio, but Americans on the spot would have been happier to see the port rising in Mogadiscio, which also needs one.

Apart from the East-West competition, Somalia's cultural and commercial bonds with the Arab world have forced the republic to a tightrope stance in the Middle East power struggle. The United Arab Republic has made determined efforts to bring Somalia into its orbit. While there are no major Egyptian aid projects, Nasser's views are carried to the remotest bush communities by 400 religious teachers. Somali army pilots made their first flights in two venerable Vampires, contributed by the United Arab Republic as part of a limited early military aid program. A number of officers have been trained in Cairo, as have several Somali political personalities. The Secretary General of the Somali Democratic Union, Haji Mohamed Hussein, spent some years in the capital, and the present Foreign Minister, Ahmed Yusuf Duale, holds a Cairo degree in journalism.

Somalia equates the friendship of foreign powers with support, direct or indirect, for union. Their undeviating pursuit of this aim shows that Somalis are more political than economic minded. It is pointless to give a people what they ought to want instead of what they want, if one hopes to be a significant influence. Instead of sweeping the problem of "Greater Somalia" under the rug, the republic's friends should search for a formula that would save face all around because that is the only kind of solution with a chance of enduring. Somalia's attitude toward the West, and the United States in particular, was shaped by an offer of military aid which was too little and too late.

During one of the recent independence celebrations, we stopped to listen to a poet chanting in the shadows of a narrow sand lane. The white moonlight illuminated a small Somali audience and a pair of drummers who provided a rhythmic accompaniment. Hearing us speak English, the poet interrupted his song and promptly improvised verses in Somali for the newcomers. After politely celebrating our ancestors and the greatness of America, he ended with, "Why does the spirit of friendship move you to give us grain, while you give arms to the Ethiopians?"

NEW SCHEME TO FEED COMMUNISTS

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, early this week the Chicago Tribune devoted articles to behind-the-scenes planning by the administration to subsidize the Soviet Union through a sale of surplus grain. This morning's Chicago Tribune carried an extensive editorial the importance of which cannot be minimized. Therefore, I ask leave to insert the following in the RECORD.

[From the Chicago Tribune, Aug. 12, 1965]

NEW SCHEME TO FEED COMMUNISTS

Officials of our State and Agriculture Departments are diligently promoting a new scheme to sell as much as a quarter of a billion dollars' worth of wheat to the Soviet Union and its European satellites. Incredible as it may seem, these officials are reported to be hoping that ultimately the deal will pave the way for selling American foodstuffs to Red China and Cuba.

The plan is to gain not only President Johnson's quick support for the sales, which shouldn't be difficult, but also his approval to modify shipping regulations designed specifically to benefit U.S. shipping and labor. A major goal is to persuade the President to overturn the late President Kennedy's rule requiring that half the grain sold to Communist countries be delivered in American-owned ships manned by American crews.

It was precisely this rule which provided one of the chief arguments of the Kennedy administration to put over the controversial wheat deal with the Russians late in 1963. It was also one of the reasons why that deal did not prove to be as big as the administration had hoped. American seamen get higher wages than foreign seamen, which means that costs of shipping in American vessels are substantially higher. Partly because of that, the Russians bought only about $140 million worth of wheat from us, instead of the $250 million worth we had hoped to sell them.

The maritime strike, which has been underway several weeks on the east and gulf coasts, makes largely academic any current discussion of the effects on the shipping industry of the proposed new grain deal. It is fairly certain, however, that the Russians would transport their wheat in foreign vessels, if given a choice, which means our shipping industry would receive little benefit.

It is well to recall that much of the wheat and other grain our Government proposes to sell to the Communists has been bought and paid for by the American taxpayer under the farm subsidy program. Still on the books is the so-called Latta amendment to the Agricultural Act of 1961, aimed at discouraging exports of subsidized farm commodities to Communist countries. Though not a legal ban on such exports, it nevertheless was a policy statement declaring it to be the sense of Congress that foodstuffs produced and bought by the Government with the aid of tax moneys should be exported only to friendly countries.

If the sale is approved, we will be selling wheat to Communists at 75 cents a bushel less than American flour millers have to pay for it. And if Congress authorizes the administration's new wheat program, the Communists next year will be able to buy our wheat at $1.25 a bushel less than it is sold for food in this country. In other words, the administration proposes to sell our wheat to Communists at the low world price, while at the same time it is asking Congress to boost the price of domestic wheat for food to double the world price—which means American consumers would have to pay higher prices for wheat foods—for example, 2 cents a loaf more for bread.

Moreover, we are beginning to hear that inasmuch as our grain sales to Russia simply free Russian grain for export to Red China and Cuba, we might as well get in on this trade directly. Not mentioned is the argument that if we did not sell grain to Russia, it would have less grain to supply Red China and Cuba. And if we sell to Red China, why not ship food directly to North Vietnam, even though it is directing a war against us and killing Americans in South Vietnam.

Although grain is not usually classified as strategic material in the sense of arms and ammunition, it certainly becomes strategic when our enemies are hungry and can't feed themselves. Before President Johnson approves this scheme, he owes it to the American public to explain how feeding Communists anywhere is in the national interest.

FOOD AND AGRICULTURE ACT OF 1965

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. DENT] is recognized for 30 minutes.

Mr. DENT. Mr. Speaker, I take this time of the House to discuss a matter that will shortly come before us. I am speaking of H.R. 9811—the Food and Agriculture Act of 1965. I intend to address myself to title V of the bill, and specifically to the wheat marketing allocation program contained therein. I also intend to affirm my position regarding the effects the legislation will have on wheat—from the farm to the breadbasket. I have heard the anticipated effects referred to as a bread tax, spaghetti tax, macaroni tax, and almost everything except what it really is. In view of the extraordinary number of releases—some factual and some purely propagandistic and replete with hidden half truths—it is time some of us presented personal views based upon what we read, what we hear, and what we ultimately decide.

Mr. Speaker, as the bill is now written it can only be one of two things: an excise tax on the wheat producer, which according to the Secretary of Agriculture he can absorb, or a consumer tax, since ultimately all taxes in one form or another are passed on to the consumer—in this case, to the family dinner table.

Mr. Speaker, we are being tied to an old-fashioned red herring effort with all the wornout cliches used since time immemorial to hide the real issue in a campaign of any kind. I was astounded to read that the power trust of old has been displaced by the bread trust of today, and that the old scapegoat of the Wall Street banker rears its head simply because a single banker has for some reason or another decided to condemn the tax. We also find too, that the Madison Avenue boys are directing the campaign against this tax and they somehow are going to make it look like a tax on the American housewives' breadbasket.

The fact of the matter is, the bill itself makes it a tax on her breadbasket without the assistance of Madison Avenue.

Personally, I have not met the Madison Avenue crowd and I have not seen any gray flannel suits lately. What I have seen though, is the success of the excise tax reduction bill and the removal of $625 million in excise taxes from radios, sporting goods—except fishing of course—musical instruments, cameras, playing cards, furs, jewelry, and so on. I am now asked, however, to place the burden of approximately $625 million—which the new food tax will cost—directly upon the people I just told I was relieving.

Though I readily admit that playing cards, fur coats, cosmetics, and so on, are items that fit into a better way of life in our great society, I still cannot in good conscience accept the responsibility of taking the tax off of these items and placing it on bread, spaghetti, or anything made from wheat, without getting the feeling that I am stealing from Peter to pay Paul.

Mr. Speaker, let us look at title V of the bill. We find that it proposes raising the marketing certificate tax on the wheat provision for wheat contained in food products from 75 cents for the 1965 crop year to at least $1.25. That certificate cost of $1.25, plus a loan rate of $1.25, would, under this measure of certificate liability adopted by the Secretary of Agriculture, result in a wheat cost to the miller of at least $2.50 per bushel.

What would $2.50 mean in the way of increased cost to the American housewife, and particularly bread consumers who account for by far the largest part of domestic wheat consumption?

To answer that question we must go back to 1963, the last year before the certificate program imposed its tax on wheat processors. Prior to that time the program was financed from general Treasury revenues. The loan level for the 1967 crop year was $1.82 per bushel. During 1963, the average retail price per pound loaf of white bread was 20.7 cents.

Congress provided in the Agricultural Act of 1964 for the certification program beginning with the 1964 crop year. The loan level was set at $1.30, and the Secretary has collected 70 cents per bushel of wheat processed, making a minimum cost of about $2 to the miller. The price of bread, however, according to the Department of Agriculture's statistics, remained at 20.7 cents. The increased wheat prices were absorbed by the milling and baking industries through a set of circumstances not likely to recur.

Now, the Secretary proposes to increase the minimum cost of wheat to $2.50. That would mean a 68-cent increase in the price of wheat over 1963. A 68-cent increase in the cost of a bushel of wheat is a $1.60 increase per hundredweight of flour. Roughly, 100 pounds of flour will produce 150 pounds of bread. Thus, this increases the cost of the flour in a 1 pound loaf of bread by more than 1 cent. In many markets, the leading loaf is 1¼ or 1½ pounds, and the added costs would be proportionately higher for these larger loaves.

Secretary Freeman testified on the bill and said the result would be a 0.7-cent increase in the cost of a pound loaf of bread. The executive message, however, on H.R. 7097—the original bill—states that the proposal would "increase the cost of a loaf of bread by little more than 1 cent." This is a more reasonable estimate.

To the direct flour cost increase of more than 1 cent there must be added an additional charge for all costs which increase automatically when the selling price of bread increases, such as salesmen's commissions, and so on. It must be further understood that bread is sold in multiples of 1 cent only.

The housewife pays 21 cents, not 20.7 cents—the average cost. Finally, the retailer's markup must be added. With these increases, the housewife will pay at the retail level an additional 2 cents for a pound loaf of bread as a result of this program alone, and 2 cents on a 21 cent item is nearly 10 percent.

Mr. Speaker, I would now like to quote from the testimony of the Wheat Users Committee before the Senate Committee on Agriculture and Forestry. It is particularly adept in its analysis of this tax:

> One of the basic purposes of this legislation is to increase the income of wheat growers by $150 million. To tax the consumer $400 million to raise $150 million seems incomprehensible, and certainly not a very efficient way to raise the money.
>
> Not only is it inefficient, it shifts the heaviest burden of the cost of this subsidy to low-income groups. Bread and other wheat food products are staples which play an important role in the nutrition of low-income groups. Such groups consume relatively more bread and other wheat food products than do higher income groups, and their expenditures for wheat food products therefore are higher, both absolutely and as a percentage of total expenditures. The Office of Economic Opportunity recently announced that there are some 35 million poor in this country who have 23 cents or less per meal to spend—50 million who have 30 cents or less per meal to spend. For these people, every penny counts.
>
> There has been a leveling off of the downward trend in the per capita consumption of wheat during the past 5 years, but there has been a stability of bread prices to the consumer during that same period. In our opinion, a 10-percent increase in bread prices would start again this downward trend and would further aggravate the basic wheat problem.
>
> It has been suggested that industry would not be justified in passing on the proposed 25 percent increase in the price of wheat, but rather absorb it. I am not here to seek your sympathy, but I would like to point out a few facts on profits in the milling and baking industry. In the milling industry, profits on sales average between 1 and 2 percent—and on the low side in that range. Indicative of the problems facing the milling industry, the Nation's largest miller recently closed down permanently about one-half of its milling capacity. Nor is the picture any brighter for bakers. Profits of six leading baking companies averaged 1.2 percent on sales in 1963—and 1964 was no better. This represents a reduction in profit on sales for these same companies from 4.1 percent in the 1947-49 period.
>
> Nor can these earnings be related to the traditionally low profit factor in the retailing field. The baking and milling industries manufacture products which require large capital investments in plant and equipment. Our profits should properly be compared with manufacturers as a whole, where the average return on sales is about 5 percent.
>
> I would also like to point out that our committee represents more than 300,000 working people whose jobs depend upon the health of the baking, milling, and other wheat-processing industries. They have all indicated that they favor the war on poverty, but they have also indicated that they would like to be the fighters and not the victims of this war. I might add that they are also confused by this whole program. When the tax is removed from furs, jewelry, and other luxury items and is shifted over to bread, they don't know quite what to make of the entire program; and, frankly, I am just as confused as they are.

Mr. Speaker, the whole philosophy behind guarantees for farm producers started long before my time and was based upon a theory of the full granery concept, by piling up in times of good production for the lean years of bad production. It was next modified from this very narrow base of product need itself, to the needs of the producer by attempting to guarantee the farmer a rate on his production in line with the income rate of industrial workers and other contributors to the economy. We have tried many devices to make this latter position a firm one but of all the devices, this direct tax on the processor and ultimately the consumer is by far the worst.

Mr. Speaker, low farm prices are not the fault of the consumer, who consumes more and pays more than ever. The blame instead rests with an agricultural system which produces surpluses at a very high overhead. The farmers' problem is the combination of low prices and high production expenses. And the high productivity of the farmer is the result of mechanization which has driven the expense of farming up and up.

In the pre-World War II era, when farm production almost matched consumption, farms were largely self-sufficient. The farmer fed himself. Home-bred animals, fed on home-grown pasture and grain, powered his few pieces of simple machinery. The cash crop was small and so were out-of-pocket costs.

Now his power comes from an electric line and a gasoline tank, accompanied by monthly bills. He needs larger, complicated equipment—expensive to buy, operate, and maintain. Furthermore, the Government limits his acreage, so that he must produce as much as possible on every acre he is allotted. To gain this productivity, he must buy top-price seed, fertilizer, insecticide, and herbicide.

A whole profitable complex of industries has developed to provide the farmer with the means of achieving this increased productivity. This individual complex, under the marketing certificate program, does not share in paying the subsidy to the farmer it profits from. If the subsidy were paid with tax money from the Treasury, farm-related industries would bear the same share that other taxpayers would. But no, under the bill to come before us, the share falls more heavily on the consumer; the same consumer who is not responsible for the low farm prices.

Mr. Speaker, the bill's proponents say this is a tax of only part of the wheat subsidy because the total subsidy is $625 million and the consumer tax is only $150 million. Of course, this is the foot-in-the-door approach, for if putting one-fourth of the tax on the consumer is logical, apparently it follows that not to put the whole subsidy on the consumer is illogical. We are also told this will save the taxpayer approximately $150 to $200 million. This, of course, assumes that bread buyers are not taxpayers.

In truth, have not we really placed the burden of maintaining the wheat grower's economy on the shoulders of the wheat users? Why then do we not insist that the same burden be placed upon the users of other subsidized products—such as cotton, peanuts, and tobacco?

The main thought we must keep in mind in this situation is that if part of the wheat subsidy support program can be transferred from the Treasury to the shoulders of the consumer, it is just as sound and logical for all of the load of the wheat program to be placed on the same shoulders; and if this is sound and logical for wheat, why then not for other subsidy programs? We would then be in the same position in agriculture as we are in industry, where there is no doubt about industry passing the cost of production on to the consumer.

Mr. Speaker, I was surprised to read a letter from the President's Committee on Consumer Interests, written by Mrs. Esther Peterson, for whom I have the greatest admiration. I wish to quote the letter in part at this time:

> Thank you for your letter expressing concern about what the administration's farm bill might do to prices of wheat products. We in this office share your concern and have given the matter considerable thought. We have been receiving a substantial number of comments similar to yours and have notified the President of their general tenor.
>
> As you know, we are not experts in this field. As a result, we have sought information from competent authorities both in and out of the Government in order to determine just how this bill might affect consumers.
>
> We are aware of the widely publicized predictions that this program will raise the price of bread and wheat products. It is true that the cost of wheat per 1-pound loaf would rise about seven-tenths of a cent. We also realize that any further increase in the price of such a staple product would be unwelcome, especially by those finding it difficult to live within their incomes. Based on average consumption of all wheat products, the higher cost would be equivalent to 1.6 cents a week or 83 cents a year per person.
>
> It is often forgotten that the bill would also save the Government approximately $150 million with the elimination of Federal supports for wheat exports. This money can be used to double the food stamp program and expand surplus distribution and school lunch plans, all for the benefit of low-income people.

Mrs. Peterson's own words destroy any vestige of logical reasoning in favor of this tax bill.

One wonders whether the Congress is being served or people considered when agencies set up to protect the public against gouging by private enterprise look the other way when the public sector raises the cost of living. It seems rather strange that a 29-cent loaf of bread—1½ pound loaf, sandwich type—will be raised to 32 cents and we find the protectors of our consumer dollar not excited about this 10-percent increase in the cost of bread to the housewife.

To say that the flour mills or the bakers can or will absorb this $150 million tax is without foundation both historically and economically. If this is true then why not force the auto maker to absorb the manufacturer's excise tax which is automatically passed on to the consumer? Excise or manufacturer's taxes are a part of the cost of any product and the consumer always pays.

Now I know Mrs. Peterson did not intend to create the impression that she was dealing in double talk, but it takes more than a quick reading of her letter to convince yourself that is is not double talk.

First of all, I might say that if the Committee on Consumers Interest professes not to be experts in the cost of the basic food items such as bread and flour products, regardless of where the cost comes from, then I would suggest that we take another look at the releases we get from the Consumer Committee.

I can well remember the howl that went up in certain areas because some consumer items were intended to be increased by a labor agreement in an amount far less percentagewise than the cost of bread under this bill.

Without attempting to be sardonic, one could easily say, that regardless of how you slice this bread legislation, it ends up a tax; either excise without a direct passing on to the consumer, or a 10 percent excise passed directly on to the consumer.

Mr. Speaker, the American taxpayer pays the farmer a price to guarantee him the cost of production on all the wheat he grows; but he sells his wheat to two separate customers at two different prices. He sells the American housewife bread flour for $2.50 a bushel and sells wheat of same grade and quality to the foreign housewife for $1.25 a bushel.

It is not a question of the intention or willingness of the American housewife to pay the farmer for his expended labor in her behalf, but whether or not it is fair, logical, or reasonable for her to pay for services and goods received by another person.

We have had and will continue to have farm subsidies. They have been paid by the whole economy. This was considered proper since all the community benefits from the subsidies paid to farmers. The benefits are not the exclusive property of any group and especially not the final user—in this case, the housewife.

What is this tax? Why is it before this Congress? The answers can be found in the export-import policies of this and other nations. The answers can be found in the growth of our surplus in farm products under a subsidy program that does not differentiate between the small family farmer and the large corporate-type farmer, whose income is in the millions of dollars. The answers can be found in the strength of the cotton and textile bloc, the tobacco bloc, and the peanut bloc as against the unorganized bread buyer, the housewife, the family farmer of the eastern so-called industrial States; and above all, the prevailing idea among Congressmen that farm problems only affect farm districts.

The answers are available and it takes only a little effort and a little commonsense to figure them out.

For instance, we are told that "It is only fair for the bread user to pay the underpaid farmer for his wheat at a cost of production." To this I say amen. I want to pay the farmer for the wheat my family uses. But, and this is the point that hits the bread user the hardest, I do not want to pay a price for the wheat my family uses so that the large corporate wheatgrower can sell his surplus wheat overseas at a price one-half of that charged to my family.

Mr. Speaker, it is not the needy little farmer who will be the beneficiary of this tax. The fact is that 85 percent of the farmers in America receive only 25 percent of the subsidy, while 15 percent receive the remaining 75 percent.

Mr. Speaker, there is much that is wrong with this bill. This concept of placing a support tax on a given group is unreasonable, economically unsound, and just bad commonsense.

Agriculture to some Members has come to mean only cotton, tobacco, and peanuts. The wheat processors fighting this allocation are few in number, and they really cannot make or break an election. On the other hand, many are quick to respond to the wishes of the cotton people or the tobacco people.

Mr. Speaker, I would like to note the testimony of Dr. Leon Keyserling before the Senate committee on June 18. Mr. Keyserling and I do not always agree, and we are especially distant on our trade theories. Nevertheless, Mr. Keyserling does sum up this situation rather well:

> It is a sad commentary that, at the very outset of a nationwide "war against poverty," the current legislation attempts to "save" a few hundred million dollars in the Federal budget (which might be collected through progressive taxation and easily directed toward improved farm income) by imposing taxes upon the bread and rice which loom large in the diets of poor families, even while we are removing the excise taxes on many luxuries such as furs and jewelry.

Mr. Speaker, the arguments against this wheat proposal are sound and endless. I trust the House will not permit such an inequity to be ratified. I am certain when the impact of the proposal becomes obvious, it will be resounding in defeat.

PROTECTION FOR AMERICA'S INTERNATIONAL TRAVELERS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. WOLFF] is recognized for 30 minutes.

Mr. WOLFF. Mr. Speaker, I feel constrained to speak against the perpetration of a major fraud on the American public.

This fraud is best illustrated by the following example:

Mark and Jane Rabb are married and have four children ranging in age from 6 to 14. They live in a moderate home, and Mark is a junior executive with the strong probability of advancement. They are about to go on their first extended vacation in 7 years—2 weeks in the Virgin Islands and Bermuda. By much planning in advance, a babysitter has been obtained for their children.

The Rabbs have secured passage on flight No. 814—this illustration applies equally whether the airline be an American or foreign airline—and take off into the wild blue yonder, bound first for Bermuda. Nearing destination the pilot sets the plane into its approach pattern—miscalculating, this is the first command flight for the pilot, the plane comes down 500 yards before the beginning of the runway.

A shattering and shrieking noise, a billowing of flame and the tragic trip of flight No. 814 is ended. Mark Rabb perished in the accident and Jane suffered burns covering 35 percent of her body and deafness in one ear.

The airline readily admits its negligence as the cause of the accident.

Two suits by the Rabbs and their next of kin are brought against the airline:

First. Claiming support and damages for the loss of their father, the four Rabb children bring suit.

Second. Mrs. Rabb claiming medical expenses of over $75,000, her initial stay in the hospital for 4 months and sundry medical expenses to keep her alive. Medical damages include medical attention needed for the rest of her life, as she is an invalid. Damages are also claimed for the loss of her husband and provider.

Since Mark was earning $15,000 per year and died at the age of 34 the support of the four children and their education can be conservatively estimated at $150,000. Jane Rabb already has incurred medical expenses of $55,000 and her future medical costs should be another $25,000 at a minimum. She has been disfigured, scarred, and deafened in one ear; she will be an invalid and in constant pain for the rest of her life. She will not have the support nor the companionship of her now deceased husband, Mark.

At a minimum, these cases have a pecuniary loss to the Rabbs of at least $250,000.

Mr. Speaker, I ask you again to remember that the airline—American or foreign—has admitted negligence and will in no way contest this conclusion.

The Rabb cases are settled—each one for the paltry sum of $8,300—a grand toal of $16,660—a sum that will not even cover the medical expenses already incurred by Jane Rabb.

The settlement is ridiculous, but according to international treaty that $8,300 per case is the full liability of the airline. Unfortunately, the Rabbs have taken a flight out of the United States, and are, therefore, subject to the Warsaw Convention. It is this Convention which will reduce the Rabb children to outright pauperism and will deny them a home and schooling. It will deny Jane money for her medical expenses and put her into a public hospital ward for life.

In a nutshell, the Warsaw Treaty has the following effects: When an American is killed, maimed, or injured in an international flight, whether the airline be American or foreign, even though the airline admits negligence, the maximum amount recoverable is $8,300. There is even a unique twist to this hideous treaty. The treaty also applies to domestic flights within the United States when the flight is part of an overall international flight. Let me explain with an illustration.

Suppose the Rabbs live in Los Angeles and decided to vacation in Bermuda. They board a flight in Los Angeles to New York—on an American or foreign airline, for this example, let us say United Airlines—with the intention to fly from New York to Bermuda on a different flight and airline, that is BOAC. If that United Airlines plane went down during the flight to New York, the Rabbs would be subject to the Warsaw liability limit of $8,300; while other passengers who were merely taking the cross-country flight would have full liability rights against United Airlines.

The next question occurs—are the Rabbs only part of a small group who have stumbled into an inconsistency in the law or been trapped by some other evil? Mr. Speaker, the answer is startling. Sixty percent of all international flying travel in the world is done by Americans. Mr. Speaker, there are actually millions of Americans, whether for business or pleasure, who are flying in international travel.

A little over 30 years ago, the United States signed the Warsaw Pact. It was signed with the intention of keeping the liability of airlines low, for at that time, one major accident and an airline would have been out of business because of the resulting liabilities. Today we have airlines that are financially strong and accruing fantastic profits in the international trade. PAA and TWA each had profits of over $35 million last year. In fact, all American domestic airlines—except when the unique twist applies—are subject to full liability. The time has come to eliminate this preferential treatment to the big airlines and give the passengers a break.

Why has this treaty come to my attention? The answer is simple. The international airline companies, American and foreign—remember that many foreign airlines are either owned or subsidized by their government—realize that a change is needed or they will kill the goose that laid the golden egg. They are now, therefore, seeking to change the Warsaw Convention.

What has been proposed is the Hague Protocol, and there is now enormous pressure on the Senate to ratify this protocol.

What exactly is the Hague Protocol and how will it alter the horrible results of the Warsaw Convention? In one sweeping magnaminous gesture the Hague Protocol will double airline liability. This sounds wonderful, but a closer listen results in a cacophonous thunder. Liability will be $16,600 per passenger. So again we will be stuck at an arbitrary, impractical, and ridiculously low amount. This amount of money would not have even covered Jane Rabb's already incurred medical expenses. To compound the repugnant results of the protocol, other equally bad provisions are included.

Under the Warsaw Convention the limited liability of $8,300 can sometimes be eliminated and full responsibility for their negligent actions can be placed on the airline. This result is achieved if if the passenger or his heirs can prove that the accident was caused by "willful misconduct." The courts in recent cases have construed "willful misconduct" as an act done with the intent to cause damage or recklessly with disregard of the probable consequences. The Hague Protocol changes this exception by declaring limited liability applies only when the negligent act was done "with the intent to cause damage or recklessly and with the knowledge that damage would probably result."

As a practical matter under Hague one can never get around the liability limits—for willful negligence in Hague terms could never be proven. At least under Warsaw there is a small possibility to prove willful negligence and because the courts are beginning to seek ways around Warsaw, the airlines are thus willing to settle out of court for sums higher than Warsaw or even Hague. With the unfair criteria now in Hague, the airlines will never have to settle at higher than the Hague limitation of $16,600.

The Warsaw Convention and Hague Protocol are so unpalatable that the State Department, which is pushing for ratification of Hague, has decided to give us a bit of honey. I will explain what this honey is and point out its sweet taste is purely illusory. The State Department plan is to require all American-flag airlines to purchase $50,000 worth of life insurance on all passengers who fly with them in international flights. It is hoped and I believe will accomplish the purpose of forcing all foreign airlines to offer the same insurance to stay in competition. The foreign airlines are aware, as mentioned previously, that the United States-to-Europe run is the most profitable, and 60 percent of international air travelers are Americans; therefore, the foreign airlines will do mostly anything to retain their large share of this lucrative market. International flight includes trips from one country to another so whenever a European leaves his country to fly to another, it is an international flight. The United States-to-Europe run and back is nearly exclusively made by poor, unsuspecting American citizens.

Now let us check into this insurance program. Under it Jane Rabb and her children would have been able to collect a total of $133,200 for her husband's death and also her own medical and support damages. This total would be made up of $33,200 for Hague liability and $100,000 of insurance. If we split this total in half—one-half for the children, $76,000, and the other half for Jane Rabb we find both these sums inadequate to meet the respective damages.

I submit that this insurance program although affording more protection to the passenger still prevents the passenger from obtaining his day in court or an out-of-court settlement to be remunerated for his actual damages. Equally incongruous, this artificial figure will overcompensate in some cases. If the entire Rabb family was on the plane and all had perished, some distant relative would receive a bonanza of money without damages or needs being justified; yet if some members of the Rabb family survived, their remunerations would be woefully short of damages suffered.

There is also another factor to be considered. Every few years the world is shocked to learn of a criminal action whereby some person places a bomb aboard a plane and takes out high insurance coverage on either himself or a victim he places on the plane. Under existing law, when this is proven, the guilty party is denied his insurance claim, but the criminal act and its tragic consequences are past tense. The FBI tries to determine who the culprit is by following its major clue—the amounts of life insurance on the passengers. So far they have been successful in most cases, and the individual seeking to gain is prevented from doing so. The efficiency of the FBI, using their major clue, probably prevents other insane people from attempting similar infamous acts.

With the insurance plan, automatic $66,600 recovery, those who would sabotage planes will not need to place additional insurance on themselves or their victims, thus giving themselves away. Although $66,600 is a low amount for loss of a loved one, and support from a loved one, it is not a paltry sum to the criminal mind. This is witnessed by several cases and one in particular. Several years ago, a Mr. Graham put his mother and a bomb on a plane and blew up 44 people over Colorado for the sum of $37,500.

Mr. Speaker, there is further danger because all passengers on American planes will be insured with the $50,000. Suppose one of the flights picks up passengers from a poverty stricken area of the world, as an example American planes fly to Singapore, Portugal, Latin America, and so forth. A resident of this area saves his money and places a relative, a friend, or in dire circumstances, even himself on the plane. The plane goes down and there are no clues to who the culprit is. This could become a profitable business.

What I find particularly galling is that international airlines—and their respective governments—for a very small amount of money can prevent all these inequities and bear the same liabilities as American domestic airlines. The Civil Aeronautics Board has researched this area. If we withdraw from the Warsaw Convention, the international airlines will secure insurance to cover their liability. The cost will be 18 cents per 1,000 miles or an increase of 62 cents on the fare between New York and London. Can you imagine this—for a meager 62 cents, this problem can be obviated. When we look at the costs involved, for protection, we can see the overriding greed of the airlines.

The following chart is supplied by the Civil Aeronautics Board:

Insurance cost as a percentage of fare—cost for all airlines, American and foreign

Atlantic:	
First class	$0.24
Economy	.45

Insurance cost as a percentage of fare—cost for all airlines, American and foreign—Con.

Pacific:	
First class	.33
Tourist	.47
Latin America:	
First class	.33
Tourist	.42

The average passenger insurance cost per revenue mile for the 10-year period of 1950-60 incurred by U.S. flag carriers was 0.026 cents—about 2½ cents per mile or an average of one-third of 1 percent of the fare paid.

Those people who would jeopardize the future security of Americans in international flight, in case of a negligent accident, can supply unlimited liability for their own faults, on an around the world trip—25,000 miles times 18 cents per 1,000 miles—for $4.50. Instead they choose to soak the American public for every dime possible, why should this country aid their cause by ratifying the Hague Protocol?

Those who claim we should ratify the Protocol and the Warsaw Convention offer these arguments.

The treaty provides for uniformity. This is ridiculous. Uniformity can and is secured by other means. First of all a majority of the countries of the world belong to IATA, in fact, IATA is employed to set the rates for all the airlines. If need be, we can keep the Warsaw convention and just exclude the liability limits.

Nullification of the treaty does not make the American sue in a foreign court, with foreign laws and procedures. This is an unfair claim for the lawyers testifying at the hearings on the protocol conclusively proved that Americans will be able to sue in American courts and utilize American laws.

Under Warsaw and the protocol, the passenger gets his $8,300 or $16,600 automatically, without sustaining a burden of proof; and, if he had to sue, this automatic recovery would be in jeopardy.

In jeopardy? Yes, but how much? Actually very little. The courts have accepted the doctrine of Res-ipsa logitur—the things speaks for itself—with regard to airline accident cases. This places the burden on the airline to prove it was not negligent, a very difficult position for the airline. In most cases, therefore, the airline would settle the case. The American public is well protected by American law and its interests will be protected without this hollow gesture by the airlines.

Mr. Speaker, in adding up the good and bad, I believe that the bad of the Warsaw Convention and Hague Protocol decidedly overwhelm the good. For this reason, I am asking the House of Representatives to set a precedent, a resolution to express the sense of Congress that the United States should not ratify a treaty, specifically the Hague Protocol. I also ask that we be released from the Warsaw Convention with respect to its liability limits.

I would beg all the Members to join me in this action.

PROTECTION FOR AMERICA'S INTERNATIONAL TRAVELERS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. TENZER] is recognized for 15 minutes.

Mr. TENZER. Mr. Speaker, I rise to praise my colleague from New York [Mr. WOLFF] for his clear and concise presentation of a complex and inequitable situation which deprives millions of Americans who fly in international travel of the protection—both legal and moral—to which they are entitled. My colleague from Long Island has rendered a service to all Americans by his opposition to ratification of the Hague Protocol and those provisions of the Warsaw Convention which limit the liability of international air carriers to passengers on flights covered by the Convention.

Mr. Speaker, I also rise to add my own voice, as a Member of the House and as a practicing attorney for more than 36 years, in opposition to the ratification of the Hague Protocol and the Warsaw Convention. I believe that the treaty in question is outdated and Congress should act now to protect the rights of Americans, to recover reasonable damages resulting from accidents in international travel.

Mr. Speaker, I am pleased to sponsor a resolution which expresses the sense of the House of Representatives that the Hague Protocol to the Warsaw Convention should not be ratified and further, that the United States should not adhere to any provision of the Warsaw Convention which limits the liability of international air carriers to passengers on flights covered by the Convention. The withdrawal by the United States from this treaty will assist American passengers who may be injured in future airline accidents and will afford necessary protection to the estates and beneficiaries of those Americans who may be fatal victims of these tragic accidents.

Our Nation stands as leader of the free world because we have committed ourselves to the protection of the individual, his constitutionally guaranteed freedoms, his rights, and his pursuit of happiness. By withdrawing from participation in the Warsaw Convention, we will be in effect restating our determination to protect individual rights and we will be acting in accord with basic principles of our Nation. The principles of justice, when balanced against our international relations, tip the scales in favor of withdrawal by the United States from the Warsaw Convention and rejection of the Hague Protocol.

The New York County Lawyers' Association, the largest local bar association in the world, with over 10,000 members, has studied this question in depth. I am proud to serve as a director of this association, and I believe my colleagues will find the following resolution adopted by the association of interest. The resolution is set forth in the body of the following letter dated December 12, 1961, from Francis S. Bensel, Esq., then president of the Association to the Federal Aviation Agency:

NEW YORK COUNTY LAWYERS'
ASSOCIATION,
New York, N.Y., December 12, 1961.

Mr. W. C. HANNEMANN,
Staff Officer, Inter-Agency Group on International Aviation Federal Aviation Agency, Washington, D.C.

DEAR MR. HANNEMANN: In response to your letter of September 22, 1961, requesting the views of our association with respect to the participation by the United States in the Warsaw Convention, please be advised that at a meeting held yesterday, December 11, our board of directors, after due deliberation and consideration, adopted the following resolution:

"*Resolved*, That the New York County Lawyers' Association hereby recommends that the United States of America should withdraw from participation in the Warsaw Convention (Convention for the Unification of Certain Rules Relating to International Transportation by Air), and further recommends that the Inter-Agency Group on International Aviation advise the President of the United States to withdraw his request to the Senate for advice and consent as to the Hague Protocol.

Yours very truly,
FRANCIS S. BENSEL,
President.

The resolution of the New York County Lawyers' Association expresses the views of the association, which I wholeheartedly endorse. The position of the association was formulated after lengthy debate and detailed study by its committee on aeronautical law which originally filed a report opposing our withdrawal from the Warsaw Convention, together with a minority report, submitted by Lee S. Kreindler, Esq. and Harry A. Gair, Esq. It was the minority report which was adopted after full debate by the board of directors of the association and the foregoing resolution was passed.

I am inserting into the RECORD at this time the minority report which states the position which was finally adopted by the board of directors of the New York County Lawyers' Association:

DISSENTING REPORT, SUBMITTED BY LEE S. KREINDLER AND HARRY A. GAIR TO RESOLUTION OF THE COMMITTEE ON AERONAUTICAL LAW DATED NOVEMBER 2, 1961

Lee S. Kreindler and Harry A. Gair, members of the committee on aeronautical law dissent from the report and resolution of November 2, 1961, as revised on November 14, 1961, and take the position that the New York County Lawyers' Association should recommend to the Federal Aviation Agency and the Interagency Group on International Aviation that the United States withdraw from participation in the Warsaw Convention, for the following reasons:

A. LACK OF SUBSTANTIAL BASIS FOR LIMITATION OF LIABILITY

The first argument against the Warsaw Convention, is that, consideration of international relations and history aside, there is no justification on the merits, for it.

The following grounds have been advanced in support of the Convention:

(1) Analogy with maritime law with its global limitation of the shipowner's liability; (2) necessary protection of a financially weak industry; (3) catastrophical risks should not be borne by aviation alone; (4)

necessity of the carrier's or operator's being able to insure against these risks; (5) possibility for the potential claimants to take insurance themselves; (6) limitation of liability as a counterpart to the aggravated system of liability imposed upon the carrier and operator (quid pro quo); (7) avoidance of litigation by facilitating quick settlements; (8) unification of the law with respect to the amount of damages to be paid; (9) comparison with workmen's compensation systems of limited liability.

Considering these grounds, in order, it is apparent that none of them provides a sufficient basis for limiting damages. The fact that limitations exist in maritime law certainly provides no logical or sufficient basis for maintaining limitations in air law. The fact that the aviation industry was financially weak in its early days does not imply the necessity for special protection today. Indeed, domestic airlines have prospered without any such limitations. As for catastrophical risks, aviation is not the only field where such a possibility exists. These risks can best be insured against at the point of the risk creating activity—the airline. Liability insurance is readily available to airlines and its cost has not deterred the growth of domestic companies.

As for potential claimants insuring themselves, it is true that the possibility of death lends itself to predictable losses which a passenger can insure against. But the cost of this insurance would be far less, if obtained by the airlines. And it is impossible for the passenger to predict and insure against losses or damages from potential personal injuries. The very person whose wrongful death might result in no damages to beneficiaries may be severely injured in an airplane crash. Miss Lita Levine, who was seriously hurt in the Northeast Airlines crash in Nantucket, in August 1958, recovered $375,000 against the airline. Her medical and hospital bills were close to $100,000. Yet she was a 22-year-old girl with no dependents and damages for her wrongful death would have been small.

As for the quid pro quo argument, the benefit to the passenger derived from the presumption of liability is nominal. In civil law countries liability is presumed anyway. And in common law countries the doctrine of res ipsa loquitur is generally available, which will establish a prima facie case.

While limitations of liability undoubtedly produce quick settlements they do so at a huge cost to society and to the individual claimants concerned. How can a widow and several children exist on $8,300 or $16,600? And what is an injured passenger to do, whose hospital bill is $20,000? As for unification of the law the area of damages for personal injury and death seems to be the last place to start. Indeed, local and national views and customs are of far greater importance in fixing damages.

As for the comparison to workmen's compensation limitations, with their limited liability, there are several distinguishing factors. First, workmen's compensation came into existence as an enlargement of the rights of workmen against their employers at a time when workmen were precluded from suing their employers by the fellow servant rule. Workmen's compensation was designed to be social legislation to protect the workers in an area where they had no protection. Secondly, there has been much criticism of workmen's compensation, itself, as costing too much for the employer, as well as for the State, which must maintain an elaborate administrative machinery for the processing of claims, and as providing insufficient benefits for injured employees. Industrial accidents, which give rise to workmen's compensation payments, also frequently give rise to third party claims based upon liability, for fault, on the part of someone not associated with the employer. Where such claims have been successful they invariably have resulted in far greater recoveries, than provided by workmen's compensation.

B. CONVENTION PROVIDES NO HELP TO PUBLIC

1. *Noel* v. *L.A.V.*: Until a few years ago proponents of the Warsaw Convention argued the Convention established uniformity in the law, at least to the extent of providing the basis for a recovery of $8,300. This argument was laid to rest by the case of *Noel* v. *L.A.V.* (247 F. 2d 677, cert. den. 78 S. Ct. 334 (1957)). The Noel case clearly holds that the Convention does not create a cause of action. The Noel case holds that the right of action is still created by local law, of the place of the accident, and the Warsaw Convention simply acts as a top limit to the effect of local law. Thus, if local law were still to provide for damages limited to something below $8,300, that lower limit still applies, the Warsaw Convention, notwithstanding.

2. Burden of proof: The Warsaw Convention, with or without the Hague Protocol, has the effect of placing the burden of proof up to the amount of limited liability, of course, upon the carrier, rather than upon the passenger. In an accident where the facts are clear the burden of proof is not likely to be very important. And in an accident where the facts are obscured, or where little is known about causation, the plaintiff, in virtually all American jurisdictions has the benefit of the doctrine of res ipsa loquitur, against the carrier, which supplies him with an inference of negligence and at least establishes a prima facie case against the airline.

The point is that even with the burden of proof on the passenger, and even with nothing more than a mere inference of negligence, the settlement value of a passenger's claim against an airline will far exceed a Warsaw Convention or Hague Protocol recovery. The imposition of burden of proof upon the carrier is a tiny benefit to the passenger that must be compared with the overwhelming and frequently terrifying limitation of damages.

C. KILBERG *v.* NORTHEAST AIRLINES—AN AMERICAN EXPRESSION

No States, in the United States, limit damages for personal injuries, as does the Warsaw Convention with or without the Hague Protocol. Some 14 States do limit damages for wrongful death, however. The number of States so limiting damages has constantly decreased, and the amount of the limitations has constantly increased. In January of this year the highest court of the State of New York, and one of the most respected, conservative courts in this country held that limitations of damages, imposed by other States, for wrongful death, were so foreign to the concepts of New York law, so archaic, and so anachronistic, that New York courts would not enforce them. The New York Court of Appeals in *Kilberg* v. *Northeast Airlines, Inc.* (9 N.Y. 2d 34, 172 N.E. 2d 526 (1961)), thus expressed the predominant American viewpoint on limitations of damages. A copy of the Kilberg opinion is annexed hereto as exhibit A.

D. THE DEVASTATING PERSONAL ECONOMIC EFFECT OF THE CONVENTION

The point is too obvious to dwell upon at length. Tragedy after tragedy has occurred in the United States, to particular American citizens and particular American families because of the existence of the Warsaw Convention. The Convention has had the effect of denying to young children the standard of living and the standard of education that would have been theirs if their father had not been killed in a Warsaw Convention airplane crash. The Warsaw Convention has made paupers out of American citizens who, injured in airplane accidents, accumulated medical bills in excess of its limitation.

In addition, in our opinion, the Warsaw Convention has become a serious problem for aircraft manufacturers and others in the aviation industry. When an airplane crashes and a plaintiff's attorney is retained to protect the rights of seriously injured passengers or the estates of those who have been killed he must look carefully into the possibility of imposing liability on the part of a manufacturer, a maintenance company, an independent dispatching company, an airport operator, or any others associated with the flight of the airplane. The slightest basis for a claim of negligence will give rise to litigation against one of those potential defendants, for the simple reason that this may be the only means of obtaining adequate damages for the plaintiff.

E. THE PASSENGER'S SITUATION ABSENT THE CONVENTION

1. Misconceptions on problems of proof, trial, and setting of values: The withdrawal, by the United States, from the Warsaw Convention can only serve to help American passengers who will be injured in future accidents, or the estates and beneficiaries of those who are killed. We state, with no reservation whatsoever, that in no significant way will the position of passengers be compromised, and in every way it will be materially aided.

First, as indicated above, the problems inherent in handling plaintiffs' cases against airlines are not confined to investigation difficulties incurred in technically complex accidents. Solving the technically complex accident, whether the facts are known or partially unknown, can be a very serious problem. But it can be a problem that cuts both ways, and just as it may limit a plaintiff's proof, so may it limit the airline's capacity to explain away a serious accident. Our law has responded to these problems of proof. As applied to common carriers, the doctrine of res ipsa loquitur is applied by every State that has had occasion to decide the question in recent years (see, for example, *Capital Airlines, Inc.* v. *Barger*, 341 S.W. 2d 579 (Tenn. App. 1960, cert. den. Tenn. Sup. Ct. 1960) in which the court overruled the old Tennessee cases which had held res ipsa not applicable to aviation accidents). The doctrine differs from State to State. In a few States it creates a presumption of liability. In most States it creates a permissible inference, which is sufficient to create a question of fact taking the case to the jury. In Michigan, courts refer to the circumstantial evidence rule, rather than res ipsa loquitur. In Pennsylvania the doctrine has some unique twists and turns. But in every State that we know of, res ipsa loquitur applies to airline crash cases.

This means that, as a practical matter, any airline case in which the damages are substantial, and in which the applicable law contains no limitations of damages, has a practical settlement value far in excess of the Warsaw or Hague limitation. If, for example, a man in his early forties is killed in an airline crash, and he leaves, as beneficiaries, his widow and children, and if the accident happened in Ethiopia, Italy, or some other place which does not limit wrongful death damages, and unless the crash was caused by known sabotage or some other factor outside of the airline's control, the initial settlement offer of the airline's insurance carrier is likely to be something on the order of $100,000 or more. And we say that, not knowing anything at all about the accident.

It may be true that to obtain adequate damages, which, for a case of this kind would be closer to, or even above $200,000, the plaintiff buttresses his case with proof of specific facts of negligence and causation. It is also true that he will incur some risk of an adverse jury or court determination, and he may get nothing. But that is his problem, to be solved in the best possible way and upon a careful evaluation of the risks and probabilities. That is a question to be resolved by his expert counsel, who will measure the risks against the possibilities of recovering substantially in excess of the settlement offer.

But, if we may be repetitious, the settlement offer, in this situation, would normally be more than five times the Hague limitation.

It is just plain silly to argue that the Warsaw Convention or Hague Protocol conveys a benefit to the plaintiff, in the form of switching the burden of proof, when, at the same time, it makes virtually impossible the recovery of adequate damages.

Not only does the res ipsa loquitur rule generally apply to aviation; the rule itself has been liberalized in recent years to make it more generally applicable and to eliminate technical objections to it. Thus, for example, in the recent case of *Citrola* v. *Eastern Airlines, Inc.*, 264 F. 2d 815 (2d Cir. 1959) the court held that the res ipsa loquitur rule was consistent with specific proof of negligence and causation of an airline crash. Older cases had held that proof, or even pleading, of specific facts would bar the use of res ipsa, but this is not the law today, at least in most of the country.

Furthermore, modern legal procedures are designed to facilitate the discovery and proof of facts. Through discovery procedures an American passenger, or his estate, can obtain a remarkable fund of knowledge on any airline crash, even if it occurs in a distant part of the world. Airline crashes are always investigated, and they are usually investigated by competent people who make a sincere effort to explain the accident. This is certainly true of accidents investigated by the United States Civil Aeronautics Board, and it is true, also, although perhaps to a lesser degree of most foreign investigations. The investigation material is almost always available to the passenger, or his representative.

2. The application of local law: As indicated above, under the *Noel* case local law, even if it limits damages below the Warsaw or Hague limitation, is still applicable. Thus, under the Warsaw Convention, with or without the Hague Protocol if the accident has occurred in a foreign country with a lower limitation, that lower limitation still applies.

If the United States withdraws from the Warsaw Convention, even if the court hearing the case does not follow the Kilberg doctrine, referred to above, the passenger is no worse without the Convention than he would have been with it.

If the case arose in a New York court, or a Federal court in the State of New York, or if it arises in any court which follows the Kilberg doctrine, and which refuses to enforce a limitation of damages, as being contrary to its public policy, then the passenger will be far better off, absent the Convention.

Obviously, the New York Court of Appeals, and any other American court following the Kilberg principle, cannot hold that a treaty, to which the United States is a party, is contrary to its own public policy. But, absent the Convention, it would almost certainly not enforce the limitation.

Courts have gone out of their way to enforce adequate wrongful death remedies, even where it appeared that under otherwise applicable foreign law, there were no such remedies. In cases arising under the Death on the High Seas Act (41 Stat. 537, 46 U.S.C. 761–767) involving accidents occurring on foreign carriers, our courts have indicated that they would apply section 1 of the act if the law of the flag of the carrier provided no such right. (See *Bergeron* v. *KLM*, 188 F. Supp. 594 (SD NY 1960); *Fernandez* v. *L.A.V.*, 156 F. Supp. 94 (SD NY 1957); *Noel* v. *Airponents*, 169 F. Supp. 348 (DC NJ 1958). Thus, even if there were a country which limited wrongful death damages to $256, although the limitation would be effective under the Warsaw Convention, with or without Hague, in all probability it would be contrary to the public policy of the state, in the United States, where the action arose, and would not be effective if the United States had withdrawn from the Convention.

F. THE INTERNATIONAL CONSEQUENCES OF WITHDRAWING FROM THE CONVENTION

We have never quite been able to understand the argument of those who suggest that withdrawal by the United States from the Warsaw Convention would hurt us in our relations with other countries. We should think that it would be a good thing, in this day and age, for the United States to be identified as a country which respects the dignity of the individual, and which evaluates the individual in substantial, and unlimited, terms. The fact of the matter is that the United States is the only country in which substantial damages can be recovered for personal injuries or loss of life. This, it seems to us, would be a cause worth espousing internationally, as well as nationally. We can see only admiration and respect from the peoples of the world who are less fortunate in their own countries. Our position is summed up in an editorial published in the New York Times which favors renunciation of the Warsaw Convention and withdrawal from it by the United States:

"Those favoring renunciation feel that a limitation on damage claims is not 'the kind of internationalism that is calculated to capture the imagination or the spirit of people overseas.' They feel renunciation would help this country's propaganda position.

"We agree that renunciation probably would find more favor than censure among foreign populations. The risk of some damage to intergovernmental relations is more than outweighed, we believe, by the need to protect the individual's right to reasonable damages."

CONCLUSIONS

For all of the above reasons we sincerely and fervently hope that the United States withdraws from the Warsaw Convention. We have seen with our own eyes the terrifying effect, on the lives of American people, of this outdated treaty. Continued participation by the United States, in our view, would be reprehensible.

Lee S. Kreindler,
Harry A. Gair.

New York, N.Y., *November 24, 1961.*

I urge my colleagues to support the resolution which I have introduced today as an expression of our determination to protect the rights of individuals and to correct injustices wherever they occur.

THE PROSPECTIVE NUCLEAR CAPABILITY OF RED CHINA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. Vivian] is recognized for 5 minutes.

Mr. VIVIAN. Mr. Speaker, in the Washington Post this morning, I noted that a very vital question of U.S. foreign policy was discussed; namely, the question "Should we use our atomic power to wipe out Red China's atomic capability?"

Mr. Speaker, I am sure that circumstances could arise which would cause us to debate this question very seriously. But I would like to point out, well before any false images or hopes are established in the public mind, that we could gain only a very temporary advantage and at great price.

Mr. Speaker, no matter what single location or several locations we might bomb into ashes, the nation of China, with its great population and great geographical area, would retain the capability for soon again producing nuclear weapons. I say this, Mr. Speaker, in full confidence; for while I am not a senior Member of this House, I am a scientist, and as such I full well realize that in the modern technological race, a scientist, or a group of scientists, are more valuable to China—or any other nation—than any existing installation.

I believe we would be able to interdict China's capability for producing nuclear weapons in only three ways:

First. We might conceivably interdict China's access to her supplies of nuclear ores—the raw material necessary for the production of fissionable charges.

Second. We could attempt to lay waste any factory which we might suspect was being used for the processing of these raw materials—but we should keep in mind that these locations could be not only dispersed and hardened, but also located within and under massive centers of population.

Third. We could remove from action in some way the few human individuals who truly comprehend how atomic materials and weapons are made—that is, the scientists.

I need hardly point out that any one of these three alternatives is exceedingly difficult to accomplish. While it may be possible to take some exceedingly provocative action now, which could delay China's realization of her potential, we are virtually incapable of fully foreclosing her efforts, unless we are ready to undertake an invasion of her principal cities by our own troops, or to obliterate these cities.

Gentlemen, I believe it is time—in fact, the time is long past—when we should face a simple fact. China is a huge nation; it has great diversity and quantity of natural resources; its people are not only very numerous, they are also industrious and able; they have a history of great intellectual attainment and great pride in that attainment; they have a unifying cultural background; and they are welded, whether we like it or not, into a single political entity.

We must face the fact that, within several decades at the most, China is going to be a great power. There is virtually nothing we can do to stop her advance, short of a grossly inhumane use of atomic or bacteriological weapons.

We would have to engage in a project so inhumane and so callous that it would degrade this Nation and its people to the level of a latter-day Hitler's Reich.

In these moments, I have expressed views which, I realize, may conflict violently with those of other Members of this House. My views, in fact, may possibly be wrong. If so, I hope they will be corrected by any Member who may have substantive information which would negate what I have said.

For even though I have been here only some 30 weeks, while others here have been in this House for over 30 years, I intend to make my single vote count, to stop us from drifting into moral suicide.

Mr. Speaker, I yield back the remainder of my time.

THE 1965 CAPTIVE NATIONS WEEK AND THE NEED FOR A SPECIAL COMMITTEE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DERWINSKI] is recognized for 10 minutes.

Mr. DERWINSKI. Mr. Speaker, in terms of proclamations, ceremonies, rallies, the formation of new community organizations, and international impact, the 1965 Captive Nations Week observance surpasses all preceding years. From Concord to Los Angeles, from Miami to Seattle and to the Republics of China, Korea, the Philippines and West Germany, Captive Nations Week was enthusiastically observed.

The week has been steadily growing with more and more Americans recognizing the strategic importance of emphasizing the captive nations issue. The week's observances again stressed the need for a Special House Committee on the Captive Nations. This popular demand will doubtless continue until our Rules Committee, in which a majority of Members is on record favoring the action, decides to consider and vote favorably on the issue. There is no better and more effective way of sustaining the hopes and the spirit of freedom among all the captive nations than to establish this committee now.

Mr. Speaker, I join with several Members in calling again for decisive action on the 30-some resolutions for a Special Committee on the Captive Nations. I also join with them in citing a variety of selected examples bearing on the 1965 week. I request that the following examples be printed in the RECORD:

First. Proclamation by Governor Johnson of Mississippi.

Second. A penetrating article by Dr. Lev E. Dobriansky of Georgetown University, which was published in the New Guard, July 1965, under the title "Why Captive Nations Week?"

Third. A report on a Soviet denunciation of the week.

Fourth. A news account in America of Philadelphia on the Pittsburgh observance.

Fifth. A UPI release of July 24.

Sixth. A July 19 editorial in the Evening Bulletin of Philadelphia on "Lest We Forget."

Seventh. A National Captive Nations Committee communication to U.N. Ambassador Goldberg on exposing Soviet Russian imperiocolonialism in the United Nations.

Eighth. The program of the Arizona Captive Nations Committee observance held on July 18.

Ninth. A Chicago release on the week by Mathilde Ernestine.

Tenth. Statement by the Honorable FRANK HORTON at the New York observance.

Eleventh. An article by Fulton Lewis Jr. on "FLOOD Supports Cause: HUMPHREY Stays Away."

Twelfth. The program of the observance in Gary, Ind. on July 24.

Thirteenth. The remarks of the Honorable JOE D. WAGGONNER, JR. at the Captive Nations Week rally in Taipei, China, on July 24, in English.

PROCLAMATION OF MISSISSIPPI EXECUTIVE DEPARTMENT

Whereas the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples for freedom and independence: Now, therefore,

I, Paul B. Johnson, Governor of the State of Mississippi, do hereby proclaim that the week commencing July 18, 1965, be observed as Captive Nations week in Mississippi, and call upon the citizens of Mississippi to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

PAUL B. JOHNSON,
Governor.

By the Governor:

HEBER LADNER,
Secretary of State

WHY CAPTIVE NATIONS WEEK? MORE THAN 27 NATIONS ARE STILL HELD CAPTIVE BY THE RED EMPIRE, AND CAPTIVE NATIONS WEEK OBSERVES THEIR HOPE FOR A FREE TOMORROW

(By Lev E. Dobriansky)

The third week of every July is Captive Nations Week. This year it falls on July 18–24. The annual event was authorized by the U.S. Congress in July 1959, when it passed the Captive Nations Week resolution which President Eisenhower signed into Public Law 86–90. The law authorizes the President to issue a proclamation "each year until such time as freedom and independence shall have been achieved for all the captive nations of the world." This has been done annually. Yet, despite the expanding observances of the week in all sections of our country, many Americans still ask, "Why Captive Nations Week?"

With the intention of answering this perennial question in the simplest manner possible, I shall cover certain basic points pertaining to the resolution and the growing annual observances. For the question is often raised by people who are completely uninformed about these points. It is also posed by those who have either misconstrued the meaning and significance of the week or opposed the resolution from the start mainly because it has challenged their fixed preconceptions about the Soviet Union and its control position in the vast totalitarian Red empire. The reasons justifying our answer to the question apply to all three groups.

Actually, the answer is a multiple one. We observe Captive Nations Week because it is legally provided for in Public Law 86–90; moreover, the week is a tremendous moral symbol signifying that we Americans will never forget the captive nations or accommodate ourselves to their permanent captivity; it concentrates on our nuclear spiritual weapons, offering the most powerful paramilitary deterrent against overt Sino-Soviet Russian aggression in Europe, the Middle East or Asia; it is a stimulating and effective educational medium about all the captive nations, Sino-Russian imperiocolonialism, and the cold war; the week also affords a countrywide forum for the discussion of issues affecting our national interest and security; finally, it consistently leads to the crystallization and advocacy of concrete measures of action. These reasons constitute in essence the answer to the question, "Why Captive Nations Week?"

IT BEGAN IN 1917

The first reason is, of course, a proximate one. It was with ample and solid cause that Congress passed the Captive Nations Week resolution. For the first time our Government recognized the existence of all the captive nations, meaning the majority of them in the Soviet Union and in Asia. In effect, it recognized the crucial fact that the threat confronting the free world did not emerge in 1940 or in 1947 but had originated in 1917–18 with the first conquests by Soviet Russian imperio-colonialism. By this act Congress also recognized communism as an instrument, a tool of ideologic deception which this force exploits in part for its takeovers of free and independent states. For these and other implications of the resolution one need only read the document. Too few have. Yet copies can be obtained from the National Captive Nations Committee, 1028 Connecticut Avenue NW., Washington, D.C.

Congress' action has been more than justified by the response shown annually on the part of our citizens. From 1959 on captive nations committees have been established in practically every major city in the Nation. Guided and inspired by the National Captive Nations Committee, which itself was organized in 1959 to implement the congressional resolution, these local committees conduct a variety of activities during the week. As in previous years, the 1964 observances were held across the country, from Boston to Los Angeles, from Washington, D.C., to Seattle. About half of the State Governors and over two dozen mayors of large cities issued proclamations observing the week. Even internationally, in the Republic of China, South Korea, the Philippines, West Germany and elsewhere the observance is widely held. The 1965 observance should surpass all previous ones.

As for the week serving as a tremendous moral symbol, all of us should recall the words of President Kennedy: "This country must never recognize the situation behind the Iron Curtain as a permanent one, but must, by all peaceful means, keep alive the hopes of freedom for the peoples of the captive nations." On the basis of the resolution, it is not only those behind the Iron Curtain but also the captive nations behind the Bamboo and Sugar Curtains that we must support in the cause of freedom.

MYTH BREAKER

Anyone who has followed closely Moscow's deceptive "peaceful coexistence" policy over the past 10 years cannot but be impressed by one of its chief goals, namely, our acquiescence to the permanence of the Red empire. It has pursued this goal so successfully that many in the free world talk as though Poland were independent, Kadar a popular hero of the Hungarian people, Ho Chi-minh a George Washington of Vietnam, and the U.S.S.R. a rapidly capitalist-bound "nation." One of the main obstructions to the free generation of these and other myths has been the Captive Nations Week observance, which Moscow and some in this country seek to eliminate.

Not only is the week a tremendous moral symbol, against which both Moscow and Peiping have regularly and vehemently inveighed, it is also a massive expression of what can truly be called our nuclear spiritual weapons. The first theme of the 1965 Captive Nations Week observance is "Peace With Justice and Freedom." An observed concentration on all of the captive nations serves this primary goal more than any other nonmilitary action, including even the economic. If one views the captive nations in toto, approximating 1 billion people, he can then begin to appreciate the source of insecurity and threat they represent for the various totalitarian regimes in the Red empire.

It is no exaggeration that the captive nations in toto, in the aggregate, constitute our most powerful paramilitary deterrent against open Sino-Soviet Russian aggression and thus a hot global war. A psychopolitical concentration on all of the captive nations would mean a grave deepening of the insecurity of all the totalitarian regimes in the empire and also a long stride toward the avoidance of a worldwide conflagration. But it would also be a major stroke for justice and freedom.

We have not even really begun to take up the challenge of the Red Cold War as concerns the terrain of the Red empire. Unstinted and methodical support of the continuous pressures for freedom in that empire would result in a complete hopelessness of so-called Socialist and potential Communist management, so that in time a genuine revolution for freedom and national independence would inevitably spread from the Danube to the Pacific. More, it would greatly undermine the subversive cold war operations of Moscow and Peiping in the free world and preclude situations where—as in Vietnam—some 70,000 Americans find themselves already in a shooting stage, but few Russians or Red Chinese can similarly be found.

THE CAPTIVES

To see clearly the enormous winning possibilities of this approach, it is first necessary to have a working comprehension of just who the captive nations are. They are not just the few most of us think of when confronted by the term. Here is an accurate listing of all the captive nations, with the year each came under Communist domination and suggestions of who's next should we continue with our reactive policy of patched-up containment:

Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Democratic Republic of Far East (Siberyaks)	1920
Ukraine	1920
Turkistan	1922
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Outer Mongolia	1946
Serbia, Croatia, Slovenia, etc. in Yugoslavia	1946
Poland	1947
Rumania	1947
Czechoslovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960

WHO'S NEXT?

South Vietnam? Algeria? Colombia? Congo? Laos? Tanzania? Bolivia? Thailand?

Both Presidents Eisenhower and Kennedy emphasized the need for an intensive study of the captive nations. The week's observance continually reemphasizes this need and stimulates a great deal of educational interest in all of the captive nations and in the numerous aspects of the cold war itself. Truly as an educational medium, it throws an annual spotlight on certain dangerous myths concerning the Red empire and brings into balanced focus the major developments in that vast empire.

INDEPENDENT STATES?

For example, one of the most colossal myths is that we can wean the totalitarian Red regimes in central Europe from the domination of Moscow. This grand illusion is propped by subsidiary myths which hold that the so-called satellite regimes are becoming increasingly "nationalistic," that their states are growing more "independent," and that a "polycentrism" prevails in the Communist world, with Titoism and revisionism gripping several of the satellite regimes. Some even go to the extent of imputing a widespread popular base for the regimes of Tito, Kadar, Gomulka, Mao Tse-tung and others. Wishfully, they envision a pervasive fragmentation of the Red empire and simplistically bid us to be patient, to perceive the "good" in some of these totalitarian rules, and to assist them in overcoming many of their economic and political problems.

NATIONALITIES TECHNIQUE

The fundamental trouble in all this mythmaking is that those guided by gestures and appearances have no comprehension of the Russian nationalities technique which was applied to the non-Russian republics in the U.S.S.R. even under Stalin. The technique is one of exploiting nationalist symbols and forces for the accomplishment of Red totalitarian objectives and the reduction and perhaps elimination of the persistent cold war between the people and the regime. For years Khrushchev flounced about the U.S.S.R. telling Azerbaijani, Georgians, Ukrainians, Turkestani, and others how nationally "independent" and "free" they are. Because of legalistic differences, the technique is being used even more effectively in the so-called satellite area of the empire.

Realism demands that we face some stern facts: (1) on the scale of total power, the U.S.S.R. has been and for some indefinite time will continue to be the center, the power base, of the Red empire; (2) every other totalitarian Red regime, including Peiping and Belgrade, depends for its ultimate survival on Moscow; (3) the appearances of liberalization in central Europe are well checked by the realities of totalitarian rule and control in each of the Red states, with evidence mounting daily as to new oppressive measures in the U.S.S.R., Poland, Yugoslavia, Rumania and elsewhere in this game of check and countercheck; (4) these liberalizing appearances are also designed for the acquisition of necessary free world economic assistance in the further rapid buildup of the cold war economics of the Red states, both individually and collectively; and (5) when the chips are down anywhere, as in Vietnam or the Dominican Republic, the basic, indispensable unity of this empire pattern shows itself clearly as practically all parts of the Red totalitarian network rush to the aid of its besieged members.

THE REACTION

Captive Nations Week projects a totalistic concept of the captive nations, which is anathema to both Moscow and Peiping and beyond the comprehension of some of our opinionmakers. As shown in the CONGRESSIONAL RECORD and other sources, the record on this is perfectly clear.

To mention some examples:

In 1963, Moscow's the New Times implored, "Is it not high time to discontinue the 'Captive Nations Week' in the United States?"; Pravda that year excoriated President Kennedy and stressed, "The President of the United States, losing his sense of reality, has declared a 'week of the Captive Nations' and is trying to turn attention away from the struggle of the Negroes for their liberation"; in 1964, Izvestia railed, "With every passing year 'Captive Nations Week' becomes a nuisance," not mentioning to whom; Khrushchev again could not resist another condemnation of the week when on the eve of his removal he shouted, "In the United States a farce entitled 'Captive Nations Week' is held every year. The people's democratic system has been in existence for 20 years but the imperialists still ramble on with nonsensical ideas of 'liberating' the nations of Eastern Europe."

THE YEAR 1965'S THEMES

Speaking of imperialists, it should be noted that one of the main themes in the 1965 observance deals with the last remaining imperio-colonialist systems in the world. Captive Nations Week provides a forum for discussion, and the themes this year are as follows:

1. Peace with justice and freedom, the support of all the captive nations being one of our most formidable deterrents against a hot global war.
2. Full support for U.S. actions in Vietnam and the Dominican Republic, with stress on "What about the freedom aspirations of 17 million North Vietnamese?"
3. A poltrade policy toward the Red empire (trade based on political concessions).
4. Complete exposure of Sino-Soviet Russian imperio-colonialism in the United Nations, concentrating especially on the captive non-Russian nations in the U.S.S.R.
5. Creation of a Special House Committee on the Captive Nations.
6. Establishment of a Freedom Academy.
7. Inauguration of a Captive Nations Freedom stamp series.

The ramifications of these themes in terms of concrete and forthright action are extensive, to say the least. Many of the themes propose just the first steps that must be taken if we are to obviate more Dominican Republics and Vietnams in what the Red totalitarians call "holy wars of national liberation." The techniques used in these and other cases have been employed over and over again against countries that today form the long list of captive nations. By concentrating on the captive nations, how they became what they are, we cannot but learn more and more about Red techniques of political warfare which defy both nuclear armaments and economic aid. If we fail to learn these lessons, then the specific answers to "Who's Next?" will inevitably be forthcoming. Captive Nations Week is a stimulus to such learning for survival.

Captive Nations Week Denounced by Soviet Paper

KIEV, UKRAINE.—The American Government and the "bourgeoisie nationalists" have once again been the objects of a vicious verbal attack of the Kremlin regime for the recent Captive Nations Week observances, held throughout the United States on July 18–24. Radyanska Ukraina, a Soviet newspaper which appears in Kiev, in its July 25 issue charged the U.S. Congress and the representatives of the Ukrainian ethnic group in the United States of using the Captive Nations Week as a propaganda campaign against Soviet Ukraine, "one of the most powerful nations in the world." The article, "You Try in Vain" was signed by a "winner of the Shevchenko Award," Wasyl Kasian, who, in a barrage of the most vile name-calling, accused the National Captive Nations Committee of hypocritical speeches and propagandistic distortions of the truth about life in the U.S.S.R. Kasian charged that the anti-Soviet speeches, repeated year after year, are filled with lies and burning hate.

[From America, Philadelphia, Aug. 5, 1965]

PITTSBURGH OBSERVES CAPTIVE NATIONS WEEK

PITTSBURGH, PA.—The Pittsburgh observance of Captive Nations Week, 1965, began on Saturday, July 17, when flags of the captive nations were carried in the American Legion parade held in downtown Pittsburgh as a climax to the Legion's State convention.

Highlight of the Captive Nations Week observance was a luncheon at the Roosevelt Hotel with 120 people from civic, fraternal, veteran, and nationality groups participating. The principal speakers were Judge Blair F. Gunther, commissioner of Allegheny County; Dan Drew of the American Legion; and Dr. Anthony Kubek (Slovak), head of the history department at Dallas University in Texas and author of the book "How the Far East Was Lost." The colors were presented by an honor guard of U.S. marines, and the national anthem was sung by Mrs. Ann Komichak. The invocation was given by Msgr. Victor Pospishil, of the Ukrainian Catholic Church, Southside Pittsburgh. Councilman Walter Kamik, who is of Polish descent, delivered greetings on behalf of vacationing Mayor Barr of Pittsburgh, and also read the proclamation from the mayor's office. Mrs. Guna Naruns of the Latvian group read President Johnson's proclamation. The benediction was pronounced by Rev. Paul Markowitz of the Hungarian Lutheran Church. Michael Komichak, secretary of the captive nations committee in Pittsburgh, was master of ceremonies. Dr. Lev E. Dobriansky telegraphed greetings to the luncheon on behalf of himself and Chairman George Meany. The luncheon received good coverage by radio, television, and the newspapers.

During Captive Nations Week, radio station WPIT presented daily radio programs, eight in all, to commemorate the week. The programs were directed by Michael Komichak. Participating in these programs were Dr. Dobriansky, Senator DOMINICK, Congressman FEIGHAN, Washington correspondent Bob White, Canon Joseph S. Altany, Dr. Anthony Kubek, and Dr. Ilgvars Spilners. In addition to the radio programs there were three television interviews with Dr. Kubek and one with Michael Komichak.

WASHINGTON, July 24.—A Georgetown University professor said today the Russians encourage a certain amount of national independence in its east European satellities in order to "open economic windows for strategic imports from the West."

Dr. Lev Dobriansky, an economics teacher, said in a statement during the week-long celebration of Captive Nations Week, "the Soviet Union itself has never been a monolith."

"If because positive external pressure has been absent," he added, "the chinks there have been tolerable for Moscow, the appearance of similar nationalist cracks in the secondary sphere of its empire are not only tolerated but put to effective use as open economic windows for strategic imports from the West."

[From the Philadelphia (Pa.) Evening Bulletin, July 19, 1965]

LEST WE FORGET

President Johnson, by proclamation, has reminded all Americans that the period between July 18 and July 24 is Captive Nations Week. It is a time, he said, when appropriate ceremonies and activities should express our "renewed devotion to the just aspirations of all people for national independence and human liberty."

In 1959, Senator PAUL DOUGLAS, of Illinois, and Senator JACOB JAVITS, of New York, introduced the resolution which authorized the annual observance of Captive Nations Week. The first proclamation, by President Eisenhower in July 1959, coincided with Vice President Nixon's visit to the Soviet Union. The anger and resentment immediately expressed by Chairman Khrushchev proved that he was stung to the quick by an implied charge that he could neither deny nor defend convincingly.

The Soviet's responsibility for the present plight of once free and independent nations is plain. The list is long: Albania, Armenia, Azerbaijan, Bulgaria, Cuba, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, the Ukraine, and a half dozen other nationalities swallowed up since 1917 by the U.S.S.R. Red China holds the mainland people captive, as well as North Korea and North Vietnam.

No amount of talk about peaceful coexistence, easing tensions or a mellowing communism should blind us to the facts of international life, or prevent us from assuring our captive friends behind the Iron and Bamboo Curtains of our continued sympathy and good will.

JULY 31, 1965.

Hon. ARTHUR J. GOLDBERG,
U.S. Delegation to U.N.,
The United Nations,
New York.

DEAR MR. AMBASSADOR: In behalf of the membership of this committee, our new honorary chairman, AFL–CIO President George Meany, and myself, I take pride in expressing our warmest congratulations on your appointment as our Ambassador to the United Nations.

Your appointment is a source of good fortune for our Nation. We feel certain that your work in the United Nations will perpetuate the sterling accomplishments of our late Ambassador Adlai Stevenson. Little is it generally known that his lengthy U.N. statement on Soviet Russian imperio-colonialism in November 1961 is the best on record.

Unfortunately, this area of deep Soviet Russian vulnerability has scarcely been scratched. The Stevenson statement and the challenge offered by President Kennedy in September 1961 on debating colonialism at length in the U.N. were not systematically followed up and developed. We sincerely hope that you will give this vital area, particularly Russian colonialism in Ukraine—with which you are familiar by virtue of your own heritage—your serious consideration and effort. We would be most happy to assist you in any way you designate.

With heartiest felicitations and best wishes,

Sincerely,

LEV E. DOBRIANSKY.

PUBLIC LAW 86–90, 86TH CONGRESS, S.J. RES. 111, JULY 17, 1959

Joint resolution providing for the designation of the third week of July as "Captive Nations Week"

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the natural independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

Approved July 17, 1959.

PROCLAMATION

Although freedom is a birthright in a substantial part of the world, the people of some nations are forced to live under the domination of alien Communist powers, deprived of their national independence and individual liberties.

In these captive nations, the citizens cannot choose their own leaders, cannot make their own laws, cannot move about freely even within the borders of their own country.

The virtual enslavement of these people by the agents of international communism has not broken their spirit, however, nor weakened their determination to shake off the Communist yoke at the first opportunity.

The people of the captive nations have not been forgotten by those of us who enjoy the blessings of freedom; their hopes are our hopes.

To indicate our concern with their plight and our support of their cause, I proclaim July 18 through 24, 1965, Captive Nations Week in Arizona, and urge my fellow Arizonans to commemorate this observance with appropriate activities.

SAMUEL P. GODDARD,
Governor of Arizona.

Witness:

WESLEY BOLIN,
Secretary of State.

JUNE 15, 1965.

As Representatives of the American people, we have now a wonderful opportunity to construct a bridge of true understanding between ourselves and the neglected captive nations and peoples.

A Special Committee on the Captive Nations in the U.S. Congress would be our bridge of true understanding of, and abiding faith in, the close to 1 billion captive people.

With warm regards and gratitude for your support, I remain,

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

The spirit of resistance of the captive nations of Europe is an inspiration to the free world. I pledge my whole-hearted support to their efforts to regain the freedom for which they yearn.

JOHN J. RHODES,
Member of Congress.

Dear Friends of Freedom:

As we Americans commemorate Captive Nations Week, I am ever mindful of the great blows struck for liberty by the now-suppressed peoples of Poland, Ukraine, Hungary, Czechoslovakia, Germany, Estonia, Latvia, Lithuania, Bulgaria, Rumania, Yugoslavia, China, Cuba, and other countries.

I salute their past greatness as I hope for their future achievements.

As we remember their present suffering and imprisonment, let us each renew our efforts in behalf of individual and national freedom—to the end that we may soon see the chains of Communist slavery broken and that rebirth of liberty which will signify the end of captive nations.

I salute all of you who work to hold the torch of freedom high.

Sincerely,

JOHN B. CONLAN,
State Senator,
Maricopa County.

To All Lovers of Freedom:

As long as there are human beings living under the suppression of their basic rights by dictatorial governments, whose philosophies are protected only by the forces of military might and economic control we, as lovers of freedom, must continually dedicate ourselves to the cause of working for their emancipation.

Recently I have been in two European countries under the control of communism and, from firsthand experience, I can relate that there is a frustration obviously evident that can only be erased by the knowledge that their people can once again have the freedom to choose their own way of life and determine their own destiny.

We must all do everything intelligently reasonable to be of service to our fellow man.

MILT GRAHAM,
Mayor.

CHAIRMAN,
Captive Nations Committee of Arizona,
Phoenix, Ariz.

DEAR MR. CHAIRMAN: On behalf of the National Captive Nations Committee, I extend to you, your committee, and participating citizens of Arizona our heartiest felicitations and good wishes for a most successful Captive Nations Week observance this July 18–24. There is no doubt about the global ramifications of your courageous efforts in the cause of freedom and our national security.

Throughout our Nation these themes will be sounded by this seventh Captive Nations Week observance: (1) Peace with justice and freedom; (2) full support for U.S. actions in Vietnam and the Dominican Republic; (3) a poltrade policy toward the totalitarian Red empire; (4) complete exposure of Sino-Russian imperio-colonialism in the U.N. and other councils; (5) establishment of a Special House Committee on Captive Nations; (6) creation of a Freedom Academy; and (7) inauguration of a captive nations freedom stamp series. Your participation will go a long way to make each of these an effective reality.

With God's blessings and warmest regards.

Sincerely,

LEV E. DOBRIANSKY, *Chairman.*

PEOPLE OF THE FREE WORLD REMEMBER US

Once again the words and deeds of people striving for freedom were squelched, denounced, and the people themselves bled to death; for—we, as free people, did not listen. And the voices faded into darkness once more—never to be heard again. Why? Because we did not heed their call. Have we forgotten?

Let's hope not; for we are the last hope of free world.

Today we are observing Captive Nations Week. We need to pause and thank God that we are freemen, that we have the privilege of helping to determine the kind of government in which we live. We need also to remember the people and the nations who do not have those same privileges. May we ever remember to extend our help and encouragement to the end that one day all men shall have freedom as we have it today.

May we never accept communism as a way of life but ever work and plan for freedom. It is our duty to take a stand for the principles of freedom and justice, which have been the foundation of our Government since our forebears established this free nation under God over 150 years ago.

The dove of peace these days is but a mockingbird.

CAPTIVE NATIONS COMMITTEE,
Arizona Branch.

(Representatives of Captive Nations Committee, Arizona Branch: American-Chinese, American-Croatian, American-Czech, American-German, American-Hungarian, American-Lithuanian, American-Polish, American-Rumanian, American-Serbian, American-Slovak, American-Slovinian, American-Ukrainian.)

CAPTIVE NATIONS WEEK OBSERVANCE PHOENIX, ARIZ.

(July 20, 1965, Encanto Park band shell at 8 p.m.)

Invocation: Rev. Michael Horoshko.
National Colors: U.S. Marine Corps Reserve.
Pledge of Allegiance: State Representative R. Larry Oldham.
National Anthem: To be announced.
Rollcall of Nations: Presentation of captive nations flags.
Welcoming Remarks: Mayor of Phoenix, Milton H. Graham.
Proclamation: Governor of Arizona, Samuel P. Goddard.
Introduction of distinguished guests: Master of ceremonies.
Keynote address: State Senator John B. Conlan.
Tribute to our fighting men: Rev. Paul D. Urbano.
Salute: U.S. Marine Corps firing squad.
Taps: American Legion, Thunderbird Post No. 41.

PERFORMANCES OF NATIONAL GROUPS

"God Bless America": Dr. Harry I. Shalauta.
Benediction: Very Rev. Milan Brkich.
Closing of program: Dismissal of flags.

PATRONS

Mr. and Mrs. Stanley Androjna, Anonymous Friend, George Bubas, Walter Chopiwskyj, Anthony De Petris, Mr. and Mrs. Steven Dobiash, Mr. and Mrs. George Gardolinski, Olgerd W. Kalyna, Mr. and Mrs. Omelan Komarnyckyj, Wm. Krone Family, Mr. and Mrs. Michael B. Lontchar, Ernest F. Modzelewski, Mr. and Mrs. S. C. Payne, P. M. and Walker and Family.

BOOSTERS

Ted Andreyka, J. Bakovych, Julia Balint, Baltic Philatelist Club, F. B. Barbera, A. J. Barton, Mr. and Mrs. Bell, Mr. and Mrs. John Berta, Jack Boian, Mr. and Mrs. John Boldi, James W. Bott, Mrs. K. Branauskas, Sylvia Bubas, Marie Candea, Mr. and Mrs. Paul Cantor, Larry D. Carter, Sophia Carton, Mr. and Mrs. J. Catomio, Mykola Chornopysky, W. D. Clark, Mr. and Mrs. J. Daniels, Mr. and Mrs. Stefan Dobrescu, Dan Dololau, Mr. and Mrs. J. M. Edwards, Leza Erdilyi, Mr. and Mrs. W. A. Faber, Rose Folnagy, E. M. Furnier, George Georgacakis, Mr. and Mrs. Walter D. Green, J. Grusdaitis, Mr. and Mrs. Charles Heim, Jr., Aurelia Henry, Alfred E. Hileman, Mary Hurducas, Mr. and Mrs. T. Ignatas, Loos Imre, Alex Iwasiw, Mr. and Mrs. John Jacobs, John Kairys, Mitchell Kasovac, Mr. an Mrs. T. Kaston, Mr. and Mrs. M. Kella, Mr. and Mrs. D. Kezes, J. F. Knight, Dmytro Kostyniuk, Mr. and Mrs. R. Kovacs, John Kovats, Mr. and Mrs. Sam Lancajan, J. Lewak, Barry P. Loeffler, Leonid Lysenko, Mrs. Victoria Manta, W. G. Marsh, Francis A. Martin, G. E. Meyer.

F. Millino, August Monea, Tommy Moore, Maria Nan, Mrs. J. Ordinas, Pete Parr, Mrs. Mary Pedery, Gregory Pomiak, Stefan Popowych, Mr. and Mrs. S. Pudinas, Minevra Puscas, Michael Remes, Bill Sawicky, Mr. and Mrs. Stan Serafin, Mr. and Mrs. F. Sesser, Mr. and Mrs. J. Sesser, I. H. Shalauta, M.D., M. F. Shimkus, Julia Simak, Mr. and Mrs. Sinkus, Mrs. A. Smith, Russell M. and Ruth Smith, Mrs. M. Soltan, Mr. and Mrs. Stasiunas, Mr. and Mrs. H. E. Stedwell, Mr. and Mrs. John Stoica, J. Strilecky, Mr. and Mrs. Stugis, M. J. Sucec, Mr. and Mrs. G. Sutterlin, Gabor Szilvasy, Mike Taylor, Mr. and Mrs. John Toth, Louis Trk, Wayne Wallick, Parker Walton, Myron E. Weckbacher, Emil A. Wenzlowski, Michael Wynnyczok.

SPECIAL CREDIT

The Captive Nations Committee, Arizona Branch, extends gratitude for help and support to: Reverend clergy, State and city officials, U.S. Marine Corps Reserve, American Legion, Mr. O. D. Gilley, Mrs. Barbara Payne, Mrs. Ruth Walker, Mr. Wayne E. Wallick, and all those who have participated in the program.

FILMS ON COMMUNISM

The following films are available for group showings:

Films available from the U.S. Army (Commanding General of 5th Army, attention, Signal Officer, 1660 E. Hyde Park Blvd., Chicago, Ill.), free:

1. "Communist Blueprint for Conquest," 30 minutes, shows Communist strategy for taking over governments, political parties, churches, and so forth.

2. "The Communist Weapon of Allure," 30 minutes, shows Communist strategy for attracting supporters. Informed public seen as most important weapon against it.

3. "Defense Against Enemy Propaganda," 35 minutes, shows in detail the method of and types of propaganda used by the Communists throughout the world.

Films available from Armstrong Cork Co. (Lancaster, Pa.), free:

1. "The Vanished," 60 minutes, depicts life in Vorkuta slave labor camp, based on the actual account and experiences of John Noble who was enslaved there for a number of years.

Films available from Prudential Life Insurance Co. (P. O. Box 36, Newark 1, N.Y.), free:

1. "The Red Sell," two parts, each 30 minutes.
2. "Brainwashing," 60 minutes.
3. "Korean POW," two parts, each 30 minutes.

Captive Nations—Our Fifth Column Behind the Iron Curtain

America and the free world have a great fifth column of freedom fighters behind the Iron Curtain and in Cuba if they would wake up to their cries of anguish and warning. They urge us not to appease the Communists, but to hold an iron hand. We cannot be reasonable with those whose only aim is world conquest, tyranny, slavery, and murder to all who oppose them.

Behind the Iron Curtain today there are 19 million people dying from overwork and starvation in thousands of slave labor camps in Siberia and throughout the Soviet Union. Another 32 million have been murdered outright because they opposed Communist tyranny, or because they were capitalists, or perhaps were enemies of the people because they belonged to the armed forces or to the police in a free country. Such is Soviet law.

We also have a fifth column marching for freedom in the free world. These are the refugee patriots who are in the United States, Britain, France, and all the free countries. Many of these refugees are former leaders in exile now represented at the Assembly of Captive Nations. Their address is 27 West 57th Street, New York City.

This is Captive Nations Week. Let us speak out for the enslaved people behind the Iron Curtain and write our letters to our Senators to invite speakers from the Captive Nations Committee in Washington, D.C., like Dr. Lev Dobriansky, chairman, to address our Congress this week.

Horton Says "Soviet Slavery" Key Issue in Peace Moves

New York, N.Y., July 18.—Congressman Frank Horton marked the beginning of Captive Nations Week today with a demand that Russia "break the bondage which holds captive millions of people in Eastern Europe."

The Rochester, N.Y., lawmaker addressed a flag-raising ceremony held at noon on the United Nations Plaza and sponsored by the Assembly of Captive European Nations.

During the observance Horton and New York Congressman Lester L. Wolff, of Great Neck, were entrusted with a bronze plaque honoring the unknown fighter against communism. Symbolizing the 20th anniversary of the end of World War II, the plaque will be placed in a yet-to-be-designated national shrine by Horton and Wolff as representatives of the American people. When the first East European nation is freed from communism, the plaque will be transferred to its capital.

"Certain signs," Horton said, "point with promise to a new era of understanding between our Nation and the Soviet Union. Yet, the fulfillment of that promise never can occur unless and until the Kremlin masters redress the grievances of those millions of people—your national kin—who are enslaved by the most oppressive colonial system ever to occur in human history.

"The American conscience is troubled by what we see and what we know to exist in the once-free nations of Eastern Europe. Freedom and independence are fundamental to our life and to our belief in the rights of man. Where these essentials have been destroyed by the actions of aggressors, we have a duty to democracy to help gain their restoration.

"That is why we observe this Captive Nations Week. It is an official expression of the U.S. Government and the people of this liberty-loving land. It publishes to the world—free and slave alike—that the revolutionary spirit of our country lives today as strongly as ever and that it is dedicated to regaining the rights of those who still are subjected by communism.

"But, the message of this Captive Nations Week must be put into meaning beyond a statement of belief. Our vital contemporary mission is to convince the Communist leaders that no meaningful nor realistic relaxation of the tensions that divide the world is possible without full and final freedom for Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Ukraine, and on through the roster of nations that had ripped from them by the vicious claw of the Russian Bear all that they held near and dear.

"It must be stated, restated, and repeated as many times as necessary that the United States of America will demand the return of national independence and the restoration of individual liberties in any negotiation with Moscow. Soviet slavery is the key issue, and our total effort must insist on Russia's breaking the bondage which holds captive millions of people in Eastern Europe.

"A world based on freedom and justice is the only hope for peace. It is the abiding desire of Americans and the fervent goal of the captive peoples. In recognition of its imperative, let us continue with renewed strength and dedication our mission in behalf of peace.

"I applaud what you and your organizations are doing to win victory in this offensive. Because you know deep within your hearts the justice of your cause and because you have the support and sponsorship of millions of your fellow Americans, including many of us in the U.S. Congress, triumph will result.

"Shoulder to shoulder and heart to heart, we are joined in the struggle and fight for the sacred right of the captive people to a new and free life. We shall win."

P.S.—The Ukrainian national anthem was played along with the anthems of nine satellites, and the Ukrainian flag was hoisted with others.

Flood Supports Cause; Humphrey Stays Away

(By Fulton Lewis, Jr.)

Washington.—The Vice President of the United States was conspicuous by his absence at a Washington dinner held last Wednesday to commemorate Captive Nations Week.

Twenty-four hours later, Hubert Humphrey was very much in evidence, hob nobbing with Communist diplomats at the Polish Embassy. Beaming from ear to ear, the Veep explained his presence: "I wanted to be with these kind, friendly people."

Anti-Communists in the Nation's Capital were incredulous. The Polish Government has repeatedly condemned American "aggression" in South Vietnam. And earlier this month, Warsaw took its cue from Moscow and dealt the United States a diplomatic insult. It has been customary for the Soviet and Communist-bloc governments to annually send top-ranking government officials to the July 4 receptions held at the American Embassies.

This year the Soviet Government downgraded our July 4 reception by sending as its representative a Deputy Foreign Minister, a man whose name commands virtually no recognition abroad. And by a not-so-strange coincidence, every other Communist regime in Eastern Europe did exactly the same, dispatching a Deputy Foreign Minister.

"The evidence is clear," notes Connecticut Senator Thomas Dodd, "that even on so 'minor' a matter, Communist policy is still highly centralized and that it is Moscow that calls the tune."

The only reason given by Humphrey for his appearance at the Polish reception, was his friendship for Ambassador Drozniak and his love for the Polish people. But a ranking State Department official said that "Hubert wants the Poles to invite him for a visit."

Humphrey wants desperately to attend the dedication ceremonies at a hospital in Cracow that was constructed with U.S. funds. But the Polish Government has barred Humphrey and all other American officials from the dedication.

Note: A State Department spokesman explained Humphrey's absence from the Captive Nations dinner by saying that "we did not wish to antagonize the Communist-bloc nations." Celebration of Captive Nations Week, he said, makes "difficult" diplomatic relations with the Eastern bloc.

The dinner spurned by Humphrey was hardly partisan. Sponsored by the Assembly of Captive European Nations, the affair was attended by Senators and Congressmen representing both political parties. The assembly's annual award was presented (posthumously) to Edward R. Murrow. A major address was given by Representative Daniel Flood, a liberal Democrat from Pennsylvania.

Flood has fought tirelessly for creation of a House Committee on the Captive Nations. The State Department is on record in opposition to such a committee, asserting that its very existence would strain relations with the Communist bloc regimes.

There is no doubt the Communists are defensive about the captive nations. Moscows' New Times asked in 1963: "Is it not high time to discontinue the Captive Nations Week in the United States?"

Izvestia in 1964 moaned that "with every passing year Captive Nations Week becomes a nuisance." Khrushchev railed only last year:

"In the United States a farce entitled Captive Nations Week is held every year. The people's democratic system (the Communist bloc) has been in existence for 20 years, but the imperialists still rumble on with nonsensical ideas of liberating the nations of Eastern Europe."

There have been few complaints recorded in Moscow over the latest Captive Nations Week. The President issued his Captive Nations Week proclamation, as required by law, without fanfare early this month. And the proclamation contained no reference to international communism or the nearly 1 billion people now enslaved behind the Iron and Bamboo Curtains.

Representative Bob Wilson, Republican, of California, finds the Johnson proclamation distressing.

"It is a reflection," he says, "of the sophistry of a State Department that attempts to establish graduations of communism, and chooses to ignore the worldwide conspiracy against freedom of the Communist movement."

"Captive Nations Week," Wilson argues, "should be a flaming challenge to communism, hurled by a determined free world. To those under the jackboots of the tyrants, our message should ring loud and clear: The United States does not intend to let communism rule the world, or continue perpetually to keep people in bondage."

CAPTIVE NATIONS WEEK OBSERVANCE, JULY 24, 1965, OF THE LAKE COUNTY YOUNG AMERICANS FOR FREEDOM, GARY, IND.

PROGRAM

1. Posting of the colors—American Legion Post 279.
2. National anthem.
3. Invocation—the Very Reverend Father Peter Bankerovich, St. Sava Serbian Church.
4. Proclamation of Captive Nations Week—issued by Hon. A. Martin Katz—mayor of Gary—to be read by E. Hugh McLaughlin.
5. Address—Rev. Casimir Senderak, Holy Family Church.
6. Remarks—Francis J. Narcowich, chairman, Lake County Young Americans for Freedom.
7. Closing ceremony.

Master of ceremonies—Michael Saxton, Lake County YAF executive board member.

LAKE COUNTY YAF OFFICERS

Chairman: Francis J. Narcowich.
Vice chairman: Peggy Collins.
Secretary: William Bailey.
Treasurer: Rick Mostak.

Captive Nations Week was established 6 years ago by a resolution of Congress to call the attention of the American people to the fact that over one billion persons of Eastern Europe, Asia, and South America are enslaved by communism.

One thing that all of us can do to fight communism is to boycott Communist imports. Every Red import brings more money to Red tyrants. Every Red import helps the Communist imperialists, who are today killing Americans in Vietnam. Fight communism—do not buy imports from Communist-ruled countries.

Young Americans for freedom is an organization of young people—mostly college and high school students—who believe in constitutional government and individual responsibility. YAF has over 30,000 members and 300 chapters in colleges, high schools and communities across the Nation.

Programs courtesy of the Lamplighters.

We thank the following for their cooperation:

1. A. Martin Katz, mayor of Gary.
2. Rev. Casimir Senderak, Holy Family Church.
3. The Lamp Lighters, Ingeborg Jarski, president.
4. Rev. Mirko J. Godina, St. Joseph the Worker Croatian Church.
5. St. Sava Serbian Orthodox Church Community.
6. St. Sava Serbian Cultural Club.
7. Serbian National Federation Lodge No. 31 "Srbadija."
8. Serbian National Federation Lodge No. 16 "King Peter II."
9. Serbian National Defense.
10. Serbian Singing Society "Karageorge."
11. Serbian Chetnik's Organization "Ravna Gora."
12. Serbian Historical-Cultural Organization "Njegos."
13. Yugoslav Combatants Organization "General Draza Mihailovich."
14. Serbian Brothers Help Organization.
15. St. Sava Serbian Folklore Group.
16. Serbian Pioneer Club.
17. Serbian Independent Democrat Club chairman of all Serbian groups, George Rapaich, secretary, Krsman Otasevich.
18. Gary Post-Tribune.
19. Radio station WWCA.
20. Gary Police Department.
21. Gary Fire Department.
22. Conservative Clubs of Lake County.

REMARKS OF U.S. REPRESENTATIVE JOE D. WAGGONNER, JR., AS PREPARED FOR DELIVERY TO THE CAPTIVE NATIONS WEEK MASS RALLY IN TAIPEI, JULY 24, 1965

Mr. Chairman, distinguished guests, and friends, I am truly honored to be here in the Republic of China and I bring you greetings from the American people. I appreciate your generous invitation. Although I speak to you as an individual Member of the Congress of the United States rather than as an official representative of my Government, I speak to you with no fear that I will be contradicted:

The American people continue in full support of your struggle against the oppression and evil of communism.

The American people are unalterably opposed to the admission of Red China to the United Nations.

The American people are unified in their opposition to the Communist aggression in Vietnam. We have made a commitment in Vietnam and we will not shirk it.

We will not abandon these brave people to their enemies for we recognize that the future of all Asia, yes, possibly the future of the world's freedom, rises and falls with Vietnam. The value of America's word will be preserved. We have a responsibility in Asia for exactly the same reason we have a responsibility to defend Europe. We have a responsibility to defend freedom. We of the United States want nothing for ourselves—only that South Vietnam be allowed and all people be allowed to guide their destiny in their own way. Let no man be deceived. The people of the United States are united behind our President in this effort. We support wholeheartedly the President's position against Communist aggression.

Hear the words of our President once again. We will not be defeated. We will not grow tired. We will not withdraw, either openly or under the cloak of a meaningless agreement. We have no desire to see men die in battle—either Asians or Americans—so we will use our power with restraint and with all the wisdom we can command. But we will use it as we must.

But let me assure you once more that peace is our only purpose and that we will pursue that purpose in our efforts to set men free.

The American people join with you in your dedication to the proposition that all captive nations shall be liberated and man shall be free to walk the earth again in his own right. We shall not rest until this is accomplished.

We are humbly in your debt for the sacrifices you have laid on the altar of freedom.

As I flew through the darkness, high over the waters that separate our countries, I searched thoughtfully for something in my heart, in my experience or some thought from the storehouse of my mind that might electrify you and rededicate you to the cause of freedom you symbolize so magnificently to those of us who still are fortunate enough to dwell outside the Iron Curtain of communism.

My search was fruitless. I could find no sacrifice in my past that I could put on an equal basis with what you have known since the darkness of communism settled over your homelands. I could find no new soaring phrase in my mind that has not been said by those who have gone before me. And so, I am left with only the message that is in my heart and in the hearts of all Americans who share with you the belief in this dignity of man and in the rightful freedom of his body and his soul. That message is that truth is on our side; that justice is on our side; that the hope of the world is on our side; that the Supreme Being is on our side. Without these four things, nothing can succeed. With them, nothing can fail.

I choose to say that these things are on our side instead of on my side or your side, because our common cause of stopping and turning back the flood of communism binds us together in body, mind, and soul. The differences between us pale into nothingness.

Of course we are to some extent different, you and I. We are different in our customs, in business, in government, in marriage, and in family life.

I am, as are many of you, a Christian. I use the word "God" in a very specific sense. In your separate religions, some of you may not use the word at all. But, I do not, therefore, assume that you do not have a spiritual view of life or a moral attitude toward human conduct. These, I know you have.

The beautiful and expressive script of your language means nothing to me as I look at it because I cannot read a book or a newspaper or even a shop sign. I am totally dependent upon the politeness of my hosts for the fulfillment of my simplest needs. If I should offend your customs, I will not know it and I could not express my regret for my mistake. If I do err, it will be a mistake of the mind and not the heart.

You and I do not believe that all men must be cut from the same pattern as the Communists believe. This is collectivism of the worst and the most destructive order. Yes, we are different in some ways from each other. But, to rob our children of their special heritage of language, literature, history, and nationality, as the Communists would do, is a crime against them and against the world. What we seek instead, in the words of another, is "a cleaning of the windows of the mind," so that we may look out and rejoice at the flowers in our neighbors' garden as well as those which flourish in our own. The differences we might have are of no import.

We experience the same pleasure at seeing a painting by Li T'ang, though its delicate symbolism might escape my Western mind.

Our spirits respond alike to the lilt of music, though my ear may be attuned to a piano and yours, perhaps, to the cheng.

Our souls respond to the same calls: the yearning to be at peace—to have our own hands upon the rudder of our ship of life—to climb, not high it may be, but free, recognizing that he who builds below the stars, builds too low.

Our minds share the same revulsion of evil communism, and its degradation of the human body and soul. Truly we possess a different set of values from the Communists.

We do not believe, you and I, in the Communist concept of man; that he is a material machine, matter in motion, a robot of flesh, blood and bones and no more. You who are gathered here today are living proof that man is more than this. You are living proof of the soul and spirit of man. If this were not an absolute truth, you would long ago have succumbed to the tortures of communism. You are living proof that mankind cannot be valuated in terms of the laws of chemistry and physics.

This blessed freedom which some of the world enjoys and which you struggle to regain is not ours to do with as we see fit. Instead, it is to hold in trust for future generations in a free world. We must, together, liberate the captive nations from the oppression of communism and return to all peoples enslaved everywhere, their heritage of freedom.

At no time in the history of the world has it been more important that we be morally reinforced to meet the stress of these times. The day of adversity is always a time of testing. It reveals the inner quality of our lives. It manifests the kind of foundation upon which we have built. It tests whether we have built on solid rock or shifting sand. By so living your lives in dedication to morality and the principles of freedom, you have lit the beacon that guides men everywhere, both the free and those who struggle to be free.

We share, you and I, four dreams of humanity in our opposition to communism.

The first dream of humanity is for world peace. Sadly, it is at the present only a dream.

How tragic that the governments of Peiping and Moscow chose, after World War II, to continue to drag the rest of the world into a race of armaments instead of a race toward peace. How tragic that these leaders even today do not share this dream of true world peace with us. They have their dream of peace, but you and I know that their concept of peace is total domination of the world by the forces of communism.

The second dream of humanity is for a decent standard of living.

In its simplified form, this means food for the hungry, clothing for the naked and medicine for the sick. I have had an opportunity in the past few days to see something of this Island and, indeed, high compliments are due for the standard of living so evident here. Through our massive foreign aid programs, my government has made an effort to assist the free world in providing for a decent standard of living, though we admit our efforts have only partially succeeded. Regardless of any flaws and weaknesses it might have, what we have attempted to do has been done in the name of humanity. We have been countered at every turn by the Communist enemy acting in the name of slavery and of inhumanity to man. The Communists dream, too, of a decent standard of living—but it is a standard that denies the diligent, the worthy and the honest the fruit of their toil and distributes it to the chosen few.

The third dream of humanity is for self-government.

This is the dream of freedom that brings us together here today in the Republic of China. This is the dream that continues in our heart the desire to see all captive nations free. The Communists, too, dream of self-government, but it is a mockery of freedom. It is a ballot with but a single name. It is self-government only if you agree with the decisions handed down from Peking and Moscow and provided you have no mind of your own. It allows no departure from the party line.

The fourth dream of humanity is to achieve human dignity.

Dignity to you and to me means freedom to be the masters of our own fate. When the Communists dream of human dignity it means all men are suppressed and ground down to the lowest possible standard—every man held down—no man to rise up. I say to you that where men are forced into this false equality, they are not free. Where men are free, they will not be forced into this false equality.

These four dreams bind us together. They are dreams worthy of the unfettered soul.

I join with you in consecration and commitment to meet this challange today that our children will find pride in us tomorrow.

BILL FRANK, OF THE WILMINGTON, DEL., MORNING NEWS, IS AN UNUSUAL AND ABLE COLUMNIST

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Delaware [Mr. McDOWELL] is recognized for 5 minutes.

Mr. McDOWELL. Mr. Speaker, columnists and feature writers today are preoccupied with presenting to the public their evaluations of the great national problems which preoccupy us at the moment.

In general, it is true, as we fully recognize, that good news and praise are seldom the subject of very much newspaper space. A recent article by Bill Frank, Delaware's leading columnist, is a welcome change of pace. It is typical of this able journalist, who has so much of the feel for humanity, that he can write eloquently about the quiet achievements of a distinguished elder citizen of my State. Only one who believes in dreams himself can portray the events during another dreamer's lifetime which have been so successfully realized for the benefit of his fellow citizens.

I include as part of my remarks the following article for the attention and enjoyment of my colleagues:

[From the Wilmington (Del.) Morning News, Aug. 9, 1965]

DREAMS COME TRUE

(By Bill Frank)

I. B. Finkelstein, 81 years old, went down to Compton Park Square on the east side of Wilmington last Thursday and toured the newly built homes on Lombard Street, near 6th.

There were no tears in his eyes, but there were emotions within him.

In his own quiet way I. B. said, "It's very wonderful. It shows what can be done."

Only a few of us there at the time realized the full import of what I. B. said.

Cy Liberman, News-Journal reporter, was there. He knew what it meant to I. B. to tour these marvelous town houses, the real beachhead of urban renewal in Wilmington.

But there were many people who should have been there alongside I. B., people like Barbara Jones, Raymond Baker, Frank Norton, Mary E. Power, Thomas Herlihy, Jr., and Carolyn Weaver.

They were part of the small, valiant group who yapped and howled, exhorted and pleaded, cajoled and screamed that something be done about getting rid of slum houses and replacing them with decent houses.

But even before the people I've mentioned, I. B. was the great warrior in the cause of decent housing in town—just as he was also the great pioneering crusader for many ideas that are now commonplace.

Go back 30 years—or even further, if you please—and look at this businessman of Wilmington, known as I. B., who preached what seemed to be idealistic and utopian ideas:

More recreation for the workingman who was eventually to have shorter working hours.

Renovate Wilmington but do more than just paint up and clean up and fix up. Do a sound, permanent job.

Encourage business and industry to take more interest in art.

Develop our folk and musical cultures in and for the Wilmington area.

Link Delaware and New Jersey with a bridge and get rid of the slowpoke ferry out of New Castle.

Funnel traffic along limited access highways, but make it easy for people to get into the business areas.

I. B. was not born with a silver spoon, nor did he live on the right side of the tracks. He personally knew the problems of tight budgets and forced dropouts from school.

He also felt the barbs of being a member of a minority group and was well aware of the snickering that often went on behind his back in the old days. He despised any form of forced or even voluntary ghetto.

Better housing was one of his great dreams for Wilmington. For more than 10 years he was president and spark plug of the Wilmington Housing Association in the days when its members were regarded as crackpots.

Well, the years have crept up on I. B. He lives a quiet life in a lovely home in Arden, surrounded by the superb paintings of his late wife and the furniture they collected years ago. The din of public battle is merely an echo to him now. Others have taken up the lances which he once kept bright and sharp.

But the wonderful thing is that he has lived to see so many of those utopian ideas blossom and come into fruit.

Compton Park Square and its homes now ready for occupants and customers represent a great idea come true.

As he wandered through the houses, guided by Leon N. Weiner, a young man with imagination, I. B. recalled the days of battle to convince legislators, politicians, and people that all this could and should be accomplished.

I noticed that I. B. looked skyward the other day to see the shining silver domes of St. Mary's Church rising majestically above Compton Park Square. Almost 20 years ago, he remembered, these domes rose above some of the worst slums in Wilmington—particularly on the alley oddly named Lord Street.

If one is regarded as old at 81, then it cannot be said I. B. is a lonely old man. He has lived to be revered by those who caught the fervor of the causes he once espoused.

What greater satisfaction can a man have in his advanced years?

A GAG RULE HAS MADE IT VIRTUALLY IMPOSSIBLE TO DISCUSS THE SITE OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. WIDNALL] is recognized for 15 minutes.

Mr. WIDNALL. Mr. Speaker, a welcome outburst of truth, as reported in the press this week, gives us hope that it is not too late to save the proposed John F. Kennedy Center for the Performing Arts from being constructed as the wrong building in the wrong place. An important statement by the expert and influential American Institute of Architects at the national level has stimulated valuable comments which have formed a basis for articles in the New York Times, the Washington, D.C. Post, and the Washington, D.C., Evening Star.

Many of those, including myself, who originally backed the proposals for a National Cultural Center in the Nation's Capital firmly believed that the heart of the city is the only appropriate place for such a cultural center. This opinion is based on the experience of every other major city in this country and in Europe, and is backed by all thoughtful and unbiased experts in the fields of the performing arts and of city planning. About the only people who have insistently pushed for the present unfavorable riverside site for the Kennedy Center are the trustees of the Center and not all of them agree on the present site.

A kind of surprising gag rule has, until this week, made it virtually impossible to arouse proper attention to the shortcomings of the riverside site for the Kennedy Center. Ever since this inadequate site was first proposed, I have done what I could to bring the facts to the attention of my distinguished colleagues in the Congress and to public notice. In the emotionally charged atmosphere following the tragic death of President Kennedy, it proved impossible to obtain the close attention of the Congress to the unworkable proposal which was hurriedly approved without nearly enough discussion and review.

The intelligent remarks of the American Institute of Architects are worthy of quoting in full because they express so eloquently the urgent need for study of the available sites before it is really too late and we are irrevocably committed to a cultural disaster. I shall include as part of my remarks the recent statement of the American Institute of Architects on the location of the John F. Kennedy Center for the Performing Arts.

As pointed out in the New York Times article of August 11, 1965, the views of the American Institute of Architects have been strongly backed by the Architectural League of New York. It is essential that the Kennedy Center be restudied in the light of the plans for Pennsylvania Avenue which President Kennedy initiated and to which he gave the highest priority. The Pennsylvania Avenue Commission supported, during his lifetime and with his approval, the location of the National Cultural Center on or near Pennsylvania Avenue as part of its rejuvenation as the ceremonial avenue of the Nation.

The newly passed and signed Housing Act of 1965 makes the midtown section of Washington eligible for the kind of urban renewal funds which were used to acquire the site for the Lincoln Center for the Performing Arts in New York City and the site for the new cultural center in Los Angeles. The House-passed legislation for a subway system would make a downtown location for the Kennedy Center available to all of the people as it should be.

I would urge President Johnson to set up without delay an appropriate blue-ribbon memorial commission to review all of the facts and to consult qualified and unbiased experts so that a colossal blunder can be avoided. As was pointed out the last time the Kennedy Center bill was amended the memorial to President Kennedy is the first presidential memorial that is being planned without the advice of an appropriate commission. It is also the first presidential memorial, as presently planned, that will be impossible to visit without paying a parking fee.

The time has come to shine the purifying light of truth and reason on this whole hastily improvised project. The courageous and unselfish stand of the American Institute of Architects gives hope that President Johnson will not allow the present unworthy plan to be rushed headlong to an unhappy conclusion. It is noteworthy that the American Institute of Architects spoke strongly in favor of a National Cultural Center during the testimony that led to the passage of the original legislation during the administration of President Eisenhower. In its statement the American Institute of Architects offered to use its collective resources to provide an appropriate design for the National Cultural Center without charge. The trustees of the Center ignored this generous offer and turned the entire project over instead to a single architect who stands to be considerably enriched by controlling the design of the entire $65 million project. This time, let us not ignore the American Institute of Architects which speaks with authority and with the highest principles of public service.

Included as part of my remarks are the newspaper articles to which I have referred, and the statement of the American Institute of Architects.

Statement of the American Institute of Architects on the Location of the John F. Kennedy Center for the Performing Arts

The American Institute of Architects has received information that serious consideration is being given to the possibility of relocating the John F. Kennedy Center for the Performing Arts. The Pennsylvania Avenue plan suggests possible sites which were not available when the project was first conceived.

While the Institute recognizes that plans for the Center are already well advanced, it questions whether the present location is adequate to receive properly a building of the size and importance of the contemplated Center, and it believes that another location might provide a more appropriate site for this great memorial to the late President Kennedy.

The Institute therefore strongly urges that studies be made by the architect of the Center, the Pennsylvania Avenue Council, and the National Capital Planning Commission, to investigate the possibility of placing the Center on the proposed National Square or in some other location where it might better serve its purpose as a memorial to John F. Kennedy and as a center for the performing arts, and where this important building might make a greater contribution to the life and appearance of the city of Washington.

[From the New York Times, Aug. 12, 1965]

Site Dispute Hits Kennedy Center—Architects Suggest Arts Unit Be in Heart of Capital

Washington, August 11.—The controversy over the location of the $65 million Kennedy Center for the Performing Arts has bubbled to the surface again.

Bids for construction will be entered in about 60 days at the present approved site, well away from downtown Washington, by the Potomac. But a widespread movement to change the site to Pennsylvania Avenue in the heart of the city has suddenly come to light.

Sometime this fall, President Johnson will propose legislation that will call for the dramatic remodeling of Pennsylvania Avenue, potentially the Nation's grandest historical boulevard and the inaugural route of Presidents.

A spokesman for the temporary Pennsylvania Avenue Commission, which will draft the Presidential proposals, said today that he was "appalled" at the strength of the opposition he had discovered to the present site and the frustration and dissatisfaction he had found among architects, civic planners, and cultural leaders.

The American Institute of Architects issued yesterday a statement strongly urging relocation. The Architectural League of New York followed with a similar resolution today.

The reasons for the revival of turbulent opposition are that the river site was chosen in 1958, before the plan for redesigning Pennsylvania Avenue came along; the subway system for Washintgon is now definitely planned and not the remote dream it was then; and, most important, midtown Washington is now eligible for urban renewal funds for the first time.

Urban renewal money helped make possible, among other things, Lincoln Center for the Performing Arts in Manhattan and the ambitious cultural center in Los Angeles.

"This means that the chief argument now is that the great golden goose is with us," said Edward T. Foote, assistant to the Pennsylvania Avenue Commission's chairman.

The chairman, the architect Nathaniel Owings, is in Africa on a lion-hunting safari.

Daniel P. Moynihan, who is running for president of the New York City Council and who is acting chairman of the commission, said in a telephone interview today from New York: "Stone (Edward Durell Stone, the center's architect) loves that waterfront. I think it's a terrible place."

The present site is difficult to get to and will soon be surrounded by freeways.

Mr. Moynihan said he was planning to come to Washington next week to see "if there is any genuine change of views. As far as I am aware the subject is closed. However, I want to talk to people about the subject. If there is any genuine desire to reopen it the Pennsylvania Avenue Commission is more than willing to do so."

But Charles A. Horsky, President Johnson's adviser on Washington affairs, said unequivocally that it was too late: "There is not the slightest chance of a change," he declared.

[From the Washington (D.C.) Post, Aug. 11, 1965]

Architects' Group Seeks Review of Location for Cultural Center

The long dormant issue of the location of the John F. Kennedy Center for the Performing Arts has been revived.

In a statement released yesterday, the American Institute of Architects (AIA) disclosed that it "has received information that serious consideration is being given to the possibility of relocating" the Center.

Ground was broken last winter for the $46.5 million Center on a Foggy Bottom site next to the Potomac. The location has been attacked because it is in the middle of a freeway network and distant from the heart of downtown Washington.

The AIA statement said the plan for the redevelopment of Pennsylvania Avenue into a grand ceremonial thoroughfare "suggests possible sites which were not available when the (Center) project was originally conceived.

"While the Institute recognizes that plans for the Center are already well advanced, it questions whether the present location is adequate to receive properly a building of the size and importance of the contemplated Center and it believes that another location might provide a more appropriate site."

There was no official confirmation of the information the Institute said it had received.

However, it is known that the influential organization's recommendation was based on informal discussions which have in effect revived the issue.

One highly placed source said the subject had been raised recently at the White House, and he was told that "under no circumstances" should the issue be revived.

The plans for the center have been in the making for about a decade. Originally it was to have been called the National Cultural Center.

Almost from the beginning the riverside site was preferred by its principal sponsors. After the death of President Kennedy, the center was authorized as a memorial to him and funds were raised based on the Foggy Bottom location.

Daniel P. Moynihan, on leave as Assistant Secretary of Labor, who is vice chairman of the temporary Pennsylvania Avenue Commission, said this decision resulted in the final choice of the riverside site.

"As far as I am aware," Moynihan said, "the present location is fixed and settled. Had events gone differently the location might have been different but that did not happen."

The architects' statement urged that studies of a possible relocation be made by the center's architect, Edward Durell Stone, by the temporary Pennsylvania Avenue Commission and the National Capital Planning Commission.

Stone has strongly favored the riverside location. The Planning Commission approved that site in 1963 after an earlier round of controversy.

W. C. Dutton, Jr., Planning Commission Director, said he was unaware of any new, serious proposal to change the site.

[From the Evening Star, Aug. 11, 1965]

RENEWED CONTROVERSY BOILS OVER KENNEDY CENTER SITE

(By Robert J. Lewis)

Inquiries by the staff of the temporary commission on Pennsylvania Avenue seeking to answer a Congressman's question snowballed today into a revival of a public controversy over the site of the John F. Kennedy Center for the Performing Arts.

The Potomac River location of the $65 million center, for which ground was broken last winter, has been much criticized but generally viewed as a final choice not subject to change.

But, at the request of the Pennsylvania Avenue Commission, the American Institute of Architects this week supplied the commission with a strong statement urging restudy of the site.

William H. Scheick, AIA executive director, said today his organization was informed that there was some feeling within the commission that there are avenue sites suitable for the center and that there is some dissatisfaction with the location on the Potomac River just north of the Theodore Roosevelt Bridge.

"We were asked to give our views," Scheick said. "We could only presume this was going on with Nathaniel Owings' knowledge." Scheick said his organization previously had not taken a formal position on the site question, preferring to stay out of the controversy.

Explaining the inquiry in behalf of Representative WILLIAM WIDNALL, Republican, of New Jersey, an aid said today the Congressman had written an article several months ago for the Washington Building Congress Bulletin pointing out that a complex expressway arrangement would "strangle" the center in its proposed location.

"We wanted to know whether the temporary commission had any current views in regard to the possibility of having it relocated," George Frain, WIDNALL's legislative assistant, said.

Architect Nathaniel A. Owings is chairman of the 6-month-old temporary commission which is playing a caretaker role in regard to the avenue plan drawn up earlier by the Pennsylvania Avenue Advisory Council. Owings, who also headed that group, was on an African lion-hunting safari today and could not be reached for comment.

But Edward T. (Tad) Foote, Owings' newly appointed assistant, said neither the chairman of the commission nor the commission itself had formally discussed a site change for the center.

Foote said the temporary commission had met only once since its appointment last March and said there had not been any action favoring a transfer of the proposed Kennedy Center to the avenue. He said, however, he was aware that at least one commission member believed a site change was advisable but that the member considered the existing site a final choice.

"The only ones who have talked about this possibility of a change in sites have been the staff people on the commission," Foote said.

Explaining that 2 weeks ago he had received a call from the office of Congressman WIDNALL inquiring as to the possibility of a change in the site for the Kennedy Center, Foote said he decided to "check around" to find out about prevailing opinion.

"In checking around, we found widespread dissatisfaction with the present location, including dissatisfaction within the local AIA chapter. It is my understanding they went to the national AIA organization."

Foote, acknowledging he had gotten in touch with representatives of the AIA, said this was solely "to find out whether they had heard anything about a national AIA organization," Foote said.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DAGUE (at the request of Mr. CORBETT), for an indefinite period, on account of illness in family.

Mr. ELLSWORTH (at the request of Mr. GERALD R. FORD), for August 11 and 12, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VIVIAN, for 5 minutes, today.

Mr. DERWINSKI (at the request of Mr. MCCLORY), for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. WIDNALL (at the request of Mr. MCCLORY), for 15 minutes, today.

Mr. MCDOWELL (at the request of Mr. FARNUM), for 5 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. RYAN (at the request of Mr. FARNUM), for 15 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. ROSENTHAL (at the request of Mr. FARNUM), for 1 hour, on August 16; to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. HÉBERT and to include a speech by Mr. RIVERS of South Carolina.

Mr. FINO.

Mr. SISK and to include extraneous material in the form of a speech by the Governor of California in his remarks while in Committee of the Whole House on the State of the Union today.

Mr. HAGEN of California.

Mr. IRWIN.

Mr. MILLER.

Mr. PELLY.

(The following Members (at the request of Mr. FARNUM) and to include extraneous matter:)

Mr. TENZER in two instances.

Mr. POWELL in five instances.

Mrs. KELLY.

Mr. COOLEY.

Mr. RANDALL.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 788. An act to designate the Veterans' Administration hospital being constructed in the District of Columbia as the Melvin J. Maas Memorial Hospital; to the Committee on Veterans' Affairs.

S.J. Res. 32. Joint resolution to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the U.S. Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952; to the Committee on Foreign Affairs.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 2054. An act to amend further the Peace Corps Act (75 Stat. 612), as amended, and for other purposes; and

S.J. Res. 100. Joint resolution to provide for the designation of the period from August 31 through September 6, in 1965, as "National American Legion Baseball Week."

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 8856. An act to amend section 271 of the Atomic Energy Act of 1954, as amended.

ADJOURNMENT

Mr. FARNUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 54 minutes p.m.), under its previous order, the House adjourned until Monday, August 16, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1443. A communication from the President of the United States, transmitting proposed supplemental appropriation for fiscal year 1966 for the Federal Aviation Agency (H. Doc. No. 261); to the Committee on Appropriations and ordered to be printed.

1444. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to raise the maximum age limit of schoolchildren entitled to transportation in the District of Columbia at a reduced fare; to the Committee on the District of Columbia.

1445. A letter from the Acting Comptroller General of the United States, transmitting a report of shipment of excess aeronautical spare parts to Oklahoma City Air Materiel Area by Air Force bases, Department of the Air Force; to the Committee on Government Operations.

1446. A letter from the Acting Comptroller General of the United States, transmitting a report of review of collection of excess-weight costs incurred in shipping household goods, Department of the Army; to the Committee on Government Operations.

1447. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposition of funds appropriated to pay a judgment in favor of the Otoe and Missouria Tribe of

Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

1448. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report of the use of funds to provide additional research laboratory space at the University of Rochester, Rochester, N.Y., pursuant to section 1(c)(ii) (76. Stat. 382); section 1(d)(2) (77 Stat. 141, 142); and section 1(d)(2) (78 Stat. 310, 311); to the Committee on Science and Astronautics.

1449. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report of the use of funds to provide additional research laboratory space at the Case Institute of Technology, Cleveland, Ohio; pursuant to section 1(d)(2) of the National Aeronautics and Space Administration Authorization Act, 1965 (78 Stat. 310, 311); to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Post Office and Civil Service. H.R. 6183. A bill to amend title 13, United States Code, to provide for a mid-decade census of population, unemployment, and housing in years 1966 and 1975 and every 10 years thereafter; with amendment (Rept. No. 780). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 3141. A bill to amend the Public Health Service Act to improve the educational quality of schools of medicine, dentistry, and osteopathy, to authorize grants under that act to such schools for the awarding of scholarships to needy students, and to extend expiring provisions of that act for student loans and for aid in construction of teaching facilities for students in such schools and schools for other health professions, and for other purposes; with amendment (Rept. No. 781). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 168. A bill to amend title 38 of the United States Code to provide increases in the rates of disability compensation to reflect the increase in the cost of living from the year 1933; with amendment (Rept. No. 782). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 7571. A bill to amend title 38 of the United States Code with respect to liability of individuals arising out of certain loans made, guaranteed, or insured by the Administrator of Veterans' Affairs; with amendment (Rept. No. 783). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 8635. A bill to establish and prescribe the duties of a Federal boxing commission for the purpose of insuring that the channels of interstate commerce are free from false or fraudulent descriptions or depictions of professional boxing contests; with amendments (Rept. No. 784). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House Resolution 520. Resolution for consideration of H.R. 2091, a bill relating to the establishment of concession policies in the areas administered by National Park Service and for other purposes; without amendment (Rept. No. 785). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 521. Resolution for consideration of H.R. 7811, a bill to authorize the sale or loan of naval vessels to friendly Latin American countries, and for other purposes; without amendment (Rept. No. 786). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 522. Resolution for consideration of H.R. 7812, a bill to authorize the loan of naval vessels to friendly foreign countries, and for other purposes; without amendment (Rept. No. 787). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 523. Resolution for consideration of H.R. 7813, a bill to authorize the loan of naval vessels to friendly foreign countries; without amendment (Rept. No. 788). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 524. Resolution for consideration of H.R. 8333, a bill to amend title 10, United States Code, to provide for the establishment of a program of cash awards for suggestions, inventions, or scientific achievements by members of the Armed Forces which contribute to the efficiency, economy, or other improvement of Government operations; without amendment (Rept. No. 789). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 525. Resolution for consideration of H.R. 8989, a bill to promote health and safety in metal and nonmetallic mineral industries, and for other purposes; without amendment (Rept. No. 790). Referred to the House Calendar.

Mr. FOGARTY: Committee of conference. H.R. 7765. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes (Rept. No. 791). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By **Mr. GROSS:**

H.R. 10420. A bill relating to the furnishing of personal services to the Federal Government by contract in lieu of utilization of career civil service employment; to the Committee on Post Office and Civil Service.

By **Mr. CURTIN:**

H.R. 10421. A bill to amend the Civil Service Retirement Act, as amended, to provide for recomputation of annuities of retired employees who elected reduced annuities at the time of retirement in order to provide survivor annuities for their spouses; to the Committee on Post Office and Civil Service.

By **Mr. KORNEGAY:**

H.R. 10422. A bill to amend title 38 of the United States Code to provide increases in the rates of disability compensation; and for other purposes; to the Committee on Veterans' Affairs.

By **Mr. MURPHY of New York:**

H.R. 10423. A bill to amend title 10 of the United States Code to prohibit contracting for the construction of vessels for the U.S. Navy at places outside of the United States; to the Committee on Armed Services.

By **Mr. SICKLES:**

H.R. 10424. A bill to indemnify dairy farmers; to the Committee on Agriculture.

By **Mr. TENZER:**

H.R. 10425. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize reimbursement to a State or political subdivision thereof for sidewalk repair and replacement or to make other arrangements therefor; to the Committee on Government Operations.

By **Mr. ANDREWS of North Dakota:**

H.R. 10426. A bill to indemnify dairy farmers; to the Committee on Agriculture.

By **Mr. DAVIS of Georgia:**

H.R. 10427. A bill to amend the act entitled "An act to provide in the Department of Health, Education, and Welfare for a loan service of captioned films for the deaf," approved September 2, 1958, as amended, in order to further provide for a loan service of educational media for the deaf, and for other purposes; to the Committee on Education and Labor.

By **Mr. HALPERN:**

H.R. 10428. A bill to amend title 38 of the United States Code to provide increases in the rates of disability compensation; and for other purposes; to the Committee on Veterans' Affairs.

By **Mrs. HANSEN of Washington:**

H.R. 10429. A bill to make retrocession to the State of Washington of jurisdiction over lands comprising the Fort Canby-Cape Disappointment area near the mouth of the Columbia River; to the Committee on Armed Services.

By **Mr. JOHNSON of Oklahoma:**

H.R. 10430. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Mountain Park reclamation project, Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

By **Mr. LANGEN:**

H.R. 10431. A bill to declare that certain federally owned land is held by the United States in trust for the Minnesota Chippewa Tribe; to the Committee on Interior and Insular Affairs.

By **Mr. MATSUNAGA:**

H.R. 10432. A bill to provide for expanded research and development in the marine environment of the United States, to establish a National Council on Marine Resources and Engineering Development, and a Commission on Marine Science, Engineering and Resources, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By **Mr. MILLS:**

H.R. 10433. A bill to relax certain limitations applicable to the investment credit for income tax purposes; to the Committee on Ways and Means.

By **Mr. MURPHY of New York:**

H.R. 10434. A bill to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By **Mr. ROUDEBUSH:**

H.R. 10435. A bill to waive any overpayments of veterans' pensions for the year 1965 resulting from enactment of the Social Security Amendments of 1965, and for other purposes; to the Committee on Veterans' Affairs.

By **Mr. ADAIR:**

H.R. 10436. A bill to waive any overpayment of veterans' pensions for the year 1965, resulting from enactment of the Social Security Amendments of 1965, and for other purposes; to the Committee on Veterans' Affairs.

By **Mr. DON H. CLAUSEN:**

H.R. 10437. A bill to waive any overpayments of veterans' pensions for the year 1965 resulting from enactment of the Social Security Amendments of 1965, and for other purposes; to the Committee on Veterans' Affairs.

By **Mr. CONTE:**

H.R. 10438. A bill to provide benefits for certain survivors of annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948; to the Committee on Post Office and Civil Service.

By **Mr. FUQUA:**

H.R. 10439. A bill to amend section 317 of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. HALPERN:

H.R. 10440. A bill to amend the Internal Revenue Code of 1954 to provide a deduction from gross income for contributions and gifts to civic organizations; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 10441. A bill to amend title 39, United States Code, to provide certain mailing privileges with respect to members of the U.S. Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 10442. A bill to amend title 39, United States Code, to provide for the acquisition of postal field service employee dwellings in the general vicinity of postal installations ordered to be closed, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H.R. 10443. A bill to provide for the acquisition of an official residence for the Vice President of the United States; to the Committee on Public Works.

By Mr. REID of New York:

H.R. 10444. A bill to amend sections 8 and 9(c) of the National Labor Relations Act so as to provide for the holding of expedited representation elections upon petition of employers where labor organizations seek recognition on the basis of employees' authorizations or similar evidence, and for other purposes; to the Committee on Education and Labor.

By Mr. ST GERMAIN:

H.R. 10445. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking and Currency.

By Mr. MATHIAS:

H.R. 10446. A bill to indemnify dairy farmers; to the Committee on Agriculture.

By Mr. PATMAN:

H.R. 10447. A bill to amend title 39, United States Code, to provide for the acquisition of postal field service employee dwellings in the general vicinity of postal installations ordered to be closed, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland:

H.J. Res. 621. Joint resolution to authorize the President to issue a proclamation commemorating the 200th anniversary of the Stamp Act Congress, held at New York, in the Colony of New York, October 7–25, 1765; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.J. Res. 622. Joint resolution to authorize the President to issue a proclamation commemorating the 200th anniversary of the Stamp Act Congress, held at New York, in Colony of New York, October 7–25, 1765; to the Committee on the Judiciary.

By Mr. FULTON of Tennessee:

H.J. Res. 623. Joint resolution proposing an amendment to the Constitution of the United States to provide that the right to vote shall not be denied on account of age to persons who are 18 years of age or older; to the Committee on the Judiciary.

By Mr. CALLAN:

H.J. Res. 624. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. CURTIN:

H.J. Res. 625. Joint resolution to authorize the President to proclaim April 9, 1967, as Bataan-Corregidor Day; to the Committee on the Judiciary.

By Mr. WYDLER:

H. Con. Res. 461. Concurrent resolution favoring self-determination for Cyprus; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Res. 516. Resolution to provide additional funds for the investigations and studies authorized by House Resolution 133; to the Committee on House Administration.

H. Res. 517. Resolution to provide additional funds for the investigations and studies authorized by House Resolution 133; to the Committee on House Administration.

By Mr. WOLFF:

H. Res. 518. Resolution expressing the sense of the House of Representatives with respect to the Hague Protocol and the Warsaw Convention; to the Committee on Interstate and Foreign Commerce.

By Mr. TENZER:

H. Res. 519. Resolution expressing the sense of the House of Representatives with respect to the Hague Protocol and the Warsaw Convention; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLEVENGER:

H.R. 10448. A bill for the relief of Fred H. Gasparick; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 10449. A bill for the relief of Ancilla Zeni; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 10450. A bill for the relief of Andrew Zaryk; to the Committee on the Judiciary.

By Mr. MINSHALL:

H. Con. Res. 462. Concurrent resolution citing the bravery, resourcefulness and success in conquering the Atlantic Ocean of Robert Manry, and resolving that his sailboat *Tinkerbelle* be retired for permanent display in the Smithsonian Institution; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Drum Corps Week

EXTENSION OF REMARKS

OF

HON. DONALD J. IRWIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. IRWIN. Mr. Speaker, this Sunday marks the start of Drum Corps Week and I feel it is particularly fitting that we honor this worthwhile and purposeful activity and the many fine young people who participate in it.

At a time when the behavior of some of our youth leaves something to be desired, it is encouraging to know that about one million young Americans are active participants.

Drum corps activity is an aid to fighting delinquency in our cities; it enables young people to participate in a disciplinary activity at a formative period of their lives. It provides musical instruction to many young men and women. It enlivens parades and civic celebrations. It teaches patriotism and love of country. And drum corps marching and playing has helped raise millions of dollars for our charities.

Therefore, I would like to extend to my colleagues an invitation to join the people of Bridgeport in thrilling to the colorful pageantry and martial marches starting next Thursday for 4 days when Bridgeport plays host to the World Open Drum and Bugle Corps Championships.

Anniversary Salute to the Central African Republic

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. POWELL. Mr. Speaker, tomorrow, August 13, the Central African Republic will celebrate the fifth anniversary of its independence. On this auspicious occasion, we wish to extend warm felicitations to His Excellency David Daco, President of the Central African Republic; and to His Excellency Michel Gallin-Douathe, the Central African Republic Ambassador to the United States.

Five years ago, a small African nation, located at almost the precise center of the continent of Africa, received its independence from the French Government. This was not a bloody revolution, filled with slogans of anticolonialism and high-blown claims of aggressive nationalism, but a quiet acceptance of the reins of government, the responsibility for their own destiny, on the part of the new leaders of the Central African Republic.

Thus the old ties with France and other Western nations were not suddenly torn asunder by the hurricane of revolution but simply took on the aspect of a partnership of equals rather than the relationship of a colony to its colonial master. This peaceful change left the leaders of the Central African Republic with a basic body of French law and an operable centralized political administration with which to build their new nation.

The basic policy of the Government of the Central African Republic has been to build the nation into a modern nation state, but to do so while still preserving the unique character of the Central African traditions and heritage. The French legal system remains, but it takes on a peculiarly African character more suited to the local needs and traditions of this young nation.

In economic matters the tasks are more difficult. Modernization does not come easily to people who have spent generation after generation farming by the ancient methods of their ancestors;

yet, already the new government has made progress. The modernization and expansion of agriculture is one of the government's major goals, and there are already several research centers functioning under government support. New varieties of crops have been developed, such as a new strain of cotton which produces a longer fiber and is more resistant to disease, or in crossbreeding new livestock also resistant to local diseases.

In these and other ventures the new government has shown a strong willingness to work with Western agencies and the United Nations in cooperative projects. Technicians from the United Nations and Israel and developmental grants from France, the EEC and the United States have been earnestly put to use by a national leadership determined to achieve modernization and a higher standard of living for its people.

The road ahead of the Central African Republic will not be an easy one; yet, this young nation has already shown a willingness to accept the challenges and begin the long and difficult journey toward modernization. Let us wish them a most pleasant anniversary celebration and a future of progress and accomplishment.

Federal Government and Arkansas: Partners in Crime and Vice

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. FINO. Mr. Speaker, today I would like to tell the Members of this House about the regrettable partnership of the Federal Government and the State of Arkansas in keeping gambling illegal in Arkansas, thus opening up gambling's lucrative profits to the misery-merchants of the mob.

Last year, the parimutuel turnover in Arkansas came to $27 million. More significant and more menacing is Arkansas' illegal gambling, long associated with Hot Springs and a few other towns. Testimony before the McClellan committee indicated that offtrack betting comes to about $50 billion annually throughout the Nation. With this figure accounting for only some 42 percent of the national annual illegal gambling total, which would thus be $120 billion. On a population basis, illegal gambling in Arkansas would come to about $1.2 billion a year. The mob cuts itself 10 percent of the illegal gambling take, which means that the "land of opportunity" is a State of realized opportunities for the mob. Government-run gambling would siphon these moneys from mob treasuries, putting gambling revenues to work on behalf of, rather than to the detriment of, the public welfare.

The best way to make gambling work for the public good, since it is basically ineradicable, is a national or series of State lotteries. If the State of Arkansas would wake up to social and financial reality, it would legalize, regulate, and control gambling so that the gambling urge of the people of Arkansas would no longer serve the financial needs of the crime empires.

CBS Special Report—Vietnam Perspective: "The Decisions"

EXTENSION OF REMARKS

OF

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. TENZER. Mr. Speaker, on Monday evening, August 9, 1965, millions of Americans were able to see and hear our distinguished Secretary of State, Dean Rusk and equally distinguished Secretary of Defense Robert McNamara, on a CBS Special Report "Vietnam Perspective: The Decisions."

The public service which CBS contributed has made many Americans more aware of the reasons for our Nation's commitments and a better understanding of why we are in southeast Asia, the policy which we are pursuing in Vietnam, and the efforts which we are exerting to secure peace in that corner of the globe.

No legislative or national issue has caused as much comment in my congressional district or resulted in as many letters from my constituents as our policy in South Vietnam. The questions of whether we have had sufficient debate on United States foreign policy or whether we have truly made every effort to achieve peace in Vietnam have been asked by constituents to their Senators and Representatives time and time again. These questions have been answered in my letters to constituents and in my reports from Washington. In addition to my own views on the subject, I have distributed to my constituents other materials such as the State Department's white paper and the publication entitled "The Third Face of War."

In this latest presentation to the public via national television, the President has made it clear that he wants the American people to know the facts so that their judgment concerning our policy in Vietnam can be based upon the best available information and by hearing the opinions of those who have the facts in hand.

In the August 11, 1965, edition of Newsday, a daily newspaper published in Nassau County, Long Island, the following editorial on the Vietnam special report appeared:

A CASE WELL STATED

Secretaries Rusk and McNamara, on TV the night before last (and President Johnson, talking to the press Monday) made a good, a solid and a convincing case for the American presence in Vietnam. The two Secretaries said little that was new, but they said it so well as to deserve a rousing hand. They gave cogent, lucid responses to the questions that trouble some Americans. It was a first-class presentation.

I have proposed to Secretaries Rusk and McNamara, and to the White House that they make available for the widest possible distribution—a transcript of the CBS program referred to—in question and answer form which I would like to send to my constituents in a special report on the Vietnam situation. The President said in a special briefing at which I was present on Wednesday, "Your judgment is no better than your information." I agree with the President and that is why I want to supply to my constituents the available information upon which they can base their judgment of the President's policy, which I heartily endorse.

Another Good Man Leaves Government Oceanography

EXTENSION OF REMARKS

OF

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. MILLER. Mr. Speaker, 6 years ago I had the pleasure of meeting a gentleman for whom I have the highest respect and regard; namely, Capt. Paul Bauer, U.S. Naval Reserves, retired, who, voluntarily, offered his free time in the interest of the House Merchant Marine and Fisheries Committee in its endeavors to focus on the oceanographic problems facing our country today.

Paul Bauer is a brilliant scholar in the field of earth sciences. Six years ago, he brought his knowledge and abilities in this field to the Federal Government by initiating his services as a staff man with the House Merchant Marine and Fisheries Committee. In his years of endeavor he has done much to enhance the ability of Congress to deal with the complex and diverse problems of oceanography.

I regret that, as of September 1, he will be leaving the staff of this committee. However, with his departure I am certain we can be assured that he will continue to apply his talents in the field of earth sciences for the betterment of our society.

As hearings opened earlier this month, on the subject of oceanography, by the Oceanography Subcommittee of the Merchant Marine and Fisheries Committee, its distinguished chairman, the Honorable ALTON LENNON, of North Carolina, paid a great tribute to Captain Bauer. I believe that this tribute should be noted for the interest of all my colleagues since I consider it to sum up my thoughts and feelings concerning this fine man. Therefore, I am pleased to insert in the CONGRESSIONAL RECORD, an article from the Ocean Science News of August 6, 1965, which reports in full Congressman LENNON's statement:

[From Ocean Science News, Aug. 6, 1965]

ANOTHER GOOD MAN LEAVES GOVERNMENT OCEANOGRAPHY

At the opening of the August 3 hearings on oceanography before the Oceanographic

Subcommittee of the House Merchant Marine and Fisheries Committee, Subcommittee Chairman ALTON A. LENNON, Democrat, of North Carolina, introduced the following statement into the record:

"Before we hear from our first witness, I want to make an announcement. For the past 6 years we have been privileged to have attached to our staff a man of very unusual talents, ability, and creative energy, Capt. Paul Sherman Bauer, U.S. Navy, retired.

"I regret to announce that Paul will be leaving us on September 1. I hope these hearings will be concluded and positive legislation passed through Congress before we have to lose him. Captain Bauer first came with our committee in 1959 at the very beginning of the concept of a national oceanographic program. We have been fortunate in having his services as a consultant on oceanographic, fisheries, and other technical matters ever since. A successful businessman in his native Massachusetts, he has in recent years devoted almost full time to the cause of science. Oceanography and other earth sciences have been his specialties. In addition to his valuable contributions to the committee, he has also served as professor of earth sciences at the American University, participated in numerous technical meetings of value to the work of this committee; and published several important papers.

"He brought to the committee a long background of technical and scientific achievement. He is wise in the ways of government—which has been invaluable to us as we have tried to unravel the mysteries of what has been going on in oceanography and to determine the course we should take for the future. While I can fully appreciate his desire to devote more time to his personal business, I want to express our regret at losing him. It has been a very fruitful period in the development of a true oceanographic program since he came with us.

"Paul, in behalf of the committee, I wish you well in your new activities, and hope that we may call upon you from time to time for your wise and able counsel."

CONGRESS' LOSS, HOWEVER, IS OSN'S GAIN

On September 1, 1965, Captain Bauer joins both Ocean Science News and Geo-Marine Technology as an associate editor. This is not to say that he will be full time with us—for by his nature he must be interested in several things at once. However, the very diversity of his interests means we will do an even better job for you.

Anniversary Salute to Pakistan

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. POWELL. Mr. Speaker, on Saturday, August 14, Pakistan will celebrate its 18th anniversary of independence, and it is a pleasure for me to direct the attention of the House of Representatives today to this occasion, since the House will not be meeting on Saturday. We therefore send warm felicitations to His Excellency Mohammed Ayub Khan, President of Pakistan, and to His Excellency Shulam Ahmed, the Pakistan Ambassador to the United States.

Although Pakistan has been independent for just 18 years, the dream of an independent Moslem nation to be created out of a partition of India, once that nation had achieved its independence from Great Britain, began as early as 1930. By 1940, Mohammed Ali Jinnah, the revered leader of the Muslim League, officially endorsed the goal of establishing Pakistan as an independent homeland for the Moslems of the Indian subcontinent.

Seven years later, on June 3, 1947, the British Government declared it would grant full dominion status to India and Pakistan. Pakistan officially became an independent sovereign nation on the 14th of August, 1947.

The early years of independence for Pakistan were not easy ones. The economy was already weak in 1947 and it gradually deteriorated with the political instability which came with the fierce partisan politics and Cabinet reshuffles in the central government and provinces which continued until 1958.

In the light of the difficult times of that first decade, the achievements made since the peaceful revolution of 1958 have been impressive indeed. In the first years of independence Pakistan was an almost exclusively agricultural country; there were no indigenous banks, no industries, and practically no trained technicians. Today, despite the scarcity of natural resources generally required for economic growth, Pakistan has already achieved a substantial amount of industrialization as well as establishing several local banks and businesses. Moreover, the nation now claims a considerable amount of technical and professional talent. Such economic growth is indeed impressive; all the more so since it is primarily a product of the last 7 years.

Her political growth has been no less impressive; today Pakistan takes her place as one of the leaders of Asia and the newly emerging nations of the world.

The road to independence was long and difficult for Pakistan. That in itself makes every anniversary of her independence worth celebrating. But beyond the struggle for independence there has been the climb to political and economic maturity which has made her independence something to be cherished beyond its original expectations.

Let us extend our heartiest congratulations on Pakistan's 18th anniversary.

No Foreign-Built Ships

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. PELLY. Mr. Speaker, along with many other Members of Congress I was dismayed when press reports stated that current rumor has it that the Defense Department is studying the possibility of contracting with British shipyards for some $50 million worth of naval vessels.

It was with consternation that I received this report. My first thought was that this rumor was in the nature of a trial balloon. Unless Congress expressed its disapproval, I was fearful we would wake up some morning and read that an agreement had been consummated. So I decided for the protection of shipyard workers and shipbuilders—both Government and private—this balloon was one that I should help to shoot down.

Mr. Speaker, in line with this conviction, I introduced H.R. 10111 to prohibit the Defense Department from contracting for the construction of vessels for the Navy in foreign shipyards. In support of this bill I prepared a statement and submitted my testimony to the Committee on Armed Services at a hearing held on July 28.

At this hearing, Henry Kuss, Jr., Assistant Secretary of Defense, represented his department regarding this possible procurement. About all he said was that "any type of procurement by the United States in the United Kingdom will be subject to the conditions of price, quality, and delivery," which was in the nature of an admission.

Mr. Speaker, what he failed to do was deny or confirm the truth of this assertion. This whole deal has been cloaked in secrecy—the Pentagon neither denies or confirms the reports.

The rumor is that 14 naval vessels are scheduled to be built in the United Kingdom—which would not make much of a hit with the American people, especially our shipyard workers. But furthermore, in addition to the loss of jobs, there is a loss of gold. Right now, the United States has reported new lows in its gold supply.

Mr. Speaker, I am unequivocally opposed to spending 1 cent of the taxpayers' money abroad for the building of ships when our own shipyard industry has been in a depressed state operating at less than 50 percent of its efficient capacity—this is as it has operated for years. In Seattle there are two of the largest private shipbuilders in the country, ready, willing, and able to take on more work, and in Bremerton there is a public yard. Speaking of a public yard, the Secretary of Defense himself only this year stated there was an excess of naval shipyards and is phasing out two Government yards.

Without work to keep our own yards, private and naval, busy how can our Government justify allocating new ship construction to foreign firms? Our remaining shipyards, make no mistake about it, are absolutely dependent on Defense Department contracts. A build-foreign policy would lead ultimately to the demise of shipbuilding in the United States.

Not more than 2 years ago, Mr. Speaker, Congress made it clear that it did not favor having parts of ships built in foreign yards. As a matter of fact language to this effect was included in the naval appropriations bill. This year we kept the same provision. It prohibits building a hull or a section of a ship, but does not prohibit the entire vessel from being built abroad.

Our domestic shipbuilding industry can build the finest ships in the world and that ability is necessary—and the skilled workers are necessary—to build and maintain both maritime and naval vessels for national security.

In this connection, Mr. Speaker, under unanimous consent, I include in the RECORD a news story appearing in the Journal of Commerce and Shipping Telegraph of London, England, telling of discussions in Washington, D.C., on this subject. Especially, I call attention to the last paragraph of this article which says that the Defense Department is confident that it can deal with opposition to such a purchase of foreign-built vessels.

Mr. Speaker, the Members of this House must express in no uncertain terms their opposition, and I believe they will when given the opportunity to vote on H.R. 10111, or a similar bill.

The above-mentioned news story follows:

UNITED KINGDOM MISSION'S BID TO SELL SHIPS TO UNITED STATES—TALKS ALL THIS WEEK IN WASHINGTON

A British technical mission is having talks at the U.S. Defense Department, in Washington, on the possible sale of ships and other military equipment to the United States. The talks follow the recent disclosure that the Defense Department is interested in the possible purchase of British-built naval supply vessels, such as fleet oilers, if the price and other factors are right.

The British mission is headed by Mr. G. C. B. Dodds, an Assistant Secretary at the Ministry of Defense. The mission, which comprises all the British service departments and the Ministry of Aviation, is expected to be in Washington most of the week.

The mission's interest is not confined to ships, although the market in this field could be significant. Officials said the group would certainly be discussing ships, but would not be going into that subject in great detail at this time.

One of the reasons is that the Defense Department has already been made aware of opposition in the United States to the purchase of ships abroad. Any announcement of a definite order for British ships would probably evoke a protest from American shipbuilding interests.

The Defense Department is confident that it can deal with such opposition, but does not want to provoke too much opposition at this time.—REUTER.

Anniversary Salute to India

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. POWELL. Mr. Speaker, on Sunday, August 15, India will celebrate the 18th anniversary of her independence. Since the House will not be in session on that date, we wish today to extend warm felicitations to His Excellency Lal Bahadur Shastri, the Prime Minister of India; and to His Excellency B. K. Nehru, the Indian Ambassador to the United States.

One of the paradoxes that exist in history is with us today as we congratulate the nation of India on the 18th anniversary of its independence, for the existence of an Indian state is not a 20th-century innovation.

Some 5,000 years ago, when the rest of the world was still wandering in the mists of precivilization, there developed on the shores of the Indus River one of the world's earliest civilizations. Speeding from the river valley to the surrounding countryside, and extending over a large area, the Indus Valley civilization proved the foundation for the subsequent development of many incoming peoples, and thus has come down to us as part of mankind's great legacy of the past. No, India is not a new land. It is steeped in valued tradition and the wisdom of ages of scholars that were but dim memories by the time of the Greeks. It possesses a culture so rich and so varied that it is almost impossible to comprehend its extent and wealth. It is a land of nearly 475 million people, a situation difficult to comprehend for those of us in the United States with our fraction of this huge aggregation of souls. It is a land of great geographic and climatologic differences, of natural channels of transportation and communication, and of equally prominent natural barriers to accessibility. It is a land of a great past, a problem-filled present, and a tremendously potential future. It is truly unique among the world's nations. It is India.

The subcontinent of India has been the home of many succeeding stages of civilization. The Indus Valley culture, Aryan—or Indo-Aryan—Greek, Maurya, Hindu, and Mogul were followed by the European, introduced by Vasco da Gama in 1498, inaugurating a 200-year struggle by the Europeans for control of the fabulous jewel of the Indies. By the middle of the 1800's, the British had achieved complete control of the river valleys and coastal plains, the sources of most of the colonial wealth Britain sought. Interior and less-accessible areas were left under the control of the local hereditary rulers, but with British supervision.

In 1947, following years of protest, consultation, and careful planning, India finally achieved her rightful independence again, under the leadership of the immortal Mohandas Gandhi, the Mahatma. Gandhi's greatest contribution to his country may have been his work and influence toward peaceful independence. There are many, however, who would prefer to regard as his greatest gift to India the legacy of spiritual truth and love that he so impressed in his people that it has become inseparable from their national character. Certainly he must be considered with Siddhartha Gautama, the Buddha, as one of the greatest of India's contributions to the spiritual well-being of mankind. He is symbolic of the India of peace and moderation, of contemplation and mercy, of understanding and cooperation for peace.

India today certainly faces great problems, yet she is not alone. The greatest cooperation has been shown, for example, by the nation of India in working with international organizations on the problem of nutrition and population growth. In the United Nations, as in other world organizations, the voice of India has been well-regarded and carefully considered. Her contributions to world understanding and cooperation are many and valuable. That a nation with such pressing internal development and standard-of-living problems could be able to devote this much time and such careful, reasoned effort to the international problems of the world is indeed a sign of a right spirit and a dedication to the continued progress and peace of mankind.

It is most certainly with a great pleasure that I today extend my salutations and congratulations to the Government and people of India. I know, also, that my colleagues join with me in extending our best wishes for the future, as one free people to another.

An Address by Hon. L. Mendel Rivers Before the Exchange Club, Hartford, Conn., August 11, 1965

EXTENSION OF REMARKS

OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. HÉBERT. Mr. Speaker, I believe the Members of the House, and the Nation, should have the benefit of the views of the distinguished chairman of the House Armed Services Committee, who spoke in Hartford, Conn., yesterday before the Exchange Club.

L. MENDEL RIVERS, who has demonstrated such outstanding leadership as chairman of the House Armed Services Committee, has expressed his candid, well-reasoned, and forceful views in a manner that can be clearly understood by those who are willing to face the facts of life.

I congratulate him for his courage; I compliment him for his candor; and I want to express my great admiration for him and for the outstanding leadership he is providing the Armed Services Committee of the House of Representatives.

The text of the speech follows:

SPEECH OF L. MENDEL RIVERS BEFORE THE EXCHANGE CLUB, HARTFORD, CONN., AUGUST 11, 1965

Mr. Chairman, it is a very great pleasure indeed for me to be with you today. I have been a member of the Exchange Club for many years and I have always enjoyed my association tremendously.

As I look about Hartford, I wonder how much of this city I helped to build with my premiums.

But Hartford has also used these premiums for other purposes—making money available for industry, as well as individuals, and thus in great measure, helping to build America. The insurance industry here in Hartford and elsewhere, and members of the Exchange Club everywhere, have made invaluable contributions to progress and the free enterprise system.

But I did not come today to discuss the free enterprise system with you because I doubt whether there is anyone here that needs any words from me on that subject.

Each of you is a stanch advocate of that system. Each of you knows the importance of the free enterprise system. Each of you is an adherent of that system.

I mention it only because the free enterprise system is an important element of a way of life that we are trying to defend and protect in a very chaotic world.

I am heartened, to some extent, by the belief that the Soviet Union, although Communist in its operation, is tending more and more toward the principles of the free enterprise system. As a matter of fact, there is even some semblance of the profit motive in effect in Russia.

I think the Soviet Union is in a rather difficult position. We constantly express our concern about the Soviet Union, and I presume that speakers in the Soviet Union express their concern about the United States.

But there is a difference today that did not exist 30 or 40 years ago in the Soviet Union.

The Soviet Union has a great deal to lose in the event of a war and very little to gain.

Back in the 1920's and the early 1930's, and immediately following World War II, the Soviet Union had very little to lose by war and something to gain.

Today the Soviet Union has a substantial industry. They have constructed, quite successfully, huge hydroelectric dams; they are increasing their production of steel and other vital products for their industry, but one of of their neighbors to the east, I suspect, is looking with a rather greedy eye upon these successes in the Soviet Union and yearning to take over its asset.

My instinct tells me that the Soviet Union has far more to fear from the Red Chinese than they have from any other nation in the world.

Be that as it may, the Soviet Union is still our enemy as far as our way of life is concerned. I don't believe that the Soviets will ever give up their goal to communize the world.

And certainly there will come a day when the nuclear capability of Red China will pose a threat to every nation. Just remember those words of Mao Tse-tung: "Political power grows out of the barrel of a gun."

Let us not kid ourselves—when Red China gets a nuclear delivery capability, it will control that part of the world just as the Soviet Union controls the Balkans.

Because of that, we have no choice but to constantly strengthen our national defenses, increase our combat capabilities at every opportunity, and be ever ready to turn back any aggression, no matter where it may take place in the world.

Our arms—our weapons systems—must be the most sophisticated in the world. We have no choice but to expend vast sums, not only in procurement, but in research and development. And, of course, one of the great threats to freedom and our way of life exists today in South Vietnam.

I wonder if the American people, that is the vast majority of them, truly understand the importance of South Vietnam?

Do you remember the game of dominoes? Do you recall standing the dominoes end up in a twisted path? Visualize the path of a hook, and recall knocking over the first domino. As the dominoes fell, one after the other, they made a complete circle and eventually arrived at the end of the hook. All of the dominoes fall.

This is the situation we face in South Vietnam. South Vietnam is a courageous little country, struggling for its own independence and its own freedom. But it is a highly disorganized country, made up of people who lack unity; split by political discord; and even separated by ethnic differences in many areas, because there are highland tribes as different from the mountain tribes as are those who live along the coastal plains. To this must be added the problems of communication difficulties, language barriers, and transportation problems.

And you are also familiar, of course, with the religious conflict that exists there, stemming from a variety of Buddhist groups, competing with Christianity, introduced as a result of many years of French colonization.

South Vietnam itself is not the final target of the Chinese Reds—Thailand is the first true objective. And if Thailand falls, with it will go 26 million hard-working, industrious people who export some of the finest rice grown anywhere. And if Thailand falls, Laos and Cambodia would be just a wayside stop, and then the Malaysian Peninsula would fall, and if that goes, Singapore goes.

Should Singapore go, a great port disappears as far as the free world is concerned, as well as the export center of much of the world's supply of tin and natural rubber.

After that would go all of Indonesia, as if we did not have enough problems in that area alone.

And after Indonesia would go Borneo and Sumatra, and possibly the northern territory of Australia, as a beginning, and then the Philippines, Taiwan, Okinawa, and, finally, Japan and South Korea.

This is the grim picture that faces the free world. That is the importance of South Vietnam.

It is for our own protection, it is for the preservation of these United States, that we defend South Vietnam. That is why we are fighting in South Vietnam—that, plus the inherent respect and admiration we have for people who are willing to fight for freedom.

And even if we win the war in South Vietnam, I cannot help but think that we are merely postponing the final victory of Red China—unless the Nation is prepared to risk the possible consequences of destroying her nuclear capability. And unless we make that decision, it is possible that all of our fighting in South Vietnam will have been in vain.

We have helped people fight to preserve freedom in other parts of the world and we cannot turn our back on this courageous group of people who are willing to make the supreme sacrifice for a way of life which for them is still something of a mystery—with only the promise of future peace and prosperity.

Remember that the Vietnamese, in addition to colonization by the French, have known nothing but war since 1941.

War has almost become a way of life with them, albeit an unpleasant one. The amazing thing is that they have stuck so well, instead of completely capitulating in abject surrender.

We have been told the war in South Vietnam may go on and on and on. I am inclined to agree with that conclusion, particularly if we continue the policy of what I call retribution escalation.

But the more important question is, Are we prepared to fight a war in South Vietnam of larger proportion, or of long duration? Do we have the equipment, the trained manpower? Do we have the ships? Do we have the aircraft? Even more important—does the war have to last forever? Why not victory now?

We are now pouring additional men into South Vietnam. We are pouring aircraft into South Vietnam, to the point where the airfields can't hold any more planes.

But what will they be used for—or against? If we want victory—we must be prepared for the risks associated with the effort.

There have been some rather inconsistent positions disclosed insofar as South Vietnam is concerned.

Let me paraphrase some testimony before our committee on February 19 of this year.

The Secretary of Defense, testifying before the committee of which I am chairman, said: "It is my view, and I believe it is the view of the Chiefs; that our casualties will be fewer with 23,000 men than they would be with more men exposed to guerrilla attacks."

He then made this significant statement: "We are trying to carry out our mission with the smallest number of U.S. casualties. We believe the present deployment will best accomplish that objective."

When our committee urged him to increase the number of American troops in South Vietnam last February, the Secretary said: "But I'm not interested in percentages. I'm interested in men's lives."

A member of the committee said: "I won't belabor the question, but I certainly am shocked and amazed at such a statement coming from the Secretary of Defense and backed up, as you say, by the Joint Chiefs of Staff. Those 209 boys are dead. Their families have lost 209 American boys and we are going to lose more, according to your statement, because we cannot give them more protection. There will be that many more."

Mr. McNamara said: "But if I follow your plan, I think according to your own admission, the casualties would be higher still, and that is exactly why I don't propose to follow that plan.

Now, what I am pointing out does not prove that Mr. McNamara was not particularly far-sighted. But what I am suggesting is that Mr. McNamara's plans, and they are Mr. McNamara's plans, were based upon the deployment of far fewer troops in South Vietnam last February. And today as you know, just a few months later, our plans have changed radically.

Are the rest of our plans—our equipment inventories—our preparedness—standing on just as weak a reed?

If I am correct in my information, the Secretary of Defense is the only member of the Defense team, who opposed the construction of another nuclear-powered carrier. As I understand it, almost all, if not all, of these other knowledgeable civilian advisers and practically all the Joint Chiefs of Staff recommended that the next carrier be a nuclear carrier. The Joint Committee on Atomic Energy, in its report in December 1963, said: "In summary, the committee still does not know of any qualified technical person or group who recommended to the Defense Department that nuclear propulsion not be installed in the new aircraft carrier," the *John F. Kennedy*.

But Mr. McNamara, an individual with a tremendous amount of power, made the decision in the face of military advice to the contrary, and proceeded to award the contract for the construction of a nonnuclear or conventional carrier.

We need the carrier, there is no doubt about that. And that is the only reason why, in this session of Congress, I did not raise the issue and seek to change the carrier now under construction from a conventional carrier to a nuclear carrier. It would have delayed us that much longer in the actual completion of a badly needed new carrier.

I have felt, and the members of the Committee on Armed Services feel, that the collective judgment of the Congress, together with the collective judgment of the executive branch of Government, will produce far better results than the judgment of a strong man on horseback who makes all the decisions.

I am afraid that I just do not believe in the concept of infallibility insofar as the Department of Defense is concerned. And I think that the evidence that is unveiling itself today with respect to the situation in South Vietnam is a classic example.

We have fumbled and bumbled under civilian military tactics in South Vietnam long enough. Now let's turn the conduct of the war over to those trained in war—the professional military men. We must never let the military make policy decisions—but once made—let us turn the war over to the experts who will be doing the fighting.

Just recently Gen. Omar Bradley said: "Military professionalism requires long training, rigid discipline, a high degree of versatility, and unflagging dedication."

Can you imagine anyplace on earth where this philosophy is more necessary than Vietnam? Remote control of the war in South Vietnam is about as effective as bailing out the ocean with a coffee cup.

Last spring, I spoke before a large group in Washington and told them that as far as I was concerned the Congress of the United States would insist upon being a full partner in the matter of national security. I reminded the audience that I had taken an oath to support the Constitution of the United States. And I meant every word of the oath that I took. I swore that I would uphold the Constitution and that I would see that it was faithfully carried out. And I have done that so far.

Part of the Constitution of the United States, article 1, section 8, to be exact, says that the Congress shall raise and support armies, provide for a navy, and make rules and regulations therefor.

No one else has that authority. Only the Congress has that authority, and with that authority goes the responsibility. We have no other choice in the matter, unless we sit idly by and let others usurp the powers vested in the Congress by the Constitution.

I have been accused of leading a revolt against the executive branch of Government. That is not correct. I have great respect and admiration for the President of the United States. I do not envy him his responsibility. I do not want his responsibility. I have enough of my own. I do not want any of the responsibilities or the powers vested in the executive branch of Government.

I respect and admire Secretary McNamara. He is a dedicated public servant and undoubtedly one of the most competent men in the Nation in business matters. But no one man can fully manage—in every respect—the Department of Defense. He needs the combined help of the Congress, his professional military advisers, and his service Secretaries.

And I want the Congress to exercise its authority. The Congress has plenty of responsibility and plenty of authority, if we'll just use it.

So far as national security is concerned, that responsibility is imposed upon the Committee on Armed Services. And I have a responsibility imposed upon me as chairman of that committee. I intend to fulfill the responsibility—I intend, in fact I insist, that the Armed Services Committee of the House of Representatives and the Congress be made a full-fledged partner in all matters affecting our security. And that is exactly what we are now doing. That is exactly what we will continue to do.

The other day, the House passed by a vote of 410 to 0 a pay bill written by the Committee on Armed Services and opposed by the administration. Here is an example of the Committee on Armed Services and the House of Representatives fulfilling their constitutional responsibility in every respect.

No one can convince the members of our committee or the Members of the House that our military personnel are adequately paid. They know better than that. And yet, we listened to evidence, if you could call it evidence, based upon Department statistics, which we refuted and disproved, that the men and women in our armed services are adequately paid and only need a token increase.

Tell that to the wife of a sergeant who is moonlighting. Tell it to a corporal's wife who is standing in line at a commissary wondering whether she can pay her bill and worrying whether the commissary is going to remain open. Tell it to a first lieutenant's wife trying to find some way to buy new clothes for the baby, especially when she knows the wife of a classmate of her husband is in industry earning double her husband's salary.

And add to all of that the fact that her husband is either at sea or serving an unaccompanied tour in South Vietnam and she goes to bed every night wondering whether he is still alive.

No, the Committee on Armed Services was not fooled. The committee exercised its responsibility. The House, to its everlasting credit, supported us unanimously, and I have every hope that the Senate will do likewise.

One of the great things about the Congress of the United States is that, individually and collectively, the Members understand people. We do not work with computers. We work with people. And when all is said and done, there is nothing more important in the world than people.

Everything we do revolves around people. And there are many, many decisions that affect people that must be based upon intuition or just good commonsense. These are not the kind of answers that come out of computers. These are the answers that come out of people's hearts and minds. These are the answers that come from people who know and understand people.

Our Joint Chiefs of Staff system is constantly being threatened by those who would eliminate it and substitute a single Chief of Staff. Efforts continue to strengthen the Office of the Secretary of Defense in order that that Office may become more of an operational office and less of a policy office.

We will continue to oppose any erosion of the Joint Chiefs of Staff, and any strengthening of the Office of the Secretary of Defense, from an operational viewpoint.

There are those who would seek to increase the Joint Staff, which could only lead to a further step toward the direction of a single general staff system—a system which has brought defeat to every nation which has used it.

There is even a proposal to increase the rank of the Director of the Joint Staff, so that he may hold an equal rank with the members of the Joint Chiefs of Staff.

All this tends toward the weakening of the single services, the weakening of the military departments, and the establishment of a single operational organization in the Office of the Secretary of Defense.

In a recent interview, the Secretary of Defense was asked this question:

QUESTION. "Mr. Secretary, what role do the service Secretaries play? Are they your assistants or do they represent the services?"

ANSWER. "They are my assistants and they do not represent the services."

Now this may seem unimportant to those who are not familiar with our Defense organization, but I can assure you the separate identity of the services is a vital part of our national security.

The jack-of-all-trades, master-of-none concept, if adopted, could destroy the most vital ingredient in our Armed Forces, esprit de corps and morale.

Some time ago, a subcommittee of the Armed Services Committee, of which I was then chairman, made a report about the seriousness of our naval ship obsolescence. The Secretary of Defense says there has been a 100-percent increase in general ship construction and conversion to modernize the fleet. But how many of these ships are major combatant vessels? I can only tell you that our fleet is not being relaced at a rate sufficient to overcome what will eventually become a serious obsolescence situation. And sea power is vital—absolutely indispensable—to our survival.

We have been told about the increase in our conventional war capabilities—but we are still using four different kinds of small arms ammunition in South Vietnam.

Just a few weeks ago we were told that we had all of the weapons and ammunition we needed to win a war. Then the situation suddenly reversed itself.

I mention all of this only to indicate that while our nuclear missile strength is overwhelming, there are still deficiencies in our defense planning.

Some of these deficiencies may be the result of unilateral decisions; some the result of well-intended economies; and others the result of miscalculations.

But the well-meaning, well-intentioned amateurs, who worry more about escalation than victory, have had their day. Let the civilian heads of government tell our military personnel what they want done but let trained military professionals decide how to accomplish the objectives.

But let me hasten to add that recrimination will gain us nothing—the objective today is to win the war in South Vietnam. To paraphrase a famous expression—if we start a quarrel between the past and the present, we may discover that we have lost the future.

The Congress has reasserted itself as an indispensable partner in providing for the security of the American people. We represent the people—and the people want victory.

There is no substitute for victory—and there is no shortcut.

Wishing would not make it so—only grim resolve and a recognition of the will of the American people.

Two men in our century have left an indelible imprint upon the scrolls of history.

One of them, Douglas MacArthur, said about our trained military personnel: "Yours is the profession of arms, the will to win, the sure knowledge that in war there is no substitute for victory, that if you lose, the Nation will be destroyed, that the very obsession of your public service must be duty, honor, country."

The other, Winston Churchill, said: "Still, if you will not fight for the right when you can easily win without bloodshed; if you will not fight when your victory will be sure and not too costly; you may come to the moment when you will have to fight with all odds against you and only a precarious chance of survival. There may even be a worse case. You may have to fight when there is no hope of victory, because it is better to perish than to live as slaves."

I prefer to follow the advice of those two truly great men, MacArthur and Churchill, who have become legends in the struggle for freedom.

I want victory—even yesterday was too late.

Salute to the Republic of Cyprus

EXTENSION OF REMARKS
OF

HON. ADAM C. POWELL

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 12, 1965

Mr. POWELL. Mr. Speaker, 5 years ago today, the Island of Cyprus gained its independence, after 2,000 years of foreign domination. On this memorable occasion therefore, we wish to extend warm felicitations to His Excellency Archbishop Makarious, the President of the Republic of Cyprus; and the Cypriot Ambassador to the United States, His Excellency Zenon Rossides.

The geographical position of this 3,500-square-mile island has been such that it has long been in the mainstream of the world's politics. Cyprus is about

230 miles north of Egypt, 45 miles south of Turkey, and 65 miles west of Syria. Thus, because of its central position in the eastern Mediterranean, its generally pleasant and healthful climate, its mineral riches, and the fertility of the central Mesaoria, or plain, Cyprus has been coveted by many of the world's powers.

Throughout the ancient world, Cyprus was known as the source of copper. It is thought that the island either received its name from the Greek word for copper, "kypros," or donated its name to that mineral. From about the year 2000 B.C. on, Cyprus was visited and mined by expeditions from the various maritime nations of the ancient eastern Mediterranean. The island's copper was then carried off in the holds of Greek, Phoenician, and Egyptian ships, to be used in the making of the bronze tools and weapons upon which many peoples depended. These mines continue to produce their valuable ore, and they are still one of Cyprus most valuable economic assets.

After long being an outpost of the Greek world in the eastern sea, Greek colonists arrived around 1400 B.C., soon to be followed by Phoenician settlers. Cyprus has since seen many new peoples, and many different ensigns raised over its ports, plains, and mountains. The Egyptians conquered Cyprus in 560 B.C. They were in turn followed by each of the dominant Near-Eastern powers: Persia, Alexander the Great's Greece, Egypt again, Rome, the Byzantine Empire, the Arabs—all have at various times controlled this troubled island and exploited it for their own purposes. Thus, the legacy of Cyprus today is one of strife, conquest, turmoil, and unrest. It is not a happy heritage.

Richard the Lion-Hearted took Cyprus from its Byzantine ruler in 1191, and soon thereafter sold it to the Knights Templar. The island was then transferred by the order to Guy of Lusignan, who inaugurated one of the island's most brilliant periods. His dynasty lasted for some 300 years. Cyprus was next conquered by Venice in 1489, soon followed by the Turkish conquest of 1562. Great Britain persuaded the ailing Ottoman Empire to permit British administration of the island in 1878, and when Turkey entered World War I, Cyprus was annexed to the British Crown, becoming a crown colony in 1925.

Then, in 1960, after centuries of domination and rule by a myriad of foreign powers, many of which no longer exist except as names in our history books, Cyprus was finally granted its independence. When we consider the heritage of unrest and conflict that the island has had to contend with, we can cast many of Cyprus' recent problems and tensions in a more favorable light. Traditions, attitudes, tensions, and problems that have been ingrained in the very soil and people of an island for some 2,000 years or more are not easily or quickly alleviated or rectified.

Thus, today, as the Republic of Cyprus celebrates its independence day, we assure the people of this troubled and torn island of our continued understanding and sympathy. They are striving to solve problems that we have fortunately not had to face. We certainly wish them a happier future, and we hope that peace, prosperity, and progress will reward their diligent efforts toward the solution of their problems.

Can Subsidies Solve America's Problems?

EXTENSION OF REMARKS
OF
HON. HARRY FLOOD BYRD
OF VIRGINIA
IN THE SENATE OF THE UNITED STATES
Thursday, August 12, 1965

Mr. BYRD of Virginia. Mr. President, the August issue of Nation's Business, published by the Chamber of Commerce of the United States, poses the question: "Can Subsidies Solve America's Problems?"

The magazine publishes the answer to this question as viewed by a U.S. Senator, a community, a university study, and an industry.

My good friend Robert C. Byrd, of West Virginia, was the Senator who responded. He based his findings on his own investigation into the so-called welfare situation in the District of Columbia.

I hope that the officials of every State and city in the country will read what Senator Byrd found. I ask unanimous consent to have printed in the Congressional Record his answer to the question: "Can Subsidies Solve America's Problems?"

There being no objection, the article was ordered to be printed in the Record, as follows:

Can Subsidies Solve America's Problems?—A U.S. Senator's Answer

(By Robert C. Byrd, Democrat, of West Virginia)

(Note.—Shocked by his findings of widespread welfare cheating, this lawmaker calls on all cities to check their relief rolls.)

Americans are unwittingly spending millions of dollars each year to promote laziness, irresponsibility, and outright immorality.

Ironically, all of this is being done in the seemingly sacred name of public welfare.

If taxpayers would look more closely at what is happening to their welfare dollars, I am convinced they would react as I did to the shocking discoveries of a field investigation conducted jointly by the U.S. General Accounting Office and the District of Columbia Department of Welfare.

I was personally outraged to learn, in this probe of public assistance payments, that 60 percent of those drawing aid to dependent children and general public assistance monthly relief checks in the Nation's Capital were not eligible to receive them.

A subsequent investigation of the Federal program of aid to the permanently and totally disabled revealed a startling ineligibility rate of 40 percent.

Investigators came upon case after case in which people holding jobs were also pocketing relief checks every month. Relief recipients were interviewed who boasted that they preferred living off the public dole to finding work, although they were able to work and jobs were available to them. Sordid situations typically involved mothers of numerous children born out of wedlock who kept their paramours hidden away so that they could continue to qualify for relief.

In a typical instance, the investigators found a 35-year-old mother of four children who was getting assistance on the basis of a claim that her husband had deserted her. Further inquiry disclosed that she had known of her husband's whereabouts all along and had been receiving regular financial support from him although she would not permit him to live regularly in the home.

In some cases "relief" money was going into purchases of expensive hi-fi sets, TV's, and other luxury items.

As chairman of the Senate appropriations subcommittee responsible for funding the welfare program of the District of Columbia, I was determined that these relief abuses would be cleaned up. A good start has been made toward achieving that goal; hundreds of freeloaders have been removed from District of Columbia's relief rolls, the program itself has been streamlined, its administration has been greatly improved and made more efficient, and we are reaching for even greater progress.

Yet I have become the target of bitter criticism and scurrilous abuse from many sides.

One organization has threatened to throw a picket line in front of my home, charging that I have acted to clean up welfare abuses only because of alleged racist sympathies.

Let me make this absolutely clear. I do not oppose helping those who qualify for assistance—whether orphans, blind, aged, or mentally and physically incapacitated. Nor is my campaign against public welfare cheating in any way related to questions of race. Nor is it a criticism of the Department of Health, Education, and Welfare.

Public welfare, however, has become a public scandal of enormous dimensions.

FRAUD NATIONWIDE

I am confident that what has been found in America's Capital City would come to light in other large cities if they employed trained investigators to check out their welfare programs with the same thoroughness that has characterized the job done here. Yet, I do not know of any other city where this is being done, despite the fact that the national cost of conventional welfare programs has soared to $5 billion a year. It will continue to climb, I predict, until our big cities take the steps necessary to prevent relief payments from becoming a haven for the indolent and shiftless.

We face other challenges on the welfare front, and one of the most urgent is the necessity of educating people to the fact that they should not bring children into this world unless they have the expectation and means of supporting them.

We face a crisis of priorities, too. Our financial resources are not unlimited. In addition to aiding those who are truly needy, we must provide education, health, police, recreation, and other vital services for an expanding population. Every dollar spent on an undeserving relief recipient is a dollar siphoned away from other deserving programs.

It heartens me to find that hundreds of residents of the District of Columbia, and elsewhere, support my position. Letters pouring into my office daily are plain evidence, I believe, that most Americans are fed up with those who would prey on public welfare funds.

Some people criticize me for appropriating funds for investigators to check on the eligibility status of District of Columbia welfare recipients. I think the best answer to this was provided by a lifelong resident of Washington—a Negro lady—who recently wrote to me:

"If a wage earner and taxpayer can quietly endure investigation relative to his loyalty to this country * * * why cannot the deserving welfare recipient quietly endure the price of investigation as the cost of unearned money?"

It has also been said that I am denying the District of Columbia a level of relief available to people in my home State. First of all, in my subcommittee chairmanship I can only deal with appropriations for the District of Columbia. What West Virginia does in the field of welfare is a question for the legislature of that State to decide. It also should be noted that my State imposes a ceiling of $165 on welfare payments, but in the Nation's Capital there is no ceiling. A relief income of between $400 and $600 a month, including surplus food allotments, is not uncommon.

As for my personal feelings, I take most literally the Biblical admonition that we must be our brother's keeper. But it offends me to see this precept stretched and twisted to camouflage the transgressions of those who make relief a way of life—and, in some instances, a gainful racket.

Charity to one's fellow man should cease when it is perverted into nothing more than a scheme for dodging family responsibility, shirking one's own duty to society, and discarding the respect we all owe to ourselves as human beings.

My critics do not take the time to point out that I have worked hard to give the District of Columbia, and the Nation, the wherewithal needed, not only in welfare but also in other fields, to meet society's real needs. For example, education and health care, to name just two programs of national importance.

In Washington I have succeeded in recent years in strengthening the city's educational system, including more and better teaching services for mentally retarded children. I have also supported a welfare training center, where poor people can learn such things as how to budget, sew, cook, and apply for and hold a job.

INVESTIGATORS NEEDED

In the welfare field I have pressed for increases in the number of social workers available to the District of Columbia, and for improvements in the pay of these key people. The more good caseworkers, the more time each of them will have to devote to the families he counsels. Social workers should not be burdened with the time-consuming job of checking on the eligibility of relief recipients. That is a job for trained investigators. And I believe that any public welfare program, to be efficiently and economically administered, must include an adequate and trained investigative staff.

As a result of cleanup efforts in Washington, the caseload in the ADC category alone fell from 5,601 cases in September 1961, to 3,823 cases in October of 1963, or a reduction of 1,778 cases involving about 7,000 persons.

In this same period, the general public assistance caseload was trimmed from 1,617 cases to 568. These reductions meant dollar savings of more than $4 million annually—money freed for use in other places where it was needed.

If you believe as I do—that the individual bears responsibility for his actions—you resent unfair criticism from people who emotionally distort that conviction and make it seem a hard-hearted and smalliminded belief.

Let us get back to some basic facts about America before it is too late for all of us. This Nation was not built by people willing to let someone else do it. Nor was it built by men willing to turn their back on those who are unfortunate and in need of help. The two ideas are not mutually exclusive. We can have both greatness and compassion, but we can only attain them when we put an end to the philosophy that has taken root in this country in recent years—the notion that society owes us a living and that if we fall down it isn't our fault, but society's.

Just what is society? It is all of us, each individual. We make up society, and society will only be as good as each of us can be in the light of his own talents and initiative and self-reliance.

Is society helping an individual when it makes it easier for him to loaf on relief than to hold down a job? Is society helping an individual when it says to him, "We will take the responsibility for your family off your shoulder"? Is society really helping families when it sets up welfare programs so loosely run that they seduce family members into making shiftlessness and drunkenness and irresponsibility a tacitly approved way of life from one generation to another? A way of life smiled on benignly by Government?

The answers to all these questions are, in my opinion, a resounding series of "No's."

UNCLE SAM WILL PROVIDE

We gain nothing when we institutionalize the loss of respect for the basic dignity of work by making nonwork so easy and so attractive. Some people living on welfare in the District of Columbia have an annual income from welfare payments that puts them well over the $3,000 poverty line drawn by President Johnson's poverty fighters. Does that make sense?

We gain nothing, and the individual gains nothing, when we spread and defend the idea that "the goverment will take care of you."

Back in the 1930's, when I was walking 3 miles a day to my first job as a service station attendant in West Virginia, we did not have all the assistance programs that are accessible to people today. A lot more people were out of work then, too. But few of them, relatively speaking, went over the brink into lives of crime or slothfulness or dependence. People had respect for themselves and the integrity of work. A man with a job prized that job, no matter how humble it was.

Today it is different. We are feeling the effects of 25 or 30 years in which the idea has been promoted that society and the government owe everyone a living. And in too many welfare programs we are reaping the whirlwind of subsidized fecundity, promiscuity, and illegitimacy. America's moral sensitivities have deteriorated; we are getting soft.

There are many jobs open today for people of little or no skill. But what happens? The jobs often go begging, because a lot of people simpy do not want to work. They have been taught by the insidious philosophy of dependence that they do not need to work; someone else will take care of them.

Try to find a person to do domestic work in your home, just for example. "I will not wax floors." "I will not work after 4 o'clock." "I will not climb stairs." "I will not clean windows." Everything is hedged, qualified, held back. The drive to work for the joy and satisfaction of work is simply gone from many of our people. This is a national tragedy—but one that we probably deserve for letting a system develop which encourages laziness by attaching a monetary reward to it.

All Americans should be stunned by what the investigation of welfare abuses in Washington disclosed.

In some cases families have been leaning on the dole for two and three generations. In an atmosphere like that how can one expect the children to grow up as anything but indolent, lazy, irresponsible people?

I feel very strongly about the dignity of work. I have never been afraid of work; I welcome work and I find joy in it. I know from my own life that it is only by getting and holding a job that a man puts down roots and develops a sense of responsibility and civic interest. These things follow naturally. The man with a job begins to acquire a little property which he can call his own, and he cares how his tax dollar is spent and how well, or poorly, his government is run. He has a vested interest in law and order to protect his family, himself and his property—and the property of other people.

But the man who never really enters our society because we are paying him to stay out of it cannot feel a sense of responsibility or even a rudimentary interest in what goes on beyond his next relief check. What do law and order mean to him? Why should he care?

Critics claim that I am punishing children for the sins of their parents by insisting that families with a man in the house who is able to work should not qualify for the Federal program of aid to dependent children.

It is easy to cast me in a bad light on this point. But the mere sending of a relief check into a home does not insure that the children of that home will get any benefit from the money.

In all of the investigations and hearings on welfare in the District no real evidence has been encountered to support the theory that unemployed men have deserted their families so that the families can qualify for welfare. But there is plain evidence that the men who desert do so usually because they are irresponsible, or because—as some cases have proved—the wife prefers to draw the relief check and to consort with a variety of men while she is on welfare.

Let me cite just one case reported by the General Accounting Office to illustrate:

A 25-year-old mother of four children, two of whom were fathered by men other than her husband, had been getting assistance payments since October 1956. When an investigator visited her home, the young mother admitted that she was employable, said that she did not want investigators coming to her home, and voluntarily signed a statement requesting withdrawal from the aid to dependent children assistance program. After she had signed the withdrawal statement she said:

"Now I can have all the men I want in my home and you men can't do a thing about it."

The fact that the number of case openings based on absence of a parent has been declining since 1957 indicates that the charges that men are being driven to desertion are very questionable.

The businessman has a large stake in the welfare problem.

As a taxpayer of substance, naturally he should be concerned as to how his tax dollars are spent. If his community has not bothered to check out its relief rolls, he should use his leadership influence to see that such an investigation is made.

Some welfare people—and I am not being critical here—will make paperwork estimates as to how much cheating is going on. One must be very wary of this. In Washington, it was figured, on the basis of early estimates, that we would find an ineligibility rate of perhaps 3 to 5 percent. It proved to be many, many times higher. If the question arises in your city, do not let a paperwork guess take the place of a full field investigation.

The businessman should be concerned about the welfare program in his community for reasons other than cost, of course. If it is a bad program, if it is one geared to encouraging the loafers, he will inevitably feel the backlash. It will come in crime delinquency, unfilled jobs for people of low skill, lack of training programs for people whose skills can be upgraded to make them qualified to hold more demanding jobs. It will show up in the attitudes of people who apply for work. If they can make a good living on welfare they are not likely to be productive workers.

The first welfare programs were designed to get people back on their feet and back to work. That aim was largely accomplished. Unfortunately, the typical welfare case today is quite unlike its counterpart of, say, 20 years ago.

Now we are down to what one welfare official in Washington has bluntly described as "the bottom of the barrel." We are dealing all too often with the hard-core shiftless, people who arrogantly choose the relief rolls over honest toil. There is only one way to shatter that kind of irresponsible thinking and it is simply to say, "You have got to go to work. If you lack training, we will train you. But we will not permit you to freeload."

These are hard facts, and to many people they are unpleasant, even in the telling.

But I believe fervently that they are facts that need to be told and retold if we are to break the ever lengthening chain of dependency in America. We must forge a new chain, the links of which are self-help, individual responsibility, pride in work and a concern for our fellow human beings that is grounded in genuine respect for their dignity and not in programs that, while politically appealing, in fact drain away those precious qualities that make men and women most truly human.

The 17th Anniversary of the Republic of Korea

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. POWELL. Mr. Speaker, we want to extend warm felicitations to the Republic of Korea on the occasion of its 17th anniversary of its independence this coming Sunday, August 15. This House will not be in session then and therefore we are today congratulating His Excellency Chung Hee Park, the President of Korea; and His Excellency Hyun Chul Kim, the Korean Ambassador to the United States.

In their long history the people of Korea have enjoyed a political continuity and stability unusual among Asian nations. The land was first united under a single dynasty in A.D. 669. The kingdom was ruled by three successive dynasties until 1910 when the last king was deposed by the Japanese and the nation was made a part of the growing Japanese Empire.

The 20th century has not been kind to Korea. Foreign domination and occupation were experienced by these proud people for the first time in many centuries. The distinct Korean civilization, one of the oldest in the world, dates back more than 4,000 years.

The anniversary we honor now marked the return of at least part of the Korean people to independence. As was the case with other small nations, World War II brought an end to Axis tyranny and a promise of freedom for the future. But these hopes were cruelly thwarted when the Russians occupied the northern part of the peninsula and then refused to live up to their agreement to allow free elections and unification. Thus Korea became a divided nation with its territory and its people artificially separated in two parts, with the northern part dominated from outside and made into an armed camp.

Elections were held in the south in 1948 and the Republic of Korea was founded on August 15. Eighty-five percent of the electorate voted in this nation where all men and women of 20 years and older have the right to vote.

Few nations have suffered such tragedy in such a short time. The invasion from the north was launched less than 2 years later. The young nation was saved by the United States and the United Nations acting to preserve its independence. The cost was high. South Korean forces suffered more than half of the 400,000 U.N. casualties.

More than 1 million South Korean civilians were killed with another 1 million wounded or missing. Hundreds of thousands of orphans and widows were the inevitable product of war.

The new nation suffered the additional handicap of an unbalanced economic base, for 80 percent of the nation's industry was located in the Communist zone.

In spite of their misfortunes, the people of South Korea have shown a remarkable determination to rebuild. The economy is making steady progress. The average annual rise in gross national product from 1954 to 1964 has been 5 percent with industrial growth playing a major role. Trade is on the rise and should be aided by the recent agreement with Japan.

The youth of Korea have been a dynamic element in the nation's progress, and women have a status in society and in the economic life of the nation that is unusual for Asia.

We shall continue to do whatever is needed to help these brave people emerge on the side of progress in freedom during the difficult days ahead.

Gesundheit Is Not the Answer

EXTENSION OF REMARKS

OF

HON. EDNA F. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mrs. KELLY. Mr. Speaker, within the next 2 weeks, the ragweed plant will be in full bloom and approximately 10 million Americans will be painfully aware of its presence. The Allergy Foundation of America reports that a rainy first half of August will mean a miserable hay fever season.

Pollen from the ragweed plant causes the unpleasantness of hay fever—runny nose, weeping eyes, sneezing, and headaches, not to mention many more serious illnesses which are affected by ragweed, the prime example of which is bronchial asthma, the killer of some 4,000 persons yearly. The Air Pollution Control Board of the Department of Health of the State of New York has concluded that they know of no beneficial use for ragweed except, in the overall balance of nature, it does more harm than good.

In addition to their health suffering, these 10 million hay-fever victims will lose about $140 million dollars a year in treatment. Medical cost is estimated at roughly $60 for injections, plus from $20 to $40 for medications—that is, about $100 per person, per year for those who seek medical help. In fact, the air pollution control board in its studies has estimated that more than a million people in the State of New York suffer from hay fever, and that some 250,000 lose a week or more from work or school each year because of the allergy.

Much study has been made in order to combat the ragweed but it has been confined predominantly to the State of New York. I seek to have this problem recognized as a national one and a serious one affecting the health and earning capacity of over 10 million Americans. I seek, through H.R. 1047, to expand study and experimentation to eradicate the ragweed into a Federal program. This legislation provides for Federal ragweed elimination by the U.S. Department of Agriculture. Addition of the word "ragweed" in section 102a of the Department of Agriculture Organic Act of 1944 would put the noxious plant in the same category as witchweed, which impedes growth of grains. The act requires the Department to work on eradication of witchweed.

Research seeking to combat the harmful effects of ragweed usually points to control, rather than eradication, as the safer and more economical method. Daily research is being conducted in the form of a pollen count taken in the allergy department of the Jewish Hospital in Brooklyn. The pollen count is the average number of pollen grains found on a square centimeter of a sticky glass slide that has been exposed to air for 24 hours.

The hospital's allergy department, headed by Dr. Max Grolnick, has a pollen-counting station on the 21st floor of a building on 86th Street this year. The hospital has been counting pollen for 27 years. In former years, it maintained counting stations in Brooklyn and Far Rockaway as well as Manhattan, but the 86th Street readings were so close to the three-station average that the hospital is dropping the other two.

Brooklyn Jewish starts keeping the count when the pollen season begins. The newspapers start printing the count when the ragweed season opens, around the first of May.

Dr. David Merksamer goes to the station every morning at 9 a.m. to take a reading. A pollen count over 25 means misery for all sufferers. But unusually sensitive persons can feel unhappy when the count is as low as 7.

Research at the University of Michigan has shown that about 95 percent of ragweed pollen grains settle from the air within about 150 feet of the point of expulsion from the blossom. From this it appears that hay fever is a localized problem and that sufferers are victims of the particular environment in which they live and go about their daily activities.

However, one of the most interested followers of the above-mentioned daily pollen count and more importantly, a man whose earning capacity is limited by hay fever, Herman Aaronoff, of Brooklyn, does not believe the problem to be a local one. Mr. Aaronoff is a part-time real estate clerk and freelance writer for the Jewish press. He claims, "Local action can't solve the problem. Municipal and State authorities may do the job in their areas but the winds still carry ragweed pollen across State lines. Only a national program can do an effective job."

Data from the Agricultural Research Service of the U.S. Department of Agriculture would seem to substantiate this theory. It is reported that one or more species of ragweed occur in all 50 States of this country. About half the States can be found to have no areas which are free of pollen. Ragweed is found to be most prevalent in the North Central and Northeastern States followed by the Southern, Great Plains, Intermountain, Pacific Coastal States, and Hawaii.

There are three methods of control: spraying, crowding, and cutting.

Spraying or the use of herbicides is the most effective; however, the drift of the chemical spray is known to cause severe crop damage.

Ragweed is not a competitive plant. It can be crowded out and thus, stifled by heavy seedings of alfalfa, clover, bluegrass and other thick vegetation. It grows most profusely where the soil will not be disturbed and the pollen will be controlled.

The method of cutting is most advisable. If the ragweed plant is cut before flowering, the pollen will be eliminated. The soil will not be disturbed and the pollen will be controlled.

The cutting method has been exhibited most successfully in Niagara Falls, where a city ordinance was adopted directing all property owners to cut the weeds on their property. If this is not done, the city does the cutting and adds the cost to the individual's tax bill. There has been a gradual and steady drop in the pollen index in Niagara Falls since 1960.

The Tuberculosis Association in Connecticut is attempting to start a pollen sampling program this year—that is, a program to determine the extent of pollen in an area in order to decide upon a manner of control. Pennsylvania has had such a program for several years.

These programs are the most effective among the relatively few to combat ragweed. Shall we expand these programs and incorporate them on a Federal level in order to improve the health and economic plight of over 10 million Americans?

More on Jet Noise—Part VII—Report on Noise Forum

EXTENSION OF REMARKS

OF

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. TENZER. Mr. Speaker, on Thursday evening, July 15, 1965, I was privileged to act as sponsor of a Public Forum on Aircraft Noise Abatement in Lawrence, Long Island. The purpose of this forum was to bring together a panel of Federal and local officials to discuss the problem of jet noise abatement, and what is now being done about it by the Federal Government, with the residents of my congressional district. As Lawrence is my own hometown, I can appreciate only too well the suffering of the thousands of my constituents living within the shadow of Kennedy International Airport.

The residents of the western end of my district including the villages of Lawrence, Inwood, Cedarhurst, Woodmere, North Woodmere, Hewlett, Lynbrook, Valley Stream, East Rockaway, Oceanside, Island Park, Atlantic Beach, and the city of Long Beach are all affected by the ever growing air traffic in and out of Kennedy International Airport with the attending evil of the jet aircraft noise.

As I feel that this problem is not a local one but one that will, with the expansion of jet travel, become increasingly more troublesome throughout our country, I believe the results of this public forum will be of interest to my colleagues in the House.

Both the National Aeronautics and Space Administration and the Federal Aviation Agency were represented by speakers at the forum. The guest speakers from NASA were William S. Aiken, Jr., Chief of Operating Problems Branch, Office of Advanced Research and Technology; Harvey H. Hubbard, Chief of Acoustics Branch of Dynamic Loads Division at Langley Research Center; and I. E. Garrick, Chief, Office of Dynamic Loads Division at Langley Research Center. Joseph Wilson, noise abatement officer, eastern district, presented the progress reports from the FAA.

After the presentations, questions from the audience were answered by these officials. The reaction of the audience, after viewing slides and hearing somewhat technical and detailed presentations, reflected an understandable impatience with long-range promises and statements which presented the complexities of the problem and the scientific approach necessary to find a solution, if indeed there is a solution.

The more than 300 persons present demanded relief from the irritating and increasing aircraft noise problem now. They asked for a ban on night flights to and from Kennedy; for diversion of flights to alternate airfields; for a change in runway patterns to shift more flights over ocean flightpaths; for accelerated research activities; for the construction of longer runways over the water and away from residential areas; for the construction of other jet airports located away from residential communities with connecting transportation to Kennedy and New York City by rail or taxi strips, and for any other means, no matter how drastic, to achieve some relief from the effects of residing in the jet noise belt.

Many of these residents lived on Long Island before Kennedy Airport was constructed. They did not plan their settlements with the knowledge of the suffering they would encounter. They are persons who know the agony of jet noise because they feel the effects on their nervous systems. They are persons who know the disruptions to peace and tranquility as they attempt to read, talk, or perform any of the daily acts related to the enjoyment of their property. They demand relief.

If the Aircraft Noise Forum brought any message to these people, it was the message that the experts in noise abatement do not foresee any immediate relief. The answer may lie in accelerated research, but the answer will not be discovered tomorrow.

My reaction to the forum was one of increased determination to bring back the message to my colleagues that jet noise is a national problem of rapidly increasing importance and that congressional action is necessary now. Tomorrow we will have new jet airports and with the development of smaller jet aircraft, hundreds and perhaps several thousand airports will be seeking to service jet aircraft. The problem of jet noise and the related problems of increased litigation and adverse effects on the Nation's health will be experienced by millions of our citizens.

Mr. Speaker, these problems have been discussed in this Chamber before. By way of reference let me suggest to my colleagues who wish additional information on this problem that they read my previous statements in the CONGRESSIONAL RECORD of May 6, page 9701; in the daily CONGRESSIONAL RECORDS of May 13, A2377; May 20, A2532; May 27, A2718; June 10, A3037; and July 8, A3630.

I have introduced two bills dealing with aircraft noise abatement. H.R. 7981 would authorize NASA to coordinate and supervise research activities to reduce aircraft noise and H.R. 7982 would authorize the FAA to adopt regulations concerning operational techniques to reduce noise and partially finance the cost of implementing these new procedures. Under H.R. 7982 the FAA could reimburse municipalities, airline owners, and operators for part of the cost of land acquisition and construction of devices to reduce noise. This legislation, if enacted, would place the Federal Government in the position of sharing the responsibility of alleviating the aircraft noise problem.

Mr. Speaker, the citizens of this Nation cannot enjoy their property without protection from this problem. The public will not be satisfied with our efforts in this field until we have officially recognized aircraft noise as a national problem. Local communities will wage their battle in the courts and will demand from flight control personnel every effort to relieve those who reside near our major airfields.

Local efforts are directed toward the change of flight patterns which have the effect of shifting the noise from our community to a neighboring community. However, like the hands on a clock they return to the point of beginning and the process starts all over again and may go on ad infinitum. In my district local committees have made significant contributions, but deal primarily with the aspects of the problem as they affect operation of the airport which is located in New York City adjacent to Nassau County and particularly the villages which I mentioned above. Airport operations are in the province of FAA.

At the Jet Noise Forum, I said that I would call for a Presidential Commission on Aircraft Noise Abatement. This would be a major step forward in recognizing our responsibility and our determination to put our best minds to work in a concerted effort to solve this perplexing problem. All over resources must be made available to find the solution.

I urge my colleagues to look to the future and plan now for the protection of millions of citizens who will find themselves in a position similar to my constituents near Kennedy Airport unless we accept the challenge before us and act now we will lose the battle against jet noise. This is a battle we must not and dare not lose.

Australia's Restriction on Trade Deplored

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. COOLEY. Mr. Speaker, today I would like to remind our friends in Australia that trade, like friendship—and Australia certainly is our friend—is a two-way proposition; trade is a two-way street.

I am concerned at the recent decline in one of our most important exports to Australia—tobacco—at a time when U.S. imports of agricultural products from that country have been increasing rapidly.

This is a vital matter when related to our balance of payments, and it creates a serious problem to several hundred thousand Flue-cured tobacco growers in the United States.

The tariff agreement negotiated between Australia and the United States in 1947 included concessions of importance to the agricultural interests of each country and was designed to be mutually beneficial. In return for U.S. concessions on meat and wool, the Australians agreed to concessions on the importation of U.S. unmanufactured tobacco into their country. This concession bound the tariff duty rate on unmanufactured tobacco and, due to the expansion and prospective volume of tobacco exports from this country to Australia, that concession was approved by U.S. negotiators as exceeding all others in value. However, there were certain loopholes which were not apparent at the time.

The net result is that we are importing vastly more meat and animal products than we were at the beginning of this agreement, while our tobacco exports have dropped from an average 26.3 million pounds in the 1952–56 period and an annual high of 37.8 million pounds in 1957 to a new low of 13.4 million pounds in 1964.

This switch of Australian policy on tobacco started about mid-1950 when Government officials in that country initiated steps for cutting back on the quantity of tobacco imported. This policy was effectuated by two key devices: First, the prescribing of a constantly mounting series of percentages on Australian-grown leaf to be incorporated into the respective tobacco products and, second, the system of tobacco import rates severely penalizing manufacturers who do not comply with the prescribed "mixing percentages."

During the 1947–51 period the minimum percentage of domestic leaf prescribed for cigarettes was 3 percent. Those who complied with this percentage paid a duty of the equivalent of 80 U.S. cents per pound. Those who did not comply were charged the equivalent of 96 U.S. cents per pound or a differential of 16 U.S. cents. Through the years this minimum percentage of domestic leaf has systematically been increased up to the present rate of 45 percent with regulations presently in effect to eventually increase this minimum percentage to 50 percent at the beginning of 1966.

In consequence of these developments, it naturally followed that U.S. exports of tobacco to Australia would suffer. An examination of the use of U.S. tobacco by the Australian tobacco product manufacturers shows even more clearly the results of these stringent mixing regulations. There has been a steady annual decline in the estimated use of U.S. leaf from 29.1 million pounds in 1958 to an estimated 17 million pounds in 1965, or a total reduction of 42 percent. During this same period, the total estimated annual use of all tobacco by Australian manufacturers increased approximately 9 percent from 47.8 million to 52 million pounds.

Australians may wish to argue that they have a right to change prescribed mixing regulations in any desired way due to the language contained in the negotiated trade agreement of 1947. In the light of these provisions, some modification of the status of domestic tobacco not only was authorized, indeed it was expected. However, the scope and severity of actions which have in fact been taken by Australia could not in any sense be considered reasonable. On the contrary, had the situation in this regard been foreseeable in any degree whatever in 1947, no negotiator in his right mind would have considered opening negotiations.

The result of this systematic increase of the requirement for the utilization of domestic tobacco has raised the auction price of Australian tobacco to the point where the farmer is now guaranteed a price of about $1.17 a pound by the Australian Government, more than double our own average price in this country, and which in the final analysis simply means that we are through this trade agreement indirectly subsidizing the Australian tobacco farmer through our heavy importations of meat products and wool which we have agreed to take.

With this high price, it is reasonable to assume that the tobacco manufacturers in Australia have resisted the enforced usage of increasing percentages of native leaf, but apparently this has been too little or of no avail. This native leaf is not only higher priced than other tobacco on the world market, but it is a well known fact that it cannot compare with the quality of the standard American grown tobacco and must therefore adversely affect the quality of Australian cigarettes. The local manufacturer who is in the middle of this situation, however, has no alternative but to comply with the mixing regulation due to the heavy duty penalty for those who fail to do so.

It may be redundant to say that normally trade is a two-way proposition, but in the case in question the more we have favored the Australian exporter, in the spirit of the 1947 trade agreement, the more our friends from down under have followed the reverse course with a highly protectionist policy which has harmed our exports as well as the exports of other tobacco producing countries who supply this market.

It is only because of the quality consideration that the United States has even been able to maintain its relative position with other foreign suppliers in this market.

These developments at a time when we are seeking freer world trade as evidenced by the Trade Expansion Act of 1962 should bring widespread concern to not only the tobacco producing areas but to all other areas of the United States expecting to share in increased exports through freer access to world markets. For this reason, I am now bringing this to the attention of my colleagues, as well as all other interested parties.

Australia should not expect to continue to expand its exports of agricultural products, such as sugar, mutton, and wool, to the United States while at the same time restricting its imports of U.S. tobacco and other agricultural products.

President Tells Choir of Art Need

EXTENSION OF REMARKS

OF

HON. HARLAN HAGEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. HAGEN of California. Mr. Speaker, under leave to extend my remarks, I would like to insert in the RECORD a copy of a speech delivered by President Lyndon B. Johnson on Wednesday afternoon, August 4, in the Rose Garden at the White House to the members of the Bakersfield College Choir.

I would like to state that the Bakersfield College Choir was accorded the privilege of singing before the President as a result of the group's outstanding triumph in attaining first place in the mixed chorus competition at the Llangollen International Musical Eisteddfod in Wales. This achievement is all the more remarkable since most of the other 17 competing mixed choirs, several of which were from Iron Curtain countries, are professional singing groups which have been in existence for many years. This accomplishment speaks well for the training of the Bakersfield group by the director, Mr. Joseph Huszti, and is a credit to the California junior college system.

It should be noted that following the choir's triumph in Wales, an invitation was extended for the group to perform before the Pope and at the Pope's personal request the choir performed a second time.

The President was most gracious in receiving the Bakersfield College Choir and I am including his remarks herewith:

Here at the White House, we are always pleased to have young people and good music. Sometimes it seems to me that when Luci has a party, we have more of the former than the latter. So, we are happy now to have this excellent combination of both.

Over the years, I have observed that public figures have a suspicious habit. When they meet young journalists, public officials suddenly recall their own days as newspapermen. If a football team is present, the officeholder suddenly remembers his days as a quarterback. I am sure this has happened to you members of this fine organization.

But, in all candor and truth, I have a confession this afternoon. While I yield to no man in my enjoyment of harmony, and you can take that any way you like, I do yield to nearly everybody in the ability to carry a tune. It may be refreshing to you to learn that your President was never asked, or encouraged, to be a member of a choir.

The country can be proud of you young people.

You have brought honor upon yourselves and your country, by winning the first prize trophy for mixed choral groups at the recent international competition in Wales. We are proud of you for that.

We are also proud of you because you financed your own way to Europe, and then won the competition over choral groups from 19 countries. That is a splendid achievement.

I wish your example were not so exceptional—in some respects. In this country, I regret to say, all too many of our talented individuals and groups are forced to struggle from day to day for their existence. This includes theater groups, dance and opera companies, musical organizations and actors. It also includes the solitary artist who seeks only the time to create his works.

For too long, all the arts have had uncertain footing in our society. There is a growing appreciation in America for the arts, a growing understanding and demand. This is welcome and heartening. But, the arts still lack a sure and solid base on which to stand, and I believe it is time for a change.

All societies remembered in history as great, have been distinguished by a deep devotion to all of the arts. Art is neither an indulgence, nor a sanctuary. In more earthy terms, art that expresses the character and aspirations of a people is never a luxury or a frill.

As a Nobel Laureate once put it, art is "a means of stirring the greatest number of men by providing them with a privileged image of our common joys and woes."

I believe that in this young, creative, and still emerging country, we should realize that the creative and performing arts constitute a national treasure. As trustees of that treasure, we of this affluent and creative generation must answer to an especially demanding accounting.

Under times and conditions such as ours, I believe it is imperative that America's arts be supported more actively. I particularly believe that the Federal Government can and should provide both leadership and resources to advance the arts so the inner spirit and life of our Nation, and heritage, may be continuously expressed and defined.

The bill now before Congress to establish the National Foundation on the Arts and the Humanities offers a realistic response to this opportunity and challenge. That legislation has already passed the Senate. I am hopeful that it will pass the House of Representatives, also.

When this measure is signed, it will be one of the most historic enactments of any Congress in this century.

In this land of such a highly diversified people, the arts are of utmost importance. They are important as a unifying moral force. They also contribute to our awareness of who we are, where we are and what we want to be as a people. And the arts are important as a celebration of the American experience which encourages, clarifies and points to the next direction in our continuing struggle to achieve the promise of our democracy.

The campuses of our colleges across the nation are producing many talents in many fields, and this Nation needs them all. But, I am especially gratified that our colleges, large and small, are yielding so much talent to our national treasure in the arts.

You from Bakersfield College are one example, a very fine example. I congratulate you. And, on behalf of the nation I am privileged to commend each of you for your efforts and strivings which have won for you international recognition and honor.

Secretary Freeman Talks Sense

EXTENSION OF REMARKS

OF

HON. WM. J. RANDALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 12, 1965

Mr. RANDALL. Mr. Speaker, on August 2 Secretary of Agriculture Orville L. Freeman addressed the annual convention of the Missouri Farmers' Association at Columbia, Mo.

In his remarks the Secretary summarized the startling improvements in agricultural income during the past 4 years and described the shock and chaos the agricultural and the national economy would have to sustain if farm commodity programs were not extended by the 89th Congress.

Mr. Freeman also predicted that if the administration's farm program were enacted it would not be unreasonable to anticipate in the next 4 years a repeat of the $1,000 gain in realized net income per farm of the last 4 years.

Because the Secretary's observations are so critically relevant to current House debate on the Food and Agriculture Act of 1965, I have secured unanimous consent to reproduce the speech in its entirety at this point in the CONGRESSIONAL RECORD:

There are some experiences which—no matter how often repeated—are ever new, and revive a man's zest for life and his joy in it.

Like feeling the trusting touch of the hand of a little child, recognizing the voice of an old friend by the warmth of it, seeing the haze of loveliness that wraps itself around a mother, a wife, a daughter, and, seeking to match the intense concentration of an inquisitive boy.

Another of these always refreshing experiences is looking out over the versatile and vibrant farmlands of the Midwest in the midst of a growing season. There is always inspiration, accompanied by a deep sense of gratitude, in seeing firsthand the combination of farmer skills with nature's gifts that results in the miracle we know as food abundance.

So I find it good—good indeed—to be with you in this place, at this time. Thank you for inviting me.

Four years have gone by since we were last together at an annual meeting of the Missouri Farmers' Association. Since 1961 I have come to know the membership of this organization better than I did then—many of the more than 150,000 of you personally—all of you through the quality of your organization and the character of the leadership you choose for it.

These associations and observations have led me to two conclusions about the Missouri Farmers' Association.

One is that you do not accept progress as inevitable. You look upon progress as a process demanding imagination and creativity, sensitivity and sensibility, anticipation and dedication, and plain hard work.

The other is that you consistently operate from the premise that what's good for the farm families of Missouri and the Nation is good for the Missouri Farmers Association. I've seen you apply this principle internally, as you weighed possible immediate advantages for your cooperative enterprises against the potential for long-term gains in the whole of agriculture; and I've seen you apply it in helping create and implement national farm and food policies and programs.

For establishing and following these commendable standards, you have my admiration and respect.

This organization's spirit and its concept of proper priority—as well as the personal philosophy and abilities you have recognized for a quarter of a century—have contributed to making your Fred Heinkel an internationally recognized agricultural leader.

Fred Heinkel holds the dual role of an architect, and a builder, in the food and agriculture policies and programs of the 1960's.

Few commodity programs, now or in the past, have records of performance and popularity equalling that of our present feed grains program. It was the first big step in bringing farm production policy into harmony with the era of abundance. The chairman of the advisory committee which played a major part in the creation of the feed grains program, and in perfecting it through the years since 1961, was Fred Heinkel.

Fred, I want MFA members to know that no one has done more for American agriculture through this period of almost 5 years than you. And if you will accept a personal tribute, I want to express my own high regard and warm affection.

Earlier I recalled it has been 4 years since I attended an annual MFA meeting. At that time we discussed what needed doing in the decade of the 1960's to correct inequities that were denying parity of income opportunity to our farm families and threatening the destruction of the free enterprise family farm system.

Since then, working together, we have corrected, and we have innovated.

We have broadened the avenues of economic, educational, and social opportunity for the people of rural America—farm and nonfarm.

By combining the abilities, the knowledge, the resources and the purposes of people and Government we have moved steadily upward on a number of fronts from the low levels of 1960.

As Al Smith once said: "Let's look at the record."

Farm earnings today are substantially better than they were. Realized net farm income in this year of 1965 is now expected to total $13.5 billion—the highest since 1953 and some $1.8 billion more than our farm families earned in 1960.

Today's income is better than that of 1960 because we've succeeded in moving to more equitable farm price levels. In the early summer of 1960 the average return to farmers from soybeans was $1.94 a bushel. This year it was $2.72—78 cents a bushel more.

Here are some other early summer of 1960 and 1965 comparisons:

Corn, $1.09 a bushel then, $1.30 now.

Hogs, $16.20 a hundredweight then, $22.70 now.

Cattle, $21.70 then, $23 a hundredweight now.

Lambs, $20.10 then, $25 a hundredweight now.

Wool, 45 cents a pound then, 49 cents a pound now.

All hay, $15.90 then, $20 a ton now.

Farm spending is better than it was. The income gains are reflected in improved rural town and city economies as sales of goods and services to farmers trend upward. Last year, when gross farm income was $4 billion over the total of 1960, farmers increased their expenditures for automobiles by over $600 million and boosted other expenditures for capital goods and machinery by another $400 million. Better living on the farm means better living in St. Louis, Kansas City, Detroit, and Rock Island.

Food is a better bargain than it was. For the millions of American consumers, food is the best buy they find in retail stores. This year, for the average family, food costs will take about 18.3 percent of income after taxes. In 1960, food required 20 percent—and the diet contained less beef. If the same percentage of income were being spent for food in 1965 as consumers were spending in 1960, they would have $7 billion less to spend on other things.

Food distribution is better than it was. We're doing a much-improved job of making our food abundance cover the whole of our society—our families requiring public assistance, and our schoolchildren. The USDA's food programs are now reaching over 40 million American adults and youngsters each year. The volume of food distributed through these domestic programs has increased from 900 million pounds in 1959–60 to 2.1 billion pounds in 1964–65. In addition, a growing volume of food is moving into the homes of low-income families through commercial channels under the food stamp program.

Farm exports are better than they were. Sales of agricultural commodities overseas are expected to reach a new record of $6.1 billion in the current fiscal year. It will be the second year in a row with farm exports in excess of $6 billion, as compared with $4.5 billion in fiscal 1960. This means more than better markets, better incomes, for farm families—it means expanded job and income opportunities in the areas of processing and shipping—and it makes a substantial contribution to a favorable balance of payments. From a humanitarian standpoint and from a commercial standpoint the expanded utilization of American food and fiber abroad contains the greatest opportunity for maximum use of our great food production plant. In this effort there is need for the facilities and the skills of our cooperatives, and the interest demonstrated by NFA is most welcome.

The supply-demand relationship is better than it was. Surpluses are down. Carryover stocks of grain by the end of the year will be at the lowest level since the mid-1950's, which means greater farm price stability and a cut in storage and handling costs for taxpayers.

We can take pride and satisfaction in these achievements.

What we've done in the past 4 years is proof it is possible to base a reasonable, progressive, serviceable food and agricultural policy on a concept of abundance rather than scarcity, benefiting producers and consumer alike.

That doesn't mean we have achieved full parity in income opportunity for our adequate, commercial family farms or that rural America as a whole is moving ahead in job and other opportunities as rapidly as it must to reach our goal of parity of opportunity.

But we're on the right track.

Whether we stay on it depends upon the decisions the Congress makes this month on legislation that will make it possible to continue—with a variety of improvements—the policies that have provided fuel for the steady progress made since 1960.

Let me emphasize that these legislative proposals are not designed to maintain the status quo. While incorporating the dynamic parts of our past experience, the omnibus farm bill is designed to encourage development of an agricultural plant and a family farm economy that will respond to the potentials of the future.

The same mechanisms that made things better than they were are not necessarily sufficient to make them better than they are.

Enactment of forwardlooking legislation is mandatory to a forwardmoving rural economy, a forwardmoving national economy.

Failure to act will be catastrophic to both.

Studies made by the Congress, by university economists and others, agree that if we fail to extend our farm commodity programs we will quickly experience a decline of as much as 50 percent from the current, still inadequate net farm income level.

Anyone can understand a 50-percent pay cut, and its impact upon the individual family directly affected. But let me turn your attention, and the attention of the entire Nation, to what such a blow to the farm economy would mean to the whole of the country's economic well-being.

A quick look at the farm credit situation is most revealing:

On January 1, 1965, the total farm debt amounted to $36 billion. That's 45 percent more than it was just 5 years ago. It is nearly 200 percent over the farm debt total of 1950.

It is a matter of deep, personal concern to the farm families who owe it. It should also be a matter of both humanitarian and economic concern to nonfarmers, because if farm families cannot pay it city families are going to be in trouble, too.

The debt situation in agriculture is neither better, nor worse, than in other sectors of the economy. Farm debt has increased at about the same rate as the debt of corporations, and at a somewhat slower rate than consumer debt and private noncorporate debt.

Indications are that the sharp rise in farm debt is not due to the use of credit as a substitute for income.

Rather, the increase has resulted largely from borrowing by farmers to increase the efficiency of their operations, and borrowing by young farmers becoming established on adequate family farms. And comparatively few of them are having debt difficulties so far—this fact is made clear by the excellent record made by farm lending institutions in collections from 1961 through 1964, and the near-record low levels of delinquencies and foreclosures.

If we succeed in maintaining the farm income gains of the past 4 years—if we continue our already significant progress toward full parity of income opportunity for the operators of the growing numbers of adequate family farms—the farm debt situation is not likely to cause serious difficulties for most farmers, for the communities which provide them with goods and services, or for the urban factory workers dependent upon rural markets for a substantial share of their employment.

However, a sharp decline in farm income resulting from failure to continue constructive farm and food policies and programs would, on the other hand, quickly upset the entire rural credit structure. It would deprive farmers of the ability to borrow or to repay the massive debt load they carry today. It would mean wholesale foreclosure and liquidation. It would mean rural chaos that would quickly infect the entire economy. Once again newspapers would repeat, in headlines, the old adage that "depressions are farm-led and farm-fed."

The times of truly great tragedy in rural America have been the times of mass foreclosures. In this community and in others across the land scars still remain as a reminder of the last time an accelerated downgrading of the value of a man, his family and his farm made it impossible for the family farmer to make the payments on his mortgage.

The stakes are big this month as the Congress prepares to act on the Great Society farm program. If it is enacted into law, we can look forward to steady progress—and it wouldn't be unreasonable at all to anticipate in the next 4 years a repeat of the thousand dollar gain realized net income per farm of the last 4 years.

But—if we fail to build upon the experience and the programs and the progress of the 1961–65 period, the outlook will be grim indeed. If failure to adopt reasonable, purposeful legislation brings a drop in net farm income from the current level down to just $6 billion a year, every American will suffer. In that event the efficient family farm structure that now ranks among the wonders of the modern world would be wiped out. No one can predict what might replace it, but the food abundance and fair prices consumers now accept as casually as the air they breathe would be gravely threatened.

If we fail to respond to both the responsibility and the opportunity contained in the food and agriculture bill now before our Congress, we'll appear in the coloring book of history painted thoughtless and indifferent—perhaps even ruthless.

I believe in the positive approach—and so do you, or you couldn't face up to the year-after-year, season-after-season hazards of farming.

I can sense a growing realization among all the people of our country that they have a good thing going for them in the policies and programs that give rural America stability and sound growth prospects, give urban America an abundance of good food at fair prices, and give the hungry of the world not only a source of food, but a fountain of know-how that can improve their ability to feed themselves.

If that realization comes to flower in terms of constructive legislation this month, the prospects are excellent that the twin goals of parity of income for the adequate family farm and parity of opportunity for all of rural America can be reached by the end of the 1960's.

Let's keep our wagon hitched to that star.

SENATE

FRIDAY, AUGUST 13, 1965

(Legislative day of Thursday, August 12, 1965)

The Senate met at 11 o'clock a.m., on the expiration of the recess, and was called to order by Hon. THOMAS H. KUCHEL, a Senator from the State of California.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, who putteth down the mighty from their seats and exalteth the humble, by whom the meek are guided in judgment and light riseth up in darkness for the godly, in Thy providence we have come in these epochal days to the very vestibule of destiny.

Grant us in all our doubts and uncertainties the grace to ask what Thou wouldst have us to do, that the spirit of wisdom may save us from all false choices, and that in Thy light we may see light, and in Thy straight path may not stumble.

Upon the President of the United States and his counselors, the Vice President and Members of the Congress, upon the leaders of our Armed Forces, and upon all trusted with authority, on whose shoulders rest the heavy burdens and responsibilities for vital decisions so largely molding the years to be, and for weal or woe affecting the lives of untold millions, we implore the wisdom which is from above as against the forces that defile and degrade human life, in the name of the Lord our God we set up our banners, marching on even toward stern and bitter days—if such be our lot—with the assurance that as we fight to make men free, we march with Thee.

In the Redeemer's name, and in His spirit we pray. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 13, 1965.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. THOMAS H. KUCHEL, a Senator from the State of California, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. KUCHEL thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (S. 1648) to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following joint resolutions, in which it requested the concurrence of the Senate:

H.J. Res. 4. Joint resolution designating the 6-day period beginning September 13, 1965, as "National Literacy Week," and for other purposes; and

H.J. Res. 401. Joint resolution requesting the President to designate November 23, 1965, as Repudiation Day.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 448) to authorize and request the President to issue a proclamation designating September 3, 1965, as Crusade for Safety Day, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTIONS REFERRED

The following joint resolutions were each read twice by their titles and referred to the Committee on the Judiciary:

H.J. Res. 4. Joint resolution designating the 6-day period beginning September 13, 1965, as "National Literacy Week," and for other purposes; and

H.J. Res. 401. Joint resolution requesting the President to designate November 23, 1965, as Repudiation Day.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 448) to authorize and request the President to issue a proclamation designating September 3, 1965, as Crusade for Safety Day, was referred to the Committee on the Judiciary.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CORRECTION OF CERTAIN ERRORS IN THE TARIFF SCHEDULES

The Senate resumed the consideration of the bill (H.R. 7969) to correct certain errors in the tariff schedules of the United States.

CORRECTION IN PRINTING OF AMENDMENT

Mr. MANSFIELD. Mr. President, I yield one-half minute to the Senator from Connecticut.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut is recognized for one-half minute.

Mr. RIBICOFF. Mr. President, due to an inadvertence, when amendment No. 385 was printed, my name was omitted. I ask unanimous consent that my name be added as a cosponsor of amendment No. 385 with the Senator from Indiana [Mr. HARTKE].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, under the bill I yield myself 2 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized for 2 minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Commerce and the Subcommittee on Retirement of the Committee on Post Office and Civil Service be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consider executive business.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

U.S. MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the U.S. Marine Corps.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

COMMUNICATIONS SATELLITE CORP.

The Chief Clerk read the nomination of William H. Hagerty, of Pennsylvania, to be a member of the board of directors of the Communications Satellite Corp. for the remainder of the term expiring at the date of the annual meeting of the corporation in 1967.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army, placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations placed on the Secretary's desk, in the Army, be considered en bloc.

The **ACTING PRESIDENT** pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. **MANSFIELD**. Mr. President, that concludes the nominations on the Executive Calendar. The nominations in the diplomatic and Foreign Service placed on the Secretary's desk still remain on the calendar.

The **ACTING PRESIDENT** pro tempore. The Senator from Montana is correct.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The **ACTING PRESIDENT** pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request of Mr. Mansfield, and by unanimous consent, the Senate resumed the consideration of legislative business.

THE CALENDAR

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that calendar measures Nos. 555, 556, and 557 be considered in order.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered. The clerk will state the first measure to which the Senator from Montana has referred.

STUDY BY COMMITTEE ON GOVERNMENT OPERATIONS RELATING TO EFFICIENCY AND ECONOMY OF OPERATIONS OF THE GOVERNMENT

The resolution (S. Res. 135) authorizing the Committee on Government Operations to make certain studies as to the efficiency and economy of the operations of the Government was considered and agreed to, as follows:

S. Res. 135

Resolved, That S. Res. 54, Eighty-ninth Congress, first session, agreed to February 8, 1965, is amended by striking out the amount "$435,000" on page 6, line 4, and inserting in lieu thereof the amount "$465,000".

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 572), explaining the purposes of the resolution.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Resolution 135 would increase by $30,000, from $435,000 to $465,000, the expenditure authorization of Senate Resolution 54, agreed to February 8, 1965, for use by the Committee on Government Operations (acting through its Permanent Subcommittee on Investigations), from January 1, 1965, through January 31, 1966, to make investigations into the efficiency and economy of operations of all branches of the Government.

During the 2d session of the 88th Congress, the Committee on Government Operations was authorized to expend $450,000 for the same purpose.

STUDY OF MATTERS PERTAINING TO ECONOMY AND EFFICIENCY OF FOREIGN ASSISTANCE ACTIVITIES BY THE FEDERAL GOVERNMENT

The resolution (S. Res. 136) to provide funds for the study of matters pertaining to economy and efficiency of foreign assistance activities by the Federal Government was considered, and agreed to, as follows:

S. Res. 136

Resolved, That section 4 of S. Res. 58, Eighty-ninth Congress, first session, authorizing funds for the study of matters pertaining to economy and efficiency of foreign assistance activities by the Federal Government, agreed to on February 8, 1965, be amended by striking out "57,500" and inserting in lieu thereof "91,500".

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 573), explaining the purposes of the resolution.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Resolution 136 would increase by $34,000, from $57,500 to $91,500, the expenditure authorization of Senate Resolution 58, agreed to February 8, 1965, for use by the Committee on Government Operations (acting through its Subcommittee on Foreign Aid Expenditures), from February 1, 1965, through January 31, 1966, to examine, investigate, and make a complete study of any and all matters pertaining to the operation of foreign assistance activities by the Federal Government with a view to determining the economy and efficiency of such activities.

The present authorization of $57,500 is one-half of the budget approved last session for the former Subcommittee on Reorganization and International Organizations, which has now been divided into Subcommittees on Foreign Aid Expenditures and on Executive Reorganization.

STUDY AND EVALUATION OF EFFECTS OF LAWS PERTAINING TO PROPOSED REORGANIZATIONS IN THE EXECUTIVE BRANCH

The resolution (S. Res. 137) to provide funds to study and evaluate the effects of laws pertaining to proposed reorganizations in the executive branch of the Government was considered, and agreed to, as follows:

S. Res. 137

Resolved, That section 4 of S. Res. 56, Eighty-ninth Congress, first session, authorizing funds to study and evaluate the effects of laws pertaining to proposed reorganizations in the executive branch of the Government, agreed to on February 8, 1965, be amended by striking out "$57,500" and inserting in lieu thereof "$88,000".

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 574), explaining the purposes of the resolution.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Resolution 137 would increase by $30,500 from $57,500 to $88,000, the expenditure authorization of Senate Resolution 56, agreed to February 8, 1965, for use by the Committee on Government Operations (acting through its Subcommittee on Executive Reorganization), from February 1, 1965, through January 31, 1966, to make a full and complete study for the purpose of evaluating the effects of laws enacted to reorganize the executive branch of the Government, and to consider reorganizations proposed therein.

The present authorization of $57,000 is one-half of the budget approved last session for the former Subcommittee on Reorganization and International Organizations, which has now been divided into Subcommittees on Executive Reorganization and on Foreign Aid Expenditures.

CORRECTION OF CERTAIN ERRORS IN THE TARIFF SCHEDULES

The Senate resumed the consideration of the bill (H.R. 7969) to correct certain errors in the tariff schedules of the United States.

BRITAIN'S ECONOMIC IMPROVEMENT VITAL TO U.S. INTERESTS

Mr. **PROXMIRE**. Mr. President, will the Senator in charge of the bill yield 3 minutes under the bill to me to speak on two subjects?

Mr. **SMATHERS**. I am happy to yield 3 minutes to the distinguished Senator from Wisconsin.

Mr. **PROXMIRE**. Mr. President, yesterday the distinguished Senator from New York [Mr. Javits] delivered a major speech proposing a series of specific steps to assist our great ally Britain in her hour of economic need.

Last night's Washington Star carries an article by Max Freedman which spells out precisely why the Javits speech is so timely, and why the vital interests of this country are so closely tied with the well-being of Britain.

Freedman shows just how the economic straits suffered by Britain have compelled her to reduce her defense establishment as part of her program for improving her balance of payments.

Freedman reports that the present reductions by the British in their defense effort are large, but unfortunately they are likely to be followed by additional defense cutbacks.

Obviously, a Britain that is fighting for freedom in Malaysia and defending the free world elsewhere cannot reduce her defense commitment without serious repercussion on her partner—this country.

Freedman asks:

> Who except the United States, already overextended and reluctant to assume new duties, will fill the areas of weakness if a British retreat becomes unavoidable?

Who, indeed, Mr. President? A British cutback means either a retreat for freedom or a further involvement in the world's defense.

Those in the Senate and elsewhere who have been complaining about this country's overcommitment should consider carefully the constructive proposals of the Senator from New York [Mr. Javits], as set forth yesterday, and recognize the urgency of assisting a gallant and beleaguered ally in its time of trouble.

I ask unanimous consent that the article by Max Freedman to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH ARMS CUTS A U.S. PROBLEM

(By Max Freedman)

The United States has a direct and painful interest in the defense reductions ordered by the Labor government in Britain. Those reductions have been imposed very reluctantly and only under the pressure of economic necessity. But the stark fact remains that more economies will be ordered unless the British people speedily improve their balance of payments.

As announced by Defense Secretary Denis Healey, the present reductions, though large, are not the end of the story. They are to be followed by other reductions in a program of planned economies.

It is a most disturbing fact, for all who value Britain's place as a world power, to learn from Healey that Iraq, Egypt, and Indonesia all have many modern weapons now surpassing those in the British arsenal. The United States can fight a war in Vietnam with its left hand; but a full-scale war in Malaysia would absorb the total fighting strength of the British people. How long can Britain remain a nuclear power while she is oppressed by these economic problems? And who except the United States, already overextended and reluctant to assume new duties, will fill the areas of weakness if a British retreat becomes unavoidable? These are policy questions now being weighed in the highest circles in Washington.

The interim program calls for a saving of $600 million by drastic economies that do not invade existing defense commitments. The next stage requires a similar saving; and a few believe this can be done without some British commitments being scrapped. Defense expenditures next year will be $280 million below the first estimates of the Labor government and $320 million below the projected expenditures of the Conservative government. The objective for 1969–70 is a reduction in defense spending from 7 to 6 percent of the gross national product even though that product should be steadily rising.

Faced with these estimates and projections, most observers have concluded that the cancellation of the fifth Polaris submarine will be only the first of many painful economies. They also believe that the British Government will have to cut down on its military expenditures in Germany. In addition, there will have to be reductions in Aden and the Persian Gulf, so essential to Britain's continued role as a world power, unless these oil-rich areas can be induced to make a greater contribution to their own defense.

What the United States now faces in Western Europe is a friendly but weakened Britain; a strong but critical France, and a powerful but impatient Germany. Already faint echoes of the British dilemma are being heard in German politics. They will rise in volume as the German election next month comes closer. Inevitably, the German leaders will seek a still larger role in the Western alliance.

Nor will they be put off by the argument that Germany already has too much power. West Germany can point to her excellent record in NATO, as compared with France's bleak and negative record, as proof that she has not abused her growing strength. It will be hard to deny an expanded role to West Germany suited to her present position and not to the traditional fears of German motives. Yet such an enlargement of the German position, helped along by a vulnerable Britain, will revive the old charge that Bonn is seeking a special relationship with Washington.

In these difficult conditions, it is fortunate that Prime Minister Harold Wilson has established more cordial relations with West Germany's political leaders than any British statesman since the end of the war.

The gravity of the national crisis is still hidden from the British people by the deceiving mists of full employment. It will not be too long before the American people in turn have to grapple with the international consequences of the British crisis.

Mr. PROXMIRE. Mr. President, one of the most brilliant, competent, and, I might add, farsighted—if not clairvoyant—financial commentators of our time is Eliot Janeway.

On August 2 in his regular syndicated column in the Chicago Tribune, Janeway gives a mighty practical reason for supporting Britain's financial strength. He writes in part:

> If * * * we let the pound go the way the mark and the franc went in the twenties, we may be sure that the next blow will come from Britain and be aimed at our stock market, which is no longer strong enough to absorb of massive British liquidation of U.S. holdings.

Janeway argues that a relatively little U.S. help today may go a long way in assisting this good friend.

I ask unanimous consent that the Janeway article entitled "United States, Britain: Hang Together or Alone," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES, BRITAIN: HANG TOGETHER OR ALONE

(By Eliot Janeway)

LONDON, August 1.—The obscure, Victorian man of letters who philosophized that politics make strange bedfellows could not possibly have anticipated the impact of Harold Wilson and Lyndon Johnson upon one another. Their working relationship, or lack of it, recalls the parting exchange of compliments between Voltaire and Frederick the Great—"I can't live with you, and I can't live without you."

From the day the present Labor government took over in an atmosphere of currency crisis, it was painfully clear that Wilson's ability to survive depended on Johnson's will to support the British pound and, therefore, Wilson himself. But Wilson has equal power to hurt or to support the dollar, and therefore Johnson. For better or worse, in financial sickness or health, the money markets and the security markets have made it clear to Wilson and Johnson that they must hang together if they're not going to hang separately.

The present generation in Britain as well as in the United States has inherited a distorted idea of what actually happened in 1929. William McChesney Martin, Federal Reserve Board Chairman, in his recent escapade in the headlines merely compounded the confusion. The big surprise of the late 1920's was not the crash that broke the boom, but the very existence of any kind of boom after the catastrophic convulsions of the mark and the franc earlier in the 1920's. In fact, boom at home or no boom at home, the main American export during the mid-1920's, and here is the arresting parallel with the mid-1960's, was financial aid to stricken European currencies. The recovery up to 1929 recorded the temporary success of that currency rescue operation of ours. The crash marked the spot at which it failed.

UNITED STATES, BRITAIN IN DANGER

The rise of Hitler and the fall of France stand as historic warnings of the price a country pays when it suffers leukemia of the currency. Today, it is not France or Germany which is in danger of reciprocal currency crisis, but Britain and the United States, as the feverish gold speculation shows.

If Martin had been a keener student of financial history, he would have warned us more specifically of the real problems of 1929, and reminded us that we failed to accomplish then exactly what we are committed to accomplish now. He would have brought home to us the consequences of that American failure to insure currency stabilization for Europe. Instead, he inveighed against the principle of dollar payments deficits just when a moderate commercial and investment outflow is needed to control Britain's mounting crisis and to avoid its inevitable backlash here.

When the time came for Dwight Eisenhower to brief John Kennedy on Presidential responsibilities, the net of this advice on the CIA's Cuban liberation project was that this was a high-risk exercise; that it was better dropped than carried on irresolutely; and that, once launched, failure would be fatal. This is true today of the 1964–65 commitment to succeed on the transatlantic monetary front we failed in 1929.

HOLDING BACK FIRE

The fact is, however, that we are holding our financial power back from Britain, as she sways on the brink of currency instability, exactly as we held back firepower from our target in Cuba, and in false premises, too. The private sector of the United States international economy has never operated at an unfundable deficit, but because the public sector sent out over $4 billion of emergency cash last year, most of it to Britain, we have immobilized the international operations of our private as well as our public sector.

It is a rare crisis in which a return to business as usual is all that is needed to calm down an emergency and head off a catastrophe. A few hundreds of millions of dollars of normal business flow into Britain would be as decisive there now as a follow-through against Castro then. If, instead, we let the pound go the way the mark and the franc went in the twenties, we may be sure that the next blow will come from Britain and be aimed at our stock market, which is no longer strong enough to absorb the shock of massive British liquidation of U.S. stockholdings.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. I yield to the distinguished Senator from New York.

Mr. JAVITS. I thank the distinguished Senator from Wisconsin for the graciousness with which he received my speech, and the fact that he engaged in colloquy with me yesterday, which I considered to be very helpful in developing the points that I was endeavoring to make.

Mr. PROXMIRE. I thank the Senator, whose major speech on Britain's need for our assistance was most significant.

NEEDED IMPROVEMENTS IN OUR ECONOMIC STATISTICS SUGGESTED BY STATISTICS USERS

Mr. PROXMIRE. Mr. President, in March 1965 as chairman of the Subcommittee on Economic Statistics of the Joint Economic Committee I invited individuals, organizations, and statistics users to participate in a study of statistical requirements in light of present and future needs of our growing economy. In July 1955 the Joint Economic Committee made generally available a compendium of these views and suggestions as submitted by 74 economists and statisticians in response to these invitations. The compilation entitled "Improved Statistics for Economic Growth" may now be obtained from the Superintendent of Documents.

The views and suggestions were submitted in the form of more or less detailed manuscripts and discursive statements. In order to facilitate analysis and appraisal of these suggestions for improvement, committee staff has stripped them of much of their discursive and argumentative elements and focused upon concise statements of each of the suggestions treated in detail in the compendium. The material has been compiled in this manner solely to facilitate study and evaluation by the subcommittee, the Bureau of the Budget, whose views have been requested, and any other interested parties. Obviously, the merits of specific suggestions, even if made by several respondents, cannot be judged without giving consideration to costs and alternative uses of statistical funds and manpower.

Many of the specific recommendations were cited by more than one of the experts. Increased detail and more prompt reporting were requested most frequently. Particular thought might be given to the recurring requests for first, more small-area data, county-by-county or subdivided regions; second, a central library or clearinghouse to collect and provide all Government and non-Government published statistics. Other often repeated suggestions were to first, reestablish mid-decade survey of housing census data; second, modernize standard industrial classification; third, improve statistics on estimates programs, input-output series, gross national products, job vacancies, employment and unemployment, and credit extension; fourth, supply adequate definitions in statistical data; fifth, expand and improve Federal, State, and local statistics.

Incidentally, this list has been prepared by one of the summer interns on the Joint Economic Committee staff—Miss Judy Record—who is a student at Texarkana College, Texarkana, Tex. I think this is a splendid example illustrating the fine work of which these summer workers from our universities and colleges are capable.

I ask unanimous consent that the summary be printed at this point in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Improved Statistics for Economic Growth

Develop statistical data on extent of contingent or implied commitments (1).

Compile data consistently within framework of standard industrial classification (2).

Revise statistics so that average hourly earnings will reflect trend of labor costs (3).

Extend data on output per man-hour (3).

Provide occupational statistics showing number and types of job vacancies (3).

Overhaul and reexamine Federal Government's transport statistics (4).

Remedy inconsistency in information released by different agencies (4).

Provide greater amount of small-area data, county by county (5).

Report annual population and household data by metropolitan areas for more accurate current descriptions of our mobile population (6).

Overcome difficulty of maintaining adequate flow of data on foreign trade (7).

Traditional types of foreign trade data now depend too much upon inconvenient tariff classifications (8).

Coordinate in the Office of Statistical Standards the work of various statistical agencies (8).

Improve statistics of construction, especially in residential areas (10).

Release statement of margin of error in economic data releases (11).

Provide greater consistency in data reporting of series on age, sex, location, total population (11).

Issue additional data on major geographic areas of the United States, on the physical output and selected container sizes (11).

Increase standard industrial classification code to cover five-digit industries (instead of three or four) in data as reported in annual survey of manufactures (12).

Expedite issuance of economic statistics (12).

Provide separate categories for discount houses and department stores in general merchandise group of the retail trade (13).

Reconcile figures on personal consumption expenditures and industrial production (13).

Improve price information on international competitive position of United States (14).

Improve statistical information on industries of so-called service sector (14).

Restore reports on economic aspects of the population and labor force to the census of population (14).

Develop statistics on job vacancies (14).

Provide regular compilation of information on fringe benefits in statistics of hourly earnings (14).

Expedite statistics on profits (15).

Reconcile estimates of gross national product from expenditure side with estimates viewed from income side (15).

Provide reliable and current information on the volume and terms of credit extension (15).

Indicate actual prices charged rather than list prices in statistics on wholesale prices (15).

Support efforts to develop comparable statistics in other nations (20).

Reestablish the middecade survey of housing in the census data (21).

Improve accuracy and availability of residential and nonresidential data on vacancy rates (21).

Provide statistical series on demolition (21).

Obtain annual sample coverage, rather than complete quinquennial coverage, of approximately 1 million homes for detailed household information (22).

Incorporate in the current population survey series of questions on plans to marry for single persons and intent to have children for married couples where the wife is less than 45 years of age (22).

Supply an estimate of the capacity level of gross national products for comparison with level actually achieved (23).

Provide current summary of credit conditions relating changes in tightness or easiness of credit, mortgage interest rate information, and summary covering terms such as downpayments and loan maturity periods (23).

Provide separate figures for unliquidated obligations of the entire Federal Government at the end of each quarter for (a) Army, (b) Navy, (c) Air Force, (d) all other (24).

Provide quarterly estimates of Federal fiscal operations on a national income and product account basis running three to six quarters into the future (24).

Issue, on current annual basis, reconciliations for the following three pairs of items:

1. Personal saving (national income division) and gross savings of the consumer and nonprofit organization sector (flow of funds).
2. Excess of Federal Government receipts over expenditures (national income division) and current surplus of the Federal Government (flow of funds).
3. Excess of State and local government receipts over expenditures and current surplus of the State and local government sector (24).

Reconsider the standard industrial classification—reform of the census of manufacturers is basic to any effort to improve the overall quality of Federal economic statistics (26).

Supply specific listings regarding the number of beef cattle farms, livestock operators, number of farms selling grain-fed cattle, number of beef cattle sold per year per farm, expenditures for fertilizers, expenditures for farm chemicals used, and the use of animal health products, by product (27).

Expedite statistics which measure growth or lack of it in cities and metropolitan areas (28).

Expand and revise wholesale price index of the chemical and allied products industry to cover a broader sample of commodities actually moving in the industry (30).

Present Federal budget and statement on the Nation's balance-of-payments problem in a more meaningful way to show the magnitude and variety of activities being described (30).

Develop a sampling plan to provide useful estimates of corporate profits in a period in less than 3 months after close of period (31).

Supply further regional data and Federal Reserve Board indexes of industrial production by major industry, and by region (33).

Provide practical methods for attaching estimates of sampling errors to fluctuations in the Consumer Price Index (34).

Correct small errors in income or expenditures which could produce errors in estimate of saving in the national income estimates (35).

Meet the need of comprehensive data on the demand for labor by detailed occupational breakdowns by local areas (35).

Supply more comprehensive data by States and local areas (36).

Provide more complete and comprehensive data on consumer expenditures, savings, and income (36).

Provide multipurpose, long-term data-collection program designed to obtain a comprehensive and continuing picture of the activity of different sectors of the economy (36).

Coordinate and expand present survey programs for obtaining estimates of consumer expenditures and savings (37).

Coordinate transportation statistics—passenger travel and commodity shipments (38).

Develop demographic information on geographic basis more frequently than once every decade (39).

Regard each central city of the standard metropolitan statistical areas (SMSA) as the center of a functional economic area (FEA) which includes the SMSA itself and any additional area within a commuting radius of 60 minutes from the central city (40).

Increase available data on individuals' or household savings and consumption statistics, e.g., who saves, how much, in what form (44).

Supply current information on intercity differences in the cost of living (47).

Provide variety of budgets to measure living costs of families of different size and age composition (47).

Expand sample of households in current population survey so that statistics for States and selected metropolitan areas can be derived (47).

Distribute statistics of expenditures for new plant and equipment with national total by States for regional economic analysis (47).

Provide State and area occupational statistics and data on consumer credit now available only for the Nation as a whole (48).

Publish a compendium of opportunities for special analyses which can be obtained at a modest cost (49).

Supply list of available published information to insure more complete use of data being generated (49).

Take steps to insure that people understand the limitations of Federal statistics and the extent of the threat of misinterpretation (49).

Coordinate State and Federal Government statistical programs compiling data on the basis of economic areas to meet anticipated statistical requirements (51).

Improve and increase building industry statistics (53).

Improve accounts for nonincorporated nonfarm enterprises (54).

Treat expenditures on consumer durables and on Government structures and equipment as capital rather than current outlays (54).

Experiment with measures of investment in the labor force (54).

Improve and increase detail of input-output study by the Office of Business Economics (55).

Offer census tapes to business users for special runs (55).

Publish economic data for industrial groupings other than so-called standard industries; e.g., aerospace and electronics fields (57).

Adopt a more flexible classification system in the standard industrial classifications (57).

Examine reliability of housing starts data and its information on permits (57).

Study price indexes used in deflating gross national product—particularly deflators for capital goods (57).

Reexamine concept of profits—under new tax law, it is difficult to compare profit statistics for two different time periods (57).

Provide for comparability and consistency in collecting local and regional data (58).

Lessen timelag of 16 months that it now takes to attain figures on births (59).

Develop a serious, extensive, and continuing program that would develop and use measures of value for current and proposed statistics programs (60).

Expedite and improve data on population and economic changes through estimates made by Federal, State, and local agencies and based partly on projections of information from the censuses and partly on current data related to the characteristics of interest (61).

Provide periodic checks on the level of current estimates and projections by either a mid-decade population census or additional area surveys using probable samples (62).

Provide for a permanent expansion of the Census Bureau staff and budget to improve the quality of the census small-area data (62).

Carrying on continuing evaluation and research programs extending to questions such as the adequacy of data for analytical uses and the validity of measurement concepts, and procedures (63).

Review respective roles of Bureau of Census and Department of Agriculture in the production of agricultural statistics and possibilities of achieving a more coordinated approach (67).

Per capita income estimates of farm population are difficult to determine because nonresident operators are not considered a part of the farm population and their income is excluded from the estimate of the personal income of the farm population (67).

Prepare separate per capita income estimates for operator families on commercial farms, noncommercial farms, and farmworkers (67).

Estimate per hour earnings so that they will give an adequate indication of how farm operators are doing in comparison with factory workers (68).

Maintain single criteria in defining "farm" for census—present dual criteria defines "farm" as place with (1) gross annual farm product sales of $250 or more, or (2) 10 acres and gross annual farm product sales of $50 or more (68).

Improve classification of farms in terms of "commercial" and "noncommercial" (68).

Provide for greater use of sampling to reduce number of questions of individual farmer and cost of taking the census (69).

Maintain, for usefulness and consistency, a central clearing area for all statistics published by various Government agencies (70).

Use one base period for all indexes to provide for less confusing data (70).

Develop further job-vacancy data for guiding public and private training and retraining programs (71).

Improve quality and quantity of data on construction activity (71).

Coordinate the three major resources of national accounting and financial data: the Department of Commerce, the Securities and Exchange Commission, and the Federal Reserve Board (76).

Develop systematic procedures in which the sources used by the Commerce Department and the Securities and Exchange Commission may be taken into account simultaneously (76).

Form unified system of macroeconomic statistics to increase usefulness keeping in mind the international systems (76).

Supply data on small areas, counties and cities, especially for years between decennial population censuses (78).

Tabulate residents by county since all taxpayers must give home address in filing Federal income tax (78).

Review sources of data and assemble into one library (78).

Provide small area information in metropolitan area where numerous counties and States (New York) form one metropolitan area (78).

Expand survey research on travel, vacation, recreation, the purchase of hobby and sports equipment, as well as on cultural activities (82).

Decrease time and money spent on publishing data on foreign countries, on industries with little or no impact on the economy, and detailed cycle data (84).

Continue Labor Department's program on collective bargaining clauses and fringe benefit studies (84).

Issue indexes of prices of imports and of exports (85).

Index of prices paid by farmers for cost-of-living items has probably outlived its usefulness and could be supplanted by regional consumer price indexes (85).

Parity index based on 1910–14 is anachronistic (85).

Extend review of statistics presenting estimates of what the economy will be like in 1985 and then, present papers discussing policy problems and administrative needs to meet future needs (86).

Establish a central office of Federal statistics to aid in supplying available and necessary data (87).

Replace mid-decade census with sample surveys to provide vital household geographic and metropolitan area detail on an annual trend basis (88).

Increase use of sample surveys to meet diverse needs of society and industry in the changing times (88).

Provide more and better data on county and metropolitan area basis (89).

Establish a population census every 5 years rather than the present 10-year span (89).

Expedite improvement of the Federal statistics (90).

Change the Federal statistics from an ever-growing, loosely structured heap of facts and figures to a unified statistical system (90).

Social accounts, foreign trade statistics, financial and banking statistics, employment statistics as "blocs" do not now make a systematic whole (90).

Modernize Federal, State, and local statistics to form fully integrated, comprehensive, detailed, up-to-date data (91).

Reorganize the Federal statistical system (91).

Broaden and improve data on who are the poor in our society (92).

Define "poor" adequately and scientifically (92).

Provide detailed data on small geographic units including population information on county-by-county and data on education, age, sex, color, occupation, and income (93).

Supply data on the ownership of radio and television sets (93).

Expedite and increase data on specific industries such as chemicals and allied products (95).

Correct inconsistencies and inaccuracies in Government statistics resulting from inadequate or improper definition of the industry or product (95).

Reorganize the collection of economic data to prevent duplication among the same 10 agencies collecting economic data (96).

Publish better and more reliable employment and unemployment statistics (97).

Cooperate in the implementation of international standards to achieve a high degree of international comparability (97).

Establish reliable input-output tables for the United States (97).

Provide general statements on the accuracy of the statistics presented by the U.S. Government agencies (98).

Publish reports covering sales of selected merchandise lines through major retail outlets (99).

Revise standard industrial classification codes (99).

Increase the data of the annual survey of manufacturers to cover a six- or seven-digit standard industrial classification (100).

Need quinquennial census whatever annual sampling programs may be (101).

Provide increased data on marriage and divorce and family function to throw light on social pathology of the times (101).

Create adequately financed, national data library-computation center to prevent tragic destruction of irreplaceable data (102).

Highly aggregative time series do not contain enough observation to permit extensive testing and estimation (105).

Study possibilities of systematic development of time-series data for parallel and approximately matched groups of behavioral components (106).

Establish a national data library of the U.S. Government (107).

Provide statistics on new residential housing construction activity in breakdown of one- and two-family and multifamily housing starts by geographical regions other than Northeast, North Central, West, and South (108).

Publish estimates (Department of Commerce) of housing starts broken down statistically as (a) types of housing, (b) types of structure, (c) types of materials used, (d) geographic distribution (109).

Publish more meaningful and usable building construction statistics and consider the variations between permit data and housing-start data (109).

Redefine (e.g., the textile industry) so as to represent a complete coverage of input-output relationship within a specific industry (114).

Attempt to quantify the degree of innovation in various industries (114).

Provide statistical measurements of consumer purchases of the specific output of a given industry (114).

Consider the weakness of the Federal statistical programs in the construction industry when compared to other industries (117).

Develop data on input-output industry structure as an aid to evaluating impact of changes in the construction industry (117).

Expand Federal statistics programs to provide State or major metropolitan area series on (a) labor force, employment, unemployment; (b) consumer credit outstanding; and (c) capital investment (118).

Adopt a more specific definition of unemployment that is acceptable to statistician, management, labor, and "man on the street" (119).

Consider problem of overaccumulation of inventories and increase reliability of inventory figures (119).

Provide consistent estimates of the percentage of manufacturing capacity being used in current production (119).

Devise an export price series that will indicate actual competitive conditions in international trade (119).

Classify data by zip code areas as a fundamental classification (121).

Utilize large computer storage capacity available for data storage to reduce cost and improve value of data (122).

Determine, through sample study, the cost of data collection and reporting compared with the value of receiving published data from the Government (123).

Formulate Federal information reservoir containing basic public data (123).

Establish business and economic information computer centers to collect data to central Federal headquarters (123).

Update John L. Andriot's "Guide to U.S. Government Statistics, 1961" (124).

Improve timeliness in attaining Federal statistics (125).

Increase compatibility of coding systems and procedures (125).

Supply increased detail in census reports (125).

Consider a centralized statistical reference bureau (125).

Provide data for States and metropolitan areas on the origin and destination of all exports and imports, by commodity (126).

Publish current listing of withholding tax payments as a measure of income, by county on annual or monthly basis, for large counties or metropolitan areas (126).

Supply report of statistics of sole proprietorships by industry in each State (126).

Attempt to meet publication deadlines and schedules in supplying economic censuses (127).

Publish annual person-income series for each of the major metropolitan areas in the United States (127).

Include number of apartment buildings as well as the number of units in areas covered in census of housing (127).

Couple job opening data with data for recent new hires for a better picture of the current opportunities in the labor market (127).

Establish Federal system for standardizing and distributing State totals for construction statistics and payrolls in manufacturing industries (128).

Provide statistics on wage and salary rates by types of jobs (128).

Supply detail and prompt collections of expenditure data on State and local governments (128).

Need more and better information on job vacancies (130).

Provide better profiles of unemployed and underemployed along with system of matching jobseekers and jobs (130).

Establish a more comprehensive consumer price index (130).

Obtain data on actual prices paid by the buyer, not the price supplied by sellers (130).

Develop more adequate price indexes in the construction field (130).

Provide more and better price deflators for use in establishing trends in real output (130).

Provide statistics showing the relationship of education to income and productivity (131).

Improve data for predicting occupational trends (132).

Provide timely, accurate, and understandable small area data (132).

To increase usefulness of census data to metropolitan policymakers, code the data geographically, put it on tape accompanied by standard programs for extracting or combining a variety of information (132).

Provide greater comparability of trade statistics of our domestic production to establish comparison of relative importance of foreign trade for different parts of the economy (133).

Improve statistics on foreign transactions (133).

Provide adequate funds and leadership at the Bureau of the Budget to enable it to review existing programs to detect obsolescence and forsee new needed programs (133).

Provide central agency within Federal Government to aid individual researchers and small research organizations in attaining data (133).

Link together vast data collections of the Government with electronic data storage and retrieval systems (133).

Provide single compendium, catalog, directory, or encyclopedia of statistical material available from Government agencies (134).

Create statistical program for agriculture based upon the facts of today's word—not upon conditions which no longer exist (134).

Broaden studies to encourage family farm, if this is to be a national policy (134).

Continue support and consideration of an annual sample survey of agriculture (134).

Coordinate classification of statistics for "an industry" as compiled by various Government agencies (136).

Coordinate classification and coding of products and commodities for the different census programs among various Government agencies (136).

Supply standard definitions, classifications, and coding among Federal agencies to provide consistent composite information (136).

Provide statistics that are essential to the good management of our economy and our society and prevent reappearance of obscurantism and antiintellectualism that almost wrecked our system of economic intelligence in the early 1950's (139).

Recognize large areas of "unknowns" in changing field of agriculture (140).

Determine whether securing data on technical products and services to farmers belongs to the Department of Agriculture or the Department of Commerce (140).

Present gross national product on regional as well as total U.S. basis (141).

Provide detailed breakdowns of (1) change in business inventories and (2) net exports of goods and services (141).

Increase the frequency of publication of detailed breakdown of personal consumption expenditures (141).

Strive for a quicker release of statistics on gross national product (141).

Consider a more frequent population and income forecast by States and counties (141).

Provide detailed data regarding number of families with children of a specific age (141).

Supply data on the number of grocery stores in counties with less than 500 establishments (141).

CORRECTION OF CERTAIN ERRORS IN THE TARIFF SCHEDULE

The Senate resumed the consideration of the bill (H.R. 7969) to correct certain errors in the tariff schedules of the United States.

Mr. RIBICOFF. Mr. President, on behalf of myself and the Senator from Indiana [Mr. HARTKE], I call up my amendment No. 385.

The PRESIDING OFFICER (Mr. BASS in the chair). The amendment of the Senator from Connecticut will be stated.

The legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be waived.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 385) offered by Mr. RIBICOFF is as follows:

On page 35, delete lines 11 through 16 and substitute the following therefor:

"(a) AMERICAN SELLING PRICE.—Headnote 3(b) for schedule 7, part 1, subpart A (p. 332) is amended by striking out 'in item 700.50, if the rubber portion thereof is wholly, or over 50 percent by weight, of natural rubber, and'.

"(b) PROTECTIVE FOOTWEAR.—Schedule 7, part 1, subpart A is amended by striking out item 700.50 (p. 332) and inserting in lieu thereof the following:

"'		Hunting boots, galoshes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather, all the foregoing having soles and uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear with uppers of nonmolded construction formed by sewing the parts thereof together and having exposed on the outer surface a substantial portion of functional stitching):			
	700.51	Polyvinyl chloride footwear, not supported and not lined..	12.5% ad val.	25% ad val.	
	700.52	Rubber foot-upper of which does not extend above the ankle, designed for use without closures, whether or not supported or lined........	25% ad val.	50% ad val.	
	700.53	Other..............	60% ad val.	125% ad val.	'"

AUTHORIZATION FOR SURVIVORS OF A MEMBER OF THE ARMED FORCES WHO DIES WHILE ON ACTIVE DUTY TO BE PAID FOR HIS UNUSED ACCRUED LEAVE

Mr. MANSFIELD. Mr. President, I yield myself 3 minutes on the bill.

The PRESIDING OFFICER. The Senator from Montana is recognized for 3 minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 567.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 7843) to amend titles 10 and 37, United States Code, to authorize the survivors of a member of the Armed Forces who dies while on active duty to be paid for his unused accrued leave.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 584), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would authorize payment to survivors of deceased members of the uniformed services for the unused leave credited to the deceased on the date of his death.

EXPLANATION

Under existing law members of the uniformed services who are retired or discharged may be paid for unused leave credited to them at the time of their separation. If payment to the retiree has not been made at the time of his death, such payment may be made to surviving heirs. Survivors of civil service employees are also entitled to payment for accumulated leave at the time of the death of the employee.

In contrast, payments for unused accumulated leave do not survive members of the Armed Forces who die during active service. This is an unjustifiable inequity and this bill would provide authority for survivors of a member of the uniformed services who dies while on active duty to be paid for his unused accrued leave. The bill applies to all of the uniformed services, including the Public Health Service. The maximum payment is for 60 days leave. This maximum is consistent with existing law applicable to payments for unused accrued leave to members upon discharge or retirement.

TRANSPORTATION OF REMAINS OF DECEASED DEPENDENTS OF MEMBERS OF THE ARMED FORCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 569, H.R. 3037.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 3037) to amend section 1485 of title 10, United States Code, relating to the transportation of remains of deceased dependents of members of the Armed Forces, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 586), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would authorize the transportation at Government expense of the remains of a dependent of a member of the armed services on active duty if the dependent dies at or while traveling to or from the member's place of active duty.

EXPLANATION

Under section 1485 of title 10, United States Code, the Government bears the expense of transporting the remains of a dependent of a member of the Armed Forces on active duty at a place outside the United States, if the dependent dies at or while traveling to or from the member's place of active duty.

Before the admission of Alaska and Hawaii as States, the Government provided transportation for the remains of deceased dependents from these relatively remote locations, from which the cost of transporting remains was relatively expensive. In earlier Congresses the Department of Defense recommended legislation to continue the authority for transporting remains of dependents who died in Alaska or Hawaii. The committee expressed the view that after the admission of these former territories as States, members of the Armed Forces stationed in other States should be on the same footing for entitlement to transportation for remains of deceased dependents. Thereafter, the Department of Defense reconsidered its recommendation and under the terms of this bill, the Government would be authorized to transport the remains of deceased dependents not only from the States of Alaska and Hawaii but also from each of the other 48 States to the home of the decedent or to such other place as the Secretary determines to be the appropriate place of interment. Under this bill the military departments would be authorized to pay the common carrier costs for the transportation of the remains of deceased dependents. All other services related to the preparation of the remains of the deceased would continue to be the financial responsibility of the sponsor as is now the practice. Members of the Armed Forces are currently entitled to the transportation of their dependents on a change of permanent duty station, retirement, or in case of death of the member. The bill would authorize essentially the same transportation for a dead dependent that would be authorized if the dependent were living.

DISPOSITION OF LOST, ABANDONED, OR UNCLAIMED PERSONAL PROPERTY UNDER CERTAIN CONDITIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 570, H.R. 5034.

The PRESIDING OFFICER The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5034) to amend section 2575(a) of title 10, United States Code, to authorize the disposition of lost, abandoned, or unclaimed personal property under certain conditions.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 587), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would facilitate the disposal of lost, abandoned, or unclaimed personal property under the custody of the Department of Defense or the Department of the Treasury.

EXPLANATION

Under existing law, lost, abandoned, or unclaimed personal property under the control of the Department of Defense or the Department of the Treasury may be disposed of 1 year from the date the property is received when the owner, his heirs, or next of kin cannot be determined after diligent effort. If the owner is "determined" but not "found," the property may not be disposed of until after 120 days following the date of notice of intended disposition has been sent by registered mail to the owner at his last known address. There is doubt under current law whether this 120-day notice is without regard to the 1-year waiting period that applies when the owner cannot be determined.

To reduce storage costs and administrative work, this bill proposes to reduce the 1-year waiting period to 3 months. Moreover, property with a fair market value of less than $25 could be disposed of without regard to the 3-month waiting period if a diligent effort to determine the lawful owner is unsuccessful. The bill also would permit the use of certified or registered mail in sending the required notice. Only registered mail can now be used for this purpose.

The kind of property to which this bill applies is chiefly items of personal clothing and personal effects of relatively small value, such as laundry, spectacles, cigarette lighters, and bracelets.

AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICES ACT OF 1951, AS AMENDED

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 573, H.R. 10306.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10306) to amend the Universal Military Training and Services Act of 1951, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote by which H.R. 10306 was just passed be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered; and the bill will be replaced on the calendar.

INCENTIVE PAY FOR PERFORMANCE OF HAZARDOUS DUTY ON FLIGHT DECK OF AN AIRCRAFT CARRIER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 581, H.R. 3044.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 3044) to authorize payment of incentive pay for the performance of hazardous duty on the flight deck of an aircraft carrier.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 594), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to authorize incentive pay for personnel who perform hazardous duty on the flight decks of aircraft carriers. Enlisted personnel would receive $55 a month and officers $110 a month, which is the rate of incentive pay now fixed by law for performance of the nine other kinds of duty designated as hazardous. This pay would be received only for those months during which an individual was actually subjected to the stated hazard. Furthermore, it would not be awarded to personnel already receiving pay for other hazardous duty.

Over 97 percent of those affected by the bill would be enlisted personnel. Out of the total of approximately 9,475 persons who would be eligible for this pay, about 9,225 are enlisted personnel and 250 are officers.

LIMITATIONS ON PERSONS COVERED

The committee emphasizes that the persons who would be authorized the incentive pay would be only a portion of those who serve on the deck of an aircraft carrier. The only persons who would be entitled to the pay would be those who are involved in frequent and regular participation of the flight operations.

EXAMPLES OF DUTY COVERED BY THE BILL

Some of the personnel whose presence is regularly required on the flight decks of a carrier during flight operations include the flight deck catapult and arresting gear crews, plane directors and handliers, phone talkers, elevator operators, crash crew, fueling crew, ordnance crew, hospital corpsmen, squadron maintenance and ordnance personnel and plane captains.

NEED FOR THE BILL

The need for this legislation is twofold: First, it is to provide incentive pay in recognition of the hazard involved in duty aboard the flight decks of aircraft carriers; and second, to provide an incentive which would assist in improving the reenlistment rate of personnel performing this kind of duty and thereby serve to raise the experience level for this essential type of military duty.

A large proportion of flight deck personnel are newly rated third-class aviation boatswain's mates (E-4) or nonrated personnel (E-3 or E-2). Their reenlistment rate is about one-third the overall Navy first-reenlistment rate. The first-term reenlistment rate for these personnel is 8.3 percent. In addition, among the nonrated men who do reenlist many are preparing for duties that will remove them from the flight deck. The inevitable result is an experience level chronically below the optimum desired for maximum safety and efficiency.

Under such conditions, the large number of injuries and accidents attributable to personnel errors stubbornly resists reduction. However, an improvement in retention rate and experience level could be expected to follow enactment of this legislative proposal, and this improvement should further result in a significant reduction of fatalities, injuries, and property damage, and an increase in the combat potential of naval airpower.

DANGERS INVOLVED IN FLIGHT DECK OPERATIONS

Flight deck personnel perform their duties during flight operations around, under, and in close proximity to moving aircraft. They are exposed to hazards from jet intake, jet blasts, propeller wash, whirling propellers, flying objects detached from aircraft in faulty landings, aircraft crashes and fires, and accidents caused by breakage or faulty operation of components of the catapult or arresting gear. The hazards are increased by the conditions under which flight deck personnel must perform their duties. They must work at great speed, in winds of at least 30 miles per hour, and frequently in bad weather or in darkness. Their long working hours during a launch and recovery cycle, the heavy pressure generated by the tempo of flight operations, and the high noise level contribute to fatigue, which in turn compounds the hazards.

Compilation of fatality and injury statistics shows that duty on the flight deck of an attack or antisubmarine aircraft carrier during flight operations is one of the most hazardous types of duty in the Navy. As to fatalities, it ranks next after duty involving flying. As to injuries, it ranks first by a wide margin.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar. I thank the Senator from Florida for permitting me to allow the Senate to consider these bills, to which there was no objection.

CORRECTION OF CERTAIN ERRORS IN THE TARIFF SCHEDULES

The Senate resumed the consideration of the bill (H.R. 7969) to correct certain errors in the tariff schedules of the United States.

Mr. SMATHERS. Mr. President, I yield 5 minutes to the distinguished Senator from New York.

The PRESIDING OFFICER. Does the Senator yield time on the amendment or on the bill?

Mr. SMATHERS. On the bill.

Mr. JAVITS. Mr. President, last night we discussed the situation as it affected this amendment, particularly those phases of it which caused the Senator from Connecticut, who is himself a former Cabinet official and a member of this administration, and who would be expected to be most sympathetic to the problems of the executive department, to be sharply critical of the assurances of the executive department to him, which he felt deeply were not honored.

Mr. RIBICOFF. Mr. President, I regret that I did not hear all that the distinguished Senator from New York just said because I was engaged in a conversation.

Mr. JAVITS. I understand. I will start again.

Last night we discussed the question raised by the distinguished Senator from Connecticut, which is that the executive department, in his view, did not keep its word to him. Knowing that, in a sense, he was speaking against interest, because he was himself a Cabinet officer and a member of this administration, I feel that the Senate should pay serious attention to that charge. I have since looked into it, and I think the Senator had a right to feel as he did. I might not have felt the same way; I might have disagreed. But I can understand perfectly why the Senator from Connecticut felt as he did. Enough had happened, in my judgment, to give him the feeling that he expressed yesterday.

Also overnight, I have looked into the merits of the situation. I believe, representing a constituency heavily weighted in favor the consumer, that I would have to oppose this amendment most vigorously, and which I believe bear directly upon the fact that there is a real question of protectionism involved in terms of prices to the consumer, quite apart from the merits or demerits of the administration's position as to how this action will affect its negotiations in the so-called Kennedy round, which is, of course, in the special care of Special Representative Herter.

What affects me more than anything else is that I believe, from years of experience, that the Senate is very likely, in debate on this subject—and it is very human and understandable that we cannot ask Senators, even, to be less than human, to go off the merits, the substance, as it were, and, as we lawyers say, the procedure, and to be strongly moved by what I consider to be a legitimate complaint by the Senator from Connecticut and the Senator from Indiana [Mr. HARTKE] as to how they have been used.

I also find upon investigation that this is a complicated problem. Let me indicate to the Senate one of the areas of its complexity.

This amendment would abolish American selling price valuation of protective footwear, entered under item 700.50 of the tariff schedules, and would substitute new rates on the usual valuation basis: 12½ percent for vinyl, 25 percent for low rubbers, and 60 percent for boots and galoshes. Of these the important rate is the 60-percent rate, since the boots and galoshes of synthetic rubber are the bulk of the imports under item 700.50.

The debate on the Senate floor late yesterday turned on the misunderstanding with respect to the administration's support for such an amendment. The real matter for consideration, of course, is whether such an amendment is proper.

Discussion of the merits of this proposal inevitably involves complexities much greater than have yet been referred to in the Senate Finance Committee report or in the debate. These complexities are brought out not so much for the purpose of persuading the Senate to take definitive action, as to show that this is much too complicated a subject to act upon sensibly as a part of H.R. 7969.

It is certainly a good idea to abolish the American selling price valuation and substitute rates based on normal valuation methods that fairly reflect the actual protection accorded. It is good that there is general agreement on this principle.

An actual weighted average f.o.b. rate for waterproof footwear under 700.50 would be very close to 12½ percent, because this is the rate at which synthetic boots have been entering.

The proposal now before us is defective, because, first, it takes for granted that the American selling price rate should be applied to synthetic rubber; second, it would establish a rate well above the present American selling price rate for india rubber footwear; third, it neglects an important area that equally needs attention, the American selling price valuation of rubber-soled footwear with fabric uppers under item 700.60 of the tariff schedules.

First. The Treasury ruling that synthetic boots are not subject to American selling price valuation was a carefully considered decision by high officials of Treasury affirming the position personally approved by the Commissioner of Customs. If it was wrong, it could have been taken to court, but it never has been. The Tariff Commission followed that ruling in preparing the new tariff schedules, again after careful consideration. The views of the American industry were heard and considered by Treasury and by the Tariff Commission. This is no inadvertence that we are dealing with, after so little consideration, but a major and very complicated policy issue.

The question really before us is the justification for extending the india rubber American selling price protection to new products, when the india rubber protection is based on a 1933 proclamation under the obsolete and repudiated equalization of cost of production provision of the Tariff Act; when there has been no finding of injury or threat of injury to the domestic industry by any body; and when that industry is actually enjoying unprecedented sales. Of course, synthetic and natural boots should be dealt with similarly for tariff purposes. We are all agreed about that. But a proper rate might well be closer to 12½ percent than to 60 percent.

Second. To understand fully the objections to the 60-percent rate, it must be understood that in administering American selling price valuation of footwear the appraisers have had a choice among various American-made products, all of which are similar to the imported products. It was the practice for many years to take the highest prices quoted by established American manufacturers, rather than lower prices at which goods were being offered in volume competitively in the marketplace. Importers objected violently to this method of administering American selling price and, finally, early in 1963, the Commissioner of Customs suspended American selling price valuation of footwear and instituted a review of the actual prices of the domestic products. No results of this review have yet been anounced, but it is well known that the Customs Bureau has been expecting to propose new guidelines to appraisers that would instruct them to select articles considerably lower in price than the last-used price list. Accordingly, the 60-percent figure reflects a practice which has not been applied for 2½ years and which almost certainly is way above the practice that will be followed when appraisement on the American selling price is resumed. Obviously, it is also a reason why the fixing of an equivalent rate requires more careful study than has yet been given to it. In particular, it requires an opportunity to hear the views of interested parties, which has not yet been done.

A further complexity that should be understood is that rubber footwear is on the final list of articles not valued under the Customs Simplification Act of 1956. This complicates the Customs Bureau's task of selecting proper American selling price prices and has to be considered in a full review of the subject.

Abolition of American selling price valuation is certainly a desirable end in itself, but does not in the least justify an increase in the tariff protection already being given.

I am glad that there is complete agreement in this body that American selling price should be abolished, but the question to be answered is the justification for continuing—let alone extending—such extraordinary protection for a prosperous and expanding American industry. If such protection had resulted from an escape-clause investigation, it would automatically have been reviewed periodically, but this protection involved no finding of injury or threat of injury and the justification has not been reviewed since its inception 32 years ago. Nor has it become merged into the general tariff schedules, because other footwear is subject to ad valorem rates on f.o.b. values of 10 to 20 percent, and other rubber products, in general, take exactly the same 12½ percent rate derived from paragraph 1537(b), but on the normal valuation basis.

The effect of imports on the domestic industry was not germane to the 1933 proclamation and has not been examined by any competent body. It has been suggested here, and in the Finance Committee report, that that effect on the U.S. industry is serious. It is true that imports of rubber footwear have increased. At the same time, however, the rubber and plastic footwear sales of the domestic industry have increased phenomenally, and so has employment.

The value of shipments for the U.S. rubber footwear industry—SIC 3021—increased steadily year by year from $50 million in 1938 to $229 million in 1958 to $352 million in 1963—Census Bureau. Shipments in 1964 exceeded 1963 in all categories—Department of Commerce, BDSA.

Employment has grown steadily from 18,000 in 1939 to 29,000 in 1963—Census Bureau. BLS reports growth for the same industry from 24,200 in 1961 to 27,300 in 1963, 27,500 in 1964, and 29,600 for the first 4 months of 1965. If comparison is made with the first 4 months of 1964, an increase is shown of more than 3,000 workers since the same period last year.

We often speak of these tariff questions as if they involved only the interests of American producers and those involved in the import trade. However, they also deeply concern the American public, whose cost of living is vitally affected. I am advised that any significant increase in the present duties on these rubber products will destroy existing price lines. With imports unavailable, the poor, who chiefly buy the imports, would have to pay, on the average, $2 more for a pair of galoshes now available for $2.99, for instance, and a much greater increase on rubber boots—particularly the kind used largely by farmers and workers. The situation today is that the need for low-priced items is supplied almost entirely by the imports. We would not find them in the stores we buy in, but go to the poorer neighborhoods, and you will see that the imports often make the difference between having protective footwear against cold and wet, or not having it at all.

These are complicated problems involving the question whether synthetic rubber shall be treated the same as natural rubber. There are strong arguments on both sides of the question, when we take into consideration the obsolescence of the proclamation of 1933 as the essential basis for the application of the formula which is contained in the amendment, and, on the other hand, the practices of the Treasury Department, which have been followed consistently for 2½ years, upon which people have invested considerable sums of money going just the other way, and who, I think, would have come to this conclusion which I should like to express to my colleagues as, in my judgment, being the only way out of the dilemma.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, may I have 2 additional minutes?

Mr. SMATHERS. I yield 2 additional minutes to the Senator from New York.

Mr. JAVITS. Mr. President, in my judgment—and I submit this as the view of one Senator—under the circumstances, the manager of the bill ought to take the amendment to conference—and that should be a great satisfaction to the Senator from Connecticut and the Senator from Indiana. What they ought to do at the same time, however, is to assure Senators like myself, who come from the great consumer States, and members of their own committees who had serious doubts about the problem, that they will, in a technical, really professional sense, inventory this question carefully in conference and endeavor to reach a solution which will be fair not only to the producer—which I think this proposal will be—it is more than fair to the producers; it is really a protectionist tariff—but realizing that there is a consumer-competitor factor, not only on the import question but on the consumer question, as to which the consumer is entitled to have the benefit.

I hope we might have that assurance from the managers of the bill, because, in my judgment, considering the circumstances which we face as a practical situation, we could hash this problem out for hours and come to the same result.

In my opinion, the Senator from Connecticut has a legitimate complaint considering what he was led to believe. But we come to the same result. There would be only an exacerbation of the debate, which would bring us to exactly the same point.

I feel that the consumer interest, if we can get such an assurance from the managers of the bill, would be better protected in the way I have just suggested than in any other way.

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

First. I ask unanimous consent that the distinguished Senator from Rhode Island [Mr. PASTORE] be added as a cosponsor of the Hartke-Ribicoff amendment.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

Mr. RIBICOFF. I am grateful to the Senator from New York for his remarks.

I say to the manager of the bill, taking into account what will transpire in conference, that it should be kept in mind that we are straightening out an analogy that there is no basic difference between natural-rubber and synthetic-rubber boots.

No one can tell the difference.

Keep in mind that between 1959 and 1963, since the Treasury made the ruling, imports have risen from 8 percent of the total consumption of the United States to 37 percent. For the first 6 months of 1965, the dollar value in imports of these items has increased 159 percent.

Specifically, if we hurt a basic industry such as the rubber boot and rubber shoe industry, if we damage the rights of the workers, then we hurt them as consumers. We hurt everyone who depends upon them.

I believe that this proposal is a fair compromise. This would eliminate the American selling price. It would give justice to all parties involved. It would carry out the intention of the Tariff Commission and of the office of Governor Herter.

Under the circumstances, I hope that the Senator in charge of the bill will accept the amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG of Louisiana. Mr. President, the committee voted on this question on two occasions. With one set of committee members present and another set absent, they voted to give the Senator the protection that he asked for in the first instance. Then, with a different set of Senators present, they voted to rescind the action formerly taken. The Senator is proposing a kind of split-the-difference proposal.

Mr. Herter's office had suggested this solution. I do not believe that it is fair to say that the State Department betrayed the Senator. The other officials did not know that this was being suggested as a compromise.

I believe that it is a satisfactory amendment, and I am pleased to accept it.

Mr. PASTORE. Mr. President, will the Senator yield me 3 minutes?

Mr. RIBICOFF. I yield 3 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER (Mr. BASS in the chair). The Senator from Rhode Island is recognized for 3 minutes.

Mr. PASTORE. Mr. President, no Senator has fought more vigorously to protect the American consumer than has the senior Senator from Rhode Island. If I were to characterize the senior Senator from Rhode Island, I would say that he is a consumer's Senator. That is not self-serving. I have proved that on every single occasion in which the problem arose in the 15 years that I have been privileged to be a U.S. Senator. I feel that is my duty.

I have said time and time again, "Please let us not adopt practices here under the pretext that we are protecting the consumer when what we are actually doing is 'killing the goose that laid the golden egg' "—America's own industrial security.

There is not an individual in America who does not understand that insofar as rubber footwear is concerned, there is practically no difference between natural and synthetic rubber. However, a difference has been created in the parliamentary process to the extent that today 37 percent of the entire consumer consumption of the United States is in the form of imports. It is 37 percent today. It will be 40 percent tomorrow. It will be perhaps 50 percent next year. When we get to 100 percent, where will the rubber footwear industry of the United States be?

At that point, God forbid, if the lines of communication between the United States and Japan are severed, all of us will be without rubber footwear, and every Senator will have a very serious cold, I am afraid, from getting his feet wet. There will be no American rubber footwear industry.

The important consideration is that we be reasonable. I do not say that we should shut the door absolutely. However, this is becoming a serious problem. We must realize that the United States is the only country in the world that is on a wartime economy in peacetime.

We spend $50 billion a year to maintain peace in the world. What does that mean? It means that much of our industry and much of our economy are devoted to producing the implements of war. We are, at the same time, striving to bring about peace and disarmament. When that day comes, what will we do with all the unemployed people? We will have lost our rubber footwear industry and our textile industry and many other industries in the United States. Where will the consumers go to find jobs and earn money so that they can still be American consumers? That is the question that confronts us.

As the Senator has indicated, the imports have risen to 37 percent of total American consumption. That is a danger point. All we are asking is that we treat synthetic rubber in substantially the same way as we treat natural rubber. I realize that this might create some problems for Governor Herter.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. Mr. President, I yield 2 additional minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 additional minutes.

Mr. PASTORE. Mr. President, the fact remains that this is becoming an increasingly serious problem, day by day.

I hope that the Senators in charge of the bill will give this matter the serious emphasis it needs when they take this matter to conference. I hope that we shall not be lulled into a false sense of security in which we would accept the amendment as a matter of form, go to conference, and, after a little talk back and forth, would agree to throw it out.

This is a serious problem. The rubber footwear industry in my State has fallen upon difficult times.

My colleague, the junior Senator from Rhode Island [Mr. PELL], will offer another amendment shortly that has to do with braided rugs. I shall have something to say about that later.

I applaud the Senators in charge of the bill for recognizing the problem. The problem was recognized in committee. Then something happened. I do not want to engage in any discussion concerning any deals, arrangements, or agreements that were made. I do not know anything about that. However, I do know that, when the imports reach 37 percent of the American consumption, we should beware. Let us beware and let us make sure that we do not kill the goose that laid the golden egg.

Mr. RIBICOFF. Mr. President, I yield the Senator from Indiana as much time as he will need.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. HARTKE. Mr. President, I commend the Senator from New York for his alertness in watching out for what he considers to be the best interest of his constituency, the consumers. I also commend him for his understanding of what is involved here.

I believe that, after the Senator considers the matter further, he may be convinced that he is mistaken. I do not believe it is a high-tariff measure at all.

Certain elements are contained in it which are extremely desirable, not only in connection with the Kennedy round—there are over 140 items on the tariff—but also in connection with the overall relations of American business overseas. It would place india rubber and synthetic rubber on the same basis.

The amendment would provide for uniform treatment. I have before me two boots. One was made from synthetic rubber and the other from regular india rubber. I defy anyone under the sun to tell the difference between the two. These boots will be available for Senators to examine.

The Tariff Commission recognized the problem as recently as June 29, 1962, when it said that this is a matter for legislative action. They had a problem in trying to deal with the American selling price. The American selling price has been eliminated, which is a forward step. We are moving forward in a good way. We are ready to proceed to accept this matter as one which has been properly disposed of.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the junior Senator from Rhode Island [Mr. PELL] may be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, will the Senator from Connecticut yield to me?

Mr. RIBICOFF. I yield to the Senator from Rhode Island.

Mr. PELL. Mr. President, I wish to express my strong and enthusiastic support of the amendment offered by the Senator from Indiana [Mr. HARTKE] and the Senator from Connecticut [Mr. RIBICOFF] to establish more equitable rates of duty on waterproof footwear. More than 3,000 workers in my State depend on this industry for their livelihood and they have for too long dwelt under the disadvantage of mounting incursions of low-priced foreign products, particularly in the field of synthetics. These peoples badly need our assistance and I therefore strongly support the Ribicoff amendment.

Mr. RIBICOFF. Mr. President, I am willing to yield back the remainder of my time.

Mr. SMATHERS. Mr. President, I yield myself such time as I may desire.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. SMATHERS. Mr. President, first I commend the able Senator from New York for the statement which he has made earlier.

The conclusion at which he has arrived is the identical conclusion that I arrived at last night, and which I endeavored to persuade him to accept last night. However, he wanted to take the opportunity to look at it for himself and satisfy himself as to the facts which were involved. We are going into conference to take a look at it. We need to take a technical and professional look at the entire subject once again.

There is no question that the able Senator from Connecticut [Mr. RIBICOFF] and the able Senator from Indiana [Mr. HARTKE] have been in some way misled, not intentionally, by the representatives of Mr. Herter, and in some instances the representatives of the State Department. We will look into the situation thoroughly. I am sure we shall be able to come forth with a compromise which is in the best interest of the Nation. I hope the amendment will be adopted.

Mr. JAVITS. Mr. President, if the Senator will yield for the repetition of one other factor for the consideration of the conferees, I understand that there has been no injury or threat of injury found in this case by any organized governmental body, and that the industry is enjoying unprecedented success. I am sure the conferees will take that fact into consideration.

Mr. SMATHERS. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 385.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG of Louisiana. Mr. President, I offer an amendment, and ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with, and the amendment will be printed in the RECORD.

The amendment offered by Mr. LONG of Louisiana is as follows:

At the proper place insert the following new section:

"SEC. —. Wood particle board imported into Puerto Rico.

"The headnotes for schedule 2, part 3 (p. 97) are amended by adding at the end thereof the following new headnote:

" '3. In the case of wood particle board provided for in item 245.50 entered in Puerto Rico and to be consumed therein, the rate of duty applicable to articles to which column numbered 1 applies shall be whichever of the following is the lower:

" '(i) the rate of duty set forth in column numbered 1 of such item; or

" '(ii) the rate of duty prescribed by the Secretary of the Treasury, by regulations, as necessary or desirable for the economic interest of Puerto Rico.' "

Mr. LONG of Louisiana. Mr. President, this amendment sets the stage for possible compromise between the House and Senate on wood particle board. The House provided added protection for particle board, but the Senate struck it out. The amendment would permit Surinam particle board to be imported into Puerto Rico. Because it might be subject to a point of order in conference, I am offering the amendment so that there will be greater flexibility in conference.

Mr. SMATHERS. Mr. President, I shall be glad to take the Senator's amendment to conference.

It would permit a duty of less than 12 percent to be imposed upon particle board imported into Puerto Rico and consumed there. The amendment is quite similar to the treatment of coffee imported into Puerto Rico, in that it would authorize a rate of duty difference from that which applies to imports into the United States generally.

The whole idea is to have the matter in conference.

The PRESIDING OFFICER. Without objection, all time on the amendment has been yielded back, and the question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. LONG of Louisiana. Mr. President, may I ask the Senator from Florida a question at this point about a provision in the committee bill? The Finance Committee added a new provision, section 17, to restore duty-free treatment to certain bags which had been split along the side and bottom and which when imported are used in wrapping cotton bales. Was it the committee's understanding, in approving section 17, that it provides duty-free treatment for split bags from sugar and other similar bags?

Mr. SMATHERS. The Senator is correct. Under section 17 it makes no difference what kind of used bag or sack the cotton wrapping may be recovered from so long as it is woven of vegetable fiber. It is the committee's clear understanding that this amendment fully restores the duty-free treatment these split bags enjoyed before the tariff schedules were changed. These split bags generally are stitched together to make pieces large enough to cover a cotton bale.

Mr. DIRKSEN. Mr. President, I send to the desk a technical correction to section 51 of the bill, which would strike out the words "photocell components" and insert more technical words "photoelectric sensing devices."

The PRESIDING OFFICER. The amendment of the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 32, in the matter following line 16, to strike out "photocell components" and insert "photoelectric sensing devices."

Mr. DIRKSEN. Mr. President, I have discussed this with the manager of the bill and he has agreed that this does from a technical standpoint, reflect the description of the device used better than would the committee language.

Mr. SMATHERS. Mr. President, the Senator is correct, and I am willing to accept this technical correction.

Mr. DIRKSEN. Mr. President, I thank the Senator. I have one further question, regarding this same section. It will be noted that the phrase "similar agricultural products" is used. Could the Senator advise me if this language would also cover cherries, fruits, and other agricultural products that are grown on trees or produced on plants?

Mr. SMATHERS. The Senator is correct in his conclusion. It is not the intent of the Senate to limit the classes of agricultural products by this new item in the bill. This new item refers only to a machine which is designed to separate the "good" from the "reject" of agricultural products.

Mr. DIRKSEN. I wish to thank the Senator from Florida for clarification of this question I had in mind.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. To which side is the time to be charged?

Without objection, the time will be charged equally.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, on behalf of the Committee on Finance, I send to the desk a series of clerical and technical amendments and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk proceeded to read the amendments.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments offered by Mr. LONG of Louisiana are as follows:

On page 29, line 11, strike out the comma after "(p. 309)".

On page 29, line 16, strike out the comma after "subpart A".

On page 32, after line 11, insert:

"772.59	Designed for tires provided for in item 772.50	Free	Free	"

On page 33, line 1, insert a comma after "warehouse" and strike out the comma after "consumption".

On page 35, line 19, strike out "pandan" and insert "pandan,".

On page 39, line 2, strike out "HEAT SENSITIVE" and insert "HEAT-SENSITIVE".

On page 47, line 16, after "entered" insert a comma.

On page 47, line 17, after "warehouse" insert a comma.

Mr. LONG of Louisiana. Mr. President, these amendments have no substance. Some of them involve mistakes in printing. Others involve misplaced or omitted commas.

I ask that they be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may be listed as a cosponsor of the Hartke-Ribicoff-Pastore amendment, which was agreed to earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

Mr. PELL. Mr. President, I offer an amendment to the bill under consideration, and send it to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. —. BRAIDED RUGS MADE OF TUBULAR BRAIDS WITH A CORE

(a) IN GENERAL.—Item 361.05 (p. 150) is amended by striking out "(except tubular braids with a core)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effect a modification or a termination of any international obligations of the United States with which the amendment might conflict, but in any event not later than the 180th day after the date of the enactment of this Act.

The PRESIDING OFFICER. How much time does the Senator from Rhode Island yield to himself?

Mr. PELL. I yield myself as much time as may be necessary.

The PRESIDING OFFICER. The Senator from Rhode Island yields himself such time as may be necessary.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PELL. I yield.

Mr. PASTORE. Mr. President, how much time is allotted on the pending amendment?

The PRESIDING OFFICER. Fifteen minutes to each side.

Mr. PASTORE. Will the Senator leave 5 minutes for me?

Mr. PELL. Absolutely.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 10 minutes.

Mr. PELL. Mr. President, I am compelled by a serious injustice in our tariff schedules to take the floor and offer an amendment to H.R. 7969, the act correcting certain errors in the Tariff Schedules.

On July 22, I introduced S. 2319, a bill to amend the Tariff Schedules with respect to the classification of certain types of braided rugs. The bill was referred to the Senate Finance Committee for its consideration.

At that time, I pointed out that our domestic braided-rug industry, highly concentrated in my home State of Rhode Island, is laboring under what I consider a misinterpretation of our tariff laws. These laws provide that braided materials are dutiable at the rate of 42.5 percent. In 1944 the customs court, in a dispute over the classification of novelty braid used as trim for shoes and ladies' handbags, held that a tubular braided sheath around a filler core was not a true braid. Braids with a filler core consequently can be termed tubular mats and subjected to duty of only 15 to 16.5 percent.

Foreign manufacturers have only recently begun to take advantage of this loophole, but are doing so now and at an alarming rate. In 1964, for example, imports rose to 114 million square feet, a 100-percent increase from the 53 million square feet in 1963. This massive influx of braided rugs through the court-created loophole sharply curtails the market opportunities of our domestic producers, and I seek to plug that loophole.

The Senate Finance Committee did not see fit to incorporate my bill amending the tariff schedules into its version of H.R. 7969, the House bill. I have been given to understand that certain segments of the retail industry presented a well-organized opposition to any change in the tariff classification of these rugs. But to me, a braided rug by any other name is still a braided rug, whether it has a filler core or not. Our tariff laws should reflect this simple fact.

I have here on my desk two rugs, similar in size, shape, and construction. One is made in Pawtucket, R.I., and throughout its life is always termed a braided rug. The other rug is made in Japan. I do not know what it is called when it is made. But, when it arrives at U.S. customs it is a tubular mat, and as such is dutiable at 15 to 16.5 percent. This Japanese rug then undergoes some mystifying transformation, a sort of rechristening, and when advertised and sold it is no longer a tubular mat but a braided rug. I submit that our tariff laws exhibit a large loophole here, and that foreign manufacturers are taking advantage of us by reason of it.

The American-made rug sells for $7.95, the Japanese for $4.99. Using the duty rate of 16.5 percent, the Japanese rug was subject to a duty of 30 cents. But, using the proper rate of 42.5 percent, it would have been subject to a $1.72 duty, bringing its retail price to $6.41. This does not make it exactly competitive with the American price of $7.95, but it is at least more competitive than before, and it has the added attraction of restoring some degree of consistency to our tariff laws.

I urge the Senate to recognize the merits of this amendment which plugs a serious loophole in our tariff laws.

Mr. President, although the two rugs before me look exactly alike in every respect, one is made in Rhode Island and the other is made in Japan. The Customs Office does not call the Japanese rug a braided rug. It calls it a tubular mat but it is sold as a braided rug. My plea and that of my senior colleague [Mr. PASTORE], who is also involved in this matter, is that when a product is sold as a braided rug it should pay duty as a braided rug.

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. PELL. Mr. President, I yield to my senior colleague as much time as he desires.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for the remaining period of 15 minutes.

Mr. PASTORE. Mr. President, each year, under President Eisenhower, President Kennedy, and President Johnson, when I have been asked to vote for the Trade Expansion Act, I have voted for it. I am one of those who believe in international trade. I am all for it. But, when we reach the point where we actually make foreign producers "Philadelphia lawyers," I have "had" it.

I have certainly "had" it in this case. This is one clear case of a subterfuge, a deception, and an abuse of our tariff laws.

Senators can see the example of the two rugs now on the desk of my colleague [Mr. PELL]. They are braided rugs. They are sold on the American market to the American consumer as a braided rug.

The tariff on a completely braided rug at the port of entry is approximately 42½ percent ad valorem.

But what is the gimmick to defeat the American law?

They take a tube and put a braid around it. It looks like a braided rug. It is being sold as a braided rug; but when it reaches the port of entry the customs office has said that now it is a tubular mat, so the tariff comes down from 42½ percent to 15 percent.

Whom do we hurt? We hurt the American worker.

One reason why I feel the way I do is that this particular American worker happens to live in Rhode Island, in great part.

I have lived with this problem for many years. Let me give an example. I hold in my hand a catalog of one of the mail houses. It is a large mail house, the Spiegel Co. On pages 148 and 158 there are pictures of these rugs. They are called "braided nylon rugs." That is how they are advertising to the American public in this catalog.

This same rug, when it came into the United States, came in as a tubular mat. The reason why it came in as a tubular mat is that the tariff would drop from 42½ percent to 15 percent.

Let me tell the Senate how these rugs are advertised in this catalog: It reads:

> Add charm—an early American touch—to your home.

An early American touch. Charm. Add a charming American touch to your home. The advertisement goes on to say:

> At extra sale low prices. Made to our specifications and imported from Japan for greater savings.

There is the gimmick. Early American, made in Japan. Make your American home a beautiful American home. Japanese style. But, take this carpet that comes in here under a deception, in order to do what? Decorate an American home to destroy American industry.

Mr. President, it behooves the committee, any time a loophole is found, to close it.

That is what happened? The committee was ready to take this amendment because it was persuaded by the presentation which was made.

Then what happened? One of those who represent the importers flooded the committee with telegrams from retailers. And help came to a halt.

I realize that perhaps we should not amend the law on the floor of the Senate, and I do not expect that today; but I am saying to RUSSELL LONG, to GEORGE SMATHERS, to HARRY BYRD, and to every other member of that committee, "You owe it to us. You owe it to my State. You owe it to the American people to hold an investigation and a hearing on this matter to get down to justice, equity, and truth."

That is all we are pleading for today. We are asking the committee to close a loophole. We are not asking for charity. We speak in the name of our economy. We are doing it in the name of American jobs.

Here is the evidence—exhibit A, the two rugs on the desk of my colleague [Mr. PELL]. One is a braided rug and one is a tubular mat at port of entry, but on the counter in a department store they are both sold as braided rugs.

The whole gimmick is to beat the American worker.

I say that the time has come when we must stand up and insist that equity and justice be served on both sides of the ocean.

Mr. LONG of Louisiana. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. LONG of Louisiana. I hope very much that Senators will not insist on this amendment at this time.

Of course the Senators from Rhode Island have a case. The committee, in considering regular tariff bills would be glad to study the problem, but the two Senators from Rhode Island seem to proceed under the assumption that the tubular braided rug competes with the real braided rug.

That is really not correct. Although they do look very much alike, there is all the difference in the world between them.

I have here two carpets, showing the difference between a true braided rug and a tubular rug. Senators can see that one is a much more expensive and better product.

The braided rug is braided all the way through, while the tubular rug has a core in the middle and the braid is braided around it.

While they look alike, there is a great difference in quality.

I have here a Sears Roebuck catalog, which advertises both rugs. They sell the American braided rug and they also sell the tubular rug. It will be noticed that the braided run, which is a far better commodity, sells for $129.95.

On the other side of the page a tubular rug is shown. That sells for $39.95. Therefore, while they look exactly alike, one sells for more than three times the price of the other, because it is a far superior product.

What the imported tubular rug actually competes with is a tubular product manufacturer in this country. The tubular rug does not compete with the quality product to which the Senators from Rhode Island have referred.

The committee would be willing to study the subject and look at it as a tariff matter at a later time. The bill now before the Senate merely seeks to correct obvious errors in the tariff schedules that occurred when we adopted the law.

We had hoped that these controversial matters, particularly with reference to general level of tariffs, would not be considered. If the amendment were agreed to it would have the effect of raising the tariff on the Japanese product from 15 to 42½ percent. It might be that that is more protection than the American manufacturers would need. Tubular rugs are made in this country to look like braided rugs.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. Why does the Senator think that we got into that market? We were forced to get into it. A braided rug is a braided rug. These people thought of this ingenious idea of putting a tube in it. We are talking about percentages. What difference does it make? After all, we are talking about percentages. Why should one be 15 percent and the other 42½ percent?

This all started as a "gimmick."

First of all we had a braided rug. It was called a braided rug. Its tariff would be 42½ percent. Ingeniously, the tubular rug was designed. It is a braided rug, and it is called a tubular rug. Then we started chasing them. That is why we are making a tubular rug. We always have to hold our hands to our head. This is a loophole, Mr. President, pure and simple. There is more involved here than the price. I am talking about percentages. I am not saying they should pay the same fee at the gate for a tubular rug that they pay for a braided rug. They should pay the same percentage. This product was devised to defeat the American braided rug industry. I say that advisedly. It was done to destroy us. We ought to stop it.

Mr. LONG of Louisiana. We would be willing to look into this matter and study it, along with the problems of several other industries. We have some problems in Louisiana, where industries are suffering from competition. We do not believe that the 42½-percent rate is necessarily the correct rate, although it may be that some additional protection might be available. We would hope not to become involved in a consideration of the entire tariff schedule. If we are to pursue this kind of amendment, I would have to offer an amendment to increase the tariff on oil. We are being hurt, too. We do not want to become involved in those matters. The bill is designed to correct errors.

The Senators might well prejudice the merits of their amendment by insisting on it at this time. I hope they will reserve judgment on it and submit the amendment to the committee.

We will look at the problem and see if we can obtain some recommendation from the Tariff Commission on how much of a tariff might be justified in this case. We would be willing to look into it. I may say to the Senators from Rhode Island that they have already introduced a bill, on which departmental reports have been requested. Perhaps they will help us determine how much protection should be given.

Mr. PASTORE. The committee will go into this question; is that correct?

Mr. LONG of Louisiana. Some time during this Congress we hope to go into this question to see how much protection is needed. I assure Senators that the committee will consider it.

Mr. PELL. I thank the Senator from Louisiana for his assurance that consideration will be given to it. I hope hearings will be held on it.

I thank also my senior colleague from Rhode Island, who is far more articulate than I, for his support.

I point out, in closing, that one-half of the American braided rug manufacturers are located in my small State and that it is, consequently, of vital concern to many Rhode Islanders.

I accept the suggestion of the Senator in charge of the bill, and I withdraw the amendment at this time.

The **PRESIDING OFFICER.** The amendment is withdrawn.

Mr. PROUTY. Mr. President, I send an amendment to the desk.

The **PRESIDING OFFICER.** The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. PROUTY. I ask unanimous consent that the amendment be not read but printed in the RECORD.

Mr. GORE. Mr. President, I should like to hear the amendment read.

Mr. PROUTY. I shall explain it.

Mr. GORE. I would like to have it read.

The **PRESIDING OFFICER.** The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place it is proposed to insert the following new section:

SEC. —. SPRING-TYPE CLOTHESPINS.

Schedule 7, part 13, subpart A is amended—

(1) by striking out "20 cents per gross" each place it appears in item 790.05 (p. 397) and inserting in lieu thereof "30 cents per gross"; and

(2) by striking out "18 cents per gross (s)" in item 790.06 (p. 397) and inserting in lieu thereof "28 cents per gross (s)".

Mr. PROUTY. Mr. President, I yield myself 7 minutes.

This amendment proposes to increase the tariff on spring clothespins entering this country from 20 cents to 30 cents per gross. The amendment is being offered because I have been convinced that this industry, though a small one as industries national in scope are measured, is suffering from import competition—competition which the industry can ill afford, and which this country can ill afford when it means loss of jobs.

The spring clothespin industry is in a curious situation where imports are concerned. On September 10, 1957, in escape clause action, the Tariff Commission determined that spring clothespins were being imported in such increased quantities as to cause serious injury to the domestic industry.

Then, in 1962, we passed the Trade Expansion Act, giving to the administration broader powers to negotiate our present tariff rates in the interests of freer world trade. Section 225(b) of the act of 1962 requires that an article as to which such a Tariff Commission determination has been made must be reserved from negotiation if "the Tariff Commission finds and advises the President that economic conditions in such industry have not substantially improved" since the date of the finding of injury.

On April 22, 1964, the Tariff Commission, after a hearing and investigation, filed a report with the President in which three of the Commissioners found that economic conditions in the domestic spring clothespin industry had not substantially improved since September 10, 1957, and three found a substantial improvement in such conditions.

Under this three-to-three split of opinion the President is free to authorize, without qualm of conscience, the negotiations of trade liberalization on spring clothespins.

In a floor speech on April 24 of 1964, I pointed out this curious facet of our tariff laws and noted that it would be prudent "in any situation where the Tariff Commission is unable to agree on any industry's ability to withstand further trade relaxations, to give the industry the benefit of the doubt—a presumption of inability to brace the onslaught from new trade liberalizations—particularly where, as here, the industry is an amalgam of small businesses located in areas of substantial unemployment."

Mr. President, to my way of thinking, it is an extremely significant factor that this industry was able to persuade three members of the Tariff Commission that there still was likelihood of substantial injury to the industry.

The next chapter in the story, is that on November 19, 1964, the Federal Register, at page 15590 contained the note that Ambassador Herter had placed spring clothespins on the negotiable list. The President had decided to permit negotiation of a lower tariff on spring clothespins.

Just a month ago, Mr. President, a representative of my office attended a meeting at the Department of Labor with people representing the clothespin industry. That meeting was called to permit the industry to restate its position in an effort to preclude negotiation of the clothespin tariff notwithstanding the President's having included it on the negotiable list.

Since that meeting, I have not been informed of any action by the President, by Ambassador Herter, or, indeed, anyone else which might give assistance to this industry.

It seems to me that there is no real justification for vacating the escape clause action of 1957. It is for that reason that I am offering the present amendment to H.R. 7969.

Mr. President, I do not make this effort just to maintain the status quo. Nor do I do so from a protectionist point of view—just to increase tariffs for home industry.

I voted for the Trade Expansion Act of 1962, and I have not changed my general sentiment with respect to it. But, I was then, and am now, well aware of the "safeguards," however few, possessed by the Congress in the matter of tariffs.

Mr. President, the Tariff Commission has provided me with some figures on spring clothespin tariffs.

This data shows that even with the escape clause action of 1957 in effect, the share of our domestic market enjoyed by foreign manfacturers of spring clothespins in constantly on the increase. In 1963, the foreign producers had 28 percent of the American market. In 1964, during the first 6 months, they had 30 percent of the domestic market, and, for the first 6 months of 1965 foreign manufacturers had 32 percent of the domestic market.

Hence, Mr. President, even if the present tariff for spring clothespins were not lowered, our domestic industry is still losing 2 percent a year of our own market. It seems to me that this fact alone should have left little else for the Tariff Commission to consider in its 1964 investigation.

The principal countries which are competitors of our domestic clothespin industry are Sweden, Denmark, Netherlands and Belgium. However, Hong Kong is not far behind them in exports to the United States, and industry spokesmen have recently advised me that Czechoslovakia has now entered the field with a vengeance.

Mr. President, I do not like the idea of subsidizing a state-owned industry in a Communist nation at the expense of American jobs. That, in my estimation is what we are doing in this instance.

As to my amendment, Mr. President, it provides for an increase in tariff rate from $0.20 to $0.30 per gross. In one of its decisions on this matter, the Tariff Commission proposed a quota of 650,000 gross per year. I thought originally of offering an amendment in that form, and I did so last year.

Going into the matter again at this point, Mr. President, and after Ambassador Herter's action of last November, I decided that an increase in tariff is much to be preferred to the establishment of a quota.

The spirit of the Trade Expansion Act of 1962 is totally frustrated through the adoption of a quota. Such action says in effect "We will under no circumstances permit you to compete with our domestic industry beyond a certain, arbitrary point."

On the other hand, Mr. President, the increase of a tariff based upon a realistic appraisal of the comparative cost between foreign and domestic production seems to me a more appropriate means by which we can prevent complete destruction of an American business and American jobs.

Mr. President, my amendment would increase from $0.20 to $0.30 per gross the tariff on spring clothespins. The industry is still the recipient of some relief under the old escape clause, and even with that assistance, it is not holding its own against foreign competition. And, to make matters worse, during the past year, the administration has decided that its present tariff is negotiable based on a 3-to-3 split decision of the Tariff Commission.

Senators will note that there is an exception in this amendment. That exception, in the present law, and also under my amendment, gives special consideration to Cuba, if we ever resume normal relations with that country. Instead of an increase to $0.30, the increase where Cuba is concerned would only be $0.28. That is in keeping with the present rate for Cuba of $0.18 as compared with a present rate of $0.20 applicable to all other countries.

If we were not to adopt this amendment substantial harm could come to what remains of this industry. Three members of the Tariff Commission agree. The fact that three disagree with them ought not to be controlling. We face the evenly divided possibility that this difference of opinion may result in the ultimate destruction of a small business operating primarily in areas of substantial unemployment.

The mere possibility of such an occurrence ought to be reason enough to cast a presumption in their favor and offer them what assurances we can that they will not be destroyed.

I offer the amendments in the hope that this small business, this small industry, can be kept alive to maintain employment for a few hundred American workers who for the most part live in small rural communities where other jobs are not available.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROUTY. I yield to my distinguished colleague from Vermont.

Mr. AIKEN. The clothespin business may not be as large as the steel industry, but it is as important to the people who are employed in it. It still provides a great deal of employment for people who might not otherwise find it easy to obtain employment. It is practically all confined to rural communities at the present time. It is an important industry, a very necessary industry, and I do not know any reason why it should be sold out for any purpose whatsoever for any gain to any other industry. Therefore, I support my colleague's amendment.

Mr. PROUTY. I am very grateful to my colleague. He has stated the case for the amendment very effectively. I point out that in 1955, 437 individuals were employed in this industry. In 1963, that number had dropped to 363 individuals. I do not have the figures for the present year, but I expect that they are much lower. This small industry is going out of business unless it is given relief immediately.

Mr. AIKEN. The clothespin is a very important factor in controlling that much publicized disease shown on television known as "diaper rash."

Mr. PROUTY. The Senator is correct.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. PROUTY. I am happy to yield, but I should first like to point out that next Monday the Senate will consider the so-called poverty bill, which involves an appropriation of $1,600 million or $1,700 million.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROUTY. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 3 additional minutes.

Mr. PROUTY. The poverty bill is designed to put people back to work and to train them for jobs. We are now deliberately putting 300 or 400 people out of work in the clothespin industry by permitting imports to come in and undersell American workers who produce the product.

I am happy now to yield to the Senator from South Dakota.

Mr. MUNDT. The Senator from South Dakota is very sympathetic toward the plight of the workers in the clothespin industry who might be dispossessed of their jobs. I am curious to know whether adoption of the amendment offered by the Senator from Vermont would have any impact on the cost of living in terms of expenses of housewives who must purchase clothespins and use them.

Mr. PROUTY. It would be practically negligible, because the foreign producers are now shipping in so many that the prices are being held down. At the present time I believe, frankly, that the pins are being sold on such a small margin of profit that the average housewife will not notice the difference and will get a better product in the process.

Mr. MUNDT. They will get a better product at the same prices?

Mr. PROUTY. Yes.

Mr. MUNDT. I thank the Senator.

Mr. PROUTY. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GORE. Mr. President, I yield myself such time as I may require.

The amendment raises an interesting question. It is also quite unique. The clothespin industry has had substantial relief in the adjustment of tariffs. It is unique that in 1962 the tariff was increased 100 percent. That is one of the few instances in which such an increase occurred. The tariff was increased from 10 cents a gross to 20 cents a gross.

What has happened since the tariff was increased 100 percent on clothespins? My distinguished friend from Vermont uses percentages in his illustration. I should like to cite actual statistics.

In 1962, imports were 2,520,000 gross.

After the imposition in 1963 of a 20-cent-per-gross tariff, the number of imports dropped to 1,896,000 gross.

In 1964, it was still lower than 1962. In 1964, there were imported 2,019,000 gross.

From January to June in 1965, the number was down to 1,068,000 gross for the 6-months' period.

Thus it can be seen that the 100-percent increase in the tariff that was given to the industry in 1962 has been very effective, as it was intended to be.

Now an amendment is proposed to increase the tariff 50 percent further. If adopted, the amendment would mean a 150-percent increase in the tariff on that one item.

Mr. President, it is easy and proper to be sympathetic with import competition for that industry. The same solicitude could be expressed for other industries, most of which are facing a reduction in tariff while in the present instance the tariff has recently been increased 100 percent.

Moreover, the figures show that the clothespin industry is faring well compared with many others in import competition. A great deal is said about competition in many fields from the Far East—for example, Hong Kong. I cite the experience of the clothespin industry with respect to competition from Hong Kong as a result of, at least in part, the increase in tariff.

In 1964, before the 100-percent increase in tariff, the imports from Hong Kong were 295,000 gross. This dropped in 1964 to 121,000 gross.

It seems to the committee that this amendment is particularly unmeritorious when measured alongside the fact that this industry has already had an increase in tariff, while the situation which most other industries face is a reduction in tariff.

This amendment was not submitted to the committee. It was offered on the floor of the Senate. But even a casual study of the statistics indicates that this amendment should not be accepted.

I ask unanimous consent that the table to which I have referred be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Spring clothespins: U.S. production, shipments, imports for consumption, and apparent consumption, 1961–64, January to June 1964, and January to June 1965

Year	Production	Shipments [1]	Imports	Apparent consumption [2]	Ratio of imports to consumption
	1,000 gross	*1,000 gross*	*1,000 gross*	*1,000 gross*	*Percent*
1961	4,322	4,706	2,024	6,730	30
1962	5,150	4,700	2,520	7,220	35
1963	4,918	4,832	1,896	6,728	28
1964	5,087	5,124	2,019	7,143	28
1964, January to June	2,644	2,475	1,068	4,543	30
1965, January to June	2,749	2,457	1,167	3,624	32

[1] Includes export shipments (which are negligible).

[2] Shipments plus imports.

Source: Production and shipments for 1961–64 and January to June 1965, compiled from industry reports and partially estimated by the U.S. Tariff Commission staff; imports compiled from official statistics of the U.S. Department of Commerce.

Mr. PROUTY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. PROUTY. I yield myself 3 minutes.

I point out to my distinguished friend, the Senator from Tennessee, that despite the fact that some increase in the tariff was given, the product has been placed on the negotiable list.

Three members of the Tariff Commission have indicated their feeling that imports are damaging this industry at the present time. That was a 3–3 split decision.

I could not hear all the figures that the Senator quoted, but I invite attention to the fact that in 1963 the dollar value of imports was $700,000; for the current year, it is estimated that the dollar value will have increased to $878,000.

In 1963 the total percentage of the domestic market from imports was 27 percent. In 1964 it was 29 percent. This year it will be at least 32 percent.

So when the distinguished Senator from Tennessee [Mr. Gore] suggests that this industry is not faced with a real problem, he is in error. All the facts testify to the desperate situation in which this industry finds itself. It involves only a handful of people, but they need jobs, and they will be without jobs unless this industry receives protection.

Mr. GORE. I did not intend to suggest, and I do not believe I actually suggested, that the industry did not face a problem. American business widely faces problems with import competition.

What I tried to say was that since 1962, when a 100-percent increase in tariff was established on clothespins, from 10 cents a gross to 20 cents a gross, the number of clothespins imported has dropped considerably. I was trying to say that this particular industry was unique in that it recently had a 100-percent increase in tariff duty as a protection, while most industries face a different kind of problem, a reduction of tariffs.

Mr. PROUTY. I point out to the Senator that in 1963 the imports from foreign markets amounted to 1,896,000 gross. In 1964, this increased to 2,019,000 gross. This year it will be approximately 2,334,000 gross. I do not see how the Senator can say the imports have dropped. These figures were supplied to me by the Tariff Commission itself.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. GORE. Is the Senator referring to all clothespins or only to spring clothespins?

Mr. PROUTY. To imports of spring clothespins.

Mr. GORE. Perhaps that explains the difference.

Mr. PROUTY. I am now discussing spring clothespins, not all clothespins. Imports have definitely increased.

Mr. GORE. The information I have was supplied by the U.S. Tariff Commission.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. PROUTY. Mr. President, will the Senator yield time to me from his allocation?

Mr. GORE. I yield 3 minutes to the Senator.

The information I have has been supplied to me by the U.S. Tariff Commission. The table has been placed in the Record. If the Senator from Vermont has different figures, we can resolve the question in 3 minutes if he will put his information in the Record. Those who read the Record, as I shall, will be able to resolve the difference.

Mr. PROUTY. I shall do so, because I obtained these figures from the Tariff Commission.

Mr. President, I ask unanimous consent that the import figures on spring clothespins for 1963, 1964 and the 1965 estimates which were telephoned to me by the Tariff Commission be inserted at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Total spring clothespin imports for 1963, 1964, and first half of 1965

Amount imported:	*Dollar value*
1,896,000 gross (1963)	$700,000
2,019,000 gross (1964)	789,000
2,334,000 gross (1965 estimated)	878,000

Imports as percent of domestic market

Total domestic market:	*Percent of market to imports*
4,832,000 gross (1963)	27
5,124,000 gross (1964)	29
2,457,000 gross (January–June 1965 estimated)	32

Source: Data from Mr. Kennedy of the Tariff Commission.

The six principal exporters to the United States: Sweden, Denmark, The Netherlands, Belgium, Hong Kong, and Czechoslovakia.

Mr. PROUTY. I yield back the remainder of my time.

Mr. GORE. I yield back my remaining time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Vermont [putting the question].

Mr. PROUTY. Mr. President, I request a division.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

Mr. AIKEN. Mr. President, if there is to be a quorum call, I shall ask for a record vote.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Vermont [Mr. Prouty].

Mr. AIKEN. Mr. President, on this amendment, I ask for the yeas and nays.

Mr. LONG of Louisiana. A division was requested.

Mr. AIKEN. The Senator from Louisiana has been acquiring recruits from the hallways until he now has a majority.

If the question is settled on a division, would it not be better to have the yeas and nays? It would be even better to take the amendment to conference. Let it be taken to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

Mr. BASS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BASS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. AIKEN. Mr. President, I withdraw my objection to a division.

The PRESIDING OFFICER. A division is called for.

On a division, the amendment was rejected.

The PRESIDING OFFICER (Mr. Mondale in the chair). The bill is open to further amendment.

Mr. AIKEN. Mr. President, I ask whether the amendment was rejected by virtue of a tie vote.

The PRESIDING OFFICER. No; the amendment was rejected.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

Mr. LONG of Louisiana. Mr. President, we do not want a third reading at this time. I understand that there is another amendment.

Mr. JAVITS. Mr. President, we have another amendment to the bill. We do not want the third reading now.

I understand that the Senator in charge of the bill has a statement to make relating to a certain type of television tube.

The PRESIDING OFFICER. Who yields time?

Mr. LONG of Louisiana. Mr. President, I yield 5 minutes on the bill to the senior Senator from New York.

The PRESIDING OFFICER. The senior Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I understand that the Senator in charge of the bill has a statement to make in response to my query about certain special projection-type television tubes. That statement would clarify the record as to the import questions relating to that subject.

Mr. LONG of Louisiana. Mr. President, the Senator refers to an electronic tube with relation to which he does not want the tariff to be increased.

We examined this problem in committee. The article involved is an electronic tube which projects a picture onto a screen which may be 20 feet across or more. Obviously, this type of tube is not a television picture tube in the sense that we know it. It has a projecting feature that the ordinary television tube lacks.

The committee was not willing to make an amendment to reduce the duty on this article without knowing exactly what its effect would be. If the article is not a television picture tube then the rate of duty would not be affected by the provision in the bill. If it is a television picture tube then presumably the duty has always been 30 percent and there is no reason to make a rate change in this bill at this time.

Mr. JAVITS. Mr. President, I am grateful to the Senator.

I yield back the remainder of my time.

Mr. KUCHEL. Mr. President, will the Senator give me time under the bill?

Mr. DIRKSEN. Mr. President, I yield 2 minutes under the bill to the senior Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. KUCHEL. Mr. President, dawn is about to break over a problem which has exacerbated, and, as a result, has bothered my colleagues this year, as it did last year. The contending forces with respect to an amendment written into the bill, are inching toward agreement. However, I regret to say that the mechanical processes by which the agreement will be finally reached have not yet been concluded.

I shall, therefore, suggest the absence of a quorum so that we can have a bit more time.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. JAVITS. I hope that the Senate will indulge us temporarily. This seems to be family day, a day on which affairs are settled internally. I hope that we can settle this problem.

Mr. DIRKSEN. Mr. President, I yield 5 minutes time under the bill to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. SCOTT. Mr. President, my able and distinguished colleague from Kansas [Mr. CARLSON], yesterday expressed his concern in this Chamber about section 33 of this bill which deals with unwrought aluminum. I, too, am greatly concerned by the seemingly innocuous language of this section as well as its explanation found on page 14 of the Finance Committee's report on the bill.

Section 33 was added to the bill by the Committee on Finance. Its purpose, as I understand it, is to continue the longtime duty treatment of unwrought aluminum when imported for certain specified uses, but to subject such material to double such duty to 2½ cents per pound if not imported for such specified uses. The committee report in explanation of section 33 states that:

> The problem with which this provision of your committee's bill is concerned relates to the tariff status of continuous cast aluminum. It is possible by means of continuous casting processes to cast aluminum in shapes of uniform cross sectional dimension throughout their length which without rolling, drawing, etc., may be put to the same uses as the comparable wrought shapes.

I am informed that there has not been to date any known production or sale in trade and commerce of any aluminum product made by continuous casting which without rolling, drawing, and so forth, may be interchanged in use with the comparable wrought shapes. I have been further advised that the effect of the committee amendment is to impose heavy burdens upon and in some instances to double existing duties on a substantial volume of imports of aluminum raw material to protect against what is alleged to me to be a wholly conjectural, speculative, and perhaps fugitive development in the technology of the future.

It is important to note that the provisions of the present tariff schedules relating to unwrought aluminum have been in effect for almost 2 years. During this period there has not been a single instance of any product produced by continuous casting, or otherwise, which has been subjected to a different or lower rate of duty than was applied under the prior statute. There would appear to be no need or justification for any change.

A major objection to the committee amendment on aluminum which has been presented to me is the very heavy new burden which would be imposed on importers, fabricators, and users resulting from the proposed imposition of end use tests—not heretofore applied or required on this class of raw material.

It may be very easy for large consumers of aluminum to comply with the import certificates, sworn statements of end-use, and subsequent amendments to previously submitted end-use documents but this is not an easy thing for the many small independent aluminum fabricators in the Commonwealth of Pennsylvania. It is an extremely high—and unfair—price to pay for using imported crude aluminum.

By and large, these are small enterprises and in fact many are one-man shops who depend on an independent aluminum supply source to stay in business. They prefer not to purchase this vital raw material from the giant American producers who are integrated as to fabrication facilities and who therefore compete on finished products with the independent fabricator for whom I speak.

Enumeration of specific uses for a primary form raw material is difficult if not impossible. The committee amendment here in question, for example, makes no provision for any basic use of the same type or kind as those enumerated which might be developed for commercial use in the future, as, for example, explosive working.

Adoption of use tests such as those here proposed would result automatically in application of General Interpretative Rule 10(e) of the Tariff Schedules of the United States. Under that rule, any tariff classification controlled by the actual use is satisfied only, first, if such use is intended at the time of importation, second, the article is so used, and third, proof thereof is furnished within 3 years after the date the article is entered.

The connected chain of proof necessary to meet these requirements presents a wholly new, costly, and in many instances, impossible burden.

A substantial volume of unwrought aluminum is imported for resale either directly to a fabricator or for warehouse storage and subsequent sale to a fabricator. Although intended use may be known to the importer at the time of importation, actual use cannot be established until the merchandise has been sold and used, perhaps years later. The negative effect of this requirement would be greatly magnified in the case of imports brought in to be placed in warehouse as stock for resale.

Even where intended use is or may be known at the time of importation, the burden is onerous. Imports consist of a very large number of individual entries. Any given entry may be, and frequently is, divided among a number of different customers for application in a variety of uses. Most of the purchasers and users of imported aluminum in the United States are small independent concerns with substantially everyone in the organization engaged in production functions. Recordkeeping is at a minimum. The supply of primary form material is usually obtained not only from imports but from one or more integrated domestic producers. Stocks are maintained by specification or type, only infrequently by source, and rarely, if ever, by individual shipment. Stock withdrawals for processing are made on the same basis. Certification of actual use of each specific lot of an imported product under these circumstances is commercially impractical, if not impossible.

In summary, any requirement of proof of use would impose a wholly new and unnecessary burden on substantially the entire volume of imports of unwrought aluminum into the United States which would be costly, and in the case of 90 percent of users of unwrought imports, be difficult, if not impossible, to meet.

Mr. President, I would prefer to see section 33 deleted from the bill, but I shall not ask the Senate to do so at this time. But I would hope that the forthcoming House-Senate conference can remove or substantially ease the heavy cost burden which adoption of use tests would impose and which would effectively isolate the many small independent fabricators in the United States from an essential and stabilizing source of raw material.

Mr. LONG of Louisiana. Mr. President, I yield 2 minutes to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 2 minutes.

WOOD PARTICLEBOARD TARIFF

Mr. ERVIN. Mr. President, the proposed Tariff Technical Amendment Act is designed to correct some of the inequities which have developed in the tariff schedules of the United States. However, I feel the bill is seriously deficient in that it fails to give any relief to the wood particleboard industry. Section 11 of the House version of H.R. 7969 provides a 20-percent ad valorem tariff for particleboard. The Senate Finance Committee deleted it.

It is my strong feeling that the section dealing with wood particleboard should be restored. As this measure now stands, rather than correcting an inequity it would only perpetuate one which developed as a result of an arbitrary action by the Tariff Commission contrary to the will of Congress.

The Tariff Commission was directed by the Customs Simplification Act of 1954 to make an extensive study of our tariff schedules and make recommendations to Congress regarding our entire tariff system. This study resulted in the Tariff Classification Act of 1962, and these tariffs were made effective August 31, 1963, by Presidential Proclamation No. 3548.

In the Tariff Classification Act of 1962, Congress established the tariff on wood particleboard at 20 percent ad valorem. However, between the time the act was approved in 1962 and the time it became effective in 1963, the Tariff Commission in its seventh supplemental report arbitrarily lowered the tariff to 12 percent. Under the act of 1962, changes were to be made only if there were some administrative, judicial, or legislative action between the time the act was passed by Congress and the time it became effective by Presidential proclamation. No such action was taken regarding wood particleboard. As a matter of fact, the courts considered the particleboard tariff during this period but their decisions were not definitive, and the Tariff Commission lowered the tariff of its own volition.

Deletion of section 11 of the House version of H.R. 7969 would, in effect, endorse the arbitrary action by the Tariff Commission without justification and would do considerable harm to a young domestic industry.

Mr. President, the particleboard industry in this country is an outstanding example of one which is making maximum utilization of our natural resources. We should not discourage it or hinder its natural growth by assigning a tariff which will invite a flood of foreign competition at this stage of its development.

It is my earnest hope that the House will insist on retaining section 11.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum, with the time to be equally divided between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LANGUAGE TRAINING TO DEPENDENTS OF MEMBERS OF ARMY, NAVY, AIR FORCE, OR MARINE CORPS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business may be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 566, H.R. 5519.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5519) to amend title 10, United States Code, to authorize language training to be given to a dependent of a member of the Army, Navy, Air Force, and Marine Corps, under certain circumstances.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment on page 2, line 9, after the words "United States", to insert a period, and, after the amendment just above stated, to strike out "or while the dependent is accompanying the member outside the United States as a result of the member's assignment to that duty."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 583), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE AMENDMENT

As referred to the committee, the bill would have authorized language training for dependents within and outside the United States. The cost estimates were based on the assumption that the training would be given only within the United States. The committee was informed that at a later date when shorter full-time and part-time courses become available for personnel overseas the authority might be used to permit wives in these courses as well. The committee decided to restrict the use of the authority to the United States. This will permit review and a reconsideration of whether the program should be authorized for oversea use when the new courses are developed and when there is an estimate of the cost of giving language training to dependents overseas.

PURPOSE

This bill would authorize language training for dependents of members of the Army, Navy, Air Force, and Marine Corps in anticipation of assignment to permanent duty outside the United States for their sponsors.

EXPLANATION

Section 701 of the Foreign Service Act of 1946 (22 U.S.C. 1041) authorizes the Secretary of State to provide language training to members of the families of officers and employees of the Government in anticipation of their sponsor's assignment abroad or while they are abroad with their sponsor. Language training under this authority must be given in the Foreign Service Institute. Within the United States, facilities of the Foreign Service Institute are located only in Washington, D.C.

The Department of Defense gives language training at various locations in the United States, including the Defense Language Institute, West Coast Branch, Monterey, Calif.; the Defense Language Institute, East Coast Branch, Washington, D.C.; Syracuse University; and Indiana University. The Department of Defense desires authority for the members and their dependents to be provided language training at the same time and at the same place. The Department considers the requirement that dependents may be provided language training only at the Foreign Service Institute as causing greater transportation costs than would be incurred by providing language instruction for dependents at several locations.

The Department of Defense provides language training in the United States before movement overseas for those officers and men whose projected assignments require language proficiency for effective job performance.

The Director of the Defense Language Institute, acting for the Secretary of the Army, has the responsibility for determining how this training can be conducted in the most economical and effective way. The Defense Language Institute programs students into its east coast branch at Washington, D.C., and its west coast branch at Monterey, Calif., to the limit of its capacity and faculty availability. Only those students who must be brought to the Washington area for other special training are programed into the east coast branch. The facilities of the Foreign Service Institute of the Department of State are also used to a considerable extent on a reimbursable basis.

Initially the Department of Defense plans to use the authority of this bill to train approximately 750 wives in the same language and at the same school as their husbands are to be trained. It is difficult to estimate the precise number to be trained, as the program is a voluntary one.

The bill provides that the training may be given only in (1) a facility of the Department of Defense, (2) a facility of the Foreign Service Institute, or (3) a civilian educational institution. The committee understands, consequently, that the language training to be provided will be directly related to the assignment of the sponsor and that private tutorial instruction will not be provided.

The bill authorizes language training for "dependents" as that word is defined under section 401 of title 37, United States Code. The definition provided there includes spouses, unmarried legitimate children under 21 years of age, children over 21 who are incapable of self-support because of a mental or physical disability and who are in fact dependent on the member for over one-half of their support, and parents who are in fact dependent on the member for over one-half of their support and who actually reside in the member's household. The committee was informed, however, that the initial intention is to restrict the language training to wives.

The committee considers that there are obvious benefits to the United States that flow from an increased language competency by dependents accompanying members of the Armed Forces overseas and that circumstances justify a departure from the general rule of requiring concentration of language instruction for dependents in the Foreign Service Institute at Washington.

TRANSPORTATION AT GOVERNMENT EXPENSE FOR DEPENDENTS ACCOMPANYING MEMBERS OF THE UNIFORMED SERVICES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 568, H.R. 7595.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 7595) to amend title 10, United States Code, to authorize transportation at Government expense for dependents accompanying members of the uniformed services at their posts of duty outside the United States, who require medical care not locally available.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 585), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would authorize transportation at Government expense for dependents of members of the uniformed services who are accompanying members at posts of duty outside the United States where required medical care is not available locally.

EXPLANATION

Dependents of members of the uniformed services accompany their sponsors at many stations throughout the world where it is impractical to provide complete medical facilities. Existing law provides no authority for the transportation of dependent patients at Government expense to locations where required medical care is available. This bill would authorize the transportation of dependents at Government expense to the nearest appropriate medical facility where adequate medical care is available. If the dependent is unable to travel unattended the bill also authorizes round trip transportation and travel expenses for necessary attendants. Transportation at Government expense is prohibited if the medical care involved is elective surgery.

The definition of "dependent" for the purpose of this authority is the same as that which applies for entitlement to medical care in facilities of the uniformed services.

The authority this bill would confer for dependents of members of the uniformed services would equalize their entitlement to that of dependents of officers and employees of the Foreign Service.

LAKE MEREDITH, TEX.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 561, House Joint Resolution 95.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (H.J. Res. 95) to designate the lake to be formed by the waters impounded by Sanford Dam, Canadian River project, Texas, as "Lake Meredith."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. TOWER. Mr. President, I wish to support House Joint Resolution 95. The purpose of this resolution is to designate as "Lake Meredith" the lake formed by the waters to be impounded by Sanford Dam, Canadian River project, Texas. Passage of this resolution would indeed be a final tribute to the tireless efforts of Mr. A. A. Meredith and his work in the support of water resources conservation in the high plains area of the Texas Panhandle, and particularly, of the Canadian River project.

For many years Texas citizens of the high plains area of the Texas Panhandle were aware that the water flows of the Canadian River should be developed to supplement and conserve ground water which is depended upon heavily as a source of municipal and irrigation water supply. These people realized that the future progress of the area was dependent upon development of additional water resources. As the House report points out, largely due to the efforts of Mr. Meredith, the Canadian River Municipal Water Authority was organized in January 1953, and he became its first and continuing secretary. Due to Mr. Meredith's persistence, the many obstacles which faced the project were overcome. For over 2½ years, Mr. Meredith worked almost full time without salary to solve the internal problems of the project. His hard work and dynamic leadership were climaxed on November 28, 1960, when the Canadian River Municipal Water Authority executed a repayment contract with the Federal Government providing for construction of the project.

Mr. Meredith was awarded many honors in recognition of his outstanding contributions to water conservation. In February 1961, Mr. Meredith was named Citizen of the Year by the Borger Kiwanis Club. On May 4, 1961, at the Save the Soil and Save Texas awards program in Fort Worth, Tex., Mr. Meredith received the top water award for the State of Texas.

Shortly before his death in April 1963, Mr. Meredith was awarded the Department of the Interior Conservation Medal for his work representing a quarter of a century in getting the Canadian River Authority organized, the project authorized, the Canadian River Tristate Compact established, water rights appropriated, agreements on cost allocations and contract negotiations, and an appropriation of funds to start construction.

Mr. President, it is with pleasure that I support House Joint Resolution 95 that confers upon Mr. A. A. Meredith the honor which he so justly deserves.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading.

The joint resolution was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 578), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

House Joint Resolution 95, which is sponsored by Congressman WALTER E. ROGERS of the 18th Texas Congressional District, would commemorate the outstanding public service and devotion to water resource development of the late Alson Asa Meredith, of Texas, by naming in his honor the reservoir to be formed by the Sanford Dam, Canadian River project, Texas. The reservoir would constitute a lake in the Panhandle Southern Plains area of northwest Texas with a capacity of nearly 2 million acre-feet, covering an area in excess of 20,000 acres. The Canadian River project was authorized by the 81st Congress in 1950 (Public Law 898, 81st Cong.; 64 Stat. 1124) with the support of the late Senator Tom Connolly and then Senator Lyndon Johnson, and is now under construction. It will supply municipal and industrial water for 11 cities and towns, irrigate some 20,000 acres, and provide flood control, recreation, and fish and wildlife enhancement benefits.

BACKGROUND

The Department of the Interior report states that Mr. Meredith was "largely responsible for the successful culmination of the Canadian River development which was first proposed in 1936," and this judgment is substantiated by other evidence presented to the committee. While the Canadian River project was in the planning stage, Mr. Meredith, as city manager of Borger, Tex., and as secretary-treasurer of the Canadian River Water User's Association did much to secure local, State, and congressional support of the project. He was instrumental in drawing up the Canadian River compact and in getting it approved by the legislatures of the States of Oklahoma, New Mexico, and Texas.

Largely due to the efforts of Mr. Meredith, the Canadian River Municipal Water Authority was organized in January 1953, and he became its first and continuing secretary. He was persistent in keeping the project alive and it was through his leadership and encouragement that the authority was able to bring about agreements among the cities concerned with the project on the allocation of its costs and water supplies.

After establishment of the Canadian River Authority, there was a split in this organization as the result of a proposal for building the project as a private venture. For a period of over 2½ years, Mr. Meredith worked almost full time, without salary, to resolve this internal trouble. His long campaign for the Canadian River project was climaxed on November 28, 1960, when the Canadian River Municipal Water Authority executed a repayment contract with the Federal Government providing for construction of the project.

In February 1960, Mr. Meredith was named "Citizen of the Year" by the Borger Kiwanis Club, and on May 4, 1961, he received the top water award in the State of Texas for his outstanding contribution in the water field. Shortly before his death in April 1963, Mr. Meredith was awarded the Department of the Interior Conservation Medal for his untiring and effective efforts and outstanding service to his State and to the Nation.

COST

Enactment of this legislation will entail no cost to the Federal Government.

COMMEMORATION OF CERTAIN HISTORICAL EVENTS IN THE STATE OF KANSAS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 562, H.R. 7181.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 7181) to provide for the commemoration of certain historical events in the State of Kansas, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 579), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of H.R. 7181, a companion measure to S. 224, introduced by Senator CARLSON, is to provide for Federal participation in marking the sites of, and otherwise commemorating, a number of events that preceded or occurred during the Civil War. These sites are located in Bourbon, Cherokee, Linn, and Miami Counties, Kans.

NEED

From the time it was organized as a territory on May 30, 1854, through the Civil War, Kansas was the center of hostile encounters between Free Soilers and the proponents of slavery. These incidents, some of them preliminary to the war, others a part of the war itself, are an important piece of American history. The places at which they occurred deserve to be marked and preserved so that future generations may have the benefit of visting them and understanding the significance of what happened at them.

Under the concept embodied in H.R. 7181 this will be done without formally designating these areas as national historic sites and at less cost to the United States than would be the case if they were acquired and fully administered by the National Park Service.

Among the sites which are to be marked under H.R. 7181 are those associated with John Brown, particularly one at Pottawatomie where five proslavery men were killed on May 24, 1856, and another at Osawatomie where 250 proslavery men met and defeated John Brown and 40 of his companions on August 30, 1856; that of the Marais des Cygnes massacre in which, on May 19, 1858, 11 unarmed Free-Soil men were murdered ("the last wholesale slaughter" before the Civil War, this event has been called); that of the Battle of Mine Creek, the last major engagement of the Civil War west of the Mississippi and the one in which Gen. Alfred Pleasanton's forces battled with those of Gen. Sterling Price; and that of Baxter Springs where William Clarke Quantrill, then only 26 years old and declared an outlaw the year before, raided and destroyed property and killed nearly 100 men and boys in October 1865.

The focus of attention for the whole area, however, is Fort Scott which was founded in 1842 in the midst of the Indian country. Surrounding it were Cherokee, Osage, Chickasha, Creek, Seminole, and Miami Indians. The troops stationed there were continuously engaged, from the time of its foundation until after the Civil War, in patrolling this country and in numerous skirmishes with hostile bands of Indians. This fort was also an important center of operations during the border war of 1854–59. The town of Fort Scott was closely divided between proslavery and Free-Soil groups and the fort changed hands between these two opposing forces several times during this period. During the Civil War it was under Federal control, was an important logistic center for military operations throughout the area, and was headquarters for the Army of the Frontier beginning August 24, 1862. At it were organized the first Negro regiment of the Union Army and, in addition, three regiments of Indian volunteers. Troops from it fought at St. Louis, Wilson Creek, Fort Wayne, Camp Hill, Van Buren, Fort Smith, Mine Creek, and numerous other places.

Many of the buildings of Fort Scott are still standing and are in good shape. The parade ground, or most of it, is still open space and will serve admirably for historical and other purposes. Fourteen acres of land, however, need to be acquired in order to round out the picture as it was in the heyday of the fort, to remove nonconforming structures, and to rehabilitate certain buildings which have, in the meantime, been converted to nonconforming uses. A good start has been made on this work by the local people, but the assistance called for by H.R. 7181 will enable work to be done which is beyond their limited capabilities.

COST

H.R. 7181 authorizes the appropriation of not more than $805,700 for the capital expenses to be incurred under its terms. This amount is made up of approximately $12,500 for marking the sites referred to above, $255,000 for the acquisition of about 14 acres of land, and $538,200 for necessary rehabilitation work. Other expenses to be incurred under the bill—those, for instance, of providing information and services respecting the sites and the events commemorated—will be borne out of regular National Park Service appropriations.

All or most of the sites to be marked are in non-Federal public ownership, and the bill requires that the owner of any such site shall execute an agreement to maintain the marker in suitable condition and to provide for public access to the site. The 14 acres of land to be acquired at Fort Scott will supplement the 10 acres which are already in public ownership.

DELAWARE VALLEY NATIONAL RECREATION AREA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 89, which was reported this morning.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 89) to authorize establishment of the Delaware Valley National Recreation Area, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 2, line 2, after the name "Delaware", to strike out "Valley" and insert "Water Gap"; on page 3, line 14, after the name "Delaware", to strike out "Valley" and insert "Water Gap"; and on page 8, at the beginning of line 2, to strike out "Valley" and insert "Water Gap".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc; and, without objection, they are agreed to.

The bill is open to further amendment.

If there be no further amendments to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCOTT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended, so as to read: "An act to authorize establishment of the Delaware Water Gap National Recreation Area, and for other purposes."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

H.R. 89, a companion measure to S. 36, proposes the creation of a new national recreation area on the Delaware River. This area, under the amendment to the bill, will be designated the Delaware Water Gap National Recreation Area.

BACKGROUND

The proposal to create a Delaware Water Gap National Recreation Area, formerly referred to as the Tocks Island National Recreation Area, has been active at least since 1962, when Tocks Island Dam was authorized for construction by the Corps of Engineers in the Flood Control Act of 1962 (Public Law 87–874). At that time, plans had not been completed for developing the full potential of the area by acquiring for public recreation use the land surrounding the reservoir to the extent proposed in H.R. 89. The authorization then granted was therefore limited to the acquisition of the land necessary for the reservoir (14,800 acres) plus 9,500 acres on its fringes for limited recreation use.

LOCATION

The Delaware Water Gap National Recreation Area will lie in the midst of the Pocono Mountains, near the heart of the most densely populated part of the Nation. It is the combination of these factors, plus the opportunities that Tocks Island Reservoir will offer for recreation, that commends the proposal to create this national recreation area to the Committee on Interior and Insular Affairs.

Philadelphia, Trenton, Newark, New York City, Wilmington, and the Bethlehem-Easton-Allentown complex are all well within a 100-mile radius of the new area. It is readily accessible to the Pennsylvania Turnpike, to Interstate 80 which connects New York and Chicago, to Interstate 81 which runs from Canada to New Orleans, and to Interstate 84 which leads to western New England. The permanent population living within easy driving distance of the area has been estimated at about 30 million and the projected visitation to the recreation area is 10 million people a year within a few years after the reservoir is in operation and the recreation area is developed. It will be necessary, it is estimated, to plan facilities for as many as 150,000 visitors a day at the peak of the vacation season.

It is obvious from this that the Delaware Water Gap National Recreation Area will be in a position to serve a large segment of the American population and that it will be of multistate significance. It is, in these respects, very much like such areas as Point Reyes, Calif.; Cape Cod, Mass.; and Fire Island, N.Y. In this case, as in those, the committee stresses the importance of providing national recreation areas near our crowded cities, areas which can serve the constantly expanding needs of these cities' populations by preserving large open spaces near them. It will also, the committee is convinced, be a valuable addition to the system administered by the National Park Service.

LAND ACQUISITION

Nearly all of the land to be acquired under H.R. 89 for the Delaware Water Gap National Recreation Area is now in private ownership. About 6,200 acres, however, are owned by the State of New Jersey and about 250 acres by the State of Pennsylvania. Although these State lands are included within the boundaries of the recreation area, it is not proposed that they be acquired without the consent of the State concerned. In order to coordinate the program of land acquisition under H.R. 89 for the recreation area with that of land acquisition for the authorized Tocks Island project proper, the bill calls for the acquisition work in connection with the former to be handled by the Corps of Engineers which will, from time to time, turn over the acquired lands to the Secretary of the Interior for administration.

PLAN FOR UTILIZATION

As has already been noted, the Delaware Water Gap National Recreation Area will center on Tocks Island Dam and Reservoir, which have already been authorized for construction. The lower end of the reservoir

THE UNIVERSITY OF MICHIGAN LIBRARIES

is to the east of Stroudsburg, Pa., and at its head are Milford, Pa., and Port Jervis, N.Y. The dam will rise about 160 feet above the present bed of the Delaware River. It will impound as much as 665,000 acre-feet of water at flood stage, and its reservoir will have a surface area of slightly more than 12,000 acres at the elevation of its normal long-term conservation pool. The shoreline of the 37-mile-long reservoir will exceed 100 miles. For many, the opportunities which this reservoir will afford for swimming, fishing, and boating will be the chief attraction of the national recreation area. Plans for development of the area include taking full advantage of these opportunities.

For some, however, the area will have other and more compelling attractions—camping, picnicking, hiking, and simply enjoying the scenery. It is for this reason that it is proposed to enlarge the already authorized acquisition of lands to include approximately 47,675 additional acres. The lands thus to be included within the boundaries of the national recreation area include examples of superlative scenery—the renowned Delaware Water Gap, 10 miles of the Kittatiny Mountain Ridge, plateau country back of the mountains, 20 or more small natural lakes and ponds, and several scenic gorges marked particularly by their hemlock forests and beautiful waterfalls. With modest developments, these areas can be opened up and made readily available for the use and enjoyment of the public. Visitor centers will need to be installed, campsites laid out, picnicking facilities installed, trails marked, and roads provided for ready access to certain parts of the area. These improvements will be spaced over a number of years and will be undertaken as the visitor load to the area warrants.

The bill provides:

1. The area will be known as the Delaware Water Gap National Recreation Area rather than as the Tocks Island National Recreation Area. The new name will better serve to identify the location of the recreation area than did the old one and will center attention on its overall importance rather than on one of its least significant features.

2. Language makes clear the authority of the Secretary of the Army to utilize for the acquisition of land for the recreation area the same authority that he has for acquiring land for the Tocks Island Reservoir project. This will avoid any question concerning, for example, his authority to pay the moving expenses of persons displaced by Federal acquisition of their land. This language also provides, however, that if the Secretary of the Army utilizes his authority to acquire land by exchange, the land given in exchange must be in Pennsylvania, New York, or New Jersey.

3. Provision is made for the possible elimination from the Delaware Water Gap National Recreation Area of as much as 300 acres of land contiguous to Milford, Pa., and as much as 1,000 acres in Sussex County, N.J. Any such elimination will be made by the Secretary of the Interior after consultation with local public officials.

In this matter and at the urging of the committee, officials of the borough of Milford, Pa., and National Park Service personnel met to attempt to resolve some of the differences that had developed as to the location of the 300 acres that were to be excluded from the recreation area boundaries. The understandings and agreements as confirmed in copies of correspondence are endorsed by the committee and made a part of this report. They provide generally:

(a) Most of the 300 acres to be excluded contiguous and adjacent to Milford, Pa., shall be in a southwesterly direction, but an area northeast of Milford can also be excluded if local officials desire and approve such an exclusion.

(b) It was agreed that the acreage contained in the four known cemeteries within the exterior boundaries of the recreation area shall not be considered a portion of the 300 acres to be excluded.

(c) The Buchanan golf course, located on property owned by the family for over 150 years, can continue to operate substantially as it is now doing. Should the use change then the property would be subject to acquisition by the Department of the Interior.

4. A study is to be made of the feasibility of extending the national recreation area upstream into New York State. The desirability of a study of the Basherkill (or Bashakill, as it is sometimes spelled) Swamp area in this connection was particularly pointed out to and is endorsed by the committee. No extension of the boundaries will be made without further authorization by the Congress.

5. A subsection permits the owners of single-family dwellings, the construction of which began prior to January 21, 1963 (the date on which the first of the 88th Congress bills listed above was introduced), and which is the owner's permanent place of abode at the time of acquisition, to retain the right of use and occupancy for the remainder of his life and the life of his spouse or for a term of not more than 25 years, whichever he may elect, in any case in which it is found that such use and occupancy will not unduly interfere with development of public use facilities or with the operation of the Tocks Island Reservoir project. The purchase price for the land will be adjusted to reflect the value of the retained right.

6. The section of the bill dealing with hunting and fishing makes clear the continued applicability of such Federal laws as the migratory bird laws in the Delaware Valley Recreation Area. Language has also been added to this section to encourage the adoption by the affected States of fish and game regulations of uniform application throughout the recreation area.

COST

The estimated cost of land acquisition under H.R. 89 is $37,412,000 and the estimated development cost is $18,200,000. Actual costs may, however, vary from these figures depending upon how rapidly the whole program can be accomplished. Further legislation will be necessary if these figures are to be exceeded. In any event, the costs of the Delaware Water Gap National Recreation Area will, at least in part, be offset by receipts from the admission and user fees which will be charged under the Land and Water Conservation Fund Act.

Mr. SCOTT. Mr. President, I am delighted that the Senate has just approved the bill to establish the Delaware Water Gap National Recreation Area. I want especially to take this opportunity to thank the Senator from Nevada [Mr. BIBLE], chairman of the subcommittee which considered this measure, for his courtesy in expediting its consideration by the Senate. It is most desirable that H.R. 89 be enacted.

The proposed Delaware Water Gap National Recreation Area, located at the conjunction of Pennsylvania, New York, and New Jersey, is an area of scenic beauty that is readily accessible to millions of residents of the populous Northeast, particularly city dwellers. The primary purpose of the project authorized by this bill is to develop this area for use as a recreation spot by these people. Another purpose is to conserve the area's natural beauty and to develop and conserve its water resources.

Concerning this last point, Mr. President, it is well know that the States comprising the Delaware River Basin—Pennsylvania, New York, New Jersey, and Delaware—are suffering from a serious water shortage resulting from 4 successive years of drought conditions. The day before yesterday at the White House, the Governors and Senators from these States met with the President, the Secretary of the Interior, Mr. Udall, and other officials to consider this grave problem. Governor Scranton of my Commonwealth offered several constructive proposals to ease the current crisis gripping Philadelphia and New York City, and I joined the other participants in recommending that the Secretary of the Army, the Chief of the Corps of Engineers, and other Federal agencies expedite measures to supply additional badly needed water for these cities. Yesterday, a team of Federal officials headed by the Secretary of the Interior and the Chief of Army Engineers, General Cassidy, embarked on a trip to Philadelphia, Camden, Newark, and New York to meet with the appropriate State and local officials most concerned and conversant with the emergency. I hope that these efforts, assisted, hopefully, by relief in the form of heavy rains, will bring this crisis, to an end.

Mr. JAVITS. Mr. President, I should like to join the Senator from Pennsylvania in expressing appreciation to the Senator from Nevada [Mr. BIBLE] and the committee for enabling us to pass the Tocks Island bill. I join the Senator from Pennsylvania in the statement he made with respect to the Water Conference called by the President under Secretary Udall's chairmanship as a critically important element in helping to supply water in the Delaware River basin, on which New York depends for about 50 percent of its water. Indeed, it is said that if the project were completed, we might have no water problem. So it is critically important.

We have every reason to express satisfaction on behalf of the people of the affected States, as I do for the people of New York, for the progress which this legislation has experienced. I express the hope that it will be promptly implemented by appropriations and by vigor in its execution in accordance with the critical necessity and need for water.

Mr. CLARK. Mr. President, I wish to express my appreciation to the Senate for the passage today of the bill establishing the Delaware Water Gap National Recreation Area. I thank this body for what it has done for the people of my State, the eastern seaboard, and, indeed, the entire United States. In particular I wish to thank Senator BIBLE for the expeditious way in which his Parks and Recreation Subcommittee handled this legislation.

In a bipartisan effort, the Senators from New Jersey, New York, and Pennsylvania have been working on this program for a long time. We have been particularly anxious to see this recreation area go forward in conjunction with the Tocks Island Reservoir, which was authorized in 1962 and is now in the planning and survey stages.

This bill will create a major national recreation area within a 2-hour drive of more than 30 million Americans. This is a sixth of the Nation's population. The area in which this recreation area will be located contains some of the finest scenery in the United States. It will bring pleasure to the millions who use this facility.

I also wish to note with appreciation that the project has been named the Delaware Water Gap National Recreation Area. It was originally called the Tocks Island National Recreation Area, after the site where the dam will be located on the Delaware River. The new name is much more descriptive. The Delaware Water Gap is the most prominent natural feature of the area, and it is truly spectacular.

Mr. KENNEDY of New York. Mr. President, I am particularly pleased to see that H.R. 89, which creates a Delaware Water Gap National Recreation Area, was passed today. The creation of this recreation area fills two urgent needs:

First, the Tocks Island Reservoir will provide highly needed additional water storage capacity for Philadelphia and other cities along the Delaware. If the Tocks Island Reservoir were in existence today, Philadelphia and Camden would not be facing as critical a water problem as they now do. The action taken yesterday by President Johnson in submitting a supplemental appropriation request to expedite construction of the dam means that the Tocks Island Reservoir will be ready earlier than previously anticipated. Development of watersheds along the lines of the Tocks Island Reservoir for the Delaware River must be accomplished rapidly if we are to have sufficient water for our growing population on the east coast.

Second, Senate passage of the Delaware Water Gap Recreation bill will also help meet the recreation needs of the many residents in the New York City-Philadelphia metropolitan area. The millions of people living in cities and towns in this area will have an opportunity to enjoy the parks, boating facilities, and recreation areas that will be constructed around the reservoir. By acting now to create this recreation area, we are insuring that a maximum number of people will have the opportunity to enjoy this natural resource.

I want to express my appreciation for the leadership of Senator CLARK in introducing this bill and working for its passage, and I am particularly glad that I was able to join him as a cosponsor.

Mr. CASE. Mr. President, I am pleased to note that the Senate has just passed a bill which would authorize establishment of the Delaware Water Gap National Recreation Area, more familiarly known as Tocks Island.

If this most important legislation is enacted into law, as now seems most likely, the Delaware Water Gap National Recreation Area would be the first of its kind to be created east of the Mississippi River. It would embrace approximately 72,000 acres of New Jersey and Pennsylvania in the vicinity of the famed Delaware Water Gap.

There is a pressing need for additional recreation areas in our region of the country. The northeastern United States contains one-quarter of the Nation's population, yet it has only 4 percent of the total recreation acreage in the country, excluding Alaska.

My own State of New Jersey is the most urbanized in the Nation with approximately 800 people per square mile. By 1980 it is estimated that the Garden State will have had a 50-percent rise in population. Yet, the amount of our land available for recreation, on a comparative basis, is small.

This project not only will greatly enhance the opportunity for recreation in this crowded region, but also will greatly stimulate the economy of the areas which border on the proposed site. An estimated 7 million people are expected to visit the Delaware Water Gap National Recreation Area each year.

Part of the acreage would be used to create a 37-mile-long reservoir to be used for water supply, flood control, hydroelectric power and, of course, recreation. In view of the drought which has parched our part of the country for more than 4 years, it is clearly necessary that additional water resources be developed as quickly as possible. The enactment of this legislation will serve that need in a most constructive way.

Finally, I am pleased to point out this bill contains the provisions of an amendment which I cosponsored. This amendment is designed to prevent the displacement of many families who now have homes on the proposed site of the recreation area. The amendment provides that homeowners in the area be given the right to hold their property for life, or for a term of not more than 25 years, whichever they may elect. This provision is similar to the tenure rights contained in the Cape Cod National Seashore Act.

Mr. SCOTT. Mr. President, I conclude by saying that the passage of this bill today was made possible by the dedicated efforts of my senior colleague from Pennsylvania [Mr. CLARK], the senior Senator from New York [Mr. JAVITS], the senior Senator from New Jersey [Mr. CASE], the junior Senator from New Jersey [Mr. WILLIAMS], and the junior Senator from New York [Mr. KENNEDY]; they have all worked in a diligent and dedicated manner.

I thank the majority leader for yielding.

CORRECTION OF CERTAIN ERRORS IN THE TARIFF SCHEDULES

The Senate resumed the consideration of the bill (H.R. 7969) to correct certain errors in the tariff schedules of the United States.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, for myself and my colleagues [Mr. MURPHY, Mr. JAVITS, Mr MORSE], the distinguished leader of the minority in the Senate [Mr DIRKSEN], and the distinguished leader of the majority [Mr. MANSFIELD] I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. KUCHEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. KUCHEL for himself and other Senators is as follows:

On page 43, beginning with line 8, strike out all through the table following line 11 and insert the following:

"SEC. 80. BROOMS MADE OF BROOM CORN

"(a) IN GENERAL.—Schedule 7, part 8, subpart A is amended by striking out items 750.30 and 750.31 (p. 383) and inserting in lieu thereof the following:

"'

	Brooms and brushes consisting of vegetable materials bound together but not mounted or set in a block or head, with or without handles:		
	Brooms wholly or in part of broom corn:		
	Whiskbrooms:		
	Valued not over 32¢ each:		
750.26	In any calendar year prior to the entry, or withdrawal from warehouse, for consumption of 115,000 dozen (or such modified quantity as may become applicable under headnote 3(a) to this subpart) whiskbrooms classifiable under items 750.26 to 750.28 inclusive	20% ad val.	20% ad val.
750.27	Other	12¢ each.	12¢ each.
750.28	Valued over 32¢ each	32% ad val.	32% ad val.
	Other brooms:		
	Valued not over 96¢ each:		
750.29	In any calendar year prior to the entry, or withdrawal from warehouse, for consumption of 205,000 dozen (or such modified quantity as may become applicable under headnote 3(a) to this subpart) brooms classifiable under items 750.29 to 750.31, inclusive	20% ad val.	20% ad val.
750.30	Other	31¢ each.	32¢ each.
750.31	Valued over 96¢ each	32% ad val.	32% ad val.
750.32	Other	25% ad val.	25% ad val.
750.33	If product of Cuba	20% ad val.(s)	

'.

"(b) APPLICATION.—The headnotes for schedule 7, part 8, subpart A (p. 383) are amended by adding at the end thereof the following headnote:

"'3(a) If the President determines that the estimated annual domestic consumption of whiskbrooms of a kind described in items 750.26 to 750.28, inclusive, or of other brooms of a kind described in items 750.29 to 750.31, inclusive, has substantially changed since 1965 or since the date of the immediately preceding proclamation under this paragraph (if any), the quantity provided for in item 750.26 or 750.29, as the case may be, shall be modified by the percentage by which the President determines the estimated annual domestic consumption of the relevant brooms has changed in comparison with such estimated consumption in 1965 or at the time of such immediately preceding proclamation (if any). Such modified quantity shall be proclaimed by the President and shall, subject to the provisions of this paragraph, replace the quantity previously applicable under item 750.26 or 750.29.'

" '(b) If the President determines an allocation among supplying countries of the quantity provided for in item 750.26 or 750.29 to be in the national interest, he may proclaim such allocation.'

"(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after January 1, 1966."

Mr. KUCHEL. Mr. President——

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. LONG of Louisiana. One minute.

Mr. President, we discussed this matter and debated it at great length last year. We finally agreed to something of a compromise we thought might tend to meet the objections of various contending forces.

This is what I understand the Senator has tried to do; namely, to work out something along the lines of a compromise agreed to last year.

Mr. KUCHEL. The Senator is correct. I wish to go into more detail for the information of the Senate. I am able to tell the Senator now that all parties to the controversy agree to the recommended language now pending in the amendment, and that the State Department opposes it.

Mr. President, I wish to make a short statement——

Mr. JAVITS. This is along the same lines of the agreement?

Mr. KUCHEL. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 5 minutes.

Mr. KUCHEL. Mr. President, I speak as an American. I think first of my own country and of the people who make up our society. We are a world leader, with all the concomitant responsibilities. Part of our economic growth rests on trade with foreign countries. I am an American who believes that in expanded foreign trade the national interest is served. I am proud that Canada, our immediate neighbor to the north, is our greatest customer, that the empire of Japan across the Pacific is second, and that the Republic of Mexico to the south is our third greatest customer. In 1963, Mexico purchased $830 million worth of U.S. goods and services, about $235 million more than our purchases from Mexico. Last year, our sales to Mexico were over a billion dollars, $1,076 million to be exact, while Mexico sold $643 million worth of goods to us. Thus, the United States, last year, had a favorable balance of trade with Mexico of $433 million, at a time when our balance-of-payments problem continues to plague and worry us.

I want our relations with Mexico to improve and strengthen. The regrettable, restrictive action of the Senate Finance Committee on importation of brooms would damage those relations.

Roughly 95 to 97 percent of the brooms purchased by the American people are manufactured by Americans. Is that not a pretty overwhelming part of the American broom market to be occupied by our American manufacturers? There has been some conflict raging as to whether provision by law should be made to make it more difficult for any foreign country to occupy any part—however miniscule—of the remaining American broom market.

If we want to sell abroad, we need to buy abroad. If we occupy 97 percent, or 95 percent of our domestic broom market, there is precious little left for our foreign friends to sell. With my vote, I decline to raise a mile-high economic wall around our Nation.

Mr. President, the amendment before us does not do what some of us, such as the Senator from New York [Mr. JAVITS] and the Senator from Oregon [Mr. MORSE] and I would wish to have done; nor, indeed, does it do what my able friend the Senator from Nebraska [Mr. CURTIS] and other Senators would wish to have done. But it will permit a slight participation by Mexico, and some other nations in this American market, and, to that extent, refuses to follow the sterile policy of isolation. In a word, the amendment will set a quota of 320,000 dozen brooms for importation into the United States. This is based on a figure below that of the average importation of brooms for an intermediate past period. It would provide, under that quota to be broken down, assigning 115,000 dozen whisk brooms to the quota, and 205,000 dozen large or floor brooms to the quota, and will provide that they shall enter this country at an ad valorem rate of 20 percent.

On the average, brooms which come into the American market in excess of that number will have attached a tariff duty of 32 cents on each broom valued at 96 cents, or an ad valorem tax of 32 percent.

The bill further provides—this is an important provision—that the President is empowered to consider a growth factor in the American broom market, so that the quota represents not merely an arithmetical number, but also a percentage of the market which may be occupied by manufacturers of brooms other than those manufactured in the United States, and will, by Presidential determination, go up or down as our broom market rises or falls.

Mr. President, I wish the RECORD to be clear that I think in terms of improving relations with our sister republic to the south, where a highly favorable balance of trade exists in our favor of almost half a billion dollars a year, and where, if the regrettable original language of the bill adopted in committee should become the law of the land, the economy of one area in our sister republic would be wiped out and destroyed.

The amendment would eliminate that hazard. It recognizes, however small it may be, the fact that other countries may participate in the market of the United States—whose future, in part, is going to be dependent upon our capability to sell our own American-produced goods abroad.

For every billion dollars of U.S. exports, the Labor Department tells us that 134,000 additional jobs are created. My own State of California exports one and a half billion dollars worth of manufactured products a year, and we send abroad California agricultural products, unmanufactured, at an annual rate of $327 million. A quarter of a million and more jobs in my State of California are dependent on my State's export trade. How, then, can anyone justify attempting to prevent practically any foreign importation in any part of our own economy? It mocks the intent of the Trade Expansion Act, and defies rudimentary economic logic.

I wish first to pay tribute to my friend, the Senator from New York [Mr. JAVITS] who originally prodded the various contending forces in this conflict into agreement. I commend the Senator from Nebraska [Mr. CURTIS] for approving this amendment.

The PRESIDING OFFICER. The time of the Senator from Califorina has expired.

Mr. KUCHEL. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from California is recognized for 1 additional minute.

Mr. KUCHEL. I am glad now again to observe that all parties to the conflict approve, and that the State Department approves and, having approved, will remain in the position of approving the amendment.

I now yield to my able friend the Senator from New York.

Mr. JAVITS. Mr. President, sometimes the basic objectives of our foreign policy are forgotten. We are bombarded with so many appeals for the relief of, no doubt, legitimate grievances that we do not have the time to correlate all the actions we take with the national interest. I suppose this is inevitable. But the amendment to the Tariff Schedules Technical Amendments bill dealing with brooms as reported by the Senate Finance Committee is a glaring example of what I mean.

The Finance Committee's amendment is one which would simply raise the duty on brooms made of broomcorn. Domestic output of brooms amounts to something in the neighborhood of $38 million per year. It is an industry that has a special human interest, however, for a good many brooms are made in workshops for the blind. Some 750 blind persons are so employed. I can well understand the motives that may have inspired my fellow Senators on the Finance Committee in accepting this amendment.

But what they are doing is bound to have a tremendously bad effect upon our relations with Mexico. Mexico has good reason to fear the effects that the duty-rate increase would have. But, really crucial to Mexico's attitude is the fact that its broom production is concentrated in one small town, Cadereyta—a town with no alternative to broom production. Passage of the tariff amendments bill with the broom amendment included would turn Cadereyta into an economic disaster area.

Mr. President, we can certainly think of many ways in which to improve the economic situation of people within this country—including the people who make brooms, if necessary. But we cannot change geography. Mexico is our southern neighbor now and for all eternity. It is not in our interests to give a neighbor, whom we want to be friendly, a gratuitous slap in the face.

Adopting the amendment of which I have been speaking would be such a gratuitous action. The American broom industry is not depressed. It is true that imports of brooms have been increasing, but so has domestic consumption. In fact, domestic consumption has been increasing so fast that domestic output has been increasing also—despite the rise in imports, which account for only a small part of the sales on our market. In absolute terms, domestic production increased from $33 million in 1958 to $38 million in 1964 while imports were increasing from under one-half million to $1.1 million.

I do not question, you will note, that this committee's amendment would be of benefit to the commercial broom producers of America. How could I? The result of this amendment would be to quadruple the duty on brooms, making the ad valorem equivalent about 100 percent. I would expect that this high a duty would just about totally exclude imports of brooms.

What I do question, as I stated at the beginning, is the wisdom of aiding this one American industry at the expense of our foreign policy objectives. As I have mentioned, one of these objectives is to keep Mexico a good neighbor. Successive Mexican Ambassadors have assured our Government that passage of a measure to increase the broom duty would have a terrible effect upon Mexican attitudes toward the United States.

Another important objective of American policy is increased world trade. This very definitely includes increased American exports. Mexico is one of the very best foreign markets for our exports. In 1964 U.S. exports to Mexico reached the unprecedented level of over $1 billion. They exceeded our imports from Mexico by more than $400 million. While the broom amendment's effects on the American economy as a whole would be insignificant, it would be a wonderful contribution to any campaign in Mexico against imports from the United States.

The United States has been involved in the effort to raise the living standards of less-developed countries since the war. In recent years a great deal of emphasis has been given to this program as it affects our neighbors to the south, in the form of the Alliance for Progress. We have followed a relatively tough-minded policy in recent years. We have not been favorable to tariff preferences for products of underdeveloped countries. We have said, instead, that they stand to benefit from the general lowering of our duties. Surely raising the tariff on an item like brooms, largely imported from one less-developed country, makes a mockery of our advice. Instead of seeming tough minded, it seems hypocritical.

Another thing we have urged upon our less wealthy brethren, especially those to our south, is that self-help is an essential element in economic improvement. My information is that self-help is the explanation of the flourishing broom industry of that town of Cadereyta in Mexico. I believe that we have been urging delegations to go there and see what can be done if a locality organizes itself to improve its lot. It would be a terrible blow to our reputation for sincerity if we were now to stunt if not destroy the economy of Cadereyta. We would be saying, "help yourself," but our practice would be read as saying, "but only if you don't succeed too well."

It has been, therefore, a source of gratification to me to have been a party to working out a compromise. The lines of settlement are substantially those adopted last year when I waged a fight on this subject, and it will result in something of a quota and something of an increase in the ad valorem duty. It is not all our way by any means, but it will result in maintaining at least a reasonable status quo in our relations with Mexico, because of the growth factor provision which was added. The basic principle was also preserved which we are seeking to preserve, that there shall be foreign competition, in order that this competition shall moderate the domestic price. Foreign producers, mainly Mexico, would also be able to have the benefit of an increased U.S. market when domestic consumption increases but would have to sacrifice a proportion of that market when U.S. consumption decreases. This is fair to the domestic industry, which involves many broom manufacturers, the blind, penal institutions, college students, and so forth. At the same time the compromise is fair, we believe, to our neighbor Mexico, and to other countries which may be concerned with our export policy.

Let me pay tribute to the Senator from California for his statesmanship and leadership, and also to the Senator from Nebraska [Mr. CURTIS] who has yielded, in my judgment, materially, and at the same time has made his fundamental point. We have found a way to get together. I pay tribute to all parties concerned. Personally, we are making progress. The growth factor had a great deal to do with the constructive and creative aspect of the amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KUCHEL. I am glad to yield to the Senator from Arkansas.

Mr. FULBRIGHT. I join the Senator from New York in his remarks. I believe it has been wise to work this problem out. Not to have done so would have been completely contrary to our major foreign policy.

I, therefore, congratulate all concerned in the compromise which has been reached.

Mr. KUCHEL. I thank my able friend, the Senator from Arkansas.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. LONG of Louisiana. Mr. President, I yield 5 minutes to the Senator from Nebraska [Mr. CURTIS] and if he needs more, I shall be glad to give it to him.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. CURTIS. Mr. President, based on the present understanding, I shall support the compromise.

I thank Senators who have previously spoken for their kind words.

I will not speak at length, but I wish to make some legislative history.

Mr. President, brooms are made largely by hand. It is an industry which has not been mechanized, at least in the general sense of that term.

I hold in my hand a list of broom factories or shops which have been closed since 1960. It constitutes approximately six or seven pages in length, double columns. I ask unanimous consent to have this list printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

BROOM FACTORIES AND/OR SHOPS CLOSED SINCE 1960

Evansville Association for the Blind, Evansville, Ind.

Indiana Agency for the Blind, Indianapolis, Ind.[1]

Kentucky Industries for the Blind, Louisville, Ky.

Workshop for the Blind, Pineville, La.

Maryland Workshop for the Blind, Baltimore, Md.[1]

Muskegon Federation of the Blind, Muskegon, Mich.

Mississippi Industries for the Blind, Jackson, Miss.[1]

Lighthouse for the Blind, St. Louis, Mo.

Industrial Home for the Blind, Brooklyn, N.Y.

Tulsa Association for the Blind, Broomtown Industries, Tulsa, Okla.

Travis County Association for the Blind, Austin, Tex.

Lighthouse for the Blind, Dallas, Tex.

Texas Industries for the Blind, Fort Worth, Tex.

Virginia Commission for the Visually Handicapped, Charlottesville, Va.[1]

Oakwood College Broom Factory, Huntsville, Ala.

Jefferson Broom Co., Birmingham, Ala.

E. Higginbotham, Birmingham, Ala.

Warrior Broom & Mop Co., Tuscaloosa, Ala.

Elliott Broom Co., Mesa, Ariz.

United Broom Co., Tucson, Ariz.

Helena Broom & Mop Co., West Helena, Ark.

H. H. Broom Co., Little Rock, Ark.

Hailey's Broom Factory, Rector, Ark.

Fort Smith Broom Co., Forth Smith, Ark.

Lay's Broom Works, Little Rock, Ark.

Mansfield Broom Co., Mansfield, Ark.

Petite Miss Broom Co., Whittier, Calif.

B. & L. Broom Co., El Centro, Calif.

A. E. Mize, Castroville, Calif.

Quality Broom Co., Redlands, Calif.

O. W. Haddock, La Sierra, Calif.

Howard G. Carpenter, Pacoima, Calif.

A. D. Biehm, Galt, Calif.

George Hood, Byron, Calif.

---

[1] Still manufacturing but production drastically curtailed.

C. C. Newton, Strathmore, Calif.
Little Broom Manufacturing Co., Artesia, Calif.
Warren Broom Co., Anaheim, Calif.
Kolorcraft Brooms, Whittier, Calif.
Royal Broom Co., San Diego, Calif.
Shipman Broom Co., Loma Linda, Calif.
Castanon Broom Co., Santa Fe Springs, Calif.
American Broom Manufacturing Co., Los Angeles, Calif.
Washington Broom Co., San Francisco, Calif.
Connie Broom Manufacturing Co., Westminster, Calif.
Lorenz Broom & Mop Co., Arlington, Calif.
Robb Manufacturing Co., Berkeley, Calif.
Santa Fe Broom Factory, Whittier, Calif.
La Habra Broom Co., Whittier, Calif.
Edward J. Warren, South San Gabriel, Calif.
Mize Broom Co., Tulare, Calif.
L. S. Broom Co., Los Angeles, Calif.
Valley Broom & Mop Co., Marysville, Calif.
Derrick Broom Factory, San Jose, Calif.
Zan Manufacturing Co., Gardena, Calif.
Jackie C. Johnston, Arlington, Calif.
Denver Broom Co., Denver, Colo.
Charles Lund, Denver, Colo.
George Rutherford, Springfield, Colo.
La Salle Broom Co., Orlando, Fla.
H. F. Root & Son, West Palm Beach, Fla.
Lutz Broom & Mop Co., Lutz, Fla.
Imperial Broom Co., Tampa, Fla.
Gate City Broom Co., Jacksonville, Fla.
Smoky Mountain Broom Co., Miami, Fla.
The Dinsmore Co., Jacksonville, Fla.
Palmetto Brush & Whisk Co., Jacksonville, Fla.
Bassett Broom Works, Orlando, Fla.
B. N. Harris, West Palm Beach, Fla.
O. Campbell, West Palm Beach, Fla.
Clark Broom & Brush Works, Chicago, Ill.
Merkle Broom Co., Paris, Ill.
Progress Duster Co., Chicago. Ill.
Kankakee Broom Factory, Bourbonnais, Ill.
Plow City Broom Co., Moline, Ill.
J. A. Galligan Co., Chicago, Ill.
Harry E. Kellogg, Rome, Ill.
Blakely Broom Co., Charleston, Ill.
Nate Anthony, West Frankfort, Ill.
Kenneth C. Riley, Danvers, Ill.
Martsie Stevens, Windsor, Ill.
W. R. Teets, Lewisville, Ill.
Joseph Lay Co., Inc., Portland, Ind.
J. J. McIntosh Sons Corp., Tipton, Ind.
Indianapolis Brush & Broom Manufacturing Co., Indianapolis, Ind.
Linton Broom Co., Linton, Ind.
Clore Manufacturing Co., Indianapolis, Ind.
Terre Haute Broom Co., Terre Haute, Ind.
Curtis Craft, Reelsville, Ind.
Charles Boes, Tipton, Ind.
Burlington Broom Co., Burlington, Iowa.
Pittman Broom Co., Des Moines, Iowa.
Iowa Broom Works, Sioux City, Iowa.
United States Broom Co., Davenport, Iowa.
Little Pelton Broom Co., Des Moines, Iowa.
Iowa Blind Products, Inc., Des Moines, Iowa.
Keystone Brooms, Keokuk, Iowa.
M. & S. Broom Works, Salina, Kans.
Criss Broom Co., Arkansas City, Kans.
Fred Timma, Lebanon, Kans.
United Broom Co., Kansas City, Kans.
Jones Broom Works, Louisville, Ky.
Reynolds Broom Co., Hazard, Ky.
Carter & Co., Louisville, Ky.
Loomis Broom Co., Covington, Ky.
Herschel Work Broom Co., Lexington, Ky.
J. J. Repetto Broom Works, Louisville, Ky.
Thedford's Broom & Mop Factory, Monroe, La.
Avoyelles Broom Factory, Goudeau, La.
Leo Babino, Lake Charles, La.
Ellis Badeaux, New Iberia, La.
Muller-Broussard, Lafayette, La.
Dixie Broom & Mop Co., Lafayette, La.
Joseph Soileau, Ville Platte, La.
Eugene A. Porter, Baton Rouge, La.
Rev. E. W. Sims, New Orleans, La.
H. J. Speyrer, Leonville, La.
Alphonse Stutes, Lafayette, La.
Henry Traub, New Orleans, La.
D. Wendling, New Orleans, La.
Opelousas Broom Works, Opelousas, La.
A. Guieteriez Broom & Mop Co., New Orleans, La.
Lee L. Acou, Lockport, La.
Franklin Broom Co., Brandywine, Md.
Joseph Gaydos, Baltimore, Md.
Eagle Broom Works, Thurmont, Md.
Useful Broom Co., Baltimore, Md.
Martin I. Hartman, Baltimore, Md.
S. A. Ripple & Bros., Inc., Baltimore, Md.
Cub-Hill-Mop & Specialty Co., Towson, Md.
Lind Bros., Baltimore, Md.
B. & F. Broom Co., New Bedford, Mass.
Ideal Broom Manufacturing Co., Turner Falls, Mass.
University Broom Co., Somerville, Mass.
Sugarman Bros., Cambridge, Mass.
Malden Mop & Brush Co., Everett, Mass.
Arthur Juliano, Revere, Mass.
LaSalle Broom Co., Edwardsburg, Mich.
Superior Mop & Broom Manufacturers, Detroit, Mich.
Charles Manzelmann, Detroit, Mich.
Kiddie Brush & Toy Co., Jonesville, Mich.
Best Broom Manufacturing Co., Detroit, Mich.
Hudson Broom Co., Hudson, Mich.
Wyandotte Broom Works, Wyandotte, Mich.
Eureka Broom Co., Detroit, Mich.
Danzik Broom Manufacturing Co., Battle Creek, Mich.
Vixie Broom Works, Berrien Springs, Mich.
Michigan Broom Co., Bay City, Mich.
Home-Aids, Hillsdale, Mich.
Lineer Broom Manufacturing Co., St. Paul, Minn.
Smith Broom Co., St. Cloud, Minn.
Belmont Broom Co., Belmont, Miss.
E. C. Humes, Hattiesburg, Miss.
George Hill, Hattiesburg, Miss.
M. & M. Broom Factory, Petal, Miss.
Luther Rayman, Minter City, Miss.
C. C. Pryor, Meridian, Miss.
Clarence Tillman, Meridian, Miss.
G. N. Welch, Gulfport, Miss.
Klondike Broom & Mop Co., Sanford, Miss.
Heblon Broom Factory, Meridian, Miss.
John Dale, Sedalia, Mo.
Missouri Broom Manufacturing Co., St. Louis, Mo.
St. Louis Broom Co., St. Louis, Mo.
C. E. Classer, Kansas City, Mo.
Progressive Broom Manufacturing Co., St. Louis, Mo.
Central Broom Co., Jefferson City, Mo.
E. M. Hayes, Fortuna, Mo.
Hebron Broom Co., Hebron, Nebr.
F. J. Maher, Hebron, Nebr.
Capital Broom Works, Lincoln, Nebr.
Simpson Broom Works, Norfolk, Nebr.
Quality Broom Factory, Berlin, N.J.
R. & B. Broom Works, Blackwood, N.J.
Fred Thompson, Jr., West Branch, N.J.
Sandia View Academy Broom Factory, Sandoval, N. Mex.
Paul Zamora, Albuquerque, N. Mex.
M. T. Brown, Hagerman, N. Mex.
E.N.Y. Broom Co., Brooklyn, N.Y.
Philip's Broom Shop, Lockport, N.Y.
Noxon Broom Co., Avoca, N.Y.
Whitmyre Broom Co., Schenectady, N.Y.
Schwartz Broom Co., Rochester, N.Y.
J. Brooks Co., Brooklyn, N.Y.
Parish Broom & Brush Co., Syracuse, N.Y.
C. C. Gerhardt, New York City, N.Y.
Service Broom Co., Brooklyn, N.Y.
Amalga Manufacturing Co., Valley Stream, Long Island, N.Y.
Andrew Lerch, Buffalo, N.Y.
Ramseur Broom Works, Ramseur, N.C.
Guilford Broom Co., Guilford, N.C.
Loftin Broom Works, Norwood, N.C.
Padgett Broom Works, Gastonia, N.C.
Blue Ridge Enterprises, Lenoir, N.C.
McElveen Manufacturing Co., Gastonia, N.C.
Mount Pisgah Academy, Leandler, N.C.
Bule Broom Co., Denton, N.C.
Cawa Brooms, Inc., Thomasville, N.C.
Guilford Broom Works, Guilford College, N.C.
Playworld Toys, Inc., Statesville, N.C.
Setser Manufacturing Co., Lenoir, N.C.
W. G. Surratt & Son, Denton, N.C.
C. V. Van Hook, Brown Summit, N.C.
Joe L. Hawkins, Forest City, N.C.
Thomasville Broom Co., Thomasville, N.C.
Conover Broom Corp., Conover, N.C.
Norman R. Congleton, New Philadelphia, Ohio.
Ezra Sparks, Wheelersburg, Ohio.
Sunshine Broom & Brush Co., Cleveland, Ohio.
Euclid Broom Manufacturing Co., Euclid, Ohio.
Sugarcreek Broom Co., Sugarcreek, Ohio.
American Textile Products Co., Cleveland, Ohio.
Johnson Broom Co., Akron, Ohio.
Portage Broom & Brush Co., Akron, Ohio.
M. G. Goeller's Sons Co., Circleville, Ohio.
Midwest Broom Manufacturing Co., Circleville, Ohio.
Kelley Manufacturing Co., Urbana, Ohio.
B. & R. Industries, Columbus, Ohio.
Johnson Broom Co., Toledo, Ohio.
J. & L. Broom Co., Toledo, Ohio.
James A. Burnette, Gallipolis, Ohio.
Dan Kaufman, McClure, Ohio.
C. M. Erbaugh, Verona, Ohio.
Muldrow Broom Manufacturing, Muldrow, Okla.
E.Z. Sweep Broom Co., Oklahoma City, Okla.
Parks Broom Co., Lawton, Okla.
Ripley Broom Co., Ripley, Okla.
Oklahoma Broom Co., Enid, Okla.
El Reno Broom Co., El Reno, Okla.
A. J. Shires, Moore, Okla.
J. W. Suitor, Grants Pass, Oreg.
Lester M. Ulrich, Lititz, Pa.
Steel City Broom Co., Pittsburgh, Pa
Better Broom & Whisk Manufacturers, Philadelphia, Pa.
C. Day Broom Co., Millersburg, Pa.
S. W. Good, Terre Hill, Pa.
William L. Swartz, Philadelphia, Pa.
M. B. Fisher, Gordonville, Pa.
Evergreen Broom Manufacturing Co., Inc., Pittsburgh, Pa.
Union Novelty Manufacturing Co., Philadelphia, Pa.
Pittsburgh Broom Co., Pittsburgh, Pa.
Merich Broom & Mop Shop, Saltsburg, Pa.
Sandruck Broom Shop, Hanover, Pa.
Baden Broom & Mop Co., Baden, Pa.
Mercer Broom Co., Mercer, Pa.
W.T. & I.F. Rath Broom Factory, Union City, Pa.
Keystone Broom Works, Millersburg, Pa.
Atlas Broom Co., Philadelphia, Pa.
Association for the Blind, Johnstown, Pa.
Swartz Broom Factory, Harrisburg, Pa.
Quaker City Broom Works, Philadelphia, Pa.
Dickson Broom Manufacturing Co., Philadelphia, Pa.
Nelson Epler, Reading, Pa.
Anstine Broom Co., York, Pa.
Sam Leaman, Cross Hill, S.C.
Kleen Sweep Broom Co., Greenwood, S.C.
William M. Smith, Ware Shoals, S.C.
Green Broom & Mop Co., Inc., Greenwood, S.C.
Mouchet Bros., Starr, S.C.
American Broom Co., Jackson, Tenn.
Jackson Broom & Mop Co., Jackson, Tenn.
North Side Broom Works, Memphis, Tenn.
Truman Carter & Son Broom Co., Madison, Tenn.
Nashville Broom & Mop Co., Nashville, Tenn.
Chattanooga Broom Co., Chattanooga, Tenn.
Moody Broom Co., Nashville, Tenn.
F. R. Morton Broom Co., Nashville, Tenn.
Conway Broom Works, Clifton, Tenn.
Atkins Broom Co., Chattanooga, Tenn.

Bilbrey Broom Works, Nashville, Tenn.
Watson Broom Works, Nashville, Tenn.
Hermitage Broom & Mop Co., Nashville, Tenn.
Hopkins Broom Co., Nashville, Tenn.
Pulaski Broom Works, Lawrenceburg, Tenn.
Davis-Weil Manufacturing Co., Inc., Memphis, Tenn.
Clifton Broom Co., Clifton, Tenn.
Acme Broom & Mop Factory, Houston, Tex.
Texas Broom Works, San Antonio, Tex.
M. L. Sandefur Broom Factory, Keene, Tex.
Houston Broom Factory, Houston, Tex.
Nu-Broom Co., Inc., Edroy, Tex.
Walls Broom & Mop Factory, Bowie, Tex.
Terrell Broom Factory, Terrell, Tex.
Tompkins Broom & Mop Co., Cisco, Tex.
Amarillo Broom & Mop Co., Amarillo, Tex.
R. A. Eason Co., Grand Prairie, Tex.
Panhandle Broom Co., Dalhart, Tex.
Sealy Broom Co., Sealy, Tex.
Gonzalo Ancira, Irving, Tex.
Parker Broom Co., Huntsvile, Tex.
Dallas Broom & Mop Co., Dallas, Tex.
Southland Broom Co., Inc., Texarkana, Tex.
Lone Star Broom & Mop Factory, San Antonio, Tex.
Evant Broom & Mop Co., Evant, Tex.
Cisco Broom & Mop Factory, Cisco, Tex.
Nelson Broom Factory, San Antonio, Tex.
J. R. Young Broom & Mop Co., Keene, Tex.
Star State Broom & Mop Co., Cisco, Tex.
Alamo Broom Factory, San Antonio, Tex.
Lawrence Broom & Mop Co., League City, Tex.
Round Rock Broom Works, Round Rock, Tex.
J. A. Turner Broom Factory, San Antonio, Tex.
Abilene Broom & Mop Co., Abilene, Tex.
John Moughan, Abilene, Tex.
Morgan Bros. Mop & Broom Co., Dallas, Tex.
Spikes Bros., Terrell, Tex.
Central Texas Broom & Mop Co., Houston, Tex.
Ward Broom Co., Cisco, Tex.
C. E. Tillotson, Ogden, Utah.
Richey Broom Co., Salt Lake City, Utah.
Academy Brooms, New Market, Va.
A. W. Compton, Emory, Va.
Imperial Broom Co., Richmond, Va.
Bauer & Co., Inc., Portsmouth, Va.
Quality Brooms, Bristol, Va.
Ball Manufacturing Co., Bristol, Va.
Kingtown Broom Co., Bristol, Va.
F. S. Bolton, Monroe, Wash.
Garland Broom Co., Washougal, Wash.
Hanset Broom Co., Seattle, Wash.
Huffman Broom Works, Ballengee, W. Va.
William Singleton, Webster Springs, W. Va.
Miller Broom Co., LaCrosse, Wis.
Arthur's Reliable Broom, Milwaukee, Wis.
Chair City Broom Co., Sheboygan, Wis.
M. & M. Broom Manufacturing Co., Milwaukee, Wis.
Vining Broom Co. of Wisconsin, Wausau, Wis.
Strassburg Manufacturing Co., Milwaukee, Wis.
Ed C. Feldman, Kaukauna, Wis.
Chair City Broom Co., Sheboygan, Wis.

Mr. CURTIS. Mr. President, this matter was so serious that the Tariff Commission undertook a study in 1960 and found that the cost differential between the making of brooms in Mexico and in the United States was $5.24 a dozen.

Of course it is worse now, because costs have risen since then. Should that situation continue, it will mean the end of an industry. Many factories are small, employing only a few people. A great many broom factories are operated by the blind. Some colleges maintain broom factories in which students without funds can learn the broom trade and thus work their way through college.

Because of this great disparity, the American consumer was suffering. Competition became so vicious that it was not in the public interest. For instance, instead of using broomcorn, which is time-proven for its strength and its quality in making a good broom, substitutes were used, such as bear grass and the sotol plant. These materials would not last. I know of one instance in which a great national business concern purchased American-made brooms for use in sweeping out its own stores, but sold inferior foreign imports to the American public.

I am glad that in the compromise we have some measure of protection. Because of that, I shall support it.

In connection with the work of the Tariff Commission, and for the information of the Senate, I should like to have incorporated in my remarks certain paragraphs from the report of the Committee on Finance, as marked on pages 22 and 23.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> On June 30, 1960, representatives of the domestic broom industry filed an application with the Tariff Commission for an investigation of brooms, whiskbrooms, and toy brooms made of broomcorn, under the provisions of section 336 of the Tariff Act of 1930. The application alleged that the 25-percent duty did not equalize the costs of production of the comparable products made in the United States and foreign countries, and the domestic industry requested that the rate of duty on the imported products be fixed on the basis of American selling price. After a preliminary inquiry and subsequent formal investigation, including a public hearing, the Commission on January 17, 1962, submitted to the President a report of its findings.
>
> The Commission determined that the existing duty of 25 percent did not equalize the differences in the cost of production, and concluded that in order to equalize such differences to the fullest extent permissible under the statute, it was necessary that the present rate of duty be applied to brooms made of broomcorn on the basis of American selling price. On February 15, 1963, the President announced that he did not agree with the Tariff Commission's conclusion, and consequently the duty on the subject of brooms was not changed.
>
> This section which has been added to the bill by your committee would make brooms made wholly or in part of broomcorn and valued at not over 96 cents each dutiable at 24 cents each in the case of brooms other than whiskbrooms. The duty on whiskbrooms made wholly or in part of broomcorn and valued at not over 32 cents each would be 8 cents each. Other brooms made wholly or in part of broomcorn would continue to be dutiable at 25 percent ad valorem.
>
> Your committee is convinced that his adjustment in duty is justified by the findings of the Tariff Commission in its formal investigation. The specific rates provided by this amendment would yield duty of $2.88 per dozen for floor brooms and 96 cents per dozen for whiskbrooms. While these duties would still fall short of equalizing the costs of production, as found by the Tariff Commission, between brooms manufactured in the United States and imported brooms, your committee believes that the rates provided in the bill will be of substantial benefit to the domestic industry. (The report of the Tariff Commission indicated that on the basis of the weighted average of all brooms for 1960, the difference in the cost of production of United States and Mexican brooms was $5.42.)
>
> No trade-agreement concession on brooms made wholly or in part of broomcorn is presently in force. Accordingly, the enactment of this provision would not conflict with international obligations of the United States as currently in effect.

Mr. CURTIS. Mr. President, what the compromise amounts to is that a quota will be established, and the quota will be an annual quota of 320,000 dozen brooms. That quota is broken down as follows: 205,000 dozen ordinary brooms. On those brooms there will be a 20-percent tariff, which is very insignificant. Above the basic 205,000 dozen, there will be, on brooms costing 96 cents or more, a 32-percent ad valorem duty.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. I yield 5 additional minutes to the Senator from Nebraska.

Mr. CURTIS. On brooms costing less than 96 cents, there will be a tax of 32 cents for each broom.

The compromise also calls for the importation of 115,000 whiskbrooms. On the 115,000 the tariff shall be 20 percent. On whiskbrooms priced at 32 cents or more, there will be a 32-percent ad valorem tax. If it is less than 32 cents, there will be a tax of 12 cents on each broom.

Before I agreed to this amendment, after the fine, capable people on the staff had worked on it, and the distinguished Senator from New York and the distinguished Senator from California had worked on it, I asked if I might have a statement from the State Department, because they are interested in all these trade matters.

The disinguished Senator from California [Mr. KUCHEL] conferred with some of these people. Then he called on the telephone Assistant Secretary Sullivan, and called me to the phone. We discussed it briefly. I asked one of the staff members who had worked on all the details to discuss the matter further with Mr. Sullivan, so that there would be no misunderstanding as to what we were agreeing to.

I returned to the telephone, and Mr. Sullivan said, "This compromise has the support of the State Department."

I asked him if the State Department would support it in conference. He replied in the affirmative.

Senators may rely upon the fact that what is being done here has the support of the State Department. I am very happy that the distinguished chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], has been present and has participated in the discussion and has added his approval.

When we go to a quota system, it means that every broom imported will have to be counted. This is a little different from gathering statistics on imports in connection with which no quota exists. Sometimes individuals will come in with a small number of a certain article, and they will pay the tariff, but these articles are not compiled statistically. When a quota is established, every import has to be counted. Therefore, our agreement to the compromise is based upon the fact that every broom imported will be counted.

I am not talking about someone who carries one broom in his hand, or a whiskbroom in his traveling bag. However, when an automobile or a pickup truck brings in 100 brooms or 200 brooms or 250 brooms, or less than 250 brooms, they are to be counted and included in this quota.

I am grateful for the small amount of protection that the compromise affords. I shall support it. I know it is in the best interest both of this country and of Mexico. We import three times as much broomcorn from Mexico as we do brooms. If the broom industry in this country dies, Mexico will lose a customer for a great amount of broomcorn. I believe they should welcome this compromise, and I shall support it.

Mr. JAVITS. Mr. President, I yield 5 minutes to the senior Senator from Nebraska.

PROTECT THE AMERICAN BROOM INDUSTRY

Mr. HRUSKA. Mr. President, favorable action on H.R. 7969 including section 80 which provides protection to the domestic broom industry is essential to sustain the domestic industry against the increasing flow of foreign-made brooms which have been steadily taking over our domestic market and depriving our own people of their means of livelihood.

This bill as reported by the Senate Finance Committee contained an amendment sponsored by my colleague from Nebraska [Mr. CURTIS] identical to his bill S. 1083 imposing certain minimum rates of duty on imported brooms. A compromise on that amendment has now been worked out between the proponents and opponents, which will give equal protection and also smoothe the further progress of this legislation toward final passage, and assure that it will be accepted by the other body as well as the Senate.

My colleague deserves special praise for his diligence and leadership in sponsoring this provision to preserve the domestic industry. For several years he has taken the lead among those of us from the 44 broom-producing States who were interested in helping the industry. He is also to be commended for his practical statesmanship in working out and accepting the compromise language on brooms which is to be contained in the bill as finally passed. We can thereby be assured that the victory being won today in the Senate will not be lost in the House tomorrow, but that protection for brooms will still be a part of this bill in the version finally enacted.

The broom industry is not a tremendous industry in terms of wealth and influence, but it is widely spread, being composed of 475 factories located in 44 States. It is a major source of employment in many of the towns where the plants are located, and it is the only market for the farmer's output of broomcorn. The industry is of particular importance as a means of providing employment for the blind, since it has been found that those without vision or with other handicaps can be trained to make brooms, and thereby find a means of honorable livelihood.

Certain spokesmen for the administration are fond of saying that those thrown out of their jobs by competitive imports should readjust, should be prepared to learn new skills and change their occupations. That is easy enough for a bureaucrat to say. But think of the heartbreak involved for a handicapped person who has been able to learn one skill, perhaps only with the greatest difficulty, and who then finds his employment snatched away from him by some grand national policy too vast to understand his personal problem.

The broom industry deserves our special consideration because it has opened up opportunities for these people.

In opposition to this proposal, it has been argued that imports are as yet only a small factor in the market. I do not believe this is so. The value figures on imports reported by the census are not great—precisely because the imports are priced so low, but for that same reason the competition of such imports is doubly destructive. Total value of imports amounts to only 2 or 3 percent of the domestic value of production, but in numbers the imports apparently amount to about 15 percent of domestic production. In other words, imports of a little over $1 million may displace $5 million of domestic brooms.

Furthermore, imports have been increasing at a frightening rate. As recently as 1956, broom imports from all sources were less than 100,000 dozen; in 1964, they were over 400,000. Nor do all of these brooms come from our southern neighbor, Mexico. About two-thirds of them come from other sources, and in 2 out of the last 6 years, Hungary, not Mexico, was the leading foreign supplier.

It will be said that by strengthening the protection of this small industry, we are flying in the face of our trade agreements policy. But the United States has not made any trade-agreement concession in the tariff rate on brooms. In fact, Mexico—usually the principal foreign supplier—has not shown any interest in negotiating a trade agreement with us, or in becoming a member of GATT and thereby participating in negotiations to reduce tariffs, including its own. As a matter of fact, the Mexican duties on American brooms and broomcorn are far higher than the American duties on foreign brooms proposed here. The principal beneficiaries of the present low duty on brooms are Mexico and two Iron Curtain countries, Hungary and Poland.

We are not obligated to pursue a liberal trade policy on behalf of those foreign countries which refuse to reciprocate, to the harm of our own industries. I hope the Senate will accept this proposal for protection of the broom industry and pass this bill.

Mr. KUCHEL. Mr. President, I yield myself 3 seconds to thank my friends. I am ready to yield back the remainder of my time.

Mr. LONG of Louisiana. I yield myself 30 seconds. I shall not burden the Senate by going into a detailed explanation of my views. I am prepared to agree to the suggested compromise.

I ask unanimous consent that certain excerpts from the debate which occurred on this subject last year be printed in the RECORD at this time.

Mr. JAVITS. Are those the excerpts that relate to my amendment?

Mr. LONG of Louisiana. Yes.

There being no objection, the excerpts from the debate were ordered to be printed in the RECORD, as follows:

Mr. LONG of Louisiana. Mr. President, if there is one amendment that does not need any further study it is the amendment before the Senate. We can decide, if we wish to do so, to let the small businesses in America continue to manufacture brooms, or to run them out of business. If Senators wish to run them out of business, go ahead and accept the amendment. If Senators wish to permit 345 small businesses manufacturing brooms to remain in business, then vote against the proposal offered by the Senator from California to strike out the committee amendment.

The facts show that between 1953 and 1958 there were 450 broom manufacturers in America who went out of business because down in Mexico, and in other foreign countries, brooms can be manufactured much cheaper than they can be manufactured in this country. Mexico can do so because of its low labor cost. We cannot compete with brooms manufactured in Mexico. We have remaining, 345 small businesses engaged in that production. What could those small businesses do?

They went to the Tariff Commission and asked for help. They explained their plight. The Tariff Commission recommended that we give them a tariff based upon the American selling price, which would have permitted them to continue in business.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I shall yield in a few moments. Other Senators have been discussing the subject for an hour or so, and I should like to say a few words at this time.

The Tariff Commission recommended that the domestic manufacturers obtain appropriate relief. Unfortunately, the State Department felt that the proposal might conflict with trade negotiations. What we have here would not in anywise conflict with GATT. The State Department has taken the Mexican side; the Tariff Commission has taken the side of the domestic industry.

Mr. President, we can leave the domestic industries in business or we can put them out of business. It is that simple. These people are being run out in large numbers. A few are left. There are about 19 factories left in Illinois, which is so ably represented by the junior Senator from Illinois [Mr. DIRKSEN], the minority leader. Sixteen broom factories are left in North Carolina; about 12 factories are left in Pennsylvania; California and Texas have about 9 factories each. So a few are left.

But the disparity is so great between the Mexican cost of manufacture and the American cost that the American producers cannot survive if we do not give them the proposed protection.

We have heard a great deal of crying on the floor of the Senate about how we must not discriminate against Mexico. We have heard that we must not raise the tariff against an industry in Mexico if Mexico wishes to ship us some commodity.

What has Mexico done to our broom manufacturers? Mexico has a tariff of $4.50 a

THE UNIVERSITY OF MICHIGAN LIBRARIES

dozen on brooms and her price is half of ours. What do we charge Mexico? $1.01 a dozen.

Mr. President, no country on earth, except ours, is ashamed to say, "We have a legitimate and respected industry which is being driven out by foreign competition and we have a duty to protect and look after our own. Charity begins at home."

How long did it take the Common Market in Europe to decide to do what it did to us in respect to chickens? They took the chicken market away from us, which was a direct violation of their pledged word given to our country.

The proposal would not be in violation of an agreement.

Mexico made an agreement with us in relation to oil on a most-favored-nation basis. She made a trade compact with us, and she agreed that she would live up to certain obligations in respect to oil. One of them was not to confiscate or to nationalize American investments down there. She proceeded to break her word with us and nationalized our investments and discriminated against our imports. Notwithstanding that action, we made a trade agreement with Venezuela to reduce the tariff on oil and gave Mexico the benefit of it, although Mexico is in violation of her pledged word in other respects on trade agreements.

What we have proposed is something which any other nation under the sun would do if it had a similar problem.

Representatives of the industry went to the Tariff Commission. The Tariff Commission studied the problem and recommended relief. Two years ago we passed a bill which would have given the people in the industry the kind of relief that the Tariff Commission recommended, but it was in a form that was more objectionable to the State Department than the language we now propose, because then the action was based upon the American selling price.

The State Department very much objected to that. But when we impose a tariff of a specific amount on an item in order to more nearly equalize the costs of manufacturing brooms in the two countries than the present duty, we are told that it is wrong, even though it is not as much as we did 2 years ago.

More people are involved than the manufacturers of brooms. There are thousands of blind people in this country. One of the few things that blind people can do to make a few dollars is to make brooms. Blind people make brooms and make a few dollars out of the work. Do Senators wish to let them make a few dollars or do they wish to put those blind people out of business?

One of the few things that a prisoner can be taught to do so that he can learn an occupation and find work on the outside is to put brooms together, sitting in a prison cell. Here is a letter from a prisoner who desires parole. He must say that he can make a living, and he must demonstrate that he is not likely to return to theft or committing some kind of robbery in order to make a living when he gets out of the penitentiary. He is looking for an opportunity to make a few brooms. That is one skill that a person can learn while he is still a prisoner in a prison cell. He is urging us to let the broom industry stay in business because he had an opportunity to learn how to manufacture brooms in prison and wants to follow that work when he gets out.

We can put all those people out of business if we wish to do so. We can turn down our blind people. We can say that Mexico is more important, even though it has broken its word, and we can give it every advantage. We are afraid to give our people the same protection that Mexico gives hers. We can do that. We can turn our backs on the domestic industry. We can turn our backs on our blind people. We can turn our backs on the prisoners who are trying to rehabilitate themselves, and we can say, "Mexico must come first. It can do anything it wishes. It can break its word, but we would not think of breaking ours." If Senators wish to take that view, they are entitled to do so.

Furthermore, I point out that the Mexicans are not the only people in the broom business. Communist countries are in the business. Hungary is in the broom business; Poland is in the broom business. While we would be attempting to protect Mexico, we would be looking after those communistic countries. Why are Senators turning their backs on their own?

The amendment has been considered by the Senate previously. It has been agreed to by the Senate before. It has been recommended by the Tariff Commission. It is the kind of consideration that American people who elect us are entitled to receive. They are entitled to some kind of representation.

Mr. President, I could be a statesman on the question. So far as I know, every broom manufacturer in Louisiana has been driven out of business. I am speaking only about the other industries that might follow. We have a chart which indicates that there might be two left in Louisiana, but I do not think that there are any left, for I have not heard from any in my State. They have all been run out.

There are a few broom industries left in Illinois. The Senator from Illinois has a good case. The Tariff Commission has a good case. The Senate has a good case. I would say that if we cannot provide this little protection to 345 small businesses in America, if we cannot provide for this minimal amount of help, to give the people in that industry a tariff so as to more nearly equalize the cost between American-made and Mexican-made brooms—if we cannot give them that kind of protection when Mexico has had more than a $4 tariff on our brooms, and their cost is half of ours—why are we so ashamed to vote some kind of protection for our own industry?

We can go to conference, if this is voted, and see if the House will not agree, after the conferees consider it, to some reasonable sort of protection.

I hope the amendment will be rejected.

Mr. LONG of Louisiana. I yield back the remainder of my time.

Mr. KUCHEL. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. LONG of Louisiana. Mr. President, I yield back the remainder of my time.

Mr. MORTON. Mr. President, on behalf of the minority leader, I yield back the remainder of his time.

The PRESIDING OFFICER. All time for debate has expired. The question is, Shall the bill pass?

The bill (H.R. 7969) was passed.

The title was amended, so as to read: "An act to correct certain errors in the Tariff Schedules of the United States, and for other purposes."

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LONG of Louisiana. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG of Louisiana. Mr. President, I move that the Senate insist on its amendments to the bill (H.R. 7969) and ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Byrd of Virginia, Mr. Long of Louisiana, Mr. Smathers, Mr. Williams of Delaware, and Mr. Bennett conferees on the part of the Senate.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the bill (H.R. 7969) be printed with the amendments of the Senate numbered; and that in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth, designations, and cross references thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the Senate has just passed another important bill, the tariff schedules technical amendments, reported out by the efficient and very hard-working Senate Finance Committee. This measure, perfecting tariff schedules, closing certain tariff loopholes, and changing the rate of duty on a number of products, was a highly complex bill involving numerous commodities. Its passage required skillful management on the floor, broad understanding, and a willingness to work out needed compromises.

I congratulate those who managed the bill, as well as those who proposed and worked out amendments. My special praise goes to the skilled and distinguished junior Senator from Florida [Mr. Smathers], who had primary responsibility on the floor. He was more than capably assisted in this task by the distinguished junior Senator from Louisiana [Mr. Long], the majority whip, and the distinguished senior Senator from Tennessee [Mr. Gore].

Passage of the bill would not have gone as smoothly as it did were it not for the cooperative efforts from the other side of the aisle in the person of the able and distinguished senior Senator from Delaware [Mr. Williams], the ranking Republican member of the Finance Committee.

Finally, and by no means to be minimized, I congratulate the senior Senator from Indiana [Mr. HARTKE], the junior Senator from Connecticut [Mr. RIBICOFF], the senior Senator from New York [Mr. JAVITS], and the senior Senator from California [Mr. KUCHEL], all of whom worked vigorously and cooperatively on amendments to make this measure a better piece of legislation.

I commend again the entire Senate Finance Committee and the entire Senate for the fine effort put forth to pass this important and complex measure.

NEW OUTLOOK IN LAOS

Mr. MANSFIELD. Mr. President, in the Wall Street Journal of August 12, there appears an article on the Kingdom of Laos which was written by Robert Keatley. It is a most informative description of the present state of affairs in that remote nation. Mr. Keatley draws the cautious conclusion that conditions are improved beyond what anyone might have expected a few months ago. A measure of general stability, apparently, now exists. The quality of Laotian administration is rising. Considerable economic progress is anticipated, particularly in consequence of a large-scale, rural-improvement program and a major hydroelectric dam which is projected for a site near Vietiane. The dam, incidentally, is the first project to move under the Mekong River development proposal which President Johnson advanced at Johns Hopkins University in April of this year.

The article gives a good deal of credit to Prime Minister Souvanna Phouma for these recent achievements; it is entirely deserved. Souvanna Phouma is an astute and perceptive man who appreciates both the potentials and the limitations of his country. He has given many years of his life, with great dedication and infinite patience, to the effort to give national independence meaning by bringing peace and a decent life in the modern world to the Laotian people. It is gratifying to know that his quiet and unassuming service is at last receiving some measure of the recognition which it has long deserved.

I think this article is of particular importance, Mr. President, because it underscores the advisability of avoiding opinionated absolutes in matters connected with the small nations of southeast Asia. At the same time the article is of especial significance because it also reveals the possible virtues of seeking solutions by way of negotiations to the problems of that area, however imperfect the solutions may appear to be from our point of view.

In this connection, it may be noted that in 1961 the entire Kingdom of Laos was, at most, weeks away from total collapse in the face of advancing rebel forces and we were confronted with the alternatives of participating in the negotiation of a settlement or of bulwarking a fading Laotian Army with our own forces in order to honor a commitment.

We chose the former course and, after protracted negotiations, the second Geneva agreement—full of imperfections, full of uncertainties—went into effect amid many doubts and much certainty that it would mean that all Laos would soon be in the hands of the Communists.

The imperfections of that agreement are still there, Mr. President; the uncertainties are greater than ever in the light of recent developments in Vietnam. But the fact is that Laos has not collapsed into communism; the fact is that the Government at Vientiane, which we recognize, is far stronger though more moderate than the military regime which existed prior to the Geneva accord. The fact is that this Government is stronger in spite of a considerable reduction of costs in U.S. aid over the last 2 years and with considerably fewer official Americans—military and civilian—than was the case prior to the Geneva Agreement of 1962.

In short, it is worth noting that the much maligned Geneva Agreement of 1962, for all its faults, has also had some virtues in terms of rational American interests in southeast Asia. And for those who still question it, I would suggest that they ask themselves what would the situation now be in Laos without it? And how deeply and at what cost would this Nation now be involved in Laos?

I ask unanimous consent, Mr. President, that the article previously referred to be printed at this point in the RECORD. I also ask unanimous consent that a segment of a report on southeast Asia dealing with Laos which was made to President Kennedy in 1963 by Senators PELL, BOGGS, and myself, together with former Senator Smith, of Massachusetts, also be printed at this point in the RECORD.

There being no objection, the article and excerpt were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 12, 1965]

NEW OUTLOOK IN LAOS: STABLE RULE, WAR LULL COULD ALLOW PROGRESS—MEETING BEGINS TODAY TO PLAN $45 MILLION DAM; SOUVANNA STIFFENS RESISTANCE TO REDS

(By Robert Keatley)

VIENTIANE, LAOS.—"I've fired the entire customs department from the lowest clerk to the director," says Laotian Finance Minister Sisouk Na Champassouk. "It may have reduced corruption there by 30 percent."

This guarded but hopeful assessment is typical of the improbable Kingdom of Laos these days. An unexpected degree of order, stability, and efficiency is being introduced into its affairs, at least relative to past chaos. Most non-Communist politicians and generals seem united—however reluctantly—behind the Prime Minister, Prince Souvanna Phouma. There is even serious talk of economic development in this mountainous nation where 85 percent of the people still don't use money, and where Communist rebels still control half the land area.

Two important events illustrating recent improvement in the Laotian outlook are scheduled today. Delegates of some 20 nations begin meeting here under United Nations auspices to work out construction and financing plans for a new hydroelectric dam scheduled to be built about 30 miles north of this administrative capital. The United States probably will pay half the $45 million cost, making it the first project under President Johnson's new $1 billion aid program for southeast Asia.

A NEW ASSEMBLY

Equally important, King Savang Vatthana today is expected to approve the recently elected national assembly which likely will assume greater legislative powers than in the past. He also is expected to reappoint the increasingly powerful Prince Souvanna as Prime Minister.

Meanwhile, the war between Government and Communist forces is at least stalemated. The royal army has driven off North Vietnamese attackers in the few battles fought this spring; as in South Vietnam, the North Vietnamese have entered the country to join local Reds. In the past, the army had a distressing habit of fleeing for the Mekong River whenever tough Vietnamese troops appeared.

In one key encounter recently, Laotian military cadets killed about 100 Vietminh (North Vietnamese) soldiers who tried a human wave assault on their school. Then the Laotian Air Force attacked the retreating Communist battalion, killing another 100. Such feats have given the Laos military an air of confidence, it's claimed, though not enough to launch any anti-Communist campaigns of its own.

Most improvements here date only from last February when Gen. Phoumi Nousavan, Deputy Premier and once an American favorite, tried a coup that failed. He was forced to flee to Thailand, as did another past troublemaker, Gen. Siho Lanphouthacoul, chief of the paramilitary national police. The result is that much political and military discontent has disappeared. General Siho's police, for example, have turned in their mortars and tanks and even have begun directing traffic.

Since then, Prince Souvanna has asserted himself as Defense Minister (he fills that post as well as being Prime Minister), and has put together a more professional and loyal staff. Among its members is his young protege, Finance Minister Sisouk, who formerly was delegate to the United Nations. Sisouk demands from his staff two qualities that are rare in Laotian government: Honesty and competence. He not only replaced the entire customs department but also jailed seven other civil servants for corruption.

Improvement is relative, however. Laos remains a nation of illiterate peasants led by a small, French-educated elite often concerned with personal gain. Officially, U.S. policy is aimed at making Laos viable for its own sake. More pragmatically, Uncle Sam sees an anti-Communist government here as a hindrance to the Red effort in South Vietnam and a buffer zone which helps protect Thailand.

Also, stability in Laos comes partly because the Communists haven't chosen to heat up the local war. Their main effort is in Vietnam, while Laos remains of secondary importance.

NEW PRESSURE ON REDS

But even a new Red campaign here would no longer be easy for the Communists. The Laotian Air Force and its 15 to 20 serviceable fighters, presumably helped by American jets from Thailand and South Vietnam, recently have made life miserable for the Pathet Lao, as the local Communist rebels are called.

Besides controlling half the nation's land area, the Reds still govern a fourth of Laos' roughly 2.4 million people. But Communist forces are confined mostly to valleys and roads, making them vulnerable to air attacks and raids by American-armed hill tribesmen who resent efforts to upset their traditional way of life.

"This is one place where the guerrillas are on our side," says an American official.

Neutralist Prince Souvanna has become increasingly disgusted with the Pathet Lao, whose nominal leader is his half brother, Prince Souphanouvong, and with North Vietnamese who actually control the movement. He has finally decided after years of hoping otherwise that the Pathet Lao rebels are totally disinterested in creating an effective neutral government for the whole Nation. He has also realized that Communist China (which now administers Laos' northernmost province) refuses to consider any Laotian settlement separate from one in South Vietnam. He had hoped Laos could remain a bystander in the assault on what once was Indochina.

The Reds still insist on the "troika" government envisioned in the 1962 Geneva agreement on Laos. Such tripartite government of Communists, neutralists, and anti-Communists would give the Reds veto power and would paralyze the Central Government, thus permitting them to subvert the Mekong River region where their power is weak. But Prince Souvanna is moving ahead with a unified coalition of neutralists and rightists.

THAI RELATIONS IMPROVE

One major benefit from the new unit is improved relations between Laos and Thailand. The two nations share a 1,100-mile border. The anti-Communist Thai long have been suspicious of Prince Souvanna's motives, but now have decided he is basically on their side.

Thailand has agreed in principle to buy electric power from the proposed Nam Ngum dam that would be built with U.S. aid. Construction of the dam seems assured with completion by 1970; the dam is considered both politically and economically important to whatever future Laos has. Despite 10 years of American aid, the country has no sizable project to show for it. Most funds have gone for Government salaries, rice, bullets, a few rutted roads and, some suspect, into numbered Swiss bank accounts of unscrupulous officials.

It is claimed that sale to Thailand of some of the 60,000-kilowatt output of the dam would bolster Laotian morale and political prestige and earn valuable foreign exchange. Laotian exports now are almost nil except for an estimated $3.5 million worth of smuggled opium yearly. The United States must supply 50,000 tons of rice a year to feed the nation. However, a rural assistance program hopes to eliminate the rice deficit in 5 years. Meanwhile, power from the dam could reduce further the need for aid and foster small-scale industry here.

All this assumes Laos will continue to exist outside the Communist orbit, an assumption that depends more on what happens in Vietnam than on events here. But the current progress, however limited, is something few observers would have predicted even 6 months ago.

LAOS

Background

In contrast to Vietnam, policies since 1961 have involved a lightening of commitment in Laos. As in Vietnam, the United States began to supply aid to Laos about a decade ago. In the early years, this burden was shared with the French. The aid went to a government headed by the then Prime Minister Souvanna Phouma whose internal policy succeeded in bringing about partial integration of the dissident Pathet Lao political faction headed by his half brother Prince Souphanouvong. Various U.S. aid and other activities increased in the kingdom. At the same time the French role declined. Once again, an internal political divisiveness appeared. Souvanna Phouma was compelled to withdraw from the government. There followed the coups and countercoups of 1959–60 which ended with an anti-Communist military government in control in the administrative capital of Vientiane. Its position, however, was challenged by two other factions, the Pathet Lao looking to the Vietminh of North Vietnam for support and by a group under a U.S. trained military officer, Kong Le, which advocated the return of Souvanna Phouma to the government. By that time, U.S. agencies had assumed almost total responsibility for outside assistance to the military government in power in Vientiane.

The U.S. involvement

The growth in U.S. personnel in Laos and the overall cost of military and other aid to that country is indicative of the rapid engrossment of the United States in internal Laotian affairs. From a total of two American officials permanently stationed in all of Laos in 1953,[1] the number of U.S. personnel rose to 850 at its height in 1961, a total which has now declined to 250. Through the years 1955–62, the United States provided over $450 million in aid of all kinds to Laos.

In relation to the size and nature of the country this aid effort has been more intense than anywhere else in the world. Laos has only 2.5 million inhabitants, most of whom live in scattered and primitive villages. The land is located in one of the most remote regions of Asia and is largely covered with inaccessible jungle. A decade ago, political leadership on a national scale was nonexistent. Politics centered on the small group of intellectuals in the administrative capital of Vientiane, with ramifications reaching to the Royal Court in Luang Prabang. In 1953, the Laotian Army had two battalions in process of formation, less than a thousand men in all. There were also several hundred Pathet Lao dissidents under arms in the northeast. Outside its immediate neighbors and France, the existence of the Kingdom of Laos as a political entity was almost totally unknown abroad.

Yet scarcely a decade later, 100,000 Laotians were bearing arms. There were three major military factions engaged in conflict. The peaceful little Buddhist kingdom had become both a mirror reflecting the principal ideological stresses of our times and a bloody setting for international competition and intrigue on a massive scale. The transition had gone so far by the spring of 1961 that this Nation was compelled to consider seriously the possibility of a major and direct military involvement of U.S. forces in Laos, with overtones not unlike those of the Korean conflict.

There were, however, different characteristics in the Laotian situation which held some promise that a satisfactory solution to the problem could be achieved through negotiations. An international conference of 14 nations was convened in Geneva on the Laotian question in an effort to find a peaceful solution along lines which had long been advocated by Cambodia. Fourteen months later on July 23, 1962, an agreement was signed by the participating nations and a measure of peace returned to the embattled kingdom.

The current situation

The signatories of the Geneva accord of 1962 pledged themselves to respect the neutrality of Laos and not to interfere in its internal affairs. In addition, they promised to withdraw such military forces as they had in Laos and not to use the territory of Laos for interference in the internal affairs of other countries.

Concomitant with the Geneva agreement, the leaders of the three principal Laotian political factions agreed to establish a unified government and administration under the King. The key figures in the latter settlement were Prince Souvanna Phouma who, having served as the first Prime Minister of an independent Laos, became Prime Minister once again in the provisional government. He was joined in the new government by Prince Souphanouvong, his half-brother and the leader of the northern dissidents, and by Gen. Phoumi Nasavan, leader of a southern faction, who had had close ties with Thailand and U.S. executive agencies.

It is too soon to judge the efficacy of the international and Laotian accords which have been introduced into the situation. Insofar as the larger powers are concerned, U.S. forces have been withdrawn in keeping with the agreement. On the basis of available information, there are neither Soviet Russian nor Chinese forces in Laos in violation of the agreement. But there is every likelihood that Vietminh forces are still present among the Pathet Lao, and there are allegations that foreign elements are also active in other military factions.

Responsibility for determining that all foreign forces have been withdrawn from Laos rests with an International Control Commission. But this group of Indians, Canadians, and Poles has yet to carry out the responsibility, largely because of disagreement among the factions within the provisional government.

This is but one example of the difficulties besetting the government of Prime Minister Souvanna Phouma, which operates on the principle of unanimity of the three factions on matters of significance. There are many others. In particular, there is the problem of military demobilization. An agreement in principle has been reached to reduce the total of more than 100,000 men under arms in Laos to a national force of 30,000 and a police force of 6,000 drawn equally from the three major factions. As of the time of our visit, however, the agreement was still awaiting action. There has also been sporadic violations of the cease-fire directed especially at Meo tribes people in Pathet Lao controlled territory. And American planes have even been shot down while carrying relief supplies to isolated troops at the request of the Prime Minister.

Present U.S. policies

It is the policy of the United States, as expressed by the President, to support fully both the Geneva agreement of 1962 and the efforts of Prime Minister Souvanna to establish a unified government in Laos. In keeping with the Geneva accords, the United States has already withdrawn its military aid mission personnel of 650 as well as 400 Filipino contract technicians.

At the same time, and at the request of the Prime Minister, the United States is supplying maintenance material to the armed forces under the control of General Phoumi and those responsive to Souvanna Phouma and has offered to assist in the orderly demobilization of the military when it becomes feasible. The United States is also continuing economic help to the Laotian Government, but the program is shifting from aid designed to permit the economy to sustain large military burdens to aid designed essentially to help in reconstruction and development, with stress on education.

In effect, United States Laotian policy is now acting to extricate this Nation in an orderly fashion from the position of virtually sole outside support of the Government of Laos. A substantial reduction in the cost of Laotian policy has already been achieved by the withdrawal of the military aid mission. Aid going to Laos, moreover, has been reduced from a peak annual level of $73 million in 1962 to the present level of about $40 million.

While this reduction has been taking place, both France and Britain have agreed

---

[1] In that year, the U.S. mission in Saigon was accredited for all three Indochinese states—Vietnam, Cambodia, and Laos—and the U.S. Minister in Saigon paid only occasional visits to what was then a small legation in Vientiane.

THE UNIVERSITY OF MICHIGAN LIBRARIES

to share in new programs of economic reconstruction and development. So far, however, the French have been reluctant to assume any increase in responsibilities for military aid although France is the only power permitted by the Geneva accords to maintain military personnel in Laos.

The Soviet Union is also providing economic assistance to the provisional government, largely through a new commercial payments agreement. The Russians have also given Laos 10 aircraft for transport purposes. They have offered to build a hospital and a radio station and to provide credit for the construction of a large hydroelectric station.[2]

Concluding comments

Solution to the Laotian problem along the lines of international neutralization and national unification would be immensely difficult to achieve in the best of circumstances. Geographic and cultural factors in the situation are such as to encourage internal political fragmentation, and the sense of Laotian nationality is not widely developed among the populace. At the same time, ideological and predatory forces from without have historically tended to press in, as wedges, upon the region in which the little kingdom is located. To these obvious difficulties must be added lingering personal suspicions among the principal Laotian leaders, growing out of the experiences of the past.

What the outcome of the attempted solution will be is still very uncertain. Much hinges on the perseverance of Prince Souvanna Phouma, who as Prime Minister, has undertaken the principal responsibility. Alone among the present leaders he enjoys a stature which is larger than any faction. Much depends, too, on the willingness of France to play a significant part in providing disinterested assistance along with other outside nations. The tenuous peace, moreover, can be jeopardized if there is continued use of the facility which Laos offers for the transshipment of supplies from North Vietnam to the guerrillas in the south.

At this point, a half year after the conclusion of the agreement, it must be counted an achievement that the military conflict remains substantially in abeyance. There have been, as noted, sporadic and isolated outbreaks of hostility. In general, however, the cease-fire has held. Moreover, major outside powers—notably the United States and the Soviet Union—have been giving substantial constructive aid to the provisional government of Prime Minister Souvanna Phouma.

On the other and until the removal of all foreign forces from Laos is ascertained, until the authority of the unified government is generally accepted throughout the country, until the military forces are reduced and unified, the situation is bound to continue to hang in precarious balance. Attempts by either an outside nation or a faction within Laos to take advantage of the delicate transition could readily upset the situation, and might well bring about the abandonment of the effort at unification by Souvanna Phouma.

From the point of view of the United States, the situation is improved over that which prevailed when the Geneva Conference convened in 1961. At that time it was evident that only military intervention by SEATO, and primarily by U.S. military forces in considerable strength, in a war of uncertain depth and duration, offered the hope of preventing further deterioration in the position of the Vientiane Government.[3] The Geneva Conference interposed a cease-fire at that point, and the accords to which it led helped to forestall a deepening of U.S. involvement. At least the prospect now exists for a peaceful solution and that alone has already permitted a reduction in both aid costs and numbers of U.S. personnel in Laos.

AUTHORIZATION FOR SUBCOMMITTEE TO MEET DURING SENATE SESSION

On request by Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Public Roads of the Committee on Public Works was authorized to meet during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

AMENDMENTS TO REQUEST FOR APPROPRIATIONS FOR FISCAL YEAR 1966, DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS, CIVIL (S. DOC. NO. 48)

The ACTING PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting amendments to the request for appropriations for the fiscal year 1966 in the amount of $1,311,000 for the Department of the Army, Corps of Engineers, Civil, which, with an accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 89. An act to authorize establishment of the Delaware Valley National Recreation Area, and for other purposes (Rept. No. 598).

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965—REPORT OF A COMMITTEE—MINORITY, INDIVIDUAL, AND ADDITIONAL VIEWS (S. REPT. NO. 599)

Mr. MANSFIELD. Mr. President, on behalf of the distinguished senior Senator from Michigan [Mr. McNAMARA], the chairman of the Committee on Public Works, and also an outstanding member of the Committee on Labor and Public Welfare, from the Committee on Labor and Public Welfare, I submit a report on the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, with an amendment, and I submit a report thereon. I ask unanimous consent that the report, together with the minority views of Senators DOMINICK, MURPHY, and FANNIN, the individual views of the Senator from Vermont [Mr. PROUTY], and the additional views of Senators JAVITS, PROUTY, DOMINICK, MURPHY, and FANNIN, be printed.

The PRESIDING OFFICER (Mr. BASS in the chair). The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Montana.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MONRONEY (for himself and Mr. HARRIS) (by request):

S. 2408. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Otoe and Missouria Tribe of Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

DISPOSITION OF FUNDS TO PAY A JUDGMENT IN FAVOR OF THE OTOE AND MISSOURIA TRIBE OF INDIANS

Mr. MONRONEY. Mr. President, at the request of the Secretary of the Interior, and for myself and my colleague, the junior Senator from Oklahoma [Mr. HARRIS], I introduce a bill to provide for the distribution of funds appropriated to pay a judgment in favor of the Otoe and Missouria Tribes of Indians and for other purposes, and I ask that it be appropriately referred.

I also ask to have printed in the RECORD at this point a statement showing the judgment funds as of March 1, 1965, a copy of a letter from the Department of the Interior, and a copy of the proposed bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, letter, and statement will be printed in the RECORD.

The bill (S. 2408) to provide for the disposition of funds appropriated to pay a judgment in favor of the Otoe and Missouria Tribe of Indians, and for other purposes, introduced by Mr. MONRONEY (for himself and Mr. HARRIS), by request, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 2408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the unexpended balance of funds on deposit in the Treasury of the United States to the credit of the Otoe and Missouria Tribe of Indians that were appropriated by the Act of June 9, 1964, to pay a judgment by the Indian Claims Commission in docket No. 11-A, and the interest thereon, less payment of attorney fees and expenses, may be advanced or expended for any purpose that is authorized by the tribal governing body and approved by the

---

[2] Other bloc countries and Communist China have also indicated interest in supplying aid. Gen. Phoumi Nosavan has visited Moscow and Peiping on an economic aid mission, and a state visit by the King to the Soviet Union, the United States, and other Geneva participants is in progress.

[3] Indications, at the time, were that only Thailand was prepared to use troops in significant numbers. The Philippines and other non-Asian members also offered small contingents. The forces of both Thailand and the Philippines, in any event, are heavily dependent on U.S. aid.

Secretary of the Interior. Any part of such funds that may be distributed to the members of the tribe shall not be subject to Federal or State income taxes. The sum of $150,000, and any accrued interest, shall be held in the United States Treasury pending final determination of the Yankton Sioux claim in docket No. 332–A. Any portion of such sum that is determined to belong to the Otoe and Missouria Tribe shall thereupon become subject to the foregoing provisions of this Act.

The letter and statement presented by Mr. MONRONEY are as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 7, 1965.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill "to provide for the disposition of funds appropriated to pay a judgment in favor of the Otoe and Missouria Tribe of Indians, and for other purposes."

We recommend that the bill be referred to the appropriate committee for consideration, and that it be enacted.

Funds were appropriated by the act of June 9, 1964, to cover the sum of $1,750,000 awarded the Otoe and Missouria Tribe of Indians in settlement of a judgment of the Indian Claims Commission in docket No. 11–A for inadequate compensation for lands in western Iowa and northwestern Missouri, and for valuable resources acquired by the United States from said tribe by the treaties of October 15, 1836 (7 Stat. 524), and March 15, 1854 (10 Stat. 1038). The judgment funds are credited to the account of this tribe and draw interest at 4 percent per annum. However, the sum of $1,750,000 is subject to a proviso that $150,000 will be withheld from disbursement until there is a final determination of the conflicting claim of the Yankton Sioux Tribe, the petitioner in docket No. 332–A.

The Otoe and Missouria Reservation is located in the northeastern part of Noble County, Okla., and contains 1,400 acres of tribal land and 33,437 acres of allotted land. It is reported that 512 tribal members live within the reservation area and 461 adjacent to it.

The Otoe and Missouria tribal membership roll has not been updated, but the tribe does have membership criteria which were approved by this Department on June 10, 1949. In 1954, total enrollment was reported to be 1,042.

A previous judgment award in docket No. 11 was distributed to descendants of Otoe and Missouria Indians under the provisions of the act of May 9, 1958 (72 Stat. 105). These descendants included a large number of persons who were not entitled to enrollment with the Otoe and Missouria Tribe. However, the proposed bill provides for the present Otoe and Missouria tribal governing body to administer the funds subject to the approval of the Secretary, the present tribe being regarded as the successor in interest to the parent group of 1836 and 1854. Consequently, if a per capita payment is made only duly enrolled members of the present Otoe and Missouria Tribe will participate in the distribution.

The Otoe and Missouria Tribe has a recognized governing body consisting of a general council and a business committee. This Department has recognized the Otoe and Missouria tribal organization, although the group has not yet developed a formal organizational document. Formal organization is under active consideration by the group and it is therefore possible that a tribal constitution will be developed and approved prior to the actual programing of the funds. This group has considered various socioeconomic developmental projects. None of them, however, have as yet been formally proposed.

The Bureau of the Budget has advised that there is no objection to the presentation of this bill from the standpoint of the administration's program.

Sincerely yours,
HARRY R. ANDERSON,
Assistant Secretary of the Interior.

Otoe and Missouria Tribe (Docket No. 11–A) judgment funds—balance as of Mar. 1, 1965

14X7065—Awards of Indian Claims Commission, Otoe and Missouria Tribe of Indians	$1,750,000.00
Less Attorneys fees paid	160,000.00
Less Attorneys expenses	6,090.59
Balance	1,583,909.41
Less amount to be withheld, together with interest thereon, from disbursement until a final determination is entered in docket No. 332–A regarding a conflicting claim of the Yankton Sioux Tribe	150,000.00
Less amount to be withheld from disbursement as attorney fees pending the final determination of the conflicting claim of the Yankton Sioux Tribe, petitioner in docket No. 332–A	15,000.00
14X7565—Interest and accruals on interest, Awards Indian Claims Commission, Otoe and Missouria Tribe of Indians (through March 1, 1965)	[1] 32,534.43
Balance available	[1] 1,451,443.84

[1] If the claim of the Yankton Sioux Tribe in docket No. 332–A is allowed, this amount will be decreased by the amount of interest accrued on the $150,000.00 presently being withheld pending final settlement of docket No. 332–A.

ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1965—AMENDMENTS

AMENDMENTS NOS. 386 AND 387

Mr. JAVITS submitted two amendments, intended to be proposed by him, to the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, which were ordered to lie on the table and to be printed.

AUTHORITY FOR DISTRICT OF COLUMBIA COMMITTEE TO FILE REPORT DURING ADJOURNMENT—SUPPLEMENTAL AND MINORITY VIEWS

Mr. BIBLE. Mr. President, I ask unanimous consent that during the adjournment of the Senate the Committee on the District of Columbia be permitted to file a report on the bill (H.R. 5688) relating to crime and criminal procedure in the District of Columbia. I also ask unanimous consent that the report be printed, together with supplemental and minority views.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSOR OF BILL

Mr. GRUENING. Mr. President, I ask unanimous consent that the name of the distinguished Senator from West Virginia [Mr. BYRD] be added as a cosponsor to Senate bill 1676, to provide for certain reorganizations in the Department of State and the Department of Health, Education, and Welfare, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE UNIVERSAL MILITARY TRAINING AND SERVICE ACT OF 1951, AS AMENDED

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 573, H.R. 10306.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10306) to amend the Universal Military Training and Service Act of 1951, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. THURMOND. Mr. President, yesterday the Senate Committee on Armed Services unanimously reported Senate bill 2381. H.R. 10306 is identical with S. 2381, as amended. Since the bills are identical, I should like to make a statement on the pending bill.

The bill amends the Universal Military Training and Service Act, which appears in the appendix to title 50 of the United States Code, to include a clear statutory prohibition against any person knowingly destroying or knowingly mutilating a draft card. The existing law already provides prohibition against the altering of a draft card as well as a number of offenses connected with the selective service registration, but there now is no specific prohibition against the willful destruction or mutilation of a draft card.

Recent incidents of mass destruction of draft cards constitute open defiance of the warmaking powers of the Government and have demonstrated an urgent need for this legislation.

The criminal prohibitions instituted by this bill would be limited to willful incidents. The prohibition would not apply to instances where draft cards were destroyed or mutilated by inadvertence.

The President has acknowledged that our country is engaged in a war. Attempts to interfere with the Universal Military Training Act or service in the Armed Forces constitute treason in time of war. Such conduct as public burnings of draft cards and public pleas for persons to refuse to register for their draft should not and must not be tolerated by a society whose sons, brothers, and husbands are giving their lives in defense of freedom and countrymen against Communist aggression.

The PRESIDING OFFICER. The bill is open to amendment. If there be no

THE UNIVERSITY OF MICHIGAN LIBRARIES

amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 10306) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I ask unanimous consent to postpone indefinitely further consideration of Senate bill 2381.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC OPPORTUNITY ACT OF 1964

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 8283.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8283) to expand the war on poverty and to enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I send to the desk certain amendments to the bill and ask that under the rule they be printed.

The PRESIDING OFFICER. The amendments will be printed.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT TO THE PRESIDENT ON THE MISSILE SILO DISASTER IN ARKANSAS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that there be printed in the RECORD the text of Secretary Zuckert's report to the President upon our inspection trip to Searcy.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT TO THE PRESIDENT FROM AIR FORCE SECRETARY EUGENE M. ZUCKERT

Yesterday, as you requested, I went to Searcy, Ark., to inspect the site of the Titan II missile silo disaster. I was accompanied by Senators MCCLELLAN and FULBRIGHT and Congressman MILLS. We were met in Little Rock by Governor Faubus and the mayor of Little Rock, as well as by the representative of the mayor of North Little Rock.

The purpose of my visit was threefold: first, to express on your behalf and for the Air Force, our concern and deep feeling of sympathy for those who have lost loved ones in this tragic disaster; second, to insure that the investigation which is being conducted by the Air Force Inspector General's office under Brig. Gen. Charles B. Stewart will be thorough, critically objective, and that it will be completed without delay; and third, to ascertain personally that all possible aid and assistance is being afforded the survivors and relatives of the men who lost their lives in the disaster. I believe I can assure you, and Governor Faubus confirmed this in my conversation with him, that your wish to provide all possible assistance to the victims' families is being completely carried out.

General Stewart's investigation, while progressing on a round-the-clock basis, is still in the preliminary stage. Investigative experts, of many categories, from the Air Force and industry are being utilized, and, to the extent necessary, additional experts will be called in.

It should be noted at the outset that the accident took place under conditions and circumstances far different from normal operations and maintenance requirements. When the missile is on alert and undergoing normal maintenance, only a few men, usually 10 or less, would be engaged in work in the missile area.

This project required a large number of contractor personnel to be in the missile silo at one time. It was apparent to all of us visiting the silo that this is an inherently difficult situation for a large scale maintenance or modification effort. There are difficulties involved in a project of this type where a large number of men with their necessary construction equipment are required to work on the various levels of the missile silo in a confined and congested space already densely packed with the equipment.

A personal examination of the silo revealed that the fire damage was limited to a small area near the electrical control panels and the motor control center, resulting in a complete loss of lights and electrical power.

The cause of death was almost exclusively asphyxiation. A number of men had attempted to escape by the emergency ladder which apparently was blocked by two men who became jammed together in trying to pass simultaneously through a restricted area on the ladder, thus denying access to those on the ladder below them.

It is apparent that the investigators must examine the adequacy of the escape system and emergency equipment, the training and discipline of contractor personnel, and the emergency lighting and escape equipment during periods of unusually heavy maintenance or modification.

It is significant to note that 21 identical facilities have been modified by the same contractor. In some 206 days of work on this contract there had been no lost time injuries. The modification of the remaining 33 Titan sites has been suspended until the report of the investigating team is complete and the corrective action indicated by the investigators has been taken.

A BRIGHTER OUTLOOK FOR USIA

Mr. MUNDT. Mr. President, as the author of Public Law 402 of the 80th Congress which set up the legislative authority for the operation of our U.S. foreign information programs, as well as our exchange of leaders and peoples programs, and other media for presenting the truth about our country to people in foreign lands, I have always maintained a more than normal interest in the actual operations of these programs. It is for that reason that I have observed with pleasure the appointment of Leonard Marks as the new Director of the USIA and his announcement that he has selected Howard L. Chernoff of San Diego as his primary assistant.

I have long known both Mr. Marks and Mr. Chernoff, Mr. President. I regard them highly. It is true that they are new to the field of activities they will soon direct, but it occurs to me that there are many indications that these programs should be given a new look and a new approach. By proceeding positively and by being free to make the changes necessary, it is hoped and believed that these two able new leaders will greatly enhance the product and the productivity of USIA. I wish them well and have assured them both of my earnest cooperation in their new responsibilities.

Mr. President, I am happy to ask unanimous consent to have printed at this point in my remarks a recent editorial in the daily Argus-Leader of Sioux Falls, S. Dak., endorsing these selections and appointments. The writer of this editorial knows both Mr. Marks and Mr. Chernoff personally and shares my high regard for them. His evaluation of their abilities is important and I want to have the Congress and the country share the observations of this important Midwestern newspaper.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Sioux Falls (S. Dak.) Argus-Leader, Aug. 5, 1965]

A BRIGHTER OUTLOOK FOR USIA

The U.S. Information Agency is among our Government's most important facilities. In truth, the future course of events may depend to a material extent upon how well this agency projects our image throughout the world.

Unfortunately, the current image of the United States in many nations is a distortion—a distortion aided and abetted by instrumentalities of other countries eager to misrepresent our country.

And these hostile influences have been more potent for a number of years than our USIA. That may be due to circumstances beyond the control of our agency. But it may be due to a considerable extent to the fact that the USIA hasn't measured up to its possibilities and its opportunities.

Now a change has been made in the leadership of the USIA with the appointment of Leonard Marks, of Washington, as its director. He is a man who has been prominent in the communications field and there is good reason to believe that he can make the USIA a more useful institution.

One reason for confidence in his leadership is the good judgment he employed this week in selecting Howard L. Chernoff of San Diego as his primary assistant. Chernoff is capable, energetic and knows how to get things done.

Chernoff's good qualities are, of course, well known to many in Sioux Falls because of his experience here as associate publisher of the Argus-Leader while John A. Kennedy was publisher and editor in chief. During that period he took a lively and productive interest in many local and State activities. A primary project instigated by him, for example, was the Great Plains Zoo—now a fine and splendid institution of which the entire community is proud. The quiet but effective way in which he developed it serves as an indication of what he can do.

It is entirely likely that the new leadership of the USIA will result in a fresh approach to its duties. One trouble in the past has been that the agency didn't seem to know precisely what it was doing or what it should do.

Marks and Chernoff, we are certain, will go forward in the realization that its duty is, so to speak, to "accentuate the positive" and present a report to the world of what is good about the United States. This doesn't mean distortion in any sense because our Nation is basically good and its purpose in world affairs is to promote that which is worthwhile. Certainly we have no territorial designs on other areas and no desire to impose our own ideas of government. We are eager to be a good neighbor and this impression should be adequately presented around the world. We like to believe that Marks and Chernoff can do it.

ANCHORAGE "ALL AMERICAN CITY," CONTINUES TO LIVE UP TO ITS DESIGNATION AS IT FORGES AHEAD

Mr. GRUENING. Mr. President, the city of Anchorage, Alaska, some years ago was honored with the designation of "All American City." While I do not feel this recognition was premature, the strides which Anchorage has made in the past few years, particularly since the shattering earthquake of March 27, 1964, have been such that this remarkable city deserves new recognition and honors.

I must confess that when I walked the crevassed and debris-littered streets of Anchorage the day after the Good Friday earthquake, I certainly did not foresee anything like the reconstruction and construction which have taken place in this largest of Alaska's communities in the 17 months which have now passed.

One of the most heavily damaged buildings in Anchorage was the department store of the J. C. Penney Co. It had been completed only a few months earlier. The earthquake damaged this new building so severely that wreckers had to complete the destruction which was started by the earthquake and level the site. I am happy to report that a new, larger, and better store will be opened by the J. C. Penney Co. at Anchorage on September 1. While this is not the largest department store in the company's complex, I understand it is the largest store ever built by Penney prior to its opening. The other stores which are larger have been made so by additions following the original construction. This evidence of faith by the national business community is heartening.

While the Penney building, because of the spectacular damage done to the earlier building, represents a fitting symbol of the renaissance of Anchorage, it is only one of the many impressive new structures which have risen in the city in the past year; others include, notably, the new Captain Cook Hotel, the First National Bank Building, and the building of Alaska Sales & Service. Together, these structures represent probably $30 million in private comeback capital.

Long ago I ceased to permit myself to be amazed by the progress in Anchorage. It is an exciting place which keeps growing despite all problems and obstacles. The people of Anchorage deserve unbounded credit for their progressiveness, energy, diligence, and faith.

I am happy to be able to salute the wonderful city of Anchorage.

INVASION OF STATES RIGHTS

Mr. LAUSCHE. Mr. President, several days ago the Cleveland Plain Dealer carried an editorial under the title "New Attack on States' Powers," which I believe is worthy of consideration by Members of the Senate.

The editorial opposes the repeal of section 14(b) of the Taft-Hartley Act, primarily on the basis that the repeal of the section would constitute an unwarranted invasion of States rights.

The editorial makes mention of the tremendous growth of the Central Government in Washington. It expresses the view that this is one field of activity in which the States definitely ought to have the right to determine for themselves what course they wish to follow on the issue of right-to-work. There is great strength in what the editorial has to say.

I ask unanimous consent to have the editorial printed in the Record at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Cleveland (Ohio) Plain Dealer, Aug. 4, 1965]

New Attack on States' Powers

The U.S. Senate should refuse to follow the lead of the House of Representatives in voting to take away from States the power to have right-to-work laws.

Ohioans made clear in 1958, by a 2 to 1 statewide vote, that they did not want such a law in this State. The Plain Dealer believes that this judgment by the voters of Ohio should stand.

But in 19 other States the people or their elected Representatives decided in favor of statutes or constitutional provisions outlawing the union shop.

For Congress to deny these States the power to have such laws is an unjustifiable intrusion by the Federal Government and a serious abridgement of States rights.

The growth of centralized government in Washington is a fact of life. In most instances this growth has been a necessity because of the increasing complexities of life in this automated age and the interdependence of people. But wherever possible—and this area of right-to-work laws is certainly one place—the States should retain as much independent authority as possible.

The manner in which H.R. 77 to repeal section 14(b) of the Taft-Hartley Act of 1947 was railroaded through to passage by the narrow margin of 221 to 203 on the House floor also argues against it.

Representative Adam Clayton Powell, chairman of the Education and Labor Committee, invoked a rule that prohibited floor consideration of any amendment except one that would have changed the effective date of the repealer.

President Johnson, whose own home State of Texas has a right-to-law law, wants the repealer. Congress has had difficulty in saying no to anything the President has sought, but this time the Senate should do so.

This is not a question of whether right-to-work laws are good or bad. It is a question of how far the Federal Government should go in reducing the powers of the State. In the case of section 14(b), the Senate stands as the last possible protector of these powers.

REPLY TO THE ALABAMA LEGISLATIVE COMMISSION

Mr. JAVITS. Mr. President, on July 15, the Senator from South Carolina [Mr. Thurmond] inserted into the Congressional Record various reports of the Alabama Legislative Commission To Preserve the Peace. One of these reports made certain allegations regarding the League for Industrial Democracy, which is located in my State and city at 112 East 19th Street, New York, N.Y.

The League for Industrial Democracy, through its chairman of the board, Michael Harrington, has requested me to submit a statement prepared by the league's executive secretary in reply to these allegations; and in order for the Congressional Record, which already contains the charges, to contain also the reply from the league—as is the practice of many of the committees of the Congress—I ask unanimous consent that the statement by the League for Industrial Democracy be inserted in the Congressional Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

(Note.—The following statement was prepared by Tom Kahn, executive secretary of the League for Industrial Democracy, in reply to certain allegations by the Alabama Legislative Commission To Preserve the Peace. These allegations, inserted into the Congressional Record of July 15, 1965, by Senator Strom Thurmond, of South Carolina, sought to link the LID with organizations and/or activities which are "Communist dominated." All or part of this statement may be quoted.)

Senator Strom Thurmond has inserted into the Congressional Record of July 15, 1965, various findings of the Alabama Legislative Commission To Preserve the Peace. Among these findings are false and damaging allegations about the League for Industrial Democracy, a tax-exempt educational organization now in its 60th year of education for increasing democracy in our economic, political, and cultural life.

Since its founding by Upton Sinclair, Jack London, and Clarence Darrow, the league has been unalterably opposed to totalitarianism of the left and the right. While the league grows out of the tradition of democratic socialism, it cannot be described as a "radical Socialist group," for its members include many trade unionists, civil rights activists, and academicians with no adherence to Socialist doctrines.

Until his death, John Dewey was for many years the honorary president of the league, after retiring as active president; among its most prominent leaders are such people as: Norman Thomas, Harold Taylor, Rev. Donald Harrington, Sidney Hook, Victor Reuther, Frank P. Graham, Albert Sprague Coolidge, and Bayard Rustin. Its chairman is Michael Harrington, author of "The Other America," the important book which helped awaken the Nation's conscience to poverty in America.

One may or may not agree with the views of these individuals or of other members of the league, but to link them with communism, which they strongly oppose, is unfair. If liberal and democratic socialist ideas are to be equated with communism, there can be no free and intelligent debate.

The Alabama commission charges that the League for Industrial Democracy "occupies joint offices with SDS, 156 Fifth Avenue, New York City, and also with SNCC, at the same address." The fact is that the LID has never had offices at that address but has been located for nearly 40 years at 112 East 19th Street, New York City. Nor has SDS ever occupied offices at the address cited; it was located at 112 East 19th Street until March 1964, when it moved to 119 Fifth Avenue where it remained until June of this year when its national offices were moved to Chicago. SDS therefore could not have shared offices with SNCC, which was located at 156 Fifth Avenue—in space made available to it by the American Civil Liberties Union. It might be added that the building at 156 Fifth Avenue houses numerous organizations of various persuasion which could not possibly be interconnected by virtue of their street address.

If the Alabama commission is unable accurately to report the LID's address, which should be easy enough to ascertain, one wonders about its ability to describe the organization's views and activities.

Students for a Democratic Society (SDS) is the student department of the LID and is subsidized by it. Contrary to the commission's findings, however, the Student Nonviolent Coordinating Committee (SNCC) has no formal ties with the LID, nor is it in any way subsidized by the league. In making this clear, the league is not accepting the validity of the commission's charges that SNCC is "extensively Communist dominated," a charge which segregationists are using to smear the civil rights movement.

The Alabama commission states that the league is "financially supported by the millionaire financier of Communist causes, Corliss Lamont." This is a misleading statement. The league's records show that Mr. Lamont did indeed make contributions to the organization—but decades ago and in sums averaging $10–$15 a year. His last contribution of $10 was received in 1938. These facts hardly sustain the implication that Mr. Lamont was a significant or even notable source of financial support for the league, let alone that the league endorses his views, past or present.

Finally, the commission asserts that: "The SNCC buttons and a special button 'I support MFDP' (Mississippi Freedom Democratic Party) were ordered and delivered from the Olympic Button and Emblem Co., New York, N.Y., and the bill for these was paid by LID."

The fact is that no such buttons were ordered or paid for by the LID, or for that matter by its student department. Nor is the league able to ascertain how the commission might have arrived at this finding, in the absence of any evidence to support it.

It is bad enough that an official State body such as the Alabama Legislative Commission to Preserve the Peace, financed by taxpayer's money, can be utilized as a partisan instrument to defame and cast aspersions on the integrity and reputation of private organizations with which it does not agree. It is even more distresseng that the Congressional Record, which present and future generations of Americans should be able to regard as a source of accurate information, can be used as a repository for false and damaging characterizations of organizations like the League for Industrial Democracy.

THE FOURTH ANNIVERSARY OF THE BERLIN WALL, AUGUST 13, 1965

Mr. PELL. Mr. President, today is the anniversary of the construction of the Berlin wall. It was 4 years ago today that the Communist empire had to make the humiliating admission that its subjects were not loyal to the tyrannies of the Ulbrecht regime. In the time that has elapsed, the wall has become the symbol of oppression, the scene of riots and demonstrations; and the cause for the murder of 146 brave East Germans willing to risk all in their last-ditch attempts to escape into freedom. Recently, the Communists have had to compound their admission of failure by extending the wall underground to prevent escapes.

The words of President Kennedy, "Ich bin ein Berliner," live immortally in the hearts of West Germans. These words express the sentiment of most Americans, who in the past 20 years have invested so much money, energy, and blood in West Berlin to keep it free. The wall stands to show all free people that such investments made in the interest of liberty are not in vain.

There is today a most marked contrast between the two sectors of the city. While the economy of West Berlin is burgeoning at a fantastic pace, that of East Berlin crawls along. As the West Berliner becomes ever more prosperous, the average East Berliner continues to live at a near subsistence level.

The wall cannot make people on either side blind to these differences between them. It serves only to show the world in a most blatant fashion which ideology Berliners prefer. Four years ago today even the Communist bloc was forced to admit that Berliners consider the democratic way of life the preferable way of life.

APPOINTMENT OF REPRESENTATIVE OREN HARRIS AS U.S. DISTRICT JUDGE

Mr. FULBRIGHT. Mr. President, I congratulate the Senate upon its prompt and unanimous confirmation, on August 11, of my friend and colleague Representative Oren Harris, for the position of U.S. district judge for the eastern and western districts of Arkansas.

I was absent from the Senate at that time because of my participation in an official on-the-scene inspection of the tragic fire which occurred at an Air Force missile installation near Searcy, Ark.

Our State and the House of Representatives have lost an able and effective legislator, but I am confident that Representative Oren Harris will be an equally able and effective Federal judge.

Mr. President, I ask unanimous consent that there may be inserted in the Record the text of my statement to the Senate Judiciary Committee and the text of an editorial which appeared in the Washington Evening Star on August 10, 1965.

There being no objection, the statement and editorial were ordered to be printed in the Record, as follows:

Mr. Chairman, I deeply regret that I cannot be present to support the nomination of my colleague, the Honorable Oren Harris, who has been nominated by the President to be Federal district judge in my State. As I remarked to the press upon learning of this nomination, I am pleased that the President has nominated Congressman Harris to be a Federal judge. My feelings are mixed, however, for I regret that the Fourth Congressional District of the State of Arkansas, and the entire Nation will no longer have the benefit of his able services in the House of Representatives.

I have served in the Congress with Oren Harris for over 20 years, and I personally shall miss our association and his wise counsel.

The Congress of the United States will be poorer upon his departure, but the Federal judiciary will be enhanced.

I am confident that Oren Harris will be as outstanding a Federal judge as he has been a Member of the Congress.

Oren Harris is eminently qualified to assume this position in our Federal judicial system. Following his graduation from Cumberland Law School with an LL.B. degree, he assumed the practice of law in 1930. He has served honorably and capably as a deputy prosecuting attorney and as a prosecuting attorney of his home judicial circuit. Not only has Oren Harris engaged in the practice of law, but he has been engaged in the formulation of a large and important segment of our body of laws since 1940. So, he has not only been an able practitioner of his profession but has been one of the Nation's foremost legislators.

As chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives, he has presided with great ability and great wisdom, and with judicious exercise of the duties incumbent, incident to his position as chairman of a great committee of the Congress.

So, Mr. Chairman, while I cannot appear in person to urge approval of this nomination, I nevertheless endorse it wholeheartedly and strongly urge the committee to act favorably on it.

[From the Washington (D.C.) Star, Aug. 10, 1965]

NEW CAREER FOR REPRESENTATIVE HARRIS

The Presidential nomination of Representative Oren Harris for a Federal judgeship will remove from Washington a veteran lawmaker who, for all his easygoing southern manner, has served as a remarkably able gadfly in several important investigations.

The chairman of the parent House Commerce Committee, Mr. Harris also has helped enhance his national image as chairman of a smaller unit once known by the somewhat curious title of the Special Subcommittee on Legislative Oversight.

Mr. Harris has brought discomfort and reform to the Nation's disc jockeys, defining the word "payola" for future dictionaries. Under his owlish stare, the rating services wriggled uncomfortably and the broadcasting industry promised better self-regulation.

The Government regulatory agencies, often accused of promoting the industries they are

THE UNIVERSITY OF MICHIGAN LIBRARIES

supposed to control, felt the HARRIS treatment more than once. After his baleful attention to their outside activities, both John C. Doerfer and the late Richard A. Mack resigned from the Federal Communications Commission.

Posterity probably will remember Mr. HARRIS best, however, for the Goldfine case and that dramatic confrontation with Sherman Adams, chief White House assistant, which ultimately led to Mr. Adams' resignation too.

The result of these and other revelations was a document known as Public Law 87-849, enacted in 1962, spelling out a broad new code of ethics for Federal employees covering conflict of interest. As one who helped set the stage for this deveolpment, Mr. HARRIS served the national conscience well.

FIRST CONGRESS OF MICRONESIA EXPRESSES APPRECIATION TO HAWAII TEAM

Mr. FONG. Mr. President, it is a matter of deep satisfaction that Hawaii was able to contribute substantially to the success of the just-adjourned Congress of Micronesia in Saipan, Trust Territory of the Pacific Islands. This was a historic first session of the Congress of Micronesia—the first territorywide, democratically elected legislative body representing the 87,000 people of the trust territory.

Prior to the convening of the Congress of Micronesia on July 12, 1965, a legislative workshop for the members of the Congress was conducted through arrangements made by Dr. Y. Baron Goto, vice chancellor of the East-West Center, Institute for Technical Interchange, in Honolulu, Hawaii.

The team was comprised of Dr. Goto; Dr. Norman Meller, professor of political science, University of Hawaii; Mr. Thomas Dinell, director-researcher of the university's legislative reference bureau, and Mr. Thomas P. Gill, director of the Hawaii State Office of Economic Opportunity.

Dr. Goto and his associates from Hawaii participated in the workshop and assisted the members on parliamentary procedures, organizational matters, and related subjects.

It is gratifying to learn that the first joint resolution adopted by the two-house Congress was to express the appreciation and gratitude of the Micronesian Congress to the team from Hawaii.

This was another example of the numerous ways in which the people of Hawaii have been extending a helping hand to their fellow Pacific islanders in the trust territory. Such assistance is materially contributing to the ability of the United States in carrying out its responsibility, under its trust agreement with the United Nations Security Council toward promoting greater self-government for the people of the trust territory. It is another compelling reason why the proposal for annexing the trust territory to the State of Hawaii appears to me to be both logical and reasonable.

I ask unanimous consent to have printed in the RECORD the text of the joint resolution adopted by the first session of the Congress of Micronesia.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

J.R. 1

House joint resolution expressing appreciation and gratitude of the Congress of Micronesia to Dr. Y. Baron Goto, vice chancellor, East-West Center, Institute for Cultural Interchange; Dr. Norman Meller, professor of political science, University of Hawaii; Mr. Thomas Dinell, director-researcher, legislative reference bureau, University of Hawaii; Mr. Thomas P. Gill, director of economic opportunity, State of Hawaii

Whereas through the effort of Dr. Y. Baron Goto, vice chancellor of the East-West Center, Institute for Cultural Interchange, a pre-session legislative workshop for the members of the Congress of Micronesia, was made possible; and

Whereas Dr. Norman Meller, professor political science; Mr. Thomas Dinell, director-researcher of the legislative reference bureau, and Mr. Thomas P. Gill, director of economic opportunity for the State of Hawaii conducted such legislative workshop with diligence, dedication and preservance; and

Whereas the members of the Congress of Micronesia were greatly benefited from such training which will enable the members to grasp the intricacies of legislative processes; and

Whereas in this historic first session of the Congress of Micronesia, where for the first time in the history of this territory, representatives met in a duly constituted legislative body, it is essential that the members have a general awareness of the nature and works of a legislative forum; and

Whereas the members of the Congress of Micronesia are appreciative of the services of the governmental experts from the East-West Center, and are desirous of expressing their gratitude to the training group: Now, therefore, be it

Resolved by the house of delegates, general session of 1965 (the general assembly concurring), That the Congress of Micronesia does hereby, by virtue of this joint resolution, extend its gratitude and appreciation to the East-West Center, University of Hawaii, and to Dr. Y. Baron Goto, vice chancellor of the East-West Center, Institute for Cultural Interchange, to Dr. Norman Meller, professor of political science, University of Hawaii, to Mr. Thomas Dinell, director-researcher, legislative reference bureau, University of Hawaii and to Mr. Thomas P. Gill, director of economic opportunity, State of Hawaii; and be it further

Resolved, That copies of this joint resolution be hereby transmitted to the Secretary of Interior; Governor, State of Hawaii; president, University of Hawaii; chancellor, East-West Center, and the high commissioner of the Trust Territory of the Pacific Islands; and be it further

Resolved, That copies of this joint resolution be hereby transmitted to Dr. Y. Baron Goto, vice chancellor of East-West Center, Institute for Cultural Interchange, Dr. Norman Meller, professor of political science, University of Hawaii, Mr. Thomas P. Gill, director of economic opportunity, State of Hawaii; Mr. Thomas Dinell, director-researcher, legislative reference bureau, University of Hawaii.

OLYMPIO T. BORJA,
JOSE R. CRUZ.

JULY 15, 1965.

LAWLESSNESS IN THE DISTRICT OF COLUMBIA

Mr. TALMADGE. Mr. President, there appeared in Thursday's edition of the Washington Evening Star an excellent editorial concerning the national crime problem, particularly the high rate of lawlessness in the District of Columbia, which quite properly places a portion of the responsibility at the feet of many of our courts.

It has been my view for some time that many of our courts have been more concerned with the rights of criminals than with the rights and safety of law-abiding citizens. Consequently, law enforcement in recent years has suffered one setback after another at the hands of courts which have become so obsessed with technicalities that murderers, thieves, and rapists are often turned loose upon society. It is high time that the American people demanded that their courts concern themselves more with the administration of justice than with legal abstractions.

I call this editorial, which sets a very good case in point, to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Evening Star, Aug. 12, 1965]

CONCERN FOR THE PUBLIC

Lewis F. Powell, Jr. told some 3,000 delegates to the American Bar Association meeting in Miami that the rising crime rate is this Nation's No. 1 domestic problem. And, while commending the growth of concern for the constitutional rights of defendants, he demanded as a first priority "a like concern for the right of the citizen to be free from criminal molestation in his person and property."

This expression was roundly applauded by the delegates. The lamentable fact is, however, that so far as most of the appellate judges are concerned, their regard for the rights of a defendant is accompanied by no apparent similar regard for the rights of citizens.

A recent case in point is that of Thomas H. Washington, who is finally in jail after arrests in connection with three rapes in less than a year in this city.

In the first case the victim committed suicide shortly before facing the ordeal of the trial, and the charge had to be dropped. In the second case the evidence pointing to Washington's guilt was suppressed by Trial Judge George L. Hart, Jr. because of doubt as to the lawfulness of its seizure. Judge Hart said he did this most reluctantly, which undoubtedly was the case, but he added that he felt compelled to do so under the extreme technical rules laid down by our U.S. Court of Appeals. In any event it became necessary once again to release Washington even though the judge said he was fearful that he was making possible the rape of another innocent District resident.

He was a better prophet than he knew. For within a few weeks Washington grabbed another woman walking on the street, cut her arm and dragged her into a garage, where he was caught in the act of raping her. This time he was refused bond and committed to jail pending indictment and trial. It seems unlikely that technicalities can save him again. At least, we hope not.

In discussing his action in the Washington case, Judge Hart made a comment similar to Mr. Powell's, and, it might be added, a trial judge operating under the restraints imposed in this city is in an especially good position to know what he is talking about.

"Much has been said," he observed, "about protecting the rights of persons of deprived backgrounds who are accused of crime. It is time we consider protecting the rights of people such as Washington's latest victim, who was equally deprived."

We couldn't be in more complete agreement, and we are a bit puzzled by a statement reportedly made to the ABA by Deputy Attorney General Ramsey Clark. He decried criticism of the courts, although why the judges should be insulated from criticism is beyond our understanding, and he also said that "court rules do not cause crime." What explanation, we wonder, does the Deputy Attorney General have to offer for the continuing rise in crime, and especially the 19.5 percent increase in Washington last month? Could it be the barriers to convictions?

SENATOR ROBERT BYRD'S ENLIGHTENED STAND ON BIRTH CONTROL

Mr. GRUENING. Mr. President, sound commonsense and realistic appraisal of an overshadowing issue was voiced by our able and distinguished colleague from West Virginia, ROBERT C. BYRD, reported in a dispatch from Washington to the Charleston, W. Va., Gazette by Harry Ernst, this paper's Washington correspondent. Senator BYRD urges that birth control services be rendered to the poor if the war on poverty is to be successful in his State.

Speaking in support of President Johnson's proposal in his state of the Union message, to "seek new ways to use our knowledge to help deal with the explosion in world population and the growing scarcity in world resources," Senator BYRD points out:

> Despite the considerable changes in climate surrounding the issue of birth control during the past few years, public officials are still hesitant to take the needed action.

He is quite correct in this. It is remarkable how rapidly the climate has changed and is continuing to change.

Mr. President, for the past 2 months the Subcommittee on Foreign Aid Expenditures of the Committee on Government Operations, of which I am chairman, has been conducting hearings on this vital issue. It is impressive to see the earnestness and seriousness of the testimony presented by outstanding witnesses, indicating both the urgency and the progress that has been made in meeting this issue.

I highly commend Senator BYRD for his forthright discussion of this issue and ask unanimous consent that the article from the August 4 issue of the Charleston Gazette headed "Birth Control Urged by BYRD" be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN POVERTY WAR: BIRTH CONTROL URGED BY BYRD

(By Harry Ernst)

WASHINGTON.—The war on poverty must offer birth control services to the poor if it is to be victorious in West Virginia and the Nation, Senator ROBERT C. BYRD, Democrat of West Virginia, said Tuesday.

"If it is going to leave any longrun solution as a legacy to future generations, it should deal boldly with problems of family planning," he commented in an interview.

"I don't think the Federal Government has exhibited the kind of bold, forthright, and aggressive leadership needed in dealing with family planning."

Senator BYRD is the first prominent West Virginia politician to strongly urge offering Government-financed birth control services to the poor including unwed mothers.

"I think it's about time we stopped slipping this problem under the rug and began doing something about it," he said. "There is no point hacking at the fringes of poverty. Let's go to the roots of it."

BYRD said birth control services should be offered to anyone who is interested, especially unwed mothers who should be given information as well as free contraceptives.

"This problem (lack of birth control services) is so far reaching and broad that it is almost criminal to overlook it," he stressed. "We should do something about it now."

Earlier on the Senate floor, BYRD urged his colleagues to speak out in support of President Johnson's proposal to "seek new ways to use our knowledge to help deal with the explosion in world population and the growing scarcity in world resources."

"Despite the considerable changes in climate surrounding the issues of birth control during the past few years, public officials are still hesitant to take the needed action," the West Virginia Senator said.

"There are presently a number of Federal programs under which the State may obtain aid for family planning services. But in most cases a clarification of policy is needed.

"The President has taken the first steps. But I think in view of the past history of this question it is unfair to expect him to take all the political risk, if there in fact is a risk, BYRD observed.

"Children are being born every second. Often they are unwanted. They in turn—will produce more unwanted children. No war on poverty can ever be a victorious one if its wagers do not identify the real problems.

"And the problem is the spiraling birth rate among those who are incapable of adequately providing for their offspring."

BYRD said the population of the United States will jump from about 180 to 340 million in the next 35 years "at our present rate of reproduction."

"From where will the jobs come for these people," he asked. BYRD said the poor don't want to have more children than they can adequately provide for.

"What we must do is give them a choice," he commented. "Opportunities for the impoverished must include the opportunity to plan family growth.

"The hopelessness of the constant flow of children, often unwanted, to people already with little hope cannot be overestimated. And something can be done about it. The time to do it is now."

So far West Virginia's antipoverty program has received no Federal funds to provide birth control services, although the Kanawha-Charleston health department has said it would like funds for that purpose.

The U.S. Office of Economic Opportunity (OEO) has provided communities with funds to establish birth control clinics that must be voluntary and include instruction in the rhythm method for Roman Catholics, whose church disapproves of contraceptives.

Senator BYRD said OEO hasn't taken a vigorous enough position on the need for extending birth control services to the poor. But he thinks the Federal Government is beginning to move in that direction.

As chairman of the District Appropriations Subcommittee, he has been instrumental in establishing federally financed birth control clinics in the District of Columbia.

SEVENTH ANNUAL LIFESAVING WEEK IN RHODE ISLAND

Mr. PELL. Mr. President, we in Rhode Island have just wound up our Seventh Annual Lifesaving week under the leadership of Capt. Roger Williams Wheeler. This has been amongst one of the State's most unusual and successful celebrations.

All kinds and sorts of contests and activities are engaged in by the various Rhode Island State lifeguards during the program. They swim, row lifesaving dories, march in a parade, and are feted at a big dinner in their honor during that time.

Rhode Island is truly an outstanding vacation land, combining recreation and the heritage of New England, of the sea, of tourism and of rest and relaxation. And at all times, during the wonderful summertime period, our residents, visitors, and vacationers of all ages are protected by our fine lifeguards, both young men and women.

They supervise the seashore and inland fresh water areas, public and private, as part of a State program with a long and fine history of excellence in the saving of lives and the prevention of accidents. They specialize in acquatic safety, and give first aid treatment to uncounted thousands. Theirs is indeed an outstanding record.

All of this week exists mainly because of the energy and originality of one man, Capt. Roger Williams Wheeler. He has given of himself to our State for more than 30 years, having started with Theodore Francis Green, then Governor, and later my predecessor in the U.S. Senate, a program of lifesaving in our State. At a great financial loss to himself and at the expenditure of his time and energy, he has taught youngsters in our State lifesaving and first aid and has been an inspiration to them all.

Captain Wheeler was born in the seaside city of Newport, my home city, with its long tradition of the Navy. From his start as a surfman at Newport Beach, he has been constantly on the water, having joined the Coast Guard in 1930. For 30 years he has been in the Rhode Island lifesaving system since its organization by him under Governor Green. In 1938 he was commodore of the U.S. Life Savings Corps, and from 1947 to now he has been commodore and superintendent of the U.S. Volunteer Life Savings Corps. He has lectured on lifesaving and first aid procedure for 31 years.

Accordingly, in behalf of so many people of our State, I take this occasion to congratulate Captain Wheeler, wish him the very best of good luck, and take the liberty of doing so on the floor of the Senate in the hope that his example may serve to inspire similar lines of activity in other States.

BRAZIL

Mr. SYMINGTON. Mr. President, having just returned from a trip to Brazil, it was with special interest that I read a clear and informative column by Marquis Childs in the Washington

THE UNIVERSITY OF MICHIGAN LIBRARIES

Post this morning, entitled "Inflation Still Confounds Brazil."

With possibly one exception I agree fully with this penetrating analysis, and Mr. Childs could well be right about that.

That exception has to do with Jucelino Kubitschek. I found some people who thought he could make a political comeback, but others also who did not agree, believing him responsible for much of the inflation which later nearly engulfed the country.

Those of us who wish Brazil well can only hope that if Castello Branco does not continue at the helm of their Government the people of Brazil will find a comparable leader.

I ask unanimous consent that this article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INFLATION STILL CONFOUNDS BRAZIL

(By Marquis Childs)

BRASILIA, BRAZIL.—It has the look of a magician's fabulous trick conjured out of the dark red earth of the Planalto (high plains). Scrub waste 10 years ago, Brasilia is today a capital with perhaps the most distinguished contemporary architecture in the West, a city with its suburbs of 200,000.

What the revolutionary government of President Humberto Castello Branco is trying to do in 2½ years also partakes of something of the magical. The orgy of corruption and demagoguery under Joao Goulart had brought this nation of 84 million close to total breakdown in April 1963. Anarchy and mob rule were just ahead as the printing presses poured out money with less and less value each day.

In a characteristically bloodless Brazilian coup, the military imposed order. They chose a retired military man of unquestioned integrity to be President as Goulart fled the country. And the Congress, having gone through certain constitutional gyrations, voted Castello Branco into the office.

The President lists three goals for what he says must be his transitional service. They are, first checking the runaway inflation; second, getting production started again, and third, strengthening the democratic process in Brazil.

In the first 16 months, he is still a long way from these goals, and that is one reason the president is under increasing pressure to agree to stay on in the office—by means of another congressional vote—beyond the elections due in October 1966.

But when Castello Branco says the great danger to democracy in Latin America is personal power, he speaks not only the historic truth but with what seems every evidence of sincerity. He is pushing an electoral law that will reduce the number of parties from 13, most of them irresponsible splinters, to 4 or 5. Thereby, he hopes to cut out some of the wilder eccentricities of Brazilian politics.

If he succeeds in handing over power to a duly elected president, Castello Branco will have done what for a military man in this part of the hemisphere is like squaring the circle. Yet this short, thick set, almost shy retired field marshal, who gives careful, precise answers to political questions, seems determined to do just that. Those observing him in office believe his "no" means "no" and that he will not be persuaded to stay in power.

However bloodless, the omelet of the revolution was not made without breaking eggs. Several thousand suspected Communists or Communist-leaning leftists were jailed or forced into exile. Some are still in jail, and military courts of intervention still function. At least one state governor was removed by the Central Government.

President Castello Branco says firmly that in the transitional period these same restraints will be applied. He is sensitive to the charge that his is a military regime, pointing to his own determined effort to restore orderly representative government.

The ultimate test will lie not so much in whether Brazil achieves a full democracy but whether out of this transition can come a restored economy and at least relative freedom of political choice. Transposing the terms of Western democracy on a turbulent Latin nation only just emerging from a horrendous ordeal of misgovernment is slightly unreasonable. The curse of corruption and lack of administrative capacity hangs over a people struggling with some beginning success to develop a great undeveloped country.

A singular irony is that the initiator of Brasilia is in voluntary exile in Paris, stripped for 10 years of his civil rights on a charge of corrupton. Jucelino Kubitschek began in 1956, when he was President, to build a capital, as the constitution of 1891 provided, in the center of the country rather than in Rio de Janeiro. No highways, no railroads, nothing; marble and steel girders flown in airplanes—this was the drive behind the new city as it came off the drawing boards of Oscar Neimeyer and Brazil's other brilliant architects. The cost—it must have totaled several billion dollars—contributed to the inflation that reached a wild climax a few years later under Goulart.

"But at least," the average Brazilian is inclined to say, "he (Kubitschek) did something for us." The growth rate under Kubitschek was 6 to 7 percent a year. There is also popular agreement that if he could be a candidate next year, he would sweep the country.

AGRICULTURAL SURPLUSES

Mr. ANDERSON. Mr. President, across this fruitful land the harvest season is fast approaching. In some areas farmers soon will begin seeding the 1966 wheat crop.

Large yields will bring another round of agricultural surplus. It is a bounty of mixed blessings. On the one hand, our people eat better at less cost than any other nation. On the other, we have over the last 30 years created an agricultural program which had validity at the outset, but has since blossomed into absurdity.

Many of the nearly 125 million Americans living in cities who do not see the overflowing grain elevators and bulging warehouses are becoming increasingly aware of that hardy perennial—the farm problem.

As my colleagues know, in recent years I have tried to stay on the sidelines with respect to Government farm policy. Not that I have not been interested because, as a matter of fact, earlier this year I joined with Senators HOLLAND, AIKEN, HICKENLOOPER, and others, in the introduction of a wheat and feed grains bill—S. 891; and introduced my own cotton bill—S. 2079. Instead, I have concentrated my interest and effort on atomic energy, space, finance, and interior matters.

However, when I saw the Department of Agriculture crop report published last Tuesday and analyzed its implications to Government costs, I started worrying. There is cause for the public to worry, too.

FEED GRAINS

The latest estimate I have seen puts the 1965 cost of the feed grain program at $1.6 billion. This is roughly $400 million more than in 1964. Yet, the latest crop report indicates an all-time high in feed grain production—hardly a success story from the standpoint of reducing production and lowering Government costs.

In Iowa, for example, farmers are scheduled to receive over $220 million to cut feed grain production. Yet, the latest crop report shows that Iowa will produce an estimated 838 million bushels of corn—roughly 84 million bushels more than was produced in 1964 and 50 million bushels more than the 1959–63 average. If that is an indication of success, we need to revise the meaning of that word.

In its report on the farm bill, the House Agriculture Committee stated that the feed grain legislation during the last 4 years "has reduced the feed grain stocks more than 30 million tons from the record high 85 million-ton level at the end of 1960 crop-marketing seasons. It has kept Government costs down from what they would have been if the surplus had continued to rise." But that was written before the crop report was released. The judgment was premature.

WHEAT

The prospective wheat crop—second highest on record—is 7 percent greater than 1964 and 16 percent above the average of years 1959–63.

COTTON

No firm estimate of production for this year is available as yet, but acreage is estimated to be down only 3 percent from last year. Giving attention to the uptrend in yields which is underway, and the reported good crop conditions this year across the Cotton Belt, the 1965 output probably will surpass last year's 15 million bales. Thus, judging from current cotton production and use estimates, the carryover of cotton will go up—not down.

Much has been said lately by the supporters of the omnibus farm bill now before the House of Representatives with respect to how it would reduce the production of surpluses, cut Government cost, and maintain farm income. If recent history is any criteria, it will fail to accomplish its stated objectives. Furthermore, it would promote and expand the very objectionable philosophy of direct government payments to farmers.

The normal forces of the market system cannot function when a relatively low loan rate is established and direct payments are employed. Farmers respond to the total incentive, not just the loan rate. The crop report dramatically reflects this fact.

As I understand it, the omnibus farm bill now before the House extends and expands Government direct payments to farmers as embodied in the current feed grain, cotton, and wheat programs. We

THE UNIVERSITY OF MICHIGAN LIBRARIES

have a fairly good measure of the results to date. There is nothing to suggest that future results will be any better than what we have seen thus far.

It is now evident that the present cotton program has failed to fulfill the claims made for it at the time of its passage by Congress last year. We should recall that its proponents said that, under the program, consumption of cotton would increase, cost to the taxpayer would decline, consumer prices of cotton goods would be lowered, and the upward trend in manmade fiber use would be halted and farm income for cotton would be maintained. This program has failed on all counts. The proposal for cotton in H.R. 9811 also will fail to solve cotton's problems.

The recently released cotton data clearly shows that fallacy of the present cotton program and the cotton section of H.R. 9811. They are as follows, with comparisons to earlier estimates which have served as a working base.

I ask unanimous consent that the entire table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In million bales]

Year	Item	Earlier estimate	Recent estimate	Difference
1964–65	Domestic consumption.	9.3	9.1	−0.2
	Exports	4.5	4.0	−.5
	Total consumption.	13.8	13.1	−.7
	Carryover	13.5	14.2	−.7
1965–66	Domestic consumption.	--------	9.3	--------
	Exports	--------	4.2	--------
	Total consumption.	--------	13.5	--------

Mr. ANDERSON. Mr. President, note particularly these aspects of the situation:

First. Total consumption for the year under the new program fell below expectations by 700,000 bales and below actual consumption of the preceding year by 629,000 bales.

Second. Estimated total consumption for 1965–66 is estimated at 13.5 million bales or 300,000 bales less than the early estimate for the past year which proved 700,000 bales too high. Thus if this estimate should prove only as wrong as last year's, actual consumption will be less than 12 million bales.

Third. The August 1, 1965, carryover now estimated at 14.2 million bales (compared to the earlier estimate of 13.5 million) is up 2.1 million bales from a year earlier, 3.2 million from 2 years ago, and is only 200,000 bales below the 1956 record of 14.4 million.

How has the farmer fared during the operation of this complicated cotton program? The truth is that his income is down. His price supports have been reduced from 32.47 cents per pound in 1963 to 29 cents per pound in 1965—almost 3½ cents. And with the large stocks of cotton in the hands of CCC, and the constant threat of it being dumped on the market, the price support tends to set the price. Under the proposal contained in the omnibus farm bill, farmers are being asked to accept a price support at world prices. This could mean a support as low in 1967 as 18 or 20 cents per pound. The difference between this and some target price presumably would be made up in a direct payment to farmers. In my opinion, this would mean the end of the cotton business in most sections of the United States.

How have the textile manufacturers fared under this program? The answer to this in simple terms is very well, indeed. Here is a summary of cloth and raw cotton prices and mill margins by months, using the month of May as the base in each of the years. It is as follows:

[In cents per pound]

Year	Average for 20 constructions		
	Unfinished cloth prices	Raw cotton prices	Mill margins
1962	61.19	36.13	25.06
1963	60.00	36.16	23.84
1964	61.29	35.67	25.62
1965	64.65	27.35	37.30

It is obvious from the record that raw cotton prices were reduced by the amount of the mill subsidy; however, unfinished cloth prices did not decline by a similar amount—they actually rose. Mill margins widened by even more than the amount of the mill subsidy. These developments are in direct conflict with the promises and assumptions made when the current cotton program was adopted by Congress.

What has happened to cotton exports?

Here are the cotton export figures since 1956:

	Bales
1956	7,600,000
1957	5,717,000
1958	2,787,000
1959	7,182,000
1960	6,632,000
5-year average	5,988,000
1961	4,913,000
1962	3,351,000
1963	5,660,000
1964 (estimated cotton situation, USDA, July 1965)	4,000,000
4-year average	4,481,000
Difference	1,507,000

Had we maintained our exports at the 1956–60 rate, our supply of upland cotton today would be down to a manageable 6- or 7-million-bale level.

Based on the facts, it seems to me imperative that we take a real look at the current and proposed price support and adjustment program for agriculture. We cannot continue to pour out billions of dollars annually for programs that are aggravating the situation rather than solving some of the problems of overproduction. It is my honest opinion that we must move toward a market-price system rather than reliance on Government-rigged production controls and compensatory payment programs. A Government warehouse is not a market.

Some advocate going the route of a processing tax as currently used in the wheat program. This is a very dangerous route. It penalizes those least able to pay and is an unnecessary Government interference in the business of food production and distribution.

Some history is instructive—it puts the problem in perspective.

Depression-born farm legislation aimed at giving farmers at least minimum income protection through price supports. High support levels were continued during the war as an incentive to production. An almost insatiable demand for food and fiber during the war and immediately after, proved the real incentive to growers, rather than Government supports. As European agriculture recovered from wartime damage, artificially pegged price supports kept American farmers producing beyond demand.

The Korean war generated renewed production requirements. But, after fighting ended, the Commodity Credit Corporation, which finances the price-support program, began an unbroken chain of losses as rigid support spurred accumulation of surpluses.

Basically, there are two approaches to the agricultural dilemma.

In one direction there is political price fixing and strict Government controls. The stark truth is that this approach is not working, has not worked as intended, and in all probability will not work. Yet many diehard advocates continue to try to make it operate and attempt to defend this approach.

The other approach is to move toward a market price system. It would promote orderly marketing without imposing an indefensible burden on an already overburdened Federal budget. This system would also help to bring domestic price-support policies in line with our foreign trade potential. In the process, our dollar earnings abroad would be substantially increased, a boon to our international balance of payments.

It should be appreciated that Government programs have contributed to the solution of some farm problems; however, others, including certain price support and controls programs, have created far more problems than they have solved.

Here is a sampling of the agricultural disarray that has been created—or accentuated—by unsound Government farm programs:

Farm production greater than market needs has been encouraged.

The use of synthetics has been increased.

Important markets at home and abroad have been lost.

Per unit costs have been increased as operations have been reduced in size, and resources have been forced into secondary uses.

The value of allotments has been capitalized into higher land prices.

Existing programs, as a matter of fact, do not represent a serious attempt to control farm production. The truth is that Congress will not vote, administrative agencies will not enforce, and farmers will not accept the kind of controls that would be necessary to prevent producers from expanding production in response to price support at production incentive levels.

Price support programs can be used properly to facilitate the orderly marketing of farm commodities—provided they are based on economic rather than political considerations. This was an initial objective of the price support system back in the 1930's; however, there is a vast difference between using supports to promote orderly marketing and using them to fix prices without regard to the supply-demand situation.

Congress has the primary responsibility for determining governmental policy in agriculture, as in other fields. In contrast, the principal responsibility of the various executive departments of Government is to administer these policies after they are enacted into law.

I am amazed and disappointed when I hear people attempt to divert attention from the failure of a policy which they supported at the time of its enactment and seek, instead, to pin the blame for farm difficulties on those having the impossible job of successfully administering a wrong policy. It is high time to change this bad policy.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. Mr. President, the Senator from New Mexico has presented to the Senate some of the more distasteful facts of agricultural life in the United States.

It is true that we have to take a different look on agriculture that we have been taking. It is particularly true, I believe, that we shall lose most of the export cotton market which we now have unless some different steps are taken. However, even though the Senator from New Mexico has presented these distasteful facts relative to the production of wheat and feed grains and cotton, he did not mention one item which, I believe, is the most devastating section of the House agricultural bill. That is the item relating to dairying.

Dairying is the most important of all agricultural activities in the United States, when one counts the meat products derived from the dairy herd, as well as milk and its products.

The American family dairy is rapidly going out of business. The 50-cow dairy no longer supports a family.

The production of dairy products is passing into the hands of corporations to a very large extent, which perhaps may be engaged in other business endeavors, as well as farming.

It is my opinion that, if the House proposal for dairying passes as now written, most of the family dairying in the United States will vanish within the next 5 to 10 years.

In New England they are already talking in terms of thousand cow dairies. There is one within a few miles of me now.

There is every indication that several more will be established within the next year or two.

A dairy farm or a dairy operation today may encompass an area as much as 30 or 40 miles across, with these large herd owners and operators, usually corporations, requring the use of land in an adjoining county.

I do not like to see the family dairy farmer go out of business. I realize it is a trend. I do not know that there is anything we can do legislatively to stop it, but what the House proposes will result in putting the producing end of the dairy industry in fewer hands than we have already seen.

Mr. ANDERSON. I hope the dairy farmer will continue to stay. The Senator from Vermont has surely proved to be a friend of the dairy farmer for a long time. I can personally bear testimony to that fact from his efforts when I was Secretary of Agriculture. I gave up a 400-cow dairy many years ago. It was a smart thing to do financially.

We did not have to worry about the losses. The dairy situation is bad. I have not gone into that particularly for the reason that I am more interested in the cotton situation than I am in the dairy industry. I have been studying the cotton legislation that has been proposed. I think the present cotton situation is bad. I therefore introduced a bill which is what I think should be passed by Congress. I am glad that the Senate from Vermont was present in the Agriculture Committee when I explained my bill. I do not expect anybody to pay much attention to it, because each one is determined to go his own course, but the cotton problem is not good, and the problem is not going to disappear by itself.

Although it may be unpopular for a Democrat to say so, I think the act passed in 1958 for a cotton program was a good one. The man administering it started in the right direction, but, unfortunately, in 1961, there was a new price program which was a mistake. I think his advice was bad. I think he could have done a much better job with better advice. The cotton problem must be dealt with. It will continue, unless the present pattern is stopped.

Mr. AIKEN. I would like to dispel the pessimism of the Senator from New Mexico when he says that no one will pay attention to what he says. I am sure many people will pay attention to what he says. They may not agree or like it, but what the Senator is saying today is not going to go unnoticed.

I agree with what the Senator says that the cotton program adopted in 1958 was a good one. We had another bill last year, which the cotton mills avidly supported, and which has resulted in $400 million going to the cotton mills, and a little higher price having to be paid by the consumers, and a little less money going to the cotton producers. I understand the cotton mills want that law continued. I can understand why they do, because they will never get any easier money. In fact, it resulted in the mills making record profits, but the cost was charged to agriculture, which it should not have been.

Mr. ANDERSON. The statement of the Senator from Vermont about the mills being satisfied with the law is true. The table which I inserted shows the mill margin in 1962 was 25.06 cents a pound, but the mill margin in 1965 was 37 cents a pound. Any time a mill can make a jump from 25.06 cents to 37 cents, it is like eating watermelon without having to spit out the pits.

Mr. AIKEN. It is easy to understand why the mills would like to have the law continued.

Mr. ANDERSON. I have put these statements in the Record so I could refresh my recollection. In 1964 I wrote a long letter to a distinguished friend of mine in which I suggested that certain things would happen if certain provisions which were being suggested were enacted into law. They were enacted into law. All the things I predicted have happened. If we do not watch these farm programs, we can get into a bad situation. We should confront the problem and do something about it.

I can testify to the fine work that the Senator from Vermont has done in trying to develop good policies. I am happy that I have had an opportunity to be associated with him in several agricultural areas.

Mr. AIKEN. May I again assure the Senator that his remarks this morning will not go unnoticed, and I have a feeling that they will be noticed by some important people.

Mr. ANDERSON. I thank the Senator.

PERPETUATING THE REPUBLIC AND SEEKING A BETTER WORLD—REMARKS OF SENATOR KUCHEL BEFORE INTERNATIONAL PLATFORM ASSOCIATION

Mr. KUCHEL. Mr. President, I had the privilege of addressing the International Platform Association at its convention in Washington, D.C., on Tuesday, August 3, 1963. I ask unanimous consent that a portion of those remarks be printed in the Record at this point.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Perpetuating the Republic and Seeking a Better World

(Partial text of remarks by U.S. Senator Thomas H. Kuchel before the International Platform Association, August 3, 1965)

Tonight, I wish to speak, first, as an American, sharing a common concern over the grave difficulties which beset our Nation, and, then, to speak as a partisan, sensing a crucial need for a revitalized Republican party, qualified to receive the people's faith, able to win elections, and thus to resume, fully, its historic and constructive role in the government of our Republic. I devotedly believe that the enormous problems which plague our people will best be solved against the background of a healthy two-party system. I like that kind of a check and balance. So, I feel assured, do you.

Vast changes are taking place, at home, and across the oceans, in every hemisphere, in the skies and beyond. Those changes surely are affecting, and will affect, our American society, and the governmental policies, domestic, and foreign, which guide us, and, indeed, mankind everywhere.

A new chapter in American foreign policy is now unfolding halfway around the globe in southeast Asia. From a handful of Americans, civilian and military, sent to South Vietnam in 1954 "to advise and assist," a new nation-state, we are now proceeding

THE UNIVERSITY OF MICHIGAN LIBRARIES

there, in force, indeed, in very great force, prepared to remain for years, or longer. Thus, over a decade, our response to a unilateral call for aid, has now become a vast and expanding defensive military effort by the United States in the face of mounting aggression by the Communist neighbors of South Vietnam. This is a period of increasing danger to our country and to all our aspirations for the peoples of the world to live together, free from the threat of armed attack, able to use their talents to better and to improve our world society. Under all these melancholy circumstances, there is only one course for our country to pursue.

We shall not "dishonor our word or abandon our commitment"—the President's phrase—and, quite aside from the stakes of freedom for South Vietnam, "an Asia"—again the President's words—"so threatened by Communist domination would imperil the security of the United States itself." This crisis, and all that it portends, in men, and money, and time, requires our people to support the President's announcement of the position of the United States.

You do not enhance your reputation for honor by voluntarily assuming an obligation, and then by abruptly chucking it aside. Such course of action would undermine, if not, indeed, destroy, the faith of your friends; and your enemies with great glee would begin feverishly to recalculate the risks involved in deciding to punch you on the nose.

But the fact is, the American people are dedicated to peace, a peace with honor and with justice. We fought successfully, in two World Wars, because we loved our liberties and we were willing to fight for them. And a little over 20 years ago, we helped to fashion the United Nations simply because we continued to believe in peace. That "town meeting of the world" remains a potential avenue through which the cause of a just peace in Indochina might be advanced in spite of the summary rejection yesterday by Hanoi of our President's urging that the U.N. utilize its energies to find ways to halt aggression and to bring peace to Vietnam.

There is every reason for the U.N. to push and prod and labor, to marshal its strength and the opinions of its member nations, in a never-ending search for an acceptable formula to restore peace and security in southeast Asia. The entire world has a prime interest in the cessation of all acts of aggression and terror.

The presence of the United States in Indochina is simply to preserve the freedom of the South Vietnamese people against the cruel terror and sustained attack by her Communist neighbors. I need hardly add that we have no territorial or imperialistic designs at all.

The U.N. must not be deterred by the repeated rebuffs from Hanoi and Peiping. Its exertions must continue at the same time that the United States continues to apply increasing defensive force to help South Vietnam, as the President may determine, in accordance with the Southeast Asia Treaty, and the joint resolution of the Congress of 1 year ago.

Risks abound in however we respond to the terror of Hanoi and Peiping. Beyond all the wanton killing inflicted by the Asian Reds on their neighbors, is the grim and foreboding development of Red China into a nation of nuclear arms. Americans are deeply concerned over all these dangerous prospects, and all their frightful potential on down the road of time, when nuclear proliferation would have proceeded to place Red China, and some small countries, as well, within the nuclear club. The entire world is concerned. Surely, Moscow's surprising and sudden agreement to resume the disarmament talks in Geneva, now underway, reflects an awareness that nuclear war would wreak desolation on the East as well as on the West. At any rate, international cooperation is going to be required in finally achieving peace in southeast Asia, or elsewhere. The balance of terror between the two great nuclear powers, as a means of staving off a global obliteration, is going to require the cooperation of all nations, or most nations, and international guarantees which must be kept.

The real tragedy, therefore, of the struggle against communism in southeast Asia is that, so far, the United States stands almost alone. Some few flags of free countries and some personnel serving under them are with us, and I particularly salute the Australians, the New Zealanders and the South Koreans. But the main supply of men and equipment comes from the United States. How sad it is that our comrades in arms of the 1940's do not stand together to stem the onslaught of the Asiatic Reds.

In his superb "History of the Second World War," Winston Churchill titled his final volume "Triumph and Tragedy." He set down the theme for that volume as "How the great democracies triumphed and so were able to resume the follies which had so nearly cost them their life." The tragedy is that the follies, having been resumed, apparently continue. Nations who value their liberties, and who together fought to preserve them, now appear, at least some of them, to desire to walk alone. The time-proved theory in union there is strength is not being applied very well today by free peoples. Finally, nations which wish peace, irrespective of the type of internal government they practice, are, together, going to have to apply this theory in sustaining peace, or the future is going to be pretty bleak.

Differences, some of which are growing, exist between the nations of the West, as, indeed, differences, some of which appear both growing and irreconcilable, exist between members of the Communist world. Red China almost daily inveighs against the Soviet Union. But, the great democracies, also, on occasion, throw bricks and barbs at one another. In international relations, there has arisen on many occasions the most narrow kind of nationalism hindering the hopes of the many for common progress in trade and commerce and culture, even for arrangements for common defense. I believe in the independence of the United States. I want her to remain preeminently strong. I believe also in the interdependence of free nations, striving for a just peace, for a world of law and order, working together, rid of most of their follies and their foolishness and their super selfishness. For the world neighborhood is growing smaller.

In the beginning of these comments, I said I sensed the need of a revitalized Republican Party, rededicated to the cause of solving the current problems of the American people, and doing it with a nobility of purpose which characterized its finest moments from Lincoln to Eisenhower. The forward progress of this Nation was given great impetus under great Republican chief executives.

When I was appointed to the U.S. Senate, shortly before the commencement of General Eisenhower's administration, my party could look forward to controlling the Congress, however slight its majority may have been. But it did not last for long. Many milestones of progress were passed during the Eisenhower years, which I do not need to enumerate tonight. Democrats joined Republicans in approving Eisenhower's lead. My party became the minority in the Congress during the ensuing 8-year period, and we have remained a minority ever since. In the holocaust of November 1964, our numbers were reduced to less than a third in each House. About 60 new Democratic Congressmen were elected in the House of Representatives. In the Senate, men of stature and reputation, incumbent Republicans, were swept away to defeat, yet their record, indeed, the record of the Republican Party in the Senate had been a very good one. We gave overwhelming support to civil rights legislation which, down to today, has always been pretty well written on the Republican side. We gave substantial support to legislation providing for educational opportunity and manpower retraining, to the nuclear treaty, the United Nations loan and the mutual security program, to mention a very few. My party suffered in the 1964 elections because the people believed we were not keeping faith with our basic humanitarian Lincoln creed.

The fact is my party suffers today in some parts of this country by reason of the strange and singular antics of some of its self-anointed spokesmen. One young so-called Republican group in my State is not content with opposing the voting right legislation now about to be enacted in Congress. It demands that all Federal laws now on the statute books dealing with civil rights be repealed. It demands the impeachment of our Chief Justice, one of the greatest Americans this country has yet produced. It wants to destroy the United Nations, and it demands that we abrogate the nuclear test ban treaty. It seeks repeal of the Federal income tax. It views the Arms Control Agency as some kind of a Communist plot.

I need hardly tell this audience that every one of these outrageous proposals is the very antithesis of Republican principle and Republican history, completely at variance with the most elementary rules of reason and with the Lincoln legend. If they qualify as political tenets, which I very much doubt, they are absurd.

How then can the people of the United States look forward to two vigorous contending forward-looking American political parties? This question is important not simply to registered Republicans but to every citizen in the land.

A persistent imbalance in political power in favor of a single political party poses considerable peril to our system, even though the laws provide a paper opportunity at regular intervals for potential change. A persistent partisan imbalance in any level of our Government is conducive to political autocracy, and a little wheeling and dealing, or worse. There is one less important check or balance. And to the habitual losers, there is frustration, despair, and occasional irresponsibility.

Such an imbalance may well continue in a society of apparent plenty. Over time, a lack of change and a lack of dynamic political exertions could indicate some superficial comfort. Comfort breeds habit. But with habit, comes inertia, and inertia produces a sterility of the mind.

Such a society lives too near to danger. All the procedures of a well-established written Constitution and all the armaments that a scientific elite can devise cannot avert danger for such a society. Sterility of the mind means that men all too easily accept appearance for reality, imagery for content, public relations for public programs. Such sterility can foster a continued nibbling at the edges of poverty and unemployment rather than facing the hard decisions required, the moral awakening involved, and the sacrifice needed to expand educational, health, and job opportunities for all in our American society.

Nowhere is such mental sterility more apparent in our cities which continue to be clogged with slums, with traffic, and with crime. Racial tensions remain. All the urban renewal and public housing in the world will not mean a better America unless we work to aid people in becoming better. Money alone, no matter how bountifully expended, does not make for morality. Legislation alone cannot guarantee solutions.

Once again, the Republican Party must become a national party dedicated to the national interest. Its voice must be the same in Mississippi, in the Carolinas, and in New York and California. It must speak in terms of moderation and of progress. The cornerstone of its grand strategy must be the Emancipator's philosophy on our Government's legitimate objective: "to do for a community of people whatever they need to have done, but cannot do at all, or so well do for themselves, in their separate and individual capacities. In all that the people can individually do as well for themselves, Government ought not to interfere."

Our party needs to recognize the eternal validity of our system of free competitive enterprise, so that the public and the private sectors of our economy will not work at cross-purposes nor be in conflict. Its doors need to be open, with the welcome mat plainly in view, soliciting membership from all walks of life and all races and creeds. In short, the Republican Party must represent an honest cross section of the American people, rich and poor, black and white, big and little, who yearn to perpetuate and to improve our Republic, and to play our part seeking a better world.

SBA DECISION TO SELL BANKABLE LOANS TO PRIVATE ENTERPRISE MAKES SENSE

Mr. PROXMIRE. Mr. President, yesterday Mr. Eugene P. Foley, Administrator of the Small Business Administration, announced that the SBA had decided to sell, without recourse, certain direct and immediate participation loans made after Thursday, August 12, to private purchasers. The buyers of these loans will be permitted to charge the prevailing rate in the area in which the buyer is located, but in no event will the rate exceed 7½ percent. SBA will make the rate determination to be used in the various parts of the country.

This plan will not affect guaranteed loans, economic opportunity loans, disaster loans, or loans made to local development companies. However, it will apply to loans made in depressed areas at 4 percent.

This new ruling is based on an internal study made by SBA which showed that roughly 20 percent of SBA borrowers could have obtained a bank loan on reasonable terms. As is well known, the basic SBA Act states that no loan shall be made by SBA unless the financial assistance applied for is not otherwise available on reasonable terms. SBA regulations require a prospective borrower to furnish the names of the banks to which it has applied and the reason it was unable to obtain the loan. SBA requires that if the trading area in which the applicant is located is of any size two turndowns are to be furnished including the applicant's bank of account; if the applicant is located in a small town one bank turndown is acceptable.

I have stated that these "friendly turndowns" by banks are practically automatic and are not conclusive evidence that a small business is unable to get financing on reasonable terms.

It seems to me that the study which shows that many of these loans are bankable, to the extent of 20 percent, which I think is a conservative estimate, confirms my suspicions.

This new plan will give SBA a more efficient check on bankable loans and will, therefore, get the Federal Government out of competition with banks.

The sale of these loans that SBA has determined are bankable to banks in the area in which the small business is located will also go far to improve the credit position of the small business in his community. His credit worthiness will be proved locally rather than to some big Government agency in far off Washington.

Mr. Foley and President Johnson are to be congratulated for taking this bold step which will make SBA money available to those small businesses which, in fact, are not able to obtain a loan on reasonable terms from banks or other financial institutions.

Mr. President, I ask unanimous consent that a statement issued by SBA on this new plan be included in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ESCALATION OF SMALL BUSINESS ADMINISTRATION LOANS

(Statement issued by the Small Business Administration, Washington, D.C., August 10, 1965)

The Small Business Administration will announce its decision to sell direct and immediate participation loans made after Thursday, August 12, to private purchasers. No existing loans will be affected in any way. Buyers will be permitted to charge up to 7½ percent interest but in accordance with regional rates determined by SBA.

This decision will not affect guaranteed loans, economic opportunity loans, disaster loans, or loans to local development companies. It will, however, apply to loans made in depressed areas at 4 percent.

The new ruling will underline SBA's determination to serve small business without competing with banks. A recent internal review showed that 20 percent of SBA borrowers could have gotten a bank loan on reasonable terms. But in order to take advantage of SBA's low interest rates, they managed to obtain "friendly refusal" from commercial lenders. SBA feels these firms frustrate congressional will by using funds intended for needy firms.

The decision to put certain new SBA loans on the market in the future, accomplishes two things: First, SBA can more readily identify those firms that could have—or can now—borrow private capital at reasonable terms. Second, SBA can get these loans off the books and have more money to lend firms that have no ready access to private financing.

No SBA loans will be sold until it has been held for 90 days.

SBA borrowers will be given 30 days' notice of SBA's intent to sell.

All direct loans will be offered to the borrowers' banks. Participation loans will be offered to the participating banks. If the offers are not accepted, SBA will then decide whether to try and sell the loan to another bank, trust fund, or pension fund.

All loans will be sold without recourse.

SBA will regulate the interest rate purchasers will be allowed to charge. A nationwide base rate will be based on current market conditions and SBA's need and goals. SBA will then adjust the base rate according to State interest rate differentials. The 7½-percent rate maximum will be set to protect borrowers, but in most cases the rate actually charged will be below this limit.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ASPEN AWARD—ASPEN INSTITUTE FOR HUMANISTIC STUDIES, ASPEN, COLO., AUGUST 1965

Mr. ALLOTT. Mr. President, Aspen, Colo., is a tiny mountain town cradled between peaks of snow and rock which soar 14,000 feet into the clouds. In the 1880's, 15,000 persons lived in Aspen, swarming over the lower slopes in the fruitful search for silver. But in the early 1900's, when the cross of gold was raised, this small community seemed permanently darkened by its shadow.

Yet something happened. Out of the hope, vision, and relentless energy of one man came a new and a different Aspen. More than anything else, Walter Paul Paepcke, board chairman for Container Corp. of America, believed in education as the basis of the moral and esthetic sense in man. And the organization which he founded, the Aspen Institute for Humanistic Studies, is the physical reflection of that belief.

This summer, as part of the executive discussion program foreseen by Paepcke, such men as Mortimer J. Adler, James Conant, Theodore Kheel, Rev. James Pike, the Honorable Byran White, and Leonard Bernstein are in Aspen to lead small seminar sessions of business executives which relate the progress of key ideas in Western thought to contemporary society.

And also this summer, Martha Graham, our greatest living dancer, received the second Aspen Award, the $30,000 tribute of the humanities.

The prize was created last year as an extension of the institute's discussion and conference programs in the humanities. It is intended to honor "that person who, anywhere in the world, has made the greatest contribution to the humanities."

British composer Benjamin Britten received the first award for his interpretations through music of man's feelings, moods, and thoughts, and his acceptance remarks have gained for the award a remarkable stature.

Over the past years, I have gained a deep and immutable respect for the men who have carried on the work of Walter Paepcke. In particular, I mean Robert O. Anderson, chairman of the board, and Alivin C. Eurich, president of the Aspen Institute.

The recognition in the humanities which their award has and will continue to effect is a tribute to the State of Colorado, to the Nation, and to men and women throughout the world. The Aspen Award is unique in recognizing man's quest for self-understanding. For that reason, I commend its meaning to my colleagues.

THE UNIVERSITY OF MICHIGAN LIBRARIES

THE ASPEN AWARD

The future of the Aspen Award has been underwritten by a permanent endowment of Robert O. Anderson, chairman of the board for the Aspen Institute. Yet Anderson has given the award what is perhaps a more important birth in its spiritual endowment.

For the personal philosophy which has led to both the conception and the creation of the award looks only to its purpose—the recognition of the humanities as an integral part of man's existence. This theme is the touchstone in Anderson's life and was heard in its force and conviction last June at the graduating ceremonies of Colorado College where Anderson was awarded an honorary doctor of humane letters degree:

> As we reach a point in our national existence where we can satisfy our creature comforts, more and more people are beginning to realize that there must be more to life. As a result we see a growing uneasiness, a boredom with a life totally oriented toward material things, and the need for new and more purposeful challenges. Science and technology can vastly improve our standard of living and general well-being, but to widen our interests and to enjoy life, we must have more than this. In some way we must learn to enjoy the creative side of life embraced by the humanities.

Bob Anderson lives in Roswell, N. Mex., a small oil town on the plains of the Southwest, and his spirit of free enterprise is coupled with a thoughtful stature. He is now chairman of the Federal Reserve Bank of Dallas, and vice chairman and trustee of the John F. Kennedy Center for the Performing Arts.

This man has proven to be far more than an economic benefactor for the Aspen Institute. With his belief in the need for understanding of all products of man's creativity, Anderson has helped to make the institute a home of world culture, where visitors and guests can see and hear great minds in thoughtful deliberation, and where businessmen and resources guests can inquire together into the literature and the ideas of mankind, as they have developed over the centuries. Anderson's philosophical and introspective nature are coupled with a boundless energy and an intense desire to achieve goals. This combination of talents may well make the Aspen Institute a singular but powerful voice in the coming years of technological revolution.

ALVIN C. EURICH: THE ASPEN INSTITUTE

Simultaneously with the announcement a year ago of the creation of the Aspen Award, Alvin C. Eurich, long time vice president of the Ford Foundation and one of the country's most honored educators, was named by Anderson as president of the institute.

Upon the creative vision of Walter Paepcke and the humanistic enterprise of Robert Anderson, Eurich has assembled men of letters, science, government, education, and business to meet in seminar sessions which consider ideas and ideals in contemporary society. Dr. Eurich himself has experience in all these fields and is dedicated to finding a balance and understanding among them.

Within his general theme of "Man in 1980" Eurich has brought Stewart Udall to Aspen to participate with American and foreign experts in a conference on the population explosion, and a group of college and university presidents from such schools as California Institute of Technology and Chicago University to discuss higher education in 1980.

Eurich has defined a hard task both for the institute and for himself. This is perhaps best explained in a remark made last June to the graduating class of Albion College in Michigan:

> How, fully recognizing the achievements of science and technology, can we build upon them a superstructure of life-enhancing and soul-satisfying ideas and ideals? What this really comes to is: How in the midst of the most advanced scientific civilization in the world, can we become more mature in our thinking about those ideas that have shaped our civilization? This is the principal concern of the humanities.

This theme is similar to that of Anderson's and is also a personal one. It is reflected in his statement on the selection of Martha Graham as the second winner of the Aspen Award.

> Martha Graham has reaffirmed the primacy of the human spirit in an age dominated by science and technology.

The Aspen award is a product of both Robert Anderson and Alvin Eurich. Their strength and their determination are clearly visible in every activity which the institute initiates. Yet they have both taken care to allow the cooperative spirit of inquiry so vital to humanistic pursuit remain intact once the programs have been established.

To insure impartiality in the award's selection board, the members were chosen by position. They now include Frederick Burkhardt, president of the American Council of Learned Societies, William De Vane, president of the United Chapters of Phi Beta Kappa; Lord Franks, provost of Worchester College, Oxford; Henry Allen Moe, president of the American Philosophical Society, and Eurich, as president of the institute. The award is an international one, and in the words of Robert Anderson will be awarded "to people in their peak productive years, not 80-year-old big names who have already been acclaimed in their lifetimes but whose work is all behind them."

Martha Graham, who has given our country the one art form which is originally its own, was chosen from over 1,000 nominations from throughout the world.

THE ASPEN AWARD: 1965 CONVOCATION

Henry Allen Moe, speaking for the selection board, and Roger L. Stevens, special assistant to the President in the arts, gave a short introductory talk at the convocation held in Aspen in her honor on July 30.

HENRY ALLEN MOE

Moe, the first speaker, described Miss Graham as the "Child of the Magna Carta," observing that, in 1936, when she badly needed both the money and the prestige, Martha Graham declined vehemently to accept an offer of Adolf Hitler to perform at the Olympic games which were held in Berlin that year. He commented that she had used the charter's freedom well:

> For she has given the dance a new dynamics and a new discipline and, above all, she has established the creative role of the human body—which the philosophers only now think they are discovering * * * all dancers, for all foreseeable time, will not dance as they would have danced had there not been Martha Graham to show the way. More could hardly be said—having regard to his different art—of William Shakespeare.

The philosopher then added a remarkable tribute. "She created an American dance in which feet are used as the Lord made feet to be used—an American dance as great as, and more original than, any."

ROGER STEVENS

Roger Stevens began by speaking of the creation of the National Council on the Arts, and indicated that the John F. Kennedy Center for the Performing Arts has now reached its financial goals. He then added, however, that the "best example of the tremendous increase and growth of interest in the arts is the fact that we are here today to honor Martha Graham."

Stevens spoke of the "natural treasure" which Miss Graham had left us, commenting that "much of that natural treasure is in danger of being lost for all time. Only three of her works have been filmed and the bulk of her great imaginative repertory may pass into history unrecorded."

M'NEIL LOWRY

McNeil Lowry followed Moe and Stevens with the major address "Art and Intensity," and, Mr. President, I ask unanimous consent that Mr. Lowry's remarks be included in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ART AND INTENSITY

(By W. McNeil Lowry, vice president, the Ford Foundation)

Rare indeed in the life of the arts does the work of a single great artist become the esthetic of the artistic medium itself. And when this happens, all of us—artists and nonartists alike—finally know. If the award to be given today were to be made only to artists whose careers represented this fusion of the art form, it could not be given each year, or even each decade. But on this occasion in 1965 the criterion is abundantly and creatively met. The work of Martha Graham has fused and informed the esthetic of modern dance itself. My congratulations to the selection committee are unalloyed, but I do have one sober word to leave with them: They have made their task in other years a difficult one. They have given Miss Graham an award. She has given them a standard it will not be easy to maintain.

So to infuse one's own esthetic in the medium in which one creates and performs is a complex of many elements, and certainly not all of the elements are definable, at least not by me. Even those elements that are the most identifiable are not always the most tangible—we can neither measure them nor create foolproof instruments or mechanisms by which to transmit them. There is at least one such intangible element in the achievement about which I am confident, however. It is the element of intensity. There are other words that come close to denoting the same element, in the arts, anyway—words like concentration, commitment, compulsion. For me, however, intensity in an artist comprehends these other motives and attitudes and then embraces even more. Moving Miss Graham's artistic achievement and compounded within it is an intensity which could not but inform the esthetic of the dance as we know it in the 20th century. This is what has led some critics of the last generation to say (I am sure with not unalloyed pleasure to Miss Graham) that she is modern dance and that modern dance is she, as if there were no other artists of professional distinction in the field. This is not what they meant. They recognized that Miss Graham's work on the stage gave the medium of interpretive dance its own esthetic, that what she created, in effect, was the form itself. How rarely in the history of the creative and performing arts has this fusion occurred. Martha Graham's career honors all of us, and not merely the institution that today honors her.

I am sure you now understand that when I speak of intensity in the arts I am not speaking of a merely technical element. There is intensity in the technique revealed by Miss Graham and other great talents on the stage. But I am concerned today with a much more comprehensive kind of element—ethical as well as technical, instrumental in its effects, shaping and focusing, nurturing and directing. When I extract from all my thoughts and observations about the arts this intangible of intensity, for myself at least I extract a touchstone by which the cultural developments of our own time and Nation may be defined and weighed.

Those developments are various, and at this particular time in our history both more rapid and more popular than ever before, if we do not restrict ourselves to the all important and all meaningful one of individual creation which Martha Graham and a few other Americans represent. To the more broadly cultural developments of the past 10 years we have witnesses * * *. Most of them are in one way or another patrons, but in a different way from the patron who has proved most important to Miss Graham herself, for example. We have not only the individual patron, but the organized one, the one who makes patronage itself a profession, and not any longer in the corporate and private sector alone but in the public, as the presence of Governor Love and Mr. Stevens tells us. And we have an institution which has come into being to say for our society that achievement in the humanities today merits conspicuous recognition.

If this scene were unique in the United States it would still be important, but its uniqueness derives only from Miss Graham's achievement and the recognition being paid to it. Even in the 8 years in which it has been my privilege to conduct the most intensive inquiry into the state of the arts in the United States, we have seen the development of our cultural life become supremely popular both as an activity and as a burden for speechmaking. If the Ford Foundation had so chosen—and fortunately it did not—it could have spent on conferences, seminars, and reports about half of all the money it has invested since 1957 in artists and their professional outlets. It could have spent sevenfold of this for cultural centers, arts councils, festivals or other general manifestations of the idea that there is, or ought to be, some kind of cultural explosion on the landscape.

I have on other occasions attempted to analyze what historical and social factors have made these manifestations come to a head in our time. The most basic are the most subject to generalization. Three factors have roughly coincided in time: the closing of the American land frontier, the emergence of the United States as a world power, and the numerical importance of the college-trained population. When the land frontier closed, not every able or compulsive citizen could find an outlet for his energy in the new frontiers of finance, economic development, and industrial management. Even many who could do so had energies left over for other identifications in their communities. The complexities of America's new position in a threatened world order drove many minds inward, and at a time when a new affluence brought (though not universally) increased leisure. Meanwhile the universities, though doing a generally inadequate job in training young people as artists, had done an important job in training audiences for the arts. New styles in drama are supported by an audience that has been educated in colleges and universities; new fads in painting and sculpture are kept alive, critically and otherwise, by allied interests.

Each of these general factors has its corollary, or more than one. In the late thirties and forties, when the domestic soil was particularly fertile, there was an influx into the United States of some of Europe's most creative artists. Also, U.S. involvement in World War II and the presence of millions of young Americans in Europe undoubtedly stimulated the audience for opera and dance; the surprising interest in the latter in almost every region of the country is strictly a postwar phenomenon. Probably related to all three general factors is a vague desire to escape both the materialism of the American past and the stresses of new international tensions. Many adults presumably look back upon their college experience and wonder if they paid enough attention to their cultural heritage or learned how to interpret it in their own lives. If a painting after all means more than an object for economic speculation, what does it mean?

I am concerned in my remarks today, however, not with the basic causes of our new interest in the arts but with some of their effects. Most of all I am concerned that so many of the manifestations of increasing interest in our cultural resources, welcome as they might be, do not penetrate below the surface not only of art but of the cultural climate which can permit the shaping and development of artistic enterprise.

When I say that there is too often a lack of intensity in the preoccupation of persons and agencies who proclaim our cultural development as their objective, I do not mean there is not a great deal of frenzied activity. What appears often to happen is that mere activity is taken to be a guarantee of commitment and choice. One man's, one group's, one community's activity is promoted as equal to every other, even though activity, if that is the sole test, by itself is undiscriminating. What would we think of the probable results if social and business leaders of our communities, the press, young persons fresh from school, and one or two specialists in fundraising were to assume leadership for the development of our scientific resources and proclaim that each enterprise, each scientist, were as good as another, as important as another, as professional as another? What demands would we put upon them to attempt to focus their efforts, to subject them to the most rigorous standards? Are our artistic resources less complex, more homogeneous, more purchasable as mere commodities?

The kind of intensity that informs the essence of art is at bottom the kind that informs the essence of science, since both are at the deepest core creative. But even at far more mundane and pedestrian levels than the creative core, artistic performance, artistic continuity, artistic enterprise depend upon that intensity which embraces commitment, focus, and the highest sense of craft. Intangible as these elements are, they can be used as touchstones, even by the layman, if his interest is the arts, which are about the artist and the artistic director, rather than social development, which is about a lot of other things.

Though there is still by no means enough money to give legitimate support to the arts in our time and the public has not found the exact means to provide the cultural resources it is beginning to demand, the limitations upon the development of the arts in the next generation will not be financial. Or perhaps we should say that financial limitations will not be crucial unless too many of the agencies and sources of support continue to divert a disproportionate investment of moneys into buildings, councils, conferences, studies, festivals, and other secondary or useless manifestations of a polite cultural urge.

The limitations upon the development of the arts in this era will be found, I think, in two distinct realms, one in which the artists and artistic directors exist and one that includes the rest of us.

In the first and crucial instance, the arts will flourish only in proportion to the intense, driving, focused and compulsive persons who can give force and direction to artistic enterprises, large or small. This is not meant to be a truism: I am not saying that we shall not have literature without writers, music without composers, dance without choreographers and dancers. Of course. I am saying rather than the number of intense, committed, talented persons capable of giving both force and focus to the skeletal structure of artistic enterprise appear to be very, very few.

This is true despite the swirl of activity in the name of "art" that covers the landscape, and even the increased strength that philanthropic and other support has injected into the enterprises of a few tested and committed persons. Let me give you an example from the experience of one of those philanthropies, the Ford Foundation. Before we moved to strengthen to some degree the resident professional theater, the few institutions in that field certainly did not represent what is now called a "movement." Today even the Wall Street Journal tells businessmen their communities are not respectable unless they contain a resident acting company. And many communities now do. But what we really have is too often mere indiscriminate activity, some kind of surrogate for either theater or art, an ectoplasmic prelife substitute, without standards, without craft, without direction. Actually it will be another decade before we can tell whether independent repertory companies of artistic significance will exist on the American scene, and until then the only kind of movement we shall see is a circular one without a center.

In the performing arts, the distinction between the amateur and the professional is made only when subjected to some kind of focus, and that focus usually is provided by another person—director, artistic producer, choreographer, whatever—and the instrumentality he in turn creates. In those media that in the United States are the most traditional and the most easily organized, such as the symphony orchestra, the focus is less complex to create, but even in this medium there are forces under the control of the conductor and other forces that are not.

The artistic director burdened with intensity, organized to the point of distortion, is the most important key to the development of our artistic resources. The other limitation upon what will happen in the next generation is a value factor. With what degree of intensity and insight can the patron and the public come to understand that

THE UNIVERSITY OF MICHIGAN LIBRARIES

the arts are not about society, status (either of a person or of a community), business or even about education but about the artist and the artistic director and their sense of craft?

If one man's activity is as good as another, if one group or company has as much claim on our society as another, if costly cultural edifices are to be erected as clean playhouses for amateurs, this loudly hailed new day is not one for art and the artist. It may have sociological significance for our use of leisure, but on this test culture is more costly than beer or racetracks. Many people, but not enough, are concerned that in large part the promoters of a new national enterprise in culture—individual, corporate, or governmental—are rapidly contributing to the popularization and vulgarization of the artistic media and standards they profess to serve.

Evidence lies on every hand. Both individual patrons and communities acting in that role too often back an artistic enterprise as a social badge for today and a monument for tomorrow. When the proprietary motive is also touched, as it frequently is, the contest is not over artistic performance but over money or publicity. When the question becomes a social one, it is not about art but about power.

Another example is in the performance of the press. Until quite recently the arts were not considered by the publishers important as news, though they had a place on the society page. Slowly they have become newsworthy, but quite inexplicably the standards of coverage, even those of accuracy, are not the standards used by our leading newspapers when covering political or even scientific affairs. If some person styling himself a scientist said he was embarking tomorrow for the moon, even our least professional reporters and editors would not play the story straight. But if he said he was establishing the world's leading drama center and negotiating with Sir Laurence Olivier to run it, his story would be played straight in the Nation's leading papers. Newspaper standards in reporting about the arts have only relative significance, I agree, though again it means that our professed interest in these subjects is in many areas of our life superficial. And it is not insignificant to our cultural development that the press weakens rather than sharpens popular discrimination of what creativity and the creative process are about. Everything is treated alike, as if we could buy culture by the yard.

In talking about newspaper coverage of the arts, I have not mentioned the critics, always a dangerous subject for anyone but a critic. The only complaint I have lies at the door of the publishers. They cannot bring themselves to think that the background and training required of a newspaper critic of one of the creative or performing arts is very important, not at least when compared to what they expect of men in other departments of the newspaper. From time to time we see the phenomenon of a man through long experience covering one of the arts emerging as a distinguished and discriminating voice, the voice of John Martin in the dance or of Walter Kerr in theater, for example. These are rare, and they will continue to be so until publishers and editors are more intensely concerned with our cultural life.

Reporters—and sometimes critics, too, I am afraid—contribute also to the indiscriminate influence of the social or status motives of artistic patrons and entrepreneurs. Publicity brings influence and often brings money. The contest between artistic groups is not always settled, alas, on artistic criteria.

The same game can be played by the artist lacking in his own intensity of commitment. Art can be obscured or even temporarily ruled by faddists if they are successful in obtaining publicity from the press, from owners of galleries, from entrepreneurs who care only for sensations or novelties. It is not only in the theater that activity in the name of art becomes "show business."

Without an intense personal vision and commitment, the artist betrays his medium, no matter how much in vogue may be the style he attempts. This is a truism, of course. But I think we can go farther. Intensity, the sense of commitment, the focus that comes from involvement must exist in the whole complex of persons and forces required for the development of our artistic resources. At their different and less creative levels, private or public patrons, critics, all those in the enterprise must see the core of the artistic experience and understand its demands.

At their most intense realization, the arts become the reflection of man's inner self and of the external environment in which he is so perilously and feebly placed. But they do not reflect life without changing it—we are changing as the intensity of the artistic realization is reached; it is the moment of interchange that is the moment both of art and of truth. In the performing arts, every element, even the most general, that prepares for the moment is a part of the artistic process. We cannot have one set of standards for the process and another for art. Out of amateur, wasteful, or haphazard elements in its environment, art will not develop. There is a standard of craft not only for the creator or the performer but for the producer, the manager, yes, even for the entrepreneur and the patron.

We can define "the humanities" descriptively in terms of their subject matter. It has always been more difficult for those who attempted to explain the humanities in terms of their use.. The Aspen Institute says that achievement in the humanities is achievement in "explaining and strengthening man's sense of his own nature, purpose and destiny." What humane learning does toward these high goals, art does, but with more intensity. How, therefore, can we serve art, even indirectly, if we regard it superficially, merely as activity, purchasable, inchoate, indiscriminate? We can serve it only in the full glare of its burning core.

ALVIN C. EURICH

Mr. ALLOTT. Mr. President, Alvin C. Eurich presented the Aspen Award to Martha Graham with the following remarks and I ask unanimous consent that these remarks also be included as well as the acceptance remarks of Miss Martha Graham.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

PRESENTATION OF THE ASPEN AWARD TO MARTHA GRAHAM BY ALVIN C. EURICH, PRESIDENT, ASPEN INSTITUTE FOR HUMANISTIC STUDIES, JULY 30, 1965

First of all, may I express on behalf of this community, the institute, and of thoughtful people with humanistic interests, our heartfelt and deepest gratitude to our chairman and Mrs. Robert O. Anderson for their generous support of the institute and especially, in this technological age, for establishing the Aspen Award in the Humanities. Through their friendship and reaffirmation "of man's dignity and the greatness of the human spirit" our lives are enriched and we are able at times like these to single out and award those exceptionally gifted human souls who have used their genius to give mankind a new sense of direction and greater zest for living.

Today we honor Martha Graham. Shortly after the institute announced that she would receive the 1965 Aspen Award, Lillian Gish wrote: "As far as I know we, in America, have no undisputed first in the arts, with this one exception in the modern dance, where Martha Graham is the undisputed leader."

The New York Times, in an editorial, approvingly said that "She is without doubt one of the greatest artists America has produced in this era. * * * From the point of view of achievement, influence and use of contemporary materials, she has no superiors and few peers * * * she has used (her art) to probe those dark recesses of man's spirit, the narrow but deep wells of being where the inmost impulses lie." The editorial concluded by putting these words in our mouths: "We honor not alone Martha Graham but America, as well, that nurtured this great figure."

Such considerations were in the minds of the selection board as they chose Martha Graham from hundreds throughout the world whose great achievements were reviewed. She stands preeminent among those "creative persons who are contributing most to the clarification of the individual's role and his relationship to society."

We honor Miss Graham today not solely for her towering achievement in the dance—although that would be reason enough. As Agnes de Mille has observed: "In the most evanescent of all professions (Martha Graham) is regarded, and I believed rightly, as an immortal. Dancers for untold generations will dance differently for her labors. Technically speaking, hers is the single largest contribution in the history of Western dancing."

But we honor her today for something more than technical achievement, however extraordinary. As she herself wrote: "Great art never ignores human values. Therein lies its roots." We esteem her for having chosen this mandate for her art, for having adhered to it faithfully, for having fulfilled it with heroic self-discipline, for having extended it through unparalleled creative fertility, and for having conveyed it to millions of her fellow human beings.

The dance is clearly the first of the arts. We know virtually nothing about how it started. Its primitive beginnings were probably around some tribal fire. But from artifacts, statues, vases, and drawings—the earliest records of man going back to 3000 to 4000 B.C.—we do know that the dance was significant in the lives of primitive peoples.

Clearly from its origins, the dance, more than any other activity, was a humanistic pursuit. For "humanity" means more than one man. The primitive dances brought man, in a physical sense, into a relationship that expressed thoughts of a group. Regardless of the hoped-for effect—whether it was rain, a good crop, protection, or reproduction of the species—the rhythm of the dance was instinctively a group expression of a common goal. These feelings became something which "humanity" could say through the dance. Thus the dance is a means of communication.

Men have long acknowledged the symbolic significance of the dance—first, as a symbol of all the arts which ennoble the human body and spirit, and second, as a symbol of the rhythm of life itself. As Havelock Ellis has written in "The Dance of Life": "The dance lies at the beginning of art, and we find it also at the end. The first creators of civilization were making the dance * * * If we are indifferent to the art of dancing," Ellis concluded, "we have failed to understand, not merely the supreme manifestation of physical life, but also the supreme symbol of spiritual life."

Martha Graham has not just borrowed or built on the entire tradition of artistic and literary expression. In the crucible of her talent she has broken down these images, then reconstituted them in her highly personal but thoroughly communicable style.

She has added a new dimension to the dance. As Lincoln Kirstein has said: "Martha Graham * * * has employed not merely the exotic cultures of the world, nor the vision of a past perfection, but she has, on their foundation, erected a personal classicism and a contemporary expression suitable and equal to her place and time." Through the sheer force of her creative genius and her passionate belief, the critic Robert Sabin has written, "she has forged a dance that leads us to the wellspring of life itself, a dance that is vitally important to every one of us."

For Martha Graham, "every one of us" truly means a worldwide audience of those who are open to the truths of the human spirit which are her themes. Earlier this year the Rockefeller Panel Report on the Performing Arts said: "Perhaps the most renowned modern dance company in the world is Martha Graham's." In the last 15 years her work has reached a world audience. She and her company have toured Europe (1950 and 1954); the Far East, including Java, India, and Iran (1955); the Middle East and Europe (1962); and several times to Israel. Her impact has been enormous: Paul Hoffman, director of the United Nations Special Fund, called her "the greatest ambassador we have ever sent to Asia."

Genuine greatness is never brash, insensitive, rude, or arrogant; instead it reaches out to free and lift man's spirit to new heights; it is never restrictive or confining, it is releasing—always with humility and with a full recognition that there is so much more to be done; that the future of any art, indeed the future of mankind, rests not on past achievements but upon new creations—new forms, new principles, new directions. Such attributes Martha Graham possesses in abundance.

Her creative talents are very much alive today. Just a month ago she returned from Israel—indeed she has virtually been commuting there to direct a dance company. In November she will open on Broadway with new dance creations being composed now by William Schuman and Mordecai Sater. As she has said, "I am not ready to retire yet—I shall dance in the dignity of my time."

Martha Graham has reaffirmed the primacy of the human spirit in an age dominated by science and technology. Drawing her inspiration from many humanistic fields—legends, history, religion, literature, art, archeology, and anthropology—she has found ways to express our deepest thoughts and feelings.

Martha Graham, we meet on this occasion—not adequate to your very great achievements—to recognize the contributions you have made and are making to mankind—including all future generations. And now, on behalf of the Aspen Institute for Humanistic Studies, I am highly honored and inspired to present to you the 1965 Aspen Award in the Humanities with the citation:

To Martha Graham who as a creative dancer, choreographer, and company director has probed deeply those dark recesses of the human spirit and expressed essential truths which have awakened others to a new appreciation of man's nature.

MARTHA GRAHAM ACCEPTANCE SPEECH OF THE ASPEN AWARD

What can I say? You know, I speak without notes because I cannot read and look up and down, and besides I wear glasses, and I am very vain. So, the main thing is, of course, that I can always look into the faces. That's what I can do today, and when I do speak in a theater I always ask that the lights be up enough so that I can see the eyes and the faces of those to whom I'm speaking. After all, they have made my life—they have shared in my life and anything that I have done is a construction really, helped by many, many, many thousands of people.

I love this—I suppose you call it a tent. I love it very much. And it is always in motion. It's mobile, it has none of the terrific rigidity of some theaters. As Mr. Lowry has lead me to believe, in any event, sometimes we get the buildings before we have anything to put into them. And, of course, that is so very tragic and so frustrating for anyone who wants to get into them.

A dancer's life is a strange one. It is not one of complete refusal to live life by any means. Just because I don't have children is no reason why the members of the company can't have children. And they do. They have quite a few, now—12 or something like that within the company. Not on the stage, not yet. I haven't reached the period where I can do the Nutcracker Suite yet. Much as I love it, and I love to go and see it, it is outside my capabilities.

When I was approached by Dr. Eurich in New York, he asked if he could come to see me. He came to my apartment and he told me of this honor. Well, I was completely stunned by this. I could say nothing. And there was one periodical weekly, which is very famous but which must remain nameless, that asked about this and said, "Well, what did you say when you got it?" And I said, "Well, I don't believe I said anything." And the man said, "Well, didn't you say whoopee or anything like that?" I said "No. To begin with, it's a word I never use." And in the face of a sacred honor, such as this is, it would mean nothing. It's not even joy. It is joy, yes, that you experience, but also it is something far more reaching than that. It's a renewal of a commitment.

People have asked me why I chose to be a dancer. I did not choose to be a dancer. I was chosen to be a dancer, and with that you live all your life. When any young student asks me, "Do you think I should be a dancer?" I always say, "If you can ask me that question, no. Only if there is only one way to make life vivid for yourself and for others should you embark upon such a career."

You see, to begin with, it takes about 10 years to produce a dancer. That's not intermittent training; that's daily training. You go step, by step, by step. At 10 years you'll be dancing—probably even before that time—but, by 10 years, if you are going to be a dancer at all, you will have mastered the instrument. You will know the wonders of the human body, because there is nothing more wonderful. The next time you look into the mirror, just look at the way the ears rest next to your head; look at the way the hair line grows; think of the little bones in your wrists; think of the magic of that foot, comparatively small, upon which your whole weight rests. It's a miracle. And the dance in all those areas is a celebration of that miracle. Sometimes, when it's very hot as it was when I left New York, you see these poor creatures standing at the bar, sweating—the hairs all down—they come in looking lovely, and they leave looking rather purified—but in the middle it's very low; very low.

And then, of course, outside your classroom work, there are two areas which you have to embark upon. One is the cultivation of the craft which is in the school where you are working. The other is that something that sometimes is—and has to remain—entirely with you. This is the cultivation of the being from which whatever there is to say comes. It just doesn't come out of nowhere, it comes out of a great curiosity. It comes out of a desire to be an image maker, because that's what imagination means. It means only the ability to make images. But it means the ability to make those images, not as dehumanized things, but as great figures. Take Clytemnestra—that angry, wild, wicked woman. In the ballet that I do, I take her from the end of the third play where she asks, after she is in Hades, "Why do I go dishonored among the dead? Others have killed, but I go dishonored among the dead." And not until she recognizes the fact that she killed—not out of why she said she killed, which was vengence for the sacrifice of Iphegenia her daughter, but out of lust for Aegisthus, could she become free to take the branches from Hades and to move.

It cost me a great deal of effort and a great deal of time, and everything and every minute has been treasured. The main thing, of course, always is the fact that there is only one of you in the world—just one. You came from a certain background, you were born at a certain time—a certain instant in the history of the world. And as that, you are unique.

They say every snowflake is different. I can well believe it. But you are unique, and if that is not fulfilled, then something has been lost. Ambition is not enough; necessity is everything.

And when T. S. Eliot says (I may get one word wrong), "It takes a state or condition of complete simplicity costing no less than everything, to produce a perfect art object" * * * to produce something that has the delicacy and vibrancy of a living thing, a piece of jade, a piece of Chinese art, this means that it lives, it pulses, it is alive for hundreds and thousands of years. Even the Luristan things are still alive although we don't understand them.

It has been a great experience to be here, because I was brought up on the west coast and my training was there. Then I went to New York and lived there. But for the first time in years, I have suddenly discovered the West again. I've been reading the Denver Post, which I haven't seen for a long time. And I'm suddenly back again, in even a speech which is familiar to me and, of course, this fabulous, fabulous place. It must be like some of the places in the Himalayas which harbor great thinking and great dedication to life, even with a withdrawal from the activity of life.

And I have nothing more to say except one thing. I have always loved St. John Pearse for giving me this line, which is in one of his poems. "We have so little time to be born to this instant."

Thank you.

ADJOURNMENT

Mr. PROXMIRE. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 1 o'clock and 53 minutes p.m.) the Senate adjourned, under the previous order, until Monday, August 16, 1965, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 13, 1965:

U.S. MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade indicated, subject to qualification therefor as provided by law:

To be brigadier generals

Wallace H. Robinson, Jr.
Virgil W. Banning
Earl E. Anderson
Michael P. Ryan
Frank E. Garretson

COMMUNICATIONS SATELLITE CORP.

William W. Hagerty, of Pennsylvania, to be a member of the board of directors of the Communications Satellite Corp. for the remainder of the term expiring at the date of the annual meeting of the corporation in 1967.

IN THE ARMY

The nominations beginning George E. Palmer to be major, and ending Jackson M. Yielding, Jr., to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on August 5, 1965.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 16, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used this verse of Scripture: Exodus 33: 15: *If Thy presence go not with us, carry us not up hence.*

Eternal God, our Father, whose mercy and love we have as our hope, may we not be careless of the inheritance of inspiration, which those who have gone before have left us.

We give Thee thanks for our comrades and fellow workers who share with us Thy blessings, and we adore Thy name with all who seek to serve Thy holy will in faithfulness and joy.

As Thou dost look into the chambers and corners of our hearts mayest Thou find there a profound and deep hunger urging us on and strengthening and sustaining us in a way of life that is heroic and dedicated.

Grant that as we daily struggle and aspire for truth, love, and righteousness may the division and the broken ties of humanity be woven into an eternal communion and the hurt and heartaches of mankind shall be healed.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of Thursday, August 12, 1965, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 206. An act to provide a realistic cost-of-living increase in rates of subsistence allowances paid to disabled veterans pursuing vocational rehabilitation training;

H.R. 208. An act to amend chapter 31 of title 38, United States Code, to extend to seriously disabled veterans the same liberalization of time limits for pursuing vocational rehabilitation training as was authorized for blinded veterans by Public Law 87–591, and to clarify the language of the law relating to the limiting of periods for pursuing such training;

H.R. 3037. An act to amend section 1485 of title 10, United States Code, relating to the transportation of remains of deceased dependents of members of the Armed Forces, and for other purposes;

H.R. 3044. An act to authorize payment of incentive pay for the performance of hazardous duty on the flight deck of an aircraft carrier;

H.R. 5034. An act to amend section 2575(a) of title 10, United States Code, to authorize the disposition of lost, abandoned, or unclaimed personal property under certain conditions;

H.R. 7181. An act to provide for the commemoration of certain historical events in the State of Kansas, and for other purposes;

H.R. 7595. An act to amend title 10, United States Code, to authorize transportation at Government expense for dependents accompanying members of the uniformed services at their posts of duty outside the United States, who require medical care not locally available;

H.R. 7843. An act to amend titles 10 and 37, United States Code, to authorize the survivors of a member of the Armed Forces who dies while on active duty to be paid for his unused accrued leave;

H.R. 10139. An act to amend the act of June 23, 1949, relating to the telephone and telegraph service furnished Members of the House of Representatives;

H.R. 10306. An act to amend the Universal Military Training and Service Act of 1951, as amended;

H.J. Res. 95. Joint resolution to designate the lake to be formed by the waters impounded by Sanford Dam, Canadian River project, Texas, as "Lake Meredith"; and

H.J. Res. 431. Joint resolution extending the duration of copyright protection in certain cases.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 89. An act to authorize establishment of the Delaware Valley National Recreation Area, and for other purposes;

H.R. 205. An act to amend chapter 35 of title 38 of the United States Code in order to increase the educational assistance allowances payable under the war orphans' educational assistance program, and for other purposes;

H.R. 3329. An act to incorporate the Youth Councils on Civic Affairs, and for other purposes;

H.R. 5280. An act to provide for exemptions from the antitrust laws to assist in safeguarding the balance of payments position of the United States;

H.R. 5519. An act to amend title 10, United States Code, to authorize language training to be given to a dependent of a member of the Army, Navy, Air Force, or Marine Corps under certain circumstances; and

H.R. 9947. An act to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7969. An act to correct certain errors in the Tariff Schedules of the United States.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. WILLIAMS of Delaware, and Mr. BENNETT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8639. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLELLAN, Mr. ELLENDER, Mr. MAGNUSON, Mr. HOLLAND, Mr. PASTORE, Mr. FULBRIGHT, Mrs. SMITH, Mr. SALTONSTALL, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 322. An act for the relief of Choy-Sim Mah;

S. 343. An act for the relief of Paride Marchesan;

S. 505. An act for the relief of Darlyne Marie Cecile Fisher Every;

S. 782. An act for the relief of Anna Ungvari;

S. 1397. An act for the relief of Vasileos Koutsougeanopoulos;

S. 1647. An act for the relief of Kim Sung Jin;

S. 1651. An act for the relief of Dr. Augustine Y. M. Yao;

S. 1678. An act for the relief of Guillermo Macalintal Madrigal;

S. 1736. An act for the relief of Jennifer Ellen Johnson Mojdara;

S. 1748. An act for the relief of Virgilio Acosta-Martinez;

S. 1775. An act for the relief of Erich Gansmuller;

S. 1919. An act for the relief of Laura MacArthur Goditiabois-Deacon;

S. 2150. An act to discontinue or modify certain reporting requirements of law;

S. Con. Res. 44. Concurrent resolution authorizing the printing of additional copies of House Document No. 198 entitled "The Commission on Intergovernmental Relations";

S. Con. Res. 45. Concurrent resolution authorizing the printing of additional copies of the "Catalog of Federal Aids to State and Local Governments" and the 1965 supplement thereto; and

S. Con. Res. 49. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S.J. Res. 81) entitled "Joint resolution to authorize the Secretary of Commerce to apportion the sum authorized for the fiscal year ending June 30, 1967, for the National System of Interstate and Defense Highways."

The message further announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the U.S. Government," had appointed Mr. MONRONEY and Mr. CARLSON members of the Joint Select Committee on the part of the Senate for the Disposition of Executive Papers referred to in the report of the Archivist of the United States numbered 66–2.

THE LATE HONORABLE GRACIE PFOST

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, Gracie Pfost was born in Boone County, Ark., not many miles from my own birthplace. I did not know her until she came to the Congress on January 3, 1953. She came right to see me because I was the Congressman from the district in which she was born.

During her years in the Congress, there was none more dedicated to the causes which she espoused and none more tenacious in her efforts to sustain those views. Twice I remember in difficult pieces of legislation affecting our own congressional district, she worked day and night on the two projects because they were in her native State.

You never had to worry about Gracie's loyalty to her country, her family, and her friends.

A gallant lady has left us in body, but her spirit will always be with us.

Mrs. Trimble and I are everlastingly indebted to her not only for her kindness but for her friendship.

LEGISLATIVE BRANCH APPROPRIATION ACT, 1959, REIMBURSEMENT OF TRANSPORTATION EXPENSES FOR MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9947) to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

> Page 3, after line 5, insert:
>
> "Sec. 4. The second paragraph of section 105(c) of the Legislative Branch Appropriation Act, 1961 (Public Law 86–628; 2 U.S.C. 43c), is hereby repealed."

Mr. GETTYS. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. Friedel] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. FRIEDEL. The amendment would repeal the United States Code, title 2, section 43c, entitled "Restriction on payment of travel expenses."

This is an item which was included in the Legislative Branch Appropriations Act of 1961 and provides that:

> No funds made available in this or any other Act shall be used to pay the expenses of travel or subsistence for any trip made by any Senator or Representative between the District of Columbia and his home State in the case of a Senator, or his district in the case of a Representative, other than (1) trips which are specifically authorized by law for mileage or transportation expense of Senators and Representatives, (2) official participation in the funeral services of deceased Senators or Representatives, or (3) official trips originating in the Senator's State or Representative's district during periods when Congress is not in session. (Public Law 86–628, July 12, 1960.)

The unfairness of this law is that it prevents payment of travel expenses, with three exceptions, to Members who travel on official business to any place in their districts. The studies and investigations of committees require trips to various areas of the United States. For example, a five-member subcommittee may have hearings in a certain city which is situated within the congressional district of one of the five Members of the subcommittee. Under this law the travel expenses of four subcommittee members may be paid while the expenses of the fifth member, who represented the district, could not be paid.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

TERCENTENARY COMMISSION TO COMMEMORATE THE ADVENT AND HISTORY OF FATHER JACQUES MARQUETTE IN NORTH AMERICA

The Clerk called the first bill (S.J. Res. 53) to establish a tercentenary commission to commemorate the advent and history of Father Jacques Marquette in North America, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

Mr. HALL. Mr. Speaker, reserving the right to object, we have received in the last fortnight the departmental report which meets the stipulation of the House for bills on the Consent Calendar. Generally, I see no objection to establishing this tercentenary commission. In reference to this bill on the Consent Calendar I would still like to ask a question of the gentleman sponsoring the bill, as to whether or not there are amendments proposed as recommended by one of the departmental reports before final passage of this bill today?

Mr. ROGERS of Colorado. Mr. Speaker, in compliance with the request of the Bureau of the Budget we have prepared, and there is now on the Clerk's desk, an amendment which we would like to have adopted at this time.

For the further information of the gentleman, as will be recalled from the report, there is a question of whether there is any appropriation in connection with this matter, and I assure the gentleman there is not.

Mr. HALL. Is this the selfsame amendment, copy of which I have received, that is pertinent only to the transmittal of the commission through the President's office, and thence forwarded to the Congress?

Mr. ROGERS of Colorado. That is right.

Mr. HALL. Do I have the assurance of the gentleman that there are no further amendments intended, which would authorize an appropriation for this commission now or in the future?

Mr. ROGERS of Colorado. That is correct.

Mr. HALL. Do I have the assurance of the chairman of the subcommittee, the distinguished gentleman from Colorado, that all of these authorizations, including the penalty provisions, or franking privilege for the commission and other benefits therein as set forth in the bill are customary for such commissions?

Mr. ROGERS of Colorado. That is correct.

Mr. HALL. Mr. Speaker, I withdraw my reservation.

Mr. GROSS. Mr. Speaker, further reserving the right to object, let me ask the gentleman the meaning, since he has said there will be no appropriations called for in connection with this joint resolution, of the word "assistance" on page 3. To be more specific, does this mean there are agencies and departments of government that will supply personnel for the use of the commission and funds may be provided by the various departments and agencies?

Mr. ROGERS of Colorado. On page 3?

Mr. GROSS. Page 3, line 20, which reads that the commission is empowered to call on other Federal departments and agencies for their advice and assistance.

Mr. ROGERS of Colorado. It is my understanding that the commission may request of the Federal departments, and it is not intended they should call upon any of their employees to do any work. The commission itself is authorized to accept donations of property, money and personal services. But this language is not intended to permit use of the Federal departments' and agencies' employed personnel other than for advice and assistance.

Mr. GROSS. Will the gentleman also say it is not intended that the commission use the funds of other departments or agencies?

Mr. ROGERS of Colorado. The answer is No.

Mr. GROSS. They will not?

Mr. ROGERS of Colorado. That is right.

Mr. GROSS. I only want to add that this is, I think, the first commission I have heard of being established by the Congress that calls for no money out of the Federal Treasury in any way, shape, or manner to support it. This marks a red letter day in the history of Congress when it establishes a brandnew commission at no cost to the Federal tax payers.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

There being no objection, the Clerk read the Senate joint resolution, as follows:

S.J. Res. 53

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is established a commission to be known as the Father Marquette Tercentenary Commission, which shall be composed of twelve members as follows:

(1) Four Members of the Senate to be appointed by the President of the Senate;

(2) Four Members of the House of Representatives to be appointed by the Speaker of the Houes of Representatives; and

(3) Four members to be appointed by the President of the United States.

(b) The President shall, at the time of appointment, designate one of the members appointed by him to serve as Chairman and executive officer. The members of the Commission shall receive no salary by reason of their services as members, but the executive officer may reimburse them for reasonable and necessary expenses incurred by them in conducting Commission business.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

Sec. 2. The functions of the Commission shall be to develop and execute suitable plans for the celebration of the three hundredth anniversary of the advent and subsequent history of Father Jacques Marquette, who came to New France in 1666. In conjunction with the development of such plans, the Commission shall investigate, in cooperation with the Secretary of the Interior, the desirability and suitability of establishing a permanent national monument or memorial to commemorate the historical events associated with the life of Father Jacques Marquette in the New World, and the Secretary of the Interior shall submit to the Congress the Commission's report thereon.

Sec. 3. The Commission may employ, without regard to the civil service laws or the Classification Act of 1949, such employees as may be necessary in carrying out its functions: *Provided,* That no employee whose position would be subject to the Classification Act of 1949, as amended, if said Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under said Act for positions of equivalent difficulty or responsibility. Such rates of compensation may be adopted by the Commission as may be authorized by the Classification Act of 1949, as amended, as of the same date such rates are authorized for positions subject to said Act. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee.

Sec. 4 (a) The Commission is authorized to accept donations of money, property, or personal services; to cooperate with agencies of State and local government; with patriotic and historical societies and with institutions of learning; and to call upon other Federal departments or agencies for their advice and assistance in carrying out the purposes of the joint resolution. The Commission, to such extent as it finds to be necessary, may procure supplies, services, and property and make contracts, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this joint resolution.

(b) Expenditures of the Commission shall be paid by the executive officer of the Commission, who shall keep complete records of such expenditures and who shall account for all funds received by the Commission. A report of the activities of the Commission, including an accounting of funds received and expended, shall be furnished by the Commission to the Congress within one year following the termination of the celebration as prescribed by this joint resolution. The Commission shall terminate upon submission of its report of the Congress, unless the investigation authorized in section 2 of this joint resolution is incomplete and the report thereon has not been submitted to the Congress.

(c) Any property acquired by the Commission remaining upon termination of the celebration may be used by the Secretary of the Interior for purposes of the national park system or may be disposed of as surplus property. The net revenues, after payment of Commission expenses, derived from Commission activities, shall be deposited in the Treasury of the United States.

(d) Mail matter sent by the Commission as penalty mail or franked mail shall be accepted for mail subject to section 4156 of title 39, United States Code, as amended.

Sec. 5. There is authorized to be appropriated an amount not to exceed the sum of $10,000 to carry out the purposes of this joint resolution.

With the following committee amendment:

On page 5, strike lines 1, 2, and 3.

The committee amendment was agreed to.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. Zablocki] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I rise in support of Senate Joint Resolution 53, to establish a tercentenary commission to commemorate the arrival of Father Jacques Marquette to North America in 1666.

The United States is a relatively young country. We have few anniversaries in our history that are more than 200 years old. Next year, however, our Nation will observe the 300th anniversary of an event that profoundly marked the course of events on this continent. It was the landing on these shores of the famous French Jesuit priest and explorer, Père Jacques Marquette.

The importance of the coming of Père Marquette to my own State of Wisconsin, to the Midwest, and, indeed, to the entire Nation, scarcely can be overemphasized. This courageous man has left his mark upon our land and upon our lives.

As a part of a nationwide effort to honor Père Marquette on this important occasion, it is proposed to establish a Father Marquette Tercentenary Commission which would develop and carry out plans for the 1966 celebration, and would investigate the possibility of establishing a permanent national monument to commemorate the events of the Jesuit's life and explorations in North America.

That is the substance of Senate Joint Resolution 53, which is before us today, and of similar bills which were introduced in the House by the gentleman from Illinois [Mr. Gray] and by me.

The Commission would be composed of 12 members, 4 from the Senate to be appointed by the President of the Senate, 4 from the House to be appointed by the Speaker, and 4 to be appointed by the President. From among his four appointees, the President would designate one to be Chairman and executive officer.

The Commissioners will receive no compensation for their service, other than reimbursement for reasonable and necessary expenses incurred in carrying out the work of the Commission.

As reported by the House Judiciary Committee, Senate Joint Resolution 53 does not authorize the expenditure of any Federal funds, nor does it commit the Federal Government to any future appropriation. It simply allows the Commission to accept donations of money, property, or personal service, and to call upon Federal departments and agencies for their advice and assistance in carrying out the purposes of this resolution.

Earlier an objection was raised to this proposal on the grounds that departmental reports had not yet been received on it. Those reports have now been obtained and they are favorable.

The Secretary of the Interior has asserted that his department has no objections to the resolution if one minor, nonsubstantive change is made. The report emphasizes the important contribution of Père Marquette in pushing back the frontiers of our country and aiding the eventual settlement of the American heartland. The Bureau of the Budget has concurred in the Interior Department report.

Mr. Speaker, barely 5 months remain in 1965 for the Commission to develop and execute plans for the 1966 tercentenary celebration. Time is short and much remains to be done if this important event in our history is to be celebrated appropriately.

I urge, therefore, that the House by unanimous consent concur in this resolution without further delay.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rogers of Colorado: On page 2, line 22, after "World", strike the comma and insert a period and delete all that follows through line 24 and substitute in lieu thereof the following:

"The Secretary of the Interior shall submit a report of such investigation to the President for transmittal to the Congress, together with any recommendations which the President may deem appropriate."

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OBSERVING THE 250TH ANNIVERSARY OF HOPKINTON, MASS.

The Clerk called the resolution (H. Res. 439) relative to the 250th anniversary of the establishment of Hopkinton, Mass.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. HALL. Mr. Speaker, reserving the right to object, I will simply make the statement that the previously pointed out questions of lack of departmental reports; and questions concerning such things as whether or not this establishes a precedent; and who are some of this community's sons and daughters; and what are the "important services rendered to the Nation" by the community; what is the current population; and why were all the whereas clauses stricken, have not been answered in the interim since this was put over without prejudice 2 weeks ago.

Therefore, Mr. Speaker, I ask unanimous consent that this resolution again be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDING SECTION 5899 OF TITLE 10, UNITED STATES CODE, TO PROVIDE PERMANENT AUTHORITY UNDER WHICH NAVAL RESERVE OFFICERS IN THE GRADE OF CAPTAIN SHALL BE ELIGIBLE FOR CONSIDERATION FOR PROMOTION WHEN THEIR RUNNING MATES ARE ELIGIBLE FOR CONSIDERATION FOR PROMOTION

The Clerk called the bill (H.R. 1805) to amend section 5899 of title 10, United States Code, to provide permanent authority under which Naval Reserve officers in the grade of captain shall be eligible for consideration for promotion when their running mates are eligible for consideration for promotion.

There being no objection, the Clerk read the bill, as follows:

H.R. 1805

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subsection (a) of section 5899 of title 10, United States Code, is amended by striking out "until July 1, 1969,".

With the following committee amendment:

Strike all after the enacting clause and substitute the following:

"That section 5899 of title 10, United States Code is amended as follows:

" '(1) Subsection (a) is amended by striking out "until July 1, 1961,", and

" '(2) Subsection (b) is amended by adding the following: "However, an officer in the grade of colonel is eligible for consideration for promotion when his running mate is eligible for consideration for promotion." ' "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALARY OF ACADEMIC DEAN, NAVAL POSTGRADUATE SCHOOL, MONTEREY, CALIF.

The Clerk called the bill (H.R. 7327) to repeal section 7043 of title 10, United States Code.

There being no objection, the Clerk read the bill as follows:

H.R. 7327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 605 of title 10, United States Code, is amended—

(1) by repealing section 7043; and

(2) by striking out the following item from the analysis:

"7043. Academic Dean."

With the following committee amendment:

Strike all after the enacting clause and substitute the following: "That section 7043 (b) of title 10, United States Code, is amended by deleting the following: ', but not more than $13,500 a year.' and substituting a period therefor."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXEMPTING CERTAIN CONTRACTS FROM AN EXAMINATION-OF-RECORDS CLAUSE

The Clerk called the bill (H.R. 3041) to amend title 10, United States Code, to exempt certain contracts with foreign contractors from the requirement for an examination-of-record clause.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, reserving the right to object, I would like to ask for some information from the distinguished chairman of the Committee on Armed Services.

As the gentleman knows, the British have had a delegation in our country trying to negotiate for $50 million of contracts to build naval vessels while we in our country have shipyards, both private and public, badly in need of work. I would like to ask the distinguished chairman of the Committee on Armed Services whether this bill will open the door to allow a contract to be signed with the British which would make it unnecessary for us to check their books?

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I am happy to yield to the distinguished gentleman.

Mr. RIVERS of South Carolina. The answer to that is "No." But to further amplify the subject matter, I will ask the gentleman if he will yield to the distinguished chairman of the subcommittee who handled this bill, the gentleman from Illinois [Mr. PRICE] and I will ask him to respond to your inquiry.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I am glad to yield to the gentleman if he can enlighten me with regard to this proposed $50 million contract to build naval vessels in England.

Mr. PRICE. The members of the subcommittee and I am sure the members of the full committee felt that this legislation is needed. We have a program of reciprocity where we are greatly favored in the exchange of contracts and we do not think it would have the effect that the gentleman mentions.

Mr. PELLY. I would hate to think we would let contracts of such vast size without an audit and wanting to examine the books of the contractor to be sure we are not overpaying. Of course, I would add to that that I would not want to see these contracts entered into under any circumstances. I am opposed to allowing the British to build our naval vessels, and would like to see this bill go by if it might open the door to such contracts.

Mr. PRICE. The subcommittee and the full committee also looked very thoroughly into the particular matter and the question that the gentleman raises was raised in the full committee and also in the subcommittee. The reply was such that it satisfied every member of the committee that what the gentleman fears would not happen under this particular bill.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield further?

Mr. PELLY. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. There are two subject matters here. One is a contract with a sovereign power, to wit, the British Government. The committee would have no jurisdiction over a contract with a government. But on the construction of ships, this would be a contract with a private contractor in Great Britain, and we would have control over that and plan to have control over that.

We have no notion of seeing our shipyards starve. Any sort of an agreement between the Department of Defense and private ship contractors in any other country will have our close scrutiny. There will be no construction of any capital ships anywhere that I know anything about.

There are some small categories of vessels involved in a deal whereby the advantage to this country is in a ratio of about 40 or 50 to 1, in gold and currency benefits to us. I do not believe those categories of small vessels are such that the committee would interpose objection. I doubt we would construe an agreement of this kind as creating a precedent.

Mr. PRICE. Mr. Speaker, if the gentleman will yield further, I would say that this pertains to other procurement. It does not pertain to construction of ships. It is for the express purpose of taking care of a situation which exists today and which the Department of Defense has been handling by a certain arrangement. All the testimony before the committee indicated it would result in savings to the Department of Defense in the procurement contracts.

Mr. PELLY. Mr. Speaker, I have great confidence in the distinguished chairman of the Committee on Armed Services and the subcommittee chairman. I am counting on them to protect the American workmen and shipyards that need work.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from Missouri.

Mr. HALL. I should like to say to my colleague, as one of the official objectors and as a Representative from one of the greatest shipbuilding areas in the United States, which he represents so well; that actually this legislation has been before the subcommittee of the Armed Services Committee, as the gentlemen have said previously, and before the full Committee on Armed Services for more than 4 years, to my knowledge. Originally it did not come out of the committee and was objected to therein by the gentleman from Missouri. We suggested that the General Accounting Office be brought into this situation.

The gentleman will note that there is an amendment and an inclusion, on recommendation of the General Accounting Office, which takes care of the examination and records before the fact rather than after the fact, where it is necessary for us to procure such things as prototypes of Swedish recoilless rifles, as desired in 1961 when this question first occurred. Since, there have been numerous additional instances.

Secondly, hearings are going on in the subcommittee and the full Committee on Armed Services re the overseas building of ships of any type, particularly those of the capital class.

I should like to add my reassurance to those of the distinguished gentlemen from Illinois and from South Carolina concerning the question of my colleague from Washington.

Mr. PELLY. I thank the gentleman from Missouri for his contribution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from Iowa.

Mr. GROSS. I cannot tell, from reading the report, whether the Comptroller General is written in or out of this as to authority to review contracts.

Mr. PRICE. The Comptroller General is very definitely in. The gentleman from Missouri explained how the Comptroller General came into the picture. It was at the insistence of the committee and the acceptance of the recommendation of the committee by the Department of Defense. He is very definitely in the picture.

Mr. GROSS. I am glad to hear that. I thank the gentleman.

Mr. PELLY. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 137 of title 10, United States Code, is amended as follows:

(1) Section 2310(b) is amended—

(A) by striking out the words "or section 2307(c)" and inserting the words "section 2307(c), or section 2313(c)" in place thereof; and

(B) by striking out the words "or (4)" and inserting the words "(4) clearly indicate why the application of section 2313(b) to a contract or subcontract with a foreign contractor or foreign subcontractor would not be in the public interest, or (5)".

(2) Section 2313 is amended—

(A) by striking out the word "Each" in subsection (b) and inserting the words "Except as provided in subsection (c), each" in place thereof; and

(B) by adding the following new subsection at the end thereof:

"(c) Subsection (b) does not apply to a contract or subcontract with a foreign contractor or foreign subcontractor if the head of the agency determines, with the concurrence of the Comptroller General or his designee, that the application of that subsection to the contractor or subcontractor would not be in the public interest. However, the concurrence of the Comptroller General or his designee is not required where the contractor or subcontractor (1) is a foreign government or agency thereof; or (2) is precluded by the laws of the country involved from making its books, documents, papers, or records available for examination."

Sec. 2. Section 304(c) of the Federal Property and Administrative Services Act of 1949, as added by the Act of October 31, 1951, chapter 652 (41 U.S.C. 254(c)), is amended by adding the following new sentences at the end thereof: "Under regulations to be prescribed by the Administrator, however, such clause may be omitted from contracts with foreign contractors or foreign subcontractors if the agency head determines, with the concurrence of the Comptroller General of the United States or his designee, that the omission will serve the best interests of the United States. However, the concurrence of the Comptroller General of the United States or his designee is not required for the omission of such clause where the contractor or subcontractor (1) is a foreign government or agency thereof; or (2) is precluded by the laws of the country involved from making its books, documents, papers, or records available for examination. The power of the agency head to make the determination specified in the preceding sentences shall not be delegable."

Sec. 3. Section 3(b) of the Act of August 28, 1958 (50 U.S.C. 1433(b)), is amended by adding the following new sentences at the end thereof: "Under regulations to be prescribed by the President, however, such clause may be omitted from contracts with foreign contractors or foreign subcontractors if the agency head determines, with the concurrence of the Comptroller General of the United States or his designee, that the omission will serve the best interests of the United States. However, the concurrence of the Comptroller General of the United States or his designee is not required for the omission of such clause where the contractor or subcontractor (1) is a foreign government or agency thereof; or (2) is precluded by the laws of the country involved from making its books, documents, papers, or records available for examination."

With the following committee amendment:

On page 4, line 4, following the period insert quotation marks.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTIONS 2275 AND 2276 OF THE REVISED STATUTES

The Clerk called the bill (H.R. 5984) to amend sections 2275 and 2276 of the Revised Statutes, as amended, with respect to certain lands granted to the States.

There being no objection, the Clerk read the bill, as follows:

H.R. 5984

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2275 of the Revised Statutes, as amended (43 U.S.C. 851), is further amended by—

(a) Deleting the words "or Territory" wherever they appear in that section;

(b) Deleting the words "prior to survey" wherever they appear in that section and substituting therefor the words "before title could pass to the State".

Sec. 2. Section 2276 of the Revised Statutes, as amended (43 U.S.C. 852), is further amended by—

(a) Deleting the words "or Territory" and "or Territories" wherever they appear in that section;

(b) Deleting the words "prior to survey" wherever they appear in that section and substituting therefor the words "before title could pass to the State".

(c) Add the words "or unsurveyed" after the word "survey" in subparagraph (a).

With the following committee amendment:

Page 2, strike out all of lines 8 and 9 and insert in lieu thereof the following:

"(c) Adding the words 'or unsurveyed' after the word 'surveyed' in subparagraph (a).

"Sec. 3. The Secretary of the Interior may issue regulations governing applications for unsurveyed lands. If he establishes any minimum acreage requirements, they shall provide for selection of tracts of reasonable size, taking into consideration location, terrain, and adjacent land ownership and uses.

"Sec. 4. Prior to issuance of an instrument of transfer, lands must be surveyed. The Secretary of the Interior shall within five years, subject to the availability of funds, survey the exterior boundaries of lands approved as suitable for transfer to the State."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEASING OF PUBLIC LANDS TO STATES

The Clerk called the bill (H.R. 6646) to amend the Recreation and Public Purposes Act pertaining to the leasing of public lands to States and their political subdivisions.

There being no objection, the Clerk read the bill, as follows:

H.R. 6646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(b) of the Act of June 14, 1926, as amended (44 Stat. 741, 68 Stat. 173, 174, 43 U.S.C. 869 1(b)), is further amended to read as follows:

"(b) lease such land to the State, Territory, county, or other State, Territorial, or Federal instrumentality or political subdivision in which lands are situated or to a nearby municipal corporation in the same State or Territory, for the purpose for which the land has been classified, at a reasonable annual rental, for a period up to twenty-five years, and, at the discretion of the Secretary, with a privilege of renewals for a like period,".

With the following committee amendment:

Strike out all after the enacting clause and insert the following langauge: "That section 2(b) of the Act of June 14, 1926 (44 Stat. 741), as amended (43 U.S.C. 869–1(b)), is further amended by substituting 'twenty-five' for 'twenty'.

"SEC. 2. Upon application by a lessee holding a lease under the Recreation and Public Purposes Act the Secretary of the Interior may enter into a new lease for a term not to exceed twenty-five years from the date of the new lease."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTINUED PROMOTION OF AIR FORCE RESERVE OFFICERS

The Clerk called the bill (H.R. 6007) to amend title 10, United States Code, to authorize the promotion of qualified reserve officers of the Air Force to the reserve grades of brigadier general and major general.

There being no objection, the Clerk read the bill, as follows:

H.R. 6007

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 10, United States Code, is amended by inserting the following new section after section 8372:

"§ 8373. Commissioned officers: Air Force Reserve; promotion to brigadier general and major general

"(a) Officers of the Air Force Reserve may be promoted to the reserve grades of brigadier general and major general to fill vacancies in those grades.

"(b) The Secretary of the Air Force may furnish the names of any officers of the Air Force Reserve who are assigned to the duties of a general officer of the next higher reserve grade, and who meet standards to be prescribed by the Secretary, to a selection board for consideration for promotion to that grade.

"(c) Of those officers considered under subsection (b), the selection board shall recommend the best qualified of those whom it determines to meet the standards prescribed by the Secretary and to be fully qualified for promotion."

With the following committee amendment:

On page 2, line 10, delete the quotation marks at the end of the line and add the following after line 10:

"(d) The names of all officers on a recommended list on June 30, 1964 for promotion to the reserve grade of brigadier general or major general under authority of the provisions of section 8373 of this title, which terminated July 1, 1964, shall be placed on the appropriate recommended list maintained under subsection (c) effective July 1, 1964. The promotion of any such officer shall be effective for all purposes July 1, 1964.

"SEC. 2. This act is effective July 1, 1964."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GORGAS MEMORIAL LABORATORY

The Clerk called the bill (S. 511) to increase the authorization of appropriations for the support of the Gorgas Memorial Laboratory.

The **SPEAKER.** Is there objection to the present consideration of the bill?

Mr. **JOHNSON** of Pennsylvania. Mr. Speaker, reserving the right to object, I would like to interrogate someone on this bill.

I note when we first started this program and first began to give appropriations to this laboratory they started off with $50,000. This bill would increase it to $500,000. I think the record should show just what this laboratory is and what is being done with the money. Therefore I want to ask a few questions, if the gentleman can answer them.

First of all, where is this laboratory located?

Mr. **SELDEN.** Mr. Speaker, will the gentleman yield?

Mr. **JOHNSON** of Pennsylvania. I yield to the gentleman.

Mr. **SELDEN.** The Gorgas Memorial Laboratory is located in Panama City, in the Republic of Panama. It is the operating research establishment of the Gorgas Memorial Institute, which is a private domestic, nonstock corporation. As you pointed out, the U.S. contribution to the laboratory started in 1929 when this institute was established under an agreement between the Governments of Panama and the United States with an annual authorization of $50,000. This sum was increased to $150,000 in 1949 and to $250,000 in 1959. In 1960 Congress authorized $500,000 for the construction of new laboratory facilities, making it one of the best equipped of its kind in that area. Also a new insectary has been built for the laboratory from private funds. This increased authorization will make it possible to more fully utilize and maintain all of these units.

Mr. **JOHNSON** of Pennsylvania. Do you have any idea what the total budget per year is of this laboratory, including our appropriation, contributions, money from investments, and private donations?

Mr. **SELDEN.** I am informed that the 1964 budget was approximately $565,000.

Mr. **JOHNSON** of Pennsylvania. Then, a substantial portion of the operating funds comes from the United States. Is that not correct?

Mr. **SELDEN.** That is correct. And there are some funds from private contributions.

Mr. **JOHNSON** of Pennsylvania. My next question is, Who directs the laboratory and who decides what they are going to study and do research on?

Mr. **SELDEN.** There is a board, the Gorgas Memorial Institute Board of Directors, made up of private individuals. They have some very distinguished members on that Board. If you would like, I will be glad to read you a list. Maj. Gen. Paul Streit is President of the Board. Vice President and General Counsel of the Board is Hon. Maurice Thatcher, a former Member of Congress and one of the first civil Governors of the Panama Canal Zone. There is also a distinguished group of doctors on the Board. All of the Board members serve without compensation. This Institute has done a great deal of distinguished work. As a matter of fact, in the beginning of World War II, when the United States lost its source of quinine and troops in the southeast Pacific area were riddled with malaria, there was work done by the first director of the Gorgas laboratory, Dr. Herbert Clark, which permitted the United States to prescribe atabrine safely and in sufficient doses to control the situation in southeast Asia.

It might also be of interest to the House to know that at the present time research work is being done in connection with migratory birds that perhaps have been bringing encephalitis from tropical areas to the United States.

Mr. **JOHNSON** of Pennsylvania. Mr. Speaker, inasmuch as we will be contributing $500,000 toward this laboratory, if they do discover anything through research, will that be readily available to the United States, in view of our great contribution to this laboratory?

Mr. **SELDEN.** Of course, the Board of Directors will control the type research that will be done, but it is my understanding that this information will be readily available to the Government of the United States.

Mr. **FASCELL.** Mr. Speaker, will the gentleman from Pennsylvania yield?

Mr. **JOHNSON** of Pennsylvania. I yield to the gentleman.

Mr. **FASCELL.** Mr. Speaker, I rise in support of this bill.

The **SPEAKER.** Is there objection to the present consideration of the bill?

Mr. **JOHNSON** of Pennsylvania. Mr. Speaker, this is an important bill. It is listed on the Suspension Calendar. In view of that fact, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CLAIMS AGAINST CUBA

The Clerk called the bill (H.R. 9336) to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba.

The **SPEAKER.** Is there objection to the present consideration of the bill?

Mr. **HALL.** Mr. Speaker, in view of the lack of departmental reports on this bill, and also the fact that it is scheduled under suspension, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from Missouri?

There was no objection.

OFFENSES COMMITTED IN INDIAN COUNTRY

The Clerk called the bill (H.R. 872) to amend the provisions of title 18 of the United States Code relating to offenses committed in Indian country.

There being no objection, the Clerk read the bill, as follows:

H.R. 872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1153, offenses committed within Indian country, of title 18 of the United States Code is amended to read as follows:

"**§ 1153. Offenses committed within Indian country**

"Any Indian who commits against the person or property of another Indian or other person any of the following offenses, namely, murder, manslaughter, rape, carnal knowledge, assault with intent to commit rape, incest, assault with intent to kill, assault with a dangerous weapon, arson, burglary, robbery, and larceny within the Indian country, shall be subject to the same laws and penalties as all other persons committing any of the above offenses, within the exclusive jurisdiction of the United States.

"As used in this section, the offenses of rape and assault with intent to commit rape shall be defined in accordance with the laws of the State in which the offense was committed, and any Indian who commits the offenses of rape or assault with intent to commit rape upon any female Indian within the Indian country shall be imprisoned at the discretion of the court.

"As used in this section, the offenses of burglary, assault with a dangerous weapon, and incest shall be defined and punished in accordance with the laws of the State in which such offense was committed."

Sec. 2. Section 3242, Indians committing certain offenses; acts on reservations, of title 18 of the United States Code is amended to read as follows:

"**§ 3242. Indians committing certain offenses; acts on reservations**

"All Indians committing any of the following offenses; namely, murder, manslaughter, rape, carnal knowledge, assault with intent to commit rape, incest, assault with intent to kill, assault with a dangerous weapon, arson, burglary, robbery, and larceny on and within the Indian country shall be tried in the same courts, and in the same manner, as are all other persons committing any of the above crimes within the exclusive jurisdiction of the United States."

With the following committee amendments:

Page 1, line 10, strike "knowledge," and insert "knowledge of any female, not his wife, who has not attained the age of sixteen years,".

Page 2, line 22, strike "knowledge," and insert "knowledge of any female, not his wife, who has not attained the age of sixteen years,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DISPOSAL OF RUBBER FROM THE NATIONAL STOCKPILE

The Clerk called the bill (H.R. 9544) to authorize the disposal, without regard to the prescribed 6-month waiting period, or approximately 620,000 long tons of natural rubber from the national stockpile.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, in view of the fact that this bill is scheduled under suspension, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPOSAL OF NICKEL FROM THE NATIONAL STOCKPILE

The Clerk called the bill (H.R. 10305) to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 124,200,000 pounds of nickel from the national stockpile.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DISPOSAL OF MAGNESIUM FROM THE NATIONAL STOCKPILE

The Clerk called the concurrent resolution (H. Con. Res. 453) to express the sense of the Congress for the disposal of magnesium from the national stockpile.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

Mr. PELLY. Mr. Speaker, in view of the fact that this resolution is scheduled under suspension, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPOSAL OF DIAMOND DIES AND BISMUTH ALLOYS

The Clerk called the concurrent resolution (H. Con. Res. 454) expressing the approval of Congress for the disposal of diamond dies from the national stockpile, and nonstockpile bismuth alloys.

The SPEAKER. Is there objection to the request for consideration of the concurrent resolution?

Mr. JOHNSON of Pennsylvania. Mr. Speaker, inasmuch as this is listed on the suspension calendar, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DISPOSAL OF HYOSCINE FROM THE NATIONAL STOCKPILE

The Clerk called the concurrent resolution (H. Con. Res. 455) expressing the approval of Congress for the disposal of hyoscine from the national stockpile.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

Mr. PELLY. Mr. Speaker, in view of the fact that this is listed under suspensions, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

REPEAL OF LAW RELATING TO APPOINTMENTS OF WOMEN

The Clerk called the bill (H.R. 6165) to repeal section 165 of the Revised Statutes relating to the appointment of women to clerkships in the executive departments.

There being no objection, the Clerk read the bill, as follows:

H.R. 6165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 165 of the United States Revised Statutes (5 U.S.C. 33) is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, section 165 relates to the appointment of women to clerkships in the executive departments. It vested in department heads the discretionary authority to appoint women to positions, upon the same conditions and with the same compensations, as prescribed for men.

Eventually the statute was interpreted as restricting to agency heads, to the exclusion of the President, the authority to limit the appointment and promotion in Federal positions to one sex or the other. Subsequently, such interpretation was invalidated, thus opening the way for Presidential action to assure that appointments and promotions are made without regard to sex.

The purpose of this legislation is to eradicate from the statutes an ancient discriminatory provision which has become obsolete in the light of present circumstances.

The Civil Service Commission recognizes that section 165 is an anachromism, and strongly endorses its repeal.

Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. Green] may extend her remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, H.R. 6165 provides for repeal of section

165 of the U.S. Revised Statutes which reads as follows:

> Women may, in the discretion of the head of any department, be appointed to any of the clerkships therein authorized by law, upon the same requisites and conditions, and with the same compensation as are prescribed for men.

This apparently salutary law, the original intention of which was to encourage employment of women in the Federal service, actually provided a base for discrimination against women. A 1934 Attorney General's ruling interpreted this section to mean that heads of departments had complete discretionary power in requesting "male only" or "female only" appointees to Federal positions, with the unfortunate result that women, although fully qualified, were frequently barred from specific positions by the "male only" proviso. Such discrimination is completely at variance with this Nation's historic promise to each of its citizens that he or she shall be judged on the basis of individual merit. It is particularly inappropriate and objectionable when practiced by the same Federal Government which is legally and morally committed to the principles of equal opportunity, equal rights, and equal justice for all. Admirable strides have been made in recent years and months—on many fronts—in implementing these principles and I am very happy to report that in 1962 a reinterpretation of section 165 by then Attorney General ROBERT KENNEDY led to a reversal of his predecessor's ruling which had for so many years permitted discrimination against women in Federal employment.

The immediate circumstance which led to this reinterpretation was a study conducted by the Committee on Federal Employment of the President's Commission on the Status of Women—a commission established by the late President Kennedy and which was chaired, until her death, by Eleanor Roosevelt. The Committee members learned in their study that there was considerable discrimination in Federal employment, as in private employment, in relation to promotion and advancement of women. A chief cause, they discovered, was this discretionary power given to department heads to request male only or female only appointees for specific positions. As a result of the Committee's work, Mrs. Roosevelt requested a review of the legal basis for this discretionary power with the happy result, as I have mentioned, that the 1934 opinion was reversed by our former Attorney General, ROBERT KENNEDY. This means, of course, that this section of the law has been rendered innocuous for the moment, but it does not in any way preclude the possibility of some future Attorney General reinterpreting the statute to again permit discriminatory employment practices. My bill, H.R. 6165, would foreclose this possibility by repealing this section of the law. Repeal of section 165 would not in any way affect any current practice and, as such, is somewhat in the nature of a housekeeping measure: clearing the law books of a currently superfluous but potentially harmful statute.

Mr. Speaker, during subcommittee hearings on H.R. 6165 no adverse testimony was offered. So far as I know, no strong objections have been raised against it but, on the contrary, the legislation has had the enthusiastic support of many able and knowledgeable people. These include the Chairman of the Civil Service Commission, the Honorable John W. Macy, my colleagues, Congresswoman FLORENCE DWYER and Congresswoman CATHERINE MAY, representatives of the American Association of University Women and of the National Federation of Business and Professional Women's Clubs and, in addition, the favorable testimony of Miss Marguerite Rawalt, a distinguished attorney and member of the President's Commission on the Status of Women. I am confident that their good sense and careful labor will find its reward in passage of this legislation.

SHIPMENT OF VEHICLES OF DECEASED PERSONNEL

The Clerk called the bill (H.R. 9975) to authorize the shipment, at Government expense, to, from, and within the United States and between oversea areas of privately owned vehicles of deceased or missing personnel, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

H.R. 9975

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 12 of the Missing Persons Act, as amended (50 U.S.C. App. 1012), is amended by striking the words "in those cases where the vehicle is located outside the continental limits of the United States or in Alaska".

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the eligible bills on the Consent Calendar.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 237]

Andrews, N. Dak.
Ashbrook
Ashley
Ashmore
Bingham
Blatnik
Bolling
Bonner
Bow
Brock
Brown, Ohio
Burton, Utah
Cabell
Cahill
Cameron
Carter
Conte
Conyers
Corbett
Craley
Cramer
Cunningham
Curtin
Curtis
Derwinski
Diggs
Dowdy
Dwyer
Edwards, Calif.
Evins, Tenn.
Fino
Fulton, Tenn.
Gibbons
Gilligan
Goodell
Green, Oreg.
Hawkins
Helstoski
Holifield
Holland
Karth
Keogh
King, N.Y.
Kluczynski
Kornegay
Landrum
Lindsay
Long, La.
McDade
McDowell
McEwen
MacGregor
Martin, Mass.
Mathias
May
Miller
Monagan
Moorhead
Morton
Nix
O'Hara, Mich.
Pepper
Powell
Quillen
Reinecke
Resnick
Rivers, Alaska
Roudebush
Roybal
Ryan
Scheuer
Scott
Shipley
Skubitz
Slack
Teague, Tex.
Thomas
Toll
Tupper
Utt
Van Deerlin
Vivian
White, Idaho
Willis
Wilson, Charles H.
Young

The SPEAKER. On this rollcall, 348 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUSPENSION OF DUTY ON CERTAIN FORMS OF NICKEL

Mr. MILLS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6431) to amend the Tariff Act of 1930 to provide that certain forms of nickel be admitted free of duty, with an amendment as printed in the reported bill.

The Clerk read as follows:

H.R. 6431

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the appendix to title I of the Tariff Act of 1930 (Tariff Schedules of the United States; 28 F.R., part II, Aug. 17, 1963; 77A Stat.; 19 U.S.C., sec. 1202) is amended by inserting immediately preceding item 911.70 the following new items:

" 911.21	Ferronickel (provided for in item 607.25, part 2B, schedule 6)	Free	3¢ per lb.	On or before 6/30/67
911.22	Unwrought nickel (provided for in item 620.02, part 2E, schedule 6)	Free	3¢ per lb.	On or before 6/30/67
911.23	Nickel powders (provided for in item 620.32, part 2E, schedule 6)	Free	3¢ per lb.	On or before 6/30/67 ".

SEC. 2. (a) The amendment made by the first section of this Act shall apply to articles entered, or withdrawn from warehouse, for consumption after the date of enactment of this Act.

(b) Duty-free treatment with respect to any article provided for in item 607.25, 620.02, or 620.32 of title I of the Tariff Act of 1930 shall not apply after June 30, 1967, except pursuant to a trade agreement which is entered into under the Trade Expansion Act of 1962 before July 1, 1967. For purposes of section 201(a)(2) of the Trade Expansion Act of 1962 (19 U.S.C., sec. 1821(a)(2)), in the case of such a trade agreement the duty-free treatment provided by item 911.21, 911.22, or 911.23 of title I of the Tariff Act of 1930 shall be considered as existing duty-free treatment.

The SPEAKER. Is a second demanded?

Mr. SCHNEEBELI. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, I am opposed to the bill and I demand a second.

The SPEAKER. The gentleman from Iowa [Mr. GROSS] demands a second. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MILLS. Mr. Speaker, H.R. 6431 was introduced by the gentleman from Pennsylvania [Mr. SCHNEEBELI]. A companion bill was introduced by the gentleman from Massachusetts [Mr.

Burke]. Mr. Schneebeli's bill was reported, and Mr. Burke filed the report of the Committee on Ways and Means accompanying Mr. Schneebeli's bill.

Mr. Speaker, the bill would limit the import duties on certain forms of nickel in order to help the U.S. producers of steel products, particularly stainless steel, to lower their costs and thus place them in a better position to compete with imports in the domestic market and in the export market with foreign producers who obtain their nickel duty free.

Mr. Speaker, the bill was reported by the Committee on Ways and Means unanimously.

Mr. Speaker, our nickel requirements cannot be met by domestic production, which supplies about one-fifth of our total consumption. Therefore, we depend in most part upon imports.

Mr. Speaker, in such a situation it is good sense to make these imports available to our manufacturers without the impediment of a duty. Because the Kennedy round trade negotiations are underway in Geneva, however, the committee on Ways and Means has preserved the bargaining power for the U.S. negotiators with respect to the items covered by the bill—ferronickel, unwrought nickel and nickel powders—by merely suspending the duty, which is 1¼ cents per pound, until July 1, 1967, and authorizing the President to grant an extension of duty-free treatment beyond that date in a trade agreement in which the United States will obtain reciprocal concessions.

Mr. Speaker, the interested executive agencies have all reported favorably on this legislation.

I hope the House will be kindly disposed toward this legislation which will assist U.S. industry in obtaining its nickel requirements.

Mr. Speaker, all of the departments of Government were favorable to the legislation. There is only one producer of nickel about which I know in the United States, and that is the Hanna Mining Co., with headquarters in Cleveland, Ohio, producing nickel, as I understand, in some form in the State of the gentleman from Oregon [Mr. Duncan].

Mr. Speaker, the President of the Hanna Mining Co., in a letter to me dated April 27, 1965, expressed their views on the legislation.

Mr. Speaker, in this letter they pointed out that while—and I will read this one sentence out of the entire letter:

> While this is not an inconsiderable sum—

Talking about the amount by which the company's income might be reduced if the price of nickel went down this 1¼ cents—

> we do not feel that we should oppose the bills for that reason if your committee and the Congress considers the proposed legislation to be clearly in the national interest.

Mr. Speaker, I am sure that I can say for myself—and I would hope for the Committee on Ways and Means—that I do consider the legislation to be in the national interest. We think it should be passed. The committee was unanimous in this thought.

There is another bill to be considered today under a suspension of the rules which I note was on the Consent Calendar having to do with the use of nickel already in our stockpile for domestic purposes here in the United States other than military in nature.

Certainly, Mr. Speaker, this bill, H.R. 6431, is in the national interest and certainly this bill should be overwhelmingly passed by the House of Representatives.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I would be glad to yield to the gentleman from Pennsylvania.

Mr. DENT. I want to say that I join the gentleman in his effort to reduce the tariff in this instance, although I have probably made a reputation for being the person who is most interested in protective tariffs. This comes at a time in the juggling of our production in this country due to emergencies and otherwise, where legislation of this type is essential.

Mr. Speaker, at this point I want to make it clear in discussing the matter, as the gentleman from Arkansas, the chairman of the Committee on Ways and Means, has done that I have introduced a 3-pronged type of legislation dealing with the very important metal, molybdenum. This metal is of greater importance even to the stainless steel and to the tool steel industries than the nickel itself.

Mr. Speaker, I note from the calendar day that we have legislation pending dealing with all 3 points on which I have introduced legislation.

I would like for the chairman to know I respectfully urge that the legislation I introduced calling for a suspension of the duties on molybdenum be considered at an early date. I doubt very much that the gentleman will have the authority, but we are asking that the stockpile be reduced in the amount that the emergency is calling upon to stockpile from the molybdenum supply, that for the last 3 years the only way we have been able to maintain specialty steel production is by taking from the stockpile. Although we are not the largest producers of molybdenum in the world, we do produce 85 percent of the molybdenum, and we export 40 percent. We have reduced the amount that has been available for American industry, there has been no expansion in that particular industry, however, and I have asked that there be no exports for a period of 6 months until the American needs may be supplied, and the tariff suspended so that imports from Canada can come in and relieve the serious situation that exists.

I thank the gentleman for any consideration he can give me.

Mr. MILLS. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. Duncan].

Mr. DUNCAN of Oregon. Mr. Speaker, I thank the gentleman for yielding this time to me. I do not agree with the conclusions of the Committee on Ways and Means, much as I respect the committee and its chairman insofar as it recommends to the House that the rules be suspended and this bill passed.

The chairman with his usual skill has explained this bill. It appears to be a very simple bill. It eliminates the tariff on three classes of nickel—ferronickel, unwrought nickel, and nickel powders. It is interesting to note that there are no tariffs on any other forms of nickel. They come in duty free at the present time.

There is no U.S. production of unwrought nickel or nickel powders. The only production of nickel in this country is from a ferronickel mine in the district I happen to represent. This industry employs some 450 or 500 people, and it is a matter of some significance to us that these people continue to be employed. They have some 15 years of known reserves at their present rate of production. The total production of this mine in Oregon was only about 10 percent of the consumption of nickel in all forms in the country in the year 1964.

The chairman has read to you a letter from the proprietors of this mill in which they indicate if it is in the best judgment of this Congress that the bill be passed, they will not object to it even though it may mean a reduction of several hundred thousand dollars income to the plant. I have investigated and I do not believe the passage of this bill will result in the loss of any jobs in this particular mine and mill. They will continue to sell all they produce and I am assured they will continue to produce.

But it is not only the present employment that concerns me, I am concerned about the future. Additional explorations are being conducted by this company at the present time elsewhere in southwest Oregon. Known ores in this area are of a low grade. Any reduction in income reduces the possibility of additional production and additional mills that may furnish additional jobs in the days to come. At one time, mining was responsible for much of the income of my district. Today, its significance, aside from the production of nonmetallic materials such as sand, gravel, and pumice, is limited almost to nickel. And yet great wealth remains locked up in the mountains of southwest Oregon awaiting only our ingenuity to again be profitable.

Thus, from the standpoint of self-interest, let me make it clear that this bill is not apt to cause us a present loss, though it does cast a potential cloud on the future.

But there is far more to my opposition to this bill than defending the self-interest of an industry and the people employed in it in one's district. We have to have a consistent tariff policy regardless of the commodity involved. I have been one who has always expressed himself as being in favor of freer trade and, had I been here when the Trade Expansion Act passed, I would have supported it enthusiastically. I associate myself now with the remarks of the gentleman from Missouri [Mr. Curtis] as he recently reported on his activities as a congressional representative engaged in negotiations at Geneva. I believe our greater prosperity lies in freer trade, and my record thus far in the Congress so indicates. I was one of the few western Congressmen who voted "no" on the bill to limit beef imports last year because I was convinced that it was inconsistent with the principles of the Trade Expansion Act, and would materially damage our negotiations at Geneva without striking at the root of the beef producers' problem one iota. Subsequent developments have proved that I was substantially correct, but I can assure the Members of this House that I garnered few votes by virtue of having taken this position last year.

While I favor freer trade, I also firmly believe that freer trade is a two-way street. This bill is one more step along the one-way street toward the constant erosion of protection for our own industry without securing reciprocal concessions in other countries for our products.

This is a bill for unilateral elimination of tariffs with absolutely no reciprocal benefits back to the United States insofar as the reduction or elimination of tariff or nontariff trade barriers from other countries are concerned.

It has been suggested there are no tariffs on nickel in other countries. I have tried to research this and as nearly as I can tell, the European Economic Community today has a 4.2 percent tariff on an ad valorem basis on the importation of nickels into those countries. Italy alone has a 7 percent tariff and over a period of years we can expect this to average out as a tariff against the importation of nickel at about 7 percent.

At the present time some 30 percent of the domestic production from Oregon is going into the export market. Why, I would ask you, should we reduce unilaterally the tariffs on nickel without getting something back for it at least a reciprocal reduction in nickel tariffs from the EEC. I have pears produced in my district. For years we have been struggling with France and the countries of Western Europe to get some concessions on these tariff and nontariff trade barriers that absolutely restrict the importation of pears and apples and other fresh fruits into those countries. Finally, we got an agreement under which we are operating today which is reasonably satisfactory but which still creates problems for our U.S. exports and which is only temporary, coming to an end next year. We have absolutely no assurance that even the restricted concessions under which we are presently operating will be continued beyond next season. Why, I would ask you, can we not take this offer of ours to eliminate nickel tariffs to the bargaining table at Geneva and say to these countries, "Here we will offer you freer trade and we will make this concession—what will you give us back for it?"

It is said that the steel companies want this because they are the consumers of nickel in this country and it will help them. This is true. Today, of course, they are the free traders who want to eliminate the tariffs. Tomorrow the question, of course, will be tariffs on barbed wire, tariffs on nails, and tariffs on some product that they do not consume, but which they sell. Then the freer traders will change hats and become protectionists.

The SPEAKER pro tempore. (Mr. ALBERT in the chair). The time of the gentleman has expired.

Mr. GROSS. Mr. Speaker, I yield the gentleman 3 minutes.

Mr. DUNCAN of Oregon. This is natural and I do not blame them. It is a process we all engage in from time to time. I am saying that the Congress of the United States has a greater responsibility than that. I am saying that the Congress of the United States has an obligation to lay out a positive and a consistent tariff policy in the best interests of the United States and then stick to it regardless of the self-interest of some particular group, at any one particular time. I do not consider that we do this when we unilaterally cut tariffs in the Congress while our negotiators bargain at Geneva with less and less to bargain with.

It is said that this will improve our balance of payments. Of course, it will. The estimates are that if this tariff is reduced, it will make a difference of some $15 to $20 per ton in the selling price of stainless steel. This ought to improve the position of the steel companies of this country in their domestic sales and also in their efforts to hold an export market. But let us look beyond that apparent fact.

This will only be so if this tariff reduction is passed on to the consumers. The greatest supplier of nickel—from Canada—has said it will pass this on to the consumer. But history casts doubt on the validity of that statement. In 1948 when tariffs were reduced on nickles, it is true that prices came down by the amount of the reduction, but within months the price of nickel went up 6 cents to 8 cents and all of the savings from the elimination of the tariff were gone and the consumer did not get anything and the balance-of-payments problem was not helped but aggravated. There can be no assurance that it will not be so again.

There are three classes of nickel on which the tariff is to be reduced by this bill—nickel powder, unwrought nickel, and ferronickel. Our only domestic production is ferronickel. Ninety percent of our consumption is imported and about 96 percent of that originates from Canada in forms other than ferronickel. The only foreign company that is in a position to produce ferronickel—which is a combination of nickel and iron and which is highly valued for use in the production of stainless steel—the only company that is prepared to produce ferronickel and import it into this country is Le Societé Nickel—a French company with its principal production in New Caledonia.

Let us take a look at the balance-of-payment problem. Certainly we want to be in a position to end up each year with a favorable balance of trade. But the most important facet of that trade balance problem is the demand that foreign countries place on our gold with dollar credits which they acquire.

So here, now and today, we eliminate tariffs on ferronickel and give an unrestricted share of our nickel market to a French corporation to the disadvantage of our domestic production and to the detriment of our friends in Canada, the country which is our biggest single customer, with whom we enjoy a substantial and favorable balance of trade, and whose dollar position is such that we need not apprehend from her a demand for gold. And the country of France, the one that has been the most trouble at Geneva, the one that has been the biggest stumbling block in achieving this grand design of massive tariff reductions that will enable the whole world to move forward into an era of prosperity will profit. What are we doing? We are putting dollar credits back in the hands of De Gaulle to come over here and demand gold, as he has done on a number of occasions just this last year.

I am for improving our balance of trade, but certainly not by an inconsistent unilateral trade reduction, which at the same time gives De Gaulle another demand on our dwindling gold stocks.

We are sticking our heads in the sand when we add to the ability of Charles de Gaulle to come over here and demand our gold.

There is plenty of nickel in this world. Canada has vast reserves. The United States has a tremendous stockpile. Some 308 million pounds has been declared excess—almost half of the world consumption in 1964. As the chairman indicated, there will be a bill up this afternoon to authorize sales of some 124 million pounds from that stockpile. We will lose money from the sale of nickel in that stockpile if this bill passes. We will lose about $1.5 million from the sale from the stockpile alone. The estimated loss in revenue from the reduction of the tariff is about $2.5 million.

These are factors we should consider, but I do not believe they are critical. If, on balance, it is desirable to reduce the tariff to promote foreign trade, I would not let that loss of revenue interfere with it.

I do not believe it is desirable, however. It is undesirable because of its adverse effect on the further exploration and production of domestic nickel. It is undesirable to unilaterally reduce tariffs by congressional action rather than submitting the issue to negotiation at Geneva where we can bargain for reciprocal benefits. And it is undesirable because it will place dollar claims readily redeemable in gold in the hands of France. I urge you to vote against the bill.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

Mr. GROSS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I have a few questions to ask concerning this proposal, but first I should like to observe that it is more than interesting to find the chairman of the House Committee on Ways and Means [Mr. MILLS], here today expressing the solicitude he does for the manufacturers of this country. I can recall a day and an hour last week when the same gentleman stood before the House of Representatives and opposed a buy-American amendment to another bill, which amendment would have provided some protection for American manufacturers and American labor. Today he takes an entirely different position. And it was a year or so ago that he brought to the floor of the House a bill to reduce taxes. He said at that time, in effect: You cannot take two roads if you vote for this bill. If you vote for tax reduction you must then vote for economy, because you cannot have a tax reduction without reducing expenditures.

Yet, if memory serves me correctly, last week he voted to increase a bill—what was it?—$100 or $150 million a year for 5 years above what was even requested by this spendthrift administration.

So I stand here today asking what is being done to us in this bill? I do not know. I should like to find out. I should like to know what is being done to us again by the Ways and Means Committee.

I should like to ask this question: What will be the price of nickel to be sold from the Government's stockpile if this bill goes through? What effect will this have upon the sale of ferrous nickel from the stockpile? That bill will be up this afternoon. How much is this going to affect the sale of nickel from that stockpile?

Does anybody happen to know the answer?

Mr. MILLS. Mr. Speaker, if the gentleman will yield, perhaps the gentleman from Massachusetts [Mr. PHILBIN], who is handling the stockpile bill, could give an answer. I do not know what the precise effect would be.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. I did not hear the question, I say to my distinguished friend from Iowa.

Mr. GROSS. I believe I stated it twice. I will do it once more. What effect will the passage of this bill have upon the sale of nickel from the Government stockpile? I refer to the bill you propose to bring to the House floor this afternoon.

Mr. PHILBIN. I would not be in a position to tell precisely what effect that would have upon the stockpile or what effect it would have upon the dollar gap. The chairman was discussing that question. Of course, when we take something out of the stockpile and put it into regular industrial uses that means we do not have to import that particular material from some other country. To that extent it reduces the dollar gap by the amount of purchases made.

Mr. GROSS. Let us say your report is not very clear, but it indicates the passage of this bill will have the effect of lowering the price of nickel from the Government stockpile.

Mr. PHILBIN. First of all I want to say this is not the report of my committee but a report of the Committee on Ways and Means.

Mr. GROSS. I propounded the question to you and apparently you cannot give me an answer as to what effect it will have.

Mr. PHILBIN. I gave you the best answer I could give you.

Mr. MILLS. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. Yes, of course.

Mr. MILLS. The gentleman referred to our committee report accompanying the bill. It is true that we did point out the departments thought it might have some effect on the price of the nickel in stockpile, but those same departments of Government assure us that even if this bill should pass, any nickel which is in stockpile would be sold at a profit to the Federal Government. Our committee thought the effect would, in any event, be of a minor nature.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. GROSS. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, this simply means that you will not make the money out of the stockpile that you would make otherwise. Is that correct?

Mr. MILLS. Not necessarily so.

Mr. GROSS. In the absence of this legislation, that is.

Mr. MILLS. Not necessarily so, because there is no certainly as to the amount of the effect.

Mr. GROSS. Now let me ask you this question: What price is to be paid for this duty-free nickel? Nowhere in your report do I find what you are going to pay for this nickel that comes into being.

Mr. MILLS. It is my understanding the present price of imported nickel from Canada is about 79 cents a pound. So if the reduction in the duty were reflected in a reduction in price, it would be about 77¾ cents per pound.

Mr. GROSS. And what is the annual consumption of nickel in this country?

Mr. MILLS. During 1960–64 annual consumption ranged between 108,000 short tons and 130,000 tons, as I recall it.

Mr. GROSS. Mr. Speaker, this is a bill that ought not to pass, this bill to free nickel from any import duty. It is not in the interests of American industry and it is not in the interests of American labor. This bill ought not to pass.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania, the author of the bill [Mr. SCHNEEBELI].

Mr. SCHNEEBELI. Mr. Speaker, I would like to remind the House of some points that were presented by the chairman of our committee. He said this bill was approved by our committee by unanimous consent on both sides of the aisle. He also pointed out that this bill was of a temporary nature and would expire as of July 1, 1967, to be subject to review at that time when we get into conference. Also I want to point out that this bill will save our stainless steel industry about $3 million a year. As the gentleman from Pennsylvania [Mr. DENT] reminded the House, this would put us in a much more competitive position to maintain and strengthen our stainless steel industry, which has been losing business to our foreign competitors. This bill was approved by all executive departments as being a very meritorious bill. The minority members of the Committee on Ways and Means support the majority members in their unanimous support of this legislation, and I urge the House to vote in favor of this excellent bill.

Mr. DUNCAN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield.

Mr. DUNCAN of Oregon. Mr. Speaker, is it not true that the Tariff Commission recommended to the President that all three of these be included on the list for negotiations at Geneva for reductions in two items; 100 percent on one item and on the other item, either 100 percent or 50 percent, depending on the nickel content of the ferronickel?

Mr. MILLS. Mr. Speaker, will the gentleman yield to me to respond to the question?

Mr. SCHNEEBELI. I yield.

Mr. MILLS. Mr. Speaker, this bill does preserve the very thing that the gentleman seeks, I think; namely, that the matter may be considered by our negotiators and something received in return, for without this authority, the President of the United States cannot reduce this duty.

Mr. SCHNEEBELI. Mr. Speaker, this bill—H.R. 6431—will suspend until June 30, 1967, the duty on the importation of certain forms of nickel, with authority for the President to extend the duty-free treatment beyond that date in a trade agreement. The authority to extend is designed to permit our negotiators to obtain reciprocal concessions in the so-called Kennedy round of negotiations in Geneva.

I am joined by my colleague on the committee from Massachusetts in sponsoring this legislation. I believe that we can take pride in the fact that the committee has received favorable reports on the bill from the Departments of State, Treasury, Interior, Commerce, and Labor. There is complete unanimity both on the committee and in the Government departments with respect to this legislation.

Nickel is principally used as an alloy in the production of stainless and other steels. The existing duty of 1¼ cents per pound has increased the cost of domestic production and thereby encouraged imports of stainless steel. Such imports increased from approximately 3,700 tons in 1958 to 80,000 tons in 1964. With the removal of the duty on nickel, our domestic steel producers will be better able to meet this competition.

The elimination of this duty will unquestionably result in expanded consumption of ferronickel. It is anticipated that the total savings which will result from this bill will approximate $110 per ton of nickel content. Imports of ferronickel amounted to 135,000 tons in 1964. Less than 15,000 tons were produced domestically. In terms of production costs, the duty which we are suspending is a very significant item.

The profits of our steel industry have lagged behind the profits of their major customers. In order to have enduring prosperity, our basic industries, such as steel, must prosper and grow. While the cost of ferronickel used in making stainless and other specialty steels may not loom large in the overall economics of the industry, the removal of this duty is a step in the right direction. The duty serves no useful purpose. We should encourage the steel industry to meet foreign competition, both at home and abroad, in all products, insofar as possible. The removal of this duty is amply justified in order to achieve that end.

As savings in production costs are achieved, it is expected that domestic steel producers will be able to compete more favorably for sales of stainless steel products both domestically and abroad, thereby improving our balance of payments. Thus, the bill will benefit one of our basic industries, the users of stainless steel, and our international balance of payments.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. SCHNEEBELI] has expired.

Mr. GROSS. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Speaker, we are faced with a rather unusual situation today. The chairman of the great Committee on Ways and Means is here asking that a unilateral agreement be made, that this bill be passed and nickel be admitted duty free into this country. He is the chairman of the powerful Committee on Ways and Means that reflects the position of the administration, particularly that by the late President Kennedy, where he agreed that when you sit down at the conference table, it should be a give-and-take proposition. Today we are asked to give and to get absolutely nothing in return.

As the distinguished gentleman from Oregon [Mr. DUNCAN] pointed out, if this bill passes, the first group that will be here importing nickel into this country is the French company over in the Far East, and De Gaulle in exchange will be down at the Treasury Department of the United States demanding payment in gold. And do not forget it. Improve the balance-of-payments position?

How naive can you be?

The same gentleman [Mr. MILLS] last week got up, when I offered an amendment to the bill known as the buy-American amendment, and opposed it because he said that it should not be adopted—"not only for the reasons that have been pointed out by the gentleman from Minnesota, but if this change in tariff laws and rates of duty is to be made applicable, it should be made applicable across the board."

One of the great elements that goes into stainless steel is molybdenum. You heard the distinguished gentleman from Pennsylvania [Mr. DENT] say that he has not even been able to get a hearing on a bill that really affects stainless steel. So we are asked again to take a little bite at a tremendous project and hope that we can solve this problem a little bit at a time. An entirely different position than the gentleman from Arkansas took only last Thursday.

I say to the Members of the House, sit down and put your thinking caps on and remember how many times in the past we have had individual bills affecting individual commodities, brought out of the Committee on Ways and Means to change the tariff. Even if you are free traders, you have got to get something for it. And what is American industry going to get if this bill passes? Absolutely nothing.

I think it is about time that we asked the Committee on Ways and Means, despite the fact that they may have a unanimous report from all the agencies downtown, to come up with a consistent policy, because we have on the suspension calendar today two bills that are completely inconsistent; one, we are going to sell nickel in the stockpile and lose money on it, and the other, turn around and allow nickel to come into this country duty free. Just how foolish can you get?

I hope this bill is defeated.

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. DUNCAN].

Mr. DUNCAN of Oregon. Mr. Speaker, I thank the gentleman. I would like to comment on the suggestion made by the chairman of the Committee on Ways and Means that this bill preserves the bargaining power of our Government at Geneva.

It is true that this bill only suspends the duty on three forms of nickel through June 30, 1967, unless the President enters into a trade agreement further extending duty-free treatment beyond that time. The committee's theory is that our negotiators at Geneva can still say, "We will make this suspension of duty permanent if you will give us reciprocal concessions."

But this is a mirage. By eliminating this tariff today, whether we call it temporary or not, we are serving notice on the world that this tariff has no value to us and they need give us nothing in return for the concession. We can never back up. If management enters labor negotiations offering a 3-cent raise in the face of a 10-cent demand by labor and begins talking a 5-cent raise, the limits of further negotiations are immediately reduced to the area between 5 and 10 cents.

And our neighbors can easily deduce that the use of the word temporary is a sham. We have only recently extended for an additional 2 years a temporary tariff examination on nickel scrap and nickel waste which was initiated in 1950 and renewed periodically ever since. Now you tell me how much value there is left, how much bargaining power we have left in Geneva, when we eliminate this tariff unilaterally for a set period and say, "We are going to put it back on if you do not reciprocate." That is just not going to happen and we ought not delude ourselves.

All three of these nickel items were included in the list submitted by the President to the Tariff Commission for possible reduction in rates at the Geneva negotiation under the general agreement on tariff and trade. Unwrought nickel and nickel powders were on the list of articles on which the duty could be removed entirely as it is proposed to do by this bill. This is because the present tariff of 1¼ cents per pound is less than 5 percent ad valorem ferronickel was on the list for a possible reduction of 50 percent. The Commission has made its report to the President and while I do not know, I would guess, that none of these items are on the list of exemptions claimed by this country.

Much of the ferronickel would also have an ad valorem equivalent of less than 5 percent. However, whether it is less than 5 percent or more than 5 per cent depends upon the percentage of nickel contained in the product. In the manufacturing process a ferronickel with a 25-percent nickel content, for example, can be enriched with additional nickel so that, at 1¼-cents-a-pound duty the ad valorem equivalent is more than 5 percent and thus, under the Trade Expansion Act such ferronickel would be subject to a reduction of only 50 percent over a 4-year staging period. I am advised that the ferronickel imported into this country by Le Societe Nickel is so enriched for that very purpose.

There is no reason why if all we seek to do is include ferronickel among those commodities eligible for the elimination of duty we cannot draft and pass a bill doing just that. Our exports of nickel to the European economic community have recently been further impaired by the reclassification of ferronickel containing over 50-percent nickel from a duty-free alloy to a classification of ferronickel subject to the ad valorem decision to which I have previously referred. This was done at the instigation of an unknown country but I suggest that we do not have to look much further than Paris to find the instigator.

Mr. MILLS. Mr. Speaker, I yield myself 1 minute.

There is no authority under the Trade Expansion Act that we passed in 1962 for the President to put ferronickel on the free list. This bill specifically says that the rate of duty will revert to 1¼ cents per pound on July 1, 1967, unless, pursuant to the authority given the President under the Trade Expansion Act of 1962, it becomes a part of a trade agreement at duty-free entry.

Mr. Speaker, we preserve specifically the authority for them to negotiate. But without this bill there is no sufficient authority to negotiate down to the zero rate of duty.

Mr. DUNCAN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I would be glad to yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. It is true that as far as nickel powders and unwrought nickel are concerned, they are on the list, which completely represents an elimination of the tariff; is that not correct?

Mr. MILLS. That is true, but not ferronickel.

Mr. Speaker, I now yield 3 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I had not intended to get into this debate. In fact I was under the impression that there would not be very much debate on this particular bill because I do not think it really is as controversial as some people are attempting to make it.

Mr. Speaker, let us review a few basic facts. First, we must have imports of nickel into this country. We could not fill our requirements without imports. To what degree do we depend upon imports? For about 80 percent of our domestic consumption.

Mr. Speaker, as has been pointed out there is one producer of nickel in this country. This producer cannot supply our needs. Everyone recognizes, as the gentleman from Oregon [Mr. DUNCAN] stated very frankly, that this bill is not going to affect jobs in this country as far as the mining or the smelting of nickel is concerned one iota. A simple job will not be affected as a result of the passage of this bill. You will have just as much nickel imported after this bill is passed as you have today. If you do not pass this bill you are going to have just as much imported next year. This bill is not going to affect the amount of nickel that comes into this country. It is dependent upon the demand. That is all there is to it.

Certainly, this bill may make a difference in the price at which the domestic users of nickel will be able to buy this nickel, the nickel that is imported and the nickel that is produced domestically, and the one domestic producer points that out in his letter. He agrees that he will lose some money as a result. The price which he can get for nickel will go down about 1¼ cents per pound.

You will have 1.25 cents less to be included in the foreign producers' price. I think the answer is clear as to what effect this will have on the price of the nickel that we sell out of our stockpile. It will be 1.25 cents a pound less that the Government will receive for the nickel sold from the stockpile.

The big thing to remember, Mr. Speaker, is that the consumers of nickel in this country are also competing in the world markets. Stainless steel requires nickel. If our steel industry is put on an equal basis in the manufacture of stainless steel, and in the purchase of nickel that goes into his production, he will be better able to compete in the world market. We are trying to put the domestic industry on a competitive basis worldwide by reducing the cost of production by the amount of the duty, because the duty is not serving any useful purpose except to hold up the price of nickel by 1.25 cents a pound. We have to have nickel. It is going to be imported, and what we do with this bill is not going to affect the importation of it, and it will not affect any jobs in this country. So why not pass it if there is going to be an advantage to American industry?

The argument is made, and I agree, that too often I am afraid that what we do is reduce duties on something when we might be able to use the duty as negotiating weapons in getting concessions for ourselves.

Let me say I do not think there is much advantage to the Canadians in bargaining to get rid of this 1¼ cent duty. They know that they are going to supply 80 percent of our nickel requirements, whether we have a duty of 1¼ cents, or no duty at all. So why should they care, in any negotiations they engage in. So you do not have very much left as a bargaining tool by retaining the 1¼ cent duty.

I think we are making a mountain out of a molehill as far as this legislation is concerned. It is not going to affect the amount of imports of nickel and it is not going to affect the jobs in the nickel mining industry in this country. It can have the effect of providing our consumers of nickel with more comparable position in the use of nickel with their foreign competitors. That is why the committee recommended suspension of the duty. In order to give some little advantage, if there is any, to the use of this duty for bargaining purposes, we will not completely repeal it. We will leave it up to the administration, and encourage them to use it. That is the only thing that we should worry about.

Mr. GROSS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, it has been quite interesting to hear the gentleman from Wisconsin. After listening to him I do not understand why this legislation is on the House floor today, for he indicates it will not change anything, that it is meaningless.

I happen to think this is in the nature of a subsidy to the manufacturers of this country. I also think it will redound to the benefit of one, President de Gaulle of France, who is rounding up all the gold he can and who up to this time has not seen fit to pay up the French World War I debts to this country. I am not going to be a party here today to the passage of legislation that one of its sponsors says has no meaning but which eliminates tariffs and opens the door to completely free trade with the United States on the short end of the deal.

The SPEAKER pro tempore. The question is, Shall the House suspend the rules and pass the bill, H.R. 6431, as amended.

The question was taken; and on a division (demanded by Mr. DUNCAN of Oregon), there were—ayes 47, noes 24.

Mr. MILLS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 298, nays 48, not voting 88, as follows:

[Roll No. 238]

YEAS—298

Abernethy
Adair
Adams
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, George W.
Andrews, Glenn
Annunzio
Arends
Aspinall
Ayres
Baldwin
Bandstra
Bates
Battin
Beckworth
Bell
Betts
Boggs
Bolton
Brademas
Brooks
Broomfield
Brown, Calif.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke
Burleson
Burton, Calif.
Byrne, Pa.
Byrnes, Wis.
Callan
Callaway
Carey
Casey
Chamberlain
Chelf
Clark
Clausen, Don H.
Cleveland
Clevenger
Cohelan
Collier
Conable
Cooley
Corbett
Corman
Culver
Dague
Davis, Ga.
Davis, Wis.
Dawson
Delaney
Dent
Denton
Dickinson
Dingell
Dole
Donohue
Dorn
Dow
Downing
Duncan, Tenn.
Edmondson
Edwards, Ala.
Ellsworth
Evans, Colo.
Everett
Fallon
Farbstein
Farnum
Fascell
Feighan
Findley
Fisher
Flood
Flynt
Fogarty
Foley
Ford, Gerald R.
Ford, William D.
Fountain
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gilligan
Gonzalez
Goodell
Grabowski
Gray
Green, Pa.
Greigg
Grider
Griffin
Griffiths
Grover
Gurney
Hagan, Ga.
Hagen, Calif.
Halleck
Halpern
Hamilton
Hanley
Hansen, Iowa
Hardy
Harris
Harsha
Harvey, Ind.
Harvey, Mich.
Hathaway
Hays
Hébert
Hechler
Henderson
Hicks
Holifield
Holland
Horton
Hosmer
Howard
Hull
Hungate
Huot
Irwin
Jacobs
Jarman
Joelson
Johnson, Okla.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Kastenmeier
Kee
Keith
Kelly
King, Calif.
King, Utah
Kirwan
Krebs
Kunkel
Laird
Latta
Long, Md.
Love
McCarthy
McClory
McCulloch
McFall
McGrath
McMillan
McVicker
Macdonald
Machen
Mackay
Mackie
Madden
Mahon
Mailliard
Marsh
Martin, Nebr.
Matsunaga
Matthews
Meeds
Michel
Mills
Minish
Mink
Mize
Moeller
Moore
Morgan
Morris
Morrison
Morse
Morton
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nelsen
O'Brien
O'Hara, Ill
O'Hara, Mich.
Olson, Minn.
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Perkins
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Powell
Price
Pucinski
Purcell
Quie
Race
Randall
Redlin
Reid, Ill.
Reid, N.Y.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roush
Rumsfeld
St Germain
St. Onge
Schisler
Schmidhauser
Schneebeli
Schweiker
Selden
Shriver
Sickles
Sikes
Sisk
Smith, Iowa
Smith, N.Y.
Smith, Va.
Springer
Stafford
Staggers
Stalbaum
Stanton
Stephens
Stratton
Stubblefield
Sullivan
Sweeney
Taylor
Tenzer
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Todd
Trimble
Tunney
Tuten
Udall
Vanik
Vigorito
Waggonner
Watkins
Watts
Weltner
Whalley
White, Tex.
Whitener
Whitten
Widnall
Williams
Wolff
Wright
Wydler
Yates
Young
Zablocki

NAYS—48

Abbitt
Baring
Belcher
Bennett
Berry
Bray
Clancy
Clawson, Del
Colmer
de la Garza
Devine
Dulski
Duncan, Oreg.
Erlenborn
Gross
Gubser
Haley
Hall
Hansen, Idaho
Hutchinson
Ichord
Johnson, Calif.
Langen
Lennon
Lipscomb
Long, La.
Martin, Ala.
Minshall
O'Konski
Olsen, Mont.
Pool
Reifel
Satterfield
Saylor
Secrest
Senner
Skubitz
Smith, Calif.
Steed

Talcott
Teague, Calif.
Tuck
Walker, Miss.
Walker, N. Mex.
Watson
Wilson, Bob
Wyatt
Younger

NOT VOTING—88

Andrews, N. Dak.
Ashbrook
Ashley
Ashmore
Barrett
Bingham
Blatnik
Boland
Bolling
Bonner
Bow
Brock
Brown, Ohio
Burton, Utah
Cabell
Cahill
Cameron
Carter
Cederberg
Celler
Conte
Conyers
Craley
Cramer
Cunningham
Curtin
Curtis
Daddario
Daniels
Derwinski
Diggs
Dowdy
Dwyer
Dyal
Edwards, Calif.
Evins, Tenn.
Farnsley
Fino
Fraser
Green, Oreg.
Hanna
Hansen, Wash.
Hawkins
Helstoski
Herlong
Jennings
Karth
Keogh
King, N.Y.
Kluczynski
Kornegay
Landrum
Leggett
Lindsay
McDade
McDowell
McEwen
MacGregor
Martin, Mass.
Mathias
May
Miller
Monagan
Moorhead
Nix
Pepper
Quillen
Reinecke
Resnick
Roudebush
Roybal
Ryan
Scheuer
Scott
Shipley
Slack
Teague, Tex.
Thomas
Toll
Tupper
Ullman
Utt
Van Deerlin
Vivian
White, Idaho
Willis
Wilson, Charles H.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Massachusetts and Mrs. Dwyer for, with Mrs. May against.

Mr. Cramer and Mr. Keogh for, with Mr. Roudebush against.

Mr. Miller and Mr. Cameron for, with Mr. Reinecke against.

Until further notice:

Mr. White of Idaho with Mr. Andrews of North Dakota.
Mr. Toll with Mr. McDade.
Mr. Thomas with Mr. Utt.
Mr. Ashley with Mr. Ashmore.
Mr. Charles H. Wilson with Mr. Tupper.
Mr. Van Deerlin with Mr. Quillen.
Mr. Bingham with Mr. Fino.
Mr. Helstoski with Mr. MacGregor.
Mr. Jennings with Mr. Derwinski.
Mr. Daniels with Mr. Lindsay.
Mr. Daddario with Mr. Conte.
Mr. Leggett with Mr. Cunningham.
Mr. Evins of Tennessee with Mr. Brock.
Mr. Nix with Mr. Curtin.
Mr. Pepper with Mr. Mathias.
Mr. Kornegay with Mr. Burton of Utah.
Mr. Kluczynski with Mr. Cederberg.
Mr. Hawkins with Mr. Blatnik.
Mr. Herlong with Mr. Edwards of California.
Mr. Roybal with Mr. Diggs.
Mr. Shipley with Mr. Conyers.
Mr. Monagan with Mr. Scheuer.
Mr. Moorhead with Mr. Ryan.
Mr. Teague of Texas with Mr. Resnick.
Mr. Ullman with Mr. Fraser.
Mr. Willis with Mrs. Green of Oregon.
Mr. Landrum with Mr. Hanna.
Mr. Slack with Mr. Vivian.
Mr. Barrett with Mr. Bow.
Mr. Scott with Mr. Brown of Ohio.
Mr. Bonner with Mr. King of New York.
Mr. Celler with Mr. McEwen.
Mr. Dyal with Mr. Carter.
Mr. Cabell with Mr. McDowell.
Mr. Boland with Mr. Hansen of Washington.
Mr. Karth with Mr. Craley.
Mr. Dowdy with Mr. Farnsley.

Mr. FARNUM changed his vote from "nay" to "yea."

Mr. PHILBIN changed his vote from "nay" to "yea."

Mr. COLLIER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO REVISE AND EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that those who spoke on the bill just passed may have permission to revise and extend their remarks and to include pertinent material.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SUBCOMMITTEE ON FISHERIES AND WILDLIFE OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Fisheries and Wildlife of the Committee on Merchant Marine and Fisheries may sit during general debate tomorrow on the farm bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SUBCOMMITTEE NO. 6 OF SMALL BUSINESS COMMITTEE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that subcommittee No. 6 of the Small Business Committee may sit to take testimony from the Department of Agriculture and from the Federal Trade Commission on antitrust enforcement insofar as it affects small business on Wednesday.

The SPEAKER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED APPROPRIATION BILL, 1966

Mr. FOGARTY. Mr. Speaker, I call up the conference report on bill (H.R. 7765) making appropriations for the Departments of Labor, Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

The was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT—(H. REPT. NO. 791)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7765) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 11, 12, 31, 36, 40, 43, 44, 45, 46, 48, and 51.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 6, 7, 8, 9, 10, 13, 15, 16, 17, 18, 21, 25, 28, 29, 32, 33, 34, 37, 38, and 42, and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,350,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$19,575,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

"To carry out the provisions of section 318 and title VI of the Act, as amended, and parts B and C of the Mental Retardation Facilities Construction Act (42 U.S.C. 2661–2677), and, except as otherwise provided, the Community Mental Health Centers Act (42 U.S.C. 2681–2687), $303,304,000, of which $160,000,000 shall be for grants or loans for hospitals and related facilities pursuant to section 601(b) of the Public Health Service Act, $100,000,000 shall be for grants or loans for facilities pursuant to section 601(a) of the Public Health Service Act, and of which $1,500,000 shall be available until expended, without regard to any other requirements, for payment of not to exceed 66⅔ per centum of the cost of construction of a multiservice facility for the physically and mentally handicapped, $5,000,000 shall be for special project grants pursuant to section 318 of the Public Health Service Act, $12,568,000 (including not to exceed $6,900,000 for experimental hospital construction) shall be for the purposes authorized in section 624 of the Public Health Service Act, $10,000,000, to remain available until expended, shall be for grants for facilities pursuant to part B of the Mental Retardation Facilities Construction Act, and $12,500,000 shall be for grants for facilities pursuant to part C of the Mental Retardation Facilities Construction Act: *Provided,* That there may be transferred to this appropriation from 'Construction of community mental health centers' an amount not to exceed the sum of the allotment adjustments made by the Secretary pursuant to section 202(c) of the Community Mental Health Centers Act: *Provided further,* That funds made available for the purposes authorized in section 624 of the Act shall not be used to pay in excess of two-thirds of the cost of any experimental or demonstration construction or equipment project to which section 3(b)(4) of the Hospital and Medical Facilities Amendments of 1964 applies."

And the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,857,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$58,210,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$122,638,000": and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,806,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$212,469,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$95,653,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the matter stricken and inserted by said amendment insert the following:

"For grants and contracts for demonstration, evaluation, and training projects, and for technical assistance, relating to control of juvenile delinquency and youth offenses, and for salaries and expenses in connection therewith, $6,750,000, of which $1,750,000 shall be for the demonstration and evaluation project in the Washington metropolitan area pursuant to section 9 of the Juvenile Delinquency and Youth Offenses Control Act of 1961."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 23, 41, 47, 49, and 50.

John E. Fogarty,
Winfield K. Denton,
Daniel J. Flood,
George Mahon,
Melvin R. Laird,
Robert H. Michel,
Frank T. Bow,
Managers on the Part of the House.

Lister Hill,
John Stennis,
John O. Pastore,
Alan Bible,
Robert C. Byrd,
Norris Cotton,
Margaret Chase Smith,
Managers on the Part of the Senate.

Statement

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7765) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF LABOR

Manpower Administration

Amendment No. 1.—Appropriates $10,000,000 for Advances for Employment Services instead of $20,000,000 as proposed by the Senate. Since the preparation of the budget, the estimate of insured unemployment has been reduced. The resulting savings in administrative expenses under the Grants to States appropriation is approximately $10,000,000. The conferees are agreed that this additional sum be used for the same purposes specified by the Senate in connection with amendment no. 1.

Wage and labor standards

Amendment No. 2.—Provides $387,000 for the President's Committee on Employment of the Handicapped as proposed by the Senate instead of $364,500 as proposed by the House.

Amendment No. 3.—Appropriates $3,242,500 for the Bureau of Labor Standards, salaries and expenses, as proposed by the Senate instead of $3,220,000 as proposed by the House.

Bureau of Labor Statistics

Amendment No. 4: Appropriates $19,726,000 for salaries and expenses as proposed by the Senate instead of $19,601,000 as proposed by the House.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

Amendment No. 5: Appropriates $5,720,000 for buildings and facilities as proposed by the House instead of $6,324,000 as proposed by the Senate.

Office of Education

Amendment No. 6: Appropriates $252,491,000 for expansion and improvement of vocational education as proposed by the Senate instead of $262,491,000 as proposed by the House.

Amendment No. 7: Deletes $10,000,000 for two residential vocational education schools as proposed by the House.

Amendment No. 8: Appropriates $632,700,000 for higher education facilities construction as proposed by the Senate instead of $641,750,000 as proposed by the House.

Amendment No. 9: Provides $2,000,000 for the purpose authorized in section 105 of the Higher Education Facilities Act of 1963 as proposed by the Senate.

Amendment No. 10: Provides $110,000,000 for loans for construction of academic facilities under title III as proposed by the Senate instead of $119,050,000 as proposed by the House.

Vocational Rehabilitation Administration

Amendment No. 11: Appropriates $46,045,000 for research and training as proposed by the House instead of $46,095,000 as proposed by the Senate.

Public Health Service

Amendment No. 12: Deletes language proposed by the Senate to increase certain salaries above the amount now authorized by law.

Amendment No. 13: Appropriates $8,977,000 for buildings and facilities as proposed by the Senate instead of $9,431,000 as proposed by the House. The conferees are agreed that unobligated balances of funds previously appropriated for planning and site acquisition for regional water pollution control laboratories shall be utilized to plan facilities in the area of Columbia, Missouri, Vicksburg-Jackson, Mississippi, and the Wisconsin State University at Stevens Point, Wisconsin.

Amendment No. 14: Appropriates $4,350,000 for injury control instead of $4,500,000 as proposed by the House and $4,199,000 as proposed by the Senate.

Amendment No. 15: Appropriates $67,453,000 for chronic diseases and health of the aged as proposed by the Senate instead of $66,453,000 as proposed by the House.

Amendment No. 16: Appropriates $31,497,000 for communicable disease activities as proposed by the Senate instead of $31,347,000 as proposed by the House.

Amendment No. 17: Appropriates $55,482,000 for community health practice and research as proposed by the Senate instead of $60,482,000 as proposed by the House.

Amendment No. 18: Appropriates $8,383,000 for dental services and resources as proposed by the Senate instead of $7,903,000 as proposed by the House.

Amendment No. 19: Appropriates $19,575,000 for nursing services and resources instead of $21,075,000 as proposed by the House and $18,075,000 as proposed by the Senate.

Amendment No. 20: Appropriates $303,304,000 for hospital construction activities as proposed by the Senate instead of $259,089,000 as proposed by the House and restores $1,500,000 for a multiservice facility for the physically and mentally handicapped as proposed by the House and deleted by the Senate.

Amendment No. 21: Appropriates $15,983,000 for environmental health sciences as proposed by the Senate instead of $15,933,000 as proposed by the House.

Amendment No. 22: Appropriates $5,857,000 for occupational health instead of $5,724,000 as proposed by the House and $5,990,000 as proposed by the Senate.

Amendment No. 23: Reported in disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $91,000,000 for grants for waste treatment works construction instead of $100,000,000 as proposed by the House.

Amendment No. 24: Appropriates $58,210,000 for hospitals and medical care instead of $57,710,000 as proposed by the House and $58,710,000 as proposed by the Senate.

Amendment No. 25: Appropriates $60,469,000 for general research and services, National Institutes of Health as proposed by the Senate instead of $59,969,000 as proposed by the House.

Amendment No. 26: Appropriates $122,638,000 for National Institute of General Medical Sciences instead of $122,338,000 as proposed by the House and $124,838,000 as proposed by the Senate.

Amendment No. 27: Appropriates $6,806,000 for biologics standards instead of $6,406,000 as proposed by the House and $7,206,000 as proposed by the Senate.

Amendment No. 28: Appropriates $55,024,000 for National Institute of Child Health and Human Development as proposed by the Senate instead of $53,524,000 as proposed by the House.

Amendment No. 29: Appropriates $158,618,000 for National Cancer Institute as proposed by the Senate instead of $153,618,000 as proposed by the House and deletes language proposed by the House.

Amendment No. 30: Appropriates $212,469,000 for National Institute of Mental Health instead of $208,969,000 as proposed by the House and $215,969,000 as proposed by the Senate.

Amendment No. 31: Appropriates $136,412,000 for National Heart Institute as proposed by the House instead of $138,412,000 as proposed by the Senate.

Amendment No. 32: Appropriates $23,677,000 for National Institute of Dental Research as proposed by the Senate instead of $22,177,000 as proposed by the House.

Amendment No. 33: Appropriates $123,203,000 for National Institute of Arthritis and Metabolic Diseases as proposed by the Senate instead of $121,203,000 as proposed by the House.

Amendment No. 34: Appropriates $77,987,000 for National Institute of Allergy and Infectious Diseases as proposed by the Senate instead of $74,987,000 as proposed by the House. The conferees are agreed that the Senate increase of $3,000,000 shall be utilized as follows: (a) $1,000,000 for additional work on the development of a rubella (German measles) vaccine; (b) $750,000 for additional work on the development of respiratory virus vaccines; (c) $1,000,000 for additional research on emphysema; and (d) $250,000 for additional research on organ transplantation and transplantation immunology.

In connection with the first item above, the conferees are aware that drug companies are doing work in this area and that at least one company has already expended a substantial amount of its own funds on such activities. This appropriation is not intended to result, in any way, an encroachment on private industry, in fact the conferees are unanimous in their feeling that such activities on the part of private industry should be applauded and encouraged. Federal funds are earmarked to complement the work being done by private industry in the development of a German measles vaccine because of the very strong public interest. It is estimated that just the one epidemic in the spring of 1964 resulted in the birth of 20,000 defective babies. In view of such a national disaster the conferees feel that no avenue that gives promise of progress in the development of a vaccine should be overlooked.

Amendment No. 35: Appropriates $95,653,000 for National Institute of Neurological Diseases and Blindness instead of $95,153,000 as proposed by the House and $96,653,000 as proposed by the Senate.

Amendment No. 36: Earmarks $45,200,000 for general research support grants as proposed by the House instead of $50,000,000 as proposed by the Senate. The conferees are agreed that the two Committees on Appropriations should receive monthly reports on the use of these funds with particular attention and comment made with respect to the progress on making grants to the nonhealth graduate facilities.

Amendment No. 37: Appropriates $5,000,000 for scientific activities overseas (special foreign currency program) as proposed by the Senate instead of $6,000,000 as proposed by the House.

Amendment No. 38: Appropriates $5,510,000 for National Library of Medicine as proposed by the Senate instead of $5,010,000 as proposed by the House.

Welfare administration

Amendment No. 39: Appropriates $6,750,000 for juvenile delinquency and youth offenses instead of $1,750,000 as proposed by the House and $8,250,000 as proposed by the Senate.

Amendment No. 40: Appropriates $1,175,000 for the Office of the Commissioner of Welfare as proposed by the House instead of $1,235,000 as proposed by the Senate.

Amendment No. 41: Reported in disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts language prohibiting an increase in tuition at Gallaudet College.

Amendment No. 42: Appropriates $384,000 for Gallaudet College, construction as proposed by the Senate instead of $308,000 as proposed by the House.

Amendment No. 43: Appropriates $8,826,000 for educational television facilities as proposed by the House instead of $300,000 as proposed by the Senate.

Amendment No. 44: Inserts language proposed by the House and deleted by the Senate which requires cost sharing by recipients of research grants.

Amendments Nos. 45 and 46: Adjust section numbers.

Amendment No. 47: Reported in disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language proposed by the Senate to prohibit any requirement that the American Printing House for the Blind pay to the United States any interest earned on payments made to it before July 1, 1964.

Amendment No. 48: Deletes language proposed by the Senate.

Amendment No. 49: Reported in disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language authorizing the Secretary of Health, Education, and Welfare to audit expenditures, by certain institutions, of funds appropriated in the bill.

Amendment No. 50: Reported in disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language limiting the number of permanent Federal positions in the Department of Health, Education, and Welfare in the Washington area.

Amendment No. 51: Deletes language proposed by the Senate.

JOHN E. FOGARTY,
WINFIELD K. DENTON,
DANIEL J. FLOOD,
GEORGE MAHON,
MELVIN R. LAIRD,
ROBERT H. MICHEL,
FRANK T. BOW,
Managers on the Part of the House.

The **SPEAKER**. The gentleman from Rhode Island [Mr. FOGARTY] is recognized for 1 hour.

Mr. **FOGARTY**. Mr. Speaker, this is a unanimous conference report. All of the conferees, both of the House and the Senate, signed it.

Considering the number of items in the bill and the amount of money involved, the Senate made rather small changes. The net effect of their dollar changes was to increase the bill $59,067,500, or less than 1 percent.

The conference agreement looks a little lopsided when one looks just at the totals. It is $47,297,500 over the House bill and only $11,770,000 under the Senate bill. However, $44,215,000 of the increase over the House was for grants under the appropriation "Hospital construction activities." So for all of the rest of the bill the conference agreement is only $3 million over the House. Especially in view of the new demands that will be made on hospital facilities because of the medicare program, the House conferees felt justified in receding to the Senate on the hospital construction item.

Following is a table which shows, for the three major divisions of the bill, the appropriation for 1965, and the 1966 amounts at various stages of consideration with appropriate comparisons:

Departments of Labor, and Health, Education, and Welfare, and related agencies appropriation bill, 1966

	1965 appropriation	1966 budget estimate	Passed House	Passed Senate	Conference action	Conference action compared with—			
						1965 appropriation	Budget estimate	House	Senate
Department of Labor	$668, 316, 500	$588, 144, 000	$537, 460, 000	$557, 607, 500	$547, 607, 500	−$120, 709, 000	−$40, 536, 500	+$10, 147, 500	−$10, 000, 000
Department of Health, Education, and Welfare	6, 985, 726, 000	7, 652, 074, 000	7, 373, 020, 000	7, 411, 940, 000	7, 410, 170, 000	+424, 444, 000	−241, 904, 000	+37, 150, 000	−1, 770, 000
Related agencies	48, 352, 500	53, 596, 000	53, 554, 000	53, 554, 000	53, 554, 000	+5, 201, 500	−42, 000		
Total	7, 702, 395, 000	8, 293, 814, 000	7, 964, 034, 000	8, 023, 101. 500	8, 011, 331, 500	+308, 936, 500	−282, 482, 500	+47, 297, 500	−11, 770, 000

This is one Senate amendment, that does not change appropriations in the bill, that I would like to comment on. This is section 203 of the general provisions in title II which requires that there be some degree of cost sharing on the part of the recipients of research grants. This was stricken by the Senate but their conferees receded in conference so under the conference report we are considering it is in the bill.

There has been a great deal of apprehension on the part of some people and a certain amount of misunderstanding. The most serious misunderstanding is that some have gained the idea that this provision was meant to require the grant recipients to bear a greater portion of the cost than under the requirement of former years that no recipient receive more than 20 percent of the direct cost of a research project as the allowance for indirect costs.

Since a few grantees are now receiving grants equal to a full 100 percent of all costs, it is obvious that, even if the grantee is required to contribute one-tenth of 1 percent, he is contributing more than before. However, these instances are the exception and involve a very, very small percentage of all grantees. In making the change from the flat limitation on payments for indirect costs, the committee had in mind not only providing a more equitable method of cost sharing, but also liberalizing the cost sharing for the vast majority of grantees. The National Institutes of Health is involved in this matter to a much greater extent than any other unit in the Department. While there are considerable indirect benefits to the large majority of the NIH grantees, the primary and direct benefits are to the Nation as a whole. I have discussed this matter with the coauthor of the language in section 203, the gentleman from Wisconsin [Mr. LAIRD], and we agree that for grants of this type cost sharing by the grantee should not be more than 5 percent.

Mr. Speaker, I ask unanimous consent that all Members may be allowed to revise and extend their remarks on this conference report.

The **SPEAKER**. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. **FOGARTY**. I yield to the distinguished minority Member, the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, I thank the gentleman from Rhode Island for yielding to me. The gentleman from Rhode Island has explained section 203 of the general provisions in title II concerning cost sharing on research grants correctly. As coauthor of this section I concur completely with the statement he has made.

The conference report, as set forth by the gentleman from Rhode Island, has increases of $47 million over the House appropriation which were agreed to in conference committees; $45 million of this increase is in the hospital construction area under the Hill-Burton hospital construction program. With the new medicare program, additional money will be needed even above that to be provided by this bill.

In addition to the $8 billion appropriated from the general funds of the Treasury in this conference report, some $24 billion is authorized for expenditure from various trust funds, including the unemployment compensation trust fund and the social security trust fund.

We will have two additional supplemental appropriation bills in this session dealing with other new areas of concern of the Department of Health, Education, and Welfare. Next week we will have the first of these supplemental bills. This will be followed by one in the last week of this first session of the 89th Congress.

This conference report is the best agreement we could work out between the figures of the Senate and the House passed bills.

Mr. FOGARTY. Mr. Speaker, I yield to the gentleman from Iowa, Mr. GROSS.

Mr. GROSS. I thank the gentleman for yielding.

I seem to gain from the statement just made by the gentleman from Wisconsin that this $8.1 billion is only the first chapter in the book on appropriations for Health, Education, and Welfare; that we will have two more chapters coming real soon by way of supplemental appropriation bills.

Mr. FOGARTY. I believe we will have a supplemental up next week. The requests in connection with it total about a billion and a half dollars. And before we adjourn we may have another for a billion and a half or two billion dollars.

Mr. GROSS. I am sorry the gentleman from Arkansas, Mr. MILLS, is not present to hear this sad news, because he told the House it would have to reduce expenditures if it approved the tax reduction bill about a year ago.

Now we are going from $8,011 million in this bill to an unknown supplemental next week and to an unknown figure in another supplemental before this session adjourns, if it ever adjourns. What will be the end of this kind of business? Does the gentleman have any idea?

Mr. FOGARTY. I do not know where the end will come. I am going to keep going and going until we take adequate care of as many people as we possibly can who so badly need better educational opportunities, better health services and the other things provided for by this bill. That is what the President wants to do, and that is what we have been passing this legislation in this session of Congress to try to accomplish.

Mr. GROSS. I want to be sure to take care of the President. If he is on a spending spree, I want to be sure he is taken care of.

Mr. FOGARTY. We are doing the best we can in this bill.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I thank the gentleman for yielding.

I am concerned by the impact of amendment No. 7, which was agreed to in the conference, deleting $10 million which had been contained in the House bill for two pilot residential vocational training schools, which are urgently needed. I hope this sum can still be provided in this session.

Can the very able chairman tell me if there is any chance of regaining that sum in one of these two supplementals which are coming, down the road?

Mr. FOGARTY. From the way the other body reacted a year ago to this particular proposition, and the way they did this year, I am rather doubtful. It was just impossible to get the Senate conferees to agree to these two schools. We have tried on two or three occasions. They were adamant about it, so we gave in to the Senate finally on these two schools.

I do not believe the chances this year are very good, to be honest with the gentleman.

Mr. EDMONDSON. The gentleman is always honest. I know he is one who has supported this program, which has been authorized now for several years by the Congress, for five of these pilot residential vocational training schools to be constructed across the country.

Can the chairman suggest what approach might be taken to get a change in the attitude on the other side of the Capitol on this particular subject?

Mr. FOGARTY. The gentleman from Oklahoma has been here for a long time. He knows his way around the Capitol as well as I do, or perhaps better. I really do not know what to say to you. We did our best.

Mr. MICHEL. Mr. Speaker, as one of the conferees, I am happy to support the conference report on the Labor-HEW appropriation bill for the fiscal year 1966. I want to subscribe to everything the ranking member of our subcommittee, the gentleman from Wisconsin [Mr. LAIRD] has said previously and in addition that I am very happy the House position prevailed with respect to section 601(a) of the Public Health Service Act, and more specifically, to the item of $1,500,000 which "shall be available until expended, without regard to any other requirements, for payment of not to exceed 66⅔ percent of the cost of construction of a multiservice facility for the physically and mentally handicapped."

This, of course, has reference to the project out in my home community of Peoria, Ill. Widespread public interest in Peoria and elsewhere around the country in mental health has resulted in a national commitment to the establishment of community mental health programs. I realize the success of community mental health programs depends in large measure on the development of State and local financial and other support, and I am pleased to report that the Peoria, Ill., County Board of Supervisors has already appropriated $300,000 to the project, and I am confident an additional $450,000 will be raised locally.

Mr. Speaker, new or prospective Federal programs will have a profound effect on the roles of State and local governments in the support of community mental health programs. There is a continuing need for evaluation of the scope of services performed by mental health centers established under all such programs, to the end that there be a strong commitment to identify and resolve problems of human development and social adjustment which are of public concern, including critical needs for diagnostic and evaluative services for the mentally and physically retarded.

I am proud to state that Peoria, in cooperation with the Federal Government, will lead the way in this area. To elaborate on this point, I wish to include excerpts from my testimony before our subcommittee during the hearings on this bill. The testimony follows:

MENTAL RETARDATION FACILITIES CONSTRUCTION

Mr. Secretary, on page 9 of your prepared statement, I was very interested and pleased to note your comments on mental retardation and particularly those concerning the Mental Retardation Facilities Construction Act. You indicate your program supports projects aimed at demonstrating modern and improved methods of patient care. I heartily endorse these goals and am proud to advise you that my hometown of Peoria, Ill., stands ready and prepared to assist, and, yes, even lead the way.

PEORIA, ILL., PROJECT

The Peoria allied agency project is truly a model for the Nation. The Peoria officials have used as guidelines President Kennedy's Panel on Mental Retardation and the Illinois Commission on Mental Retardation. At this point I think it is important to quote from President Kennedy's special message to the Congress on "Mental Illness and Mental Retardation," February 5, 1963:

"Central to a new mental health program is comprehensive community care. Merely pouring Federal funds into a continuation of the outmoded type of institutional care which now prevails would make little difference. We need a new type of health facility, one which will return mental health care to the mainstream of American medicine, and at the same time upgrade mental health services. * * * While the essential concept of the comprehensive community mental health center is new, the separate elements which would be combined in it are presently found in many communities: diagnostic and evaluation services, emergency psychiatric units, outpatient services, inpatient services, day and night care, foster home care, rehabilitation, consultative services to other community agencies, and mental health information and education. * * * As his needs change, the patient could move without delay or difficulty to different services—from diagnosis, to cure, to rehabilitation—without need to transfer to different institutions located in different communities. * * * Private physicians, including general practitioners, psychiatrists, and other medical specialists, would all be able to participate directly and cooperatively in the work of the center. For the first time, a large proportion of our private practitioners will have the opportunity to treat their patients in a mental health facility served by an auxiliary professional staff that is directly and quickly available for outpatient and inpatient care."

Also, I think we should call attention to the fact that we in Illinois are most fortunate to have Dr. Samuel Kirk as director of the Institute of Research on Exceptional Children at the University of Illinois. Dr. Kirk has worked closely with the Peoria planners on this project. As you know, Mr. Secretary, President Kennedy appointed Dr. Kirk to head the Division of Handicapped Children and Youth in the U.S. Office of Education.

Three facilities in Peoria presently carry a caseload of 600 children and adults, over 90 percent of whom are mentally retarded. The facilities are widely separated in the metropolitan area. The retarded school, one of the three facilities, will be closed on June 30, 1965, because it does not meet the newly enacted "Life Safety Code for Schools." The school was built in 1890 and abandoned by the board of education 8 years ago. If construction begins by June 30 of this year, emergency measures will be taken to meet safety standards until the new building is completed. If construction does not begin, we have no way to take care of these people who need our help so much.

Mr. Secretary, the allied agency project is designed for a campus complex of four buildings plus a residential sheltered care facility located apart from but near the campus complex. This complex will house eight community agencies providing diagnostic, counseling, training, and educational services under medical supervision with opportunities for research projects for the mentally and physically handicapped. The total project will be under the supervision of a medical staff of 12 representing the fields of pediatrics, neurology, orthopedics, physiatry, psychiatry, obstetrics, internal medicine, and dentistry. The land for the project has already been acquired with the site being located adjacent to the well-known Institute of Physical Medicine and Rehabiliation and between two of the largest general hospitals in the Midwest.

The Peoria planners have worked closely with the University of Illinois, Illinois State University, and Bradley University. These institutions have prepared curriculums for cooperative use of the allied agency complex. The opinion obtained at the Public Health Service on February 19 stated that there is no question but what the university affiliation is valid. Dr. Robert Henderson, working with Dr. Samuel Kirk at the University of Illinois, stated:

"Your facility marks a unique development of the multidisciplinary concept of diagnosis, care, and treatment of handicapped individuals. I would anticipate a strong liaison being established between the Institute for Research on Exceptional Children and your new facility. In summary the university is anticipating considerable observation, practicum, and research utilization of your proposed facility. As you know, I feel very strongly that this facility will provide a prototype for others throughout the United States, and wish to offer my continuing support and assistance to your group in the fulfillment of this most worthwhile project."

Mr. Secretary, in checking with the Public Health Service on February 19, we found the Peoria allied agency project was still unique in the Nation and came nearer to meeting the total recommendations of President Kennedy's Panel on Mental Retardation than any other plan yet submitted. It was also interesting to note that the Peoria request for Federal funds was among the smallest. It was convinced that the Public Health Service definitely feels this is a program of excellence. Mr. Secretary, the allied agency project can be a model throughout the Nation.

Mr. Speaker, at the 57th National Governors' Conference in July, a resolution was adopted requesting the Council of State Governments and the National Institute of Mental Health to cosponsor a national conference on this subject and I would urge the parties concerned to schedule such a conference at the earliest possible time.

Mr. FOGARTY. Mr. Speaker, I move the previous question on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 3, line 10:

"ADVANCES FOR EMPLOYMENT SERVICES

"For advances to the account 'Grants to States for Unemployment Compensation and Employment Service Administration' for employment services, $20,000,000, to be in addition to amounts otherwise available in that account and to be repaid as may be hereafter provided by law."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 1: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$10,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 31, line 21:

"For payments under section 6 of the Water Pollution Control Act, as amended (33 U.S.C. 466h), $100,000,000.

"For payments under section 6 of the Water Pollution Control Act, as amended (33 U.S.C. 466e), $91,000,000: *Provided*, That allotments under such section 6 for the current fiscal year shall be made on the basis of $100,000,000: *Provided further*, That none of the sums allotted to a State shall remain available for obligation after December 31, 1966."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 23: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 47, line 16: "*: Provided further*, That the tuition rate for the current school year shall not exceed the rate for the preceding school year."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 41: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 51, line 22: "; nor shall any of the funds contained in this Act be used for any activity the purpose of which is to require payment to the United States of any portion of any interest or other income earned on payments made before July 1, 1964, to the American Printing House for the Blind."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 47: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 49: Page 52, line 7: "SEC. 206. Expenditures from funds appropriated under this title to the American Printing House for the Blind, Howard University and Gallaudet College shall be subject to audit by the Secretary of Health, Education, and Welfare."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 49: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 49 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 52, line 11: "SEC. 207. None of the funds contained in this title shall be available for additional permanent Federal positions in the Washington area if the proportion of additional positions in the Washington area in relation to the total new positions is allowed to exceed the proportion existing at the close of fiscal year 1965."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Amendment No. 50: Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

MAKING ACCOUNTING ADJUSTMENTS BETWEEN APPROPRIATIONS

Mr. ROSENTHAL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6438) to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to limitations applicable with respect to each appropriation concerned, each appropriation available to any executive department or independent establishment of the Government, or any bureau or office thereof, may be charged, at any time during a fiscal year, for the benefit of any other appropriation available to such executive department or independent establishment, or any bureau or office thereof, for the purpose of financing the procurement of materials and services, or financing other costs, for which funds are available both in the financing appropriation to be charged and in the appropriation so benefited. Such expenses so financed shall be charged on a final basis during, or as of the close of, such fiscal year to the appropriation so benefited, with appropriate credit to the financing appropriation.

SEC. 2. (a) Section 14 of title 13, United States Code, is hereby repealed.

(b) The table of contents of subchapter I of chapter 1 of such title 13 is amended by striking out

"14. Reimbursement between appropriations.".

SEC. 3. Nothing contained in this Act shall be construed as affecting in any manner the provisions of section 632(g) of the Foreign Assistance Act of 1961, approved September 4, 1961 (75 Stat. 454).

Amend the title so as to read: "A bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof."

The SPEAKER. Is a second demanded?

Mr. ERLENBORN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, H.R. 6438 was introduced at the suggestion of the General Accounting Office. It would permit departments and agencies to make reimbursements between annual appropriations available to them to finance the procurement of materials and services or for other costs. The measure is an outgrowth of the work of the joint accounting improvement program in which the Bureau of the Budget, the Department of the Treasury, and the General Accounting Office participated. The authority would give a certain flexibility in reimbursements between separate appropriations that are being administered by a single department or bureau. The bill is necessary because present law—31 U.S.C. 628—and decisions of the Comptroller General do not permit reimbursements and transfer of funds between appropriations in the absence of expressed statutory authority.

It will permit any appropriation made available to an agency to be used for initially financing the procurement of materials and services or financing activities or other costs for which funds are available in other appropriations of an agency, subject to final adjustment not later than the close of each fiscal year of the charges to the benefiting appropriations with credit to the financing appropriations. The authority provided by the bill would facilitate the accounting and payrolling for common service types of activities such as supplying inventories, technical services, and joint use of automatic data processing equipment. We were advised that it would promote economies through permitting the establishment of joint service activities rather than having duplicate activities maintained by several offices in a bureau or agency.

The Bureau of the Census was granted this authority in 1962, and it has worked satisfactorily since then. A few other agencies have experimented also. This bill has been approved by the Bureau of the Budget and all reporting agencies, and was recommended unanimously by the Committee on Government Operations.

Mr. ERLENBORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill H.R. 6438, is endorsed by the General Accounting Office, the Bureau of the Budget, and the Department of the Treasury. This bill would allow a facility within a bureau to use the separate appropriations available to that bureau as they see fit during the year and, by the end of the fiscal year, to make the necessary adjustments. It would provide, for instance, the ability within the bureau to make bulk purchases of paper and other supplies they might need for various purposes, coming out of separate appropriations, and then make the adjustments within the appropriations rather than to draw separate checks. It would allow, for instance, a bureau to use a common facility, such as a computer, without predetermining what percentage of the use of this common facility would be chargeable to one particular appropriation or another. For the reason that this will give the bureau the facility that it should have, it will promote economy and therefore is endorsed by the Bureau of the Budget and the General Accounting Office. It is a good bill and I believe it should be passed.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill, H.R. 6438, with amendments?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

The title was amended so as to read: "A bill to authorize any executive department or independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau or office thereof."

A motion to reconsider was laid on the table.

CHECKS DRAWN IN FAVOR OF BANKING ORGANIZATIONS

Mr. ROSENTHAL. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 4653, to authorize checks to be drawn in favor of banking organizations for the credit of a person's account, under certain conditions, with a committee amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3620 of the Revised Statutes, as amended (31 U.S.C. 492), is amended—

(1) by inserting the designation "(a)" before the word "It" at the beginning thereof; and

(2) by adding the following new subsections at the end thereof:

"(b) Notwithstanding subsection (a) or any other provision of law, and under regulations to be prescribed by the Secretary of the Treasury, the head of an agency may, upon the written request of a person to whom a payment is to be made, authorize a disbursing officer to make the payment—

"(1) by sending to the bank, savings institution, or Federal or State chartered credit union designated by that person a check that is drawn in favor of that organization and for credit to the account of that person; or

"(2) if more than one person to whom a payment is to be made designates the same banking organization, by sending to the organization a check that is drawn in favor of the organization for the total amount due those persons and by specifying the amount to be credited to the account of each of those persons.

In this subsection, 'agency' means any department, agency, independent establishment, board, office, commission, or other establishment in the executive, legislative, or judicial branch, of the Government, any wholly owned or controlled Government corporation, and the municipal government of the District of Columbia.

"(c) Payment by the United States of a check, drawn in accordance with subsection (b) and properly endorsed, shall constitute a full acquittance for the amount due to the person requesting payment."

The SPEAKER. Is a second demanded?

Mr. ERLENBORN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, H.R. 4653 was introduced at the request of the Department of the Air Force but would apply to all Government departments and agencies. The legislation would permit Government agencies, under regulations to be issued by the Treasury Department, to send checks to banks and mutual savings banks, savings and loan associations, credit unions, and other banking organizations to be deposited to the accounts of employees or other persons who regularly receive Government checks. Where more than one person designates the same bank or institution as his depository, a single check may be drawn by the Federal department or agency in favor of that bank or institution, accompanied by a list of the names of the payees and the amounts to be credited to their individual accounts.

The customary procedure now is for checks to be drawn in favor of the individual payee himself even though many such checks may be sent to a designated bank for deposit.

This bill is necessary because of a Comptroller General's ruling of December 2, 1963, which held that a single check of this nature was contrary to law. It is believed that savings may be obtained where this new procedure is followed, especially when a large number of employees have designated a particular institution.

The Bureau of the Budget, the Comptroller General, and all reporting agencies approve the legislation, believing that simplified procedures leading to economies will result. The Committee on Government Operations approved the bill unanimously.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I would be happy to yield to the gentleman from Illinois.

Mr. COLLIER. Can the gentleman tell me offhand the number of the Senate companion bill?

Mr. ROSENTHAL. The Senate passed this bill on August 3, 1965. The companion bill is S. 1309.

Mr. COLLIER. I thank the gentleman.

Mr. ERLENBORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I feel that the gentleman from New York [Mr. ROSENTHAL] has pretty thoroughly explained this bill.

Mr. Speaker, the reasons that the bill is necessary is because of a ruling of the Office of the Comptroller General. The Comptroller General having been advised of the introduction of this bill has advised that he is not opposed to the passage of the bill and feels that it may be of some benefit.

Mr. Speaker, just so that we might understand the nature of this bill, I believe most of us use the facilities of the Sergeant at Arms here, of the House of Representatives, for the deposit of our own checks. In my own instance and in my own case since being here since the 1st of January, I have never seen a paycheck. It is automatically deposited, according to my understanding, with the account that is kept for me by the Sergeant at Arms.

Mr. Speaker, one of the members of the committee mentioned the fact that he had been a Member of Congress for more than 20 years and had never seen a paycheck because the procedure used of sending the check of a Member directly to the Sergeant at Arms for deposit. This bill would allow this same procedure to be used for the Air Force and Army and other agencies and departments of Government. It will also allow—and this is important, I believe—such an agency, when it has a large payroll, to send one check for deposit to the bank for many employees and therefore would reduce the number of checks that would have to be drawn and processed.

Mr. Speaker, there was no opposition to this bill in the committee. It is a good bill and I think it should be passed.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. ERLENBORN. I would be glad to yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. May I ask the gentleman if this bill applies to all Federal agencies, wherever located?

Mr. ERLENBORN. Yes, this would apply to all Federal agencies, wherever located, subject to rules and regulations promulgated by the Department of the Treasury.

Mr. EDWARDS of Alabama. I thank the gentleman.

Mr. ERLENBORN. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER. The question is on the motion of the gentleman from New York that the House suspend the rules and pass the bill H.R. 4653, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

A motion to reconsider was laid on the table.

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1309) to authorize checks to be drawn in favor of financial organizations for the credit of a person's account, under certain conditions, a similar bill to the one just passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3620 of the Revised Statutes, as amended (31 U.S.C. 492), is amended—

(1) by inserting the designation "(a)" before the word "It" at the beginning thereof; and

(2) by adding the following new subsections at the end thereof:

"(b) Notwithstanding subsection (a) or any other provision of law, and under regulations to be prescribed by the Secretary of the Treasury, the head of an agency may, upon the written request of a person to whom a payment is to be made, authorize a disbursing officer to make the payment—

"(1) by sending to the financial organization designated by that person a check that is drawn in favor of that organization and for credit to the account of that person; or

"(2) if more than one person to whom a payment is to be made designates the same financial organization, by sending to the organization a check that is drawn in favor of the organization for the total amount due those persons and by specifying the amount to be credited to the account of each of those persons.

In this subsection, 'agency' means any department, agency, independent establishment, board, office, commission, or other establishment in the executive, legislative, or judicial branch, of the Government, any wholly owned or controlled Government corporation, and the municipal government of the District of Columbia; 'financial organization' means any bank, savings bank, savings and loan association or similar institution, or Federal or State chartered credit union.

"(c) Payment by the United States of a check, drawn in accordance with subsection (b) and properly endorsed, shall constitute a full acquittance for the amount due to the person requesting payment."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4653) was laid on the table.

INTERNATIONAL COMMITTEE OF THE RED CROSS

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8715) to authorize a contribution by the United States to the International Committee of the Red Cross.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, an annual sum of $75,000 as a contribution on the part of the United States toward the expenses incurred by the International Committee of the Red Cross.

The SPEAKER. Is a second demanded?

Mrs. BOLTON. Mr. Speaker, I demand a second.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us would authorize an annual contribution of not to exceed $75,000 to the International Committee of the Red Cross.

The International Committee of the Red Cross is an all-Swiss body which carries out the international principles of the Red Cross in situations where no individual government and no national Red Cross society is able to perform. Founded in Geneva in 1863, the International Committee is the mother organization of the Red Cross movement. It is formally recognized in the text of the Geneva conventions, to which the United States is a party, to supervise the application of the provisions of these international agreements relating to—

First. The amelioriation of the conditions of the wounded and sick in armed forces in the field.

Second. The amelioration of wounded, sick, and shipwrecked members of the armed forces at sea.

Third. The treatment of prisoners of war.

Fourth. The protection of civilian persons in time of war.

The International Committee of the Red Cross acts as a neutral organization and serves continuously in the troubled spots of the world to protect both military and civilian sufferers from military actions, including those resulting from internal and civil conflicts. The committee distributes relief and medical supplies, provides medical services, acts as an intermediary between parties to various international and civil conflicts, maintains facilities which attempt to trace and locate prisoners of war and other missing persons, and performs many other activities which carry out the fundamental principles of the Red Cross in situations in which these tasks cannot be carried out by the various national Red

Cross societies such as the American Red Cross.

The annual budget of the International Committee of the Red Cross is approximately $1 million. This budget is funded with voluntary contributions from various governments and from various national Red Cross societies. In 1964, 59 governments and 56 national Red Cross societies, including the American Red Cross, made voluntary contributions to the International Committee to meet its operating costs. The largest single contribution is generally made by the Government of Switzerland. In 1964 that contribution amounted to $231,000. Other large contributors included the United Kingdom, which country made a voluntary contribution of $28,000; the Government of the Federal Republic of Germany, with a contribution of $25,000; Australia, with $17,000; and others.

For several years—and in spite of the fact that most of the personnel services are contributed without compensation—the International Committee has encountered difficulties in meeting its operating expenses. This has been due to the large number of conflicts and crises in the world which result in repeated calls on the services of the International Committee. As a consequence, the International Committee has issued appeals to all governments and all national Red Cross societies for increased financial support.

Thus far, the U.S. Government has not made any voluntary contributions to the International Committee of the Red Cross, even though that committee has rendered many services which benefit the American people and our Government. For example, we can mention the role of the International Committee in alleviating suffering and restraining the rebels in the Congo from taking more severe action against many hostages, including a number of American citizens; also, the International Committee's activities in Cyprus, in Laos, in North and South Vietnam, and in the Dominican Republic.

The Committee on Foreign Affairs, having carefully considered this legislation, recommends its adoption for the following reasons:

First. The International Committee of the Red Cross is in need of increased financial support and has appealed for same.

Second. The activities of the International Committee have been of great interest to the United States and have benefited the American people abroad.

Third. The principle of voluntary support of the International Committee by governments is well established. During the past 10 years, some 68 governments have made voluntary contributions to the International Committee. The U.S. contribution would not, therefore, set a precedent.

Fourth. The proposed level of U.S. contribution—not to exceed $75,000 annually—is reasonable and related to the support which other governments have provided to the International Committee. Based on current levels of contributions it will amount—at a maximum—to approximately 15 percent of total governmental contributions.

Mr. Speaker, for the reasons I have enumerated, I urge House approval of H.R. 8715.

Mrs. BOLTON. Mr. Speaker, I yield such time as he may require to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, it may be wondered why some of us are critical of the bill, H.R. 8715, which is before us at this time. Generally speaking, we all appreciate and acknowledge the tremendous amount of good which is done by the Red Cross, and more especially the American Red Cross.

Briefly, a basic reason that we find this bill objectionable is that the American Red Cross did not request $75,000 nor any other sum for this purpose. This action was taken entirely on State Department initiative, and it was that Department which fixed the amount of the contribution at $75,000.

A second item is the fact that this is the first time the International Committee of the Red Cross has ever received direct governmental assistance from the U.S. Government. If this is to set a pattern, it might well detract from the neutrality of this organization which was established in 1863. Or, on the other hand, it may lead to more and greater requests for contributions from our Government.

Basically, the International Committee of the Red Cross is a Swiss operation, although it does serve as a rallying point for many humanitarian activities. There is no real evidence that fundraising had been a problem with the organization. Last year's expenditures were met by contributions, we were told, from 59 governments and 56 national Red Cross societies. Our own American Red Cross contributed $44,851.89.

The International Committee is supported also by public contributions in Switzerland where, I am informed, it also serves as a sort of a national organization in addition to its international aspects. Switzerland is the only country which now contributes more than the American Red Cross.

Mr. Speaker, for these and other reasons, several of us on the Committee on Foreign Affairs are opposed to this bill. In order that our thinking upon the subject may be more fully understood, I include herewith our supplemental views from report No. 548 which accompanied H.R. 8715:

SUPPLEMENTAL VIEWS

We, the undersigned, firmly believe that H.R. 8715, which would authorize an annual sum of $75,000 as a U.S. Government contribution to the International Committee of the Red Cross, is inappropriate and ill advised.

The following exchange appears in the hearings of the subcommittee on this bill:

Question: "Did the American Red Cross approach the State Department and ask for $75,000 or did the State Department suggest to the Red Cross that they help provide $75,000 for this project?"

Witness: "No. I want to correct one impression. The figure of $75,000 is not a figure that is agreed upon with the International Committee of the Red Cross. It is a State Department figure."

Question: "At whose suggestion was the idea of $75,000 authorization and appropriation developed? Was that State Department initiative or American Red Cross initiative?"

Witness: "It was State Department initiative entirely."

However, the amount of the requested authorization is not the point at issue. In relation to our unwarranted generosity with contributions in numerous multilateral agencies and institutions, $75,000 would not be the largest amount authorized.

Our concern and the point we wish to emphasize is that any direct U.S. Government contribution could have discreditable repercussions for the ICRC. The State Department witness testified that the great asset of the ICRC is its reputation for impartiality and neutrality. Not having required any U.S. Government funds since founded in 1863, over a century ago, should they now accept a substantial sum far above normal, it might innocently open them to the charge of being under U.S. influence. It would detract immeasurably from their universal appeal if the U.S. Government were recognized as a substantial or even lopsided contributor. We acknowledge that the ICRC is welcome where the United States acting alone might be resented or met with hostility.

Misery and disasters caused by force majeur and acts of God are nonpolitical and should be alleviated via strictly humanitarian and spontaneous assistance—and this is the creed and primary job of the Red Cross. This concept might easily be dislocated by direct and specific action on the part of a government department positively identified with the conduct of foreign policy and the official pursuit of diplomatic relations. If the U.S. Government should contribute, is the State Department the proper channel? What would be the effect if such a contribution were channeled through the Central Intelligence Agency? Or the Department of Defense? It seems obvious that the American Red Cross is the proper source and channel.

Why extend the cold war into the International Committee of the Red Cross? Rightly or wrongly we would be vulnerable to this kind of comment and accusation if it becomes known abroad that the U.S. State Department fiddles with Red Cross contributions. In this connection, the modus operandi of the U.S.S.R. appears to provide a convincing point of considerable interest. The U.S.S.R. Government contribution is zero and that of the Russian Red Cross Society is a mere $3,766.17. The Government of the United Kingdom is included on the list of contributors. It would be surprising if their contribution were channeled through their Foreign Office.

We are not alone in our forebodings of possible disservice to the ICRC should U.S. Government funds tarnish its image. A recent report on overseas programs of private nonprofit American organizations based on a survey undertaken by one of our subcommittees details numerous emergency relief activities for victims of disasters. One of the conclusions brought out in the course of the survey is this:

> A large majority of organizations responding to the questionnaire indicated a strong desire to avoid having programs tagged with ideological objectives having political connotations. They wish to maintain the very nonpolitical image which they have established abroad, and which is generally considered essential to the success of their overseas activities.

This is a position which we feel should be maintained by the ICRC. The ICRC is a Swiss operation as to personnel and direction. It serves as a rallying point for overall humanitarian activities and is a neutral center of initiative. Hearings have not produced any hard evidence that there existed any major fundraising problem. The 1964 actual expenditures of $1,045,728 were met by contributions from 59 governments and 56 National Red Cross Societies, including $44,851.89 from the American Red Cross. The balance was covered by donations from the general public in Switzerland and other countries, income from invested funds, and reimbursements and contributions toward relief operations in prior years. The budget has not increased extensively during recent years and is considerably less than during the earlier war years.

We are interested, as always, in saving money for the taxpayers of the United States. Therefore, we are positively opposed to this totally unnecessary authorization. As it stands now, the voluntary contribution of the American Red Cross exceeds every one of the other countries' dual amounts except the Swiss which is recognized as a very special case.

We are even more interested in preserving the universal acceptance, impartiality, and neutrality of the ICRC which would unavoidably be jeopardized by U.S. Government direct participation, because our noble intentions are so frequently misinterpreted. We are positively opposed to this ill-advised bill which has no justification and is so likely to compromise the worldwide effectiveness of the ICRC.

E. Ross Adair.
Ed Derwinski.
H. R. Gross.
Vernon W. Thomson.
E. Y. Berry.

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Speaker, I agree wholeheartedly with what the gentleman from Indiana [Mr. Adair] has said. It appears we have finally discovered the last international organization to which we have not been contributing Federal funds. I do not know of any other. Perhaps there are Members of the House who know of some international organization to which awe are not making a contribution. As the gentleman from Indiana has stated, the American Red Cross is already making an annual contribution and that ought to be sufficient. The International Red Cross has been in existence for I do not know how many years and the Federal Government of this country has not made a contribution to it. But lo and behold, with a national debt of $325 billion or approximately that, the State Department finds another international into which Congress can dump some money.

I say again, this is probably the last one in existence to which we have not contributed to, so the record now ought to be 100 percent, and we will clip another $75,000 out of the pockets of the taxpayers of this country.

Mr. Speaker, I am opposed to this bill.

Mrs. BOLTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. McClory].

Mr. McCLORY. Mr. Speaker, there are several questions which occur to me with respect to this legislation and its validity. I should like to ask if either the gentlewoman from Ohio or the gentleman from Indiana are able to supply answers.

As I observe from the transcript of the hearings, the United States has, by voluntary contributions, contributed in 1964 a sum in excess of $44,000. I should like to inquire whether there is any indication that we cannot increase the amount or that we cannot secure an adequate contribution to the International Red Cross through voluntary contributions. Was it shown in the committee hearings that it was impossible to get this rather modest sum of $75,000 through voluntary contributions?

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Indiana.

Mr. ADAIR. I would say to the gentleman that there is no indication that there will be any cessation of or substantial reduction in the contribution from the American Red Cross, which of course is based upon voluntary contributions from our people. I believe it reasonable to expect that this will continue.

Thus, the answer to the other portion of the gentleman's question is that $75,000, or up to that amount, which may be given directly from our Government, will be in addition to the voluntary contributions.

Furthermore, there was no evidence that it was impossible adequately to finance the International Committee of the Red Cross. That committee has been in existence, as I pointed out earlier, more than 100 years. So far as the evidence before us is concerned, it has always been adequately financed.

Mr. McCLORY. I thank the gentleman.

Mrs. BOLTON. Mr. Speaker, I yield myself such time as I may consume.

I find myself unable to accept this bill. I had hoped to be able to, but when I understood that it meant that the Government would contribute directly I could not help but be opposed.

Much as I regret it, I believe fully it would be far wiser for us not to intrude our Government into the International Red Cross, when already the people of the United States are expressing themselves generously to the National Red Cross.

Mr. FASCELL. Mr. Speaker, I yield myself 1 minute.

As I stated earlier, we are not setting a precedent by a governmental contribution to the International Committee of the Red Cross, because some 59 governments do now contribute. Admittedly, this is the first time the United States would make a voluntary contribution as a government to that society.

The National Red Cross societies themselves do make individual contributions from their own societies. So far as I know, that would likewise continue.

With respect to the necessity, this is, of course, a matter of opinion. I respect those who have different opinions.

As pointed out in the hearings on pages 8 and 9 and as pointed out in the report, the request for funds to help with budgetary problems did come from the international committee in 1963 and was followed up by specific requests to all governments to increase contributions, including the U.S. Government. This is the reason why this was initiated by our own Department of State.

The SPEAKER pro tempore (Mr. Yates). The question is on the motion of the gentleman from Florida that the House suspend the rules and pass the bill H.R. 8715.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING TITLE V—RELATING TO CLAIMS AGAINST CUBA

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9336) to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba.

The Clerk read as follows:

H.R. 9336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501 of the International Claims Settlement Act of 1949 (22 U.S.C. 1643) is amended by striking out "which have arisen out of debts for merchandise furnished or services rendered by nationals of the United States without regard to the date on which such merchandise was furnished or services were rendered or".

Sec. 2. Section 503(a) of such Act (22 U.S.C. 1643b(a)) is amended by striking out "arising out of debts for merchandise furnished or services rendered by nationals of the United States without regard to the date on which such merchandise was furnished or services were rendered or".

Sec. 3. Section 506 of such Act (22 U.S.C. 1643e) is amended by striking out ": *Provided,* That the deduction of such amounts shall not be construed as divesting the United States of any rights against the Government of Cuba for the amounts so deducted".

Sec. 4. Section 507(a) of such Act (22 U.S.C. 1643f) is amended by striking out ", together with a statement of the evidence relied upon and the reasoning employed in reaching its decision".

Sec. 5. Section 511 of such Act (22 U.S.C 1643j) is amended to read as follows:

"APPROPRIATIONS

"Sec. 511. There are hereby authorized to be appropriated such sums, not to exceed $750,000, as may be necessary to enable the Commission to pay its administrative expenses incurred in carrying out its functions under this title."

The SPEAKER pro tempore (Mr. Yates). Is a second demanded?

Mrs. BOLTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H R. 9336 which is to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba.

In the last session of Congress a similar bill was passed by this same body authorizing the adjudication of claims by U.S. citizens against the Castro government. In the closing days of last year's session, the other body voted out a bill which differed from the House version. On the last day of the session and for no other purpose in mind other than to have Cuban claims on our statute books, we reluctantly accepted the Senate version.

H.R. 9336 is similar to the bill passed last year. An authorization for an appropriation for adjudication expenses is limited to $750,000, and is the same as provided by the House version last year. When a settlement with a free and independent Government of Cuba is agreed upon and paid, the United States will be reimbursed for the administrative expenses in the adjudication of these claims.

The enactment of this legislation is not to be construed as any intention to authorize an appropriation now or in the future of Federal funds for the purpose of paying the claims of U.S. nationals against the Government of Cuba. This bill provides only for the receipt and determination by the Foreign Claims Settlement Commission of the amount and validity of claims of U.S. nationals against the Government of Cuba.

The other amendments referred to in this bill are substantive and relate to the principles of international law and domestic laws; such as, statute of limitations, and laches.

More than 5 years have passed since the Castro government began confiscating the property of U.S. nationals and prompt adjudication of claims would be in the best interests of all concerned.

H.R. 9336 provides the necessary authority to set the machinery in motion for an orderly determination of the amount and validity of claims of U.S. nationals against the Government of Cuba while the means of documenting and supporting such claims are still available. Adjudication of such claims have been delayed because of a lack of an appropriation. If this matter is further delayed, witnesses and claimants may die and records may be lost, thus making it increasingly difficult to substantiate claims. Moreover, the prompt receipt and determination of amounts and validity of the claims will provide the Department of State with an accurate record for use in any future negotiations.

For these reasons, I urgently recommend that H.R. 9336 be passed by the House.

Mrs. BOLTON. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Speaker, I desire to commend the gentleman from Florida [Mr. Fascell] for this bill. I served on the subcommittee which considered this legislation. I think it is good legislation and ought to be passed.

The SPEAKER pro tempore. There being no further requests for time, the question is on the motion of the gentleman from Florida that the House suspend the rules and pass the bill H.R. 9336.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GORGAS MEMORIAL LABORATORY

Mr. SELDEN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 511), with amendment to increase the authorization of appropriations for the support of the Gorgas Memorial Laboratory.

The Clerk read as follows:

S. 511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective for fiscal years ending after June 30, 1963, the first section of the Act entitled "An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory", approved May 7, 1928, as amended (45 Stat. 491; 22 U.S.C. 278), is amended by striking out "$250,000" and inserting in lieu thereof "not to exceed $500,000".

The SPEAKER pro tempore. Is a second demanded?

Mrs. BOLTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. SELDEN. Mr. Speaker, S. 511 would increase the annual authorization for appropriations for the Gorgas Memorial Laboratory from $250,000 to $500,000.

The laboratory was established in 1929 through legislative agreement between the Governments of the United States and the Republic of Panama. Since that time the Gorgas Laboratory has been performing a valuable, needed service in research in tropical diseases. Its research activities also have implications which extend beyond the tropics. Many of the human and animal diseases that flourish in tropical regions are also found in, or may spread to, the temperate zones.

The laboratory collaborates with many other research and public health organizations, including the Middle America Research Unit, a laboratory in the Canal Zone operated by the National Institute of Allergy and Infectious Diseases in collaboration with the Water Reed Army Institute of Research.

The Gorgas Memorial Laboratory, located in Panama City, Republic of Panama, is the operating research establishment of the Gorgas Memorial Institute, a private, domestic, nonstock corporation. U.S. contributions to the laboratory started in 1929 with an annual permanent authorization of $50,000. The authorization for the laboratory was increased to $150,000 in 1949, and $250,000 in 1959. In 1960, the Congress authorized $500,000 for the construction of new facilities at the laboratory, making it one of the best equipped of its kind in Latin America. The additional authorization provided for in this bill will make it possible to fully utilize these new facilities.

The Gorgas Memorial Laboratory has an international reputation and a long standing record of service in the Western Hemisphere. The Republic of Panama has cooperated closely with the laboratory in the achievement of its objectives. The management of the institute has administered the funds made available with prudence and care. The Board of Directors meets annually without compensation and determines policies of the institute. An advisory group of noted scientists assists in developing the research program. There are 26 members of this group, primarily doctors, and 23 of them represent U.S. institutions.

Accordingly, Mr. Speaker, I urge that the House act favorably on this measure to permit the Gorgas Memorial Laboratory to carry on its important work.

Mrs. BOLTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is a great pleasure for me to have the honor of presenting this bill. The Gorgas Laboratory has been doing for many years an outstanding job. It has been a remarkable demonstration of what willing, dedicated people can do to blot out diseases, particularly tropical diseases, such as are found there.

General Gorgas himself was a most amazing man; kindly to a degree and his heart as big as the world. It seemed very fitting when the laboratory was established that it should take the form that it did. It is a very great pleasure to me to approve the bill.

Mr. HALL. Mr. Speaker, will the gentlewoman yield?

Mrs. BOLTON. I am glad to yield to the gentleman.

Mr. HALL. Mr. Speaker, I should like to commend the committee, and in particular the subcommittee, for bringing out this bill upgrading the Gorgas Memorial Laboratory. As has been well said here by the gentleman from Alabama [Mr. Selden] and the gentlewoman from Ohio [Mrs. Bolton] this memorial laboratory is an outgrowth of the successful attempt of this country to build the Panama Canal. It is from such sources, and the discovery of "yellow-jack" and the vector for controlling malaria, that the memorial laboratory was organized on a gradually evolving and cooperative basis between Panama and this Government, our Army Surgeons General and the great men of preventive medicine such as Gorgas himself, Cummings, Reed, Rickets, Leonard Wood, who was memorialized yesterday at Fort Leonard Wood, having an Army hospital named after him, in which I was privileged to participate, and others.

Furthermore, Mr. Speaker, it is noteworthy that all of the memorabilia that were in Cuba which was liberated as a result primarily of some of these early preventive medicines discoveries in the so-called Spanish-American War, had been destroyed by burning in the streets of Cuba, after the Castro takeover.

Mr. Speaker, I know personally of the research that has evolved from the laboratory and of the great men of science who have functioned and studied and researched and developed good for humanity therein.

Mr. Speaker, I strongly support this bill for one other reason, if the gentlewoman from Ohio will yield further, and that is as stated, it cooperates with the Pan American Health Organization which is a subdivision of the World Health Organization in needed matters that do cross international boundaries. But this is a uniquely American and Western Hemispheric organization and laboratory.

Mr. Speaker, lest we become too deeply involved in one organization of a strictly "international character" taking over all research and functions, especially under its aegis, in situations particularly unique to the Western Hemisphere, Latin America, and our Central American friends in particular, I strongly urge the support of this bill.

Mrs. BOLTON. I thank the gentleman from Missouri very much for his contribution.

Mr. SELDEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, in support of the request for the additional authorization for the Gorgas Memorial Laboratory, I wish to point out that the great work performed by the laboratory directly contributes to the health of U.S. citizens.

As an example, one project currently being worked on deals with migratory birds since there is evidence that viruses such as St. Louis encephalitis and Venezuelan equine encephalitis are transmitted to the United States by these migratory birds. When World War II broke out, and the United States lost its source of quinine and troops in southeast Asia were riddled with malaria, it was the work done by the first director of the laboratory, Dr. Herbert Clark, that permitted the U.S. Army to prescribe atabrine safely and in sufficient dosage to control the situation in southeast Asia. I pray to God that no similar problems will arise in South Vietnam, but we must be prepared.

There is no duplication between the work of the laboratory and other agencies. It works closely with the Pan American Health Organization and the National Institute of Allergy and Infectious Diseases. The Gorgas Memorial Institute which runs the laboratory also works closely with private institutions; one such program is a graduate research program with Louisiana State University where teachers and graduate students are sent to the laboratory in Panama for short-term periods to pursue work in tropical medicine. Similarly, the institute has close relationships with other American universities—Stanford, Harvard, and Kansas, to name a few. This aspect of the program will be expanded.

The General Accounting Office annually reviews the expenditures of the institute and the laboratory, and the Comptroller General's report has been a part of the laboratory's annual report for many years. The GAO has never criticized any expenditure made by this worthy enterprise.

Mr. Speaker, I recommend favorable consideration of this bill to increase the authorization of appropriations for the support of the Gorgas Memorial Laboratory.

Mr. SELDEN. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion of the gentleman from Alabama that the House suspend the rules and pass the bill S. 511, with an amendment.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

A motion to reconsider was laid on the table.

FEDERAL BOXING COMMISSION

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8635) to establish and prescribe the duties of a Federal Boxing Commission for the purpose of insuring that the channels of interstate commerce are free from false or fraudulent descriptions or depictions of professional boxing contests.

The Clerk read as follows:

H.R. 8635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Boxing Control Act".

FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) interstate and foreign communications facilities are being utilized to cover professional boxing matches by broadcasting such matches by television or radio or by disseminating such matches by wire to be received on home receivers or in theaters, arenas, or other places of assembly; and

(2) at present, neither State nor Federal governmental authorities have adequate power to assure the proper utilization of such communication facilities in connection with the coverage of professional boxing matches and to protect the integrity of professional boxing matches thus covered.

(b) It is, therefore, the purpose of this Act to establish a Federal Boxing Commission with adeqaute authority to exercise continuing surveillance over professional boxing matches which are broadcast by television or radio (otherwise than as part of bona fide news broadcasts) or which are disseminated by wire in interstate or foreign commerce either to be received on home receivers or in theaters, arenas, or other places of assembly, whether such broadcast or dissemination involves on-the-spot coverage or delayed coverage by means of film, tape, or some other means of recording.

DEFINITIONS AND RULES OF CONSTRUCTION

SEC. 3. (a) The term "United States" includes the several States, the Commonwealth of Puerto Rico, the District of Columbia, and the territories and possessions of the United States.

(b) The term "interstate or foreign commerce" means commerce—

(1) between any State, the Commonwealth of Puerto Rico, any territory or possession, or the District of Columbia and any place outside thereof;

(2) between points within the Commonwealth of Puerto Rico or within the same State, but through any place outside thereof; or

(3) within or between points within the District of Columbia or any territory or possession.

(c) The term "boxing match" means a professional boxing match or any part thereof.

(d) The term "coverage" means—

(1) the broadcast of a boxing match or a film, tape, or any other recording thereof by television or radio, or

(2) the dissemination by wire in interstate or foreign commerce of a boxing match or a film, tape, or any other recording thereof for reception on home receivers or in any theater, arena, or other place of assembly, otherwise than as a part of a bona fide news broadcast.

(e) The term "covered boxing match" means any boxing match held within the United States for which coverage is provided in the United States.

FEDERAL BOXING COMMISSION

SEC. 4. (a) There is hereby established a Federal Boxing Commission (hereinafter referred to as the "Commission") consisting of three members, each of whom shall be appointed by the President by and with the advice and consent of the Senate for a term of six years, except that of the members first appointed, one shall be appointed for a term of two years and one for a term of four years, and any member appointed to fill a vacancy occuring otherwise than upon the expiration of the term of his predecessor shall be appointed for the unexpired portion of such term. Any member of the Commission may continue to serve as such after the scheduled date of expiration of his term until his successor has been appointed and has qualified. The President shall designate one member of the Commission to serve as Chairman.

(b) Each member of the Commission shall be a citizen of the United States and shall not, during his service as a member of the Commission, be engaged as a professional boxer, boxing promoter, agent, fight manager, matchmaker, referee, judge, or in any other capacity in the conduct of the business of professional boxing, or have any pecuniary interest in the earnings of any boxer or the proceeds or outcome of any boxing match.

(c) Not more than one member of the Commission shall have been engaged at any time prior to his appointment to membership on the Commission as a professional boxer, boxing promoter, agent, fight manager, matchmaker, referee, judge, or in any other capacity in the conduct of the business of professional boxing. Each other member of the Commission shall be a person who, by reason of his business, professional, or other background, training, experience, or activities outside the business of professional boxing and its related activities, has a broad understanding of the relationship between professional boxing, both as a sport and as a business, and the public interest.

(d) Section 303(e) of the Federal Executive Salary Act of 1964 (78 Stat. 419; 5 U.S.C. 2211(e)), providing an annual rate of basic compensation of $26,000 for offices and positions in level V of the Federal Executive Salary Schedule, is amended by adding at the end thereof the following:

"(100) Chairman, Federal Boxing Commission.

"(101) Members, Federal Boxing Commission.".

(e) The Commission is authorized, without regard to the civil service laws but subject to the Classification Act of 1949, to appoint and fix the compensation of an executive officer who shall perform such duties as the chairman may prescribe, consistent with the rules, regulations, decisions, and policies of the Commission.

(f) The Commission is authorized, in accordance with the civil service laws and the Classification Act of 1949, to appoint and fix the compensation of such personnel as may be necessary to carry out the purposes of this Act.

(g) The principal office of the Commission shall be in the District of Columbia but the Commission may hold sessions and conduct proceedings anywhere in the United States.

(h) Two members of the Commission shall constitute a quorum.

(i) The Commission shall have a seal which shall be judicially noticed.

LICENSES

SEC. 5. (a) The Commission is authorized to issue licenses authorizing participation in covered boxing matches or the coverage thereof in such capacities as are required to be licensed under this Act or regulations issued pursuant to this Act. In issuing any such license, the Commission shall give due regard to character, conduct, background, reputation, experience, and such other factors as the Commission deems relevant in determining the fitness of any person to act in the capacity for which the license is to be issued. Any such license shall be effective for such period not exceeding one year as the Commission may determine by regulation or otherwise at the time of issuance, unless sooner revoked or suspended in accordance with this section.

(b) The Commission shall fix and collect a fee for the issuance of any license under this Act. All such fees shall, when collected, be covered into the Treasury as miscellaneous receipts. The Commission shall fix such fees in such amounts as will, in the judgment of the Commission, equal in the aggregate as nearly as practicable the aggregate expenditures of appropriations, which are hereby authorized, to carry out the purposes of this Act.

(c) No person may participate in any covered boxing match or the coverage thereof in any of the following capacities unless such person holds a currently effective license therefor:

(1) as a boxer.

(2) as a boxing promoter.

(3) as an agent of a boxer.

(4) as a fight manager.

(5) as a matchmaker.

(6) as a referee.

(7) as a judge.

(8) as a person providing coverage in any capacity which is specified in the regulations of the Commission, except that a license shall not be required under this paragraph for any person licensed under the Communications Act of 1934.

(9) in any other capacity which the Commission by regulation prescribes.

(d) The Commission may, after appropriate notice and opportunity for hearing, by order suspend for a period or revoke any license issued pursuant to this section if it finds that such suspension or revocation is in the public interest and that the licensee—

(1) has violated any provision of this Act.

(2) has failed to obey any order or regulation of the Commission.

(3) has obtained or attempted to obtain, or has assisted another person to obtain or attempt to obtain, a license by fraud.

(e) At or after the time that notice of any proceeding pursuant to subsection (d) of this section is sent or ordered by the Commission to be published, regardless of whether or not the licensee has received such notice, the Commission may, if in its judgment such action is in the public interest and necessary to carry out the purposes of this Act, by order without notice or hearing summarily suspend the license in question pending final disposition of the proceeding by the Commission, or for such shorter period as the Commission deems appropriate. No criminal or civil liability shall attach to any person by virtue of an order of summary suspension under this subsection unless such person has actual notice thereof.

CONTRACTS AND AGREEMENTS

SEC. 6. (a) Any contract, agreement, arrangement, or understanding pertaining to the conduct, promotion, or coverage of any covered boxing match or any matter related thereto between or among any persons one or more of whom is acting or expected to act in connection with such match or the coverage thereof in any capacity—

(1) for which a license is required pursuant to section 5, or

(2) specified for the purposes of this subsection in the regulations of the Commission, shall be in writing and shall be open to inspection by the Commission, and a copy thereof shall be furnished to the Commission upon its request to any party thereto or any person having possession or control thereof.

(b) The Commission may provide by regulations that any such contract, agreement, arrangement, or understanding—

(1) shall not contain provisions described in such regulations of a nature which the Commission has determined to be contrary to the best interests of professional boxing and the best interests of the public; and

(2) shall contain provisions described in such regulations of a nature which the Commission has determined to be in the best interests of professional boxing and the best interests of the public.

PROHIBITORY ORDERS

SEC. 7. (a) The Commission may, after appropriate notice and opportunity for hearing, by order prohibit the holding or coverage or both of any proposed covered boxing match if it finds that such prohibition is in the public interest and that—

(1) any contract, arrangement, or agreement with respect to such match does not conform to the regulations of the Commission.

(2) any person who is to participate in such match or the coverage thereof in any capacity required under seetion 5 to be licensed does not hold an appropriate license.

(3) there exist reasonable grounds for belief that such match will be in any way affected by bribery, collusion, intentional losing, racketeering, extortion, or the use of unlawful threats, coercion, intimidation, or violence.

(b) The Commission may, after appropriate notice and opportunity for hearing, by order prohibit the coverage in the United States of any boxing match proposed to be held outside the United States if it finds that such match would, if held within the United States, be a covered boxing match, and that there exist reasonable grounds to believe that such match is to be held outside the United States in order to avoid compliance with the provisions of this Act intended to protect the best interests of professional boxing and the best interests of the public.

(c) At or after the time that notice of any proceeding pursuant to subsection (a) or (b) of this section is sent or ordered by the Commission to be published, regardless of whether or not any person to be affected by such proceeding has received such notice, the Commission may, if in its judgment such action is in the public interest and necessary to carry out the purposes of this Act, by order without notice or hearing summarily prohibit the holding or coverage of the boxing match in question pending final disposition of the proceeding by the Commission, or for such shorter period as the Commission deems appropriate. No criminal or civil liability shall attach to any person by virtue of a summary order issued under this subsection unless such person has actual notice thereof.

(d) No order of the Commission with respect to the coverage of any proposed covered boxing match shall apply to any person licensed under the Communications Act of 1934, as amended. In lieu of issuing an order prohibiting the coverage of any boxing match under this section it shall notify a person licensed under the Communications Act whom the Commission has reason to believe intends to cover such boxing match. The Congress hereby declares that the coverage by any such person of a boxing match with respect to which any such notice has been given is not in the public interest.

REGULATIONS OF THE COMMISSION

SEC. 8. The Commission is authorized to issue—

(1) regulations defining terms used in this Act,

(2) regulations pertaining to the issuance, suspension, and revocation of licenses required under this Act,

(3) regulations pertaining to the making of contracts, agreements, arrangements, and understandings subject to this Act, and provisions required or prohibited therein,

(4) regulations pertaining to the promotion, conduct, and coverage of covered boxing matches, and

(5) such other regulations as the Commission may deem necessary to carry out the purposes of this Act.

INVESTIGATIONS; INJUNCTIONS AND PROSECUTION OF OFFENSES

SEC. 9. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this Act or any rule or regulation thereunder, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in the enforcement of the provisions of this Act, in the prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concerning the matters to which this Act relates.

(b) For the purpose of any such investigation, or any other proceeding under this Act, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memorandums, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memorandums, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

(d) No person shall be excused from attending and testifying or from producing books. papers, contracts, agreements, and other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that said individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

(e) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this Act, or of any rule or regulation thereunder, it may in its discretion bring an action in the proper district court of the United States, the United States District Court for the District of Columbia, or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this Act.

(f) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States courts of any territory or other place subject to the jurisdiction of the United States, shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this Act or any order of the Commission made in pursuance thereof.

HEARINGS BY COMMISSION

Sec. 10. Hearings may be public and may be held before the Commission, any member or members thereof, or any officer or officers of the Commission designated by it, and appropriate records thereof shall be kept.

COURT REVIEW OF ORDERS

Sec. 11. (a) Any person aggrieved by an order issued by the Commission in a proceeding under this Act to which such person is a party may obtain a review of such order in the Court of Appeals of the United States, within any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within sixty days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith transmitted by the clerk of the court to any member of the Commission, and thereupon the Commission shall file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition such court shall have jurisdiction, which upon the filing of the record shall be exclusive, to affirm, modify, and enforce, or set aside such order, in whole or in part. No objection to the order of the Commission shall be considered by the Court unless such objection shall have been urged before the Commission. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, and enforcing or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

ASSISTANCE FROM OTHER AGENCIES

Sec. 12. (a) The Commission is authorized to secure directly from any executive department, agency, bureau, board, commission, office, independent establishment, or instrumentality any information, suggestions, estimates, and statistics which will assist the Commission in carrying out the purposes of this Act. Each such department, agency, bureau, board, commission, office, independent establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or any member designated by the Chairman.

(b) Any employee of any executive department, agency, bureau, board, commission, office, independent establishment, or instrumentality may be detailed to the Commission, upon the request of the Chairman or any member designated by the Chairman, on a reimbursable or nonreimbursable basis, with the consent of the appropriate authority having jurisdiction over such employee. While so detailed, such employee shall continue to receive the compensation provided pursuant to law for his regular employment and shall retain, without interruption, the rights and privileges of such employment.

CRIMINAL PENALTIES

Sec. 13. (a) Whoever knowingly and willfully participates in a covered boxing match or the coverage thereof in any capacity for which he holds a license required pursuant to section 5 after such license has been revoked or suspended shall be fined not more than $5,000 or imprisoned not more than one year or both.

(b) Whoever knowingly and willfully participates in any covered boxing match in any capacity for which a license is required pursuant to section 5 while not possessing a currently effective license therefor shall be fined not more than $1,000 or imprisoned not more than one year or both.

(c) Whoever knowingly and willfully fails or refuses to furnish to the Commission copies of any contract, agreement, arrangement, or understanding requested to be furnished the Commission under this Act or knowingly and willfully furnishes incomplete or false copies thereof when so requested, shall be fined not more than $50,000 or imprisoned not more than five years or both.

(d) Whoever knowingly and willfully furnishes coverage for any covered boxing match coverage for which the Commission has prohibited by order pursuant to section 7 shall be fined not more than $50,000 or imprisoned not more than one year or both.

ANNUAL REPORTS OF COMMISSION

Sec. 14. The Commission shall submit annually to the Congress a report on its activities under this Act, together with such recommendations as it deems advisable.

NONINTERFERENCE WITH STATE BOXING AUTHORITIES

Sec. 15. Nothing in this Act shall prohibit any board, commission, or other agency, created by or pursuant to the law of any State or political subdivision thereof, Commonwealth, or possession of the United States from exercising any of its powers, duties, or functions with respect to the regulation or supervision of professional boxing or professional boxing matches or any aspect of the coverage thereof.

The SPEAKER. Is a second demanded?

Mr. SPRINGER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HARRIS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this bill, H.R. 8635, would provide for a Federal Boxing Commission to have general broad powers of supervision over professional boxing within the United States, or without the United States, if any individuals go outside of our country to avoid the supervision that would be provided if such event occurred within the limits of the United States.

I do not have to explain to you, Mr. Speaker, why this legislation is before the Congress and the country today. That is abundantly clear. It is legislation which the Committee on Interstate and Foreign Commerce brings to the floor of the House today because of great interest to many Members of this body and, in my judgment, to a large segment of the American people.

The proposed legislation was introduced following the Clay-Liston fight at Lewiston, Maine, on May 25. I dare say it was introduced primarily because of the great interest manifested by Members of this House and other people throughout the country who contacted me about it.

Massachusetts law enforcement authorities brought this suit in the courts contending that the provision of the Massachusetts law with regard to citizenship in Massachusetts of promoters of boxing matches had not been complied with. Then, of course, you know the story about moving the match to Lewiston, Maine. These circumstances highlight the importance emphasized by a great many witnesses who came before our committee of radio, closed-circuit television, and even satellite communications which supply the economic lifeblood for professional boxing activities. So this program is conceived around the utilization of broadcasting facilities, plus CATV, closed circuits, and so forth, in interstate commerce.

Mr. Speaker, we had some of the most outstanding people in this field in the United States before us. We heard the Chairman of the Federal Communications Commission who, as you know, is responsible for the communication media of this country; we had representatives of the State boxing commissions of various States, including the larger States where these fights are usually held. We had former heavyweight champions such as Jack Dempsey, Rocky Marciano, and others who engaged in this field of professional boxing. We had promoters, and we developed through the hearings a full and complete story. Almost without exception we were urged to establish a Federal Boxing Commission with specific powers and authority to deal with this subject.

So this legislation comes before you built around two special tools that are made available to us. No. 1, the media to be used; and No. 2, those professional boxing matches that would propose to use these media.

Now we do not give this Commission power to go down to every State or to every locality or every little event where you might have a contest like the Golden Gloves and matters of that kind. It has to be, first, professional boxing; and second, it has to be a professional boxing event that would be disseminated over the interstate media of this country. Consequently, in this kind of situation we would establish a Federal Boxing Commission with authority to license the contestants and the promoters and those having anything to do with the event including the officials and those who would disseminate the event such as on closed circuits and CATV and wire TV and so on. In licensing these participants and those who would have something to do with it, this Commission could determine whether or not there was fraud and collusion and such matters as that involved in connection with the event. That is the real basis on which this legislation is devised, the prevention of fraud, and so forth. Only where there is a failure to abide by the provisions of this act or where there is fraud or collusion, and such goings on as that would be against the public interest, would the Commission act. The Commission could examine the contracts and check on whether the participants had been licensed and what went on in connection with the promotion of the match—and if they found any kind of violation of law or of fraud or collusion, and so forth existed, then they have the authority to stop the match.

At present neither State nor Federal Governmental authorities have adequate power to assure the proper utilization of television, radio, and other communication facilities in interstate or foreign commerce in connection with the coverage of professional boxing events.

In the case of professional team sports such as football, baseball, and basketball, the existence of continuing organizations makes possible effective self-policing. In the case of professional boxing, however, the absence of such potent continuing organizations renders self-policing impractical.

In view of all of these circumstances, the committee decided that the Federal Government should assume a role of responsibility in this area. It also decided that the cost of exercising such responsibility should be borne by those persons and organizations who are connected with, or interested in, professional boxing matches which are subject to the provisions of this legislation.

It was emphasized by witnesses appearing in our hearings that professional boxing is of great interest to persons not only in the United States but to many persons abroad. Therefore, the integrity of professional boxing is also a question of maintaining the prestige abroad of the United States for fair dealings in professional sports.

Witnesses who appeared before the committee were emphatic that persons connected with professional boxing matches coming within the purview of this legislation should be licensed by the Federal Government in order to assure the observance of appropriate standards in the conduct of these matches and to prevent, insofar as possible, collusion, and other criminal activities which adversely affect the integrity of professional boxing.

The committee conducted hearings on H.R. 8635 which I introduced, and a number of similar bills introduced by Representative RIVERS, of South Carolina; Representative TUNNEY, of California; Representative MICHEL, of Illinois; Representative MURPHY of New York; and Representative SPRINGER, of Illinois.

The legislation specifically safeguards the continued exercise by any State or local boxing or athletic commissions, of any of its powers, duties or functions with respect to the regulation or supervision of professional boxing or professional boxing matches, or any aspect of the coverage thereof, in their respective jurisdictions.

In other words, Federal surveillance extends to, and only to—first, the use of television, radio and other interstate and foreign communications facilities, and, second, to those professional boxing matches held within the United States which are covered by means of such facilities.

The Federal Boxing Commission would consist of three members appointed by the President, by and with the advice and consent of the Senate. The terms of office of the Commissioners would be 6 years, except that two of the Commissioners first appointed would serve for terms of 2 and 4 years, respectively.

The Commission would have authority to license in the first place, persons participating in various capacities in covered boxing matches such as boxers, promoters, agents, fight managers, matchmakers, referees, judges, and so forth. In the second place, the Commission would license corporations or persons participating in or connected with the coverage of any covered boxing match except persons providing coverage who are licensed under the Communications Act of 1934, as amended.

All contracts, agreements, arrangements, and understandings pertaining to the conduct, promotion, or coverage of covered boxing matches are required to be in writing and open to inspection by the Commission. A copy thereof shall be furnished to the Commission upon its request.

The Commission is authorized to provide by regulation that such contracts, agreements, arrangements, and understandings, shall contain provisions which the Commission has determined to be in the best interests of professional boxing and the best interests of the public. On the other hand, the Commission also has authority to require that such contracts shall not contain provisions of a nature which the Commission has determined to be contrary to the best interests of professional boxing and the best interests of the public.

Finally, the Commission is authorized to prescribe regulations with regard to the promotion, conduct, and coverage of covered boxing matches.

The legislation provides criminal penalties for violations of provisions of the act and orders of the Commission. It further authorizes the Commission to issue orders prohibiting the holding or coverage, or both, of boxing matches in connection with which the Commission had determined provisions of this legislation or the Commission's orders have been violated, or where there exist reasonable grounds to believe that a proposed covered boxing match will be in any way affected by bribery, collusion, intentional losing, extortion, racketeering, or the use of unlawful threats, coercion, intimidation, or violence.

Finally, in the case of boxing matches held outside of the United States, the Commission may prohibit by order the coverage in the United States of any such boxing match if it finds that such match would, if held within the United States, be a covered boxing match, and if it further finds that there exist reasonable grounds to believe that such match is to be held outside the United States in order to avoid compliance with the provisions of this act intended to protect the best interests of professional boxing and the best interests of the public.

The committee believes that the provisions for licensing, the publication of contracts, and the other safeguards contained in this legislation will accomplish the objectives of this legislation.

We feel this legislation is carefully designed to prevent such an occasion. A lot of people in this country had strong feelings about this match back in May in Lewiston, Maine, and now we would have a Federal agency to assure the integrity of professional boxing.

Mr. Speaker, I believe this is a good proposal. I believe it is a good approach to this problem. I believe it is like it was when we had the payola days and things went on in the broadcasting industry itself. This is not legislation to get at the broadcasting industry and I want to stress that. It is to get at those who would permit an offense against public policy and the public interest in this country.

The broadcasting industry has interposed an objection. Many of you have received wires today. I do not believe the objection of the broadcasters has much merit. But let me explain. The objection is based on a principle that no Government agency or board or commission should have authority to say to the broadcasting industry, an industry licensed by the Government, that they shall or shall not broadcast something over their media. In other words, it is the principle of not having a prior restraint, as I understand it. They are fearful of censorship. They, of course, make it clear that they would in no event broadcast anything where there is fraud or collusion. They know better than to do that. It is not this particular problem of boxing but it is the precedent that would be set if this provision relating to Commission orders should be adopted.

To overcome that fear, we have devised an amendment which is included on page 13 of the bill which provides first, no order by the Commission prohibiting such an event under these conditions would be applicable to a person licensed under the Communications Act of 1934.

No. 2, the Boxing Commission would notify a broadcaster if he expected to broadcast such an event.

No. 3, if he then went ahead, in spite of this notice, and broadcast some event anyway, then such broadcast would not be in the public interest and the amendment so provides. In that case that broadcaster would have to answer to the Federal Communications Commission if and when he had to have a license renewal. So this would avoid what they are fearful of—that is, a prior restraint applicable to them which they consider to be censorship.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from South Carolina, one of the sponsors of this legislation, who testified before the committee.

Mr. RIVERS of South Carolina. Mr. Speaker, I want to congratulate the distinguished chairman of the Committee on Interstate and Foreign Commerce for his vision and for his alertness and that of his committee in their efforts to salvage what is left of the professional boxing sport of this country and of the world.

Mr. Speaker, the only place the championship of the world is recognized is in the United States. It has sunk to such a low state that the gentleman's committee is now trying to hit these racketeers where it hurts, in their pocketbooks. This is the reason why his distinguished committee is trying to control what interests them most, getting money out of these frauds they are putting over the media of this country and calling athletic professional contests.

I believe the Nation owes the gentleman and his committee a deep debt of gratitude for their efforts to bring back decency and respectability.

Mr. HARRIS. And integrity.

Mr. RIVERS of South Carolina. And integrity and honesty to a sport which has sunk to such a low state that it has become a disgrace to the word "boxing" in all respectable circles in America and elsewhere.

Mr. HARRIS. I thank the gentleman for his fine comments.

Mr. RIVERS of South Carolina. I express my appreciation and thanks for the gentleman's efforts.

Mr. MACDONALD. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Massachusetts, who is very active on the committee. I thank the gentleman for his contribution to this program.

Mr. MACDONALD. I thank the chairman of our committee.

My real question relates to the amendment. I believe that the gentleman and other people who drafted the bill did a wonderful job.

Is it not a fact that the amendment which has been adopted, on page 13, line 10, has never been heard by the members of the committee? As a matter of fact, I saw it for the first time today.

Mr. HARRIS. The gentleman is correct. This question had not been raised by the broadcasters until this weekend. It has created much turmoil. They are licensed, as we all recognize.

In carrying out the concept and minimizing the difficulty the gentleman from California, Mr. Moss, had with it, I have tried to get in touch with as many Members as I could to explain it today, to meet this objection.

Mr. MACDONALD. I am not sure how much time the gentleman has, but I am willing to ask unanimous consent that he be granted more time. If that is not necessary, I should like to have a fuller explanation for the RECORD as to why the amendment has been added without any hearings, and put on the bill. Actually, from reading the amendment it seems to me that it gives a license to steal to those people who have already been licensed. The license has no time limitation that I can read in the bill. Therefore, once licensed under this amendment, they can do practically anything they want to do.

Mr. HARRIS. I respectfully submit that the gentleman is in error. That is not true. The licensee of a broadcast facility has 3 years. He comes back before the Commission under the Communication Act for renewal for his license. All this would do is put the responsibility back with the Federal Communications Commission.

Mr. MACDONALD. Right. I sat in the hearings and questioned the very able Chairman of the FCC. He said since he had been given no criteria as to when in his opinion a fight would be fixed or any of the other bad things that the gentleman in the well discussed would happen, he said he had no way of knowing when these things happened.

The SPEAKER. The time of the gentleman from Arkansas has again expired.

Mr. HARRIS. Mr. Speaker, I yield myself 4 additional minutes.

I will be glad to explain further to the gentleman from Massachusetts, but if the gentleman will permit, at this time I would like to yield to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Speaker, I appreciate the discussion of the amendment here. I think I understand the amendment as it has been outlined, and I wonder if it meets the objections of the broadcasters. Would the adoption of this amendment meet the very real objections they have?

Mr. HARRIS. I cannot see why it would not. What they say is they do not want any Government agency to make the decision for them as to whether something should or should not be broadcast. They want to have that responsibility and they assume the responsibility by accounting for it afterwards.

Mr. YATES. Mr. Speaker, will the gentleman yield for a question?

Mr. HARRIS. Yes. I yield to the gentleman from Illinois.

Mr. YATES. To what language is the gentleman from Massachusetts [Mr. MACDONALD] referring? Where does it appear in the bill?

Mr. MACDONALD. It is not in the bill.

Mr. HARRIS. It is an amendment which is a part of the bill which we offered here, which has been designed, since the bill was reported by the committee, to overcome the objections of broadcasters with reference to their responsibility.

Mr. YATES. Will the gentleman yield for another question?

Mr. HARRIS. Yes. I yield to the gentleman.

Mr. YATES. Would it be in order to ask unanimous consent for the Clerk to read the amendment at this point?

The SPEAKER. Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

(d) No order of the Commission with respect to the coverage of any proposed covered boxing match shall apply to any person licensed under the Communications Act of 1934, as amended. In lieu of issuing an order prohibiting the coverage of any boxing match under this section it shall notify a person licensed under the Communications Act whom the Commission has reason to believe intends to cover such boxing match. The Congress hereby declares that the coverage by any such person of a boxing match with respect to which any such notice has been given is not in the public interest.

Mr. HARRIS. Mr. Speaker, I now yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, to some extent it seems to me it is nullifying the whole intent of this legislation if the Congress adopts this amendment in this legislation. I do not want to try to control the broadcasting industry. I spent a little time there. But let me say to you that I do not like this amendment a bit. I know of no reason why some fake boxing exhibition ought not to be stopped before it goes on the air.

Mr. HARRIS. I will say to the gentleman that under the bill the boxing commission can issue an order, when it finds these things true, prohibiting the event. So the prohibition is directed against the contestants and the promoters and those who put it in. It never gets to broadcaster. Therefore, we are arguing about something here which will never come about. That is the reason why we should not get bogged down here on a technicality which will never be a problem.

Mr. SPRINGER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the sorry state of the sport of boxing is no secret to anyone in this country, whether or not he may have had any connection with it or great interest in it. The present status of boxing could be classified as a minor national scandal. How it gets that way involves a long story, many of the details of which will never really be known. If the story could be told it very likely would read like a Mickey Spillane novel, replete with gang rule and all its attendant ugliness. But this is not necessary. There was a time when the boxing greats of this country could well be emulated. Generally speaking, no one expects a boxing champion to be a Rhodes scholar, but I think that we have the right to expect that they will be decent, patriotic, law-abiding citizens and for a long period this was the situation. The deterioration in the sport has actually been very recent, but once on the skids its decline has been rapid.

One might well ask why the Congress of the United States should concern itself with this situation. No vital national purpose is served by saving the boxing profession for posterity. On the other hand, if boxing matches are to occur we must see whether or not there is a requirement to protect the American public in any way. When considered from this viewpoint there is plenty of reason for the Congress to concern itself. Today boxing deals in big money. A championship match may bring in as much as $6 million. Obviously no such sums are derived from spectators coming through the turnstiles. The money is from national dissemination through broadcast facilities and closed circuit television. Such matches are made available to nearly every prospective viewer in the country.

Obviously national coverage, using broadcast and other interstate facilities can only be regulated or controlled through Federal agencies. If such fights were taking place behind a barn somewhere, a township board could adequately control them. Not so with any major boxing contest today.

It would be possible, of course, to deny the use of broadcast and wire facilities for the dissemination of all boxing matches. This would hardly be the answer, since it would be unfair to the sport and to the public. If, then, we intend to protect the public through proper use of the means of communications we must look to the whole matter of cleaning up the sport itself. Just trying to ferret out and prohibit bad matches is no real answer. We must make provisions for policing what will be shown. In other words, if boxing is to be a national sport we must make sure that it is cleaned up and kept clean. The communication of a boxing match to the public is really the end product and concerning ourselves only with this would be too little and too late. Whatever is done to insure against disgraceful exhibitions and to keep racketeers and fast money people from control must be done long before any communication media will be involved and it must be done on a continuing basis.

Why am I so sure that restrictions of this kind are needed? The committee was told by many people in the boxing profession that this was necessary. The bill before you today could be said to have been written by the best representatives of the boxing profession. We were told that only the Federal Government could do the job, that the people and the activities within the profession require constant surveillance, and that some way must be found to keep out the creeps and the crooks.

This bill should accomplish the purpose through a Federal Boxing Commission, empowered to license the people concerned with professional boxing, with power to promulgate rules concerning contracts and through power to control the accessibility of broadcast and wire communications means. There is no doubt in my mind that the scheme set forth in this bill, if well administered, will clean up and revive the sport so that it may grow and prosper.

When this bill was introduced, some of you may remember that I made a plea for a broad investigation of many aspects of national sports and their relationships with broadcasting. I brought up the subject again as we started to consider Chairman HARRIS' and my own bill for a Boxing Commission. In supporting H.R. 8635 I do not intend to convey the impression that any of these other matters have been settled. First of all, it is my conviction that boxing is unique. The whole structure of the sport and the way in which its exhibitions are organized make it different from any other sport you are apt to see on television. I do not want to leave the impression that I have ever proposed or that I now propose special commissions to work out the problems which I have outlined from time to time. There are still problems concerning the showing of professional football. I understand that this fall there will be doubleheaders back to back on two networks. Since I spoke here before, one of the outstanding professional basketball teams has been purchased by a beer company. Arrangements are being made for three new professional hockey franchises. All of these things need attention. As of this time I am not certain what the proper answers may be because we have not looked into them as far as we should.

I am certain in the case of boxing that we need a Federal commission, with the powers and the duties outlined in this bill and I therefore recommend that this House favorably consider H.R. 8635.

Mr. MACDONALD. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. As all of us who serve on the committee know, the review for a station for a broadcasting license—either a TV or a radio operation—only comes up for review every 3 years.

Mr. SPRINGER. That is correct.

Mr. MACDONALD. If the gentleman will yield further, does not the gentleman think that the mechanics that are applied in this amendment are very slow? By the time the Congress—and I say this in all due deference to the Members of Congress—has had time to act, I would not think there are probably four people in the Congress who know a good fight from a bad fight. Who are we to pass upon this matter? That is first.

Second. In my judgment the so-called safeguard built into the amendment is that whatever network or station that uses their utilities to rebroadcast or broadcast is involved, it has 3 years before the FCC reviews their operations.

Mr. SPRINGER. I cannot let the gentleman take all of my time.

Mr. MACDONALD. I did not mean to do that.

Mr. SPRINGER. If I had more time I would be delighted to try to answer further questions.

Mr. HARRIS. Mr. Speaker, I might save some argument on this.

Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that that part of the amendment referred to be withdrawn.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. MACDONALD. Mr. Speaker, reserving the right to object, I am not sure exactly what my very distinguished chairman refers to.

Mr. GROSS. All of the entire amendment?

Mr. MACDONALD. The whole amendment, starting on page 13, line 10, is that what the chairman has in mind?

Mr. HARRIS. I have in mind that part of the amendment that was referred to and read by the Clerk a moment ago which appeared on page 13 at line 10.

Mr. MACDONALD. In other words, the entire amendment will be stricken?

Mr. HARRIS. No, I do not withdraw the entire amendment. The entire bill is an amendment. This is an amendment to the amendment.

Mr. GROSS. Then the gentleman withdraws the entire amendment to the amendment?

Mr. HARRIS. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SPRINGER. We have not tried in this bill to take over States rights; we have not tried to take over State boxing commissions and their duties. But we were pleased to have boxing commissions that came before our committee and said, "Only you by the formation of a National Boxing Commission, can we provide leadership and bring together the 29 or 30 State boxing commissions into such a position so that there can be cooperation where we can get uniformity in boxing which will prevent the bad things that have taken place in the last 25 years.

I believe a Federal Boxing Commission can provide good leadership in boxing.

I think there was a great deal of warm support from those associated with boxing who have the highest ideals. I am talking about the big States like New York, Illinois, and California, who probably have upward of 75 to 80 percent of these boxing matches. They were asking for assistance and help by a Federal Boxing Commission. That is what we have tried to provide, and that is why we are on the floor here today.

THE UNIVERSITY OF MICHIGAN LIBRARIES

Mr. HALPERN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from New York.

Mr. HALPERN. Mr. Speaker, I rise in support of H.R. 8635, a bill to establish a Federal Boxing Commission that will have the authority to regulate professional boxing matches that are viewed through television, wire, film, and other means of communication.

I would like to commend the Interstate and Foreign Commerce Committee for a fine job in reporting to the House a bill that is worthy of the support of every Member. This bill is most commendable; it is most meritorious and long overdue. The original bill was very limited in that it was merely designed to prevent the broadcasting or transmission of a fraudulent professional boxing match while the event was occurring. I testified before the committee and urged much stronger action, along the lines of my bill, H.R. 6479, and that of the gentleman from California [Mr. TUNNEY] whose parental relationship to the sport easily makes him one of the foremost authorities on this subject in Congress. I am happy to see the bill strenghtened, in keeping with the objectives I have long advocated.

In 1963, I was privileged to cosponsor with the late Senator Kefauver a bill to prevent the control of the boxing world by racketeers and gangsters. The 88th Congress did not act on this proposal, but I am pleased to see many of the provisions of this measure in H.R. 8635.

It is not necessary for me to construct a detailed argument showing the tremendous need for legislation such as we now have before us. Boxing is not only an interstate sport, but an international one. It represents some of the foremost qualities of manliness, including strength, skill, and courage. Yet, this heroic sport which has been practiced for thousands of years is now in ill repute. This international game has become an international spectacle, because criminal elements have been able to gain significant control of boxing, without being countered by adequate governmental surveillance and regulation. Commendably, many of the States have done a good job of regulating boxing within their boundaries, but the problem is an interstate one—one which the States, despite their efforts, cannot effectively control.

A good example of this was the Clay-Liston fight of last May. While the bout was being planned for Boston, the State of Massachusetts contended that the laws regarding promoters had not been complied with. The promoters of the fight were afraid that they could not resolve the suit in time for the scheduled fight date, and simply moved northward into Maine. In this way, managers and promoters are always able to play off one State against another in order to avoid the close regulation that the public demands.

If H.R. 8635 becomes law, fights like the Clay-Liston bout will be closely scrutinized, and if they are found to be subject to bribery, collusion, and other forms of underworld influence, they will not be permitted to take place.

Because interstate and foreign communications facilities are being used to cover professional boxing matches, it is necessary to initiate within the Federal Government adequate power, heretofore nonexistent, to insure that these facilities are properly utilized, and to protect the integrity of the professional boxing matches that are covered in this manner. All Americans are subject to this vast network of communications, which brings the fight game to every community.

H.R. 8635 established a Federal Boxing Commission, consisting of three members, appointed by the President. By requiring licenses for anyone involved in a covered boxing match, the Commission will keep out of the sport those who would use it to fatten their own purses at the expense of the public. The Commission is also authorized to issue prohibitory orders to stop a covered match when it is in the public interest to do so, according to standards set up by the Commission. This will effectively prevent the fraudulent boxing match from becoming a cheap spectacle that hoaxes the public into exorbitant spending for what it mistakes for a legitimate athletic contest.

Under this proposal, all contracts and agreements concerning covered boxing matches must be in writing and will be available for examination by the Commission. The Commission also has strong regulatory powers which will establish and maintain high standards of conduct in the coverage and holding of covered boxing matches. With the authority to investigate, hold hearings, and subpena witnesses, the Commission will be able to clean up that part of the boxing industry that thrives on the televised or commercially viewed bout.

I would like to add, Mr. Speaker, that while I am in favor of this bill, I do not think that it goes far enough in dealing with the problems of the boxing world. My bill, H.R. 6479, would require a financial statement to be submitted to the Commission by anyone who receives some kind of payment as a result of a professional boxing match. Also, my bill would require the mandatory filing with the Commission of any contract or agreement dealing with a professional bout. By complete and open knowledge of all contracts, financial proceedings, and profits from matches, the Commission would be able to protect the young athlete from the unscrupulous bosses of the boxing underworld.

Nevertheless, I wish to make it very clear that this bill is meritorious, although I do not think it goes far enough. I heartily recommend to my colleagues that they give it their fullest support. Then, if the bill becomes law, we can stand proud and feel that we have taken a major and necessary first step in cleaning up what has too long been a detriment to the American sporting world.

Mr. MIZE. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Kansas.

Mr. MIZE. The amendment to the amendment has now been stricken. I have here a letter from WIBW-TV-AM-FM which reads in part as follows:

> While all broadcasters are basically in sympathy with the objective to clean up the fights—this bill would also impose what we consider to be unconstitutional prior restraint on the freedom of speech by radio and television. Provisions which would empower a Federal commission to prohibit broadcast coverage should be deleted from this legislation.

May I ask the gentleman, is his interpretation right or wrong?

Mr. SPRINGER. I think the letter is wrong where it stated that this body is not in the public interest. If there is something crooked about a fight they should prevent the fight, and they would be prevented from broadcasting the fight. I am as much interested in that as the gentleman is, and I believe they are completely wrong. I am satisfied all of our bill is constitutional—at least we were so advised by competent legal counsel.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Iowa.

Mr. GROSS. This bill provides for a Commission. It also provides for a $26,000 a year executive director, and a certain number of staff members.

Do I understand correctly the Commission is going to require licenses, and they will pick up the bill of expense that otherwise would be charged to the Federal Treasury?

Mr. SPRINGER. It is expected there will be sufficient charges made, like on the licenses and fees to pay the costs of the Commission. Some kind of assessments will be made on the fights and we will get enough to carry the Commission. We are not asking for any public moneys to finance the Commission. We believe it will be self-supporting.

Mr. GROSS. What is the compensation of these Commissioners?

Mr. SPRINGER. It is $26,000.

Mr. GROSS. What about the Commissioners?

Mr. HARRIS. The Commissioners would receive the usual salary.

Mr. GROSS. It is your intention that fees will be charged for licenses to fund the cost of this?

Mr. SPRINGER. Yes, together with other charges.

Mr. GROSS. I hope that is correct.

Mr. SPRINGER. That is correct.

Mr. GROSS. The Baseball Commissioner is paid by the baseball people.

Mr. HARRIS. Mr. Speaker, I yield such time as he may require to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Speaker, I rise in support of this measure. Throughout the hearings I was impressed by the unanimity of the appeal by all those who participated in this sport in asking the Federal Government to come in and help them to clean up a sport that needs this assistance. Not often will you find all segments of a sport coming in and saying to our Government, We have reached the point where we need help. We want you to give us this hand.

Mr. Speaker, I think this was a long hearing and we listened carefully and

THE UNIVERSITY OF MICHIGAN LIBRARIES

sympathetically to all the people who participated.

I am a former broadcaster and I can understand their concern in wanting to be rid of any restriction as to prior clearance of speech. But I do not believe this would come about except in those instances where clearly there is reason to believe it ought to be prohibited. In that case I believe the broadcasters can live with it and it would be acceptable to them.

Interstate and foreign communication facilities for some time now have been used to cover boxing matches, but there have been no authorities with adequate power to assure proper utilization of such facilities in this coverage. The result has been abuse of the communication privilege, deception of the American public, and the deterioration of boxing as a legitimate sport once loved by the sports fans of the world. These conditions have made necessary legislation of this type establishing a Federal Boxing Commission with adequate authority over the broadcasting of professional boxing matches. This commission shall be made up of men of high integrity appointed by the President with the advice and consent of the Senate. To implement the effectiveness of this Commission and to cover its operating expenses, it will be authorized to issue licenses allowing participation in covered boxing matches. In an effort to remove crime from the ring, the agreements and contracts pertaining to boxing matches would have to be in writing and open to inspection by the Commission which is authorized to require that they be in the best interest of the public. The Commission would also be given general authority to prescribe and issue regulations covering the conduct of professional boxing matches, and to prohibit broadcast when there has been a violation of its orders or it is believed by the Commission that a proposed covered boxing match may be affected by some illegitimate means. It is my sincere hope, in supporting this legislation, that the crime and racketeering can be taken from the ring and that boxing can be restored to the arena of good, clean, legitimate sportsmanship which our other national sports now enjoy.

It is regrettable that local sports officials have not been able to regulate the sport of boxing. Certainly none of us in Congress want to see an undue hardship placed on the promotion of a legitimate amateur bout, nor do we want in any way to interfere with professional sports. But boxing is worth saving. We must have this legislation or we will lose the sport. I realize that it may work some hardship for boxers and promoters to get a license, but these drastic steps must now be taken or we can say goodby to boxing as a worthwhile, legitimate, professional sport.

Mr. SPRINGER. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Speaker, I thoroughly favor the purposes of this bill. Probably it is a very good bill, but I do not know whether this amendment which was proposed should be added. I am also a little bit confused about just what the bill in essence would do. It seems to me the best way to handle this would be to defeat this under suspension and then take it up later under a rule at which time there would be opportunity to explain it in detail.

Mr. SPRINGER. May I say in reply to the distinguished gentleman from Pennsylvania that this matter was given about as thorough consideration as I have ever seen of any bill that has been before our committee. I believe the bill received adequate consideration and we went into every feature of the bill. I believe it is a good bill and it ought to be passed today.

Mr. MACDONALD. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman for a question.

Mr. MACDONALD. I do not actually have a question but I just would like to say I support the bill wholeheartedly now that this amendment is not in it.

Mr. Speaker, I think the committee and all the people who worked on it have done a fantastically good job. It is a step in the right direction. It is not going to solve all of the problems but this legislation is certainly something that should be adopted by the House, in my judgment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman.

Mr. GROSS. I simply want to say I, too, want to commend the chairman and the members of the committee for this bill now that the amendment to the amendment has been withdrawn. I think it is good legislation and it is legislation that is needed.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from California.

Mr. GUBSER. Insofar as the question of possible censorship is concerned, is it not true that the only restraint against broadcasters in the bill as it is now written is that they cannot broadcast a bout in which the participants are not legally licensed and are not legal contestants and they cannot broadcast a bout wherein the Commission believes there is a possibility of bribery, collusion, intentional losing, racketeering, and so forth?

Mr. SPRINGER. Those are the two conditions—they cannot broadcast under either one.

Mr. GUBSER. Is it not also true, may I ask the gentleman from Illinois, that the Federal Communications Act itself which provides the license for TV or radio stations is an imposition of a restraint—and that restraint is that what is broadcast must be in the public interest?

Mr. SPRINGER. That is correct.

Mr. GUBSER. And is it not therefore just in furtherance of the Federal Communications Act—or the spirit of the Federal Communications Act?

Mr. SPRINGER. At least I would say it is in the spirit of it.

Mr. GUBSER. I thank the gentleman.

Mr. O'HARA of Illinois. Mr. Speaker, while I am interested in maintaining the integrity of boxing and all other sports, I find myself in agreement with the Department of Justice of the United States that the bill now before us, is in the words of Deputy Attorney General Ramsey Clark, "both unnecessary and undesirable."

If we are to have a Federal Commission to supervise boxing then surely we should have a Federal Commission to supervise wrestling and, the pattern having been set, it will be only a matter of time until there will be Federal Commissions to run all the sports from baseball and football to tennis and ping pong.

I do not believe it is a healthy thing to place a policeman in every playground. I cannot bring myself to accept with complacency the idea of a Federal guardianship over competitive athletic activities of American youth.

If there is corruption in boxing, baseball, basketball, in any sport there are laws now in the books to punish the culprits, as has been shown time and time again in recent years in prosecutions and convictions in all parts of the country.

Boxing during the years has had its ups and downs, its period of fashionable acceptance and its periods of running from the police.

John Broughton was champion of the world back in 1750. The good Duke William of Cumberland was his sponsor and when the champ was matched with a rustic unknown, John Slack, the Duke bet the equivalent of $50,000 on his man to $5,000 and thought he was guilty of grand larceny. The rustic threw just one punch and the champion went down and out, to the dismay, financial loss and indignation of the good Duke. The outcry then, some 215 years ago, was something of a forerunner of the public reaction to the recent fiasco in Maine. The Duke was certain he had been framed and boxing was outlawed in Merrie England for quite a number of years.

Later on, a hundred years or less, John Gully fought his way from a debtors prison to championship of the world and went on to a seat in Parliament and great wealth, and the ring again was back in favor.

I have known and numbered among my friends Tom Allen, the last of the bare-knuckle battlers, John L. Sullivan, Jim Corbett, Bob Fitzsimmons, Jack Root, George Gardner, Terry McGovern, Tommy Ryan, Battling Nelson, Harry Forbes, and so many, many others, and in my last campaign for reelection to Congress three former world's champions were on my citizen committee.

I am sure there is as much integrity, as much rugged honesty, among the knights of the padded mitts as among other groups. The average certainly is high. It is not in the American tradition to brand the many for the derelictions of the few.

Mr. RYAN. Mr. Speaker, I have long believed that there should be Federal regulation of boxing in the interest of many thousands of boxers in the United States and many millions of American boxing fans.

I introduced legislation to that effect in the 87th and 88th Congresses, in conjunction with the late Senator Estes Kefauver. I reintroduced my bill (H.R. 8632) in this Congress, and reviewed its provisions with the members of the House Interstate and Foreign Commerce Committee when I testified on July 8 on the bill we are considering today. I am pleased that the committee reported a bill which so closely parallels the measures I have advocated.

Boxing today faces angry critics and half-hearted apologists. For it rests, at the moment, in the shadow of the criminal world. Underground domination of boxing has been the subject of extensive hearings before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, under the chairmanship of the late Senator Kefauver, and compelling evidence has been adduced on the influence of gamblers and racketeers in the handling of fighters and the promotion of big-time matches.

I have some familiarity with the background of this problem for I served for 7 years as an assistant district attorney in New York County, where, as a member of the rackets bureau, I dealt with many of the problems which result from underworld influence in boxing.

Everyone familiar with the fight game knows the consequences. Deserving challengers who have refused to play ball with racketeers have been denied a chance to fight the champions in their respective weight divisions. Weak-kneed promoters have agreed to help the careers of certain boxers by matching them repeatedly against pushovers. This has led, in many instances, to physical injury, brain damage, and even death.

It is our duty, Mr. Speaker, to put an end to outrages of this kind. What is needed is remedial legislation designed to break the stranglehold on boxing exercised by monopolistic gangsters and racketeers.

This means, Mr. Speaker, a Federal Boxing Commission with nationwide licening authority over boxers, managers, promoters, and matchmakers engaged in interstate bouts, backed up by strong criminal penalties, and the power to subpena individuals and records. It is appropriate, I believe, that the subpena power conferred upon the Commission is similar to that conferred under the terms of the Securities and Exchange Act of 1935. In the matter of securities regulation there were already in existence State agencies designed to do the job granted the SEC. The State agencies themselves had the subpena power at their disposal, but they were not able to do the job.

The situation in boxing is analogous. Boxing contests, because of their interstate character, are presently beyond the power of any State to regulate fully and effectively. According to Ring Record Book, there are 51 State and local commissions in existence throughout the country. The investigative staffs of most State and local commissions, however, are woefully inadequate or nonexistent. As a reminder of the sterility which results, may I point out that the unrelated status of these commissions, provides a means for avoiding proper regulation. The recent fiasco involving Cassius Clay and Sonny Liston is a case in point.

In closing, Mr. Speaker, I want to emphasize that the goal we set for ourselves must be nothing less than the restoration of integrity and honesty to the fight game. We must make it possible for young boxers to train and compete and develop their talents without being forced to stage sham and collusive matches. This bill provides the strong regulation necessary to supervise boxing, and I urge my colleagues to give it their full support.

Mr. TUNNEY. Mr. Speaker, I rise in support of H.R. 8635. I want to compliment Chairman HARRIS for having guided such a comprehensive piece of legislation through his committee. He has acted decisively where others have merely talked about the need for boxing legislation. This is a good bill and it is badly needed. The state of professional boxing has descended to its lowest level in modern history. Gamblers and criminals have invaded the fight business for the purpose of reaping unjustifiable rewards at the expense of public interest. Fighters are forced to throw fights, sign contracts disadvantageous to themselves, subject themselves to the dominating will of racketeers or lose the opportunity to earn their living in the professional prize ring. This is wrong and everyone knows that it is wrong. We have been recently treated to a series of absurd spectacles that have been billed as heavyweight championships.

The early bird satellite has transmitted the most recent of these heavyweight championship fights throughout the world and the result has been international contempt and revile for American sportsmanship. People in foreign lands are saying that athletes in the United States are not interested in playing the game and fairly contesting the prize, but rather only interested in the quick buck.

This bill will provide for a National Boxing Commission to regulate all prize fights which are to be broadcast and disseminated by wire or film to the publice at large. It will license fighters, managers, promoters, seconds, and all persons providing coverage of prize fights. It prohibits the broadcasting or dissemination by any means in interstate or foreign commerce of a boxing match which is not approved by the Commission. It will also enable the Commission to review contracts entered into between fighters, managers, and promoters and prevent unscrupulous persons from taking advantage of naive and uneducated young athletes whose foremost talent is a fast pair of fists.

In my opinion, the question relating to the desirability of this legislation is simple. Are we going to save boxing or are we going to allow it to sink ever lower in public esteem—eventually to be outlawed by the States as an unsavory piece of unconscionable showmanship. I feel that boxing has had a proud history. I feel that it does teach young boys resourcefulness, courage, and the ability to fight back after being physically hurt. In this sense, it is in the proudest tradition of our American heritage. We have been a race not afraid to fight for what we believe in and not so cautious as to avoid physical sacrifice to accomplish our ends.

To think that the noble art of self-defense could have fallen on such bad times is indeed reason enough for public commiseration. By passing this bill today, we strike a blow for sportsmanship in America.

Mr. HECHLER. Mr. Speaker, I believe that this bill to establish a Federal Boxing Commission is long overdue. A great wave of sentiment for this legislation arose following the Clay-Liston fight, but there were many Members who felt prior to that fiasco that boxing had deteriorated. There was evidence and also suspicion that professional boxing had been infiltrated by racketeers, fraudulent and shady practices. The general public had become very critical toward these developments, and it was evident that decisive action had to be taken to correct this unfortunate situation.

It seems to me that the bill before us will go a long way toward curing the ills of boxing. This bill is long overdue. For too long, unsavory elements have played too important a role in professional boxing. Self-policing has been unsatisfactory. The public is not getting the fair break it deserves, and the situation is deteriorating.

Mr. Speaker, the Federal Boxing Commission contemplated in this bill has the licensing and regulatory powers to correct the situation. I share the feeling of many of my colleagues that when such a Commission is appointed it will give professional boxing an opportunity to set its house in order. Given proper guidelines, I am confident that this can be done under the current legislation. I trust that boxing will be restored to its former high place as a fair and attractive sport. I hope that this bill will pass, and that the Federal Boxing Commission will have the chance to start operations at an early date.

Mr. SPEAKER pro tempore (Mr. MILLS). The question is, Will the House suspend the rules and pass the bill, H.R. 8635, with an amendment?

The question was taken.

Mr. MACDONALD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 346, nays 4, not voting 84, as follows:

[Roll No. 239]

YEAS—346

Abbitt
Abernethy
Adair
Adams
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, George W.
Andrews, Glenn
Annunzio
Arends
Aspinall
Ayres
Baldwin
Bandstra
Baring
Bates
Battin
Beckworth
Belcher
Bell
Bennett
Berry
Betts
Bingham
Blatnik
Boggs
Bolton
Brademas
Bray
Brooks
Broomfield
Brown, Calif.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke
Burleson
Burton, Calif.
Byrne, Pa.
Byrnes, Wis.
Callan
Callaway
Carey
Casey
Cederberg
Chamberlain
Chelf
Clancy
Clark
Clausen, Don H.
Clawson, Del

Cleveland
Clevenger
Cohelan
Collier
Colmer
Conable
Conte
Cooley
Corbett
Corman
Culver
Curtin
Dague
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dent
Denton
Devine
Dickinson
Dole
Donohue
Dorn
Dow
Downing
Dulski
Duncan, Oreg.
Duncan, Tenn.
Edmondson
Edwards, Ala.
Ellsworth
Erlenborn
Evans, Colo.
Everett
Fallon
Farbstein
Farnum
Feighan
Findley
Fisher
Flood
Flynt
Fogarty
Foley
Ford, Gerald R.
Ford, William D.
Fountain
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gilligan
Gonzalez
Goodell
Grabowski
Gray
Green, Pa.
Greigg
Griffin
Griffiths
Gross
Grover
Gubser
Gurney
Hagan, Ga.
Hagen, Calif.
Haley
Hall
Halleck
Halpern
Hamilton
Hanley
Hansen, Idaho
Hansen, Iowa
Hansen, Wash.
Hardy
Harris
Harsha
Harvey, Ind.
Harvey, Mich.
Hathaway
Hays
Hébert
Hechler
Henderson
Herlong
Hicks
Holifield
Horton
Hosmer
Howard
Hull
Hungate
Huot
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Joelson
Johnson, Calif.
Johnson, Okla.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Kastenmeier
Kee
Keith
Kelly
King, Calif.
King, Utah
Kirwan
Krebs
Kunkel
Laird
Langen
Latta
Leggett
Lennon
Lipscomb
Long, La.
Long, Md.
Love
McCarthy
McClory
McCulloch
McFall
McGrath
McVicker
Macdonald
Machen
Mackay
Mackie
Madden
Mahon
Mailliard
Marsh
Martin, Ala.
Martin, Nebr.
Matsunaga
Matthews
Meeds
Michel
Mills
Minish
Mink
Minshall
Mize
Moeller
Moore
Morgan
Morris
Morrison
Morse
Morton
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nelsen
O'Brien
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Pelly
Perkins
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pool
Powell
Price
Pucinski
Quie
Race
Randall
Redlin
Reid, Ill.
Reid, N.Y.
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Rivers, S.C.
Rivers, Alaska
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roush
Rumsfeld
Satterfield
St Germain
St. Onge
Saylor
Scheuer
Schisler
Schmidhauser
Schneebeli
Schweiker
Secrest
Selden
Senner
Shriver
Sickles
Sikes
Sisk
Skubitz
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Smith, Va.
Springer
Stafford
Staggers
Stalbaum
Stanton
Steed
Stephens
Stratton
Stubblefield
Sullivan
Sweeney
Talcott
Taylor
Teague, Calif.
Tenzer
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Todd
Trimble
Tuck
Tunney
Tuten
Udall
Ullman
Vanik
Vigorito
Waggonner
Walker, Miss.
Walker, N. Mex.
Watkins
Watson
Watts
Weltner
Whalley
White, Tex.
Whitener
Whitten
Widnall
Williams
Wilson, Bob
Wolff
Wright
Wyatt
Wydler
Yates
Young
Younger
Zablocki

NAYS—4

Grider
Holland
O'Hara, Ill.
Patten

NOT VOTING—84

Andrews, N. Dak.
Ashbrook
Ashley
Ashmore
Barrett
Boland
Bolling
Bonner
Bow
Brock
Brown, Ohio
Burton, Utah
Cabell
Cahill
Cameron
Carter
Celler
Conyers
Craley
Cramer
Cunningham
Curtis
Daddario
Daniels
Dawson
Derwinski
Diggs
Dingell
Dowdy
Dwyer
Dyal
Edwards, Calif.
Evins, Tenn.
Farnsley
Fascell
Fino
Fraser
Green, Oreg.
Hanna
Hawkins
Helstoski
Jennings
Karth
Keogh
King, N.Y.
Kluczynski
Kornegay
Landrum
Lindsay
McDade
McDowell
McEwen
McMillan
MacGregor
Martin, Mass.
Mathias
May
Miller
Monagan
Moorhead
Murray
Nix
Pepper
Purcell
Quillen
Reinecke
Resnick
Roudebush
Roybal
Ryan
Scott
Shipley
Slack
Teague, Tex.
Thomas
Toll
Tupper
Utt
Van Deerlin
Vivian
White, Idaho
Willis
Wilson, Charles H.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Kornegay with Mr. Ashbrook.

Mr. Keogh with Mr. King of New York.

Mr. Ryan with Mr. Lindsay.

Mr. Toll with Mr. McDade.

Mr. Thomas with Mr. Brown of Ohio.

Mr. Van Deerlin with Mr. Martin of Massachusetts.

Mr. Cameron with Mr. Andrews of North Dakota.

Mr. Roybal with Mr. Utt.

Mr. Jennings with Mr. Quillen.

Mr. Daddario with Mr. Fino.

Mr. Daniels with Mrs. Dwyer.

Mr. Dingell with Mr. Bow.

Mr. Ashley with Mr. Mathias.

Mr. Shipley with Mr. Derwinski.

Mr. Slack with Mr. Cramer.

Mr. Celler with Mr. Tupper.

Mr. Kluczynski with Mr. Cunningham.

Mr. White of Idaho with Mr. McEwen.

Mr. Moorhead with Mr. Roudebush.

Mr. Evins of Tennessee with Mr. Brock.

Mr. Dyal with Mrs. May.

Mr. Cabell with Mr. Curtis.

Mr. Ashmore with Mr. Burton of Utah.

Mr. Helstoski with Mr. MacGregor.

Mr. Karth with Mr. Carter.

Mr. Charles H. Wilson with Mr. Reinecke.

Mr. Hawkins with Mr. Resnick.

Mr. Miller with Mrs. Green of Oregon.

Mr. Teague of Texas with Mr. McMillan.

Mr. Barrett with Mr. Murray.

Mr. Nix with Mr. Fraser.

Mr. Hanna with Dawson.

Mr. Vivian with Mr. Diggs.

Mr. Scott with Mr. Boland.

Mr. Landrum with McDowell.

Mr. Monagan with Mr. Moss.

Mr. Pepper with Mr. Farnsley.

Mr. Purcell with Mr. Craley.

Mr. Edwards of California with Mr. Conyers.

Mr. Dowdy with Mr. Bonner.

The result of the vote was announced as above recorded.

The doors were opened.

The title was amended as as to read: "A bill to establish a Federal Boxing Commission to exercise surveillance over professional boxing matches broadcast or disseminated by wire in interstate commerce, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have permission, if they so desire, to extend their own remarks in the RECORD at the appropriate place on the bill H.R. 8635, just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, COMMERCE, JUDICIARY AND RELATED AGENCIES, FISCAL YEAR 1966

Mr. ROONEY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8639) making appropriations for the Departments of State, Justice, Commerce, Judiciary and related agencies for the fiscal year ending June 30, 1966, and for other purposes, with amendments of the Senate thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ROONEY of New York, SIKES, SLACK, SMITH of Iowa, FLYNT, JOELSON, MAHON, BOW, LIPSCOMB and CEDERBERG.

AUTHORIZING DISPOSAL OF RUBBER FROM THE NATIONAL STOCKPILE

Mr. PHILBIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9544) to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 620,000 long tons of natural rubber from the national stockpile.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of approximately six hundred and twenty thousand long tons of natural rubber now held in the national stockpile. Such disposal may be made without regard to the provision of section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) that no disposition of materials held in the national stockpile shall be made prior to the expiration of six months after the publication in the Federal Register and the transmission to the Congress and to the Armed Services Committee of each House thereof of the notice of the proposed disposition required by said section 3(e).

The SPEAKER. Is a second demanded?

Mr. GUBSER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Speaker, H.R. 9544 is a bill to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 620,000 long tons of natural rubber from the national stockpile.

The present objective for natural rubber is 130,000 long tons, having been reduced from 750,000 long tons on March 5, 1964. At present, in our inventory are 860,551 long tons of rubber but this includes rubber which has been sold but has not been shipped. The total excess in our inventory is 722,463 long tons but this includes approximately 102,463 long tons still unsold as of December 31, 1964, from the previous authorization. This disposal authorization would provide authority for disposal of all surplus rubber.

Natural rubber comes principally from Indonesia, Malaya, Ceylon, Vietnam, Thailand, other Far Eastern countries, Africa, and small quantities in South America.

The acquisition cost of the amount for disposal totals approximately $479,359,200.

Natural rubber is used chiefly for heavy duty tires for trucks, buses and planes. It is blended with synthetic rubber for passenger car tires. In addition, many additional products include rubber as an important constituent such as insulation, hose and belting.

The proposed disposal of the remaining Government-held excesses of crude rubber, which have not been authorized previously for disposal, is designed to reduce such excesses in a manner which will provide the best possible return to the Government, using sound merchandising practices and avoiding disruptive impact on the economy or adverse effect on the national interest of the United States.

Industry specialists have been consulted on an informal basis during the planning period, and those consulted in industry and in Government have advised that the disposition can be carried out over a period of years with minimal adverse effect on the market.

In reducing the Government-held excesses, the Government will realize a fair return based upon the market value for rubber and will reduce its storage, inspection, maintenance, and other property management costs. Disposal of the rubber excesses will also have a beneficial side effect upon the balance-of-payments position of the United States, since any supplies placed upon the domestic market by the Government would replace equivalent quantities of rubber imported from producing areas.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I am glad to yield to the distinguished gentleman from Iowa.

Mr. GROSS. The gentleman says the acquisition cost of this rubber was about $479 million; that is, the rubber to be disposed of.

Mr. PHILBIN. That is correct.

Mr. GROSS. What is going to be the loss on this rubber?

Mr. PHILBIN. There would be a very substantial loss, probably in the neighborhood of $90 million.

Mr. GROSS. There will be a loss of about $97 million on this transaction?

Mr. PHILBIN. We anticipate that. Of course, much will depend upon what the future developments in the market may be.

Mr. GROSS. In other words, there will be a loss of about 7 cents per pound, based on the acquisition cost.

Mr. PHILBIN. The gentleman is correct.

Mr. GROSS. Does the gentleman believe we can safely dispose of this rubber, now that we are fighting wars on two fronts, in Vietnam and in Los Angeles?

Mr. PHILBIN. Yes.

Mr. GROSS. Does the gentleman really believe we can do that?

Mr. PHILBIN. I appreciate the gentleman's concern. I believe we can do so at this time. We have been given that evaluation and that opinion by the experts.

Mr. GROSS. There is plenty of rubber for both fronts?

Mr. PHILBIN. We have plenty of rubber for any foreseeable needs regarding the present situation.

Mr. GUBSER. Mr. Speaker, I yield myself such time as I may consume.

Speaking for the minority, I wish to say that the stockpile objective as determined by the experts will be completely met with this disposal. We all know, of course, that natural rubber is a commodity which deteriorates with age. We believe it is consistent with the national interest to dispose of this amount at this time. So the minority agrees completely with the disposal.

Mr. Speaker, I have no further requests for time. I yield back the remainder of my time.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts that the House suspend the rules and pass the bill H.R. 9544.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

DISPOSAL OF NICKEL FROM THE NATIONAL STOCKPILE

Mr. PHILBIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10305) to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 124,200,000 pounds of nickel from the national stockpile.

The Clerk read as follows:

H.R. 10305

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of approximately one hundred and twenty-four million two hundred thousand pounds of nickel now held in the national stockpile. Such disposal may be made without regard to the provision of section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) that no disposition of materials held in the national stockpile shall be made prior to the expiration of six months after the publication in the Federal Register and the transmission to the Congress and to the Armed Services Committee of each House thereof of the notice of the proposed disposition required by said section 3(e).

The SPEAKER. Is a second demanded?

Mr. GUBSER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PHILBIN. H.R. 10305 would authorize the disposal of 124,200,000 pounds of nickel from the national stockpile.

Nickel in various forms, in all inventories, amounts to approximately 439.2 million pounds, of which approximately 105 million pounds are held in the Defense Production Act inventory and the remainder in the national stockpile.

The current stockpile objective, established on July 18, 1963, is 100 million pounds. Thus, about 339.2 million pounds of the present inventories are excess to present stockpile requirements. The average acquisition cost of all forms of nickel in all GSA inventories was $0.6377 per pound, as of December 31, 1964.

Canada is the principal free world producer and the United States is the world's principal consumer of nickel. Although consumption has increased throughout the free world, the United States still consumes one-half of the free world supply. Free world consumption was 506 million pounds in 1963, and is expected to increase to about 637 million pounds in 1968, with U.S. 1963 consumption of 253 million pounds increasing to a level of 340 million pounds by 1968. On the basis of these estimates, growth in free world consumption is projected at the rate of about 25 million pounds annually, and the United States accounting for 66 percent, or 17 million pounds of the annual increase.

By letter dated October 6, 1964, the Director of the Office of Emergency Planning directed GSA to dispose of the excess nickel in the DPA inventory—105 million pounds—in accordance with part I of the GSA plan, and to request the Congress for the necessary approval to dispose of the excess nickel in the national stockpile—234.2 million pounds less approximately 10 million pounds, previously approved by the Congress—covered by part II of the plan. The disposal plan was concurred in by other appropriate agencies of the government.

The plan contemplates that pending congressional approval of the quantity to be released from the national stockpile—part II—initial offerings will be made from the DPA inventory—part I—together with the unsold portion of the 10 million pounds of nickel oxide powder authorized for disposal by the Congress, June 21, 1962—House Concurrent Resolution 473—and 66,834 pounds of nickel in fabricated and miscellaneous forms approved for disposal, September 24, 1964—House Concurrent Resolution 320. It is expected that a period of about 5 or 6 years will be required to dispose of the total quantity of excess nickel.

After the disposal program has started, at a beginning rate of approximately 15 million pounds in the first year, the Government expects to adjust the rate upward, dependent upon the growth in domestic consumption and developments in the world market situation, until a

THE UNIVERSITY OF MICHIGAN LIBRARIES

sales level of 30 or 35 million pounds annually is reached.

The disposal program will be subject to continuous scrutiny throughout the year, and the Administrator of General Services will consult with other agencies at any time he considers such consultation is advisable, or at any time such consultation is requested by other responsible agencies.

A suitable quantity of nickel contained in the various forms will be set aside for the needs of small business concerns.

Nickel is imported principally from Canada, Norway, and France. U.S. production is relatively small.

Nickel is primarily used to make alloys and is also used in chemical salts and catalysts. Large tonnages are also used in alloy steels, plating and magnets.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I will be glad to yield to the distinguished gentleman from Iowa.

Mr. GROSS. Can the gentleman tell me why there is this difference in acquisition cost as between the national stockpile and the Defense Production Act stockpile, one being 54 cents and the latter 92 cents a pound?

Mr. PHILBIN. It depends on the acquisition date. One was acquired at a time when the price was high and the other at a time when the price was low. They are acquired at different times.

Mr. GROSS. That is the only thing that accounts for this wide difference?

Mr. PHILBIN. That is right. On this transaction, we have been informed that we should make a profit of some $5 million on the overall disposal.

Mr. GROSS. When you are in war, nickel is a strategic material, is it not?

Mr. PHILBIN. Yes.

Mr. GROSS. Does the gentleman think, in light of wars that we are fighting on two fronts, Vietnam and Los Angeles, that we ought to dispose of nickel?

Mr. PHILBIN. The experts who deal with stockpile requirements state that this can be done and that it is perfectly consistent with the national security.

Mr. GROSS. I want to be sure that we have enough nickel to supply all of our fighting forces, wherever they may be, at home and abroad.

Mr. PHILBIN. I think we can be assured of that.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield to the very distinguished gentleman from Colorado.

Mr. ASPINALL. Mr. Speaker, as I understand, with this disposal, we still have approximately 100 million pounds of excess to any needs that we know of at the present time?

Mr. PHILBIN. That is correct.

Mr. ASPINALL. Mr. Speaker, may I say that I wish again to commend the gentleman from Massachusetts [Mr. PHILBIN] and his committee, as well as the chairman of the Committee on Armed Services, for the very studious and constructive manner in which they considered these requests for disposal from the stockpile. I think that their decisions have been equitable. I think that they are timely. I think they are in the interest of the consumer as well as the producer, and I am very glad to see that we are keeping this power within the control of Congress, where it rightfully belongs.

Mr. PHILBIN. I thank the gentleman for his remarks.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, on rollcall No. 239 I was unavoidably detained on some official business. I entered the Chamber just as the vote was announced. Had I been here, I would have voted "yea." I ask unanimous consent that my remarks just made be inserted subsequent to the passage of the pending legislation.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. GUBSER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Speaker, a little earlier today we had another bill with regard to nickel. I think if we gave that bill a proper title it would be a license to steal from the church because those who would get all the benefit out of it put absolutely nothing into the collection plate as it went by and they will take all of the benefits from it before it gets into the church coffers.

This is the first time I have had cause to comment on the action of the Committee on Armed Services which handles the disposition of surplus materials from our national stockpile. I have agreed with their action in every instance and I commend them for retaining congressional control. When we have these two bills affecting nickel up on the same day it means that we must try and see if they are at all consistent. I would like to know how much of the national stockpile is composed of electrolytic nickel, how much is composed of cathodes, how much is composed of ferronnickel and how much is composed of nickel oxide powder.

Mr. PHILBIN. We have those figures. We can give them to the gentleman, but it would take us a little while to put them together.

Mr. SAYLOR. The reason I asked the question is that a short time ago this House passed a bill under which we took silver out of our coins and we were told, by examples that were shown here on the desk in front of the Speaker's rostrum and out in the Speaker's lobby, that we were going to use nickel in most of our coins to replace silver. If this nickel is surplus to the needs of the Defense Department, where is the Treasury Department going to get the nickel it needs since the United States has to import almost all of the nickel to meet our domestic needs? If we are going to put nickel into our coins that we are going to strike where will the Treasury Department get the nickel to meet its requirements?

Mr. PHILBIN. As the gentleman knows, the purpose of the committee is to dispose of those portions of the critical and strategic materials now in the stockpile that may be disposed of consistent with the requirements of the Stockpile Act and the national defense. When we make these disposals, we have these things in mind: First, we must keep in mind the condition of the stockpile. Secondly, when the disposal is authorized by the House of Representatives and turned over to the General Services Administration for disposition and disposal, this procedure and process will be conducted with great care in order not to disrupt the markets and to not disrupt the price situation, and to make the disposal in a normal and fair way with respect to what we have in the stockpile and what we provide for disposal, and in such a manner that there will be the least or minimum impact upon the economy and upon industry.

Mr. SAYLOR. It seems to me that your own report shows that some of this nickel you acquired and which is going to be disposed of cost 54 cents a pound. The world market, in the latest reports, shows nickel is today selling at from 75 to 77 cents a pound.

Now, Mr. Speaker, if Uncle Sam already has nickel in his stockpile at 54 cents a pound, it seems to me utterly foolish to dispose of it into the commercial market and then turn around and have the Treasury Department go out and buy nickel at 74, 75, and 77 cents a pound.

Is there an explanation for this?

Mr. PHILBIN. Well, when this is disposed of, the Treasury Department will get the covered receipts and it will represent income to the Treasury.

Mr. SAYLOR. I know the Treasury Department is going to get it, but the Treasury Department needs nickel.

Mr. PHILBIN. Under the procedures, as I pointed out previously, this disposal of these materials will not be made available unless the market conditions are favorable. Naturally, the General Services Administration is going to channel this out into the market when the market is favorable so as not to disrupt the economy and so as not to upset the present system.

Mr. SAYLOR. I am not worried about disrupting the market.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. GUBSER. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. SAYLOR. I am worried about the inconsistent position in which Uncle Sam finds himself. Here disposing of nickel at 54 cents a pound and turning around and buying it at 75 cents a pound.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. GUBSER. I believe the gentleman from Pennsylvania is confusing an average figure insofar as the acquisition cost is concerned and an average figure insofar as the market price of nickel is concerned, because the 74-cent figure as I understand it—and I am willing to stand corrected—is an average of the various types of nickels. Some could be higher than that and some could be lower, but it averages out at 74 cents.

Mr. SAYLOR. That is correct.

Mr. GUBSER. I do not know what particular type would be required by the mint but I know that the General Services Administration is prepared to dispose of some of this surplus to the mint and I would presume that it would be disposed of at a favorable price.

Mr. SAYLOR. If we have the assurance that the mint and the Treasury Department is going to secure this from the General Services Administration, then this is a good bill.

Mr. GUBSER. I believe it is implied. If the gentleman will turn to page 3 of the report he will note there is reference to the disposal plans. In the last sentence it says:

> In addition, the Bureau of the Mint is expected to acquire substantially increased amounts of nickel.

I believe it can be presumed that the U.S. mint would be a favored customer insofar as the General Services Administration is concerned.

Mr. SAYLOR. I would like to have a little bit more than a presumption.

Mr. GUBSER. I am also informed that the priority of disposal would require the General Services Administration to go to the mint first.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Iowa.

Mr. GROSS. How is that going to work out? I do not understand how the General Services Administration is going about doing this. Du Pont is going to produce the "funny money," or a lot of it. I do not see how the General Services Administration is going about making Du Pont pay 92 cents a pound. This is the acquisition cost from the defense production stockpile and, yet, we are going to import nickel, knowing that this is going to knock the price down.

The market today is about 74 cents a pound. I do not understand how this is going to be handled.

The **SPEAKER.** The time of the gentleman from Pennsylvania has again expired.

Mr. PHILBIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in answer to the inquiry of the gentleman from Iowa, when the material is disposed of it will be disposed of and sold at the regular market price. It will be put on the market in the same manner as these other commodities are when the Congress authorizes them to be disposed of.

Mr. GROSS. If the gentleman will yield, the gentleman's own report shows that you are going to take 13 cents a pound less for it, when it sells at 79 cents a pound. You will take 13 cents less, based upon the acquisition cost of this product.

Now we are told, and it is readily admitted, with the passage of the nickel import bill this would further drag the price down.

Mr. PHILBIN. I am not informed as to what this will do to the price. It will be the market price, however. We are informed the overall disposal, if carried out at present, will result in a profit to the Government. We will make a profit.

As I said before, we have every reason to believe, based on the past experience of our committee and based on what the gentleman states, we would rely upon the assurances that have been given to us by the General Services Administration.

Mr. GROSS. They cannot make a profit on the nickel that was bought at 92 cents a pound.

Mr. PHILBIN. It would be the average that would determine whether or not we would make a profit.

Mr. GUBSER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, during this investigation about the utilization of nickel by the U.S. Mint, I have learned that the Mint utilizes nickel for coinage in the form of cuprous nickel. This can only be available from a refinery. The U.S. Mint does not have a refinery. So therefore, it is necessary for this to be sold to a refiner, then the U.S. Mint can acquire the cuprous nickel from that person. Insofar as the possibility of loss is concerned, we should remember that the refiner would be buying it at the market price; namely, 74 cents, or whatever it happened to be on that day, and the Mint, if it desired to furnish the metal to a refiner, would go out and buy it at the market price, which would be 74 cents plus the natural expense of refining, whatever that might be.

It is merely a matter of GSA selling at market price cents and buying at the consumer or processor market price. The net result is no loss to the Treasury.

I would like to make one further brief remark similar to that made by the gentleman from Colorado [Mr. ASPINALL], and this would apply to the bill previously passed and those which will follow:

During the hearings of the Armed Services Committee the question was very seriously debated as to a possibility the Congress might surrender its right to control the stockpile to the executive branch. Although we reached no final conclusion on the pending bill, it was obviously the unanimous opinion or near unanimous opinion of the House Armed Services Committee that the Congress has always been responsible and responsive to the needs of the executive department insofar as the stockpile is concerned; that under the leadership of the gentleman from Massachusetts we have never been derelict in our duty and we have not delayed or caused any problem whatsoever. These bills before you are another concrete example that the Congress does act expeditiously and that the Congress should retain control of the strategic stockpile.

The **SPEAKER.** The question is on the motion to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

EXPRESSING APPROVAL OF CONGRESS FOR DISPOSAL OF MAGNESIUM FROM THE NATIONAL STOCKPILE

Mr. PHILBIN. Mr. Speaker, I move to suspend the rules and pass the concurrent resolution (H. Con. Res. 453) expressing the approval of Congress for the disposal of magnesium from the national stockpile.

The Clerk read as follows:

H. CON. RES. 453

Resolved by the House of Representatives (the Senate concurring), That the Congress expressly approves, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), the disposal from the national stockpile of approximately twenty-one thousand five hundred short tons of magnesium contained in primary pigs and alloys.

The **SPEAKER.** Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The **SPEAKER.** Without objection, a second will be considered as ordered.

The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Speaker, House Concurrent Resolution 453 would authorize the disposal of 21,500 short tons of magnesium from the stockpile. Our present objective for magnesium is 145,000 short tons while the quantity in our inventory, adjusted to reflect quantities committed against prior disposal authorization is 166,500 short tons. This action would dispose of all the surplus magnesium.

On February 28, 1964, the stockpile objective was revised from 107,000 short tons to 145,000 short tons.

Magnesium is the lightest of the commercial metals produced in quantity at relatively low cost. It is used in aircraft chiefly in structural forms and sheet. It enters into alloys of zinc and aluminum and serves in castings, forgings, and extrusions. It is also used for recovery processing for titanium, cathodic protection from corrosion for steel, and scavenger and deoxidizing applications in metallurgy.

The United States is the principal producer of primary magnesium in the free world, accounting for about 63 percent of the 1963 free world primary production. Norway is second with about 15 percent. Other producing countries are Canada, Italy, and the United Kingdom.

U.S. consumption of primary magnesium in recent years has maintained levels in the area of 35,000–45,000 short tons annually, but actual consumption in 1963 was approximately 51,000 short tons. Secondary consumption in the United States amounted to 14,500 short tons in 1963.

Growth in demand, both domestically and abroad, is expected as a result of the increased use of magnesium castings, the increased use of aluminum alloys, and the shortage of high quality magnesium scrap.

It is proposed to dispose of any unsold portion remaining from the prior authorization, plus approximately 21,500 short tons of additional excess magnesium for which congressional approval is sought.

Disposal of the total excess would extend over a period of 4 to 5 years. The sales rate for the first year would not exceed 5,000 short tons—magnesium

THE UNIVERSITY OF MICHIGAN LIBRARIES

content. The annual sales rate is subject to modification if market or other conditions warrant.

The magnesium is in the form of primary pigs and alloys and does not meet stockpile specifications. Some of it was acquired by surplus transfers after World War II but the major portion was produced in Government-owned plants under the DPA Act and was subsequently transferred to the stockpile.

I think it is interesting that the acquisition cost of the amount for disposal was approximately $15,608,355.

The SPEAKER. The question is, Will the House suspend the rules and pass the concurrent resolution?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING DISPOSAL OF DIAMOND DIES AND NONSTOCKPILE BISMUTH ALLOYS FROM THE NATIONAL STOCKPILE

Mr. PHILBIN. Mr. Speaker, I move to suspend the rules and pass the concurrent resolution (H. Con. Res. 454) expressing the approval of Congress for the disposal of diamond dies from the national stockpile and nonstockpile bismuth alloy.

The Clerk read as follows:

H. CON. RES. 454

Resolved by the House of Representatives (the Senate concurring), That the Congress expressly approves, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), the disposal from the national stockpile of approximately eight thousand three hundred seventy-four pieces of subgrade small diamond dies and approximately thirty-six thousand five hundred eighty pounds of nonstockpile grade bismuth alloys.

The SPEAKER. Is a second demanded?

Mr. GUBSER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Speaker, House Concurrent Resolution 454 authorizes the disposal of approximately 8,374 pieces of subgrade small diamond dies and approximately 36,580 pounds of nonstockpile grade bismuth alloys now held in the national stockpile.

At present the objective for diamond dies is 25,000 pieces while the quantities in all inventories is 12,640 pieces. This latter figure includes 3,253 pieces on order. The 8,374 pieces proposed for disposal are of a nonstockpile grade and are not included in the quantity listed in all inventories.

The approximately 8,374 pieces of small diamond dies for disposal consist of used, out of round, or otherwise defective dies transferred to the national stockpile in 1947 from the Reconstruction Finance Corporation. These dies have been classified as below specification grade.

The dies are packed in ammunition cases and stored in a vault at the GSA-DMS Depot, Somerville, N.J. All these dies are of the type used in the cold drawing of wire. Of the total, 3,913 are unmounted; 4,461 are mounted. The hole sizes range from 0.00037 through 0.0015 inches.

Approximately 15 percent of both the mounted and the unmounted dies are fractured or have chipped surfaces and cannot be salvaged for further use in drawing wire. The remainder consists of worn and out of round dies which, for the most part, weigh less per unit than the 0.15 carat minimum required by the National Stockpile Purchase Specification.

It is believed that the orderly disposal of the subgrade diamond dies will have little, if any, impact on the market. Because of their present condition, it is felt that these dies will not be competitive with the types, sizes, and qualities now being imported or produced domestically for commercial use in this country.

We currently have a stockpile objective for 3,600,000 pounds of bismuth alloys and a quantity of 3,835,216 pounds of stockpile grade bismuth alloys in all inventories, or an excess of 235,216 pounds of stockpile grade bismuth alloys. In addition, we have 36,580 pounds of nonstockpile grade of bismuth alloys. The resolution proposes disposition of only the 36,580 pounds of the nonstockpile grade.

The approximately 36,580 pounds of bismuth alloys for disposal consist of secondary ingots in various sizes and weights. These alloys are composed mainly of bismuth, lead, and tin. They are nonstockpile grades and do not precisely meet the standard specifications for primary commercial alloys of this type.

The alloys were transferred to the national stockpile from the Atomic Energy Commission under NSP-9 and NSP-10, at a reported acquisition cost of $72,900. Storage now is at the GSA Federal Depot, Clearfield, Utah.

The proposed sale of this small quantity of alloy should have no significant impact on the markets of producers, processors, or consumers. Total bismuth consumption in the United States in 1963 exceeded 1.9 million pounds.

The bismuth alloys to be disposed of are primarily usable for fusible alloys in patternmaking, bending of thin wall tubing, release links or plugs in sprinkler and alarm systems and other thermal safety devices.

The SPEAKER. The question is on suspending the rules and passing the concurrent resolution (H. Con. Res. 454).

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXPRESSING APPROVAL OF CONGRESS FOR THE DISPOSAL OF HYOSCINE FROM THE NATIONAL STOCKPILE

Mr. PHILBIN. Mr. Speaker, I move to suspend the rules and pass the concurrent resolution (H. Con. Res. 455) expressing the approval of Congress for the disposal of hyoscine from the national stockpile.

The Clerk read as follows:

H. CON. RES. 455

Resolved by the House of Representatives (the Senate concurring), That the Congress expressly approves, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), the disposal of approximately two thousand one hundred ounces of hyoscine from the national stockpile.

The SPEAKER. Is a second demanded?

Mr. GUBSER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Speaker, House Concurrent Resolution 455 would authorize the disposal of approximately 2,100 ounces of hyoscine from the national stockpile.

The inventory of hyoscine now remaining in the national stockpile was acquired by direct purchases under the provisions of the Strategic and Critical Materials Stock Piling Act pursuant to directive issued by the Munitions Board, or successor agencies. The average acquisition cost, including accessorial charges was $14.59 per ounce.

Hyoscine was removed from the list of strategic and critical materials for stockpiling on March 19, 1964.

Hyoscine hydrobromide—the term hyoscine and scopolamine are used interchangeably—is a botanical drug. It is a primary central depressant used in motion sickness, as a cerebral sedative, and to alleviate vertigo, intractable hiccup, and certain neurophychiatric states. Acceptable domestically produced synthetic medicinals are available as substitutes.

During the 2-year period, May 1960 to May 1962, four sales of hyoscine were made from the national stockpile. Such disposals, covered by prior authorizations, were made in quantities ranging from 1,012 ounces to 1,835 ounces, and were absorbed by regular marketing channels without market disruption. It is anticipated that the remaining inventory of 2,100 ounces will be disposed of in a period of 1 year, or less, with little or no impact on the markets of producers, processors, or consumers.

I understand that the commercial raw material source is the corkwood—dubasia—tree grown in Australia. The alkaloid also occurs in the roots of certain plants of the nightshade family.

While the acquisition cost of the hyoscine we have for disposal was $14.59 per ounce, I understand the current domestic price is $11.50 per ounce or $11 per ounce in 100-ounce lots.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I am always glad to yield to the distinguished gentleman from Iowa.

Mr. GROSS. On the basis of the acquisition costs of this hyoscine, are we not taking a loss on this?

Mr. PHILBIN. Yes, we are going to lose some money on this, the reason being that over this long period of time, substitutes have come in and now we probably are going to lose money, but not too much. I do not have firm figures on this.

The gentleman from Iowa may be interested in knowing what this is. This is medicine for motion sickness. Other substitutes have been evolved that are considered to be better but this will have some use and we should dispose of it now before prices go down any lower. I am not in a position to advise the House as to just what that loss will be, but I do not think it will be too much.

The SPEAKER. The question is, Will the House suspend the rules and pass the concurrent resolution?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 days to extend their remarks on the five pieces of legislation just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GOVERNOR GUERRERO ADDRESSES GUAM ROTARY CLUB

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include an address by Gov. Manuel F. L. Guerrero.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, Members of Congress are always pleased to hear of the progress being made in the offshore flag areas of the United States. An address recently presented to the Guam Rotary Club by Gov. Manuel F. L. Guerrero outlines outstanding progress made during the past year and discusses several additional steps to be taken.

Governor Guerrero's address follows:

ADDRESS TO THE GUAM ROTARY CLUB

(By Gov. Manuel F. L. Guerrero, May 20, 1965)

It has been more than a year since I've spoken to the Rotary Club. Many of our plans have matured in that year; many more have begun. I am pleased to have this chance to talk with you about our progress, and about our common goals and problems.

Much of my talk will be devoted to physical improvements on the island. Before I get into this area, I want to touch on a matter which may not be in the area of your professions but which is important to you as citizens of Guam.

Dr. Yamashita, the president of the College of Guam, has advised me that the college has just received accreditation for a 3-year period, by the Western Association of Schools and Colleges. I think Dr. Yamashita and the members of the college faculty and staff can be rightfully proud of this achievement, which ends a period of temporary accreditation for the college. I believe the college is of major importance to our people and to the future of the territory. I hope it will always receive the support of all of you as leaders of the business community of Guam, as well as from those of us in government.

A few weeks ago—by courtesy of the Navy—I was given a helicopter view of Guam. It is a very pleasurable and exciting view—for you see so clearly how much building and repair Guam has accomplished.

To bring you up to date, we have 14 school or college buildings under construction. Their percentage of completion ranges from 2 to 80 percent. (And let me say here that even before these schools are built, we know we need more. Andersen Air Force Base, for example, badly needs an additional school, and somehow we must find the money to build it.)

The penitentiary and juvenile home are better than 75 percent complete; the public works building is more than half completed. We have received final engineering studies for the islandwide sewer system, and bids have been invited on the first major segment—new sewer lines in Agana, Agana Heights, Sinajana, Tamuning and Tumon—which, with pumping stations, will cost in the range of $2½ million.

Our new department of education building is almost finished; the new public utilities agency headquarters is rising rapidly. The various other projects of our reconstruction and rehabilitation programs are, for the most part, well underway.

From the air, the development of homes across the island is also most impressive. Thinking back to the appearance of the island after typhoon Karen, the contrast is almost unbelievable. It is a tribute to the people of Guam and to every public and private agency that has been involved.

I think you're all aware of the programs of our commercial air terminal, but I want to dwell on this facility for a moment. It's a very vital one to you, and to every resident of Guam who must be intimately concerned with the territory's economy. Barring any unusual problems, I understand the terminal should be completed by January 1966. We have some 33,000 square feet of space in the three-building complex. And, once again, it looks as though that space will be inadequate even before we have it. We are now investigating the possibility of expanding the planned buildings, and trying to find the money—at least $200,000—which will be required for that expansion.

We hope to hire or get on loan a professional airport manager to steer us through the early phases of the airport terminal operation. As you may have read, George Ingling, our coordinator of Federal projects, will be meeting with Federal Aviation Agency officials in Washington, D.C., in the next couple of weeks to see what help might be available through that office.

Our own Department of Commerce, which has the airport terminal operation as one of its responsibilities, has sought proposals on terminal concessions and has reported no shortage of applicants. Concessions will eventually be let to bid.

We are determined that the terminal operation will be as effective and efficient as is humanly possible. The terminal is the first point of contact for almost every visitor to Guam—and the only point of contact for commercial passengers passing through Guam.

We want it to be inviting; we want it to offer every service for the comfort and pleasure of our visitors. We want facilities there that will make air passengers want to see all they can of Guam while they are here—and make them want to return to Guam.

It has been brought home to me many times how many people have seen only a few square meters of Guam—an airstrip inside military areas—and have left the island assuming that all of Guam was a fenced-in and not-very-inviting place to be.

We had a San Francisco architect—John Warnecke—with us 2 weeks ago. His first trip to Guam, many years ago, had left him with exactly the impression I've described. This time, he got around. He was simply astonished at the island's beauty and its development. I think he left Guam a good salesman for our territory, and I think there will be many thousands like him in the years to come.

Another current project, urban renewal planning, is now complete for Yona and almost complete for Sinajana. Our urban renewal authority will hold public hearings on plans for the two communities in early June, and will submit the plans to the legislature in its June session. I think this program, which will eventually provide safe homes and community facilities in attractive surroundings for these villages, deserves and will get full public support.

Among our most important planned facilities is a new commercial port.

Some $4,800,000 for construction plans and specifications, wharf structures, dredgings and reclamation is included in our rehabilitation requests for fiscal 1966. This would be the first of two increments in the port construction.

This and other items in our 1966 requests have been approved by the House of Representatives and the Senate Appropriations Committee and are awaiting action by the full Senate.

Among these items is slightly more than $500,000 which we would put to use on one of our oldest and most difficult problems—the fractionalized lots in Agana itself. This money would let us begin the process of purchasing fractionalized lots and combining them into usable properties. This involves some 800 small pieces of property that are now below the minimum lot size, so the problem is a big one.

In Agana, in the development of the new port of Cabras Island, in every situation where we can do so, we are attempting to see to it that land use on Guam is a matter of good planning, and that available land is put to its best use. The island is developing, and it will develop faster. We want to ensure as best we can that this development is orderly.

On Cabras Island, for example, we are planning for the development of an industrial park, where the proximity of the port will make it most feasible and desirable.

A large piece of commercially-zoned property will be vacated when the department of public works moves to its new headquarters, and we are planning for its use for a private commercial venture.

I'm sure you have all heard rumors of a major hotel development here. Several outside chains have expressed an interest in building on Guam; one in particular is very much interested in a development on Tumen Bay.

If you have visited Ipao Beach recently, you have seen the excellent work of our Department of Public Works in developing and

THE UNIVERSITY OF MICHIGAN LIBRARIES

maintaining that area. Plans are to improve and expand the Ipao facilities, and I believe Ipao will one day be a public beach unsurpassed by any in the world.

Wise land use, proper development of our outdoor recreational resources, are goals receiving our constant attention, and involving many different programs both locally and nationally.

Government of Guam planners are well on their way in preparing a master plan for the island in which desirable land use is a prime factor. Through the National Park Service and through the Department of the Interior we hope to get the technicians and the financing to produce a careful and thorough evaluation of the island's possibilities for a national park, and for other recreational area development.

Most of you are aware of the many problems in land ownership and utilization on Guam, and I think you know also that the Government of Guam has only limited powers in this area. The great bulk of our land is held by the Federal Government and private owners.

If the government of Guam wants federally owned property, in most cases it must purchase the land at fair market value. Only in special cases, justified for such public use as schools, does the land transfer take place at no cost to the government of Guam.

Along with land development goes the need for construction and maintenance of public utilities. The development and protection of our water supply is of paramount importance. Community populations are shifting, new homes are being built, so that power and telephone and sewer service needs are changing and expanding.

We are exerting every effort to meet these needs, to develop resources, to replace outmoded facilities, to extend and improve our utility services.

Assuming a constant military population, our department of land management is projecting a total population on Guam of about 85,000 in 1970—92,000 in 1975—and 108,000 in 1985. To prepare for and serve such populations will demand the best from all of us.

This has been a brief review of our major land and capital improvement projects. It may be properly concluded that, although we have come far in reconstruction and rehabilitation, we still have such to accomplish. To me, there is no doubt that it will take the combined resources of local and national government to do the job for Guam that must be done.

Guam is an integral part of the United States of America; it shares the same hopes and aspirations of our sister States and territories. We are American citizens, proud of our heritage and dedicated to the principles of justice and freedom that make our Nation the leader of the free world.

I feel that it is high time that we in Guam make it unmistakably clear that our allegiance is to the United States of America, and any efforts on the part of some to weaken that allegiance will be sharply repudiated by an alert and enlightened and loyal citizenry.

Thank you.

THIRTEENTH ANNIVERSARY OF COMMONWEALTH OF PUERTO RICO

Mr. POLANCO-ABREU. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include a speech of Secretary of the Interior, Mr. Udall.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico.

There was no objection.

Mr. POLANCO-ABREU. Mr. Speaker, July 25, 1965, marked the 13th anniversary of the founding of the Commonwealth of Puerto Rico and was the occasion for celebrations and ceremonies appropriately commemorating the event.

President Johnson was represented at the Commonwealth Day observances in San Juan by the Honorable Stewart L. Udall, Secretary of the Interior. In his address, Secretary Udall gave recognition to the rapid and solid gains in the Commonwealth's economic program which were achieved under the uniqueness of Puerto Rico's status within the U.S. political system. He properly called this close and intimate relationship "a brotherhood between the United States and Puerto Rico," which, he predicted, will continue as far as one can see in the future.

Secretary Udall's observations reveal a keen insight into Puerto Rico, both past and present, and his speech was so impressive in this respect that I should like to call attention to it on the part of our colleagues:

ADDRESS BY SECRETARY OF THE INTERIOR STEWART L. UDALL AT COMMONWEALTH DAY OBSERVANCE, SAN JUAN, P.R., JULY 25, 1965

I am delighted to be here in Puerto Rico to join in the observance of Commonwealth Day. This is a great day in the history of the United States and Puerto Rico and the hemisphere, an occasion for true celebration.

I am here to bring to you the warm personal greetings of the President of the United States. As you know, he has been long associated with Puerto Rico and he is glad of his participation in the historical events which led up to the establishment of the Commonwealth. He is proud of the splendid economic and social evolution which has been taking place within Puerto Rico, and he is excited at the prospect of the really magnificent achievements and contributions which the people of Puerto Rico now have the opportunity to make in the world.

It seems to me appropriate in a sort of reverse sense that the President happened to choose me as his Commonwealth Day proxy. The Secretary of the Interior can be called a symbol of the growth and development of the United States-Puerto Rican relationship. Puerto Rican matters are no longer referred to the Interior Department. This is one time I am enthusiastic over seeing my empire shrink.

It was in keeping with history that President Kennedy made this change in 1961, ordering that matters involving Puerto Rican status be referred to the Office of the White House. On that occasion he stressed the "unique position of the Commonwealth." It is this uniqueness which I think most fascinates us all, and sums up our joint delight in the Puerto Rican story.

The uniqueness covers many fronts. To start with, Puerto Rico is, of course, dramatically different in many elementary ways from the United States—site, climate, resources. Add to that the cultural and historical differences in such areas as political experience, language, wealth, population. To the enormous credit of the United States, it has historically responded to those differences by differences in treatment—uniqueness of relationship. Even from the beginning of our political association, it has been characterized by a combination of elements, some resembling integration, some completely different. I do not here have the time or the need to specify the aspects of the long relationship. The heart of it, the cause of our mutual pride, the practical genius of it, is this: the Americans and the Puerto Ricans have been able to work out arrangements between them which are appropriate to the peculiar circumstances of Puerto Rico and which are at the same time a benefit to the United States.

Uniqueness is usually intriguing, just because it is unique. But the charm in the Puerto Rican story goes much deeper, into real meaning for many areas of our troubled lives. I mentioned earlier that the United States reacted gracefully and generously to the differences it confronted in 1898 in Puerto Rico, differences it had had no experience with before in all its wide territories. But just as decisive was the Puerto Rican reaction to the reaction. With a slow start and a tremendous rate of speed in recent years, Puerto Rico has achieved remarkable gains economically, in diversification and industrialization and sound growth in prosperity. This is in the face of devastating natural odds, and with current direct American financial help less per capita than that going to some independent foreign countries.

In other areas the success of the Puerto Rican talent for self-help is less tangible but even more heartening. The development of political responsibility is a dramatic story, both on the part of the Government and of the people. The island's bold attacks on problems of deplorable housing, illiteracy, scanty land area, poverty (Shriver didn't invent the poverty program) have all made tremendously impressive gains, and there are many others of this kind. The Puerto Rican achievements in the last generation or so are a sort of evolving success story in an area where most stories are gloomy and disheartening. The less developed areas are now generally doing worse, economically at least, than a few short years ago. The world, and all of us, need encouragement, and it is good indeed to see the wonderful progress that Puerto Rico is continuing to make in the different areas of life.

The first Commonwealth Day, 13 years ago, is a proud day for us for many reasons. One of the most important is its recognition of a close relationship in equal association, a compactual relationship, tailored to the particular individualisms of the United States and Puerto Rico in relation to each other. Both the Americans, and the Puerto Ricans showed themselves possessed of a political creativity and vision. The Commonwealth established at that point in time was thoroughly unique. It certainly differed sharply from the traditional varieties of American status: statehood, colony, incorporated territory. It didn't resemble very closely any other entity in the world—the nearest relative was probably some stage in British dominion development, but the differences there was still acute.

The Americans, then, and the Puerto Ricans both had the bravery to venture beyond the textbook relationships to work out something more appropriate to their own personalities and abilities. This in itself is to us one of the great significances of Commonwealth Day. For some dire reason, creativity in political affairs of the world has been moving much more slowly than our desperate need occasions, and the Commonwealth is a brilliant exception.

Commonwealth, the free association between the United States and Puerto Rico, has as we all know grown and proved itself in many ways and to many persons since July 25, 1952. This illustrates the underlying nature of Commonwealth: it is a growing, evolving, dynamic creature. The nature of life is change, but Commonwealth has the grace to be able to adapt to it without losing its hold on the stable lasting values.

The most stirring aspect of this festival occasion is to me the possibilities now open to the Puerto Ricans for many important different kinds of achievements. The fact of Puerto Rican success can be in itself a meaningful incentive to other peoples, particularly the underdeveloped, to help themselves to economic improvement and political stability. The world badly needs this kind of example, and it can respond to this kind of success story. In this connection, the Commonwealth status can point the way to weaker areas for dignified and beneficial association with other areas. Once the less developed nations lose their fears and oversensitiveness, we can hope that they will evaluate the many kinds of beneficial relationship open to them.

It is also most interesting to see the energy with which Puerto Rico is tackling its problems and extending its lines. Some of these areas are of special importance to the United States. Puerto Rico is aptly suited for certain kinds of activities, including particular assistance programs and regional development activities to help build up Caribbean economic and political health. The possibilities in areas like this are exciting indeed.

It all sounds like quite a love affair, this relationship between the United States and Puerto Rico, and I think that is true. It happily combines tremendous affection with a real feeling for the separateness and differences of two entities.

I have no doubt that this close and intimate relationship—this brotherhood—between the United States and Puerto Rico will continue as far as one can see into the future. It is a sign of the dynamic nature of the Puerto Rican people and of the vision of the United States that the political status of Puerto Rico is now being reexamined by a distinguished joint committee. I do not, of course, know what the specific results will be—but I am confident of one fundamental fact: I am sure that whatever the status commission recommends—whatever the future holds in terms of adaptations and changes in the form of relationship between the United States and Puerto Rico, they will always be close collaborators and intimate partners in the great human adventure—the search for peace and the spiritual and physical well-being of people.

FLORIDA AGRICULTURAL VALUATION PROBLEMS AND THE FEDERAL ESTATE TAX

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, I am enclosing an excellent article by my friend, Mr. James S. Wershow, a practicing attorney in my home city of Gainesville, Fla. Mr. Wershow received his LL.B. and LL.M. degrees from Yale University, and presently is secretary-treasurer of the tax section of the Florida bar and is president of the Alachua County Farm Bureau.

Mr. Wershow is an authority on agricultural land taxation. This problem is of vital importance to the American farmer, and I am happy to present the following article by Mr. Wershow:

Florida Agricultural Valuation Problems and Their Relationship to the Federal Estate Tax

(By James S. Wershow)

Too often it is taken for granted that a way of life or a mode of existence can go on forever. No attempt is made to ascertain the realities of the situation until grave difficulties ensue and render the entire structure perilous.

In no case is this more true than in the field of agricultural land valuation. Each interested party has some compelling aim in his analysis of land valuation. The farmer regards it as an instrumentality for the production of food and fiber and thus bases his valuation on the actual agricultural use for which the land can be employed. Cattlemen and foresters employ similar techniques in attempting to ascertain the value of their land holding.[1]

Land has within itself the capability of uses other than those employed primarily for the production of food and fiber in that it affords the means of satisfying other public wants such as the basis for transportation, communication, dwellings, recreation. It is these alternative uses that make land values subject to speculation. This gives rise to the basic question of what land is worth and how it should be valued.

It is not the purpose here to discourse broadly about this evanescent problem and the myriad of consequences which flow from it. Instead only one avenue of approach will be used in attempting to depict and analyze what is happening in this most vital field.

GROSS ESTATE VALUE

The merry chase begins when one examines the definition of gross estate in the 1954 Internal Revenue Code. "The value of the gross estate of the decedent shall be determined by including to the extent provided for in this part, the value at the time of his death all property, real or personal, tangible or intangible, wherever situated."[2] Then in section 2032 of the Internal Revenue Code comes a further elaboration in the form of an alternate valuation date which allows a choice between date of death and 1 year thereafter.

In these seemingly straightforward and seemingly innocuous sections are the beginnings of complex problems.[3] In both definitions the term "value" is employed. Since ultimately this must be resolved on a present dollars-and-cents basis, the question becomes very important as to how value must be determined.

The Internal Revenue Code and accompanying Treasury regulations provide little guidance in this quest.[4] Regulation 20.2031–1(b) defines "value" as being fair market value. It again states that the fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion and both having reasonable knowledge of relevant facts. It further states that property shall not be returned at the value at which it was assessed for local tax purposes unless that value represents the fair market value as of the applicable valuation date.

Consequently the only guidelines which are fairly well enunciated are those which have evolved through litigation and subsequent judicial determination. The determination factor in real estate valuation in the Federal courts is "fair market value" at the time of death or transfer. The Federal courts have defined fair market value as the price at which the realty would change hands between a willing buyer and seller, neither of which is under compulsion to buy or sell.[5]

While this definition suggests an equitable approach to the valuation of land, from a practical approach, much is lacking. Surely the question of land valuation depends on two basic considerations, one in essence theoretical and the other practical.

Here, more than in any other phase of legal reasoning, lip service is rendered to the symbolic factors of land valuation and yet the problem is usually resolved in a more practical manner. In other words, the value of land is examined from the viewpoint of several intrinsic factors which are inherently associated with its valuation. Since these factors are purely local, the Internal Revenue Service has yet not been able to devise a uniform system for evaluation of agricultural land.

This approach was accepted by the Federal courts in *Byer* v. *Broderick,*[6] 59–2 USTC § 11,880. In this case the valuation of some 11 parcels of land owned by a deceased farmer was involved. After using the classical approach in defining fair market value, the court went on to say that the determination itself was dependent on all of the facts relating to market value.

This leads us to the consideration of what factors are operative in the ultimate determination of agricultural land valuations here in Florida.

VALUE OF FLORIDA LAND

It is important to remember that Florida, because of its location, climate, and other natural resources, has had an unprecedented growth economically, as well as populationwise. In its wake has followed a myriad of problems, not the least of these being the basis of land valuation. This is particularly noticeable in the field of agriculture. Here the exploding growth lead to difficulty in applying the traditional concept of "ad valorem" taxation based on land valuation to the particular solution of true land criteria. As agriculture intensified in certain areas so did concentration of population for industrial and recreational purposes. In other words, keen competition developed for the use of land which pitted the agriculturist against the developer, industrialist and resort operator. Each felt that his claim to use of the land was superior and paramount.

LEGISLATION

The agricultural interest soon realized that unless active political action ensued they would be unable to protect their position. Since the cattlemen and farmer required land as a basic instrumentality for their operations, they could not allow concepts of value with reference to land to dominate unless it was in accord with traditional usage. In other words, land must be valued in accordance with land usage as this factor alone was of primary importance to them.[7] Gathering their legislative forces section 193.11(3) of the Florida statutes.[8] The essence of this 1957 enactment is as follows:

"All land being used for agricultural purposes shall be assessed as agricultural lands upon an acreage basis regardless of the fact that any or all of said lands are embraced in a plat of a subdivision or other real estate development." *Provided*, "agricultural purposes shall include only lands being used in a bona fide farming, pasture, or grove operation by the lessee or owner or some person in their employ." Lands which have not been used for agricultural purposes prior to the effective date of this law shall be prima facie subject to assessment on the same basis as assessed for the previous year, and any demand for a reassessment of such lands for agricultural purposes shall be subject to the severest scrutiny of the county tax assessor to the end that the lands shall be classified properly."

This action was strictly an assessment procedure. Moreover, it was further fortified by the 1963 legislative amendment which further admonished: *"Provided,* this subsection shall not be construed, interpreted,

---

[1] See Wershow, "Agricultural Zoning in Florida—Its Implications and Problems," 13 U. Fla. L. Rev. 479, 486–87 (1960).

[2] Internal Revenue Code, sec. 2031(a).

[3] Internal Revenue Code, sec. 2032.

[4] Internal Revenue Code, sec. 20.2031–1(b).

[5] *Byer* v. *Broderick,* 59–2 USTC, sec. 11,880.

[6] Ibid.

[7] See Wershow, "Ad Valorem Taxation and Its Relation to Agricultural Land Taxation Problems in Florida 'Green Belt Law Interpretations,'" vol. 16 U. Fla. L. Rev. (1964).

[8] Florida Statutes 193.11(3).

THE UNIVERSITY OF MICHIGAN LIBRARIES

or applied so as to permit lands being used for agricultural purposes to be assessed other than as agricultural lands and upon an acreage basis."[9]

Where is this leading with regard to the ultimate purpose of valuing land for estate tax purposes? As previously stated, the Federal estate tax makes no definite attempt to value land beyond stating that the traditional verbiage about what a willing buyer and seller can negotiate between themselves in a free market. The regulations refer to fair market value at time of death or transfer.

THE QUESTION?

What are we really talking about? The Federal courts are struggling along a route which relies heavily upon local valuation factors and yet, as has been said, "Valuation is ultimately a matter of mere human judgment or opinion regardless of an abundance of often utilized formulas and rules of thumb." Within this conflict, "land use" is pitted against "highest and best use" of the land. Also full cash value is thrown against just value. Each group involved in the ownership or possession of land has equated its own symbolisms for expressing value. Lawyers and judges scrutinize the statutory and constitutional wordings in hope of securing a practical application for the term "just" valuation. How much? Is it fair?

The Federal courts have on numerous occasions rejected the concept of equating the fair market value of land solely with the assessed value of land for ad valorem taxation because of the deep basic discrepancies in the manner and mode of land assessment on a local basis.[10] Nevertheless, there are the future implications of local judicial developments in this important field.

THE CRITERIA

In connection with the assessment of farmland for ad valorem tax purposes, the Florida Legislature deleted "full cash value" as a measure for ad valorem taxes and instead inserted the just value standard already required by section 1, article 9 of the Florida constitution.[11] This new statute[12] enumerates the factors which county tax assessors shall use to determine just value. They include (1) present cash value, (2) highest and best use to which the property can be expected to be put in the immediate future, (3) location of property, (4) quantity or size of the property, (5) cost of the property and present replacement value of any improvements thereon, (6) condition of the property and (7) income from the property.

Are these in themselves not good indicators of agricultural land values? They are to a certain extent, but once again a most potent warning must be given.

The landmark case of *Tyson* v. *Lanier*[13] in Florida graphically illustrates the point. While it concerns itself with ad valorem taxation of agricultural lands it exhibits all of the elements of a coming struggle which will profoundly affect the basis for valuation of agricultural lands in Florida under the Federal estate tax.

THE CONTROVERSY

The controversy originated in Osceola County, Fla. The plaintiff, Tyson, and other farmers sought to enjoin the tax assessor, Lanier, from assessing agricultural lands other than in accordance with 191.11(3) Florida Statutes which in essence provided the assessment on the basis of agricultural use. The chancelor found for the plaintiff stating that the assessor, Lanier, has appraised the plaintiff's agricultural property at full cash value regardless of its use. On appeal by the tax assessor, the Second District Court of Appeals, by a 2-to-1 decision, reversed the chancellor.[14] They stated agricultural land should be assessed at full cash value in the same manner as all other lands, the only difference being they will be assessed on an acreage basis. They held also that a preference with regard to ad valorem taxation was also being given to the agriculturist.

The controversy finally ended up before the Supreme Court of Florida which decided in favor of the plaintiff in a 4-to-3 split decision. The late Mr. Justice Terrell in construing section 193.11 Florida Statutes stated: "Neither do we find anything in the act that runs counter to the requirement of section 1, article 9, Florida constitution which requires the legislature to provide for a uniform and equal rate of taxation * * * and shall prescribe such regulations as shall secure a just valuation of all property.[15] Thus Justice Terrell focused attention upon the problem of a preferential assessment statute passed by the State legislature "to aid farmers caught in an economic bind not of their own making."

The minority opinion written by Justice Drew challenged the concept of preferential valuation of assessment purposes. In his minority opinion,[16] he stated that classification of land in accordance with section 193.11 Florida Statutes is not: "A classification of land on the basis of an inherent characteristic, but instead is a "classification" of taxpayers or owners of taxable realty so as to single out those who choose or are able to subject their land to agricultural use and accord to that group along with the right to have the "just value of their property determined on the basis of actual use rather than on the basis of the same criteria controlling valuation of other property.

In criticizing the majority opinion, Justice Drew states that a basic legal inequality exists when different assessment standards are set out for lands having the same sale or market value merely because some of the land is used as a farm or for other agricultural purposes.

"A strict application of the ancient concept of equality and uniformity—buttressed by a myriad of court decisions and constitutional provisions—is the only way to prevent a complete erosion of these basic concepts in an area which has plagued men from time immemorial. We cannot—and must not—in my humble judgment make fish of one and fowl of the other."

Here in the conflicting opinion of the majority and minority, we have an irreconcilable conflict whose ramifications spill over into the field of Federal estate tax valuation. The pitfalls are numerous and very apparent.

In the changing field of agricultural land valuation will the Federal courts and the Internal Revenue Service heed the klaxon which is being sounded by our State judiciary?

How can the agricultural integrity of land be maintained if at death, valuation concepts are introduced which would destroy the productive factor of land for agricultural purposes?

Local legislative enactment in Florida and other States show the need for protecting land from confiscatory assessment procedures which ultimately forces land into other use categories which depletes our reservoir of necessary food and fiber.[17]

The valuation of agricultural land for Federal estate tax purposes whether it be by the Internal Revenue Service or the courts must heed the growing surge of the demand for preferential valuation of agricultural land yet at the same time develop a valuation basis which is equitable not discriminatory. This is a seemingly impossible task.[18]

A word of warning seems appropriate. That the Federal Government has not enacted any significant legislation in this important field is no sign that it may not some day enact such legislation. The State legislatures should exercise every precaution to see to it that their enactments do not inadvertently give the Federal authorities power to enter the field of agricultural valuation in a fashion that will work a hardship on the agricultural interests, a hardship which may be most acute at the time of death of those who own agricultural land.[19] The bait is here. The warning is clear. The Federal court pronouncements stress local valuation factor in estate tax determination.[20] Let us not lose sight of the facts that our local legislative enactment are like a Sword of Damocles, always hanging over us and ready to be used against us.

RIOTING IN LOS ANGELES

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, as one who represents an area that for many months has borne much of the brunt of civil rights agitation and disorders, I am well aware of the painful experience that the people of Los Angeles and California are presently undergoing.

To those Members of Congress from California and other areas who rushed to Alabama last February, let me assure them that neither I nor any other Member of Congress from the State of Alabama expects to journey to Los Angeles at this time for the same purpose. We, from Alabama are well aware that unofficial and unwanted groups from the U.S. Congress who thrust themselves into a dangerous racial situation can only make that situation worse.

Events of the past few days in California, as tragic and undesirable as they may have been, perhaps will make an obviously unaware American public recognize:

First, that racial problems in the United States are not confined to the South.

Second, that those who have condoned or even encouraged violations of local and State laws in Alabama are encouraging similar violations throughout the United States.

---

[9] Florida Laws 1963, ch. 63-250.

[10] *Cullers* v. *Commissioner Internal Revenue*, 237 Fed. 2d 611 (8th Cir. 1956).

[11] The Florida Constitution, sec. I, art. IX.

[12] Florida Laws 1963, ch. 63-250.

[13] *Tyson* v. *Lanier*, 156 So. 2d 833, 835 (1963).

[14] *Tyson* v. *Lanier*, 147 So. 2d 365,366 (2d D.C.A. Fla. 1962).

[15] *Tyson* v. *Lanier*, 156 So. 2d 837 (1963).

[16] *Tyson* v. *Lanier*, 156 So. 2d 833,839 (1963) (dissenting opinion).

[17] Florida Agricultural Tax Council, "Florida Agriculture and Taxes" (1963).

[18] Spears, "Taxes on Farmland in Metropolitan Areas," 23 Agricultural Finance Rev. 22 (April 1962).

[19] See Wershow, "Ad Valorem Taxation and Its Relation to Agricultural Land Taxation Problems in Florida 'Green Belt Law' Interpretations," vol. 16 U. Fla. L. Rev. 526, 531 (1964).

[20] Estate of Melbert B. Cary, Jr., *Deceased, et al.* v. *Commissioner Internal Revenue*, 7 T.C.M. 731.

Third, that the continued passage of discriminatory force legislation will not eliminate America's racial frictions.

APPOINTMENT OF A NEW MEMBER TO THE ALCOHOLIC BEVERAGE CONTROL BOARD FOR THE DISTRICT OF COLUMBIA

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, the Commissioners of the District of Columbia are considering the appointment of a new member of the Alcoholic Beverage Control Board for the District.

I am informed that at least a dozen persons have either been nominated or have offered themselves for this position. Some of them are party functionaries and others ordinary citizens. I have endeavored to obtain information on the background of these people but my efforts have not been rewarded. A secrecy veil seems to have fallen over the candidates for this important position.

Enforcement of liquor laws in the District for years has been hobbled by the caliber of appointees to the ABC Board. Too often has it been used as a dumping ground for party hacks such as the member who recently was forced to resign because of scandalous misconduct.

When there was another ABC vacancy to be filled 18 months ago I expressed the hope that the Commissioners would come up with a new appointee whose honesty, integrity and civic-mindedness could not be questioned. I am pleased to say that upon that occasion the Commissioners' choice, Mrs. Joy Simonson, met these qualification. Her work as chairman of the committee has been exemplary.

I am concerned, however, that again the Commissioners are under pressure to make a selection on a purely political basis. My concern arises from the attention given by the party politicians to this problem as well as from the reluctance of the District government to release any information as to the qualifications and experience of those who have been mentioned for this post.

I hope that my suspicions are not well-founded. I hope that the Commissioners will appoint someone who can match the forthrightness of the present chairman. Public confidence in the board must be restored and a good appointment is the best way to do it.

CONGRESS ASKED TO PASS LEGISLATION CALLING FOR TOUGHER PENALTIES AGAINST OBSCENE PHONE CALLS

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, the laws of the Nation's Capital are woefully inadequate to protect the individual privacy of its citizens from obscene telephone calls. The maximum penalty upon conviction of such a charge is a $10 fine for disorderly conduct. I do not think there is a Member of Congress who has not heard complaints of this sort from secretaries working in their offices. Washington, D.C., has many thousands of single girls who come here to work in Government agencies. The police have a difficult time tracking down the perverts who comb through telephone directories to find the numbers of women they can harass with indecent remarks. Even when these persons are arrested, there is little that can be done to prevent a repetition of his disgusting activity. In contrast, the adjoining States of Maryland and Virginia have much stronger laws on the books so that offenders of this sort can be given up to $500 fines and 1 year's imprisonment.

I am introducing legislation today which would change this situation by providing similar penalties. I am hoping that adoption of this bill by Congress will serve as a greater deterrent to the commission of such crimes. I am hoping that it will give the Metropolitan Police Department a stronger weapon of enforcement. I am hoping that it will give greater peace of mind to our female citizens who have been bothered with such calls. One can just imagine the fear an obscene telephone call strikes in the heart of a woman living alone.

This bill also contains a provision providing for voluntary pretrial mental examinations of persons charged with violating this law. If such an individual is mentally ill, the court should have that information available at the time the case comes to trial. In that event, treatment can be required. It makes little sense to bring such persons to justice and levy fines and imprisonment if nothing is done to remedy the cause of such antisocial behavior. If a defendant refuses to take such an examination, my bill specifically provides that the judge can still order an examination if he believes the defendant is mentally unsound.

There has been a great outcry about the rising crime rate in the Nation's Capital. I think this legislation deals effectively with one aspect of that problem. I urge the House District of Columbia Committee to take speedy action on this measure so that the bill can be brought to a vote before the end of this congressional session.

Mr. Speaker, my interest in this bill was prompted by an excellent article appearing in the Sunday Star of July 18, 1965. It is entitled "District of Columbia Nearly Helpless as Obscene Phone Calls Increase." This newspaper should be commended for the public service it has performed in calling this matter to the attention of the Congress and the residents of this city. The text of the article follows:

DISTRICT OF COLUMBIA NEARLY HELPLESS AS OBSCENE PHONE CALLS INCREASE

An increasing number of perverts, burglars, and just plain cranks are using the telephone to plague Washington area residents—particularly women.

Police and prosecutors throughout the area report hardly a day goes by without at least one complaint of an obscene or harassing telephone call.

Between 35 and 40 cases a month are under active investigation by the telephone company's security force. Counted as one case is the caller who has given the same shockingly indecent spiel to a hundred or more women.

Both Maryland and Virginia have strong laws against telephone offenders, including maximum penalties of 1 year in jail and a $500 fine for each offense. Virginia's law has just been strengthened.

In the District, however, no matter how obscene or harassing the call, the maximum penalty is a $10 fine for disorderly conduct and a judge's ruling makes even that kind of conviction unlikely.

Washington residents, unprotected by any kind of law against telephone harassment, face this pattern of cases:

A pervert posing as a doctor was believed to have made more than 50,000 calls throughout the area over a period of several years before his recent capture in nearby Maryland. His spiel: Telling women that their husbands had visited him for delicate medical help and asking them numerous intimate questions.

A university's telephone switchboard was tied up so completely that all school business came to a halt because of one family's domestic crisis. The man got 20 of his friends to keep calling the university where his wife worked. They said nothing, simply breathed into the telephone, but no other calls could come through.

Two District firms—a moving company and a barber shop—nearly went out of business through telephone harassment directed not at the firms but at some employee. In both cases, calls swamped telephone facilities.

A current trap for the unwary is the telephone survey. It's used by both burglars and perverts in the District.

The perverts use the survey to entice the housewife into carrying on an innocent conversation before the caller moves into obscenity. A current obscene caller claims he is making a survey of women's garments.

Police believe burglars are employing the survey technique to "case" a house without running any risk of being spotted. Cited as a typical example is the housewife's responses to the seemingly innocuous questions of a caller posing as a TV market analyst:

She revealed the family owned two television sets and an FM portable; that she watched TV regularly after dinner with her small son while her husband made midweek out-of-town trips; that she had no dog; that her jewelry was fully insured; that she did not have a coin collection, and that the family spent every August at a vacation spot in Maine.

Both police and the telephone company, which assist police in tracking down obscene and harassing callers, want persons receiving such calls to report them.

They emphasize that women should not be embarrassed or fear that they are wasting a policeman's time. The police suspect that perhaps half the calls are not reported—which doubles the caller's chances of getting away with it.

It's from the nature of the calls that police can develop a pattern—time of day or

THE UNIVERSITY OF MICHIGAN LIBRARIES

night, what the caller says, a possible dialect, background noises, the type of victims.

Once a pattern is established, police have a better chance—with the full cooperation of the telephone company—to get their man.

The pattern in one case was the identity of the victims. All bought their shoes in the same store. Once that was known it was easy to pinpoint the caller—a shoe salesman.

Generally, police say, obscene calls are made at random. Housewives are called in the daytime when their husbands are away from home. Some women are called because the pervert likes their first name—thinks it's "sexy." If the woman hangs up fast enough, she may never get another call.

Police are concerned about the repeated calls to the same victim. The chances then are that the caller knows the identity of the person he's calling. A second call, police and telephone officials emphasize, should certainly be reported to police.

Less of a psychological shock than the obscene call but often equally harassing is the call from the "breather," who may be psychotic but is more likely to be an enemy out to annoy. He gets his satisfaction from forcing his victim to run to the telephone a dozen times in half an hour, waking up a family in the middle of the night or tying up a telephone. "Breathers" caught here include dissatisfied patients of doctors, fired employees, and frustrated swains.

Assistant U.S. Attorney Tim Murphy, who heads the prosecutor's office in the Court of General Sessions, reports that "hardly a day goes by that we don't have somebody complain that they have been annoyed or harassed by telephone, and we can't do a thing about it. We definitely need a good law to cope with obscene and harassing telephone calls."

Capt. V. Edward Tate, commanding officer of the Police Department's sex squad, says he has proposed to the chief of detectives that Washington residents be given the same protection from telephone torment as their Maryland and Virginia neighbors.

CURRENT CIVIL DISORDERS IN LOS ANGELES, CHICAGO, AND ELSEWHERE

Mr. HANSEN of Idaho. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HANSEN of Idaho. Mr. Speaker, at the conclusion of the regular order of business today, and in my turn, I shall discuss the current civil disorders in Los Angeles, Chicago, and elsewhere.

These shocking examples of unbridled mob action have stunned the United States, and are painting a dismal picture of this country for the rest of the world. Furthermore, they are doing irreparable harm to legitimate civil rights movements throughout the country.

I extend an invitation to my colleagues to join me in this discussion.

A FULL-FLEDGED PROBE OF THE PACIFIST MOVEMENT SHOULD BE MADE DURING THE RECESS OF THE CONGRESS

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, a full-fledged probe of the pacifist movement, its organization, scope, and goals, as well as the various civil rights groups should be made during the recess of the Congress. Some of the things that could be explored by the group would include the connection, if any, between the violence in Los Angeles and Chicago with the element that insists on retreat in Vietnam. There is growing up in this country general disregard for constitutional authority to a large degree on the part of student age groups.

The Los Angeles and Chicago uprisings are not just detrimental to the communities involved, they are a national disgrace. These people had no respect for legal processes or the rights of their neighbor. Here is the summary of losses in the Los Angeles 50-square-mile area of rioting: 31 people lost their lives; fire damage estimated at $100 million and up, with 2,000 fires reported; 676 persons were treated in hospitals including 66 policemen and 26 firemen; 2,250 persons were jailed; salary costs of 15,000 guardsmen and 1,000 peace officers amounted to $250,000.

New gains by the Negro mean he has assumed added obligations to society. The burden falls upon him to show that he justifies the newly won status accorded him by the several congressional acts that have been passed in recent years.

The Washington Evening Star of Saturday, August 14, 1965, had this to say in its editorial columns about the Los Angeles riots and the direction taken by the lawless element in this country, and I quote:

> In short, the rule of law, to which so much lipservice is paid, seems to be breaking down in Los Angeles and throughout the land. This is something which might properly concern the President's new Commission on Crime. What are the real reasons? Slums? Discrimination? Underprivilege? These doubtless are part of the story. We suggest, however, that the Commission examine other possibilities. What is the effect on respect for law when prominent members of the clergy announce they will not obey a law if they disagree with it? What is the effect when the Supreme Court, as well as lower Federal courts, overturn convictions for law violations on the flimsiest of bases, or, as in one instance, for no stated reason? Does this sort of thing encourage the hoodlum type to think that respect for law is for the birds? We think so.
>
> At any rate, it has become clear in Los Angeles that the rioters will give way to nothing except superior force. And in that event the superior force must be applied—followed, one may hope, by severe punishment of those who may be found guilty of criminal activity.

The Star points up the broad area which should be investigated by the President's new Commission on Crime. The same general area should be encompassed in the authority accorded any investigative effort authorized by the Congress. The need is urgent for action in this field. I hope that the Rules Committee and the House approve a broad investigatory resolution carrying a provision for adequate financing to do the job well.

IS PERCENTAGE DEPLETION TOO HIGH FOR FOREIGN OIL PRODUCTION?

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, on May 20 and June 15 of this year I addressed the House on the subject of international oil, small business, and the balance of payments. I raised the question of whether in fact American international oil companies have been made to face up to their obligations in helping to close the balance-of-payments gap. I also expressed the view that the present import allocation arrangement is politically unsuitable and eminently unsuccessful in terms of purpose.

My purpose here today is to detail a concern which many of us have with the tax treatment accorded foreign oil investment by American nationals. If indeed there is preferential treatment to foreign oil investment, as compared with domestic oil investment, then the time has come for corrective measures.

As I earlier announced, committee hearings will be held at the appropriate time, inquiring into as many facets of the problems having to do with the international oil companies and their balance-of-payments responsibilities. No less attention will be given to the plight of the small domestic businessman in the petroleum industry. There would seem to be unmistakable signs of a concentration trend in the petroleum industry which requires early attention.

Any discussion of tax treatment to the petroleum industry immediately brings to mind the 27½-percent depletion allowance. Can it be justified under present circumstances?

That is a fair question. I believe any inquiry will show that 27½-percent depletion allowance for domestic investment is justified. I am equally convinced that American international oil companies will find extreme difficulty in justifying the same 27½-percent depletion allowance for their foreign production.

Now is it practical to consider reducing foreign depletion but leaving this full 27½ percent applicable to domestic oil-and-gas production? Of course it is. What is little understood is that some 36 minerals already have a lower percentage depletion allowance for foreign production than for domestic production. It seems to me a little absurd to argue that a cut in foreign depletion would necessitate a cut in domestic depletion.

To be specific, minerals and other natural deposits which have a higher percentage depletion rate for U.S. deposit production than for foreign production are as follows:

	Percent
Asbestos:	
Percentage, United States	23
Depletion rate, foreign	10
Anorthosite, bauxite, beryl, celestite, chronite, corundum, fluorospar, graphite, ilmenite, kyanite, mica, olivine, quartz crystals, rutile, black steatite talc, zircon (ores of the ff metals), antimony, bismuth, cadmium, cobalt, columbium, lead, lithium, manganese, mercury, nickel, platinum, platinum group, tantalum, thorium, tin, titanium, tungsten, vanadium, and zinc:	
Percentage, United States	23
Foreign depletion rate (a few are 5 percent under certain specifications)	15

It is my understanding that several industry associations are currently engaged in a reexamination of their own attitudes toward foreign oil tax treatment. Some have already indicated a belief that a comprehensive study will show that 27½ percent foreign depletion cannot be justified and should be cut. Others cite additional tax privileges allowed foreign oil investment which are not equally applicable to domestic oil investment.

I am aware that no few oilmen believe, or say they believe, that a cut in foreign depletion would jeopardize domestic depletion, which is necessary to continued exploratory operations at home. Other friends of the industry, including Members of this Congress, contend just the opposite: that there would be no threat to domestic depletion if foreign depletion were cut. They argue that by all standards 27½ percent is fully justified on domestic production, but appears quite excessive for foreign production.

The balance-of-payments problem contributes another dimension to this issue. Whatever our preferences, Congress has the obligation to determine whether in fact there is excessive encouragement to the outflow of American capital for foreign oil development. Some changes in the tax treatment accorded American international oil companies seems inevitable to me. Simple reduction in foreign depletion would be the most readily understood and easiest to enact, in my judgment. At the same time, a cut in foreign depletion would undoubtedly go far toward decreasing the economic advantage of foreign oil, thereby reducing pressures for ever-higher imports in a more normal way than occurs when quotas are arbitrarily assigned.

Now I am aware that a cut in foreign depletion, as a means of slowing the growth of oil imports, would be a little tougher on the American international oil corporation than would be some form of import duty, such as the quota bidding procedure which some of my colleagues in the Congress advocate. A cut in foreign depletion would affect all their foreign operations, whereas an import duty would affect only that relatively small portion of their foreign production which is imported here.

In any case, it is the duty of Congress, as I see it, to look at the tax privileges to American companies abroad and to see if there is preferential treatment contributing to the monopoly trend and adverse payments balance.

The need for reform in our foreign tax allowances has been officially recognized by both the Kennedy and the Johnson administrations. Officials of both administrations have spoken of the need for "tax neutrality" as between foreign and domestic income of American nationals. As early as 1961 former Treasury Secretary Douglas Dillon testified before the House Ways and Means Committee as follows:

> The President (Kennedy) in his tax message has cited the strains in our balance-of-payments position as one of the factors which have led us to reexamine our tax treatment of foreign income. Earlier, in his balance-of-payments message, the President made it clear that our concern relates to the preferential treatment of foreign investment income, tax treatment that has favored U.S. private investment abroad compared with investment in our own country. There is no thought of penalizing private investment abroad which rests upon genuine production or market advantages.

Unfortunately, the intent of the measures introduced, insofar as they would affect foreign operations of American international oil companies, was effectively subverted. Both the tax revision and tax reduction measures were modified so as to render them ineffective in terms of achieving the "tax neutrality" objective respecting American oil companies abroad.

Let us look briefly at what has been termed the tax advantages accorded foreign oil operations.

MONOPOLY CONCESSIONS

Before discussing the principal deficiencies in our tax structure which further the advantage of foreign production by American companies over domestic producers, let us look broadly at the situation.

First, there is the advantage of monopoly or virtual monopoly which constitutes the principal advantage of producers of foreign oil over domestic producers.

In the United States literally thousands of producers compete in obtaining leases from landowners on tracts of all sizes in drilling wells. In the Middle East, on the other hand, single companies or combinations of companies control the oil rights for entire nations by arrangement with the governments of those nations. Under these conditions competition is impossible. In Venezuela, again, concessions are granted by the nation and in large blocks to large companies.

The result is that in the Middle East, for example, a few wells can drain large areas and, being operated without proration, produce an average in excess of 4,000 barrels per day, as contrasted with an average of some 12 barrels per day per well in the United States.

Moreover, greatly enhancing this natural advantage is the manner in which our tax laws are being applied to these American companies abroad.

In addition to the highly questionable extension of statutory percentage depletion at the full 27½ percent to foreign production, there has arisen what can only be described as serious abuse of the foreign tax credit provisions of the Revenue Code. Let us consider these two principal tax privileges individually.

I. FOREIGN DEPLETION

A study of the history of 27½-percent statutory depletion clearly indicates that it was designed to stimulate domestic exploration. No serious attempt has yet been made to justify 27½-percent depletion strictly in terms of returning capital investment. It is invariably explained in terms of returning capital investment, to prevent taxation of capital, and to providing an incentive for the maintenance of adequate oil and gas supplies within the United States. In some degree, therefore, statutory depletion must be regarded as a tax subsidy to keep this Nation from becoming unduly dependent upon foreign oil.

But neither of these bases are fully applicable where foreign production is concerned. The present full 27½-percent depletion can be justified on foreign production neither as necessary to return capital investment nor to preserve America's oil self-sufficiency.

As a matter of fact, at present, foreign depletion actually conflicts with the original objective of depletion—maintaining a healthy home producing industry—in that it is being permitted to destroy the value of domestic oil.

In addition, foreign depletion primarily serves only a few giant companies.

The five big international companies in 1963 produced 2,270,000 barrels of crude oil per day in the United States and Canada, but at the same time they produced 6,152,000 barrels per day outside the United States and Canada. In other words, for each barrel of domestic oil upon which statutory depletion was taken by these companies, they took statutory depletion on almost three barrels of the very foreign oil that is causing the havoc in this industry. Most of the countries where the foreign oil was produced do not permit statutory depletion. It is quite illogical for this Government to subsidize a handful of international companies in their present undertaking of rendering it impossible for domestic producers to compete even on the domestic market.

While some percentage depletion might be justified on foreign production, on grounds of returning capital investment, there is no logic whatever in the argument that because 27½ percent is proper for domestic production no less should be accorded foreign production. Differential percentage rates are applicable in case of other minerals in the U.S. Revenue Code.

In summary, there is simply no reason why percentage depletion should not be amended in case of foreign production to scale the 27½ percent sharply downward.

II. FOREIGN TAX CREDIT

The principle of granting tax credits for legitimate foreign taxes is sound.

THE UNIVERSITY OF MICHIGAN LIBRARIES

The problem consists in the manipulation of foreign tax credit provisions of our Revenue Code and oil concession agreements with foreign governments in such manner as to enable foreign oil producers to obtain tax credits for payments which are in fact royalties.

A royalty is the portion of production paid to the landowner for the privilege of producing oil and gas from his land. In this country it is most often one-eighth, but where areas are known to be particularly good, it is sometimes three-sixteenths or one-fourth or even one-half. The State of Texas has made leases of land in the Sabine River bed in east Texas where the royalty paid is one-half.

In the Middle East, where monopoly enables the producer to produce more than 4,000 barrels per day per well at a fraction of the cost in the United States, obviously a producer can and should pay a larger royalty. Indeed, American companies willingly pay one-half and, in some cases, more. However, in these foreign situations the company avoids income taxes on the one-half he retains by arranging to call a large portion of this royalty a "tax," enabling him to deduct this royalty on a dollar-for-dollar basis from the company's U.S. tax obligation. Under such an arrangement this company generally pays no U.S. income tax.

The foreign tax credit provisions of the Internal Revenue Code were designed to cover general taxes levied by a foreign nation equally on all persons or companies making a profit in that nation. No complaint can be directed to the principle of granting foreign tax credits for payment of such general taxes to foreign nations. But the taxes paid by the producers of foreign oil are not general taxes, levied alike on all persons and companies; they are called special taxes levied on the oil companies alone, and are not in fact taxes at all but rather royalities under a different name. The granting of a foreign tax credit for the payment of these so-called taxes is outside the purpose of the foreign tax credit provisions of the Internal Revenue Code and grants companies with monopolies on foreign production an enormous advantage over the thousands of competing small businessmen who produce in this country.

The U.S. News & World Report explains the foreign tax credit issue thus:

> One major provision in the present tax laws is coming under attack. It's the foreign tax credit. Main criticism is that the credit gives benefits to foreign operators that are not given to domestic companies.
>
> Here is how the foreign credit works:
>
> A foreign subsidiary or branch can credit taxes paid abroad directly against its U.S. tax bill. For instance, if a subsidiary pays $100 in foreign taxes, and its U.S. taxes on dividends sent home would amount to $100 the foreign payment wipes out the need to pay any U.S. tax.
>
> A domestic company gets no such treatment. For example, if it pays the state $100 in taxes, it can only deduct this payment as a business expense in figuring its Federal tax. It cannot use a state-tax payment directly to reduce the tax owed by the U.S. Government. * * *
>
> **This is costly for the U.S. Treasury, according to official figures. In 1959, for example, branches and subsidiaries of U.S. companies sent home $2.2 billion. After foreign tax credits were claimed, the U.S. Treasury collected only $240 million—a scant 11 percent of the profits.**
>
> Opponents of the tax credit in Congress are pushing to change the law to allow only a straight deduction for foreign taxes. The effect: A substantial tax increase for many U.S. firms.

By virtue of the foreign tax credit operations, as presently interpreted, there is a serious inequity as between foreign and domestic producers of oil. After the high cost of production and the relatively low cost of royalty is taken out of the domestic producer's gross income, he must still pay U.S. income taxes on the remainder. The producer abroad, on the other hand, ends up paying no tax on the remainder after the low cost of production and the high cost of royalty is taken out. This occurs even though the producer abroad may end up with a greater percentage of the dollar after costs and royalty than the domestic producer.

If the executive department is unable to correct this inequity by modification of its interpretation of section 904 of the 1954 Internal Revenue Code, then Congress should consider the most appropriate means of dealing with the situation. Hearings should be held, in any case, to consider the full extent of this problem and its effects upon the preservation of a healthy domestic producing industry, competitive status of small companies at home, the potential of this increased source of U.S. Government revenue, and the effect upon our Nation's adverse balance of payments.

III. OTHER ADVANTAGES

In addition to the inappropriateness of allowing full 27½-percent depletion to foreign production, and the misuse of our foreign tax credit provisions by American oil companies abroad, there are several other ways in which tax inequality arises as between domestic and foreign operations.

The administration, in presenting testimony before the House Ways and Means and Senate Finance Committees in recent years, has spelled out some of these inequities and recommended corrective measures.

One which has not been specifically recommended, however, has to do with the advantage accruing to international companies in moving oil by foreign-flag tankers.

The domestic producer must use expensive pipelines or rail transports or, when shipping by sea, must use U.S.-flag tankers for coastwide trade. Foreign producers, on the other hand, are privileged to use foreign-flag tankers. It has been estimated that the use of foreign-flag tankers reduces the cost of moving oil from the Middle East to the U.S. east coast by some $1.56 per barrel and from Venezuela to the United States east coast by some 19 cents a barrel. Consideration might well be given to removing this inequity whereby only domestic-produced oil is required to use American-flag tankers.

Being permitted to use fictitious "posted prices" abroad, particularly in relation to depletion taken, constitutes another advantage which warrants attention. Other advantages, including the Western Hemisphere trade corporation tax reduction policy, should be reexamined in the light of existing circumstances, particularly as regards to national security and our Nation's foreign trade balance.

The time has arrived, most certainly, when either the executive department or the Congress, or both, should reexamine the interpretations placed on these tax situations abroad. Present liberal interpretations may have once served the worthwhile purpose of providing by massive subsidies encouragement to investment by American companies abroad. But that day is past. Today there is a serious world oil surplus, a U.S.-import problem requiring mandatory controls, and a balance-of-payments difficulty that defies normal solution.

TECHNICAL EXPLANATION OF 1963 TAX PROPOSALS SUBMITTED BY TREASURY SECRETARY DILLON, FEBRUARY 6, 1963

C. FOREIGN OPERATIONS

The President recommended that measures be adopted to insure that U.S. companies are not permitted to use deductions for the development of mineral resources in foreign countries to reduce their U.S. tax on income earned in the United States. He also recommended that consideration be given to preventing excess foreign tax credits, which arise from the allowance of percentage depletion and the deduction of development costs on foreign mineral operations, from offsetting U.S. taxes on other nonmineral foreign income. This latter proposal is similar to a provision included in the Revenue Act of 1962, which provided that excess foreign tax credits could not be used to offset the U.S. tax on certain interest income earned abroad.

Under present law, U.S. companies which develop and produce minerals in foreign countries are permitted to take an immediate deduction for certain capital costs of exploration and development. Under certain circumstances, these deductions can be used to offset domestic income. For example, a U.S. company can place its development activities in a branch operation, and some of its foreign income-producing activities in a different corporation. In this way the foreign development deductions could be used fully to reduce U.S. tax on domestic income of the corporation. This creates a strong incentive to develop foreign natural resources since part of the cost of undertaking the development program is borne by taxes which would otherwise be paid on domestic income.

In addition, the production of foreign natural resources often generates substantial excess foreign tax credits. Because of percentage depletion and the other special tax benefits available to the mineral-producing industries, the effective U.S. tax rate on these operations is low, while the tax on the same operations in the foreign country is relatively high in comparison. This creates excess foreign tax credits where none would otherwise exist. These excess foreign tax credits are permitted under present law to offset, in a number of different situations, the U.S. tax on nonmineral foreign income. Thus, the excess credit attributable to mineral operations in a particular foreign country may be used to reduce or eliminate the U.S. tax on income from a marketing, refining, or a completely unrelated operation car-

ried on in the same or a different foreign country.

The use of development deductions and foreign tax credits from mineral operations abroad to offset tax on domestic and on other foreign income may be illustrated by the following examples:

Example 1

A U.S. corporation is engaged in the development and operation of oil properties in foreign country X. Assume the operations carried on in X produce a $6 million loss due to the deduction of a large amount of intangible drilling and development costs and that U.S.-source taxable income is $10 million.

Although a corporation with $10 million of domestic taxable income would ordinarily pay a U.S. tax of $5,200,000 (52 percent of $10 million), under present law, the U.S. corporation, in this example, would pay tax of only $2,080,000. This occurs because of the deduction of capital development costs expended in foreign country X which are used to reduce domestic taxable income.

A. Taxable income:	
From sources within the United States	$10,000,000
From foreign country X	−6,000,000
Total taxable income	4,000,000
B. U.S. income tax (52 percent of $4,000,000)	2,080,000
C. Tax savings on U.S.-source taxable income because of development activities undertaken in foreign country X ($5,200,000−$2,080,000)	3,120,000

Example 2

A hypothetical U.S. corporation derives taxable income from the production of crude petroleum in foreign country X (which, for purposes of illustration, is considered to have a tax system similar to that in Kuwait) and also receives taxable dividends from two foreign subsidiaries, one a Swiss subsidiary marketing the production of crude oil and the other a Mexican subsidiary operating a petrochemical plant in Mexico. Assume that the U.S. corporation elects the overall limitation on the U.S. foreign tax credit (the result would be the same for a taxpayer electing the per-country limitation, if all the activities described were carried on in the same country, but taxed at the differential rates set forth.)

A

Example 2—Continued

Taxable income from production of crude petroleum in foreign country X	$10,000,000
Income tax paid to country X	$6,400,000
U.S. tax liability on income from country X	[1] 5,200,000
Excess credit for foreign taxes paid	1,200,000

B

Earnings and profits (before Mexican income tax) of Mexican subsidiary operating a petrochemical plant	3,000,000
Mexican income tax	900,000
Dividends	2,100,000
Mexican withholding tax on dividends	320,000
Dividends net of withholding tax	1,780,000
U.S. tax liability (52 percent of $2,100,000)	1,092,000
Credit under sec. 902 for Mexican taxes paid by subsidiary	630,000
Credit under sec. 901 for Mexican taxes withheld	320,000
Total	950,000
Tentative U.S. tax payable	142,000

C

Earnings and profits (before Swiss income tax) of a Swiss marketing subsidiary	1,300,000
Swiss income tax	104,000
Dividends	1,196,000
Swiss withholding tax on dividends	60,000
Dividends net of withholding tax	1,136,000
U.S. tax liability (52 percent of $1,300,000)	676,000
Credit for Swiss taxes ($104,000+$60,000)	164,000
Tentative U.S. tax payable	512,000

D

U.S. tax tentatively payable on foreign income:	
Mexico	142,000
Switzerland	512,000
Total	654,000

Example 2—Continued

Excess credit from crude production	$1,200,000
Net U.S. tax liability	0

[1] This figure represents U.S. taxable income after the allowance of percentage depletion and deductions for development costs. The taxable income upon which the tax paid to foreign country X was based is higher since X does not allow these special deductions.

The President's proposals would prevent the special tax benefits available to mineral operators from being used to reduce or eliminate the U.S. tax on domestic income or on nonmineral foreign income.

The first proposal provides that to the extent deductions of capital costs of exploration and development result in an operating loss in a foreign country or countries, these deductions may not be used, either directly or through the computation of the limitation on the foreign tax credit, to reduce the tax on taxable income earned in the United States. Such amounts would be required to be offset against any other foreign income, and to the extent they exceed other foreign income, they would be required to be carried forward and used to offset foreign income in subsequent years until exhausted. The amounts in the carryforward account would be reduced in case of abandonment of a property on which development costs were expended to the extent these costs were included in the carryforward account. Such abandonment losses would be allowed as deductions even though applied in reduction of domestic taxable income.

The second proposal provides that excess tax credits, which are attributable to the deduction of exploration and development costs and percentage depletion in computing U.S. tax liability, cannot be used to offset U.S. tax on nonmineral foreign income, but must be used, if at all, against the U.S. tax imposed on income from mineral operations in other taxable years.

Applying these proposals to the preceding examples, in example 1, the U.S. corporation would pay tax of $5,200,000 (52 percent times $10 million), and the $6 million of excess development costs incurred in foreign country X would be carried forward to be applied as a deduction against future foreign income. In example 2, the U.S. corporation would pay tax of $654,000 on the dividends received from its Mexican and Swiss subsidiaries. The excess tax credit from crude production in foreign country X could be used only to offset U.S. taxes on foreign mineral operations.

These proposals would apply, in the case of a U.S. company engaging in foreign mineral operations, to all taxable years beginning after December 31, 1963.

Selected U.S. oil companies, crude oil production, refinery runs, and gas utilization, 1963 and 1962

Company [1]	Net crude and NGL production (thousand barrels daily)					Refinery runs (thousand barrels daily)					Production as percent of runs, 1963	Gas utilized (million cubic feet daily)	
	1963				1962	1963				1962		1963	1962
	United States and Canada	Other western hemisphere	Eastern hemisphere	Total		United States and Canada	Other western hemisphere	Eastern hemisphere	Total				
Major internationals:													
Standard Oil (New Jersey)	861	1,245	1,041	2,967	2,663	1,126	1,023	1,341	3,490	3,299	85.0	2,616	2,327
Gulf	463	167	1,179	1,809	1,699	667	121	232	1,020	968	177.4	1,549	1,423
Texaco	616	193	699	1,508	1,432	828	336	399	1,563	1,467	96.5	1,821	1,664
Standard Oil (California)	425	54	698	1,177	1,117	554	42	391	987	922	119.3	1,024	945
Socony Mobil	285	124	452	861	798	631	55	480	1,166	1,082	73.8	1,588	1,433
Other integrated companies, primarily domestic:													
Shell Oil	394			394	375	624			624	562	63.1	1,413	1,299
Standard Oil (Indiana)	349	[2] 8		[2] 357	374	710		10	720	696	49.6	1,866	1,839
Phillips	236	35	38	309	298	241	[3] 4	[3] 25	270	263	114.4	2,836	2,804
Continental	215	5	56	276	231	205	20	21	246	213	112.2	714	576
Sun	123	87		210	195	247			247	229	85.0	[3] 735	700
Sinclair	151	52	1	204	191	424	34	4	462	451	44.2	614	583
Atlantic	109	68	5	182	184	204		1	205	198	88.8	632	564

See footnotes at end of table.

Selected U.S. oil companies, crude oil production, refinery runs, and gas utilization, 1963 and 1962—Continued

Company[1]	Net crude and NGL production (thousand barrels daily)					Refinery runs (thousand barrels daily)					Production as percent of runs, 1963	Gas utilized (million cubic feet daily)	
	1963				1962	1963				1962		1963	1962
	United States and Canada	Other western hemisphere	Eastern hemisphere	Total		United States and Canada	Other western hemisphere	Eastern hemisphere	Total				
Marathon	123	---	52	175	141	140	---	---	140	133	125.0	330	320
Cities Service	138	[2] 5	---	[3] 143	139	274	---	---	274	278	52.2	984	993
Tidewater	118	---	11	129	126	217	---	[4] 5	[4] 222	[4] 241	58.1	465	415
Union of California	116	---	---	116	108	154	---	---	154	155	75.3	563	510
Sunray DX	83	[3] 8	[3] 3	94	92	159	---	[3] 2	161	159	58.4	340	350
Richfield	70	5	17	92	92	155	---	5	160	157	57.5	75	73
Skelly	85	---	---	85	85	48	---	---	48	50	177.1	348	334
Pure	77	5	---	82	80	182	---	---	182	178	45.1	283	302
Signal	28	7	43	78	83	90	---	29	119	88	65.5	218	175
Standard Oil (Ohio)	30	4	6	40	40	150	---	[3] 2	152	141	26.3	99	101
Ashland [5]	14	6	15	35	31	155	---	17	172	170	20.3	29	19
Champlin	26	---	---	26	25	29	---	---	29	27	89.7	211	207
Murphy Oil	11	4	---	15	16	39	---	4	43	34	34.9	58	66
American Petrofina	14	---	---	14	8	81	---	---	81	39	17.3	50	36
Colorado Oil & Gas	8	---	---	8	10	19	---	---	19	20	42.1	34	36
Oil and gas producers:													
Amerada	86	---	50	136	101	---	---	---	---	---	---	338	302
Superior [5]	64	50	---	114	118	---	---	---	---	---	---	722	673
Getty	8	---	97	105	106	---	---	54	54	59	104.4	---	---
Kem County Land [6]	46	---	---	46	50	---	---	---	---	---	---	---	---
Louisiana Land	37	---	---	37	35	---	---	---	---	---	---	134	117
Midwest	25	---	---	25	26	---	---	---	---	---	---	47	42
General American [5]	24	---	---	24	23	---	---	---	---	---	---	182	132
Kewanee	23	---	---	23	22	---	---	---	---	---	---	25	22
General Crude Oil	8	---	---	8	8	---	---	---	---	---	---	23	23
Southland Royalty	8	---	---	8	8	---	---	---	---	---	---	27	[3] 31
Belco	5	1	---	6	5	---	---	---	---	---	---	108	128
Ambassador	5	---	---	5	4	---	---	---	---	---	---	14	13
Livingston Oil [5]	4	---	---	4	2	---	---	---	---	---	---	22	18
Barber Oil	3	---	---	3	2	---	---	---	---	---	---	10	10
Wilcox Oil	3	---	---	3	3	---	---	---	---	---	---	13	12
Tex-Star Oil & Gas [5]	1	---	---	1	1	---	---	---	---	---	---	26	18

[1] Listed within group in order of total crude and NGL production.
[2] Excludes production under contract in Argentina.
[3] Estimated.
[4] Excludes share of an undisclosed amount of crude run by a nonconsolidated affiliate.
[5] Fiscal year basis.
[6] Gross production.

Banking: E. Peter Corcoran, vice president; Robert L. Huston, assistant vice president; John L. Cowan, assistant vice president; Jeremiah K. Ross, Jr., assistant vice president; Sanford H. England II, assistant cashier; Samuel B. Hayes III, assistant cashier; James F. Marx, assistant cashier; John D. Currie, Jr., O.A.; Robert A. Moore, O.A.

Special industries group: William I. Spencer, senior vice president; petroleum department, William A. Lockwood, vice president.

Economics: Edwards Symonds, economist; John J. Simpson, assistant economist.

Petrochemicals: Robert W. Todd, associate.

Engineering: Gerald E. Sherrod, vice president; William W. Collins, assistant vice president; Robert S. Ryan, assistant vice president; Franklin Dartez, engineer.

First National City Bank, New York, August 5, 1964.

FINANCIAL CIRCLES DISTURBED BY FED CHAIRMAN MARTIN'S DANGEROUS CREDIT POLICIES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Teaxs?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Federal Reserve claims it is completely free and independent in controlling the Nation's money and credit policies. This power is not conferred by Congress, but the Federal Reserve claims to have it. The Federal Reserve nevertheless exercises it, and regardless of the wishes of the Congress or the executive branch.

In early June, Mr. Martin made his now famous statement at Columbia University that right now we may be on the verge of another 1929-type crash.

What worries me is the old saying that a man is a prisoner of his own words. Mr. Martin has predicted bad days ahead and what is so disturbing is that Martin himself and the Open Market Committee, which he dominates, have the absolute power to bring on those bad days by drastic money tightening and unnecessary high-interest rates.

Martin has admitted that he has been pursuing a tight-money policy for months now—starting last November actually. To make matters worse, Walter Heller, former Chairman of the President's Council of Economic Advisers, says that our economic growth rate is slowing down drastically—that the second half of 1965 will be much worse for business than the first half. Just at the time when the economy requires additional credit to finance the forthcoming autumn and Christmas business, the Federal Reserve is instead further tightening the monetary screws.

Mr. Speaker, the banks in the large commercial centers are literally gasping for reserves. Net free reserves of member banks are at a minus figure approaching $200 million. To meet existing commitments to their customers, these banks have had to borrow this great sum from the Federal Reserve because the Fed itself refuses to make available adequate reserves for them. And this $200 million figure makes the true situation in that most of the borrowing from the Fed is concentrated in areas where demand for loans is greatest. The $200 million is a net figure, hiding the fact that the loan situation in our busiest commercial centers is much worse than it appears. Why is the Fed pressing so hard? Why should it be necessary that Chase Manhattan Bank and First National City Bank must each borrow one-quarter billion dollars in long-term funds? Of course, this money comes from other banks, thus depleting the lending power of smaller, independent unit banks. This makes it that much harder for the small businessman to survive when the reserves of his own local bank are captured by the money hungry Wall Street superbanks.

The word from Wall Street is that Martin has set as his target free reserves of minus $400 million. There is no doubt whatever that Martin has the power to achieve this goal of his. There is also no doubt that he is courting economic disaster. Already he has completely disrupted the U.S. Government bond market; for the first time in history the 4¼ percent interest 1992–87 issue—bellwether of the market is selling below par. I have been informed that the price to the investor on this issue during the week of August 9 yields over 4¼ percent interest even though by act of Congress 4¼ percent has been the ceiling since 1918. The Federal Reserve has absolute control over prices and yields in the Government bond market. They hold nearly $40 billion in bonds up in New York with which they manipulate bond prices and bank reserves. Just last week Martin warned Treasury Secretary Fowler that the Fed was taking action that would make the Government's $7 billion refinancing difficult. Instead of working with the Government, he worked against the Government. Bewildered bond dealers—and even some bankers—say that the squeeze is on as they watch bank reserves deficits grow. Meanwhile, the effect on municipalities, businessmen, and just plain citizens will be even worse. Tight money hurts the little man hardest, but when sophisticated Wall Streeters are alarmed then there really must be trouble.

Just what is Chairman Martin up to? He is already the most powerful money manager in the free world. Does he also want to prove himself a great prophet—that the 1929 crash may repeat itself in 1965?

DR. MARTIN F. PALMER, FOUNDER OF INSTITUTE OF LOGOPEDICS AND PIONEER IN CLINICAL RESEARCH IN DISORDERS OF COMMUNICATION, PASSES

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. Shriver] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. SHRIVER. Mr. Speaker, it is with a sense of great personal loss that I report to my colleagues in the House of Representatives the passing of Dr. Martin F. Palmer, director of the internationally known Institute of Logopedics and professor of logopedics at Wichita State University. Dr. Palmer died on Friday, August 13, in Wichita after a short illness.

His passing leaves a great void not only in Wichita but throughout the Nation and the world. Martin Palmer brought hope and meaningful progress to thousands of handicapped persons through more than 30 years of work in the disorders of communication.

In March of this year, Dr. Palmer again appeared before the Labor and Health, Education, and Welfare Appropriations Subcommittee, on which I serve, to share his valued opinions on research efforts relating to mental retardation and the speech and hearing field. Dr. Palmer's testimony demonstrated his concern and knowledge of a national approach to the problems of the handicapped. Following is an excerpt from his testimony before our subcommittee this year:

> For more than 30 years I have been deeply interested in the disorders of communication, particularly as they relate to the problems of mental retardation and to the question of what is intelligence. These are not only problems of humanitarian concern, they are economic as well. The development of the Great Society can only be hindered and impeded by the existence of a helpless minority of silent persons. And no society can be great unless it considers the handicapped individual and provides a place for him.
>
> To do this requires research, demonstration of applied research, the provision of services on a permanent basis, and professional education.
>
> Of these, so far as the speech and hearing field is concerned, the strongest effort is in research, and steady advances are being made in knowledge. It is a truism in all the professions, however, that such advances require an average lapse of 20 years before these findings are generally applied, or made part of professional education. They must be tested in the field; information from these tests must be widely disseminated, and there must be general acceptance by the profession concerned.

Dr. Palmer founded the Institute of Logopedics in 1934 in a classroom on the University of Wichita campus. Since that time it has grown to cover 52 acres in a site near the campus. It was the first department of logopedics in the world. As the largest institute of speech and hearing rehabilitation, the center has become a model for such centers throughout the world.

Dr. Palmer's services were sought by international health organizations. In 1960 he served as a consultant to the Government of Japan for the World Health Organization. Dr. Palmer made recommendations concerning that country's speech and hearing rehabilitation program. For nearly 2 years he had served as a consultant to the Ministry of Health of the Government of India.

Every Kansan takes great pride in the humanitarian work of the institute in Wichita. It has treated more than 30,000 persons from every State and 24 foreign countries.

Mankind owes a great debt to Martin Palmer for his lasting contributions to the training of specialists and teachers and in the treatment of the speech and hearing handicapped.

Mr. Speaker, my heartfelt sympathy and condolences are extended to his widow and his daughter. We all share the loss of this great American.

A CHALLENGE FOR TRANSPORT LEADERS

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Keith] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. KEITH. Mr. Speaker, if we are to maintain the health and growth of the transportation industry in this country, on which so much of the overall expansion of the national economy depends, it will be necessary for Government, labor, and the industry itself to assume a more enlightened outlook toward the problems and prospects of transportation. In recent years the transportation enterprises have often contended with strict regulatory supervision, low returns on investments, and slow attraction of capital. We know, for example, that both the railroads and the airline industry have been operating on an unsatisfactory rate of return. If we are to avoid placing additional burdens on the backs of the taxpayers in the form of Federal subsidies to transportation and if we are to ward off the ultimate resort to public ownership, we must find the leadership within the transportation industry to provide new and imaginative solutions.

In this connection, Mr. Speaker, I should like to call attention to an excellent address delivered before the National Transportation Institute by Mr. George K. Whitney, a trustee of the Massachusetts Investors Trust. This speech contains a very illuminating analysis of the problems facing the transportation industry in this country, and it offers several lines of advance for the industry's leaders.

The speech follows:

A Challenge for Transport Leaders

(By George K. Whitney)

Transportation in this country presents the appearance of having taken a turn for the better, passing from a climate ridden with crises—real or disputed—into an era of relatively some optimism.

Thus, on a volume-of-business basis at least, almost all segments of transportation look fairly prosperous, as compared with the statistics for each a few years back.

Nevertheless, and unfortunately, most transportation enterprises are by no means in as sound a position as are most of the important industrial segments of the American economy. The rate of return on invested capital—the test of profitability—earned by transportation enterprises is still in too many instances not up to the standards necessary to warrant investor confidence, from the standpoint not only of the level of the rate of return, but also of the relative stability and trends thereof. A notable exception to this comparison with general industry is the steel industry.

I am here today as a representative of an institutional investor in common stocks, and the comment I have just made is from that point of view. My concern as to the future of transportation and equity investments therein has not been eased by the aforementioned traffic gains.

Impressive as these gains may be on their face, the present or prospective stockholder looks at the cold, underlying facts. Railroads continue to earn a dangerously low rate of return, last year only a little over 3 percent. As compared with the past, the recent spurt in airline earnings is indeed heartening; but in general the rate of return is still below the level set by the CAB as "fair." The regulated trucking industry varies greatly from enterprise to enterprise. It is characterized by very high operating expense ratios, but investment requirements are relatively low, with the result that rates of return, when earned, are at a good level.

Federal subsidy is no cure-all for an unsatisfactory rate of return on invested capital. Underlying unsound conditions continue, and there is an additional burden placed on the back of the already overburdened taxpayer.

The two investment companies with which I am associated have a combined portfolio, almost entirely invested in common stocks, amounting in market value to $2.8 billion. We strive to have a soundly selected group, numbering about 160, of enterprises representative of those which will benefit the most through the continued growth of the economy, both here and abroad.

It should be of interest to you that we have—aside from the automotive manufacturing industry—less than 3 percent of the combined portfolio invested in stocks of transportation companies. Including the stocks of automobile and tire and rubber companies, the percentage invested in transportation still amounts to under 6 percent of the total.

These figures compare with the 10 percent of gross national product accounted for by public and private freight and public passenger transportation services and with the roughly 20 percent of GNP for transportation activities including the private automobile.

Of course, equity investment objectives are different from those of lenders of money and of bond buyers. There is no difficulty in attracting these latter types of funds into transportation enterprises, wherever collateral and cash flow are adequate.

But piling up of too much debt without an adequate equity base is unsound, and "partnership" or "risk" capital must be attracted and can only be attracted when the many intangibles involved in the future outlook for relative profit stability and absolute profit growth appear favorable.

Before coming to my main theme, "A Challenge for Transport Leaders," I wish to mention what everyone actually knows, and that is the unfortunate history of economic and rate regulation in the field of transportation—particularly rate regulation. Such regulation has by no means kept up with the fundamental change which has occurred over the years; namely, that transportation is no longer a monopoly industry and should not be regulated as such. In the public utility field such regulation is justified and, when wisely applied and when coupled with intelligent, forward-looking managements, benefits both users and investors. One of my company's most successful investments has been in the stock of the electric utility system in the service area of which is included Appalachia. Despite this unfavorable market factor, however, rates charged are relatively among the lowest and per customer usage figures among the highest; and at the same time the rate of return earned is more than twice that earned, for example, by the railroads.

As an aside, and to mention the steel industry again, it is my fervent hope that the powers that be in Washington do not come to consider it a monopoly and treat it as such.

Despite outmoded regulatory laws and practices and all the well-known restrictive practices of unions, under private ownership America has the best public transportation system of any country in the world. In fact, private ownership in other countries is a rarity. The inherent incentives of our profit system have been responsible and have inspired the requisite leadership.

Looking ahead, inspired leadership in transportation to make it profitable and attractive to investors has never been more needed. Our transportation system cannot continue strong and cannot grow to meet the future requirements of our burgeoning economy and population without adequate profits; and without an expanding and strong transportation system, overall growth of our economy will be stagnated.

In the years ahead the dollar measurement of our economy will increase tremendously—as will also the volume statistics—and an estimate by those more qualified than I sets the figure for GNP 10 years hence at a minimum of $850 billion, more than $200 billion ahead of 1964. I hasten to add that this measurement is not in "constant" dollars. The way the political winds are blowing, for example, over the mountains of Appalachia, through our hospitals and schools, across the wheatfields and into some pretty faraway corners of the world, I think dollars of constant value are a relic of the past.

As to population growth, we who have reached the grandparent stage can readily go along with the expert opinions of a 30-million increase for our country in 10 years' time.

Going back to the GNP estimate for 10 years from now, it implies that spending for public and private transportation services will be $40 billion higher than in 1964. This constitutes a challenge and an opportunity for private enterprise in the transportation field to serve the public interest and to meet fully the vital requirements of our economic growth.

In fact, I believe that the vitality of the profit system is the only catalyst which will provide the leadership in terms of energy and imagination to do this essential job. Only through intelligent, sound and inspired leadership can the necessary base of equity capital be attracted. Borrowed money, equipment financing and depreciation flow-throughs, although absolutely necessary, are not enough to fuel the future.

The future transportation needs of our country cannot be solved by public ownership. The history of socialized transport systems has been sorry indeed—inadequate and antiquated facilities and inefficient service, for the most part, and, with but two exceptions, I believe—the railroads of Holland and Switzerland—a terrific burden on the taxpaying public.

In England last year the railway deficit was $340 million, and the new Labor Government has just fired the managing director because he was trying to do something about it, by way of abandoning sparsely used trackage and getting rid of unnecessary workers. I understand, however, that not even that Government is going to repeat the disastrous mistake of the former Labor Government of nationalizing the trucking industry.

Another horrible, and unfortunately altogether too typical, example of public ownership is Argentina with half of its massive national deficit coming from the socialized railroads, which are rampant with featherbedding.

Today, I reiterate, we have the best transportation system in the world. This fact is due to the principle of private ownership, which provides the incentives for continued technological progress and for the seeking of solutions to problems by the leaders in transportation which are economically sound solutions. These leaders, I am sure, can act more effectively without the heavy hand of Government in the form of unwarranted interference and unasked for advice.

The road ahead in meeting fully the future transportation needs of our economy will not by any means be an easy one. In addition to the previously mentioned obstacles of some seriously outmoded regulatory practices, which must be corrected, and the difficulties of dealing with labor unions, the many diverse elements existing in transportation naturally tend to make progress more difficult and complicated. There are varying points of view among the six modes of carriers and variations of significance within the modes. There is the traveling public and there are the shippers, with many different needs and requirements. Within the Government there are differences of outlook in the executive, congressional and regulatory branches. The myriad unions of transport labor sometimes are at odds. And then there are those who will provide an essential part of the money for expansion—the investors, both institutional and individual, with differing objectives.

Narrowing these differences in view for a moment down to those within the modes themselves, we have learned from disappointing experience—at least to some major transport segments—that unyielding self-interest on the part of transport leaders can mean stagnation for all, particularly in the area of remedial legislation. But I do not believe there is shortsightedness, by any means, among such leaders. In the last 18 years, as a director of TAA I have been privileged to meet and mingle with those most eminent in the business of transportation. I know these leaders are gentlemer of courage, goodwill and intelligence, and having such statesmanship at the helm gives me much confidence as to the future of transportation.

They and we all know that in the field of transportation the seeds for—areas of advance, great profit progress, and enterprise growth exist in the following areas:

Increased coordination of services to match the physical and geographical dictates of our country and its industry;

Advances in containerization;

Soundly based mergers among carriers of similar mode;

Elimination of inequitable taxation;

Improved ratemaking; and

The mandatory paring down of the great burden of transport labor costs, which range, with fringe benefits, from 40 percent to over 60 percent of transport gross revenues, not only through the elimination of unnecessary jobs but also through automation and technological improvements.

To make these seeds develop better than they have, we need in addition to the high quality of leadership now existing in the transportation business itself an enlightened attitude on the part of the leaders of all the other segments which have a vital interest in transportation, previously mentioned.

Now, as to my challenges, which are of a general nature and four in number—and can only be met through cooperation in the finest sense among these various parties at interest:

First, leaders of all transport segments must think anew and with open minds. Transport "troops" now committed to a rearguard battle to preserve the status quo must be reassigned to the "frontline" to fight for more breakthroughs in technology, new and improved services, better equipment and lower costs.

Second, leaders of all transport segments must also think wisely. We must profit from past mistakes, otherwise we shall repeat them. Planning should refuse to tolerate for the future such burdens as labor-management stalemates, outmoded services, archaic labor rules, artificial rates, obsolete equipment, discriminatory taxation, and the uneven hand of Government controls in which some Government department are at odds in their use and in their regulation of transportation.

Third, leaders of all transport segments must also think cooperatively. All must join in building a bigger market rather than concentrating on holding a set share of a smaller market. The long-range goals of transport labor and management, of Government and carriers, of investors and carriers, of users and carriers, and of the public and carriers are identical. All want and must have an adequately profitable and vigorously modern coordinated transport system which in the ultimate will best serve their own goals.

Lastly, leaders of all transport segments must think practically and begin to focus with greater emphasis on areas where there is already agreement. For example, why not zero in now on ending discriminatory taxation and getting more weapons to use against illegal for-hire carriage? Progress is more likely to occur when parties in contention work first on the least controversial components. This avoids major collisions on major principles, and such collisions normally stymie action on even the smallest step forward. We cannot build a better transport system by any overnight miracle. We must build it day by day, step by step. Let's take a step forward whenever we can.

Having listed those generalized goals, I now propose a specific "demonstration program" of modern transport statesmanship.

I urge the leaders of transport companies and transport-labor, in each of the various modes, to sit down together in an atmosphere of mutual respect and ratify statements of broad principles and goals to be met in each mode over the next 5 or 10 years. Such meetings would have to be founded on the joint realization by management and by labor that the future of both depends on each other. They must act in the best public interest, and they must attract investment capital.

I urge management to take the initiative on this instead of sitting back and waiting for the presentation of periodic demands by the labor organizations or waiting for the heavy hand of Federal Government to make the first move. Now is the time to elevate labor-management relations—to transform this very crucial fundamental of progress from a partisan duel to a serious joint consideration of the massive challenges which lie ahead. The selfish welfare of these partisans and the general welfare of the economy are commonly dependent on such action.

Once broad principles are set, such as mutual acceptance of the increasing introduction of automation, mutual recognition that the impact of technology on employees should be cushioned, mutual agreement on the ever-growing need for employees of higher training and new skills, mutual acknowledgment of the necessity for new techniques of operation which highly coordinated transport services of the future will require, then implementing the details should flow quite smoothly in truly enlightened bargaining sessions.

Can this be accomplished?

We can stand still if we want, but the future will never stand still. Either it will overwhelm us, if we are unprepared, or we shall master it, if we are prepared, for a stronger economy and, thus, a better life for all. The time has come for private enterprise in transportation to mobilize intelligently for the inevitable battles of progress it must win if we are to remain the first nation on earth, which in turn depends on the best transport system which men have yet devised.

We—all of us together—can make that system even better under enlightened capitalism.

HOOVER-TYPE COMMISSION IS NEEDED ON FOREIGN RESEARCH PROJECTS

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. FINDLEY. Mr. Speaker, we need a Hoover-type commission to bring U.S.-sponsored foreign research projects under control and put them on the right track.

State Department clearance of all such projects, as recently ordered by the President, will not help and may hurt.

The press recently has been full of news about the Defense Department's controversial study of revolutionary techniques in Chile known as Project Camelot.

The State Department knew all about Camelot for nearly a year and did not lift a finger to stop it.

State Department officials attended at least 15 different briefings and discussions of the Camelot project beginning with one held August 25, 1964.

This briefing by Defense was held with State's Bureau of Intelligence and Research. On November 4 a briefing was held with American and African desk personnel as well as with intelligence and research officials of State.

Two subsequent discussions of Camelot were held with the foreign area research coordination group which is chaired by the State Department.

In March and April of 1965 the State Department was represented in a weekly series of meetings. Further, the State Department was represented at two meetings on Camelot of the advisory board of the Academy of Sciences in October 1964 and January 1965.

Copies of all Camelot documents were sent to a point of contact designated by the State Department.

From this, it is obvious that State Department was fully informed all the way. State and Defense could hardly have been more fully coordinated with regard to Camelot.

State had ample opportunity to block Camelot and did not do so.

Therefore, the President's action to clear all such projects through State gives no hope for improvement.

It carries with it the danger that the State Department—whose own closets are not free of research project skeletons—might arbitrarily abridge academic freedom to such an extent that the projects will not yield the objective points of view so essential to sound policy development.

Research projects abroad can yield great benefits to our Government but they must not be shackled by a complicated bureaucratic veto system. What is needed is a thorough study of these projects by a Hoover-type commission of eminent citizens, including foreign-policy research specialists and representatives of the various Government agencies.

From this study, the commission could recommend guidelines and procedures which would prevent Camelot-type foolishness and at the same time preserve the freedom of inquiry so essential to worthwhile research.

The shift of authority to the State Department may well be the culmination of a long-range effort. The Foreign Area Research Coordination Group—FAR—an intergovernmental study group including State, issued its first annual report in June.

The report—page 7—listed coordination of research planning as a central objective. Clearance authority for the State Department certainly fits this objective neatly. Whether it is in the public interest is another matter.

LETTERS ON BREAD TAX, FARM BILL

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. FINDLEY. Mr. Speaker, below are typical letters I received following my appearance on the televised "Today" show Friday morning. I place them in the RECORD to illustrate what is apparently widespread opposition to the farm bill.

ZEELAND, MICH.

Just heard you on "Today" show, and had to write you to tell you how right you are.

I own a feed mill and the farmers around here all are against Freeman's ideas all the way. Have lost many customers who have just given up farming. The farmers feel they have no voice in Washington. When they were given a chance to vote on the wheat deal, they voted no—but it did no good—Freeman decided they would have to "pay" for voting against his program and clamped the 70-percent tax on wheat which really hurts.

In other years it would take us 2 weeks to process the wheat—this year 4 days—so many either quitting farming or not planting wheat. It's time they find someone that really understands the farm program to take over this mess and really help the farmers. In the depression of the 1930's it was the farmers that suffered first. We hope we never have to go through that again.

Hope you can read this. Am writing at home, where I don't have a typewriter. Keep bucking Freeman all the way.

Thank you.

ROBERT JACKSON.

NORTHWOOD, N.H.

This morning we saw you on the "Today" show. If you can do anything about the silly way agriculture is being handled, I'm sure we would be grateful. The whole program just does not make sense to us. If the Government would stay out of the whole thing, and let supply and demand have its way, we would all be better off.

Mrs. GEORGE K. RICHARDSON.

LEWISBURG, PA.

Between my second cup of coffee and my first load of laundry I am grabbing a few minutes to congratulate you on your clear thinking on the farm bill—as expressed on the "Today" show. It is most reassuring to know that in Congress we have men like yourself who do not preach the creed that "The Great White Father at 1600 Pennsylvania will take care of us all." If I were registered in Illinois I would be proud to give you my vote.

Sincerely,

Mrs. CHARLES B. MUCHMORE.

BURLINGTON, WIS.

Congratulations on your appearance on the "Today" show—keep hammering at these characters in the Department of Agriculture—and the White House.

Mr. M. P. MAHER.

UPPER DARBY, PA.

What a joke—taking the taxes off the minks and putting it on flour and bread.

Mrs. ROBERT R. JOHNSON.

UNADILLA, N.Y.

I have just had the pleasure of listening and watching you on the "Today" show—I am very much impressed with your views on the Feeds Grains bill. I am writing to my Congressman—to look into this bill too—I sure hope he agrees with you.

Mrs. NORMAN F. HOAG.

NEW YORK CITY, N.Y.

I had the pleasure of listening to your able talk over station WNBC–TV today. Your subject bread and flour tax concerns members of our labor organizations who publish a magazine that I contribute to.

MICHAEL ROSENBERG.

PASSAIC, N.J.

An antipoverty program combined with higher living costs, including bread, doesn't make sense, as you say. I must admit to a prejudice against millers, as they remove all the vitamin B from wheat so that the bakers can come up with Bond bread, which is indistinguishable from Johnson & Johnson's (no relation) cotton. Your graph showing the high consumption of bread among lower income groups may be due to the fact that the better fixed people eat out more. And 21 cents for a loaf? Where?

You might consider the effect of a price rise on even the lowliest luncheonette. When the price goes up 2 cents on a loaf, another 5 cents is put on each sandwich. The tax cuts are so favorable to big business; else why have they left the tax on savings, on which you already have paid an income tax? But to him that hath shall be given, as it was said. Glad to have tuned in on you.

Bye.

CELIA SALKIN.

ATLANTA, GA.

Thank you for your TV program re Government should not be fixing prices for farmers; resources for an efficient farming job with special attention to flour prices.

Since my retirement on less than half pay after 30 years' Government service, I have had to revise my way of living and found bread and butter most satisfying and economical food. Although I do not like bread much, that proves to me that, since there are many others worse off than I, bread prices should be lowered more than anything in food line.

MISS MARJORIE HALL.

CHICAGO, ILL.

A job well done.

HAMILL VARNER.

TERRE HAUTE, IND.

I saw and heard the TV program on which you appeared this morning. I want to congratulate you on the clear, informative, and sensible presentation that you gave on the farm subsidy situation that is obviously ruining this country's economics of farming.

I hope that you will continue opposing Federal regulation and socialism in all of the present administration's program.

Very truly yours,

NOEL S. MCBRIDE, M.D.

LUBBOCK, TEX.

Thank you so much for your comments on the "Today" show. I just hope your thoughts prevail when the votes are cast.

I also pray you will vote against the repeal of section 14(b) of Taft-Hartley.

Thanks.

H. J. ROPER.

LUBBOCK, TEX.

You are 100 percent right in your ideas about farm bill and the poverty program is an insult to American's intelligence. And to take tax off luxuries instead of essentials is pure ignorance.

A TEXAS VOTER.

SARASOTA, FLA.

You should get a low bow from many, many Americans. It takes courage to stand up to Agriculture. Look what happened when the president of First National City commented adversely on Agriculture's price-fixing policy.

I have wondered if the apathy which seems to have crept into the average American works from the bottom up, or the top down. Are we apathetic because Congress is, or are they because we don't seem to care what happens to us.

If I recall rightly, there was a vote taken by farmers about a year ago, and it went against Agriculture. At that time the Secretary forecast dire results, and that wheat would sell under $1 because of the stupidity of the farmers, who, after all, don't know as much about crops as the bureaucrats do.

Please, please, Mr. Congressman, do something, not only about the price of bread, which is important, but about law and order, which is even more important.

Thank you again for your courage and perspicacity.

F. J. JAKES.

Written in person, and since I have no sight, I hope you will forgive any misspelling, and/or typing errors. Thanks.

——— ———.

Your views expressed on the "Today" show concerning the agricultural program were sound. You should be the next Secretary of Agriculture.

Yours truly,

H. DAYNE KLINE,
Dairyman and a Democrat.

P.S.—I would appreciate hearing more of your work on the Agricultural Committee. Thank you.

AUGUSTA, ILL.

I saw the interview with you on the "Today" show this morning. We agree with your ideas and wish you luck in opposing the bread tax bill. You have our support.

We feel fortunate to have you representing our district; please let us know if we can be of help in your efforts in Congress.

Sincerely,

MRS. VIRGIL ROSENDALE.

ALEXIS, ILL.

We heard and saw you on "Today" this morning. We thank God for you. We want you to know that though ours is a different congressional district still we have a warm affection and prayerful interest in you.

Sincerely,

E. L. CASTRODALE,
Pastor.

BEARDSTOWN, ILL.

Congratulations on your forthright and factual presentation on TV this morning.

JOHN J. WHITE.

ZOLFO SPRINGS, FLA.

Just viewed your interview with Sandy Vanocur on NBC. I think you were wonderful. It is always easier, and I hope more convincing, when you have facts and figures refuting these radical and crazy ideas. This administration has gone all out for, and gotten the Negro vote, the Catholic vote, the poor man's vote (though I must say on very misleading promises) the Jewish vote, and are now after the rich man's vote. And what I mean is, is that they are shifting the excise taxes from the rich who pay them, to the poor, and that on the necessities of life. How dumb do they think we are!

CECIL LANGFORD.

KENNEDY ROUND EXTREMES NEED TRIMMING

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRAY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRAY. Mr. Speaker, at the moment the glamour and excitement has gone out of the Common Market and with it the Kennedy round that was to boost trade with the Six and the rest of the world. Delay upon delay has become the order of the day; and it now looks as if it will be well into 1966 before real negotiations on actual tariff reductions will begin. In fact there is beginning to be some question whether the Common Market countries are so anxious to move into the Kennedy round.

It will be recalled that in the last session of Congress a large number of bills was introduced seeking to remove the most sensitive or vulnerable items from the President's list. The bills provided for certain definite criteria as a guide to the Tariff Commission which was to certify to the President those products that met the criteria. In general the criteria were designed to apply to products that were already experiencing strong import competition and should, therefore, not be further exposed by additional tariff cuts. The Tariff Commission would only act on application by an industry or labor group, but if it found that the facts supported the claim that one or more of the criteria were met the Commission would so report to the President and the item must then be removed from the list.

The need for that kind of legislation arose from the high-handed manner in which the intent of Congress was ignored by those who were responsible for the negotiations with GATT. Congress laid down strict requirements for detailed public hearings, item by item, with the obvious intent that each product be given special attention. Such evidence of competitive standing as trends in profits, employment, output, sales, imports, prices, wages, and so forth, were to be the subject of inquiry.

The Tariff Commission did hold prolonged hearings. They lasted 4 months. I understand that some 800 witnesses participated, including many Members of Congress. Certainly it would be thought that these hearings had a purpose. As it turned out they were completely ignored and treated with outright contempt.

What happened? Our negotiators agreed with GATT that all tariffs would be cut 50 percent, with only a minimum of exceptions—I should say a "bare minimum" of exceptions, because those were the words agreed to.

Mr. Speaker, when the executive branch so grossly disregards what was the unmistakable intent of Congress, it seems to me incumbent on the legislative branch to object and to lay down guidelines that cannot be evaded. That is what the bills that were introduced last year provided.

The legislation now being introduced repeats these criteria but adds some provisions for relief against future injury or undue exposure to imports if imports already have encroached heavily on the domestic market. If imports have risen as much as 75 percent since 1958 and have taken a share of the domestic market at least equal to 7½ percent of domestic production, the industry concerned will be free to request that an import quota be imposed to prevent a runaway surge of imports. Upon application to the Tariff Commission this agency would investigate the facts and if these sustained the claims set forth and met the criteria of the legislation, the President must set up an import quota. This would keep imports to the level of the average of the immediately preceding 3 years. Imports thereafter could grow in step with domestic production.

I believe that this legislation is not only desirable but necessary if imports are not to injure many of our industries and thus lead to stagnation of the economy.

Employment will not grow in the industries that encounter rising import competition. The future market prospects would not sustain plans for expansion. On the other hand we could expect the exposed industries to resort to mechanization as a means of increasing efficiency which in turn would be expected to improve their competitive position. This might help individual companies but it would reduce the number of jobs without hope of restoring them at any time in the visible future—precisely because the market was being divided, with imports enjoying the upper hand.

The behavior of industry under these circumstances can now be forecast with little fear of error as a result of the experience of recent years. The companies with sufficient capital resources, besides modernizing their plants, will also explore the possibilities of manufacturing abroad, thus getting the advantage of the low wages prevailing generally throughout the rest of the world, Canada excepted.

If our tariffs are cut another 50 percent both of these trends will surge upward, because the need will be all the greater. The pressure for automation will increase and so also the search of capital for outlets abroad. Already this latter trend has caused alarm because of its high volume and effect on our unfavorable balance-of-payments situation. Already restrictions have been called for to stem the heavy outflow. Another 50 percent tariff reduction would enlarge this outflow to a torrent and to keep it within bounds would require strong regulations strictly enforced. This would then vastly increase the pressure for automation at home, since the escape to foreign havens would be cut off or narrowed too greatly to provide an offset against shrinkage of the domestic market.

Mr. Speaker, a number of important industries are already on the borderline. Others already need safeguards or have indeed already moved so extensively overseas that a substantial share of their dividends come from overseas. The further tariff cuts would drive more and more industries into the latter class.

What would be wrong with that? What is wrong with earning profits overseas? Nothing at all unless earning them abroad means a subtraction from domestic activity and loss of employment here that would otherwise take place. If foreign investments are made as an escape or because foreign pastures are greener than those in this country it means that we should determine what is wrong on the homefront and correct it. Certainly to cut tariffs 50 percent from existing levels would aggravate situations that are already distressing enough and boding ill enough for the future without encouraging more imports.

The electronics industry, which is one of those in my district, as an example, had great employment potentialities; and in the field of industrial, governmental, and military products it has done quite well. However, in the segment of consumer electronics, such as radio, television, tape recorders, and so forth, imports have spoiled the market and forestalled the healthy expansion and employment that would have occurred in the absence of this severe competition. This is not to say that the industry could not withstand any foreign competition. It means that it cannot meet the kind of competition that gets its advantage from extremely low wages compared with our own. It means that the lower levels of consumer income in our market are virtually lost as an outlet for the domestic manufacturers. Our industry cannot make a product at prices as low as can the Japanese. The reason is no mystery at all. Their wages are less than a fifth of ours and the Japanese are very efficient workers. In many instances they produce under our patents, licensed by our companies that own the patents.

Obviously, if our companies own the patents, they could manufacture here, but they could not for the present achieve the extremely low prices possible in Japan. Possibly they could in 5 or 10 years of further research. Therefore this market is all but lost to us, and it is no secret that within the lower income levels is precisely where tens of millions of new customers reside. The transistor radio, moreover, is one of those items that also reaches into some of the middle levels of income because it is suited for purchase as a second or third or fourth set in a household. This represents a considerable market.

This situation is much the same as that of the small automobile. Its first market may lie with the lower income group which our manufacturers have not yet reached because of costs, but as it takes on the function of being the second or even third car in higher income groups it takes away or greatly trims a market that could be met by domestic manufacturers if they could manufacture as cheaply as their foreign competitors who pay the lower wages. The foreign advantage is simply one of lower labor costs.

The history of consumer goods manufacturing in this country where the product was at first expensive until mass production was achieved was essentially one of successive cost reductions as improved techniques of production were developed, thus working downward into broader consumer income levels as time went by. That was the pattern of the automobile industry, the radio and TV industry, in cameras, typewriters, and other products.

When imports can jump in ahead of our own manufacturers and virtually preempt the lower income field as their own as well as the second and third units of lower cost, bought by higher income consumers, they cut the domestic industry off from full market exploitation in both fields. It is the natural and the easy thing for the foreign manufacturer to do. The effect is to enlarge the domestic market just as it would be enlarged if our own manufacturers had achieved the lower costs, but the trouble is, especially now, with their modern technology, they can beat us to the draw. Their low wages combine with their advancing technology to give them an insuperable competitive lead over us.

Mr. Speaker, this situation is nothing other than the natural outcome of the fact that our former long technological lead over other countries has been cut and in some instances extinguished, while wide differences in wage rates remain. Wages in other countries are not standing still, to be sure. They have been rising rather rapidly, according to reports, in Japan and West Germany and a few other countries, but let us not overlook the fact that wages have not stood still in this country. They are still upward bound, as we all know.

Therefore the hope that we will soon be on even terms in labor costs per unit of production with other countries is purely a pipedream; and it would behoove us to look this bleak fact squarely in the face. We should study its meaning for our freer trade policy.

I say we have worshiped at the altar of free trade long enough. It is about time that we broke the spell and lifted our eyes to the encroaching realities of the world. We have had 5 or 6 years in which to do some new thinking but the eyes of our national leaders and economic trailblazers have been blinded. They are tied to the trade policy of the past 30 years by seemingly unbreakable apron strings. Psychologically they are hogtied too.

The bill I am introducing would halt some of the extreme aspects of the Trade Expansion Act of 1962, especially as it has been interpreted, as I have already described.

The act itself is a monument to ineptness. Its probable effects were never thought through. The whole idea was to make a sudden lurch toward free trade while there was time. The rest of the industrial world had not yet become ready to challenge us. They had a vast pent-up demand at home to satisfy.

Now the catchup is nearly complete and we should know that we are living in a different world and on borrowed time.

I not only introduce the legislation; I support it and trust that the Ways and Means Committee will open hearings during the present session or during the recess. We must act before those who have little sympathy for our industry go to the extremes now contemplated; namely, a 50-percent tariff cut across the board with only minor exceptions.

SETTING THE RECORD STRAIGHT

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. ROSENTHAL] is recognized for 60 minutes.

Mr. ROSENTHAL. Mr. Speaker, it is with considerable regret and a heavy heart that I take this time this afternoon but I do so on a matter of great importance, in my judgment, both to the House of Representatives and certainly to myself.

On last Thursday the gentleman from Ohio [Mr. HAYS] made some remarks which I think were probably among the most serious ever made by one Member against another Member in the history of this body.

The United Press of that day reported as follows:

> WASHINGTON.—Representative WAYNE L. HAYS, Democrat, of Ohio, said today current unofficial hearings at which Congressmen have been soliciting views on Vietnam are giving "aid and comfort" to the Communists.
>
> HAYS in a House speech directed his critical remarks particularly at Representative BENJAMIN S. ROSENTHAL, Democrat, of New York, one of several Members who have conducted such informal sessions.
>
> HAYS said the sessions have provided a forum for "crackpots" to air their views in opposition to U.S. participation in the Vietnam fighting. He said ROSENTHAL had been "helping the Communists" by holding such meetings. "He's giving aid and comfort to them," he said.

The dispatch continued:

> HAYS' remarks were prompted by a statement by ROSENTHAL on another issue. ROSENTHAL had told the House U.N. Ambassador Arthur J. Goldberg, according to press reports, would announce shortly a more flexible U.S. policy toward Russia's nonpayment of U.N. peacekeeping assessments.
>
> HAYS said he doubted that ROSENTHAL knew, since the matter was still under study, and that anyway ROSENTHAL was helping Russia by suggesting to Russia in advance that she need not make further concessions in this U.N. dispute.
>
> He said ROSENTHAL was "aiding the Communists" in this case "just as he has been helping the Communists in Vietnam" by holding meetings on Vietnam. He said ROSENTHAL had been incorrectly implying that the hearings were sponsored by the Foreign Affairs members.

For the attention of those Members who have not had the opportunity to read these remarks in the RECORD, they appear at page 20360 of the RECORD of August 12, 1965.

It seems to me that when one Member accuses another Member of aiding the Communists and giving aid and comfort to the Communists, he is bordering on the charge that the other Member is guilty of treason. This, I believe, is a very serious charge and must be answered in its entirety, not only by myself but by other interested parties.

Frankly, when the gentleman from Ohio made his remarks, I was rather taken aback and shocked. My subsequent reaction was one of hurt, because Mr. HAYS is the chairman of my subcommittee on State Department Affairs. He is, in my judgment, a respected Member of the House, a man for whom I have considerable respect and even admiration, a man with whom I have had the pleasure of having lunch at the same table in the House restaurant perhaps 100 times since I have been in Congress, and a man who has done me a number of personal favors. Only within the last week or two he did something for which I was very grateful to him. Thus; when he made these very serious charges, I wondered if perhaps there was not something wrong with me—if there was not something I had done directly to Mr. HAYS to cause him to make what I believe is probably one of the most serious charges ever made in this Chamber.

At the time of the incident, I could have, as all Members know, risen to a point of order and asked that his words be taken down. At that point had the Speaker ruled in my favor, the words and Mr. HAYS' remarks would have been removed from the body of the RECORD. But the damage would have been done in the press. It was my immediate judgment, whether good or bad, that it would be better to face the entire issue, and better to face the remarks so that we might all reflect on them at some other time rather than have the matter disposed of at the moment.

I was at a loss to explain Mr. HAYS' attack. Yet I knew he must have realized that anything he said, one Democrat against another, would carry very, very serious political implications. When I had thoroughly exhausted the possibilities of my behavior having caused his remarks, I then began to wonder about him. Of course, I had no basis for any personal feelings for him other than respect and admiration and, a modest degree of affection. I then waited until the next day, until the newspapers reported the incident. I should be honest and tell you I had hoped there would be little press reaction. But in the Long Island Press of Friday, August 13, which is the most important paper in my district, there appeared a headline in about 1-inch type which said, "Abet the Commies? Absurd: ROSENTHAL." In other words, while I did have a chance to make a response, the attack had put me completely on the defensive.

New York Times of Friday, August 13, 1965, carried the first half of the UPI story. But they carried the charge and not my response. They said as follows:

> Representative WAYNE L. HAYS, Democrat, of Ohio, said today that unofficial hearings at which Congressmen had been soliciting views on Vietnam were giving "aid and comfort" to the Communists.
>
> Mr. HAYS, in a House speech, directed his critical remarks particularly at Representative BENJAMIN S. ROSENTHAL, Democrat, of Queens, one of several members who have conducted the informal sessions.
>
> Mr. HAYS said the hearings had provided a forum for "crackpots" to air their views in opposition to U.S. participation in the Vietnam fighting. He said Mr. ROSENTHAL had been "helping the Communists" by holding such meetings.

And the New York Daily News of the same day, Friday, August 13, 1965, carried the story which said in the headline, "L.B.J. Supports Lodge on Vietnam," but, in the bottom of the story, recorded the same essential charge that I was giving aid and comfort to the Communists.

It was then that I realized the matter had to be faced directly, then that I was obliged to look at what Mr. HAYS had said in the past remarks on the floor of the House, then that I sought to discover whether he had ever questioned the integrity of other Members of Congress. I supposed if I could find some clue along these lines, I might then find the answer as to why he chose to attack me.

I was particularly surprised at one of the gentlemen's statements, made in the CONGRESSIONAL RECORD, volume 109, part 15, page 20679, where Mr. HAYS said:

> Mr. Speaker, I have been reading in the press about various people being called pinkies, Communists, and what-have-you by other Members of the House. I have never stooped to calling anybody a Communist or any other vile name, but I would point out, having some knowledge of communism, that one of the Communists' chief tricks and one of their chief tactics, as well as the Nazi murderers' principal tactics, was to call somebody they disagreed with a dirty name such as a Communist or for a Communist to call someone a Nazi. I wonder if those who play this game should not be suspect as to their own political philosophies? In other words, the big lie technique.

Given the quality of his attack on me, I was puzzled by the very tolerant sentiments of that particular statement.

I continued looking at other comments and came across one which indicated another saddening tactic—the old charge of guilt by association. This occurred on June 7, 1957, in the CONGRESSIONAL RECORD, volume 103, part 7, page 8533, where Mr. HAYS said as follows:

> I have always been told if you have evidence introduced—I am not an attorney, so I am trying in my feeble way to refute this—if you have evidence introduced, you consider from whence this evidence comes. Since Mr. POWELL is the sole source of this statement and since Mr. POWELL has made this accusation against Members from Pennsylvania and Ohio, maybe we should consider some of his previous statements. Why he made this accusation I do not know. I suppose that is as hard to explain as it would be to explain why he appeared with Earl Browder and William Z. Foster at a joint rally of the Communist Party in Madison Square Garden in 1944 and shared top billing with those two. Or it might be as hard to explain why he was the editor of a newspaper and the author of a column in which he one time identified the New York Times as "a Salsberger journal of first-class Negro baiters."
>
> I have heard the New York Times called just the opposite on this floor by many more people than the gentleman from New York, Mr. POWELL. Or why when one time, when the distinguished gentleman from Texas, Mr. Dies, had the temerity to summon one of the columnists of Mr. POWELL's newspaper before his Committee on Un-American Activities, the Reverend Mr. POWELL wrote, "The sooner Dies is buried, the better." And he goes on quoting a lot of other trash that I will not quote because I do not want it to appear in the RECORD.
>
> He [Mr. POWELL] winds up by saying, "The death of Dies is just as important as the death of Hitler." Well, Mr. Dies is here, full of vim, vigor, and vitality, I am happy to say. So that wish of the reverend gentleman from New York had no more reason that his dishonest statement against Members of Congress from Pennsylvania and Ohio.

Mr. HAYS seems to have been particularly worried about other Members' attitudes toward communism. In exchange with Mr. CURTIS, of Missouri, CONGRESSIONAL RECORD, volume 108, part 3, page 4305, the gentleman from Ohio said this:

> Mr. HAYS. I would just like to say to the gentleman who is interested in fighting communism that in my opinion each one of us who fights down here in the well by doing a lot of talking is not doing any effective fighting like some of us do back in the precincts.

Such matters, as we all know, are politically very delicate. They deserve restraint and caution. But so do any remarks made by Members about fellow Democrats. This is why I was disturbed by remarks by the gentleman in the Congressional Record, volume 102, part 5, page 6540:

> Mr. Speaker, perhaps I should say this about the great golfing Governor of Ohio—

Incidentally, the Governor was a Democrat, just as I am.

> the Governor of Ohio who reputedly shoots a lower score than the President and who has through his opposition to adequate financing tried to ruin the school system of Ohio and who in his tenure as Governor has permitted Ohio's highways to deteriorate until they are among the worst in the Nation. Knowing him as I do, perhaps I should say in my opinion, he would have kicked the farmers of the Nation in the teeth before he teed off on the first hole; he wouldn't have waited to have a conference in the golf shop on the ninth hole.

I have found, to continue, that I was not the first to take time to respond to charges made by Mr. Hays. In the Congressional Record, volume 108, part 15, page 21103, Mr. Alger, of Texas, had the following to say:

> Mr. Speaker, I am happy to report to the House that the statement made yesterday by the gentleman from Ohio, Mr. Hays, in which the gentleman from Texas now addressing the House and the gentleman from New York, Mr. Pillion, were mentioned, I have been assured privately, in no sense was intended to be derogatory, that we would be slow to hit the beaches with the gentleman from Ohio in case we ever, God forbid, became engaged in combat. I understand that no such implication was intended either in that part that was added under permission to revise which we did not hear on the floor.

That a Member of this body had seen fit to question the courage of his fellows, apparently to deny it later—all this seemed to me deeply puzzling. Yet there were other unexplainable incidents. On January 17, 1963, Congressional Record, volume 109, part 1, page 542, appears the following:

> Mr. Hays. Mr. Speaker, I listened with a good deal of interest to a great part of the speech which was made by the chairman of the Committee on Appropriations, the gentleman from Missouri, Mr. Cannon. I am sure all of us are concerned about the debt. But I might say in the 14 years I have been here I have never been before the Committee on Appropriations one single time and asked them for one single appropriation. But I would have been a lot more impressed still if I had not been around here last year and had seen the spectacle of the fight for prestige that went on and a considerable number of weeks of the time of the Congress and the country wasted. I would have been more impressed if the chairman would have devoted himself at that point to trying to reduce the debt instead of trying to increase his own prestige.

Is there not a better way to conduct the discourse of politics, regardless of how strong one's sentiments?

Mr. Speaker, other Members have taken special orders to respond to Mr. Hays before with reference to his accusations. One such example was May 18, 1961, Congressional Record, volume 107, part 7, page 8405, when the distinguished gentleman from Iowa, Mr. Schwengel, had the following to say:

> Mr. Schwengel. Mr. Speaker, on occasions, Members of the House get carried away or for some reason become careless with their thinking and speech and in the process reflect upon the good character and record of distinguished public servants and private individuals in our country.
>
> This, in my opinion, was the case, Mr. Speaker, when the gentleman from Ohio [Mr. Hays], referred to a very dear friend of mine and a friend of thousands of people in Iowa as a broken-down politician during a colloquy on the House floor when we were discussing some matters that had little relationship, if any, to people like Mr. Whitney Gillilland of whom the gentleman from Ohio spoke when he said, I quote:
>
> "If they cannot find a Kennedy, maybe they can find a broken-down politician from Iowa like Gillilland that Eisenhower put on the CAB."

Is such an approach really necessary? Does it fit the traditions of this body?

Mr. Speaker, I also discovered that both Senators from Ohio had felt the sting of Mr. Hays' tongue. Perhaps this was State politics. However, in my case I really cannot understand how there would be any political motivation by making remarks that would apparently increase the chances of my not being returned to this body.

Yet Mr. Hays had been active in Ohio. On November 12, 1963, Congressional Record, volume 109, part 16, page 21578, Mr. Young of Ohio said the following:

> This article by Tom Talburt, Washington correspondent for the Scripps-Howard newspapers, contains the following specific statements made by Representative Hays:
>
> "Congressman Wayne Hays, Democrat, of Ohio, says he understands why both of Ohio's Democratic Senators oppose a congressional pay raise. He says they're not worth it.
>
> "Hays, who's backing a proposed pay boost, said he'll offer an amendment to pay legislators on a sliding scale from $5,000 to $35,000 a year and let each Member decide for himself how much he is worth.
>
> " 'If my amendment passes and either Ohio Senator says he's worth more than $5,000, he could be tried for perjury,' snapped Hays.
>
> "After placing rather dubious prices on the heads of Senators Frank Lausche and Stephen Young, Hays was asked to evaluate his own performance.
>
> " 'I'm worth the maximum,' he declared."

I am not pleased with such remarks. I am not happy to have to bring them to the attention of the House. But I have been attacked, and made vulnerable to serious political charges at home. That I am obliged to defend myself is not my fault. And this is why I am taking the time of the House today.

Mr. Speaker, other examples, some more pungent and some less pungent, of the gentleman from Ohio's habits of political discourse. But perhaps Mr. Hays himself summed up his own style when on May 24, 1950, at page 7636 of the Record of the House, Mr. Hays, of Ohio, said as follows:

> Mr. Hays. Mr. Speaker, I also recognize that the statement which I inserted is a technical violation of the rules. The remarks which were made were not, in my opinion, particularly offensive to the gentleman in the other body, and I might say, not anywhere near as offensive, not one-tenth of 1 percent as offensive as some statements I have made from the public platform without congressional immunity about the aforementioned gentleman. With that statement, I ask unanimous consent that the remarks be withdrawn.

Mr. Speaker, I have neither the experience nor the training to understand why there are times when the gentleman from Ohio chooses to say unexpectedly critical things about other Members.

And sometimes they have been almost as serious as the one he said about me.

What, then, Mr. Speaker, did he charge me with? He charged me with three things: He charged me with breaching and violating the security of the briefing given by Ambassador Goldberg to the House Committee on Foreign Affairs, and of announcing in advance what this country's position is in regard to the United Nations. He then charged me with giving aid to the Communists by holding public hearings in my district. And he charged me with being misleading in suggesting that these hearings had the official sanction of the House.

With regard to the first citation, the briefing held by the committee, I would like to advise you, Mr. Speaker, this was not the first occasion on which Mr. Hays has charged a Member of the House with violating security.

On October 23, 1964, he charged the gentleman from Delaware [Mr. McDowell] with probably the "biggest intelligence break that Peiping has had vis-a-vis the United States." And he also said he hoped the people of Delaware would take cognizance of the action of McDowell in breaking American security. Is this proper politics between Democratic colleagues?

What I read to you is a direct quote from the Wilmington Evening Journal of October 23, 1964:

> Mr. McDowell, in response to Mr. Hays' accusation, said, "The insinuation that I broke any security regulation is completely false."
>
> Hays said "McDowell's remarks were of unquestionable and inestimable value to the Chinese Communists."

Mr. McDowell said he could not understand Mr. Hays' reaction. He said any one of the U.S. methods of surveillance have been fully available to the public press for several months.

So I was not the first Democrat charged by Mr. Hays with breach of security. In any case, the charge against me was quite without foundation.

In the Record of August 12, 1965, I began my remarks by saying:

> Mr. Speaker, on next Monday it is reported. Ambassador Arthur J. Goldberg will announce a more flexible American position on peacekeeping—

And in the next to the last paragraph I stated:

> If this is to be the substance of Ambassador Goldberg's speech to the 33-nation committee on United Nations finance, then I am anxious to register my highest regard for such enlightened policy.

I inserted in the Record at that point a New York Times editorial of that morning, August 12 which said:

> Washington's plan to announce a more flexible position on peacekeeping assessments may prove a lifesaver for the United Nations.

The editorial goes on to discuss the United States proposal for a new approach to peacekeeping assessments.

With regard to the United Nations, on August 11, 1965, the New York Times carried a story under the byline of Richard Elder. The headline says, "End of U.S. Fight on U.N. Dues Seen." Below that "Goldberg Is Reported Ready To Announce Policy Shift."

The Washington Star headline of August 10 stated, "U.S. To Abandon Fight for Soviet U.N. Dues." And immediately under, a subheading, "Goldberg Monday Will Agree To Scrap Article 19 for Contribution Device."

A United Press dispatch appearing that morning before the House met, reads as follows:

> As it stood, before the last-minute hitch yesterday, the administration planned to make an announcement in New York Monday to this effect:
>
> The United States still holds to its legal view that the U.N. Charter means what it says.

Mr. Speaker, I ask unanimous consent to insert this dispatch in the RECORD at this point, together with the other newspaper stories I referred to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matters referred to follow:

UPI RELEASE

As it stood, before the last-minute hitch yesterday, the administration planned to make an announcement in New York Monday to this effect:

The United States still holds to its legal view that the U.N. Charter means what it says, that "the expenses of the organization shall be borne by the members as apportioned by the General Assembly," and that, under article 19, a member more than 2 years in arrears "shall have no vote."

However, if the U.N. membership is unwilling to enforce article 19 the United States will go along, but will regard its own payments as voluntary contributions rather than mandatory.

This would be a major U.S. shift. On October 8, 1964, the United States submitted a memorandum to the United Nations saying that failure to enforce article 19 would "undermine the constitutional integrity" of the world organization.

The memorandum said such a view would be a repudiation of the International Court of Justice, which ruled in 1962 that assessments are mandatory, and would "tempt members to pick and choose" which U.N. obligations they would fulfill.

"How could any organization function on such a fiscal quicksand?" the memorandum asked.

What brought about the U.S. change was a realization that the U.N. membership was not prepared to enforce article 19. The organization has virtually paralyzed itself for the past year by suspending voting in order to avoid a showdown.

Administration officials were well aware their move would be seen by some critics as a U.S. "surrender." Representative H. R. GROSS, Republican, of Iowa, said after a Goldberg briefing yesterday that the United States was getting ready to "tuck its tail between its legs."

But the administration argues that it is better to slide around a legal point than to see the United Nations paralyzed for still another year. As one U.S. diplomat put it: "All those legal opinions we wrote a year ago are still true. But this has become a matter of practical politics."

The move would be significant in U.N. history. Under the charter, an assessment of expenses on members was the only so-called mandatory power given the General Assembly.

UNITED STATES TO ABANDON FIGHT FOR SOVIET U.N. DUES—GOLDBERG MONDAY WILL AGREE TO SCRAP ARTICLE 19 FOR "CONTRIBUTION" DEVICE

(By William R. Frye)

UNITED NATIONS, N.Y.—Next Monday, the United States plans to abandon its long fight to force Russia to pay her United Nations dues, it has been learned here. Russia then is expected to make a "voluntary" contribution in September or October.

Defeat for Washington on the Russian-dues issue has been considered inevitable for months. U.N. diplomats long have known the United States did not have the votes to put the squeeze on the Kremlin, requiring payment or taking away Russia's voting rights.

Next Monday, U.S. Delegate Arthur J. Goldberg will bow publicly out of the effort, according to the present plans. He will agree to shelve article 19 of the U.N. Charter, which says countries 2 years in arrears shall have no vote in the General Assembly.

After the Russians have cast several votes in the 1965 Assembly, which meets in September, they are expected to make a "voluntary" contribution that will be "substantial" but much less than the $62 million they owe.

Thereafter the United States, too, is expected to contribute to a "save the U.N." fund and other countries will do the same, in the hope of erasing a $108 million U.N. deficit.

In addition, however, the U.N. must pay off some $180 million in bonds floated to pay for peace operations in the Congo and Mideast. Russia has refused to pay her share toward amortizing this debt.

The Johnson administration's decision to swallow defeat came after long and careful consultation * * * which felt that the overriding time an explosion of indignation was feared.

The danger apparently was overrated. Sources say there proved to be three major factions in Congress:

1. Those who felt the United States should fight to the end. This group dwindled as the months passed, and at the last was very small.
2. A group, largely pro-U.N., which felt that the overriding necessity was to free the world organization from paralysis over the issue, even though it would mean loss, for the foreseeable future, of the U.N.'s legal power to tax its members for peacekeeping actions.
3. A group, largely anti-U.N., which welcomed loss of the U.N.'s tax power, fearing it might one day be used to embarrass the United States.

MAJORITY IN ANY CASE

By whatever process of reasoning the conclusion was reached, a majority decided the United States should bow out of the struggle as gracefully as possible.

The administration settled upon this course in late spring or early summer, and thereafter the only problem was how to save the most face.

One device, urged by British Delegate Lord Caradon, was to save the law by changing the facts, that is, to have the U.N. Assembly convert all past contributions for peacekeeping into voluntary contributions, so that anyone who had not made a contribution was not legally in arrears.

U.S. experts considered that this wouldn't wash, that it was too drastic and too obviously contrived. It could still happen, even now, despite American skepticism; but the United States is not expected to urge it.

Instead, the United States is expected to endorse a relatively simple Ethiopian plan, or some close variant of it, under which the U.N. would merely decide that article 19 should not or will not be raised in the Assembly. This will mean that business can "proceed normally" in September when the Assembly reconvenes.

SHOWDOWN AVOIDED

Previously, ever since January of 1964, the Assembly has been unable to act on controversial issues for fear of an explosive showdown on article 19. Beginning in December 1964, a device of unanimous consent was adopted to avoid determining which countries had the right to vote. Only a relatively few matters could be handled this way.

The result was that the 114-nation Assembly was rendered inoperative, with the veto-bound Security Council the U.N.'s only practical resource in the political field. This in turn enhanced the power of the Soviet veto. Virtually nothing could be done of which Russia did not approve.

The forum in which Goldberg will disclose the new American stand is expected to be a 33-nation Finance Committee which is due to resume August 16. The present plan is for Goldberg to be among the first speakers.

There will be a note of irony for the new American representative in that his first major appearance will be to break bad news to the American public and to accept reversal of a World Court opinion.

Goldberg came to the U.N. from the U.S. Supreme Court, and has said he wants to build up the rule of law. The World Court ruled in 1962 that article 19 could be enforced in the present case.

[From the New York (N.Y.) Times, Aug. 1, 1965]

END OF U.S. FIGHT ON U.N. DUES SEEN—GOLDBERG IS REPORTED READY TO ANNOUNCE POLICY SHIFT

(By Richard Elder)

WASHINGTON, August 10.—The United States will give up its long fight to get the Soviet Union to contribute to peacekeeping operations of the United Nations, according to reliable official sources here.

This policy shift, which has been considered inevitable since last December, is to be publicly announced next Monday. At that time, Arthur J. Goldberg, the new U.S. representative at the United Nations, will address a special 33-nation committee that has been studying the question of delinquent assessments.

The Soviet Union and its allies and several other countries have refused to contribute to peacekeeping operations in the Congo and the Middle East. Other nations contended that the arrears of the objecting members had built up past the point at which, according to article 19 of the charter, those countries were no longer entitled to vote in the General Assembly.

The sum charged to the Soviet Union as arrears is $62,236,000, of which $21.6 million would be for this year. The total of the sums carried as arrears stands at $128 million. Other countries that have refused to contribute to the peacekeeping operations are Czechoslovakia, Byelorussia, the Ukraine, Rumania, Poland, Cuba, Hungary, Albania, France, and South Africa.

Throughout last year, the United States lobbied vigorously to obtain a General Assembly majority for compelling the Soviet Union to pay or lose its vote. Although the majority was believed to have been available, some U.S. officials contended that to force the matter would disrupt the United Nations. This argument prevailed.

> The United States agreed to avoid a showdown, and a complicated formula was adopted under which no votes were taken during the last Assembly session. Because of this next to no business was done.
>
> ### APPROACH DISCUSSED
>
> Officials here believe that the decision to avoid a showdown has undermined any chance of rallying a new anti-Soviet majority at the 20th Assembly session which opens September 21. It is believed that the United States could, at best, fight only a rearguard action against the Soviet right to vote.
>
> The current discussion in the administration is on the manner in which the United States should signify that it has given up the fight.
>
> Some officials and other persons close to the situation report that Mr. Goldberg favors making a clear-cut announcement Monday that the United States has dropped its insistence on linking the penalties of article 19 to peacekeeping operations authorized by the General Assembly.
>
> Other State Department officials are reported to oppose this, saying the United States should insist that the Soviet Union pay while indicating quietly that it would accept whatever the General Assembly decided this fall.
>
> ### CONTRIBUTION OFFERED
>
> Mr. Goldberg issued a statement calling reports that the United States would drop its insistence on enforcing article 19 not accurate. He added that the question was still being discussed and that the U.S. position will be explained fully and clearly when the committee of 33 convenes on August 16.
>
> The United Nations delegate discussed the question before a closed session of the Senate Foreign Relations Committee this morning. Later this week he will appear before the House Foreign Affairs Committee.
>
> The Soviet Union contends that only the Security Council can authorize peacekeeping operations, and that it is not obliged to pay for operations authorized by the General Assembly. The United States, and most United Nations members, argue that the General Assembly can act when the Security Council is unable through vetoes to do so.

Mr. ROSENTHAL. Mr. Speaker, another interesting part of this experience is that on the previous day there was a colloquy on this floor between Mr. HAYS and Mr. SISK, of California. This colloquy is to be found on page 19986 of the CONGRESSIONAL RECORD of August 11, 1965. Mr. HAYS said:

> If I were the gentleman from California, and he is a very close friend of mine and a distinguished Member of this body, I would not go too far out on the limb betting that that story is wrong.

That was referring to the U.N. story. Then Mr. SISK replied:

> I might say to my good friend I am not betting on it one way or the other. I am simply saying, based on the information I have, I think the story is not necessarily true because the decision has not been made. It may be that the story in the future may prove to be true but I question its truthfulness as of last night or as of this time.

Mr. HAYS then replied:

> I do not know how true it was last night and I do not know how true it is this minute, but if I were a betting man I would be willing to bet a year's salary that the new Ambassador to the United Nations will make that statement next Monday.

That is the statement by Mr. HAYS which was made approximately 24 hours before my own statement was made in the well of this House.

Other of his charges accuse me of giving aid and comfort to the Communists in holding hearings in my congressional district seeking grassroot opinions on the war in Vietnam.

On this matter, I think it is interesting to bring to the attention of my colleagues, Mr. Speaker, the remarks Mr. HAYS made on October 1, 1964, in the daily RECORD of that day which are on pages A5034 and A5035 as follows:

> Mr. Speaker, in an effort to reacquaint its officers with the thinking and views of Americans in communities across the land, the Department of State is encouraging Foreign Service officers on leave from foreign assignments to accept invitations to meet with community groups, service clubs, churches, and other organizations. This program is under the direction of Mrs. Katie Louchheim, Deputy Assistant Secretary of State, and long an advocate of an increased dialog between American communities and the Foreign Service officers who represent us abroad.
>
> Through such contacts our Foreign Service officers are able to familiarize themselves with grassroots thinking on a host of domestic and international subjects and to become acquainted with developments in our rapidly changing society.

He goes on to insert an article entitled "New Communications With Grassroots America," which endorses the idea that members of the executive branch ought to find out what people are thinking. Ought this not also be the duty of Congressmen? On what grounds would the gentleman endorse those meetings and attack mine?

A story of the Long Island Press of August 7, 1965, which announced my hearings, said:

> ### ROSENTHAL TO HOLD VIET HEARINGS FRIDAY
>
> Congressman BENJAMIN S. ROSENTHAL, Elmhurst Democrat, will hold an open hearing on Vietnam at 9:30 a.m., Friday, in Borough Hall, Kew Gardens.
>
> The hearings, which the lawmaker says are to get the grassroots sentiments of his constituents, will be held in the old traffic courthouse.
>
> A member of the House Foreign Affairs Committee, ROSENTHAL asked all those interested in expressing their views to write his Washington office.
>
> Although the hearings are not official, ROSENTHAL said he would compile a report to be distributed to Congress, the State Department and the White House.

A New York Times story that followed the hearings on Saturday, August 7, 1965, is an article written by Tania Long; it said:

> However, the all-day session was unofficial, but a stenographic record was taken.

In my opening remarks at the hearing, of which I hold in my hand a stenographic record, I said on page 2: "This unofficial congressional hearing will begin a little late."

On page 5 of those hearings, I said, and I quote:

> I want to emphasize that this is an unofficial hearing, not authorized by any congressional committee, but will be conducted in accordance with the Rules of the House of Representatives with the one exception that the press, radio, and photographers will be permitted.

There could hardly have been any ambiguity here. I was quite clear in emphasizing the unofficial nature of the hearings.

At the hearing, Mr. Speaker, 35 witnesses testified, all residents of my congressional district or those representing organizations whose principal activities are conducted in my congressional district, offering many and varied views. What was the reaction to such hearings? Many seemed to agree with the viewpoint of the New York Times.

On this Saturday, August 14, 1965, the New York Times carried the following editorial entitled "Listening Posts on Vietnam." I read as follows:

> The gloominess of the options the United States faces in Vietnam makes it important that the country's policymakers keep open the fullest opportunities for two-way communication between them and the American people. President Johnson has been alert in recent weeks to the necessity for informing both Congress and the country of the motivations and limitations of American involvement.
>
> A small group of Congressmen have decided that they can best discharge their obligations in helping to shape policy by holding unofficial hearings in their districts, at which opponents and proponents of American actions in Vietnam set forth their views. Most of these hearings have elicited a broad range of opinion in keeping with the best traditions of free inquiry and expression. The one-sidedness that too often has characterized college teach-ins has been notably absent.
>
> Despite this accent on the democratic interplay of ideas, the hearings have come under attack in the House by Representative WAYNE L. HAYS, of Ohio. He charges that they provide a forum for "crackpots" and give aid and comfort to the Communists. The notion that free discussion must be a casualty of the Vietnamese war impresses us at much more destructive of American values than any viewpoint that might be set forth at the hearings. We hope more Congressmen will hold them as a demonstration of democratic vitality.

Those Members of whom the Times editorial speaks—who have either held or participated in such hearings—are: Representatives KASTENMEIER, BINGHAM, DIGGS, BROOMFIELD, RYAN, RESNICK, and FARBSTEIN.

I have received dozens of letters, Mr. Speaker, on the subject since the articles about Mr. HAYS' charge appeared in the paper. One that came in not from my district but from an adjacent district across the Long Island Sound I would like to read. It is from Pastor George Koski of the Bernadotte Evangelical Lutheran Church, Strang and Murdock Avenues in the Bronx. It says:

> DEAR MR. ROSENTHAL: It is good to see that you are holding informal sessions at which the people can voice their views on the complicated questions of the war in Vietnam.
>
> Of course, these hearings are not a fully satisfactory substitute for the official inquiry which should be launched by the Foreign Relations and Foreign Affairs Committees, but at least they represent the beginning of a congressional search for understanding which can lay the basis for sound policy.
>
> I cannot agree with those who feel that the Communists are receiving "aid and comfort" from these meetings. Our Nation has grown great not through the suppression of dissent but rather through the full exercise of our freedoms of belief, expression, and association. Contrary to the views of some

legislators, it is not the constitutional duty of Congress to duck big questions. Vietnam is a big question. It should not be ducked.

Your sincerely,

Pastor GEORGE KOSKI.

Mr. Speaker, I have sought to answer strong charges made against me by a colleague and fellow Democrat. I regret that these have been made. I regret even more that I have had to respond to them in this fashion. But I knew of no other way to clear my own good name which, it seems to me, is put in question by accusations that I am the sort to "give aid and comfort to the enemy." This has been an unfortunate affair.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I am happy to yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, as a new Member of Congress I have been deeply impressed by the courtesy generally extended by Members to each other on this floor, even when they differ profoundly on issues. I was therefore deeply shocked by the attack that was made last Thursday by the gentleman from Ohio [Mr. HAYS] on my colleague from New York [Mr. ROSENTHAL]. I do not believe it is necessary for me to discuss in detail the reasons given by the gentleman from Ohio for his criticisms. They have been dealt with very ably and completely by my colleague from New York. I should like merely to add a few comments.

First, it was clear, as he had just now told the House, from Mr. ROSENTHAL's statement on August 12, that he was referring to press reports as to what Ambassador Goldberg's position was going to be and that he was not disclosing or discussing any confidential information. Nor was he making any announcements of U.S. policy.

Secondly, my colleague was expressing his support for the idea of a flexible U.S. position on the article 19 issue. I likewise expressed my support for such a position on August 12. This is essentially the position which President Johnson, through Ambassador Goldberg, has now announced.

Third, at the invitation of my colleague [Mr. ROSENTHAL], I joined him in the informal hearing he conducted in his district 10 days ago. Various points of view were expressed there, just as they had been at a forum I helped to put on in my district some weeks before. If such expressions of opinion at the grassroots of our country give aid and comfort to the Communists, then I say God help us. The day we seek to choke off the free expression of citizen opinion, that day we will have taken a long step toward totalitarianism. We shall be in danger of losing the very freedom we are fighting for in Vietnam.

Parenthetically, Mr. Speaker, and so that there may be no misreading of my position, I want to say that in spite of great concern and misgivings on some points, I support the broad outlines of the President's policy in Vietnam as I understand it. I expect to have more to say on that subject in a day or two.

Fourth, the gentleman from Ohio was quite mistaken in his charge that my colleague from New York had given the impression that the hearing in his district was some sort of Foreign Affairs Committee hearing. It was clear from Mr. ROSENTHAL's statements both before and after the hearing that this was an informal session with no official status. It was on this basis that I took part in it.

These are agonizing days, Mr. Speaker, for the President of the United States and for all of us. We are confronted with awesome and difficult decisions on which good men and true, loyal Americans, may differ. When a private citizen accuses another private citizen with whom he disagrees of giving aid and comfort to the enemy, that serves no good purpose and is regrettable. When one Member of this House so accuses a colleague on the floor of this House, it is deplorable, and it will only impede the important work we have to do here.

I take it, Mr. Speaker, that is the reason for the rules of this House requiring that Members control their tempers and enjoining courtesy upon them.

If I may, as a freshman Member, say so, those rules are wise.

I thank the gentleman from New York for yielding to me.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield to me?

Mr. ROSENTHAL. I will be happy to yield to the distinguished gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, I want to thank the gentlemen from New York for yielding to me so that I might take this opportunity to offer some observations in connection with the proceedings known as "Hearings on Vietnam" held in various Members' districts.

I do this because I think in certain quarters a considerable misunderstanding has arisen as to the nature of these proceedings and as to what they purport to be. At a later date I will report more fully the unofficial hearings conducted by myself in Madison on July 30 and 31.

I support what the gentlemen from New York [Mr. BINGHAM and Mr. ROSENTHAL] have already said in connection with the proceedings that they participated in.

However, at this time I should like to state that at the very outset the proceedings were described as unofficial or not authorized by a congressional committee or the Congress and were further described as being conducted in my representatives capacity as a Member of Congress solely. There was no suggestion that these were official and to my knowledge this inference was not drawn by anyone who had taken the trouble to read or inquire what the proceedings were about. Secondly, I would like to make a brief observation or two about the participation in these hearings. I do this because some quarters, including in my case, one State senator from the State of Wisconsin, Senator Gordon Roseliep, who has taken the liberty of transmitting to various Members of Congress an undated press release in criticism of the proceedings I was conducting, have betrayed a woeful lack of information on this matter.

The principle misconception is that the hearings were conducted solely or primarily to provide these administration critics of Vietnam policy or even in some cases "leftists" a forum to express their views. In all the hearings that I have been familiar with, and certainly I can speak for the Madison proceedings, organizations and experts were invited and in fact did participate in support of the administration and in some cases in advocacy of the military policies beyond that of the administration so that at the very least a reasonably balanced hearing took place.

In the case of the Wisconsin State senator, I am sure that, since he released his press release before the hearing took place, he was unmindful of the fact that such organizations as Young Americans for Freedom, Young GOP, The American Legion, Reserve Officers of America, Citizens To Support the People of South Vietnam, and many other organizations participated voluntarily in the proceedings. I say this because his release intimates that these proceedings are somehow sinister and darkly motivated. This just simply is not true. Various Members of Congress or, indeed, other citizens may differ whether proceedings of this sort are useful, desirable, or necessary. This may depend on one's district or one's personal views. But as far as I am concerned the cause of democracy and a free society is served by open and public discussion of policy issues of the highest concern to all citizens. We have done this to some extent in public television debate; it was done some months ago in March in the House hearings on the Sino-Soviet conflict, and it is clear to me that it is well that public discussion goes on concerning the issue of gravest importance at this time to all Americans.

A further misconception inherent in the release circulated in the name of Wisconsin State Senator Roseliep alleges the hearings play in the hands of our enemies by encouraging the communities in their belief that America is divided over the war in Vietnam.

What the gentleman seems to be saying is that free discussion of important policy matters is a luxury a democracy cannot afford in times of crisis, a proposition which is contradicted throughout the history of this Nation.

Mr. Speaker, I ask unanimous consent to include excerpts from four editorials from prominent newspapers in Wisconsin, three of which are Republican, which have clearly supported the idea of having hearings on Vietnam back home at the grassroots.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[From the Monroe (Wis.) Evening Times, July 23, 1965]

A good many persons from the Monroe area have indicated interest in hearing what KASTENMEIER has to say. And we hope the meeting can be held in a manner by which we all learn something of value concerning the Vietnam situation.

We don't expect any great answers to the problems of the world. But it should give us a better insight into just what Vietnam can mean to you and the fellow who lives next door.

[From the Portage (Wis.) Daily Register, Aug. 2, 1965]

Wisconsin Congressman Robert Kastenmeier has led the way in what we cannot help but think is an admirable cause. It is a political cause, too. It will help the energetic Kastenmeier's image; but, mainly, it is an attempt to wake up the people of the home district and make them aware that the national and international problems which face our Nation face them also.

Bob Kastenmeier may have gained publicity by holding his hearing. If so, he richly deserves it, for we, in turn, have gained some small lesson in the degree of our apathy toward the decisions of our Government, and in the necessity of our becoming more aware of what is happening on the national-international scene.

[From the Waukesha Freeman, July 21, 1965]

It is responsive to this overwhelming sentiment that he wants public discussion of the issue. It is our feeling, as well as his, that the American people ought to be heard on what this country's course shall be prior to involvement so serious that there would be no other choice than all-out war.

[From the Madison Capital Times, July 19, 1965]

If ever there was a need for discussion and debate on any issue faced by the American people it is on this question of the gathering war in Vietnam.

We are well on the way to what might be the most destructive war in history. But there has been scarcely any debate on the decisions which have so deeply involved this country.

Mr. DOW. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from New York [Mr. Dow].

Mr. DOW. Mr. Speaker, I shall not take long to express my thinking. I have read the remarks of the gentleman from New York and I have read the remarks of the gentleman from Ohio. In my opinion, Mr. Speaker, the remarks of the gentleman from New York, coupled with his observations today, much better serve the cause of free speech in this country, much better serve our historic American tradition of freedom, and much better serve the cause of freedom today than the remarks of the gentleman from Ohio.

Mr. FRASER. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Speaker, I want to join in the remarks of my colleagues concerning the incident which has been the subject of this discussion this afternoon.

Mr. Speaker, I read the statement which my distinguished friend from New York [Mr. Rosenthal] made about the prospective policy position of the U.S. Government in connection with the payment of United Nations assessments. I thought that his statement was not only in order but was well reasoned and timely and, certainly, breached no confidence of any kind with respect to any committee hearing. I can say that with some confidence, Mr. Speaker, because I attended the committee hearings to which the gentleman from Ohio referred. I have also read the press reports, and I am certain that what the gentleman from New York was talking about was a matter of public knowledge, having been fully discussed in the press of this Nation.

I might also say, Mr. Speaker, that I am amazed that there should be this intolerant attitude toward the idea of holding hearings in the district of a Member of this House. In a way, it seems to me that these hearings are analogous to the practice of those Members who seek to ascertain public opinion through the use of polls. I know that many Members of the House take advantage of this opportunity. Also, in a way, it is analogous to the invitation extended by the newspapers of this Nation to have the readers comment in the newspaper giving their private and individual views.

Mr. Speaker, it is my judgment that holding hearings of the kind that the gentleman from New York held promotes the public interest and serves to develop a deeper public understanding of the issues involved and helps to enlighten the Members whose responsibility it is to both serve the constituents of their own districts and the welfare of the Nation.

May I say, Mr. Speaker, I discussed with the gentleman from New York the nature of the hearings he was proposing to hold. It was clear to me then, that there was no suggestion that these were to be official hearings, but were unofficial. I have since verified that by reading the press release which announced such hearings.

I had the opportunity to help arrange for a speaker for a teach-in at the University of Minnesota, one of the great universities of this country, and I was in touch with the Department of State to gain from them a spokesman for the administration's point of view.

It is my belief that these teach-ins, these hearings, and every other forum in this country which provide for a discussion of an issue as crucial as that of Vietnam deserve our support and do promote the public interest.

Lastly, Mr. Speaker, let me say that I serve with my colleague from New York [Mr. Rosenthal] as a member of the Committee on Foreign Affairs. He is one of the hard-working effective members of that committee. He has demonstrated on that committee a very deep and genuine concern for the welfare of the American people and for their Government.

I am glad to associate myself with the efforts which he has made to try to inform himself more completely about the views of his constituents on Vietnam and in promoting a broader public discussion of the policy alternatives which continue to confront this Nation.

Mr. ROSENTHAL. I thank the gentleman from Minnesota.

Mr. FRASER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Ryan] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. RYAN. Mr. Speaker, I join with my distinguished colleague, the gentleman from New York [Mr. Rosenthal] in his remarks on the importance of unofficial congressional hearings on the Vietnam situation. It is unfortunate that public debate should ever become the casualty of war. It is alarming that debate should ever be stifled because views expressed differ from official governmental policy.

The Congress has yet to undertake a full-scale discussion of the American military and political role in Vietnam. Nonetheless, decisions are made every day that touch the life of every American family. Congressmen need, and the American people deserve, all the illumination that can be brought to bear on the issues.

The hearings I held on August 12 and 13 in New York City were designed to do just that. Panels were balanced with witnesses who presented various points of view—some in support of and some in opposition—to administration policy. Informed citizens exchanged views and debated the issues in a free and open forum.

To label such hearings crackpot or the participants propagandists is to cloud the importance of what was said. It is to divert attention away from the debate by the most tactless name-calling.

I am shocked that any Member of Congress would attack another Member for encouraging this kind of public discussion and impugn his motives. Certainly the gentleman from New York [Mr. Rosenthal] is owed a public apology.

People in a democracy bear the responsibility of being attentive at all times to decisions and events which shape their lives. Quiescence is never the duty of a citizen. A silent democracy is in fact a dangerous democracy. Informed public discussion, on the other hand, is a sign of a vital citizenry. I for one have no fears of citizens speaking out.

Mr. GROVER. Mr. Speaker, will the gentleman yield?

Mr. ROSENTHAL. I am happy to yield to the gentleman from New York.

Mr. GROVER. Mr. Speaker, there is an honest difference of opinion as to the wisdom of these teach-ins and I subscribe totally to the fact that there is an honest difference of opinion, and also to the wisdom of having broadcast in the country a program of informal so-called hearings.

Again, I subscribe to that fact that there is an honest difference of opinion, but I have known the gentleman from New York [Mr. Rosenthal] for some 10 years and his loyalty, his integrity, and his patriotism is unquestioned.

Mr. Speaker, the remarks which were made and which I have read in the Record certainly were ill-advised and intemperate. The gentleman from New York is a sincere Representative who has been overwhelmingly elected from his district. With respect to those remarks I say to the gentleman from New York

[Mr. Rosenthal], "I am with you and I would hope that the Record would some day be adjusted and that they would be withdrawn."

Mr. ROSENTHAL. I thank the gentleman from New York.

THE LOS ANGELES SITUATION

The SPEAKER pro tempore (Mr. Harris in the chair). Under previous order of the House, the gentleman from Idaho [Mr. Hansen] is recognized for 30 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HANSEN of Idaho. Mr. Speaker, I take the floor today with a deep feeling of apprehension.

The events of the last few days in Los Angeles, Chicago, and other parts of the country—but especially in Los Angeles and southern California—are enough to make one's blood run cold. Here we have seen rioting conducted to such an extent that it can only be called armed insurrection. Here we have seen armed thugs running rampant in the streets burning, pillaging, and killing.

I received a telephone call yesterday from a constitutent who is now in Los Angeles. He described to me the hell and horror of that city during the past few days and said, "This isn't America."

I include at this point in my remarks three newspaper clippings—the first a short article from the Wall Street Journal of this date giving the current status in Los Angeles, Chicago, and Springfield, Mass.; and two from the Washington Post of August 14 describing conditions in Los Angeles and Chicago:

[From the Wall Street Journal, Aug. 16, 1965]

Los Angeles rioters were driven from the streets by authorities.

Looting and arson decreased in the city's Negro ghetto on the fifth day of disorders, but sniper fire increased. Firemen and police were favorite targets, and some cars on a busy freeway were fired upon. A Negro looting a liquor store was killed by police early yesterday, bringing the death toll to 31, all but 4 of them Negroes. The riots left 762 injured and 2,334 in jail; fire damage was put at $175 million with unestimated millions in looting losses.

A curfew was extended by California Governor Brown after police and National Guardsmen had seized control from the rioters Saturday night. Security forces sealed off a 42-square-mile area so tightly that residents couldn't get out to buy food. Most of the grocery stores in the area had been burned and looted.

President Johnson expressed a sense of national relief as order was being restored "to the frightened streets" of Los Angeles. He said resort to terror takes from the Negro "the very weapons with which he is achieving his own emancipation."

Chicago police arrested 46 persons Saturday night and early yesterday as violence resumed sporadically on the West Side. Rioting began Thursday night when a firetruck killed a Negro woman. In Springfield, Mass., calm prevailed after a civil rights demonstration in which 44 persons were arrested early yesterday.

[From the Washington (D.C.) Post, Aug. 14, 1965]

Advertising Salesman Recalls Terror of Los Angeles Rioting

(Note.—Robert Richardson, 24, a Negro, is an advertising salesman for the Los Angeles Times. He witnessed rioting in South Los Angeles for nearly 8 hours Thursday night.)

(By Robert Richardson)

Los Angeles, August 13.—It was the most terrifying thing I've ever seen in my life.

I went along with the mobs—watching, listening.

It's a wonder anyone with white skin got out of there alive.

I saw people with guns. The cry went up several times—"Let's go to Lynwood" (an all-white neighborhood) whenever there weren't enough whites around.

Every time a car with whites in it entered the area, the word spread like lightning down the street:

"Here comes 'Whitey'—get him."

The older people would stand in the background, egging on the teenagers and the people in their early twenties. Then the young men and women would rush in and pull people from their cars and beat them and try to set fire to their cars.

One white couple, in their sixties, happenened to be driving along before the blockades were put up. They were beaten and kicked until their faces, hands, and clothing were bloody. I thought they were going to be killed. How they survived I don't know. Those not hitting and kicking the couple were standing there shouting "Kill! Kill!"

Finally, they turned them loose. An ambulance was called, and they were taken away.

Two white men ducked when rocks bombarded their car. When they ducked, the car hit a car with Negroes.

They were beaten so badly one man's eye was hanging out of the socket. Some Negro ministers made their way through the crowd and carried both men into an apartment building and called an ambulance.

The crowd called the ministers hypocrites. They cussed them and spit on them. Some Negro officers tried to disperse the crowd, but they were jeered at, sworn at, called traitors and stoned.

The Negro officers were given a worse time than the white officers.

Light-skinned Negroes such as myself were targets of rocks and bottles until someone standing nearby would shout, "He's blood," or "he's a brother—lay off."

As some areas were blockaded during the night, the mobs would move outside, looking for more cars with whites. When there were no white cars, they started throwing rocks and bottles at Negro cars. Then near midnight, they began looting stores owned by whites.

Everybody got in the looting—children, grownups, old men and women, breaking windows and going into stores.

Then everybody started drinking—even little kids 8 or 9 years old. That's when the cry started, "Let's go where 'Whitey' lives." That's when I began to see guns.

I believe the mobs would have moved into white neighborhoods, but it was getting late, and many of them had to go to work this morning.

But some said, "Wait till tonight and Saturday. We'll really roll over the weekend. We'll really get 'Whitey' then."

They knew they had the upper hand. They seemed to sense that not the police nor anyone else could stop them.

[From the Washington (D.C.) Post, Aug. 14, 1965]

Mob Slashes Policeman in New Chicago Outburst

Chicago, August 13.—A crowd of Negroes attacked and slashed a white policeman tonight as he drove to work through a racially troubled West Side neighborhood.

Blood streamed from face cuts onto his civilian clothes as other policemen led him through a shoving, shouting crowd of about 200 Negroes. He was identified as Robert Wiens, 25.

A uniformed policeman was reported to have been knocked unconscious when a bottle sailed through the window of his squad car and hit him on the head. His identity was not immediately known.

The attack on Wiens took place 1 block from a civil rights rally sponsored by ACT, a civil rights group. The rally swelled to about 300 after the attack on Wiens.

The all-Negro crowd at the rally shouted "revenge" and "fight" as ACT leader Lawrence Landry exhorted them: "You are misused in a white-controlled society." Landry's speech did not make a direct call to violence.

During the demonstration, 2 dozen crowd members marched into the intersection of Wilcox Avenue and Pulaski Road, where they waved signs, stopping traffic for 5 minutes.

No arrests were made immediately.

At one point, a segment of the crowd surged several blocks down the street to the Goldblatt Bros. Department Store, where they shouted obscenities against "the white man's store" and attempted to break in. Police from six nearby squad cars quelled the attempt in minutes.

A group of about 15, mostly teenagers and including girls, broke windows of the store.

Earlier, city officials suspended three firemen and began an inquiry after a fire truck accident killed a woman bystander and provoked a racial demonstration last night.

Desegregation leaders had attributed some of the bitter feeling to the absence of Negro firemen in the station at 4000 West Wilcox Street, a predominantly Negro neighborhood.

Fire Commissioner Robert J. Quinn shifted Engine Co. 12, consisting of 18 Negro firemen and 1 white captain, into the Wilcox Street Station to replace Truck Co. No. 26. A spokesman at the station said the move was made because company 26's truck was damaged in last night's incident and was undergoing repairs.

Civil disobedience such as the current riots in Chicago and Los Angeles are doing much to harm legitimate Negro goals.

The triggering incident in Chicago, a Negro woman accidentally killed by a firetruck, certainly cannot be called trivial. But the resultant explosion of racial violence was out of all proportion to the cause. Also, the firetruck was responding to a false alarm in a Negro neighborhood, and the race of the person who set the alarm can only be conjectured.

The violent and devastating riots in Los Angeles are inexcusable. They were triggered by the arrest of a Negro youth on suspicion of drunken driving, and I would rather imagine that Los Angeles police blotters of the same day showed a number of arrests of whites on similar charges without any riots.

I highly commend responsible Negroes in these critical areas who are trying to bring order out of chaos despite the fact that, in many cases, they are being subjected to greater abuse than that suffered by most whites.

In this connection, I note that Nobel Peace Prize winner, Dr. Martin Luther King, is currently planning on going to Hanoi to talk peace with Ho Chi-minh. Perhaps, before Dr. King attempts any self-appointed international peace assignments, he should stop off in Chicago, Los Angeles, and other critical areas of the Nation. In my opinion, Dr. King and other recognized leaders of this Nation's civil rights movement are obligated to help quell these insurrections which are the inevitable result of pyramiding violations of the law which have been occurring in scores of previous demonstrations.

Mr. Speaker, there is great fear among our people. Where will this lawlessness strike next?

Those with grievances have no business rioting in the streets, destroying lives and property. They, like everyone else, have constitutional recourse to the courts and to lawmaking bodies if their rights have been abridged in any way. This kind of violence can only drive races in this country into armed camps. It would seem to me fundamental that any person or group of persons demanding full privileges of citizenship should assume at least some of the basic responsibilities of that citizenship.

Mr. Speaker, our leaders must not give comfort to lawless behavior. Our legislators are entrusted to pass good legislation. Our people are responsible for selection of good leaders, and to honor and obey the law. These are the only conditions under which domestic peace and security can exist. This is rule by law. This is the American way.

Let us all join in responsible effort to end prejudice, hatred, and violence within this country. Let us never, irrespective of our racial heritage, forget that our Constitution is not only color blind, but it recognizes the fatherhood of God and the brotherhood of man.

Our system is the last best hope on earth for mankind—let us not fail those who have paid dearly to entrust its blessing to us.

GENERAL ASSEMBLY APPEARS UNWILLING TO STRIP RIGHT TO VOTE FROM TWO MAJOR POWERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. GALLAGHER] is recognized for 5 minutes.

Mr. GALLAGHER. Mr. Speaker, the United States took a painful step at the United Nations today and nobody seems entirely happy about it. We are involved in some rather painful business in Vietnam and no one is entirely happy about that either. But, as we in this Chamber are well aware, working constructively with reality is seldom easy.

The realities facing the administration in its dealings with the constitutional-financial crisis in the United Nations General Assembly are simple, clear cut, and obvious:

Majority sentiment in the General Assembly appears to be unwilling to strip from two major powers the right to vote because they have refused to pay assessments for major activities which they do not wish to support. This unwillingness stems from the simple but genuine fear on the part of many members that to do so would split the United Nations apart, leaving them adrift alone in a very troubled sea.

At the same time, the members of the General Assembly cannot bring themselves to sign away, by legislative act, their only real power: the power under the Charter to assess its membership collectively for activities approved by a majority of the member states. And this is what, in effect, they would be doing if they voted formally not to apply the sanctions of article 19 to the Soviet Union and France, the principal delinquents.

For almost a year now, the General Assembly has been like a sick man forced to lie in a hospital bed, unable to do much other than think about his own weakness. And during that time, without a forum for orderly dialog among nations, we have seen what we call "the world situation" deteriorate. Examples? Today's morning newspaper lists a few: Vietnam, the Dominican Republic, Kashmir, rumors of a possible nuclear test by Indonesia who is at odds with her neighbor Malaysia, Cyprus. Plain commonsense dictates that the United States insure the availability of every instrumentality possible to channel the energies of a restless family of nations into paths leading away from, not toward, chaos and disaster. The General Assembly may not be as strong as it thought it was a year ago, but at least the statesmanlike move today by the U.S. delegation should help get it out of the hospital and onto its feet where it can tower collectively over the misadventures of its membership.

There has been a lot of talk over the past few months, and there will undoubtedly be a lot more in the next few days, about mistakes and defeat. I would suggest that the cardinal mistake was that the General Assembly misjudged its maturity. It moved decisively in the name of its collective membership to meet threats to the peace, trusting in the collective responsibility of that membership to support its initiatives. It was only after deep commitment that it discovered that some of those members wanted out, even though they had acquiesced and in some cases voted for the major peacekeeping undertakings in the Congo and in the Middle East.

By its unwillingness now to insist that these delinquent members pay their fair share of these operations, the General Assembly has admitted to its limitations as a corporate body of nations, and accepted that it will not require major powers to shoulder the greater burden of financing of major activities they do not wish to support. This does not mean that future such activities will die unborn. On the contrary, they can be financed by those nations principally interested and concerned.

As Ambassador Goldberg said today, however, the United States considers such an attitude equally applicable to itself. Thus, although he stressed the firmness of U.S. support for the integrity of the regular budget of the United Nations, our new representative served notice that this country reserved the right to hold back its support of questionable major activities which an irresponsible majority might attempt to launch in the future.

As for the word "defeat," I would suggest that it applies really to the General Assembly's battle with itself. The United States could be Jiminy Cricket for only so long. The World Court could advise but once. After that, it was up to the General Assembly collectively to decide the extent of the role as an international deliberating and deciding body it could actually play in the world as it is today.

The task for the United States now is exactly as it has been since the signing of the charter 20 years ago in 1945. It is to work to bring to the community of nations through our voice in the United Nations the ideals and goals and belief in the rights of man which have motivated us as a nation for almost 200 years. It is, at the same time, to use the United Nations to help keep chaos and irresponsibility from keeping us and other peace-loving nations from realizing the goals we seek.

I do not view our position as a backdown. I view it as a mature demonstration of our desire not to dissolve the U.N. and leave the United Nations building as an empty monument to the futility of man's search for peace. The central problem in the world today is in the perilous posture of world peace in Vietnam. The best hope for a termination of that war is in the United Nations.

In this light it would not only be immature but adverse to our national interest and toward world peace to force a dissolution of the United Nations by a confrontation with the Soviet Union on a legal interpretation of one's financial obligation.

On the Great Seal of the United States the American eagle holds in one of its talons an olive branch and in the other arrows. Our history has demonstrated that there is a time for the arrows and a time for the olive branch. The necessity to use the arrows is unfortunate and yet in Vietnam today that necessity continues to exist. At the United Nations today we are relying more on the olive branch in order to prevent the stalemate and possible dissolution of the United Nations because we are essentially interested in peace and the United Nations still remains man's best hope for peace. Perhaps the United Nations will never realize a world of total agreement but it could realize a world at peace living by the rule of law. This has long ago become a necessity rather than an idle dream.

For now that man has found the means of ending the human story on this earth he should find the means for it to continue. The framework of the United Nations, frail and sick though it is, is still the best apparatus of making this hope a reality.

The principle laid down by Ambassador Goldberg, sound though I believe it to be, will renew the opportunities to demagogue against the United Nations by those who never fail to avail themselves of any opportunity to point out the imperfections of that body.

It will be condemned as soft on communism—but can anyone really believe that over 80,000 American troops fighting Communist aggression in Vietnam is being soft on communism? Certainly the Communist aggressors of North Vietnam would disagree that we are soft on communism when they look up and see our bombers flying with complete freedom in their air.

To those who advocate a confrontation on this issue merely to force the Soviet Union into leaving the United Nations let them not be unaware that if the Soviet Union wanted a confrontation they have every reason to do so in Vietnam where the creditability of the Communist commitment is being destroyed.

Confrontations are easy to come by, their disposal is more difficult. Perhaps we have gone farther down the path in search of a solution than we should be required. But the requirements of world leadership are not simple. I am sure that history will record that while we made a difficult decision today we nevertheless made one necessary to keep the United Nations together. And in making it we laid down a new principle that will allow the United Nations to get on with its work. The work of that body is peace. We know some of the things it cannot do, now let us explore the things it can do. It has done and it can do quite a lot. Let it now turn to the important work for which it was created.

CONGRESSMAN BEN ROSENTHAL

Mr. GETTYS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I rise at this time, not to defend or attempt in any way to explain or apologize what is in need of no defense or apology.

I speak of the clear record of honest, efficient, effective representation offered by my great and esteemed colleague, BENJAMIN ROSENTHAL.

Those of us inured to the hurly-burly of political life and public office know the extremes that otherwise sensible and rational human beings reach while in the process of public debate and discussion. This does not mean that intemperate and unjust and untrue statements by anyone should be tolerated or condoned in either public or private life. BEN ROSENTHAL's shoulders are broad enough and big enough to take calumny and invective calmly and objectively. For this I admire him and honor him. I commend Congressman ROSENTHAL's restraint and magnanimity.

I have known BEN ROSENTHAL to be a true patriot, a most conscientious and honorable Member of this House of Representatives. He honors and graces these Chambers. His countenance is that which reflects honor and great love for his fellow man.

Mr. Speaker, the great overwhelming majority of us—I daresay the universal opinion, shared by every one of us—is that BEN ROSENTHAL has always reminded us of what the complete gentleman is and should be. Time will show his inestimable contribution to the progress and health of not only his district but the entire Nation.

A RURAL RESCUE ACT

Mr. GETTYS. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. HUNGATE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HUNGATE. Mr. Speaker, a great newspaper has again given proof of its right to that title. On Tuesday, August 10, 1965, the St. Louis Post-Dispatch following the tradition of Joseph Pulitzer published an editorial dealing with one of our greatest American dilemmas. This great metropolitan daily demonstrated its ability to see past the end of a grocery cart. It indicated rural citizens may have magnified the threat of the Supreme Court's one-man, one-vote ruling. For there are people in our cities, as there are families on our farms, who recognize this as one nation, one family of peoples, and who refuse to compartmentalize our Nation's problems.

Poverty is poverty, and Americans who live without decent housing and modern schools; who receive subsistence wages in our affluent economy, such people do not constitute a farm problem, or a slum problem, but they are an American problem.

To deplore American farm surpluses in a world where countless thousands die of starvation is to kill the chicken for not laying an omelette. The American farmer is one segment of our economy that is clearly outdistancing the Russian and Chinese Communists.

Mr. Speaker, I am proud that Missouri, which furnished our Nation with its first school of journalism, has men to continue the highest traditions of that profession by providing informed and unselfish counsel to our citizens and I include that editorial at this point in the RECORD:

A RURAL RESCUE ACT

If the Johnson administration could apply the same consensus strategy to farm policy that it has so successfully applied to several major new bills, the result would be a bold new farm program. But there is no consensus on farm policy.

Consequently Congress faces a fight over the administration bill reported by the House Agriculture Committee. The fight pits what Secretary of Agriculture Freeman calls the "bread trust" against what his opponents term a "bread tax."

These charges focus public attention on only one aspect of the farm bill: the wheat provision. It would require wheat processors to buy certificates at $1.25 a bushel, instead of 75 cents. The 50-cent increase, plus regular price supports at $1.25, would give the farmer $2.50 a bushel—or nearly parity.

No doubt the processors would pass the increased certificates charge on to consumers. So the processors, joined by the American Farm Bureau Federation, speak of a bread tax. It is an exaggerated charge. The Agriculture Committee majority doubts that the new costs to processors would add as much as a penny to their costs on a loaf of bread. The farmer receives only about 3 cents for the wheat in one loaf, and though the retail price has gone up 8 cents in recent years, the farmers has not had any share of the rise.

Secretary Freeman bases his counterattack partly on the fact that 5 major processors among 3,500 baking firms enjoyed 57 percent of the baking industry's profits (after taxes). His exaggerated talk of a bread trust does not prove, however, that a few companies set the price of bread. It does suggest the irony of such industrial giants suddenly rushing to the defense of the poor farmer and the poor consumer.

In all this flamboyant propaganda there is the question of the extent to which the burden of farm subsidies should be transferred from the taxpayer to the consumer. In theory, tax-supported subsidies are fairer. In practice, if the House committee and Mr. Freeman are right, the consumer should pay very little more for bread—while the Government saves more than $150 million a year and raises wheat farmers' income by as much.

This will be a neat trick if it works, and it is worth a trial. It is worth a trial because the alternatives of no farm bill or of continued high Federal costs are unacceptable, and because a slight shift in the cost of food to the people who buy it makes some sense.

Primarily it is worth a trial because rural America lives increasingly close to poverty and needs help. Only 400,000 of 3 million farmers earn anything near parity income despite the flight from farm to city. We would prefer to see a farm program with payments graduated to individual need, but surely the Nation's food costs must be graduated to the needs of its food producers.

Today 8 percent of the population produces food for all the population. Despite this record of general efficiency, farm prices have dropped 15 percent in 17 years while living costs have increased 35 percent. America spends less on food proportionately, than any other country, but farmers as a whole do not enjoy a proportionate share of the prosperity they have helped to create.

Well-fed Americans can afford to pay a little more for food. One way or another they will have to do so, if the Great Society is ever to incorporate its diminishing rural population.

THE BREAD TAX

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 10 minutes.

Mr. RYAN. Mr. Speaker, tomorrow the House will take up debate on the Food and Agriculture Act of 1965. I wish to take the time of the House today to express my views on the proposed legislation. I shall confine my remarks to the wheat program.

As it now stands, I am opposed to the wheat certificate plan. Wheat has been singled out for regressive consumer financing. There is no question that by raising the cost of raw wheat to the processor by $0.50 a bushel, a rise in consumer prices will result. My study of this matter shows that bread prices will go up at least 1 cent a loaf. In fact, the President himself, in his request to Congress for farm legislation stated that the proposal would "increase the cost of a loaf of bread by a little more than 1 cent."

Those hardest hit by this increase would be the urban poor. USDA statistics indicate that the lower a family's income, the higher the consumption of wheat products. In families with incomes under $2,000 a year, consumption of bread and other wheat products, per person, is 1¾ times as high as in families with incomes of $10,000 or more. The incongruity of increasing consumer prices, which hit the poor the hardest, at the time the Government is waging war on poverty, is alarming. No less strange is the imposition of the so-called bread tax when we just repealed excise taxes on automobiles, cosmetics, handbags, and telephone calls.

In short, the wheat program collides head on with the President's promise of aiding those people who now live in the shadow of poverty. Even States which impose a sales tax tend to exempt food. To do anything by Government action to raise the price of a basic American staple is to frustrate other efforts to relieve the pressure of consumer prices on the poor.

It is beside the point to minimize the impact of the program by saying that it would raise the cost of bread for a family of four by only 6.4 cents a week, or $3.33 a year. Any deliberate increase in the prices to be paid by the poor is inconsistent with relieving poverty by Government programs. The New York Journal of Commerce, on July 7, 1965, termed such a situation "Alice in Wonderland" thinking.

Ester Peterson, Chairman of the President's Committee on Consumer Interests wrote:

> We are aware of the widely publicized predictions that this program will raise the price of bread and wheat products. * * * We also realize that any further increase in the price of such a staple produce would be unwelcome, especially by those finding it difficult to live within their incomes.

Taking Mrs. Peterson's estimate that the cost of bread to the average consumer would increase 83 cents a year, and taking into consideration the relatively higher per capita consumption of poor families, how would this affect New York City? There are currently over 480,000 welfare recipients at an expense of $33 million to the Federal and State governments in the city. What will the hike in bread prices mean to the city's welfare budget? Welfare payments certainly take into account consumer prices. Will there have to be an increase in welfare payments to keep abreast of bread costs. And how will increased flour and wheat prices affect city hospitals and charitable institutions which provide meals for the sick and the needy?

The wheat program as it stands should not be supported. It is possible, of course, to rework the program on the floor of the House. Direct Government payments to growers from the Federal Treasury could replace the indirect bread tax and possibly avoid increased consumer costs. As the House prepares for debate, I urge my colleagues to give full consideration to the implications of the increase in the cost of bread to the consumer.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Dyal, for August 16 to August 19, 1965, on account of official business.

Mr. Helstoski (at the request of Mr. Friedel), for today on account of official business.

Mr. Pepper (at the request of Mr. Albert), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Hansen of Idaho, for 30 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. Patman, for 30 minutes, on Tuesday, August 17, 1965; to revise and extend his remarks and to include extraneous matter.

Mr. Gallagher, for 5 minutes today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Gettys) to revise and extend their remarks and to include extraneous matter:)

Mr. Ryan, today, for 10 minutes.

Mr. Boggs, on August 17, 1965, for 1 hour.

Mr. Wolff, on August 18, for 15 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks was granted to:

Mr. Fogarty to revise and extend his remarks on the conference report on H.R. 7765 and to include tables.

(The following Member (at the request of Mr. Watson) and to include extraneous matter:)

Mr. Gubser.

(The following Members (at the request of Gettys) and to include extraneous matter:)

Mr. Murphy of New York in three instances.

Mr. Callan.

Mr. Pepper.

Mr. St. Onge.

Mr. Jones of Alabama.

Mr. Gathings.

Mr. Schisler.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 322. An act for the relief of Choy-Sim Mah; to the Committee on the Judiciary.

S. 343. An act for the relief of Paride Marchesan; to the Committee on the Judiciary.

S. 505. An act for the relief of Darlyne Marie Cecile Fisher Every; to the Committee on the Judiciary.

S. 782. An act for the relief of Anna Ungvari; to the Committee on the Judiciary.

S. 1397. An act for the relief of Vasileos Koutsougeanopoulos; to the Committee on the Judiciary.

S. 1647. An act for the relief of Kim Sung Jin; to the Committee on the Judiciary.

S. 1651. An act for the relief of Dr. Augustine Y. M. Yao; to the Committee on the Judiciary.

S. 1678. An act for the relief of Guillermo Macalintal Madrigal; to the Committee on the Judiciary.

S. 1736. An act for the relief of Jennifer Ellen Johnson Mojdara; to the Committee on the Judiciary.

S. 1748. An act for the relief of Virgilio Acosta-Martinez; to the Committee on the Judiciary.

S. 1775. An act for the relief of Erich Gansmuller; to the Committee on the Judiciary.

S. 1919. An act for the relief of Laura MacArthur Goditiabois-Deacon; to the Committee on the Judiciary.

S. 2150. An act to discontinue or modify certain reporting requirements of law; to the Committee on Government Operations.

S. Con. Res. 44. Concurrent resolution authorizing the printing of additional copies of House Document No. 198 entitled "The Commission on Intergovernmental Relations"; to the Committee on House Administration.

S. Con. Res. 45. Concurrent resolution authorizing the printing of additional copies of the "Catalog of Federal Aids to State and Local Governments" and the 1965 supplement thereto; to the Committee on House Administration.

S. Con. Res. 49. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 206. An act to provide a realistic cost-of-living increase in rates of subsistence allowances paid to disabled veterans pursuing vocational rehabilitation training;

H.R. 208. An act to amend chapter 31 of title 38, United States Code, to extend to seriously disabled veterans the same liberalization of time limits for pursuing vocational rehabilitation training as was authorzed for blinded veterans by Public Law 87–591, and to clarify the language of the law relating to the limiting of periods for pursuing such training;

H.R. 2176. An act to authorize the Secretary of the Interior to convey certain property to the county of Dare, State of North Carolina, and for other purposes;

H.R. 6097. An act to amend title 18, United States Code, to provide penalties for the assassination of the President or the Vice President, and for other purposes;

H.R. 9075. An act to increase the basic pay for members of the uniformed services, and for other purposes;

H.R. 10139. An act to amend the act of June 23, 1949, relating to the telephone and telegraph service furnished Members of the House of Representatives; and

H.J. Res. 431. Joint resolution extending the duration of copyright protection in certain cases.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 81. Joint resolution to amend the Federal-aid Highway Act of 1956 to increase the amount authorized for the Interstate System for the fiscal year ending June 30, 1967, to authorize the apportionment of such amount, and for other purposes.

ADJOURNMENT

Mr. GETTYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p.m.) the House adjourned until tomorrow, Tuesday, August 17, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1450. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 2, 1965, submitting a report, together with accompanying papers and illustrations, on a review of the reports on Platte River and tributaries, Missouri and Iowa, requested by resolutions of the Committee on Commerce, U.S. Senate, adopted November 3, 1943, Committee on Flood Control, House of Representatives, adopted November 10, 1943, and of the Committee on Rivers and Harbors, House of Representatives, adopted April 24, 1945 (H. Doc. No. 262); to the Committee on Public Works and ordered to be printed with three illustrations.

1451. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 2, 1965, submitting a report, together with accompanying papers and illustrations, on a review of the reports on Savannah Harbor, Ga., requested by a resolution of the Committee on Public Works, House of Representatives, adopted September 1, 1959 (H. Doc. No. 263); to the Committee on Public Works and ordered to be printed with seven illustrations.

1452. A letter from the Secretary of the Army, transmitting a letter from the Acting Chief of Engineers, Department of the Army, dated June 30, 1965, submitting a report, together with accompanying papers and an illustration on an interim report on Crescent City Harbor, Calif., requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 31, 1957 (H. Doc. No. 264); to the Committee on Public Works and ordered to be printed with one illustration.

1453. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, to provide for more effective regulation under such act, and for other purposes; to the Committee on Agriculture.

1454. A letter from the Acting Comptroller General of the United States, transmitting a report of deficiencies in administration of donable surplus personal property program for educational and public health purposes in the State of Missouri, Department of Health, Education, and Welfare; to the Committee on Government Operations.

1455. A letter from the Acting Comptroller General of the United States, transmitting a report of additional costs incurred in the management of automatic data-processing equipment at National Aviation Facilities Experimental Center, Federal Aviation Agency; to the Committee on Government Operations.

1456. A letter from the Acting Comptroller General of the United States, transmitting a report of cost of indirect procurement of F-105 aircraft multiple-ejector bomb rack assemblies, Department of the Air Force; to the Committee on Government Operations.

1457. A letter from the Acting Comptroller General of the United States, transmitting a report of retention of obsolete telephone cable, Department of the Army; to the Committee on Government Operations.

1458. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposition of funds appropriated to pay a judgment in favor of the Quileute Tribe of Indians, including the Hoh Tribe, and for other purposes; to the Committee on Interior and Indian Affairs.

1459. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposition of funds appropriated to pay a judgment in favor of the Duwamish Tribe of Indians in Indian Claims Commission docket No. 109, and for other purposes; to the Committee on Interior and Insular Affairs.

1460. A letter from the Secretary of the Interior, transmitting an application for a loan by the Roosevelt Water Conservation District of Higley, Ariz., pursuant to the Small Reclamation Projects Act (Aug. 6, 1956, 70 Stat. 1044, as amended June 5, 1957, 71 Stat. 48); to the Committee on Interior and Insular Affairs.

1461. A letter from the Deputy Postmaster General, transmitting a report covering claims presented in fiscal year 1965, pursuant to the requirements of the Military Personnel and Civilian Employees' Claims Act of 1964 (78 Stat. 767, 31 U.S.C. 240–242); to the Committee on the Judiciary.

1462. A letter from the Executive Office of the President, transmitting a draft of proposed legislation amending sections 2 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a new sea level canal connecting the Atlantic and Pacific Oceans; to the Committee on Merchant Marine and Fisheries.

1463. A letter from the Secretary of Commerce, transmitting a report of activities as of June 30, 1965, pursuant to title XII of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

1464. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 30, 1965, submitting a report, together with accompanying papers and an illustration, on a letter report on Fulchers Landing, N.C., requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 16, 1958; to the Committee on Public Works.

1465. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 22, 1965, submitting a report, together with accompanying papers and an illustration, on a letter report on Kodiak, Alaska, requested by resolutions of the Committee on Public Works, U.S. Senate, adopted April 25, 1959, and June 19, 1961, and a resolution of the Committee on Public Works, House of Representatives, adopted August 15, 1961; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Post Office and Civil Service. H.R. 10281. A bill to adjust the rates of basic compensation of certain officers and employees in the Federal Government, to establish the Federal Salary Review Commission, and for other purposes; without amendment (Rept. No. 792). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on Foreign Affairs. H.R. 10342. A bill to authorize the Honorable FRANCES P. BOLTON, of Ohio, a Member of the House of Representatives, to accept the award of Officier in the French National Order of the Legion of Honor; without amendment (Rept. No. 793). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 10451. A bill to authorize the Secretary of the Interior to transfer certain lands in the State of Colorado to the Department of Agriculture for recreation development, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MACDONALD:

H.R. 10452. A bill to amend the Administrative Expenses Act of 1946, as amended, to provide for reimbursement of certain moving expenses of employees, and to authorize payment of expenses for storage of household goods and personal effects of employees assigned to isolated duty stations within the continental United States; to the Committee on Government Operations.

H.R. 10453. A bill to establish a Federal Boxing Commission to exercise surveillance over professional boxing matches broadcast or disseminated by wire in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RIVERS of South Carolina:

H.R. 10454. A bill to provide special pay for enlisted members of the Regular components who are involuntarily extended on active duty; to the Committee on Armed Services.

By Mr. SCHMIDHAUSER:

H.R. 10455. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

By Mr. WYATT:

H.R. 10456. A bill to establish a National Study Commission on Water Conservation and Utilization; to the Committee on Interior and Insular Affairs.

By Mr. HÉBERT:

H.R. 10457. A bill to amend title 10 of the United States Code to permit retention of certain Reserve officers in an active status notwithstanding certain attritive provisions of chapters 363 and 863 thereof; to amend sections 323 and 709 of title 32, United States Code, relating to Federal recognition and to the employment of persons to care for supplies of the National Guard; to establish a retirement system for certain National Guard employees; to extend the benefits of the Federal Employees' Group Life Insurance Act of 1954 and the Federal Employees' Health Benefits Act of 1959 to persons compensated under section 709 of title 32, United States Code, and for other related purposes; to the Committee on Armed Services.

H.R. 10458. A bill to provide pecuniary liability by the States of members of the National Guard if loss or damage to Federal property resulted from gross negligence or willful misconduct; to the Committee on Armed Services.

H.R. 10459. A bill to amend titles 10 and 32, United States Code, to provide certain benefits for Reserves of the Army, Navy, Air Force, and Marine Corps, and members of the National Guard, who are injured in connection with inactive duty training, and for other purposes; to the Committee on Armed Services.

H.R. 10460. A bill to amend title 32, United States Code, with respect to the system of courts-martial for the National Guard not in Federal service; to the Committee on Armed Services.

H.R. 10461. A bill to provide travel and transportation expenses for members of the Reserve Forces authorized medical or surgical care, hospitalization or rehospitalization at Federal expense; to the Committee on Armed Services.

H.R. 10462. A bill to amend title 37, United States Code, to provide an incentive plan for participation in the Ready Reserve; to the Committee on Armed Services.

H.R. 10463. A bill to provide that National Guard officers appointed, designated, or detailed as U.S. property and fiscal officers shall not be counted against the authorized active duty strength of the Army or Air Force; to the Committee on Armed Services.

H.R. 10464. A bill to provide medicare for dependents of reservists who die in a training status; to the Committee on Armed Services.

H.R. 10465. A bill to amend titles 10 and 32, United States Code, to provide Federal support for defense forces established under section 109(c) of title 32; to the Committee on Armed Services.

H.R. 10466. A bill to amend title 10, United States Code, to provide for the investigation by a military department of certain aircraft accidents and for the use of reports resulting from those investigations in actions for damages; to the Committee on Armed Services.

H.R. 10467. A bill to provide for leave of absence for members of the National Guard who are officers or employees of the United States when called or ordered to Federal or State military service in aid of civil authority; to the Committee on Armed Services.

H.R. 10468. A bill to equalize the treatment of Reserves and Regulars in the payment of per diem; to the Committee on Armed Services.

H.R. 10469. A bill to authorize the promotion of qualified Reserve officers of the Army and the Air Force to existing unit vacancies; to the Committee on Armed Services.

H.R. 10470. A bill to provide for the furnishing of a uniform and the presentation of a flag of the United States for deceased members of the National Guard; to the Committee on Armed Services.

H.R. 10471. A bill to amend titles 10, 14, and 32, United States Code, with respect to the remission or cancellation of indebtedness of enlisted members of the Armed Forces and the National Guard to the United States; to the Committee on Armed Services.

H.R. 10472. A bill to provide for the extension of certain rights and protections contained in the Soldiers' and Sailors' Civil Relief Act of 1940; to the Committee on Veterans' Affairs.

By Mr. LATTA:

H.R. 10473. A bill to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones; to the Committee on Veterans' Affairs.

By Mr. LIPSCOMB:

H.R. 10474. A bill to amend section 10 of the Gold Reserve Act of 1934, as amended, 31 U.S.C. 822a, to provide the General Accounting Office with authority to audit the exchange stabilization fund; to the Committee on Banking and Currency.

By Mr. BRAY:

H.R. 10475. A bill to amend the Trade Expansion Act of 1962; to the Committee on Ways and Means.

By Mr. ELLSWORTH:

H.R. 10476. A bill to retrocede to the State of Kansas concurrent jurisdiction over Haskell Institute; to the Committee on Interior and Insular Affairs.

By Mr. KARTH:

H.R. 10477. A bill to provide for the establishment of the St. Croix National Scenic Riverway in the States of Minnesota and Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCULLOCH:

H.R. 10478. A bill to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones; to the Committee on Veterans' Affairs.

By Mr. MORTON:

H.R. 10479. A bill to indemnify dairy farmers; to the Committee on Agriculture.

By Mr. LANDRUM:

H.R. 10480. A bill to amend the Civil Service Retirement Act to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SCHMIDHAUSER:

H.J. Res. 626. Joint resolution to establish a National Commission To Study Railway Post Office Service and Its Relationship to the National Transportation System; to the Committee on Post Office and Civil Service.

By Mr. FULTON of Pennsylvania:

H.J. Res. 627. Joint resolution to authorize the President to proclaim April 9, 1967, as Bataan-Corregidor Day; to the Committee on the Judiciary.

By Mr. RIVERS of South Carolina:

H. Res. 526. A resolution to provide for the further expenses of the investigation and study authorized by House Resolution 118; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H.R. 10481. A bill for the relief of Mr. Robert A. Owen; to the Committee on the Judiciary.

By Mr. DORN:

H.R. 10482. A bill for the relief of Mrs. Nora J. Garner; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 10483. A bill for the relief of Kyung Sook Yun; to the Committee on the Judiciary.

H.R. 10484. A bill for the relief of Stefan Bryttan; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 10485. A bill for the relief of Giuseppe Giallo; to the Committee on the Judiciary.

H.R. 10486. A bill for the relief of Francesco Martorana; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 10487. A bill for the relief of Vito Barresi; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 10488. A bill for the relief of Manuel Marques; to the Committee on the Judiciary.

By Mr. O'NEILL of Masssachusetts:

H.R. 10489. A bill for the relief of Jose Dos Santos Costa; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 10490. A bill for the relief of Salvatore and Antonina Carollo; to the Committee on the Judiciary.

H.R. 10491. A bill for the relief of Giovanni Batista Davi; to the Committee on the Judiciary.

By Mr. SMITH of New York:

H.R. 10492. A bill for the relief of Syed Hashim Reza; to the Committee on the Judiciary.

H.R. 10493. A bill for the relief of Anna Gambino; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

257. By the SPEAKER: Petition of State recreation commission, Sacramento, Calif., relative to rental charges for agencies of local government for use of certain areas of the national forests; to the Committee on Agriculture.

258. Also, petition of Henry Stoner, Fishing Bridge Station, Wyo., relative to incorporating the U.S. Trust Territory into the State of Hawaii; to the Committee on Interior and Insular Affairs.

259. Also, petition of the city council, Boston, Mass., relative to reaffirming American principles of fair and open trade; to the Committee on Ways and Means.

SENATE

MONDAY, AUGUST 16, 1965

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God, Thou art the true home of our souls, whence we sprang, to whom we belong, and in whose love and fellowship we may daily renew our strength.

At the beginning of another week, comfort us, we beseech Thee, with a vivid awareness of the spiritual verities by which we are surrounded and undergirded, that we may be stripped of pride and made humble and penitent.

In a world full of the clamor of the violent, the boasting of the arrogant, and the agony of tortured peoples, make us valiant for thy truth in a day when the hearts of many turn to water. As undefeated souls may we sustain the shocks of these days of social earthquake, master their handicaps, turn their threats into challenges, and at last make even the wrath of men to serve Thee.

In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. LONG of Louisiana, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 13, 1965, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions:

H.R. 206. An act to provide a realistic cost-of-living increase in rates of subsistence allowances paid to disabled veterans pursuing vocational rehabilitation training;

H.R. 208. An act to amend chapter 31 of title 38, United States Code, to extend to seriously disabled veterans the same liberalization of time limits for pursuing vocational rehabilitation training as was authorized for blinded veterans by Public Law 87-591, and to clarify the language of the law relating to the limiting of periods for pursuing such training;

H.R. 2176. An act to authorize the Secretary of the Interior to convey certain property to the county of Dare, State of North Carolina, and for other purposes;

H.R. 6097. An act to amend title 18, United States Code, to provide penalties for the assassination of the President or the Vice President, and for other purposes;

H.R. 9075. An act to increase the basic pay for members of the uniformed services, and for other purposes;

H.R. 10139. An act to amend the act of June 23, 1949, relating to the telephone and telegraph services furnished Members of the House of Representatives;

S.J. Res. 81. Joint resolution to amend the Federal-Aid Highway Act of 1956 to increase the amount authorized for the Interstate System for the fiscal year ending June 30, 1967, to authorize the apportionment of such amount, and for other purposes; and

H.J. Res. 431. Joint resolution extending the duration of copyright protection in certain cases.

ORDER DISPENSING WITH CALL OF LEGISLATIVE CALENDAR UNDER RULE VIII

On request by Mr. LONG of Louisiana, and by unanimous consent, the call of the Legislative Calendar under rule VIII was dispensed with.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. LONG of Louisiana, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

SUBCOMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. MORSE. Mr. President, I ask unanimous consent that the Subcommittee on Public Health, Education, Welfare, and Safety of the Committee on the District of Columbia be authorized to meet during the session of the Senate tomorrow. The request has been cleared with both Democratic and Republican Members.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of August 13, 1965,

Mr. BIBLE, from the Committee on the District of Columbia, reported favorably, with an amendment, on August 13, 1965, the bill (H.R. 5688) relating to crime and criminal procedure in the District of Columbia, and submitted a report (No. 600) thereon, which was printed, together with minority and supplemental views.

MEMORIAL

The PRESIDENT pro tempore laid before the Senate the memorial of Flora Terry, of Memphis, Tenn., remonstrating against the establishment of Russian consular establishments in American cities, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 993. A bill for the relief of Doctor Oscar Valdes Cruz (Rept. No. 603);

H.R. 1481. An act for the relief of the estate of Donovan C. Moffet (Rept. No. 604);

H.R. 3750. An act for the relief of certain individuals (Rept. No. 605);

H.R. 4719. An act for the relief of Josephine C. Rumley, administratrix of the estate of George S. Rumley (Rept. No. 606); and

H.R. 5497. An act to amend paragraphs b and c of section 14 of the Bankruptcy Act (Rept. No. 607).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1701. A bill to provide relief for Dr. Jose M. Quintero (Rept. No. 608);

S. 1802. A bill for the relief of Dr. Jose Raul C. Soler y Rodriguez, and his wife, Dr. Gladis B. Pumariega de Soler (Rept. No. 609); and

S. 1945. A bill for the relief of Dr. Esther Yolanda Lauzardo (Rept. No. 610).

By Mr. ERVIN, from the Committee on the Judiciary, without amendment:

S.J. Res. 102. Joint resolution to authorize funds for the Commission on Law Enforcement and Administration of Justice and the District of Columbia Commission on Crime and Law Enforcement (Rept. No. 602).

By Mr. ERVIN, from the Committee on the Judiciary, with amendments:

H.R. 4465. An act to enact part III of the District of Columbia Code, entitled "Decedents' Estates and Fiduciary Relations," codifying the general and permanent laws relating to decedents' estates and fiduciary relations in the District of Columbia (Rept. No. 612).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment:

S. 1154. A bill to incorporate the American Academy of Actuaries (Rept. No. 601).

By Mr. TYDINGS, from the Committee on the Judiciary, without amendment:

S. 1587. A bill to amend the Tucker Act to increase from $10,000 to $50,000 the limitation on the jurisdiction of the U.S. district courts in suits against the United States for breach of contract or for compensation (Rept. No. 614);

H.R. 1763. An act to amend section 1825 of title 28 of the United States Code to authorize the payment of witness fees in habeas corpus cases and in proceedings to vacate sentence under section 2255 of title 28 for persons who are authorized to proceed in forma pauperis (Rept. No. 615);

H.R. 3990. An act to amend section 1871 of title 28, United States Code, to increase the per diem and subsistence, and limit mileage allowances of grand and petit jurors (Rept. No. 616);

H.R. 3992. An act to amend section 753(f) of title 28, United States Code, relating to transcripts furnished by court reporters for the district courts (Rept. No. 617); and

H.R. 3997. An act to amend section 753(b) of title 28, United States Code, to provide for the recording of proceedings in the U.S. district courts by means of electronic sound recording as well as by shorthand or mechanical means (Rept. No. 618).

By Mr. LONG of Missouri, from the Committee on the Judiciary, with an amendment:

H.R. 6964. An act to amend section 4082 of title 18, United States Code, to facilitate the rehabilitation of persons convicted of offenses against the United States (Rept. No. 613).

By Mr. TALMADGE, from the Committee on Finance, with amendments:

S. 2127. A bill to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones (Rept. No. 619).

Mr. TALMADGE subsequently said: Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Delaware [Mr. WILLIAMS] may be added as a cosponsor to Senate bill 2127, at its next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECRET SERVICE PROTECTION FOR FORMER PRESIDENTS AND WIDOWS AND MINOR CHILDREN OF A FORMER PRESIDENT—REPORT OF A COMMITTEE—(S. REPT. NO. 611)

Mr. EASTLAND, from the Committee on the Judiciary, reported an original bill (S. 2420) to provide continuing authority for the protection of former Presidents and their wives or widows, and for other purposes, and submitted a report thereon; which report was ordered to be printed, and the bill was read twice by its title and placed on the calendar.

EXECUTIVE REPORT OF A COMMITTEE

The following executive report of a committee was submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Executive C, 89th Congress, 1st session, agreement between the Government of the United States and the Government of Canada concerning the establishment of an International Arbitral Tribunal to dispose of U.S. claims relating to Gut Dam, signed at Ottawa, March 25, 1965 (Executive Report No. 5).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRIS:

S. 2409. A bill to prevent loss of veteran pension benefits as a result of increases provided under the Social Security Amendments of 1965 in monthly insurance benefits payable under title II of the Social Security Act; to the Committee on Finance.

(See the remarks of Mr. HARRIS when he introduced the above bill, which appears under a separate heading.)

By Mr. PEARSON:

S. 2410. A bill to retrocede to the State of Kansas concurrent jurisdiction over Haskell

Institute; to the Committee on Interior and Insular Affairs.

S. 2411. A bill for the establishment of a commission to study and appraise the organization and operation of the executive branch of the Government; to the Committee on Government Operations.

(See the remarks of Mr. Pearson when he introduced the above bills, which appear under separate headings.)

By Mr. BARTLETT (for himself and Mr. Gruening):

S. 2412. A bill to terminate use restrictions on certain real property previously conveyed to the city of Kodiak, Alaska, by the United States; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. Bartlett when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 2413. A bill for the relief of Magdalene Tsoukalos; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 2414. A bill to provide retirement benefits for firefighters employed by the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. BIBLE (by request):

S. 2415. A bill to amend the District of Columbia Teachers' Salary Act of 1955 to provide a new schedule of salaries, and for other purposes; to the Committee on the District of Columbia.

By Mr. MONDALE:

S. 2416. A bill for the relief of Elmer O. Erickson; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON (by request):

S. 2417. A bill to require operators of ocean cruises by water between the United States, its possessions and territories, and foreign countries to file evidence of financial security and other information; to the Committee on Commerce.

(See the remarks of Mr. Magnuson when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE (for himself, Mr. Douglas, Mrs. Neuberger, Mr. Long of Missouri, Mr. Williams of New Jersey, Mr. Mondale, and Mr. McIntyre):

S. 2418. A bill to amend the Bank Holding Company Act of 1956; to the Committee on Banking and Currency.

(See the remarks of Mr. Morse when he introduced the above bill, which appear under a separate heading.)

By Mr. DOMINICK:

S. 2419. A bill to make assistance to localities under title I of the Housing Act of 1949 contingent upon the publication of the names of the owners of rental properties in such localities which are used for residential purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. Dominick when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND:

S. 2420. A bill to provide continuing authority for the protection of former Presidents and their wives or widows, and for other purposes; placed on the calendar.

(See reference to the above bill when reported by Mr. Eastland, which appears under the heading "Reports of Committees.")

By Mr. JACKSON (for himself and Mr. Magnuson):

S. 2421. A bill to make retrocession to the State of Washington of jurisdiction over lands comprising the Fort Canby-Cape Disappointment Area near the mouth of the Columbia; to the Committee on Armed Services.

(See the remarks of Mr. Jackson when he introduced the above bill, which appear under a separate heading.)

PROPOSAL NOT TO TABULATE INCREASE IN INCOME DERIVED FROM SOCIAL SECURITY INCREASES IN DETERMINING ELIGIBILITY FOR A VETERAN'S PENSION

Mr. HARRIS. Mr. President, I am introducing, today, a bill to amend title 38, United States Code, section 503, relating to non-service-connected disability pension payments to veterans of World Wars I and II and the Korean conflict. This amendment provides that any increase in income derived from social security increases under the Social Security Amendments of 1965 will not be tabulated in determining eligibility for a veteran's pension. This modification is necessary to avoid actually penalizing some of the very people living on low, fixed incomes that the 7-percent social security increase was intended to aid. Let me cite a case that was recently brought to my attention that will illustrate the need of which I speak.

A certain veteran will receive an increase of $81 per year from January 1, 1965, under the new social security amendments. Since he is already under the benefits of the social security program he has been officially advised that he must accept the increase. This added sum will, unfortunately, bring his total annual income to a figure above the $1,800 maximum allowed under the veterans' pension program. He will, therefore, lose the $516 per year he now receives as a pension, thus actually reducing his annual income by $435. So, one of the typical persons we intended to help with this much-needed increase in social security will be hurt instead. This case is only one of many like it in every State in the Nation.

This amendment will be thoroughly consistent with the existing provisions of the law related to determining pension eligibility. For example, effective last year Public Law 88-664 exempted 10 percent of retirement income from counting against the maximum allowable. Similarly, donations or payments from welfare or relief organizations do not count in computing pension benefits. Proceeds from fire insurance policies are treated the same way, as are profits realized from the sale of a house or personal property other than in the course of business. There are other specific exclusions. It seems to me that none of these exclusions, and they are all highly justified, is more logical than the one I now propose.

Veterans pensions are pitifully low at best. The meager increase of 7 percent in the new social security amendments will not go far to help the disabled or elderly person living on a small, fixed income. Surely these two programs should not be allowed to work against each other to the detriment of those who need them and are qualified to receive them. The bill I offer will correct the unfortunate situation that exists and be of great benefit to a group of American veterans who need and deserve our support.

Mr. President, I send the bill to the desk and ask that it be received and appropriately referred.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2409) to prevent loss of veteran pension benefits as a result of increases provided under the Social Security Amendments of 1965 in monthly insurance benefits payable under title II of the Social Security Act, introduced by Mr. Harris, was received, read twice by its title, and referred to the Committee on Finance.

JURISDICTION OVER HASKELL INDIAN INSTITUTE SHOULD BE CONCURRENTLY FEDERAL AND STATE

Mr. PEARSON. Mr. President, I introduce a bill which would correct an error of long standing presently affecting proper law enforcement in and around Haskell Indian Institute of Lawrence, Kans. The bill would retrocede legislative jurisdiction over Haskell Indian Institute to the State of Kansas. Through a clerical oversight some years ago, exclusive jurisdiction was given to the Federal Government instead of noting that jurisdiction would be concurrently Federal and State.

It is apparent that exclusive Federal jurisdiction over an institution such as Haskell, which is contiguous with the city of Lawrence, Kans., can create problems involving law enforcement, fire protection and other services normally engaged in between the city and the Institute. The bill I introduce today has the approval of the Department of Justice and has been forwarded to the Bureau of the Budget where no opposition is expected. The Bureau of Indian Affairs is aware of this legislation and has expressed their belief that jurisdiction must be retroceded to Kansas to offset any problems which might occur through the joint use of city and Institute property for such programs as high school athletics and other sporting events.

Because the city of Lawrence would like to enter into a contract with Haskell for their track and football facilities at the beginning of the school year next month, it is of the utmost urgency that this bill be acted upon during this session of Congress. A similar bill will be introduced in the House of Representatives by Representative Robert Ellsworth.

Mr. President, I ask that this legislation be referred to the appropriate committee for immediate action.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2410) to retrocede to the State of Kansas concurrent jurisdiction over Haskell Institute, introduced by Mr.

Pearson, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

PROPOSED STUDY AND APPRAISAL OF THE ORGANIZATION AND OPERATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. PEARSON. Mr. President, I introduce, for appropriate reference, a bill for the establishment of a Commission to study and appraise the organization and operation of the executive branch of the Government.

Most briefly stated, the purpose of this measure is to create once again a Commission with duties and responsibilities similar to those of the highly successful and widely heralded Hoover Commissions of past years.

This measure would create a bipartisan Commission on Governmental Operations. The proposed Commission would be authorized to make studies and investigations of the present organization and methods of operation of all agencies of the Federal Government and to submit recommendations to Congress for appropriate action designed to abolish services, activities, and functions not necessary to the efficient conduct of the Government or which may be found to be in competition with private enterprise.

It is almost universally acknowledged that there is a need for a comprehensive study of duplicated and overlapping activities, organizations, methods, administration, functions, and policies. This study would proceed with the view of improving Government efficiency and effecting economies wherever possible.

Mr. President, the best way to aid the States, counties, and cities is to reduce Federal expenditures. When this is done some tax revenues will be left at the local levels. In order to do this every possible means must be taken to reduce the cost of the Federal Government. We have learned that it is not easy to reduce Federal expenditures. The only safe way to do it is through better government; that is, by reorganizing, merging, eliminating, consolidating, and standardizing those unnecessary and wasteful practices which exist in the executive branch of the Government.

Those who have a knowledge of government or who may be students of the former Hoover Commission understand that many of its recommendations have not been fully implemented and these recommendations should be reevaluated in the light of present conditions.

A study in reorganization of the executive branch of the Government would be consistent with and complement hearings now being held by a joint committee of the Congress on the organization of the Congress of the United States. This committee is now making a full and complete study of the operation and organization of the Congress and will submit recommendations designed to strengthen and streamline congressional procedures and operations with a view toward improving the relationship of Congress with the other branches of our National Government.

Thus, the time is particularly appropriate, it seems to me, for the institution of such a commission as provided in the proposed bill.

Since the last reorganization and streamlining of the executive branch of Government, many agencies, bureaus, and administrations have been created. With the proliferation of bureaus and the attendant multiplication of expenditures, the lines of authority and responsibility have become entangled. This Congress, in particular, with the passage of many new pieces of legislation, has significantly expanded the structure and the functions of the Federal Government. Medicare, new health legislation, the expansion of the poverty program, Federal aid to education, water pollution control, new housing legislation and the creation of a Department of Urban Affairs and Housing at the Cabinet level, an Equal Opportunities Commission, and many others yet to be acted upon, are examples of this new wave of Federal executive action.

Mr. President, with some of these measures I have found myself in agreement. Others I have opposed. But whatever may have been my position, they are now the law of the land, and the success of each of these measures depends not upon their passage but upon their implementation. Indeed, so much praise has been voiced concerning the ability of both the President and the Congress to pass these measures that there is and has been developing an attitude that the passage of a bill is an end in itself. It is rather the beginning.

The President recognizes the existence of this situation and, in his state of the Union message of January 4, 1965, he stated:

> For government to serve these goals it must be modern in structure, efficient in action, and ready for any emergency. I am busy currently reviewing the structure of the executive branch of this Government. I hope to reshape it and reorganize it to meet more effectively the tasks of the 20th century.

The measure introduced today is identical with that presented to the House of Representatives by the very able and distinguished Congressman from the Fourth District of New York [Mr. **Wydler**], who has exercised great initiative in the earlier introduction of this measure in the other body.

Mr. President, last Thursday the bill authorizing the establishment of the Herbert Hoover National Historic Site at West Branch, Iowa, was signed into law. Many who honor the memory and the work of Herbert Hoover urge the continuing efforts of his life in feeding the poor, in guiding the young, and in answering the call to participation in public affairs. With the passage of the legislation proposed we may continue one of his greatest works, in fairly, honestly, and independently improving the tools of government.

Mr. President, I ask unanimous consent that the bill herein introduced be printed in full following these remarks and that said measure remain at the desk of the clerk for a period of 7 days for those Members of the Senate who should wish to join in cosponsorship.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the **Record**, and will remain at the desk for 7 days, as requested by the Senator from Kansas.

The bill (S. 2411) for the establishment of a commission to study and appraise the organization and operation of the executive branch of the Government, introduced by Mr. **Pearson**, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the **Record**, as follows:

S. 2411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Section 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

(1) recommending methods and procedures for reducing expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplication and overlapping of services, activities, and functions;

(3) consolidating services, activities, and functions of a similar nature;

(4) abolishing services, activities, and functions not necessary to the efficient conduct of government;

(5) defining responsibilities of officials;

(6) eliminating nonessential services, functions, and activities which are competitive with private enterprise; and

(7) relocating agencies now responsible directly to the President in departments or other agencies if it can be shown to be more efficient as a result.

ESTABLISHMENT OF THE COMMISSION ON THE OPERATION OF THE EXECUTIVE BRANCH

Sec. 2. (a) For the purpose of carrying out the policy set forth in section 1 of this Act, there is hereby established a commission to be known as the Commission on the Operation of the Executive Branch (in this Act referred to as the "Commission").

(b) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of chapter 11 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

MEMBERSHIP OF THE COMMISSION

Sec. 3. (a) Number and Appointment.—The Commission shall be composed of ten members as follows:

(1) Two appointed by the President of the United States from private life;

(2) Four appointed by the President of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) Political Affiliation.—Members of the Commission appointed from private life shall represent equally the majority and minority parties. With respect to members of the Commission appointed from the House of Representatives and the Senate there shall be a Representative and a Senator from the majority party and one each from the minority party.

(c) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The President may appoint the last two former Presidents of the United States as co-Chairmen. If no such appointment is made, the Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Six members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive $75 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such studies.

STAFF OF THE COMMISSION

SEC. 7. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(b) The Commission may procure, without regard to the civil service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

DUTIES OF THE COMMISSION

SEC. 9. (a) INVESTIGATION.—The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the Government except the judiciary and the Congress of the United States to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this Act.

(b) REPORT.—The Commission shall submit an interim report to the Congress ninety days after the first day of the first calendar month which begins after the date of enactment of this Act and an interim report ten days after the end of each succeeding ninety-day period on its activities and recommendations for such ninety-day period. The Commission shall make its final report of findings and recommendations to the Congress not later than two years after the date of enactment of this Act, at which date the Commission shall cease to exist. The final report of the Commission may propose such constitutional amendments, legislative enactments and administrative actions as in its judgment are necessary to carry out its recommendations.

POWERS OF THE COMMISSION

SEC. 10. (a) HEARINGS AND SESSIONS.—The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) OBTAINING OFFICIAL DATA.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

TERMINATION OF USE RESTRICTIONS ON CERTAIN REAL PROPERTY IN KODIAK, ALASKA

Mr. BARTLETT. Mr. President, for myself and the junior Senator from Alaska [Mr. GRUENING], I introduce for appropriate reference, a bill to terminate use restrictions on certain real property previously conveyed to the city of Kodiak, Alaska, by the United States.

In 1950 an act, 64 Stat. 470, was passed by the Congress to direct the Secretary of the Interior to convey abandoned school properties in the then Territory of Alaska to local school officials. One such property was located in the city of Kodiak, a small tract of 2.2 acres described as U.S. Survey No. 1594. Under the authority of the act, the Kodiak property was transferred by the United States to local school officials there.

Mr. President, it is important that I point out that the deed under which the Kodiak property was conveyed contained a restriction that the land not be used for other than "school or other public purposes."

A short time ago the city of Kodiak commenced planning with the Alaska State Housing Authority and the Federal Urban Renewal Administration for a downtown urban renewal project designated R–19. The Urban Renewal Administration recently made funds available for the purchase of property for the renewal project. Included in the project plans is the purchase of the school property I mentioned earlier. It is here the renewal project has run into a roadblock.

Because of the restriction in the deed prohibiting use of the property for other than "school or other public purposes" the city of Kodiak is unable to convey the property for urban renewal. The bill I introduce today would remove the restriction and allow Kodiak to go ahead with this Federal urban renewal project.

Mr. President, I have assurances from the city of Kodiak and the Alaska State Housing Authority that development of this property will not be pursued until the Kodiak School Board has developed a suitable school site at another location. Relocation of the school is expected to take place some time in the summer of 1967. However, it is important that the urban property acquisition be accomplished as soon as possible for orderly execution of project R–19.

Mr. President, my colleague [Mr. GRUENING] and I am hopeful that this bill, which is similar to one enacted in the last Congress in connection with a Fairbanks urban renewal project, will be quickly and favorably acted upon. I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2412) to terminate use restrictions on certain real property conveyed to the city of Kodiak, Alaska, by the United States, introduced by Mr. BARTLETT (for himself and Mr. GRUENING), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 2412

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the restriction contained in the Act entitled "An Act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials", approved August 23, 1950 (64 Stat. 470), limiting the use of any real property conveyed under such Act to school or other public purposes, is hereby terminated with respect to that real property conveyed under such Act to the local school officials of Kodiak, Alaska, which property is more particularly described in United States Survey Number 1594.

REQUIREMENT OF OPERATORS OF OCEAN CRUISES TO FILE EVIDENCE OF FINANCIAL SECURITY

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to require operators of ocean cruises by water between the United States, its possessions and territories and foreign countries to file evidence of financial security and other information. I ask unanimous consent that a letter from the Chairman of the

Federal Maritime Commission, requesting the proposed legislation, be printed in the RECORD, together with a statement of purpose and need for the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter and statement will be printed in the RECORD.

The bill (S. 2417) to require operators of ocean cruises by water between the United States, its possessions, and territories, and foreign countries to file evidence of financial security and other information, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter and statement, presented by Mr. MAGNUSON, are as follows:

FEDERAL MARITIME COMMISSION,
Washington, D.C., July 20, 1965.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There are submitted herewith four copies of a proposed bill, together with a statement of purpose and need for the draft bill, to require cruise operators to file evidence of financial responsibility and other information.

The need for and purpose of the proposed bill are set forth in the accompanying statement.

The Federal Maritime Commission urges enactment of the bill at the first session of the 89th Congress for the reasons set forth in the accompanying statement.

The Bureau of the Budget has advised that, from the standpoint of the administration's program, there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

JOHN HARLLEE,
Rear Admiral, U.S. Navy (Retired), Chairman.

STATEMENT OF PURPOSE AND NEED FOR BILL TO REQUIRE CERTAIN OPERATORS OF OCEAN CRUISES TO FILE EVIDENCE OF FINANCIAL SECURITY AND OTHER INFORMATION

The bill would require chartered vessel operators offering and conducting passenger ocean cruises from the United States to file evidence of financial security which would indemnify passengers for nonperformance of an ocean cruise. Certain identifying information would also have to be filed with the Federal Maritime Commission. The security intended by this bill would be in the nature of a performance bond written by an American bonding company. However, the Federal Maritime Commission would be authorized to establish the form of the bond and to accept other security that would accomplish the intended protection.

The bill is intended to prevent financial loss and hardship to persons, who, after payment of cruise passage money, are stranded by the abandonment or cancellation of a cruise. Other matters concerning cruise operations such as safety and accommodations are not covered by this proposed legislation. Some of the circumstances and background information concerning the protection of cruise passengers was presented by the Federal Maritime Commission to a House subcommittee studying the problems of international travel in relation to the balance-of-payments deficit. That information is contained in the report of hearings before the Special Subcommittee on Tourism of the Committee on Banking and Currency, House of Representatives, 88th Congress, 2d session, 83–104 (1964).

The Commission is authorized to act as a repository for the information required by the bill and to satisfy itself that the financial security has been accomplished. The Commission would not, however, be authorized to act on claims arising out of the nonperformance of a cruise. Some investigation would be necessary to assure the Commission that the terms of the act were being carried out.

The class subject to the bill consists, in the main, of the type that operate a cruise without sufficient financial means and responsibility which protect the public from the consequences of being stranded. The bill exempts operators who have a proprietary interest in a vessel employed in such cruise operation, because such an interest would indicate a sufficient degree of financial responsibility.

RETROCESSION OF JURISDICTION OVER CERTAIN LANDS TO THE STATE OF WASHINGTON

Mr. JACKSON. Mr. President, on behalf of my colleague from Washington [Mr. MAGNUSON] and myself, I am introducing today a bill which would permit the Secretary of the Army to make retrocession of jurisdiction over the Fort Canby-Cape Disappointment area to the State of Washington.

The State of Washington would like to acquire some of the land in the Fort Canby-Cape Disappointment area for State park purposes. The State parks and recreation commission has not been able to lease or buy any of the property until the Army's exclusive jurisdiction over the area has been rescinded.

In 1852 this area, on the north side of the mouth of the Columbia River, was reserved from the public domain for military purposes. In 1890 and 1891 the Legislature of the State of Washington passed statutes ceding exclusive jurisdiction in the area to the Federal Government.

In 1954, this Fort Canby reservation was transferred from military to civil works accounts of the Department of Army. The Corps of Engineers advises me that it is their policy not to ask for jurisdiction, and therefore they have no objections to this bill.

This bill deals with retrocession of jurisdiction only, and in no way conveys or grants any property rights from the Army to the State.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2421) to make retrocession to the State of Washington of jurisdiction over lands comprising the Fort Canby-Cape Disappointment area near the mouth of the Columbia, introduced by Mr. JACKSON (for himself and Mr. MAGNUSON), was received, read twice by its title, and referred to the Committee on Armed Services.

TREATMENT OF TIPS UNDER RAILROAD RETIREMENT—AMENDMENT

AMENDMENT NO. 388

Mr. HARTKE. Mr. President, I send to the desk an amendment which I intend to propose as an addition to H.R. 3157, which deals with the Railroad Retirement Act.

In many respects we have in the Congress attempted to retain a close parallelism between the Railroad Retirement Act benefits and those available in other industries through social security. The Social Security Act amendments which have now become law include a provision whereby workers who receive tips may for the first time report them and qualify through them for social security benefits. The largest single group affected will be waiters and waitresses.

There are also waiters in railroad dining cars, and other tip employees such as pullman porters. In order to give equivalent treatment to them, my amendment would apply the same provisions to the Railroad Retirement Act as those which are now law under social security. This does not involve any additional tax upon employers, since the treatment in the case of tip workers is that accorded the self-employed. I might add that this comparable change has the support of at least one of the major labor unions thus affected, and so far as I know there is no objection from other groups.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred.

The amendment (No. 388) was referred to the Committee on Labor and Public Welfare.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965—AMENDMENTS

AMENDMENT NO. 389

Mr. DOMINICK submitted amendments, intended to be proposed by him, to the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 390

Mr. DOMINICK (for himself and Mr. SIMPSON) submitted an amendment, intended to be proposed by them, jointly, to House bill 8283, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 391

Mr. FANNIN submitted amendments, intended to be proposed by him, to House bill 8283, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 392

Mr. ALLOTT submitted amendments, intended to be proposed by him, to House bill 8283, supra, which were ordered to lie on the table and to be printed.

AMENDMENTS NOS. 393 THROUGH 401

Mr. PROUTY submitted nine amendments, intended to be proposed by him, to House bill 8283, supra, which were ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS

Mr. MORSE. Mr. President, I ask unanimous consent that upon the next printing of S. 2263, to establish a Traffic Branch of the District of Columbia Court of General Sessions, the names of Mr. BIBLE, Mr. MCINTYRE, Mr. KENNEDY of New York, Mr. TYDINGS, Mr. PROUTY, and

Mr. DOMINICK be added as additional cosponsors.

The PRESIDING OFFICER. Without objection it is so ordered.

All members of the Committee on the District of Columbia endorse the bill that I earlier introduced calling for five additional judges, two of whom would be assigned to traffic court. The bill really now should be treated as a combined Morse-Bible bill, because I was an enthusiast for the bill introduced by the chairman of my committee, the Senator from Nevada [Mr. BIBLE], when he introduced it, which provided for only three judges. But further study leads all of us on the committee to believe that the suggestion that I made in my bill for five judges instead of three, two of them to serve as traffic court judges, ought to be adopted by the Senate. I believe that the report on the bill will be filed before the day is over, and therefore I would like to have the names of the additional cosponsors printed when the print is made.

Mr. JAVITS. Mr. President, I ask unanimous consent that the name of the Senator from Indiana [Mr. HARTKE] may be added as a cosponsor of Senate bill 960, to amend the War Claims Act, at its next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I also ask unanimous consent that the name of the Senator from Nevada [Mr. BIBLE] may be added as a cosponsor of Senate bill 2305, to amend the International Travel Act of 1961, the next time the bill is printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILL AND RESOLUTION

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bill and resolution:

Authority of July 28, 1965:

S. 2339. A bill to permit a State to elect to use funds from the Highway Trust Fund for purposes of urban mass transporation: Mr. BARTLETT, Mr. BREWSTER, Mr. CLARK, Mr. GRUENING, Mr. INOUYE, Mr. RIBICOFF, and Mr. WILLIAMS of New Jersey.

Authority of August 2, 1965:

S. Res. 138. Resolution to amend the Standing Rules of the Senate requiring germaneness of amendments: Mr. INOUYE, Mr. MOSS, Mrs. NEUBERGER, and Mr. RANDOLPH.

POPULATION HEARINGS SCHEDULED TUESDAY AND WEDNESDAY, AUGUST 17 AND 18, IN ROOM 3110, NEW SENATE OFFICE BUILDING, STARTING AT 10 A.M.

Mr. GRUENING. Mr. President, this week the Senate Government Operations Subcommittee on Foreign Aid Expenditures will hear experts in the fields of health, medicine, and economics discuss the population dilemma and how it relates to these areas.

The subcommittee will hold public hearings Tuesday, August 17, and Wednesday, August 18, starting at 10 a.m. in room 3110 of the New Senate Office Building.

Witnesses appearing before the Subcommittee on Foreign Aid Expenditures tomorrow are Representative ROBERT B. DUNCAN from Oregon's Fourth Congressional District and Dr. Andre Hellegers, Baltimore, associate professor of obstetrics and gynecology at the Johns Hopkins University Hospital. Dr. Hellegers is one of more than 50 nationally prominent Catholic laymen and clergymen endorsing tax-supported birth control programs including all medically accepted forms of family planning in a statement presented to the American Bar Association convention in Miami, Fla., on August 9. The statement was presented on behalf of the signatures by the Reverend Dexter L. Hanley, S.J., director of the Institute of Law, Human Rights, and Social Values, Georgetown University Law Center.

Wednesday, August 18, the subcommittee will hear testimony from the Honorable Marriner Eccles, of Salt Lake City, Utah, former Chairman of the Board of Governors of the Federal Reserve Board and internationally known financier; Dr. Ernest Lyman Stebbins, Baltimore, Md., dean of the School of Hygiene and Public Health of the Johns Hopkins University; and Dr. Leslie Corsa, Jr., Ann Arbor, Mich., director, Center for Population Planning, School of Public Health, University of Michigan.

The testimony of these witnesses will help to examine further the many ways in which the population explosion relates to health, economics, and general wellbeing, and the subcommittee looks forward to hearing their contributions to the population dialog.

CONGRATULATIONS TO THE DRUM AND BUGLE CORPS OF AMERICA

Mr. DIRKSEN. Mr. President, in recognition of National Drum Corps Week, August 15 through August 22, I am pleased to join my colleagues in paying tribute to all those who have contributed their talents and services to this phase of our American way of life. Music, harmony and precision are great assets in the training and development of the youth of our country and an important extracurricular activity to be enjoyed by performers and spectators alike. Congratulations to the drum and bugle corps of America, and best wishes for continued success as a constant part in our onward march for a greater America.

LOST OPPORTUNITIES IN WHEAT

Mr. YOUNG of North Dakota. Mr. President, over the years the United States has been a great exporter of wheat. It is one of our biggest dollar earners in meeting our balance of payments with the rest of the world.

Consumption in the United States over the past 30 years has remained constant at approximately 500 million bushels a year. This means that with the wheat yields of 10 years ago we would still have to export nearly half of our wheat production even with greatly reduced acreage under present farm programs. This is only half of the story. Due to the efficiency, ingenuity, and hard work of our farmers, coupled with new technological advances and improved farm machinery, wheat production per acre in the last 15 years has practically doubled.

Unlike our neighbor to the north—Canada—United States wheat farmers cannot participate in the biggest dollar market for wheat in the world—that of Russia, her satellites, and China. It is understandable that our wheat farmers would be barred from selling wheat to China. The biggest single impediment now to selling wheat to Russia is the requirement that 50 percent of the wheat shipped to Russia or Russian bloc countries be carried in American vessels. This means that the cost of wheat to these wheat deficit countries is 20 to 30 cents a bushel higher than if the price were the same in both countries.

Canada and every other surplus wheat-producing nation in the world now have sold practically all of their surplus wheat and their farmers are placed in the position of needing to increase their acreage to meet their export commitments.

Here in the United States we have a completely opposite situation. Because we are locked out of the big markets of the world, our farmers have had to resort to stiff production controls and even then we are having a difficult problem holding down surpluses.

Mr. President, the Bismarck Tribune published at Bismarck, N. Dak., under date of August 13 contained a most enlightening editorial on the farm production situation entitled "U.S. Farmers versus Soviet." Unlike this editorial, the farmers and farm programs of this Nation are being condemned and vilified in widely read and most erroneous press stories. Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. FARMERS VERSUS SOVIET

Around North Dakota this week farmers were busy with harvest, reaping what promised to be one of the richest in history. With more people than ever to feed, fewer farmers than ever were feeding them better than ever.

Across the world, in Russia, quite the opposite was true. Despite the brags of Soviet planners, Russia's farms will be hard put to meet Russian needs of food and fiber.

The U.S. Department of Agriculture publication, Farm Index, draws some comparisons.

In Russia, it takes over a third of the Soviet work force to grow food; in the United States it takes only one-twelfth.

We get our abundance off 308 million acres of sown cropland. Russia struggles in shortages with 540 million sown acres.

Where we raise 4,092 million bushels of corn, Russia produces only 91 million bushels.

Where we had 106.7 million head of cattle in 1963, the Soviets had only 85.4 million.

Only in wheat and potatoes, among major crops, does the Soviet Union outproduce the United States.

There are, of course, good reasons for American agriculture's productive superiority. We use four times as much fertilizer as they do, have four times as many tractors and twice as many combines. More than that, of course, our farmers have the know-how and management ability needed to produce, because without it they couldn't survive. This is their incentive.

Russian farmers have no such incentive. We have some 3,573,000 farms in this country. There are only 48,000 in Russia, some 38,000 state-supervised collectives averaging 33,000 acres per farm and another 9,000 state-owned farms averaging 147,000 acres and 411 families each.

Here has to be the real reason why American farmers year-in, year-out win the agricultural olympics hands down over their Russian rivals.

Mr. YOUNG of North Dakota. Mr. President, the New York Times of August 13 contains an editorial entitled "Lost Opportunities in Wheat," which I also ask unanimous consent to have printed in the RECORD as a part of my remarks. This editorial from one of our greatest publications tells a story that every American citizen should take time to read.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LOST OPPORTUNITIES IN WHEAT

The United States is the odd man out in the huge wheat purchases being made by the Soviet Union. Canada and Argentina have received windfalls largely because U.S. wheat is too costly as a result of the Government's discriminatory requirement that 50 percent of wheat exports to Soviet bloc countries must be shipped in American vessels.

The U.S. exclusion is unfortunate on many counts. Sales from the Nation's surplus would have meant greater prosperity in farming districts. They would also have increased the trade surplus in the Nation's balance of payments. Beyond these economic gains, the sales would have given tangible expression to the Johnson administration's desire to improve relations with the Soviet Union.

Even so, the big Russian purchases are important to the West. For Canada they mean higher incomes in agriculture, the one area of her economy that has not been enjoying boom conditions, and a cut in the big deficit in the Canadian balance of payments. As far as Argentina is concerned, the inflow of scarce dollars will have an even more significant impact on her inflation-racked, capital-short economy.

The United States itself will reap benefits indirectly. If the Russians pay for a good portion of their purchases by selling gold in London, the Treasury will not have to supply as much gold from its own dwindling stock to meet the demands of private and official sellers of dollars. Thus the Russians will be helping to calm the nervousness that has threatened to curb international trade and investment.

The West also is bolstered by the continued demand for grains from the country that had once been the granary of Europe. The Soviet Union has made great advances in industrialization and technology, but it has utterly failed to match the revolution that has taken place in American agriculture. And because Russia has to depend on outside sources of food supply, its leaders must recognize the desirability of strengthening their relations with those who can meet their needs.

It is ironic that the United States, which is the champion of liberalized trade and which has wheat to sell, cannot participate in this trade with Russia because of the high cost of American shipping. Yet the very unions that have done most to make the American merchant marine uneconomic are the chief insisters on quota preference guarantees. Secretary of Commerce John T. Connor has accurately testified that, if the shipping restrictions were eliminated, the almost certain result would be a protest strike by dock and maritime unions.

A large part of the merchant fleet is already strike-bound for reasons that are a compound of economics and interunion warfare. Political strikes are just one more of the factors that contribute to the demise of American shipping they also undermine our prosperity and our foreign policy.

SOCIAL EARTHQUAKES

Mr. KUCHEL. Mr. President, in the prayer of the Chaplain concluded a few moments ago, Dr. Frederick Brown Harris, Chaplain of the Senate, referred to "social earthquakes." Those, alas, are precisely what have been visited on the great city of Los Angeles and on other communities in the State from which I come during the past 5 frightening days. The news this morning apparently reflects a diminution, possibly a cessation, in the wanton killings, the pillage, and the arson which yesterday provoked one newspaper reporter to compare a portion of the metropolitan area of Los Angeles with Hitler's Berlin in the last hours of that infamous reign.

Last Friday night at my home in Washington I said:

> I earnestly implore all citizens involved in this frightening and bloody breach of the peace in Los Angeles to become law abiding and rational. Respect for law and order is the very keystone of our society, and no disrespect for duly constituted authority can be tolerated.

Mr. President, respect for law is the only sound basis on which a free American society may be grounded.

We are a nation of 194 million people—black people, white people, people of all shades and races and colors—endeavoring to create a better life for ourselves, endeavoring to lead humanity toward a peace with justice; yet today law and order have been violated in a horrible way.

Law and order must be enforced by government on any and all levels. Law and order must be enforced with courage, with vigor, and with speed. Law and order also must be maintained.

But beyond that, what are the causes which may have produced these terrible and tragic effects? That, too, is a critical and immediate problem for American society, for all of us, in every part of this land, which must be solved.

Education programs enacted by the Congress, war on poverty programs, housing programs, aid programs, are for naught unless finally free from any venal political concern, organized Government in this country is able to raise the standards of those whose deprivation may have contributed to the holocaust which we face in the State from which I come.

I regret that holocaust with all my heart; and, speaking in the Senate, I hope and pray that all the people of the United States will follow the law and respect order, for otherwise American society is in danger.

Mr. President, I ask unanimous consent that an editorial entitled "Anarchy Must End," published in the Los Angeles Times of Saturday, August 14, 1965; an article entitled "Eyewitness Account—Mob Shouts Cry for Blood: Get Whitey," written by Robert Richardson, and published in the Los Angeles Times of Saturday, August 14, 1965; and an article entitled, "Feelings Behind Rioting Analyzed," written by Harry Nelson, Times medical editor, and also published in the Los Angeles Times of Saturday, August 14, 1965, may be printed at this point in the RECORD.

There being no objection, the editorial and articles were ordered to be printed in the RECORD, as follows:

[From the Los Angeles (Calif.) Times, Aug. 14, 1965]

ANARCHY MUST END

Race rioting has brought anarchy to a crowded area of south Los Angeles. Terrorism is spreading.

Whatever its root causes, the chaos which has gripped the city for 3 days and 3 nights must be halted forthwith.

If the National Guardsmen belatedly sent to the relief of Chief Parker's outnumbered police, sheriff's deputies and California highway patrolmen are not enough, additional hundreds must be provided at once.

Now that kid-glove measures have failed, the sternest possible steps must be taken to quell the madness before mob violence becomes mass murder. During this all-out effort, citizens are requested to stay out of the riot area. If they live in the vicinity, they are strongly urged to remain in their homes.

Only after sanity is restored can there be any meaningful talk about long-range cures of the basic problems involved.

[From the Los Angeles (Calif.) Times, Aug. 14, 1965]

EYEWITNESS ACCOUNT: MOB SHOUTS CRY FOR BLOOD: "GET WHITEY"

(By Robert Richardson)

(NOTE.—Robert Richardson, 24, a Negro, is an advertising salesman for the Times. He witnessed the rioting in south Los Angeles for nearly 8 hours Thursday night.)

It was the most terrifying thing I've ever seen in my life.

I went along with the mobs, just watching, listening.

It's a wonder anyone with white skin got out of there alive.

I saw people with guns. The cry went up several times—"Let's go to Lynwood" (an all-white neighborhood) whenever there weren't enough whites around.

RACIAL WORD SPREADS

Every time a car with whites in it entered the area the word spread like lightning down the street:

"Here comes Whitey—get him."

The older people would stand in the background egging on the teenagers and the people in their early twenties. Then the young men and women would rush in and pull white people from cars and beat them and try to set fire to their cars.

One white couple, in their sixties, happened to be driving along Imperial before the blockades were put up. They were beaten and kicked until their faces, hands, and clothing were bloody. I thought they were going to be killed. How they survived I don't know. Those not hitting and kicking the couple were standing there shouting "Kill! Kill!"

Finally they turned them loose and an ambulance was called and they were taken away.

Two white men driving down Avalon Boulevard ducked when rocks bombarded their car. When they ducked the car hit a car with Negroes.

They were beaten so badly one man's eye was hanging out of the socket. Some Negro ministers made their way through the crowd and carried both men into an apartment building and called an ambulance.

The crowd called the ministers hyprocrites. They cussed them and spit on them. Some Negro officers tried to disperse the crowd, but they were jeered at, sworn at, called traitors and stoned.

NEGRO OFFICERS PERILED

The Negro officers were given a worse time than the white officers.

Light-skinned Negroes such as myself were targets of rocks and bottles until someone standing nearby would shout, "He's blood," or "He's a brother—lay off."

As some areas were blockaded during the night, the mobs would move outside, looking for more cars with whites. When there were no whites they started throwing rocks and bottles at Negro cars. Then near midnight they began looting stores owned by whites.

Everybody got in the looting—children, grownups, and old men and women, breaking windows and going into stores.

Then everybody started drinking, even little kids 8 or 9 years old. That's when the cry started, "Let's go where Whitey lives." That's when I began to see guns.

I believe the mobs would have moved into white neighborhoods, but it was getting late and many of them had to go to work Friday morning.

But some said, "Wait till tonight and Saturday. We'll really roll over the weekend. We'll really get Whitey then."

They knew they had the upper hand. They seemed to sense that the police nor anyone else could stop them.

I heard them say, "Just wait till one of the blood gets shot—then heads will really roll. Then Whitey will get his."

[From the Los Angeles (Calif.) Times, Aug. 14, 1965]

FEELINGS BEHIND RIOTING ANALYZED—TWO PSYCHIATRISTS SEE ANGER, ANXIETY, AND SELF-HATRED AS EMOTIONAL KEYS TO OUTBURST

(By Harry Nelson)

Anger mixed with mistrust of white men plus strong feelings of rejection, self-hatred, and anxiety about the future are the key psychological ingredients in Los Angeles' race riots, two psychiatrists said Friday.

The riots very likely will be repeated in other parts of the city—Pasadena especially—unless communities open up more socially acceptable ways of releasing the anger and anxiety, predicted Dr. Edward J. Stainbrook, head of psychiatry at the USC School of Medicine.

But until emotions have cooled, the best course of action is force—firm but not brutal—and a show of numbers, the psychiatrist said.

RATIONAL METHODS

"At this stage it can't be solved with rational methods, although rational methods are what should have been applied before the riot and will have to be when it is over," he said.

A Negro psychiatrist, Dr. Alvin F. Poussaint, analyzed some of the causes of the anger and resentment which overflowed into violence because, he said, there was no other outlet sufficient to handle the strong feelings.

Until a month ago Dr. Poussaint was chief resident at UCLA's Neuropsychiatric Institute. He is now southern field director for the Medical Committee on Human Rights in Jackson, Miss., and was interviewed by telephone.

REVIEW BOARD NEEDED

Police brutality—whether actual or imagined—is a key reason for the anger, he said. The psychiatrist felt there is a need for a review board made up of ordinary citizens in the Negro neighborhood, not Negro professionals, to discuss grievances with the police department.

The reason for having nonprofessionals on the board ties in with another reason for their anger, he said.

"They equate the middle-class Negro, the professional, with the whites. They see them sometimes as not caring for what happens to the common Negro. They see them moving out of the Watts area to richer parts of the city and seldom returning.

"They see the Negro doctors move out. What is needed on the board are some ordinary Joes who have good leadership ability—the sort of a man who would make a good Army platoon leader," he said.

"Proposition 14, the repeal of the Rumford Housing Act in last November's election, also had an enormous psychological effect on Negroes in ghetto areas. It made them feel trapped, as if there is no way of getting out of their low-income housing areas."

Another source of their anger has been identification with the injustices to Negroes in the South.

GETTING EVEN

"By lashing out at the white police officer they feel they are getting even with white people in general," Dr. Poussaint continued.

"There is also self-hatred mixed up in this riot because those people have been told so often that they are no good that they don't think much of themselves and resent the fact that they don't."

"Put an anonymous person in a sprawling city where he scans the future and sees little more than hopelessness and you're going to have trouble," Dr. Stainbrook said.

"That's why we have a John Birch Society—because there is anxiety for the future. People feel they can't depend on the world around them, as they see it, to help them realize their future."

One big problem in analyzing the reasons for the riots, according to Dr. Stainbrook, is the difficulty in differentiating between the Negroes' own feelings about discrimination and the actual situation.

This makes it difficult for the Negro to look at his own behavior and analyze how he is contributing to the problem and then take steps to correct them, Dr. Stainbrook said.

THE CALENDAR

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that there be a call of the calendar of bills to which there is no objection, beginning with Calendar No. 563.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will proceed to state the items on the calendar, beginning with order No. 563.

HUBBELL TRADING POST NATIONAL HISTORICAL SITE, ARIZ.

The bill (H.R. 3320) to authorize the establishment of the Hubbell Trading Post National Historical Site, in the State of Arizona, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 580), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The purpose of H.R. 3320, a companion measure to S. 1337, introduced by Senators HAYDEN and FANNIN of Arizona, is to authorize the acquisition of the Hubbell Trading Post, Ariz., including its valuable collection of Indian art and ethnological materials, and to provide for its administration by the Secretary of the Interior as a national historic site. A companion bill, H.R. 4901, was introduced by Congressman SENNER and considered by the committee at the same time as H.R. 3320.

NEED

The Hubbell Trading Post is in northeastern Arizona on the Navajo Indian Reservation. It has been classified by the Advisory Board of National Parks, Historic Sites, Buildings, and Monuments as being of exceptional value to commemorate and illustrate an important phase in the history of the United States.

Federal control of trade with the Indian dates back to the earliest days of the Republic (act of July 22, 1790, 1 Stat. 137). It was recognized from the beginning that the trader would be of great importance, for good or ill, in determining the relations between the Nation and its Indian neighbors and wards. In such isolated spots as northeastern Arizona was where John Lorenzo Hubbell, familiarly known as Don Lorenzo, founded his trading post; the institution was inescapably a strong influence. In his case, this influence was particularly strong, for he was recognized by the Navajos as well as the Hopis, among whom he had lived earlier, as being earnestly interested in their welfare.

Don Lorenzo started his trading business at Rio Pueblo, Colo., now Ganado, in 1878 or earlier. His was the first trading post operated away from direct military protection. He himself continued the business until 1930 when he died. Thereafter the post was kept intact by his son who operated the business until his death not many years ago. The present trading post structure—a "long, low stone building, neither beautiful nor impressive" but representative of a past era and located in an area in which Indian, Spanish, and American influences were and are inextricably intertwined—was constructed about the turn of the century, replacing a smaller structure which was built when the business was founded. It and its furniture and furnishings have been kept intact. This means that the Nation now has an opportunity to acquire what is, in effect, an on-site museum of an era that, with the coming of roads and "civilization," has disappeared nearly everywhere. As the situation is summarized in the volume of the "National Survey of Historic Sites and Buildings" on military and Indian affairs, 1830–98:

"The significance of the Hubbell Trading Post lies * * * in its preservation today of the trading post of yesterday. There have been few changes since the present post and house were built about 1900 to replace an earlier, smaller structure. The long stone trading post, with its wareroom, storeroom, office, and blanket room, looks much as it did in Don Lorenzo's time, and much as other Navajo posts looked. The original massive counters still dominate the storeroom. Office furniture is that of half a century ago. Ancient firearms, Indian craftwork, paintings, and rugs adorn the rug room. The rambling adobe hacienda in which Hubbell lived and entertained retains all of its old charm and atmosphere. The walls of the long living room and the bedrooms are covered with artwork, photographs, and Indian artifacts. Shelves laden with books line the walls. Navajo rugs lie everywhere. The old home conveys more vividly than words the manner in which the Hubbells and other early traders lived. The barn and utility buildings, mostly of stone, round out the complete picture of the old-time trading post. At the Hubbell Trading Post, the visitor at once understands and appreciates the pattern of the Navajo trade, the type of man who conducted it, and the kind of life he led."

For these reasons, it is the opinion of the Committee on Interior and Insular Affairs that the Hubbell Trading Post will be a valuable addition to the National Park System, particularly if arrangements can be worked out to have it operated along lines close to those that were in effect when it was an active post.

H.R. 3320 calls for the acquisition, at not more than fair market value, of 160 acres of land plus the buildings, nine in all, that are on it. The 160 acres, it is believed, will be sufficient to protect the setting of the trading post against unsightly intrusions. If this is more land than is needed for the purposes of the bill, the Navajo Indian Tribe will be given an opportunity to purchase the excess at the price for which it was acquired and the proceeds of the sale will be deposited in the general fund of the Treasury. It may also be that it will be possible for the tribe and the National Park Service to work out an exchange in which certain land within the area to be acquired will be traded for a small tract on its fringe which is in tribal ownership and which, it is believed, will be of value to the national historic site.

COST

The estimated cost of acquiring the Hubbell Trading Post and the land and buildings related to it is $169,000. The collection of art, ethnological objects, and miscellaneous other movables has been valued by experts in the field at about $143,500. Development costs will, it is believed, be about $635,000. Section 3 of the bill, as amended, contains language appropriate to limit the amount authorized to be appropriated accordingly. Annual operating costs, at present price and wage levels, will be about $70,000.

The land and water conservation fund will be available for appropriations for land acquisition in connection with the Hubbell Trading Post National Historic Site and the site will be subject to the provisions of the Land and Water Conservation Fund Act providing for the charging of admission fees.

ALIBATES FLINT QUARRIES AND TEXAS PANHANDLE PUEBLO CULTURE NATIONAL MONUMENT

The Senate proceeded to consider the bill (H.R. 881) to authorize the establishment of the Alibates Flint Quarries and Texas Panhandle Pueblo Culture National Monument which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, after line 17, to strike out:

SEC. 3. There is hereby authorized to be appropriated a sum not to exceed $5,000 for the acquisition of land and such other sums as may be necessary to carry out the provisions of this Act.

And, in lieu thereof, to insert:

SEC. 3. There is hereby authorized to be appropriated not to exceed $5,000 for the acquisition of land and not to exceed $260,000 for the development of the area.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

ALIBATES MONUMENT BILL IS WORTHY AND NEEDED

Mr. YARBOROUGH. Mr. President, today's passage of the Alibates Flint Quarries bill insures that a great archeological find will be preserved forever.

The Alibates mines were first found and used by ancient man on an extensive scale well over 12,000 years ago. This was 6,000 years before the wheel was invented, 7,000 before the great pyramids of Egypt were built, and 500 years before the last ice age peaked in North America covering the St. Lawrence valley and the Great Lakes under a thick covering of ice. The brightly colored flint from these mines was shaped by ancient man to make arrowheads and spear points. Arrowheads made from Alibates flint have been found associated with the fossilized skeletons of the mammoths and the now extinct giant bison.

The flint from the Alibates mines has been found throughout the Midwest and Far West, from the Canadian border to the Gulf of Mexico. At the mines themselves are artifacts of red Minnesota pipestone, California shell, Yellowstone obsidian, and Arizona pottery—all brought in by the Indian merchants of the past to trade for badly wanted flint. The Alibates mines are truly a great graphic display of the ways of life and trade of those who lived on this continent before the white man came.

The national monument created by this bill will be situated along the Canadian River, 35 miles north of Amarillo, Tex. Most of this land is already part of the soon to be opened Sanford Reservoir National Recreation Area. This bill insures that access roads, parking spaces, and a visitor's center can be constructed so that the thousands of people who will soon start visiting the recreation area will also have the opportunity to see these great reminders of what human life was like on this continent before the time of Columbus.

I have been working for the passage of this bill for over 2 years now. In fact, I introduced the first bill for the purpose of making the Alibates Flint Quarries into a national monument on April 25, 1963, in the 88th Congress. At first, the Department of the Interior opposed passage of that bill but the Department reversed its position this winter following congressional authorization establishing the Sanford Reservoir National Recreation Area.

In the interest of facilitating passage, I approve of the committee's decision to report out H.R. 881 rather than my own bill S. 721. It is with a great deal of satisfaction that I note the passage of the bill by the Senate and the House, awaiting only the President's signature in order to be made law.

Mr. TOWER. Mr. President, in my opinion, the establishment of the Alibates Flint Quarry as a national monument is of paramount importance, not only to the State of Texas, but to our Nation.

The preservation of the Alibates Flint Quarry as a priceless treasury to archeologists, anthropologists, paleontologists, and geologists is indeed worthy of our consideration. Not only is its preservation of vital importance to the populace, but it represents a historical landmark in ancient man's struggle for survival.

For millions of years this flint lay veiled in obscurity, waiting for man to mold its future course. Then, during some millennium this 3-square-mile deposit of flint was discovered, and man found in it his future instruments for work and war. It was through diligent efforts and hard work that ancient man acquired the knowledge and the skills for making flint into tools and weapons.

As we can well imagine, this was a unique accomplishment for primitive man, who had no prior knowledge of metal or iron. Of course, man was not only concerned with the functional aspects of the flint, but he was also attracted by its esthetic beauty.

Present evidence indicates that this source of flint was used as long ago as 12,000 to 15,000 years by a culture of the oldest known man in North America, who found the flint most beneficial in hunting the ice age mammoth and the giant bison. It is known that some cultures traveled as far away as 150 miles, in order to gather the flint to make spear points and other implements needed for survival.

These ancient men established a complex industry based on the trading of this flint with other cultures—from the Great Lakes to the Gulf of Mexico and the Yellowstone to the Pacific Ocean. So the use and influence of the Alibates flint was varied and widespread.

Certainly there can be little doubt that this source produced the finest and most beautiful quality of flint available. The Alibates flint was used the most frequent and by a larger area of the continent than any other, and perhaps ancient man's fight for survival would have been deterred without its existence and importance.

The interest in the Alibates Flint Quarries is not confined merely to the quarries and flint, but also incorporates that mass of evidence deposited by ancient man and his cultures. Artifacts of great significance are still awaiting discovery, where once a great industrial complex was conceived.

In the 1930's, a 66-room pueblo ruin in the quarry areas was excavated and 16,000 known artifacts were revealed. Now, a 100-room pueblo ruin has been located within the area and is awaiting excavation.

The use of the Alibates flint flourished until the age of modern man and the introduction of metal, as still another phenomenon. Yet, before metal was improvised, thousands of tons of this flint was quarried by primitive man with his ancient tools—a formidable task still for modern man with his complex machinery.

I believe the Alibates Flint Quarry could become one of our most important monuments. Located within what is known as the "breaks" of the High Plains, it would provide for all a clear view of intriguing geological strata, complete with numerous fossil remains. The quarry itself spans the entire period of prehistorical America.

The preservation of the Alibates Flint Quarry as a historical site will stand as a monument to those people and cultures who so long ago flourished upon the earth. With the completion of the new Sanford Reservoir, many people will be visiting the area, which was once under private ownership. It is imperative that we act now to preserve those surroundings where once prehistoric North American man lived and worked.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 581), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of H.R. 881 is to set aside certain land in Texas, most of which is already owned by the United States, as the Alibates Flint Quarries and Texas Panhandle Pueblo Culture National Monument.

NEED

For 12,000 years or more the Alibates Flint Quarries were worked by Indians living in the panhandle area of Texas. From these quarries came the multicolored flint arrowheads and tools which were both used by the inhabitants of the locality and traded by them for goods supplied from far-distant sources. Flints from these quarries have been found as far north as Minnesota and Wisconsin, as far west as the Pacific coast, and as far south as the Gulf of Mexico. Professional archeologists regard the quarries as one of the outstanding remains of the prehistoric cultures of North America.

Toward the end of the period when the quarries were being worked the panhandle area was occupied by sedentary tribes which built large pueblo-type structures for their homes. Some of these structures housed as many as 60 to 100 families. They were constructed of limestone slabs and adobe and are regarded by archeologists as a blend of the types of structures used by the Indians of the Great Plains and by those of the arid Southwest.

The two areas in question—that of the quarries and that of the pueblos—are about 35 miles from Amarillo. They were rediscovered in the 1920's but have been only partially excavated. Such excavating work as has been done indicates that the quarries extend in a narrow band through an area about a mile long and a tenth of a mile wide. The pueblo area is believed to have occupied about 60 to 80 acres. Taken together and with surrounding protective land, the area involved in H.R. 881, then, may total as much as 230 acres.

Most of this land is already in the ownership of the United States. It was acquired by the Government in connection with its Sanford Reservoir, a feature of the Canadian River reclamation project (act of Dec. 29, 1950, 64 Stat. 1124) and the recreation area authorized in connection therewith (act of Aug. 31, 1946, 78 Stat. 744). Whether any more land needs to be acquired can be determined only after further field studies are completed. At most, however, it is believed that about 90 acres will be needed. A limitation on the amount authorized to be appropriated for future land acquisition has been written into the bill accordingly and the precise boundaries of the monument will be reported to the committee after they have been settled.

While it would be possible to administer the area proposed to be included in the national monument as a part of the authorized recreation area mentioned above without special recognition of its archeological value, setting it aside as a national monument will give it the superior recognition that it deserves without detracting from the education and enjoyment that it will give those who visit the recreation area and without adding to the costs which would, in any event, be incurred in connection with the latter.

COST

The cost of land and interests in land to be acquired hereafter for the Alibates Flint Quarries and Texas Panhandle Pueblo Culture National Monument is, as has been stated, not more than $5,000. The capital costs to be incurred for road parking areas, a visitor center, and the like have been estimated by the Interior Department to be $260,000.

The committee directs that the Park Service make every effort to secure a donation of the 90 acres of land authorized for acquisition. If this is not possible then a scenic easement should be acquired rather than fee title.

BILL PASSED OVER

The bill (H.R. 1044) to authorize the Secretary of the Navy to convey to the city of Norfolk, State of Virginia, certain lands in the city of Norfolk, State of Virginia, in exchange for certain other lands was announced as next in order.

Mr. LONG of Louisiana. Over.

The PRESIDING OFFICER. The bill will be passed over.

LEGISLATIVE JURISDICTION EXERCISED BY THE UNITED STATES OVER LANDS WITHIN CAMP McCOY MILITARY RESERVATION, WIS.

The bill (H.R. 546) to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within Camp McCoy Military Reservation, Wis., was considered, ordered to a third reading, read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 588), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to provide for retrocession of legislative jurisdiction over such portions of Camp McCoy Military Reservation as are required at the present time and in the future. The immediate problem relates to traffic control over certain major highways which traverse the reservation.

BACKGROUND OF THE BILL

Camp McCoy, located in Monroe County, Wis., was originally established in 1908 on 14,000 acres of land, expanded during World War II, and now comprises approximately 60,000 acres of land owned in fee by the United States. This is a class I installation, and, although designated "inactive," it constitutes the major component training site for Reserve units from those States within the 5th Army area. The United States is vested with exclusive jurisdiction over a substantial portion of these lands by virtue of various acts of cession and the general statutes of the State of Wisconsin.

The camp is traversed by the three major public highways referred to in this bill, as introduced, Highways Nos. 16 and 21 having been in existence for many years, and I–90 being in the process of construction.

POLICE AUTHORITY

The retrocession of Federal jurisdiction over property within our camps, posts, and stations is made desirable, and even necessary, for a number of reasons which vary from place to place. For the most part, however, the particular difficulty which makes it necessary to place equal jurisdiction in the Federal Government and in the State is the matter of traffic control. Where the Federal Government has exclusive jurisdiction, military police, if deputized, do have authority to arrest civilian traffic violators but must bring the violators before a U.S. Commissioner. In many instances, the U.S. Commissioner is at a great distance, which entails the expenditure of both time and money from the military authorities. Where there is concurrent jurisdiction, military police can take appropriate action with respect to military personnel and the State can take similar action with respect to both civilian and military personnel.

Even where traffic control is not involved, exclusive jurisdiction in the United States can cause difficulties with respect to the attendance at public schools of children living within the area; divorce proceedings are sometimes impossible to initiate; and criminal prosecution, while possible, is rendered particularly difficult. In short, wholly unnecessary jurisdictional difficulties are encountered where exclusive jurisdiction rests in the United States.

MRS. A. E. HOUSLEY

The bill (S. 683) for the relief of Mrs. A. E. Housley was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. A. E. Housley, of Annapolis, Maryland, the sum of $467.69 in full settlement of all her claims against the United States arising out of the failure of the Post Office Department to pay Mr. A. E. Housley at the overtime rate for services in excess of eight hours in a day during the period October 15, 1962, through March 27, 1963. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney an account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 590), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to authorize and direct the Secretary of the Treasury to pay to Mrs. A. E. Housley, of Annapolis, Md., the sum of $467.69 in full settlement of all her claims against the United States arising out of the failure of the Post Office Department to pay Mr. A. E. Housley at the overtime rate for services in excess of 8 hours in a day during the period October 15, 1962, through March 27, 1963.

CHILDREN OF MRS. ELIZABETH DOMBROWSKI

The bill (H.R. 1291) for the relief of the children of Mrs. Elizabeth A. Dombrowski was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each child of Mrs. Elizabeth A. Dombrowski, of Parma, Ohio, widow of Victor E. Dombrowski, of Parma, Ohio, the amount which the Administrator of Veterans' Affairs certifies to him would have been payable to each such child under section 542 of title 38 of the United States Code for the period from July 1, 1960, to the date which each such child actually began receiving a pension under such section: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 591), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to pay the six children of the veteran, Victor E. Dombrowski, the amount of death pension which the Administrator of Veterans' Affairs certifies would have been payable to each such child from July 1, 1960, through March 27, 1962, had timely application therefor been filed.

LEWIS H. NELSON III

(The bill (H.R. 4024) for the relief of Lewis H. Nelson III was considered, ordered to a third reading, read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 592) explaining the purpose of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to authorize the Comptroller General to settle the claim of Lewis H. Nelson III, of Rome, N.Y., for compensation for services he rendered the Department of the Air Force at Griffiss Air Force Base after termination of his appointment on the basis of erroneous information that his appointment had been extended. The bill would authorize a payment of $255.33 in final settlement of the claim.

TERENCE J. O'DONNELL, THOMAS P. WILCOX, AND CLIFFORD M. SPRINGBERG

The bill (H.R. 4025) for the relief of Terence J. O'Donnell, Thomas P. Wilcox, and Clifford M. Springberg was considered, ordered to a third reading, read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 595), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSES

The purpose of the proposed legislation is to pay three employees of the Federal Aviation Agency amounts found to be due them for personal property destroyed in a fire in Government quarters furnished in connection with their employment. The amounts authorized by the bill are as follows:

Terence J. O'Donnell	$435.83
Thomas P. Wilcox	3,138.20
Clifford M. Springberg	1,144.52

JOHN HENRY TAYLOR

The bill (H.R. 5819) for the relief of John Henry Taylor was considered, ordered to a third reading, read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 593), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve John Henry Taylor, of Columbus, Ga., of liability to pay the United States the sum of $923.51, representing salary overpayments received by him from the Post Office Department in the periods of January 1, 1953, through November 30, 1957, and January 11, 1958, through September 15, 1962, due to administrative error in the certification of service for longevity credit and without fault on his part. The bill would authorize the refund of any amounts repaid or withheld because of the liability.

LT. SAMUEL R. RONDBERG, U.S. ARMY RESERVE

The Senate proceeded to consider the bill (S. 766) for the relief of Lt. Samuel R. Rondberg, U.S. Army Reserve, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 5, after the word "of", where it appears the second time, to strike out "$231.30" and insert "$240.30"; so as to make the bill read:

S. 766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lieutenant Samuel R. Rondberg, United States Army Reserve, is hereby relieved of all liability for repayment to the United States of the sum of $240.30, representing the amount of overpayments of subsistence allowance received by the said Lieutenant Samuel R. Rondberg for the period from September 27, 1957, through June 10, 1958, while he was in the Reserve Officers' Training Corps serving at Washington University in the State of Missouri, such overpayments having been made as a result of administrative error.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Lieutenant Samuel R. Rondberg, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 596), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill, as amended, is to relieve Lt. Samuel R. Rondberg, U.S. Army Reserve, of all liability for repayment to the United States the sum of $240.30, representing the amount of overpayments of subsistence allowance received by the claimant for the period from September 27, 1957, through June 10, 1958, while serving in the Reserve Officers' Training Corps at Washington University in the State of Missouri, such overpayments having been made as a result of administrative error.

MRS. CLARA W. DOLLAR

The Senate proceeded to consider the bill (S. 1873) for the relief of Mrs. Clara W. Dollar which had been reported from the Committee on the Judiciary with amendments on page 1, line 11, after "GS-3", to insert "longevity"; in the same line, after "GS-4", to insert "longevity"; and on page 2, line 12, after the word "Act," to strike out "in excess of 10 per centum thereof"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Clara W. Dollar, of Atlanta, Georgia, is hereby relieved of all liability for repayment to the United States of the sum of $629.35, representing overpayments of compensation she received as an employee of the Federal National Mortgage Association for the period from March 25, 1956, through October 28, 1961, such overpayments having been made as a result of administrative error in establishing her salary rate when she was promoted from grade GS-3, longevity step 3, to grade GS-4, longevity step 2, in violation of the limitations prescribed in section 802 (b) of the Classification Act of 1949, as amended. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to the said Mrs. Clara W. Dollar, the sum of any amounts received or withheld from her on account of the overpayments referred to in the first section of this Act: *Provided*, That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 597), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill, as amended, is to relieve the claimant of liability to refund the sum of $629.35, representing overpayments of compensation she received as an employee of the Federal National Mortgage Association and to provide for the payment to the claimant of the sum of any amounts received or withheld from her on account of such overpayments.

Mr. LONG of Louisiana. Mr. President, I ask that further proceedings under the call of the calendar be discontinued at this time, so that we may determine whether there is objection to the remaining two bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONVEYANCE OF CERTAIN REAL PROPERTY TO BOARD OF PUBLIC INSTRUCTION, OKALOOSA COUNTY, FLA.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. Mr. President, H.R. 4905, Calendar No. 526, is a bill to provide for the conveyance of certain real property to the Board of Public Instruction, Okaloosa County, Fla.

I have been endeavoring since the middle of last week to contact the distinguished Senator from Oregon [Mr. MORSE] to discover whether or not he is opposed to the passage of that bill. I understand the Senate staff has been doing the same thing.

This measure is very important to our State. The area of the State where this land would be conveyed would be used as the site for a junior college, for which the State has put up $2 million for construction funds.

It is important that the bill be passed at the earliest possible time. I wonder if any progress has been made toward clearing this matter with the distinguished Senator from Oregon.

Mr. LONG of Louisiana. We hope to have information about the bill shortly. In any event, it will be scheduled.

Mr. HOLLAND. In the event there is objection by the distinguished Senator from Oregon, will the measure be scheduled for action without delay? It seems clear to me that this matter should come up at the earliest possible moment. The junior college is to be located on a part of the Eglin Field reserve which is not being used and is not intended for use. Already approximately 700 members of the families of the Armed Forces and civilian employees have registered in the junior college, and the little communities near the area have already made substantial contributions with respect to supplying and conditioning some 8 or 10 local buildings for the operation of the junior college this year.

I believe the Senate will pass the bill regardless of what the distinguished Senator from Oregon may think about it because its merits are so great.

I understand that the bill has been cleared by the leadership on the minority side so as to permit us to consider and pass it at the earliest possible time, because the $2 million already made available by the State agency which has jurisdiction must be committed by September 1.

More junior colleges are now in a formative condition in our State than we can supply with building funds at the same time. Because of the urgent need of a junior college in Okaloosa and Walton Counties to serve the local people, and also 15,000 to 18,000 personnel at Eglin Air Force Base, including uniformed and civilian employees, the bill is so important that it should have early clearance for passage.

Mr. DIRKSEN. We have approved the bill.

Mr. HOLLAND. I understand that is the case, and I understand the majority leader desires to assist us in having it passed. I am not criticizing anyone but I wish to have the Senate proceed at an early date either to pass this bill as an unobjected-to matter or to submit it to the conscience of the Senate for consideration.

At this time we would be bound by whatever expression the Senate might make. The measure has already been passed by the House.

Mr. LONG of Louisiana. Mr. President, I assure the Senator that the leadership on this side of the aisle is sympathetic to the problems of the Senator. We wish to assist in every way we can.

The majority leader is not present at this time. However, the majority leader does plan to schedule the bill soon. He hopes that the measure can be passed within the week.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator.

This bill has already passed the House unanimously as an unobjected-to measure. I believe that it should receive the same treatment at this end of the Capitol.

Mr. LONG of Louisiana. I hope that we can do that also.

DELAWARE WATER GAP NATIONAL RECREATION AREA

Mr. WILLIAMS of New Jersey. Mr. President, the passage of H.R. 89, which establishes the Delaware Water Gap National Recreation Area, will be of great benefit to many millions of people seeking outdoor recreation. The creation of this area will bring boating, swimming, and picnicking within easy reach of the crowded metropolitan areas of New Jersey, New York, and Pennsylvania. By our action today we are planning for the future. We are setting aside one of the most beautiful sections of the northeast to be retained in all its natural beauty.

The complex of the Delaware Water Gap and the new Delaware Water Gap National Recreation Area will preserve the heritage of our country. Natural features that have defied the onslaught of time will now be spared the further invasion of man's urbanization. This is a fine example of the way in which an area can cope with the problems of rapidly increasing population. This project will not only accommodate the people presently living within this area, but the scope of the recreational area is such that it will be able to adapt to the increases as they occur.

Moreover, this will be a complete recreational area. Plans call for good scenic roads throughout the area as well as competent access roads. Hiking trails will wind through the forest areas and move along streams, ponds, and waterfalls. The reservoir will provide facilities for boating and swimming. And all this within easy reach of over 30 million people.

Those who concentrated their efforts to make this project possible are to be commended for their farsightedness. We have provided for the future and I am sure that the people of the future will thank us for our efforts. I will be looking forward to the completion of this project so that our citizens will be able to enjoy the outstanding facilities that will be provided.

WILL ROGERS-WILEY POST MEMORIAL AIRPORT

Mr. BARTLETT. Mr. President, 30 years ago yesterday the world lost a great humorist and a great aviator.

They were killed when their single-engine plane crashed shortly after taking off from a river 15 miles south of Barrow, Alaska.

Word of the tragedy was slow to reach the outside world. An Eskimo ran to Point Barrow to advise authorities of the crash. An Army Signal Corps staff sergeant sped to the scene in a launch, and then reported in a cryptic radio message the deaths of Will Rogers and Wiley Post.

The plane went down in a shallow river running through desolate country. Barrow, the northernmost point on the North American Continent, consisted of an Army signal station, a Government school for Eskimo and Indian children, and a Presbyterian mission.

Barrow has grown since then. A sign of the times will be the dedication of the Will Rogers-Wiley Post Memorial Airport at Barrow tomorrow.

But if the times have changed in the last 30 years, the contributions Rogers and Post made to the world have not been diminished by the years.

Mr. Post overcame physical and financial handicaps to help lead the world into the age of air travel. His around-the-world flights were magnificent accomplishments and his trip from New York to Berlin in 1933 was described as the greatest and most accurate flight up to the time of his death.

Will Rogers, of course, made his contribution in another field, no less necessary to the well-being of mankind.

Will Rogers was revered throughout the world because he spoke for every man in ways that made points without creating rancor. He was the friend of the famous and of the unknown.

The epitaph he wrote for himself is often quoted. It says:

> I joked about every prominent man of my time but I never met a man I didn't like.

Perhaps more indicative of the Rogers philosophy is the statement:

> A comedian can only last till he either takes himself serious or his audience takes him serious.

The world could stand some Will Rogers' advice today.

If the feats of Wiley Post opened the door to a new age, Will Rogers' words were meant for all ages.

It is fitting that the tragic accident which took their lives will be commemorated by an airport named for the two men.

SAFE CAR EDUCATIONAL INSTITUTE

Mr. CASE. Mr. President, the junior Senator from Connecticut [Mr. RIBICOFF] has won national acclaim for his diligent efforts to stimulate public discussion and action to reduce the frightful death toll on our Nation's highways.

A new nonprofit organization is making what I consider a useful and interesting contribution to this campaign. The Safe Car Educational Institute, using the slogan, "You can't be safe in an unsafe car," is working to convince the public, particularly young people, of the need for continuous preventive maintenance in safe driving.

A guiding spirit behind the formation of the institute is Purolator Products, Inc., of my hometown of Rahway, N.J. Purolator originated the Safe Car Educational Institute and is its chief supporter. I ask unanimous consent to insert in the RECORD at this point an article from Petroleum Marketer for June 1965, which explains the work of the Safe Car Educational Institute.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW ORGANIZATION FORMED TO TEACH YOUTH THAT CAR SAFETY STARTS WITH CAR CARE

YOU CAN'T BE SAFE IN AN UNSAFE CAR

(By James B. Lightburn, president, Safe Car Educational Institute

The Safe Car Educational Institute is a nonprofit, completely independent and noncommercial organization supported by the Nation's automotive equipment manufacturers and oil companies.

It has been created to aid both educators and industry in the task of educating the Nation's drivers that proper safe care is vital in order to reduce the heavy toll of death and destruction on the Nation's highways.

To accomplish this the Safe Car Educational Institute is launching a nationwide program to provide educational material to schools, clubs, organizations, and industry on the maintenance and operation of motor vehicles.

The initial program of the institute is to provide the millions of high school students now taking driver education courses with a supplementary educational program on car care designed to establish dramatically and forcefully this single, important, and irrefutable fact:

HELP YOUR COMMUNITY

The SCEI has produced, in cooperation with Training Films, Inc., a series of 7 color slide films aimed at, and designed for the 2 million high school students currently taking driver education courses.

These films cover in detail the following subjects:

"Seeing for Safety"; "Tire Care for Safety;" "Good Brakes for Safety;" "Filtration for Safety"; "Tuneup for Safety"; "Electric Power for Safety"; and "Cooling for Safety."

These films have been created specifically to enhance the present 30 hours of classroom driver instruction recommended by the National Educational Association and are not intended to replace or supplant any existing car care program.

In a survey of some 17,000 schools, officials of 98 percent of the schools said "Yes" they would welcome the films and the program as prepared by the SCEI.

The seven films can be purchased for $50 from Safe Car Educational Institute, Butler, N.J., 07405. They will be ready for distribution in July. No product is identified by brand but you can identify your company as the donor on the package containing the films. It is estimated the films will not be obsolete for at least 5 years.

RACIAL RIOTING IN LOS ANGELES

Mr. TALMADGE. Mr. President, the entire Nation is shocked and horrified by the racial rioting in the city of Los Angeles. In the wake of this holocaust, in which more than 30 lives have been lost and which still rages in some parts of the Los Angeles area, various and sundry so-called explanations and excuses have been offered by experts in the fields of law enforcement, sociology, psychology, psychiatry, urban affairs, and economics.

Regardless of how learned the expert or how scholarly the presentation, I, for one, cannot comprehend how poverty, slum conditions, unemployment, cultural or economic need, or alleged discrimination—as deplorable as they are—can be justification for lawlessness and rioting. I, for one, Mr. President, have yet to be given an acceptable excuse for taking the law into one's own hands. In our country under the American system of government, there is no such excuse.

However, I believe the Washington Evening Star in an editorial last Saturday came close to the heart of the matter. The Star in my opinion put its finger on a dangerous trend in America at the present time which we have seen manifested in Los Angeles, Springfield, Mass., Chicago, Ill., New York City, Selma, Ala., Americus, Ga., and indeed throughout all parts of the United States.

The Star, calling attention to a growing contempt for law and the rights of law-abiding people, asked this very pertinent question:

> What is the effect on respect for law when prominent members of the clergy announce they will not obey a law if they disagree with it? What is the effect when the Supreme Court, as well as lower Federal courts, overturn convictions for law violations on the flimsiest of bases, or, as in one instance, for one stated reason?
>
> Does this sort of thing encourage the hoodlum type to think that respect for law is for the birds? We think so.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LOS ANGELES RIOTS

The most baffling aspect of the savage rioting and looting which has swept Los Angeles is the utter senselessness of the thing.

It started Wednesday evening when a white policeman tried to arrest a Negro motorist on suspicion of drunken driving. And it really took off from there.

At least 16 people are dead, including a deputy sheriff and a fireman caught by a falling wall. Property losses will run high into the millions. The Negro rioters would set fire to buildings, and then stone and shoot at firemen responding to the calls. Also stoned were ambulances trying to aid the injured. Police cars were special targets, many being wrecked or burned. Finally, when the police conceded they could not control the mobs, National Guardsmen were called in last night and for the moment at least an uneasy peace prevailed.

To try to put this thing into some kind of perspective, Los Angeles has a Negro population of about 250,000, or roughly 12 percent of the total. The largest number of rioters at any one time is not believed to have exceeded 7,000. Thus, the hoodlums have constituted a relatively small minority. And there is probably much truth in the comment of a housewife who said: "It's the rowdy teenagers all gassed up on airplane glue and gin who provoke the trouble." The news photos indicate this is true. So does a report to the New York Times which stated that the Watts area of Los Angeles, where the trouble started, is not at all typical of the Negro city ghetto. There are some pockets of extreme blight. But, according to the dispatch, most of the Negroes "live in neighborhoods that would represent a dream of suburban bliss to Harlem Negroes."

So one must look behind the conventional excuses offered when something of this sort happens. What are the real reasons which touched off what a Los Angeles Negro official called an "inexcusable outbreak?"

One certainly is a hatred of all police, white or black, but especially white. Another is total contempt for law and the rights of law-abiding people. This latter is not peculiar to Los Angeles. It crops out in many places, although generally in less severe form.

In short, the rule of law, to which so much lipservice is paid, seems to be breaking down in Los Angeles and throughout the land. This is something which might properly concern the President's new Commission on Crime. What are the real reasons? Slums? Discrimination? Underprivileged? These doubtless are part of the story. We suggest, however, that the Commission examine other possibilities. What is the effect on respect for law when prominent members of the clergy announce they will not obey a law if they disagree with it? What is the effect when the Supreme Court, as well as lower Federal courts, overturn convictions for law violations on the flimsiest of bases, or, as in one instance, for no stated reason? Does this sort of thing encourage the hoodlum type to think that respect for law is for the birds? We think so.

At any rate, it has become clear in Los Angeles that the rioters will give way to nothing except superior force. And in that event the superior force must be applied—followed, one may hope, by severe punishment of those who may be found guilty of criminal activity.

SALES OF WHEAT TO RUSSIA

Mr. MONDALE. Mr. President, last week we learned that an eight-man Soviet Trade Mission had concluded negotiations with Canada for the sale of 5 million tons of wheat and wheat flour. We knew, in addition, that last week Argentina had sold 1.2 million tons of wheat to Russia. And the week before that Canada sold an additional 700,000 tons of wheat to Russia for a total of over

260 million bushels of wheat for delivery over an 11-month period through July of 1966. In the latest round alone, it is estimated that Canada sold $450 million worth of wheat in these sales.

This is more wheat than was grown in North Dakota last year—and nearly as much as was grown in the spring wheat States of North Dakota, South Dakota, Montana, and Minnesota.

Why did Russia avoid the United States in satisfying their domestic wheat needs?

In the last several months the Soviet Union has purchased substantial quantities of wheat from Canada, Australia, France, and other countries. The USDA Foreign Agricultural Service estimates that since July 1, 1965, Russia has bought a total of 6.3 million metric tons of wheat, and, when previous sales by Argentina and Australia to be shipped after July 1 are included, the Soviet purchases reach the amazing total of 9 million metric tons.

Not one single grain of wheat, however, has moved from the U.S. cash grain trade to the Russians or their East European neighbors during this same period. Why not.

Since July 1, 1964, the East European countries have purchased a total of 5¼ million tons of wheat from the world. But the U.S. share was a paltry 90,000 tons, or less than 2 percent of the total.

In the marketing year which closed July 1, 1965, Russia and Eastern Europe had bought from Canada, Argentina, Australia, France, and other countries a total of 7.56 million metric tons, or over 290 million bushels of wheat, or 1.3 percent of the total.

Why has not our share of the world market been greater?

Why have we not shared in a market potentially worth millions of dollars in support of our agricultural price structure and in foreign exchange?

In the fall of 1963, our Government declared wheat sales to the Soviet bloc to be in the national interest. We expected to sell to them grain in the neighborhood of 150 million bushels, but only through very aggressive salesmanship were we able to export even half of that amount to Russia and other East European nations, an amount far short of our expectations. In fact, the Soviet Union that year bought 10.05 million tons of wheat from the world, and we were able to market only 17 percent of that total.

Why again was our share so insignificant?

The answer is simply stated, but not easily understood.

An administrative ruling, first made in 1963, requires that 50 percent of any wheat or grains sold to the Soviet bloc countries—even though for cash on normal commercial terms—must be shipped in American-flag vessels.

This means that, since shipping charges of U.S.-flag vessels are considerably above world shipping rates, American wheat is priced out of foreign agricultural markets in the Soviet bloc nations.

Senator McGOVERN has pointed out time and again that shipping rates today are about $18 per long ton on American ships and $9.25 on foreign-flag ships. This is 48 cents per bushel on American ships, and 25 cents per bushel under foreign flags, or a difference of about 23 cents. Since we have required that one-half of our grain be shipped in U.S. bottoms, our agricultural traders are forced to assume a handicap of about 11½ cents per bushel in a highly competitive world market in which fractions of a cent per bushel are determinative.

It is estimated that a bare 1-cent-a-bushel increase added to the Eastern European purchases last year would have cost them an additional $1.5 million, while an 11-cent differential would have meant $16.5 million more.

This, then, is the basic reason why the Soviets and their satellites no longer even visit the United States to discuss commercial grain transactions. They do not visit the United States even though our country has a 900 million bushel wheat stock on hand, millions of idle productive acres, and economically depressed wheat producers. An extra 11 cents per bushel made the difference.

The avowed purpose of this administrative interpretation is to advance the health and vitality of U.S. merchant shipping. It does not achieve that goal. Indeed, it has just the opposite effect. The regulation involved here has proved to be illogical and irrational. It is not merely an arrow that fell short of the target, but a boomerang returning to plague the thrower.

According to Under Secretary of Agriculture Charles S. Murphy, when this regulation was first established it was not intended to interfere with our 1963 sales of wheat to Russia. But, he said, it has not worked out at all the way it was intended. In a statement to the International Finance Subcommittee of the Banking and Currency Committee on March 16, he said the evidence was very clear that, except for this requirement, the sales to Russia in 1963–64 would have been approximately twice as large as they were. Mr. Murphy went on to say, and I quote:

> Thus, the actual effect of this requirement now is—not to provide additional business for the U.S. merchant marine—but to prevent U.S. longshoremen, U.S. exporters, and U.S. farmers from having employment and earnings that would otherwise accrue. The adverse effect of this one requirement on the U.S. balance of payments might well be in the range of $100 million a year.

The total effect is all very simple. No sales of wheat—no seafarers employed—no longshoremen employed in handling grain—no merchant marine vessels moving—no wheat being transported to ports—and millions of bushels of wheat going into Government storage. In effect, those who unrealistically advocate retention of the 50 percent requirement are realistically advocating retaining 50 percent of nothing. They continue their demands for 50 percent of nothing, even though tremendous cash markets are going by default to our wheat and grain-producing neighbors.

Mr. President, the Senate Banking and Currency Committee, of which I am a member, questioned Secretary of Commerce John Connor closely on the possibility of lifting the requirement of 50 percent domestic bottoms on cash sales in agricultural commodities, pointing out that this was not required for other cash exports in the nonstrategic field. We were assured that a committee was studying the requirement, and that we might expect action by the committee.

But just a little over 2 weeks ago, Secretary Connor again appeared before our committee, and I asked him when we might expect a report on these matters. He told the Subcommittee on International Finance that he had no estimate on when the Maritime Advisory Committee might be able to suggest a final resolution of this problem, even though not one American benefits by the regulation, and even though we are not able to sell our wheat for cash.

The Secretary told our subcommittee to expect dire consequences if the Government lifted the "bottoms" requirement, pointing out to us that this action could cause all the maritime unions as well as the longshoremen to join in the present strike, and thereby seriously cripple our foreign commerce and domestic economy. He told us, in effect, that although he agreed with the arguments for lifting the restriction, certain labor unions had tied his hands.

He said:

> Well, Senator MONDALE. I cannot disagree with your statements or your conclusions. I think the present situation is a highly unsatisfactory one. This whole question of cargo preference on private transactions is one of the many problems now under consideration through the Maritime Advisory Committee and internally within the Government through the medium of an intergovernmental task force chaired by Alan Boyd, the Under Secretary of Commerce for Transportation.
>
> It is true as you say that under the present policy there seem to be no advantages to anyone; the farmers and the grain dealers are not getting any business, and neither are the mariners, the seafaring people, and members of the maritime unions benefiting, because no wheat is moving from the United States.
>
> And there seems to be no security reason why we shouldn't sell wheat to Russia. And, in fact, in some of the recent committee reports, such as the Presidential Miller Committee and the CED report, there were recommendations and relatively strong recommendations that our trade with some of the Eastern European Communist countries in commodities of this kind could very well be increased to the benefit of all concerned.

Not all of my friends in the labor movement will understand my position on this. I am a strong supporter of the principles of unionism. I am sympathetic with the goals of the workingman, and the role that strong and vigorous unions have in helping him attain those goals.

But I cannot be sympathetic with a position that is not in the public interest, is not in the interest of the workingman, whether seafarer, longshoreman, or transportation worker. In addition, this position does harm to the American farmer, who can ill afford it.

For this is what we are losing. First, even though we have declared expanded trade with the Soviet bloc to be "in the national interest," we have defeated that national policy and lost valuable opportunities to meet and deal with the Soviets on a peaceful, commercial basis. There can be no question of humiliating, punishing, or denying the Reds here, because they can and will buy grain elsewhere if we do not sell it to them.

Second, it is painfully clear that we have lost substantial opportunities to make cash grain sales for dollars, and in so doing, strengthen our economy and improve our balance of payments. Lastly, we have ignored the economic plight of thousands and thousands of American wheat and grain producers. We could have reduced Government-held surpluses, reduced Government storage costs, and could have increased income to our American wheat farmers.

My farmers and farm cooperatives in Minnesota cannot understand this. Nor can I. The 1965 estimated production of all kinds of wheat in Minnesota will be approximately 19.8 million bushels. My farmers cannot understand why they are denied the opportunity to sell this wheat in foreign markets on a competitive basis.

Minnesota will produce in 1965 an estimated 21 million bushels of barley, 2.2 million bushels of rye, and 150,234,000 bushels of oats. While not all of this will go into foreign markets, I think we should at least have the opportunity to compete in those markets.

This is not the time to recount the plight of the farmer. It is enough to say that his return on his investment of capital and labor is sadly below what it should be. Many of us have labored long hours on the Senate Agriculture Committee and elsewhere to be of help. We have tried to increase the farmers' income and reduce Government costs. We have sought to bring supply into balance with demand so that the normal forces of the market could be used to help our farm economy. We are fighting for every dime we can get for our farmers.

Cash grain sales in the international market are the classic response to these needs and the most effective method to secure these objectives.

To be denied several millions of dollars in grain sales, under the circumstances of this case, is not only injury but insult as well.

The President is undertaking an unprecedented effort to seek a better balance in our world trade. It must be done. Those of us who serve on the International Finance Subcommittee of the Banking and Currency Committee have been holding hearings for months seeking new ways to help. Our Government has asked business to reduce overseas investments in certain areas, foregoing or reducing profits. We have necessarily placed restrictions on the outflow of American capital, once again denying desired profits. We have made many other efforts to save a few dollars here and a few there.

Everyone agrees that export cash sales are the most desired source of improvement in our balance of payments. Why then do we deny ourselves the benefit of multimillion-dollar cash sales of U.S. grain? I cannot see the justification.

And, in exchange for the loss of a multi-million-dollar grain business, what benefits can we see?

Absolutely none. I have yet to learn of a single group or individual in the United States which benefits from present policy. In fact, the only people to benefit are our neighbors in Canada, Argentina, Australia, France, Mexico, and other grain-exporting nations.

As it is, we are only encourging the expansion of productive capacity in other countries. Canada and Australia between them, furnished 62 percent of all the wheat moving to the Communist world from 1961 through 1964. The Soviet bloc market unquestionably helped to stimulate increased wheat production in those two countries. Canada's land acreage in wheat last year was 30 percent above the 1955–59 level, and Australia's was 60 percent above that average.

Compared with the 62 percent furnished by Canada and Australia, the United States furnished a mere 19 percent of the 4-year 1961–64 total exports of 1.4 billion bushels.

I think we can do better.

Two weeks ago, Mr. President, I made my first major speech on the floor of the Senate. In that speech I asked that the American farmer be given the opportunity to do far more than he has been able to do in fighting the world hunger explosion. But what good will it do to ask that he produce substantial quantities of foodstuffs for Public Law 480 purposes, and deny him the opportunity to sell his products for cash?

One month ago, I spoke to a Norway Day gathering in Minneapolis, and told them of the fantastic agricultural story in the United States. We, in the United States, produce far more than we can consume, we have surplus stocks and millions of idle acres, we are participating in the largest program of foreign food assistance in the history of mankind, and American agriculture provides the largest single source of dollar earnings in world trade.

It is difficult—no, impossible—to explain to our people why we prevent cash sales of farm commodities and thereby consume more of our production, reduce our surplus stocks and idle acres, and increase our foreign exchange balances.

The time to act is now.

Trade experts have estimated that the Soviet Union will purchase an additional 2 to 3 million tons more wheat in this marketing year. It may yet be possible for us to share in these sales and in sales to Eastern Europe.

In short, Mr. President, our present policy is a bundle of incredible contradictions. We have declared sales to Russia and Eastern Europe in line with national policy, but have made those sales impossible.

We face a severe balance-of-payments problem, and we have adopted an unprecedented program of voluntary restraints on businessmen and bankers, but we are denying ourselves a market which could provide up to $100 million a year.

We have a continuing farm crisis, we are paying millions to store grain, but we close off a cash market which would reduce surpluses and the cost of programs for the farmer.

There must be better ways to support our merchant marine than by this contradictory, self-defeating policy.

In closing, Mr. President, it is arguable that this requirement is not only unwise but may even be illegal. The Cargo Preference Act, established by Public Law 664 in 1954, provides that Government-aided sales and Government-owned commodities should move by American shipping in international trade. It is questionable whether or not the 50-percent requirement, designed for one purpose, may be written into export licenses for cash sales required under an entirely different law, the Export Control Act of 1949.

However, even though it be quite legal, it cannot stand on policy grounds. I ask that it be rescinded.

I ask unanimous consent that material dealing with this subject be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
FOREIGN AGRICULTURAL SERVICE,
Washington, D.C., August 12, 1965.

Hon. WALTER F. MONDALE,
U.S. Senate.

DEAR SENATOR MONDALE: This is to confirm information given your Mr. Destler regarding sales of wheat to the Soviet Union and exports by source to the U.S.S.R. and Eastern Europe in 1963–64 and 1964–65.

Our very preliminary estimate is that Eastern Europe may import about 5.5 million tons of wheat in 1965–66 compared to 5.25 million in 1964–65. If previous trade patterns are followed, some of the wheat sold to the Soviet Union may go to Eastern Europe.

Sincerely yours,

C. R. ESKILDSEN,
Associate Administrator.

Sales of wheat and flour to U.S.S.R. which are expected to be exported to U.S.S.R. and satellite countries, July 1965 to June 1966

[Million metric tons, wheat equivalent]

Sales since July 1, 1965:	
Canada	6.3
Argentina	1.2
France	.3
Subtotal	7.8
Estimated quantities from previous sales by Argentina and Australia to be shipped after July 1	1.2
Total	9.0

Wheat exports to U.S.S.R. and Eastern Europe, 1963–64 and 1964–65 [1]

[Million metric tons, wheat equivalent]

Source	U.S.S.R.		Eastern Europe	
	1963–64	1964–65	1963–64	1964–65
Argentina	0.01	0.19	0.07	0.06
Australia	1.54	.81	.04	--------
Canada	5.69	.90	.74	1.95
France	.15	.35	.48	1.07
West Germany	.40	--------	.21	.05
Sweden	--------	--------	.08	.02
United States	1.72	.01	1.44	.09
U.S.S.R	--------	--------	.92	1.60
Others	.54	.05	.20	.41
Total	10.05	2.31	4.18	5.25

---

[1] Source: International Wheat Council.

[From the Minneapolis Tribune, Aug. 12, 1965]

Russ Buy More Canadian Wheat

(By Dick Youngblood)

Announcement Wednesday of two major wheat sales to Russia by Canada and Argentina sparked renewed protest from the U.S. grain trade against what it considers shortsighted Government policies on trade with the Communist bloc.

Nevertheless, most trade sources admitted that these policies likely will not be changed in time—if at all—to allow the United States to cash in on the apparently subpar wheat crop in Russia.

The Russians jumped into the world wheat market with a bang yesterday, taking 187 million bushels of wheat or flour-equivalent from Canada, and more than 40 million bushels from Argentina.

These transactions, seen as an indication of impending failure in Russia's spring wheat crop, came a week after the Russians had purchased 27 million bushels of wheat from Canada, bringing the total for the two cash sales to $450 million.

Earlier, the Russians had also picked up 40 million bushels from Argentina.

To Richard Goodman, who represents Great Plains Wheat, Inc., in Washington, D.C., they represented sales lost to the U.S. wheat industry "because of ridiculous Government trade policies."

These policies, demanded by the maritime unions and granted by the Kennedy administration at the time of the 1963–64 American wheat sales to Russia, require that 50 percent of all commodities sold to the Communists must be moved on American ships.

And because shipping costs on American vessels are more than twice the costs on foreign ships, Goodman said, Russia has gone elsewhere for its grain.

The American farmer has been cut out of the growing Russian market, he said, and the maritime industry has been left with "50 percent of nothing."

Goodman estimated that, except for the 50-percent requirement, the United States might have captured half to two-thirds of the sales picked up by Canada and Argentina.

Others, however, expressed doubt that the U.S. share would have been anywhere near that large, no matter what its trade policies were.

"The Canadians, after all, would still be stiff competition under any circumstances," said Burton Joseph, Minneapolis grain trader who played a key role in the negotiations that led to the Russian wheat sale 2 years ago.

But he admitted that, without the 50-percent requirement, the United States might well have garnered a significant share of the recent sales.

Pressure for a change in policy has been building for months, both in and out of government, and picked up a full head of steam with the announcement of the Canadian and Argentine sales yesterday.

But among both the Minneapolis grain trade and officials in the Department of Agriculture, there is little optimism that this will be seen very soon, for two reasons:

The maritime unions have been unswerving in opposition to a change in the 50-percent requirement, and there is doubt that the administration is willing to knock heads with labor while a big share of its legislative program is still to be acted upon.

And with "American blood being spilled in Vietnam," as one Minneapolis grain trader put it, it might be politically dangerous to push for liberalized trade with the Communists.

But to Goodman and others in the grain trade, this presents the ideal opportunity for the United States to drive the wedge still further between Russia and Red China.

"If we were willing to give the Russians a fair shake in their search for food," he said, "we might see a softening in their attitude on Vietnam."

It was an argument that some thought the President might listen to—although even they admitted it was a longshot.

Nevertheless, news of the Canadian and Argentine sales to Russia pushed wheat futures on the Chicago board of trade to their highest levels of the season.

As brokers saw the situation, the Russian sales have "booked" all available supplies in both countries, leaving the United States the only major exporter for other large-quantity buyers.

Most sources in the Twin Cities grain trade disagreed, however, saying that the brokers have reckoned without the bumper wheat crop now in the offing in Canada.

"The Canadians still have wheat to sell," said Joseph, "and they have the port capacity to handle it. They will certainly continue to service their established customers."

This, most observers agreed, would prevent the United States from picking up any large block of sales as a result of the Russian transactions yesterday.

But another factor, which also made itself felt on the wheat futures market yesterday, is the recently reported prospect of weather-reduced crop yields and quality in Western Europe, particularly France and West Germany.

The inability of these countries fully to supply other Common Market nations, as well as other traditional customers, would have far greater impact on U.S. wheat exports than the Canadian sales, trade sources said.

And even here, many agreed, the Canadians would still have the capacity to be an important competitor.

[From the New York Times, Aug. 12, 1965]

Lost Opportunities in Wheat

The United States is the odd man out in the huge wheat purchases being made by the Soviet Union. Canada and Argentina have received windfalls largely because U.S. wheat is too costly as a result of the Government's discriminatory requirement that 50 percent of wheat exports to Soviet-bloc countries must be shipped in American vessels.

The U.S. exclusion is unfortunate on many counts. Sales from the Nation's surplus would have meant greater prosperity in farming districts. They would also have increased the trade surplus in the Nation's balance of payments. Beyond these economic gains, the sales would have given tangible expression to the Johnson administration's desire to improve relations with the Soviet Union.

Even so, the big Russian purchases are important to the West. For Canada they mean higher incomes in agriculture, the one area of her economy that has not been enjoying boom conditions, and a cut in the big deficit in the Canadian balance of payments. As far as Argentina is concerned, the inflow of scarce dollars will have an even more significant impact on her inflation-racked, capital-short economy.

The United States itself will reap benefits indirectly. If the Russians pay for a good portion of their purchases by selling gold in London, the Treasury will not have to supply as much gold from its own dwindling stock to meet the demands of private and official sellers of dollars. Thus the Russians will be helping to calm the nervousness that has threatened to curb international trade and investment.

The West also is bolstered by the continued demand for grains from the country that had once been the granary of Europe. The Soviet Union has made great advances in industrialization and technology, but it has utterly failed to match the revolution that has taken place in American agriculture. And because Russia has to depend on outside sources of food supply, its leaders must recognize the desirability of strengthening their relations with those who can meet their needs.

It is ironic that the United States, which is the champion of liberalized trade and which has wheat to sell, cannot participate in this trade with Russia because of the high cost of American shipping. Yet the very unions that have done most to make the American merchant marine uneconomic are the chief insisters on quota preference guarantees. Secretary of Commerce John T. Connor has accurately testified that, if the shipping restrictions were eliminated, the almost certain result would be a protest strike by dock and maritime unions.

A large part of the merchant fleet is already strikebound for reasons that are a compound of economics and interunion warfare. Political strikes are just one more of the factors that contribute to the demise of American shipping; they also undermine our prosperity and our foreign policy.

[From the New York Times, Aug. 12, 1965]

Soviet Purchases Canadian Wheat for $450 Million—Sale of 187 Million Bushels Raises Total in 2 Weeks to 214 Million Bushels—Gain Seen for Ottawa—Huge Transaction Expected To Ease Payments Woes—Argentina Gets Order

(By John M. Lee)

Toronto, August 11.—The Soviet Union has made its second giant purchase of Canadian wheat and flour in less than 2 years.

The Canadian Wheat Board, a Government sales agency, announced today the sale of 187 million bushels for cash. Combined with a 27-million-bushel Soviet purchase last week, the total of 214 million bushels was valued at $450 million by Canadian officials.

In September 1963, the Soviet Union made a record single purchase of 239 million bushels of Canadian wheat and flour valued at about $500 million. There have been a number of subsequent small purchases.

Argentina announced the sale of 1.1 million tons of wheat to the Soviet Union. In Moscow, it was indicated the Soviet spring wheat harvest would be well below last year's crop. The wheat purchases may prompt a resumption of Russian gold sales in the West, according to officials in Washington.

Today's big sale is expected to stimulate an already-booming Canadian economy and brighten this country's clouded payments picture.

Political observers saw an advantage for Prime Minister Lester B. Pearson's Liberal Government among traditionally conservative prairie farmers.

SOVIET COMMENT

There was also speculation whether the Soviet Union would have to sell gold to finance the wheat purchase, as it was reported to have done following the 1963 deal.

The announcement was made at a packed press conference at the Wheat Board's offices in Winnipeg. Trade Minister Mitchell Sharp, Agriculture Minister Harry Hays and W. C. McNamara, Chief Commissioner of the Canadian Wheat Board, attended.

"The West will be going full blast," Mr. Hays predicted.

Mr. Sharp called for cooperation from producers, elevator companies, railways, grain handlers, longshoremen, port authorities, and shipping companies to move the massive order.

N. G. Osipov, a Soviet Deputy Minister of Foreign Trade, also attended the conference. He said that trade was a two-way street and that Russian sales to Canada must be increased.

"We help you to settle your trade imbalance with our big purchases," Mr. Osipov said, "but in doing so we create a certain imbalance of our own." Mr. Osipov is heading a trade mission now visiting Canada.

The Dominion Bureau of Statistics estimates that Canada bought $2.8 million worth of goods, mostly furs, from Russia last year, and sold $315.9 million, mostly wheat.

Today's mammoth sale coincided with a prediction of a bumper wheat crop for Canada of 12 million bushels, compared with the record of 703 million bushels harvested by prairie farmers in 1963–64.

The National Grain Co., Ltd., of Winnipeg, predicted an average yield of 29.1 bushels an acre, compared with a long-term average of about 17 bushels.

The estimates were 529.4 million bushels for Saskatchewan, 190 million for Alberta and 92.6 million for Manitoba.

Other grain companies have been informally estimating a crop of about 700 million bushels for the crop year that began August 1.

The contract on today's sale calls for delivery to start this month and to be completed by the end of next July. Shipment will be entirely through St. Lawrence River and Atlantic ports.

No part of the new contract will be shipped through Vancouver, which has been tied up for weeks by a grain-handlers strike. However, Mr. Sharp said the tieup was not responsible for the routing of the new shipment.

He said Vancouver already had large shipping commitments, including a major part of last week's 27-million-bushel sale and could be considered "sold out" for the new-crop year.

TERMS OF SALE

The new sale is for 4.6 million tons of wheat and an additional 400,000 tons in the form of flour, for a total equivalent of 187 million bushels.

Last week's 27-million-bushel sale was for 700,000 tons of wheat and 20,000 tons of flour.

Combined with smaller quantities bought earlier this year for delivery after August 1, total Soviet purchases for delivery in the current crop year amount to about 222 million bushels.

The Soviet Union has become Canada's major wheat customer, far surpassing purchases by Britain, Communist China and Japan. Most Soviet-bloc countries are also customers for Canadian wheat. Sales of wheat are second only to newsprint in Canadian export earnings.

Mr. Sharp said the wheat board, in view of the large order, "has taken every care to insure that it will be able to supply our traditional markets with their normal requirements."

EXPORT TARGET SET

Minister Sharp said the sale meant an assured market for every bushel of wheat that could be moved through Canadian ports during the next 12 months.

He set an export target of 600 million bushels for the current crop year, which would, if realized, exceed the 1963–64 record of 595 million bushels shipped.

Exports of wheat only for the 1964–65 crop year, ended July 31, were 366.7 million bushels. Wheat flour has not yet been calculated, the wheat board said. The total is estimated at about 390 million bushels, just shy of a 400-million-bushel goal. Five years ago, 300 million bushels in exports was considered good.

The carryover of wheat on hand at July 31 was estimated at 500 million bushels. Domestic consumption is about 150 million bushels annually.

The sale to Russia gives a lift to Canadian trade figures. In the absence of large shipments to Russia, which increased export figures last year, Canada's trade balance through April showed a $30 million deficit against a $95.5 million surplus a year ago.

Lagging trade had led to predictions of a $1 billion deficit in trade in goods and services this year.

Canadian grain, milling and transportation securities reacted favorably to news of the sale. On the Toronto Stock Exchange, Maple Leaf Mills was up 1, to 16, the Canadian Pacific Railway was up ⅝, to 64⅛, and Massey-Ferguson, the farm-implement producer, was up 1⅜, to 30½.

[From the New York Times, Aug. 11, 1965]

SOVIET HARVEST SEEN DROPPING

Moscow, August 11.—The Soviet Union's spring-wheat harvest will be well below 40 million metric tons, a drop from the 1964 yield of 47.9 million, according to indications.

Winter wheat, now mostly harvested, looks promising but there are signs that the spring-wheat yield may sink as low as 30 million tons.

The average spring-wheat crop for 1958–62 was 42.7 million tons.

The harvest is not expected to be as disastrous as the one in 1963. In September of that year, the Soviet Union made a single record purchase of 239 million bushels of Canadian wheat and flour.

HOUSTON POST BACKS SENATE ACTION

Mr. YARBOROUGH. Mr. President, recently this legislative body rejected a proposal which would have permitted States to apportion representation in one chamber of a State legislature on factors other than on population.

The Houston Post on August 8, 1965, printed an editorial supporting the Senate's rejection of the reapportionment amendment, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DISTRICTING AMENDMENT BLOCKED

The country should be grateful to those Members of the U.S. Senate who joined in blocking, first in the Judiciary Committee and then on the floor, the proposed Dirksen amendment to the Federal Constitution.

The amendment, if submitted by Congress and ratified by the required number of State legislatures, would have legalized what the Supreme Court, in an historic ruling last year, said is unconstitutional. It would have permitted States by referendum vote to apportion representation in one chamber of a State legislature on factors other than population.

In its decision, the Court said that all State lawmakers must represent people rather than acres of land or something else and that representation must be substantially equal. This means that legislative districting must be on the basis of population alone.

In a country that is now predominantly urban, this means an end to the control that rural areas long have exercised over State governments and with it an end to the control maintained by vested interests that benefit from this violation of democratic principles.

The sponsor of the amendment, Senator EVERETT DIRKSEN of Illinois, says that he will try again at this session of Congress to get his proposed amendment submitted, and he probably will. Those long entrenched in power do not give up easily, and the Senator is particularly vulnerable to their pressure.

By its ruling, the Supreme Court said, in effect, that the country must return to the principle of democratic, representative government at the State level. To be representative, government must be responsive to the needs and wishes of a majority of the people, and this is unlikely, if not impossible, if State legislative districting is based on factors other than population.

It became necessary for the Federal courts to act only because the States themselves would not adjust to the changes that have taken place in the country during recent decades, one of them being the shift from a predominantly rural to a predominantly urban society.

It is worth noting that some of those who screamed the loudest about the Supreme Court's ruling and who were the most ardent supporters of the Dirksen amendment are those who shout the loudest about States rights and denounce most vigorously expansion of the Federal Government.

The fact is that much of this expansion of the Federal Government has come about because State governments are unwilling or unable to meet the needs of their people satisfactorily. State political leaders have resisted all efforts to modernize State governments and to make them responsive to the will of the people. Through inaction, they have made it necessary for the Federal Government to act in an increasing number of areas.

The net result of the Supreme Court's decision should be better and more effective State government, which in turn should tend to discourage the accretion of Federal power.

The Dirksen amendment represented an attempt to preserve State power arrangements that are not in the best interest of the people or the Nation. One can only hope that it also represents the last, dying gasp of those who really do not believe in the basic principles upon which the American system of Government is supposed to be built and who, while giving them lip service, attempt to block and frustrate their application in practice.

POVERTY PROGRAM PONDERED

Mr. SCOTT. Mr. President, some time ago, Vermont's former U.S. Senator Ralph E. Flanders, a friend to many of us, brought to my attention the work of one William D. Pardridge, with the suggestion that his views be given wide attention through the CONGRESSIONAL RECORD.

Like many Americans, Mr. Pardridge is concerned by this Nation's economy. But he is not like those who regard the economy much as they do the weather—as something everybody talks about but something nobody can do anything to change.

To the contrary, Mr. Pardridge is a man who believes in action. And so, he has left his graduate studies at the University of Chicago to launch on an ambitious project to write 50 articles examining what he calls economic inequities—inequities which seriously impair our national well-being. Eventually, after each of the articles has appeared in a leading newspaper in one of the 50 States, Mr. Pardridge plans to publish them in book form for the attention of professors, national advisers, and other economists who have the greatest influence on the Nation's economic direction. Hopefully, the inequities will be removed or, at least, efforts to eliminate them will be initiated.

As a part of his series, Mr. Pardridge focused on the war on poverty in an article carried on July 25, 1965, in the Pittsburgh Press. One need not agree with every word to share the author's hope that he will stimulate the public's thinking. From careful thought, better solutions to our economic problems may emerge and, for this reason, I believe the provocative points raised are well worth the attention of all of us.

In his letter to me, our former colleague from Vermont wrote:

> I have known Mr. Pardridge both professionally and personally for some 16 years, and I can vouch without reservation for his intellectual integrity and great dedication to the pursuit of economics * * *. I want men like you to know him and be known by him. Helping Bill Pardridge will be helping my own principles of intellectual manners and morals.

Mr. President, with this in mind, I ask unanimous consent that the article entitled "The Pill for Poverty Is Jobs," together with the editor's explanatory note, be printed, by request, at this point in the RECORD.

There being no objection, the editor's note and article were ordered to be printed in the RECORD, as follows:

[From the Pittsburgh (Pa.) Press, July 25, 1965]

ACCENTUATE THE POSITIVE: THE PILL FOR POVERTY IS JOBS

(By William D. Pardridge)

(EDITOR'S NOTE.—William D. Pardridge, whose hobby is economics, is a former national magazine editor and a Chicago University graduate student. He left Chicago a month ago to prepare a series of articles on what he calls the "Economic Inequities" in America today. Following is one he wrote for the Pittsburgh Press. It is an amusing and interesting critique in which he contradicts the basic philosophy underlying the Government's "poverty program" and pokes fun at the economic theory on which it depends.)

The poverty program is poverty stricken.

It also is upside down.

Almost all professional economists today were brainwashed in their formative years by the teaching of the glamorous Lord Keynes.

This con artist said that employment is caused by investment. From this simple pronouncement in 1936, which was born under an intellectual flatrock, a cult spread out of England and across Western economic thought.

The cart is clearly before the horse. Employment is not caused by investment; investment is induced by employment.

A man with money will invest in a new shoe factory only if he thinks he can sell shoes. And he knows he can sell shoes only to people who already have jobs.

IT'S SIMPLE

This is not complicated, but textbook-trained economists make it so.

To John Maynard Keynes, the idol of the dilettantes, everything is based on money. The real world, however, says that everything is based on goods. Money is simply a way of exchanging goods. It has no economic value in itself.

Long before money came along, people were trading goods. Money simply makes trading easier.

Even in the New York Stock Exchange, the moniest place in the world, the lingo is that brokers are trading stocks.

LOOKING AT POVERTY

Well, so it is with the poverty program.

Instead of money, everything is unemployment. Everything is poverty. The question is: Are you broke? Or how broke are you?

More energy is spent defining poverty for a family of four, or for a worker with two dependents, or for single women between the ages of 24 and 27, or for widows with one dependent—seriously—than is spent on constructive economic analysis.

Our census takers and our electronic computers (an evil team) can tell us right off just who needs help.

Everybody is analyzing poverty, which our intelligentsia suspect is caused by some unknown, highly complicated, and difficult theoretical condition known around town as being out of work.

Everybody is analyzing unemployment.

Nobody is analyzing employment.

THE ONLY WAY

No crystal ball is needed; just read your newspaper and you will see that all the reports coming out of Washington and the universities relate to who needs a job: or how much uneconomic Government money is needed to "do away" with poverty.

This is all for the birds.

There is only one way to decrease unemployment—without the Nation going broke, that is. The one and only way is to increase employment.

Now everybody knows this. But they don't.

The very concept of unemployment should be discarded as insidiously wasteful, and especially negative in attitude. Economists must analyze the elements of employment so that weak elements may be strengthened, and strong elements left alone.

IT DIFFERS

America is not like a quart of homogenized milk. The weak elements of employment in Pittsburgh may be completely unlike the weak elements in Denver.

Michigan may be strong in those elements in which Iowa is weak, and weak where Iowa is strong or plain average.

We should determine what are the elements of employment—not who is poor and how poor is he, anyway.

We don't need computers to tell us who is poor. And we don't need machines to tell us that poverty is going to be erased away by Government dole. Because it isn't.

In one fine American city substantial poverty program money is being used to increase relief checks. That money which actually is a claim on real economic wealth—goods and plant facilities—that money is being taken away from the taxpayers' pockets.

THE POCKETS

Now these taxpayers' pockets are the source of the life of the retail stores that keep the factories going, that create and maintain employment.

Forget unemployment. It's a dirty word.

Concentrate on employment.

Demand for goods, then, is an element of employment. In fact, it's the most important element there is.

What very little statistical analysis of this element has been done, in the back rooms, proves it every time.

Education is another element of employment. Statistical analysis also supports this element—but only when education is general education, not when it is vocational training or the much touted work-experience programing.

What good is work experience when there is no work?

SLOW CURE

It is the general level of education that is an important element of employment. And this general level varies from place to place in the United States. We can find those weak spots, and move in with public school construction, schoolbook grants, and, especially, substantial teacher-training grants.

This takes time. But our worrisome level of persistent low employment didn't come overnight. And the cure won't do the trick overnight.

MORE SCHOOLING

There is a side effect that could be an amazing boon in both the short and the long run.

Factory work hours have decreased steadily from the 70 or 80 hours a week of a century ago to the present 40-hour workweek. But nobody thinks of raising, quite in tune with fewer work hours due to advanced technology, the mandatory school age limit.

At once, this would reduce the number of people looking for jobs and strengthen considerably one of the basic elements of employment.

It doesn't cost any more money to be busy in a schoolroom than to be idle on the streets. Savings on police and court expenses would buy the books. This is a social orientation program that has been completely ignored.

There are natural school dropouts, of course, just as there are natural work idlers. We'll always have both. But to say that the teenage population of America is not mentally equipped to finish at least high school (and many intellectual snobs say it) is exactly the same as saying that America is a mentally retarded nation.

It may be, at that, from the looks of things.

OTHER FACTORS

Besides purchasing power and education, there are many more elements affecting employment, of course; like the price level, racial mixture, technological development, money stock, and so on. All are orphans of the big grab for huge research grants that scream for quick results.

This is veneer research. It isn't even research. It's an intellectual, white-tie, charity ball. The results are posted in the learned journals instead of in the hiring halls.

In America there is no advanced statistical analysis of the elements of employment. There is a "sophisticated" analysis of whether or not George is more or less poor than Fred.

What difference does it make who is poorer than whom? What these guys need are jobs, not labels.

WOLVERINE STANDS ITS GROUND

Mr. BARTLETT. Mr. President, we have all heard of the wolverine, known as one of the fiercest creatures inhabiting the northern latitudes. We have heard of his great strength despite his small size, his courage and we have heard, too, that many men consider him a predator who should be wiped off the face of the earth. Some men do not feel that way; they feel that the wolverine, limited in numbers, fighting a losing battle against human encroachment on his territory, is a marvelous creature that should not be shot at sight, should be left alone in most instances so that he can reproduce his kind and so that there always will be wolverines instead of merely books about a vanished animal.

However all of that may be, we do not hear too much about the wolverine. Even more seldom do we read about it. Now we can, for Howard Rock, editor and publisher of the Tundra Times published at Fairbanks, Alaska, has in the Times for July 26 written a thrilling account of how a wolverine stood his ground against four wolves. Speaking for myself, this is one of the best wildlife stories I have ever read and I ask unanimous consent to make it a part of my remarks now so that others may have the pleasure of reading Howard Rock's story:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Fairbanks (Alaska) Tundra Times, July 26, 1965]

ARCTIC SURVIVAL: WOLVERINE KILLS CARIBOU, DEFENDS IT AGAINST PACK OF FOUR WOLVES

(By Howard Rock)

Uyatorna walked up a low ridge. He had been hunting caribou about 5 miles from his family's camp at the fishing grounds at Kukpuk River. The camp was some 35 river miles up from the village of Tikiqaq (Point Hope).

As he was about to reach the crest, he noticed a movement that surprised him from the corner of his eye to the left. He looked quickly to see what it was. What he saw made the hair on the nape of his neck stand on end and a shiver trickled down his spine causing goosepimples to appear on his body.

He ducked quickly to make sure he was not seen. He looked around to find a place where he could conceal himself. He saw a rock formation to his right. He backtracked, keeping himself as low as possible by ducking his body.

He took an arrow and carefully placed it on his bow for instant use if he had to. He made a curving turn and approached the rock formation from below making sure to be very quiet. He tiptoed to it. He was pleased that the rock was craggy and it would make a perfect place to hide.

He also felt fortunate the wind was blowing from the east, the direction he was going when he came upon the scene. It was a stiff wind and it had muffled the sounds of his footsteps.

He edged himself to the rock and looked through an aperture. It was a perfect vantage point from which to watch the drama that was about to unfold slightly below him and not 30 yards away. There was even a place for him to sit comfortably without exposing himself.

RISES EARLY

Uyatorna had risen early that morning to go hunting. His wife Amasuk had complained the night before that she was tired of eating ptarmigan and squirrel meat that had been their diet for many days.

"Uyatorna, we have been eating ptarmigan and squirrel meat for a long time now and it would be good to have some caribou meat for a change. We also need the skins for parkas for the coming winter," Amasuk had said.

When the hunter started, he went in the easterly direction across valleys and hills. The wind had already been blowing from the east. He hoped that he might be able to head off some caribou heading east against the wind that the animal always seem to do from which ever direction the wind might blow.

He saw a few of them a long distance to the northeast. They were heading east from the direction of Cape Lisburne to the north. He looked to the west but there was no caribou to be seen in that direction.

Ptarmigan was plentiful along the way and Uyatorna flushed many of them. He didn't bother to try to take any. He didn't want to load himself down while traveling away from his camp. He would get a few on the way back.

FORBIDDING CLOUDS

Uyatorna walked on. The velocity of the east wind increased and the clouds swelled into huge dark masses ahead of him.

"If the wind shifts to the south, it will rain," he thought.

He thought of turning back but a low ridge ahead intrigued him.

"I might see some caribou resting beyond it," he said aloud. "Amasuk was right. It would be good to have some caribou meat for a change."

The hunter was not optimistic about getting a caribou that day. He made up his mind that he would turn back after looking over the country beyond the low rise if he didn't see any animals.

He walked up the incline. The footing was good and hard. It was a rocky surface with a covering of moss. Since it was the middle of August, there were some moss flowers in bloom. The velocity of the wind increased as he neared the crest and he leaned against it.

WOLVES AND THEIR PREY

Uyatorna become alert as the country became visible beyond the ridge. He noticed a movement to his left which stopped him cold. The animal moved but a little but it was enough for him to notice. It was a wolf.

He made a momentary glance in the direction the wolf was looking. He saw three more. In the center of them was a wolverine circling around what appeared to be a dead caribou.

Uyatorna ducked and stealthily backtracked. The animals didn't appear to notice him. He made a half circle away from them and silently tiptoed to the rock formation to the right of him. He drew an arrow and adjusted it to his bow for instant use.

As he set himself on a ledge of the rock, the hunter looked through a crevice. From this perfect vantage point he nervously settled to watch this impending battle—a deadly drama that was about to unfold.

As he watched, a series of chills ran down his spine. The scene seemed deadlier than he realized. It was strangely silent—an ugly scene. The wolves slinked in what seemed to be carefully gaged movements. They were edging closer and closer to the wolverine.

Each of the wolves bared its fangs from time to time without sound. They seemed to be perfectly coordinated to the deadly task they were about to undertake. They kept baring their fangs, heads lowered—their ears pinned down against the back of their skulls. For all the hunter could tell, the wolves were evenly spaced and of equal distance to the perimeter of ground circled by the wolverine.

THE PREY

The wolverine kept circling the caribou carcass in ambling motions characteristic of its pudgy, short-legged body. His head moved from side to side in swift vigilance of the deadly enemies around him. He kept his wicked fangs bared much of the time. He looked pitifully small against the large gray wolves.

As he watched, Uyatorna concluded that the fate of the wolverine was a foregone conclusion. It was just a matter of time. How could a small animal like him ever hope to pit its small body, although powerful to be sure, against the great bulk of the savage wolves?

The hunter was amazed at the show of courage of the small animal. He was not about to cower away leaving the caribou he had claimed for himself. He had apparently killed it himself because of the apparent savagery of the attack. The throat of the caribou had all but been torn away.

THE TIGHTENING CIRCLE

Spellbound and with tingling expectancy, Uyatorna watched the ever-tightening circle of wolves around the hapless and courageous wolverine. It seemed to him that it was a maneuver designed to unnerve the doughty little animal.

The maneuver was deadly, calculated—that showed a latent and lethal ferocity. Uyatorna felt a pang of pity for the wolverine. Should he intervene? He decided against it. The animals were working themselves into a pitch of fury and if he revealed himself, there was a good chance that they would turn on him.

The wolverine no longer circled around the dead caribou. He settled on the side where the dead animal's legs lay sprawled. Each of the wolves were now about 15 feet from the object of their prey. They began to emit low, threatening growls, not all at once but by staggered turns. This forced the wolverine to turn its body in different directions in quick succession.

Still the wolves edged forward shrinking the deadly ring. Suddenly one of them, apparently the leader, snarled wickedly, baring its fangs. The others followed, again in staggered turns. The wolverine sprung around swiftly with hissing growls—fangs bared.

The series of snarls increased. The wolves were apparently trying to confuse their prey that was beginning to spin around to his left and right by turns. He was expecting attack from any quarter any moment.

THE DEADLY SCENE

Uyatorna watched in dreadful fascination. The scene below him was a deadly one where each animal would ask no quarter nor would it expect any. At least one of them would be dead. The hunter no longer doubted in his mind that one of the dead would be the wolverine.

"Amaqut makoa tuqutiqneagii munna qaveoraq." ("These wolves will surely kill the little wolverine") Uyatorna thought.

The snarls of the wolves continued. They began to make feinting moves toward the wolverine. Uyatorna was amazed at the little animal. He seemed to be aware of each feint. He showed great agility and he seemed ready to meet each one. What if the wolves attacked all at once in a mass of collective fury? What chance has he got?

THE ATTACK

Even as he wondered, one of the wolves attacked a split second before the others. The wolverine met it in a surprising and unorthodox manner. The little animal ducked and appeared to go under the wolf. At that instant there was a sickening, grinding snap of bone. In a lightning-fast counter, the wolverine had gone for the left hind leg of the attacker and closed his powerful jaws on the thigh and bone.

The victim yowled with pain and twisted violently in the air and fell down hard on the front quarters of one of the attacking wolves, confusing it. The wounded wolf's leg hung loosely—grotesquely—blood squirting from it in a series of jets.

The little brown and cream haired animal took advantage instantly and snapped its jaws on the small of the back of the momentarily confused animal and twisted its grip wickedly. The vicious attack apparently did a great damage, because the wolf tried to flee all but dragging its hind quarters.

The two remaining wolves made a savage attack on the wolverine, momentarily knocking him off balance. The little animal regained his footing while one wolf gripped him on the neck. The other one went for his flanks.

The powerful little carnivore, apparently worrying about his flanks, made a quick, twisting motion. An instant later his heavily muscled right foreleg whipped and caught the wolf at his flanks on the shoulder with his sharp nails and paw. An exposed flesh suddenly appeared as the skin flapped down from the wound.

The injured wolf backed away limping but the one at his neck held on tenaciously—wickedly. The wolverine was in trouble. He made a series of quick motions and suddenly there was a terrible crunch of bones. The little animal had caught his remaining attacker by the knee of its right foot and crushed it with his powerful jaws.

The wolf let out a howling scream as it released its hold on the neck of the wolverine. This is what the latter wanted. He turned aggressor in an instant and snapped his powerful jaws on the neck of his enemy partly from under and side.

THE ENRAGED WOLVERINE

Working for a leverage, the enraged wolverine braced himself and made a pulling and twisting motion. The body of the huge wolf whipped partly in the air. Its neck snapped and it fell dead—its head in a gruesome and unnatural position.

THE CARNAGE

The little animal had emerged victorious against what seemed impossible odds. He looked around and then made a circle surveying the carnage and the evidence of it he had created. The terrible death-dealing look remained in his eyes. He bared his fangs from time to time as he emitted half hissing growls. There was froth at the corners of his mouth.

Except for his murderous eyes and wicked fangs, the wolverine looked anything but a lethal killer to Uyatorna. He ambled along clumsily as if he didn't possess any agility and strength. It was all there along with one of the most powerful jaws possessed by any animal.

The wolverine was apparently trying to locate the trail left by the wolf that had left the scene of the fray dragging its hind quarters. He seems to have picked up the scent and proceeded to trail it.

"AYIIYAA," shouted Uyatorna. "Little wolverine, you have done quite enough. I will kill that wolf for you."

As he shouted, the hunter revealed himself above the rock formation. The animal saw him instantly and bristled, baring his fangs. Man was another sort of an enemy and the wolverine instinctively withdrew and ambled away.

Uyatorna walked around the rock and began to pursue the wounded wolf. When he came upon it, he shot an arrow through its heart. He didn't bother to go after the one with a severed artery on its hind leg. It had gone over a low rise and disappeared.

"If he hasn't bled to death by now, he will in a short time," Uyatorna voiced his thought.

The one with the shoulder wound had run away with a bad limp and it was nowhere to be seen.

HEALTHY CARIBOU

Uyatorna went back to the dead caribou and the wolf. He was surprised that it was a yearling bull and a healthy one except for a recent injury to the right eye. It had been badly torn into uselessness. It had probably suffered an unexpected accident and fell behind a herd when the wolves apparently took pursuit.

The wolverine might have been in a lucky position and beaten the wolves to the attack. Uyatorna concluded that it had attacked the caribou from the blind side and this unexpected incident had created the deadly drama which the hunter witnessed in spellbound fascination.

The man skinned the caribou and cut out choice pieces of meat and wrapped them in the skin.

The wolverine had taken a position at a distance just beyond effective arrow range from the man. Uyatorna could have shot the animal if he wished because it had been within perfect range.

He didn't however, because he had come to admire the little animal's invincible courage under what seemed to be the most deadly and impossible odds. The wolverine was licking its wounds and watching Uyatorna as he worked around the carcass.

The hunter cut out a piece of caribou meat and walked part way toward the animal.

"Uvah, qaveoraq, tutumik neqeoraqin." ("Here, little wolverine, eat a piece of caribou meat,") he shouted. He threw the morsel toward the fierce little carnivore. As the hunter returned to the carcass, the animal edged toward the piece of meat and ate it.

THE WINDFALL

As he finished skinning the dead wolf, Uyatorna turned to the wolverine and shouted, "Little wolverine, now you can have all the caribou meat you want."

He skinned the one he had shot through the heart and then followed the bloody trail of the third one. He found it about a quarter of a mile where it had bled to death.

As he skinned it, Uyatorna observed, "These were young grown wolves and they were reckless. The one that got away will never forget the terrible lesson he learned today."

As he started home with the load of caribou meat and skin and three wolf pelts, Uyatorna chuckled:

"Amasuk will never believe me when I tell her how I got all these animals."

MINNESOTA POLL SUPPORTS PRESIDENT JOHNSON'S POLICIES IN VIETNAM

Mr. MONDALE. Mr. President, President Johnson's policies in Vietnam have brought forth loud criticism from a vocal minority, a minority which claims that these policies do not have the support of the American people. But I am proud to report that, according to a recent poll by the Minneapolis Tribune, a strong majority of Minnesotans do stand behind the President and the action he has taken in meeting this very difficult problem.

President Johnson has declared that we must support the people of Vietnam and their efforts to determine their own destiny in the face of Communist aggression. Fifty-eight percent of Minnesotans clearly support this policy, compared to only 21 percent who oppose it. An even greater majority, 77 percent, feel that the President's explanation of the reasons for our commitment is a convincing one. And 58 percent of the people of my State recognize the necessity of sending more American troops to Vietnam at this time.

Results of the poll also indicate strong support for the President's efforts to find an alternative to war, his efforts to reach a peaceful settlement through negotiations which our Communist adversaries still refuse to participate in.

Mr. President, I am proud that the people of my State are so clearly in support of President Johnson's policies in Vietnam. I ask unanimous consent that the Minnesota poll of August 8, 1965, be printed in its entirety in the RECORD.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

[From the Minneapolis (Minn.) Tribune, Aug. 8, 1965]

FIFTY-EIGHT PERCENT APPROVE SENDING OF TROOPS TO SOUTH VIETNAM

Most Minnesotans (58 percent) support U.S. policy of sending more troops to battle in South Vietnam, a statewide survey by the Minneapolis Tribune's Minnesota poll indicates.

Thirty-one percent of the men and women questioned in home interviews disapprove of enlarging the Nation's role in Vietnam, as is being done by the Johnson administration.

The rest of the people are undecided or have special opinions to offer.

Approval is based mainly on the feeling that "we have committed ourselves and have got to end the war as soon as possible" or that U.S. involvement in the war needs to be increased to stop communism.

Such endorsements often are expressed reluctantly in the survey. "I don't like the idea, but we have to do it," a Bloomington housewife said.

A farmer from Otter Tail County put it this way: "I guess we got to finish what we started, but we're not wanted over there. It's just like it was in Korea, all these boys killed and no real answer for it."

Frustration over the difficult war in southeast Asia and dismay over losing American lives there are the main factors which cause Minnesotans to disapprove of sending more troops.

What is expressed in the survey is a close approximation of how the general public in the State reacts. That's because the 600 people who were interviewed only 2 weeks ago are an accurate model of the adult population.

They reveal uncertainty about U.S. participation over a decade in the affairs of Vietnam, although a majority of people (58 percent) think our reasons for helping South Vietnam are sound.

The public is more in agreement when it comes to accepting President Johnson's explanation for the United States being in South Vietnam; 77 percent say a paraphrase of Mr. Johnson's remarks contain "good" reasoning.

People were asked early in their interviews: "Let's consider southeast Asia for a moment. The United States has been helping South Vietnam since 1954. Do you think the reasons for our support are sound or not sound?"

The replies:	*Percent*
Reasons are sound	58
Reasons are not sound	21
Other answers	3
No opinion	18
Total	100

Interviewers then changed the subject and asked several questions on other topics, a conversational maneuver that was specified on their question forms.

That interlude afforded people a chance not to feel locked into their previous opinions when they were asked:

"President Johnson has said that the United States is in South Vietnam to help the people there secure their independence and to show the world we keep our promises to fight for freedom. Do you think those are good reasons or poor reasons for being in South Vietnam?"

The answers:	*Percent*
Good reasons	77
Poor reasons	14
Other answers	3
No opinion	6
Total	100

Almost half of the people (47 percent) who said on the earlier question that our participation in Vietnamese affairs was based on unsound principles thought the President's explanation was good.

Here is a comparison of the two sets of responses with the qualified answers and no opinion count not shown:

[In percent]

	U.S. participation		L.B.J.'s reasons	
	Sound	Not sound	Good	Poor
All adults	58	21	77	14
Men	62	24	75	16
Women	54	19	78	12
Adults with grade school training	44	29	71	16
High school	59	19	81	11
College	73	17	75	16
Democratic-Farmer-Laborites	63	19	83	11
Republicans	58	27	74	16
Independents	52	21	70	16

The next question was: "We now have 70,000 men in Vietnam. The U.S. ground forces will be increased to 150,000 troops, many of whom will be taking an active part in the fighting. Do you approve or disapprove of our playing a larger role in the Vietnam struggle?

[In percent]

	Approve	Disapprove	Other and no opinion
All adults	58	31	11
Men	67	25	8
Women	50	36	14
Grade school	54	31	15
High school	57	34	9
College	66	25	9
DFL'ers	67	26	7
Republicans	55	34	11
Independents	49	37	14

Each person who had an opinion was asked why they approved or disapproved. These are their answers, the percentages being expressed in terms of all people interviewed:

	Percent
Approval:	
We committed ourselves and have got to follow through, must end war as soon as possible	40
Must stop communism	16
Must keep promise to South Vietnam	4
Other answers	3
Disapproval:	
They don't want our help and we don't belong; United States can't win anyway	8
Nothing is accomplished, we have done enough there, should pull out or end it now	5
We are losing too many lives	5
Must be another solution, the U.N. should help	5
Other answers	11

As an example, the above table indicates that 40 percent of all the people interviewed approve of sending more troops to Vietnam because we have commitment to follow through. Many persons supplied more than one reason for their approval or disapproval.

CENTENNIAL OBSERVANCE OF KALAUPAPA SETTLEMENT

Mr. FONG. Mr. President, 100 years ago a tiny settlement was established on the island of Molokai in the Hawaiian Kingdom for the victims of leprosy, now known as Hansen's disease.

Last week a 3-day centennial observance was held at the isolated settlement. Guests from the outside world were invited by the nearly 200 active and inactive patients for a luau—Hawaiian feast—and a display of crafts made there.

It is difficult to imagine now the pathetic condition of those who were sent to the settlement at Kalaupapa in the early years. Into this valley of death and despair came Father Damien, who ministered to the afflicted until he himself succumbed to the disease.

The dramatic story of the Kalaupapa settlement and the heroic sacrifice of Father Damien has been retold on this centennial occasion in an article in the Honolulu Star-Bulletin of August 11, 1965. Ably written by Tom Kaser, the article describes the settlement as it was and as it is today.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KALAUPAPA MARKS A CENTURY OF ISOLATION

(By Tom Kaser)

KALAUPAPA, MOLOKAI.—You can't help but feel a little humble at this place, especially when you consider its geography and its history.

Kalaupapa, located on a peninsula at the foot of cliffs on Molokai's rugged north coast, is one of only three centers for the treatment of Hansen's disease (leprosy) in the United States today.

Hale Mohalu, in Pearl City, and a U.S. Public Health Service hospital in Carville, La., are the only other institutions in the country that exclusively treat communicable or "active" cases of Hansen's disease.

It is possible that leprosy, as it was known before 1874, was diagnosed in the Hawaiian Islands as early as 1823, when a Protestant missionary wrote in his journal that "cases of kokuas or helpers. Also included was a were on the increase.

The first officially recorded case of leprosy in Hawaii was in 1853, and by the late 1850's the disease had spread to almost epidemic proportions.

King Kamehameha V finally declared, in January 1865, that those afflicted with leprosy must be isolated, and the site chosen by the board of health was a peninsula on the north coast of Molokai.

For $1,800, the board bought most of the land on the peninsula, including from 15 to 20 houses and rights to use nearby Waikolu and Wainiha Valleys.

Nine men and three women were on the first boat that arrived at the peninsula, on January 6, 1866. Part of the group consisted of ophthalmic scrofula and elephantiasis" health department superintendent, but neither he nor several of his successors spoke Hawaiian.

The first settlement on Molokai was at Kalawao, 2½ miles across the base of the peninsula from Kalaupapa.

From January to October of 1866, 104 men and 38 women—some of them kokuas—were sent there. Contrary to popular belief today, there is no evidence that the lepers were dumped overboard near the shore, although rough seas at times may have made it necessary for them to be pulled ashore on ropes.

THERE WAS NO LAW DURING FIRST YEARS

The first superintendents at Kalawao encountered difficulties enforcing law and order. Instead of the stronger patients tilling the land and looking after the weaker, it was vice versa. Might made right, there was no law, the able refused to work, and drunkenness, rape, and pilferage were rampant.

Two years before this time, Joseph de Veuster, a Catholic brother in the Congregation of The Sacred Hearts (SS. CC.), arrived in the islands from Belgium to begin missionary work in place of his brother, who was too ill to come.

Brother Damien, as Joseph de Veuster was first known in religious life, was ordained a priest in Honolulu, and in June 1864—2 months after his arrival in the Islands—he went to the big island to begin 10 years of missionary work in Kohala and Hamakua, among other districts.

Meanwhile, in 1871, a Protestant church named Siloama (meaning "Church of the Healing Spring") was built at Kalawao and served by Hawaiian pastors, one of them a patient at the settlement.

The following year, Brother Victorin Bertrant of Honolulu went to Kalawao and stayed long enough to build a small wooden chapel less than a half-mile from Siloama, naming it St. Philomena's.

Later, after Father Damien arrived, he built the main part of the church.

King Lunalilo ascended the throne in 1873 and brought about changes that slightly improved conditions at the leper settlement on Molokai. A member of the Royal Hawaiian Guard, himself a victim of leprosy, was brought to the settlement and made superintendent; better food was sent to Kalawao; and a bonus system (granting pay and privileges) was established for those patients who worked.

But the health situation remained grave; of the 797 lepers who had been brought to Molokai as of the beginning of 1873, 311 had died.

Noting the concern of the Right Reverend Louis Maigret, SS. CC., Catholic bishop of the Islands, that there was no priest at Kalawao, Father Damien volunteered to come to the settlement.

Damien and Bishop Maigret arrived at the village at 11 a.m., May 10, 1873, aboard the SS *Kilauea*, which also contained about 50 lepers and some cattle.

FATHER DAMIEN'S VISIT PROLONGED

The intention was that Father Damien would stay at the settlement for 2 or 3 weeks, then return to the big island. A petition, signed by 200 patients and asking that a permanent priest be sent to Kalawao, was presented to Bishop Maigret and in the ensuing days Father Damien decided to stay.

Over the next 16 years, Damien administered physical and spiritual aid to the lepers in a remarkable number of ways. He helped them build homes, install an adequate water system, and he even spent much of his time building coffins for the lepers. The deaths averaged about one a day.

Doctors were occasionally sent to Kalawao and Kalaupapa, a smaller village on the western edge of the peninsula, but their visits were always brief. In 1884, a doctor returned to Honolulu and reported that "no one but Father Damien renders any help."

Because of the lack of doctors at the settlement, Damien spent much of his time being nurse, doctor, and even surgeon to the lepers. Using only soap, water, bandages, and sedatives, he occasionally found it necessary to amputate limbs.

The atmosphere for these and other ministrations was almost unbearable. In his official report to the president of the board of health in March 1866, he wrote:

"The smell of their filth, mixed with exhalation of their sores, was simply disgusting and unbearable to a newcomer. Many a time, in fulfilling my priestly duties at their domiciles, I have been compelled not only to close my nostrils but to run outside and breathe the fresh air.

"To protect my legs from a peculiar itching, which I usually experience every morning after visiting them (the lepers), I had to beg a friend of mine to send me a pair of heavy boots. As an antidote to counteract the bad smell, I made myself accustomed to the use of tobacco, whereupon the smell of the pipe preserved me somewhat from carrying in my clothes the obnoxious odor of the lepers."

From time to time Father Damien made trips to Honolulu to consult with his religious superiors and make repeated requests to the board of health for supplies and equipment. But many times these requests took the form of demands, and Damien—whose temper often flared was known as a stubborn and argumentative character.

BITTERNESS MARKED HIS LAST YEARS

His last trip to Honolulu was made on July 10, 1886, when he visited a Dr. Goto to receive temporary treatment for what were plainly symptoms of leprosy. The last years of his life were unfortunately embittered by some of his religious superiors, who—according to historical documents—appear to have been jealous of his popularity.

One historian, Father Reginald Yzendoorn, SS. CC., notes that the correspondence between Damien and his religious superiors in Honolulu in the years 1886 and 1887 "is saturated with acrimony, and one wonders what misconduct may have provoked such evident hostility."

Partly because of his leprosy and partly, perhaps, because of bitterness, Father Damien was forbidden by his religious superiors to come to Honolulu.

But he continued his work on Molokai until March 28, 1889, when he took to bed. On April 15, at the age of 49, he died, leaving behind a layman, Ira Joseph Dutton, and sisters of the Third Order of St. Francis to continue his work.

It is possible that Father Damien had leprosy before he came to Molokai, for he worked with lepers while he was on the big island. The history of his affliction is detailed in a diagnostic report prepared by Dutton in March 1889, and signed by Father Damien before he died. Parts of the report read:

"Served as priest on the Island of Hawaii from 1864 till 1873. Occasionally heard confessions of lepers, ministered to them in their cabins sometimes, but he had not constant or very particular contact with them until he came here, to the leper settlement * * *.

"Is quite sure that when near to lepers, as at confession or in their cabins—before coming to the leper settlement—he felt on such occasion a peculiar sensation in the face; a sort of itching or burning, and he felt the same here, at the settlement, during the first 2 or 3 years; that he also felt it on the legs.

"Is confident that the germs were in his system, certainly within the first 3 years of his residence here; can trace it positively to 1876. Small dry spots appeared at that time, particularly on arms, some on back * * *.

"Finally, in 1877 and 1878, (they) assumed yellowish color and became larger. * * *

"In the autumn of 1881 he began to be badly troubled with severe pains in his feet, specially in the left one, and in 1882 sciatic nerve trouble came on, clearly defined all along the left leg.

"Then the right ear became swollen with tubercular enlargements, making the whole thing an immense affair. * * * The eyebrows began to fall out, the other ear became enlarged, and tubercular swellings took possession of the face, hands, etc. The knuckles and knees are in hard enlarged knobs, becoming suppurating sores. Many sores on hands and wrists, some about the neck; eyes weak and at times very much inflamed. * * *"

Since the latter part of last century, Hansen's disease has receded greatly—thanks especially to sulfone drugs, which were introduced at Kalaupapa in 1946.

Kalaupapa, which before the turn of the century started to become the center of activities on the peninsula, is today a sleepy little hamlet that looks as if it has been forgotten by time.

NOW ONLY ABOUT 60 COMMUNICABLE CASES

As of July, there were only about 60 communicable cases of Hansen's Disease at the settlement. Another 135 "temporary release" patients had recovered from the disease and were living at the settlement by choice—some as employees of the State health department.

The rest of the 251 people living on the peninsula consisted of medical (including one doctor) and administrative employees of the department of health, an airport employee of the department of transportation, two Coast Guardsmen to maintain the Molokai Lighthouse near the tip of the peninsula, a priest, and two wives of health department workers.

Included in the health department staff are six Catholic nuns, who have proved to be more permanent hospital workers than lay personnel.

Andrew Flying Service, based at Honolulu International Airport, is the only airline that maintains a flight schedule to Kalaupapa ($22 round trip), although other operations fly to the settlement on a charter basis. Last year, approximately 1,100 tourists visited the settlement.

Anyone planning to visit Kalaupapa must first obtain a health department permit, but this is a routine procedure that can be handled by any tour agency or Andrew Flying Service.

The purpose of the permits is to make sure all visitors understand the rules of the settlement: do not shake hands or otherwise come into personal contact with anyone, do not enter patients' homes or the wards of the hospital, and use only the three restroom facilities marked for visitors.

Children under 12 are prohibited by law from the settlement, and anyone under 20 is usually refused permission to visit. Because there are no restaurants, stores or overnight accommodations on the peninsula, visitors are advised to bring along a picnic lunch.

FORMER PATIENTS CONDUCT TOURS

Former patients meet each plane and offer personally conducted tours—at $5.50 per person—of the best scenic and historic spots on the peninsula. The tour, which takes approximately 2½ hours, is done between the morning and afternoon flights.

The only place you are likely to see more than two people together is at the village wharf, which is a popular fishing site. Once in May, once in July, and once in September a barge—loaded with heavy staples—lands here.

The superintendent of Kalaupapa is Edward Burlem; he has been at the settlement 12 years. His wife, Georgina, handles all nonpatient mail.

All outgoing patient mail is handled by the Kalaupapa postmaster, who is responsible for a unique duty: fumigating the mail. He must snip off the corners of all out-going mail so the gases can penetrate each piece of mail touched by or sealed with saliva from a patient.

The highlight of any visit to Kalaupapa is Kalawao. All that remains of the original settlement site are the two churches, Siloama and St. Philomena, both of which have been renovated and are open to visitors. Adjacent to St. Philomena is a graveyard containing many of Father Damien's assistants and successors, including Joseph Dutton.

The remains of Father Damien himself were once buried next to the church, but they were exhumed in 1936 and taken to Belgium, where they were entombed in a shrine at Louvain. In 1956 they were exhumed again by Catholic authorities as part of a process to declare him a Catholic saint. But a monument still stands over his original gravesite on Molokai.

The road to Kalawao extends a few hundred feet beyond St. Philomena Church and ends at Kalawao Park, a delightful picnic spot situated on a shady bluff above a cove. When the sea is rough, thunderous waves splash against the rocks and cliffs, creating mountainous water sprays. Offshore are two small islands, Mokapu and Okala.

Few places in Hawaii possess the bucolic reverence of Kalawao; few places recall such pathos.

IMMIGRATION LEGISLATION—TESTIMONY OF JOSEPH A. L. ERRIGO

Mr. BOGGS. Mr. President, a distinguished Wilmington, Del., lawyer, Joseph A. L. Errigo, testified last March before the Subcommittee on Immigration and Naturalization of the Committee on the Judiciary.

Mr. Errigo appeared in his capacity as grand venerable of the Grand Lodge of Delaware and national chairman of the Sons of Italy Committee on Immigration. I can also verify from long personal knowledge that he is an outstanding contributor to the civic life of his community and State.

His summation of the reasons why our present immigration laws need to be changed was brief and forceful. It is timely, in my opinion, to outline them again.

For that reason I ask unanimous consent that the opening statement Mr. Errigo made at the hearing be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Mr. Errigo. Mr. Chairman and members of the Senate Judiciary Committee, I am Joseph A. L. Errigo, grand venerable of the Grand Lodge of Delaware and national chairman of the Sons of Italy Committee on Immigration. I have been a member of the Delaware bar since 1929. I am currently the senior member of Errigo, Biondi, Porter & Rubenstein, a law firm in Wilmington, Del., with offices at 1300 King Street. I deem it an honor and a privilege to appear before this distinguished committee, and I express my gratitude and appreciation for having been given this opportunity to do so.

We have many important problems facing our Nation today. Without detracting from the importance of other problems, I wish to state that one of our most important problems involves immigration, not only because it affects our national internal security, but also because it affects our relations with other nations of the world.

A distinguished Congressman from the great State of New York, Hon. Emanuel Celler, an expert on immigration law, gave a historical and elucidating statement on the immigration polls of our Nation in the House of Representatives on Tuesday, June 16, 1964. I incorporate his remarks in this statement by reference thereto, and with particular emphasis I quote the following paragraph:

"The present law perpetuates the principle of national origin, an antiquated immigration system, proven beyond peradventure of a doubt to be unworkable. It was devised way back in 1921, more than 40 years ago, in an atmosphere of fear bordering on hysteria, a direct result of the unsettled domestic and foreign conditions following World War I."

The New York Times has always fought for sound and reasonable immigration laws. A lead editorial in March 1959, typical of many similar expressions, deserves our attention. It could have been written yesterday. It reads in parts as follows:

"The real purpose of a good immigration law should be to permit the entry of those who are desirable, and especially of those who need this place of refuge. It should not be designed to keep out as many as possible on one pretext or another. The harshness of some of the legislation in the past has been the product of some sort of national panic, some curious xenophobia in reverse, almost an inferiority complex that ill-becomes a great country that has been made great by its immigrants. All of us indeed belong to that classification the moment we begin to look back a bit. The thing that is most hurtful about harsh legislation, however, is that it puts us in a bad light in many parts of the world precisely at a time when we aspire to leadership and need prestige. We cannot accomplish our ends if others think that we are timid, selfish, overbearing, or superior. Our immigration laws reflect in many minds some of these attitudes."

The archbishop of Boston, His Eminence Richard Cardinal Cushing, has stated that discriminatory and undemocratic features of the McCarran-Walter law "are to my mind a grave potential threat to our domestic development and our international leadership."

President-elect Eisenhower said in a speech on October 17, 1952:

"A contest for world leadership, in fact for survival, exists between the Communist idea and the American ideal. That contest is being waged in the minds and hearts of human beings. We say and we sincerely believe that we are on the side of freedom, that we are on the side of humanity. We say and we know that the Communists are on the side of slavery, the side of inhumanity, yet the Czech, the Pole, or the Hungarian who takes his life in his hands and crosses the frontier tonight or to the Italian who goes to some American consulate, this ideal that beckoned him can be a mirage because of the McCarran Act."

President Truman's Commission on Immigration and Naturalization established on September 4, 1952, made a tremendous and terrific report to the President of the United States on January 1, 1953. I incorporate that report entitled "Whom We Shall Welcome," in this statement by reference thereto. In particular I wish to emphasize the following quote from that report:

"The Commission believes that we cannot be true to the democratic faith of our own Declaration of Independence in the equality of all men and at the same time pass immigration laws which discriminate among people because of national origin, race, color or creed. We cannot continue to bask in the glory of an ancient and honorable tradition of providing haven to the oppressed and belie that tradition by ignoble and ungenerous immigration laws. We cannot develop an effective foreign policy if our immigration laws negate our role of world leadership. We cannot defend civil rights in principle and deny them in our immigration laws and practice. We cannot boast of our magnificent system of law, and enact immigration laws which violate decent principles of legal protection. Nor can we ourselves really believe or persuade others to think that we believe that the United States is a dynamic expanding and prosperous country if our immigration law is based upon a fear of catastrophe rather than a promise and hope for great days ahead."

The stirring and inspiring message of President Johnson on immigration is still fresh in our minds. It follows as a natural sequence similar messages by President Kennedy. In his recent message President Johnson said:

"A change is needed in our laws dealing with immigration. Four Presidents have called attention to serious defects in this legislation. Action is long overdue."

I am here today to plead for the passage of the President's bill on immigration, S. 500, introduced by Senator HART and other Senators who have joined him as cosponsors. For over 40 years the Order Sons of Italy in America has pursued the long-range mission on immigration. We cannot and do not wish to return to an era of unrestricted immigration. Someone has well said, and I quote:

"There is a difference, however, between immigration restrictions and immigration discrimination. There is an ethical basis for the former, but none for the latter."

The Sons of Italy has always been interested in the improvement and modification of our existing immigration and naturalization laws. From time to time we have suggested and encouraged certain changes to meet world conditions. We have always been ready to support any program conducive to the improvement of cultural and economic relations between the United States and other peace-loving countries, so long as they advance the best interests of the United States. We have sponsored a number of private immigration bills. We fought for the Refugee Relief Act of 1953 that brought to these shores over 220,000 refugees outside of the quota systems. We were absolutely thrilled in August 1958 when Congressman FEIGHAN's bill on immigration made it possible for more than 40,000 Hungarian refugees to establish permanent residence in this country. The inscription on the Statue of Liberty began to acquire a real significance.

In 1958 we welcomed the relief granted by Congress to the Portugese victims of the earthquake in the Azores, and the admission of the Dutch expelled from Indonesia; the Portuguese and Dutch quotas were woefully inadequate, and Congress wanted to help these unfortunate people. Other congressional acts made it possible for thousands of nonquota immigrants to enter our country. In 1962, 283,000 immigrants entered the United States. Of these, 90,000 were quota immigrants and 193,000 were nonquota. In 1963 the same situation developed. Approximately 306,000 immigrants entered our Nation; 103,000 were quota immigrants and 203,000 were nonquota. I cite these figures only to show you that it shouldn't be too difficult for you to abolish a system which is gradually becoming unpopular and inoperative.

As a matter of fact, it should be rather easy to accomplish this much-desired end when it can be done over a period of 5 years.

At several successive biennial conventions including the last convention held in Cleveland, Ohio in August 1963, the Order Sons of Italy in America promoted a seven-point program which continues to be our goal. It is as follows:

1. Amendment of the national origins quota system and in its place submit a more fair and humanitarian immigration policy based upon judgment of the individual merit of each applicant for admission and citizenship.

2. To adopt the 1960 census in lieu of the 1920 census to establish quotas.

3. To abolish mortgages on quotas and reallocate unused quotas to countries having oversubscribed quotas.

4. To grant more favorable preferences to relatives of U.S. citizens.

5. To equalize citizenship between native born and naturalized citizens.

6. To humanize the harsh provisions of the present immigration law relative to administration, exclusion and deportation of aliens.

7. To revise and extend the Refugee Act of 1953 and the Alien Orphans Act of 1957.

Our next national convention will take place in Baltimore, Md. in August of this year. It is to be hoped, gentlemen, that at that convention I shall be able to announce that Congress has approved the President's bill relating to immigration. If that is done, we will have taken a great step forward in the right direction. We do not ask for anything that is revolutionary. We do not suggest changes in the law that are unfair and unreasonable. This great Nation of ours had always believed in equal justice under law. As Americans we believe in equal opportunity based upon qualifications.

We ask for justice for all people. We ask that all potential immigrants be granted equal opportunity to prove their qualifications to enter this country. We have established military and naval bases in many countries to protect our American way of life. We are maintaining numerous Peace Corps units throughout the world to help others who are unable to help themselves. We have established and maintained for many years an excellent student exchange program that has helped to create a better understanding among the nations of the earth. We make vast contributions to the U.N., to NATO, to SEATO, and to other international organizations. We do these things and many others because we want to maintain world peace at any cost, making any sacrifice. But all these international activities will be nullified if we persist in continuing an immigration policy that should never have been born.

On the one hand, throughout our international activities we endeavor to prove to the world that we are a good neighbor, but on the other hand throughout our immigration policies we say to millions of people in many nations, "You are not fit to enter this country. We don't want you. Stay where you are."

Gentlemen, our ancestors came to these shores in different boats. The sons of the American refugees and the sons of Italy settled here for the same reasons. We are now in the same boat. We call that boat the ship of state. We cannot continue to rock that boat on wreaths of bigotry and prejudice lest all of us perish. If we are truly interested in peace at home and peace abroad, we will adopt without delay the President's bill on immigration, S. 500. In the words of President Johnson: "I urge the Congress to return the United States to an immigration policy which both serves the national interests and continues our traditional ideals. No move could more effectively reaffirm our fundamental belief that a man is to be judged exclusively on his worth as a human being."

Once again, gentlemen, I express my gratitude to you for permitting me to make this presentation on behalf of the Sons of Italy. It gives me the feeling that each one of us in endeavoring to serve our country.

TAX STRUCTURES HERE AND ABROAD

Mr. SYMINGTON. Mr. President, as the need for more money to handle Federal programs increases, an article by Miss Sylvia Porter, "Tax Structures Here and Abroad," would seem of some interest.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX STRUCTURES HERE AND ABROAD

(By Sylvia Porter)

Even if Congress votes another Federal income tax reduction in 1966, more than three-quarters of the revenues collected by Federal, State, and local governments still will be coming from incomes and property.

This is the highest percentage by any major nation on the incomes and wealth of its citizens. No other leading country depends as heavily as the United States on this form of taxation. No other industrialized country depends as little as we do on sales taxes, excise taxes, or taxes on consumption.

While Congress already has revised and reduced Federal income tax rates and more surely will be done, our tax structure appears odd next to the systems of European nations, Japan, and Canada.

DIFFERENCES LISTED

The following table, based on U.S. Treasury and United Nations statistics, covers the year 1961, because comparative percentages aren't available for more recent years. Tax laws passed since 1961, though, would alter the percentages in only a minor way. For instance, in this country the 1964–65 Federal income tax cuts have been partially offset by State income tax increases and the new Federal excise tax reductions are being at least partially offset by State and local excise tax increases. In short, the basic comparisons stand as indicated below:

[In percent]

Country	Income and property taxes	Sales, excise, and consumption taxes
United States	78	22
Sweden	66	34
Japan	66	34
England	65	35
West Germany	65	35
Canada	61	39
Italy	52	48
France	50	50

One implication of this table is that there is plenty of leeway here for a shift in emphasis from taxation on incomes and wealth to taxation on sales and consumption. Today, those urging this shift are in the minority; sales taxes are "regressive" because they hit the lowest-income family purchasing the taxed item to the same extent that they hit the highest-income family. Nevertheless, as the search intensifies at all levels of government for ways to finance essential public programs—ranging from health to education, from highway construction to reclamation of our resources—heavier reliance on sales, excise and consumption taxes seems inevitable.

SALES LEVY RESENTED

Another implication is that much as we resent sales taxes and detest their indiscriminate character, our tax levels in this sphere are far below Europe's. This month Sweden's general sales tax jumped to about 10 percent, more than double the rate of 4.2 percent when the general sales tax was originally imposed in 1960. A similar trend toward higher sales taxes is clearly apparent in other Scandinavian countries. France's 50–50 percentage speaks for itself. Some of France's sales taxes on luxury or scarce items range as high as 25 percent.

The aim of Federal income tax cuts in recent years has been to stimulate our economy. "Reform" has been shelved temporarily and, assuming the objective of a 1966 tax cut is also sustaining economic growth, reform again might be postponed.

But when we finally do get to a real overhaul of our system, just simplification of our crazyquilt Federal-State-local structure will demand serious consideration of a more equal relationship between income and sales taxes.

THE NEED FOR THE 1965 ANTIDUMPING ACT AMENDMENT: AN EXAMPLE

Mr. SCOTT. Mr. President, the recent statement given in this Chamber by my distinguished colleague from Indiana [Mr. HARTKE], the principal sponsor of S. 2045, the 1965 Antidumping Act Amendments struck a responsive chord for me. They appear on page 19642 of the RECORD of August 6. Senator HARTKE commented on the continuing concern of many segments of industry and labor about the unfair trade practice of injurious dumping in this country, and set forth the resolution of the National Association of Plumbing-Heating-Cooling Contractors.

A similar expression of concern was voiced earlier this year by the Chamber of Commerce of Allentown, Pa. In a resolution which was sent by the chamber to all members of the Pennsylvania congressional delegation, it stressed the specific concern of this organization and its members about the dumping problem, citing as an example the situation with which the cement industry is faced, particularly in the Lehigh Valley area, the birthplace of the portland cement industry in the United States. The observations set forth in the chamber's statement give an insight into how a local area can be affected by dumping and may be typical of experiences which other of my colleagues have had within their constituencies.

In an earnest request to each Member to introduce and lend his efforts on behalf of S. 2045, the resolution added two points of special importance which I should like to quote:

> 1. Many industries and labor organizations, in addition to the cement industry, have indicated their sponsorship of effective antidumping legislation.
>
> 2. The Chamber of Commerce of Allentown is not opposed to fair and desirable foreign trade, but we do believe that American industry should not be subjected to unfair foreign competition. * * *

Mr. President, I urge that these observations be taken to heart, and that we all remain aware of what is at stake in our own backyards when we talk of injurious dumping. I ask unanimous consent that portions of the resolution to which I have made reference be printed in the RECORD.

There being no objection, the excerpt from the resolution was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF ALLENTOWN,
Allentown, Pa., April 7, 1965.

To: All members of the Pennsylvania congressional delegation.

Subject: Proposed antidumping legislation.

Certainly this proposed amendment will serve the interests of all American industries and labor threatened by unfair competition from dumped imports. Particular reference to cement, which is locally manufactured, will help point up some of the problems created by dumping.

Pennsylvania, and in particular the Lehigh Valley area, is the birthplace of the portland cement industry in the United States. Sixteen companies, employing thousands of people, operate 20 portland cement producing plants within the Commonwealth of Pennsylvania. However, even during this decade of unparalleled prosperity, the portland cement industry has been operating at substantially less than its capacity; for 1964, the rate was only 75 percent.

Demand for cement is closely tied to the general level of construction activity. Price is often crucial in determining which supplier will fill the existing demand. For example, the U.S. Tariff Commission has explained that even a slight difference in price may well determine the identity of the seller, as the sale of cement in a given market is generally contingent upon its price not being higher than the price of like competitive cement. Similarly, some years ago, the Federal Trade Commission found that a difference in price of 1 cent per barrel (a barrel contains 376 pounds of cement) may divert business from one seller to another.

Because of this tight market situation, imports on only relatively small quantities of dumped cement may break the price in the local market and have a serious adverse economic impact on the producing plants selling in the area in which such imports are marketed. Low-priced imports accounting for only 6 to 7 percent of the particular market in which sold were found by the Tariff Commission not only to have taken sales away from the mills supplying such areas, but also to have caused such price breaks resulting in serious loss of revenues. In addition, cement prices unfairly depressed in one market readily spread to adjacent areas in a type of ripple effect. Within the past 7 years, four portland cement manufacturing plants in the Lehigh Valley section of eastern Pennsylvania have been permanently shut down, resulting in the elimination of some 900 jobs. Our area seeks to develop and grow, and when jobs of our fellow citizens are affected by unfair, unjust, and unequal foreign competition, the Chamber of Commerce of Allentown feels it should raise its voice in opposition.

We are mindful of the fact that Pennsylvania Senators SCOTT and CLARK, as well as a total of 15 Pennsylvania Representatives, introduced and supported antidumping legislation with similar objectives during the 88th Congress * * * we earnestly solicit each Member to introduce and lend his efforts on behalf of the proposed amendment.

Many industries and labor organizations, in addition to the cement industry, have indicated their sponsorship of effective antidumping legislation * * *. The Chamber of Commerce of Allentown is not opposed to fair and desirable foreign competition. Your continued guidance in the development of our State is appreciated, and we urge you to lend active support to the 1965 Antidumping Act Amendment.

By order of the legislation committee and board of directors.

ALFRED KRAMER,
President.

JEANNINE LYERLY DAY AT KENAI

Mr. BARTLETT. Mr. President, in the first few weeks of 1965 an important decision was made. That decision made possible the establishment of what we now know as Head Start projects in hundreds of communities in the United States.

We all realize that the full benefits of this year's program will not be realized until the children who participated in it have been in school a number of years. It is already apparent, however, that the program will have far-reaching and beneficial results.

Alaska has Head Start programs in nearly every community. The city of Kenia, on Alaska's fabled Kenai Peninsula, is no exception. The city was likewise no exception in recognizing the solid worth of the program, but city leaders expressed their view of the program in an unusual way. Mayor James G. Dye declared July 28 "Jeannine Lyerly Day" in honor of the person responsible for making a Head Start project possible in the community.

Jeannine Lyerly is due much praise for her work. Children are our most important resource and those who contribute to their future deserve the thanks of all of us. I ask unanimous consent to have printed in the RECORD the text of the proclamation of the city of Kenai which Mayor Dye issued on July 26.

CITY OF KENAI—PROCLAMATION

Whereas Jeannine Lyerly has demonstrated a dedication beyond the ordinary call of duty to her position as an itinerant public health nurse by her involvement in civil activities in Kenai and all surrounding communities; and

Whereas the Project Head Start at Kenai would not be in existence except for the diligent preparations and supervision so generously donated by Jeannine Lyerly.

Therefore, by the authority vested in me as mayor of Kenai, I proclaim:

1. That Wednesday, July 28, 1965, shall be Jeannine Lyerly Day in Kenai, Alaska.

2. That this proclamation is a formal "thank you" of the community of Kenai for the civic action and dedicated efforts of Jeannine Lyerly as the motivating spirit behind the educational "Project Head Start."

3. That Jeannine Lyerly exemplifies the best in governmental service and established a standard of service deserving respect and imitation by all employees of the State of Alaska.

4. That involvement of Jeannine Lyerly in the civic life of the Kenai Peninsula has extended to service as a director of the Kenai Chamber of Commerce, as an active participant in Kenai Peninsula Concert Association and other civic organizations essential to the true vitality and life of a community.

5. That this expression of gratitude be distributed to Gov. William A. Egan of the State of Alaska and all interested persons and agencies.

Kenai, Alaska, 26th day of July 1965.

JAMES G. DYE,
Mayor.

Attest:

FRANCES TORKILSEN,
City Clerk.

CONSUMER CREDIT EDUCATION AND CONSUMER DEBT COUNSELING

Mr. MONDALE. Mr. President, I was most happy to note the amendment in section 205(a), of the Economic Opportunity Amendments of 1965, which provides authority for the Director to pay all or part of the costs of consumer education programs under community action projects, specially focused on the needs of low-income families. It specifically provides for "consumer credit education," and "consumer debt counseling," and gives concrete recognition to a problem in which I have long been interested.

This amendment will allow the Poverty Director to furnish education and counseling especially designed and geared to the needs of low-income families, in recognition of the fact that many of these families have subaverage educational achievements, and reading and comprehension levels around third and fourth grade level. For there is a special class of consumer among the low-income families and the poorly educated, whose particular needs require a specialized approach. A study was made recently of the buying practices of over 450 families living in low-rent public housing by Dr. David Caplovitz of Columbia University, in which Dr. Caplovitz found that the urban poor are confronted with a merchandising system quite unlike that which serves most Americans.

In addition, the panel on consumer education for persons with limited incomes, organized to advise the President's Committee on Consumer Interests, reported just this year that the poor pay more for comparable merchandise that people in middle-income areas, and that the poor are targets for not only devious merchandising practices, but also lack the basic knowledge and information to help them get the most for their money. For example, the poor could be taught to buy wherever possible for cash—and not on credit—that they would extend their shopping horizons, and compare the prices of merchandise and credit terms, that they would be educated on what to look for in making purchases—such as how to distinguish between new and used items, current and obsolete merchandise, and that which is solidly constructed as against that which is poorly built.

They could be advised on where to seek additional information on purchasing and merchandising from community agencies; such as the local legal aid society, the State attorneys general, the chambers of commerce, the better business bureaus, and the various agencies of the Federal Government.

Consumer education can play a very important part in overall poverty programs, and it should be included as an integral part of overall projects directed at the poor. Under past law, the Office of Economic Opportunity has been authorized to make consumer education eligible for funds under community action programs, and the director has urged communities throughout the Nation to take advantage of this opportunity. The people helped by the poverty program buy food, clothing, shelter, automobiles, appliances, and most of the other goods and services that our economy offers. If we can give them the awareness and sophistication that other consumers possess, it will supplement their incomes by making their hard-earned and difficult dollars stretch just a little bit further. It will prevent whatever increased earnings they may receive from being eroded by poor buying habits.

As former attorney general of the State of Minnesota, I know that there are a number of devious and sophisticated merchandising and sales practices that all too often deceive not only the low-income buyer, but also the intelligent and sophisticated middle and upper income purchaser. For example, the files of my consumer protection unit in the State of Minnesota, were filled with cases involving bait-switch advertising, referral selling practices, pyramid practices, misrepresentation of price and contract terms, and the use of fictitious selling prices. Many of these people are able to withstand the loss of tens or even hundreds of dollars. But the low-income families, earning less than $3,000, need every cent for rent, clothing, and food. They can ill afford the opportunity to learn in the school of hard knocks and a sad experience.

Mr. President, I ask unanimous consent that the report from Mrs. Peterson, Special Assistant to the President for Consumer Affairs, as well as an article from the August 13 New York Times be reprinted at this point.

There being no objection, the report and articles were ordered to be printed in the RECORD, as follows:

PANEL ON CONSUMER EDUCATION FOR LOW-INCOME PERSONS REPORT TO MRS. PETERSON

The poor pay more for comparable merchandise than people in middle income areas, a Panel on Consumer Educations for Persons with Limited Incomes reported today.

The panel, appointed last year to advise the President's Committee on Consumer Interests on consumer education for the poor, included representatives from business, labor, community organizations, and government at all levels. In its report, it emphasized that it received no documentation to support the charge that businessmen and merchants deliberately charge more in low-income neighborhoods than they do in middle-income areas for the same or even inferior merchandise.

"No doubt there are some instances where such a situation occurs," the report states, but there is no documentation to indicate that this is a widespread practice on the part of business concerns." Nevertheless, the panel reports that stores which operate in poor neighborhoods only often charge their customers more and seldom have "one price" for high-cost items. The panel took special notice of a study of the buying practices of 464 families living in low-rent public housing made by David Caplovitz of Columbia University, in which he finds that the urban poor are victims of a merchandising system quite unlike the system that serves most Americans.

In his book, "The Poor Pay More," Caplovitz points out that in every city, some fringe operators profit by the special problems of the poor—their inability to obtain credit from conventional sources, their lack of knowledge and sophistication, and their eagerness to buy. Comparing the poorest families with those somewhat better off, Caplovitz points out that the poorest pay most for such commodities as TV sets, phonographs, and washing machines. This does not mean that they are buying better products, he says, it means they are paying more for what they buy.

In releasing the report, Mrs. Peterson praised the panel for shedding light on a relatively neglected subject. She emphasized the important part consumer education can play in overall poverty programs, and supported the panel's view that consumer education for the poor should be included as an integral part of overall projects directed toward the poor. She noted that the Office of Economic Opportunity has included consumer education as eligible for funds under the community action program, and urged that communities throughout the Nation take advantage of this opportunity.

"The massive efforts to sell the products and services of our economy," Mrs. Peterson said, "affect the poor as well as the affluent. In addition, the poor are often the objects of offbeat marketing techniques in their neighborhoods. Door-to-door peddlers, marginal retail operators, and loan dispensers extend credit—at high interest rates—to those who can't afford to get credit 'uptown.' The poor are often the targets of 'bait and switch' merchandising and other devious schemes. Lack of knowledge and information often leads them to accept poor quality merchandise at high prices."

Mrs. Peterson said that President Johnson, in his message on consumer interests on February 5, 1964, directed the President's Committee on Consumer Interests "to develop as promptly as possible effective ways and means of reaching more homes and families—particularly low-income families—with information to help them get the most for their money."

"The work of the panel," Mrs. Peterson said, "should be considered a beginning, not by any means the last word on this challenging and difficult subject. It is our hope that the panel's report will stimulate further efforts in this field. Consumer education for the poor will be one of the high priority programs carried on by the President's Committee during the coming year."

Consumer education can help the poor get the most for what little money they have to spend, the report says. "Its object should be to subtract from poverty. On another level, it can help people understand the available choices, to balance preference against price and utility, and match quality against realistic expenditure. * * * The goal of consumer education is to achieve higher standards of living through more discriminating consumption."

The panel warns that consumer education should not be considered a panacea for poverty. "Consumer education cannot cure poverty," the report states, "it can only ease the pain."

Among the report's recommendations are the following:

Federal, State and local governments undertake factfinding studies to identify the problems encountered by the poor in the marketplace.

Communities and appropriate civic, professional, and service organizations include consumer education as an integral part of programs designed to deal with the problems of poverty.

Consumer education be included as a component part of Federal programs directed at the poor, especially elementary and secondary education, adult literacy, Job Corps, public housing, and public assistance.

Grants be made available by the Office of Economic Opportunity for the training of teachers in consumer education.

Demonstration grant by the Office of Economic Opportunity to a university or other nonprofitmaking organization, for the development of a clearinghouse for low-income consumer education materials and techniques.

The stimulation of research by public and private groups to develop more and better education materials and techniques for low-income families.

The strengthening of existing government information and protection programs specifically to deal with the problems of fraud and deception encountered by poor consumers.

Mrs. Peterson stressed that the poor comprise a significant and sizable market. She said that there are approximately 34 million individuals living in poverty in the United States. These people buy food, clothing, shelter, automobiles, appliances, and most of the other goods and services of our economy. "If consumer education is related to adult education, health and welfare programs, and other services," she said, "it will supplement the higher incomes these programs may bring about. It can also help prevent higher earnings from being eroded by poor buying habits, and help low incomes go a little further."

[From the New York Times, Aug. 12, 1965]

U.S. Agency Plans To Intensify Consumer Education for Poor

Washington, August 12.—The Office of Economic Opportunity said today it was ready to finance a second front in the war on poverty.

Improving the earning power of the poor is not enough, according to Theodore Berry, the agency's Assistant Director for Community Action.

A second front, he said, would show the poor how to avoid hidden exploitation when they spend their meager earnings.

"Borrowing to buy coal and paying twice for it in interest is an example that can be multiplied a million times," Mr. Berry said, recalling his experiences as a lawyer for straitened consumers in Cincinnati.

His office has financed 17 consumer education projects at a cost of $893,000, compared with total antipoverty outlays of $113 million.

"We haven't begun to scratch the surface in this field," he said.

President Kennedy and President Johnson have voiced concern about consumer problems, but this is the first time that significant sums have been made available for consumer education.

Mr. Berry opened a 2-day consumer action conference sponsored by the Office of Economic Opportunity and the President's Committee on Consumer Interests.

Dr. Sanford Kravitz, chief of research and development for the Antipoverty Community Action Division, and Mrs. Esther Peterson, special assistant to the President for consumer affairs, are conducting the conference, which is attended by officials of community action programs, Government regulatory agencies, and consumer groups.

Dr. David Caplovitz of Columbia University, who wrote the book, "The Poor Pay More," said the marketplace for the poor is a commercial jungle in which exploitation and fraud are the norm rather than the exception."

Dr. Caplovitz described many of the gimmicks used by door-to-door salesmen and junk furniture stores to beguile the unsuspecting into signing contracts to pay twice as much money as they thought.

A store on East Harlem's furniture row, he said, offered three rooms of furniture for only $149 or only $199.

Investigation showed that these consisted of two flimsy bureaus and one bed frame, a fragile-looking sofa, and an unmatching chair. The spring and mattress were extra.

The unwary consumer, he said, ends up buying a $400 set for $600.

"Given their vulnerability to easy credit and the excessive burden of debt foisted upon by high-pressure salesmen," Dr. Caplovitz added, "it is not surprising that many of the poor find themselves overextended and unable to keep up the payments on their purchases. We found that one in every five families had experienced legal pressures because of missed payments."

ARMY CAPTAIN'S LETTER SUMMARIZES NEED FOR COLD WAR GI BILL

Mr. YARBOROUGH. Mr. President, recently I received a letter from an Army captain stationed in Hawaii, which told the story of the educational disadvantages of our men in uniform with words of great human feeling and understanding. Illustrating his arguments with the statistics of the men in his company, this captain presents a strong case for the cold war GI bill, as well as concern for the future of the men who serve under him. The men in service need this bill. The 5 million cold war veterans represent only about 40 percent of the draft eligible men during the cold war or draft period, but the percentage of unemployed among the cold war veterans is double the percentage on the same age nonveteran group.

To illustrate the convincing evidence presented by the Army captain, I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Hon. Ralph Yarborough,
U.S. Senate,
Senate Office Building,
Washington, D.C.

Dear Sir: I am writing to thank you for your sponsorship of the cold war GI bill. There is a definite need for a measure such as this. Your predecessors saw the need for this legislation in World War II and during the Korean conflict. The need for such a measure is even greater now.

I am a 1962 graduate of the U.S. Military Academy, having received my appointment from the then Senator Johnson. I am presently a company commander in the 25th Infantry Division in Hawaii.

There is certainly no disagreement that there is an increasing need for more education in today's technical society. Even a high school education is barely sufficient for the average worker. So many of the draftees and volunteers in my company have not completed their high school education for one reason or another. In my company, out of 150 men, 20 did not reach the ninth grade. An additional 20 did not complete high school. Another 10 men did not complete high school, but have received a diploma equivalent to a high school education from the U.S. Armed Forces Institute. This means that 50 out of 150 men have not completed a normal resident high school program. I feel that these statistics are valid on a wider level.

As you know, the Army is failing to retain between 75 and 80 percent of its first term volunteers and draftees. The administration and the Department of Defense seem to object to this bill because the bill would make it more difficult to retain personnel. To me, this line of reasoning belongs in the same category of illogic as that of paying a man only $78 per month because he is obligated to the service and cannot get out, or paying an officer $240 per month for the same reason.

In a statement to the House Armed Services Committee on June 16, 1965, Gen. Harold K. Johnson, in commenting on the failure of the Army to attract more than 82 of 5,500 Reserve officers invited to return to active duty said, in part, "It could also indicate that the Army needs to do a better job of describing the advantages of a military career, or it could mean that opportunities are inadequate in the Army. We simply do not know the answer." Certainly no one knows the complete answer. However, the Armed Forces needs to develop a more competitive attitude in attracting quality personnel. What better attraction; what better selling point would the Armed Forces have for attracting good people than the prospect of aiding their further education? This asset would far outweigh any adverse affect from loss of personnel.

As to this latter point, the threat of the loss of personnel due to the enactment of this bill—men make up their minds to stay in or get out of the service for far more fundamental reasons than this. The Armed Forces must begin to think positively about how to attract quality personnel and how to motivate them toward a career in the service. Positive steps must be taken. The service must be made attractive. The young man facing his service obligation should not look upon it as an unpleasant drudgery. It should appear as an opportunity to him. Failing to pass legislation similar to this prohibits the formation of that image which the service so desperately needs.

I do not believe that a limitation of service in combat areas should be placed on receipt of benefits under this bill. Every man in the service has the prospect of immediate deployment in a combat zone. Thousands of men are serving away from their families. All servicemen work extra hours, and in the field much of the time. To limit the bill to those serving in a combat zone would be an acknowledgment of only one of the many hardships which the serviceman experiences.

Almost all major industries presently have tuition assistance or other similar programs in effect. Thus this bill would not create a program unlike that of many civilian companies. The steady deterioration of service fringe benefits and the increase of similar benefits in private industry is well documented before both the House and Senate committees. The enactment of this bill would do much to arrest this deterioration and begin to put the Armed Forces on equal footing with private industry.

From an economic standpoint, this bill will pay for itself many times over. The income of the Federal Government in taxes alone from the increased productivity of the people who have participated in the program should reimburse the Government for its cost. The benefit to the Nation as a whole is unquestionable. I also have strong feelings as to the inadequacy of the U.S. Armed Forces Institute program, and how there would be no duplicity of expenditure between this bill and the USAFI program. However, I will not go into that in detail at this time.

I would appreciate any information you might be able to give me on this bill—its present status and its prospects of passing this session. Also, who might I write in Congress to most influence the passage of this bill?

Thank you very much for your indulgence.

Sincerely,

——— ———.

RURAL POVERTY EMPHASIS URGED

Mr. NELSON. Mr. President, the Economic Opportunity Act, which we are considering today, has been aimed for the most part at the poor in urban areas. This is because it is relatively easy to wage a war on poverty in our cities, which have large concentrations of poor people and groups that can work together in a coordinated way.

But we also should recognize that many of the poor in our urban areas are there because they literally were starved out of their rural communities. For that reason it is just as important to fight poverty in rural areas and slow this movement of poor people to the cities.

It is disturbing to learn that of the 30 percent of our people living on farms or in small towns, about 46 percent have incomes of less than $3,000 a year. This means the proportion of poverty in rural areas is twice as high as in the cities.

Unless more assistance is provided, a large portion of these rural poor families will be forced to move. If they do, they will join the already large numbers in the most impoverished slums of our large cities.

There are a number of Federal programs, including the Economic Opportunity Act, that can help rural people who are most in need. Yet we find that these programs are used much less by rural people, partly because they are spread out over several hundred counties and thousands of small towns and partly because branch offices of Federal agencies administering these programs do not reach into each rural area.

In view of the long history of inadequate service to rural areas, I have been disappointed to learn that the poverty program passed last year has made little impact in rural areas. The figures show that only slightly more than 5 percent of the money for community action programs had gone into rural areas by the end of the 1965 fiscal year.

Because of cooperation between the Director of the Office of Economic Opportunity and the Secretary of Agriculture, I understand this percentage is being improved. But I think the emphasis on solving rural poverty problems must be dramatically increased if we are to make any real headway in slowing this movement of poor rural families into our urban areas.

I would urgently hope that Mr. Shriver will work more closely with Mr. Freeman during fiscal 1966, making it possible to draw more heavily on Department of Agriculture personnel well acquainted with rural problems and rural people. I would urge Mr. Shriver to use all the provisions of the law authorizing him to work with other agencies so he can delegate both responsibility and poverty funds to the Department of Agriculture. It is essential that we do more to make sure that the rural poor are treated equally under the poverty program.

DREAMS COME TRUE

Mr. BOGGS. Mr. President, it is a wonderful experience for a man to live to see accomplished some of the good works he fought for in earlier years.

Such a man is I. B. Finkelstein, who now lives in the community of Arden near Wilmington, Del.

He was fighting for slum clearance and urban renewal in Wilmington long before such efforts had achieved the general popularity they enjoy today.

Bill Frank, whose column in the Wilmington Morning News is an institution in Delaware, commented the other day on Mr. Finkelstein's reaction to what has now been done in one former slum of Wilmington.

In further recognition of Mr. Finkelstein's civic contributions, and in the interest of illustrating how good ideas eventually succeed, I ask unanimous consent that the column entitled "Dreams Come True" be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wilmington Morning News, Aug. 9, 1965]

DREAMS COME TRUE

(By Bill Frank)

I. B. Finkelstein, 81 years old, went down to Compton Park Square on the East Side of Wilmington last Thursday and toured the newly built homes on Lombard Street, near sixth.

There were no tears in his eyes, but there were emotions within him.

In his own quiet way I. B. said, "It's very wonderful. It shows what can be done."

Only a few of us there at the time realized the full import of what I. B. said.

Cy Liberman, News-Journal reporter, was there. He knew what it meant to I. B. to tour these marvelous town houses, the real beachhead of urban renewal in Wilmington.

But there were many people who should have been there alongside I. B., people like Barbara Jones, Raymond Baker, Frank Norton, Mary E. Power, Thomas Herlihy, Jr., and Carolyn Weaver.

They were part of the small, valiant group who yapped and howled, exhorted and pleaded, cajoled and screamed that something be done about getting rid of slum houses and replacing them with decent houses.

But even before the people I've mentioned, I. B. was the great warrior in the cause of decent housing in town—just as he was also the great pioneering crusader for many ideas that are now commonplace.

Go back 30 years—or even further, if you please—and look at this businessman of Wilmington, known as I. B., who preached what seemed to be idealistic and utopian ideas:

More recreation for the workingman who was eventually to have shorter working hours.

Renovate Wilmington but do more than just paint up and clean up and fix up. Do a sound, permanent job.

Encourage business and industry to take more interest in art.

Develop our folk and musical cultures in and for the Wilmington area.

Link Delaware and New Jersey with a bridge and get rid of the slowpoke ferry out of New Castle.

Funnel traffic along limited access highways, but make it easy for people to get into the business areas.

I. B. was not born with a silver spoon, nor did he live on the right side of the tracks. He personally knew the problems of tight budgets and forced dropouts from school.

He also felt the barbs of being a member of a minority group and was well aware of the snickering that often went on behind his back in the old days. He despised any form of forced or even voluntary ghetto.

Better housing was one of his great dreams for Wilmington. For more than 10 years he was president and sparkplug of the Wilmington Housing Association in the days when its members were regarded as crackpots.

Well, the years have crept upon I. B. He lives a quiet life in a lovely home in Arden, surrounded by the superb paintings of his late wife and the furniture they collected years ago. The din of public battle is merely an echo to him now. Others have taken up the lances which he once kept bright and sharp.

But the wonderful thing is that he has lived to see so many of those utopian ideas blossom and come into fruit.

Compton Park Square and its homes now ready for occupancy and customers represent a great idea come true.

As he wandered through the houses, guided by Leon N. Weiner, a young man with imagination, I. B. recalled the days of battle to convince legislators, politicians, and people that all this could and should be accomplished.

I noticed that I. B. looked skyward the other day to see the shining silver domes of St. Mary's Church rising majestically above Compton Park Square. Almost 20 years ago, he remembered, these domes rose above some of the worst slums in Wilmington—particularly on the alley oddly named Lord Street.

If one is regarded as old at 81, then it can not be said I. B. is a lonely old man. He has lived to be revered by those who caught the fervor of the causes he once espoused.

What greater satisfaction can a man have in his advanced years?

FAMILY PLANNING AND THE POVERTY PROGRAM

Mr. TYDINGS. Mr. President, the Economic Opportunity Act of 1964 lists various fields in which the community action programs may operate. A significant addition to that list is made by the bill pending before us. It specifically names the field of family planning as a possible target for a community action program.

It is true that specific reference to family planning will have no substantive effect on the scope of the poverty program. As presently written, the law allows family planning assistance to be given as part of a community action plan. Already 2 percent of the community action programs established under the law include family planning components.

Nonetheless, express statutory reference of family planning is a significant step. It marks the first time that legislation has authorized Federal funds for the express purpose of providing birth control information to the Nation's low-income families. At present the District of Columbia is the only area in the country which has received Federal funds explicitly for birth control assistance.

It is my hope that this reference to family planning will give communities the much-needed impetus to create centers for the dissemination of birth control information and devices.

Recognition of this need is long overdue. I cannot commend the senior Senator from Pennsylvania [Mr. CLARK] enough for sponsoring the family planning amendment in committee.

We can no longer ignore the all too obvious relation between poverty and unwanted children. A report of the National Academy of Sciences documents the case for family planning assistance. It states:

> The freedom to limit family size to the number of children wanted when they are wanted is, in our view, a basic human right.

Surveys show, however, that ignorance has prevented many of our Nation's poor from exercising this right. Planned Parenthood estimates that 9 out of every 10 impoverished women lack advice on "family planning." Moreover, many of them have wildly inaccurate notions of the conception process.

The result of this ignorance is that those who are already poor intensify their poverty by producing large families. Among married women between 40 and 44 years of age in 1960, the average number of children born was 2.6 per family, but in families with annual incomes of less than $2,000 the average was 3.4.

According to the available evidence, low-income families do not want more children than do higher income families. They simply have more because they lack the information or resources needed to limit family size. The fact that family planning assistance is desired by many for whom it is not now available is indicated by a survey made in a Chicago slum neighborhood. There, Planned Parenthood's intensive campaign to distribute birth control information led to a 25-percent decline in the birth rate from 1960 to 1964. Such results can be expected in other impoverished communities if and when family planning assistance becomes available.

Fortunately, our attitudes on birth control have changed markedly in recent years. Polls show that over 80 percent of all Americans think that birth control advice should be made available to anyone who wants it. Two years ago only 53 percent of the Catholics surveyed felt this way. Gallup reports that today 78 percent support this view.

The National Academy of Sciences has stated:

> No family should be fated through poverty or ignorance to have children they do not want and cannot care for.

I am in total agreement with this conclusion. Couples from the lower economic brackets should not be denied the ability to limit births if they desire to do so. The Poverty Program is the appropriate vehicle for making family planning assistance accessible to those who want it and who need it most.

POLICE AND HOSPITAL PROCEDURES IN PROCESSING RAPE VICTIMS IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, as chairman of the Subcommittee of Public Health, Education, Welfare, and Safety, of the Senate Committee on the District of Columbia, I announced in the Senate on July 28 that my subcommittee planned to conduct a thorough study of procedures of the Metropolitan Police Department and the District of Columbia General Hospital in connection with the processing of rape victims in the District of Columbia. We have completed that survey.

At the direction of the members of the subcommittee, the District of Columbia Committee staff has worked closely with the police department and the health department officials having direct responsibility in these areas, to help develop procedures that would correct the problems which have existed.

Several members of the Senate District Committee recently met with the chief of police to discuss the problems which have confronted the police department in this regard.

The Acting Director of the District of Columbia Health Department, Dr. Frederick Heath, has recommended to my subcommittee additional procedures for the handling of rape cases. I have studied these recommendations and believe that if they are promptly carried out, they will help solve the problems we have had in the past.

Chief of Police Layton advises me that the new procedures outlined by the District of Columbia Public Health Department, for handling of rape cases at District of Columbia General Hospital, have been reviewed by him and that he feels that from his standpoint, they are appropriate corrective measures.

As chairman of my subcommittee, I believe that the procedures outlined by the Public Health Department and the Police Department are adequate, provided the recommended procedures are, in fact, diligently carried out. I urge that the Director of Public Health and the Chief of Police watch the situation carefully to insure that the proposed procedures are put into effect at the earliest possible time and that employees of their Departments understand the procedures and carry them out in each instance.

I want to express my sincerest appreciation for the deep interest in this problem shown by my colleague, the Senator from Rhode Island [Mr. PELL], and my colleague, the Senator from New York [Mr. KENNEDY]; also the distinguished Senator from Vermont [Mr. PROUTY], as well as the members of the full Committee on the District of Columbia, particularly the Senator from Colorado [Mr. DOMINICK], and the chairman, the Senator from Nevada [Mr. BIBLE]. The men whom I have named worked closely with me in our conferences with the District of Columbia officials on this important matter. Every member of the Senate Committee on the District of Columbia gave to me unequivocal support in our mutual endeavor to devise some new procedures which would meet the problems which have concerned all of us in connection with rape cases in the past several weeks.

I also wish to express my appreciation for the fine cooperation my subcommittee received from Chief of Police Layton and the Director of the Department of Public Health, Dr. Frederick Heath. I now ask unanimous consent that there be printed at this point in the RECORD a letter addressed to be my Mr. John B. Layton, Chief of Police, dated August 6, 1965, concerning the problem.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GOVERNMENT OF THE DISTRICT OF COLUMBIA, METROPOLITAN POLICE DEPARTMENT,
August 6, 1965.

Hon. WAYNE MORSE,
Chairman, Public Health, Education, Welfare, and Safety, Subcommittee for the District of Columbia, Old Senate Office Building, Washington, D.C.

MY DEAR SENATOR MORSE: Permit me first of all to express my appreciation as Chief of Police for the interest in and concern with our police problems expressed by you and your colleagues in the informal meeting of this morning which was initiated as a result of the two most recent rape cases in the Georgetown area being two of a number of recent offenses which point up the shocking situation in the District of Columbia regarding heinous crimes in which bodily attacks are made on the victims.

As I reported to the Senate Committee on the District of Columbia just recently, a look at the preliminary tabulation of serious offenses for the month of July indicates a sizable increase for this period in 1965 over that for 1964. I would point out, however, that the category reflecting the sharpest increase is that of robbery, and while the offense of forcible rape is particularly atrocious, still in number of offenses we fortunately have not had a sharp increase in this category of crime and our success in clearing such cases by arrest has been above average. As indicated to you and your colleagues, our efforts in the current cases of this category goes on unabated, and in the Montrose Park case our personnel are working closely with the investigating officers of the U.S. Park Police in a determined effort to locate and identify the assailants.

The concern of you and your colleagues with the administrative procedures in the handling of sex offenses by the Metropolitan Police Department and the medical examination and treatment of victims is also appreciated. The new procedures outlined by the Department of Public Health for handling of such cases at District of Columbia General Hospital have been reviewed and appear to us to be appropriate corrective measures for the particular problems in which your committee expressed interest.

I concur in the need for expeditious handling of such cases and assure you that the Metropolitan Police Department will do all that we can to expedite presenting the victims in such cases to the District of Columbia General Hospital for examination and treatment.

While our rate of robbery cases for the month of July appears to be 50 percent above that of July 1964, I would want to point out that since the 235-man tactical force recently authorized by the Congress was activated on July 20, the average daily rate for the last 12 days of the month has been down 30 percent over the daily average for the first 19 days of the month in the area of patrol and an even greater effect has been noted during the hours when the tactical force has been patrolling. Another request made by the Department which has been authorized by the Congress will shortly be fruitful in the placing in service of additional scout cars in the precincts as well as additional vehicles for plainclothes investigating officers. I expect that as soon as these vehicles can be placed in service, the effect of this added patrol will be felt. One of our needs which has not yet been satisfied is that of a planning and development bureau looking to installation of data processing equipment and which I expect to urge on the Congress in a later budget request.

We are also working closely with staff agencies of the District government toward proposals which we hope will provide recruiting incentives to enable us to meet and maintain the strength of the force as authorized by the Congress.

The interest and concern of you and your colleagues, therefore, is much appreciated in our joint efforts to provide effective law enforcement in the District of Columbia for the full protection of its citizens.

Very truly yours,

JOHN B. LAYTON,
Chief of Police.

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed at this point in my remarks a statement which I received from Dr. Frederick C. Heath, Acting Director of the Department of Public Health, section 2 of the memorandum sets forth the present procedures at District of Columbia General Hospital effective on July 28, 1965, section 3 sets forth Dr. Health's recommendations for additional procedures to be followed. I endorse them; the members of my committee endorse them. We commend Dr. Heath for his fine cooperation. We think that his recommendations are entitled to a trial.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SECTION 2. PRESENT PROCEDURES EFFECTIVE JULY 28, 1965

Present procedures for handling sex cases in the emergency and admitting service

1. The nurse is to be alerted to see that prompt processing and examination of sex cases are accomplished to the extent possible, depending upon other patients present with critical conditions at the time the sex case is registered.

2. Examine the patient as soon as possible after arrival. A representative of the Woman's Bureau will accompany the patient at all times.

3. During the general physical examination note the following: The emotional state of the patient, order of the breath, contusions, scratches, or lacerations on any part of the body. Note the appearance of the clothing, whether any article has blood stains or other secretions of suspicious nature which can be turned over to the Police Department for chemical analysis if necessary.

4. During the gynecologic examination note the following: Evidence of violence about the vulva, introitus, or inner aspect of the thigh. When the hymen is not intact pass a speculum to search for abnormalities. Make smears of the cervical and unrethral areas for laboratory examination. Describe carefully, all findings of speculum examination.

5. The examining doctor renders a concise statement, giving his opinion whether or not evidence exists of forceful entry, and other data which will be of medico-legal value. This information should appear on the medico-legal form and the emergency treatment record.

6. All specimens taken during this examination must be clearly labeled indicating the source, date and patient's name.

7. At the conclusion of the vaginal examination, the vaginal vault will be thoroughly swabbed with a germicidal solution. After the speculum is removed the perineum will be lavaged with a germicidal solution.

8. Treatment will be rendered as indicated in the normal manner, depending upon the injury. As an example; open wounds and lacerations are cleansed, treated and repaired as necessary. Fractures and dislocations would be reduced and treated as indicated.

9. Serum Test for Syphilis (STS) will be taken, to establish a base line for future reference.

10. Any therapy that the examiner deems necessary in rendering emotional support and assurance shall be given.

11. Every attempt will be made to examine the patient and give germicidal cleansing within 2 hours from the time of the alleged forceful sexual exposure. This is desirable as a prophylaxis against gonorrhea and syphilis.

NOTE.—Paragraphs 7, 9, and 11 are recent amendments.

WILLIAM J. BROWNLEE, M.D.,
Chief Medical Officer, Admitting and Emergency.

Approved July 28, 1965.

FREDERICK C. HEATH, M.D., M.P.H., F.C.H.,
Acting Director of Public Health.

SECTION 3. RECOMMENDED ADDITIONAL PROCEDURES

(a) Public health nursing followup and confidential register of sexually assulted patients. This is a rough draft of a proposal to initiate a followup service and study. The purposes of the followup will be:

1. To provide reassurance and support to the patient following treatment at the District of Columbia General Hospital.

2. To assist the patient who wants such assistance.

3. To refer the patient to a private physician or clinic as indicated, for further diagnosis or treatment.

4. To cooperate with the physician or clinic in getting the patient back for a revisit, if necessary.

5. To observe the patient for possible onset of gonorrhea, syphilis, or pregnancy.

6. To ascertain what happens to these patients from the mental, emotional, and physical points of view during the followup period and to ascertain the effectiveness of medical and nursing preventive services.

Procedure: The procedures will have to be worked out, particularly with the associate director for medical care and hospitals and with the Medical Director of the District of Columbia General Hospital and his representatives. It should be possible to put the procedure in operation in 1 month.

Referral of patient:

These may include all patients who have been sexually assaulted in the opinion of the medical officer in charge of the emergency service at the District of Columbia General Hospital. In other words, patients who have been raped and others where there has been only an attempt. If it is considered best, the latter group may be eliminated.

The referral will be made by telephone, preferably on the same day that the patient is seen in the emergency room. The referrals should be made by one person, preferably the nurse in charge of the emergency room (or this may be done by the medical officer in charge of the emergency room, or by the admitting officer). The followup will be done by one nurse, who will be in charge of the confidential register.

(b) Alleged sexually assaulted patients should be taken to the nearest participating hospital or family physician.

In order that the victims may be medicolegally examined and receive germicidal cleansing as quickly as possible (hopefully in less than 2 hours after the alleged exposure), it is recommended that the police take the patient to the nearest hospital agreeing to participate in the program, or to the private physician requested by the patient.

There is no law or regulation requiring the police to bring all sexually assaulted cases to District of Columbia General Hospital. In fact, victims with serious injuries in addition to the alleged sex assault, are taken to the nearest hospital.

The present practice of taking most of the victims to District of Columbia General Hospital was inaugurated in 1946 by the health officer in a letter to the chief of the Metropolitan Police Department.

(c) Authority for victims of a crime, where the police determine a felony has been committed, to be eligible to participate in the department's medical care program.

This recommendation is intended to be tentative at this time, since a detailed study must be made to determine its feasibility before a firm recommendation can be made.

Under present practices victims of crime are considered in the same manner as patients suffering from other types of accidents. Eligibility and payability are determined in accordance with the Commissioners' regulations governing eligibility for medical care. To my knowledge, no one has been denied emergency treatment at District of Columbia General Hospital, or at the voluntary contract hospitals. However, if the patient's income or modest financial resources are above the standards set by the Commissioners, payment for medical care must be made by the patient, the insurance carrier, if any, or an agency of the Health and Welfare Council. I do not feel a victim of a felonious act should be required to reduce his modest savings in order to pay for his medical care, since the medical bills for extensive injuries such as fractured skulls, deep knife or bullet wounds, are usually quite expensive, and would probably wipe out modest financial resources. In addition, serious injury would disable the victim to the extent that he would not be able to work for a long time.

(Submitted by Dr. Frederick C. Heath, Acting Director, Department of Public Health.)

Mr. MORSE. In behalf of the Chief of Police, Layton and Dr. Heath, they have made very clear to me that they intend to watch very carefully the operation of the new procedures, and if they decide some additional improvements are needed, they assure me that they will be bringing forth new procedures as experience shows that they may be needed.

AMENDMENT OF BANK HOLDING COMPANY ACT OF 1956

Mr. MORSE. Mr. President, last Thursday I sent to the Press Gallery a bill and speech that I planned to make in respect to needed amendments to the Bank Holding Company Act. I was called away from the Senate on a very important emergency and was not able to get back to the Senate in time officially to file the bill and to make the speech, although the speech was in the Press Gallery and it was entirely proper for the press to release any comments that members of the press cared to make on the bill and the speech, which they did, because the press release showed that it was to be released on that day.

Mr. President, the time has come to improve and perfect one of the major pieces of reform legislation enacted during the Eisenhower era. I refer to the Bank Holding Company Act of 1956.

That law, as enacted, contains various special-privilege exemptions and exceptions. We regulated many bank holding companies but we left some of them out. In particular, two major bank holding companies—two giant financial-industrial combines—were left wholly free of the act's provisions. These billion-dollar combines are the Alfred I. du Pont Estate of Jacksonville, Fla., and Financial General Corp. of Washington, D.C.

The record will show, Mr. President, that during the debate on the bank holding company bill back in April of 1956, I warned the Senate that such special exemptions and exceptions in the bill would come back to haunt us. And so they have. They are haunting us now.

I might add that President Eisenhower expressed a similar view in this case. When signing the Bank Holding Company Act into law, he remarked that "the exemptions and other special provisions will require the further attention of Congress."

More than a year ago, Mr. President, I drew the attention of the Senate to certain grave abuses on the part of the Du Pont Estate down in Florida. I suggested that the Du Pont Estate's special-privilege exemption from the Bank Holding Company Act be ended, so as to curb its potential for abuse of power. Several other Senators expressed interest in the matter, but nothing was done last year.

Since then, under the leadership of a great legislator, the Honorable WRIGHT PATMAN, extensive hearings on this subject have been held in the other body. The House Banking and Currency Committee, by overwhelming bipartisan votes, has now reported out two bills. These bills would close a number of loopholes in the Bank Holding Company Act, including those used by the Du Pont Estate and Financial General Corp. Following my remarks today I shall introduce a bill that embodies the provisions of these two House committee bills. It is time we acted, Mr. President. It is long past time that we close these special privilege loopholes and exemptions in the Bank Holding Company Act.

I shall now briefly summarize the nature and purposes of that act. I shall then describe the Du Pont Estate and Financial General Corp. and how they came to be exempted from the act. And that is an interesting tale, Mr. President. There was trickery involved in it. Members of our Banking and Currency Committee—including the senior Senator from Oregon—were misled. Finally, I shall conclude by telling what my loophole closing bill would do.

Mr. President, the Bank Holding Company Act is an antimonopoly measure. It is a fine and salutary law. Its goal is to prevent abuses of power by one particular form of banking combination, the bank holding company. And here let me pay tribute to the distinguished Senator from Virginia [Mr. ROBERTSON]. This law is his handiwork, above all others. It took years of effort on his part to get the bank holding law on the books. I may have differed with the Senator from Virginia about allowing certain exemptions and exceptions into the law, but these were essentially differences on strategy. I never for one moment doubted his good faith. The Senator from Virginia wanted as tight a law as he could get. With so many powerful forces arrayed against him, he felt that certain exemptions and exceptions would have to be allowed. He so stated to us at the time. And he did get the bill through. For 9 years now, scores of bank holding companies—including the biggest of them all—have been regulated and limited by this law. In the climate of the 1950's, that was a remarkable achievement. When the definitive biography of the Senator from Virginia comes to be written, I predict the passage of this act will rank high among his notable achievements for the Nation.

The aim of the Bank Holding Company Act is stated concisely in its title. It is an act to define bank holding companies, control their future expansion, and require divestment of their nonbanking interests. The act requires bank holding companies to register with the Federal Reserve Board. They must obtain the Board's approval, based on certain public interest standards, before acquiring more banks. They must divest any control over nonbanking enterprises. They may not acquire banks across State lines unless the State law specifically allows this.

In general, the act places on bank holding companies some of the same restrictions placed on banks. As the Senator from Virginia stated when we were considering his bill back in 1956:

> Nothing is more fundamental in the Banking Act of 1933 than the principle that banks should be restricted to banking activities and not engage in other types of business. Since 1933 both State and national banks have been so limited, but this limitation has been evaded by the bank holding company device.

The Senator explained how his bill, which became the Bank Holding Company Act, would meet the problem. His bill, he noted:

> Not only would divorce bank holding companies from their industrial empires, but also would put any future expansion under the control of the Federal Reserve Board.

As enacted, however, the definitions section of the Bank Holding Company Act was drawn so that it exempts various kinds of enterprises which are in fact bank holding companies. The two largest enterprises now benefiting from these special-privilege exemptions are the Du Pont Estate and Financial General Corp.

The Du Pont Estate is a perpetual testamentary trust created under the will of the late Alfred I. du Pont. Mr. du Pont belonged to the well-known Delaware family, but his estate is not affiliated with the Du Pont Co.

The Du Pont Estate controls 31 banks in the State of Florida. This "Florida National" group has become the largest banking group in Florida, with over $785 million in assets at the end of 1964.

The Du Pont Estate also controls, through 75 percent ownership, a large paper manufacturing company, over a million acres of timberland, some valuable city real estate, a small railroad, and a small telephone company. The estate further controls a class I railroad, the Florida East Coast, where the longest strike in railroad history is still under way after 2½ years.

Beyond all this, the Du Pont Estate owns 764,280 shares of Du Pont Co. stock and 719,758 shares of General Motors stock. These two stockholdings alone are currently worth over $240 million. Altogether, the Du Pont Estate rules an empire of banks, industries, railroads, land, and stockholdings with a value of well over a billion dollars.

Turning now to Financial General Corp., its banking group at the end of 1964 included 26 banks with 104 main offices and branches in 6 States and the District of Columbia, with assets of more than $1.1 billion. A 27th bank was acquired early in 1965.

In addition to banks, Financial General also controls two life insurance companies with assets of $130 million at the end of 1964, plus three fire and casualty insurance companies with assets of $63 million. Financial General also controls an industrial holding company, a lease financing company and a mortgage company.

Here, too, as with the Du Pont Estate, we find a billion-dollar empire of banks, insurance companies and industries—an empire of the very kind that the Bank Holding Company Act aimed to split up and regulate. But Financial General and the Du Pont Estate have gone scot free of the act. We told the other bank holding companies: Without regulation, there is too much potential for abuse of power in your kind of operation. So we will regulate you. If you want to keep your banks, we told them, you must get rid of your nonbank companies. If you want to buy more banks, you must first get permission from the Federal Reserve. And this was not done in a spirit of punishment. This is not a punitive law; it is a preventive law.

But we defined certain bank holding companies out of the act. They got, in effect, a special privilege. That is what happened with Financial General and the Du Pont Estate. How did it happen?

I said a while ago that Senators were misled on the matter. Members of the Banking and Currency Committee—and I was one of them at the time—were misled. To put it bluntly, we were deceived as to the facts. I do not think any member of any Senate committee appreciates having that happen to him.

Financial General Corp. has escaped from the Bank Holding Company Act through a so-called "investment company exemption." At the time our committee was considering the bank holding company bill in 1955 and early 1956, Financial General Corp. was known as Morris Plan Corp. of America. It was controlled at that time by a registered investment company called Equity Corp.

Mr. Ellery Huntington, chairman of the board of Equity Corp. and president of Morris Plan Corp., proposed the investment company exemption in 1955 to the Senate subcommittee. The substance of Mr. Huntington's proposal was later put into the bank holding company bill. Mr. Huntington explained that the chief aim of his proposal was to allow Equity Corp., the investment company, to keep its diversified investment holdings and to avoid double regulation under both the Investment Company Act and the proposed new Bank Holding Company Act. He stated that their bank holding company, the Morris Plan Corp.—now known as Financial General Corp.—would itself still be "registered and supervised" under the proposed new act. He further displayed a table purporting to show the "Results of Amendments Proposed by the Morris Plan Corp." The Morris Plan Corp. was labeled on Mr. Huntington's table as a "Registered Bank Holding Company." All this can be seen in the committee's printed hearings on the bill.

The wording of the investment company exemption did appear to bear out Mr. Huntington's assurance that the actual bank holding company would still be obliged to register as such. I myself so stated during the Senate debate. I had that impression at that time. I have no doubt this assurance was one of the major elements in our committee's favorable consideration of the amendment proposed by the Morris Plan Corp.

In fact, however, Financial General Corp.—which is the new name taken by the Morris Plan Corp. a few days before the Bank Holding Company Act became law—has never yet registered under the act. Financial General has evaded the act through the trick wording in the investment company exemption. That exemption applies to any investment company that registered with the SEC before May 15, 1955, or any affiliate of such a company, unless they control "directly" two or more banks. Note that word "directly." It does not appear in the rest of the act. The rest of the act deals with direct or indirect control. Only this special exemption speaks of "directly" controlling banks. Of course, the Financial General people took advantage of this.

To evade the act, Financial General has spawned a whole army of "shell" holding companies. These wholly owned shell companies in turn own Financial General's banks and other enterprises. Thus, Financial General controls "directly" no banks at all. For 9 years it has been free to acquire new banks, to hold and acquire outside industries, to cross State lines, without any of the restrictions imposed on other bank holding companies by the act. And Financial General has vigorously done just this. Financial General never registered under the act at all, despite Mr. Huntington's representations to the contrary.

Mr. President, turning now to the Du Pont estate, I regret to report that Senators were misled on that matter also during committee consideration of the bank holding company bill—though not in the same way as with Financial General. During those hearings the Senator from Illinois [Mr. DOUGLAS] raised the question of why the Du Point estate, with its great holdings, should be exempted from the bill. Other Senators assured him, as a reason for this exemption, that according to their information the Du Pont estate's money went wholly or predominantly for charitable purposes.

For myself, I do not consider that a valid reason for any exemption. The point of the Bank Holding Company Act is not who gets the money but who holds the power—and how that power shall be wielded. Nonetheless, some members of the committee clearly felt that the Du Pont estate's supposed charitable nature made a strong argument for exempting it from this law. Unfortunately, their information was incorrect. Someone had misled them. Since Mr. du Pont's death in 1935, nearly all the income from his estate has gone to his widow, Mrs. Jessie Ball du Pont. Of course, there is nothing whatever wrong with that. It is a fine thing to leave one's widow well provided for. And I am told Mrs. du Pont is a very gracious and generous lady. Apart from many other gifts, she has assigned 12 percent of the income due her from the estate to a charitable foundation. Eventually all of the estate's income will go to that same foundation.

The fact remains, however, that the Du Pont estate is not now and never has been a charitable enterprise. Since 1935, Mrs. du Pont has drawn a total of $108,731,491.56 in income from the estate. Her income from the estate last year year amounted to $9,208,128.90. These figures come from reports of the Du Pont estate's trustees.

Someone gave a wrong impression to members of our committee back in 1955 and 1956 about where the Du Pont estate's money has been going. I cannot say who spread that misleading information. The Du Pont estate's dominant trustee has been Mr. Edward Ball. Some weeks ago, when Mr. Ball appeared before the House committee, he was asked what role he played in connection with the Du Pont estate's exemption from the Bank Holding Company Act back then. Mr. Ball replied, "I do not think I ever conferred with a Member of the House in regard to the pending bank holding company legislation, and I am not sure that I conferred with Members of the Senate here in Washington." That is what he said: "I am not sure I conferred with Members of the Senate here in Washington."

Whoever it may be that spread the misleading information, there is no doubt in my mind that Members of the Senate were trifled with, as regards both the Du Pont estate situation and the Financial General situation.

Mr. President, I do not want to leave the impression that my bill—which is the same as the two House committee bills—would deal only with the Du Pont estate and Financial General situations. It would also deal with other bank holding company problem areas, as well as many potential situations that could arise if the act's present exemptions are left standing. My bill would close a whole spectrum of unjustified exemptions in the act.

And here let me say that the Federal Reserve Board has testified very strongly in favor of the two bills on the House side. The Federal Reserve Board is 100 percent behind this. The Independent Bankers Association is 100 percent behind it. The Chairman of the Securities and Exchange Commission also testified before the House committee and completely exploded the supposed excuse for the investment company exemption in the act, which my bill would remove. Extensive hearings were held before the committee of the other body, and members of the committee there are fully persuaded of the need to close these loopholes in the act. They reported out the first of their bills by 21 to 4. They reported out the second bill by 27 to 0. Those are the two bills that I have combined into one Senate bill.

My bill would do several things. First, it would remove the so-called investment company exemption from the Bank Holding Company Act. Financial General Corp. is the only bank holding company now using this exemption. But there are 275 investment companies that registered with the SEC before May 15, 1955, and the way the law now stands, any bank holding company could escape completely from the act simply by buying 5 percent of the stock of one of these 275 investment companies—thereby becoming an investment company affiliate—and by then setting up the kind of shell corporations that Financial General has done. In short, this investment company exemption is an open invitation to evade the act.

Second, my bill would cause long-term trusts that control two or more banks to register under the act as bank holding companies. The usual kind of trust, either testamentary or inter vivos, which terminates within 25 years or not later than the death of a named beneficiary, and which is for the benefit of named individuals or for the benefit of identifiable individuals related by blood or marriage to the settlor, would continue wholly exempt from the act. My bill also contains a provision to prevent evasion of the act by the device of multiple trusts. Let me emphasize that both of these trust provisions are very carefully drawn. I recognize that the field of trusts is a complex one, but I believe these provisions of my bill will enable the purposes of the act to be fulfilled while not hampering any trusts or trust departments that should not be brought under the act.

Third, my bill would bring under the act any tax-exempt foundations or similar organizations that control two or more banks. This reform has long been urged by the Federal Reserve Board, which points out that "The dangers aimed at by the Holding Company Act are not absent simply because a holding company is operated for religious, charitable, or educational purposes." Likewise my bill would bring under the act any partnerships that control two or more banks.

These are the chief provisions of my bill. They are broad but not, I think, unreasonably broad. They aim not to punish but to regulate. They aim to provide neither special favors nor special hardships. They aim to treat all organizations as much as possible alike, insofar as those organizations are alike in their control of long-term banking industrial power.

Mr. President, I have spoken of the Bank Holding Company Act as an antimonopoly measure. That is what it is—and a good one. Looking back over the past hundred years, observing the rise of giant corporations in almost every field, I thank God we have enacted measures of regulation like this one into law. Our antitrust laws—our agencies and commissions to enforce competition or to supervise the monopolistic industries—are absolutely vital to a free and healthy economy. They are a vital part of our way of life. Not socialism—not unbridled capitalism—not cartelism—but a free competitive economy operating under strict but fair rules of the game: that is the American way. That is one of the prime secrets of the world's most productive economic system.

And yet, not one of our "rules of the game" laws has been fully adequate to begin with. It would be a miracle if they were. We all know the immense effort, the immense patience needed to achieve any kind of new regulatory law. That is why I paid tribute earlier to the Senator from Virginia. I can appreciate what he went through to get these pioneer bank holding company regulations enacted.

But we know also that the time arrives—it arrives with everyone of our "rules of the game" laws—when another forward step becomes both needed and feasible. On occasion, such forward steps involve a fight. My colleagues know I do not shun a fight when the bugle sounds. Here, however, I anticipate no major battle. The time has surely now arrived, after nearly 10 years, to improve and perfect the bank holding company law. These amendments I offer today would do the job about as well, I think, as it can presently be done. This represents no issue of liberals against conservatives. Rather, it is a simple question of justice and fairness. I have no doubt that a consensus will develop on this issue, both in the Banking and Currency Committee and among Senators generally.

I now introduce for appropriate reference a bill to amend the Bank Holding Company Act of 1956, and ask that it lie on the table for 3 days to give other Senators who may wish to do so a chance to join as cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Oregon.

The bill (S. 2418) to amend the Bank Holding Company Act of 1956, introduced by Mr. MORSE (for himself, Mr. DOUGLAS, Mrs. NEUBERGER, Mr. LONG of Missouri, Mr. WILLIAMS of New Jersey, Mr. MONDALE, and Mr. MCINTYRE), was received, read twice by its title, and referred to the Committee on Banking and Currency.

IS THIS JUSTICE?

Mr. BARTLETT. Mr. President, with reluctance, but out of a sense of duty, I call the Senate's attention to a situation in one of the courts of the District of Columbia which has become, in the opinion of many persons familiar with our legal system, increasingly intolerable, odorous and downright disgraceful.

I am referring to the outrageous conduct of Judge John H. Burnett of the Domestic Relations Court for the District of Columbia.

This man time and time again has been called down by his superiors on the bench, among others, by no less than the chief judge of the U.S. Court of Appeals for the District of Columbia for conduct in the courtroom which is, to my mind, almost inconceivable.

Admittedly, the type of cases that come before a domestic relations judge for settlement—involving, as they do, tragic instances of bitterness and acrimony between married couples who seek to prove each other unfit parents of their small children—do not make for pleasant listening.

But this judge's repeated mistreatment of the principals who appear before him, of the witnesses called in these cases, his sarcasm, his intemperate manner and, above all, his salacious pursuit, his goatish preoccupation with dragging from the women who come into his court every erotic detail of their sexual lives; this conduct far, far exceeds the bounds of decency and ethical behavior, to say nothing of proper judicial inquiry.

The most recent criticism of this judge arose less than a month ago and it came—significantly, I think—from the Honorable David L. Bazelon, the Chief Judge of the U.S. Court of Appeals for the District of Columbia.

Judge Bazelon was commenting on a case which had come to his court from the District appellate court, and he noted the remarks of one of the lower appellate court judges that Judge Burnett seemed—and I quote—"preoccupied" with the subject of sexual relations.

Judge Bazelon also mentioned examples of what I can only describe as the "gutter language" used during the hearing by Judge Burnett in questioning the wife in this case.

It is language I hesitate to repeat to the Senate, but it is language such as I never imagined could be employed by a judge in any court in these United States.

Example after example in the same vein can be cited—have been cited to me—concerning the misconduct of this man who—unfortunately—sits in judgment of others.

Long before this latest instance of Judge Burnett's misconduct, I had heard, from many sources, complaints of his rudeness, of his apparent delight in harrying and harassing persons who came before him—lawyers, litigants, and witnesses alike—for no good reason.

It may be asked why a Senator from Alaska should have any interest in what goes on in a domestic relations court in the District of Columbia. Mr. President, my interest was aroused when I testified in a case on trial before Judge Burnett. At that time his rudeness to me—altogether uncalled for—not only angered me but aroused my curiosity as to why a judge should act in such a manner. During the same trial Judge Burnett demonstrated a like rudeness to the wife of my colleague in the Senate from Alaska. It was then that I started to inquire into this man's judicial conduct. It was then that I discovered the appalling facts which I place before the Senate today. This is not all, Mr. President. I could go on and on in a demonstration of this man's absolute unfitness to be where he is, but I do not propose at this time to burden the CONGRESSIONAL RECORD with quotations from trial transcripts where Judge Burnett has said things so absolutely unbecoming to one occupying such a high office that one is left to wonder. If it were not for the fact that sympathy must be confined almost altogether to those who have appeared before him and have been made the victims of his seemingly salacious interest in sex, one would have a large measure of pity for this man. My own opinion is that he needs help.

The judicial process is the very foundation upon which our society rests, and a respect for the law, and for those who administer it, and interpret it, is the crucible in which it has always been tested.

The Domestic Relations Court for the District of Columbia is a small crucible in the overall picture, to be sure.

But it is not small in the lives of those who come under it jurisdiction, and not small at all to those who enter the courtroom of Judge Burnett.

To those parents, bereft as they are of understanding of each other's problems and as concerned as they may or may not be with the ultimate welfare of their innocent children, this man's courtroom, it has become clear to me, is a witches' cauldron in which there is brewed that which is the most salacious, lecherous, libidinous, and prurient.

The record of his court is replete with instances of his microscopic obsession with sex.

Time after time he has badgered the woman in a case for the most intimate, step-by-step account of her sex life, forcing her, in some cases, to describe it to him much as a radio announcer broadcasts a prize fight.

I do not propose to offend the Senate with examples of some of this man's more lascivious cross-examinations of the women who have had the misfortune to appear in his courtroom, although let me assure Senators that they extend far beyond any bounds of decency.

But this is only one side of the nature of his courtroom conduct.

Judge Bazelon himself commented last month:

> Even more disturbing than the trial judge's conduct (of this case) is the absence of any inquiry concerning the best interests of the child.

It is almost impossible for me to believe that a man charged with the high responsibility to decide which parent will have the most regard for the best interests of his or her child could completely ignore the subject, but here we have the evidence that this is so from no less a jurist than the Chief Judge of the U.S. Court of Appeals.

I say it is almost impossible for me to believe. I should have said it would have been impossible for me to believe it had I not been made acquainted by research with this man's prurient obsession with sex, his seemingly pathological preoccupation with the details of other people's sexual experiences.

As I say, I do not intend to open this cesspool in the Senate of the United States.

Instead, let me cite one or two examples of what his peers have said about this man's judicial conduct or, rather, the lack of it.

Chief Judge Andrew M. Hood, of the District of Columbia Court of Appeals, commenting on an appeal by a young mother just last February:

> It is my opinion that appellant was denied a fair, impartial, and judicial hearing.
>
> Notwithstanding the free admission of her adulterous conduct, the trial judge seemed preoccupied with her sexual relations. The record discloses more than 20 occasions when the trial court asked questions concerning, or made reference to, "intercourse," "sleeping with," "having it," "laying up with."
>
> During the trial the judge lectured appellant respecting adultery * * *. He argued with appellant's counsel regarding the immorality of adultery, citing the Commandment "Thou shalt not commit adultery." At the conclusion of the case the court denounced appellant as "just one step above a prostitute," "a common, ordinary, everyday tramp" whose way of living was a "stinking situation," and stated: "I am so incensed by the way this common tramp acts that I could go down and do something to her myself."

Let me break into Judge Hood's comments here to remark on the striking similarity between the scene he has described and Somerset Maugham's play "Rain". Who can ever forget the fate of the self-righteous Reverend Davidson at the hands of Sadie Thompson?

There is, unfortunately, a frame of mind in which the possessor zealously guards the public morals by a compulsive wallowing in a moral cesspool, but I do not believe that the judicial bench is any seat for one so possessed.

But let me continue with Judge Hood's remarks:

> The questioning of appellant by the judge in a manner designed only to ridicule or humiliate her, the judge's moralizing, his denunciation of appellant, and his expression of personal animosity toward her, convince me that the judge's personal emotions and concepts were permitted to completely override his judicial views. I do not say appellant is entitled to custody of her child, but I do say she is entitled to a judicial hearing.

Judge Hood's remarks, I think, speak more eloquently than anything I might say.

But Judge Hood is not alone in his criticism of this man's conduct, or misconduct.

The U.S. Court of Appeals for the District of Columbia, in reversing a decision by Judge Burnett in another child custody case, referred to a comment by one of the lawyers—the lawyer, in fact, whose client was awarded custody of the children.

This is what the court of appeals said:

> On brief in this court counsel for the appellee with commendable candor felt bound to concede that he "had a personal aversion and professional aversion to the manner in which (the trial judge) had conducted proceedings in his court."

The lawyer who gave this opinion before the court of appeals is one of the most respected attorneys in Washington and, let me repeat, in this instance he had won his case before Judge Burnett.

The opposing attorneys before the U.S. Court of Appeals told the judges there that this same lawyer had stated to the lower appellate court that Judge Burnett's conduct "is a matter of shocking concern to every attorney who appears before that trial judge."

Their argument to the court of appeals also contains this statement, also attributed to the lawyer for the husband in the case:

He was quoted as having said in the lower appellate court:

> Judge Burnett cannot be accused of prejudice toward the wife because the trial judge treats everybody in the manner (she) complained of in the court below—

Judge Burnett, in other words—

> that the temper and personality traits of this particular trial judge were as well known before his appointment by the President and his confirmation by the Senate, as now, and therefore that must be what was wanted.

Let me say to the distinguished lawyer who made those remarks that "that" most certainly was not what was wanted, not by the Senate and certainly not by anybody concerned with the honor and fairness of our judicial system.

Let me say to the Senate that this man's term expires next year and that this Senator from Alaska is irrevocably committed to oppose any attempt by this man to seek another term on the bench of this or any other court.

His behavior, his inexcusable manner, his utter disregard for the interests of the children whose parents come before him—due apparently to his strange and pitiable obsession—make him unfit to wear the judicial robe.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

The PRESIDING OFFICER. Without objection, the Senate will resume consideration of the bill.

The Senate resumed consideration of the bill.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

Mr. YOUNG of Ohio. Mr. President——

The PRESIDING OFFICER. Will the Senator from Louisiana withhold his request?

Mr. LONG of Louisiana. Mr. President, I withhold my request.

UNTHINKABLE THAT THIS NATION WOULD DESTROY COMMUNIST CHINA'S NUCLEAR INSTALLATIONS

Mr. YOUNG of Ohio. Mr. President, I rise to comment on the statement made by the chairman of the Armed Services Committee of the House of Representatives in a speech he delivered recently in Connecticut. He asked a rhetorical question:

> Should we use our atomic power to wipe out Red China's atomic capability?

Then he added:

> We must get ready to do this very thing if we want to stop Red China. I will insist on victory in Vietnam. Anything short of that would be treasonable.

In this same speech the gentleman also stated:

> And even if we win the war in South Vietnam, I cannot help but think that we are merely postponing the final victory of Red China unless the Nation is prepared to risk the possible consequences of destroying her nuclear capability. And unless we make that decision, it is possible that all of our

> fighting in South Vietnam will have been in vain.

In other words this Member of the other body really outdid some hard-nosed militarists in our Armed Forces who in the past have been advocating preemptive war against the Soviet Union and in recent months have raised their voices advocating a sneak attack or preemptive war on Red China to destroy the crude nuclear installations of the Red Chinese. The very suggestion of this is so un-American as to be abhorrent. Yet, here is a Member of the other body occupying the position as chairman of one of the most powerful committees in that body advocating this procedure.

Mr. President, the facts are that I am a fervent believer in the seniority system. It is one of the advantages of our Congress that under that system, men who have served long years in the Senate and in the House of Representatives attain promotions within the committees of which they are members, and finally some of them with long years of congressional service become chairmen of committees. By and large, chairmen of all the committees of the Senate and House of Representatives of the United States are eminently respected, are most knowledgeable, and deserve the promotion to chairmen by reason of the experience that they have acquired over the years.

Nevertheless, it is somewhat shattering to my faith in this seniority system to read of the chairman of the Committee on Armed Services of the House of Representatives advocating a suicidal policy on our part, and I feel obligated to speak out against this without delay lest in this country and overseas such a rhetorical question would be taken seriously.

That the person making this statement is chairman of the Committee on Armed Services of the other body causes me to fear that in Europe and Asia, among the heads of states, it might be regarded as authoritative and that his views are respected and might be followed. Were we as a nation to undertake any such course, we could gain nothing except, at most, a very temporary advantage and at a great price—loss of respect and degradation.

Now let us consider the facts. No matter what single location or several locations we might bomb and utterly destroy into ashes within the mainland of China, that nation—Communist China—with its great population, its far-flung geographic area, and its scientists and scholars would retain the capability of very soon again producing even more nuclear weapons and far better and more powerful than the first crude warheads produced there. We should realize that in this nuclear age of change and challenge even a small group of scientists are just as valuable or more valuable to any nation, to China and to this Nation, than any existing nuclear installations.

Assuming that we could destroy China's capability for producing nuclear weapons for a short time and that we did destroy all the existing nuclear installations, how could we possibly bar or prevent the access of the Chinese to the raw materials necessary for the production of fissionable nuclear charges? Assume we did hurl our air power over the Chinese mainland, as this gentleman suggests. Would we have our Air Force attempt to lay waste all of the factories that they beheld below them where they might suspect that some use was being made of raw materials to manufacture nuclear bombs? How could we do that anyway when it is readily possible for men of intelligence to disperse such installations and even locate them in cities in the midst of massive centers of population or underground in other sections of the country in such manner that our bombs could not destroy them?

Then, above everything else, it would not be possible for us with our missile power, air power, and land forces to kill all of those individuals who comprehend how atomic weapons are made. In other words, even now in a preemptive war in a day of infamy followed by other days of infamy, were we to destroy the lives of million of Chinese men, women, and children, we could not possibly kill off all the scientists.

I am mentioning this to state how foolhardy the gentleman's proposal is. Let us realize that China is a huge nation that has great diversity and a great quantity of natural resources; that there are 700 million men, women and children living within the borders of China; that China is a nation with a great history and its people have a tradition of being industrious. The Chinese are people of high intellectual attainments and business and scientific achievements. They have a great cultural background. It is obvious to all that China is now a great power and within 10 or 20 years it will be one of the three greatest powers on the earth.

We are proud of the American citizens we have in our midst, in Hawaii and elsewhere, men, women and children of Chinese descent. We have in this body as a U.S. Senator from the sovereign State of Hawaii Hiram Fong, one of the ablest and most respected Members of this body, whose father and mother and all his ancestors were Chinese and lived in China.

I advert to that fact to indicate another facet and to indicate how foolhardy that suggestion or rhetorical question was.

Furthermore, there is nothing Representative Rivers or anyone else can do to stop China's advance. Even the grossly inhumane use of atomic and bacteriological weapons could not do that. Let us hear no more about this rhetorical question. A proposal to do anything of this sort would be foreign to the American way of life, foreign to the great history and noble traditions of our country from colonial days to the present time. Furthermore, it would be so inhuman and so callous that we as a Nation would be downgraded before all of the world, even to a greater extent than was Adolph Hitler's Germany.

The distinguished Congressman who made this bombastic speech gave little or no thought to the fact that were we to bomb the nuclear installations within the Red Chinese mainland, immediately Communist China with its population of 700 million and with its tremendously powerful land army would go to war against the United States, overrunning southeast Asia, and in doing this killing many thousands of American GI's.

Any self-respecting nation attacked in such a manner as was proposed in this Connecticut speech made by the gentleman from the other body would have no other course open to it. Furthermore, as certain as sunrise follows the sunset, the Soviet Union, obligated by its commitment and alliance to Communist China, and despite the fact that its leaders and the Russian people seek friendship and not war with this Nation, would inevitably mobilize its forces and unleash its missiles, and the third world war—and this a war on annihilation—would begin.

Mr. President, this arm-chair militarist says:

> I will insist on victory in Vietnam. Anything short of that would be treasonable.

It would be difficult to find anywhere a more bombastic statement than that. Unfortunately, this particular arm-chair militarist has the title of chairman of a powerful committee.

The President, who is Commander in Chief of our Armed Forces, has repeatedly announced his desire and hope that representatives of the Vietcong and North Vietnam and other nations meet with us at a conference table, that we are glad to talk settlement and seek a ceasefire.

He has said time and time again—and that is our position at the present time, despite the bombast from the gentleman from the other body—that we should seek negotiations unconditionally, without any conditions whatsoever.

Our situation is bad in South Vietnam. It is far worse than it was a year ago or when President Eisenhower first committed our Armed Forces in South Vietnam. It is too late now for us to say a mistake was made, because we were committed in 1954 and we have been involved there since that time, and apparently things have gone from bad to worse.

Despite these statements that should never have been made—he said:

> I will insist on victory in Vietnam. Anything short of that would be treasonable.

We Americans seek and hope for a negotiated settlement involving major concessions by both sides which will offer the Communists and Vietcong a reasonable and attractive alternative to military victory.

We seek a ceasefire and seek the time when the neighbors to the North and certain people in South Vietnam will cease their aggression. Then we look forward to withdrawing our forces from southeast Asia.

Such a ceasefire or peace similar to that attained in South Korea is a consummation devoutly to be wished. Let us try to attain it.

I yield the floor.

UNIVERSITIES GROUP NOT IN COALITION

Mr. MILLER. Mr. President, on July 7, I inserted in the RECORD—page 15817—an article from the Des Moines Register which purported to describe a coalition of organizations working together for legislative and partisan political purposes.

In a letter to the editor of the Register, the National Association of State Universities and Land-Grant Colleges, one of the organizations included in the article, said the report as far as it was concerned was without foundation.

I ask unanimous consent that the letter, entitled "Universities Group Not in Coalition," from the Register of July 19, 1965, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Des Moines (Iowa) Register, July 19, 1965]

UNIVERSITIES GROUP NOT IN COALITION

TO THE EDITOR:

A July 6 news story by Nick Kotz [purported] to describe a "coalition" of interest groups "working quietly behind the scenes in Congress to reelect Democratic Congressmen and to lobby for Johnson administration legislation." The name of the National Association of State Universities and Land-Grant Colleges was included in the list of organizations which, Mr. Kotz says, have been "meeting regularly in Washington under the chairmanship of Donald Ellinger of the Democratic National Committee."

The article is completely without foundation as far as the National Association of State Universities and Land-Grant Colleges is concerned. The association has not, does not, and will not participate in partisan political activity of any kind * * *.

With respect to education legislation, it has long been customary for organizations interested in this area to meet together with or without representatives of the administration currently in office * * *. At no time have I or members of my staff participated in meetings of this kind at which there was discussion of or plans for support of or opposition to candidates for public office, or of proposed legislation in partisan terms.

RUSSELL I. THACKREY,
Executive Secretary, National Association of State Universities and Land Grant Colleges, Washington. D.C.

ORDER OF BUSINESS

Mr. MILLER. Mr. President, I ask unanimous consent that I may be permitted to proceed on another subject.

The PRESIDING OFFICER. Without objection——

Mr. LONG of Louisiana. Mr. President, reserving the right to object, has the Senator in charge of the bill agreed to this?

Mr. MILLER. Yes.

Mr. LONG of Louisiana. Then I shall not object.

VIETNAM—THE REAL MEANING OF "UNCONDITIONAL NEGOTIATIONS"

Mr. MILLER. Mr. President, ever since President Johnson's speech at Johns Hopkins University in Baltimore on April 7, all kinds of interpretations have been made of the meaning of "unconditional negotiations"—the phrase which appeared in his address.

All peace-loving people are prayerful that there will be a prompt end to the war in Vietnam and that peace will come to that area. But few peace-loving people will tolerate an end to the war at the price of freedom or the profit for aggression. The national interest of the United States and South Vietnam—indeed the national interest of all nations, large and small, whose people live in freedom—repudiates a policy of peace at any price. There is a price to be paid for peace and it is only with a clear understanding of what that price is that those who speak of "negotiations" can speak meaningfully.

The President has emphasized on several occasions that the United States will take such action as is necessary to achieve our objectives in Vietnam. These objectives, he has pointed out, are to persuade the North Vietnamese to leave their neighbor, South Vietnam, alone—to cease and desist from directing, controlling, and supplying war materiel and manpower to the Vietcong military forces in South Vietnam; further, to assist the South Vietnamese in ending the attacks of the Vietcong so that the people can live in peace and freedom. This is the price of peace in South Vietnam.

These objectives could be achieved through peaceful negotiations—if the leaders in Hanoi were willing to pay this price. They understand very clearly that this is the price and they have to date been unwilling to pay it. They have chosen, instead, to pay a higher price by forcing South Vietnam and her allies to achieve these objectives in a war.

The President has said that "We do not intend to be defeated." This is another way of saying that we do not intend to fail in our military efforts to achieve our objectives.

The President has also stated a "win" policy for our war effort when he declared on June 1:

> In the future I will call upon our people to make further sacrifices because this is a good program, and the starts we are making are good starts. This is the only way that I know in which we can really win, not only the military battle against aggression, but the wider war for the freedom and progress of all men.

Winning the military battle would naturally mean attaining our objectives.

I might point out that earlier this year Secretary of State Rusk stated that we are going to help the South Vietnamese win the war.

There are some who say that no one ever wins a war. While it is true that war brings great hardship and suffering, it is not true that the objectives stated by the President of the United States cannot be won. They are moral objectives and completely in character for the people of the United States, whose history bears testimony to those moral principles.

It is not responsive to say, as some do, that there is no military solution to the problems of South Vietnam. Everyone knows this. What must be recognized, however, is that because of the intransigence of the leaders in Hanoi, military victory is essential to lay the foundation for the political, economic, and psychological solutions to these problems.

Again in his address at Johns Hopkins University, the President firmly declared:

> We will not withdraw, either openly or under the cloak of a meaningless agreement.

And what are the essentials of a meaningful agreement?

Quite obviously these are the minimal objectives which the President has many times clearly stated and to which I have previously referred. Indeed, in the very same speech he said:

> Such peace demands an independent South Vietnam, securely guaranteed and able to shape its own relationships to all others, free from outside interference, tied to no alliance, a military base for no other country. These are the essentials of any final settlement.

The interpretation of "unconditional negotiations" can be accurately made only in light of these statements by the President. The President could hardly clearly and succinctly state our minimal objectives and disdain a "meaningless agreement" in one part of his address and then impliedly repudiate his position by agreeing to negotiations which could lead to a "meaningless agreement."

For all their faults, the leaders in Hanoi were quick to understand this. What is so remarkable is that many leaders of other nations, political analysts, and news commentators apparently failed to understand it. Possibly in their zeal to end the hostilities in Vietnam, they have taken the phrase "unconditional negotiations" at its face value, standing by itself, without realizing that to do so would lift the words out of context of the full text of the Johns Hopkins address and attach a meaning which would undercut the integrity of the President's clearly stated objectives.

What the leaders in Hanoi understand and what others should understand is that any negotiations which lead to something less than the achievement of the minimal objectives stated by the President would be meaningless, and that only with respect to matters beyond these objectives can the negotiations be unconditional. There are many possibilities here. For example, the degree to which the leaders in Hanoi and the leaders of the Vietcong will be brought to trial and punished for war crimes, including the slaughter of South Vietnamese civilians and the murder of prisoners of war would be subject to negotiations, as would be the subject of reparations for damages to South Vietnam. The degree to which economic assistance would be extended to North Vietnam would be subject to negotiations. But our minimal objectives for South Vietnam cannot be subject to negotiation any more than, as the late President Kennedy said on July 25, 1961:

> The freedom of that city [Berlin] is not negotiable.

There is another way of considering the meaning of the phrase "unconditional negotiations" and that is in light of the minimal demands by Hanoi, namely: First, American withdrawal from South Vietnam; second, temporary neutralization; third, communization of South Vietnam by the so-called Vietnam National Liberation Front; and fourth, reunification of North and South Vietnam. Obviously to the extent that these points undercut our minimal objectives, they cannot be the subject of negotiation. Bitter history has taught us that neutralization to the Communists does not carry the same meaning as it does to us. A neutralist government containing militant Communists sooner or later ends up being subverted by the Communists who consider such a status as merely an opportunity for the communization of the government and the people. Accordingly, it is difficult to see how any of these points could be the subject of negotiations. Of course, withdrawal of American forces would follow upon achievement of our minimal objectives for South Vietnam, and to this extent such withdrawal would be readily agreed to and would not even have to be negotiated.

Theoretically, perhaps, reunification of North and South Vietnam might be the subject of negotiations. I say "theoretically" because of the difficulties in assuring elections that are truly free which would be the only possible basis for such reunification. Here, again, is where the Communists interpret the phrase "free elections" differently than we do. Their interpretation would permit the use of terrorist and coercive activities as a means of persuading the people to vote "freely" for a Communist government. The world has witnessed for a long time the distorted meaning of "free elections" as practiced in the Soviet Union.

It is for this reason that overemphasis has been placed on the words of President Johnson in his news conference of July 28, when he said:

> We do not seek the destruction of any government, nor do we covet a foot of any territory, but we insist and we will always insist that the people of South Vietnam shall have the right of choice, the right to shape their own destiny in free elections in the South, or throughout all Vietnam under international supervision, and they shall not have any government imposed upon them by force and terror so long as we can prevent it.

The President would, of course, like to see truly free elections, and I am sure, he would like to see some kind of international machinery which would guarantee such free elections. But he is just as familiar with the distorted concept of free elections held by the Communists as anyone else, and he is equally aware of the impossibility of establishing the international machinery needed to guarantee truly free elections throughout North and South Vietnam in the foreseeable future. That is why I believe there has been an overemphasis in some quarters on his words "or throughout all Vietnam under international supervision", as contrasted with his words in the Johns Hopkins speech:

> Such peace demands an independent South Vietnam.

Obviously such an independent South Vietnam would have to precede free elections throughout all Vietnam in the short range period of attainability.

Perhaps it would have been well for the President to have made this point clear instead of leaving it for logical inference from his earlier statements.

William R. Frye, writing in the Des Moines Register of August 3, said the United States has significantly modified its Vietnam peace terms in what he called "a major effort to negotiate its way out of the war." He went on to say:

> The change in the American position consists essentially of three parts:
>
> 1. Washington now is prepared to envisage reunification of Vietnam by internationally supervised elections, as called for in the Geneva accords of 1954, even though, as many diplomats believe, this could lead to a Communist takeover.
>
> Reunification has long been North Vietnam's objective. The United States has held out for partition, with guaranteed security and independence for South Vietnam.
>
> 2. The United States now is willing to regard Hanoi's oft-cited four points, which include an American withdrawal from Vietnam, as part of the agenda for negotiation—though not the exclusive agenda nor as a precondition for a parley.
>
> This is regarded as a major concession. Previously, although President Johnson had offered to take part in "unconditional discussion," the four points had been considered an unnegotiable demand for surrender.
>
> Third. The United States is willing to find some face-saving formula for including the Vietcong—National Liberation Front—at a peace table. Previously Washington had been unwilling to negotiate with the Vietcong, except as part of the North Vietnamese delegation.

And Mr. Frye concludes that the American peace drive has two facets:

> Private overtures, through U Thant and other intermediaries, offering to scale down the American asking price for peace; and public gestures, primarily to the U.N., inviting action by Thant and the U.N. Security Council.

These are provocative words by a perceptive writer. They lend credence to the report in the Des Moines Register of August 8 that the Johnson administration last fall rejected a proposal for peace talks which had been accepted without conditions by North Vietnam.

Let me quote from that report:

> The proposal * * * did not set any conditions, but the Johnson administration rejected it, it is said, for two reasons:
>
> 1. Mr. Johnson was engaged in the election battle with former Senator Barry Goldwater, who was advocating stronger U.S. military action in the Vietnam war. If word of peace talks had leaked out, Goldwater might have capitalized on it as a sign of weakness and damaged the Democratic campaign.
>
> 2. The South Vietnamese Government was in turmoil. Opposition to the military regime of Premier Nyguyen Khanh was growing and Washington believed that negotiation with the Communists might cause the government to fall.

It is for this reason that I hope the President will not leave to conjecture any interpretation of the policy objectives which he has heretofore so firmly set forth. His every word is being scrutinized most carefully by writers, columnists, commentators, those who have been critical of his policies, those who have, as I have, been supporting his policy in Vietnam, and, most particularly, the Communist leaders in Hanoi, Peiping, and Moscow. The slightest deviation from our minimal objectives will be seized upon as a sign of weakness by the Communist World.

In evaluating any agreement to enter into negotiations, I believe it would be prudent to take note of a memorandum from Red China's Mao Tse-tung to the Soviet Union in March of 1953. It appears on pages 5707–5708 of the CONGRESSIONAL RECORD of April 29, 1954, volume 100, part 5, 83d Congress, 2d session. This memorandum should be read and studied by everyone and particularly by our policymakers in the State Department and by those who would, in effect, have us bargain away the peace and freedom of South Vietnam and southeast Asia.

The memorandum is a blueprint of conquest of Asia by the Communists.

It outlines a program which has succeeded all too well, even though parts of the timetable have been thrown off to some degree. Though Mao's timing has been off—because the United States unexpectedly intervened and because of the Red China-Soviet Union dispute over how best to further Communist imperialism—the memorandum serves as a Mein Kampf of Communist conquest and domination.

It should be emphasized that Mao anticipated that most of the gains are to be made through armistices and negotiations.

First of all, Mao declared:

> It appears that time has come that we have to look upon Asia as our immediate goal. In Asia—

He said—

> tactics of internal revolution, infiltration or intimidation into inaction or submission will yield an abundant harvest.

Pointing to the weakness within the Communist World, Mao wrote:

> Consequently, we have to, until we are certain of victory, take a course which will not lead to war.
>
> One course—

He continued—

> is to isolate the United States by all possible means.
>
> Then Britain must be placated by being convinced that there is a possibility of settling the major issues between the East and the West and that the Communists and the capitalist countries can live in peace. Opportunities for trade will have a great influence on the British mind.

Listen to what Mao had to say about France:

> In the case of France, her war weariness and fear of Germany must be thoroughly exploited. She must be made to feel a sense of greater security in cooperating with us than with the Western countries.

And on Japan:

> Japan must be convinced that rearmament endangers instead of guaranteeing her national security and that, in case of war, the American forces distributed all over the world cannot spare sufficient strength for the defense of Japan. Rearmament is, therefore, an expression of hostility toward her potential friends. Her desire to trade will offer great possibilities for steering Japan away from the United States.

Before I turn to specific areas of conquest set out in the blueprint, let me quote the section on military preparedness:

> As a final goal, there should be in east and southeast Asia (after these areas are liberated) 25 million well-trained men who can be immediately mobilized. These men are to be held in readiness for emergency. They will achieve two purposes. On the one hand they will force the capitalist countries to keep on increasing defense expenses until economic collapse overtakes them. On the other hand, a mere show of force, when time is ripe, will bring about the capitulation of the ruling cliques of the countries to be liberated.

Note the emphasis of liberation. The idea of a "war of liberation" is the chief propaganda weapon in the hands of the aggressors in Vietnam today.

Mao also had some comments on the Korean war, which was raging at the time his memorandum was written.

He said:

> The important reason that we cannot win decisive victory in Korea is our lack of naval strength. Without naval support, we have to confine our operations to frontal attacks along a line limited by sea. Such actions always entail great losses and are seldom capable of destroying the enemy. In March 1951, I suggested to Comrade Stalin to make use of the Soviet submarines in Asia under some arrangement that the Soviet Union would not be apparently involved in the war. Comrade Stalin preferred to be cautious lest it might give the capitalist imperialism the pretext of expanding the war to the continent. I agreed with his point of view.
>
> Until we are better equipped for victory, it is to our advantage to accept agreeable terms for an armistice.

Here is what Mao had to say about Formosa:

> Formosa must be incorporated into the People's Republic of China because of the government's commitment to the people. If seizure by force is to be avoided for the time being, the entry of the Chinese People's Government into the United Nations may help solve this problem. If there should be serious obstacles to the immediate transfer of Formosa to the control of the People's Government, a United Nations trusteeship over Formosa as an intermediary step could be taken into consideration.

This should serve as a warning to those who advocate that Red China be admitted to the United Nations regardless of the fact that she does not qualify for admission under the Charter of the United Nations.

Now let us examine Mao's pronouncements on Indochina. It should be remembered that at the time the memorandum was prepared France was still fighting to maintain her colonial interests there. And those who talk of "free elections" in Vietnam would do well to keep his words in mind:

> We shall give the maximum assistance to our comrades and friends in Indochina. The experiences we have had in Korea should enrich their knowledge in fighting for liberation. The case of Indochina cannot be compared with that of China. In Indochina, as in Korea, there is serious intervention of the capitalist bloc, while in China there was nothing so direct and vigorous. The experiences in Korea tell us that so long as there is foreign intervention and so long as we have no naval support, military operations alone cannot achieve the objective of liberation.
>
> The military operations in Indochina should be carried out to such an extent as to make the war extremely unpopular among the French people and to make the French and Americans extremely hateful among the Indochinese people. The object is to force the French to back out of Indochina preferably through the face-saving means of an armistice. Once foreign intervention is out of the picture, vigorous propaganda, infiltration, forming united fronts with the progressive elements in and outside the reactionary regimes will accelerate the process of liberation. A final stroke of force will accomplish the task. Two years may be needed for this work.

Two years later France was out of Indochina.

But Mao's blueprint for complete domination of what was formerly Indochina was stalled when the United States decided that freedom for the people and the peace of southeast Asia required our assistance.

To those who maintain that South Vietnam is of little importance to us strategically, that we have no business there, that the Communists would settle for "that one little piece of ground," Mao's own words supply the answer:

> After the liberation of Indochina, Burma will fall in line as good foundation has already been laid there. The then reactionary ruling clique in Thailand will capitulate and the country will be in the hands of the people. The liberation of Indonesia, which will fall to the Communist camp as a ripe fruit, will complete the circle around the Malay Peninsula.
>
> The British will realize, under these circumstances, the hopelessness of putting up a fight and will withdraw as quickly as they can.
>
> If war can be averted, the success of our plan of peaceful penetration for the other parts of Asia is almost assured.

Even then Mao considered Indonesia ripe picking. And who can say he was in error when one considers the actions of Indonesia's Sukarno, who continues to castigate the United States and act like a puppet of Red China? That is why our continuation of aid to Indonesia makes so little sense. And it makes even less sense that the United States has paid Indonesia $350,000 to assist that nation to operate a small atomic research reactor, as reported in the Washington Post of August 7. The funds were provided only last month.

The second secession of Singapore from the Malaysia Federation could signal the start of another period of chaos in southeast Asia, as one commentator put it, with serious consequences for the struggle to resist communism there.

Finally, the memorandum states that India should not bear the brunt of hostile actions, that only peaceful means should be adopted. Why?

> Because—

Said Mao—

> any employment of force will alienate ourselves from the Arabic countries and Africa, because India is considered to be our friend.

Mr. President, these are the main points of the memorandum of 12 years ago from the one who was then and who now is the leader of Red China. He was not writing for literary effect. He meant what he said.

With so much talk about negotiations today, I view with misgivings that our Ambassador W. Averell Harriman and Gen. Maxwell Taylor, as reported in the Washington Post on August 9, suggested that Hanoi is not a likely target of American air attacks against North Vietnam.

According to the report, General Taylor argued against bombing the North Vietnamese capital because "we need the leadership in Hanoi to be intact to make those essential decisions we hope they will make at some time."

This seems to contradict Secretary of State Rusk's statement that there will be no privileged sanctuary for supporters of the Vietcong insurgency.

And it recalls that there were no privileged sanctuaries for Adolf Hitler and his leaders during World War II. Nevertheless, the Nazi leaders were sufficiently "intact" to make the essential decisions to end the war.

It is not helpful to our cause to give comfort to those who promote aggression. If our leaders intend to pursue a policy of firmness, they should avoid any statements which might be construed as a sign of deviation from that policy.

I am concerned over suggestions, which seemingly appear as trial balloons, that we may settle for less than what the President has stated to be our minimal objectives. I am concerned also that the President's critics—some from within his own party—appear to look only at Vietnam without considering the whole picture so carefully considered by Mao Tse-tung. They ignore the Communist objectives in Thailand, in Laos, in Cambodia, in Burma, in Japan, in the Philippines, in India, and even in Australia.

That is why it is time for all to understand the true meaning of the phrase "unconditional negotiations."

Mr. President, I ask unanimous consent that the memorandum to which I referred in my speech, and which appears in the Congressional Record, volume 100, part 5, pages 5707, 5708, be printed at this point in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

An Outline of Mao Tse-Tung's Memorandum on New Program for World Revolution

(Carried to Moscow by Chou En-lai in March 1953)

1. ASIA TO BE THE IMMEDIATE GOAL

Due to the profound leadership of Comrade Stalin, amazing achievements have been made in the great task of world revolution. The success that has been attained both in Europe and in Asia after World War II is entirely attributable to Comrade Stalin's able and correct guidance and direction. May his wisdom still guide us.

It appears that time has come that we have to look upon Asia as our immediate goal. Under the present circumstances, any vigorous action in Europe such as internal revolution, effective infiltration, or intimidation into inaction, or submission is now impossible (Communist terminology is different, this represents what it really means) more forcible measures may bring about a war. In Asia, on the contrary, such tactics will yield an abundant harvest.

2. WORLD WAR TO BE TEMPORARILIY AVOIDED

There is no assurance of victory because of the higher rate of industrial production and larger stockpile of atomic weapons on the part of the capitalist countries, incompletion of antiatomic defenses of the industrial areas and oil installations in the Soviet Union, and immaturity of China's agricultural and industrial developments. Consequently, we have to, until we are certain of victory, take a course which will not lead to war.

3. DIPLOMATIC OFFENSIVE

The United States must be isolated by all possible means.

Britain must be placated by being convinced that there is possibility of settling the major issues between the East and the West and that the Communists and the capitalist countries can live in peace. Opportunities for trade will have a great influence on the British mind.

In the case of France, her war weariness and fear of Germany must be thoroughly exploited. She must be made to feel a sense of greater security in cooperating with us than with the Western countries.

Japan must be convinced that rearmament endangers instead of guaranteeing her national security and that, in case of war, the American forces distributed all over the world cannot spare sufficient strength for the defense of Japan. Rearmament is, therefore, an expression of hostility toward her potential friends. Her desire to trade will offer great possibilities for steering Japan away from the United States.

4. MILITARY PREPAREDNESS

As a final goal, there should be in east and southeast Asia (after these areas are liberated) 25 million well-trained men who can be immediately mobilized. These men are to be held in readiness for emergency. They will achieve two purposes. On the one hand they will force the capitalist countries to keep on increasing defense expenses until economic collapse overtakes them. On the other hand, a mere show of force, when time is ripe, will bring about the capitulation of the ruling cliques of the countries to be liberated.

5. THE KOREAN WAR

The important reason that we cannot win decisive victory in Korea is our lack of naval strength. Without naval support, we have to confine our operations to frontal attacks along a line limited by sea. Such actions always entail great losses and are seldom capable of destroying the enemy. In March 1951 I suggested to Comrade Stalin to make use of the Soviet submarines in Asia under some arrangement that the Soviet Union would not be apparently involved in the war. Comrade Stalin preferred to be cautious lest it might give the capitalist imperialism the pretext of expanding the war to the Continent. I agreed with his point of view.

Until we are better equipped for victory, it is to our advantage to accept agreeable terms for an armistice.

6. FORMOSA

Formosa must be incorporated into the People's Republic of China because of the Government's commitment to the people. If seizure by force is to be avoided for the time being, the entry of the Chinese People's Government into the United Nations may help solve this problem. If there should be serious obstacles to the immediate transfer of Formosa to the control of the People's Government, a United Nations trusteeship over Formosa as an intermediary step could be taken into consideration.

7. INDOCHINA

We shall give the maximum assistance to our comrades and friends in Indochina. The experiences we have had in Korea should enrich their knowledge in fighting for liberation. The case of Indochina cannot be compared with that of China. In Indochina, as in Korea, there is serious intervention of the capitalist bloc, while in China there was nothing so direct and vigorous. The experiences in Korea tell us that so long as there is foreign intervention and so long as we have no naval support, military operations alone cannot achieve the objective of liberation.

The military operations in Indochina should be carried out to such an extent as to make the war extremely unpopular among the French people and to make the French and Americans extremely hateful among the Indochinese people. The object is to force the French to back out of Indochina preferably through the face-saving means of an armistice. Once foreign intervention is out of the picture, vigorous propaganda, infiltration, forming united fronts with the progressive elements in and outside the reactionary regimes will accelerate the process of liberation. A final stroke of force will accomplish the task. Two years may be needed for this work.

8. BURMA, THAILAND, INDONESIA, AND MALAY PENINSULA

After the liberation of Indochina, Burma will fall in line as good foundation has already been laid there. The then reactionary ruling clique in Thailand will capitulate and the country will be in the hands of the people. The liberation of Indochina, which will fall to Communist camp as a ripe fruit, will complete the circle around the Malay Peninsula.

The British will realize, under these circumstances, the hopelessness of putting up a fight and will withdraw as quickly as they can. We expect that the whole process will be completed in or before 1960.

9. JAPAN AND INDIA

By 1960 China's military, economic and industrial power will be so developed that with a mere show of force by the Soviet Union and China, the ruling clique of Japan will capitulate and a peaceful revolution will take place. We must be on guard against the possibility that the United States will choose to have war at this moment. She may even want the war earlier. The defensive and offensive preparations of the Soviet Union and China must, therefore, be completed before 1960. Whether we can prevent the United States from starting the war depends upon how much success we have in isolating her and how effective is our peace offensive. If the war can be averted, the success of our plan of peaceful penetration for the other parts of Asia is almost assured.

In the case of India, only peaceful means should be adopted. Any employment of force will alienate ourselves from the Arabic countries and Africa, because India is considered to be our friend.

10. ARABIC COUNTRIES AND AFRICA

After India has been won over, the problems of the Philippines and the Arabic countries can be easily solved by economic cooperation, alliances, united fronts, and coalitions. This task may be completed in 1965. Then a wave of revolution will sweep over the whole continent of Africa and the imperialists and the colonizationists will be quickly driven into the sea. In fact this powerful movement may have been underway much earlier.

With Asia and Africa disconnected with the capitalist countries in Europe, there will be a total economic collapse in Western Europe. There capitulation will be a matter of course.

11. THE UNITED STATES

Crushing economic collapse and industrial breakdown will follow the European crisis. Canada and South America will find themselves in the same hopeless and defenseless condition. Twenty years from now, world revolution will be an accomplished fact. If the United States should ever start a war, she would do so before the liberation of Japan, the Philippines, and India. The courses of action in that event are outlined in the memorandum on military aid.

Mr. MILLER. Mr. President, I ask unanimous consent that at this point in the RECORD there be printed an article entitled "The Big If," by the distinguished columnist, Mr. Joseph Alsop, dated August 6; an article entitled "Major U.S. Modification of Viet Peace Terms," by Mr. William R. Frye, in the August 3 issue of the Des Moines Register; an article entitled "Johnson Throws Support to Thant," by Max Freedman, published in the Washington Evening Star on August 5; an article entitled "Report U.S. Rejected Peace Bid Last Fall," by Darius S. Jhabvala, published in the August 8 issue of the Des Moines Register; an article entitled "Hanoi Seen as Unlikely Air Target," by Frank C. Porter, published in the Washington Post on August 9; and finally, an article entitled "United States Gave $350,000 for Indonesia Reactor," by Richard Halloran, published in the August 7 issue of the Washington Post.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE BIG IF

(By Joseph Alsop)

The history of the American role in the war in Vietnam has thus far been stamped all over, in large letters, "Too Little and Too Late."

A good illustration is President Kennedy's 1961 decision to make an important increase in the American contribution.

The people who were trying for Brownie points by carrying on a personal vendetta against the late President Ngo Dinh Diem elaborately pooh-poohed the results of this decision by President Kennedy. General Harkins and Secretary of Defense Robert S. McNamara were bitterly denounced for overoptimistic estimates of the war situation in 1962.

By now, however, prisoner interrogations and other undoubted intelligence have revealed that the Vietcong came fairly close to defeat at that time. The modern weapons that the United States supplied to the South Vietnamese Army, and the major stepup in South Vietnamese fighting power, knocked the Communists temporarily but rather completely off balance.

Instead of being criticized for overoptimism, in fact, Secretary McNamara should have been attacked on another point—the failure to act on one of the 1961 recommendations, to backup the South Vietnamese army with American tactical airpower.

Very few people are aware of it, but the fact is that the most important part of President Johnson's Pleiku decision last winter was not the order to bomb North Vietnamese targets. As the decision was implemented, the bombing sorties against the north were more for show than effect for many months on end. But President Johnson's simultaneous removal of all wraps from the use of American tactical airpower in South Vietnam had a profound effect.

Without this other, much less publicized step, the war might well have been lost by now. And if this same step had been taken when the American contribution was increased in 1961, the war might well have been won in the period when the Vietcong were so badly knocked off balance.

These facts are relevant at the moment, because the increase in U.S. troop strength in Vietnam, which President Johnson announced last week, is currently being denounced as "too little and too late." For once in a way, however, this appears not to be true.

In brief, the U.S. field commander, General Westmoreland, was given quite literally everything he asked for. The armed services were not, however, given all that they asked for as soon as General Westmoreland's requests were in. Thus the callup of Reserves was deferred, for instance.

In these circumstances, the really disquieting aspect of the President's news conference was the interminable and effusive discussion of negotiations with the North Vietnamese. This has left the impression, in the country and throughout the world, that the United States is prepared to stop fighting the next morning after being asked to begin talking.

The big "if," of course, is whether enough progress can be made in Vietnam to force the Communists to ask for negotiations. If that happens, one may be quite certain the circumstances will broadly resemble those in Korea in June-July 1951, when the Chinese Communists asked for negotiations.

The reason for the Chinese request was simple. The United States and South Korean armies had made a superb recovery in the months since the disaster on the Yalu. In June-July 1951, a powerful offensive threatened the whole Chinese and North Korean front. That was why the Chinese were ready to begin talking.

Unhappily, the offensive was stopped dead in its tracks when talks were requested. The Chinese got a respite. Two more bitter years of fighting followed before the signature of the unsatisfactory peace. The war in Vietnam is a direct sequel and result.

It is a serious matter, therefore, if the impression is conveyed that the United States is again ready to commit the same silly folly that was committed in Korea in the summer of 1951.

In reality, this impression that President Johnson conveyed is almost certainly misleading. He talks of unconditional negotiations because the intention is to keep the pressure on the enemy until an acceptable settlement is agreed upon. But the President will still be wise to remove the false impression, for there are plenty of people who have forgotten the Korean folly and will howl like banshees for a repetition of it, unless the President clears the air in advance.

MAJOR U.S. MODIFICATION OF VIET PEACE TERMS

(By William R. Frye)

NEW YORK, N.Y.—The United States has significantly modified its Vietnam peace terms in a major effort to negotiate its way out of the war, it has been learned here.

Chief U.S. Delegate Arthur J. Goldberg informed U.N. Secretary General U Thant of the new stand on Wednesday. Thant, who thereupon publicly vowed to redouble his peace efforts, is expected to relay the proposals to Hanoi and Peiping promptly.

The change in the American position consists essentially of three parts:

1. Washington now is prepared to envisage reunification of Vietnam by internationally supervised elections, as called for in the Geneva accords of 1954, even though, as many diplomats believe, this could lead to a Communist takeover.

Reunification has long been North Vietnam's objective. The United States has held out for partition, with guaranteed security and independence for South Vietnam.

2. The United States now is willing to regard Hanoi's oft-cited "four points," which include an American withdrawal from Vietnam, as part of the agenda for negotiation—though not the exclusive agenda nor as a precondition for a parley.

This is regarded as a major concession. Previously, although President Johnson had offered to take part in "unconditional discussions," the four points had been considered an unnegotiable demand for surrender. The points involve (a) American withdrawal; (b) temporary neutralization; (c) communization of South Vietnam; (d) then reunification.

3. The United States is willing to find some face-saving formula for including the Vietcong (National Liberation Front) at a peace table. Previously, Washington had been unwilling to negotiate with the Vietcong except as part of the North Vietnamese delegation.

This large-scale United States "peace offensive" has placed Hanoi and Peiping under significant new pressure to negotiate an end to the Vietnam war, U.N. diplomats believe.

PRIVATE AND PUBLIC MOVES

The American peace drive has two facets: Private overtures, through U Thant and other intermediaries, offering to scale down the American asking price for peace; and public gestures, primarily to the U.N., inviting action by Thant and the U.N. Security Council.

U.N. diplomats and observers are more impressed by the private moves than by the public gestures, though they believe both contribute to useful pressure on the Communists.

In offering to negotiate the reunification of Vietnam under internationally supervised elections the United States has offered, in effect, to reverse its 10-year effort at partition, provided only that the elections are genuinely free, and certified as such by an international authority.

SOMETHING TO WORK WITH

It was never clear in the 1950's that the Communists would let the elections be free, even though many observers believed they could win them. They wanted victory to be not merely probable, but certain. This point could easily prove once again to be a major stumbling block. But if so, the United States will be in a strong moral and propaganda position, U.N. people believe.

The Secretary General is represented as feeling he now has something negotiable to work on. But whether the Vietcong having believed themselves on the verge of military victory, will agree to negotiate on any basis for any purpose is considered problematical. Strenuous efforts will be made to persuade them to do so.

It is presumed here, without firm knowledge, that Presidential roving Ambassador W. Averell Harriman went to Moscow hoping to induce Moscow to join in this pressure on Hanoi.

DOESN'T WANT U.N. DEBATE

If after a reasonable period—the word "reasonable" has not been made precise—the Communists still refuse to negotiate, even on a basis which includes their own proposals, the United States is expected to plunge into the war on a major scale.

The public phase of the American "peace offensive" is regarded here as useful but less meaningful.

The U.N. does not believe the United States really expects, or even wants, a public debate on Vietnam in the U.N. Security Council at this stage, despite an invitation to Council members Friday by Delegate Goldberg to "somehow find the means to respond effectively" to the southeast Asia "challenge."

A public debate would virtually oblige the Soviet Union to take a violent public posture critical of the United States, it is pointed out, at a time when efforts are being made to cushion the damaging impact of Vietnam on Soviet-American relations and avoid a future confrontation.

Moscow, too, is said to be opposed to a Vietnam debate in the U.N. Neither the United States nor any other country has formally moved for one.

Repeated statements by Washington that the United States is willing are taken as gestures to American domestic critics, who want the U.N. to help make peace, perhaps without fully realizing what U.N. intervention would mean at this stage.

JOHNSON THROWS SUPPORT TO THANT

(By Max Freedman)

The effect on the United Nations of President Johnson's new initiatives on Vietnam can be summarized in two sentences. Up to now Secretary General U Thant has been following his own instincts, working often at haphazard, and always barren of results. Now he is supported by the full authority of the United States, the whole world knows it, and he can act with new confidence and assurance. In a situation filled with uncertainty and danger his new bargaining power is at least one small hope for peace.

In the past there has been rather savage criticism of the Secretary General in the American press. He has been accused of being so impartial that he has seen no difference between Communist subversion and the resistance offered by the United States.

This press criticism has received no support from the Johnson administration. As a matter of deliberate and far-sighted policy, Ambassador Adlai Stevenson and Secretary of State Dean Rusk and the President all wanted to preserve the Secretary General's undamaged authority. They knew the time might come when the Secretary General could be very useful in bringing the problems of Vietnam to the conference table. Perhaps that time has not yet arrived but at least he has begun to move in that direction.

It has often been said that the Secretary General has no mandate to do anything in this dispute since neither North Vietnam nor China belongs to the United Nations. That is not correct. Under the charter he has a general mandate to bring to the attention of the United Nations any problem disturbing the peace. He is now able to use the powers of his office not only as they were defined in the charter but as they were interpreted and expanded by the late Secretary General Dag Hammarskjold.

Beyond all question any hope of a negotiated settlement rests on the Secretary General. Any effort made by an individual government to promote a settlement will be coordinated with the work of the Secretariat even if nothing is said of this cooperation in public. Thus, the United Nations always will be in the background and its authority can be used at the right moment.

When he was asked if the United States would support an immediate cease-fire, Ambassador Arthur Goldberg replied that a cease-fire is without meaning unless it leads to a negotiated settlement of the dispute. There is another answer that is equally important. The United States must be very skeptical of any arrangement that seems to give the Vietcong the title to the land that they are holding at the time of the cease-fire. Any such formula would weaken and dismember South Vietnam and make its survival as an independent political entity completely impossible.

This explains why the rulers of South Vietnam are being so cautious about the role of the United Nations. They want to know what the United Nations can do to guarantee that South Vietnam will in fact have a free choice in a supervised election to chart its own political course. The United States is pledged to respect the freedom of South Vietnam while being willing to accept the unity of all Vietnam. This is a pleasant and ingenious formula, so long as it does not have to be tested, but it enshrines a contradiction and may fall apart under the pull of events.

By every token, the Secretary General knows better than officials in Washington how fragile and contradictory this principle really is. He has asked for urgent studies to be made on the problems of supervised elections so that South Vietnam's freedom of choice will be a reality rather than an illusion. He also has made it clear that the conference room must be a place for genuine negotiations instead of being a place where the military gains of the Communist forces are ratified and accepted.

These two principles, deeply held at the United Nations, should reassure South Vietnam that no one is contemplating a diplomatic sellout in the abused name of peace.

In these early stages it is impossible to know what the Soviet Union will do. If she is ready to minimize the risks of war, she will not use her veto or organize resistance to the United Nations effort. It all depends on how far the Soviet Union wishes to go in widening her quarrel with Communist China and in reducing her influence in North Vietnam. The Secretary General is now trying to find the answer to these questions by delicate personal diplomacy.

Even China may hesitate before she rebukes and defies the United Nations. Yet the Secretary General, even if his present efforts should fail, would have provided another and conclusive proof of the desire of the United States to find an honorable end to the war in Vietnam.

Report United States Rejected Peace Bid Last Fall

(By Darius S. Jhabvala)

United Nations, N.Y.—The Johnson administration last fall rejected a proposal for Vietnam peace talks that had been accepted without conditions by Communist North Vietnam, it was learned Saturday.

This information, from reliable sources, is in direct conflict with President Johnson's statement at his July 28 press conference that "we are ready now, as we have always been, to move from the battlefield to the conference table."

The opportunity for a private and unpublicized discussion with representatives of the Hanoi regime occurred early last fall, at the height of the U.S. presidential election campaign.

NO CONDITIONS

The proposal, made by a non-Communist Asian diplomat, was accepted by Hanoi, which did not set forth any conditions.

But the Johnson administration rejected it, is is said, for two reasons:

Mr. Johnson was engaged in the election battle with former Senator Barry Goldwater, who was advocating stronger U.S. military action in the Vietnam war. If word of peace talks had leaked out, Goldwater might have capitalized on it as a sign of weakness and damaged the Democratic campaign.

The South Vietnamese Government was in turmoil. Opposition to the military regime of Premier Nguyen Kanh was growing, and Washington believed that negotiations with the Communists might cause the government to fall (it did fall later).

Saturday, an informed State Department source, asked about the story, replied, "The President was never involved in that one." He said it was one of many contacts over a long period of time. "There were contacts going on almost every other week."

ABOUT PROCEDURE

But, he said, this particular contact concerned only the procedure for a meeting and there was no hint that anything would come from it.

He said "the election did not have anything to do with it."

The effort to initiate direct talks was made shortly after the August 1964 Gulf of Tonkin crisis, in which the United States conducted its first two air strikes against North Vietnam in retaliation for PT boat attacks on American warships in the gulf.

That was 6 months before the present U.S. air offensive against North Vietnam began last February 7.

Not long before it accepted the proposal for direct talks, Hanoi had rejected an invitation by the United Nations Security Council to participate in a debate on the Gulf of Tonkin crisis with the comment that only the signers of the 1954 Geneva accords were competent to study "the war acts committed by the United States." The United States was not a signatory.

AT RANGOON

The proposal, suggesting Rangoon, Burma, as a meeting place, was discussed at the U.N. and then relayed to Hanoi by an emissary of the Soviet foreign ministry. There were hints of such a proposal at that time, but its fate was never made public.

Later proposals for peace talks were turned down by Hanoi, and the sources said Saturday they believed the U.S. rejection of the Rangoon talks caused Hanoi to stiffen its resistance to negotiations and to intensify its support of the Vietcong guerrilla war against South Vietnam.

U.S. officials have said several times that on no occasion has Hanoi shown a willingness to talk.

The sources pointed out Saturday that last fall's U.S. rejection and Hanoi acceptance of a negotiation proposal is now a footnote in history. They maintained, however, that had a meeting taken place, a road to peace in Vietnam might have been mapped out.

Hanoi Seen as Unlikely Air Target—Harriman, Taylor Hint Strongly That City Won't Be Hit

(By Frank C. Porter)

W. Averell Harriman and Gen. Maxwell D. Taylor both suggested yesterday that Hanoi is not a likely target in American air attacks against North Vietnam.

"Although there has been no assurance that we won't bomb Hanoi," Harriman said, "we are a long ways from it at the present time."

Taylor argued against bombing the North Vietnamese capital on grounds that "we need the leadership in Hanoi to be intact to make those essential decisions we hope they will make at some time." He would not say categorically, however, that the city is ruled out as a future target.

RUSK'S WARNING

Although the Johnson administration has repeatedly said it has no present plans to strike Hanoi, Secretary of State Dean Rusk has warned there will be no privileged sanctuary for supporters of the Vietcong insurgency.

But Harriman and Taylor appeared to throw out strong hints that Hanoi may be indefinitely exempted.

And Harriman, U.S. Ambassador-at-Large who recently returned from talks with Russian Premier Alexei N. Kosygin and four other chiefs of state, went out of his way to calm American fears of further escalation of the Vietnamese conflict.

Asked about a serious military confrontation with Communist China, Harriman said, "I see no reason we should stir up the public to believing that is the danger. I do not believe it is a danger."

But should such a confrontation with China occur, Harriman told a panel on "Face the Nation" (CBS, WTOP), "we would have to count upon Moscow standing with Communist allies."

At the same time, Harriman said he came back from Moscow "with a very strong feeling that Mr. Kosygin and his colleagues are as anxious as we are to prevent escalation."

MOSCOW'S STAND STATED

He stressed that the Soviet Union cannot play an overt role as peacemaker because of its competition with Peiping for leadership of world communsim. "They may be able to do things privately they are not able to do publicly," he added.

And although Moscow supports North Vietnam and liberation movements generally as the trend of the future, Harriman said Kosygin told him the Russians "believe in the 17th parallel (the dividing line between North and South Vietnam), indicating that there should be recognition of the rights of the South Vietnamese people."

In the same vein, Harriman said President Tito of Yugoslavia made it plain to him that South Vietnam should be allowed to have its independence and that Tito regards China as an aggressor nation and a dangerous one.

"And I wouldn't be surprised if that was not only his view but also the Soviet view," Harriman added.

Taylor, former U.S. Ambassador to Saigon, was interviewed on Meet the Press (NBC-TV-WRC).

He said he would expect additional American forces to follow the buildup to 125,000 men announced by the administration. Asked if he thought a commitment of 300,000 to 400,000 might be needed later, Taylor said he did not think such a large force will be required.

He also was asked how long it might take to end the U.S. involvement in Vietnam.

"I wouldn't expect anything less than 1 to 2 years," Taylor said.

General Taylor was reminded that in 1962 he and Defense Secretary Robert S. McNamara had said the United States might be able to wind up its involvement by Christmas of that year.

"At that time we had not had the political turbulence," Taylor said, referring to the subsequent overthrow of the Diem government and the long series of Saigon coups that followed.

The lack of governmental stability and of sufficient trained military manpower are the two most pressing problems in South Vietnam today, said Taylor.

But "the new and broadened U.S. commitment" to fill that manpower gap has given an "enormous lift" to South Vietnamese and Americans alike, he explained.

American air attacks north of the 17th parallel, Taylor said at another point, have had "a very clear depressant effect" on infiltration from the north.

United States Gave $350,000 for Indonesia Reactor

(By Richard Halloran)

The United States has paid Indonesia $350,000 to assist the southeast Asian nation to operate a small atomic research reactor.

A State Department spokesman said yesterday that the sum was paid to fulfill an atoms-for-peace agreement made in 1960.

The reactor, situated at the Technical Institute of Bandung, was purchased from General Dynamics and went into operation last spring with uranium fuel leased from the United States.

Under terms of the agreement, the United States granted the $350,000 after Indonesia got the facility running. The funds were given to Indonesia last month.

The United States must now decide whether to renew the 5-year agreement, which expires September 20. In light of Indonesian President Sukarno's pointed anti-American stance recently, the decision has strong political overtones.

No negotiations for renewing the agreement have been started with the Indonesian Government. The decision to go ahead or not will be made by Secretary of State Dean Rusk and may go to President Johnson for approval.

If the United States decides not to renew the agreement, a problem in getting Indonesia to return the fuel may arise. Indonesia so far has observed the inspection and safety aspects of the agreement. But Sukarno's reaction to an adverse decision is unpredictable.

A second consideration is Sukarno's recent claims that Indonesia will soon have an atomic bomb. Informed sources say that the atoms-for-peace reactor cannot technically be used to build a military weapon.

The Bandung reactor is the only one known to be operating in Indonesia. A Russian-built subcritical reactor stopped running in 1963 when the Russians did not replenish the fuel.

Another Soviet reactor is under construction but not operating.

American assistance to Indonesia's atomic program has been criticized at home and abroad.

In Kuala Lumpur Thursday, Reuters reported Malaysian Prime Minister Tunku Abdul Rahman said:

"Although America says the reactor is only meant for peaceful purposes, what guarantee is there that Sukarno will not use it for destruction purposes?"

Sukarno has vowed that Indonesia will "crush" Malaysia, which he considers a neocolonial federation.

Earlier this week, Representative WILLIAM S. BROOMFIELD, Republican, of Michigan, was critical of American assistance to Indonesian atomic research.

THROWING AWAY MARKETS—AND FARMERS

Mr. McGOVERN. Mr. President, Al Capp, who is famed for his Lil Abner comic strip, recently conjured up little beings he designated as "Kigmies."

"Kigmies" in the cartoon world, ushered in an era of improved human relations because they enjoyed nothing more than a well-planted foot in the posterior. Angry and frustrated human beings could get relief from their frustrations and anger by kicking a Kigmie.

I mention this because of efforts to make real life Kigmies out of the wheat producers of the United States.

American wheat producers have just lost a share in the sale of 6.9 million tons of wheat to Russia and Eastern Europe within the past 2 weeks because of an unbelievably foolish policy, demanded by maritime unions and maintained by our Government, of requiring 50 percent of any wheat sold for dollars to Soviet bloc countries to be carried in American ships at nearly twice what it would cost to move the wheat in foreign vessels.

The news last week told of Canadian sales to a Russian trade delegation of 27.7 million bushels of wheat for shipment from western Canada, and another 187 million bushels for shipment from eastern Canada, including wheat equivalent of 400,000 tons of flour. A sale of 7 million bushels to Czechoslovakia was arranged during the week, and an independent purchase of 1.1 million tons was made from Argentina.

The delivered cost of this wheat will be about $500 million. The Canadian wheat producers will receive in excess of $300 million.

Russia is going to need even more wheat.

Dr. Richard Goodman of the Great Plains Wheat Council advises me that the best available information indicates the Russian crop this year will be 40 to 41 million tons.

Between 1959 and 1963, the Russian crop has averaged 60 million tons.

Russia's requirements are 55 million tons for domestic consumption and 3 million tons for export to satellites.

Assuming a 41-million-ton crop and 7 million tons of purchases to date, Russia is still 7 million tons short of a normal supply for domestic use and 10 million tons of wheat short if her exports are calculated. Russia still needs wheat which we might sell if our unwise shipping rules were rescinded.

According to press reports, Izvestia has started indicating to the Russian people that corn is a fine cereal.

There are indications that Mr. Kosygin is conditioning his people for the news that they must tighten their belts on wheat consumption in the year ahead. She has booked just about all the wheat Canada can spare until she is certain of yields from the bumper crop that appears sure to be harvested in the western provinces. Argentina and Australia are out of the market at least until they know the size of their 1966 crop. And Russia has made one thing clear in the past: she will not pay more for American products than other purchasers from the United States have to pay, which is one effect of our 50 percent U.S. shipping requirement.

We are denying American wheat farmers access to a profitable commercial market by our self-defeating shipping requirement. We are asking Soviet purchasers to pay 11 to 12 cents per bushel more for wheat than other countries are asked to pay—because of the requirement that 50 percent must be shipped in U.S. ships. As a consequence, we are not selling a single bushel of wheat to the Russians or Eastern Europeans and there is every indication that they will continue to buy from our competitors or substitute corn as a cereal, before they will patronize us at extra cost, even as a residual demand supplier.

The shipping regulation, designed to placate two or three maritime unions, is helping no one at all. It is giving them 50 percent of nothing. It is depriving the United States of an opportunity to improve its balance of payments position by hundreds of millions of dollars.

While Canadian farmers are experiencing an economic boom and going into all out production, our wheat farmers are suffering from inadequate markets and from drastically curtailed production. While we develop a farm program paying people not to produce, the Canadians are forging ahead, increasing wheat acreage.

Mr. President, there is absolutely no reasonable justification for this self-defeating shipping restriction. It helps no one. It hurts virtually everybody. If anyone draws any satisfaction from the false hope that this silly shipping restriction is hurting the Russians and the East Europeans he should simply take a look at the Russian purchase missions which are securing grain from our competitors all over the world. All we are doing is sticking our heads in the sand at a cost of several hundred million dollars a year to ourselves while we invite our competitors to develop a monopoly in the Russian and East European wheat markets.

It is hard for me to understand how the same labor leaders who ask us to vote for the repeal of section 14(b) of the Taft-Hartley law on the ground that it hurts the economy can now stand in the way of removing a much more damaging restriction on our economy. There are many more compelling reasons for removing the irrational restriction on American wheat sales than there are for repealing section 14(b). I for one have very little enthusiasm for a crusade against 14(b) at a time when top labor leaders are insisting on pointless restrictions on the shipment of American wheat.

Mr. President, I ask unanimous consent to have appear in the RECORD at this point two editorials from the Minneapolis Tribune. The first appeared Sunday, August 8, and calls for termination of the 50-percent shipping requirement. The second appeared Saturday, August 14, as a reply to an article by David Lawrence, appearing in the same paper, in regard to wheat sales.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Minneapolis (Minn.) Tribune, Aug. 8, 1965]

LET'S SELL MORE U.S. WHEAT ABROAD

Senator GEORGE McGOVERN, Democrat, of South Dakota, has asked that America drop the requirement that 50 percent of cash sales to the Soviet bloc be shipped in U.S. vessels. The regulation boosts the price of U.S. wheat by 11 to 15 cents a bushel and exports have dropped to almost nothing.

Yet a Russian delegation is in Canada right now negotiating for wheat. The United States clamps acreage controls on wheat-growing and has a carryover of 800 million bushels. Canada and Australia have virtually no carryover, thanks largely to sales to Communist countries, and they are encouraging farmers to grow more wheat. Canada's wheat acreage last year was up 30 percent from the 1955–59 average, Australia's 60 percent.

The U.S. maritime industry, and particularly its labor force, exacted the 50-percent promise from President Kennedy when American wheat went to Russia in 1963–64. But the uproar then, and the consequent higher price for U.S. wheat because U.S. ships charge higher rates, has turned away Russian buyers and there are no shipments. Thus Senator McGOVERN sensibly called for giving up the 50-percent-or-nothing regulation.

A big share of Canadian and Australian wheat exports go to Red China. In part the wheat replaces more expensive rice which the Chinese sell abroad for hard currency. The United States is not presently interested in trading with Communist China, but certainly American agriculture would benefit from more farm product sales to the Soviet bloc in Europe.

It's time to talk turkey to maritime management and labor.

[From the Minneapolis (Minn.) Tribune, Aug. 14, 1965]

END EMBARGO ON U.S. WHEAT TO RUSSIA

David Lawrence implies in his column on this page that the sale of American wheat to the Soviet Union would undermine our war effort in Vietnam. That's a highly questionable argument.

First of all, we aren't selling any wheat to Russia. Our Commerce Department won't issue export licenses unless the U.S. sellers promise to send half the wheat in U.S. ships. That boosts the costs so high that U.S.

wheat can't compete with Canadian, Australian or Argentine wheat, which is sent in cheaper foreign vessels.

We send the Soviet Union soybean oil, tallow and just about every other farm commodity without export licenses. But maritime unions and some shipping lines raised a fuss 2 years ago about wheat going to Russia in foreign bottoms. President Kennedy, to appease the unions, said half of future shipments would go in U.S. craft.

The Commerce Department enforces the arrangement by requiring export licenses for wheat. The Department of Agriculture has asked the Commerce Department to rescind the wheat license requirement. The White House has said that farm exports to the Soviet bloc are in the national interest. It therefore seems time for President Johnson to tell Commerce to end its arrangement with the maritime unions.

Labor isn't getting anything out of the present deal, since there are no wheat shipments. But the taxpayer may get soaked. As U.S. wheat surpluses pile up it may be necessary to pay farmers to retire more wheat acres. The storage costs on Government-held wheat are enormous. But Canada and Australia have no wheat surpluses. They are selling vast amounts to the Soviet Union.

Russia is sending little or no wheat to Red China. The U.S.S.R. has a short crop this year, far less than it needs at home. And relations between Moscow and Peking continue strained. Rather than U.S. wheat sales to Russia circumventing our efforts in Vietnam, they might help us indirectly there.

Mr. McGOVERN. Mr. President, I ask unanimous consent to place in the Record an editorial from the New York Times of August 13, deploring our loss of a share of the Eastern wheat trade and condemning political strikes by the maritime unions.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Lost Opportunities in Wheat

The United States is the odd man out in the huge wheat purchases being made by the Soviet Union. Canada and Argentina have received windfalls largely because U.S. wheat is too costly as a result of the Government's discriminatory requirement that 50 percent of wheat exports to Soviet-bloc countries must be shipped in American vessels.

The United States exclusion is unfortunate on many counts. Sales from the Nation's surplus would have meant greater prosperity in farming districts. They would also have increased the trade surplus in the Nation's balance of payments. Beyond these economic gains, the sales would have given tangible expression to the Johnson administration's desire to improve relations with the Soviet Union.

Even so, the big Russian purchases are important to the West. For Canada they mean higher incomes in agriculture, the one area of her economy that has not been enjoying boom conditions, and a cut in the big deficit in the Canadian balance of payments. As far as Argentina is concerned, the inflow of scarce dollars will have an even more significant impact on her inflation-racked, capital-short economy.

The United States itself will reap benefits indirectly. If the Russians pay for a good portion of their purchases by selling gold in London, the Treasury will not have to supply as much gold from its own dwindling stock to meet the demands of private and official sellers of dollars. Thus the Russians will be helping to calm the nervousness that has threatened to curb international trade and investment.

The West also is bolstered by the continued demand for grains from the country that had once been the granary of Europe. The Soviet Union has made great advances in industrialization and technology but it has utterly failed to match the revolution that has taken place in American agriculture. And because Russia has to depend on outside sources of food supply, its leaders must recognize the desirability of strengthening their relations with those who can meet their needs.

It is ironic that the United States, which is the champion of liberalized trade and which has wheat to sell, cannot participate in this trade with Russia because of the high cost of American shipping. Yet the very unions that have done most to make the American merchant marine uneconomic are the chief insisters on quota preference guarantees. Secretary of Commerce John T. Connor has accurately testified that, if the shipping restrictions were eliminated, the almost certain result would be a protest strike by dock and maritime unions.

A large part of the merchant fleet is already strike-bound for reasons that are a compound of economics and interunion warfare. Political strikes are just one more of the factors that contribute to the demise of American shipping; they also undermine our prosperity and our foreign policy.

Mr. McGOVERN. Mr. President, I also ask unanimous consent that an editorial from the Washington Star, urging that we sell wheat to Russia on the same terms as anyone else, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Wheat for Russia

Considering the hullabaloo raised in rigid anti-Communist circles by Canada's wheat sale to Russia 2 years ago, it is encouraging that the announcement of a new whopping 214-million bushel deal has aroused hardly a murmur of criticism.

In fact it is a good deal from everyone's point of view. The Canadians of course are delighted to find such a ready market for what promises to be a record wheat harvest this year. For the Russians the purchase is a necessity forced on them by the still glaring deficiencies of their agricultural program. For the rest of the world it is a hopeful sign of growing maturity and reasonableness in dealings between the Soviet Union and the West.

From an economic standpoint there is nothing in this transaction which favors Russia in a competitive way. Leaders of the Soviet trade mission in Toronto have made it clear that they hope to increase their exports to Canada to cover some of the $450 million cost of the wheat purchases. In the meantime, however, there is a lively possibility that they will be forced to dispose of a fairly hefty chunk of Russia's dwindling gold reserves to foot the Canadian bill.

From a political point of view the West has no more interest in keeping Russians on short rations than the Soviet Government has. Liberalization of trade between the two blocs is, indeed, an essential feature of the interpenetration of goods, people, and ideas, along with decreasing antagonism which is the announced policy of virtually every Western government.

There are still some, to be sure, who feel that any "traffic with the enemy," in wheat or anything else, is little short of treason. But fortunately this adamatine brand of anticommunism is a good deal less fashionable today than it used to be. And dogmatic rigidities on both sides of the Iron Curtain are beginning to give way.

Mr. McGOVERN. Mr. President, finally, I ask unanimous consent to place in the Record a release by Great Plains Wheat, Inc., reporting a telegram sent by the association to the President and the other indicating that the United States might have had half of the Russian wheat business which amounts to 1,260 trainloads of wheat—359,785 truckloads, and about 25 million bushels more wheat than is produced in South Dakota, North Dakota, and Colorado combined.

There being no objection, the release was ordered to be printed in the Record, as follows:

Press Release by Great Plains Wheat, Inc.

Kansas City, Kans.—The announcement today that Russia has just completed the purchase of 6.9 million metric tons of wheat from Canada and Argentina has prompted an urgent request by Howard W. Hardy, president of Great Plains Wheat, Inc. to President Lyndon Johnson.

In the telegram to President Johnson, Hardy urged that every effort be made to lift the restriction of the 50 percent U.S.-flag requirement on shipping of U.S. wheat to the Soviet bloc. "Much of the business that has gone to Canada could have been ours had it not been for this shipping requirement," Hardy said. "Additional wheat export business with Russia as well as a large amount for Eastern Europe is yet to be contracted and the United States can still realize most of this business if the shipping requirement is lifted."

Of the 6.9 million tons sold to Russia, 700,000 metric tons were purchased from Canada via Vancouver last week, 1,200,000 metric tons from Argentina late Tuesday and 5 million metric tons from Canada via the St. Lawrence Seaway Wednesday.

According to Hardy, more than one-half of this sale would have been purchased from the United States had there been no 50 percent shipping requirement. In explaining the U.S. shipping barrier the grain marketing association's president said the Government's requirement that a full 50 percent of wheat cargoes to Russian bloc countries move on U.S.-flag merchant ships is a major deterrent in American marketing programs.

"The requirement is understandable in terms of foreign aid cargoes," Hardy said, "but makes little sense when applied to purely commercial dollar sales."

Hardy pointed out that the 50-percent requirement is only an administrative ruling and could be removed by the stroke of a pen.

"The effect of this recent wheat sale to Russia by Canada and Argentina is a tremendous loss to the economy of the American wheat farmer. The 6.9 million metric tons of wheat is equivalent to 251,850,000 bushels of wheat or a total acreage of 8,930,000. This represents 17.9 percent of all acres planted in the United States, including all classes of wheat," Hardy said.

"The American wheat farmer is by no means the only segment of our economy affected by this recent Russian wheat sale," he said. "Railroads, trucking firms, and steamship lines, and the thousands of men and women employed by them have suffered a great loss.

"The Russian sales represent 125,925 railroad boxcar loadings or 1,260 trainloads.

"The sale represents 359,785 truckloadings.

"The sale represents 460 steamship loadings figuring 15,000 metric tons per load.

"Another aspect of this sale to Russia shows that the purchase represents 25½ million bushels of wheat more than the total production of all classes of wheat from the States of North Dakota, South Dakota, and Colorado.

"This figure is nearly the entire anticipated wheat production of Kansas for 1965 and is 111,751,000 bushels more than the total production this year in the State of Oklahoma.

"On the average price of $70 per ton, this Russian wheat sale represents a staggering $483-million volume loss to the United States," Hardy said.

DOMESTIC WHEAT BATTLE

Mr. McGOVERN. Mr. President, I would like to turn to what is happening to wheat producers on the domestic market scene.

The House of Representatives will vote tomorrow or the next day on an omnibus farm bill. The bill contains a provision that U.S. producers who limit their production shall receive certificates assuring them 100 percent of parity return for wheat used for food in this country.

Two bakery unions and two dozen baking companies, including giant concerns which have pleaded nolle contendere to price fixing, have organized a wheat users committee to oppose the higher certificate value.

The higher certificate value would increase the cost of wheat in a 1-pound bakery product by 7 mills—seven-tenths of a penny. It would thus increase the cost of bread from 21.6 cents per pound loaf to 22.3 cents if passed on to the consumer.

In 1948, Mr. President, a loaf of bread cost 13½ cents.

The farmer got 2.7 cents for the wheat in it.

Today the farmer gets only 2.5 cents for the wheat in a loaf of bread—less than in 1948.

But the price of the bread has gone from 13½ to 21.6 cents to pay higher wages, increased transportation costs, and increased bakery returns.

When the bakery workers go for higher wages and increase the cost of bread to consumers, nothing is said of a bread tax by the labor unions. When transportation rates go up, nothing is said of a bread tax. When the giant bakery concerns stretch out their returns a bit, they do not accuse themselves of levying a bread tax.

But let it be proposed to give the farmers of America a fair return for the product of their labor and capital, and it becomes a bread tax.

When wheat prices look as if they might go down, the bakeries and their allies regard wheat price as an inconsequential part of the cost of bread, which have little or no effect on price.

In May 1963, after the wheat producers had voted "No" in a referendum on compulsory acreage controls, and it looked as if the price of wheat would drop 75 cents a bushel, the immediate response from the baking industry was that there would be no effect on bread prices.

The New York Times of May 22, 1963, quoted a baker as saying that the price of bread would not be affected by the wheat price decline because wheat is too small a part of the cost of bread, adding:

> As long as the customer wants a fresh, wholesome loaf of bread produced by a decently paid bakery employee in an extremely competitive market, we will have to spend the money on preservative chemicals, vitamins and other additives, packaging, salaries, and other things, of which flour is the least important factor.

The National Grange has suggested that perhaps Congress should take a look at the bakery companies which have jointly announced that an increase of seven-tenths of a penny in wheat cost would cause bread prices to rise 2 cents a loaf. It is a different story when wheat prices are going up—entirely different. Then wheat becomes a big factor in price.

On Friday, August 13, the Grange called on Attorney General Katzenbach to "take prompt and vigorous action to protect consumers from the illegitimate trust."

The Grange names members of the Wheat Users Committee, now threatening the Nation with a rise in bread prices of nearly 300 percent of the proposed increase in wheat value, in their effort to defeat the proposal to pay wheat farmers a decent return.

Mr. President, I ask unanimous consent to place the Grange statement in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FOR RELEASE BY THE NATIONAL GRANGE

WASHINGTON, D.C., August 13.—The National Grange today protested the antitrust activities of the bread bakery industry.

In a telegram to U.S. Attorney General Nicholas deB. Katzenbach, the Grange called for "prompt and vigorous action to protect consumers from the illegitimate trust."

The trust involves American Bakeries, of Chicago, Ill., and Ward Baking Co., of New York, N.Y., both recently enjoined by Federal court in Jacksonville, Fla. A third member is General Baking Co., which has an interlocking directorate with Ward. Others operating under Federal restraining orders are Derst Baking Co., of Savannah, Ga.; Flowers Baking Co., of Thomasville, Ga.; Southern Bakeries Co., of Atlanta, Ga.; and the Nations largest—Continental Baking Co.

In the telegram, the Grange praised the U.S. Department of Justice for its July 29 consent judgment which forbids the companies to engage in anticompetitive activities.

"The judgment," National Grange Legislative Representative Harry L. Graham said, "applies to civilian consumers only in Florida and Georgia." He pointed out it does not restrain the companies from price fixing in the other States in which they operate.

According to their last annual reports, American, General, and Ward bakeries operate 131 bakeries, with 206 distribution centers including subsidiaries and affiliates.

"The three," Graham said, "represent the largest sales and second largest earnings in the bread bakery business."

Mr. McGOVERN. Mr. President, it has been extremely gratifying to me that many leading newspapers have supported the proposed increase in domestic wheat certificate values.

The Des Moines Register and Tribune, in an editorial June 29, called the bread tax argument being made by the bakeries and the bakery unions, a "phony" argument.

The St. Louis Post-Dispatch calls the bread tax charge an exaggerated argument and suggests that one way or another, additional returns must be provided "if the Great Society is ever to incorporate its diminishing rural population."

I ask unanimous consent, Mr. President, to include the two editorials in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Des Moines (Iowa) Register, June 29, 1965]

BREAD TAX CHARGE

The attack against the wheat acreage diversion and price support program as a bread tax on consumers is one of the more cynical pieces of political demagogy to be practiced lately. This program requires domestic processors of wheat to buy certificates worth 75 cents a bushel and exporters to buy certificates worth 30 cents a bushel. The certificates are given to farmers as a part of their payment for complying with acreage restrictions.

Since the certificate program began, the price support loan on wheat has been reduced from $2 a bushel to $1.25. The average "blend" certificate value, which depends on the ratio of domestic to export sales, last year was 43 cents and this year is to be 44 cents. The total support price to wheat growers this year will average $1.69 per bushel, as compared with $2 in 1962.

The domestic miller will pay about the same for wheat this year as in 1962, since the market price plus the certificate will cost about $2 per bushel.

The "bread tax" charge is based on the fact that part of the price support cost now is paid by the public as consumers instead of taxpayers. The flour millers pass on the cost of the certificates in the price of flour.

The bread tax charge is cynical because everyone knows the price of bread is only slightly related to the price of wheat. The cost of wheat makes up less than 20 percent of the retail price of bread and other bakery products. About 80 percent of the price is made up of processing and marketing costs.

The total cost of wheat to flour millers is no higher than it was 3 years ago and is lower than it was in the early 1950's when price supports were higher. Yet the prices of bread and other wheat products are considerably higher because of increased labor and other manufacturing costs.

The price of white bread has risen every year since 1950 but not because the price of wheat went up. If the wheat program is extended by Congress and the administration recommendations are approved, the wheat certificates will be increased in value. Since the cost of wheat in a loaf of bread is around 2 cents, raising the certificate value to $1.25 (a 20-percent increase in the total cost of wheat to the miller) could not justify as much as a 1-cent increase in the price of bread.

If this part of the subsidy is paid in the form of a charge on consumers instead of taxpayers, it cannot affect low-income consumers perceptibly.

Whether it is a good idea to raise the returns to wheat growers by any method is a separate question. But the method of a higher certificate value should not be discarded on such phony ground as the bread tax argument.

[From the St. Louis (Mo.) Post-Dispatch, Aug. 10, 1965]

A RURAL RESCUE ACT

If the Johnson administration could apply the same consensus strategy to farm policy that it has so successfully applied to several major new bills, the result would be a bold new farm program. But there is no consensus on farm policy.

Consequently Congress faces a fight over the administration bill reported by the House Agriculture Committee. The fight pits what Secretary of Agriculture Freeman calls the

Bread Trust against what his opponents term a bread tax.

These charges focus public attention on only one aspect of the farm bill: the wheat provision. It would require wheat processors to buy certificates at $1.25 a bushel, instead of 75 cents. The 50-cent increase, plus regular price supports at $1.25, would give the farmer $2.50 a bushel—or nearly parity.

No doubt the processors would pass the increased certificates charge on to consumers. So the processors, joined by the American Farm Bureau Federation, speak of a bread tax. It is an exaggerated charge. The Agriculture Committee majority doubts that the new costs to processors would add as much as a penny to their costs on a loaf of bread. The farmer receives only about 3 cents for the wheat in one loaf, and though the retail price has gone up 8 cents in recent years, the farmer has not had any share of the rise.

Secretary Freeman bases his counterattack partly on the fact that five major processors among 3,500 baking firms enjoyed 57 percent of the baking industry's profits (after taxes). His exaggerated talk of a bread trust does not prove, however, that a few companies set the price of bread. It does suggest the irony of such industrial giants suddenly rushing to the defense of the poor farmer and the poor consumer.

In all this flamboyant propaganda there is the question of the extent to which the burden of farm subsidies should be transferred from the taxpayer to the consumer. In theory, tax-supported subsidies are fairer. In practice, if the House committee and Mr. Freeman are right, the consumer should pay very little more for bread—while the Government saves more than $150 million a year and raises wheat farmers' income by as much.

This will be a neat trick if it works, and it is worth a trial. It is worth a trial because the alternatives of no farm bill or of continued high Federal costs are unacceptable, and because a slight shift in the cost of food to the people who buy it makes some sense.

Primarily it is worth a trial because rural America lives increasingly close to poverty and needs help. Only 400,000 of 3 million farmers earn anything near parity income despite the flight from farm to city. We would prefer to see a farm program with payments graduated to individual need, but surely the Nation's food costs must be graduated to the needs of its food producers.

Today 8 percent of the population produces food for all the population. Despite this record of general efficiency, farm prices have dropped 15 percent in 17 years while living costs have increased 35 percent. America spends less on food, proportionately, than any other country, but farmers as a whole do not enjoy a proportionate share of the prosperity they have helped to create.

Well-fed Americans can afford to pay a little more for food. One way or another they will have to do so, if the Great Society is ever to incorporate its diminishing rural population.

Mr. McGOVERN. Mr. President, if America wants to continue to enjoy abundant food at the lowest real cost any nation ever enjoyed—less than 18½ percent of income—some consideration is going to have to be shown for the producers of that food.

The producers are not Kigmies.

If they continue to be treated as such, the day will not be far off that a few huge corporations will control agricultural production, as they now control the bulk of baking, and food prices will, in my opinion, begin to rise substantially.

The Nation will then know what bread taxes and food taxes, assessed by a monopolistic food production industry, really are.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

The Senate resumed the consideration of the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, which had been reported from the Committee on Labor and Public Welfare, with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Economic Opportunity Amendments of 1965".

AMENDMENTS TO TITLE I—YOUTH PROGRAMS

Job Corps—Cuban refugees

Sec. 2. Section 104(a) of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following: "For purposes of this subsection, any native and citizen of Cuba who arrived in the United States from Cuba as a nonimmigrant or as a parolee subsequent to January 1, 1959, under the provisions of section 214(a) or 212(d)(5), respectively, of the Immigration and Nationality Act shall be considered a permanent resident of the United States."

Job Corps—Enrollee affidavits

Sec. 3. Section 104(d) of the Economic Opportunity Act of 1964 is amended to read as follows: "(d) Each enrollee (other than an enrollee who is a native and citizen of Cuba described in section 104(a) of this Act) must take and subscribe to an oath or affirmation in the following form: 'I do solemnly swear (or affirm) that I bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies foreign and domestic'. The provisions of section 1001 of title 18, United States Code, shall be applicable to the oath or affirmation required under this subsection."

Job Corps—Application of Federal Employees' Compensation Act

Sec. 4. Section 106(c)(2)(A) of the Economic Opportunity Act of 1964 is amended retroactive to January 1, 1965, to read as follows:

"(A) The term 'performance of duty' in the Federal Employees' Compensation Act shall not include any act of an enrollee while absent from his or her assigned post of duty, except while participating in an activity (including an activity while on pass or during travel to or from such post of duty) authorized by or under the direction and supervision of the Corps."

Job Corps—Enrollee work activities

Sec. 5. Section 110 of the Economic Opportunity Act of 1964 is amended by inserting the word "male" before the word "enrollees" in the first sentence.

Sec. 6. Section 114(a) of the Economic Opportunity Act is amended by adding a new unnumbered paragraph following the end of subsection (a), as follows:

"For the purposes of this subsection, any native and citizen of Cuba who arrived in the United States from Cuba as a nonimmigrant or as a parolee subsequent to January 1, 1959, under the provisions of section 214(a) or 212(d)(5), respectively, of the Immigration and Nationality Act shall be considered a permanent resident of the United States."

Work training programs—Limitations on Federal assistance

Sec. 7. The first sentence of section 115 of the Economic Opportunity Act of 1964 is amended by striking out "two" and inserting in lieu thereof "three", and by striking out ", or June 30, 1966, whichever is later,".

Work-study programs—Limitations on Federal assistance

Sec. 8. Section 124(f) of the Economic Opportunity Act of 1964 is amended by striking out "two" and inserting in lieu thereof "three", and by striking out "or June 30, 1966, whichever is later,".

AMENDMENTS TO TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Community action programs—Public information

Sec. 9. Section 202(a) of the Economic Opportunity Act of 1964 is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(5) which includes provision for feasible access of the public to information including, but not limited to, reasonable opportunity for public hearings at the request of appropriate local community groups, and reasonable public access to books and records of the agency or agencies engaged in the development, conduct, and administration of the program, in accordance with procedures approved by the Director."

Sec. 10. Section 205(a) of the Economic Opportunity Act is amended as follows:

Between the words "including" and "employment" in the last sentence of subsection (a), insert the words: "but not limited to".

Between the words "management," and "welfare" in the last sentence of subsection (a), insert the words: "family planning, consumer credit education, consumer debt counseling,".

Special programs for the chronically unemployed poor

Sec. 11. Section 205 of the Economic Opportunity Act of 1964 is amended by redesignating subsection (d) as subsection (f) and adding after subsection (c) a new subsection (d) as follows:

"(d) The Director is authorized to make grants under this section for special programs (1) which involve activities directed to the needs of those chronically unemployed poor who have poor employment prospects and are unable, because of age or otherwise, to secure appropriate employment or training assistance under other programs, (2) which, in addition to other services provided, will enable such persons to participate in projects for the betterment or beautification of the community or area served by the program, including without limitation activities which will contribute to the management, conservation, or development of natural resources, recreational areas, Federal, State, and local government parks, highways, and other lands, and (3) which are conducted in accordance with standards adequate to assure that the program is in the public interest and otherwise consistent with policies applicable under this Act for the protection of employed workers and the maintenance of basic rates of pay and other suitable conditions of employment."

General community action programs—Self-help housing rehabilitation

Sec. 12. Section 205 of the Economic Opportunity Act of 1964 is amended by adding the following new subsection:

"(e) In extending assistance under this section the Director shall also give special consideration to programs which will, through self-help, rehabilitate substandard housing and provide instruction in basic skills associated with such rehabilitation: *Provided*, That such programs will not result in the displacement of employed workers."

General community action programs—Limitations on Federal assistance

Sec. 13 (a) The first sentence of section 208(a) of the Economic Opportunity Act of 1964 is amended by striking out "two" and inserting in lieu thereof "three", and by striking out ", or June 30, 1966, whichever is later,".

(b) Section 208 of such Act is amended by redesignating subsection (b) as subsection (c) and inserting a new subsection (b) as follows:

"(b) The Director is authorized to prescribe regulations establishing objective criteria pursuant to which assistance may be reduced below 90 per centum for such community action programs or components as have received assistance under section 205 for a period prescribed in such regulations."

(c) Section 208(c) of such Act (as so redesignated by subsection (b) of this section) is amended by adding at the end thereof a new sentence as follows: "The requirement imposed by the preceding sentence shall be subject to such regulations as the Director may adopt and promulgate establishing objective criteria for determinations covering situations where a literal application of such requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes sought to be achieved."

Participation of State activities

Sec. 14. Section 209(a) of the Economic Opportunity Act of 1964 is amended by inserting before the period the following: "including, but not limited to, continuing consultation with appropriate State agencies on the development, conduct, and administration of such programs".

Disapproval of plans

Sec. 15. Section 209(c) of the Economic Opportunity Act of 1964 is repealed. Subsection "(d)" is redesignated "(c)".

Notices

Sec. 16. Section 209 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

"(d) When the Director receives an application from a private nonprofit agency for a community action program to be carried on in a community in which there is a community action agency carrying on a number of component programs, he shall, within five days, give notice to such community action agency of the receipt of such application. When the Director determines that a separate contract or grant is desirable and practical and that special cause has been shown, he is authorized to make a grant directly to, or to contract directly with, such agency.

Sec. 17. Section 211 of the Economic Opportunity Act of 1964 is retitled to include the words "POLITICAL ACTIVITIES AND" preceding the word "PREFERENCE".

Section 211 of such Act is further amended by inserting a new subsection (a), as follows, and redesignating existing section 211 as subsection "(b)";

"(a) Any person who is employed by any agency administering or conducting a community action program receiving assistance under this part and whose salary is paid in principal part from funds appropriated pursuant to this part, shall be deemed to be an officer or employee of a State or local agency for the purposes and within the meaning of the Act entitled 'An Act to prevent pernicious political activities', approved August 2, 1939 (53 Stat. 1147), as amended."

Adult basic education programs—Payments; Federal share

Sec. 18. Section 216(b) of the Economic Opportunity Act of 1964 is amended by striking out "and the fiscal year ending June 30, 1966," and inserting in lieu thereof "and each of the two succeeding fiscal years,".

Adult basic education programs—Teacher training

Sec. 19. Part B of title II of the Economic Opportunity Act of 1964 is amended—

(1) by striking out "From the sums appropriated to carry out this title" in section 213(a) and inserting in lieu thereof "From so much of the sums appropriated or allocated to carry out this part as is not reserved pursuant to section 218"; and

(2) by redesignating section 218 as section 219 and inserting immediately after section 217 the following new section 218:

"Teacher training projects

"Sec. 218. Not to exceed 5 per centum of the sums appropriated or allocated to carry out this part for any fiscal year may be reserved and used by the Director to provide (directly or by contract), or to make grants to colleges and universities, State or local educational agencies, or other appropriate public or private nonprofit agencies or organizations to provide training to persons engaged or preparing to engage as instructors for individuals described in section 212, with such stipends and allowances, if any (including traveling and subsistence expenses), for persons undergoing such training and their dependents as the Director may by or pursuant to regulation determine."

Voluntary assistance program for needy children

Sec. 20. Title II of the Economic Opportunity Act of 1964 is amended by striking out part C thereof, and by redesignating part D as part C and section 221 as section 220.

AMENDMENTS TO TITLE III—SPECIAL PROGRAM TO COMBAT POVERTY IN RURAL AREAS

Sec. 21. In title III of the Economic Opportunity Act of 1964 in the heading "PART A—AUTHORITY TO MAKE GRANTS AND LOANS", delete the words "GRANTS AND" and the dash after the word "make" in the first subsequent sentence and the subsequent number "(1)".

Cooperative associations—Prohibition of loans to assist manufacturing

Sec. 22. Section 305(f) of the Economic Opportunity Act of 1964 is amended by inserting immediately before the period at the end thereof the following proviso: ": *Provided,* That packing, canning, cooking, freezing, or other processing used in preparing or marketing edible farm products, including dairy products, shall not be regarded as manufacturing merely by reason of the fact that it results in the creation of a new or different substance."

Assistance for migrant and seasonally employed agricultural employees

Sec. 23. Section 311 of the Economic Opportunity Act of 1964 is amended to read as follows:

"Migrants and seasonally employed agricultural employees

"Sec. 311. The Director is authorized to develop and implement a program of loans, loan guarantees, and grants to assist State and local agencies, private nonprofit institutions, and cooperatives in establishing, administering, and operating programs which will meet, or substantially and primarily contribute to meeting, the special needs of migratory workers and seasonal farm laborers and their families in the fields of housing, sanitation, education, and day care of children."

Sec. 24. Section 331(c) of the Economic Opportunity Act is amended by striking the words "January 31, 1965" and inserting in lieu thereof the words "June 30, 1966".

AMENDMENT TO TITLE V—WORK EXPERIENCE PROGRAM

Sec. 25. Section 502 of the Economic Opportunity Act of 1964 is amended (1) by inserting after the first sentence thereof the following new sentence: "Workers in farm families with less than $1,200 net family income shall be considered unemployed for the purposes of this title.", and (2) by striking out of the last sentence the following: "for the fiscal year ending June 30, 1965,".

AMENDMENTS TO TITLE VI—ADMINISTRATION AND COORDINATION

Vista volunteers—Assignment; application of other provisions and Federal laws

Sec. 26. (a) Subsection (a) of section 603 of the Economic Opportunity Act of 1964 is amended by striking out everything in paragraph (2) following the clause designation "(C)" and inserting in lieu thereof "in connection with programs or activities authorized, supported, or of a character eligible for assistance under this Act."

(b) Subsection (d) of such section is amended to read as follows:

"(d)(1) Each volunteer shall take and subscribe to an oath or affirmation in the form prescribed by section 104(d) of this Act, and the provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such oath or affirmation; but, except as provided in paragraphs (2) and (3) of this subsection, volunteers shall not be deemed to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, and Federal employee benefits.

"(2) All volunteers during training and such volunteers as are assigned pursuant to paragraph (2) of subsection (a) shall be deemed Federal employees to the same extent as enrollees of the Job Corps under section 106 (b), (c), and (d) of this Act, except that for purposes of the computation described in paragraph (2)(B) of section 106(c) the monthly pay of a volunteer shall be deemed to be that received under the entrance salary for GS–7 under the Classification Act of 1949.

"(3) For the purposes of the Act entitled 'An Act to prevent pernicious political activities', approved August 2, 1939 (53 Stat. 1147), a volunteer under this section shall be deemed to be a person employed in the executive branch of the Federal Government."

National Advisory Council

Sec. 27. Section 605 of the Economic Opportunity Act of 1964 is amended to read as follows:

"Sec. 605. (a) The President shall, during 1965, appoint a National Advisory Council on Economic Opportunity (hereinafter referred to as the "Advisory Council") for the purpose of reviewing the administration and operation of programs under this Act, evaluating their effectiveness in furthering the purposes of this Act, and making recommendations for the improvement of such programs, administration, and operation, including proposals for changes in this Act.

"(b) The Advisory Council shall be appointed by the President without regard to the civil service laws and shall consist of twenty-one persons who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. From among the members of the Advisory Council the President shall designate a Chairman, who shall not be a regular full-time employee of the United States. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year. The Director shall be an ex officio member of the Advisory Council.

"(c) The Advisory Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Director shall, in addition, make available to the Advisory Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Office of Economic Opportunity as it may require to carry out such functions.

"(d) The Advisory Council shall make an annual report of its findings and recommendations to the President not later than March 31 of each calendar year beginning with the calendar year 1966. The President shall transmit each such report to the Congress together with his comments and recommendations."

Programs for the elderly poor

SEC. 28. Part A of title VI of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new section:

"Programs for the elderly poor

"SEC. 610. It is the intention of the Congress that whenever feasible the special problems of the elderly poor shall be considered in the development, conduct, and administration of programs under this Act."

Affidavits

SEC. 29. Title VI of the Economic Opportunity Act of 1964 is amended by striking out section 616 thereof and substituting a new section 616, as follows:

"Transfer of funds

"SEC. 616. Notwithstanding any limitation on appropriations under any title of this Act, not to exceed 10 per centum of the amount appropriated or allocated from any appropriation for the purpose of enabling the Director to carry out programs or activities under such title may be transferred and used by the Director for the purpose of carrying out programs or activities under any other such title; but no such transfer shall result in increasing the amounts otherwise available under any title by more than 10 per centum."

Authorization of appropriations

SEC. 30. (a)(1) The first sentence of section 131 of the Economic Opportunity Act of 1964 is amended by striking out "two" and inserting in lieu thereof "three".

(2) The second sentence of such section is amended to read as follows: "For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $412,500,000 for the fiscal year ending June 30, 1965, and the sum of $535,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law."

(b)(1) The first sentence of section 220 of such Act (as so redesignated by section 14 of this Act) is amended by striking out "two" and inserting in lieu thereof "three".

(2) The second sentence of such section is amended to read as follows: "For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $340,000,000 for the fiscal year ending June 30, 1965, and the sum of $880,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law; $150,000,000 of the funds appropriated for the fiscal year 1966 for the purpose of carrying out the provisions of this title may be used for the purposes of section 205(d)."

(c)(1) The first sentence of section 321 is amended by striking out "two" and inserting in lieu thereof "three".

(2) The second sentence of such section is amended to read as follows: "For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $35,000,000 for the fiscal year ending June 30, 1965, and the sum of $55,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law."

(d)(1) The first sentence of section 503 of such Act is amended by striking out "two" and inserting in lieu thereof "three".

(2) The second sentence of such section is amended to read as follows: "For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $150,000,000 for the fiscal year ending June 30, 1965, and the sum of $150,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorized by law."

(e)(1) The first sentence of section 615 of such Act is amended by striking out "two" and inserting in lieu thereof "three".

(2) The second sentence of such section is amended to read as follows: "For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of $10,000,000 for the fiscal year ending June 30, 1965, and the sum of $30,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law."

AMENDMENT TO NATIONAL DEFENSE EDUCATION ACT—MORATORIUM ON STUDENT LOANS TO VISTA VOLUNTEERS

SEC. 31. (a) Paragraph (2)(A) of section 205(b) of the National Defense Education Act of 1958 (20 U.S.C. 425(b)(2)(A)) is amended by striking out "or" before "(iii)" and by inserting before the proviso and after "Peace Corps Act" the following: ", or (iv) not in excess of three years during which the borrower is in service as a volunteer under section 603 of the Economic Opportunity Act of 1964".

(b) The amendments made by this section shall not apply to any loan outstanding on the effective date of this Act without the consent of the then obligee institution.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McNAMARA. Mr. President, only a year ago President Johnson signed the Economic Opportunity Act into law, and the war on poverty was officially declared.

When we began this endeavor to lift one-fifth of our Nation from the depths of poverty, we knew that success would not come quickly or be easily attained.

Yet we have made a beginning on an enterprise that is probably as difficult as any peacetime program this Government has ever undertaken.

Taking both the good and the bad, it is, I believe, a beginning that holds solid promise for the future.

The bill we now consider, H.R. 8283, does not greatly increase the scope of the legislation under which we are waging this war.

Nor does it make any major changes in the character or direction of existing programs.

It does, however, sustain the effort we have begun, and it reaffirms this Nation's commitment to prosecute the war on poverty with maximum effectiveness.

From a purely statistical point of view, the record of the first 9 months of operation under the Economic Opportunity Act is an impressive one.

It is a record that includes the establishment, from scratch, of 47 operating Job Corps centers with 10,000 assigned enrollees; the inauguration of 639 Neighborhood Youth Corps projects to provide work and training for close to 300,000 young men and women; the initiation of work-study programs for 54,000 low-income students in 648 colleges and universities during the first spring semester of operation; the making of 771 separate community action grants, and nearly 2,400 grants of Project Head Start for over half a million 4- and 5-year-olds who are receiving special attention in 13,000 child development centers all across the country; the provision of basic rudimentary education for nearly 43,372 functionally illiterate, poor adults; the making of low-interest loans to 11,000 low-income rural families to improve their farms or to inaugurate or expand nonagricultural enterprises; the extension of housing, sanitation, day care, and education assistance to 75,000 migrant agricultural workers under 53 separate grants; the provision of constructive work training and other assistance to unemployed fathers and other needy persons through 164 separate projects serving 88,700 participants with 276,000 dependents.

These accomplishments, it seems to me, are even more impressive when one considers that in the short time this war on poverty has been underway, the Office of Economic Opportunity also had the task of recruiting and organizing a staff, of formulating these programs, and of developing the regulations and procedures for their administration.

Obviously, these accomplishments do not show ultimate success. The record does, however, show progress.

I am sure there have been mistakes. I am sure there have been administrative mishaps that occur even in well-established agencies, much less one that has been in existence only a few months.

But it is important that criticisms of the Economic Opportunity Act—and its administration—is placed in the proper perspective.

We cannot let sniping at the program overshadow the fact that, here at last, is a determined, concentrated attack on one of civilized man's oldest enemies—poverty.

To permit that would be to officially ignore the millions who live under poverty conditions and refuse to tackle the barriers that keep them and their children from enjoying our unprecedented prosperity.

Rather, we must constructively assist OEO in meeting the objectives set for it by the President and the Congress.

The record to date suggests that, if there are many problems still to be met and considered, there are also a good many hard problems that are now behind us.

The bill before us is framed in this context.

The new authorizations that it would provide are generally somewhat below the amounts contained in the House passed bill, but essentially consistent with what the President has recommended as necessary to permit sound and prudent operations over fiscal year 1966.

In this respect, the bill is neither reckless, nor restrictive.

It is consistent neither with the view of those who contend that all of our present efforts are so small as to be insignificant, nor with the argument that because the road ahead is difficult we should stop short, turn back, and start over.

It is not designed to make speed an overriding goal. But it is designed to build upon and take advantage of what has already been accomplished.

Apart from providing new authorizations, the bill makes a number of changes in the existing provisions of the Economic Opportunity Act.

Most of these are essentially technical or perfecting amendments, and I shall touch upon most of them only briefly.

The bill includes the various amendments recommended by the administration.

One would extend, for 1 additional year, the authority for 90-percent Federal funding of the work-training, work-study, and adult-basic education programs.

Another would expand authority to assign VISTA volunteers so that these unusually dedicated Americans could be employed and their talents used in support of any activity eligible for assistance under the Economic Opportunity Act.

Another amendment would provide Job Corps enrollees with Federal Employees' Compensation Act protection while they are on authorized pass or traveling to or from a Job Corps site, and provide more adequate benefits under that same act to VISTA volunteers as well.

An amendment would clarify the Director's authority to carry out effective programs to aid migrants and seasonally employed agricultural employees, and permit limited use of funds for the training of teachers or instructors in techniques of working with adults under the adult basic education program.

The bill also generally includes the several program amendments adopted by the House.

These would, for example, enable Cuban refugees to enroll in the Job Corps and Neighborhood Youth Corps and assure that workers in very low-income farm families will not be excluded from work-experience projects under title V of the act.

In addition, the bill includes several amendments adopted by the Committee on Labor and Public Welfare which merit special comment.

One of these authorizes special projects directed to the needs of chronically unemployed persons who have poor employment prospects.

These would be persons who, because of age or other reasons, are unable to secure employment or training under other programs.

They would work on projects contributing to such things as the management, conservation, or development of natural resources, recreational areas, parks, highways, and other lands.

These special projects would, of course, have to be conducted in accordance with standards which will assure that they are in the public interest and consistent with the labor policies applied in connection with other programs under the act.

The committee believed that a substantial attack on the employment problems of these otherwise unemployable poor should be mounted as soon as possible. The bill accordingly contemplates that $150 million will be used for this purpose during the first year.

The committee also deemed it advisable to remove from the act the present provisions giving State Governors the authority to veto local community action programs, adult basic education, and Neighborhood Youth Corps projects.

This does not reflect any belief that State governments, through appropriate State agencies, do not have an important role to play in the development and conduct of many antipoverty programs.

Obviously, many State agencies do have a proper and legitimate interest in these programs.

The committee did not believe, however, that such an interest is served by a provision that has no real precedent in any other legislation, which cuts across established governmental patterns at the State and local levels, and which confers upon Governors control over projects and activities for which they have no legal responsibility.

Such a provision, in the view of the committee, serves no program purpose and, in fact, does more to impede than foster the harmonious intergovernmental relations.

Finally, the committee has added an amendment which reflects its concern over the millions of elderly people who are living in poverty, and for whom poverty is especially difficult to overcome.

The plight of these elderly poor clearly deserves particular attention, and an amendment has been added to assure that the problems of the elderly poor shall be considered, whenever feasible, in the development of any program under this act that can contribute to meeting their needs.

It is the committee's belief that the bill before us will give the Office of Economic Opportunity the funds and other tools it needs to carry on the war against poverty.

I certainly urge its adoption.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that such additional staff members of the Committee on Labor and Public Welfare as it may be found necessary to have present in the Chamber may be authorized to have the privilege of the floor during this consideration of the bill, H.R. 8283.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. CARLSON. Mr. President, I have listened with great interest to the statement made by the distinguished Senator from Michigan [Mr. McNAMARA] in regard to the program on economic opportunity.

There is a need for this type of work. I have a very high regard for the Administrator of this national program.

I want to know if the distinguished chairman of the committee went into the possibility of obtaining closer local cooperation. I have had some contact with the matter. I have followed it with some interest.

I find that groups of private citizens, who have taken an interest in this field in various communities, seem to be ignored at the present time.

Has the chairman any suggestion on that?

Mr. McNAMARA. No, I do not have any suggestion as to how it might be improved. It has been the experience of the committee, through the hearings we conducted, that while there has been some competition among local groups for leadership in the program, there was no charge that local people did not have an opportunity to participate. I do not know where that situation prevails; therefore, I have no suggestion.

Mr. CARLSON. I am not criticizing the way the bill has been set up to carry out the program. My point is that we have citizens who for years have been interested in welfare programs. They know the conditions in their communities better than anyone else, and they should be allowed to participate.

Mr. McNAMARA. If the Senator will yield, the proposed act provides for participation of local groups. There is every indication that in the implementation of the act they have been consulted with respect to the program.

Mr. CARLSON. I thank the Senator for that information. I sincerely hope they will be. These people have been interested in the welfare of their communities and are still interested. That does not mean that there is nothing else that needs to be done, but I hope that those people will be tied into the program.

Mr. McNAMARA. I could not agree more with the distinguished Senator from Kansas.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. McNAMARA. Mr. President, I know there are amendments at the desk. I know of none on the majority side. I suggest the absence of a quorum. I hope the staff will contact minority Members.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment is open to amendment.

CONSULAR CONVENTION WITH THE SOVIET UNION

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may discuss a subject not immediately germane to the matter pending before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, on August 10 there was filed with the Senate a dissenting opinion concerning the wisdom of adopting the Consular Convention With the Soviet Union. This Consular Convention contains a provision that is unprecedented in the history of our country. The convention that is to be approved between the Soviet Union and the United States contains a provision granting complete immunity from criminal prosecution to consular agents of Soviet Russia in the United States and those of the United States in Soviet Russia.

The general practice has been that immunity from criminal prosecution is granted to consular agents only in regard to misdemeanors.

This convention goes beyond that and it, in effect, declares that no criminal prosecution shall be brought against a consular agent of Red Russia in the United States, even though he has committed a felony. It means that if proof is existent concerning espionage by a consular agent, let us say in Chicago or San Francisco, that agent is granted immunity from prosecution.

I repeat that it will be the first time we have ever entered into such an agreement. In the past the immunity has been limited against prosecutions for misdemeanors.

The minority views are signed by the senior Senator from Ohio [Mr. LAUSCHE], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Delaware [Mr. WILLIAMS], and the Senator from South Dakota [Mr. MUNDT].

It was the intention of the Senator from Kansas [Mr. CARLSON] that he would also be a signatory to the minority views. Inadvertently the name of the Senator from Kansas was omitted.

I ask unanimous consent that the minority views be printed in the RECORD, and that the name of the Senator from Kansas [Mr. CARLSON] be added as one of the participants in the minority views expressed.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Without objection, it is so ordered.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

CONSULAR CONVENTION WITH THE SOVIET UNION—MINORITY VIEWS

We do not concur with the recommendation of the Committee on Foreign Relations that the Senate give its advice and consent to ratification of the Consular Convention With the Union of Soviet Socialist Republics. We believe that the disadvantages of the convention for the United States are sufficiently grave to outweigh the advantages which are claimed for it.

Our concern relates principally to the provisions in the convention under which consular officers and employees of the sending state are given immunity from the criminal jurisdiction of the receiving state. This convention is the first to which the United States has been a party which provides for unlimited exemption from criminal jurisdiction for consular personnel. Previous consular conventions have provided for immunity from criminal jurisdiction for consular personnel with respect only to misdemeanors but not to felonies. We believe that if the provisions regarding immunity had not been included in the convention, the Soviet Union would not have agreed to it and that, in fact, these provisions were a principal Soviet objective. The testimony of witnesses from the Department of State has been contradictory on the question of whether the Soviet Union or the United States first proposed including these immunity provisions in the convention.

In any case, we believe that the extension of immunity to include felonies would open the way to espionage and other forms of subversion on the part of Soviet consular personnel. If this convention is ratified, and if the Soviet Union then establishes a consulate or consulates in the United States, the officers and employees of these consulates would be able to engage in espionage and subversion knowing that they will not be liable to prosecution but only to expulsion.

It is true that the establishment of a Soviet consulate or consulates would mean only a small increase in the number of Soviet officials with immunity from criminal jurisdiction (as of July 1, 1965, there were 249 Soviet officials and 150 dependents who enjoyed diplomatic immunity). We are convinced, however, that there is a predisposition on the part of Soviet officials to engage in espionage and subversive activities, a predisposition which is an important consideration regardless of the numbers involved. In this connection, it is important to recall the testimony of J. Edgar Hoover, Director of the Federal Bureau of Investigation, before a subcommittee of the Committee on Appropriations of the House of Representatives on March 4, 1965. In a statement inserted in the record justifying the appropriations being requested for the Federal Bureau of Investigations, Mr. Hoover said:

"In regard to the Communist-bloc espionage attack against this country, there has been no letup whatsoever. Historically, the Soviet intelligence services have appropriated the great bulk of official representation and diplomatic establishments in other countries as bases from which to carry on their epionage operations. Over the years, the number of such official personnel assigned to the United States has steadily increased."

In testimony relating to this statement during the March 4 hearing Mr. Hoover stated that "our Government is about to allow them [the Soviet Union] to establish consulates in many parts of the country which, of course, will make our work more difficult." Mr. Hoover then inserted in the record of the hearing several other brief statements. The first read, in part, as follows:

"The methods used to collect data sought by the Communist-bloc intelligence services are almost as varied as the types of data which they endeavor to collect. One of their mainstays is the collection of information—classified and otherwise—through espionage operations involving personnel legally assigned to official Soviet and satellite establishments in the United States. The focal points of these operations continue to be the United Nations and the Communist embassies, legations, consulates, and news or commercial agencies in our country. Such gathering of information is conducted by the Communist representatives using the legal cover of their diplomatic or other official status to cloak their spying activities.

"Historically, the Soviet intelligence services have appropriated the great bulk of official positions abroad, primarily using their official representatives and diplomatic establishments in other countries as bases from which to carry on their espionage operations."

A second statement related specifically to the question of new Soviet consulates. It read as follows:

"Long seeking greater official representation in the United States which would be more widely spread over the country, a cherished goal of the Soviet intelligence services was realized when the United States signed an agreement with the Soviet Union on June 1, 1964, providing for the reciprocal establishment of consulates in our respective countries.

"One Soviet intelligence officer in commenting on the agreement spoke of the wonderful opportunity this presented his service and that it would enable the Soviets to enhance their intelligence operations.

"In involving the great bulk of their official personnel in intelligence activity in one way or another, the Soviets utilize to the fullest extent possible any and all official means such as the United Nations, trade delegations, and the like, as transmission belts to carry additional intelligence personnel into this country."

More recently, on July 14, 1965, Mr. Hoover, reviewing the major phases of the operations of the Federal Bureau of Investigation during the past fiscal year, stated:

"The great majority of the 800 Communist bloc official personnel stationed in the United States, protected by the privilege of diplomatic immunity, have engaged in intelligence assignments and are a dangerous threat to the security of the United States."

We believe that these statements of the chief investigative officer of the United States should be given serious consideration. It is also worth looking at the record of the activities of Soviet officials in the United States. According to information supplied by the Department of State, since 1946, 27 Soviet Embassy and consular officers and personnel in the United States have been arrested or expelled for intelligence activity. These 27 included personnel assigned to the Soviet Embassy in Washington, the Soviet consulate general in New York (which was closed in 1948), the Soviet mission to the United Nations, and the United Nations Secretariat. In the same period, 13 diplomatic, consular, and international organization officials from Czechoslovakia, Hungary, and Rumania were expelled from the United States for intelligence activities.

There is another grave aspect to these immunity provisions, and that is the chain reaction that will be set off if this convention is ratified. The provisions regarding immunity will then apply not only to Soviet consular personnel but may also apply to consular personnel of the 27 other countries with which the United States has consular conventions or agreements which contain a most-favored-nation clause. These 27 countries include 2 other Communist countries: Rumania and Yugoslavia. As a practical matter, as there are no Rumanian consulates in the United States at present, there would not be any immediate increase in the number of Rumanian official personnel enjoying complete immunity from criminal prosecution. If any Rumanian consulates were established in the United States in the future, however, their consular personnel would enjoy such immunity.

We are thus opposed to the convention because we consider the provisions granting unrestricted immunity from criminal jurisdiction to Soviet consular personnel to be unwise. We believe that these immunity provisions will encourage Soviet subversion by placing Soviet consular personnel outside the criminal jurisdiction of the United States. We also believe that it is not in the interests of the United States to extend this immunity to several hundred, perhaps as many as 400, persons which would be the case given the fact that most-favored-nation clauses are found in consular conventions and agreements the United States has with 27 other countries.

FRANK J. LAUSCHE,
BOURKE HICKENLOOPER,
JOHN J. WILLIAMS,
KARL E. MUNDT.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

The Senate resumed the consideration of the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. DOMINICK. Mr. President, I send an amendment to the desk and ask that the clerk report it, but what I should like to do is to have the amendment printed so that it will be available tomorrow for voting. I shall discuss it today, but I send the amendment to the desk for information at this time.

The PRESIDING OFFICER. The Senator does not wish the amendment stated at this time?

Mr. DOMINICK. That is correct. I send it to the desk for information.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment to the committee amendment will be printed in the RECORD.

The amendment to the amendment is as follows:

> On page 28, line 24, strike out "$535,000,000" and insert in lieu thereof "$412,500,000".
>
> On page 29, line 10, strike out "$880,000,000" and insert in lieu thereof "$490,000,000".
>
> On page 29, line 23, strike out "$55,000,000" and insert in lieu thereof "$35,000,000".
>
> On page 30, line 22 strike out "$30,000,000" and insert in lieu thereof "$10,000,000".

Mr. DOMINICK. Mr. President, inasmuch as I have the floor, I believe that I should say something about the amendment.

This amendment is similar to the one I offered in committee. It would control the spending on a program which is beset with difficulties, a program in which more was authorized last year than was appropriated, a program which has not been clarified so far as the administration and the good it is doing for the poor are concerned. Therefore, my amendment is designed to bring back to last year's authorization the proposed figures in this year's bill. In other words, I will be cutting back on the extension of the authorization from double last year's authorization to the same amount as last year's authorization.

I believe that I can do this in figures, for the information of Senators, by the chart which was before us during the executive committee hearings, showing what last year's authorization and appropriations were.

Mr. President, I hold this chart in my hand, and it shows that last year, for example, there was authorized for fiscal 1965, $947.5 million. When the bill was studied by the Appropriations Committee, however, for last year, the total appropriation was $793 million, or a total of approximately $150 million less than was authorized by Congress.

Ordinarily, this would be considered normal in the first year of a program. Then I would say that in the second year of a program, as we start working out problems and trying to solve the unforeseen difficulties involved in a new program, we would probably add a little more money to it.

My purpose would be to bring the authorization for this fiscal year up to the same authorization as last year, plus an additional $150 million which is called for under the so-called Nelson amendment.

Instead of the $947.5 million, the committee reported a proposal which is $1,650 million—more than $700 million over what was spent last year when the appropriation was not as much as the authorization.

To me, it seems absolute nonsense to take a program which is so beset from the beginning to the end with problems on a nationwide basis, and say that we are going to double the amount of money involved in it.

Accordingly, my amendment, when it is reported and brought up for a vote—and I hope that it will be brought up for a vote—will have the purpose of cutting back the total authorization to $947.5 million plus $150 million for the Nelson amendment, which brings it to just slightly over $1 billion, or at least $600 million less than what was called for in the program.

Mr. President, I should like to be able to support H.R. 8283 because along with every other Senator in this body, regardless of political party, we share a sense of responsibility to the poor of America, and would like to do something which would enable us to provide a mechanism by which the poor themselves could get on their feet, regain their self-respect, and enjoy an economic livelihood. I cannot think of anything better than to be able to participate in the enactment of a bill which would begin a true war on poverty.

However, so long as the Great Society's efforts against poverty continue to be so blatantly political and so fraught with blunders, I cannot support a bill which would serve only to compound the errors and exacerbate the weaknesses of the existing laws. I am speaking particularly about the poverty program in this respect.

In order to implement debate and the functions of the antipoverty program in the Office of Economic Opportunity, I wish to review briefly some of the troubles of the poverty program in my own State of Colorado.

Colorado has been fortunate in that the poverty war programs in the State have not been hit by such horrible scandals as have occurred in Florida, Indiana, and elsewhere.

In that connection, I believe I should say at this point that the minority views detail the scandals. I believe that it is worthwhile, for the purpose of making the record, to recite them once again.

On page 61 of the report, in the minority views, we state:

> One of the best demonstrations of what can happen under the shoddy mismanagement of OEO is the fiasco that occurred in the St. Petersburg, Fla., Women's Job Corps Center. The troubles began when OEO picked as a site for the center a resort hotel in a quiet residential district. Residents of the area experienced some difficulty in adjusting to what an OEO spokesman described as "the animal spirits of the young."

Let me say at this point that what the residents described it as was a far cry from the innocuous statement of the OEO spokesman.

Continuing reading:

> The enrollees, however, did not object to the hotel, remodeled for them at a cost of $40,000, nor to the welcome they received from the 122 staffers employed to care for a student complement of 237. Even with this degree of supervision, trouble with the enrollees soon began. Eight girls were expelled for drinking, and one was described as an alcoholic. Another girl disappeared after writing that she was leaving the center because some girls were using narcotics and staying out overnight with male companions. As a result of the whole mess—

And this is the Florida situation, in St. Petersburg—

> the local school board, which was under contract to help in administering the center, voted to terminate its contract with OEO as soon as possible.
>
> Similarly, criticism has been voiced of a men's Job Corps training center in Indiana. A Columbus, Ind., newspaper reported that some of the trainees had attempted to purchase guns while on leave. Seven of the trainees were arrested for a sexual assault on a 17-year-old boy, but at least some of the seven were promptly bailed out and returned to the center. Following these incidents a military discipline was imposed on the boys, and they now are made to stand at military attention at 6:30 in the morning. Serious trouble also arose at a Job Corps camp near Astoria, Oreg. After a number of fist fights occurred at the camp, the U.S. marshal for the State of Oregon considered deputizing State and local police officers to control further outbreaks of violence.

This is only a part of the additional minority views that we have expressed, which show what has happened in some of these camps. I am sure that the proponents of the bill, those who are supporting the administration's policy, will say that these are isolated examples, and, therefore, we cannot criticize the whole management because of these examples. However, these are graphic examples of some of the problems that are occurring in the war on poverty.

What has happened in Colorado?

The problem in Colorado has been one of local dissatisfaction and opposition to the establishment of programs as well as an overall sense of frustration at the lack of results accomplished by the war on poverty.

In Denver, the capital and largest city in my State, there has arisen a consensus of opinion to the effect that little, if anything, has been done in the way of actual combat against poverty.

The Denver Post recently reported that 10 of the community action programs proposed for Denver had been lost in the shuffle of OEO in Washington. The newspapers said that much of the blame was due to Denver personnel, but added that "OEO's dealings with Denver have done very little to sustain the reputation of OEO Director Sargent Shriver as a man who can cut redtape, minimize delay, and get swift action."

As a result of the lack of progress of the antipoverty effort in Denver, there has developed within the poverty program a struggle to fire the present director, a former Democratic State legislator. I served with him while I was a member of the State legislature. This dispute has served to further check the efforts of antipoverty shock troops.

Mr. President, I ask unanimous consent to have placed in the RECORD at this point several articles from Denver newspapers which document this situation. In the process of doing this I should like to read a few headings:

> Denver "Losing" War on Poverty.
>
> Mayor Wants New Chief for Poverty War.
>
> Valdez Favored To Head City's Poverty War.

That is another indication of the fight I was talking about with reference to who is to operate the program. Apparently Mr. Allen, the former State legislator, is about to be fired, even though I know his own heartsick attitude and his efforts in trying to do something for this program.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Denver (Colo.) Post, June 20, 1965]

DENVER LOSING WAR ON POVERTY

For several months, this newspaper has been making a careful study of the problems of Denver's war on poverty, an organization which was formed nearly a year ago at the initiative of Mayor Currigan.

We have been attempting to find out why this organization, which was one of the first to start in the Nation, has had so little success in bringing the benefits of the Federal antipoverty program to the assistance of the poor in the Denver area.

As of this writing, none of the 10 community action projects proposed by Denver's war on poverty has yet won the approval of the Federal antipoverty agency, the Office of Economic Opportunity in Washington.

Most of these project proposals, involving about $1.5 million, have been sent back to Denver for revision—some of them several times—and the revised versions are still stalled at various levels of the administrative machinery in Washington.

In addition, the Federal administrative grant, which has financed the operation of Denver's war on poverty to this point, is about to run out and the organization has not sent in its application for more funds in time to meet the deadline.

Only extraordinary action by the Office of Economic Opportunity can save the Denver organization from having to close down altogether for lack of funds.

The blame for Denver's poor progress in the poverty war, as this newspaper is able to appraise it, has to be shared by Washington and Denver, with Denver itself bearing the larger share.

The delays and confusion in the handling of Denver's proposals by OEO in Washington are, to some extent, understandable in a new agency just getting organized and determined to exercise caution in the expenditure of hundreds of millions of dollars.

But, at the same time, OEO's dealings with Denver have done very little to sustain the reputation of OEO Director Sargent Shriver as a man who can cut redtape, minimize delay, and get swift action.

The major trouble, however, has rested in Denver. The staff of Denver's war on poverty has been slow and inefficient. Its relations with the war on poverty board, and its chairman, have been unsatisfactory.

Project proposals have been poorly prepared and budgetary and administrative details have not been properly attended to. The work of the office has been poorly organized, and deadlines and priorities have been neglected.

This newspaper takes no pleasure in criticizing the hard-working and dedicated individuals who have labored unsatisfactorily in the poverty program to this date.

But we do fear that the poor of Denver will continue to be shortchanged unless the program can be put on a more efficient basis. Whatever the faults in Washington, the faults in Denver are badly in need of correction.

We believe the responsibility for getting the Denver poverty war back on the track rests with Mayor Currigan, whose alertness and enterprise brought Denver into the poverty field, in the first place, far ahead of other cities.

It is not the mayor's fault if the organization he brought into being has failed to do the job. But it will be mayor's fault if the existing inefficiency is allowed to continue and Denver's poor do not get the help they need.

[From the Rocky Mountain News, July 24, 1965]

MAYOR WANTS NEW CHIEF FOR POVERTY WAR

(By Del W. Harding)

Mayor Currigan believes Robert E. Allen should be replaced as executive director of Denver's War on Poverty Inc. (DWOP).

Currigan was out of town Friday but his administrative assistant, Bill Miller, said "The mayor feels in 7½ months the program hasn't moved as it should."

Miller said Currigan believes problems with Washington, D.C., redtape also have slowed the local program, but said the mayor believes Allen's leadership at the local level has been indecisive.

Allen, 41, a former Democratic State senator, was named to the $12,000-a-year post last December 15. The appointment was made by the DWOP board of directors, headed by Dr. James Galvin.

The board reportedly will meet soon to consider whether Allen should be retained. The mayor is on the 35-member board.

Miller said the mayor has suggested loaning Denver Welfare Manager Bernard Valdez to DWOP to act as temporary director if Allen resigns.

Allen said neither the mayor nor any other board member told him they are dissatisfied with his work.

He confirmed, however, that there has been friction between himself and Dr. Galvin.

He said he doesn't believe Dr. Galvin has given the time to the chairmanship post that he should, and that the local program has suffered as a result.

[From the Denver (Colo.) Post, July 23, 1965]

VALDEZ FAVORED TO HEAD CITY'S POVERTY WAR

Mayor Tom Currigan said Friday he will propose that Bernard Valdez, director of the Denver Welfare Board, be named to replace Robert E. Allen as executive director of War on Poverty, Inc.

Currigan said he would be willing to lend WOP the services of Valdez for no more than 60 days until the 35-member board of directors can find a new executive director.

Allen said he will not give up his post without a fight.

Allen, 41, said he has allies on the WOP board to defend him against the attempted ouster.

One of his allies, he said, is Herrick S. Roth, president of the Colorado Labor Council.

Roth, said Allen, has prepared a letter for distribution among the board members saying that "our actions should not be based on the recommendation of the mayor or his citizen chairman (Dr. James Galvin)."

Roth was not available for comment on the letter which Allen claimed was given to him by Roth for his information.

"I am not at this moment of the opinion," Allen quoted Roth as stating in his letter, "that Bob Allen has been given the proper administrative opportunity to determine whether or not he can fulfill the responsibility of executive director."

DR. GALVIN BLAMED

Roth was quoted by Allen as urging the board members to "avoid political maneuvering" and instead "act on the basis of our own judgments."

There was no doubt that Allen blamed Dr. Galvin for instigating the move to remove him as executive director.

He said Dr. Galvin had never contacted him to notify him of any "dissatisfaction with my work."

The Denver Post also had been unable to contact Dr. Galvin. Attempts to reach him Thursday, when rumors of the movement to remove Allen became known, and again Friday, failed.

COULDN'T BE REACHED

"He's out of the city," a spokesman at the Job Opportunity Center, 1360 Speer Boulevard, said Friday when the second attempt was made to reach him.

Reports that Dr. Galvin would step down as board chairman accompanied those that Allen's ouster would be sought.

Allen claimed Friday that "dissatisfaction" with Dr. Galvin as chairman dated back to before he (Allen) became executive director last December.

He said Dr. Galvin, a Denver psychiatrist, had not given as much time to his job as he should because of "conflicting activities."

Dr. Galvin, in addition to conducting his private medical practice, also is a Currigan-appointed member of the Denver Board of Health and Hospitals.

"I believe it is up to the War on Poverty board to name a chairman who can give adequate time and leadership to the job," Allen said. "That leadership has been lacking."

Mrs. E. Ray Campbell, a member of the board, said she believed a stronger leadership is needed in the WOP staff—leadership to pull together the various elements in the community.

However, she said she was opposed to hasty action by the board in obtaining this goal.

One report that Allen had failed to communicate successfully with minority groups in formalizing WOP projects was denied by Rudolph (Corky) Gonzales, a member of the board and a spokesman for Denver's Spanish-American population.

HEAR BOTH SIDES

But Gonzales, like Mrs. Campbell, refused to take sides in the dispute.

"I want to hear both sides of the story before I make any comment," he said. "His administration capacity appears to me to be the only issue."

The move to seek the removal of Allen, the Post learned, began last Tuesday when Dr. Galvin and other members of the eight-member executive board called a meeting of the full board for Thursday night.

The board was to be asked to remove Allen and replace him with Valdez. However, the meeting was canceled after a check of the bylaws showed 7 days' notice was required, it was learned.

Mr. DOMINICK. Mr. President, I should now like to turn to some other problems Coloradans have had with OEO and the poverty program. I have received a great deal of mail from my constituents complaining of the bungling in many phases of the war on poverty. A resident of Boulder, Colo., wrote to tell me that he had applied for work on a Job Corps conservation camp in September of last year. On January 14 of this year I asked the Office of Economic Opportunity to inform me what action was taken on the application. On April 8, 1965, after I had again written demanding an answer, I received a letter with a one-sentence rejection of my constituent's application. I do not understand why someone applying for a simple staff position with the Job Corps should have to wait 7 months for the mere courtesy of a reply.

I have also received a number of letters vehemently opposing the establishment of Job Corps training centers in several communities in Colorado. Many residents of these cities and towns have read of the violence and immorality that have occurred in other Job Corps centers and so have put pen to paper to state their opposition to establishment of Job Corps centers. Many have done so even before there was any real movement underway to put such centers in their communities. They were afraid that the centers would move in whether they wanted them or not.

These letters thus point to the danger that, with the undesirable notoriety of the camps noted in the minority views, we may well find such widespread opposition to the Job Corps that no community will consent to the establishment of a center nearby.

As a final example of the problems that have arisen from the operation of the war on poverty by OEO, I should like to call Senators' attention to a letter written by a resident of Denver, Colo. She is well qualified to speak on the subject, for she was a member of VISTA, the domestic peace corps, until she resigned from the program in protest over the mismanagement. She gives a detailed and lucid account of the waste of enrollee's time and taxpayers' money in the operation of VISTA. These letters, written by a former frontline combatant in the war on poverty, should be read by all who have the responsibility of passing legislation on the war on poverty.

I ask that these letters be entered into the RECORD for all to read.

Mr. President, before doing so, I believe it would be interesting to read a few excerpts from these letters. The first one is dated July 2, 1965, and reads:

> DEAR SIR: This may be a little different letter than you are used to getting, or again it may be often and gain nothing.
>
> I'm wondering just how this war on poverty and the VISTA programs are supposed to be helping the war on poverty.
>
> You see my experience is not just hearsay, I've been a part of both programs.
>
> Denver's war on poverty is only a setup for a few high paid people to keep doing better for themselves both monetarily and politically, these 50 who were to get training to take jobs that never materialized, while just the money they were paid was enough to have kept a family for quite awhile. The big people of the program didn't give a darn whether it worked or not, in fact, to cite an instance, the first night of class I told Dr. Hyman for a couple of weeks I'd probably have to miss a couple of nights. His reply, "It really makes no difference to me. I'm an employee of the university."

The letter goes on in that style. When she went to Chicago to go into training she received the same sort of treatment. The letter is signed by Miss Dorothy Lindsay. I do not know her. I wrote Miss Lindsay and asked her whether I could use her letter publicly in the debate. She replied on July 20, 1965:

> Mr. DOMINICK: Thank you for your letter of July 13. By all means use my letter. I am so tired of people griping about things as they happen but when they are given the opportunity to try and do something about it they lose interest, so please use it any way you think it can be of help.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DENVER, COLO.,
July 2, 1965.

DEAR SIR: This may be a little different letter than you are used to getting or again it may be often and again nothing.

I am wondering just how this war on poverty and the VISTA programs are supposed to be helping the war on poverty.

You see my experience is not just hearsay, I have been a part of both programs.

Denver's war on poverty is only a setup for a few high paid people to keep doing better for themselves, both monetarily and politically, these 50 who were to get training to take jobs that never materialized, while just the money they were paid was enough to have kept a family for quite awhile. The big people of the program did not give a darn whether it worked or not, in fact to cite an instance, the first night of class I told Dr. Hyman for a couple of weeks I'd probably have to miss a couple of nights, his reply "It really makes no difference to me. I am an employee of the university."

Then there is VISTA, my—the money wasted. I am wondering how some of the group I was with in Chicago answered their applications. When I arrived there was such a lack of communication I missed a part of the first meeting. The desk clerk told me what room to go to, I went; the receptionist told me the room wouldn't be ready for an hour and I could wait in the lounge, there I sat about 45 minutes, then a group came out of a room, I noticed a VISTA folder, I asked if they were in VISTA. "Ha, ha" the little gal said, "We are VISTA," so I joined the group. Sixty people, one man 77, myself 41, the other 58 college kids, boy—they are having a ball in Chicago.

Assignments? You go around and talk to people, you draw a map. My assignment was a little different, I actually had a schedule 5 days a week. I did five different things, always being told to build friendships with these disadvantaged people. How, may I ask, do you build friendships or even good will when you have been told to find out what these people need, write out your report, then you are told to "just put it in the drawer." Well, I know enough about the disadvantaged to know if there is anything they do not need it is more stupid, hollow promises.

Thursday in our group discussions I was finally able to get a straight answer from our group leader. I asked if all this mixup was lack of communication. "Yes," she said, "I think you've hit it on the head, the Friday before you all came we were told we'd have 8 people, then Saturday we were told 45, then finally we ended up with 60, so really we weren't ready for so many." Now maybe I don't know enough about Government spending but it seems to me it would have been much more efficient to have notified those volunteers to postpone their coming for a week or two to give the people in Chicago time to sufficiently prepare for them, than to set us up for the planning period.

I couldn't stand the inefficiency any longer, I asked to be relieved, I came home, others have the same idea. If there are 15 people who stick out their year I'll be very much surprised.

Now when I get back to Denver, I read in the paper the war on poverty heads are getting big raises, guess I'll go down Tuesday and try and get on the gravy train, if they ask for my credentials I'll tell them I have no conscience on accepting Government money.

Sincerely,

DOROTHY LINDSAY.

P.S.—I am sending copies of this letter to several people who I hope are interested enough to read it.

DENVER, COLO.,
July 20, 1965.

MR. DOMINICK: Thank you for your letter of July 13. By all means use my letter. I'm so tired of people griping about things as they happen but when they are given the opportunity to try and do something about it they lose interest, so please use it any way you think it can be of help.

I thought you might be interested in a paragraph from a letter I received from the OEO Office written by Gary L. Price:

"I am sorry that you found the training so disappointing and regret you did not stay on for the full 6 weeks. Often at the beginning of a program trainees are skeptical of the benefits to be derived. From my experience, however, I have found once training is completed the individual has a better perspective from which to evaluate the program. It is usually at this point that the benefits become clear."

Suppose I would have stayed, that would have been $252 more of the Government money I could have spent, suppose 10 people drop out at the end of the 6 weeks, see what amount this would be. Of course $2,000 or $3,000 is really just a drop in the bucket to what is being spent on this program.

One girl was sent home from Chicago the end of the first week, out drinking every night and one night came in and vomited all over the elevator pilot.

I sent a copy of the first letter to Mayor Tom Currigan, parts of his letter in reply: "Your letter of July 3 was quite disturbing. I have taken the liberty of referring it to the board of directors of Denver's war on poverty. I have suggested to the chairman of the board, Dr. James Galvin, that perhaps the board would like to invite you to a meeting to see if there is not a solution to some of the shortcomings that you mentioned. I have great hopes for the war on poverty program. There is a great need in America today for the type of assistance available through war on poverty funds. Like you, however, I don't wish to see funds wasted. I am sorry you have become disillusioned with the program and I hope that our board of directors can help clear up some of the misunderstandings you have."

Mayor Currigan's letter was dated July 12 and as yet I have heard nothing from Dr. Galvin or the board of directors.

I am anxious for Denver's medical proposal to be funded, this is the one I became interested in during the training program here in Denver. I personally think this project will help more on this war on poverty. You and I both know when a person is getting the medical attention they need they are more able to face up to their problems.

> I hope some day in some way these things can be worked out and that people who want to do better for themselves will be able to do so.
>
> Sincerely,
>
> DOROTHY LINDSAY.

Mr. DOMINICK. Mr. President, I believe this can be of great help in showing the problems of administration inherent in this program. It should be noted that the problems to which I have referred in my discussion today are by no means unique.

As I mentioned earlier, Colorado has been lucky enough not to have such difficulties as occurred in St. Petersburg, in Indiana, and in Oregon. The minority views submitted with the report on the bill point out some of the problems. The speeches in this and in the other Chamber in Congress further detailed them.

The great tragedy of this situation is that many of these problems could have been avoided when Congress first created the war on poverty or when the Office of Economic Opportunity first established the programs. These problems are not ones that will always be with us—they can be avoided.

A great deal could be accomplished merely by putting the structure of the OEO in some sort of order. Confusion in the ranks is to be expected when the $1 billion war on poverty is directed by a part-time general. Again, as we said in our minority views, we are speaking of a program which is operated by a part-time general with a colossal number of brass hats, and with very few Indians to operate the program, with no tactical or visible successes, and with very little ammunition with which to shoot.

It seems incredible to me that we should have an organization in which the ratio of supervisors to workers is 1 to 18. In the Department of Agriculture the ratio is 1 to 500; in the Defense Department it is 1 to 1,000. But in the program about which we are speaking there is a ratio of 1 to 18. So, as I have said, there are more brass hats than Indians with which to fight the war.

Adding to the confusion is the large number of supergrade positions combined with a comparatively small staff. It is easy to see why the antipoverty program has run into trouble when we consider that a large part of the day-to-day work is done not by regular employees, but by highly paid consultants who are brought in to handle the burdens that the supergrade poverty czars seem too busy to handle.

I shall have a little more to say about the consultants at a later date. It is my recollection that there was one in the State of New Jersey who was being paid a consultant's fee of approximately $100 a day while he was holding down two public service jobs for which he was receiving a salary. I shall document that case at a later date when I have the material again. I do not have it in front of me.

Speaking about New Jersey, while I am at it—and I do not mean to be kicking all the States around; what I am doing is talking about the OEO administration of programs within the States—the minority views, again on page 59, point out the following:

> In New Jersey the State director of the Office of Economic Opportunity receives $25,000 a year, a higher salary than is paid to any member of the New Jersey Governor's cabinet. One county in New Jersey received a grant of $67,000, but unfortunately the poor did not benefit greatly from the grant. All but $15,000 of the grant was earmarked for salaries and administrative expense.

So here we have a grant of $67,000, $52,000 of which goes for administrative expenses and salaries. It strikes me that if anyone could ever say that there is a program administratively designed to trickle down funds to the poor, the program about which we are speaking is certainly one of those.

Again the minority views state:

> In Indiana OEO paid salaries 25 percent higher than those paid by the State for comparable positions in public schools. One final comparison should be drawn. One of two brothers from an Indiana community graduated first in his high school class. He is now serving under enemy fire in Vietnam for $78 per month. The other brother dropped out of school, taking the occasion to beat up his mother and his teacher. He is now being paid $200 monthly by the Job Corps for running a power mower.

I submit that that is a peculiar way in which to wage a war on poverty. In one case there is a young man who has done a fine job. He has gone through school and is now serving his country in Vietnam as an enlsited man, receiving $78 a month. At the same time the Government pays to a dropout $200 a month for the privilege of operating a powermower. If there is anything more inconceivable than saying that this type of program will cure poverty, I do not know what it is. What it really does is to provide an incentive for young people to drop out of school and do similar things, so that the dropout can get money under the program.

Many of these problems could have been avoided if only OEO had applied a little old fashioned commonsense. But I suppose it is difficult to ask OEO to use commonsense when Congress, at least in its committee work, has not displayed very much of it in dealing with H.R. 8283.

The action of the House of Representatives in providing for overriding the Governors' veto provision was very unfortunate. What the House did was to say that we are going to eliminate the Governors' veto. We will not eliminate it entirely. A Governor could veto the action of OEO, but the action would be only illusory because the Director could override the veto.

The Senate committee was not satisfied with that provision. The committee went further and eliminated entirely the provision for a Governor's veto. We cut it out. That action makes no sense. It was carried out in the face of a resolution adopted, with only one dissenting vote, at the Governors' Conference in Minneapolis, providing that the provision for a veto by the Governors as it was in the original law be left untouched.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOMINICK. I am happy to yield.

Mr. LAUSCHE. Normally, the Governors' Conference, which the Senator has mentioned, is attended by practically all the Governors of the 50 States. Is that correct?

Mr. DOMINICK. The Senator is correct.

Mr. LAUSCHE. Do I correctly understand the Senator from Colorado to say that there came before the recent convention of Governors, made up of Republicans and Democrats, the issue as to whether or not the Economic Opportunity Act should contain a provision which would give the Governors the right to veto a program?

Mr. DOMINICK. The Senator is correct.

Mr. LAUSCHE. What was the judgment of those Governors?

Mr. DOMINICK. If I may interpolate, what was done was to have a resolution submitted to the Governors urging Congress to retain the veto right which was in the bill before it was amended by the House, and before our committee worked on it. The judgment of the Governors, in assembly at Minneapolis, with only one dissenting vote, was that the original right of veto by the Governors should be retained. A copy of the telegram reporting the action was submitted to our committee, but the majority of the committee chose not to follow that recommendation.

Mr. LAUSCHE. Does the Senator from Colorado remember what the relative proportion of the political affiliation of the Governors of our Nation is at the present time?

Mr. DOMINICK. Speaking as a Republican, I am afraid that the proportion is heavier on the Democratic side than it is on the Republican side. The resolution was submitted by Governor Sawyer, who was, I believe, Chairman of the Governor's Conference. He is the Governor of the State of Nevada, and a Democrat.

Mr. LAUSCHE. My belief is that the overwhelming preponderance of Governors is on the side of the Democrats at the present time.

Mr. DOMINICK. I believe that is correct.

Mr. LAUSCHE. But whether they are Republicans or Democrats, all but one voted for the retention of the power to veto a program in the Governors.

Mr. DOMINICK. That is the information we have received by wire from Governor Smylie of Idaho.

Mr. LAUSCHE. My recollection is that it has always been felt by the Governors that programs of Federal aid are not to circumvent the duly selected governmental authority of a State, but should be channelized through the States. Can the Senator from Colorado tell me the reasoning that has been advanced for the retention of the veto power in the Governors?

Mr. DOMINICK. I believe that with accuracy, I can tell the Senator from Ohio, who is a distinguished friend, that the main impetus of the proposal was the result of a fight between a particular Senator and a particular Governor.

The Senator and the Governor were from the same State. But the other argument that was raised, other than that, was that a Governor should not have any right to determine whether a Federal program should operate within his State.

This was the basis upon which the committee acted, I presume.

For the knowledge of the Senator and because it will add to the force of this debate, I shall read the resolution which was presented to the Governors' Conference and the telegram which was received by the Senator from New York [Mr. JAVITS] as the ranking minority member of the Committee on Labor and Public Welfare. The telegram came from Governor Smylie, of Idaho.

The resolution reads as follows:

> ECONOMIC OPPORTUNITY ACT
>
> Whereas under the Economic Opportunity Act of 1964, although a number of antipoverty programs and projects bypass the State level, a substantial portion of such programs and projects require clearance through a Governor's office and are subject to the Governor's veto; and
>
> Whereas the gubernatorial clearance and power to veto provide a measure of coordination and orderliness in the administration of those programs to which they apply; and
>
> Whereas with respect to those programs and projects not requiring clearance through a Governor's office and not subject to his veto, negotiations and contracts are between the Office of Economic Opportunity or a delegate Federal agency and the local applicant, which may be a nongovernmental agency, thus producing conditions of chaos; and
>
> Whereas legislation has been approved by the U.S. House of Representatives to permit the Director of the Office of Economic Opportunity to override a Governor's veto disapproving a program or project to be undertaken in his State by any public agency or private organization with respect to the Neighborhood Youth Corps program, the community action program and the adult basic education program, to all of which programs the veto presently applies, if, in the opinion of the Director, the application for the program is consistent with the law and would further the purposes of the act: Now, therefore, be it
>
> *Resolved*, That the National Governor's Conference express its firm opposition to any diminution of the power of a Governor to veto proposed projects and programs under the Economic Opportunity Act and respectfully request the Congress to preserve intact the relevant provisions of the current law; and be it further
>
> *Resolved*, That copies of this resolution be sent to all Members of Congress.

We then received a telegram dated July 29, 1965, which reads as follows:

> MINNEAPOLIS, MINN.,
> *July 29, 1965.*
>
> Senator JACOB JAVITS,
> *Senate Office Building,*
> *Washington, D.C.:*
>
> Governors Conference at Minneapolis adopted resolution by Governor Sawyer, of Nevada, expressing firm opposition to any proposal reducing the power of the Governor in acting on antipoverty programs.
>
> There was only one dissenting vote.
>
> Regards,
>
> ROBERT E. SMYLIE,
> *Governor of Idaho.*

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. DOMINICK. I am happy to yield.

Mr. LAUSCHE. At the Governors' Conference, which I attended for 10 years, although not 10 consecutive years, the principle was constantly followed that as to Federal-aid programs the circumvention of a Governor or other State officer ought not to be tolerated.

The argument was that channeling the program through the State executive office would prevent duplication; that it would keep the central office informed and would prevent confusion.

That was the principle, and constantly the argument was made that the Governor should insist that the programs clear through the State office.

I observe that in the telegram it is pointed out—and it is a fact—that this program can be given to and directed by nongovernmental agencies.

Mr. DOMINICK. The Senator is correct.

Mr. LAUSCHE. It can be given to municipalities and counties. Does it include also the States directly? I assume it does.

Mr. DOMINICK. The States do not operate directly in this field.

Mr. LAUSCHE. But the significant aspect is that it can go to existing nongovernmental agencies and even new ones formed to implement the program.

Mr. DOMINICK. That is exactly correct.

Mr. LAUSCHE. The telegram that was sent and the resolution that was adopted by the Governors point that out.

Mr. DOMINICK. That is true. Two factors make that clear.

The distinguished Governor of New York, Hon. Nelson A. Rockefeller, had to threaten to veto some of the programs in order to be able to have any voice whatsoever in determining how the program would be organized and how it would affect neighborhoods and communities within his State.

The same thing happened with respect to the distinguished Governor of Texas, Hon. John Connally. He, too, had to threaten a veto to maintain control of the program, so that it would have coordination and not be turned into a blatant political move. In many cases this is exactly what happened.

It will be noticed by reading the minority views that many Democratic mayors of cities have asked, "How are we supposed to run our cities when all these people are recommending to the poor that they should march on city hall?"

They wanted to prepare a resolution.

Mr. SCOTT. Mr. President, will the Senator yield on that point?

Mr. DOMINICK. I yield.

Mr. SCOTT. We have had a somewhat similar experience in Pennsylvania. Some of the officials or other persons connected with the poverty program, including Mr. Charles W. Bowser, executive director of Philadelphia's Antipoverty Action Committee apparently felt it to be a part of their responsibility to exert pressure and organize a big march on the Governor of our State, whose record for progressive legislation in the public interest is as high as that of any other Governor in the Nation.

As an article in today's Washington Post points out, Mr. Bowser, whom I respect personally, not long ago was extremely active in leading a band of petitioners to Harrisburg to object to the Governor's veto of two items in a welfare bill.

In Pennsylvania the Governor may exercise an item veto; that is, he has the right to veto separate items in an appropriation bill without invalidating the entire bill.

Mr. Bowser went to Harrisburg with many other people in buses, allegedly paid for out of antipoverty program funds, although that is denied by Mr. Sargent Shriver.

They held a caucus in the Democratic caucus room of the house of representatives in the State capitol. They prepared their protest there and, still politically motivated, moved in on the Governor, demanding, "Show your face," so as to create the impression that the Governor refused to see them. Actually the Governor had not even been asked to see them. He did agree to see representatives of the group, including Mr. Bowser, and saw them.

Their complaint was that the Governor had vetoed items providing $10 million and $7 million in the public assistance and child welfare areas, in which the Governor's program is and has been as generous as the constitutional limits allowed.

Under the Pennsylvania constitution, appropriations in excess of the constitutional bar of deficit spending are of doubtful legality, so the Governor felt obliged to veto those items.

As the Governor pointed out:

> If I had the money for these programs, you could come back and talk about them.

I question whether or not the attempt to say that the buses were not paid out of poverty funds really holds water, because the way these activities are conducted is to advance the money from the poverty program. Funds are advanced on expense accounts to officials of the antipoverty program. Then, they can pay for the buses out of the expense account.

This may have been one way in which they did it. However, what they did was to confuse their responsibility under the poverty program with their political desire to embarrass the Governor of Pennsylvania. The difficulties that we have had with the program—and I have supported the program—is the problem of getting the money to the poor.

Under the Poverty Act, in effect the money goes to the poor by way of the politicians. Anybody knows that, if it is a program to help the poor by way of the politicians, the politicians will scrape as much of the cream off it as they can. Anybody holding a job, that I know of—and I do not know them all—is holding his job under the program at a considerable increase in the amount of money over what he received in his previous job. They are all politicians.

I stated to a labor meeting today, "You supply the assistance to the Democrats in Philadelphia, particularly by your votes. However, when the poverty program comes along, do you get the first, second, third, fourth, fifth, or sixth jobs?" No, Mr. President, the jobs are given to political hacks, except for the top man, Charles Bowser. Mr. Bowser is doing a good job. However, he should not have gone up to Harrisburg to embarrass the Governor of the State and confuse his poverty program responsibilities and his political desires.

The poverty program does not require that one be a Democrat or Republican. It requires that one be poor.

Mr. DOMINICK. Mr. President, the people who are supposed to get the jobs do not get them. I appreciate the contribution that the Senator has made to the discussion today.

The minority report again points out, as I mentioned before, and want to verify, that:

> Time and again we have heard protests that the Office of Economic Opportunity was bypassing either local governments of the poor in establishing local programs. Early in June of this year a group of big city mayors attempted to get the U.S. Conference of Mayors to approve a resolution highly critical of OEO. The proposed resolution would have accused OEO of "trying to wreck local government by setting the poor against city hall." The resolution, drafted by two Democratic mayors of big cities, was stopped at the last minute at the urging of the administration. The mayor of Syracuse pointed out that in addition to his other problems the poor in that city were being "urged to storm city hall."

These are some of the problems that we are facing. I believe that what the Senator just said with respect to the head man in Philadelphia is applicable to what has been going on in Denver.

We had in charge of the program there, as I said earlier, a former State legislator, a Democrat. I know him quite well. He is a highly dedicated man for this type of work. However, with all the people he has working with him, he has not been able to put together a single program that has been worth a hoot. They are yelling for his head. He is the one who will be kicked out.

Mr. SCOTT. Mr. President, I agree with the Senator. The purpose of the antipoverty program is to help the poor. One of the ways to help the poor is to make jobs available to them. Another way is to work with the city, the county, and the State administrations in administering other programs of assistance.

The provision for turning over the administration of the program to local, nongovernmental agencies is having the effect of freeing those agencies from any responsibility to governmental units. They are deciding, with some irresponsibility, I believe, to use that freedom from responsibility to storm city hall, to storm State legislatures, and to storm the Governor's office in each State with a politically conceived protest march that may be suggested to them.

They are harming the poverty program. They are showing the whole country that they are more interested in political advantage and political jobs for political hacks than in carrying out the responsibilities under the program.

When I support a program in a State, I support it in the belief that it will be honestly implemented and fairly administered, and that it will be done without political overtones. That has not been the activity pursued in the poverty program. I am raising a warning signal at this time.

If the distinguished Senator from Colorado would permit me, I should like to make a unanimous-consent request at this time.

Mr. DOMINICK. That is perfectly agreeable.

POVERTY AND POLITICS

Mr. SCOTT. Mr. President, I ask unanimous consent that I may have printed at this point in the RECORD the article to which I alluded earlier entitled "Inside Report: Poverty and Politics," written by Rowland Evans and Robert Novak and published in this morning's Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSIDE REPORT: POVERTY AND POLITICS

(By Rowland Evans and Robert Novak)

Just how antipoverty funds can find their way into partisan political action can be seen in a seemingly trivial incident recently outside the office of Gov. William Scranton in Harrisburg, Pa.

While the legislature debated a motion to override the Governor's veto of an appropriation in an adjoining wing of the capitol, 200 demonstrators supporting the bill were stationed at the door of the Governor's office chanting: "Show your face, show your face."

What makes this demonstration far from trivial in importance is the fact that the leader of the demonstrators (all of whom had bussed their way to Harrisburg from Philadelphia) was Charles Bowser—the aggressive head of the Philadelphia antipoverty committee.

Poverty officials in Washington had no knowledge whatever that Federal poverty funds were used to pay for the buses. But in Harrisburg, several of the demonstrators openly admitted that the Philadelphia antipoverty committee financed the political expedition.

Strangely enough, the target of this particular lobbying expedition was the "item veto" by the Governor of an issue that had no connection whatever with the Federal antipoverty program. The two items vetoed by the Governor, adhering to a constitutional ban on deficit spending, were $10 million for public assistance and $7 million for child welfare.

For months the Governor and Democratic State legislators had jockeyed back and forth over these and other appropriations. The Democrats stayed up nights seeking some way to embarrass Scranton politically and make him look like an ivy league scrooge.

When Scranton confronted the Democrats with his veto, the antipoverty fighters in Philadelphia organized their excursion to Harrisburg to coincide with the legislative debate to override the veto.

Significantly, the demonstrators' first stop in the capitol was not the Governor's office but the Democratic caucus room. They held a rally there and heard Democratic representative Joshua Eilberg, the house majority leader, deliver an emotional attack on Scranton.

The demonstrators next moved into the ornate, mahogany corridor outside the Governor's office and began chanting, "Show your face."

In due course, Bowser and a couple of other demonstrators were invited into Scranton's office (actually they never had asked for an appointment). Scranton again explained the constitutional reasons why he had to veto the two items. Whereupon the buses were loaded and returned to Philadelphia.

Sargent Shriver, the antipoverty chief, knew nothing about this until he received a telegraphed complaint on August 3 (the day of the demonstration) from Pennsylvania's secretary of state, John K. Tabor.

Acting on Scranton's orders, Tabor declared:

"We fully support the right and duty of the people, rich or poor, to support or oppose any State action, but we strongly object to antipoverty personnel, paid with Federal funds, mobilizing and leading such an effort."

Tabor noted that Shriver's own regulation No. 23 prohibits the use of poverty funds, "for any partisan political activity or to further the election or defeat of any candidate to public office."

Shriver's answer to Harrisburg, sent last Tuesday (August 10), denied that antipoverty funds financed the bus trip. Poverty dollars had been requested for the buses, his telegram said. This was rejected, he continued. Shriver stated strongly that he never would condone such use of poverty money.

But his reply skirted the question of Bowser's leadership in the demonstration. Bowser (who gets $17,000 a year) clearly was violating Shriver's regulation No. 23. (Bowser said privately later he felt it was his duty to lobby against the veto.)

Shriver, of course, cannot be held responsible for every infraction of regulation No. 23 in hundreds of projects in progress all over the country.

That's just the point. Both in the congressional act authorizing the program and in the administrative policy of Shriver's office, the dogma of "local control" is enshrined. Local leaders, sagacious or not, are given a free hand in dispensing a major Federal program. The ludicrous political expedition from Philadelphia to Harrisburg once again shows the danger of this policy.

Mr. DOMINICK. Mr. President, I thank the Senator from Pennsylvania who has added a great deal to the colloquy.

For the benefit of our colleagues, I hope that they will study with some care the serious problem that we have outlined. I have tried to be as dispassionate as I can. I may say to the Senator from Pennsylvania that, in discussing some of these things, I have tried not to make any accusations that have not been documented by something in my file. However, I shall say something that has not been documented as yet.

I was told on the telephone that the mayor of the city of Los Angeles has indicated that a part of the problem involved in their perfectly ghastly riot at the present time has been generated in part by activities of this nature under the program.

I shall try to obtain some verification of the mayor's accusation before I am through.

Many Governors have said that they must have the veto power in order to force the OEO to consult with appropriate State agencies before going ahead with these programs. They felt that the provision for the veto was the only means to obtain cooperation between the OEO and State agencies.

This phase of the argument concerning the veto was also brought up before the committee, but it was apparently overruled.

There is no reason why the veto power should be eliminated. The vast majority of the Governors want it. It is said that it is necessary in order to coordinate the program. There is objection to the action that has been taken by the House in overruling their right to a veto. Now, we have eliminated it entirely despite the wishes of the Governors of the 50 States of the United States.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. SCOTT. Mr. President, I should think that the administrators and the sponsors of this program would want to provide for the intervention at some point of some responsible persons—in this case, the Governors—to keep such a program on the track. If I were among those responsible for this program, I should be very much afraid that the scandals and the marches and protest demonstrations which have occurred so far would cast such discredit on the program that it might have difficulty in being approved substantially in the form which the administration desires. This program is loaded with further possibilities for scandal. I predict that in the rest of this year and the coming year throughout the United States, in many large cities especially, there will be revelations of the most scandalous ineptitude, or worse, in the administration of this program.

Senators who are in charge of managing the bill ought to be very much concerned about having some right on the part of State Governors, or at least some agency, to step in and say, "Let us be very careful with what we are about to do." If that is not done, the poor will be set against the politicians. That is the last thing politicians want, because if the poor are set against them, the politicians will stop getting rakeoffs. As Montaigne said, "I speak truth, not so much as I could, but as much as I dare; and I dare more as I grow older."

We all know, as statesmen and politicians, if I may use the word in a reasonable sense, what is happening to the antipoverty program. Our warnings and cautions will be remembered next year as scandal after scandal will be written about on the front pages of newspapers, where, in this city or that city, all sorts of collusion, racketeering, high salaries paid, patronage feeding, and the promotion of hacks and incompetents, are going to lead the persons responsible for this program along a very stormy path. I promised Sargent Shriver, whom I know, that I would help with the program if it were made certain that politicians would be prevented from being put in the way of the poor. I plead with him, if he wants my help, to stop the headlong charges that people who criticize aspects of the program are necessarily obstructionists or that they do not have to pay attention to them.

Numbers are not so important, but there will be a time when they will be greater than some wish, and at that time the opportunity for correction in behalf of the people may have passed. I make these suggestions, not as one who is against the program, but as one who supports it.

The Senator from Colorado is right in pleading for the right of Governors to have the right of veto.

Mr. DOMINICK. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. COOPER. I have listened to the Senator's speech with interest. It has been highly informative.

I voted for the Economic Opportunity Act because I believed as I believe now, that such a program is necessary to train and educate the young, and those who are older, to enable them to break from the cycle of poverty.

I shall vote to extend the program, but I will vote to amend the bill so that it will be more effective.

The Senator has detailed abuses. There have been failures in administration and some gross abuses. I do not believe we have experienced in Kentucky the type of abuse which has occurred in other States referred to by the Senator from Pennsylvania, and the Senator from Colorado. There has been complaint in Kentucky about the establishment of so many offices and the selection of too many officials at high salaries. Also, the establishment of inflated wage levels by the Department of Labor is not good for recipients or the communities. It could remain in the programs, instead of moving into productive employment, and it could work hardships on community organizations wishing to participate and meet local needs.

The purpose of the program is good. What is needed is a willingness on the part of the administration to correct abuses and waste.

I would like to say to my colleagues on the other side of the aisle that they should recognize mistakes and help to correct them.

If the President, the Congress, and Mr. Shriver do not make every effort to make these corrections, it will be tragic, in terms of waste of money. But most tragic will be the loss of a great opportunity for thousands of people, young and old, to break out of the awful cycle of poverty into the full stream of life.

Mr. DOMINICK. The Nelson amendment, which adds $150 million to title II, is designed to take those who are chronically unemployed and put them to work in gardening and landscape work not only in their local communities, as nearly as possible, but also to give them an opportunity to move outside. This is a program which I do not happen to be opposing in my amendment. The proposal deals with a part of the program which the Senator was discussing but it did not provide for any particular training. The Senator from Kentucky may have read, as I have, the recent article in Life magazine, in which industry itself has been having people from the welfare and unemployment rolls put through a training course for work in which they can engage as a result of their previous experience and degree of education, to try to give those people a motivation to support themselves and their families. They have not been completely successful, but, particularly in the Berkeley area of California, they have done a good job. It has been tried. This makes sense to me. It is not a program in which we are going to put $1,650 million of the taxpayers' money into programs that have been discredited in many places.

Mr. COOPER. I have read the Nelson amendment. It needs to be discussed. We need more information. But it is a public works amendment, as I see it.

Mr. DOMINICK. Yes.

Mr. COOPER. The Senator has discussed ably some of the defects in the program. I would like to have the Senator's judgment about the programs themselves—whether he considers them good programs, in substance and objectives, as I believe them to be.

For example, I refer to the community programs providing preparation for education for younger students, the work study program for students in college, and especially the work training program for high school students in their areas of residence.

Mr. DOMINICK. It is an excellent program, but I have some doubt about paying for it out of Federal funds. If it is designed to help the children continue their education, it is difficult for me to see why jobs should be made on campuses by way of picking up sticks, which is a part of the program, or cleaning latrines, which is another part of it, and paying them a dollar and a quarter an hour, as requested by the Department of Labor, and then requiring the schools to falsify their records submitted to the Government.

What they say now is, "You must pay $1.25 an hour for the work they are doing, but when you publicize what you are doing, include within it the number of hours when they are actually training and not being paid for work, and then you will reduce the total pay, so that it will come down to about 90 cents an hour, which is what you are paying ordinarily, and then you will not be driving out the people hired at that level."

Mr. COOPER. I am familiar with the practice. I raised the question with the Department of Labor, and was informed about the arrangement, which does not settle the problem and is not a faithful representation of the facts.

Mr. DOMINICK. I think it is plainly deceitful, and I said so.

Mr. COOPER. To go back to the programs, let me refer to the Head Start program, the work training program, and the work study program. The first is designed to help a child with no training at all—who is not prepared—to start school under equal circumstances. The work training and work study programs give young men and women an opportunity to stay in school or college. I do not see anything wrong with these programs. I believe they are good.

Mr. DOMINICK. Let me tell the Senator what happened on the Head Start program in my own county in Colorado. Since no one had initiated any program, the county commissioners and the public school authorities got together and sent in an application for Head Start program work in the county.

Almost immediately, the Democratic district attorney, the only Democratic officeholder in my county, filed an application with someone else who was willing to come in on it with him, also a Democrat, not an officeholder but with some influence in the community. Because of filing this conflicting application, no money of any kind is going into our county for this Head Start program. This is one of the problems I am talking about in the way of administration.

Mr. COOPER. I know. As to the substance of these programs, if properly administered, does the Senator not believe them to be helpful?

Mr. DOMINICK. Certainly I do.

Mr. COOPER. I believe they can be of great value.

Mr. DOMINICK. The Senator is correct.

Mr. COOPER. I should like to have the Senator's judgment as to the Job Corps.

Mr. DOMINICK. I cannot say that the Job Corps is a good program. I feel this way about the Job Corps and I am speaking frankly to my friend the Senator from Kentucky: I do not see how we can take a person who has problems because of his local environment and his educational ability and move him into a camp, train him for 6 months on how to saw wood, how to live in the open air, how to make trails through the forest, and then, when he returns to his home, expect him, by virtue of those 6 months or a year in the camp, to be able to pull himself up. I do not believe this is solving the problem.

Mr. COOPER. I am sure that the Senator remembers the Works Progress Administration program and the old CCC camps.

Mr. DOMINICK. Indeed, I do.

Mr. COOPER. I was a local official in Kentucky at that time, and during the depression, I had the opportunity to observe the CCC program. Many boys went to the camps and came back interested in finding gainful employment and being good citizens. It seems to me that if the Job Corps program were followed by the other training programs taking boys and girls from the Job Corps who had been rehabilitated, and had developed incentive, the first stage in the Job Corps would then have valuable purpose and effect. I do not know whether an effort is made to follow through with boys and girls when they complete the course at the Job Corps centers. It is a little bit too early, probably. I doubt that many have completed their Job Corps enrollment at this time.

Mr. DOMINICK. Not very many, but the Senator has read examples in the minority report, and heard some of the things I mentioned in my talk today. The difficulty and the difference between this program and the CCC camps is that the latter were started when there was a massive unemployment situation and had a great number of young men and women who were perfectly fine persons, and educated, but who were simply unable to find a job. They were getting some training and some discipline and some motivation behind them.

At the present time, what we are dealing with is not a case of massive unemployment all over the country. I believe the Labor Department stated that we had the lowest unemployment rate, or the highest employment rate—I have forgotten which—in a long time; so we are dealing with a group which is of a somewhat different caliber from those who went to the CCC camps.

Mr. COOPER. That is correct. I believe that the situation today is that some of those out of work are not prepared for work, either because of lack of education or character traits and that a program like this, properly administered, is necessary and can be very helpful; but it seems to me, that from this discussion—and the Senator from Colorado has rendered a fine service in provoking this debate—we have agreed that it demands better administration and a correction of abuses.

Mr. DOMINICK. I sincerely appreciate the contribution made by the highly distinguished Senator from Kentucky. It will be most helpful, I know, in general action on the amendments that will be proposed from time to time.

I do wish to point out quite clearly that in my amendment which I have sent to the desk, I have not tried to "gut" the program in any way whatsoever. What I have proposed is to hold the amount to last year's authorization for another year, before we again increase it, and to try to correct some of the problems while we are doing it. Last year's authorization still being $150 million more than what the actual appropriation was. Thus, we have much room to try and keep the program growing, even if the amendment should be adopted.

Mr. COOPER. I was very much interested in reading in the report, and also noted in the bill, the amendment which had been proposed, I believe by the Senator from Vermont, which was accepted by the committee, to create the advisory committee. The chairman would not be connected with the poverty administration, but would be an independent chairman, and would continuously oversee the program. I assume that one of those functions would be to discover abuses in administration, and also to determine whether it was actually working well or not. I see hope in that amendment, if it is finally accepted, and I hope very much that it will be.

Mr. DOMINICK. I would hope so, too. I was happy to support it. I may have another amendment, which would be most useful. I suspect that it will be presented by a member of the minority, in which, again, the effort will be to try to make the director of the program a full-time instead of a half-time director; namely, to have Mr. Shriver be either the head of the Peace Corps or the poverty program, but not both.

Mr. PROUTY. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I yield to the Senator from Vermont.

Mr. PROUTY. I am glad that the distinguished Senator from Kentucky made reference to the Advisory Council. I speak as a friend of the program. I wish it to succeed. I wished it to succeed last year. I expect to support it again. However, there are many examples of maladministration. The program is being used primarily for political purposes in many areas of the country. Some of us who support the program in principle wish to bring an end to this kind of administration. That is what we are trying to do.

Sometimes the suggestion is made that if we were to appropriate $2 billion instead of $1 billion, we would be able to do twice as good a job; and that if we were to appropriate $3 billion, it would be three times as good. Obviously, that is not true. The program has not been underway long enough to eliminate many of the "bugs" in administration. Thus, there is justification for restricting the funds to a level which can be spent efficiently.

Let me read from the last issue of the U.S. News & World Report, a quotation by a spokesman for the Illinois Farmers Union, which administers the antipoverty summer work facilities in 32 Illinois counties.

This spokesman said:

> A spokesman for the Illinois Farmers Union, which administers the antipoverty summer-work programs in 32 Illinois counties, said on August 10:
>
> "We definitely tried to go too fast on the thing. We put too many to work too fast. We put far too many to work in some places. There definitely was a misunderstanding on the local level."
>
> Said J. M. Watson, Illinois coordinator of the Neighborhood Youth Corps:
>
> "There was some political favoritism."
>
> The youths were being paid $1.25 an hour for 32 hours of work a week, the national rate in the Youth Corps.
>
> * * * * *
>
> A prominent Negro educator, Lester B. Granger, of Dillard University, New Orleans, called the antipoverty program a "slaphappy, sloppy, wasteful procedure." Mr. Granger told the National Urban League convention:
>
> "The fat should be taken out of it. We are going to waste two-thirds of the funds going into it, just like the New Deal. This doesn't mean I don't support it. If we get even one-third out of it, it would help."

Obviously these people are interested in making this program a success. I believe every Member of Congress should take that approach. Those of us who offer amendments are not trying to destroy the program. We are trying to strengthen it and make it work in order that it may achieve the objectives for which it is designed.

Mr. DOMINICK. I appreciate the contribution of the Senator from Vermont, who has put in a great deal of study and effort on this program and who, I know, will be offering some amendments in an effort to accomplish what he has referred to. Originally we were discussing the veto power. I should like to say a few words on that subject.

Despite the vote of a majority of the committee to eliminate the veto power on the ground that this was necessary, the fact is that the veto power has been used only four times in the lifetime of the war on poverty, and on two of those four occasions the veto was used to prevent the achievement of programs under contract with the National Farmers Union.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOMINICK. I am happy to yield.

Mr. GORE. The able Senator is citing the infrequency of the use of the veto power granted the Governors as a justification for its retention.

Mr. DOMINICK. The Senator is correct. I was trying to show that the veto power has not been used by the Governors for the purpose of hampering the administration of the program, but has been used by the Governors, or the threat of the veto has been used in their efforts at coordination of existing local and State programs with the Federal program.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. DOMINICK. I yield.

Mr. GORE. Rather than using the number of times that the veto has been threatened to thus coerce action, or the number of times it has been actually used, would not a better measure of its advisability be the soundness in principle of granting to the Governor of a State a power heretofore unprecedented, of vetoing a project of the Government of the United States within that State? It seems to me that the latter test is the proper one.

Mr. DOMINICK. One difficulty with that argument—and I said that was the basis used in committee, or at least I thought it was one of the basis, because there were others—is that this would be true if there were a Federal program with Federal direction all the way through. We are not dealing with that situation. We are dealing with local community groups, in many instances creating their own organization, and then obtaining Federal funds directly to support themselves. It seems to me that it is necessary to have some power by which a coordination of these programs can be required. If we do not have that there will be even more chaos than we have at the present time.

I hope the Senate will stand up for the principle of doing something to strengthen local-State government in this country.

We have been for far too long going in exactly the opposite direction. We are centralizing the Government in Washington and eliminating the State function. For instance, if someone wishes to get help on a sewage problem, he can go directly to the Cabinet officer instead of going to the local counsel. That is absolute nonsense.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. RANDOLPH. I regret that our committee circumscribed the veto power of the Governors of the States. The Senator from Colorado presents at least in part my feeling on this subject. He will recall that we voted together on this issue.

Mr. DOMINICK. We are very happy to have the Senator's support.

Mr. RANDOLPH. I feel just as strongly today as I did during the consideration of the bill within the committee, that the exercise of the veto by a Governor in the administration of this program, which I endorse, is important to the cooperative and coordinated effort in this Federal-State effort to provide worthwhile work projects and to provide employment for needy persons. It is my belief that in the Senate we should have an opportunity to vote again on that matter, just as we did in the past and recently in the Committee on Labor and Public Welfare.

Mr. DOMINICK. I appreciate the help and support that we had on this matter from the Senator.

Mr. President, this bill has reached the floor of the Senate with a somewhat less than distinguished record of careful consideration by the Congress. The House hearings were only a farce. Only 1 out of the 10 antipoverty programs created by the Economic Opportunity Act of 1964 was discussed at any length. Moreover, in the hearings on this one program many accusations of confusion and political favoritism were brought up, whereupon the hearings were abruptly ended. The minority views submitted in the House summed the situation up in this way:

> The hearings were abruptly halted—over the protests of the minority members—on the grounds that time was of the essence. The chairman then proceeded with all deliberate speed to postpone executive sessions twice, presumably while conferring privately with the czar of all the impoverished. It was the publicly announced position of the chairman that drastic changes were required in the act.
>
> These changes were not forthcoming. Instead, the chairman received two letters from Mr. Sargent Shriver outlining administrative procedures to be followed by OEO which allegedly would give the poor adequate representation on the political-social committees which run community action programs and restrict excessive salaries. Presto chango—no changes need to be made now in the act; we have encountered the newest wrinkle in Great Society government: legislation by letter.
>
> The sorry truth is that a great congressional committee has betrayed the legislative process and in doing so has turned its back upon Americans who have been led to hope that a determined and imaginative war on poverty would be waged.

The Senate record is little better. The bill was reported on the Senate floor at noon on Friday last. On Friday afternoon it was made the pending business of the Senate. The committee print of the bill was not available until Saturday morning, or almost a day after the bill became pending business. The committee report, with its somewhat extensive minority, individual, and supplemental views, was not even made available to Senators until this morning. This is a highly important and controversial bill, and I fail to see why Senators should not be given an opportunity to review the bill and its report in order to prepare remarks and amendments.

This is the reason why I am glad to have had the discussion, because it has given us an opportunity to bring out many facts. I am not criticizing the chairman of the committee. I am somewhat disturbed over the speed with which the measure was reported and made the pending business before we had the bill or the report to read.

The U.S. Senate has been called the greatest deliberative body in the world. Its Members should at least be given the opportunity to see H.R. 8283 and its report in order that they be sufficiently informed to conduct the careful and extensive debate that this bill should receive.

The war on poverty has also been hidden behind a veil of bureaucratic secrecy. When we have tried to get anything done to improve the administration of the program, many of us have been derided as being in favor of downgrading the poor. It would be easy to sit back on this side of the aisle and rest easy while we put the proposed legislation through. It would be easy to sit back and wait, as my distinguished friend from Pennsylvania said, while the increasing scandal and political influence charges are brought up in the daily newspapers and the magazines. It would be easy to do nothing now and to reap political benefits when the poverty program blows up, as it inevitably will, unless there are changes in the program. But on our side, we believe in the fulfillment of our responsibility as legislators, and we shall propose a number of amendments to correct defects noted in the minority views. I hope that the majority will give the amendments the consideration which they deserve and will adopt some of them.

The dangers involved in continuing the poverty war in its present form are so great that the country can expect no less than full and careful review of the program and deliberate efforts made to try to improve on it.

One of the things that I cannot see is why in the world the Congress of the United States should double the amount of money involved in a program which is under attack from all corners, from Republicans and Democrats alike. If my amendment should be adopted, we would provide $150 million more than was authorized last year. I am sure I shall be accused of trying to gut the program. What I am saying is "Do not spend $1,650 million; spend $1,100 million. Cut half a billion off the program until we can have these problems ironed out."

Mr. MILLER. Mr. President, will the Senator yield?

Mr. DOMINICK. I now yield to the Senator from Iowa.

Mr. MILLER. I thank the Senator from Colorado. I should like to ask him several questions.

First, will the Senator tell us the amount of the appropriation for the Office of Economic Opportunity for the current year?

Mr. DOMINICK. The appropriation was $793 million for fiscal 1965.

Mr. MILLER. Will the Senator tell us the amount recommended by the administration early this year in its budget?

Mr. DOMINICK. I believe it was $1,500 million.

Mr. MILLER. I understand that that is absolutely correct.

In what amount is the proposed authorization now pending before the Senate?

Mr. DOMINICK. It is $1,650 million.

Mr. MILLER. So not only does the bill before the Senate propose to authorize even more than the administration asked for at the time the budget was submitted to the Congress early this year, but more than twice as much as the program authorized for the current year. Is that correct?

Mr. DOMINICK. The amount is more than twice as much as was appropriated for fiscal 1965.

Mr. MILLER. But we are talking about money that was actually appropriated for the current program.

Mr. DOMINICK. That is correct.

Mr. MILLER. Compared with that, the bill before the Senate would not only authorize more than the administration asked for last year but twice as much as was appropriated this year.

Mr. DOMINICK. That is absolutely correct.

Mr. MILLER. Much has taken place since the administration submitted its budget. For one thing, the war in Vietnam has become worse, and the administration has been forced to come to Congress and ask for additional money.

Only the other day, following the President's decision to call up 50,000 more troops to go into South Vietnam, Congress was asked for an additional $1.7 billion for the war in Vietnam.

It seems to me that, of all times, this is the worst time to come before Congress and persist in increasing the amount presently appropriated for this activity. If anything, the program should be cut back; but failing in that, the program should be left where it is, and money that would go to this program would be used to provide proper equipment and support for our troops in Vietnam. Does not the Senator from Colorado agree with that?

Mr. DOMINICK. I certainly do. The amendment I sent to the desk would do just that. It would reduce the amount to last year's authorization—not the appropriation, but last year's authorization.

This would save $600 million that could be used to buy equipment which the Secretary of Defense has failed to supply up to now, in terms not only of our situation in Vietnam but of other sensitive spots around the world.

Mr. MILLER. I am pleased to learn of the amendment of the Senator from Colorado, and I shall support it.

I wish to reemphasize that I believe it is about time for Members of this body, if not the administration, to recognize that if we want to provide the morale and equipment and war materiel for our troops in South Vietnam to carry out successfully their very miserable undertaking, it would mean a great deal to them to know that we are giving priority to them, as distinguished from priority to an increase in what is being spent for this domestic program.

It is about time for us to recognize that we cannot fight a war in Vietnam and at the same time have all the other programs, let alone increase them, if we are to be successful in either case.

I hope the amendment of the Senator from Colorado will be offered; and I shall support it.

I thank the Senator for yielding.

Mr. DOMINICK. I appreciate the helpful comments of the Senator from Iowa. He has done much work in a review of the difficult monetary situation that exists in this country.

I was interested in the comment of the Senator from Iowa on the Vietnamese situation. The minority views, on page 60—I referred to this in my earlier remarks—tell of one boy who finished first in his class at high school and is new serving in Vietnam for $78 a month. His brother, who was apparently a different breed of cat, beat up his mother and his teacher, dropped out of school, and is now in the Neighborhood Youth Corps, getting $200 a month. This is the most ridiculous thing of which I could possibly conceive. It is not only ridiculous; it makes me boil to think of it.

Mr. MILLER. That type of example has been repeated in newspaper columns in the past several months. This is another way in which the program will have an adverse impact on the morale of members of the armed services.

It is bad enough when they realize that they will have to leave their loved ones at home and subject themselves to imminent death, fighting a war far away from our shores—and it is a war in every sense of the word. Nevertheless, it is difficult for them to understand how the people back home, who were supposed to be supporting them, can tolerate such a program as will lead to an example such as the Senator has referred to.

But quite apart from that, assuming that the program was operated in a way in which there would be no waste, no extravagance, and no adverse impact on the morale of our Armed Forces because of the disparity between the pay received by them in Vietnam and the salaries of some of those who participate in this program, the fact remains that we cannot adequately support the military forces in South Vietnam and at the same time conduct programs like this.

I believe it would be a strong shot in the arm for our boys in South Vietnam if Congress were to decide that we are going to keep the poverty program where it is until the war in South Vietnam is over, and that then and only then would we properly consider increasing it along the lines of the bill now befor the Senate proposed.

Mr. DOMINICK. I thank the Senator from Iowa. Since I was talking a while ago about objections in Colorado to the poverty program, I thought the Senator from Michigan might be interested in a letter from the publisher of the Denver Blade, the largest Negro newspaper in Colorado. Mr. Joe Brown, the publisher, wrote the letter to President Johnson, Representative POWELL, Councilman Caldwell, Mayor Curigan, Attorney Moore, four State legislators, both U.S. Senators, Representative ROGERS of Colorado, and State Senator George Broun. The letter is dated August 12 and reads:

THE DENVER BLADE,
Denver, Colo., August 12, 1965.

To President L. B. JOHNSON, Hon. ADAM C. POWELL, Councilman ELVIN CALDWELL, Mayor TOM CURRIGAN, Attorney ISAAC MOORE, Hon. PALMER BURCH, Hon. EUGENE FOLEY, Hon. DAN GROVER, Hon. JOHN A. LOVE, Hon. GORDON ALLOTT, Hon. BYRON ROGERS, Hon. PETER H. DOMINICK, Senator GEORGE BROWN.

GENTLEMEN: Please rescue us from this Denver war on poverty. We, the Greater East Denver merchants, submitted a proposal for a small business development center over 2 months ago. We met on several occasions with Mr. Charles Bishop, who helped us rewrite the proposal. We have sat down with Mr. Clifford Rucker, of SBA, on two or more occasions. We are now told that both the board chairman, Dr. Gelvin and the Denver director of the program are either asked to resign or are going to be fired but won't quit, or that no one knows what to do.

We can't find either of them regardless of what time of day we call. The office under Mr. Allen is a maze of confused office help, all of which sounds like anything but efficiency.

Someone, somewhere please let us exercise some type of legal benefit from this program. My people represent the most depressed business area of the city. We are now told that the Denver war on poverty is holding our proposals, perplexed.

If you ask me, we shocked the city by taking the initiative. Can we have relief? Help. Help. Give us a way out.

Very sincerely,

J. BROWN,
Publisher.

On August 8, Mr. Brown wrote an editorial. In sending the editorial to us, he wrote in large handwriting, at the top of the page, "Help." The editorial is entitled "Woes of Poverty," and reads as follows:

WOES OF POVERTY

In the last couple of months we have heard cries of "Hang the mayor" coming from the Denver Democratic camp. We have read criticism of the poverty program, we have even read a dynamic absurd account of the program's progress in a local newspaper, and it appears to us that surely there must be something wrong when everybody is in a state of crossfire and different opinions about the program.

We have tended to criticize not only the program, but we go further, we don't even like the way the program is progressing. Never before have so few faked out so many and gotten away scot free. The citizens of Greater East Denver in an attempt to take the business initiative, submitted a SBDC proposal, a plan for the erection and functioning of a superbusiness, that in time would make all East Denver businesses successful. Not only has the program never reached Washington, the best comment on the subject has the proposal downtown in the Denver war on poverty director's desk, 2 months after the law said that the program had to be in Washington. We have cried for this program, we have written over 20 letters to Washington to everybody who has even a tinge of responsibility about their public life, yet nothing has happened; the mayor can't even fire the director. There is a limit to this phoney "pork barrel" and we think that the mayor is going entirely too far in allowing the "ole crowd" to gain control of the destiny of his political career again.

We say, "oust Allen" as director, clean that Denver war on poverty office out and do it now. And if someone else is really the mayor, just give us his name and we will make the same recommendation to him. Can't we get the plain and simple message through the heads of these Democratic poverty chiefs downtown, that there is a new order in our community and we will decide what is to happen to our progress.

Any attempt to steal our plans and install a "stupid politician" in the small business development center will be met with a protest and we mean a protest led by this institution. We think the mayor should oust the whole crowd and put the war on poverty in the hands of people for whom it was intended. Hell, the East Denver community can't even take the initiative. There are no

> other SBDC proposals in the western region, what are we waiting for, war on poverty, someone else to develop one?

I state to the chairman of the committee, with all due respect, that this is the type of reaction the war on poverty is receiving in our State. This concerns the most depressed area in our city-county government.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. LAUSCHE. Mr. President, to make the record complete, on page 38 of the report on the hearings, there is a recitation of the cost per person of teaching men and women in the Job Corps.

I should like to ask the Senator from Colorado whether it is his understanding that, for a 9-month period, the cost to teach each student in a conservation center is $4,482.65.

I am reading from a paper which was submitted to the committee by the officials of the Economic Opportunity Administration.

Mr. DOMINICK. That is my understanding. I have been exaggerating the figure. I have been saying that the figure is $4,500, which is $18 more than the amount discussed, I believe.

Mr. LAUSCHE. Mr. President, the cost to teach one male student at an urban center is $4,377.95.

Mr. DOMINICK. The Senator is correct. In most colleges we can send a student for 4 years for that amount of money.

Mr. LAUSCHE. The cost to teach a woman in an urban center is $4,483.37.

Mr. DOMINICK. Mr. President, I am grateful to the Senator for bringing these points up. This is a part of what I was trying to say to the Senator from Kentucky when he asked me whether I was in favor of these programs. I kept trying to say to him that I like the principle of the programs, but I do not like in any way the manner in which they are being operated. There is no excuse, evident to me, for obtaining that kind of a result from the expenditure of that much money.

Mr. LAUSCHE. Mr. President, I have had a tabulation prepared of the cost of teaching a student in various Ohio colleges.

This tabulation covers Antioch, Ashland, Baldwin-Wallace, Bluffton, Bowling Green, Capital, Case, Central State, St. Mary's, Wooster, Defiance, Dennison, Fenn, Heidelberg, Hiram, Kent State, Kenyon, Mount Union, Muskingum, Oberlin, Ohio Wesleyan, Otterbein, Western University for Women, and Western Reserve.

It is shocking to see that we can send a student to one of these universities in Ohio at a cost, I should say, on an average of 50 percent of what it would cost to send a dropout to a job center.

Antioch College is rather widely known throughout the country. The cost of tuition there is $1,400. Board is $288. Room is $228. Books and supplies amount to $350. Extras amount to $56. I have not added those figures, but they would amount to approximately $2,300.

I shall take samples of the cost of each, and I shall mention those institutions of Ohio higher learning that are rather widely known throughout the country.

I mentioned Ohio Wesleyan, which is at Delaware, Ohio.

At Ohio Wesleyan, the tuition is $1,300. Board and room amounts to $800. Books and supplies amount to $75. That is a total cost of $2,200 to be taught at one of the outstanding colleges in the United States.

The cost at Kenyon, an institution that is probably 130 years old, and known for the excellence of its teaching and its facilities, is $1,400 for tuition, $510 for board, $320 for room, and $100 for books and supplies, and $100 for extras, making a total of $2,430.

I wish also to mention Oberlin College, which is considered one of the five best in the United States; at least, it is one of the five best in Ohio. The tuition is $1,350; board, $500; room, $400.

I shall not go through all the others except to mention Western Reserve University, which is nationally known. The tuition there is $1,050. Board is $510. Room is $340; books and supplies, $75.

Mr. President, back in April of this year, I made a statement of the costs of sending a girl to Radcliffe, compared to the cost of sending a dropout to one of the job centers. My figures were challenged by Sargent Shriver. I also mentioned the costs at Harvard. The result was a dispute, in which a statement was made by Harvard spokesman William Pinkerton. He challenged Shriver's figures. I read:

> After a bit of detective work he reported that the tuition for a year at Harvard is $1,760, room and board $1,130. Personal expenses could add another $460. This total would be way below Shriver's claim that the cost of sending a student to Harvard was $6,410.
>
> Pinkerton of Harvard made it clear, however, that Harvard wants no quarrel with Shriver, whose famous brothers-in-law, named Kennedy, are distinguished alumni.

My point is that the cost of sending a girl to Radcliffe or a boy to Harvard falls far below what it costs the taxpayers of the United States to manage and administer one job at one of these Job Corps centers.

Mr. President, I ask unanimous consent that the tabulation of Ohio colleges, together with a recitation of figures dealing with Mount Hollyoke, Radcliffe, Harvard, Wellesley, and Vassar be included in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

	Tuition	Board	Room	Books and supplies	Extras	Total
Antioch	$1,400	$288	$228	$350	$56	
Ashland	992	750		100	80	
Baldwin Wallace	1,056	420	270	75	75	
Bluffton	770	370	240	100	54	
Bowling Green	400	700		100	25	
Capital	900	450	270	80	50	
Case	1,400	600	300	50		
Central State	70	426	300			
St. Mary's	600	550	250	100	80	
Wooster	1,320	500	340	80		
Defiance	915	432	[1] 180	80		
Denison	1,200	440	330	75	150	
Fenn	980	510	288	30	45	
Heidelberg	1,100	445	325			
Hiram	1,090	445	360	100	155	
Kent State	336	420	234	[1] 75		
Kenyon	1,400	510	320	100	100	$2,430
Mount Union	1,125	450	300	80		
Muskingum	1,090	510	220	100	70	
Oberlin	1,350	500	400	100	92	
Ohio Wesleyan	1,300	800		75		
Otterbein	850	450	250	40	110	
Western (Women)	1,375	1,100		[1] 150	25	
Western Reserve	1,050	510	340	75	59	+400-500
Harvard	1,520	620	475	100		2,715
Mount Holyoke	2,750	Included	Included		400	3,150
Radcliffe	1,760	1,170	Included	100	115	3,145
Wellesley	2,800	Included	Included		400-800	3,600
Vassar	1,500	1,300	Included	100	50	2,950

[1] And up.

Mr. DOMINICK. Mr. President, let me say to the distinguished Senator from Ohio that perhaps the reason why Mr. Shriver quoted Harvard as being that high is that he went to Yale Law School at the same time I did. I know him very well. He is a highly distinguished man.

I also point out to the Senator from Ohio that one of the highest costs in college is in medical school. The cost at a public medical school is $3,200. At a private medical school it is $3,981—well below what it would cost to send a youngster to the Job Corps. It still does not make any sense to me to have to pay so much money, so disproportionate to the result.

Mr. LAUSCHE. I think it can be said that it costs the taxpayers about $4,400 a year to teach one of the dropouts in the job centers for 9 months, as embraced in the bill. That sum would, of course, be shocking to the ordinary citizen—$4,400 to teach a dropout is unbelieveable.

PUBLICATION OF NAMES OF OWNERS OF RENTAL PROPERTIES UNDER TITLE I OF THE HOUSING ACT OF 1949

Mr. DOMINICK. Mr. President, before I yield the floor, I send a bill to the desk for proper referral which has some bearing on the subject we are dealing with now. It is a thought which I have had in mind for some time. It is a bill which, if adopted, will require that the names of those who own property for rent in slum areas must be published at least once a year in a public newspaper before they are entitled to any funds under title I of the Housing Act. I believe it is a good bill. It will encourage improvement in slum housing by making public the names of the landlords responsible for these horrible conditions. Up to the present time, the promotion of more effective building codes and code enforcement, as well as various tax reform studies, have been the primary weapons employed against urban blight. I support these measures, but I believe that the fear of widespread public notoriety will provide tremendous further impetus toward the goal of eradication of both urban and rural slum housing conditions.

Slum housing is sapping the strength of this country as a result of its impact on juvenile delinquency, discontent, racial strife, and social disintegration. Because of the low tax base in these areas, many communities are hard pressed to provide adequate utilities, streets, parks, schools, playgrounds, and other services. It is a national disgrace, and the landlords who are getting rich at the expense of literally millions of helpless tenants must be brought to the light of public scrutiny. According to the 1960 census of housing, there were about 4¾ million substandard housing units occupied by renters, and over 3 million of these units were occupied by families with incomes of less than $3,000 a year. These people simply do not have the resources or facilities to overcome this problem alone; and despite the millions of dollars spent by the Office of Economic Opportunity and other agencies in the ill-managed and ill-considered war on poverty, not much of a dent has been made in the elimination of slums. My bill, by publicizing the names of the persons responsible, would bring to bear the full weight and pressure of the entire community against the offending landlords. These owners and landlords themselves, have a responsibility to improve their properties so that they meet the standard of the law as well as the standard of normal decency that the community at large expects and demands.

Many landlords have neglected to meet their responsibilities simply because they knew that they were safely hidden from the public's eye. No one would know that the filthy, rat-infested tenement or shack over on the other side of the tracks belonged to one of the pillars of the community, or perhaps to a respected officeholder.

My bill provides that a locality must require that the names of all owners of rental properties used for residential purposes be published at least annually in a local newspaper before that locality would be eligible for a loan or grant under title I of the Housing Act of 1949. This would include the names of owners of both legal and equitable interests; the officers and directors of corporations which own such properties, as well as any person owning 15 percent or more of the stock of such corporations; both the trustees and beneficiaries where the owner is a trust; and the names of all partners, general and limited, where the owner is a partnership. There is no doubt that my bill would have a salutary effect in many of the problem areas of our communities. I sincerely urge prompt consideration and passage to help out on the problem with which we are faced, and which we are dealing with in this and another bill.

The **PRESIDING OFFICER**. The bill will be received and appropriately referred.

The bill (S. 2419) to make assistance to localities under title I of the Housing Act of 1949 contingent upon the publication of the names of the owners of rental properties in such localities which are used for residential purposes, introduced by Mr. DOMINICK, was received, read twice by its title, and referred to the Committee on Banikng and Currency.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1648) to provided grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Public Works and Economic Development Act of 1965".

STATEMENT OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our regions, counties, and communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families, and waste invaluable human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development; that Federal financial assistance, including grants for public works and development facilities to communities, industries, enterprises, and individuals in areas needing development should enable such areas to help themselves achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local conditions, provided that such assistance is preceded by and consistent with sound, long-range economic planning; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

TITLE I—GRANTS FOR PUBLIC WORKS AND DEVELOPMENT FACILITIES

SEC. 101. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary of Commerce (hereinafter referred to as the Secretary) is authorized—

(1) to make direct grants for the acquisition or development of land and improvements for public works, public service, or development facility usage, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment, within a redevelopment area, if he finds that—

(A) the project for which financial assistance is sought will directly or indirectly (i) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities, (ii) otherwise assist in the creation of additional long-term employment opportunities for such area, or (iii) primarily benefit the long-term unemployed and members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964;

(B) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located; and

(C) the area for which a project is to be undertaken has an approved overall economic development program as provided in section 202(b)(10) and such project is consistent with such program;

(2) to make supplementary grants in order to enable the States and other entities within redevelopment areas to take maximum advantage of designated Federal grant-in-aid programs (as hereinafter defined), direct grants-in-aid authorized under this section, and Federal grant-in-aid programs authorized by the Watershed Protection and Flood Prevention Act (68 Stat. 666, as amended), and the eleven watersheds authorized by the Flood Control Act of December 22, 1944, as amended and supplemented (58 Stat. 887), for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share.

(b) Subject to subsection (c) hereof, the amount of any direct grant under this section for any project shall not exceed 50 per centum of the cost of such project.

(c) The amount of any supplementary grant under this section for any project shall not exceed the applicable percentage established by regulations promulgated by the Secretary, but in no event shall the non-Federal share of the aggregate cost of any such project (including assumptions of debt) be less than 20 per centum of such cost. Supplementary grants shall be made by the Secretary, in accordance with such regulations as he shall prescribe, by increasing the amounts of direct grants authorized under this section or by the payment of funds appropriated under this Act to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of the applicable Federal programs. Notwithstanding any requirement as to the amount or sources of non-Federal funds that may otherwise be applicable to the Federal program involved, funds provided under this subsection shall be used for the sole purpose of increasing the Federal contribution to specific projects in redevelopment areas under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. The term "designated Federal grant-in-aid programs," as used in this subsection, means such existing or future Federal grant-in-aid programs assisting in the construction or equipping of facilities as the Secretary may, in furtherance of the purposes of this Act, designate as eligible for allocation of funds under this section. In determining the amount of any supplementary grant available to any project under this section, the Secretary shall take into consideration the relative needs of the area, the nature of the project to be assisted, and the amount of such fair user charges or other revenues as the project may reasonably be expected to generate in excess of those which would amortize the local share of initial costs and provide for its successful operation and maintenance (including depreciation).

(d) The Secretary shall prescribe rules, regulations, and procedures to carry out this section which will assure that adequate consideration is given to the relative needs of eligible areas. In prescribing such rules, regulations, and procedures the Secretary shall consider among other relevant factors (1) the severity of the rates of unemployment in the eligible areas and the duration of such unemployment and (2) the income levels of families and the extent of underemployment in eligible areas.

(e) Except for projects specifically authorized by Congress, no financial assistance shall be extended under this section with respect to any public service or development facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State or Federal regulatory body, unless the State or Federal regulatory body determines that in the area to be served by the facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake.

(f) The Secretary shall prescribe regulations which will assure that appropriate local governmental authorities have been given a reasonable opportunity to review and comment upon proposed projects under this section.

SEC. 102. (a) In addition to the assistance otherwise authorized, the Secretary is authorized to make grants in accordance with the provisions of this title to those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas of substantial unemployment during the preceding calendar year.

(b) Areas designated under the authority of this section shall be subject to an annual review of eligibility in accordance with section 402, and to all of the rules, regulations, and procedures applicable to redevelopment areas except as the Secretary may otherwise prescribe by regulation.

SEC. 103. Not more than 15 per centum of the appropriations made pursuant to this title may be expended in any one State.

SEC. 104. No part of any appropriations made pursuant to this title may be expended for any project in any area which is within the "Appalachian region" (as that term is defined in section 403 of the Appalachian Regional Development Act of 1965) which is approved for assistance under the Appalachian Regional Development Act of 1965.

SEC. 105. There is hereby authorized to be appropriated to carry out this title not to exceed $500,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1969.

Financial assistance for sewer facilities

SEC. 106. No financial assistance, through grants, loans, guarantees, or otherwise, shall be made under this Act to be used directly or indirectly for sewer or other waste disposal facilities unless the Secretary of Health, Education, and Welfare certifies to the Secretary that any waste material carried by such facilities will be adequately treated before it is discharged into any public waterway so as to meet applicable Federal, State, interstate, or local water quality standards.

TITLE II—OTHER FINANCIAL ASSISTANCE

Public works and development facility loans

SEC. 201. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to purchase evidence of indebtedness and to make loans to assist in financing the purchase or development of land and improvements for public works, public service, or development facility usage, including public works, public service, and development facility usage, to be provided by agencies of the Federal Government pursuant to legislation requiring that non-Federal entities bear some part of the cost thereof, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment, within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will directly or indirectly—

(A) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities,

(B) otherwise assist in the creation of additional long-term employment opportunities for such area, or

(C) primarily benefit the long-term unemployed and members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964;

(2) the funds requested for such project are not otherwise available from private lenders or from other Federal agencies on terms which in the opinion of the Secretary will permit the accomplishment of the project;

(3) the amount of the loan plus the amount of other available funds for such project are adequate to insure the completion thereof;

(4) there is a reasonable expectation of repayment; and

(5) such area has an approved overall economic development program as provided in section 202(b)(10) and the project for which financial assistance is sought is consistent with such program.

(b) Subject to section 701(5), no loan, including renewals or extensions thereof, shall be made under this section for a period exceeding forty years, and no evidence of indebtedness maturing more than forty years from the date of purchase shall be purchased under this section. Such loans shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, less not to exceed one-half of 1 per centum per annum.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section and section 202: *Provided,* That annual appropriations for the purpose of purchasing evidences of indebtedness, making and participating in loans, and guaranteeing loans shall not exceed $170,000,000, for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1970.

(d) Except for projects specifically authorized by Congress, no financial assistance shall be extended under this section with respect to any public service or development facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State or Federal regulatory body, unless the State or Federal regulatory body determines that in the area to be served by the facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake.

(e) The Secretary shall prescribe regulations which will assure that appropriate local governmental authorities have been given a reasonable opportunity to review and comment upon proposed projects under this section.

Loans and guarantees

SEC. 202. (a) The Secretary is authorized (1) to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participations in loans) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings; and (2) to guarantee loans for working capital made to private borrowers by private lending institutions in connection with projections in redevelopment areas assisted under subsection (a)(1) hereof, upon application of such institution and upon such terms and conditions as the Secretary may prescribe: *Provided, however,* That no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) Such financial assistance shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts theretofore customarily performed by them: *Provided, however,* That such limitation shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment of the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

(2) Such assistance shall be extended only to applicants, both private and public (including Indian tribes), which have been approved for such assistance by any agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision.

(3) The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area wherein it is or will be located.

(4) No loan or guarantee shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or from other Federal agen-

cies on terms which in the opinion of the Secretary will permit the accomplishment of the project.

(5) The Secretary shall not make any loan without a participation unless he determines that the loan cannot be made on a participation basis.

(6) No evidences of indebtedness shall be purchased and no loans shall be made or guaranteed unless it is determined that there is reasonable assurance of repayment.

(7) Subject to section 701(5) of this Act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding twenty-five years and no evidences of indebtedness maturing more than twenty-five years from date of purchase may be purchased hereunder: *Provided,* That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor.

(8) Loans made and evidences of indebtedness purchased under this section shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose.

(9) Loan assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project, and shall, among others, be on the condition that—

(A) other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) not less than 15 per centum of such aggregate cost be supplied as equity capital or as a loan repayable in no shorter period of time and at no faster an amortization rate than the Federal financial assistance extended under this section is being repaid, and if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance: *Provided, however,* That, except in projects involving financial participation by Indian tribes, not less than 5 per centum of such aggregate cost shall be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, unless the Secretary shall determine in accordance with objective standards promulgated by regulation that all or part of such funds are not reasonably available to the project because of the economic distress of the area or for other good cause, in which case he may waive the requirement of this provision to the extent of such unavailability, and allow the funds required by this subsection to be supplied by the applicant or by such other non-Federal source as may reasonably be available to the project;

(C) to the extent that the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in subparagraph (B), any Federal financial assistance extended under this section may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided,* That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located, nor prevent the Secretary from requiring such periodic revisions of previously approved overall economic development programs as he may deem appropriate.

Economic development revolving fund

SEC. 203. Funds obtained by the Secretary under section 201, loan funds obtained under section 403, and collections and repayments received under this Act, shall be deposited in an economic development revolving fund (hereinafter referred to as the "fund"), which is hereby established in the Treasury of the United States, and which shall be available to the Secretary for the purpose of extending financial assistance under sections 201, 202, and 403, and for the payment of all obligations and expenditures arising in connection therewith. There shall also be credited to the fund such funds as have been paid into the area redevelopment fund or may be received from obligations outstanding under the Area Redevelopment Act. The fund shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the amount of loans outstanding under this Act computed in such manner and at such rate as may be determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, during the month of June preceding the fiscal year in which the loans were made.

TITLE III—TECHNICAL ASSISTANCE, RESEARCH AND INFORMATION

SEC. 301. (a) In carrying out his duties under this Act the Secretary is authorized to provide technical assistance which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment (1) to areas which he has designated as redevelopment areas under this Act, and (2) to other areas which he finds have substantial need for such assistance. Such assistance shall include project planning and feasibility studies, management and operational assistance, and studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff, through the payment of funds authorized for this section to other departments or agencies of the Federal Government, through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to appropriate public or private nonprofit State, area, district, or local organizations. The Secretary, in his discretion, may require the repayment of assistance provided under this subsection and prescribe the terms and conditions of such repayment.

(b) The Secretary is authorized to make grants to defray not to exceed 75 per centum of the administrative expenses of organizations which he determines to be qualified to receive grants-in-aid under subsection (a) hereof. In determining the amount of the non-Federal share of such costs or expenses, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equpment, and services. Where practicable, grants-in-aid authorized under this subsection shall be used in conjunction with other available planning grants, such as urban planning grants authorized under the Housing Act of 1954, as amended, and highway planning and research grants authorized under the Federal Aid Highway Act of 1962, to assure adequate and effective planning and economical use of funds.

(c) To assist in the long-range accomplishment of the purposes of this Act, the Secretary, in cooperation with other agencies having similar functions, shall establish and conduct a continuing program of study, training, and research to (A) assist in determining the causes of unemployment, underemployment, underdevelopment, and chronic depression in the various areas and regions of the Nation, (B) assist in the formulation and implementation of national, State, and local programs which will raise income levels and otherwise produce solutions to the problems resulting from these conditions, and (C) assist in providing the personnel needed to conduct such programs. The program of study, training, and research may be conducted by the Secretary through members of this staff, through payment of funds authorized for this section to other departments or agencies of the Federal Government, or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants to such individuals, organizations, or institutions, or through conferences and similar meetings organized for such purposes. The Secretary shall make available to interested individuals and organizations the results of such research. The Secretary shall include in his annual report under section 707 a detailed statement concerning the study and research conducted under this section together with his findings resulting therefrom and his recommendations for legislative and other action.

(d) The Secretary shall aid redevelopment areas and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas. The Secretary may furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government wtih a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

(e) The Secretary shall establish an independent study board consisting of governmental and nongovernmental experts to investigate the effects of Government procurement, scientific, technical, and other related policies upon, regional economic development. Any Federal officer or employee may, with the consent of the head of the department or agency in which he is employed, serve as a member of such board, but shall receive no additional compensation for such service. Other members of such board may be compensated in accordance with the provisions of section 701(10). The board shall report its findings, together with recommendations for the better coordination of such policies, to the Secretary, who shall transmit the report to the Congress not later than 2 years after the enactment of this Act.

SEC. 302. There is hereby authorized to be appropriated $25,000,000 annually for the purposes of this title, for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1970.

TITLE IV—AREA AND DISTRICT ELIGIBILITY

Part A—Redevelopment areas

Area Eligibility

SEC. 401. (a) The Secretary shall designate as "redevelopment areas"—

(1) those areas in which he determines, upon the basis of standards generally comparable with those set forth in paragraphs (A) and (B), that there has existed substantial and persistent unemployment for an extended period of time and those areas in which he determines there has been a substantial loss of population due to lack of employment opportunity. There shall be included among the areas so designated any area—

(A) where the Secretary of Labor finds that the current rate of unemployment, as determined by appropriate annual statistics for the most recent available calendar year, is 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (B); and

(B) where the Secretary of Labor finds that the annual average rate of unemployment has been at least—

(i) 50 per centum above the national average for three of the preceding four calendar years, or

(ii) 75 per centum above the national average for two of the preceding three calendar years, or

(iii) 100 per centum above the national average for one of the preceding two calendar years.

The Secretary of Labor shall find the facts and provide the data to be used by the Secretary in making the determinations required by this subsection;

(2) those additional areas which have a median family income not in excess of 40 per centum of the national median, as determined by the most recent available statistics for such areas;

(3) those additional Federal or State Indian reservations or trust or restricted Indian-owned land areas which the Secretary, after consultation with the Secretary of the Interior or an appropriate State agency, determines manifest the greatest degree of economic distress on the basis of unemployment and income statistics and other appropriate evidence of economic underdevelopment;

(4) upon request of such areas, those additional areas in which the Secretary determines that the loss, removal, curtailment, or closing of a major source of employment has caused within three years prior to, or threatens to cause within three years after, the date of the request an unusual and abrupt rise in unemployment of such magnitude that the unemployment rate for the area at the time of the request exceeds the national average, or can reasonably be expected to exceed the national average, by 50 per centum or more unless assistance is provided. Notwithstanding any provision of subsection 401(b) to the contrary, an area designated under the authority of this paragraph may be given a reasonable time after designation in which to submit the overall economic development program required by subsection 202(b)(10) of this Act;

(5) notwithstanding any provision of this section to the contrary, those additional areas which were designated redevelopment areas under the Area Redevelopment Act on or after March 1, 1965: *Provided, however,* That the continued eligibility of such areas after the first annual review of eligibility conducted in accordance with section 402 of this Act shall be dependent on their qualification for designation under the standards of economic need set forth in subsections (a)(1) through (a)(4) of this section.

(b) The size and boundaries of redevelopment areas shall be as determined by the Secretary: *Provided, however,* That—

(1) no area shall be designated until it has an approved overall economic development program in accordance with subsection 202(b)(10) of this Act;

(2) any area which does not submit an acceptable overall economic development program in accordance with subsection 202(b)(10) of this Act within a reasonable time after notification of eligibility for designation, shall not thereafter be designated prior to the next annual review of eligibility in accordance with section 402 of this Act;

(3) no area shall be designated which does not have a population of at least one thousand five hundred persons, except for areas designated under subsection 401(a)(3), which shall have a population of not less than one thousand persons; and

(4) except for areas designated under subsections (a)(3) and (a)(4) hereof, no area shall be designated which is smaller than a "labor area" (as defined by the Secretary of Labor), a county, or a municipality with a population of over two hundred and fifty thousand, whichever in the opinion of the Secretary is appropriate.

(c) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, the Secretary of the Interior, and such other heads of agencies as may be appropriate are authorized to conduct such special studies, obtain such information, and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Secretary shall reimburse when appropriate, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(d) If a State has no area designated under the preceding subsections of this section as a redevelopment area, the Secretary shall designate as a redevelopment area that area in such State which in his opinion most nearly qualifies under such preceding subsections. An area so designated shall have its eligibility terminated in accordance with the provisions of section 402 if any other area within the same State subsequently has become qualified or been designated under any other subsection of this section as of the time of the annual review prescribed by section 402: *Provided,* That the Secretary shall not terminate any designation of an area in a State as a redevelopment area if to do so would result in such State having no redevelopment area.

(e) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Secretary as a redevelopment area.

Annual Review of Area Eligibility

SEC. 402. The Secretary shall conduct an annual review of all areas designated in accordance with section 401 of this Act, and on the basis thereof shall terminate or modify the designations of such areas in accordance with objective standards which he shall prescribe by regulation. No area previously designated shall retain its designated status unless it maintains a currently approved overall economic development program in accordance with subsection 202(b)(10). No termination of eligibility shall (1) be made without thirty days' prior notification to the area concerned, (2) affect the validity of any application filed, or contract or undertaking entered into, with respect to such area pursuant to this Act prior to such termination, (3) prevent any such area from again being designated a redevelopment area under section 401 of this Act if the Secretary determines it to be eligible under such section, or (4) be made in the case of any designated area where the Secretary determines that an improvement in the unemployment rate of a designated area is primarily the result of increased employment in occupations not likely to be permanent. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the classification of any area.

Part B—Economic development districts

SEC. 403. (a) In order that economic development projects of broader geographical significance may be planned and carried out, the Secretary is authorized—

(1) to designate appropriate "economic development districts" within the United States with the concurrence of the States in which such districts will be wholly or partially located, if—

(A) the proposed district is of sufficient size or population, and contains sufficient resources, to foster economic development on a scale involving more than a single redevelopment area;

(B) the proposed district contains two or more redevelopment areas;

(C) the proposed district contains one or more redevelopment areas or economic development centers identified in an approved district overall economic development program as having sufficient size and potential to foster the economic growth activities necessary to alleviate the distress of the redevelopment areas within the district; and

(D) the proposed district has a district overall economic development program which includes adequate land use and transportation planning and contains a specific program for district cooperation, self-help, and public investment and is approved by the State or States affected and by the Secretary;

(2) to designate as "economic development centers," in accordance with such regulations as he shall prescribe, such areas as he may deem appropriate, if—

(A) the proposed center has been identified and included in an approved district overall economic development program and recommended by the State or States affected for such special designation;

(B) the proposed center is geographically and economically so related to the district that its economic growth may reasonably be expected to contribute significantly to the alleviation of distress in the redevelopment areas of the district; and

(C) the proposed center does not have a population in excess of two hundred and fifty thousand according to the last preceding Federal census.

(3) to provide financial assistance in accordance with the criteria of sections 101, 201, and 202 of this Act, except as may be herein otherwise provided, for projects in economic development centers designated under subsection (a)(2) above, if—

(A) the project will further the objectives of the overall economic development program of the district in which it is to be located;

(B) the project will enhance the economic growth potential of the district or result in additional long-term employment opportunities commensurate with the amount of Federal financial assistance requested; and

(C) the amount of Federal financial assistance requested is reasonably related to the size, population, and economic needs of the district;

(4) subject to the 20 per centum non-Federal share required for any project by subsection 101(c) of this Act, to increase the amount of grant assistance authorized by section 101 for projects within redevelopment areas (designated under section 401), by an amount not to exceed 10 per centum of the aggregate cost of any such project, in

accordance with such regulations as he shall prescribe if—

(A) the redevelopment area is situated within a designated economic development district and is actively participating in the economic development activities of the district; and

(B) the project is consistent with an approved district overall economic development program.

(b) In designating economic development districts and approving district overall economic development programs under subsection (a) of this section, the Secretary is authorized, under regulations prescribed by him—

(1) to invite the several States to draw up proposed district boundaries and to identify potential economic development centers;

(2) to cooperate with the several States—

(A) in sponsoring and assisting district economic planning and development groups, and

(B) in assisting such district groups to formulate district overall economic development programs;

(3) to encourage participation by appropriate local governmental authorities in such economic development districts.

(c) The Secretary shall by regulation prescribe standards for the termination or modification of economic development districts and economic development centers designated under the authority of this section.

(d) As used in this Act, the term "economic development district" refers to any area within the United States composed of cooperating redevelopment areas and, where appropriate, designated economic development centers and neighboring counties or communities, which has been designated by the Secretary as an economic development district.

(e) As used in this Act, the term "economic development center" refers to any area within the United States which has been identified as an economic development center in an approved district overall economic development program and which has been designated by the Secretary as eligible for financial assistance under sections 101, 201, and 202 of this Act in accordance with the provisions of this section.

(f) For the purpose of this Act the term "local government" means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

(g) There is hereby authorized to be appropriated not to exceed $50,000,000 for the fiscal year ending June 30, 1967, and for each fiscal year thereafter through the fiscal year ending June 30, 1970, for financial assistance extended under the provisions of subsection (a)(3) and (a)(4) hereof.

(h) In order to allow time for adequate and careful district planning, subsection (g) of this section shall not be effective until one year from the date of enactment.

TITLE V—REGIONAL ACTION PLANNING COMMISSIONS

Establishment of regions

SEC. 501. The Secretary is authorized to designate appropriate "economic development regions" within the United States with the concurrence of the States in which such regions will be wholly or partially located if he finds (A) that there is a relationship between the areas within such region geographically, culturally, historically, and economically, (B) that with the exception of Alaska and Hawaii, the region is within contiguous States, and (C) upon consideration of the following matters, among others, that the region has lagged behind the whole Nation in economic development:

(1) the rate of unemployment is substantially above the national rate;

(2) the median level of family income is significantly below the national median;

(3) the level of housing, health, and educational facilities is substantially below the national level;

(4) the economy of the area has traditionally been dominated by only one or two industries, which are in a state of long-term decline;

(5) the rate of outmigration of labor or capital or both is substantial;

(6) the area is adversely affected by changing industrial technology;

(7) the area is adversely affected by changes in national defense facilities or production; and

(8) indices of regional production indicate a growth rate substantially below the national average.

Regional commissions

SEC. 502. (a) Upon designation of development regions, the Secretary shall invite and encourage the States wholly or partially located within such regions to establish appropriate multistate regional commissions.

(b) Each such commission shall be composed of one Federal member, hereinafter referred to as the "Federal cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the region. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the commission shall elect a cochairman of the commission from among their number.

(c) Decisions by a regional commission shall require the affirmative vote of the Federal cochairman and of a majority, or at least one if only two, of the State members. In matters coming before a regional commission, the Federal cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter.

(d) Each State member of a regional commission shall have an alternate, appointed by the Governor or as otherwise may be provided by the law of the State which he represents. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal cochairman of each regional commission. An alternate shall vote in the event of absence, death, disability, removal, or resignation of the State or Federal cochairman for which he is an alternate.

(e) The Federal cochairman to a regional commission shall be compensated by the Federal Government from funds authorized by this Act up to level IV of the Federal Executive Salary Schedule. His alternate shall be compensated by the Federal Government from funds authorized by this Act at not to exceed the maximum scheduled rate for grade GS–18 of the Classification Act of 1949, as amended, and when not actively serving as an alternate for the Federal cochairman shall perform such functions and duties as are delegated to him by the Federal cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by the law of such State.

(f) If the Secretary finds that the State of Alaska or the State of Hawaii meet the requirements for an economic development region, he may establish a Commission for either State in a manner agreeable to him and to the Governor of the affected State.

Functions of Commission

SEC. 503. (a) In carrying out the purposes of this Act, each Commission shall with respect to its region—

(1) advise and assist the Secretary in the identification of optimum boundaries for multistate economic development regions;

(2) initiate and coordinate the preparation of long-range overall economic development programs for such regions;

(3) foster surveys and studies to provide data required for the preparation of specific plans and programs for the development of such regions;

(4) advise and assist the Secretary and the States concerned in the initiation and coordination of economic development districts, in order to promote maximum benefits from the expenditure of Federal, State, and local funds;

(5) promote increased private investment in such regions;

(6) prepare legislative and other recommendations with respect to both short-range and long-range programs and projects for Federal, State, and local agencies;

(7) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(8) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(9) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(10) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation; and

(11) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences.

(b) The Secretary shall present such plans and proposals of the commissions as may be transmitted and recommended to him (but are not authorized by any other section of this Act) first for review by the Federal agencies primarily interested in such plans and proposals and then, together with the recommendations of such agencies, to the President for such action as he may deem desirable.

(c) The Secretary shall provide effective and continuing liaison between the Federal Government and each regional commission.

(d) Each Federal agency shall, consonant with law and within the limits of available funds, cooperate with such commissions as may be established in order to assist them in carrying out their functions under this section.

(e) Each regional commission may, from time to time, make additional recommendations to the Secretary and recommendations to the State Governors and appropriate local officials, with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in its region in the fields of natural resources, agriculture, education, training, health and welfare, transportation, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the commission deems necessary to further the purposes of this Act.

Program development criteria

SEC. 504. In developing recommendations for programs and projects for future regional economic development, and in establishing within those recommendations a priority ranking for such programs and projects, the Secretary shall encourage each regional commission to follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location in an area determined by the State to have a significant potential for growth;

(2) the population and area to be served by the project or class of projects including the relative per capita income and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivisions or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be in competition for the same funds;

(5) the prospects that the project, on a continuing rather than a temporary basis, will improve the opportunities for employment, the average level of income, or the economic and social development of the area served by the project.

Regional technical and planning assistance

SEC. 505. (a) The Secretary is authorized to provide to the commissions technical assistance which would be useful in adding the commissions to carry out their functions under this Act and to develop recommendations and programs. Such assistance shall include studies and plans evaluating the needs of, and developing potentialities for, economic growth of such region, and research on improving the conservation and utilization of the human and natural resources of the region. Such assistance may be provided by the Secretary through members of his staff, through the payment of funds authorized for this section to other departments or agencies of the Federal Government, or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to the commissions. The Secretary, in his discretion, may require the repayment of assistance provided under this subsection and prescribe the terms and conditions of such repayment.

(b) For the period ending on June 30 of the second full Federal fiscal year following the date of establishment of a commission, the administrative expenses of each commission as approved by the Secretary shall be paid by the Federal Government. Thereafter, not to exceed 50 per centum of such expenses may be paid by the Federal Government. In determining the amount of the non-Federal share of such costs or expenses, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services.

(c) There is hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1970, for the purposes of this section.

Administrative powers of regional commissions

SEC. 506. To carry out its duties under this Act, each regional commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the commission to carry out its functions, except that such compensation shall not exceed the salary of the alternate to the Federal cochairman on the commission and no member, alternate, officer, or employee of such commission, other than the Federal cochairman on the commission and his staff and his alternate, and Federal employees detailed to the commission under clause (3), shall be deemed a Federal employee for any purpose;

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the commission such personnel within his administrative jurisdiction as the commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status;

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency;

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel, and the Civil Service Commission of the United States is authorized to contract with such commission for continued coverage of commission employees, who at date of commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government;

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible;

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation;

(8) maintain an office in the District of Columbia and establish field offices at such other places as it may deem appropriate; and

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

Information

SEC. 507. In order to obtain information needed to carry out its duties, each regional commission shall—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a cochairman of such commission, or any member of the commission designated by the commission for the purpose, being hereby authorized to administer oaths when it is determined by the commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized, to the extent not otherwise prohibited by law) to furnish to such commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection.

Personal financial interests

SEC. 508. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of a regional commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than $10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the regional commission involved of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the commission may expect from such State member, alternate, officer, or employee.

(c) No State member of a regional commission, or his alternate, shall receive any salary, or any contribution to or supplementation of salary for his services on such commission from any source other than his State. No person detailed to serve a regional commission under authority of clause (4) of section 506 shall receive any salary or any contribution to or supplementation of salary for his services on such commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from such commission. Any person who shall violate the provisions of this subsection shall be fined not more than $5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal cochairman and his alternate on a regional commission and any Federal officers or employees detailed to duty with it pursuant to clause (3) of section 10 shall not be subject to any such subsection but shall remain subject to sections 202 through 209 of title 18, United States Code.

(e) A regional commission may, in its discretion, declare void and rescind any contract or other agreement pursuant to the Act in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

Annual reports

SEC. 509. Each regional commission established pursuant to this Act shall make a comprehensive and detailed annual report each fiscal year to the Congress with respect to such commission's activities and recommendations for programs. The first such report shall be made for the first fiscal year in which such commission is in existence for more than three months. Such reports shall be printed and transmitted to the Congress not later than January 31 of the calendar year following the fiscal year with respect to which the report is made.

TITLE VI—ADMINISTRATION

SEC. 601. (a) The Secretary shall administer this Act and, with the assistance of an Assistant Secretary of Commerce, in addition to those already provided for, shall supervise and direct the Administrator created herein, and coordinate the Federal cochairmen appointed heretofore or subsequent to this Act. The Assistant Secretary created by this section shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule. Such Assistant Secretary shall perform such functions as the Secretary may prescribe. There shall be appointed by the President, by and with the advice and consent of the Senate, an Administrator for Economic Development who shall be compensated at the rate provided for level V of the Federal Executive Salary Schedule who shall perform such duties as are assigned by the Secretary.

(b) Paragraph (12) of subsection (d) of section 303 of the Federal Executive Salary Act of 1964 is amended by striking out "(4)" and inserting in lieu thereof "(5)".

(c) Subsection (e) of section 303 of the Federal Executive Salary Act of 1964 is amended by adding at the end thereof the following new paragraph:

"(100) Administrator for Economic Development."

Advisory Committee on Regional Economic Development

SEC. 602. The Secretary shall appoint a National Public Advisory Committee on Regional Economic Development which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, State and local governments, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

Consultation with other persons and agencies

SEC. 603. (a) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of area and regional unemployment or underemployment.

(b) The Secretary may make provision for such consultation with interested departments and agencies as he may deem appropriate in the performance of the functions vested in him by this Act.

TITLE VII—MISCELLANEOUS

Powers of Secretary

SEC. 701. In performing his duties under this Act, the Secretary is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with loans made or evidences of indebtedness purchased under this Act, and collect or compromise all obligations assigned to or held by him in connection with such loans or evidences of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with loans made or evidence of indebtedness purchased under this Act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made or evidences of indebtedness purchased under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made or evidences of indebtedness purchased under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 201, 202, 301, 403, and 503 of this Act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or evidences of indebtedness purchased under this Act;

(10) employ experts and consultants or organizations therefor as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of $100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed: *Provided*, however, That contracts for such employment may be renewed annually;

(11) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine which controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 507(b) and 2679 of title 28, United States Code, and of section 367 of the Revised Statutes (5 U.S.C. 316); and

(12) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

Prevention of unfair competition

SEC. 702. No financial assistance under this Act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, material, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises.

Saving provisions

SEC. 703. (a) No suit, action, or other proceeding lawfully commenced by or against the Administrator or any other officer of the Area Redevelopment Administration in his official capacity or in relation to the discharge of his official duties under the Area Redevelopment Act, shall abate by reason of the taking effect of the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such taking effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the Secretary or the Administrator or such other officer of the Department of Commerce as may be appropriate.

(b) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties under the Area Redevelopment Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer of the Department of Commerce as, in accordance with applicable law, may be appropriate.

Transfer of functions, effective date, and limitations on assistance

SEC. 704. (a) The functions, powers, duties, and authorities and the assets, funds, contracts, loans, liabilities, commitments, authorizations, allocations, and records which are vested in or authorized to be transferred to the Secretary of the Treasury under section 29(b) of the Area Redevelopment Act, and all functions, powers, duties, and authorities under section 29(c) of the Area Redevelopment Act are hereby vested in the Secretary.

(b) The President may designate a person to act as Administrator under this Act until the office is filled as provided in this Act or until the expiration of the first period of sixty days following the effective date of this Act, whichever shall first occur. While so acting such person shall receive compensation at the rate provided by this Act for such office.

(c) The provisions of this Act shall take effect upon enactment unless herein explicitly otherwise provided.

(d) Notwithstanding any requirements of this Act relating to the eligibility of areas, projects for which applications are pending before the Area Redevelopment Administration on the effective date of this Act shall for a period of one year thereafter be eligible for consideration by the Secretary for such assistance under the provisions of this Act as he may determine to be appropriate.

(e) No financial assistance authorized under this Act shall be used to finance the cost of facilities for the generation, transmission, or distribution of electric energy, except on projects specifically authorized by the Congress, or to finance the cost of facilities for the production or transmission of gas (natural, manufactured, or mixed).

Separability

SEC. 705. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act or the application thereof to any persons or circumstances shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Application of Act

Sec. 706. As used in this Act, the terms "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Annual report

Sec. 707. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1966. Such report shall be printed and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made.

Use of other facilities

Sec. 708. (a) The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act.

(c) Funds authorized to be appropriated under this Act may be transferred between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

Appropriation

Sec. 709. There are hereby authorized to be appropriated such sums as may be necessary to carry out those provisions of the Act for which specific authority for appropriations is not otherwise provided in this Act. Appropriations authorized under this Act shall remain available until expended unless otherwise provided by appropriations Acts.

Penalties

Sec. 710. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under section 101, 201, 202, or 403 or any extension thereof by renewal, deferment or action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(b) Whoever, being connected in any capacity with the Secretary, in the administration of this Act (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans, grants, or other assistance from the Secretary, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

Employment of expediters and administrative employees

Sec. 711. No financial assistance shall be extended by the Secretary under section 101, 201, 202, or 403 to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and (2) execute an agreement binding such business enterprise, for a period of two years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

Prevailing rate of wage and forty-hour week

Sec. 712. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5). The Secretary shall not extend any financial assistance under section 101, 201, 202, or 403 for such a project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

Record of applications

Sec. 713. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for financial assistance under section 101, 201, 202, or 403, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved; (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan or grant for which application is made, (3) the purposes for which the proceeds of the loan or grant are to be used, and (4) a general description of the security offered in the cause of a loan.

Records and audit

Sec. 714. (a) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this Act.

Conforming amendment

Sec. 715. All benefits heretofore specifically made available (and not subsequently revoked) under other Federal programs to persons or to public or private organizations, corporations, or entities in areas designated by the Secretary as "redevelopment areas" under section 5 of the Area Redevelopment Act, are hereby also extended, insofar as practicable, to such areas as may be designated as "redevelopment areas" or "economic development centers" under the authority of section 401 or 403 of this Act: *Provided, however,* That this section shall not be construed as limiting such administrative discretion as may have been conferred under any other law.

Sec. 716. All financial and technical assistance authorized under this Act shall be in addition to any Federal assistance previously authorized, and no provision hereof shall be construed as authorizing or permitting any reduction or diminution in the proportional amount of Federal assistance to which any State or other entity eligible under this Act would otherwise be entitled under the provisions of any other Act.

Mr. McNAMARA. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1309) to authorize checks to be drawn in favor of financial organizations for the credit of a person's account, under certain conditions.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the Houses on the amendments of the Senate to the bill (H.R. 7765) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 23, 41, 47, 49, and 50 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 1 to the bill and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House disagreed to the amendments of the Senate to the bill (H.R. 8639) making appropriations for the Departments of State, Justice, and Commerce, the

Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ROONEY of New York, Mr. SIKES, Mr. SLACK, Mr. SMITH of Iowa, Mr. FLYNT, Mr. JOELSON, Mr. MAHON, Mr. BOW, Mr. LIPSCOMB, and Mr. CEDERBERG were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 9947) to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives, and for other purposes.

U.S. POSITION IN REGARD TO ENFORCING ARTICLE 19 OF THE UNITED NATIONS CHARTER

Mr. AIKEN. Mr. President, this afternoon, Ambassador Goldberg presented to the Committee of 33 at the United Nations a statement setting forth the position of the United States in regard to enforcing article 19 of the United Nations Charter.

This article provides that when a member becomes 2 years in arrears on assessments it shall lose its vote in the General Assembly.

The Ambassador's statement says, in effect, that we will not attempt to force a vote on France and Russia for their refusal to pay assessments levied for the purpose of maintaining a police force in the Congo, an operation to which both nations objected.

The fact is, it is doubtful whether the United States could force a direct vote on this issue, but, if we could, it is quite certain that our effort would be heavily defeated with many of our closest allies voting against us.

It should furthermore be understood that should article 19 be literally enforced, France and Russia would lose only their vote in the U.N. General Assembly, a body of 114 members.

Neither country would lose its seat in the General Assembly nor in the United Nations.

Neither country would lose its place on the Security Council nor its veto power in the Council.

It must also be recognized that if the United Nations should attempt to assess us for the cost of maintaining armed force in the Western Hemisphere, we would probably refuse to pay.

Since the prospect of either collecting these assessments from France and Russia or of punishing them for a violation of the charter is virtually nil, the United States was put in the position of either facing certain defeat in the General Assembly or accepting the fact that from now on the United Nations will be largely financed on a voluntary basis for, if action cannot be taken against Russia and France for nonpayment of assessments, it certainly should not be taken against the smaller, poorer nations.

The question is whether the United Nations is worth keeping as an international organization.

It is obvious that it cannot continue under rules to be observed by part of the membership and ignored by the rest.

Therefore, in announcing that the United States would no longer be bound to observe the provisions of article 19, Ambassador Goldberg took the only practicable course left open; the alternative would be to withdraw completely from this world organization.

It was not an easy decision to make. It does not by itself guarantee the effectiveness of the United Nations in the future.

It will be found thoroughly unsatisfactory and will be condemned by many people, some of whom are opposed to international organizations in principle.

It does, however, offer an alternative and perhaps the only alternative to a growing world crisis which could conceivably end in human disaster.

Mr. President, I appreciate very much that the Senator from Colorado [Mr. DOMINICK] yielded to me in order to make these remarks.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

The Senate resumed the consideration of the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

Mr. McNAMARA. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I am glad to yield to the Senator from Michigan.

Mr. McNAMARA. Mr. President, numerous complaints have been stated as to the administration of the program by OEO. Much of the criticism is directed toward specific incidents of alleged maladministration. It would not be possible, nor in my opinion appropriate, for me to attempt to answer these statements. However, I should like to point out that this is a new agency in operation less than a year, designed to meet a gigantic problem—that of reducing poverty in the United States. To expect that there would not be problems in administration would be unreasonable. During the hearings, the Director, Sargent Shriver, and other OEO officials, gave us every assurance that this problem is recognized and every effort will be made to correct it.

Although I do not intend to minimize these statements, it does seem to me we should look to the achievements of the new agency, which was funded less than a year ago.

I thank the Senator from Colorado for yielding to me.

Mr. DOMINICK. Mr. President, on behalf of the Senator from Wyoming [Mr. SIMPSON] and myself—and the Senator from Wyoming is necessarily absent today—I send to the desk for reference and printing an amendment that we intend to offer to the pending bill.

The amendment merely reaffirms and strengthens the provision in title 1 of the bill, which would prohibit activities of the Job Corps when the effect would be to displace employed people or take over services which were being accomplished by private enterprise firms.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. DOMINICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, in 1919, the late President Franklin D. Roosevelt said:

> Every one of us would like to see a state of perfection on earth; but we know that every great reform takes time and good judgment, and that too great haste often defeats its own ends.

Seventeen months ago the President of the United States announced a program to eradicate poverty in America. One year ago Congress passed the Economic Opportunity Act of 1964 to put that program into operation. Now, after the expenditure of nearly $800 million, Congress should pause to take stock of its creation.

The basic underlying principle of the war on poverty is sound—and it is in the best tradition of the American people. It is not the principle of charity, nor of patronizing benevolence. It is not the principle of the freeload and the dole. It is the principle that it is right—and wise—for Americans to help their fellow Americans to help themselves.

President Johnson recognized this when he said, in his initial message to Congress:

> The war on poverty is not a struggle simply to support people, to make them dependent on the generosity of others. It is a struggle to give people a chance. It is an effort to allow them to develop and use their capacities, as we have used ours, so that they can share, as others share, in the promise of this Nation.

Walter Heller, then Chairman of the Council of Economic Advisers, put it this way:

> The essence of the President's attack on poverty is the creation of new economic opportunities, a chance for the poor who are able to do so to earn their way out of poverty.

There is scarcely an American today so callous, so ruthless, so flinthearted, as to repudiate this principle embedded so deeply within us as a people.

The great national debate on the poverty program today is not a debate on the merits of its fundamental principle. As so often occurs in American society, the debate rages over the means by which those in power seek to translate that principle into action. The issue before the Congress today is, simply, this: In view of the magnitude of the poverty problem in America, and in view of the resources committed to overcome it, has the war on poverty been a success?

Any attempt to answer this query must necessarily result in a balancing of positive and negative accomplishments. The administration and the Office of Economic Opportunity have emphasized the positive achievements of the war on poverty, and their arguments are not without merit. Because of the war on poverty, for example, 561,000 young Americans are being introduced to the world of learning through Project Head Start. Eighty thousand young men and women have had the opportunity to earn the money they need to stay in college. Nearly 90,000 unemployed heads of families have received work training and experience that will help them to become producers instead of public charges. Ten thousand men and women in rural areas have received loans that will give them a new incentive to improve their incomes and standards of living.

Nor has the Office of Economic Opportunity rejected every criticism that has been made of the program. Commendably, the Office has candidly admitted that in some areas serious difficulties have developed. In view of the magnitude of the poverty problem in America, in view of the depths of its roots and persistence of its causes, some failures were inevitable. The Congress has no right to expect perfection from the administrators of its programs.

Yet, when all this is said and done, when every reasonable allowance has been made for extenuating circumstances, when the benefit of many doubts has been generously granted, the fact remains that this so-called war on poverty has exhibited classic examples of administrative bungling, haphazard haste and costly waste, shoddy coordination, bureacuratic secrecy, excessively high salaries, heavy-landed dictation, ugly politics and—worst of all—botched opportunity.

Let us examine the various charges brought against the operation of the war on poverty:

THE POVERTY ARMY IS LED BY A PART-TIME GENERAL

There is scarcely a position in Government more demanding of full-time attention than that of Director of the Office of Economic Opportunity. Yet, the present Director must devote part of his time and energy to the task of running the Peace Corps. In view of the present administration's predilection for appointing four where two could serve, it is truly surprising that here it has appointed only one to do what is admittedly the job of two. The sooner the Office of Economic Opportunity and the Peace Corps get separate, full-time Directors, the better it will be for both.

A. COMPARISON OF PREDICTION AND THE RESULTS SHOW A SIGNIFICANT PERFORMANCE GAP

When the poverty legislation was before the Congress last year, we were told how many people the various programs were to benefit in the first fiscal year of operation. In one program—the Neighborhood Youth Corps—the stated goal of 200,000 has been exceeded, with 277,000 young people employed. In view of the simple nature of this program, its success in reaching its numerical goal is not surprising.

Other programs, however, have been less successful. Last year it was estimated that 140,000 youths would benefit from the college work study provisions. At the close of the fiscal year the actual number was around 80,000. Even doubling the spring semester recipients to account for the fall semester of 1964, when the program was not yet in operation, the total would be only 114,000, far below the goal.

Last year it was estimated that 130,000 persons would be enrolled in the work experience programs under title V. At the close of the fiscal year 88,700 had been enrolled.

Last year it was estimated that 40,000 Job Corps men would be in the program by the first year. The actual number at the close of the fiscal year was only about 10,000.

Last year it was estimated that 1,000 VISTA volunteers would be in the field at the end of the fiscal year, provided only that enough young men and women stepped forward to enroll. Fifteen thousand did step forward to enroll—and as of June 30 a total of 202 were actually in service.

And even some of these OEO figures are open to question. Jack Steele of the Scripps Howard Newspaper Alliance gave a progress report on the war on poverty as of the end of its first fiscal year.

Mr. President, I ask unanimous consent that excerpts from an article entitled, "Troubles, Delays, and Confusions—Poverty War Ends Year of Crisis," written by Jack Steele in the Washington Daily News of July 1, 1965, be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Without objection, it is so ordered.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[Excerpts from Washington Daily News, July 1, 1965]

TROUBLES, DELAYS, AND CONFUSIONS—POVERTY WAR ENDS YEAR OF CRISIS

(By Jack Steele)

Bitter political warfare—still largely unsettled—has stymied the community action program in most of the Nation's big cities. This program is the keystone of the antipoverty war since it will provide the machinery for helping the poor. In rural areas, lack of community initiative has delayed the CAP program even more.

VISTA, the so-called Domestic Peace Corps, was originally supposed to enroll 5,000 volunteers to help the poor by June 30. As of yesterday it actually had 203 such volunteers working in the field and 842 more in training.

The Job Corps, which Mr. Shriver told Congress last autumn would have 30,000 to 40,000 teenage dropouts in some 75 camps by June 30, actually had 8,345 in 48 camps as of Tuesday. And more than 15 percent of those sent to Youth Corps camps had already quit the camps.

GLOSS OVER

Mr. Shriver and his battery of public relations experts have managed to gloss over most such lags and failures in the antipoverty program. Here's how they've done it.

In recent weeks, OEO officials have worked day and night to allocate funds for antipoverty projects and thus use up all the $793 million Congress appropriated last year for the program and clear the way for passage of this year's $1.5 billion fund request. Much of this money won't be spent—or the projects even started—for months.

Mr. Shriver listed 265,000 enrollees in the Neighborhood Youth Corps. But the 100,000th enrollee was inducted at a White House ceremony on June 11, less than 3 weeks ago. And Neighborhood Youth Corps officials, after whirling their computers, came up yesterday with a top enrollment estimate of 175,000—including 70,000 in a special summer "leaf-raking" project. The first-year goal for this program was 200,000.

Mr. Shriver's list included 88,000 in a so-called work experience program run by the Health, Education, and Welfare Department. But HEW officials yesterday reported the program had 15,240 actual enrollees in 59 projects now in operation.

The OEO Director also listed 600,000 direct beneficiaries of community action programs. Yet most of the CAP projects approved thus far are so-called planning or demonstration grants which provide help or employment to relatively few of the poor. And only a few of these are yet off the ground.

Mr. PROUTY. Mr. President, a striking exception to the performance gap is the administrative costs of the program. The OEO Director said last year that his administrative budget would be about $3.5 million and that he would employ 300 to 700 people. As of June 30, 1965, the amount obligated for administrative expenses of the Office was over $6.1 million, and the number of employees was hovering around the thousand mark.

What has caused this gap between prediction and performance? Two answers suggest themselves: A lack of clear understanding of the complexities of creating these new programs, resulting in euphoric election-year predictions unrelated to reality; or administrative confusion and chaos in the implementation. The true answer is probably a combination of the two.

THE ADMINISTRATIVE RECORD OF THE OFFICE OF ECONOMIC OPPORTUNITY HAS BEEN A SORRY STORY OF DELAY AND BUNGLING

The war on poverty has been a godsend to those mild mannered little fellows who take secret satisfaction watching the high and mighty goof up the works. Not even OEO has yet paid any one to add up the inches of newspaper lineage that have been used to describe the fumbling and bumbling of the poverty administrators, but it is said that around Washington one can get 3 to 1 that the stories laid end to end would reach from the White House Rose Garden to Catoctin, Md., and part way back.

In my own State the local Democrat in charge of the poverty program at the State level has assailed OEO for "inexcusable delays." He told how the Washington poverty warriors put on the heat to get all program applications submitted before the fiscal year deadline—then were unable to tell him the status of the projects thereafter. "There is no person or place we can go to get a reading on the status of our own programs," he said.

Just the other day, testifying before the Senate Government Operations Subcommittee, Dr. Murray Grant, Health Director of the District of Columbia, stated that the District had applied for public welfare funds about 9 months ago, but the application was still pending. He went on to say that the District government had made repeated inquiries since that time as to when the money might be forthcoming, apparently with no success. There is now a 2-month backlog of cases. Space, and perhaps the resources of the Government Printing Office, do not permit a complete listing of all such interesting examples, but the man so rash as to suggest these instances are uncommon has not yet stepped forward.

If unprocessed applications were negotiable, like bank drafts, I would advocate putting a strict security guard around the Washington poverty headquarters; for within those walls reposes what is probably the most massive collection of ignored, forgotten, and bogged-down applications known to the Western World since the halcyon days of the great South Seas bubble.

An otherwise sympathetic observer, Eve Edstrom of the Washington Post, characterized this abysmal situation succinctly when she reported:

> The confusion caused by the law itself has been compounded by the turmoil that exists at the Office of Economic Opportunity. "We operate from crisis to crisis," one Federal antipoverty worker said "We're always in perpetual motion but I'm not sure where we're going."

HEAVYHANDED DICTATION FROM WASHINGTON STIFLES LOCAL FLEXIBILITY AND INITIATIVE

One of the great virtues of the antipoverty program, as conceived a year ago, was that it was designed to allow maximum latitude for experimentation at local levels. True, there has been a great deal of experimentation—one Mississippi Head Start center has experimented with eliminating bookkeeping controls on a $1.2 million project, and the Memphis Neighborhood Youth Corps has experimented in requiring kickbacks from corpsmen to pay unauthorized supervisors. But in many cases the bureaucrats on top have squashed local initiative by laying down impossible requirements and meddling with even the smallest details.

Typical of this malady is the situation at that boon to antipoverty critics, the St. Petersburg Women's Job Corps Center. At this establishment, so I am told, no officer may talk to the press without reporting by long-distance telephone to Washington the substance of the conversation. These phone calls probably add up to quite a sum, since Washington may have a hard time getting the message over the rumbling of hot rod exhausts, the continuous rock-and-roll parties, the omnipresent police sirens that rise to a crescendo whenever an inmate makes a break for it, and, more recently, the angry mutterings of the local citizens. Pinellas County's assistant school superintendent, struggling to make this center less of a disaster, says:

> We were so deluged by so many people from Washington giving us information and advice on community relations, public health, and home and family living that it was just plain confusing.

In my own State of Vermont, the acting State director of economic opportunity has had occasion to state that local volunteer agencies have "done everything but stand on their heads. They've formed programs, then changed them or scrapped them to meet the Federal suggestions."

And yet, at the time of his statement, the applications were bogged down somewhere in OEO.

It is always necessary in a Federal grant program for the administrators to stay close enough to the various situations to see that proper procedures are carried out, and that Federal funds are not expended without justification. But this sort of intelligent supervision, in the hands of a zealous bureaucrat, can easily shade into the tyranny of centralized direction that stifles local programs. Happily, the European Communist world is learning this, and is decentralizing all but the most basic economic decisions. One hesitates to say that OEO should profit from this trend in the Communist world, but the point should be clear.

HASTE AND WASTE—THE ROMULUS AND REMUS OF OEO

According to legend, the great empire of Rome had its beginning in the birth of the brothers Romulus and Remus, suckled by a she-wolf on the banks of the Tiber. The analogous allegory for the economic opportunity empire would have to be "haste and waste," suckled to a sleek corpulence by the American taxpayer.

Haste holds sway whenever a well-intentioned project flounders due to inadequate preparation. The deft touch of haste appears behind the screening procedures that send a girl 5 months pregnant to the Women's Job Corps, accompanied by another who was emotionally ill, 2 who refused to heed curfews and no-drinking rules, and 20 who did not much care about the whole project.

Waste rears its ugly head when seamstresses are hired to remake clothes for Job Corps girls who are supposed to be learning to sew, maids are hired to make the beds of Job Corps girls who are supposed to be learning practical homemaking, and construction gangs are hired to spruce up abandoned forest camps for boys who are supposed to be learning basic job skills in carpentry and plumbing.

Waste gloats gleefully in city after city, including the Nation's Capital, where formerly anonymous political coadjutors emerge at succulent salaries of $18,000 and even $25,000. And it chortles with pleasure as OEO functionaries crawl over each other trying to find out what they are supposed to be doing, while the administrative budget continues its incessant march skyward.

THE RULES OF THE ROAD—AVOID STATE AND LOCAL OFFICIALS, KEEP LOCAL PEOPLE IN THE DARK

One well-documented example is sufficient to exemplify the way the "povercrats" prefer to deal with local officials and citizenry. The pattern was set when the very first Job Corps camp location was announced—at Yorktown, Va.—before any local people had been consulted. This excerpt from a statement by Congresswoman CATHERINE MAY, of Washington, shows how the concept has been honed to near perfection in the months since.

I ask unanimous consent to include in the RECORD Representative MAY's observation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM STATEMENT OF REPRESENTATIVE CATHERINE MAY, REPUBLICAN, OF WASHINGTON, BEFORE THE HOUSE REPUBLICAN TASK FORCE ON ECONOMIC OPPORTUNITY, JUNE 16, 1965

The first situation I would like to discuss is the announced establishment of a Job Corps conservation center to be located on the Yakima Indian Reservation near the small community of White Swan.

The official announcement concerning this Job Corps camp was contained in a press release from the Office of the Secretary of the Interior which detailed the locations of 14 Job Corps camps in 10 States to be activated early that fall. The Secretary's announcement states, "Each of these camps will also be a great community asset." This press release, which was received in my office on August 19, 1964, the date it was to be released, was the first notification received by me of this project and was, in fact the first official notification received by the people of White Swan, a community of approximately 200 inhabitants and approximately 2 miles from the announced site of the camp.

From information I was able to piece together later, it became evident that a great deal of secrecy had surrounded the circumstances in arriving at the selection of this site for a Job Corps camp. The Bureau of Indian Affairs, once a decision had been made, consulted only with the Yakima Tribal Council and it is my understanding the Bureau told the tribal council that Indians would be put to work and that the work to be accomplished would be in the nature of work which would benefit the Indian reservation. The Secretary of the Interior's announcement of August 19, 1964, in fact, stated: "The enrollees will be concerned primarily with timber and range conservation practices such as timber thinning and construction of fire roads and trails."

It is not difficult to understand the immediate reaction of the people of White Swan who naturally were concerned over the effect on their community of the arrival of as many Job Corps "guests" as there are inhabitants. Urgent requests for complete information on the impact of such a facility were made to my office. I point out again that no such information had been volunteered either prior to or following the brief original announcement. Inquiries were initiated by my office to the Bureau of Indian Affairs because the Office of Economic Opportunity advised they had no information with which to respond to the community concern. To give an example of this kind of bureaucratic attitude, we were told by a spokesman of the Bureau of Indian Affairs that "If a community wishes to protest it should do so to the Yakima Indian Agency superintendent." On August 28, 1964, we were also advised that this was only a "proposed" establishment since Congress had not as yet appropriated the money to establish any of the Job Corps centers. This fact brought out yet another interesting point because I was later informed that even prior to the August 19 announcement work crews contracted by the Bureau of Indian Affairs were busy clearing a site for the proposed establishment. I still do not know the source of the funds for this preliminary work.

On August 28, 1964, I asked Sargent Shriver, Director of the President's Task Force on the War on Poverty, to arrange for a public hearing on the announced establishment of a Job Corps camp near White Swan. I advised Mr. Shriver that since the August 19, 1964, announcement of the location of the camp a number of residents of nearby communities had indicated their concern over the location of such a camp in their area and that many of these individuals were asking questions which deserved factual answers. I advised Mr. Shriver that I had discussed the situation with the Governor's representative appointed to handle antipoverty programs in the State (who incidentally had not been provided answers to the questions being asked) and that we both agreed that a full public hearing should be held in the area as soon as possible so that all the individual citizens would have all the facts upon which to base opinions. On September 2, 1964, I was advised by the Governor's representative that the Bureau of Indian Affairs regional office had notified him that they would hold a public meeting in the White Swan High School on September 9 to inform the community of plans for the proposed Job Corps camp. I initiated telephone calls to the Office of Economic Opportunity to ask whether this meeting was in response to my request for hearing and was advised that a representative of Sargent Shriver's office would attend the meeting. I did not receive any written response to my letter requesting a hearing.

The meeting was held in the White Swan High School the evening of September 9, 1964. I was subsequently advised that only written questions were allowed from an audience of about 350 persons and no oral discussion was permitted. One gentleman stood up and demanded that he be heard and was given the opportunity to make a brief statement. This, Mr. Chairman, was not the kind of hearing I had requested, although I was given to understand that generally speaking the audience seemed to be satisfied with the answers received to their written questions, mostly handled by the representative from Sargent Shriver's office.

The then Governor of the State of Washington subsequently approved the camp. It was about this time that a local attorney for a group of White Swan residents protested to the Office of Economic Opportunity the establishment of the camp, contending that work planned by occupants of the camp would benefit Yakima Indians only and therefore was discriminatory against non-Indians. The attorney based his contention on the Civil Rights Act passed by Congress in 1964. The General Counsel for the Office of Economic Opportunity advised the local attorney, "We are acquainted with no law or policy against discrimination on the basis of race which is violated by the operation of a conservation center on the Yakima Indian Reservation Center." The General Counsel went on to state in his letter, "Government policy against discrimination, whatever source, does not generally prevent the expenditure of money to benefit Indians on an Indian reservation." The local attorney said he could not agree and that he would seek a Federal injunction to stop the establishment of a camp. The new Governor agreed that before he would approve the camp that assurance would have to be given that the general public would have access to and use of facilities constructed by the Job Corps. There the matter rested for many months. However, as recently as early this month, Otis A. Singletary, Director of the Job Corps, said in a letter to the local newspaper in Yakima, Wash., the largest nearby community, that he was holding up approval of the White Swan Camp because of "poor community attitudes." Apparently recognizing the former Governor's approval of the site and not waiting for the new Governor's recommendation, Dr. Singletary indicated in his letter that the Office of Economic Opportunity had every legal right to proceed with the camp, but the delay was "based solely on my concern for the enrollees."

In the meantime, the new Governor, continuing to be concerned over the two questions, that of community acceptance and that of general public use of an access to the facilities, obtained from local communities assurances that public opinion had gradually changed to favor the camp and new letters were received from the Bureau of Indian Affairs and Yakima Tribal Council giving assurances the public would have access to and use of the facilities after all. The Governor just last week wrote to the Office of Economic Opportunity approving the location of the camp and this last Friday evening, June 11, my office was called by the Deputy Director for the Job Corps to be advised that that office would now proceed with the camp.

I might say parenthetically that when I asked the Office of Economic Opportunity last Friday evening for details I was advised they had none. They assumed the camp would be established as originally proposed, but that the Bureau of Indian Affairs would have to provide the details. Once again, Mr. Chairman, the local citizens found themselves "in the dark" as to details of the situation.

I will not dwell long on the second Job Corps camp proposal in my district.

This is a camp to be administered by the Bureau of Reclamation to be located on the Columbia Basin reclamation project. In February of this year it was announced by the Bureau of Reclamation headquarters on the project that the Office of Economic Opportunity had requested a recommendation for a location of a Job Corps conservation center on the Columbia Basin project. This was undertaken and on April 27 of this year the President announced a number of new Job Corps conservation centers, including one on the Columbia Basin project. Accompanying the White House announcement was a detailed fact sheet which stated that the Columbia Basin center would be located on land owned by the city of Ephrata. The announcement went on to state, that two buildings consisting of a two-story dormitory building and a former messhall will be made available by the city of Ephrata. The city of Ephrata was delighted by this announcement because the people of Ephrata had actively sought the center and the Ephrata location had received a favorable recommendation from the Bureau of Reclamation.

Within a matter of hours after the President's announcement, however, the announcement was withdrawn, insofar as exact location is concerned, and I received from the Ephrata Chamber of Commerce an urgent letter wanting to know what had happened and reaffirming its wishes for the center. My office, Mr. Chairman, made repeated calls to the Office of Economic Opportunity from Dr. Singletary on down and about all we could learn was that the Office of Economic Opportunity thinks it will establish the Job Corps center at Larson Air Force Base near Moses Lake, Wash., instead of Ephrata. As nearly as I can tell, no local request for establishment of the center at Larson Air Force Base or at Moses Lakes was ever made. The people of Ephrata are understandably angry, especially because the center was announced for their town and then the announcement withdrawn. No one in the Office of Economic Opportunity has ever explained to me why the announcement was made for Ephrata in the first place and, as a matter of fact, they won't even admit that it was announced for Ephrata even though I have a copy of the announcement in my possession. This, Mr. Chairman, strikes me as a prime example of the right bureaucratic hand not knowing what the left bureaucratic hand is doing.

Again, Mr. Chairman, one would think the people in the Office of Economic Opportunity would have learned from the White Swan situation, but experience made no difference in the case of the Columbia Basin center. What I am afraid of now, Mr. Chairman, is that the Ephrata people will be hostile to the project and will not be in a mood to cooperate with the trainees. Ephrata is only 26 miles from Moses Lake.

RAISING FALSE HOPES

Mr. PROUTY—

> I'm worried about a possible loss of interest and enthusiasm on the part of the people who have worked so hard on a volunteer basis to get this program started—

So spoke Vermont's director of economic opportunity when the program in our State came almost to a standstill because of delays in Washington.

Thousands upon thousands of eligible Job Corps youths across the land are disenchanted. Billboards, diskjockeys, and poverty missionaries have assiduously spread the word that "the Job Corps needs you"; yet, with 228,000 inquiry cards received, only about 16,000 corpsmen had been accepted and assigned at the end of the first fiscal year. What of those others, who seized the initiative—perhaps for the first time in their lives—to seek the help of the Job Corps in getting themselves out of the morass of poverty? What is the effect on them, in real, personal terms, of one more apparent rejection—this one after having been led on by all the OEO ballyhoo? If the poverty people are going to lure youths into the gingerbread house, they should be prepared to hand out cookies, not waiting room numbers.

Similarly, false hopes have been raised among the elderly. The Office of Economic Opportunity has not been able to find any way to focus on the needs of our older citizens. In desperation, faced with congressional murmurings, the Director has belatedly established—on June 14 of this year—a special task force to try to come up with something. In the meantime the elderly—a group for which poverty is both prevalent and serious—can hope only to catch on in some other program not designed to help them or meet their specific needs.

Nor was it fair to the elderly for the Director, a special assistant to the President of the United States, to come before the committee and express his support of my proposal to substantially increase the monthly social security benefits. Later, when the 1965 social security amendments were before the Senate, the administration forces battered down my proposal by an overwhelming margin.

OEO'S COAT OF ARMS; DUPLICATION RAMPANT ON A FIELD CHAOTIC

A good summary of the ineffectiveness of coordination of the Federal antipoverty effort is provided in an article from the Wall Street Journal of June 9, 1965.

This article by Jerry Landauer in my judgment is quite objective, and I ask unanimous consent that it be included in the Record at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Overlapping Uplift—War on Poverty Spills Over Into Many Federal Agencies

(By Jerry Landauer)

Washington.—It's been 6 months since Congress voted the first funds for the new Office of Economic Opportunity but Sargent Shriver's researchers haven't identified yet all the existing Federal activities that conceivably could fall under his sway as generalissimo of the antipoverty crusade.

Admittedly the tabulating task is tough. The Library of Congress, restricting its count to those offering aid to State or local governments, cataloged 115 such programs or "closely related groups" last year; if "subcategories" are included the total swells to 216.

For sheer scope, these figures suggest Mr. Shriver's job is matched by none save the President's and the Defense Secretary's. Furthermore, his congressional mandate to "coordinate the antipoverty efforts of all Federal agencies" will become more demanding before, if ever, it becomes more manageable. The Library's count didn't include all 17 sizable programs enacted in the 88th Congress, nor, of course, the dozens more enacted or pending in this Congress. "We're starting to run out of new stuff to propose," one policymaker concedes.

No wonder. Nowadays a school dropout can get help from the Juvenile Delinquency and Youth Offenses Control Act, the Manpower Development and Training Act, the Vocational Education Act, the Job Corps, the Neighborhood Youth Corps, a variety of welfare programs and, at the option of local citizens' groups or school boards, from Mr. Shriver's community action grants and from the new billion-dollar school aid law.

Fifteen programs authorize aid for acquiring teaching equipment, nine provide teacher training, and four, all enacted since 1962, include funds to promote basic adult literacy. Needy students can reach for loans or scholarships offered by eight, not including President Johnson's higher education bill.

Overlap obviously isn't a new problem in big government. "Believe me, it's long been a department head's biggest headache," says the top assistant to a member of the Kennedy Cabinet. Democrats assert, moreover, that for all its talk of bringing businesslike techniques to Washington, the Eisenhower regime left scant dents in the many-layered bureaucracy. (To this observation must be added the fact that for all but 2 of his 8 White House years Ike faced a Democratic Congress.)

President Johnson, of course, wants efficiency and he's taken some small steps toward it, among them reorganization plans to tidy up the Customs Bureau and merge the Weather Bureau with the Coast and Geodetic Survey. Another proposal, an old one, to upgrade the Housing and Home Finance Agency to Cabinet status, is similarly billed as an efficiency move.

DIVISION OF RESPONSIBILITY

Yet, in greater measure than he can hope to untangle jurisdictional conflicts by such steps, the President contributes to overlap by dividing responsibility among his top men for the panoply of old and new programs designed to uplift poor people and renew poor places.

Rather than shake up a limping agency or beef up an existing endeavor, the White House piles on a new program. "If we don't catch 'em with one we'll catch 'em with another," according to a congressional aid who has helped write several administration bills. In this sense, Lyndon's administrative style is reminiscent of Franklin Roosevelt's.

Few who've heard Mr. Johnson, his voice wavering, recall desperate men garbage grubbing for grapefruit rinds in depression days doubt his fidelity to the poverty-conquering cause; nothing less than total war on poverty, or at least the appearance of it, satisfies the restless Chief Executive. So he applies several plows to the same sod.

Look at regional renewal. Deeply disturbed by rural distress, Agriculture Secretary Freeman first expanded his domain to embrace every poor person, whether farmer or not, who happens to live in a rural place, and he set his sights on 8 million new jobs in rural America. To reach that target his Department increasingly promotes industrial development, helps search for minerals, issue loans for industry-serving utilities, looks for tourists, and helps develop water sources for factories.

But with hardly a glance at Agriculture-sponsored renewal, the White House redesignated Commerce as the chief renewal agency. The Appalachia program authorizes Secretary Connor to approve and help finance local development districts in 11 States. And the administration's big public works and development bill would have him designate, and funnel aid to, a continent-spanning network of redevelopment areas and larger economic development districts containing "economic development centers." Higher up, he'll work with regional action planning commissions embracing at least two States.

Mr. Connor's areas and districts will crisscross many of the 2,000 county-based rural areas development committees already prodded into existence by Secretary Freeman. It's hoped that those of Mr. Shriver's community action groups functioning in rural spots will cooperate with Mr. Freeman's network of county committees (in a few places the two are identical) and where possible, with Mr. Connor's redevelopment areas.

As part of regional renewal the Government launched a pilot project in four distressed Indiana counties to speed the development of industry, land, water, mineral resources, recreation, and tourism. This sounds like something the Commerce Department's development planners might be trying; in fact, though, it's a Freeman project.

The troubles policymakers encounter just in thinking up names for the agencies they'd like Congress to establish reflect how tough it is to sort out clear lines of authority for the uplift effort, particularly in the unclaimed land between cow country and outward-creeping city.

Awhile back, Mr. Freeman set up what was called the Office of Rural Areas Development, a new agency offering advice and technical help to his Department's county committees. Now, asking Congress for money to establish small branches in 20 or more States, he wishes the agency to be known as the Rural Community Development Service. Note how "rural community" suggests a concentration of population more dense than "rural area" but less populous than "urban area."

WHAT'S IN A NAME?

Last year, hoping to sidestep smalltown Congressmen's fears that giving HHFA Cabinet rank would enlarge big-city influence, policymakers dropped the word "urban" from HHFA's proposed name; they suggested calling it the Department of Housing and Community Development. But this year, enjoying bigger majorities in Congress, the White House stopped fiddling around; now it's proposed to baptize HHFA as the Department of Housing and Urban Development, thus leaving in-between "community development" to Mr. Freeman.

Understandable, then, is the wary eye Housing Administrator Robert Weaver's people cast at Mr. Freeman. Shortly after Agriculture asked for a $350 million fund to insure rural housing loans, the Federal Housing Administration sent word to its local offices that "no community should be considered too remote or too isolated for FHA to serve in a prompt manner."

Apart from big government's built-in overlap, believers in tidiness confront Lyndon Johnson's unique personality. He's just as determined to project a glowing record of economy as he is to lead the costly antipoverty crusade. The result is compromise. Rather than be selective among the 34.6 million Americans deemed "hard core poor" by Mr. Shriver's statisticians, the Government spreads money and effort every which way, boosting overhead, generating more overlap and, so critics claim, assuring mediocre results.

As always, politics plays a part. At least for the first year, all 1,000 counties that had been eligible for special subsidies from the spectacularly unsuccessful Area Redevelopment Administration can knock on Secretary Connor's door for similar help after the bigger development bill becomes law. And, to mobilize maximum congressional support for the billion-dollar-a-year bill to help "educationally deprived" children, Johnson men concocted a formula spreading whatever an eager Congress appropriates to all but 6 percent of the Nation's 3,000-odd counties.

Yet, months before Mr. Johnson ceremoniously signed the school aid bill outside his Texas boyhood schoolhouse, Sargent Shriver's office embarked on its own education program, intended for much the same purpose. Among other grants, antipoverty money went to Lansing, Mich., for remedial schooling; to Washington County, Va., for preschool training, and to Detroit for "expanded educational services."

Several parts of the antipoverty package are new. But Mr. Shriver also exercises partial responsibility for a batch of overlapping "delegated" programs which established bureaucracies manage: For small business loans; for rural loans, hitherto a Freeman preserve; for adult literacy, an ingredient of three existing programs; for "work study," launched in 1963 and assigned to HEW's vocational education administrators; and for "work experience," started in 1962 as part of the HEW's assignment to reduce relief rolls. Intruding into Interior Secretary Udall's reservation, Mr. Shriver operates a special program to help Indian tribes, many of which are also eligible to knock on Secretary Connor's development door.

A SHINY NEW PACKAGE

If the old programs were deemed insufficient the White House could have sought more money directly for them; or, if their results were disappointing L.B.J. could have replaced the administrators or sought revisions in the governing statutes. Instead he bundled them into a shiny new package for presentation to a cooperative Congress.

What with upward of 70 agencies operating several hundred programs to uplift people, communities, or regions, official Washington keeps hoping that Mr. Freeman's committees, Mr. Shriver's community action outfits, Mr. Connor's redevelopment areas, and the metropolitan planning agencies promoted by Mr. Weaver will somehow wrap all the available aid from all the sources into an uplift package that makes sense.

By shifting more responsibility for coordination to recipients of their grants, loans, and technical help, the Feds further hope to spur local initiative. Already the Agriculture Department professes to see a "real revival" in long-lagging rural places, with "people sitting down together as never before."

Another advantage of the "do it down there" approach is that it enables Federal administrators to hold down the roster of Federal employees. The directors, planners, and technicians hired by the 600 community action groups Mr. Shriver hopes soon to see functioning won't be added to the Government's employee rolls, although they'll be paid almost exclusively with Federal taxes. The staffs of Mr. Connor's redevelopment areas similarly won't be counted.

But few local politicians or planners willingly forgo rummaging in Washington's big kit for the tools allotted to them by law or for those to which they can stake reasonable claim. It was, for example, a rare locally drawn "overall economic development program" under ARA that didn't include a vocational school or an industrial park.

> Still, it's widely believed here that reliance on local coordination will help untie Washington's tangled jurisdictions and slice through the overlap.

LETTING THE FARMERS FEND FOR THEMSELVES

Mr. PROUTY. Mr. President, not only have the elderly been left off the poverty bandwagon, the citizens of America's rural areas are also missing their fair share of participation.

Title III, of course, is directed at rural people, and loans pursuant to those provisions have helped some 10,000 persons make a new start toward economic self-sufficiency. But America's rural citizens are entitled to full participation in all programs for which they are eligible, and here they are decidedly on the short end.

Agriculture Secretary Orville Freeman has estimated that rural communities are getting only about 5 percent of the money doled out by OEO for community action programs. As of last April, Mr. Freeman estimated that while over 90 percent of the Nation's cities with populations of 50,000 and above have community action programs in progress, only about one-third of the Nation's rural counties have programs underway.

The August 5, 1965, rural areas development newsletter of the Department of Agriculture reports that $9.5 million had been allocated to 202 rural community action programs, as of June 30. By contrast, 569 grants totaling $127.6 million were approved for urban and suburban areas.

Representative CARL PERKINS, Kentucky Democrat and an original backer of the antipoverty legislation in the House, laments:

> I am certainly not satisfied as to the assistance that the rural communities have received throughout the Nation.

Secretary Freeman sorrowfully takes the view that—

> I am afraid that the going, for a long time, will be mighty slow.

One reason for this inattention to our rural areas is the admitted difficulty in constructing an effective community action program when the "community" is spread out over miles of farmland. But a more serious problem appears to be the lack of interest in rural areas among the antipoverty warriors, almost all of whom come from big-city backgrounds. In addition, it is not without some significance that the heaviest concentration of voting power for the administration's party finds itself in and around the large cities of every State.

The time for procrastination is over. The rural citizen of America, already beset with so many problems from other Federal programs and from the trends of the farm market, should be given full opportunity to take part in programs now so eagerly constructed for the benefit of his urban fellow citizens.

A CASE STUDY IN HOG-TROUGH POLITICS

"Giant fiestas of political patronage"—those are the words used by Chairman ADAM CLAYTON POWELL of the House Education and Labor Committee in describing the actual operation of the war on poverty.

"A prize piece of political pornography" says veteran antipoverty fighter Saul Alinsky.

> The records are full of direct political patronage.

Adds Rev. Lynward Stevenson, head of a local community organization in Chicago.

> How do you think we (poor) feel when we know that men who drive Cadillacs, eat 3-inch steaks, and sip champagne at luncheon meetings, discuss our future while we are pushed off the highways of self-help and told to keep our hats in hand.

It would serve no purpose to prolong this laundry list of horrors. From the day that the administration delivered to each Democratic Representatives's office a "poverty kit" for use in the 1964 elections, the antipoverty effort has been political in conception, gestation, parturition, and infancy. Americans who sincerely want the war on poverty to live up to its lofty purposes—and that certainly includes the great majority of Americans of both political parties—must firmly insist that the Director and his staff leave no stone unturned to insure that the program not be, to paraphrase Chairman POWELL, seduced by politicians hoping to use the reservoir of poverty funds to feed their political hacks at the trough of mediocrity.

ACTIONS BY THE COMMITTEE

1. A SNEERING SLAP AT THE NATION'S GOVERNORS

Perhaps the most serious action taken by the committee was to strike from the act the Governor's veto provisions of section 209(c). This section provided that no community action program, adult basic education program, or Neighborhood Youth Corps project could be undertaken in a State if the Governor of that State disapproved the program within 30 days of its submission to him.

The Office of Economic Opportunity, to its credit, did not urge this change. The Senate, last year, endorsed the Governor's veto provision by a vote of 80 to 7. The Governors of the 50 States—who were present at the last Governors' Conference—have, with only one dissenting vote, urged the retention of this provision in the strongest possible terms. Yet, now, by the action of a one-vote majority of the Select Subcommittee on Poverty, the Senate will consider a bill to strip from the Governors the one meaningful tool they have for preserving a strong Federal-State relationship, integrating the Federal antipoverty programs into their own State efforts, and protecting the best interests of the citizens of their States.

One liberal Democratic Governor has written me:

> One crucial issue at stake here is meaningful Federal-State partnership. This partnership can survive only if the States maintain a dynamic posture with respect to their responsibilities. And such a posture requires action by the Governor as the focus of political power and administrative coordination.

Another northern Democratic Governor writes, in support of the veto:

> Even though the act provides for a direct relationship between the Federal Office of Economic Opportunity and the local entities in most cases, it is highly advisable to allow the States to play some role in the organization and initiation of the Economic Opportunity Act projects.

One midwestern Republican Governor writes:

> Although it has not been necessary to exercise the veto, due to the fact that our Director of the Office of Economic Opportunity works closely in an affirmative way with the local organizations in the development of programs, I do feel that the Governor's veto power is a necessary deterrent to ineffective or wasteful uses of public funds.

A western Republican Governor writes:

> [My opposition to repeal of the Governor's veto] is based on the conviction that removal of this authority from the Governor of the States would remove also the opportunity for strong leadership and direction of economic opportunity programs statewide. Such action would also weaken community interest in developing programs that can be enabled by this law, and for which the Economic Opportunity Act is designed.

These comments, representatives of the positions of the overwhelming majority of Governors of both parties and all sections of the country, show why it is important to continue to give the chief executive of a State some effective leverage with respect to these parts of the poverty program.

The drive for repeal of the veto provision derives not from an objective case study of the use of the veto during the act's first year of operation. Indeed, as of July 26 the veto had been used only 4 times—once each in Florida, Alabama, Texas, and Montana—while nearly 1,500 projects were started. The Office of Economic Opportunity has not been willing to say that the Governor's veto has been an impediment to the proper functioning of the poverty program. The real motivation for repeal of the veto power comes principally from the forces that would undermine and destroy effective State government in this country, expand and strengthen the bureaucracy at the Federal level, and consolidate their own political empires through the generous application of antipoverty funds. It is my hope that the one-vote majority of the subcommittee which struck the Governor's veto from the act will be overturned by a substantial margin on the Senate floor.

2. EVEN OEO FEARS DUPLICATION IN NELSON AMENDMENT

The committee added to the bill an amendment proposed by Senator NELSON to provide work experience programs to chronically unemployed poor adults with poor employment prospects. As adopted by the committee, this new program will be included in title II–A community action programs and will cost $150 million.

The Office of Economic Opportunity did not favor the adoption of this amendment. It argued, rightfully, that the proposed Nelson amendment program would duplicate the existing title V work experience programs, which attempts to do almost exactly the same thing.

"A work experience program," according to OEO, "provides up to 100 percent funds for projects to help unemployed parents and other needy persons gain work experience and job training interwoven with adult education toward basic literacy instruction. It is directed primarily toward jobless heads of families in which there are dependent children."

If the Nelson amendment is retained by the Congress, we will be treated to the spectacle of two nearly identical programs administered separately by the same Administrator. What is needed is not a proliferation of new programs, but a weeding out of the present multitude of programs and some sensible coordination between them.

According to OEO, it would not be necessary to make any statutory changes to accomplish all the objectives of the Nelson amendment under the existing title V of the act. If there is any doubt on this point, title V could be amended to provide that a person need not be from a family receiving aid to dependent children to qualify for the work experience training. I would have no objection to such a change. But I believe the committee erred in accepting this "gimmick" amendment, when sound policy would dictate a strengthening of existing programs instead of the creation of substantially identical programs in new places under new names.

3. A BLOW TO THE BUREAUCRATS' "RIGHT OF SECRECY"

Due to the efforts of Senator JAVITS, the committee broadened the language in H.R. 8283 providing for public access to information about the community action programs. The present form of the Javits-Reid amendment (after Republican Congressman OGDEN REID, of New York, who secured its adoption by the House) requires a community action program to provide for feasible public information, including, but not limited to, reasonable opportunity for public hearings at the request of appropriate local community groups, and reasonable public access to books and records of the agency or agencies in the development, conduct, and administration of the program, in accordance with procedures approved by the Director.

It is hoped that this new language will put an end to the almost neurotic secrecy practiced by officials of community action programs in some places. If a Federal program is going to come into a community and stand it on its head—as has happened in a number of cases—the citizens of that community should have a right to find out exactly what is being done, by whom, for whom, and at whose expense. The Javits-Reid amendment is a long step toward meeting this need. It deserves the support of the Senate.

4. MURPHY-PROUTY POLITICAL ACTIVITY AMENDMENT WILL CAUSE LOUD LAMENTATIONS IN BIG CITY POLITICAL CLUBHOUSES

Those who have been trying—with conspicuous success, in some cases—to subvert the antipoverty program for their own partisan political advantage will take a body blow from Congress, if it enacts the Murphy-Prouty political activities amendment, adopted by the committee.

The Murphy-Prouty amendment brings under the Hatch Act two groups of people not previously covered: Employees of private organizations conducting community action programs, whose salary is in principal part paid from Federal funds; and VISTA volunteers, including those referred to State, local, and private antipoverty agencies and those assigned to work on Federal lands and on federally supported projects.

This amendment will not affect teachers, nor will it affect employees of organizations conducting antipoverty programs, whose salaries are paid from other than Federal funds.

The whole purpose of this amendment is to prevent unscrupulous political bosses from enlisting antipoverty fieldworkers and VISTA volunteers into a battalion of partisan precinct workers.

The Hatch Act already covers the employees of State and local governments who administer programs financed by Federal funds. These provisions were added to the Hatch Act in 1940, when the idea of Federal grant programs bypassing State and local governments was still in its infancy. The passage of the Economic Opportunity Act, of all the recent Federal grant programs, introduced a new factor into the picture. Now, for the first time, persons paid from Federal funds but not directly on any public payroll are assuming the functions traditionally performed by the old-time ward bosses to help—and win the political allegiance of—the poor.

Take the man who is a neighborhood social worker for a private organization conducting a community action program. He is a resident of the neighborhood, familiar with its people and their customs. His job is to serve them—to help them press for the correction of housing violations, straighten out public assistance problems, enroll their children in special programs, solve their home economics and consumer credit problems, and get jobs and keep them. He is truly the link between the poor families of his neighborhood and the whole "outside" world of local and State agencies, schools, employment services, and host of other bodies, the workings of which often seem mysterious and incomprehensible to those at the bottom of the socioeconomic ladder.

Now, if a local politician were seeking an efficient, respected, aggressive man or woman to organize a ward, how could he do better than the local poverty fieldworker? How could he do better than persons with built-in status among the residents, persons who do the multitude of favors and services that have always been the stock in trade of the ward leader? Similarly the VISTA volunteer, immersed in service to the poverty-stricken neighborhood, is a prime candidate for recruitment by a political machine.

Nor is it merely a question of local politicians trying to recruit poverty workers into their organizations. In case after case it has been shown that local politicians are intent on placing their own trusted lieutenants in these crucial community organization positions. Once it was necessary to support ward heelers from graft and local government payrolls. Then, with the advent of this new direct Federal-local war on poverty, it became possible, indirectly, to put ward heelers on the Federal payroll as well.

The Murphy-Prouty political activity amendment will be greeted with outcries and expletives from those whose dreams of political empire must crumble before its prohibitions. But, it will be welcomed by all Americans who believe that the war on poverty is too important to perish at the hands of the political hacks who seek to subvert it for their own pernicious purposes.

5. NOW, FOR THE FIRST TIME, THE PROMISE OF AN EFFECTIVE POVERTY WATCHDOG

I applaud the action of the committee in accepting my amendment to revise, expand, and strengthen the National Advisory Council on Economic Opportunity.

Basically, there are three principal kinds of advisory groups or councils in Federal agencies.

The first is the interagency coordinating council, composed of operating agency heads or their delegates. These groups attempt to work out maximum coordination of effort when related programs are carried out by more than one agency. Section 604 of the Economic Opportunity Act entrusts this function to the Economic Opportunity Council.

The second is the in-house advisory committee, composed of persons with high professional or technical qualifications, which exists to assist the administrator in making policy decisions, issuing relations, and so forth. These are, in effect, part-time staff groups attached to the administrator of the program. Section 602(c) of the Economic Opportunity Act authorizes the Director to establish such groups "to advise him with respect to his functions under the Act."

The third is the "overview" type of advisory council, composed of knowledgeable and respected citizens, which exists to review the operation of the program and make recommendations to the Administrator, the President, and Congress for its improvement. The National Advisory Council on the Education of Disadvantaged Youth established by section 212 of title I of the Elementary and Secondary Education Act of 1965, and the Advisory Council on Vocational Education, established by section 12 of the Vocational Education Act of 1963, are examples of this type of council.

Section 605 of the Economic Opportunity Act authorized a national advisory council which at first glance resembles this third kind of advisory council. It is charged, "upon request of the Director," with reviewing the operations and activities of the Office and making such recommendations to the Director as are appropriate.

Upon close inspection, however, it became obvious that this Council as originally created could not possibly fulfill the true function of an independent, conscientious overview of the war on poverty program.

Unlike advisory councils established by other acts for this purpose, this group was by statute "in the Office" of Economic Opportunity—and thus not an independent body.

Unlike the other councils, this Council had as its Chairman, by statute, the Director of the Office of Economic Opportunity—the very person whose activities the Council was supposed to review.

This Council could meet only at the request of its Chairman, the Director of OEO.

There were no provisions for any investigatory, clerical, or secretarial assistance. The Director-Chairman could provide as much or as little as he saw fit. Unfortunately, the bureaucrat probably has not yet lived who is eager to allocate staff and resources to a body charged with making a thorough and independent review of his activties.

The Council, unlike every other council I have been able to discover, was not responsible for making a report of its findings and recommendations to anyone but the Director of OEO, who was under no obligation whatsoever to make any such report available to the Congress or the American people.

In view of these rather singular facts, it is natural to raise the question: What does this so-called advisory council do? If the minutes of the Council's only two meetings to date are indicative, the answer is little more than fun and games.

The first meeting, on February 3, 1965, seems to have been a question-and-answer session, with various OEO functionaries helping to get the Council members squared away. Mr. Olivarez, of Phoenix, for example, was advised that noncitizens could participate in adult basic education programs. One Mr. Gilgoff, of OEO, announced that its research, program planning, and evaluation group was developing "an index of poverty oriented toward people," whatever that may be. When it became apparent that the full agenda could not be covered, Mr. Shriver said he would call another meeting in 30 days. "This suggestion," we are advised, "met with an enthusiastic response." This meeting culminated with a White House tea with Mrs. Johnson.

What is the Director-Chairman's view of the function of this "Advisory Council?" According to the minutes of the first meeting, Mr. Shriver indicated that one of the most meaningful jobs the Council could undertake would be to interpret and explain the war on poverty program to the American people. The Council was asked to keep OEO informed of any major criticism of the program which crossed their [sic] paths. At the second meeting, the minutes tell us:

> Mrs. Robert S. McNamara asked what the members of the Council can best do to help. Mr. Shriver pointed out the most important things are to help get "the word" around the country, to take an interest in specific parts of the program, and to generate new ideas.

What does all this mean? It means that this impotent Council is little more than a public relations transmission belt designed to propagate the opinions of the Director of OEO and his associates.

Enactment of the new language adopted by the committee will, I hope, pave the way to the establishment of a new Council which is designed to conscientiously fulfill its overview functions.

The new Council will be an independent body of distinguished citizens representative of the general public and of appropriate fields of endeavor related to the antipoverty program.

The President is directed to appoint 21 members to the Council during 1965, with the Director of OEO as an additional member ex officio. The membership of the Council was increased from 15 to 21 (plus the Director) to comply with the administration's request for a larger and presumably more representative body.

The new Council, no longer "in the Office" of Economic Opportunity, is charged with reviewing the administration and operation of programs under the act, evaluating their effectiveness in furthering the purposes of the act, and making recommendations for the improvement of such programs, administration, and operation. The intent of these provisions is that the new Council should provide a conscientious, critical overview of the entire antipoverty program to insure that every dollar spent makes a maximum contribution toward reducing poverty in the Nation, and that the administration of the war on poverty is continued on a sound, effective, efficient basis.

In the hope of guaranteeing a truly independent Council, it is required that the Chairman not be a regular, full-time employee of the Federal Government. The Council is required to meet at least twice a year, and to make an annual report to the President for transmittal to Congress. Statutory provisions for staff assistance follow those of the Advisory Council on Social Security Financing, established by the Social Security Amendments of 1956, and replicated in several other acts since.

But it should be emphasized that the mere revision of this Council, salutary as it is, will mean little unless the President appoints to it persons genuinely interested in carrying on a conscientious, independent review of the whole poverty program. In looking over the biographies of the present 12 appointees, one looks in vain for any person known to be publicly critical of the war on poverty program and its administration. I hope that President Johnson, who will presumably reappoint the present Council members to the new group, will also appoint nine new members of equal distinction who will make the Council truly representative of all the American people, not just those who are enthusiastic supporters of the administration's antipoverty program.

6. HOLDING THE LINE ON BUREAUCRATIC APPETITES

The pecuniary progress of the war on poverty can be seen by a table which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Pecuniary progress of the war on poverty

[Dollars in millions]

	Authorized for fiscal year 1965	Appropriated for fiscal year 1965		Fiscal year 1966 authorization, H.R. 8283		
				Senate		House
		Amount	Percent	Amount	Percent	
Title I	$412.5	$371.5	100.0	$535	100.0	$825
I-A		183.0	49.3	235	44.0	
I-B		132.5	35.7	240	44.9	
I-C		56.0	15.0	60	11.1	
Title II	340.0	259.1	100.0	880	100.0	680
II-A		240.1	92.9	700	79.3	
II-B		19.0	7.1	30	3.4	
Nelson amendment				150	17.3	(?)
Title III	35.0	40.7	100.0	55	100.0	70
III-A		25.7	63.1	35	63.6	
III-B		15.0	36.9	20	36.4	
Title V	150.0	112.0	100.0	150	100.0	300
Title VI	10.0	9.7	100.0	30	100.0	20
Administration		6.5	67.0	10	33.3	
VISTA		3.2	33.0	20	66.7	
Total	947.5	793.0		1,650		1,895

Mr. PROUTY. The figures given for the Senate version of H.R. 8283, fiscal year 1966 authorization, are those figures originally requested by the President, plus the $150 million of the Nelson amendment. The administration requested that the committee substitute these figures for the higher figures authorized by the House. Given this choice, I was delighted for once to comply.

Because the program did not actually get underway in any meaningful sense until October of 1964, the fiscal year 1965 appropriation figures are substantially less than the amounts authorized. This is an unusual situation brought about by a program beginning a quarter of the way into a new fiscal year and will not be repeated henceforth. Thus in gaging the progress of the program it is necessary to compare the equivalent full-year authorization figures.

The first obvious fact is that the House blindly doubled all the fiscal year 1965 authorizations, unmindful of the wishes of OEO itself, which presumably is worried about the prospect of spending the extra money profitably. This fuzzy headed doubling of funds suggests an arbitrary action unrelated to the actual merits of the various programs supposedly reviewed.

By the same token it is not wise to slash funds across the board. Some of the programs under the war on poverty heading have been noncontroversial and reasonably well administered. If these programs are producing efficiently, it makes little sense to make them suffer for the sins of other programs lumped together in the same package.

There can be little doubt that the two chief offenders in this antipoverty grab bag have been the Job Corps and the community action programs. Some of the fantastic happenings in these two programs have been noted earlier during the course of my remarks, and in the news media over the past year. Although some of the other programs may have questionable merit as effective remedies for the causes of poverty, and one of them—VISTA—is still scarcely off the ground, on balance a reasonable man could accept the figures proposed by the administration in these areas.

But when we come to the Job Corps and community action, a long look is in order. The proposed fiscal year 1966 Job Corps authorization represents a 30-percent increase over the fiscal year 1965 authorization and a 44-percent increase in new obligational authority, if the full appropriation is granted. It is not clear in my mind that the Job Corps deserves a 30-percent increase, in view of the rather astonishing record it has made so far; but I am willing to give in the benefit of the doubt for 1 more year.

Community action is another thing. The Nelson amendment, first of all, was not asked for by the administration. In fact, when the House proposed to add an identical $150 million to the title V authorization, to be spent for precisely the same purposes as the Nelson amendment program, the administration asked our committee to restore the original figure. Only later, when it was apparent that the committee would accept the Nelson amendment anyway, did OEO relent by including the additional $150 million in its request. This amount of money should be pruned from the bill.

As for community action programs proper—title II–A—the new fiscal year 1966 authorization represents an increase of 106 percent over the corresponding fiscal year 1965 figures. By no stretch of the fevered liberal imagination can this drastic increase in title II–A funds be welcomed. There is only one way for Congress to force a Federal bureaucracy to tighten up its administrative practices and improve the operation of a poorly run program—starve it. An overfed bureaucrat is a sloppy bureaucrat. A bureaucrat worried about the next feeding of his pet program is a bureaucrat who will try to make his program look good when the gravy train rolls in.

The Job Corps, with all its amazing spectacles, is in line for a 30-percent increase. There is no reason why community action programs—valuable as they may well be in principle—should get any more of a boost, let alone a raise of 114 percent. A more reasonable bill would drop the $150 million for the Nelson amendment and authorize $442 million for title II, approximately 4 percent of which would go to adult basic education. This would make the overall authorization of the bill $1,212 million, more reasonable than the $1,650 million proposed by the committee and vastly more reasonable than the $1,895 million proposed by the big spenders in the House.

SENATOR PROUTY'S RECOMMENDATIONS FOR H.R. 8283

Now that H.R. 8283 has come before the Senate, the following amendments should be adopted:

First. An amendment to restore to the Governors of the 50 States the authority they now possess to veto Neighborhood Youth Corps, community action, and adult basic education programs when the operation of specific programs promises to be inimical to the best interests of the people of their States.

Second. An amendment to delete the Nelson amendment and its authorization.

Third. An amendment to permit no greater than a 30-percent increase in the community action program authorization—as a warning to all those involved that Congress expects these programs to be run right before it will double the funds.

Fourth. An amendment to transfer the actual authority and responsibility for six programs—Neighborhood Youth Corps, college work study, adult basic education, rural loans, small business loans, and work experience—to the respective agencies by which those programs are presently administered.

SENATOR PROUTY'S FURTHER RECOMMENDATIONS FOR ATTACKING THE CAUSES OF POVERTY

In addition, Mr. President, other problems are involved in the question of poverty. One of the first things Congress should do is to enact either the Ribicoff-Dominick or the Prouty tax credit plan to aid students to stay in and graduate from college.

The Ribicoff-Dominick bill (S. 12) permits a taxpayer to take a tax credit toward the amount spent by him for college tuition, fees, books, supplies, and equipment, according to the following sliding scale: 75 percent of the first $200 of tuition, and so forth; 25 percent of the next $300; 10 percent of the next $1,000; to a maximum of $325 when the allowable expenses equal or exceed $1,500.

Under S. 12 a taxpayer with an adjusted gross income greater than $25,000 would have the maximum amount of credit reduced by 1 percent of such income in excess of $25,000, until at $57,000 income no credit could be claimed.

My bill (S. 2023) differs in three ways from S. 12. The sliding scale is modified to afford relatively more assistance to taxpayers supporting students in public colleges and universities, as follows: 100 percent of the first $200 of tuition, and so forth; 10 percent of the next $300; 5 percent of the next $100; to a maximum of $280 when the allowable expenses equal or exceed $1,500.

Under S. 2023 taxpayers with an adjusted gross income greater than $10,000 would have the maximum amount of credit reduced by 2 percent of such income in excess of $10,000, until at $24,000 income no credit could be claimed. In addition, S. 2023 differs from S. 12 in that it provides for an absolute tax credit of up to $100, available to an otherwise qualified person whose tax liability is too low to permit him to take full advantage of the tax credit provision.

We should give serious consideration to enacting my College Student Tax Relief Act of 1965 (S. 1486), currently cosponsored by 26 other Republican Senators. This measure, which was defeated on a 47-to-47 tie vote in the Senate last year, would permit working college students to claim tax deductions of up to $1,200—$1,500 for graduate students—toward the student's expenditures for tuition, fees, books, supplies, and equipment.

Serious consideration should be given to the enactment of Senate bill 1130, which I have introduced and which I refer to as the Human Investment Act of 1965. It would permit employers to get a 7 percent tax credit for their investment in training programs to provide necessary job skills to potential employees and to upgrade the job skills of present employees.

The existing State-Federal vocational rehabilitation program, which has proven its merit in taking men and women off the relief rolls and getting them back into productive work, should be expanded.

I recommend that my proposal for the forgiveness of national defense education loans for persons who choose to teach in property impacted areas be enacted during this session of Congress. This provision is currently included in the Senate committee version of S. 600, the Higher Education Act of 1965.

I hope that sometime in the near future my proposal to provide substantial increases in monthly benefits to social security recipients, with the minimum increase from $40 a month to $70 a month, will be enacted.

My proposal to blanket in under social security every American over the age of 70, whether or not he has been covered by social security during his working days, should be enacted.

I suggest that my proposal to permit older workers to earn up to $3,000 a year without losing any monthly benefits under social security should merit the consideration of Congress.

I feel that we should vigorously implement those provisions of the Civil Rights Act of 1964 which seek to guarantee to every American the opportunity to hold any job for which he is qualified, regardless of his race, creed, or color.

Likewise, I believe legislation should be enacted to guarantee that all Americans shall have the right to join the labor union of their choice and to take advantage of its benefits without regard to race, creed, or color.

I believe that Congress should enact my bill to aid the States in the early detection of phenylketonuria—PKU—which if untreated leads to serious mental retardation of children, and an associated economic burden on the child's parents and the State.

Mr. President, top priority in the antipoverty program should be given to ways of combating the serious problem of poverty among the aged, the handicapped, and families headed by women.

I believe that we must recognize and come to grips with the problem of designing and implementing antipoverty community action programs in rural areas, where such programs are more difficult to organize than in large cities.

In its first year of operation the war on poverty has had both successes and failures. Its successes we applaud; its failures give us concern. With the passage of the amendments presently included in H.R. 8283, with the notable exception of the repeal of the Governors' veto, the legislative framework for the war on poverty will be essentially complete. The future progress of this great effort now lies in the hands of those who must administer it.

Despite my strong objection to the repeal of the veto provision, I presently intend to continue my support of the antipoverty program by voting for this bill, barring unwise changes in the Senate floor. But in so doing, I serve notice to those responsible for the bungling and blundering of the past 9 months: my support, and the support of many other Members of Congress who sincerely hope that the dollars we vote here will gnaw effectively at the deep and tenacious roots of poverty in America, will come to an end unless certain parts of this program begin to shape up—and fast. To risk political attacks at home for my support of a well-conceived, smoothly run Federal antipoverty program is one thing; to be forced to defend my support of a poorly planned, chaotic, wasteful, and defectively administered program is quite another. I sincerely hope that by this time next year, if not far sooner, the latter possibility will have substantially receded in likelihood.

Mr. JAVITS. Mr. President, I wish to say a word tonight about the Economic Opportunity Act, the amendment to which will be up for votes tomorrow, and the responsibility which we have in enacting this measure.

Let me emphasize first that I am a friend of the program from its very inception. I believe the war on poverty was long overdue. I can only say about the title of the program that I wish we had thought of it first. It is quite proper. We should have a war on poverty in this country. But I do not believe we should bedazzle—it is a clever slogan and can be so used in political terms—the American people, or those who are poor, into forgetting the great dangers inherent in the program, the tremendous waste for which it could be a coverall, the powerful political machines it could feed, the way it could affect politics on the municipal level. It would be a shocking tragedy if we, in our responsibility to avoid all these dangers, were to let them become so serious as to blacken the name of the program in the eyes of the American people and cause it to be abandoned, with all the frustration and despair which that would engender.

It is therefore my view that the Senate would be very well advised to pay sympathetic attention to the amendments which the committee has written into the bill. There are a number of very good ones. I am very proud that the minority, from a constructive standpoint, was responsible for a number of those amendments. The Senate should also give sympathetic attention to amendments which members of the minority will be proposing on the floor.

I very much hope that the majority, which has the votes and therefore the power in this body to ride over any amendments proposed by the minority members, will look with understanding on those amendments, recognizing that the adoption of some of them may very well be indispensable to protecting and safeguarding the program from what I have just outlined as its greatest dangers. Doing so may save the program from a reaction which, if strong enough on the part of the people—notwithstanding the heavy voting strength on the majority side—might cause the program to be eliminated.

I shall have something to say tomorrow about the terribly tragic Los Angeles riots. They are evidence of what people like myself have instinctively felt were involved when we have had before us civil rights bills, antipoverty programs, and similar matters. That is, unbelievable strains, which are almost impossible to sustain in terms of orderly society, are imposed on people who are in such despair that they feel, "What difference does it make what happens in the community? To us the situation is so desperate as to offer no hope or alternative, anyway." As I have said, I shall deal in more detail with that subject tomorrow.

For the moment, I call attention to the fact that in committee we have written into the bill a strong effort to provide that individual private nonprofit organizations, which feel that they have been overlooked or bypassed in community-action programs by citywide "umbrella" organizations, may turn to the Director as a sort of final court of appeals before whom they can make their case. I refer to section 16, amending section 209 (e) of the act. It is an amendment I had the honor to offer.

I call attention also to an amendment offered by the Senator from Vermont [Mr. Prouty], which he described in his very interesting address, making the National Advisory Council under the act really meaningful.

I call attention also to a very important amendment, sponsored by the Senator from California [Mr. Murphy] and the Senator from Vermont [Mr. Prouty], with respect to the possibility of political manipulation, which extends the political activity restrictions of the Hatch Act, now applicable only to State and local officials operating under the act, also to private persons whose salaries are paid predominantly by the Federal funds under the Antipoverty Act.

The Senator from Arizona [Mr. Fannin] offered an amendment specifically including consumer education, which is a crucial lack among the poor, in the list of areas which community action programs are encouraged to cover.

I call attention to another amendment which I had the honor to propose, under which the public is given a greater degree of information on the local level than the House provided. It is found in section 9 of the bill amending section 202(a)(5) of the act. It permits public hearings at the request of appropriate local community groups, as well as opening books and records of a participating agency to the light of day of the press, radio, television, and other agencies of public information, which can zero in on what is being done in the programs. This is the best cathartic I know of to deal with excesses and inequities.

Another amendment which I had the honor to offer calls for continuous consultation with State antipoverty agencies at every stage of the planning and conduct of community action programs, and is to be found in section 14 of the bill amending section 209(a) of the act. Too often, the office in Washington has announced approval of programs which the States have not seen before, this is clearly unreasonable in those States which are fully cooperating in the antipoverty effort.

We have not at all done what we ought to do about the right of a Governor to veto a proposed program. I feel that we made a great mistake in wiping out altogether the provision for a Governor's veto. It was done by a close vote in the committee; the vote was 8 to 7. We should have left in the bill an effective procedure, under a modified version of the House provision. A Governor should be given the opportunity to express his disapproval, as he has every right to do. If the Director wishes to override him, there should be a public hearing, which would put the Director of OEO in Washington to his proof. In short, the Governor should not be permitted to kill a program, but neither should his disapproval stand if the Director, in the court of public opinion, can prove his case.

That subject will probably be the most serious one we shall have to deal with tomorrow and the next day in considering additional amendments with respect to this legislation.

My colleagues, who also proceeded on such amendments in the committee, will be offering cuts in the authorizations of funds. Whether or not I favor such cuts, I believe the Senate should give them serious attention, because it is true we must not be profligate if there is no opportunity to retain control over the program.

In addition, there are other amendments with which we shall have to deal.

Finally, as I announced last week during consideration of the conference report on the Peace Corps, it is my intention to offer an amendment—and this will be my final effort in this regard—to confine the Director of the antipoverty program, Sargent Shriver, to one job, namely, his direction of the antipoverty program. I feel that this subject should not be labored unduly, but I feel we must decide it in respect of how we want this poverty program to operate.

Senators should bear in mind, if we get into a discussion—and there are many openings for one—in which it is found that the administration of the program was at fault, that we should understand that we had an opportunity to correct the situation, and that we either did or did not do it in an advised way. I have grave concern as to the propriety and wisdom of continuing to let Sargent Shriver—an excellent public servant—carry both jobs. I deeply feel that it will result in a serious diminution of capability in bringing about success in both jobs—and most likely it will be felt most in the antipoverty program.

I therefore hope very much that the Senate will express itself firmly and finally on that subject. I shall be prepared to argue the question of constitutionality of such action taken by the Senate, as I believe it is entirely constitutional and entirely in accordance with the powers and authority of the Senate—indeed, its duty—in this matter.

I look forward, therefore, to disposition of the amendments and the bill in the spirit which I have described, the spirit of being very much for the war on poverty, and of understanding the pitfalls which are involved and therefore endeavoring, by every means open to us, to avoid them.

ATTACK ON REPRESENTATIVE MENDEL RIVERS, OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, earlier in the day, a Member of this body launched an unbridled attack on the distinguished chairman of the House Armed Services Committee, the Honorable MENDEL RIVERS, Representative of the First Congressional District of South Carolina. The subject of the attack on Representative RIVERS was a report of a speech made by him in Hartford, Conn., on August 11, 1965. Representative RIVERS was quoted as saying: "I will insist on victory in Vietnam. Anything short of that would be treasonable." He is further reported to have stated "that Americans must be prepared to make the decision to attack Mao Tse-tung's homeland if Mao's forces start moving." The Representative asked rhetorically: "Should we use our atomic power to wipe out Red China's atomic capabilities?" He then stated, "We must get ready to do this very thing if we want to stop Red China."

These remarks were characterized on the Senate floor as "so un-American as to be abhorrent."

Mr. President, neither the distinguished chairman of the House Armed Services Committee nor his remarks need defense by me. Representative RIVERS has long years of experience in the field of military affairs from his dedicated service on the House Armed Services Committee. I should like to point out that his independent and objective views have caused confrontation with far more experienced officials, including even the Secretary of Defense. I should also like to point out, however, that the distinguished chairman has been dealing with military affairs firsthand, and from a responsible position, far longer than the Secretary of Defense, not to mention his johnny-come-lately critics.

In the final analysis, the American people must judge what is and what is not un-American. The President has stated categorically that we are engaged in a war in Vietnam. Representative RIVERS states that anything short of victory in this war would be treason, and his other remarks merely expressed the hard realities of what may be necessary to achieve that victory. I am sure that Representative RIVERS is satisfied, as I am, to leave it to the judgment of the American people as to which is un-American—victory in the war, or appeasement of the enemy.

SUPPORT FOR U.S. MERCHANT MARINE

Mr. BREWSTER. Mr. President, as a friend of the American merchant marine, I am extremely interested in the work of the Presidential Task Force on Merchant Marine Policy, which is headed by Alan S. Boyd, Assistant Secretary of Commerce.

All the reports which have come to my attention indicate that this task force is conducting a most thorough investigation of the many and complex aspects of merchant marine policy. All of us who are concerned with this vital area await its recommendations.

This past weekend, I submitted to the task force an outline of my own views on U.S. merchant marine policy. Representing as I do the great State of Maryland, which contains the second leading port in the Nation, Baltimore, I have gained some experience in the problems of the maritime industry. This experience has led me to certain conclusions about our merchant marine policy. I submitted these conclusions to the Presidential Task Force for their consideration. I would like to review these policy suggestions in the Senate today.

Before I make any suggestions about the U.S. merchant marine policy, however, I would like to discuss briefly some of the reasons why I believe that a vigorous and progressive policy is necessary.

The declaration of policy of the Merchant Marine Act of 1936 set forth the objectives of the Congress. Since these objectives have since been obscured and, in some instances, ignored, I would like to quote from this declaration of policy:

> It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry its domestic waterborne commerce and substantial portion of the waterborne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign waterborne commerce at all times; (b) capable of serving as a naval and military auxiliary in time of war or national emergency; (c) owned and operated under the United States insofar as may be practicable, and (d) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel.
>
> It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.

I believe that these are worthy objectives. From the point of view of national defense, there is no question that a large and efficient merchant marine, coupled with a healthy shipbuilding and ship repair industry, can make a major contribution to our national security. Vessels are needed for troop transport: The entire First Cavalry Division embarked for Vietnam last week by ship. They are needed for supply functions as well. Some 600 ships were required to supply American troops in Korea, and the present situation in southeast Asia has demonstrated the continuing need for such vessels. The shipyards, both naval and private, must also be ready, to activate and repair vessels for service in the national defense. The conclusion of the Harvard Business School study for the Navy Department in 1945 still holds true today:

> The controlling factor in the determination of the characteristics of shipping and shipbuilding activities in the United States in peacetime as well as in wartime is the national security.

The value to U.S. commerce of a healthy merchant marine is equally clear. There will be gains in employment, in returns to the American economy, and in reliability if "a substantial part" of our commerce is carried in U.S. bottoms. This is particularly important in light of persistent balance-of-payments difficulties. Yet today only 9 percent of our foreign commerce moves in American-flag vessels. Norwegian carriers transport twice as much of the American foreign trade as U.S. flagships; Liberia carries three times as much as we do. And even from this poor position, we are losing ground.

These concerns become all the more urgent in view of the rapid buildup of the fleets of other nations, most especially of the Soviet Union. The United States ranks only fourth in the world in number of ships afloat, even discounting the disastrous effects of the current maritime strike. The Soviet Union has already surpassed us in number of ships in the active fleet, and may shortly exceed us in total tonnage afloat.

While nations like Japan and Norway are engaged in determined efforts to build up their fleets, we are falling farther and farther behind. We now rank no higher than 11th among shipbuilding nations of the world. The United States—the leading trading nation in the world—risks becoming low man on the totem pole of international shipping.

The need, then, is clear. My suggestions fall into four general classifications.

First. Probably most important is the matter of subsidies. The Government pays out nearly $400 million a year in direct and indirect subsidies to the shipping and shipbuilding industries.

Under normal circumstances, a nation whose economy is based upon free enterprise regards a subsidy system as alien and undesirable. It seems to me, however, that there are certain goals—the ones enumerated in the 1936 act—which can be achieved only through the maintenance of a healthy American shipping and shipbuilding industry. Due to several factors, notably the high standard of living of American workmen, these goals simply cannot be met without Government subsidy. It is for this reason that, although I sympathize with those who dislike the general principle of Government subsidy, I feel that certain forms of subsidy are essential in this case.

Construction subsidies are an important means of insuring the adequacy of the merchant marine and of the shipyards. It seems to me to be advisable to continue the present system of construction differential subsidies to the liner fleet. The U.S. liner fleet is the finest in the world, due in large part to the Government aid program—80 percent of the 20-knot cargo liner vessels in the world have been built and operated in the United States. This part of the program should continue, with up to 55 percent of the construction cost being paid by the Federal Government.

The first Subcommittee of the Maritime Advisory Committee, after long and careful study of U.S. needs, has concluded that a bulk carrier construction aid program is desirable. This has long been my position.

Given the requirement that ships be built in the United States, we must recognize that this country will never acquire an efficient bulk carrier fleet without Government subsidy. And it is most certainly in the national interest that such a fleet of dry bulk carriers be developed.

According to the analysis made by the Presidential Task Force, the average cost of each bulk carrier would be $11 million, approximately half of it to be paid by the Government. A fleet of 250 vessels, to be built by 1985, has been suggested.

Such a program would add $169 million to the annual subsidy of nearly $400 million, at the outset, for a total expenditure of approximately $570 million.

I do not believe that this is too large a price to pay for the development of a bulk carrier fleet, which can be of inestimable value to this country in the future. Moreover, as the Maritime Advisory Subcommittee has pointed out:

> Much of the cost will be recouped by the Government through additional revenues.

A substantial portion of every dollar of subsidy will return to the Government in the form of income or corporation tax.

I would not presume to give detailed advice as to the number and design of such vessels, of course. But I believe that subsidy for such construction would be highly appropriate. It would undoubedly prove to be one of the best investments that this Government could make.

It might prove necessary, once the contruction of the new dry bulk carriers is completed, to grant an operating subsidy to this segment of the fleet as well. I would propose, however, that no such action be undertaken until a detailed study of the requirements had been completed. With the modernization of the fleet and the continuation of the cargo preference assistance, the dry bulk carriers might well prove to be self-supporting.

I have already cosponsored in the Senate a bill S. 1858, which would allow the creation of tax-free reserve funds for the construction of new vessels. The enactment of such a proposal would provide construction assistance to the other nonsubsidized shippers. The continuation of present trade-in procedures is also to be recommended. Taken together, this construction assistance for liners, dry bulk carriers, and others would provide a well-rounded program of modernization of the U.S. cargo fleet.

Another important area in which Government assistance is given is that of operating subsidies. Due to the high standard of living of American seamen, there appears to be no alternative to continued operating subsidies, if we are to continue to hire American crews and operate vessels under the American flag. These subsidies must therefore be continued.

It may be noted, however, that a significant increase in construction subsidies, such as I have urged, would produce a much more modern and efficient American fleet. This in turn would reduce the amount of operating subsidy needed.

Second. Another area in which the Government can be of great assistance in promoting a healthy merchant marine is the policy of cargo preference. Public Law 664, enacted in 1954, provides that at least 50 percent of U.S. Government-generated cargo shall be carried in American flag vessels, if such vessels are available at "fair and reasonable rates." Public Resolution 17, enacted in 1934, declares that all agricultural products financed by U.S. loans shall be delivered in U.S. vessels, if they are available. In addition, all military cargoes must be shipped on American flag ships.

Three years ago, the late President Kennedy reaffirmed the importance of this cargo preference, stating in particular that the 50 percent requirement "is a minimum, and it shall be the objective of each agency to ship a maximum of such cargoes on U.S. flag vessels."

Despite this explicit Presidential order, there have been numerous occasions on which the requirement has not been met.

Rather than detail the instances, I would merely cite the 1962 report of the Commerce Committee on this subject:

> All too often, the committee has felt, there has been evidenced in at least several of the administrative departments an apparent desire on the part of those responsible for shipping arrangements to evade the cargo preference requirement whenever opportunity offered.

Close congressional supervision has resulted in some improvement of the situation since then, but American cargo shipping is still in a weak and rapidly deteriorating condition. The temptation for Government agencies to ship in foreign bottoms at lower rates still appears to be strong.

I, therefore, feel that a reaffirmation and extension of the cargo preference policy would be appropriate. The U.S. merchant marine cannot remain healthy without substantial amounts of cargo. The U.S. Government, which is the immediate beneficiary of a strong merchant marine in time of emergency, should be the first to give the American shippers that cargo. I, therefore, propose that 75 percent of this Government's cargo be shipped in American bottoms. I have respectfully urged the task force to make such a recommendation.

In addition, of course, I believe that the Congress should continue to oversee carefully the administration of the cargo preference laws. As a member of the Merchant Marine and Fisheries Subcommittee, I will do my utmost to see that all Government agencies comply with these regulations whenever practicable.

The first subcommittee of the Maritime Advisory Committee made a recommendation that not less than 30 percent of all petroleum and petroleum products imported into the United States be carried by U.S.-flag tankers, where they are available.

I agree with the subcommittee that such a regulation would not be unduly harsh on petroleum importers, and that it might aid significantly in restoring our tanker fleet to some semblance of strength. At present, American flagships carry only 2.3 percent of the petroleum imports of this country. Surely we can, and should, do much better than that.

In general, I feel that the Government should expand and intensify its efforts to promote shipping in American bottoms. Some of these efforts can be direct: Through an expanded and strictly enforced cargo preference program—the cost of which may be reduced as increasing modernization brings American shipping rates into line with foreign rates.

Other efforts can be indirect: The Maritime Administration's continuing promotion, "for trade or trips, American ships" is an example. Such a dual program, efficiently administered, would greatly strengthen the American merchant marine.

Third. The next general area of maritime policy which I feel deserves attention is labor-management relations. As I told a Senate subcommittee, the labor situation has been chaotic in recent years. I strongly feel that something must be done about this deplorable situation—operating as far as possible within the framework of free collective bargaining.

I concur heartily with what Secretary of Commerce Connor said at the Merchant Marine Academy last week:

> In our system of free, competitive enterprise, I would prefer to see a diminishing Government role and an expanding private rol in the maritime industry. But so long as the Government is involved—so long, for instance, as the Government is called upon to pay 72 cents or more of every dollar in wages aboard subsidized ships—the voice of the Government must and will be heard.

When the Government and the taxpayers of this country have as big a stake in the maritime industry as they do—to the extent of nearly $400 million annually—they have a right to expect some stability in labor-management relations, and some continuity in the service for which they are paying a large part of the bills.

I believe that the Government should require a no-strike clause in the labor contracts of all construction and operation which it subsidizes. Only in this manner can some continuity of service be insured.

I would like to make it clear that I am not proposing compulsory arbitration of collective bargaining issues. When a contract comes up for negotiation, there should be free and unimpaired collective bargaining, aided perhaps by Federal mediation if such mediation would assist in preventing a work stoppage.

But once a contract has been agreed upon, issues which arise during the life of the contract should be settled by arbitration—not by strike or by lockout. And I respectfully submit that the Federal Government should make this a prerequisite of any construction or operating subsidy.

Fourth. Lastly, I offer several recommendations which bear on the Government's policies toward the private shipyards of the Nation. I think it should be the general objective of the Government to encourage the growth and continued health of the private shipyards.

This can be accomplished in several ways. I would oppose a total ban on the purchase of any vessels abroad, but I believe that no such purchases in foreign shipyards should be made without careful consultation with the Congress. Twice during the past year, such purchases have been suggested. The general rule—to be reached only under exceptional circumstances—should be that no work which could be done in American yards, thereby fostering a substantial American construction and repair capacity, should be given to foreign yards.

This rule should apply to Defense Department contracts as well as those of the other agencies. Moreover, the requirement that subsidized ships be built in U.S. yards is reasonable and very much in line with the 1936 declaration of policy.

The Defense Department can aid the maintenance of a strong private shipyard industry in another way: By guaranteeing a substantial portion of the naval repair and conversion work to the private yards. The 65/35 provision formerly included in the annual Department of Defense appropriation would be an effective means of guaranteeing a minimum of 35 percent of such work to private yards.

The proposals which I have made would not be without cost to the Federal Government. If adopted, they might raise the present total annual maritime expenditure substantially. But a nation which can afford $5.2 billion for space, it seems to me, can also afford to spend sufficient funds to insure an adequate merchant marine.

And it would be short-sighted indeed to assume that funds spent to assist the maintenance of our merchant marine are funds lost. Not only will they produce an effective and efficient merchant marine for wartime and peacetime activity, not only will they save the United States substantial amounts of dollars on her international balance of payments, not only will they provide jobs for American seamen and shipyard workers, but they will be paid back to the Government, in large part, in the form of taxes. Thus the additional spending which would be entailed would represent a relatively small but very important investment—one of the best investments, in my judgment, which the Government could make.

In summary, my proposals would involve additional subsidies, increased cargo preference, provisions for labor peace, and placing of work in American shipyards. The cost would not be prohibitive; the results, I believe, would be of great advantage to this Nation.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BREWSTER. I am very happy to yield to the distinguished senior Senator from Oregon.

Mr. MORSE. Mr. President, I commend the Senator from Maryland for the speech he is making. I associate myself with his speech.

I tell the Senator that, as in years gone by, he can find me on exactly the same side that the senior Senator from Maryland is taking.

I believe that the senior Senator from Maryland is unanswerably right, and that the speech he is making is needed. I hope that the Navy and the Defense Department and the White House will take note of his remarks.

Mr. BREWSTER. Mr. President, I thank my distinguished colleague. I appreciate the fact that he joins with me and lends his great prestige to the point of view that I am now raising and that he has so long espoused.

VIETNAM—FORMER SENATOR GOLDWATER'S COLUMN

Mr. MORSE. Mr. President, a column written by a former Member of this body, Barry Goldwater—I believe that most of us still remember him—was published in the New York Herald Tribune for August 15 and in other newspapers which publish Mr. Goldwater's column. While it is highly critical of me, I ask unanimous consent to have it printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Screwball Ideas

(By Barry Goldwater)

Senator Wayne Morse, of Oregon, suggests that there is a rising demand among the American people to impeach President Johnson. He made this astounding announcement recently in the Senate.

Senator Morse, who is noted for going to any lengths to make a point in favor of his own position, claimed that this is due to the administration's Vietnam policy, which he opposes.

"In my trip across the country," the Oregon Democrat told his colleagues on August 3, "I have been alarmed by the rising denuciation of the President and his administration for their Vietnam policy.

"I have heard the word 'impeach' used more often in the last week than I have heard it since President Truman sacked General MacArthur.

"I have been asked by more people than I would have thought possible if there is not grounds for impeachment of the President, and how the process can be set in motion. I have been advised about petitions that have been circulated and hundreds of people are signing asking for the President's impeachment," he stated.

"Much of this talk stems from objections to a war being undertaken without congressional declaration. Most of these people see the President as waging an executive war in violation of the Constitution. They think the impeachment clauses of the Constitution must apply to such a case."

Senator Morse accused President Johnson in the same speech of conducting an illegal war in Vietnam. He added:

"In my judgment, we cannot justify the homicides for which the President or Rusk or McNamara or Bundy or Lodge and the rest of them are responsible in conducting an unconstitutional war in South Vietnam."

These statements, coming from a Democrat, raise some interesting questions.

One wonders just who Senator Morse talked to during his trip across the country.

Since all the public opinion polls show the American people overwhelmingly support the President's policy in Vietnam, it must be concluded that the Senator spent his time consulting the intellectual extremists who keep suggesting that the President is "out of control" because he has decided to stand firm against Communist aggression in Asia. It is safe to assume that most Americans never heard the suggestion of impeachment until Senator Morse cut loose.

What did he expect to accomplish by his remarkable statement?

He carefully says that he was "alarmed" by what he heard. But it is important to note that his concern did not prevent him from giving the widest possible circulation to a ridiculous suggestion of removing the President.

Senator Morse also coupled his comments with a demand that the administration give heed to congressional critics of its Vietnam policy and that the Congress remain in session so that the stream of criticism can continue for the remainder of the year.

Senator Morse should pause to consider why people with such an outlandish idea as impeachment of the President should seek him out for questioning. Such charges as one accusing administration officials of homicide make him the logical repository for screwball ideas.

This certainly should be the source of his concern. It proves beyond any doubt that the far-left critics of President Johnson's foreign policy have become irrational in their objections and that they are running far beyond the bounds of intelligent debate. They are certainly "out of control."

Mr. MORSE. Mr. President, I could not find a better recommendation for my position on any issue than to discover that Goldwater is against it. The reason why he made such little imprint on American public opinion in 1964 is well illustrated by the tactics to which he resorted in publishing this article.

I should like to suggest to Mr. Goldwater that he give instructions to his ghost writers at least to tell the whole story. However, we do not expect that from Mr. Goldwater and his ghost writers.

Mr. President, the column takes great exception because I pointed out in the Senate that there are those in this country who seek to resort to impeachment proceedings against the President of the United States because of his undeclared, unconstitutional, and illegal war in southeast Asia. But, there is not a word in the Goldwater distortions to show that I made perfectly clear that I completely disagree with the position taken by those talking about impeachment.

The first reference to communications which I received, and discussions which I have heard concerning impeachment, was in reference to comments I made in the Senate on August 3 setting forth again, as I have so many times, my disapproval of the President's executive handling of the conduct of the war without the slightest constitutional authority to do so. I pointed out in that speech of August 3 that the President has come under criticism for conducting a war without a declaration of war. Further, I pointed out that it should be evident that if Congress goes ahead with its present plan to adjourn by Labor Day, or shortly thereafter, the war in Vietnam will be even more completely an executive war than it is now, because Congress, at least at the present time, if it wills, has the constitutional checks which it can apply to the President, the Department of State, and the Department of Defense.

I also pointed out that Congress could do more to protect the President from impeachment talk if it remained in session, because it would be in a position to exercise its checking function; whereas with Congress out of session for 3 or 4 months, the President would be exposed to rising charges that he is conducting a war without reference to the Constitution.

During the past few weeks I have said over and over again that I believe the best friends of the President in Congress are those who wish to keep Congress in session. I have suggested that if Congress feels that its schedule permits it to take a recess of 1, 2, or 3 weeks at a time, it might consider doing that, but to adjourn sine die would be something different.

I do not believe we can morally justify adjourning Congress sine die with American boys dying in southeast Asia in a war that could spread rapidly.

We have a clear duty, connected with our positions of public responsibility, to stay in session, if it is for no other reason than to remain here to participate in our constitutional duties as a check upon the executive branch of the Government under our system of three coequal and coordinate branches of government while a war, even though in this instance an unconstitutional war, is being fought and supreme sacrifices are being made.

There is not the slightest reference in the Goldwater trash that he published in his column yesterday about the speech I made on August 4. He quotes from my August 3 speech. On August 4 I repeated the language to which Goldwater refers from my August 3 speech. Then I went on to say, quoting from my August 4 speech:

> Then I went on to make a statement as why, in my judgment, Congress should not adjourn sine die but should remain in session until January 1. I pointed out that we should remain in session and carry out our constitutional responsibility of serving as a legislative check upon executive action.
>
> There are those, judging from the interviews with the press today, and from telephone calls that the senior Senator from Oregon has received, who interpret my remarks as indicating that I advocate the impeachment of the President.

Of course, such an interpretation is nonsense.

Then I proceeded to develop my reasons for opposing any suggestion about impeachment, and set out the contents of the letters that I had sent out in answer to such suggestions, in which I made perfectly clear that I thoroughly disapprove of any impeachment proposal.

I ask unanimous consent that certain excerpts from the August 4, 1965, speech be printed at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

> Mr. MORSE. Mr. President, yesterday I said in a speech on the floor of the Senate.
>
> "Mr. President, in my trip across the country and back since I spoke on the floor of the Senate last Wednesday, I have been alarmed by the rising denunciation of the President and his administration for their Vietnam policy. I have heard the word "impeach" used more often in the last week than I have heard it since President Truman sacked General MacArthur. I have been asked by more people than I would have thought possible if there is not grounds for impeachment of the President, and how the process can be set in motion. I have been advised about petitions that have been circulated and hundreds of people are signing asking for the President's impeachment.
>
> "Much of this talk stems from objections to a war being undertaken without congressional declaration. Most of these people see the President as waging an executive war, in violation of the Constitution. They think the impeachment clauses of the Constitution must apply to such a case."
>
> Then I went on to make a statement as to why, in my judgment, Congress should not adjourn sine die but should remain in session until January 1. I pointed out that we should remain in session and carry out our constitutional responsibility of serving as a legislative check upon the executive action.
>
> There are those, judging from the interviews with the press today, and from telephone calls that the senior Senator from Oregon has received, who interpret my remarks as indicating that I advocate the impeachment of the President.
>
> Of course, such an interpretation is nonsense.
>
> Mr. President, I have been receiving a great deal of mail in regard to this matter and many people have talked to me at meetings at which I have spoken in opposition to the President's war in Vietnam. I have been answering all of the mail on the impeachment matter with a letter that contains these two paragraphs. I read two paragraphs from a letter dated July 6, 1965. I have sent similar letters before and since that time:
>
> "In your letter, you asked me for my views concerning your suggestion that steps should be taken to impeach President Johnson and perhaps some other officials. It is my view that such an impeachment attempt would be a very serious mistake. All it would do would be to divert attention away from the basic issues involved in American foreign policy in Asia and center attention on President Johnson, as an individual. It would cause many people who disagree with his foreign policy to rally behind him, because they would consider such a movement to be an ad hominem approach. Attacking Johnson, personally, will not change his course of action, and it will not win supporters for a change of foreign policy in Asia, but to the contrary, it will drive supporters away.
>
> In my opinion, there is no question about Johnson's sincerity or his patriotism or his desire for peace. It is Johnson's bad judgment and mistaken reasoning in respect to the war in Asia that constitute the basis of the crucial problems that confront us in trying to get a change in Johnson's policies in Asia. To attack him, personally, by proposing impeachment would be the most serious personal attack that could be made upon him. It would rally the Nation behind him and result in his policies being escalated into a major war at a much faster rate. Those of us who oppose Johnson's foreign policies must meet his views on their merits. We should never attack him, personally."
>
> I wish the RECORD to show that this letter represents the position the senior Senator from Oregon has taken in all correspondence on the subject. Also, it represents my answers to questions on impeachment at all rallies I have attended, and in all my conversations with those who urge impeachment of the President.
>
> Those that I have talked to and who have written to me suggesting impeachment of the President are not extremists in the sense that they are irresponsible persons. Many of them are on the faculties of American universities. Many of them are out of the professional life of our Nation.
>
> I have no intention of joining them in such a program. Nevertheless, I believe it is a significant fact that there is growing discussion in this country of an attempt to stop the President from his illegal war in southeast Asia, even to the extent of circulating impeachment petitions.
>
> * * * * *
>
> Mr. MORSE. I merely wish to say in reply to the Senator from Ohio that it is not at all surprising for people in the country who think the President is following an unconscionable and illegal course of action in South Vietnam to turn to the Constitution and look for what procedural protection they have. They have a perfect right to turn to the impeachment procedure. I believe that they are making a great mistake in judgment. I, of course, would defend them in their right to exercise their constitutional rights. But, in one sense, I should like to say to the Senator from Ohio that until the President follows his constitutional obligation by coming before this body and asking for a declaration of war, the President is engaged in an illegal war. It is a war now conducted by the Chief Executive, in South Vietnam without a scintilla of constitutional right. This Congress is likewise guilty of violating its duties under the Constitution by seeking to delegate to the President a power that it cannot constitutionally delegate. It is the duty of the Congress under article I, section 8, either to declare war or to stop the President from slaughtering American boys in southeast Asia. I have no doubt that impeachment talk will increase if the President continues to conduct an unconstitutional war.

Mr. MORSE. Mr. President, let me make very clear that the more Barry Goldwater attacks me the better I like it, because that will only show how right I am. He was dead wrong throughout the campaign in his shocking proposals for military action which would have involved us in a major war in Asia. It is with great regret that I find my President has followed to too great a degree the very unsound position that Goldwater took during the campaign.

I still hope, upon further reflection and as more and more evidence comes in with respect to the great concern that exists throughout the country with respect to our military course of action in southeast Asia, that my Government will return to the framework of international law and that we will put the members of the United Nations on the spot by formally submitting the entire subject to the Security Council, and in that way find out who it is who really believes in substituting the rule of law for military might as a means of settling disputes which have raised this serious threat to the peace of the world.

THE DEADLOCK IN CONFERENCE ON THE FOREIGN AID AUTHORIZATION BILL

Mr. MORSE. Mr. President, as the country now knows, the Senate conferees and the House conferees have been in deadlock over the foreign aid authorization bill. The Senate committee and the Senate adopted the Fulbright-Morse amendment to the foreign aid bill. The first part of the proposal submitted by the Senator from Arkansas would authorize a 2-year extension of foreign aid. The second part, the amendment which I offered—and which I have offered for several past years—seeks to bring the present program of foreign aid to an end. The date of my amendment this year was the beginning of fiscal year 1967. In the intervening period a thorough study of foreign aid would be made by a special committee, to the end of starting a new foreign aid program on the basis of new rules and procedures and policies, to the extent that the old program needs to be changed, as found by that study; and the objective should be that the new program should seek to limit the foreign aid program to 50 nations, although we made very clear, as the Record will show at the time the Senate debated the matter, that there is nothing fixed about the figure 50, and that if the study showed that it ought to be a higher number or a lesser number, another number ought to be selected.

Mr. President, it is highly significant that the Foreign Relations Committee this year formally adopted my amendment. The present Presiding Officer of the Senate [Mr. Long of Louisiana], a member of the Foreign Relations Committee, knows that for the past 2 years serious consideration has been given to the Morse proposal. In my two dissenting reports in the past 2 years on foreign aid I pointed out that the majority in their report was kind enough to point out that their feeling was there had been great errors in foreign aid, but that they felt the administration should be given a further opportunity to bring about the necessary changes and reforms.

The Presiding Officer knows that in the past 2 years I have said that the majority of the committee had made my case for me, and that when they admit that reforms are necessary it clearly becomes the responsibility of the Foreign Relations Committee to make recommendations for reforms.

This year, in contrast to the majority position of the last 2 years, the committee started adopting some reforms. The Fulbright proposal for a 2-year authorization, coupled with the Morse proposal for ending the program at the beginning of fiscal year 1965, and starting a new program, was really a matter of major moment in connection with foreign aid.

Without disclosing any privileged matter, as the papers have stated, the Foreign Relations Committee met last week, on August 12, with the Secretary of State, Mr. Rusk, and the director of foreign aid, Mr. Bell, and they discussed the impasse that has developed between the Senate conferees and the House conferees, and it was pointed out that there was a deadlock.

The Presiding Officer knows that deadlocks are resolved. The Presiding Officer knows that someone will recede.

I say to my colleagues in the Senate that I pay high tribute to the chairman of the Senate conferees, the Senator from Arkansas [Mr. Fulbright]. I am indeed proud of the insistence of the Senate conferees in conferences with the House, in their attempt to work out a conscionable accommodation of the differences which exist between the two conference groups.

We also know that the administration has put on the heat. The administration wants a conference report. I can understand that. However, I believe that in getting a conference report, unless the suggestion I am about to make is accepted, the end result will be closer to what the House wants than what the Senate has passed. I hope not, but that is my fear.

I have made clear that I cannot vote in conference for the renewal of the old program. The American people are entitled to something better. I believe that the real friends of foreign aid should insist on something better. In my judgment, if we continue foreign aid on the basis which has characterized it in the past, the American people will rise up against it at the polls and make perfectly clear to the Members of Congress that they are fed up with it.

They should have done it several years ago. Since 1946 we have had a program costing some $111 billion which is so honeycombed with inefficiency and shocking waste, and is the cause of so much corruption in so many parts of the world, that it ought to be stopped. I believe the military aid aspects of foreign aid explain to a remarkable degree some of the serious plights in which the United States finds itself in those areas of the world where strong anti-American feeling is developing; and more of that is entering. I mention it in passing tonight only because I wish to say that those of us who are insisting upon a reform of foreign aid are the true friends of foreign aid. Officers of the present administration who wish to continue foreign aid as it has been will, in my judgment, run into such strenuous opposition from the American people that they are the ones who will do great damage to the positive, affirmative aspects that could characterize a sound foreign aid program.

I shall not sign a conference report and I shall not vote for a conference report, as I made very clear to the conference, and as I have made very clear heretofore in the Senate, that is merely a conference report that would give the American taxpayers more of the same—more waste, more inefficiency, more corruption, and more expedients to postpone the day of reckoning in the underdeveloped areas of the world. So I have proposed a continuing resolution on foreign aid on a temporary basis until there can be some crystallization of a foreign aid program that will at least include some procedures therein which will make it possible for us to go ahead with the reform of foreign aid.

But, it is said, "What about Vietnam?" Let us face it. Vietnam no longer has anything to do with the foreign aid program. Vietnam is in a class by itself.

The funds for Vietnam are included in the foreign aid bill, but everyone knows that, in the months ahead, we shall receive requests from the administration for additional funds for Vietnam, and those measures will be passed.

I do not believe, in connection with the continuing resolution with respect to foreign aid, that Vietnam presents any sound argument against such a continuing resolution.

What we should do is to give consideration to a continuing resolution on foreign aid. The Senate ought to consider a continuing resolution rather than a new foreign aid bill which, in my judgment, would entrench more deeply the existing evils of our present foreign aid bill. I make these comments today because I wish to make them as a matter of public record in the Congressional Record, and to express the hope that my President, the Secretary of State, and the director of foreign aid, Mr. Bell, will give careful thought to the suggestion.

I am not alone in making the suggestion, because other members of the committee, in effect, said in the presence of the Secretary of State the other day that they would like to have the Department of State be prepared to advise us as to what insurmountable problems would be created by such a continuing resolution, if any—and I do not believe there are any.

It is better for the Senate and for the House to adopt a continuing resolution of aid as it now exists rather than to go ahead and adopt a new foreign aid bill before we have had the time to make the necessary reforms or time to make the necessary reforms for a new foreign aid program. So I make that suggestion tonight in the hope that the administration will consider it. If a conference report based upon a receding by the Senate conferees, or a majority thereof, comes to the floor of the Senate, it will stir up a considerable discussion in the Senate and in the country, because the public generally, in my opinion, wishes foreign aid cleaned up.

The bill before us for conference with the Fulbright-Morse amendments eliminated would give the American people no hope for cleaning up of foreign aid under that bill. The Senate should consider and adopt a continuing resolution because of a deadlock in conference and because there is a growing recognition of the situation on the part of the conferees, the members of the Foreign Relations Committee, and Members of the Senate; and the sentiment is also prevalent in the House. There is one House conferee who goes even further than I go in regard to foreign aid. He would lead one to believe that he would be perfectly willing to end it for all time.

Interestingly, I consider myself a stronger advocate, or an advocate of foreign aid as strong as any Member of the Senate, bar none, but an entirely different type of foreign aid than has been fleecing the American taxpayers out of billions of dollars for so many years.

So if we really wish to be friends of foreign aid, the Senate and the House ought to support a resolution that would continue, for another year, foreign aid as it was administered under the old bill. Such action would not prevent it from being adopted with the clear understanding that Vietnam is excluded, and Vietnam will be considered by itself in the light of the needs as that illegal war progresses.

ADJOURNMENT

Mr. MORSE. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 8 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, August 17, 1965, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

The Barry Gray Program

EXTENSION OF REMARKS

OF

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. MURPHY of New York. Mr. Speaker, a national magazine, in discussing the Barry Gray program, offered this cogent, but highly perceptive appraisal of the broadcast:

> The best in the business * * * his (Mr. Gray's) guests say whatever they please.

Barry Gray, one of the most astute and well-informed radio commentators in New York, recently celebrated his 15th anniversary with WMCA, and I submit that he has recorded a number of major accomplishments that merit attention, and account for his enormous popularity.

He has interviewed an estimated 30,000 guests, men and women in the arts, politics, science, and the literary field, conducted more air interview hours than any of his competitors, nearly 20,000, and, to his great credit, enjoys the largest evening radio audience in New York City.

A veteran of nearly 30 years in broadcasting, Mr. Gray can point with justifiable pride to the fact that his program is one of the most discussed shows on the air. His achievements, one esteemed radio critic has stated, have proven that listeners "will stay up late to hear discussion, opinion, and controversy."

Mr. Gray is more than a moderator of a talk program. He is a man gifted with keen reportorial instincts, an interviewer with rare insight who is able to get to the heart of a subject, and a broadcaster who has demonstrated repeatedly that he has the courage to express his convictions on the air.

His work is in the tradition of such renowned figures as Edward R. Murrow, Elmer Davis, and H. V. Kaltenborn, in that he has spoken with courage and vigor when presenting views he believes are meaningful and of profound interest to the public, and when analyzing men and events that shape our lives.

Mindful of the fact that in a democracy, disparate opinions on major issues must be aired and every effort must be made to provide answers to searching questions, Mr. Gray has made his program a forum for all viewpoints on vital local, national, and international matters.

He has made his microphones available to men of all political persuasion, and though ideas have been advanced that are anathema to Mr. Gray personally, he has permitted them to be articulated fully in order to give his listeners the broadest possible perspective.

In a media that has been criticized at times for its timidity on controversial matters, Mr. Gray himself has often been the center of controversy—but he is to be commended for consistently refusing to compromise his beliefs.

A man of varied activity, lively intelligence, and broad interests, Barry Gray has illuminated and brought distinction to nighttime radio. The New York City broadcasting scene is a better place for his presence.

Farm Legislation

EXTENSION OF REMARKS

OF

HON. GALE SCHISLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. SCHISLER. Mr. Speaker, in a very short time the full body of the House of Representatives will be called upon to consider the 1965 agricultural proposals. As one who was born and raised on an Illinois farm, I am especially interested in seeing a workable farm program enacted by this 89th Congress.

I firmly believe there are no easy solutions to attaining this workable program, but I feel if all interested parties will sit together at the negotiating table, all views and every possible program can be brought to light and discussed. Our district has taken this approach: the Illinois Agricultural Association, citizens groups representing our farmers, and other interested organizations have met with me to discuss in detail the 1965 agriculture proposal.

On August 6 and 7 we had the distinct pleasure of having Secretary of Agriculture Orville Freeman visit the 19th District of Illinois. Secretary Freeman's remarks to large gatherings in Monmouth and Rock Island, Ill., were indeed timely and extremely helpful in understanding what the 1965 agricultural proposals seek to achieve.

Mr. Speaker, at this time, I share with my colleagues excerpts from Secretary Freeman's remarks, delivered at the Monmouth College Student Center, August 6, 1965:

EXCERPTS FROM SECRETARY ORVILLE FREEMAN'S REMARKS

The old adage that economic depressions are farm-bred and farm-led still applies. But today we prefer to think of it in positive terms—that millions of jobs and the health of many great industries depend on farm products and farm dollars.

Representative GRAHAM URCELL made a survey of 625 farmers in 10 big wheat States relative to their prospective investment in farm machinery. He received replies from 466 of the 625 farmers surveyed. Under current wheat prices these 466 farmers plan to buy only about $836,000 worth of equipment. On the other hand, if the price of wheat for domestic use is increased to full parity, they indicate they would buy almost 10 times as much, or $7,840,000 worth. We estimate that for every $10,000 of additional farm machinery bought by farmers, one added job is created by industry. For just these 466 farmers, therefore, an adjustment in the domestic wheat price would mean about 700 more jobs in the farm machinery industry.

Last year, for example, gross farm income was $4 billion more than in 1960—and farmers spent over $600 million more for automobiles and $400 million more for capital goods and machinery. In the past 4 years farmers have spent more than $3 billion more on autos, tractors, and other farm machinery and equipment than would have been possible with a 1960 style income. In addition, they spent about $5 billion more on such production and consumer items as feed, fertilizer and lime, food, clothing, and household furnishings.

Our farm people are prime consumers. They spend about $30 billion a year on the goods and services related to agricultural production. They use more petroleum than any other industry. The take 9 percent of all the rubber consumed in the United States each year. They use 5 million tons of steel a year—a third as much as the automotive industry. They consume about 4 percent of the Nations' electric power.

Then they spend another $12 billion a year on family living—for food, clothes, furniture, medicine, and other products and services from town and city sources.

About 6 million people are employed directly on farms. But this is only the beginning. Agriculture is the cotter key holding some 16 million nonfarm jobs in place. Six million of these provide the supplies farmers use for production and family living. Approximately 10 million Americans have jobs storing, transporting, processing, and merchandising the products of agriculture.

In fact, it is estimated that 3 out of every 10 jobs in other employment are related to agriculture. Farm families will be better customers this year than last because realized net farm income in 1965 will hit a new high for the 1960's. The gain can be largely credited to commodity programs launched in 1961 and up for renewal with improvements in the current Congress.

The Nation's Economy

EXTENSION OF REMARKS

OF

HON. CLAIR CALLAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. CALLAN. Mr. Speaker, Hon. William McChesney Martin, Chairman of the Federal Reserve Board has studied the economy of the United States today and found what he called similarities between the economy of the pre-1929 era and today. After reading his remarks on this subject, I do not feel, as some individuals apparently do, that he has predicted a depression nor that he will "talk us into a depression."

I would like to add, however, that he has, I believe, not mentioned one similarity in his remarks which might be made. It is this. The American farmer during the 1920's and before had not shared in the general economic growth experienced by the rest of the country. I realize that this economic growth was not as sound as it should have been, but I also know that one of the reasons cited by some well-respected economists as a contributing factor to the beginning and the severity of the 1929 depression was the unhealthy farm economy of that period.

Mr. Speaker, farmers are great consumers of manufactured goods in the United States. Probably a higher percentage of their income goes immediately back into the economy in the form of goods and services purchased than any other segment. A sharp decrease in farm income therefore cuts quickly and immediately into the heart of the purchases made by this extremely important group of consumers.

Now, I and other Members of the distinguished body hear all about us, statements to the effect that the farmers and the country as a whole would have reason to thank the Congress should we eliminate or drastically curtail the so-called intervention in the farm economy.

I would like to point out that farmers have not shared in the general economic advance experienced by the country in recent years. Average personal income after taxes has gone up 17.5 percent in the last 4 years. Corporate profits after taxes have gone up over 30 percent in the last 4 years and the average weekly wage in manufacturing has gone up more than 15 percent in the last 4 years.

During this same period, total farm income has increased by only 11 percent. In addition, I must point out, Mr. Speaker, that realized net farm income was up only 8 percent during that period and that the farmer has had further to go than his urban fellows.

It is my contention, therefore, that the rural economy of today is disturbingly similar to that of the pre-1929 period. If we are to improve this situation, passage of the omnibus farm bill which will soon be before this body is essential and I urge every Member to support it. This Nation can afford no less and this Government cannot meets its responsibilities without it.

Anniversary of the Restoration of Independence of the Republic of Korea

EXTENSION OF REMARKS

OF

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. MURPHY of New York. Mr. Speaker, I would like to take this opportunity to congratulate our stanch ally, the Republic of Korea, on the 20th anniversary of the restoration of its independence. That she is our firm ally was again proved to me as I was writing these words last Friday when I was informed that the Korean General Assembly had just approved the dispatch of a division of combat troops to Vietnam to join the 2,400-man Korean contingent already stationed there.

Although this is only the 20th anniversary of the liberation of modern Korea from foreign domination, the history of this ancient nation extends back to the founding of the ancient Silla kingdom in 57 B.C., and the unification of the entire Korean peninsula under the Silla dynasty in A.D. 668.

The history of this ancient nation has been too often marred by outside invasion and subsequent foreign rule. The Japanese formally annexed Korea in 1910 and for the first half of this century the Korean people found their destiny controlled by a foreign power. Nevertheless, the struggle for freedom never died in Korea. When the defeat of the Axis powers in World War II finally brought an end to foreign domination on August 15, 1945, the cherished flag of Taegeuk was hoisted once again as a symbol of the restoration of Korean independence. Three years later the government of the Republic of Korea was officially formed.

Unfortunately, the continued Soviet occupation of the North forced the nation to remain artificially divided in half at the 38th parallel. Then came the sudden attack launched by the Communist regime of North Korea into the heart of the Republic of Korea. I know how bitter was the struggle which followed because I served in the U.S. Army in Korea for 13 months.

Today Korea still remains divided, severed in half by the artificial boundary that represents the Communist tyranny over the North. With the large bulk of her industries and industrial resources located in the North, the steady growth of the South Korean economy has not been an easy process. Yet, long-range efforts begun in 1962 through the 5-year economic development plan have already begun to yield results. Growth in real gross national product has exceeded 6 percent in each of the last 2 years and 1964 industrial production was 51 percent greater than in 1960. Korea's balance-of-payments situation has improved markedly; exports increased from $41 million in 1961 to $119 million in 1964. The Koreans expect that large-scale land reclamation will increase arable acreage by about 20 percent and help make Korea virtually self-sufficient in food by 1970. An economic stabilization program, including establishment and maintenance of a realistic exchange rate, has been instituted.

POLITICAL DEVELOPMENTS

In recent years Korea has made significant political progress at home and gained increasing international stature. Korea's efforts to normalize its relations with Japan and its important contributions to the Vietnam struggle demonstrate the country's maturity and full partnership in the free world community.

President Chung Hee Park paid a state visit to the United States in May 1965. His visit to this country was highly successful and did much to strengthen the already friendly ties between Korea and the United States. In public speeches, both during his visit here and in Korea, President Park has strongly reaffirmed Korea's desire to work closely with the United States in defending Asia from Communist aggression.

Today, as the United States faces a new challenge in Vietnam, the Republic of Korea stands solidly by our side, sharing our military as well as our political commitment to maintain the right to independence in southeast Asia.

Let us continue to stand by her side and extend our heartiest congratulations on the 20th anniversary of the restoration of independence for the Republic of Korea.

National Drum Corps Week

EXTENSION OF REMARKS

OF

HON. WILLIAM L. ST. ONGE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. ST. ONGE. Mr. Speaker, the week of August 15 to 22 has been designated as National Drum Corps Week in honor of the 1 million teenagers in the United States who are associated with this colorful and wholesome activity.

On this occasion, I am very happy to join with my colleagues in Congress to pay tribute to these young people and to extend my best wishes to them for their participation in this purposeful activity. The marching and maneuvering, the bugling, and the drumming have rightfully been described as "an expression of order, color, symmetry, and beauty."

Certainly this is a clean, interesting and inspiring activity for our youth in a confused world where youth is struggling to find a place for itself and an outlet for its zest and energy. Unfortunately, many of our young people fail to find worthwhile activities and end up as criminals and juvenile delinquents.

I am pleased to note that the drum corps movement has grown in recent years and is by now attracting a million young people. National Drum Corps Week is aimed to bring to attention of the American people this very important and effective youth activity. At the same time, it serves as an encouragment to our youth and to the very fine contribution they are making to our way of life. This movement deserves the support and cooperation of all Americans.

Eight Industries Aid Lake Erie Pollution Abatement

EXTENSION OF REMARKS

OF

HON. ROBERT E. JONES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. JONES of Alabama. Mr. Speaker, a noteworthy gain has been made in the program to halt pollution of Lake Erie in the Cleveland, Ohio, area. The action may have nationwide significance. I refer to the press reports indicating that eight large companies have agreed to provide data on their waste water discharges to Federal and State pollution control officials.

The waste discharges of these firms are only a small part of the total pollution reaching Lake Erie each day.

But the significance of this cooperation by industry is vast. In the past, industry, as a group, has generally refused to provide such information to pollution control officials. This means that the government, either local, State or Federal, must expand large amounts of time and money in sampling industrial wastes to determine the quantity and quality of discharges before an effective antipollution program can be worked out. The sampling program in the Detroit River area of Lake Erie, for example, cost the Federal Government $750,000 and cost the area's program to end pollution a delay of 3 years.

If the commendable example of these eight firms in the Cleveland area is followed by other industrial firms throughout the country, the water pollution abatement program can be advanced at a much more rapid rate and with considerable economy.

The large firms in the Cleveland area which have agreed to provide the data include: United States Steel Corp., Republic Steel Corp., Jones & Laughlin Steel Corp., Sun Oil Co., Standard Oil Co. of Ohio, Sherwin-Williams Co., Du Pont Co., and Harshaw Chemical Co.

The work of the Public Health Service officials in the program to end pollution of Lake Erie is also commendable. The Federal Government was called into the very serious problem of Lake Erie pollution by officials of the States bordering the lake more than 3 years ago. The pollution problems in the Lake Erie area and elsewhere in the country are so great as to require cooperation of all segments of our society.

That is why I hope that the exemplary action of these eight Cleveland area firms is indicative of a new trend of total cooperation in attacking the important water pollution problem.

Data about the nature and quantity of waste discharges into the Nation's streams are vital to formation of the most efficient and most economical abatement programs. Therefore, I am again asking the Public Health Service to establish a comprehensive inventory, in cooperation with the State water pollution control agencies, to collect the necessary information about industrial waste discharges. The Public Health Service already has such data regarding municipal discharges. But without the data on industrial wastes, truly effective programs for water pollution abatement are virtually impossible because alternate means of securing the data are so costly and time consuming.

At hearings during the 88th Congress before the Natural Resources and Power Subcommittee, of which I am chairman, industry witnesses stated varying views about providing such data. But their overall tone appeared to be cooperative. The subcommittee then asked the Public Health Service to collect data on industrial waste discharges. The program which the Public Health Service worked out for collection of such data in cooperation with the State water pollution control agencies was approved by most of the State agencies. However, when the Public Health Service requested Budget Bureau approval of the questionnaire form, many industry representatives vigorously opposed the project, and the Bureau of the Budget did not approve the questionnaire form. The failure of the Bureau of the Budget to approve this data collection program has substantially hampered progress in abating water pollution.

The Nation would have had a year's start on dealing with the urgent need for water pollution control if the Public Health Service request for the industrial discharges questionnaire form had been approved last year.

I hope that the President's new and increasing emphasis on expediting water pollution control, and the cooperative spirit represented by these major firms in the Cleveland area, will persuade the Bureau of the Budget to realize the need for comprehensive data on industrial waste discharges similar to those now collected for municipal waste discharges.

This information is imperative if adequate and efficient programs are to be formulated for the cleanup of our Nation's streams. And the cleanup of our Nation's streams is vital to assure continued supply of water for our growing population and expanding industry.

I hope that the Budget Bureau will permit the Public Health Service industrial waste discharge inventories program to get off the ground, and thus help accomplish the President's program for the cleanup of our country's streams, lakes and ground waters.

Kurt Einstein

EXTENSION OF REMARKS

OF

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. MURPHY of New York. Mr. Speaker, ours is a highly mobile society, one characterized by rapidly evolving trends in terms of population shifts and industrial growth. One of the most noteworthy postwar developments has been the movement of industry to areas where land is available for expansion and where there is abundant labor supply.

Although industrial expansion over the past two decades has been truly phenomenal, one pitfall has been the frequent inability to attract top-level executives—men who indeed turn the wheels of industry—from areas in which they have established roots and from which they are reluctant to move.

It should be pointed out that because industries in every part of the country have been confronted with a shortage of high-level personnel with technical and managerial skills, they have been forced to delay sorely needed expansion programs and this is a source of great frustration to management.

This has spurred the growth of a number of executive recruitment and executive search firms. Although these firms are largely engaged in meeting the personnel needs of industry in their immediate vicinity and in attracting executives from other parts of the country, they also are performing a vital function in serving industry firms outside their immediate sphere of activity.

A pioneer in the executive recruitment field is Einstein Associates, whose president, Kurt Einstein, has been able to perceive and understand the problems of industry, and who is directing the activities of his firm toward fulfilling the personnel requirements of all types of industrial firms.

Indeed, as Time magazine recently noted in an article about this burgeoning field, it is a safe prediction that executive searchers face a greater demand for their services in the days ahead. Time stated that "diversification, acquisitions, and the spread of foreign branches have substantiailly increased industry's needs for managers."

Because of the severe hardships Mr. Einstein suffered as a young man, he is particularly eager to make a substantial contribution to the growth of this country, and, I might add, he has written his own Horatio Alger story in the 18 years he has been in the United States.

Born in Stuttgart, Germany, Mr. Einstein spent the years between 1941 and 1945 in six concentration camps in Germany and in the Baltic States. Miraculously, he was the only survivor among 3,000 Jews in his native city who perished as a result of Nazi brutality.

When he came to this country in 1947, therefore, he brought with him a profound appreciation of the meaning of freedom. Since, when he came to this country Mr. Einstein could not speak English at all, his first job was as a messenger. His interest in the world of business led him to pursue courses in psychology and its relationship to personnel management, and in 1952 he began his career in executive recruitment.

Mr. Einstein is to be commended for offering his gratitude to America by applying his skills and knowledge in providing a service that has become essential to this country's economic growth and development.

The Ming Quong Children's Center

EXTENSION OF REMARKS

OF

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. GUBSER. Mr. Speaker, I am proud to say that the Ming Quong Children's Center, one of the finest organizations dedicated to the assistance of mankind and little children in particular, is located in the heart of my congressional district.

The Ming Quong Children's Center in Los Gatos, Calif., is celebrating its 50th anniversary this year. Its purpose throughout these years has been to help troubled children of California. The old Chinese gate which marks the entrance to the center is a symbol of a half-century of this open door policy.

The Ming Quong Center goes deeply into California history. It grew out of a rescue mission home in San Francisco for Chinese slave girls who had been brought to this country at the turn of the century. The story of the dedicated women of the Occidental Board, who founded the mission, and Miss Donaldina Cameron and her assistants, who accounted for the rescue of over 1,000 slave girls, is one of the West's most exciting tales.

It began in 1915, under its present name, as a custodial home for Chinese orphans—little girls who had been abandoned with no parents to care for them or who were being used as domestic drudges. This was not unusual in the old Chinese culture. Girls had no value even for the families which had migrated to the United States.

Ming Quong—translated "radiant light"—came into being when it was decided that it was unwise to house the small girls with the older ones who had been former slave girls. Capt. Robert Dollar, of the Dollar Steamship Lines, gave them property—which is now part of the Mills College campus in Oakland, Calif.—for a home for 60 younger girls. In 1935 the need was felt to remove the girls to warm, sunny Los Gatos as many of the children had been exposed to tuberculosis and were undernourished. The work with both boys and girls continued as a mission station of the board of national missions of the United Presbyterian Church.

Today, Ming Quong performs as great a service in meeting modern day needs as it did 50 years ago. Now it is a residential treatment agency for emotionally disturbed boys and girls of all races and creeds. The children live in cottages each with its own houseparents. A highly trained staff of therapist-social workers, psychologists and a consulting psychiatrist work as a team to solve the problems of these unfortunate children who are innocent victims of circumstances beyond their control. They also work with the parents whenever possible to try to solve family problems.

Ming Quong is now reaching into the community to develop all types of community support and interest. Churches of all faiths instead of one, now assume their responsibility; individuals and community groups contribute time and talent; volunteer auxiliary clubs have been formed to lend effort and financial support.

Plans for a day treatment center for children who do not need residential care are underway with the public school system working closely with the center in organizing special teaching programs.

Ming Quong's first 50 years has been dedicated to meeting the needs of the times and plans for the years ahead promise this same foresighted approach. The great old Chinese gate will always be open to receive the troubled children of California.

One Man, One Vote

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. PEPPER. Mr. Speaker, I was scheduled this week to testify before the House Judiciary Committee in opposition to a proposed constitutional amendment to overturn the one-man, one-vote rule in legislative apportionment. These hearings have been postponed but this question is still alive in the other body. I wish, therefore, to make my statement available to my colleagues. It is as follows:

STATEMENT OF THE HONORABLE CLAUDE PEPPER OF FLORIDA, BEFORE HOUSE JUDICIARY COMMITTEE IN OPPOSITION OF THE DIRKSEN AMENDMENT (PREPARED FOR DELIVERY)

Mr. Chairman, I rise in protest to a plan that threatens to undermine the very foundation upon which this Nation was built. I am opposed to inequality; I am opposed to government by any means other than by the consent of the governed; and I am in favor of those liberties that rightfully belong to every citizen of a democratic society. When these liberties are threatened, men must join to preserve them. These liberties are being threatened today by those who would attempt to legislate inequality, by those who, if successful, would establish a dangerous precedent: the first addition to the Constitution that would limit equality of suffrage. I speak against the proposed amendment on legislative reapportionment.

Nearly two centuries have elapsed since this Nation became a reality. The lives that were lost in the Revolutionary War were lost in dedication to the principles of human dignity—to the principles of liberty and equality. But those soldiers did not fight for principle alone. They fought so that the words "liberty" and "equality" might cease to be abstract principles—so that men would be equal and men would be free.

Nearly two centuries have elapsed since men fought and died for liberty and equality, but this battle has not yet been won. The Revolutionary War and the Civil War were the military fronts on which this battle was fought. The Revolutionary War eventually resulted in our Constitution and our Bill of Rights. The Civil War gave us our 13th, 14th, and 15th amendments, upholding the equality of man and the rights of the individual. But the larger battle has been and continues to be fought on the political front. It was not the battle of weapons but the battle of words that guaranteed the direct election of Senators, that guaranteed suffrage to women and to the people of the District of Columbia, that eliminated the poll tax as a prerequisite of voting.

We have progressed in the past 200 years. We have guaranteed equality through legislation. Judicial action has upheld this equality and has upheld those civil liberties guaranteed in the Bill of Rights and in the 14th amendment to the Constitution.

Last year a great victory was won in a 200-year-old struggle. That victory reaffirmed the principle and extended the political reality of equality by guaranteeing each man an equal vote. States that had been malapportioned for years and State legislatures that had consistently ignored reapportionment clauses in their constitution were required to recognize and correct the gross inequalities or representation that existed. In my State of Florida less than 15 percent of the people had elected a majority of the State legislature until an attempt at reapportionment expanded that percentage. That reapportionment was only a minor improvement, creating a situation in which 27 percent of the people could elect a majority of the Florida House of Representatives and 14 percent a majority of the Florida Senate. The Supreme Court decisions culminating in June 1964 carried the promise of eliminating such inequalities. They carried the promise of removing a further obstacle in the road to the political reality or equality.

Today there are those who would recreate this obstacle. They propose a malapportionment of one house of a State legislature. They propose a system by which a minority can rule.

In the debates of the Constitutional Convention, Wilson said: "It is part of the definition of tyranny that the smaller number governs the greater." The minority has ruled the State legislatures. As long as those legislators in malapportioned legislatures would not risk their political demise by reapportioning themselves and as long as judicial action failed to require that reapportionment, the inequalities that existed were considered an insurmountable obstacle. The continuation of malapportionment through a constitutional amendment would not only recreate the original obstacle but would constitute a capitulation in the battle for the political reality of liberty and equality. This addition to the Constitution would be a mockery of the very foundation on which the Constitution was built. It would state that men are not equal in that their votes should not be counted as equal. The issue before this Congress is one of the most important issues of modern times and of history. The question is focused on the dichotomy between political ideals and political reality.

There is a strong justification both ideologically and historically for the one man, one vote principle. The ideological and historical basis used by the proponents of a constitutional amendment rejecting this principle has little basis in fact. Their major argument is that the States have a "little Federal" system. The Constitution upheld the sovereignty of the Nation, the States, and the people. It does not consider cities, counties, or arbitrary political boundaries as sovereign. This fact is implied by the 10th amendment which states: "The powers not delegated to the United States by the Constitution or prohibited by it to the States, are reserved to the States respectively, or to the people." Furthermore, the States have a claim to sovereignty in that they relinquished a part of their sovereignty to establish the Federal Government. Counties, cities, and political districts were established by the States. States did not relinquish sovereignty in the establishment of these units. These units have no basis for sovereignty that is at all analogous to the situation at the Federal level.

A further objection to the one-man, one-vote principle presented by the proponents of the constitutional amendment is that the decision itself was an invasion of States rights. This objection is presented by those who constantly support States rights as opposed to the expansion of power of the Federal Government. These are the people who should be the strongest supporters of the one-man, one-vote principle. The justification for the principle of States rights lies in the fact that the States are closer to the people. In a malapportioned legislature there is no such justification. Increased Federal activity has been necessitated by the failure of State legislators to recognize and act upon the needs of the people. President Eisenhower's Commission on Intergovernmental Relations substantiated this idea by concluding that a partial reason for the decline in the influence of State governments is their failure "to maintain an equitable system of representation."

A third objection to the Supreme Court ruling is that the rural areas have special problems that would justify their disproportionate share of the State legislatures. The same argument might be used for other minority groups. Teachers, doctors, businessmen have special problems just as farmers. No proposal to give them a disproportionate advantage in representation has been proposed or would be justified. The fact is that in the past 75 years the population of the Nation has changed from one that was two-thirds rural to one that is two-thirds urban and suburban. The State legislatures have not reflected this change.

Chief Justice Earl Warren, speaking for the majority of the Court in delivering his opinion for the Court on June 15, 1964, put the matter succinctly: "To the extent that a citizen's right to vote is debased, he is that much less a citizen. The fact that an individual lives here or there is not a legitimate reason for overweighting or diluting the efficacy of his vote. The complexions of societies and civilization change, often with amazing rapidity. A nation once primarily rural in character becomes predominantly urban. Representation schemes once fair and equitable become archaic and outdated. But the basic principle of representative government remains, and must remain, unchanged—the weight of a citizen's vote cannot be made to depend on where he lives. Population is, of necessity, the starting point for consideration and the controlling criterion for judgment in legislative apportionment controversies.

"A citizen, a qualified voter, is no more nor no less so because he lives in the city or on the farm. This is the clear and strong command of our Constitution's equal protection clause. This is an essential part of the concept of a government of laws and not men. This is at the heart of Lincoln's vision of 'government of the people, by the people, (and) for the people.' The equal protection clause demands no less than substantially equal State legislative representation for all citizens, of all places as well as of all races.

"We hold that, as a basic constitutional standard, the equal protection clause requires that the seats in both houses of a bicameral State legislature must be apportioned on a population basis. Simply stated, an individual's right to vote for State legislators is unconstitutionally impaired when its weight is in a substantial fashion diluted when compared with votes of citizens living in other parts of the State."

He went further by saying, "But neither history alone, nor economic or other sorts of group interests, are permissible factors in attempting to justify disparities from population-based representation. Citizens, not history or economic interests, cast votes. Considerations of area alone provide an insufficient justification for deviations from the equal-population principle. Again, people, not land or trees or pastures, vote."

Mr. Chairman, the question of legislative reapportionment is not a question of rural versus urban interests. It is not a question of States' rights nor a question of the maintenance of a "little Federal" system in the States. I cannot overemphasize the fact that this proposed constitutional amendment threatens to be the first addition to the Constitution that would limit equality. Let us take the road of progress and not of regress. Let us join to prevent this proposed legislated inequality from making a mockery of the Constitution and of the principles upon which that Constitution and this Nation were built.

Francis A. Cherry

EXTENSION OF REMARKS

OF

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1965

Mr. GATHINGS. Mr. Speaker, Arkansas and the Nation lost a dedicated and devoted public servant in the passing on July 15, 1965, of its former Governor, and more recently Chairman of the Subversive Activities Control Board, Hon. Francis A. Cherry.

His outstanding accomplishments as chancery judge and as Governor of the State of Arkansas will live in the hearts of our people in the years to come. He fulfilled every trust. He was a patriot in the fullest sense. He loved America and its institutions. He proved this by fighting its enemies foreign and domestic.

His services as a member of the Subversive Activities Control Board, and in recent years as its Chairman, have meant greater security for the American people, in that he and the members of the Board had exposed the activities of the enemy at our gates.

Francis Adams Cherry was born September 5, 1908, in Fort Worth, Tex., the youngest of five children of a railroad conductor. As a youth he moved with his family to Oklahoma where he attended Oklahoma A. & M. College from 1926 to 1930, majoring in prelaw.

During the depression he worked as a dishwasher and later drove an ice truck in the Ozark Mountains. He managed to save $37, which enabled him to enroll at the University of Arkansas Law School in 1933. Half of his savings went for tuition, but with the help of classmates who lent him books and with outside jobs he won his law degree in 1936 and also was president of the senior class.

After serving as a naval officer for 2 years during World War II, he returned to the bench of the 12th Chancery District of Arkansas to which he was elected in 1942, having previously practiced law, served as a U.S. commissioner, and been a referee for the Arkansas Workmen's Compensation Commission. He was reelected to another 6-year term in 1948 without opposition.

In 1952 Mr. Cherry was a little-known country judge using a new radio technique called the talkaton in his campaign for Governor. In more than 20 talkathons he reached more voters than any other candidate in the State's history and went on to score an upset victory.

In doing so he attracted national attention because he defeated the incumbent, Sidney S. McMath, by 100,000 votes in the primary. Significantly, the incumbent had been endorsed by President Harry S. Truman.

Mr. Cherry's marathon broadcasts lasted from 3 to 24 hours, during which he answered hundreds of questions telephoned to him from all parts of the State.

Strong in his conviction that responsibility for progress and welfare rested initially with the State and local entity, the Governor once told an interviewer:

> Our entire State is pulling itself out of the mire by its own bootstraps. Towns that were once sleepy are now bustling.

He gave his beloved Arkansas a new State financial code and pushed through an industrial development program.

On October 5, 1955, Governor Cherry was nominated by President Eisenhower for membership on the Subversive Activities Control Board. He was reappointed for another 5-year term on March 4, 1960, by President Eisenhower and was named Chairman of the Board on January 31, 1963, by President Kennedy, serving in that post until his death on July 15, 1965. After President Kennedy's assassination the Governor submitted the usual courtesy resignation and was redesignated Chairman by President Johnson in December 1963.

As a member and Chairman of the Subversive Activities Control Board Governor Cherry rounded out a full life devoted to law, to justice, to service to his people, his State, and the Nation.

Those who served with him and are now members of the Board are: Thomas J. Donegan, of New York; Frank Kowalski, of Connecticut; Leonard L. Sells, of

Virginia; and Edward C. Sweeney, of Illinois.

A quasi-judicial control agency, the Board of which Governor Cherry served for almost a decade fulfills a most significant role in our democracy. Some of my colleagues may recall that the 81st Congress, as a result of extensive hearings, determined in 1950, and I quote from Public Law 831, that—

> There exists a world Communist movement which, in its origins, its development, and its present practice, is a worldwide revolutionary movement whose purpose it is, by treachery, deceit, infiltration into other groups (governmental and otherwise), espionage, sabotage, terrorism, and any other means deemed necessary, to establish a Communist totalitarian dictatorship in the countries throughout the world through the medium of a worldwide Communist organization.

Subsequently the 83d Congress in the Communist Control Act of 1954, announced that—

> The Congress hereby finds and declares that the Communist Party of the United States, although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the Government of the United States.

Governor Cherry devoted the last 10 years of his life to carrying out the will of Congress on the Board which was established to safeguard our security.

Under the Internal Security Act of 1950, as amended, the Board is given jurisdiction to determine, in proper proceedings: First, whether any organization in the United States is a Communist-action organization, or a Communist-front organization, or a Communist-infiltrated organization; second, whether any individual is a member of a Communist-action organization; and third, whether any organization or any individual having previously come within the provisions of the act is entitled to cancellation of registration or other appropriate relief.

Whenever the Attorney General has reason to believe that any organization is one of the types of Communist organizations defined in the act, or that any individual who has not registered as a member of a Communist-action organization is required to register, he shall petition the Subversive Activities Control Board for an appropriate order. Any organization or individual once having come within the provisions of the act may, pursuant to designated procedures, file with the Subversive Activities Control Board a petition for appropriate relief. The act provides for the imposition of criminal penalties upon organizations, officers and individuals who fail to register or to abide by the other provisions of the act which apply when an order of the Board has become final.

During his membership on the Board, Governor Cherry participated in the hearing and decision of some 65 cases, some of which lasted for years and accumulated many thousands of pages of record. Perhaps the best-known case with which Cherry was connected was the Communist Party case. In 1953 after lengthy hearings the Communist Party of the United States was ordered by the Board to register as a Communist-action organization. In 1958, after extensive litigation and several appeals, the case was remanded to the Board for further proceedings. Governor Cherry was assigned as the hearing member in this fundamental case. His recommended decision following new hearings reaffirmed the original Board order requiring the Communist Party to register. His decision was adopted by the Board and ultimately upheld by the Supreme Court in 1961.

Another important case over which Cherry was Attorney General against International Union of Mine, Mill, and Smelter Workers, the first "Communist-infiltrated organization" case. Governor Cherry was the hearing officer during lengthy and extended hearings from 1955 through 1961, and in that year issued a recommendation that the Board determine the Union to be a Communist-infiltrated organization as defined by the act. The Board adopted Governor Cherry's recommended decision and the appeal from the Board's determination is presently pending in the U.S. Court of Appeals for the District of Columbia Circuit.

Chairman Cherry also participated extensively in some 44 individual Communist Party membership cases brought by the Attorney General for Board orders requiring individual Communists to register after the Communist Party refused to register in 1961. Appeals from Board registration orders in these cases are presently pending in the Supreme Court.

Other cases in which Cherry participated include several well-known Communist-front cases such as Attorney General against California Labor School, Inc., in which he was the hearing member, Attorney General against Labor Youth League, Attorney General against Civil Rights Congress, Attorney General against Jefferson School of Social Science, Attorney General against American Committee for the Protection of Foreign Born, Attorney General against Veterans of the Abraham Lincoln Brigade, and others.

Governor Cherry was the rare personality who was both a lawyer and a judge in the most refined meaning of those terms. He was indeed learned in the law—quick to grasp legal reasoning with all of its ever-present distinctions but slow to allow them to steer him from the realities of the matter at hand. As lawyer, his approach to problems was legal but not legalistic; as judge, he was not only judicial but judicious. He had the happy faculty of scraping loose the barnacles of legal and factual minutiae to obtain a clean view of the real, substantive matters at issue. And, in viewing them, he was uncommonly appreciative of the delicate balance of rights and concerns of those affected, be they the parties, their attorneys, his colleagues, or the public. More than most men, he knew that the scales of justice was a most sensitive instrument which could not long withstand heavy-handed tipping in either direction. The Governor's was a gentle tipping hand graced by commonsense and fair play.

As a person Governor Cherry was warm and sensitive—a man who loved life fully and wholly. Even during the terrible suffering of his prolonged illness, he never despaired, finding life always endurable. He liked good company and he especially enjoyed lively discussions. Above all he was tolerant possessing a great capacity for harmonizing conflicting views. Never rigid, always practical he was a man with both feet on solid ground, with a mind keenly aware of the yearnings and hopes of those around him.

He is survived by his wife, Mrs. Margaret Frierson Cherry, two sons, Scott Cherry and Sandy Cherry, and a daughter, Miss Charlotte Cherry. He was a great public servant, but he was also a good father and a fine husband.

SENATE

TUESDAY, AUGUST 17, 1965

The Senate met at 12 o'clock meridan, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our God and our Father, for the varied tapestry of beauty which the changing seasons unfold, for the glories of day and night, for seed time and harvest, for eyes to see and hearts to feel, we lift our grateful praise to Thee.

As all the spinning spheres of Thy creation exists only as they obey Thy mandate, so may our wills—ours, but to make them Thine—be bent to Thy control for only in Thy will is our peace.

In all the tangle of human relationships confronting Thy servants in this legislative forum, may our deepest concern be not to claim that Thou art on our side, but to be sure that we are on Thy side and moving in the direction of Thy kingdom's majestic purpose for all mankind.

Deliver us, we pray, from irreverence in the presence of the holy, from any betrayal of truth even when its revelations cut across our selfish desires, from all motives that may poison integrity, and from all postures before men which are but facades for insincerity.

We ask it through riches of grace in Christ Jesus, our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 16, 1965, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On August 11, 1965:

S. 24. An act to expand, extend, and accelerate the saline water conversion program conducted by the Secretary of the Interior, and for other purposes.

On August 13, 1965:

S. 579. An act for the relief of the State of New Hampshire;

S. 1008. An act for the relief of Ottilia Bruegmann James; and

S.J. Res. 56. Joint resolution authorizing the President to proclaim the occasion of the bicentennial celebration of the birth of James Smithson.

On August 14, 1965:

S. 1742. An act to authorize the U.S. Governor to agree to amendments to the articles of agreements of the International Bank for Reconstruction and Development and the International Finance Corporation, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

SUBCOMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. Mansfield, and by unanimous consent, the Subcommittee on Constitutional Rights of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. Russell of South Carolina, and by unanimous consent, the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

DISTRICT OF COLUMBIA PUBLIC ASSISTANCE LAW—AMENDMENT—BILL RECOMMITTED TO THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 324, a bill (S. 1817) to amend the District of Columbia public assistance law to clarify the categories of federally aided assistance recipients, be recommitted to the Committee on the District of Columbia.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

GIUSEPPE DELINA—BILL RECOMMITTED TO THE COMMITTEE ON THE JUDICIARY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 427, a bill (H.R. 1853) for the relief of Giuseppe Delina, be recommitted to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. Mansfield, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The VICE PRESIDENT announced that on today, August 17, 1965, he signed the following enrolled bills and joint resolutions, which had previously been signed by the Speaker of the House of Representatives:

H.R. 206. An act to provide a realistic cost-of-living increase in rates of subsistence allowances paid to disabled veterans pursuing vocational rehabilitation training;

H.R. 208. An act to amend chapter 31 of title 38, United States Code, to extend to seriously disabled veterans the same liberalization of time limits for pursuing vocational rehabilitation training as was authorized for blinded veterans by Public Law 87–591, and to clarify the language of the law relating to the limiting of periods for pursuing such training;

H.R. 2176. An act to authorize the Secretary of the Interior to convey certain property to the county of Dare, State of North Carolina, and for other purposes;

H.R. 6097. An act to amend title 18, United States Code, to provide penalties for the assassination of the President or the Vice President, and for other purposes;

H.R. 9075. An act to increase the basic pay for members of the uniformed services, and for other purposes;

H.R. 10139. An act to amend the act of June 23, 1949, relating to the telephone and telegraph services furnished Members of the House of Representatives;

S.J. Res. 81. Joint resolution to amend the Federal-Aid Highway Act of 1956 to increase the amount authorized for the Interstate System for the fiscal year ending June 30, 1967, to authorize the apportionment of such amount, and for other purposes; and

H.J. Res. 431. Joint resolution extending the duration of copyright protection in certain cases.

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. Pursuant to Senate Resolution 89 of the 89th Congress, the Chair appoints the following Senators to be Members of the Senate delegation to attend the meeting of the Commonwealth Parliamentary Association in Wellington, New Zealand, from November 30 to December 8, 1965: Messrs. Fulbright, Sparkman, Moss (alternate), Ribicoff (alternate), Hickenlooper, Morton, Kuchel (alternate), and Fong (alternate).

The VICE PRESIDENT. Pursuant to Public Law 170 of the 74th Congress, the Chair appoints Senator Morse in lieu of Senator Robertson, resigned, to attend the 54th Interparliamentary Union Conference at Ottawa, Ontario, to be held between September 9 and 17, 1965.

The VICE PRESIDENT. The Chair appoints the following Senators to represent the Senate at the 18-Nation Disarmament Conference, to be held at Geneva, which began on July 27, 1965: Senators Gore, Symington, Carlson, and Cooper.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

Report on Additional Research Laboratory Space at the Case Institute of Technology, Cleveland, Ohio

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report on the provision of additional research laboratory space at the Case Institute of Technology, Cleveland, Ohio (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

Report on Additional Research Laboratory Space at the University of Rochester, Rochester, N.Y.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report on the provision of additional research laboratory space at the University of Rochester, Rochester, N.Y. (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

Amendment of Federal Insecticide, Fungicide, and Rodenticide Act

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, to provide for more effective regulation under such act, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

Report on Provision of War Risk Insurance and Certain Marine and Liability Insurance for the American Public

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war risk insurance and certain marine and liability insurance for the American public, as of June 30, 1965 (with an accompanying report); to the Committee on Commerce.

Amendment of Act Relating to Proposed Construction of a New Sea Level Canal Connecting the Atlantic and Pacific Oceans

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation amending sections 2 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a new sea level canal connecting the Atlantic and Pacific Oceans (with an accompanying paper); to the Committee on Commerce.

Proposed Raising of Maximum Age Limit of Schoolchildren Entitled to Transportation in the District of Columbia at a Reduced Fare

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to raise the maximum age limit of schoolchildren entitled to transportation in the District of Columbia at a reduced fare (with an accompanying paper); to the Committee on the District of Columbia.

Report on Certain Personal and Real Property Received by State Surplus Property Agencies

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal property received by State surplus property agencies for distribution to public health and educational institutions and civil defense organizations, and real property disposed of to public health and educational institutions, for the quarter ended June 30, 1965 (with an accompanying report); to the Committee on Government Operations.

Reports of Acting Comptroller General

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on review of collection of excess-weight costs incurred in shipping household goods, Department of the Army, dated August 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on shipment of excess aeronautical spare parts to Oklahoma City Air Materiel Area by Air Force bases, Department of the Air Force, dated August 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on cost of indirect procurement of F-105 aircraft multiple-ejector bomb-rack assemblies, Department of the Air Force, dated August 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on additional costs incurred in the management of automatic data processing equipment at National Aviation Facilities Experimental Center, Federal Aviation Agency, dated August 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on retention of obsolete telephone cable, Department of the Army, dated August 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on deficiencies in administration of donable surplus personal property program for educational and public health purposes in the State of Missouri, Department of Health, Education, and Welfare, dated August 1965 (with an accompanying report); to the Committee on Government Operations.

Report on Receipt of Application for a Loan Under the Small Reclamation Projects Act

A letter from the Secretary of the Interior, reporting, pursuant to law, on the receipt of an application by the Roosevelt Water Conservation District of Higley, Ariz., for a loan under the Small Reclamation Projects Act (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Disposition of Funds Appropriated in Favor of the Duwamish Tribe of Indians

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposition of funds appropriated to pay a judgment in favor of the Duwamish Tribe of Indians in Indian Claims Commission docket No. 109, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs

Proposed Disposition of Funds Appropriated in Favor of the Otoe and Missouria Tribe of Indians

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposition of funds appropriated to pay a judgment in favor of the Otoe and Missouria Tribe of Indians, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Disposition of Funds Appropriated in Favor of the Quileute Tribe of Indians

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposition of funds appropriated to pay a judgment in favor of the Quileute Tribe of Indians, including the Hoh Tribe, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report on Claims Presented Under the Military Personnel and Civilian Employees' Claims Act of 1964

A letter from the Deputy Postmaster General, transmitting, pursuant to law, a report on claims presented under the Military Personnel and Civilian Employees' Claims Act of 1964, for the fiscal year 1965 (with an accompanying report); to the Committee on the Judiciary.

RESOLUTION OF CALIFORNIA STATE RECREATION COMMISSION

The VICE PRESIDENT laid before the Senate a resolution adopted by the California State Recreation Commission, in San Francisco, Calif., relating to the 4-percent charge in lease agreements for certain areas within the national forests, which was referred to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Appropriations, with amendments:

H.R. 10323. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes (Rept. No. 620).

By Mr. LONG of Louisiana, from the Committee on Finance, with amendments:

H.R. 4750. A bill to provide an extension of the interest equalization tax, and for other purposes (Rept. No. 621).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 10132. An act to authorize the Honorable JOSEPH W. MARTIN, JR., of Massachusetts, former Speaker of the House of Representatives to accept the award of the Military Order of Christ with the rank of grand officer (Rept. No. 622).

EXECUTIVE REPORT OF A COMMITTEE

As in the executive session,

The following favorable report of a nomination was submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Robert W. Akers, of Texas, to be Deputy Director of the U.S. Information Agency.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BIBLE (for himself and Mr. CANNON):

S. 2422. A bill to amend the act of April 22, 1960, as amended relative to the transfer of certain public lands to the Colorado River Commission of Nevada; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH (for himself and Mr. TOWER):

S. 2423. A bill to authorize the Secretary of the Interior to provide for rehabilitation of the distribution system, Red Bluff project, Texas; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate reading.)

By Mr. TOWER:

S. 2424. A bill to amend title XI of the Federal Aviation Act of 1958 to provide that certain provisions of insurance contracts covering loss of life or personal injury of passengers being transported in air transportation shall be null and void; and

S. 2425. A bill to promote commerce and to encourage worldwide interest in U.S. developments and accomplishments in aviation and related equipment and products by authorizing Government sponsorship of an International Aerospace and Science Exposition at Dulles International Airport; to the Committee on Commerce.

S. 2426. A bill to permit nonprofit educational institutions and museums to acquire and hold specimens of gold coins and medals minted after April 4, 1933; to the Committee on Banking and Currency.

(See the remarks of Mr. TOWER when he introduced the above bills, which appear under separate headings.)

By Mr. BYRD of West Virginia:

S. 2427. A bill for the relief of Harry Papadimulis, his wife, Irene Papadimulis, and their son, Aristotel Papadimulis; to the Committee on the Judiciary.

TRANSFER OF CERTAIN LANDS TO THE COLORADO RIVER COMMISSION OF THE STATE OF NEVADA

Mr. BIBLE. Mr. President, I introduce, for appropriate reference, a bill to amend Public Law 86-433 authorizing the transfer of certain public lands to the Colorado River Commission of the State of Nevada. The bill would conform the eastern boundary of the Fort Mohave transfer area to the boundary line established by the compact between the States of Arizona and Nevada, approved by Congress by the act of June 16, 1961.

This bill, Mr. President, is technical in nature, and is designed to include certain fractional sections of land which as a result of the compact are actually within the transfer area.

I am hopeful this bill will receive the prompt attention of Congress so that we can take the action necessary to preclude technical difficulties which could be encountered in the future administration of the Fort Mohave Act.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2422) to amend the act of April 22, 1960, as amended, relative to the transfer of certain public lands to the Colorado River Commission of Nevada, introduced by Mr. BIBLE (for himself and Mr. CANNON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, I join the distinguished senior Senator from Nevada in expressing the hope that our bill will receive prompt and favorable consideration.

As my colleague has stated, certain fractional sections of land within the transfer area of the Fort Mohave Act are not included in the technical language of the act because of the rechanneling of the Colorado River.

Our bill would include these small sections of land within terms of the act and establish the eastern boundary of the transfer area as the line established by the compact between Nevada and Arizona, approved by Congress on June 16, 1961.

Adoption of this bill, which is meant to perfect the Fort Mohave Act, will eliminate the possibility that dispute involving these fractional lands will arise in the future.

A BILL FOR REHABILITATION OF DISTRIBUTION SYSTEM, RED BLUFF IRRIGATION PROJECT

Mr. YARBOROUGH. Mr. President, I am happy to introduce, for myself and my colleague [Mr. TOWER], a bill designed to restore the economic stability and productivity in a significant area of my home State of Texas by rehabilitating the Red Bluff irrigation project.

The Red Bluff area is comprised of portions of four counties—Reeves, Loving, Pecos, and Ward. All of these are situated in the Pecos River Basin, and all have traditionally made use of the river for irrigation.

The Pecos River has been the mother of development in this area. From its waters an oasis was created—an oasis which gave life to many small farms. Forty years ago one saw here a growing area of hardworking people using irrigation to sustain their crops and their hopes. Yet, in the time which has elapsed since then, progress has not lived up to expectations. The reason can be found in the cold and concrete facts of water supply.

In the last 10 years the maximum acreage irrigated was 29,800. While this figure appears reasonably sizable, there were 5 years out of the 10 in which the acreage was below 5,000. It is this inconsistency which is particularly damaging. With such a wide range of possible acreage to receive water, planning becomes virtually impossible, what plans are made are often frustrated, investments may be swallowed up by the dry earth, and many marginal farmers are hurt, if not ruined.

The Bureau of Reclamation plan for rehabilitation which this bill would authorize meets the problem in this area head on. The plan envisages a concrete-lined canal instead of the bed of the Pecos River below Mentone, which is presently in use. This canal is expected to deliver 75 percent of the available water to farms. At present, only 45 percent reaches the irrigation ditches due to seepage and transpiration by phreatophytes. This would mean that under the rehabilitation plan farm deliveries of irrigation water would be increased by 67 percent, or 26,700 acre-feet annually. And the inception of the plan would mean a dependable source of water on which farmers could base crop plans and expectations of yield and gross income. It is estimated that this project would yield a consistent water supply for 22,000 acres and an intermittent supply for an additional 13,000 acres.

Water, however, is not an absolute good. Quality is essential to its use in irrigation. This problem is somewhat harder to attack than that of quantity, but estimates indicate that the Bureau plan will improve quality of the available water by 10 percent.

This problem cannot be discussed in terms of water and acre-feet alone. It is a problem deeply concerning the lives and happiness of farmers, their families, and the businesses they support. And these are the people who are willing to work for and cooperate in support of this project. They are agreed that their water supply be well managed in order to be well utilized. They are willing to agree that the supply will be used only on free-draining soils capable of sustained irrigation. The people of this area also agree that the distribution of benefits from this project must be handled in an equitable manner. Thus this bill provides that each of the seven irrigation districts now existing under Red Bluff Dam will receive some of the acreage allotment to be supplied with water. The equity provisions of this act extend down to the individual landowner, no one of whom may receive more water than is reasonably necessary to irrigate 160 acres of free-draining land capable to sustained irrigation.

The people of this area also are willing to support as much of the project as their financial capabilities permit. Their repayment capacity will be reviewed every 5 years to facilitate their repaying as much as possible of the Federal investment. They are also willing to undertake the rehabilitation of the laterals at their own expense.

This project contains all the ingredients for success. It is theoretically sound in providing a basis from which these people can work to improve their lives and their community. It is also well thought out to provide immediate and appropriate action. Its excellent prospects for this action being taken can be found in the people themselves who are committed to shouldering much of the burden in executing this plan. For these reasons I introduce this bill; the problem is evident, and I hope that the solution is imminent.

Mr. TOWER. Mr. President, with great satisfaction I am today cosponsoring a bill to authorize the Bureau of Reclamation to undertake rehabilitation of the Red Bluff project in my home State of Texas. This work is urgently needed to restore vitality to a sizable area in the western part of the State. With the passage of this legislation Congress will be making a solid contribution toward conservation.

The Red Bluff area includes portions of four counties situated in the Pecos River Basin. These counties are Reeves, Loving, Pecos, and Ward, and all are in great need of the area development assistance contemplated by rehabilitation of the water supply system in the Red Bluff area.

The known use of water from the Pecos River for irrigation dates back to 1877. Those who saw this area 40 years ago recall that it was a veritable garden in the midst of a vast desert. Today, one can only say that it is rapidly returning to the desert because the water available for irrigation has been unsuitable in quality and grossly inadequate in quantity. The Bureau of Reclamation plan for rehabilitation which this bill would authorize would greatly alleviate the situation. Unfortunately, it is not possible to remove these problems entirely, but new hope can be given to the people who reside in these counties. Once again this garden in the west of Texas can be made to bloom.

In 5 of the last 10 years fewer than 5,000 acres have been irrigated under the Red Bluff project, and even these have had an inadequate supply. In 2 of the other 5 years fewer than 20,000 acres were irrigated, and the maximum acreage in any of these years was 29,800.

Of the water available in Red Bluff Reservoir today an average of only 45 percent reaches the land for irrigation because of seepage losses and transpiration of phreatophytes such as salt cedars. The Bureau plan of rehabilitation contemplates a concrete-lined canal to replace the present-day use of the bed of the Pecos River below Mentone. As a result of this canal, engineers of the Bureau of Reclamation estimate that 75 percent of the available water would be delivered to the farms. It is estimated that this rehabilitation plan would increase farm deliveries of irrigation water by 67 percent, or 26,700 acre-feet annually.

With rehabilitation the Red Bluff project would provide a dependable water supply for 22,000 acres and an intermittent supply for an additional 13,000 acres. It is estimated that the quality of the water would be improved by 10 percent under this plan.

The fine people who live in this area realize that good management of their water resources will be necessary if their garden spot is to be successfully restored. Consequently, they are prepared to agree that their water supply will be used only on free-draining soils capable of sustained irrigation. They are prepared to assume this responsibility, and provision is made for it in the bill introduced today.

The people in the Red Bluff area also recognize that the benefits of rehabilitation should be spread widely over the area. As noted in the Bureau report the acreage to be supplied will be apportioned among the seven irrigation districts now existing under Red Bluff Dam. The bill provides that no individual landowner shall receive more water than that reasonably necessary to irrigate 160 acres of free-draining lands capable of sustained irrigation. This provision is wholly in keeping with the land limitation provisions of reclamation law.

The people in the area will rehabilitate the laterals at their own expense. In addition they are willing to have their repayment capacity reviewed every 5 years so that they will repay all that they can of the Federal investment.

In conclusion, the bill will rescue the people of this fine area in west Texas from economic desolation. No legislation could have a more worthy and urgent objective.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2423) to authorize the Secretary of the Interior to provide for rehabilitation of the distribution system, Red Bluff project, Texas, introduced by Mr. YARBOROUGH (for himself and Mr. TOWER), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF TITLE XI OF FEDERAL AVIATION ACT OF 1958, RELATING TO CERTAIN PROVISIONS OF INSURANCE CONTRACTS

Mr. TOWER. Mr. President, great public concern has been expressed relative to the subject of aircraft sabotage. The general public has expressed much interest in this subject, as well as many of the commercial airline pilots and the Air Line Pilots Association.

The pilot group, through their association, have been active in attacking the problem of aircraft sabotage.

Legislation has been introduced in the House which would enable greater cockpit security, thus affording greater protection to the operating crew as well as to the traveling public. In addition to the introduction of this legislation, representatives of the Air Line Pilots Association recently met with representatives of the Federal Aviation Agency and the Air Transport Association to endeavor to institute additional cockpit security measures on the agency level. These measures are necessary, Mr. President, as pointed up by the heinous mass murder committed May 7, 1964. This incident cost the lives of 44 people riding in a Pacific Airlines F–27 from Reno, Nev., to Los Angeles, Calif. The pilot and the copilot of this plane were shot by some demented passenger and all aboard died.

The Air Line Pilots Association is also interested in, and the FAA is sponsoring, research on an explosive material detection service. It is my understanding that there are two such devices under study. Such an innovation would detect or destroy an explosive material in the baggage of the various passengers. At this time, these devices are in the experimental stages.

I point out the foregoing to show that interested parties have instituted an overall program for the benefit of the general public, as well as the various flight crews. Another step in this program contemplates the destruction of the motive for such crimes; that is, profit.

From October 10, 1933, to date, there have been several hundred lives lost in known or suspected aircraft sabotage incidents. In many of these cases, the motive was pure and simple—murder for profit. In others, profit, in conjunction with other motives, but always profit.

In the Pacific Airlines crash I previously noted, the passenger suspected of murdering the flight crew and causing the deaths of all aboard had purchased $105,000 in air travel insurance. He was heavily in debt and half of his salary was committed for loan payments. He was in an extremely depressed state of mind. The trip insurance was purchased at the San Francisco Airport in the form of two policies—one for $45,000, and the other for $60,000.

Radio transmission from the plane to the tower just prior to the crash disclosed the initial information on the shooting. Subsequent investigation by the Civil Aeronautics Board confirmed this horrible crime. It is obvious that the motive for this crime was profit and the means of securing the profit was the purchase of air trip insurance.

Just a short time ago, a Canadian Pacific DC–6 was lost along with the lives of more than 50 passengers who were aboard the airliner. Initial investigation disclosed that the aircraft went down as the result of an explosion. The Royal Canadian Mounted Police investigating the crash impounded all of the air trip insurance records of the passengers aboard.

It is interesting to note that the FBI is today checking to discover whether any of the passengers on the plane en route to Chicago that went down in Lake Michigan last night had taken out large sums of insurance before the plane left La Guardia Field.

It is possible that there is no complete answer to the problem of aircraft sabotage, but I do not believe that the problem will go away if we try to sweep it under the rug or bury our heads in the sand and ignore it. I believe that all logical corrective measures possible should be adopted. I hope this bill will receive the serious consideration of my colleagues.

Mr. President, this bill will provide that contracts of insurance, purporting to limit the coverage to a specified trip in air transportation shall be null and void.

This is a measure long overdue, and consideration of it by the Senate is long overdue.

I wonder how many lives are going to be lost as a result of acts of demented people trying to assure that their beneficiaries will collect large sums of money.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2424) to amend title XI of the Federal Aviation Act of 1958 to provide that certain provisions of insurance contracts covering loss of life or personal injury of passengers being transported in air transportation shall be null and void, introduced by Mr. TOWER, was received, read twice by its title, and referred to the Committee on Commerce.

INTERNATIONAL AEROSPACE AND SCIENCE EXPOSITION AT DULLES INTERNATIONAL AIRPORT

Mr. TOWER. Mr. President, this bill provides for the establishment of an International Aerospace and Science Exposition at Dulles International Airport.

We have noted that other countries have recently expressed interest in establishing themselves such programs, with corresponding benefits accruing to these countries.

I believe this exposition would do much to encourage worldwide interest in U.S. developments and accomplishments in aviation and related equipment and products.

The bill provides for the Presidential appointment of officers and employees to assist in conducting the exposition. Donations of money, property, and personal services will be accepted. Any property acquired under the bill will become the property of the Federal Aviation Agency.

Mr. President, the bill authorizes the appropriation of a modest $3 million with which to carry out the exposition.

I feel that the benefits to our Nation, which will undoubtedly accrue as a result of such International Aerospace and Science Exposition, will be many indeed.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2425) to promote commerce and to encourage worldwide interest in U.S. developments and accomplishments in aviation and related equipment and products by authorizing Government sponsorship of an International Aerospace and Science Exposition at Dulles International Airport, introduced by Mr. TOWER, was received, read twice by its title, and referred to the Committee on Commerce.

ACQUISITION AND HOLDING OF SPECIMENS OF GOLD COINS AND MEDALS BY NONPROFIT EDUCATIONAL INSTITUTIONS

Mr. TOWER. Mr. President, I introduce, for appropriate reference, a bill to amend the Gold Reserve Act of 1934. I ask that the text of the bill be printed at the conclusion of my remarks.

Mr. President, since 1933 the Treasury Department has regulated closely the acquisition and possession of gold coins. This has been done in accordance with authority granted under the Gold Acts and Orders of 1933 and 1934. These laws prohibit the acquiring and holding of all gold coins except those which the Treasury Department considers to be of value to numismatists.

The Treasury's present gold coin policy is based on a 1954 ruling which states that any gold coin minted prior to April 5, 1933, would be considered not to be of numismatic value, unless a specific determination is made by the Treasury Department with reference to the Curator of Numismatics of the U.S. National Museum, who is the Government authority on the subject. Prior to 1954, rulings were made on individual coins, no matter what the date.

Mr. President, it is my considered opinion that the present regulations are unnecessarily stringent, that they arbitrarily and unnecessarily obstruct the acquisition of gold coins for numismatic purposes.

The objectives of the present regulation are: First, to prevent institutions and private individuals from hoarding gold; and second, to discourage foreign countries from minting gold coins expressly for raising funds or for dollar exchange from the sale of such coins to the United States.

No one disputes these objectives; they are undoubtedly necessary. However, the regulations which seek to accomplish these objectives go too far. In seeking necessary protection, they have the unfortunate side effect of preventing the legitimate showing of many post-1933 gold coins to the numismatic public.

Mr. President, I believe the time has come to change, just slightly, the present regulations. My bill seeks to make such changes to benefit the numismatic public while at the same time guarding against any adverse effects feared by the Treasury. As presently constituted, my bill would permit any legitimate, nonprofit educational institution or museum to acquire and display one specimen of each gold coin and medal minted after April 4, 1933.

As stated before, the Treasury Department does allow the acquisition of a few post-1933 gold coins which it considers to be of numismatic value. However, the Department's interpretation of what constitutes numismatic value is quite narrow. By and large, the Department seems to classify a gold coin as having numismatic value only if the coin will draw a high price in the coin market. It ignores such criteria as esthetic, historical, and cultural value. As a result, the numismatic public is deprived of the opportunity to view coins that have real interest value if not monetary value. My bill would do away with the unnecessary and burdensome distinction the Treasury Department now makes.

I would point out that my bill would permit only museums and other nonprofit educational institutions to acquire gold coins. This provision has a double virtue. On the one hand, if the bill is enacted, the numismatic public would be able to view gold coins displayed in such institutions. On the other hand, by limiting the right of acquisition to nonprofit educational institutions and museums, and by limiting the number of coins which can be acquired to one specimen of each coin, the bill avoids the economic dangers which might result from a more permissive law.

Mr. President, I have previously corresponded with the Treasury Department regarding this matter. General objections were expressed to my approach on the grounds that it would be unwise and unfair to treat individuals and others differently from tax-exempt educational institutions and museums.

I believe to make a distinction between nonprofit educational institutions and private individuals is the safest way to permit the numismatic public to enjoy a greater variety of gold coins while at the same time avoiding the economic dangers inherent in a less-restricted traffic in gold coins. Furthermore, nonprofit educational institutions and museums are public-serving institutions. Their reason for being is to contribute to the enlightenment and enrichment of the public. Displaying a wide and interesting variety of gold coins is one way in which they can do this. As nonprofit institutions, they are not concerned with their own financial aggrandizement. Thus they are set apart from private collectors who would stand to benefit financially from active participation in a less restricted gold coin market. Surely, in view of these considerations, it is only fitting that we should accord special status to nonprofit educational institutions and museums displaying gold coins for public benefit.

Mr. President, I hope that this bill will receive the support of my colleagues. The present restrictions on the right of nonprofit educational institutions and museums to acquire and display gold coins is unnecessarily stringent. The time has come to modify them, and by so doing, to enable the numismatic public to derive greater benefit and enjoyment from such coins.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2426) to permit nonprofit educational institutions and museums to acquire and hold specimens of gold coins and medals minted after April 4, 1933, introduced by Mr. TOWER, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Gold Reserve Act of 1934 (31 U.S.C. 442) is amended by adding at the end thereof the following new sentence: "No regulations issued pursuant to this section or any other provision of law shall prohibit the acquisition or holding by any nonprofit educational institution or museum of one specimen of each gold coin and medal minted after April 4, 1933."

AMENDMENT TO UNEMPLOYMENT COMPENSATION BILL TO PROVIDE INTERIM BENEFITS FOR PERSONS BETWEEN THE AGES OF 60 AND 65 WHO ARE TECHNOLOGICALLY OR REGIONALLY UNEMPLOYABLE

AMENDMENT NO. 402

Mr. JAVITS. Mr. President, I submit, for appropriate reference, an amendment to S. 1991, the unemployment compensation bill of which I am a cosponsor. This amendment would provide continued unemployment compensation for persons over age 60 who are not of sufficient age to retire under social security but who are unemployed either because their skills have become obsolete due to technological change or because they reside in an area designated as a redevelopment area under the Area Redevelopment Act where their skills are no longer needed.

This proposed legislation is designed to meet the needs of a portion of our population which has suffered greatly because of technological and/or regional changes in our economy but which has not been able to benefit from the numerous Federal programs enacted by the Congress in an attempt to meet the problems of technological and regional unemployment. In the latest Labor Department "Report on Manpower Requirements, Resources, Utilization, and Training," the Department points out that older workers are seriously underrepresented among trainees under the Manpower Development and Training Act. Although workers over 45 comprise more than one-fourth of the unemployed, they comprised only one-tenth of the Manpower Development and Training Act institutional trainees and only one-twelfth of the on-the-job trainees in 1964. As compared with men over 45, the plight of unemployed men over 60 can only be worse. The Labor Department points out, moreover, that enrollment of older workers in training programs under Manpower Development and Training Act "has been inhibited by age limits on hiring and the reasonable expectation of employment proviso" in the act.

Our experience under Manpower Development and Training Act is backed up by the experience of our Canadian neighbors dealing with the same problem. The Director of the Bureau of Employment Security, U.S. Employment Service, reported only last May that "a recently initiated program in Canada, paying up to 50 percent of the salary of the older worker if the employer would hire and train him has not proven successful and will undoubtedly be abandoned."

In considering the employment problems of those over 60, there must surely be taken into consideration the factor of arbitrary employment discrimination on account of age. I have already introduced a bill, S. 1752, which would make it unlawful to so discriminate when the reasonable demands of the job do not require any age distinction.

But the enactment of such antidiscrimination legislation will not take care of the entire problem of the aged worker who is unemployable because his skills are simply obsolete, and is of an age such that retraining under the Manpower Development and Training Act is not feasible.

In my view, and I hope in the view of the Congress, the technologically or regionally unemployable person over 60 ought not to be abandoned by our society but instead ought to receive continued unemployment insurance until he is old enough to retire and draw full benefits under the Social Security Act.

This amendment would establish the following qualifications for continuation of unemployment benefits after exhaustion of all other entitlement under the bill: A person would qualify if (A) he is between the ages of 60 and 65; (B) he is unemployed; (C) he is registered with the State or Federal employment office nearest his home, and (D) either (1) the Secretary of Labor has certified that the applicant is a person whose employment skills have become obsolete by reason of automation, technological change, or other reasons beyond his control; or (2) he resides in an area designated as a redevelopment area under the Area Redevelopment Act and the Secretary of Labor certifies that the applicant does not possess an employment skill for which there is a demand in that area or in an area where he could feasibly be relocated.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and appropriately referred; and, without objection, the amendments will be printed in the RECORD.

The amendments (No. 402) were referred to the Committee on Finance, as follows:

On page 23, line 23, strike out all after "State" and insert "law."

On page 23, after line 23, add the following:

"EXTENDED ELIGIBILITY FOR CERTAIN INDIVIDUALS OVER AGE 60

"SEC. 215. (a) Notwithstanding the provisions of any other section of this title, an individual may not be denied Federal unemployment adjustment benefits for any week solely because he has, prior to such week, received the maximum aggregate amount of Federal unemployment adjustment benefits payable in a single Federal benefit period (as provided in section 2005 (b)) if—

"(1) such week occurs after such individual has attained age 60, but before he has attained age 65,

"(2) such individual (A) has been certified by the Secretary of Labor as being an individual whose employment skills have become obsolete by reason of automation, technological change, or other reasons beyond his control, or (B) resides in an area designated as a redevelopment area under section 5 of the Area Redevelopment Act, and has been certified by the Secretary of Labor as an individual who does not possess any employment skill for which there is an unfulfilled demand in the area in which he lives or in an area in which he could feasibly be relocated, and

"(3) he is registered as a person seeking employment at the State or Federal employment office nearest his place of residence."

On page 27, line 20, strike out "three-elevenths" and insert "one-third".

On page 27, line 23, strike out "one-fifth" and insert "three-elevenths".

On page 29, line 14, strike out "$850 million" and insert "$1,093,000,000".

On page 29, line 15, strike out "0.35 percent" and insert "0.45 percent".

On page 33, line 16, strike out "3.25 percent" and insert "3.30 percent".

On page 34, lines 1 and 2, strike out "3.25 percent" and insert "3.30 percent".

On page 34, line 8, strike out "3.20 percent" and insert "3.25 percent".

ADDITIONAL COSPONSOR OF BILL

Mr. MILLER. Mr. President, I ask unanimous consent that, at the next printing of the bill (S. 1952) to establish a national policy and program with respect to wild predatory animals, my name be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF AMENDMENT NO. 391

Mr. FANNIN. Mr. President, I ask unanimous consent that the names of Senators CARLSON, DOMINICK, HRUSKA, JORDAN of Idaho, MURPHY, PROUTY, LAUSCHE, DIRKSEN, COTTON, PEARSON, SCOTT, SALTONSTALL, SIMPSON, TOWER, MILLER, THURMOND, and HOLLAND be added as cosponsors of amendment No. 391, to House bill 8283, now pending before the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Under authority of the order of the Senate of August 11, 1965, the names of Mr. ALLOTT, Mr. BENNETT, Mr. BIBLE, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DOMINICK, Mr. EASTLAND, Mr. FANNIN, Mr. FONG, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. JORDAN of Idaho, Mr. KUCHEL, Mr. LAUSCHE, Mr. MCCLELLAN, Mr. MORTON, Mr. MUNDT, Mr. MURPHY, Mr. PEARSON, Mr. PROUTY, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SCOTT, Mr. SIMPSON, Mr. STENNIS, Mr. THURMOND, Mr. TOWER, and Mr. WILLIAMS of Delaware were added as additional cosponsors of the joint resolution (S.J. Res. 103) proposing an amendment to the Constitution of the United States to preserve to the people of each State power to determine the composition of its legislature and the apportionment of the membership thereof in accordance with law and the provisions of the Constitution of the United States, introduced by Mr. DIRKSEN (for himself and Mr. HRUSKA) on August 11, 1965.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 17, 1965, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 1309. An act to authorize checks to be drawn in favor of financial organizations for the credit of a person's account, under certain conditions; and

S.J. Res. 81. Joint resolution to amend the Federal-Aid Highway Act of 1956 to increase the amount authorized for the Interstate System for the fiscal year ending June 30, 1967, to authorize the apportionment of such amount, and for other purposes.

NOTICE OF RECEIPT OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nominations of Joseph John Sisco, of Maryland, a Foreign Service officer of class 1, to be an Assistant Secretary of State, vice Harlan Cleveland; Raymond A. Hare, of West Virginia, a Foreign Service officer of the class of career ambassador, to be an Assistant Secretary of State, vice Phillips Talbot; Phillips Talbot, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece; Harlan Cleveland, of New York, to be the U.S. permanent representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary, vice Thomas K. Finletter; John Gordon Mein, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Guatemala; Raymond L. Thurston, of Missouri, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Somali Republic; and Wilson T. M. Beale, Jr., of Connecticut, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 511) to increase the authorization of appropriations for the support of the Gorgas Memorial Laboratory, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the joint resolution (S.J. Res. 53) to establish a tercentenary commission to commemorate the advent and history of Father Jacques Marquette in North America, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 11. Concurrent resolution authorizing the printing of additional copies of the hearings held by the Senate Subcommittee on National Security Staffing and Operations during the 88th Congress;

S. Con. Res. 37. Concurrent resolution authorizing the printing for the use of the Senate Committee on the Judiciary of additional copies of its hearings on economic concentration; and

S. Con. Res. 38. Concurrent resolution to authorize the printing of additional copies of a committee print of the Committee on the Judiciary entitled "The Soviet Empire—A Study in Discrimination and Abuse of Power."

The message also announced that the House agreed to the amendment of the Senate to the bill (H.R. 881) to authorize the establishment of the Alibates Flint Quarries and Texas Panhandle Pueblo Culture National Monument.

The message further announced that the House agreed to the amendments of the Senate to the bill (H.R. 89) to authorize establishment of the Delaware Valley National Recreation Area, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 872. An act to amend the provisions of title 18 of the United States Code relating to offenses committed in Indian country;

H.R. 1805. An act to amend section 5899 of title 10, United States Code, to provide permanent authority under which Naval Reserve officers in the grade of captain shall be eligible for consideration for promotion when their running mates are eligible for consideration for promotion;

H.R. 3041. An act to amend title 10, United States Code, to exempt certain contracts with foreign contractors from the requirement for an examination-of-records clause;

H.R. 5984. An act to amend sections 2275 and 2276 of the Revised Statutes, as amended, with respect to certain lands granted to the States;

H.R. 6007. An act to amend title 10, United States Code, to authorize the promotion of qualified Reserve officers of the Air Force to the Reserve grades of brigadier general and major general;

H.R. 6165. An act to repeal section 165 of the Revised Statutes relating to the appointment of women to clerkships in the executive departments;

H.R. 6431. An act to amend the Tariff Act of 1930 to provide that certain forms of nickel be admitted free of duty;

H.R. 6438. An act to authorize any executive department of independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the respective appropriations available to such departments and establishments, or any bureau, or office thereof;

H.R. 6646. An act to amend the Recreation and Public Purposes Act pertaining to the leasing of public lands to States and their political subdivisions.

H.R. 7327. An act to repeal section 7043 of title 10, United States Code;

H.R. 8635. An act to establish a Federal Boxing Commission to exercise surveillance over professional boxing matches broadcast or disseminated by wire in interstate commerce, and for other purposes;

H.R. 8715. An act to authorize a contribution by the United States to the International Committee of the Red Cross;

H.R. 9336. An act to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba;

H.R. 9544. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 620,000 long tons of natural rubber from the national stockpile;

H.R. 9975. An act to authorize the shipment, at Government expense, to, from, and within the United States and between oversea areas of privately owned vehicles of deceased or missing personnel, and for other purposes; and

H.R. 10305. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 124,200,000 pounds of nickel from the national stockpile.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 453. Concurrent resolution expressing the approval of Congress for the disposal of magnesium from the national stockpile;

H. Con. Res. 454. Concurrent resolution expressing the approval of Congress for the disposal of diamond dies from the national stockpile and nonstockpile bismuth alloys; and

H. Con. Res. 455. Concurrent resolution expressing the approval of Congress for the disposal of hyoscine from the national stockpile.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1309. An act to authorize checks to be drawn in favor of financial organizations for the credit of a person's account, under certain conditions;

H.R. 546. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within Camp McCoy Military Reservation, Wis.;

H.R. 3037. An act to amend section 1485 of title 10, United States Code, relating to the transportation of remains of deceased dependents of members of the Armed Forces, and for other purposes;

H.R. 3044. An act to authorize payment of incentive pay for the performance of hazardous duty on the flight deck of an aircraft carrier;

H.R. 3320. An act to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes;

H.R. 4024. An act for the relief of Lewis H. Nelson III;

H.R. 4025. An act for the relief of Terence J. O'Donnell, Thomas P. Wilcox, and Clifford M. Springberg;

H.R. 5034. An act to amend section 2575(a) of title 10, United States Code, to authorize the disposition of lost, abandoned, or unclaimed personal property under certain conditions;

H.R. 5819. An act for the relief of John Henry Taylor;

H.R. 7595. An act to amend title 10, United States Code, to authorize transportation at Government expense for dependents accompanying members of the uniformed services at their posts of duty outside the United States, who require medical care not locally available;

H.R. 7843. An act to amend titles 10 and 37, United States Code, to authorize the survivors of a member of the Armed Forces who dies while on active duty to be paid for his unused accrued leave;

H.R. 9947. An act to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives, and for other purposes; and

H.R. 10306. An act to amend the Universal Military Training and Service Act of 1951, as amended.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 872. An act to amend the provisions of title 18 of the United States Code relating to offenses committed in Indian country; to the Committee on the Judiciary.

H.R. 1805. An act to amend section 5899 of title 10, United States Code, to provide permanent authority under which Naval Reserve officers in the grade of captain shall be eligible for consideration for promotion when their running mates are eligible for consideration for promotion;

H.R. 3041. An act to amend title 10, United States Code, to exempt certain contracts with foreign contractors from the requirement for an examination-of-records clause;

H.R. 6007. An act to amend title 10, United States Code, to authorize the promotion of qualified reserve officers of the Air Force to the reserve grades of brigadier general and major general;

H.R. 7327. An act to repeal section 7043 of title 10, United States Code;

H.R. 9544. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 620,000 long tons of natural rubber from the national stockpile;

H.R. 9975. An act to authorize the shipment, at Government expense, to, from, and within the United States and between oversea areas of privately owned vehicles of deceased or missing personnel, and for other purposes; and

H.R. 10305. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 124,200,000 pounds of nickel from the national stockpile; to the Committee on Armed Services.

H.R. 5984. An act to amend sections 2275 and 2276 of the Revised Statutes, as amended, with respect to certain lands granted to the States; and

H.R. 6646. An act to amend the Recreation and Public Purposes Act pertaining to the leasing of public lands to States and their political subdivisions; to the Committee on Interior and Insular Affairs.

H.R. 6165. An act to repeal section 165 of the Revised Statutes relating to the appointment of women to clerkships in the executive department; to the Committee on Post Office and Civil Service.

H.R. 6431. An act to amend the Tariff Act of 1930 to provide that certain forms of nickel be admitted free of duty; to the Committee on Finance.

H.R. 6438. An act to authorize any executive department of independent establishment of the Government, or any bureau or office thereof, to make appropriate accounting adjustment or reimbursement between the the respective appropriations available to such departments and establishments, or any bureau, or office thereof; to the Committee on Government Operations.

H.R. 8635. An act to establish a Federal Boxing Commission to exercise surveillance over professional boxing matches broadcast or disseminated by wire in interstate commerce, and for other purposes; to the Committee on Commerce.

H.R. 8715. An act to authorize a contribution by the United States to the International Committee of the Red Cross; and

H.R. 9336. An act to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba; to the Committee on Foreign Relations.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were referred to the Committee on Armed Services:

H. Con. Res. 453. Concurrent resolution expressing the approval of Congress for the disposal of magnesium from the national stockpile;

H. Con. Res. 454. Concurrent resolution expressing the approval of Congress for the disposal of diamond dies from the national stockpile and nonstockpile bismuth alloys; and

H. Con. Res. 455. Concurrent resolution expressing the approval of Congress for the disposal of hyoscine from the national stockpile.

PROPOSED CONSULAR CONVENTION WITH SOVIET UNION MORE TO ADVANTAGE OF UNITED STATES THAN TO RUSSIA

Mr. YOUNG of Ohio. Mr. President, it is evident from the tremendous volume of pressure mail I have been receiving from Ohio citizens expressing objection to the proposed consular convention with the Soviet Union, that these citizens have unfortunately been misinformed. Rightwing extremists have circulated pamphlets distorting the facts. Probably the authors of those pamphlets themselves never read this proposed consular convention upon which we Senators have been asked to advise and consent and ratify.

I consider if Ohio citizens had read the consular convention, the hearings before the Foreign Relations Committee of the Senate, the majority report and the minority views, there would be no such volume of mail, including hundreds of postcards and letters that I have received evidencing a lack of understanding of this treaty or convention.

Some have stated that hearings should be held before the Senate votes to ratify. Those writers are ignorant of the fact that hearings were held.

The facts are that the Soviet Government has the right to open consulates in New York, San Francisco, and Los Angeles, and this Nation has the right to open consulates in cities within the Soviet Union, even if this consular convention were voted down in the Senate or had not been presented to the Senate. The Soviet Union closed its three consulates in our country in 1948. These were in New York, San Francisco, and Los Angeles. In turn, we closed our consulate in Vladivostok and refused to open a consulate in Leningrad and another Russian city. Permission had been given to open such consulates.

Ours is an open society. It is a fact that in nearly all of our embassies overseas we have CIA operatives, or spies, who are on the Embassy staffs. Of course, the Soviet Embassy in Washington also is staffed with spies who are listed as officials of the embassy. I have personally talked with some of our CIA operatives in our embassies in foreign countries and know the facts.

The Soviet Union with its satellites and our Nation with our satellites are maintaining surveillance taking pictures of missile installations. This consular treaty is more to the advantage of the United States than it is to the Soviet Union. Last year 12,000 American tourists visited the Soviet Union. Only 204 Russian tourists visited the United States during the same period. It is very important and helpful to American tourists to be able to go to the office of the American consul in countries whenever they encounter difficulty, financial or otherwise. This consular convention is definitely beneficial to Americans. The junior Senator from Ohio intends to vote in favor of ratification.

At the present time, assuming some of the more than 12,000 American tourists who will visit the Soviet Union during the present year lack sufficient funds, they would be compelled to go to the American Embassy in Moscow even though they were in some faraway city within the Soviet Union such as Vladivostok or somewhere closer to Leningrad. Furthermore, in event of a traffic accident or were they to be charged with some offense, however slight, they would now be at a disadvantage. They would not only have the language barrier but they would be altogether unfamiliar with the laws and ordinances of the Soviet Union. They would have no place to which to turn except to the U.S. Ambassador or some member of his staff. They might be many miles from our Embassy.

The facts are, the provisions of this convention are similar in substance to all consular conventions between the United States and other nations. Some misinformed individuals write me objecting that article 19, paragraph 2, of this convention, providing that all consular officials and employees who are nationals of the sending state shall be immune from the criminal jurisdiction of the receiving state. This paragraph, instead of being objectionable, is definitely to the advantage of our Nation. It insures the security of the U.S. Government consular personnel who are in the Soviet Union. The Soviet police have no right whatever to arrest any of our consular officials or employees. Nor have we any right to arrest Soviet consular officials and employees who are in their consulates within our country. We do have the right, which is a reciprocal right, to expel immediately from our territory as persona non grata any Soviet consular officials or employees who have allegedly violated any of our laws. We may expel any of such persons without announcing the reason. Russia has this right also.

Now, to the claim that some rightwing extremists make regarding the Soviet Embassy in Washington being staffed with spies. Of course, it is well known that intelligence agents, or spies, are on the staffs of embassies and consuls of the Soviet Union and on the staff of practically all embassies of the United States the world over and also on the staffs of any of our consulates wherever that staff consists of more than a very few individuals.

I recall distinctly an Ambassador to a Central American country regretfully reporting to me that he could place for my use only a rather old automobile which was provided for his use as Ambassador. He said that a new clerk, or attaché, on his staff had just come from the United States—he was at a very low echelon in his Embassy staff—and, unfortunately, this clerk brought with him the latest model Chrysler automobile and his blond secretary brought with her the latest model Chevrolet. He said, of course, the Russians and Chinese are not stupid. They knew immediately that he was a CIA agent instead of an Embassy clerk in which category he was listed.

The wisdom and good judgment of the Senate would be manifested by our ratifying this consular convention.

Mr. President, the ratification of the consular convention with the Soviet Union will not only further more normal relations with the Soviet Union, but will be another small step forward in the long road toward permanent peace.

It will not only help reduce sources of friction between us and the Russians but will encourage the Soviet Union to conduct itself like other responsible nations in its treatment of foreigners and foreign interests within its borders.

The VICE PRESIDENT. The time of the Senator from Ohio has expired.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. YOUNG of Ohio. Mr. President, ours is an open society. The Soviet Union is a closed society. The convention, or treaty, can be a wedge toward opening the Soviet Union to the ideas and thoughts of the West. The winds of change and freedom are blowing throughout the world and every attempt possible should be made to permit them to flow through the Soviet Union.

Travel of Americans to the Soviet Union will increase each year. The ratification of this convention will be of immediate benefit to Americans in terms of added protection that will be given to American tourists in the Soviet Union. In this respect it has a special advantage for our Nation.

The consular convention does not by itself authorize the opening of any consulates in either country, but merely provides a legal framework for their operation when and if they are opened. In the past this Nation and the Soviet Union have exchanged consulates but there has never been a consular convention between the two countries.

Furthermore, this convention would encourage trade between the United States and the Soviet Union. We should proceed without delay to establish normal trade relations with the Soviet Union in nonstrategic materials selling at the outset whatever we produce that they may eat, drink, smoke, or wear and buying from them products which we need and can use and of which we are lacking in this country. This will not only ease international tensions but will bring added prosperity to businessmen and workingmen and women throughout the Nation, and in particular will help bring added prosperity to our family farmers and wheatgrowers.

Furthermore, I propose that such trade be made at world prices for cash on the barrelhead and without any special favors or special discrimination. Why should we Americans stand at the sidelines while Canada, Great Britain, Australia, West Germany, and other of our allies trade on a huge scale with the Soviet Union and Red China? Last year West Germany exported more than $1 billion in goods and capital equipment to Eastern Europe. One-third of France's exports of capital goods according to plans will go to the Soviet Union during the next 5 years.

It is unconscionable that West Germany, France, and Italy attain full employment and enjoy unparalleled prosperity in large part as a result of their trade, while we, their ally and protector, are depriving our businessmen and workers of the opportunity to engage in this trade and are losing markets which in the near future may be of much greater value.

There is no question that the trade between the Soviet Union and the United States will increase in years to come. It is essential that we have consular officials in key Russian commercial centers to help normalize that trade, and aid American farmers, wheat producers, and businessmen seeking it.

Mr. President, most of the opposition to this convention arises from a fear that the Soviet Union will be able to establish additional bases of espionage in this country through newly opened consulates. Secretary of State Rusk assured the Committee on Foreign Relations that if, after ratification of the convention, we agree to the opening of a Soviet consulate in an American city, its employees will be subject to the same visa screening and entry controls as officers and employees of the Soviet Embassy in Washington. They would also be subject to the same travel restrictions now applied to Soviet officers assigned to Soviet missions in the United States. Furthermore, they would be subject to the expulsion provision of the Consular Convention.

The important fact is that we would be giving the Soviet Union nothing that it does not already have. At the present time it is free to staff its missions in the United States and its Embassy in Washington just as we freely select our own staff members of our Embassy in the Soviet Union. Undoubtedly, some of these so-called diplomats are Russian intelligence agents or to state the matter bluntly "spies." I would be shocked to learn that we did not have a number of intelligence agents among our diplomatic representatives in the Soviet Union. Unfortunately, this is a fact of life in the cold war and we can play the game as well as they. The danger of a few more Russian agents posing as diplomats is infinitesimal compared to the benefits to be gained by the ratification of this convention.

Mr. President, it appears to me that the real reason why some oppose ratification is not because of Russian spying but because they fear any attempt to normalize relations with the Communist bloc nations and in their shortsightedness and belligerence oppose reducing world tensions. If we are ever to attain lasting peace it can only be achieved by experiments in cooperation by the citizens of the free world and those of the Communist bloc. We must begin cooperating in limited areas which are in the best interests of both nations. The ratification of the Consular Convention with the Soviet Union is one such area where we can begin. Mr. President, I spoke out for, and voted in favor of, confirming the limited nuclear test ban treaty. I am on the side of those who hope for and strive for coexistence with nations behind the Iron Curtain, instead of coannihilation.

NONPAYMENT OF UNITED NATIONS DUES

Mr. PEARSON. Mr. President, the decision of President Johnson and the administration to back down from its previously vigorous voiced position of insisting upon adherence to article 19 of the United Nations Charter is, I believe, a disastrous blow not only to U.S. prestige, to the validity of our foreign policy, but also a blow to the usefulness and integrity of the United Nations.

Once again the administration has talked big and acted little.

This action is an admission that either we were bluffing in the first place or that the strongest nation in the world, paying the greatest assessment to the United Nations and adhering to its provisions, can no longer expect the support and friendship of the majority of the nations of the world, even when we seek compliance with charter provisions.

Mr. President, when the Secretary of State, Mr. Rusk, was righteously declaring our policy, I supported the Secretary and the administration. In a speech in observance of United Nations Day at Kansas State University in Manhattan, Kans., on October 24, 1964, I stated:

> If the United Nations is to survive as a vital instrument of peace, financial support is a minimum rather than a maximum requirement. The position of our Government is that the payment of dues and assessments is a moral issue and indeed a matter of principle. This country, representing only 10 percent of the population of the member nations, has undertaken to pay 40 percent of the U.N. financial requirements. The failure of some nations to pay their assessments has been for the simple reason that they lack sufficient funds. But often the failure is the result of a U.N. decision which runs contrary to the political interest of the various nations. These nations consider it politically unwise to financially contribute to the execution of a decision which is against what they determine to be their national interests. The Soviet Union is a good case in point. The operations of the U.N. in the Congo definitely violated Communist policy in that area.

Mr. President, later, in November of last year, I again stated:

> The coming confrontation of the U.N. appears to have mushroomed into a battle of prestige between the two opposing giants in the cold war. Yet if the U.N. is to survive as a vital instrument of peace, the United States cannot afford to compromise its position.

Again, in December of last year, I stated to my constituents that "the Soviet Union must be compelled to pay its back dues—even at the prospect of Soviet withdrawal from the U.N. No other decision is acceptable."

Mr. President, the fact that our Nation now claims that "there can be no double standard between the members of the organization" and that we likewise will in the future reserve the right to deny future payments is, at best, a thinly veiled attempt to save face.

We have seen the U.N. hamstrung by the Soviet veto. We have seen the U.N. bend and strain under pressures of proposed reorganizations. We have seen the U.N., in many cases, inadequate to deal with some of the problems it was created to solve. We have seen the U.N. suffer under severe financial difficulties. But what we have seen in Ambassador Goldberg's first appearance before the U.N.—although I hope the freshness of this event causes overemphasis and exaggerated feelings—is one of the greatest setbacks to this world organization. I cite as authority for this apprehension the words of Secretary Rusk at Columbia University in New York City on January 10 of this year:

> But let me say that the first principle of a healthy organization is that all its members take part in its work and contribute their proper shares to its financial support.

FOURTH ANNIVERSARY OF ALLIANCE FOR PROGRESS—ADDRESS BY PRESIDENT JOHNSON

Mr. MORSE. Mr. President, this morning at the White House the President of the United States made a truly historic speech commemorating the fourth anniversary of the Alliance for Progress program. It was a very great speech, portraying American foreign policy at its best. The President was at his best.

The President presented for the world an image of the United States which reflected our historic ideals in support of international justice and our Nation's dedication to the support of programs that seek to end man's inhumanity to man. In my opinion, the President's eloquent and inspiring repledging of our Nation's unwavering support of the Alliance for Progress program, as envisioned 4 years ago by President John Fitzgerald Kennedy, is the answer to the threat of communism in Latin America.

In this speech, the President outlined again for the consideration of our Latin American neighbors and allies a program of reform and economic interaction that constitutes the most effective weapon against the spread of communism.

The heart of the program is the development of economic freedom for the people of Latin America who, by the millions at the present time, as the President pointed out, are impoverished and, in effect, economically enslaved.

As President Kennedy recognized and as President Johnson restated this morning, justice for the Latin American people requires economic freedom for the people who comprise the society of these Latin American countries.

As chairman of the Subcommittee on Latin American Affairs, I am thrilled by the foreign policy philosophy enunciated anew in President Johnson's speech. It is a philosophy that recognizes our obligation in the United States to export economic freedom to Latin America so that the people of Latin America will be able to plant in the resulting seedbeds of economic freedom the seeds of political freedom. As a result, Communists will soon learn that their program of economic and political enslavement for people cannot survive in a country that provides its people with economic freedom of choice.

As I have said so many times, give me a society of people with family farm ownership in the country, private home ownership in the city, and employment at wages that will support the family of the wage earner in health and decency, and I will give you a society in which communism cannot take root and grow because the people will be free and out of the soil of economic freedom, political freedom takes root and flourishes.

I cannot too highly commend the President for this great speech. I am honored to have the Vice President of the United States presiding over the Senate at this moment, because I would have the RECORD show that when the Vice President was a Senator from Minnesota and a member of the Committee on Foreign Relations I received from him at all times unstinting and unfailing support for the great Alliance for Progress program that the Foreign Relations Committee unanimously supported.

Therefore, it is a particular pleasure for me to ask unanimous consent, while the Vice President is in the Chair, to have printed in the Record at this point in my remarks the great speech of the President this morning in the White House.

As a matter of historic interest, I was honored to have the President give me his reading copy as a memento, and I ask the Official Reporters to make certain that it is returned to me.

The VICE PRESIDENT. The request of the Senator from Oregon will be fulfilled. The Chair appreciates the remarks of the Senator.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by President Johnson

My fellow citizens of the Americas, 4 years ago this hemisphere embarked upon a great adventure—the greatest, perhaps, since an unknown Italian mariner first touched these shores almost five centuries ago.

It was nothing less than to transform the life of an entire continent.

It was to reach into the homes and villages of more than 200 million people—touching each with hope and expectation.

It was to replace privilege with social justice and unchanging poverty with economic progress. Where there was disease we would bring health. Where there was ignorance we would bring learning. We would feed the hungry and shelter the homeless. And we would do all this as freemen, making liberty the companion of progress.

The adventure began in a dozen scattered spots. In Colombia, the act of Bogatá was signed. In Caracas, Romulo Betancourt moved a nation from dictatorship to a living and hopeful democracy. In Costa Rica, and Mexico, and in many other places, new standards were being shaped; old dreams were taking on fresh meaning. Across the hemisphere revolution was in the air, promising these three: freedom, justice, progress.

And then all these growing, resistless forces converged on this room, where a new President of the United States addressed himself to his fellow citizens of the hemisphere. With unmatched spaciousness of vision John F. Kennedy called for "a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people * * *."

And 5 months later—4 years ago today—on the coast of Uruguay, 20 American Republics solemnly resolved "to establish and carry forward an Alianza para el Progreso."

That act was a turning point, not only in the history of the new world, but in the long history of freedom.

The goals were towering, almost beyond achievement. The hopes were soaring, almost beyond fulfillment. The tasks were immense, almost beyond capacity. But entire nations are not stirred to action by timid words and narrow visions. The faith and will of millions do not take fire from brands muffled in reluctance and fear. And if the reality of progress was to be slow, the radiance of ultimate achievement must be bright enough to compel the effort and sacrifice of generations.

If our Alianza was suffused with compassion and idealism, it also responded to the most real and urgent necessities of our time. Our continent is in ferment. People long oppressed demand their share of the blessings and dignity which the modern world can offer man. The peaceful democratic social revolution of the Alianza is not the alternative to tranquillity and changelessness. It is the alternative—and the only alternative—to bloodshed, destruction, and tyranny. For the past is gone. And those who struggle to preserve it enlist unawares in the ranks of their own destroyers.

We will shape the future through the principles of our Alianza, or find it swallowed up in violence bred of desperation.

And how fortunate we are to live in such a time, when justice so mingles with necessity, and faith with opportunity.

Almost from the moment of birth, the Alliance for Progress was beset by doubt. But men of rooted faith in every country held firm to purpose. And if we have not reached the farthest limit of expectation, we have done much; more, indeed, than many believed.

This 4 years has been the greatest period of forward movement, progress, and fruitful change in the history of the hemisphere. And the pace is increasing.

Last year Latin America as a whole exceeded the Alliance for Progress target of 2½ percent per capita growth rate. Our exports tell us we will do the same this year. And in the Central American Common Market growth is almost 7 percent.

A large and swelling flood of resources contributes to this progress. In 4 years, the United States has contributed almost $4½ billion in grants, loans, goods, and expert assistance. The nations of Latin America have channeled $22 to $24 billion into development. And more than $1 billion has come from other countries and international agencies.

At the heart of Alliance are the twin urgencies of planning and reform. Ten nations have already submitted development programs, and others are on the way. Fourteen countries now have major tax reforms underway—and the rate of tax collection is steadily rising. Fourteen nations have now instituted land reform programs. Others are confronting the growing importance of population control. One government after another is determined to reconcile reform and economic growth with the struggle against destructive inflation. And I salute those, like the people of Brazil, who help lead the way.

In my own country we have constantly worked to improve the speed and usefulness of our own participation in the Alliance. And we have made progress.

In the past year and a half we have loaned over $847 million—almost $150 million more than the 2 full preceding years. The number of loans is increasing. The amount of investment guarantee is on the rise. Housing guarantees have gone up 20 times in only 2 years.

Thus in both United States and Latin America we are moving more and more swiftly to meet the obligations and reach the goals of the Alliance for Progress.

And behind the statistics lie the countless stories of human needs met, human suffering relieved, human hopes fulfilled.

Twenty-five million people—13 million of them children—are receiving food from Alliance programs.

More than 1½ million people have new homes.

A million children now have new classrooms, and 10 million textbooks have been produced.

Hundreds of thousands now can find relief from suffering in more than 850 hospitals, health centers, and health units now in service.

More than 100 million people are now protected from malaria.

And across the face of the hemisphere new roads are being built. Electric power lines are going up. And institutions for savings and credit and development are opening their doors.

These are important gains. But, perhaps more importantly, the banners of reform, of social justice, and of economic progress have been seized by governments and leaders and parties all over the hemisphere. Elections are fought and won on the principles of the Alliance. Where once the light of hope flickered in few places, it now burns in many nations. And in the oppressed countryside and desperate slums growing numbers of people know that in distant capitals—under different slogans and with varying success—their leaders are working to brighten their days and insure their dignity.

For the fact is, even though forces of injustice, privilege and tyranny hold many fortresses, they are on the defensive now. And we can say, far more surely than we once could: Their final day is coming.

But whatever we have accomplished we know the road ahead is longer and more steep than the way behind. If many have been helped, many more are still untouched. If some are newly free, millions are still shackled by poverty and disease, ignorance and malnutrition. If we have made more progress than before, we have made far less than we must.

To this end, we must all increase the efforts we are now making; to build modern industry and the structures on which it rests; to attract a growing flow private investment and technology to Latin America; to speed up the process of social reform.

But it is not enough to continue what we are doing. From the experience, achievement and failures of the first 4 years we can now shape new directions.

Recently I received—as did the other American Presidents—a letter from CIAP suggesting changes and new departures. The leadership of this organization is itself one of our healthiest developments. And I pledge my Government to review this letter with care and sympathy.

But from this letter—and from our own experience—we can already see the shape of future emphasis.

First, we must step up our efforts to prevent disastrous changes in the prices of those basic commodities which are the lifeblood of so many economies. We will continue—we did this week in London—to strengthen the operation of the coffee agreement and search for ways to stabilize the price of cocoa.

We will also try to maintain a regularly expanding market for Latin American sugar. And consistent with the CIAP recommendations—I will propose today that Congress eliminate the special import fee on sugar, so the full price will go to the Latin American producers.

Second, we must try to draw the economies of Latin America closer together. The experience of Central America reaffirms that of Europe. Widened markets—the breakdown of tariff barriers—leads to increased trade, more efficient production, and greater prosperity.

The United States will, as CIAP suggests, contribute from its Alliance resources to the creation of a new fund for preparing multinational projects. By building areawide road systems, developing river basins which cross boundaries, and improving communications we can help dissolve barriers which have divided the nations.

In addition I hope the American nations will consider the establishment of a program—patterned after the European Coal and Steel Community—for the production and trades on a continental basis, of fertilizer, pesticides, and other products needed to increase agricultural production. My country is willing to help in such a venture.

Thus, in ways he never imagined, we can move closer to the dream of Bolivar.

Third, we must emphasize the needs of rural Latin America. Here is the scene of the most abject poverty and despair. Here half the people of Latin America live. And it is here, in the countryside, that the foundation of a modern economy will be built. Through diversification of crops we can decrease dependence on a few export products. Through increasing production, the countries of Latin America can feed their own people.

Through increasing farm income, we can provide growing markets for industry.

Fourth, we must, as CIAP also suggests, direct more of our effort toward those things which directly touch the lives of individual human beings—homes and education, health and food. It is not enough simply to say that a growing economy will ultimately meet those needs. Misery and pain and despair exist in the present; and we must fight them in the present as best we can. This is not only the command of compassion. It is the counsel of wisdom. For factories and banks and dollars do not build a nation. People build a nation. On those people—their health and knowledge and faith; their participation and their sacrifice—rests the future of all of us and all our nations.

This is the common thread which runs through the Great Society in my country and the Alliance for Progress in all our countries.

These are a few—and only a few—of the many tasks which lie before us as we labor to complete the second revolution of the Americas.

The task of development is a practical process. It demands skilled leadership, careful judgment, and imagination firmly tempered by possibility. But it demands something more. For our progress is not its own end. It is an instrument to enlarge the dignity of man. And so we must build on faith and on belief and on those values which are the resistant and enduring mark of our civilization.

This means that each man should have the chance to share in the affairs of his nation—to participate in that liberating process of self-rule we know as democracy. It is fundamental to our Alliance that all our nations should be free, and all our people part of that freedom. We have not yet achieved that for all our countries, indeed for all the people of my own country. But that is our goal for this entire continent. And, however we build, the Alianza will not be success until that is accomplished.

It is to protect that right of self-determination that the OAS now works in the Dominican Republic. I know all of you share the wish that the future government, chosen by the Dominican people, will be devoted to the principles of liberal democracy and social justice; and that you share as well the intention of my country to help rebuild that memory and strife-scarred land.

This also means that each man's nation—great or small—must walk as an equal with all others—free to shape its society, select its institutions and find its own way to the future so long as it respects the rights of its fellows. And from that enriching diversity of custom and tradition—practice and the conduct of affairs—we will all draw strength and, perhaps even wisdom.

This also means that each man must have a chance to share in present benefit and future progress. God did not create any man to live in unseen chains, laboring through a life of pain to heap the table of a favored few. No farmer should be enslaved to land he cannot own. No worker should be stripped of reward for toil. No family should be compelled to sacrifice while others escape the obligations of their society. "Indeed," said Thomas Jefferson, "I tremble for my country when I reflect that God is just." We must surely tremble for our continent as long as any live and flourish protected by the walls of injustice.

If we follow these commands in all our lands then progress will fulfill our dreams. But if we sacrifice them to weakness, or interest, or to false promise, then the hand that builds will become the hand of desolation.

I am, as best I can, trying to follow them in my own country. This year new laws will help the old to find health, families to supplement the cost of homes, Negroes to share in democracy, the poor to find an exit from poverty, and children to seek learning. For my Nation, like yours, is still struggling to find justice for all its people. And because we are fortunate in abundance we must try to help others who seek it for their own people.

And there is also something more. The process of development is still an unknown process. Although we mask our uncertainty with charts and tables, calculations and intricate theories, we are still uncertain. But one thing we do know. Development is not just a matter of resources or trade, production or crops. Rather, in some mysterious way, a people—because they have great leaders and because they have great hopes and because they themselves are great—an entire people begin to stir, and sacrifice and work. And a nation begins to move.

And today throughout this continent this is beginning to happen.

It is that—not the numbers or reports—which tell us these have been fruitful years—and that with luck, and with skill, and with intransigent resolve we will clear away the thousand barriers that lie ahead—if enough hands grasp them, and all are allowed to make the journey.

To all that was pledged that momentous August day—and everything promised since—I here, on this anniversary, again pledge my administration and my personal life in office.

As for the future, leave that to this new world. It will be ours, as it was promised so many years ago.

LOS ANGELES RIOT

Mr. JAVITS. Mr. President, I wish to say a word about the riot in Los Angeles. The Governor of California has announced that the riots are over and that there is, as we know, an uneasy peace being enforced by 15,000 National Guardsmen and more than 1,000 police officers. Six days of rioting and looting have taken a terrible toll—33 persons dead, 812 injured, 2,870 arrested, and an estimated $175 million in property damage.

The extent of the damage caused by these Los Angeles riots will never really be known. I speak today because perhaps the greatest injury suffered in the riots was the serious blow to the remarkable record of the civil rights movement—a record of order and nonviolence in the face of substantial, unbearable provocation—which has brought so much dignity, so much patriotism, and so much support to the movement.

Another reason that I speak today is that we had a little flurry in Philadelphia last night. We have already had one in Springfield, Mass. We had such reactions last year in Newark, N.J.; Rochester, N.Y.; and New York City.

The entire face of society—and especially of those of us who have been so ardent in this movement—must be turned against any such trend.

Bloodshed and anarchy, arson and murder—whatever their deep-seated social or psychological causes—cannot be tolerated in a society founded upon the rule of law.

As one who has spent his entire public career working in the cause of equal opportunity and civil rights, I shall be among the first to sit down calmly and assess the causes and the added cures for this madness now that the storm is over. However, I cannot condone bargains or bribery as a means of assuring order. Nor can I subscribe to the allegedly simple answers which we are beginning to hear—"Let the courts and the police get tough." "Let the civil rights leaders control their people." "Let there be a halt to civil rights demonstrations." Such proposals refer even to those constitutionally guaranteed nonviolent demonstrations which have touched the conscience of the Nation.

We should not permit these arsonists, murderers, and snipers to destroy the benefits derived from these demonstrations.

The great movement for equal opportunity must continue, notwithstanding the actions of the hoodlums of Los Angeles. It is the manifest destiny of this Nation to expand freedom for all. However, it would be foolish for us to ignore the riots.

Though progress has been all too painfully slow in education, housing, jobs, and even in voting, we have accomplished more in the past decade than in the preceding century.

Now, in the very week when tens of thousands of disenfranchised Negroes are streaming to registration offices in the South, within weeks of the establishment of a Federal Fair Employment Commission, and within a month of the opening of a substantial number of newly desegregated schools in the South, this new, worse than ever, violence erupts.

The ones who are hurt the most by the action of these hoodlums are not those in the white power structure, of Los Angeles, nor the bigots and the racist. The American people are the ones who suffer. It is not only the Negro home owner in Watts, the shopkeepers, or the parents of children who have been shot by snipers, who suffer, but also—without any relationship to actual participation—those Americans across the country who are working loyally and devotedly for freedom now.

We cannot let this happen. We have worked for the cause too long to allow the progress won at such cost, by so many, to be jeopardized and damaged.

Mr. President, the violence which has occurred in Los Angeles is a disease. It must be treated as a disease which can destroy the life and the vitality of the civil rights cause and which, therefore, must be cured, operated upon, and suppressed before it spreads.

Mr. President, we must also look at the causes of the riots. We must examine the question of whether the repeal of California's fair housing law contributed to the mounting discontent. We must explore the reasons for the absence of a genuine anti-poverty program in Los Angeles. We must decide what kind of program at the Federal level can be initiated immediately to alleviate the pressures. I intend to cooperate fully in this task on the Federal level.

Today I call upon the victims of these riots—all those who are a part of the American civil rights movement—to speak out strongly and to close the ranks quickly against this disaster so that, with peace restored, we can return to the great, arduous task of building a society with equal rights and equal opportunity for all.

Mr. President, with others in this body and in the United States, I turn my face against violence, and join in supporting its suppression. At one and the same time, we do not condone bargaining or appeasing. We must look to the things that we can do to avoid a repetition of such an occurrence.

It is extremely important that we not be disheartened by what has occurred, but that, on the contrary, we should close ranks and continue our progress. It is important for the Federal Establishment to realize its responsibility not only to assist, but also to urge the authorities in California to take the required actions to reduce the mounting discontent which has produced this terrible disaster in the United States, a disaster which is harmful not only to the people of the United States, but also to our image in the eyes of the other nations of the world.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1966—CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7765) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 16, 1965, pp. 20461–20463, CONGRESSIONAL RECORD.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HILL. Mr. President, the bill as approved by the committee of conference provides total appropriations of $8,011,331,500, a decrease of $11,770,000 from the Senate allowance, an increase of $47,297,000 over the House allowance, but a decrease of $282,482,500 from the budget estimates for 1966. The total amount approved exceeds the appropriations for 1965 by $308,936,500.

For the Department of Labor, the total appropriation is $547,607,500 or $10 million less than approved by the Senate, and $40,536,500 less than the budget estimates for 1966.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. SALTONSTALL. Mr. President, what did the conference committee do with relation to the administrative costs on research grants to private institutions?

Mr. HILL. The Senator and I had a meeting with the Subcommittee on Defense yesterday afternoon. This subject came up. The House provision provided:

> None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount equal to as much as the entire cost of such project.

That was the language to which we agreed.

Mr. SALTONSTALL. In other words, if I remember correctly, the Senate struck out the House provision, and the matter went to conference.

Mr. HILL. We did; we deleted it and took it to conference.

Mr. SALTONSTALL. And the conference committee agreed to retain the House language.

Mr. HILL. Yes.

Mr. SALTONSTALL. The same situation applies with respect to the independent offices bill.

Mr. HILL. That is correct. The situation was the same with respect to the independent offices bill as it is on the pending conference report, with respect to the Department of Health, Education, and Welfare.

Mr. SALTONSTALL. Otherwise, there were not many fundamental differences.

Mr. HILL. The Senator is correct.

Mr. SALTONSTALL. I thank the Senator.

Mr. HILL. I thank the Senator from Massachusetts.

Mr. President, as the bill passed the Senate it contained an allowance of $20 million for "Advances for employment services" out of the general fund of the Treasury to be merged with the account "Grants to States for unemployment compensation and employment service administration" and to be repaid as may be hereafter provided by law. Since the preparation of the budget, the estimate of insured unemployment has been reduced. The resulting savings in administrative expenses under the "Grants to States" appropriation is approximately $10 million. The conferees agreed that this additional sum be used for the same purpose specified by the Senate in connection with amendment No. 1, and reduced the amount provided in the Senate amendment to $10 million.

For the Department of Health, Education, and Welfare the total appropriation approved by the conferees is $7,410,170,000, a decrease of $1,770,000 from the amount approved by the Senate, and a reduction of $241,904,000 from the budget estimates, and an increase of $37,150,000 over the House allowance.

The Senate approved $604,000 for the planning of a second laboratory facility for the Food and Drug Administration at Beltsville, Md. The conferees rejected the Senate amendment. Progress on construction of the first laboratory for which planning funds were provided for fiscal year 1964, and for which construction funds were made available for fiscal year 1965, has been disappointing. The Congress was informed last year when it provided funds for construction that the building would be ready for occupancy in fiscal year 1966. A report received after the Senate had added the planning funds for the second laboratory indicates that the planning for the first laboratory will not be completed until late in fiscal year 1966, and construction in 1968.

The conferees approved the Senate amendments for the Office of Education, disallowing the $10 million for the construction of two residential vocational education schools with the Federal Government paying all construction, equipment, and operating costs, and disallowing $9,050,000 for construction loans for academic facilities under title III of the Higher Education Facilities Act of 1963.

The Senate amendment providing $50,000 under "Research and training, Vocational Rehabilitation Administration" to allow program planning grants of $25,000 each to the Georgia Rehabilitation Center at Warm Springs, Ga., and the Woodrow Wilson Rehabilitation Center at Fisherville, Va., was not approved by the conferees.

The conferees accepted the Senate amendment to the item "Building and facilities," Public Health Service, effecting a net reduction of $454,000. The Senate added $20,000 for development of a master plan for an Appalachian environmental health field station, for which there was an estimate, $250,000 for planning an extension at the Dental Health Center in San Francisco, $75,000 for planning funds for an addition to the Narragansett Shellfish Laboratory, and $1,550,000 for additions to the Clinical Center at the National Institutes of Health. The amendment also disallowed the $2,350,000 sought for construction of a Middle Atlantic Water Pollution Control Laboratory for which no site has been selected. The conferees also agreed to the Senate direction in its report that unobligated funds appropriated for fiscal year 1962 for planning the water pollution control laboratories be utilized for planning additional laboratories at Columbia, Mo., and in the Vicksburg-Jackson area of Mississippi, and added a third laboratory to be located in the area of the Wisconsin State University at Stevens Point, Wis.

The Senate had deleted the $301,000 increase voted by the House for "Injury control," Public Health Service. The conferees voted to restore $151,000 of the Senate cut.

For "Hospital construction activities" the Senate voted the full budget estimate of $303,304,000, an increase of $44,215,000 over the House allowance, and deleted the provision of $1.5 million for a multiservice facility for the mentally and physically handicapped, to be located in Peoria, Ill., in the absence of an authorization for the facility in this program, and added a proviso limiting the Federal share of experimental construction or equipment projects under section 624 to two-thirds of the total cost.

The conferees approved the Senate allowance of the full budget estimate and the proviso limiting the Federal share of projects under section 624, but added back the provision for the multiservice facility for the mentally and physically handicapped but limited the Federal share to two-thirds of the total costs in lieu of the 75 percent provided by the House.

The conferees accepted one-half of the Senate increase of $266,000 for "Occupational health" to provide for acceleration of the clinical research already underway in West Virginia in the second phase of the study of pneumoconiosis and other respiratory diseases in coal miners.

The conferees likewise accepted one-half of the increase of $1 million added by the Senate for equipment replacement in the general hospitals of the Public Health Service, making available $1,364,000 over the budget request for the purpose which will leave an estimated backlog of some $700,000 at the end of fiscal year 1966. The Senate will expect the Department to request sufficient funds for fiscal year 1967 to complete the equipment replacement program for the entire hospital complex.

The conferees rejected the Senate amendment, section 205, which would have denied the use of any funds in title II for the closing, or planning for closing, or for any activity in connection with the closing of any Public Health Service hospital.

For the National Institutes of Health the Senate added $30.3 million. The conferees reduced the Senate increase by $9.1 million, allowing an increase of $21.2 million over the House allowance.

Reductions from the Senate increases were made as follows: $2.2 million of the $2.5 million added for the National Institute of General Medical Sciences; $400,000 of the $800,000 added by the Senate for "Biologics standards"; $3.5 million of the $7 million added by the Senate for the National Institute of Mental Health; the $2 million added by the Senate for the National Heart Institute; and $1 million of the $4.5 million added by the Senate for the National Institute of Neurological Diseases and Blindness. The reductions for the most part reflected the additional funds sought in a supplemental estimate pending before the House Committee on Appropriations for the heart, cancer, and stroke program. The conferees also agreed to allow $1 million for the program against rubella or German measles for which the Senate added $500,000, reducing the Senate allowance of $750,000 additional for the program on organ transplantation to $250,000.

The conferees rejected the Senate increase of $60,000, within the budget estimate, for the Office of the Commissioner, Welfare Administration, for additional personnel to operate from Washington in a field liaison capacity.

The conferees rejected the Senate amendment deleting the House-added section 203 on indirect costs of research and accepted the section as written by the House.

I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7765, which was read, as follows:

> *Resolved,* That the House recede from its disagreement to the amendments of the Senate numbered 23, 41, 47, 49, and 50 to the bill (H.R. 7765) entitled "An Act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes", and concur therein.
>
> *Resolved,* That the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows:
>
> In lieu of the sum named in said amendment, insert "$10,000,000".

Mr. HILL. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 1.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

Mr. HILL. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation setting forth the appropriation for fiscal year 1965, the budget estimates for 1966, the House allowance, the Senate allowance, and the conference agreement for the Departments of Labor, and Health, Education, and Welfare, and related agencies.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act, 1966, H.R. 7765

Item	Appropriation, fiscal year 1965	Budget estimates, 1966	House allowance	Senate allowance	Conference agreement
TITLE I—DEPARTMENT OF LABOR					
MANPOWER ADMINISTRATION					
Office of Manpower Administrator, salaries and expenses		$16,780,000	$7,794,000	$7,794,000	$7,794,000
Transfer from unemployment trust fund	( )	(15,328,000)	( )		
Manpower development and training activities	$396,906,000	273,500,000	273,500,000	273,500,000	273,500,000
Area redevelopment activities	8,500,000				
Trade adjustment activities	344,000				
Farm labor contractor registration activities	350,000				
Bureau of Apprenticeship and Training, salaries and expenses	5,722,000		6,665,000	6,665,000	6,665,000
Bureau of Employment Security, salaries and expenses			2,160,000	2,160,000	2,160,000
Transfer from unemployment trust fund	(13,952,500)		(15,434,000)	(15,434,000)	(15,434,000)
Advances for employment services		39,280,000		20,000,000	10,000,000
Limitation on grants to States for unemployment compensation and employment service administration	(455,636,000)	(492,100,000)	(492,100,000)	(492,100,000)	(492,100,000)
Unemployment compensation for Federal employees and ex-servicemen	137,000,000	141,000,000	131,000,000	131,000,000	131,000,000
Compliance activities, Mexican farm labor program	800,000				
Salaries and expenses, Mexican farm labor program	(800,000)				
Total, Manpower Administration	549,622,000	470,560,000	421,119,000	441,119,000	431,119,000
LABOR-MANAGEMENT RELATIONS					
Labor-Management Services Administration	7,743,300	8,580,000	8,580,000	8,580,000	8,580,000
Bureau of Veterans' Reemployment Rights	820,700				
Total, labor-management relations	8,564,000	8,580,000	8,580,000	8,580,000	8,580,000
WAGE AND LABOR STANDARDS					
Bureau of Labor Standards	3,674,600	3,172,000	3,220,000	3,242,500	3,242,500
Women's Bureau	799,200	860,000	860,000	860,000	860,000
Wage and Hour Division	20,952,000	20,405,000	20,905,000	20,905,000	20,905,000
Bureau of Employees' Compensation, salaries and expenses	4,534,200	4,311,000	4,495,000	4,495,000	4,495,000
Transfers from trust funds	(62,100)	(63,000)	(63,000)	(63,000)	(63,000)
Employees' compensation claims and expenses	52,650,000	49,606,000	48,530,000	48,530,000	48,530,000
Total, wage and labor standards	82,610,000	78,354,000	78,010,000	78,032,500	78,032,500
BUREAU OF LABOR STATISTICS					
Salaries and expenses	18,542,000	20,601,000	19,601,000	19,726,000	19,726,000
BUREAU OF INTERNATIONAL LABOR AFFAIRS					
Salaries and expenses	881,500	1,204,000	1,204,000	1,204,000	1,204,000

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act, 1966, H.R. 7765—Continued

Item	Appropriation, fiscal year 1965	Budget estimates, 1966	House allowance	Senate allowance	Conference agreement
TITLE II—DEPARTMENT OF HEW—Continued					
OFFICE OF THE SOLICITOR					
Salaries and expenses	$5,047,000	$5,300,000	$5,401,000	$5,401,000	$5,401,000
Transfer from unemployment trust fund	(136,000)	(136,000)	(136,000)	(136,000)	(136,000)
OFFICE OF THE SECRETARY					
Salaries and expenses	3,050,000	3,545,000	3,545,000	3,545,000	3,545,000
Transfer from unemployment trust fund	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
Total appropriations, Department of Labor	668,316,500	588,144,000	537,460,000	557,607,500	547,607,500
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
FOOD AND DRUG ADMINISTRATION					
Salaries and expenses	40,370,000	50,352,000	50,352,000	50,352,000	50,352,000
Buildings and facilities	10,875,000	6,324,000	5,720,000	6,324,000	5,720,000
Total, Food and Drug Administration	5,1245,000	56,676,000	56,072,000	56,676,000	56,072,000
OFFICE OF EDUCATION					
Expansion and improvement of vocational education	158,296,000	257,491,000	262,491,000	252,491,000	252,491,000
Higher education facilities construction	463,150,000	641,750,000	641,750,000	632,700,000	632,700,000
Further endowment of colleges of agriculture and the mechanic arts	11,950,000	11,950,000	11,950,000	11,950,000	11,950,000
Grants for public libraries	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Payments to school districts	332,000,000	347,000,000	347,000,000	347,000,000	347,000,000
Assistance for school construction	58,400,000	50,190,000	50,078,000	50,078,000	50,078,000
Defense educational activities	348,603,000	412,608,000	412,608,000	412,608,000	412,608,000
Educational improvement for the handicapped	16,500,000	21,500,000	21,500,000	21,500,000	21,500,000
Cooperative research	15,840,000	25,000,000	25,000,000	25,000,000	25,000,000
Educational research (special foreign currency program)	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Foreign language training and area studies	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000
Salaries and expenses	20,127,500	23,072,000	22,562,000	22,562,000	22,562,000
Total, Office of Education	1,481,866,500	1,848,561,000	1,852,939,000	1,833,889,000	1,833,889,000
VOCATIONAL REHABILITATION ADMINISTRATION					
Grants to States	100,100,000	124,000,000	124,000,000	124,000,000	124,000,000
Research and training	41,065,000	45,845,000	46,045,000	46,095,000	46,045,000
Research and training (special foreign currency program)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Salaries and expenses	3,232,000	3,415,000	3,415,000	3,415,000	3,415,000
Total, Vocational Rehabilitation Administration	146,397,000	175,260,000	175,460,000	175,510,000	175,460,000
PUBLIC HEALTH SERVICE					
Buildings and facilities	22,512,000	7,781,000	9,431,000	8,977,000	8,977,000
Injury control	3,886,000	4,199,000	4,500,000	4,199,000	4,350,000
Chronic diseases and health of the aged	53,908,000	61,203,000	66,453,000	67,453,000	67,453,000
Communicable disease activities	29,974,000	39,347,000	31,347,000	31,497,000	31,497,000
Community health practice and research	28,230,000	63,482,000	60,482,000	55,482,000	55,482,000
Control of tuberculosis	10,932,000	15,666,000	15,666,000	15,666,000	15,666,000
Control of venereal diseases	10,105,000	10,392,000	10,392,000	10,392,000	10,392,000
Dental services and resources	7,228,000	7,903,000	7,903,000	8,383,000	8,383,000
Nursing services and resources	21,660,000	21,075,000	21,075,000	18,075,000	19,575,000
Hospital construction activities	245,907,000	303,304,000	259,089,000	303,304,000	303,304,000
Construction of health educational facilities	110,782,000	90,599,000	90,599,000	90,599,000	90,599,000
Environmental health sciences	9,380,000	15,933,000	15,933,000	15,983,000	15,983,000
Air pollution	20,995,000	24,403,000	26,037,000	26,037,000	26,037,000
Environmental engineering and sanitation	9,170,000	9,293,000	9,842,000	9,842,000	9,842,000
Occupational health	5,194,000	5,584,000	5,724,000	5,990,000	5,857,000
Radiological health	19,720,000	20,818,000	21,044,000	21,044,000	21,044,000
Water supply and water pollution control	35,126,000	40,601,000	44,514,000	44,514,000	44,514,000
Grants for waste treatment works construction	90,000,000	100,000,000	100,000,000	91,000,000	91,000,000
Hospitals and medical care	55,064,000	56,846,000	57,710,000	58,710,000	58,210,000
Foreign quarantine activities	7,009,000	7,311,000	7,311,000	7,311,000	7,311,000
National Institutes of Health:					
General research and services	164,190,000	58,719,000	59,969,000	60,469,000	60,469,000
National Institute of General Medical Sciences		122,338,000	122,338,000	124,838,000	122,638,000
Biologics standards	4,969,000	6,406,000	6,406,000	7,206,000	6,806,000
National Institute of Child Health and Human Development	42,696,000	53,524,000	53,524,000	55,024,000	55,024,000
National Cancer Institute	138,970,000	149,968,000	153,618,000	158,618,000	158,618,000
Special cancer research	10,000,000				
National Institute of Mental Health	188,273,000	208,969,000	208,969,000	215,969,000	212,469,000
Construction of community mental health centers	35,000,000	50,000,000	50,000,000	50,000,000	50,000,000
National Heart Institute	125,171,000	131,612,000	136,412,000	138,412,000	136,412,000
National Institute of Dental Research	20,190,000	22,177,000	22,177,000	23,677,000	23,677,000
National Institute of Arthritis and Metabolic Diseases	113,344,000	119,203,000	121,203,000	123,203,000	123,203,000
National Institute of Allergy and Infectious Diseases	70,100,000	74,987,000	74,987,000	77,987,000	77,987,000
National Institute of Neurological Diseases and Blindness	88,089,000	92,153,000	92,153,000	96,653,000	95,653,000
Grants for construction of health research facilities	58,000,000	56,000,000	56,000,000	56,000,000	56,000,000
Subtotal, National Institutes of Health	1,058,992,000	1,146,056,000	1,157,756,000	1,188,056,000	1,178,956,000
Scientific activities overseas (special foreign currency program)	1,000,000	6,000,000	6,000,000	5,000,000	5,000,000
National health statistics	6,304,000	7,310,000	7,230,000	7,230,000	7,230,000
National Library of Medicine	3,958,000	5,010,000	5,010,000	5,510,000	5,510,000
Retired pay of commissioned officers (indefinite)	(7,155,000)	(7,850,000)	(7,850,000)	(7,850,000)	(7,850,000)
Office of the Surgeon General, salaries and expenses	6,214,000	6,648,000	6,648,000	6,648,000	6,648,000
Total, Public Health Service	1,873,250,000	2,076,764,000	2,047,696,000	2,106,902,000	2,098,820,000
ST. ELIZABETHS HOSPITAL					
Salaries and expenses (indefinite)	(9,537,000)	(9,399,000)	(9,532,000)	(9,532,000)	(9,532,000)
Buildings and facilities	2,032,000	1,977,000	1,977,000	1,977,000	1,977,000
Total, St. Elizabeths Hospital	2,032,000	1,977,000	1,977,000	1,977,000	1,977,000
SOCIAL SECURITY ADMINISTRATION					
Limitation on salaries and expenses	(331,626,000)	(358,092,000)	(355,092,000)	(355,092,000)	(355,092,000)
Limitation on construction	(5,750,000)	(11,860,000)	(11,860,000)	(11,860,000)	(11,860,000)

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act, 1966, H.R. 7765—Continued

Item	Appropriation, fiscal year 1965	Budget estimates, 1966	House allowance	Senate allowance	Conference agreement
TITLE II—DEPARTMENT OF HEW—Continued					
WELFARE ADMINISTRATION					
Grants to States for public assistance	$3,187,900,000	$3,242,100,000	$3,000,000,000	$3,000,000,000	$3,000,000,000
Assistance for repatriated U.S. nationals	373,000	332,000	332,000	332,000	332,000
Bureau of Family Services, salaries and expenses	5,514,000	6,256,000	6,081,000	6,081,000	6,081,000
Grants for maternal and child welfare	127,830,000	162,000,000	162,000,000	162,000,000	162,000,000
Children's Bureau, salaries and expenses	4,398,000	4,494,000	4,494,000	4,494,000	4,494,000
Juvenile delinquency and youth offenses	11,500,000	10,000,000	1,750,000	8,250,000	6,750,000
Office of Aging, salaries and expenses	587,000	703,000	500,000	500,000	500,000
Cooperative research or demonstration projects	1,700,000	2,000,000	1,882,000	1,882,000	1,882,000
Research and training (special foreign currency program)		1,200,000	1,200,000	1,200,000	1,200,000
Office of the Commissioner, salaries and expenses	1,104,000	1,291,000	1,175,000	1,235,000	1,175,000
Total, Welfare Administration	3,340,960,000	3,430,376,000	3,179,414,000	3,185,974,000	3,184,414,000
SPECIAL INSTITUTIONS					
American Printing House for the Blind	865,000	909,000	1,000,000	1,000,000	1,000,000
Freedmen's Hospital	4,038,000	4,624,000	4,624,000	4,624,000	4,624,000
Gallaudet College, salaries and expenses	1,926,000	2,277,000	2,277,000	2,277,000	2,277,000
Gallaudet College, construction	367,000	308,000	308,000	384,000	384,000
Howard University, salaries and expenses	9,843,000	10,982,000	10,982,000	10,982,000	10,982,000
Howard University, construction	1,810,000	2,920,000	2,920,000	2,920,000	2,920,000
Total, special institutions	18,849,000	22,020,000	22,111,000	22,187,000	22,187,000
OFFICE OF THE SECRETARY					
Salaries and expenses	3,281,000	3,811,000	3,570,000	3,570,000	3,570,000
Transfer from OASI trust fund	(479,000)	(483,000)	(483,000)	(483,000)	(483,000)
Office of Audit, salaries and expenses		3,180,000	3,313,000	3,313,000	3,313,000
Transfer from OASI trust fund		(493,000)	(510,000)	(510,000)	(510,000)
Office of Field Administration	3,939,000	1,886,000	1,772,000	1,772,000	1,772,000
Transfers	(1,340,000)	(1,326,000)	(1,326,000)	(1,326,000)	(1,326,000)
Surplus property utilization	1,001,000	1,053,000	1,053,000	1,053,000	1,053,000
Office of the General Counsel, salaries and expenses	1,267,500	1,435,000	1,435,000	1,435,000	1,435,000
Transfers	(907,000)	(879,000)	(879,000)	(879,000)	(879,000)
Educational television facilities	13,000,000	11,826,000	8,826,000	300,000	8,826,000
Total Office of the Secretary	22,488,500	23,191,000	19,969,000	11,443,000	19,969,000
APPALACHIAN REGIONAL DEVELOPMENT PROGRAM					
Expansion and improvement of vocational education, Office of Education	8,000,000				
Hospital construction activities, Public Health Service	21,000,000				
Grants for waste treatment works construction, Public Health Service	3,000,000				
Total, Appalachian regional development program	32,000,000				
Total, direct appropriations, Department of Health, Education, and Welfare	6,969,034,000	7,634,825,000	7,355,638,000	7,394,358,000	7,392,788,000
Indefinite appropriations	16,692,000	17,249,000	17,382,000	17,382,000	17,382,000
Total, direct and indirect appropriations, Department of Health, Education, and Welfare	6,985,726,000	7,652,074,000	7,373,020,000	7,411,940,000	7,410,170,000
TITLE III—NATIONAL LABOR RELATIONS BOARD					
Salaries and expenses	26,157,500	28,165,000	28,165,000	28,165,000	28,165,000
TITLE IV—NATIONAL MEDIATION BOARD					
Salaries and expenses	2,022,000	2,050,000	2,050,000	2,050,000	2,050,000
TITLE V—RAILROAD RETIREMENT BOARD					
Limitation on salaries and expenses	(10,700,000)	(10,650,000)	(10,650,000)	(10,650,000)	(10,650,000)
Payment for military service credits	13,834,000	16,558,000	16,558,000	16,558,000	16,558,000
TITLE VI—FEDERAL MEDIATION AND CONCILIATION SERVICE					
Salaries and expenses	6,334,000	6,652,000	6,610,000	6,610,000	6,610,000
TITLE VII—INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN					
Contribution to Interstate Commission on the Potomac River Basin	5,000	5,000	5,000	5,000	5,000
TITLE VIII—U.S. SOLDIERS' HOME					
Limitation on operation and maintenance and capital outlay	(7,018,000)	(7,076,000)	(7,076,000)	(7,076,000)	(7,076,000)
TITLE IX—FEDERAL RADIATION COUNCIL					
Salaries and expenses		166,000	166,000	166,000	166,000
Grand total	7,702,395,000	8,293,814,000	7,964,034,000	8,023,101,500	8,011,331,500
Consisting of—					
Direct appropriations	7,685,703,000	8,276,565,000	7,946,652,000	8,005,719,500	7,993,949,500
Indefinite appropriations	16,692,000	17,249,000	17,382,000	17,382,000	17,382,000

THE RIOTS IN LOS ANGELES

Mr. RUSSELL of South Carolina. Mr. President, there has been a good deal of discussion about the racial disturbances in Los Angeles. Many remedies have been prescribed. I think the lead editorial in the New York Times of today abounds in commonsense, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BEYOND THE LOS ANGELES TERROR

Surveying the wreckage, material and moral, wrought by the race war in Los Angeles gives the helpless feeling of witnessing an earthquake's toll or, more accurately, the shooting rampage of a madman. Yet there are ironies and lessons in this horror-strewn spectacle.

It is ironic that the violence comes in the wake of the most sweeping civil rights laws in the Nation's history. We will not draw a causal connection; we applaud the objectives of the legislation whatever the defects of certain provisions. Sociologists note, however, a possible psychological relationship, in that when advances are made for a group, those members who do not feel they are benefiting may turn more bitter than ever.

It is saddening too that the civil rights leaders, in pursuit of worthy aims, have done so much to breed disrespect for the law. Here again we would not press the point too far. Still, the theory of obeying only the laws a person likes is dangerous doctrine in a civilized society. And it would be simple-minded to deny any link between that notion and the outbreaks in Los Angeles and elsewhere and, indeed, the rapid rise of crime generally.

In any event, a principal lesson is that the most far-reaching legislation and all the attention-getting, purportedly peaceful demonstrations cannot alone solve the fundamental problems. The studies all show it. Portions of the Negro community are on a treadmill of illegitimacy, crime, and isolation from the values of the society.

The high Negro birth rate alone is cause for pessimism. It can mean that for every individual who can be helped on the road to achievement, two others may be caught on the treadmill. In the face of such circumstances, a voting rights act appears almost as an irrelevancy.

It is utterly unjust, in our opinion, to lay the blame for these conditions exclusively at the door of the white man. We may well curse the day that white immigrants to the United States imported and held slaves; we cannot, century after century, nourish a guilt complex for ancestral evil. Unless, that is, we are prepared to accept the impossible proposition that we living today are guilty for every cruelty perpetrated throughout the eons of human existence.

Moreover, the individual's responsibility for his own life is fundamental to a free, civilized society. Other ethnic or national groups have come to these shores, some hardly better than as slaves and most the victims of prejudice and exploitation at first; a great many of them nonetheless prospered through initiative and frugality. While it is true that a black skin makes a special difference from the others, this phenomenon of nature is becoming less and less a consideration in the rewards of citizenship, employment policies, and social relations.

Not everyone, black, white, or whatever, can make out in this or any other country. There are poor whites, whites with inadequate intelligence or motivation, in Harlem, the South and Los Angeles; conversely the roster of successful Negroes is a long one. The glory of America is that, because opportunity exists for the individual, more people of all kinds have achieved the good things of life than anywhere else in the world today or at any time in history.

But if the Negro people as a group are to find significant improvement in the years ahead, they cannot rely entirely or even mainly on the white majority. The white community is trying to help, is going far more than halfway to meet the Negro, and yet in the end the Negro must do much more for himself.

That means in particular, we think, that the civil rights leadership should turn from its spectacular displays and occasional rabble-rousing and devote itself to a far greater degree to Negro individuals, Negro children, Negro families; to education in the home and group as well as in the school. We refuse to believe that considerable progress would be unattainable once more Negroes acted on the realization that further advancement requires a determined effort on their own part.

Hoodlums, it is said, set off the Los Angeles race war, which is still being waged as these words are written. Hoodlumism, we may be sure, will be put down. Meantime the gangsters and all the rest of us are, in part at least, reaping the whirlwind of a long sowing of needless bitterness, dissension, and contempt for order and common decency.

ATMOSPHERIC WATER RESEARCH PROGRAM MERITS CONGRESSIONAL APPROVAL

Mr. KUCHEL. Mr. President, the Senate Appropriations Committee, of which I am a member, is presently considering the Public Works Appropriation Act of 1966. Included therein is an item for the atmospheric water research program of the Bureau of Reclamation. As a Californian, and as a member of the Committee on Interior and Insular Affairs, intensely interested in any program that will increase precipitation and provide additional water for our rivers and streams, water which is so badly needed in many parts of our Nation, and our vast parched areas, I venture to hope that the Appropriations Committee will recommend to the Senate sufficient funds to continue the comprehensive programs of the Bureau.

There recently appeared in one of the fine newspapers in my State a series of articles dealing with weather modification by means of seeding of clouds. I ask unanimous consent that the articles from the Bakersfield Californian be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Bakersfield Californian, July 24, 1965]

MORE WATER AVAILABLE ARTIFICIALLY

(More than 20 years ago, a pair of General Electric Co. researchers sent a tiny airplane aloft with a load of dry ice. The purpose was to confirm an accidental laboratory discovery—that clouds of moisture could be persuaded to drop their water burden if an artificial nucleus were provided. The results of that flight opened the door to unrestrained predictions about how man would soon control his weather environment. Now after two decades, these dreams appear unfulfilled. Is practical weather modification an elusive mirage? Has mankind enjoyed the rewards of more water from the sky? Strangely, a meaningful answer to these questions may come right here in the southern San Joaquin Valley because of several recent—and some old—developments. Because of the local importance of these developments, the Bakersfield Californian presents a four-part commentary on the present status of weather modification as it relates in increasing rainfall. It has been prepared by Bill Mead, a recognized water specialist of this area.)

PART 1

How do you get people to pay for rain?

In a few words, this is probably the best answer to another question: Why hasn't cloud seeding accomplished more in the past 20 years?

During these same years, Americans have spent billions of dollars on projects to harness the water of countless rivers and move already fallen rain to places where it didn't fall. Yet there's impressive evidence to suggest that these water-diversion projects could be handsomely augmented by artificially stimulating more rainfall in water-short areas—for example, Kern County.

One of the main reasons why people have been quick to see the need for surface water distribution projects, but slow to give much credence to weather modification, gets back to human nature. When we build dams and canals, we can see the water we have trapped and we can measure it right to the place it's being transported, regardless how far away.

It's far different with cloud seeding. After all, who can prove that it wouldn't have rained anyway?

Only piles of statistics, gleaned over years of practical research, can bring to light the kind of ironclad evidence it takes to measure the economic value of cloud seeding.

Surprising to many people, much of the available evidence about the economic value of cloud seeding has been developed right here in Kern County.

For more than 15 years, a Taft-based firm called Precipitation Control Co. of California has stretched a "poor boy's" budget to lay plumes of silver iodide smoke (the modern successor to dry ice) on the billowing crowns of thousands of miles of rain clouds. Starting on the valley's west side, the firm has recently expanded its activities to the skies over the Sierra foothills.

Always faced with the built-in problem of how to get paid for its work, the Taft firm has survived through private contributions and the unwavering support of the Kern County Board of Supervisors.

Because its operations have been nip and tuck financially, Precipitation Control Co. has never been able to mount a weather modification campaign of large enough scale to give a precise answer to the question: How does it pay off in dollars and cents?

Several new developments, however, may change this picture and give everyone in the southern San Joaquin Valley a chance to see how cloud seeding may fit into the area's water program.

[From the Bakersfield Californian, July 27, 1965]

SENATOR KUCHEL TO AID IN RAIN TRY

Man's efforts to wring more water out of the clouds may soon take a big step forward in the southern San Joaquin Valley.

In Washington, California Senator THOMAS H. KUCHEL has set a firm course toward getting enough Federal money to carry out a unique cloudseeding research project called the Southern Sierra Study. Revealing his confidence in the value of cloud seeding, KUCHEL said in a letter to Senate Appropriations Committee:

"For several years some of the counties located in the lower San Joaquin Valley have carried on a cloud-seeding program. According to the data furnished me, these programs—although limited in scope—have proven highly successful. I am convinced that cloud seeding to increase water supplies in mountainous areas offers an excellent chance to increase precipitation by economically significant amounts. How better can we obtain the so badly needed additional water in our rivers and streams, and eventually into our reclamation projects, in such a dramatic manner without the necessity of the long delay and expense of constructing new works?"

Here at home, Kern County Supervisor Vance Webb announced this week the U.S. Bureau of Reclamation has signed a contract with Taft College for a two-part research effort on weather modification. The first part will be the development of ways to evaluate cloud-seeding operations in a given area. The second part will be the actual use of these newly developed procedures to measure the effectiveness of a specific cloud-seeding operation.

The pact is for $36,000, Webb was told by Taft College president, Garlyn Basham, and Walter Gartska of the USBR's Denver office. According to Webb, the research grant came as an outgrowth of an earlier weather modification research effort by Taft College instructor, Lawrence E. Peahl, in which he evaluated the results of cloud seeding on the west side by Precipitation Control Co. of California, which is based in Taft. Peahl's study showed that precipitation in the firm's target area had increased 78 percent during the study period.

Webb hailed the new contract as "a long-overdue look at the practical value of local weather modification."

He said the Kern Board of Supervisors has invested money in cloud seeding for several years because all available evidence indicates that it more than pays its way. The major problem, he says, has been the lack of accepted yardsticks for pinpointing results.

"We have been highly impressed with the accomplishments of Precipitation Control Co.," said Webb. "We've tried to measure it objectively from every direction and the answer keeps coming out the same—Precipitation Control Co. has increased rainfall wherever and whenever they've had the money to work."

Webb's confidence in the soundness of cloud seeding has received backing this year from an unexpected source—a large and successful business organization in San Francisco.

The Robert Dollar Co., through its president, R. Stanley Dollar, Jr., has assumed an active role in the affairs of Precipitation Control Co. The move drew this comment from Supervisor Webb:

"Obviously the interest of such a well-known California business organization could only be attracted on merit."

[From the Bakersfield Californian, July 28, 1965]

RAINMAKERS' RECORDS INDICATE CLOUDSEEDING PROCEDURES PAY

One of the reasons why cloud seeding to increase rainfall has not become a more common practice is that it takes years of work and mountains of data to come up with conclusive evidence on how well it works and what's the best way to do it.

Here in Kern County, Precipitation Control Co., of California, has compiled an impressive record of weather information tending to show that its cloud-seeding operations have resulted in substantial rainfall increases.

Another source of data is the observation done by qualified local people.

One of these is Congressman HARLAN HAGEN. He's long been a booster for more weather modification research. HAGEN has studied rainfall records from Precipitation Control Co. and during recent years has laid much of the legislative groundwork in Washington that may bear fruit in Senator THOMAS KUCHEL's attempt to get more Federal research money for local weather modification firms.

Harry Hardy, operator of Bakersfield Livestock Auction, is another leader who thinks we might be missing a good bet by not supporting more cloud-seeding work.

Hardy is no visionary in his business. He lives in a world of weights and prices. Here is his opinion:

"I've watched cloud seeding in Kern County for several years, and I think it deserves more than the nickels-and-dimes support we've been giving it. I've looked at the grass in the Bitterwater area on the west side after clouds have been seeded there, and it is obviously much better feed than we would normally expect. I've seen the same results in the Sierra foothills after cloud seeding."

Hardy is in a good spot to see firsthand another of the many economic benefits claimed for cloud seeding. As cattle from all parts of the county have poured through his busy sales yard, he's noticed this:

"For the past 2 years, the earliest fat dry cows have come from the areas where cloud seeding has been done. I'll admit this is no scientific observation, but it's enough to convince me that a lot of people ought to quit laughing at what they call rainmakers and give the cloud seeders a fair chance to show how much they can do."

Hardy isn't the only working stockman who has noted interesting results from cloud seeding. Others report that calves from ranges in the target areas have weighed more at weaning time than ever before. They say this has happened in the past 2 years, the same period that cloud seeding has taken place in those locations.

Roland Curran, president of the Kern County Water Agency, has worked for more than 30 years in promoting more water for Kern County. He was a sparkplug in the drive to get the Central Valley project built and more recently has been in the thick of the fight to get Feather River project water for Kern County. About cloud seeding, Curran says:

"There is cloud seeding around here long enough to get some answers if people will only look at them. Those who have looked at the answers all say the same thing—it works. Right now the crying need is to expand cloud seeding in the Sierras to increase the snowpack."

Curran also points out one frequent misconception about the Kern County weather modification program, one that has worried an occasional row-crop farmer.

"None of the cloud seeding going on has any effect on rain in the valley itself," Curran explained. "The sole objective is to pile up more snow in the mountains, and encourage good forage growth in the foothills. I think one of the best measures of the success of the program can be seen in the flow of Poso Creek last year. It was the only stream in the entire State that produced the greatest amount of water in 25 years. It doesn't seem reasonable that this would have happened naturally, when it is so close to streams which didn't show any such gains. The only difference was that we seeded the watershed areas of Poso Creek."

Cloud seeing is of direct benefit to valley growers, however, in stepping up replenishment of groundwater supplies, said Curran, since virtually all of the groundwater under the valley floor comes from runoff of Sierra streams.

One of the most direct observations of cloud seeding results comes from Bert DeMarais, a Bakersfield charter pilot who has flown cloud-seeding runs for Precipitation Control Co. for 10 years. An instrument-rated pilot who regularly flies many local executives all over the West, DeMarais is actually the firm's junior pilot. Earl Turner, the firm's original "seeder" has just finished 12 years riding storms in the southern San Joaquin Valley.

As far as DeMarais is concerned, there is no uncertainty over whether cloud seeding makes for more rainfall.

"When we're up there working those clouds," he explains, "it's hard for us to understand how anyone can doubt that this thing works. We make a few seeding runs, then take a look under the clouds and it's raining pitchforks—not everywhere, but just where we laid on the smoke. How can you get around this kind of proof?"

[From the Bakersfield Californian, July 30, 1965]

RAINMAKERS LEARNED TRADE IN COCKPITS FLYING AMID CLOUDS

When the strange new technique of cloud seeding (artificial nucleation—the scientists called it) came out of the laboratory at the close of World War II, a rash of well-meaning people began heaving dry ice out of airplane cockpits, expecting a downpour to start any second.

Not so with Dave Merrill of Taft, president of Precipitation Control Company of California, which has been seeding clouds in the southern San Joaquin Valley for more than 15 years. When he became interested in this business, he first traveled thousands of miles to get the best thinking of reputable people in the field. But this still wasn't enough, he recalls.

"We soon found that getting more water out of those clouds depends on dozens of little 'nuts and bolts' techniques that had to be learned the hard way," Merrill said. "Our company has been learning and experimenting all the time, like a farmer does. We discovered by trial and error that effective cloud seeding isn't learned all from a book or in a laboratory. We learned our trade right up there on top those clouds in the same way a farmer gets his knowhow mostly on the seat of a tractor."

Merrill says this "hard knocks" method of learning is one reason why weather modification isn't practiced as widely as he and other experts contend it should be.

"Most of the official interest in weather modification has gone into 'way out' research that has no local economic value," he claims. "In huge university laboratories, scientists are making painfully slow progress toward weather satellites and schemes to regulate weather over vast land masses.

"In our company, we're interested in such down-to-earth problems as stopping dust storms around Taft and in putting more water into Isabella Reservoir. Our work hasn't captured the imagination of the academic minds, but it's mighty important to local farmers, hunters, fishermen, lumbermen, and every taxpayer."

Kern County Supervisor Vance Webb, long a champion of cloud seeding, wasn't taking a flight of fancy when he first convinced the board of supervisors that cloud seeding made good hard business sense. He got interested when he saw county road maintenance costs go down after Precipitation Control Co. began seeding clouds in a western Kern area that used to be called the dust bowl.

"When we saw that the dust bowl problem was being licked, we took a second look," Webb recalls. Then we discovered how much the county was saving in road maintenance expenses at the same time that rainfall there was beginning to exceed that of the Bakersfield area."

Now, Webb is hopeful that an unusual "three rivers" experiment might grow out of research on cloud seeding which is now getting underway at Taft College under a contract with the U.S. Bureau of Reclamation.

Under this plan, three adjacent rivers in the Sierras would be selected for the test. Precipitation Control Co. has offered to seed the water shed area of the center stream of the three, leaving the outside streams unseeded as "controls." Unless the seeded stream produced runoff greater than would be normally expected on the basis of the flow of the "control" streams, the firm would receive no pay for its services.

Webb claims the experience of the past 15 years more than justifies such a test.

"With proven techniques of cloud seeding available, and with the evaluation procedures to be developed in the Taft College research program, the time will be ripe to find out just how worthwhile an aircraft weather modification can be to the economy of this area," he says.

In Webb's corner on this issue is Senator THOMAS H. KUCHEL.

"I believe that sufficient progress has been made in dynamic meteorology to justify serious consideration by the Bureau of Reclamation of an expanded program in our southern Sierra region," KUCHEL said. "Instead, the program is in danger of being stopped by a lack of funds before it has a chance to get started. This must not happen. With the background established by our local governments and private industry, the program launched by the Bureau can move ahead rapidly."

SALUTE TO THE REPUBLIC OF GABON

Mr. KUCHEL. Mr. President, the end of colonialism and the emergence of free, self-governing nations which has been a postwar accomplishment in Africa brings about the observance of the fifth independence day for the country of Gabon on this date.

This scantily populated republic with a history stretching back to times predating settlement of our own country looks optimistically toward the future because of a wealth of natural resources and a history featured by harmonious relations with the longer established democracies. Fortunately for the people now burdened with heavy responsibilities, Gabon can draw on experience in the conduct of public affairs gained from warm association with Western Europeans.

For our own country, irrevocably committed to the ideals of human dignity and individual freedom, it is heartening that Gabon has remained aloof from the Communist lure which has influenced the course of many other fledgling republics on the vast African continent. Likewise, it is reassuring that Gabon possesses great potentials for sound economic development in her forests, mineral deposits, and hydroelectric capability. That country's willingness to welcome private investment and enterprise presents a cheerful prospect for international cooperation which can improve the living conditions and brighten the outlook for Gabon's aspiring citizens.

On this occasion, it is fit that the United States, now nearing the 200th anniversary of freedom, should salute the republic of Gabon, its Ambassador, His Excellency Aristide N. E. Issembe, and its dedicated public officials led by Head of Government Leon M'Ba as they observe their fifth independence day.

SOME OBSERVATIONS OF RICHARD WILSON ON FACTORS IN U.S. FOREIGN POLICY AND VIETNAM

Mr. McGOVERN. Mr. President, Mr. Richard Wilson, chief of the Cowles publications Washington News Bureau, has written a perceptive column on the role of the U.S. Heartland in American policy, which appeared in the Washington Star on August 16.

I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Missile Targets in U.S. Heartland

(By Richard Wilson)

The tragic loss in the missile silo explosion in Arkansas brings to mind that these strategic military sites are located in the heart of the country.

So is headquarters of the Strategic Air Command and other SAC bases. These are the primary enemy targets in any conceivable nuclear war. Any enemy plan of action must depend on paralyzing them before missiles and planes from these bases are launched in retaliation.

Thus the once protected heartland of the Nation becomes the front line of defense, the first to feel an enemy's blow. In the nuclear age this means that vast clouds of lethal radioactive materials would be hurled above and fall upon many States in that section of the Nation which was once the home of isolationism.

It is a cruel anomaly. Events have exposed to desolation the geographical area where sentiment was once strongest against international entanglements and commitments. This is not to say that the great cities of the east and west coast or the Midwest are immune from attack. But there are stages of escalation in an imagined nuclear conflict in which only primary military targets would be struck. The critical military targets are in the heartland.

So it is that the 8,000 residents of Searcy, Ark., and the 30,000-plus residents of Minot, N. Dak., may be closer to ground zero than Washington, D.C., and there are other towns equally exposed: Salina, Kans., Mountain Home, Idaho; Wichita, Kans., Great Falls, Mont.

In fact, the greatest concentration of hardened-based Minuteman missile launchers—some 600—are in Montana, South Dakota, North Dakota, and Missouri.

This is something that people in the heart of the country do not like to think about or talk about, but it may be possible that, consciously or subconsciously, their attitudes are affected by their exposure to ground zero.

In many small colleges in the heart of the country the feeling against nuclear war or any kind of war runs strong, as pacifism ran strong in the 1920's.

U.S. Senators and Members of Congress from some of these States are the most doubtful about the war in Vietnam: Senator Mike Mansfield, from Montana; Senator George McGovern, from South Dakota; Senator Frank Church, from Idaho; Senator J. W. Fulbright, from Arkansas.

In the early days, those who disagreed with the isolationist Senators said they were truly isolated geographically, and thus had no appreciation of the stakes and interests involved. But this is not true any longer. The interests, in fact the existence, of Idaho, Montana, North Dakota, and South Dakota would be at stake, while, in one stage of nuclear escalation, New York City, Chicago, and Los Angeles might be spared—at least temporarily.

Yet it is evident that some of the same currents are running as 30 and 35 years ago, the same inclination to be isolated from the war in Asia as from the then oncoming war in Europe, but perhaps for sounder reasons.

Those who are opposing the further involvement that might lead to a war with Communist China are not truly isolationists, but, like the isolationists of the twenties, they refuse to relate the vital interests of the United States to events taking place across a great sea. They deny that there is any comparability between the interests which were at stake in Europe and those which may be at stake in Asia.

It is undoubtedly because these responsible opponents of President Lyndon B. Johnson's policy think that he has slowed down that they now have accepted quietly the new set of conditions on the Vietnam buildup.

They have, in fact, gotten certain concessions to their point of view from the President, insofar as he abandoned stronger action which he appeared on the verge of taking.

So, the voices from the exposed heartland are not going entirely unheard. Whatever the argument between Johnson and the Republicans on whether or not he was slowed down by the Democratic voices from the great exposed places, the fact remains that Johnson did not go as far as his opponents feared he would.

DEATH OF HON. C. PETRUS PETERSON OF NEBRASKA

Mr. CURTIS. Mr. President, Nebraska mourns the loss of one of its most distinguished citizens, Hon. C. Petrus Peterson, who died last Thursday, August 12, 1965, at the age of 85.

Active in civic affairs, an attorney and State legislative leader, and nationally recognized for heroic efforts in the interest of water conservation and reclamation, C. Petrus Peterson carved an indelible place in the history of his State and Nation. He won the esteem of all who knew him, and they are legion.

A native of Polk County in east-central Nebraska, Mr. Peterson was educated at Luther Academy in Wahoo, Nebr., and Augustana College in Rock Island, Ill. He earned his law degree from the University of Nebraska at Lincoln, and in 1946 was awarded an honorary doctor of laws degree by Augustana.

Mr. Peterson had made his home at Lincoln, Nebr., since 1911, and he was a member of the State house of representatives 50 years ago. He served two terms in the house and in 1919 became a State senator. While serving as Lincoln City attorney he twice was a delegate to constitutional conventions, and helped write the present Nebraska State constitution. In 1941 he was elected to the first of four terms in the Nebraska unicameral legislature, serving as speaker in 1945.

Long identified with water conservation and reclamation efforts, Mr. Peterson was a leader in establishing the Nebraska Reclamation Association in 1944 and served as president of that organization for 2 years. He later served 4 terms as president of the National Reclamation Association, and in the late 1950's was an assistant for reclamation matters to the then Secretary of the Interior, Fred A. Seaton of Hastings, Nebr.

His stature among reclamationists of the country was such that in 1952 Mr. Peterson was the 13th nominee to the Reclamation Hall of Fame.

Among the many honors earned by Mr. Peterson was the Lincoln Kiwanis Club Distinguished Service Medal, awarded in 1958. Five years earlier, he had received the highest nonacademic honor offered by the University of Nebraska, known as the Builder Award.

Aside from his many achievements, Mr. Peterson will be remembered for his warm personality and keen wit. He will be remembered for his practical approach to problems, and for his deep concern for his fellow man.

Once, commenting upon his long service in the interest of water conservation, Mr. Peterson was quoted as saying: "No one who knows what happens to a community when water is short, who has planted and cultivated and then seen the crops die, can ever forget."

In conclusion, Mr. President, I ask unanimous consent to include as part of my remarks an editorial from the Lincoln Journal for August 13, 1965, entitled "Death of a Great Nebraskan."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Death of a Great Nebraskan

C. Petrus Peterson was "of Nebraska" and "for Nebraska." Because of this, the State is richer.

His dedication was enhanced by his great talents as a thinker, a doer, and a visionary. He used these talents during his years in the two-house and the one-house legislatures. To these, he added his political acumen, employing to the fullest "the art of the possible." One writer called him the "Great Compromiser," not of principle but of detail.

One of the monuments he built for himself was his work in reclamation. It was as State senator that he started his campaign for the conservation of water and resources, a campaign which he carried on in Nebraska and in the Nation for the remaining years of his life.

How great a part his physical stature and his gift of oratory played in accomplishments can only be surmised. But to see and hear C. Petrus Peterson was to remember him.

The esteem in which he was held was demonstrated in June of this year when he was invited to speak to the 1965 legislature and was given a standing ovation by the senators. A reporter said of him then, "His white hair testimony to his years, but his memory undimmed, Peterson said, 'The legislature is not intended to be a brain trust. It is intended to be a responsible group chosen by the people—a system which has endured through the years.' "

Mr. Peterson's ethnic and pioneer origins shaped his life. He was born to Swedish immigrants who settled in Polk County. He went to a country school and only after he became an adult did he go on to higher education, first considering the ministry but finally deciding on law, which gave him great opportunity to use his gifts of leadership, oratory, and persuasion.

As a first-generation American he clung to some of the customs brought from Sweden by his parents, a delight to those with whom he shared them. His sauna bathhouses were famous and ever available to his friends.

Early life on a farm gave him an understanding of Nebraska and Nebraskans that served him well in serving Nebraska. In the death of C. Petrus Peterson, Nebraska has lost a man who was a delight to know and a man who left the State a better place because he had lived in it and loved it.

THE INDEPENDENCE DAY OF GABON

Mr. LAUSCHE. Mr. President, this summer of 1965 holds special significance for several of the newly independent nations of Africa. Five years ago these nations sought and achieved their independence from France. Among these nations was the Republic of Gabon, whose people will celebrate the fifth anniversary of the formal declaration of their independence on August 17.

Gabon is an interesting and unusual country. Small in size, and with a relatively small population, it possesses immense natural resources. These resources help to explain why Gabon has always had a favorable balance of trade and payments. In past years, Gabon has relied heavily on lumber exports from its rich equatorial forest. In recent years, vast mineral deposits have been discovered—iron ore in the northeast, manganese and uranium in the southeast, and petroleum fields on the coast around Port-Gentil. Some of these resources are already being exploited. The exploitation of others awaits the completion of transportation networks and production facilities. Already, however, the income from mineral wealth has underwritten much social and economic progress since 1960. The future is rich in promise.

The Republic of Gabon is also unusual because it has chosen to follow an atypical course in international affairs. It maintains very close ties with France, believing that fruitful cooperation with the former metropole does not jeopardize its independence. It has chosen not to enter into diplomatic relations with any member of the Sino-Soviet bloc. While participating in the work of the United Nations and many of its specialized agencies, and while promoting cooperative ties among African states, Gabon has nevertheless assigned secondary importance to a prominent international role and primary importance to progress at home. The people of Gabon have obviously benefited from this order of priorities.

Mr. President, it gives me great pleasure to send my greetings to the people of Gabon on the anniversary of their independence, to salute them for their recent achievements, and to wish them every success in the future.

PROJECT DIADEM

Mr. MUNDT. Mr. President, the importance of international exchanges was long ago confirmed as we witnessed the tremendous strides being made in generating better understanding through our various people-to-people programs.

Just recently, my home State of South Dakota was host to an exchange-type program in which agriculture extension leaders from some 40 countries came to this country to discuss the work and role of extension services in helping people help themselves to the better life.

Another program, which I would like to bring to the attention of the Senate, involves a South Dakota lad who has been in Denmark this summer as one of a group of young handicapped Americans representing every State and territory of the United States.

This program is called Project Diadem, which stands for Disabled Americans' Denmark Meeting.

The project was originated by Lord Mayor Urban Hansen of Copenhagen and by Marshall Fredericks, distinguished sculptor of Royal Oak, Mich.

The National Society for Crippled Children and Adults is cooperating in this significant venture to help further reduce the barriers to understanding among the peoples of the world.

Participating from South Dakota has been Ronald Anderson, of Astoria, S. Dak. In a recent letter from Ronald, written from Denmark, he wrote:

ASTORIA, S. DAK.

DEAR SENATOR MUNDT: I am sincerely enjoying my trip to Denmark. The Danish hospitality is more that one could believe. The Danish people are truly ambassadors of good will.

The ambassadors of the Diadem group hope that we are spreading as much good will as the Danish people are.

I am very proud and honored to be representing the State of South Dakota. I hope that I can do honor to our State.

Respectfully yours,

RONALD ANDERSON.

Mr. President, Ronald's letter demonstrates, I believe, the success such ventures achieve, and, knowing something about this fine young man, I am confident that he and his companions have extended an abundance of good will for America and truly has brought honor to our State as well as to the Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD a report on Ronald's trip as contained in a recent issue of the Clear Lake Courier, a weekly newspaper published in Ronald's home county in South Dakota.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

RONALD ANDERSON, ASTORIA, ON THRILLING TRIP TO EUROPE

Ronald J. Anderson, of Astoria, is a member of the group of young handicapped Americans representing every State and territory of the United States, now in Denmark on a unique international good will project named Project Diadem. The project was originated by Lord Mayor Urban Hansen of Copenhagen and by Marshall Fredericks, distinguished Royal Oak, Mich., sculptor.

The party, whose travel in the United States is sponsored by the National Society for Crippled Children and Adults, is spending 3 weeks in Denmark visiting many points of historic and cultural interest as well as studying institutions of all kinds relating to care and education of the handicapped. Official receptions by the Lord Mayor, U.S. Ambassador Katherine Elkus White and the mayors of many Danish cities are on the schedule, as is luncheon with Princess Benedikte at one of Denmark's most famous restaurants.

The group is also being entertained in private homes, at famed Tivoli Park and in a score of other places such as institutions for handicapped children and adults and the aged as well as the summer home of the former Prime Minister and other prominent Danish persons. They were guests of honor at the Fourth of July celebration at Rebild, where Mayor Robert Wagner of New York was chief speaker and members of the royal family of Denmark as well as some 40,000 Danes were present.

The following account is from Ronald and recorded directly from Copenhagen, Denmark:

I am embarking on the greatest voyage of a lifetime. I hope that I can prove myself worthy of the honor that has been bestowed on me. Some day I hope I can be part of making such a trip possible for someone. I have talked to many of the ambassadors and all of them feel as I do about the future. We all have this in common: we are all trying to get an education and have high hopes for a great and secure future. It is a privilege to be traveling with such a group.

The Danish people gave us a royal reception. I am very impressed by the cleanliness of the city of Copenhagen and by the tremendous hospitality of the Danish.

Mrs. Fanny Hartmann, Chief of Ministry of Social Affairs, gave a very interesting lecture about the Government duties and responsibilities to its people. I believe in a certain amount of socialized government but wonder if people should have everything done for them.

Mrs. K. Elkus White, the U.S. Ambassador, gave us a wonderful reception at the American Embassy. I talked to Mr. McGee, our Ambassador to Germany, which I enjoyed very much. He asked me if I would ever be interested in the Foreign Affairs Service. It has its possibilities now that I think about it.

We had lunch at the Collective House for the Disabled in Copenhagen. This is a very interesting place where apartments are available for handicapped people and all the treatment and hospital care is under the same roof. But everyone is free to live as they wish and there are only one-third of the residents who are handicapped, so they will be part of a normal community.

OUR WHEAT POLICY

Mr. YOUNG of North Dakota. Mr. President, there continues to be considerable opposition to selling any wheat to Russia or Communist bloc countries. Strangely enough, many who oppose such sales seem to think nothing of selling such commodities as soybeans to them. Some of the major ingredients of ammunition can be extracted from soybeans. Yet, wheat is the only farm commodity for which there are restrictions on shipping to Russia or its satellites.

Mr. President, one of the better editorials I have read on this subject is one entitled: "Our Stupid Wheat Policy" in the August 16 issue of the Bismarck Tribune published at Bismarck, N.D.

I ask unanimous consent to have this editorial inserted in the RECORD as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Bismarck (N.D.) Tribune, Aug. 16, 1965]

OUR STUPID WHEAT POLICY

According to W. C. McNamara, chief commissioner of the Canadian Wheat Board, farmers in Canada now have a market for every bushel of wheat they can harvest in 1965, regardless of the size of their crop.

This enviable situation is made possible largely by another Russian purchase of Canadian wheat, a 173 million-bushel deal which will bring to 221.6 million bushels the total Canada is to let Russia have this crop year.

North Dakota wheatgrowers, their income drastically reduced by the smaller acreages which have been forced upon them, may be pardoned if they look with some envy toward their Canadian cousins to the north.

If the Russians had been able to buy as much of the same kind of wheat in the United States as they're buying this year in Canada, it would have virtually eliminated the 278 millilon-bushel carryover of Hard Red Spring wheat.

No matter how big a crop we raise in North Dakota this year, it wouldn't be nearly big enough to fill this one order. But, as it is, our 1965 crop, estimated at 132 million bushels, will add substantially to the already large surplus. Because markets open to the Canadians are closed to us, we keep piling our wheat up in storage and keep on reducing farm wheat acreages and farmer earning power. Canadians expand wheat acreages and add to the income of their wheat farmers.

An important reason for this situation is a Federal order that half of all wheat shipped to Russia must be hauled in American ships, whose rates are so much higher than those of foreign lines that they price us out of the business. Here's a shipping subsidy, forced by the American maritime unions, that is being paid out of the wheat farmer's pocket because it cuts his wheat income.

The situation is ridiculous. And North Dakota, which raises the wheat most seriously in growing surplus, is the chief victim.

SERGE SAXE WRITES AN ODE AND JACK REYNOLDS A PROSE TRIBUTE TO THE MEMORY OF J. FRANK DOBIE

Mr. YARBOROUGH. Mr. President, nearly 1 year ago, on September 24, 1964, J. Frank Dobie passed away, and America lost one of the great progressive minds, intellectual giants, and free thinkers of our time. At the time of his death, many men were inspired to pay tribute to J. Frank Dobie in writing, because of the emotions he stirred within them, because of the symbol of life and freedom he represented to them. Many of these tributes were placed in the RECORD by me shortly after his death, with the unanimous consent of the Senate.

The books and writings of J. Frank Dobie were confined mainly to the life and lore of the American Southwest, but his love of nature and love of life knew no boundaries. His message transcended all barriers of environment, and reached men of varying intellectual stature and levels of society, the rich, and the poor, the great, and humble minds. He reached them, because his writings stirred a basic response in the hearts of all men: The love of life and freedom. J. Frank Dobie saw man as a part of nature, and thus loathed the disregard and destruction of man's natural environment.

Frank Dobie was progressive, intellectually in advance of most of the people of his time, but he touched a chord of response in men everywhere. With wisdom and wit, he imparted the lore of his beloved Southwest; but he contributed as much to the political and governmental life of his State and Nation as he did to the world of literature, because he called out to the hope, freedom, and dignity of man, and people acted in response to the attitude and emotions he touched.

Now J. Frank Dobie is gone, but men still pay tribute to him in both poetry and prose, because of the universality of his teaching and writing. Two such tributes are an article by Jack E. Reynolds, a learned book man of Los Angeles, entitled simply "A Tribute," printed on pages 9 and 10 in the December 1964 issue of the Branding Iron, a quarterly publication of the Los Angeles Corral of the Westerners; and "Ode to the Memory of J. Frank Dobie," by Serge Saxe, the internationally known composer, music critic, and writer. This ode is printed on pages 90 and 91 of Mr. Saxe's new book entitled "Universal Pursuit: The Creative World of Serge Saxe," published by the Texas Quarterly Studies.

These two tributes to the great J. Frank Dobie are among the finest I have ever seen, and I ask unanimous consent to have them printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A TRIBUTE: J. FRANK DOBIE, 1888–1964

(By Jack E. Reynolds)

The literary legacy of J. Frank Dobie, is a permanent part of the struggle for the continuity of a free America. Of his many honors, none was more relevant than the Presidential Medal of Freedom, which he received on September 14, 4 days before his death. In no lesser degree than his two friends and compatriots, Roy Bedicheck and Walter Prescott Webb, Frank Dobie was an ardent conservationist. The rapacious destruction of man's natural environment was an anathema to him. When he wrote about the coyote, the longhorn, the mustang, and his fellow man, he revealed a deep-rooted faith in free men pursuing their destinies on a land unspoiled by irretrievable exploitation. The essence of Frank Dobie's appeal for and preservation of nature's general glow was expressed in these lines of Gerard Manley Hopkins:

> "What would the world be, once bereft
> Of wet and wildness? Let them be left,
> O let them be left, wildness and wet,
> Long live the weeds and wildness yet."

The books of J. Frank Dobie are mainly devoted to the region known as the American Southwest, but his treatment of that region is never parochial. He once wrote, "Nothing is too provincial for the regional writer, but he cannot be provincial-minded toward it," and again he said, "Great literature transcends its native land, but none that I know of ignores its own soil." Texas can no more claim J. Frank Dobie than Ulm-on-the-Danube can claim Albert Einstein; their minds soar beyond political and geographical boundaries.

The Los Angeles Westerners who were fortunate to be present at the dinner meeting the night Frank Dobie was their honored guest will not forget his enormous power to entertain and inform an audience. His very presence intensified the camaraderi of the membership and for a few memorable hours everyone enrolled in Frank's "eat, drink, and be merry school." The westerners who brought copies of Frank's books to be autographed were not disappointed. He inscribed them until he had writer's cramp. Frank had a sincere appreciation for the loyalty of the collectors of his books, and he felt his being asked to autograph them was the highest compliment.

J. Frank Dobie is gone, but the evening melody of crickets, the fragrance of coffee boiling over a campfire, the bark of a coyote on a moonlit night, and the dawn call of a bobwhite will forever be more meaningful for those who have listened to this immortal teller of tales.

He lived, he loved, he interpreted, he left his tracks in better stuff than sand. Like those mustangs of "Grecian grace" that his prose enshrined, J. Frank Dobie fought for freedom, unconfined by prejudice, assuming nothing, responsible to himself and to his fellow man. Now he rests in the soil of his beloved Texas, reminding those who knew him and who are nourished by his works of the rudeness of death, the aloneness that comes when mortality confounds us.

ODE TO THE MEMORY OF J. FRANK DOBIE

Compassion, valor, and a glowing heart,
Never to shrink from conscience-pledged decision
Was rooted plummet-deep, not to depart
An inch from his domain of mind and vision.
Wisdom and knowledge, sparkling wit and hope,
And close to nature's mystery and meaning,
Yet from the Nueces River did his scope
Develop into universal regions
Of golden wings of love and cheer for legions.

Vast were the spheres of his exploring mind
But vaster still the range of his humanity.
His tales and yarns were legends of a kind
That brought to life the past from its captivity,
That conjured blessings of a sun long set,
Of western skies and years not vanished yet.
Mustangs and longhorns, San Jacinto corn,
The living and the free, the downtrodden and forlorn,
They all are players, jubilant and torn.

Oh meteoric light that is no more,
A seer's radiant eye is closed whose beam
Reflected sunlight on the ocean's shore,
His manly grace and laughter but a dream.
A Texan in England, who was Cambridge's pride,
He loved his native State, proclaimed its lore.
His was a "pardlike spirit beautiful and swift"
As Shelley, whom he loved, was able to uplift
His soul in darkened days and make it soar.

What then we ask ourselves in desolation,
Is such life's meaning? Pondering its flame
It burns, undying—although dead. It came
From dawn in Live Oak County to illume
 the Nation
In wholesome warmth and deep awareness
 of her land,
Of man and beast and every dweller's pride—
And freedom's spirit high, unfettered, like a
 ride
Of all the creatures, tameless and unbowed—
It spurns the prison of the mind and loud
Resounds the fanfare of the future, promising and proud!

VICE PRESIDENT'S ADDRESS TO 66TH NATIONAL CONVENTION OF THE VETERANS OF FOREIGN WARS

Mr. DOUGLAS. Mr. President, the 66th National Convention of the Veterans of Foreign Wars meeting in Chicago was fortunate yesterday to have as their keynote speaker the Vice President of the United States.

I am impressed by the Vice President's cogent statement of our purposes in Vietnam and I think others will find his address well worth reading. In responding to those who ask "Why do we fight in Vietnam?" the Vice President paraphrases Churchill's comment in 1940:

> If we left off fighting, you would soon find out. If aggression succeeds in one part of this world—

The Vice President asserts—

> it will quickly follow elsewhere. If we fail to stand today, we shall have to stand tomorrow even closer to home.

I comment the Vice President's address to all those who sincerely seek an answer to why we fight in Vietnam. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY VICE PRESIDENT HUBERT HUMPHREY, VETERANS OF FOREIGN WARS, AUGUST 16, 1965

I am honored to deliver the keynote address to this 66th National Convention of the Veterans of Foreign Wars of the United States.

I am grateful to your commander in chief, Buck Jenkins, for his kind words of introduction.

President Johnson, before I left Washington, asked me to convey to you his appreciation for the good work you have done throughout the years—and today as well—to make this a safer and freer world.

I join the President in that message of appreciation.

You cannot realize how much it means to your Government to know that there are strong and brave Americans standing in support when that support is most needed.

When necessity dictated action in the Gulf of Tonkin and in the Caribbean your commander in chief telegraphed the President your firm pledge of support.

A few months ago, during a time of uncertainty in the Atlantic Alliance, you demonstrated this Nation's commitment to that Alliance and to NATO when you conferred your Bernard Baruch Gold Medal on Gen. Lyman Lemnitzer before representatives of all NATO nations.

And then you sent your commander in chief to southeast Asia to tell the leaders and the people of that part of the world that the VFW stood with President Johnson and the pledges this country had made there.

Buck Jenkins visited, too, our men in uniform in southeast Asia. He went to the Cambodian frontier, to the surrounded base of Da Nang, to the marine beachhead at Chu Lai to tell our men that you were with them.

Today—facing great challenges in the world and at home—we Americans must work together in unity. We cannot afford in this country to give way to animosities and prejudice and division.

Your leadership in helping to create that national strength and unity has never been felt or needed more than today.

But let me get to what is on our minds.

Today in Vietnam we are being tested by strong and tenacious adversaries. We face an assault by an enemy organized in detail, trained in depth, skilled in a strange kind of warfare we Americans have only begun to understand. We face an assault by adversaries able to infiltrate thousands of men across boundaries, to regroup those men into disciplined units, to attack weak points and then to fade away in face of equal or superior strength. We face an assault by men who use terror and assassination against civilians as normal weapons.

We face something else as well: The fact that the totalitarians feel that time is on their side—and their belief that we will inevitably tire and withdraw.

Today there are voices raised in this land which say: "Why are we there? Why do we fight? Let us pull back to a safer, easier place."

To these voices I answer with the words of Winston Churchill.

In 1940, Churchill was asked "Why does Britain fight?"

And Churchill said: "If we left off fighting, you would soon find out."

In Vietnam, if we left off fighting we would soon find out.

For Vietnam is the testing ground of that misnamed "war of national liberation." (And what a cruel joke this liberation really is: Liberation from life, from property, from justice, from human dignity.)

By this new form of totalitarian aggression—and that is what it is—our adversaries seek to demonstrate once and for all that peaceful coexistence does not work. They seek to demonstrate that aggression and reckless militancy brings victory. They seek to demonstrate—as Hitler and Stalin tried to do—that democracies are weak and flabby. They seek to demonstrate that, when faced with a choice, democracies will sacrifice small nations to save, even temporarily, their own hides.

Three Presidents of the United States have pledged this Nation to the defense of South Vietnam.

Three Presidents of the United States have given notice to the Communist aggressors: The cost of aggression comes too high. You must leave your neighbors alone.

Make no mistake about it. If aggression succeeds in one part of this world, it will quickly follow elsewhere. If we fail to stand today, we shall have to stand tomorrow even closer to home.

Let it be known, then, that we will honor our commitment in Vietnam, just as we honor our commitments in other parts of the world.

Now, just what are our objectives in Vietnam?

Our first objective is to prove to the Communist aggressors that free men will not yield to force of arms.

That is why we have strengthened our forces in Vietnam. That is why we have increased our assistance to a brave South Vietnamese army and a brave South Vietnamese people.

The South Vietnamese Army since 1961 has suffered 25,000 dead and 51,000 wounded—greater losses, in proportion to population, than we suffered in all of World War II; 10 times our losses in the Korean war.

That South Vietnamese people, last year alone, lost 436 local officials to assassination, lost another 1,100 officials to kidnaping and an unknown fate, lost 11,000 civilians to murder, kidnaping, and forced labor—but, in face of intimidation, turned out to vote in recent elections in far higher percentages than we usually reach in our own American elections. A full 67 percent of the South Vietnamese adults—under threat of death—registered to vote. And some 73 percent of those registered did vote.

Our second objective—once we prove to the aggressors that aggression will not work—is to bring a just peace to a land that has gone too long without peace.

We have made it clear, again and again, that we are ready to negotiate toward that just peace.

For, as our President has said, we fear the meeting room no more than we fear the battlefield.

No less than 15 times we have offered to begin discussions. Many nations have sought to bring the aggressors to the conference table.

But the reply has been "no."

What must we do?

We must continue to resist aggression. And we must continue to pursue peace.

We must make the aggressors realize that democracies have learned their lessons well. We must make them realize that our patience is greater than theirs and that time is on our side.

And at the same time we must continue to recognize that the people of Vietnam, as people everywhere, must have hope of a better day. We must continue to do all we can to help create, in South Vietnam, in southeast Asia, in all places where man desperately hopes for a new tomorrow—we must help create societies which offer man something to live and work for.

Let us not forget: The real revolution in the world today is the revolution which took flame from our own in America, the revolution toward opportunity, human dignity, self-determination, and self-respect.

We are the authors of this world revolution. It is our obligation, in our strength and wealth, to give it continued life. And it is—in Vietnam, in Europe, in Latin America, in great nations and small—our obligation to defend it when it is threatened by ruthless force. And this we shall do.

We are meeting the responsibilities of leadership, and we are meeting them with strength and courage.

Strength and courage are what we will need.

For there is no end in sight to the burdens we must carry, to the challenges we face.

The American people are a great people. And greatness is what the times demand.

The American for today and tomorrow must be, will be, the same restless, adventurous citizen as his forebears.

I see him as the son of a rich nation, yet a person of conscience with a deep concern for his fellow man.

I see him as one who has defeated the enemies of freedom, yet extends the hand of friendship and cooperation to build a new and better world community.

I see him surrounded by materialism, yet questioning its value, impatient with things as they are, but not impetuous in remedy or judgment.

Strong, but not belligerent.

Willing to debate, but able to decide.

Yes, the road ahead demands an American Nation fully able to wear the mantle of leadership.

And so today we are building here at home an America both free and secure—a nation, under God, truly indivisible with liberty and justice for all.

And in this task we ask your continued help: The task of extending opportunity and justice to all our citizens, the task of building a vigorous and expanding economy, the task of forging a nation of free people able to stand a contest of will with any totalitarian.

We Americans, too, are devoting ourselves today to the belief that what we do is not for our benefit alone, but for the benefit of all mankind.

And again in this task, too, we ask your continued help: The task of helping struggling nations into citizenship in the world. And make no mistake about it, these nations—a full two-thirds of the world—are targets for those who promise quick and easy solutions to old and complex problems.

And, finally, in America today we are putting ourselves to the greatest test which free men face—the willingness to risk our lives, fortune, and sacred honor on alien soil to keep a commitment; to resist the aggressor; to restore the peace.

Each man here today has, at one time, put himself to that same test.

And each man here stood his ground for his country and for freedom.

The family of man has much to lose to the takers, the destroyers, the aggressors. The family of man has much to gain in a world of peace and opportunity.

There is a time when men must stand in face of force and those who break the peace.

In the words of our President: "We will stand in Vietnam."

THE TRAINING OF CONGRESSIONAL STAFF MEMBERS

Mr. TOWER. Mr. President, on July 21, the Senator from Alaska [Mr. Bartlett] introduced a bill (S. 2345), of which I am now a cosponsor, to amend the Government Employee's Training Act. This bill, if enacted into law, would extend to legislative employees the opportunity to participate in professional and career training programs and meetings.

The role played by congressional staffs in the legislative process has steadily increased in importance over the past half century. Today, the functions performed by congressional staff members are absolutely vital to the successful conduct of congressional duties.

Given the importance of staff, it is imperative that congressional staff members be well trained in the techniques and skills necessary to perform their duties. S. 2345 would enable congressional staff members to improve and augment their skills by participating in programs conducted successfully by various administrative agencies since 1958.

These programs cover a number of training areas. Of particular value to congressional staff members would be the clerical and technical skills training; training in administration, management, and supervision; and executive development.

Another benefit that congressional staff members would derive from the bill is the opportunity to participate in the 2-week interagency conferences which have been so successful in upgrading the professional and managerial competence of the civil service. Participation in these conferences would give congressional employees a valuable opportunity to exchange ideas relevant to the performance of their duties.

Economy is an additional virtue of S. 2345. The bill calls for utilization of existing training programs wherever possible, programs designed especially for Government employees. One of the most valuable features of the interagency training programs which has emerged in its 7 years of operation is the pooling of resources.

Congressional employees would not be limited to participating in the interagency training programs. When the need arises, they would have the opportunity to spend up to 1 year in nongovernmental training institutions, including our leading colleges and universities.

Mr. President, I strongly urge that serious consideration be given this measure. In this day of increasing executive power, Congress should avail itself of every opportunity to preserve its constitutional status as a coequal branch of Government. Given the vital importance to the congressional process of a well-trained staff, assuredly, this is one such opportunity.

MERGERS OF FINANCIAL INSTITUTIONS—ADDRESS DELIVERED BY MATTHEW HALE, CHIEF OF STAFF OF THE COMMITTEE ON BANKING AND CURRENCY

Mr. ROBERTSON. Mr. President, during my service in the Congress, which commenced nearly 33 years ago, it has been my good fortune to serve on committees with staff members of exceptionally fine qualities. I doubt if any congressional committee has ever had a better staff than that of the Ways and Means Committee of the House during the 10 years that I was privileged to serve on that committee. And, while the heads of all committee staffs in the Senate are exceptionally able men, I doubt if any is better than Matthew Hale, Esq., chief of staff of the Senate Banking and Currency Committee. Mr. Hale, who has been with the Banking and Currency Committee for the past decade, holds a bachelor of arts and a bachelor of law degree from Harvard. He is an able lawyer as well as a good administrator and has been exceptionally valuable to the chairman and all the other members of the Banking and Currency Committee.

Those who do not know the history of banking and who do not understand the extent to which banking institutions are regulated by both State and Federal laws, are somewhat at a loss to understand why the Congress passed an act in 1960 to exempt bank mergers from the antitrust laws. Unfortunately, the Supreme Court has asserted its legislative prerogative to overrule the act of 1960. Hence, I introduced, and the Senate passed, without a dissenting vote, a bill to limit the extent to which the antitrust laws should be applicable to future bank mergers, while giving legislative relief to the extremely harsh penalties inflicted in past decisions and which undoubtedly will be inflicted in pending cases unless the Congress asserts its authority to give relief. That bill, as originally introduced, completely exempted bank mergers from the antitrust laws and I still maintain that is the correct theory that should be applied to such cases. However, there were members of the Banking and Currency Committee and Members of the Senate who felt that with respect to future bank mergers the Department of Justice should be given an opportunity to challenge a merger under the provisions of the antitrust laws. That was the Proxmire amendment which was accepted by me in the Banking and Currency Committee and was a part of the bill that was passed by the Senate. Incidentally, an editorial in a local paper in opposition to the pending bill is quite in error in charging that the bill with the Proxmire amendment does not give the Justice Department adequate time in which to proceed in the courts to nullify a proposed merger. The Justice Department is notified as soon as a merger application is filed with any Federal agency and it has all of the time that the Federal agency has to consider every factor involved, plus an additional month. In other words, the Justice Department, under the bill now pending before the House Banking and Currency Committee, has full opportunity to challenge any new merger in the courts but if it does not act within the prescribed time it is thereafter precluded from seeking to apply antitrust laws to bank mergers.

Last week, the problems involved in the pending bank merger bill were so clearly and ably discussed before the Committee on Savings and Loan Associations of the Section of Corporation, Banking and Business Law of the American Bar Association in Miami Beach, Fla., August 11, 1965, by Matthew Hale of our committee staff that I ask unanimous consent to have printed in the Record at this point the text of his address.

There being no objection, the address was ordered to be printed in the Record, as follows:

MERGERS OF FINANCIAL INSTITUTIONS

(Remarks of Matthew Hale, chief of staff, Senate Committee on Banking and Currency, Committee on Savings and Loan Associations of the Section of Corporation, Banking and Business Law of the American Bar Association, Miami Beach, Fla., August 11, 1965)

I appreciate the opportunity to speak before the Savings and Loan Associations Committee of the Corporation, Banking and Business Law Section. I have enjoyed the benefits of membership in the section for many years, and I trust I can contribute something in return.

I must preface my remarks by making it clear that I am not speaking for the Banking and Currency Committee or any member of it, though I must at the same time acknowledge that I am taking full advantage of what I have learned while working for the committee.

Mergers of financial institutions is a challenging topic to discuss at a meeting of the American Bar Association. The impact of the antitrust laws on a regulated industry, and the effort to reconcile the procedures and objectives of the regulatory statutes and agencies with the often conflicting procedures and objectives of the antitrust laws, have created a new and rapidly developing field of law, which has had tremendous effect already in the field of bank mergers.

The issues and the problems growing out of the application of the antitrust laws to regulated industries affect many areas. Railroads, airlines, and pipelines and their regulatory agencies have for years tried to reconcile the two bodies of law. In 1963 the Supreme Court, in the Silver case, held that the Sherman Act applied to certain of the self-regulatory functions vested in the New York Stock Exchange under the Securities Exchange Act of 1934, and 10 days ago the SEC reported to the chairman of the Banking and Currency Committee that it was taking up with the industry the possibility of legislation to clarify the relation between the securities laws and the antitrust laws.

I should like to start by speaking about banks and bank mergers, because the most legislation and the most litigation have occurred in this part of the world of financial institutions. Then I would like to speak more particularly about savings and loan associations.

The impact of the antitrust laws on banking and bank mergers has been startling and confusing. In my judgment, the reason is simple. Ever since 1791 when the first Bank of the United States was created, banking has been regulated and controlled, in one way or another, under the money power and under standards related primarily to the money power, with consideration being given to competition because competition helps to carry out the objectives sought through the exercise of the money power. Now suddenly the Supreme Court has held the antitrust laws applicable to banking, in their most stringent form, in disregard of the intention of Congress and of the effect on the statutory regulatory scheme developed by Congress over the century and three-quarters of trial and error since 1791.

The conflict between competition and monopoly—more accurately between varying degrees of competition and monopoly—has been carried on throughout the Nation's history. Hamilton and Jefferson, Jackson and Biddle, Carter Glass and Huey Long, fought over different aspects of this issue. The second Bank of the United States—which many feared would monopolize all the banking of the United States—was succeeded by the era of free banking, under which, in many States, anyone could open his own bank and issue his own bank notes, just the way one could open and run one's own savings and loan association in Maryland in recent years, with no supervision and no security.

As might be expected, the era of free banking ended in disaster. The story is clearly told by Senator John Sherman, who in 1863 introduced the bill which created the National Bank System, who was Secretary of the Treasury under President Hayes, and who in 1890 sponsored the Sherman Antitrust Act. Senator Sherman, in his "Recollections of 40 Years in the House, Senate, and Cabinet," described the story this way:

"The issue of circulating notes by State banks had been the fruitful cause of loss, contention, and bankruptcy, not only of the banks issuing them, but of all businessmen depending upon them for financial aid. Inflation and apparent prosperity were often followed by the closing of one bank and distrust of others * * *. With a narrow view of the powers of the National Government, Congress had repeatedly refused to authorize a national bank, a policy I heartily approve, not from a doubt of the power of Congress to grant such a charter, but from the danger of intrusting so vast a power in a single corporation, with or without security. This objection did not lie against the organization of a system of national banks extending over the country."

The establishment of Senator Sherman's countrywide system of national banks, together with the revival of the State bank system, has created today's highly competitive dual banking system.

Further efforts to promote sound banking, and at the same time to preserve competition and prevent monopoly in the field of banking, resulted in the Glass-Steagall Act of 1932, which separated investment banking and commercial banking the McFadden Act of 1927, as amended in 1933, which reduced the spread of branch banking and made national bank branching conform to State banking laws, the Bank Holding Company Act of 1956, and the Bank Merger Act of 1960.

The legislative history of the Bank Merger Act of 1960 makes it clear that it was designed to promote competition and prevent monopoly. The act specifically requires the agency reviewing the proposed merger, in addition to considering banking factors, including the convenience and needs of the community to be served, to consider the effect of the transaction on competition, including any tendency toward monopoly. The agency is required to deny the merger, unless after considering all of these factors, it finds the merger in the public interest.

At the same time, it is clear that Congress has recognized the special factors applicable to banking. The Congress in 1960 specifically rejected the strict Clayton Act rule under which "good motives and even demonstrable benefits are irrelevant and afford no defense," as the Court said in the Bethlehem Steel case. The Congress in 1960 specifically ruled out the proposal that competitive factors should be controlling; instead, a balanced approach was provided, in which the public interest in the soundness and good management of the banking system—the public convenience and necessity—would be considered along with competitive factors.

The antitrust laws have an entirely different focus. They emphasize competition, full and free competition, at times to the exclusion of all other factors. The basic problem involved in the application of the antitrust laws to banking has never, I think, been more clearly and more cogently expressed than by Mr. A. A. Berle in 1949, when he warned banks of the possibility that the antitrust laws might be applied to them.

"Operations in deposit banking not only affect the commercial field, but also determine in great measure the supply of credit, the volume of money, the value of the dollar, and even, perhaps, the stability of the currency system. Within this area considerations differing from and far more powerful than mere preservation of competition may be operating under direct sanction of law. It is the theory, in ordinary commercial fields, that competition is the desirable check on price levels—the process by which the efficient are rewarded by survival, and the inefficient eliminated by failure. The price of business failures is not regarded as too high for the community to pay in view of advantages to consumers, stimulus toward greater efficiency, and freedom of enterprise. But it is doubtful (to say the least) whether any such assumption is indulged in with respect to deposit banks; certainly the theory is not there accepted to the full extent of its logic. A bank failure is a community disaster, however, wherever, and whenever it occurs. While competition may be desirable up to a point in deposit banking, there is a clear bottom limit to its desirability. So long as 90 percent of the monetary needs of the country are supplied through bank credit, deposits, and checks, under a system which contemplates many thousands of banks and also a uniform, smooth, free flow of bank checks, a high degree of cooperation among banks is essential. So long as certain kinds of banking paper are accepted as a basis for currency through the operations of the Federal Reserve rediscount, a high factor of uniformity is needed. The economic and social premises of the Sherman Act in respect of other businesses are not fully accepted by the Congress, the States, or the public as the only considerations applicable to deposit banking."

Certainly even the most enthusiastic advocate of bank competition would not advocate free entry into banking—letting anyone start a bank without first getting approval, without consideration of public convenience and necessity and without consideration of his qualifications—unrestricted branching, unlimited lending and investment powers, or unrestricted merging, subject only to the antitrust laws.

The fact is that Congress never intended the Sherman Act or the 1950 Celler-Kefauver Antimerger Act to apply to banking or to bank mergers. This does not mean, of course, that Congress has not favored competition in banking. But it does mean that Congress did not intend or expect to bring about competition or to prevent monopoly in banking, by means either of the Sherman Act or the Celler-Kefauver Antimerger Act.

The position taken by Mr. Justice Frankfurter in his dissenting opinion in the Southeastern Underwriters case in 1944—that the Sherman Act was not intended to and did not apply to insurance—is even more clearly applicable to banking, where Senator Sherman's countrywide system of independent national banks had been functioning for 25 years by the time he introduced and Congress passed the Sherman Antitrust Act. Justice Frankfurter said:

"The relations of the insurance business to national commerce and finance, I have no doubt, afford constitutional authority for appropriate regulation by Congress of the business of insurance, certainly not to a less extent than congressional regulation touching agriculture. But the opinion of the Chief Justice leaves me equally without doubt that by the enactment of the Sherman Act in 1890, Congress did not mean to disregard the then accepted conception of the constitutional basis for the regulation of the insurance business. And the evidence is overwhelming that the inapplicability of the Sherman Act, in its contemporaneous setting, to insurance transactions such as those charged by this indictment has been confirmed and not modified by congressional attitude and action in the intervening 50 years. There is no congressional warrant therefore for bringing about the far-reaching dislocations which the opinions of the Chief Justice and Mr. Justice Jackson adumbrate."

The Southeastern Underwriters decision was promptly reversed by the Congress, which passed the McCarran Act to return the regulation of insurance to the States.

In the Lexington, Kentucky, case the Court did not even discuss the question of the applicability of the Sherman Act to banking. While the Court conceded there was no predatory purpose in the merger, it did not even discuss the factors which led the Comptroller of the Currency to approve the merger on the ground that it would be in the public interest—the desirability and necessity for a bank large enough and with sufficient strength of organization to attract and hold the deposits of the larger industrial and commercial concerns coming to Lexington and the State of Kentucky as part of the modern high grade industrial development of that part of Kentucky. The Court took the position that the broad considerations for determining what constitutes unreasonable restraint spelled out in the Columbia Steel case should be confined to the special facts of that case, and held that the merger was barred merely by a finding that significant competition between the two merging banks was eliminated, on the basis of the four railroad cases which most antitrust lawyers had thought were obsolete.

The Philadelphia decision, holding that section 7 of the Clayton Act, as amended by the 1950 Celler-Kefauver antimerger amendment, applied to bank mergers, almost completely nullified the Bank Merger Act, as Mr. Justice Harlan pointed out, in his dissenting opinion in the Philadelphia case, with which Justices Stewart and Goldberg agreed.

In the course of the consideration of Senator ROBERTSON'S S. 1698, the amendment to the Bank Merger Act which is now pending before the House Banking and Currency Committee, I had occasion to review the legislative history and background of the 1950 amendment to section 7 of the Clayton Act and its relation to the Bank Merger Act of 1960, and a memorandum on this subject is included in the hearings on the bill.

My study of the question left me in complete disagreement with Mr. Justice Brennan's conclusion in the Philadelphia case that section 7 of the Clayton Act applies to bank mergers. He said in the course of his opinion that "any other construction would be illogical and disrespectful of the plain congressional purpose in amending section 7, because it would create a large loophole in a statute designed to close a loophole."

Legislation is a practical, political process. What a bill does not cover is often just as important for its chances of enactment as what it does cover.

Mr. Justice Brennan further said that "there is no indication in the legislative history to the 1950 amendment of section 7 that Congress wished to confer a special dispensation upon the banking industry."

The original section 7 of the Clayton Act applied only to stock acquisitions. The House and Senate reports on the original section 7 indicated that it was intended to apply to holding companies whose primary purpose is to hold stocks of other companies. During the 1930's and 1940's it became apparent that mergers and other asset acquisitions were just as effective means of promoting monopolies and restraining competition as holding companies. Beginning in 1945 many proposals were made to cover this loophole, culminating in the 1950 Celler-Kefauver antimerger amendment.

On five different occasions during the period the antimerger amendment was under consideration, the Federal Reserve Board pointed out to the House and Senate Judiciary Committees that it would not cover bank mergers. The Board recommended on several of these occasions that the bill be amended so as to cover bank mergers, and on March 21, 1945, it submitted a revised draft of the then pending bill which would have required prior approval by the Federal Reserve Board of bank stock or asset acquisitions. When early versions of the antimerger proposal were reported by the House Judiciary Committee in 1946, they covered only asset acquisitions by corporations subject to the jurisdiction of the Federal Trade Commission. The reports pointed this out and specifically stated that the jurisdiction and regulatory powers of the Federal Reserve Board remained unchanged.

On October 12, 1950, only 2 months before the enactment of the Celler-Kefauver antimerger amendment, the Federal Reserve Board wrote to Chairman CELLER and again reminded him that the bill would not apply to bank mergers. They said: "H.R. 2734 which passed the House of Representatives on August 15, 1949, and is now pending in the Senate, would broaden section 7 of the Clayton Act so that it would also apply to acquisitions of assets—but only in the case of corporations that are subject to the jurisdiction of the Federal Trade Commission * * *. However, even with the enactment of H.R. 2734, section 7 would continue to be confined to acquisitions of capital stock insofar as banks are concerned."

Chairman CELLER, it seems, had no question that this omission was deliberate and intentional. On July 5, 1955, during the course of hearings on Chairman CELLER'S bill to amend section 7 of the Clayton Act so as to cover bank mergers, Judge Barnes, then Chief of the Antitrust Division of the Department of Justice, testified in support of the bill. He pointed out that the 1950 Celler-Kefauver antimerger amendment covered only corporations subject to the jurisdiction of the Federal Trade Commission and that since the Clayton Act placed banks under the jurisdiction of the Federal Reserve Board, the amendment did not apply to banks. Judge Barnes referred in a footnote to a 1952 House Judiciary Subcommittee staff report issued by Chairman CELLER which stated that because of revisions in the amendments to section 7, "it became impracticable to include within the scope of the act, corporations other than those subject to regulation by the Federal Trade Commission. Banks, which are placed squarely within the authority of the Federal Reserve Board by section 11 of the Clayton Act, are therefore circumscribed insofar as mergers are concerned only by the old provisions of section 7."

Judge Barnes went on with his statement to Chairman CELLER: "I am sure the chairman will be interested in the notation attached as note 1, because on a previous occasion I raised a question whether or not this was an intentional omission or an inadvertent omission. I was inclined to believe it was inadvertent. Your chairman was inclined that it was not; that it had been discussed. A further examination of the history proves that you were right and my supposition was wrong, Mr. Chairman."

During most of the 10 years between the enactment of the 1950 Celler-Kefauver antimerger amendment and the Bank Merger Act of 1960, efforts were made to restrict bank mergers, either by amending section 7 to apply specifically to banks, as Chairman CELLER proposed in 1955, or to amend the Federal Deposit Insurance Act or some other banking statute so as to apply special restrictions to bank mergers, as the Federal Reserve Board had proposed in 1945. During this period, the President, the Department of Justice, and all informed members of the House and Senate urged the enactment of legislation, on the understanding that section 7 did not apply to bank mergers.

The Congress, in the course of its consideration of the Bank Merger Act of 1960, made a deliberate decision not to apply the strict provisions of section 7 of the Clayton Act to bank mergers, but instead to apply more general standards, taking into consideration both the public convenience and necessity and the competitive factors.

This decision was clearly expressed just before the bill passed the Senate in 1960, after the Senate accepted the House amendments, in the following remarks:

"This bill establishes uniform and clear standards, including both banking and competitive factors, for the consideration of proposed bank mergers. It eliminates a number of gaps in the statutory framework, which now permit many bank mergers to occur with no review by any Federal agency. It provides for a thorough review by the appropriate Federal bank supervisory agency, under these comprehensive standards, and with the benefit of any information which may be supplied by the Department of Justice in the report required from them, of the bank mergers by asset acquisitions and other means which are now and will continue to be exempt from the antimerger provisions of section 7 of the Clayton Antitrust Act."

There are many reasons why it is appropriate for mergers of financial institutions to be handled by special legislation under special standards designed for them, rather than by the usual antitrust standards applicable to ordinary commercial and industrial enterprises.

The importance of banks, and this is true of savings and loan associations also, to the Nation's money supply and economic welfare generally has made it necessary for the Government to regulate banks and savings and loan associations and has made it necessary for the Government to underwrite the solvency of the bank system and the savings and loan system through the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. As Mr. Berle said, "a bank failure is a community disaster, however, wherever, and whenever it occurs."

The same is true of failures of savings and loan associations. The few recent bank and savings and loan association failures, the effects of which were minimized by FDIC and FSLIC insurance, remind us of the tragic results to depositors, and also to the Nation's business and commerce, of the wholesale bank and savings and loan failures of the early 1930's. The need for Government regulation of financial institutions demonstrates the importance of these institutions to the Nation. Government regulation to achieve these national purposes is vital to the Nation and may in many respects outweigh the importance of antitrust objectives, if at any given point the regulatory objectives and the antitrust objectives conflict.

Bank regulation has always called for a high degree of competition in the field of banking and other financial institutions, long before antitrust objectives were spelled out in the antitrust laws. Senator Sherman's countrywide system of independent national banks, and the thousands of State banks, which together make up the dual banking system—some 5,000 National banks and some 9,000 State banks—present a very different situation from the big concentrated nationwide industries which the antitrust laws were primarily designed to handle. In the industrial and commercial world there is a real and present danger of nationwide monopoly. The big oil, tobacco, steel, and aluminum firms could take over the entire production and distribution systems in their fields. They could control or own 100 percent of the industry, and when one concern gets 30, 40, or 50 percent control of the industry's facilities, the danger of monopoly is evident. But under the dual banking system, with its thousands of banks divided into 50 different State systems, even the biggest bank held less than 5 percent of the Nation's deposits on June 30, 1965. While there is much banking by mail, and while the biggest banks make loans outside their States and receive deposits from outside their States, their branches must be confined to their home States, and in most cases to their home cities or counties or some other more limited area.

Thirty-five different banks in 14 different cities have deposits of more than $1 billion each. There is a great deal of competition among them and among many of the other big banks for business from the big nationwide industrial concerns. In view of the ease of banking by mail or by telephone, this competition is real and significant.

The danger of local monopoly is in fact greater, though even in the smallest locality the ease of banking by mail or by automobile or telephone is such that competition from other towns and cities can be substantial.

In addition, there is a great deal of competition between one kind of financial institution and another. Banks and savings and loan associations compete for the Nation's savings, and insurance companies, mutual funds, and credit unions join in the competition. Banks and savings and loan associations compete for the opportunity to make mortgage loans on residential and on commercial property, and insurance companies and mortgage bankers join in this competition, too.

It is clear from the legislative history of the Bank Merger Act that Congress wanted to give consideration to local competition, regional competition, and national or international competition, and to competition from savings and loan associations, credit unions, insurance companies, finance companies and the like. In other words, Congress was concerned about the realities of competition, to the lenders and borrowers involved, and to the sum total of these factors, not just to any single factor. In addition, Congress made it clear that consideration should be given to the need for accommodation of the growing capital requirements of an expanding economy, in the community, in the area, and in the country generally. These considerations—the public convenience and necessity and the over-all effects on competition in the broadest sense—were the fators which Congress wished to consider. Congress specifically rejected the Clayton Act test for bank mergers—whether a merger might tend to substantially lessen competition in any one line of commerce in any one section of the country.

Congress wanted to control bank mergers. It wanted to prevent those which were not in the public interest and to permit those which were in the public interest. Accordingly, the benefits of the Bank Merger Act depend on the individual mergers approved, denied, and abandoned without formal application. While aggregate numbers are therefore not conclusive, it is appropriate to note that 180 mergers took place in each of the 5 calendar years before enactment of the Bank Merger Act, and the average for the 5 years beginning with the enactment of that act fell to 153. It also seems appropriate to contrast the number of bank mergers with the FTC report that 1,797 mergers occurred in 1964, most of which were without benefit of any premerger notification to the Government or any premerger governmental review or approval.

We are faced with a strange situation. A banking agency—the Comptroller of the Currency, for example—exercising a power vested in him by the Congress under the Bank Merger Act, after obtaining comments from the other banking agencies and the Department of Justice, may approve a proposed merger on the ground that it is in the public interest—that it will benefit the public. The Department of Justice can then sue under the antitrust acts, either before the merger is consummated or apparently at any time in the next 10 or 20 years, and attempt to divide the merged bank into two separate banks, presumably restoring the status quo, however impossible this may be as a matter of practical fact.

Congress did not intend this. Congress did not expect this. It is the result of what I think is an incorrect and unsupportable interpretation of the 1950 Celler-Kefauver antimerger amendment and the Sherman Act. One may hope that after careful and informed reconsideration, the Supreme Court may reverse itself, as it has so many times in the past.

Such a conclusion would, incidentally, follow that reached by Carl Kaysen and Donald F. Turner, now Assistant Attorney General in charge of the Antitrust Division, in their 1959 book, entitled "Antitrust Policy: An Economic and Legal Analysis." In this book, Messrs. Kaysen and Turner list commercial banking as part of the exempt sector:

"By exempt sector we mean that part of the economy to which antitrust policy does not apply because of legislative exemptions, expressed or implicit. To be sure, this exemption is not complete and in some cases the legislation exempting an industry contains its own antimonopoly provisions.* * * The objectives of antitrust policy are either subordinated to other policy goals or sought through direct regulation."

And in a table showing the character of the regulation of these exempt industries, Messrs. Kaysen and Turner give the following information about commercial banking:

"Federal Reserve controls general level of interest rates and availability of credit. Federal and State authorities control bank operations through entry controls and examinations. Limitation of competition is considered by regulation authorities as necessary to stability of banking systems."

Senator ROBERTSON's bill, S. 1698, as he introduced it, was designed to restore the situation as it was understood to be when the Bank Merger Act of 1960 was passed—in other words it would have restored the Bank Merger Act as the controlling statute with respect to bank mergers. It would have exempted all bank mergers from the Clayton Act, which was not intended to apply to bank mergers, and from the Sherman Act, which was understood up to the *Lexington, Kentucky,* case to have no significance with respect to bank mergers. This bill was strongly supported at the hearings held before the Banking and Currency Committee in May. However, when it became evident that there might be protracted discussion of this bill, Senator ROBERTSON, in order to get quick action on the parts of the bill for which there seemed to be unanimous support in the committee and among the witnesses, accepted and supported an amendment proposed by Senator PROXMIRE based upon a suggestion by the Federal Reserve Board. As amended, the bill would no longer constitute a general exception for bank mergers from the antitrust laws. Instead, it would be a bill to eliminate the necessity of unscrambling bank mergers. It would postpone for 30 days the consummation of bank mergers approved in the future, to give the Justice Department an opportunity to contest such future mergers. If such a suit were started, the merger could not be consummated until the conclusion of the suit. If no such suit should be started within 30 days, or if the Justice Department should be unsuccessful in its suit, the merger could then be consummated and the Justice Department could not thereafter attack it. And, consistent with the new objective of eliminating the unscrambling of bank mergers which had already been consummated, the bill would have exempted from the antitrust laws all mergers consummated up to the date of enactment.

This amendment was unanimously accepted by the Banking and Currency Committee, and after the defeat of an amendment to prevent the exemption from the antitrust laws from applying to the cases pending in court, it was passed by the Senate without opposition. It is now pending before the House Banking and Currency Committee, and hearings on it are beginning today.

Turning more particularly to savings and loan association mergers, it is appropriate to start by saying that Congress has not specifically considered this matter and no statutes specifically cover it. The Federal Home Loan Bank Board, however, has had a regulation in force since 1935, requiring approval of a merger of an insured savings and loan association.

Until recently, savings and loan mergers did not create any problems under the antitrust laws. An industry whose total assets were small, made up of small, local, mutual associations, where mergers were unusual in any event, simply did not raise antitrust issues.

In the 20 years since World War II, however, the problem has become increasingly significant. During this period the industry's savings accounts have increased from $7.5 billion to well over $100 billion. Though the number of savings and loan associations has not increased appreciably in the past 20 years, individual associations have grown tremendously in size and in number of branches. Furthermore, the increase in stock savings and loan associations has been of considerable importance. The number of mergers proposed rose to 40 during 1964, a substantial increase from previous years.

The application of the antitrust laws to savings and loan associations is somewhat different from the application of the antitrust laws to banking. The $100 billion of savings in savings and loan associations is not generally considered part of the money supply as are demand deposits. But I think economists are coming to see an increasingly close relation between savings—called quasi-money—and the demand deposits and currency—classed as money. Savings and loan associations do not have as long a history of Federal regulation and control, but these Federal controls are becoming more and more similar. Savings and loan associations do not have the same claim for exemption from the 1950 Celler-Kefauver Antimerger Act, but as the Supreme Court has held that this exemption is no longer valid, this difference is no longer of any practical effect.

The similarities between banking and savings and loan associations are, in my judgment, greater than the differences. The degree of regulation, as I have said, is growing closer and closer. Both systems are backed up by federally sponsored insurance. Both systems are inextricably enmeshed in our economic system. And most important from an antitrust point of view, both banks and savings and loan associations are based on dual Federal-State systems, with 51 different sets of local organizations, no one of which can have branches outside its home State, and no one of which can get a nationwide monopoly.

Since February 19, 1965, the Federal Home Loan Bank Board has required applicants for mergers to submit considerable information as to their loans, their savings, and the market structure of the areas. This includes a map showing all savings and loan associations, savings banks, and commercial banks within 10 miles of the offices of the merging associations, a list of all financial institutions in the county and in the standard metropolitan statistical area where their home offices are situated, and the assets, savings accounts, and mortgage loans of the savings and loan associations and mutual savings banks, and the assets and savings accounts of each commercial bank within the same areas.

It would seem that with this information the Board would be in a good position to judge the effect of the merger on the competitive situation in the area principally affected. However, in some cases the competitive situation might be affected by competition for savings from organizations outside the 10-mile limit or the appropriate county or standard metropolitan statistical area. There might also be substantial competition for available mortgages from outside financial institutions, including such financial institutions as insurance companies. It might also be that in some cases the mortgage loan information for other institutions should be broken down into more detail in order to reflect competitive factors accurately.

The Federal Home Loan Bank Board is, from my knowledge of its members and its staff, firmly convinced of the benefits of sound and strong competition among savings and loan associations. And they are equally convinced of the desirability of sound and strong competition between savings and loan associations and all competing financial institutions—commercial banks, savings banks, mortgage banks, insurance companies, credit unions, and any other competitors there may be for savings or for loans.

Most of the proposed mergers which come before the Board will undoubtedly not involve any danger of monopoly or any tendency toward it or any danger of loss of competition or lessening of competition. And it may be expected that many of them will improve and strengthen competition by enlarging the resources and improving the services of institutions previously too small to provide the fullest or most satisfactory service.

There would seem to be every reason to expect that the Board, mindful as it is of the need for competition among savings and loan associations and between savings and loan associations and other financial institutions, and mindful of the decisions of the Supreme Court in the field, will be able to prevent any conflict from arising between its approvals of savings and loan association mergers and the antitrust laws.

At the same time, however, we must recall that this entire field is a new one. The Supreme Court has surprised us already, and they may well do so again. And it seems more than likely that Congress will feel it necessary to review the whole question of the relation of the antitrust laws to regulated industries.

U.S. CAPITULATION AT UNITED NATIONS

Mr. MUNDT. Mr. President, many Members of the Senate will recall serving in this body with William F. Knowland, of California, who was our dynamic and forceful leader at the time he decided to resign from the Senate to run for Governor of his home State.

As editor and publisher of the Oakland Tribune, of Oakland, Calif., our friend Bill Knowland continues to maintain an alert and aggressive interest in both national and world affairs. He continues to serve, also, as one of the respected and effective leaders of his party out in California. Most important of all, his powerful voice and persuasive pen continue to project the viewpoint of soundness and sanity on public questions.

In a recent issue of the Oakland Tribune, Bill Knowland once again evidences his capacity to cut through to the heart of an issue and to speak out for sound decisions and good government. In this editorial, our former colleague devotes himself to the reports now drifting down from New York City that our new Ambassador to the United Nations, Mr. Goldberg, is beginning his career as our representative to this international institution by surrendering a long-held American position with regard to the sound and continuing financing of the United Nations. It is indeed regrettable that Arthur Goldberg will begin his responsibilities of advancing American ideals and interests at the U.N. by capitulating our American position in the first controversy in which he appears as our American advocate.

If America now backs down from a position which we have so long and faithfully supported, I am afraid that loss of face and this action of appeasement will return many times to weaken our already diluted influence in the United Nations. Too many more persistent countries in the world will redouble their determination to wear us down or to stall us out as they interpret this surrender on the vital item of financing the peace-keeping operations of the United Nations as meaning that our will is weak, our resolve is uncertain, and our protestations of earnestness can be erroded and defeated by the passage of time and the plaintive complaints of certain other member countries.

For the information of the country and the Congress, I ask unanimous consent that this editorial by Bill Knowland, entitled "U.S. Capitulation at U.N.," may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. CAPITULATION AT U.N.

The reported upcoming shift in policy by the United States to give up its long fight to get the Soviet Union to pay its fair share of United Nations peace-keeping operations signals another setback for the world organization.

The Soviets, their allies, and several other countries have refused to contribute to peace-keeping operations in the Congo and the Middle East. The sum charged to the Russians is $72,236,000 of which $21.6 million would be for this year.

Other countries that have refused to pay their share of the peace-keeping operations are Czechoslovakia, Byelorussia and the Ukraine (two Russian republic with Assembly seats), Rumania, Poland, Cuba, Hungary, Albania, France, and South Africa.

The switch in U.S. policy, expected to be announced Monday by new Ambassador Arthur Goldberg, would be a clear-cut victory for the U.S.S.R. and those nations that followed her lead. The Russians refuse to pay their share on the grounds that only the Security Council can authorize peacemaking operations. The United States and most other U.N. members argue that the General Assembly can act when the Security Council is unable to do so because of vetoes.

If the Russians are allowed to win their point, it will mean that in the future U.N. peacemaking operations will be virtually impossible unless Russia and the United States agree on them. Any agreement between the two countries would be highly improbable if Communist forces were the aggressors as they are, for example, in Vietnam.

The Soviets would also score a prestigious coup if allowed to make their point since they have offered to make a voluntary contribution to help the U.N. out of its financial crisis (which the Russians helped bring on).

Since the reported switch in policy has not been formally announced, it is not too late for the Johnson administration to change its mind. It is the Tribune's position that the Soviet Union, and the other member nations in arrears over the peacekeeping question, should either live up to article 19 of the U.N. Charter or forfeit their voting rights in the General Assembly as provided by the charter.

All members of the United Nations agreed to the charter when they signed it. They should not be permitted to break their agreements when the whim strikes them.

The United States should reconsider its plans for capitulation.

THE OUTBURST OF ANGUISH IN LOS ANGELES

Mr. MONDALE. Mr. President, like Americans all across our land, I have been appalled by the frightening events that have taken place in Los Angeles the last several days.

It is hard to believe what we have been seeing on television and reading about in the newspapers.

It is hard to believe that this has been happening in America. But it has.

No one can excuse what has happened in Los Angeles. But we can try to understand why it happened.

For no one can say that we were not warned. We have been warned time and time again that these slums, these ghettoes, were breeding "social dynamite."

Two months ago, President Johnson spoke out on the dangers in the "breakdown of the Negro family structure" in so many parts of the country. And Negro writers and leaders have told us time after time that our deepest, most intransigent Negro problem is the slums of our great cities.

Now we have seen the "social dynamite" blow up. It took only a small spark to ignite it—the arrest of a motorist on suspicion of drunken driving. But the explosion has been seen and heard all over the world.

When such a disaster occurs, the most important immediate need is to bring it to an end, to restore order. For under no circumstances can we condone such willful destructiveness, such total defiance of law and order. We must support the city of Los Angeles in all its efforts to restore order.

But restoring order is only a temporary answer. If we put down the violence while ignoring the conditions which breed violence, then our action today will be but a prelude to greater disasters tomorrow. We must go further, we must attack the seeds of poverty and discrimination which cause such tragedies, if we are not to reap a further harvest of bitterness and shame for America.

Through our poverty program, through the new Department of Housing and Urban Development, through coordinated efforts by Federal, State, and local governments, we must make a determined assault on these conditions.

At the same time, Negro leaders must bend every effort to make the Negro slum residents understand that violence leads only to more violence, that mob action works against his interests and the interests of Negroes everywhere.

And we must not allow those who are opposed to improving the lot of the Negro to exploit this terrible tragedy for their own ends. Already there are those who blame these slum explosions on the work of the civil rights movement and the President and the Congress, for their efforts to assure true equality for all Americans.

This is demogoguery. The only thing we can blame on the civil rights movement is the act of making America—white and black—aware of the plight of the American Negro. Thus to blame the civil rights movement for what happened in Los Angeles is like blaming the man who turns in a fire alarm for setting the fire. And while this new awareness of injustice may tend to increase the dissatisfaction and resentment of the downtrodden slum Negro, who among us can say we would not feel the same were we forced to live in such an environment while the rest of the Nation seemed to live in comfortable indifference.

I must emphasize again that I say this not in defense of what occurred in Los Angeles, but so that we might understand it—and in order to understand why a Negro slum resident suddenly lashes out in irrational rage and hatred, we must put ourselves in his shoes.

The truth is not that we have done too much. Rather, we have not done enough. It is not that we have gone too fast, but that we have moved too slowly in attacking the poverty and discrimination which are responsible for such explosions.

For as Mr. Tom Wicker noted in a magnificent article in the New York Times today:

> The weekend rioting (in Los Angeles) was a terrible reminder that in the century since emancipation we have only substituted misery and hopelessness and hatred for the bondsman's chains.

This year we passed a law which I hope will give virtually every Negro the opportunity to vote. We are rightly proud of this act, and of the years of nonviolent Negro protest which made its enactment possible. But it is not enough.

The Negro of Los Angeles could already vote. But what good is this if he is born in a broken home, crowded into a filthy slum, sent to an inferior school which is but a reflection of the unhappy community where he is forced to live? What good is it to have rights if one grows up in such squalor, and nourishes such a deep and terrible bitterness against the "white man" who made things this way?

As President Johnson said in his speech at Howard University 2 months ago, "White America must accept responsibility" for these conditions. And even today, when we talk about how much we have already accomplished, we must ask ourselves how many Negroes who want to leave the slums, who have the money and the will to do so, have run into a wall of racial discrimination, a "white noose" surrounding their Negro ghettos which bars their escape.

This is our responsibility, and we must face it.

We cannot point to the Civil Rights Act of 1964 and the Voting Rights Act of 1965 and feel that we have done the job. For as the President noted, passage of these two measures "is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning."

> That beginning is freedom—

The President said—

> and the barriers to that freedom are tumbling down. But freedom is not enough. You do not wipe away the scars of centuries by saying: Now you are free to go where you want, or do as you desire, and choose the leaders you please. You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, "you are free to compete with all the others," and still justly believe that you have been completely fair.

In short, Mr. President, we must do more—we must as the President phrased it:

> Help the American Negro fulfill the rights which, after the long time of injustice, he is about to secure; to move beyond opportunity to achievement; to shatter forever not only the barriers of law and public practice, but the walls which bound the condition of man by the color of his skin; to dissolve, as best we can, the antique enmities of the heart which diminish the holder, divide the great democracy, and do wrong—great wrong—to the children of God.

And we must begin by breaking the chains of poverty which bind most of the Negro community in America—the poverty which shuts them in slums, which cripples their capacities and which prevents them from acquiring the training and skills needed to participate in American life.

And the only way of achieving this goal is, to borrow Mr. Wicker's words again, "by social and economic processes of agonizing slowness, uncertain efficacy, limited popularity—processes like the war on poverty that are in any case subject to all the pettiness and blindness of human nature."

We do not claim that the poverty program is perfect, Mr. President. But as Franklin Delano Roosevelt said:

> Governments can err, Presidents do make mistakes, but the immortal Dante tells us that divine justice weighs the sins of the cold blooded and the sins of the warm hearted on a different scale. Better the occasional faults of a government living in the spirit of charity than the consistent mission of a government frozen in the ice of its own indifference.

I submit, Mr. President, that the war on poverty may well be even more important in freeing the American Negro than the Emancipation Proclamation, the Civil Rights Act of 1964, and the Voting Rights Act of 1965. It will certainly be more difficult, for the barrier of poverty is not only more difficult to see; it costs more to break than did the legal barriers which we have struggled so long to eliminate.

We are moving to the new phase of the struggle for equality in America, from fighting for legal rights to emphasizing the conditions which prevent men from exercising these rights.

The poverty program has brought new hope to thousands of young people from slum areas—Negro and white—by giving them a chance to learn the skills necessary to make good in today's America. It is based on the concept of "community action," on the need to organize the people of an impoverished area and encourage them to take the lead in the solution of their problems.

We cannot claim that this is a perfect program. There is much we have yet to learn about the best way of giving deprived human beings a real chance. And the present poverty program is probably not big enough to do the whole job. But it is a start.

Mr. President, today the Congress will vote on the question of whether or not to continue and expand this vital program. We must vote "yes."

This must be our answer to Los Angeles. We cannot respond to this outburst of anguish by continuing the old ways of discrimination and deprivation which brought it about. Instead we must attack the tragedy at its roots. We must, by our action in the Senate, try to open the doors of hope for these people, so that they may enter into the richness that America is and can be. And in so doing, we will refuse the time bombs which are ticking away in the slums of our cities.

Mr. President, I ask unanimous consent that an editorial and a magnificent article by Tom Wicker, both appearing in the New York Times of today, be printed in the Record.

There being no objection, the editorial and article were ordered to be printed in the Record, as follows:

Orgy of Hate

The lunatic fury that has spread death and pillage through Los Angeles is being put down in the only way that it can be—through the swift and inexorable application of police power. Whenever a mob rises to terrorize the community, the response must be both immediate and uncompromising. The certainty that the resources of the city law-enforcement agencies will be supplemented, to the maximum necessary extent, by the armed might of the State and Federal Governments is essential if hoodlumism is not to extend into anarchy and the mass victimization of the law abiding.

The second and vastly more complicated part of the task of riot control now confronts Los Angeles and every other large city in which fetid racial ghettos breed the frustrations that erupt in violence, bloodshed, and looting. This assignment involves the eradication of the poverty, the undereducation, the rootlessness, and the despair that grip those whom life has defeated or who never even sought to break out of the bleakness into which they were born. President Johnson has once again summoned the Nation to war on these ingrained evils. Their conquest will be slow, but the national commitment to victory is as absolute as its resolve not to temporize with mob excesses. The ultimate disarmament of the slums will come with the triumph of hope and opportunity for all Americans.

The Other Nation: No Place To Hide From It

(By Tom Wicker)

Washington, August 16.—Last June, in one of the great Presidential speeches of our time, Lyndon Johnson told the Howard University graduating class that their hard work and good fortune had only made them a minority within a minority. There was a "grimmer story," he said, that had to be told.

The "great majority of American Negroes," he said, had been and still were "another nation: deprived of freedom, crippled by hatred, the doors of opportunity closed to hope."

AGAINST ESTABLISHED ORDER

It was that other nation that rose up last weekend in Los Angeles and brutally smashed all that it could find of the established order. And it is that other nation, sullen, brooding, explosive, that America in its faith and in its works must now try to recover, to understand, to assist, and thus to obliterate.

The world may be crying out, as Rev. Billy Graham insisted on Sunday, for "salvation" from lawlessness and from a racial situation that is "out of hand"; something may be, as he predicted, "about to give." If so, then let us take our text from Mrs. Willie Mae Colston, a Negro who lives in the Los Angeles riot areas. When the distraught Gov. Pat Brown asked her what should be done, she replied:

"You know the song that says 'Where can we go but to the Lord' or something like that? Well, we have no place to hide."

TERRIBLE REMINDER

There is, indeed, no place to hide from the other nation, particularly in the idea that there is some "salvation" from it. The other nation is there. It will not go away. It is not confined to the South or to the Watts district or to Harlem—it is all around us.

And the weekend rioting was a terrible reminder that in the century since emancipation we have only substituted misery and hopelessness and hatred for the bondman's chains.

The problem is that, having created the other nation, the white man cannot live with it—as the riots also indicate—except by harsh repression and force. That is the way of South Africa, not of the land of the free and the home of the brave. But the white man can obliterate the other nation and make this one America only by social and economic processes of agonizing slowness, uncertain efficacy, limited popularity—processes like the "war on poverty" that are in any case subject to all the pettiness and blindness of human nature.

It is easier to cry out for salvation or to demand that the cops and the courts get tough. It is easier to urge Roy Wilkins and Martin Luther King to discipline their people. It is easier to lump Negroes together as lawless brutes who have done nothing to deserve the good life in affluent America.

IDEA AT STAKE

But what is really at stake is not just the fortunes of 20 million black Americans, or the protection of property, or the maintenance of some tenuous racial peace, important as those things are. What is at stake is the ability of the American idea, expressed in thousands of legal, social, political and economic institutions, to function.

There is probably a connection, for instance, between the demonstrations in front of the Capitol last week and the Los Angeles riots. The demonstrations were not violent but "nonviolent"; they were not talking about Negroes but about Vietnam; and their grievances—as disclosed by their slogans and oratory—were more imaginary than real. Nevertheless, they were like the men of Watts in that they did not rely upon or trust or respect the established processes of politics and law.

That is the meaning of the thunder out of Los Angeles. The institutions and processes of American society have not made the Negro free but have created the other nation. That "American failure," as President Johnson called it, has created a widening current of mistrust and despair and defiance that is corroding the idea of liberty and justice for all, and the confidence in "due process of law" which alone can make people wait on, much less abide by, that process.

TO END THE WRONG

"It is the glorious opportunity of this generation to end the one huge wrong of the American Nation," President Johnson said at Howard, pledging himself to the task. What he intends to do may be less important than the intention, for probably not since the bank holiday in 1933 has the established order in America been more drastically challenged; and now as then much of that order has to be changed if we are to preserve the rest.

CURRENT ACTIVITIES AND PLANS OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS IN THE FIELD OF INTERNATIONAL COOPERATION

Mr. MOSS. Mr. President, David O. McKay, president of the Church of Jesus Christ of Latter-day Saints has submitted a report to the National Citizens' Commission on International Cooperation detailing the current activities and future plans of the church in the field of international cooperation. The report is self explanatory and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

A REPORT TO THE NATIONAL CITIZENS' COMMISSION ON INTERNATIONAL COOPERATION: CURRENT ACTIVITIES AND FUTURE PLANS OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS INVOLVING INTERNATIONAL COOPERATION

As set forth in our statement, "Some Desirable Objectives To Be Sought in International Cooperation," submitted to the commission with copies to President Johnson, Secretary Rusk, and other officials under date of May 14, 1965, we believe the serious need of our times is to preach the gospel to the nations of the earth. The injunction of the Master set forth in the Gospel of St. Matthew, must strike the intelligent mind with force: "Go ye therefore, and teach all nations, baptizing them in the name of the Father, and of the Son, and of the Holy Ghost: teaching them to observe all things whatsoever I have commanded you: and lo, I am with you alway even unto the end of the world."

This solemn injunction, in the context of the Scripture which also states, "All power is given unto me in heaven and in earth," is needed to sustain men's hearts and minds in these times.

Our future plans are identified with the foregoing objectives. The current activities of the church are representative of our historic efforts to meet this responsibility.

During 1965, the church is maintaining 51 missions in 27 nations beyond the jurisdiction of the United States of America. In foreign countries 7,702, and in the United States 3,963 (total 11,665) young men and young women, largely from the United States, spend 2 years or more of their lives in the missions. They are generally about 20 years of age, and have often completed 1 or 2 years of college. They normally return to continue their college educations upon the satisfactory completion of their missions. These young men and young women, and their families, voluntarily contribute for their maintenance in this service approximately $14 million each year.

As rapidly as rights of conscience, ownership of property, the privilege of printing and circulating literature become available to us abroad, we attempt to establish these helpful missionary operations. In every instance, since 1830, they have tended to elevate the condition of the people served, broaden their educational and cultural outlook, and enhance their material prosperity.

The young men and women who have returned to the United States from such service for more than 125 years, have brought with them language and other cultural skills, precious understandings of other peoples, fresh faith and appreciation for the gospel and the blessings of liberty.

The church, from its own revenues, expends approximately $30 million on its international activities annually. The bulk of this annual expenditure budget goes for construction of educational and religious buildings, hospitals, and for educational and missionary service. Most of our hospitals at the present time are in North America.

While the church has had a long history of providing educational institutions and services in New Zealand and Polynesia, as for example our elementary schools in Tonga, Samoa, and French-Polynesia, recent examples of our service to the peoples of the Pacific are exemplified by the new Church College of Hawaii and the Church College of New Zealand (a training ground for all the peoples of the Pacific in leadership and education), and in the new Polynesian center we have also established on the island of Oahu, also in the State of Hawaii.

At the present time, our foreign missionary activity in Asia is generally restricted to missions in Korea, Japan, Hong Kong, and the Philippine Islands. From time to time, we have looked hopefully toward India and other parts of the great continent of Asia. In all such cases, we look with humility and with the spirit of service, hoping to make friends for the gospel's and mankind's sake.

The Gospel of Jesus Christ, properly understood, we believe, embraces all truth, provides sound bases in human understanding for the ultimate reconciliation of human and cultural differences, while preserving individuality, nationality, and freedom of group identity. In our Father's house are many mansions. We are mindful that our Lord and Master, himself, was born, lived, and fulfilled his earthly mission in the "fertile crescent" which functions as a significant land bridge between the great continents of Europe, Africa, and Asia. Certain common bonds which underlie Christendom, Islam, and Judaism, properly understood and examined, we feel, can be extended and broadened to assist mankind in acquiring a more tolerant attitude. The revelation inherent in His declaration, "I am the way, the truth, and the life" can yet dawn in greater degree upon suffering mankind, we hope and pray, through the extension of religious liberty, and with it, peace and freedom. We must never cease to proclaim His message as Prince of Peace, of peace on earth, good will toward men—to all men everywhere.

We pray for the day when international cooperation will have reached the point that this message, voluntarily offered, may be available for the voluntary acceptance of any who desire it in honesty of heart.

Mr. MOSS. Mr. President, a Mormon, especially one living in Utah, is thoroughly aware of the international contacts of the church. Our young men and women are in every sector of the globe. They live with the people of all lands, trying always to enlighten, to uplift, to teach. They give of themselves in love and devotion. They return with insight and respect. Could these contacts be multiplied to all nations in sufficient numbers to reach all peoples I am certain that world peace would be maintained and human well-being be advanced.

PROJECT HEAD START SUCCESS IN RAPID CITY, S. DAK.

Mr. McGOVERN. Mr. President, today as the Senate is considering legislation to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, I have just finished reading an excellent article describing the success of the Project Head Start program in Rapid City, S. Dak.

Project Head Start provides financial support of communities to organize and operate preschool programs which create an environment to help young children develop to their full potential.

Twenty-five Project Head Start centers have been operated this summer in 10 counties in my State of South Dakota.

Mrs. Orylle Jarchow, director of the program for Rapid City, which comes to a conclusion today, has described it as "the most challenging project and the most exciting thing in which we ever have been involved."

Mr. President, I am delighted that Project Head Start has been such a fine success in South Dakota and ask unanimous consent that the article from the

Rapid City Journal of August 11, describing the Rapid City program, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEAD START PROGRAM CALLED CHALLENGING AND EXCITING

"The most challenging project and the most exciting thing in which we ever have been involved," was the description Mrs. Orylle Jarchow used in describing Operation Head Start for the Rapid City Board of Education Tuesday.

Mrs. Jarchow, director of the program for Rapid City, and Mrs. Rose Myhren, staff nurse, reported to the board in detail on operations of the 8-week summer program which will be concluded August 17.

She explained there are 120 children enrolled including more than 70 Indian youngsters, 6 or 7 Negro children, 2 or 3 Mexican children and the remainder are Caucasians.

Bus transportation has been arranged for the majority of the youngsters, 4- and 5-year-olds, who come from all parts of the city and Ellsworth AFB and Ashland Addition, east of the city.

Mrs. Jarchow explained the program was begun under the guidance of the mayor's committee and the Rapid City schools. Potential pupils were recommended by principals of schools on the city's north side, by the community service and Mother Butler centers and public health and welfare authorities.

While the staff of eight classroom teachers, Mrs. Jarchow and Mrs. Myhren were being trained in Laramie, Wyo., local volunteers from the AAUW, the PTA's, teachers and interested parents contacted parents of children who might be eligible for the program.

On their return to Rapid City, Mrs. Jarchow said, teachers personally contacted parents and explained bus routes and programs which would be available.

The health program was explained to parents by Mrs. Myhren in home visits and in coffee hours at the school.

Mrs. Jarchow said the program being conducted in General Beadle School, had five distinct and major objectives.

The first, to improve the physical and emotional health of the pupil, was reviewed for the board by Mrs. Myhren. She said each of the youngsters was given a physical examination in a pediatrician's office, accompanied by one or both of his parents. In this way there was a free exchange of vital information.

Each child was given a dental checkup, again in the company of his parents. Parents were made aware of the importance of proper nutrition and dental hygiene and checkups in the overall health of the child.

Mrs. Myhren said local optometrists also examined the youngsters and immunization clinics were held for the pupils. The D'Aimes Club provide students with toothbrushes and paste and classroom demonstrations were held.

Blood disorders were pinpointed, hearing problems were noted, several speech problems were uncovered along with infected tonsils and orthopedic problems, Mrs. Myhren said.

She said that 1 child was discovered with 7 abcessed teeth and only 4 youngsters of the 123 examined were without any dental problems. Youngsters with immediate problems are being referred to welfare and social agencies and service clubs for aid. Others will be worked into the school's programs this fall.

Mrs. Myhren praised the work of the county public health nurses in the area of immunization clinics which had been held prior to Head Start.

She said the hardest part of the program has been compiling the required records, three for each child, each filled out in triplicate. The forms note medical histories of the individual, prior to the program, a complete medical history during Head Start, and a complete family history.

To qualify for the program, the child's parents had to have a total income of less than $2,000 a year or be on public welfare rolls. In spite of this, Mrs. Myhren noted a number of parents are making appointments for their children with doctors, optometrists and dentists since they became aware of the importance of health to the child's success in school.

Superintendent Paul Stevens indicated the school, as sponsor of the program, would attempt to compile a complete followup on the health aspects of the program. Under the original request, made by the city schools for program funds, there was a provision for followup medical care for the students. This portion of the request was denied.

Mrs. Jarchow summed up the other objectives as:

To orient the child to school life and personnel, including drills in lining up, obeying the instructor, respect for the flag.

Expanding mental growth and language development through a variety of study and play techniques.

Developing the child's social life, increasing his sense of security through establishing routines.

Establishing good rapport between the home and school. The last was accomplished by inviting the parents to school, to participate in classroom work and in outings and to invite the interest of the community at large in Head Start.

The director quoted an evaluator for the program, who travels seven States, as saying Rapid City's program was the best organized and had the best equipment of any in his jurisdiction, for which she thanked the administration and the board.

She concluded by inviting board members to the assembly on Friday in which students will demonstrate their newly acquired skills.

In a summary to the board, Superintendent Stevens said it appeared that on the basis of budget figures per pupil cost of the 8-week program will be only $135.87, including all health services, transportation costs, cafeteria costs, and the classroom and operations costs. These are Federal funds with the school district participating to the extent of the physical facilities.

THE RETIREMENT FROM GOVERNMENT SERVICE OF EUGENE MARTIN ZUCKERT

Mr. MOSS. Mr. President, it is with sincere mixed feelings that I rise to comment briefly regarding the loss to the U.S. Government of one of our most dedicated Cabinet officers.

In a few short days, on September 1, Eugene Martin Zuckert will leave his post as Secretary of the Air Force. He could not have chosen a better, or a less desirable time.

The Air Force has made remarkable progress in the last 4 years under the guidance of Secretary Zuckert. Through his efforts, the Air Force has continued to lead in the space field. The Air Force now mans almost 1,000 intercontinental ballistic missiles, which provide our primary defense system. In addition, the highly capable Strategic Air Command is feared and respected by our enemies and the Tactical Air Command now stands ready to airlift thousands of troops and their equipment to faraway places at a moment's notice. The Air Force in general has undergone many minor revolutions during the 4 years of Secretary Zuckert's administration. Interservice units have been developed to meet changing military problems.

Many research projects initiated within the ranks of the Air Force have given this Nation needed technology with which to make great strides in many fields. The Air Force has wisely, in the past, awarded contracts for solid fueled rocket motor research, the result of which is that highly powerful space boosters can lift massive payloads into earth orbit. Unfortunately, the Air Force has not been allowed to progress further in this field but, thanks to Secretary Zuckert, we have made considerable progress.

The 53-year-old Secretary is leaving at an inopportune time, when America is being threatened by the aggressive forces of communism and when a strong, viable Air Force is a necessity, not a luxury.

Mr. Zuckert speaks enthusiastically of the Air Force of the future. He has been wise enough, and successful enough in seeing that the Air Force has a new base of professionalism on which to grow and to expand its usefulness in our military posture.

Eugene Zuckert has long stood in favor of manned bombers and ultrasophisticated weapons systems. His determination to provide alternatives to massive retaliation has produced a balanced, sensitive force which is constantly being refined and perfected.

When a man like Eugene Zuckert can be persuaded to give up a private practice of law and make many personal sacrifices, and submit himself to the innumerable pressures of appointive office and then perform with distinction, the Nation indeed owes him no small debt.

Mr. President, I am sure that my colleagues join with me in wishing Secretary Zuckert a satisfying and happy career after he leaves the rigors of Pentagon life. To his successor, Dr. Harold Brown, I also wish success and a desire that the U.S. Air Force might grow even greater as one of the free world's most effective deterrent forces standing around the clock for peace.

INDEMNIFICATION PAYMENTS TO FARMERS WHOSE MILK IS BARRED FROM COMMERCIAL MARKETS

Mr. BREWSTER. Mr. President, for the last 2 years I have urged an indemnity program to provide payments to dairy farmers who, through no fault of their own, have had their milk barred from commercial markets because it contained minute traces of chemicals which were approved for use by the Federal Government at that time, but are no longer considered acceptable.

An interesting study made by the National Academy of Sciences is now public. Among other things, the Academy recommends that the concepts of "no residues" and "zero tolerance," as employed in the registration and regulation of pesticides, are scientifically and administratively untenable and should be abandoned. These are the criteria used in the actions of the Food and Drug Administration in the cases for which the indemnity program provides relief.

Mr. President, I ask unanimous consent that a recent article from the Baltimore Sun concerning this study be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESIDUE RULE HELD HARSH—REPORT SAYS NEW METHODS FIND HARMLESS PESTICIDE

WASHINGTON, July 18.—A scientific study recommended tonight that Government controls over toxic pesticides be modified to prevent possible needless seizure of crops found to have residues, although safe residues, of the chemical pest killers.

The study was made by the National Academy of Sciences and the National Research Council for the Departments of Agriculture and Health, Education and Welfare. These agencies have responsibility for the safe use of pesticides and distribution of foods produced under their use.

Many pesticides have been registered by the Agriculture Department on the basis that their prescribed use leaves no residue on crops or an amount deemed within safe limits.

ADVANCES IN TECHNIQUE

But recent advances in techniques for determining and measuring residues have shown that some actually exists on crops where none had been found under earlier techniques.

As a consequence, under strict interpretation of the Federal Drugs and Cosmetics Act, such new-found residues become illegal and the affected crop becomes subject to seizure even though the amount of residue present may not be a hazard to health.

This situation has presented the Government with a dilemma—whether to ban the pesticide and seize the crop on which a residue is found or to avoid the strict enforcement of the law.

ASKS CHANGE OF RULE

The study group said in a report made public today that the rules of "no residue" and "zero tolerance" as employed in the registration and regulation of pesticides are scientifically and administratively untenable and as a consequence should be abandoned.

"A pesticide should be registered on the basis of either 'negligible residue' or 'permissible residue,' depending on whether its use results in the intake (by consumers) of a negligible or permissible fraction of the maximum acceptable daily intake (of the pesticide) as determined by appropriate safety studies," the report said.

"Where the use of a pesticide may reasonably be expected to result in a residue in or on food, registration by the U.S. Department of Agriculture should not be granted unless it is established that the residue is a negligible residue or such residue is not more than a permissible residue established by the Food and Drug Administration," the report added.

In issuing its report, the study group took notice of a long-continuing controversy over uses and hazards of chemical pest-killers.

It said the pesticides are "necessary to health, nutrition and economy of the Nation."

"Although it is recognized," the report continues, "that some pesticide chemicals are more toxic than others to warm-blooded animals, and that their use requires greater restrictions to protect the public health, the committee believes that their valuable properties can be utilized without exposing people, domestic animals, fish or wildlife to undue risk."

Mr. BREWSTER. Mr. President, last year we were successful in amending the Economic Opportunity Act of 1964, and indemnity payments have now been made to approximately 175 farmers. The program must be continued. The Government must not be responsible for penalizing a single farmer who has used pesticides with Government approval, and who may continue to suffer milk contamination through residue.

The House-passed bill provides for a continuation of this program. Our Senate committee has recommended its extension to June 30, 1966. I hope that this provision of the pending bill will be retained.

AUTO SAFETY

Mr. KENNEDY of New York. Mr. President, I ask unanimous consent that an article appearing in the Medical Tribune and Medical News on the subject of "Auto Safety" be printed in the RECORD.

Mr. William Stieglitz has suggested that we can do much more to reduce the number of auto fatalities that occur each year. He points to the estimated $8 million that we spend each year on auto safety research as indicative of the lack of attention that this problem has received in the past.

I commend Mr. Stieglitz' comments to my colleagues. This is a problem that deserves attention from all of us.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUTO SAFETY: RESEARCH AND STANDARDS

(By William I. Stieglitz)

(NOTE.—The author is an aeronautical engineer with 20 years of experience in accident investigation and prevention. He has been a Government safety consultant and active in legislative efforts for improved auto safety standards. His published papers include "Parallels Between Aviation and Automobile Research.")

Approximately 48,000 people were killed in automobile accidents in 1964, and the annual number of fatalities has increased about 3,000 in each of the last 3 years. Estimates by agencies such as the National Safety Council and the Public Health Service of the number of people injured range from slightly under 2 million to over 4 million a year. The direct cost of accidents in 1964 is estimated by the National Safety Council at over $8 billion.

Despite the severity of the problem, the total annual expenditure for safety research by public and private agencies has been reliably estimated at no more than $8 million. There is no coordinated program for attacking the overall problem nor for the identification of problem areas requiring the highest priority. Research has been conducted by or under the sponsorship of various agencies of the Federal Government, State Governments, and private organizations, including industry, universities and foundations. In research applied to the vehicle, emphasis has been placed on injury prevention rather than on accident prevention. Similarly, most organized programs of accident investigation have been directed toward the crash-injury problem rather than determination of causes.

Accidents are assumed to be caused entirely by driver error and highway design, although it has been clearly established in other fields of accident research that the operator, machine, and environment are all interrelated.

Despite limitations in dollar expenditure and lack of coordinated planning, much valuable research has been accomplished; there is, however, a long and serious lag in the adoption of the results by the automotive industry. Applicable work in other areas has been totally ignored. Research in aviation has proven the value of shape-coded knobs and standard location of controls in minimizing operator errors; none of this has been applied to automobiles. Knobs are still of uniform shape, designed by the stylist, and are located randomly on the instrument panel at the whim of the designer. The adverse effects of reflections and glare in diverting attention, obscuring vision, and inducing fatigue are well known, yet most automobiles today violate the known principles for reduction of glare and reflections.

A major official of one of the automobile manufacturers, speaking on behalf of the Automobile Manufacturers Association last September, stated that there was no justification for "most safety proposals" and that "public acceptance * * * was a prerequisite in deciding if (a safety device) should be adopted." The record of the last several years would indicate that the automobile industry's definition of "public acceptance" is either legislation or threat of legislation. Voluntary action on safety problems has been taken by the industry in most cases only when it appeared probable that legislation would be adopted. Every proposal for legislated safety standards has been opposed by spokesmen for the automobile industry.

The automobile is the only means of transportation in this country for which there have been no Federal safety standards. In 1964, at long last, Congress enacted Public Law 88-515, which requires the General Services Administration to establish minimum safety standards for all Government-owned vehicles, effective on 1967 models. This law was passed over the strong opposition of the automobile industry, and its spokesmen have since been opposing many of the proposed standards and trying to water down others. For example, they advocated a standard that would have permitted an 8-inch rearward displacement of the steering column in a 30-mile-per-hour barrier impact, on the grounds that this was the best that some manufacturers would be able to do in 1967 models.

Two bills dealing with automobile safety have been introduced by U.S. Senator GAYLORD NELSON, of Wisconsin, in the current session. One would establish minimum safety standards for tires; the other would extend the coverage of Public Law 88-515 to all automobiles sold in, or intended for use in, interstate commerce. This, of course, would not preclude higher standards being adopted in State codes but would provide a baseline in all States. In addition, Senator ABRAHAM RIBICOFF, of Connecticut, is holding hearings relative to placing all automobile safety activities of the Federal Government under a single agency. Such an agency would be able to establish a comprehensive, coordinated research program. The opposition to such legislative action is vocal and well organized. It is essential that the legislation be supported by all those interested in automobile safety, but especially by those with professional knowledge in crash injury and accident prevention.

Such legislative action is necessary but will not by itself achieve safety. Research will be effective only if its results become incorporated in production automobiles. Standards can be effective only if they are adequate, and not if they permit an 8-inch displacement of the steering column in a 30-mile-per-hour crash. It will be necessary to see that adequate research is conducted and to review and comment on proposed standards in order to assure that they do provide an adequate level of safety.

TRIBUTE TO ESTHER PETERSON, SPECIAL PRESIDENTIAL ASSISTANT FOR CONSUMER AFFAIRS

Mr. MOSS. Mr. President, the Nation's business and advertising men have found Esther Peterson, President Johnson's Special Assistant for Consumer Affairs to be reasonable, personable, and someone they can work with.

This is brought out very forcefully in a well-written article about Mrs. Peterson in the August issue of National Publisher written by Bert Mills, Washington editor. The article recognizes the difficult situation in which Mrs. Peterson was propelled when she became the President's adviser on consumer matters, and says frankly that some businessmen were fearful of what might happen. It points out the fairness with which she has handled the job, and the extent to which she has gone to give business a voice to express views contrary to her own on legislation or on other important issues.

The article concludes that the business community and the advertising world are fortunate that someone like Esther Peterson holds the consumer job. I ask unanimous consent that the article about one of Utah's most famous citizens be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Voice of Consumers: Mrs. Esther Peterson

(By Bert Mills, Washington editor)

When Mrs. Esther Peterson was named by President Lyndon B. Johnson to be his Special Assistant for Consumer Affairs, back in January 1964, one Washington-based trade association rushed out a membership bulletin to report the appointment. The newsletter said the announcement indicated that "consumeritis"—one of the most virulent of governmental diseases—would remain in fashion and might get worse.

This was a reference to President John F. Kennedy's 1960 campaign pledge that he would be "the lobbyist for consumers." Kennedy did name a Consumer Advisory Council and did send a special message to Congress on consumers. But J.F.K.'s consumer program never really got off the ground and professional leaders of consumer organizations were disappointed in him.

President Johnson had been in office only about 6 weeks when he appointed Mrs. Peterson to his White House staff, although on a part-time basis. Under Kennedy, Mrs. Peterson had been the highest ranking woman in Government as Assistant Secretary of Labor. She still holds that post and "moonlights" in her consumer role.

After more than 1½ years in her consumer job, the association which commented on "consumeritis" has learned the ailment has proved far from fatal. Business representatives still watch Mrs. Peterson closely but they no longer fear her. One business writer who took the lady's measure at close range reported: "She's no ogre."

Indeed, Many Washington business representatives have become friends of the lady who serves as eye, ear, and voice of 60 million housewives. They have found her to be not unreasonable and that they can work with her. Many an association executive has livened up a convention program by obtaining Mrs. Peterson as a speaker. She obliges whenever she can.

AN EX-UNION LOBBYIST

Mrs. Peterson calls herself a housewife and mother. She is that and much more. Now a youthful and vigorous 58, Mrs. Peterson has had an unusual life. Her father was a school superintendent in Utah, so a career as a teacher came naturally. She earned degrees at Brigham Young and Columbia and taught for 12 years.

For 5 years she was assistant director of education for the Amalgamated Clothing Workers of America, then served that union for 3 more years as Washington legislative representative. Married to a Foreign Service officer, she lived in Europe for nearly a decade, in Sweden and Belgium.

Returning to the United States in 1957, by this time having acquired four children, she resumed her union career as legislative representative of the Industrial Union Department, AFL–CIO. In pounding the Capitol corridors, her job threw her in contract with a prolabor Senator named John F. Kennedy. Of course, she already knew the Senate majority leader, one Lyndon B. Johnson.

A working Democrat in the 1960 campaign, she was rewarded after the Kennedy victory with a post in the Labor Department as head of the Women's Bureau. Less than 7 months later she attained "Little Cabinet" status as Assistant Secretary of Labor. Since given the consumer post, she maintains two offices and two staffs. Her consumer operation is not headquartered in the White House but in the Executive Office Building one block away.

Mrs. Peterson is tall, slim, and blue-eyed. She is the friendly type, easy to talk to, and an animated conversationalist. One editor who debated her on a radio show complained that he had trouble remaining a gentleman and still getting his counterarguments across.

GETS A LOT OF MAIL

In the first 2 weeks after assuming her role as protector of consumers, Mrs. Peterson received about 500 letters. The volume has declined, of course, but she hears from various segments of the public regularly. And she meets all kinds of people in her travels, which have taken her to almost every State.

She gets a lot of publicity, most of it favorable, and has survived one major crisis. One advertising trade journal performed a real smear job on her, asking in page 1 headlines: "Is she ignorant, or is she deliberately pitting consumers against advertisers for her own purposes?" One advertising trade association took up the campaign.

Other ad organs rallied to her defense. One called the association attack immoderate, unwarranted, and stupid. Another ran a symposium on the question: "Does Mrs. Peterson pose a threat to marketing?" Its editorial conclusion: "No."

The attack by one trade journal and one ad group caused Mrs. Peterson considerable embarrassment at the White House. The administration's Great Society blueprint called for cooperation with business and there were members of the President's staff who feared the consumer advisor was impairing the image.

Mrs. Peterson weathered the storm with dignity and ultimately spoke before the association which had labeled her as "antibusiness" and "antiadvertising." She pointed to some packaging marketing abuses which she had cited before, then asked the admen:

DEPLORES WORD BATTLES

"Why must it be, then, that when governmental people call attention to these realities, some kind of flashing light goes on, the mimeograph machines start whirling, and a blazing battle of furious words starts raging in the editorial columns?

"Believe me, your Government is not out to destroy the free enterprise system, or wreck advertising as it exists today—and it couldn't even if it wanted to. We happen to believe in free enterprise—and we believe with former Secretary of Commerce Hodges that 'without advertising to stimulate a constantly expanding demand for goods and services, we wouldn't be the wealthiest nation that has ever existed.'

"Now, the Government is not always right. But, neither is the Government always wrong—although some people seem to think so. Why not study our programs and ideas more carefully and objectively, and if you're still not in agreement with us, why not sit down and talk it over? Your organization has done that in the past, and as far as I can ascertain, it has produced good results.

"Let me say that Government-business cooperation is a two-way street. Let us, then, engage in a dialogue—not a diatribe. Let us educate each other—for the pressures operating on us are different and we live in different environments. Let us criticize each other for our errors and omissions, but let us beware of criticism based on fear of supposed motives—or emotion.

"And before we criticize each other, let us communicate with each other. If we do, I am sure that, together, we will be able to improve the quality of the American marketplace, and promote the best interests of the consumer."

BACKS PACKAGING BILL

Mrs. Peterson is a strong and vocal backer of two long-pending bills which are opposed by most businessmen, the so-called truth-in-packaging proposal of Senator Philip A. Hart, Democrat, of Michigan, and the equally propaganda titled truth-in-lending measure of Senator Paul H. Douglas, Democrat of Illinois.

In her Department of Labor capacity Mrs. Peterson had already testified in favor of the Hart and Douglas bills before she took the consumer post. The administration backs both bills, and the consumer spokesman plugs them often. She could not do otherwise in her position.

However, business fears that she would turn the four regional consumer conferences she held last year into forums to drum up support for these bills proved unfounded. These topics were covered, among others, but business spokesmen were present and able to air their contrary views.

As a matter of fact, the regional conferences in St. Louis, Salt Lake City, Detroit, and Atlanta turned out surprisingly well—for businessmen Government planners were not so pleased, and some professional consumer leaders were dismayed. Few new ideas were spawned, the same old complaints about such unsolvable problems as the cost-of-living kept arising, and too few rank-and-file consumers participated.

Nevertheless, the regional conferences were most valuable to Mrs. Peterson. She found out that most of the gripes of consumers are petty and matters she can't solve. Education of shoppers is badly needed but this is a lifetime process. No amount of Government pamphlets will make any dent until such materials are wanted and understood. And the people who need help the most are least able to profit from Government efforts.

As the administration's poverty program has gathered steam, Mrs. Peterson has tied in with it in every way she can. A low-income panel was set up and issued a report, concluding "the poor pay more." But as in other reports and in her speeches, Mrs. Peterson did not point an accusing finger at business.

NEW ADVISERS NAMED

Mrs. Peterson inherited the old Consumer Advisory Council originally named by President Kennedy. It was dominated by the "old war horses" of the consumer movement, whose doctrinaire views have been a matter of public record for decades. She did not find the group very useful nor very active.

After considerable delay, because even a special assistant to the President has trouble getting his ear when there are larger problems in Vietnam, Santo Domingo, and elsewhere, Mrs. Peterson now has a new Consumer Advisory Council. As interesting as the newcomers are, the departures may be more significant.

For example, Prof. Colston Warne, of Amherst College, was on the old panel. He is President of Consumers Union, the organization which survives by debunking advertising. Dr. Warne has made a career out of being an arch foe of advertising. He is no longer a member of CAC. In fact, only three of a dozen members are holdovers.

New CAC chairman is Dr. Richard H. Holton, professor of business administration at the University of California at Berkeley. He is hardly a leftwinger, having served as Assistant Secretary of Commerce until last January. He represented Commerce on the President's Committee on Consumer Interests while in Washington. CAC members serve as public representatives on the President's Committee, which is otherwise comprised of Government people.

The new CAC held its organization meeting in Washington in June, and Dr. Holton and Mrs. Peterson indicated where they are going by naming five subcommittees and broadly defining their duties. They are Federal-State Cooperation, Consumer Education, Standards and Labeling, Economic and Legislative Policy, and Federal Consumer Representation.

It will be noted that none of the five appear to be closely linked to advertising. This suggests that fears of the business community, including newspapers, about the activities of Mrs. Peterson can safely be relegated to the back burner. She will continue to step on some toes but she is far from an antibusiness crusader.

If there has to be a consumer representative on the President's staff, the business community is fortunate that Mrs. Peterson holds the job. She has proved it is possible to be proconsumer without being antiadvertising.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

Mr. RUSSELL of South Carolina. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER (Mr. McGOVERN in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

The Senate resumed consideration of the bill.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 390

Mr. SIMPSON. Mr. President, I call up my amendment, which was submitted on behalf of myself by the Senator from Colorado [Mr. DOMINICK] yesterday.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be stated.

The legislative clerk read the amendment (No. 390) as follows:

> On page 31, line 17, in the committee amendment, it is proposed to insert the following:
>
> "SEC. 32. Section 103 of part 1 of title I of the Economic Opportunity Act of 1964 is amended by adding at the beginning of said section the following: 'The Director of the Office will not authorize any Job Corps program that would result in the displacement of employed workers or impair existing contracts for services.'"

Mr. SIMPSON. Mr. President, yesterday at my request my friend, the distinguished junior Senator from Colorado [Mr. DOMINICK] submitted an amendment to H.R. 8283, a bill amending the Economic Opportunity Act of 1964.

The purpose of my amendment, designated amendment No. 390, is to clarify the intent of Congress concerning the Job Corps program. The amendment reads:

> The Director of the Office (of Economic Opportunity) will not authorize any Job Corps program that would result in the displacement of employed workers or impair existing contracts for services.

The need for this amendment has been made graphically clear by an incident which arose recently in the State of Wyoming.

I wish to point out, Mr. President, that my amendment is not introduced or intended as a measure for private relief. It is proposed in the defense of a time-honored and cherished American principle: That it is private enterprise, not the imposition of a big government, which is the economic basis for our Republic.

I might add, Mr. President, that the passage of this amendment would not insure the granting of any contract to any specific company, now or in the future, but it would prohibit the Director of the Office of Economic Opportunity from robbing individuals in private industry of their jobs.

A private firm in Casper, Wyo., the Petroleum Ownership Map Co., has for the past several years contracted with the Bureau of Land Management for mapping and technical work in conjunction with the land record revision program.

On July 8, 1965, the field office of the Bureau of Land Management Records Improvement Project Office in Denver, Colo., advertised bids for preparing composite basic township plats. Before the bids were due to be opened on July 26, 1965, the invitation was canceled by an order of the Division of Management Analysis in the Bureau of Land Management. The private firm which had in the past and which would in the future contract for these bids had planned to employ or to keep in its employ some 20 persons to do the work involved. It was learned through my investigations that the Bureau of Land Management Division of Management Analysis had withdrawn the offer for bids in order to conduct a study investigating the feasibility of Job Corps personnel performing the work. On August 6, I wrote the Director of the Bureau of Land Management asking that I be informed of the reasons for, and the results of, the study. My investigations in the Office of Economic Opportunity have revealed that the Job Corps program has not been consulted or apprised of the Bureau of Land Management's study.

The work in question has been described by the president and owner of the Petroleum Ownership Map Co. He says that:

> The great wealth of the United States lies in its public lands. Proper development and use of its lands are not possible without adequate land records and the present records, except where revised under the records improvement project, are poor and deteriorating. Immediate revision of the land records is absolutely necessary. In the revision program, all record information will be shown on the basic composite land plats, so these plats must be carefully and accurately prepared by responsible workers or they will be valueless. The job simply cannot be taken over by * * * unskilled teenagers, regardless of background.
>
> The composite plats are drafted from all survey data available, at many scales, prepared since the land was first opened for settlement. Generally the latest survey plat controls; but often this is not true because of alluviation of rivers and streams, incorrect corners, intervening mining claims, and numerous other factors. To prepare a plat which will properly delineate the land areas covered by patents, leases, withdrawals, etc., requires a thorough knowledge of survey procedures and history, and the exercise of mature judgment in deciding controlling factors.
>
> To get all surveys of a particular area on one composite scale requires the use of large cameras and Kail tracing equipment. Some distortion results when the survey plats are enlarged or reduced with this equipment and corrections must be made manually by the draftsman, again exercising mature judgment based on experience in this type of mapping. Several years of training are required by both the cameraman and the draftsman. This training would begin only after such a person had acquired at least a high school education.
>
> Printed information is applied to the plats by use of VariTypers. A person who can type can learn to use a VariTyper in approximately 3 months. They are fairly proficient in 6 months. But first, they must learn to type and we wonder how many of the Job Corps personnel will be able to use a typewriter when they begin this work.
>
> There is a great deal of information on the various source plats, but only a small amount of the information affects land disposition. Generally only that part affecting land disposition should be transferred to the basic composite plats prepared under the revision program. Again, mature judgment based on experience with this type of mapping must be exercised so that the correct and vital material is separated from the mass of incorrect and useless material.
>
> The work is important and must be performed within reasonable time limits by responsible people. Before our company, or any other contractor, begins work we must obtain a performance bond. We are bound by the amount of our bid and if we exceed the time limit, the Government collects liquidated damages at the rate of $100 per day. We are not paid until the work is inspected and accepted as being correct by the Government. Our incentive is to produce acceptable work in as short a time as possible.

> We do not believe you will find this measure of responsibility in the Job Corps. They will be paid only as long as the work is not finished, and for just as long as the project can be muddled by inefficiencies and redtape.
>
> Our firm has just completed basic composite plats of the State of Colorado for the revision project. Your engineers' estimate for this work was $70,000. But our company was able to prepare the plats for $53,466.93. We sincerely believe that such a savings to the Government cannot be duplicated elsewhere, and certainly not with the use of inexperienced, untrained personnel.
>
> Perhaps it is not proper to consider here, but we believe that you should also consider the reaction of adult, working people generally, if the Job Corps is used to replace adult workers who are earning living wages and supporting families. We have 20 trained and skilled adult workers who need the jobs that this work would provide.

I wish to tell the Senate of another ramification to the problem which was brought to my attention in a letter which arrived in this morning's mail. The letter is as follows:

> DEAR SENATOR SIMPSON: It has been brought to my attention by our customer, Mr. Womack of the Petroleum Ownership Map Co., that there is now a serious possibility of Job Corps people being requested to perform services that his company specializes in and competitively bids on through the Bureau of Land Management.
>
> This, of course, concerns me; as in cooperation with the Small Business Administration, a sizable loan was extended to this company in 1964. Part of our consideration in granting this loan was the total volume of service performed. If it were to become customary for Job Corps people to now perform this specialized service, it could very well, through decreased volume, jeopardize our loan.
>
> Mr. Womack also has a sizable payroll; and without the contracts through the BLM, it would be necessary for him to reduce his trained staff considerably. With the present moving of oil companies from Casper, we, of course, would not like to see any additional payroll reduction in Casper.
>
> I would certainly appreciate your investigating this problem and, if possible, doing what you can to help Mr. Womack and protect our present position.
>
> Very truly yours,
> SECURITY BANK & TRUST CO.,
> DONALD K. HOGOBOOM, *President.*

Fellow Senators, need I say more? We seek to encourage and stimulate private enterprise through the operation of the Small Business Administration. We make liberal loans available because it is agreed that small business has in the past and will in the future be vital to our way of life. Then in a flash the Federal Government turns around and denies that same small businessman of an opportunity to bid on a project essential to his business survival. That is a kind of magic which I do not understand, Mr. President.

In the 88th Congress the Economic Opportunity Act of 1964 received the attention of both the House and the Senate and of the various committees to which that act was referred. At no time during the debates or hearings on the poverty bill was it predicted or envisioned by Congress that the Job Corps would be used to replace employed persons in the private sector of our economy. No one, in debating the poverty bill, considered the fantastic possibility that the Job Corps would be allowed to compete with private industry.

In Senate Report No. 1218 of the 88th Congress, a report of the Committee on Labor and Public Welfare accompanying the poverty bill, a clear distinction was drawn between the Job Corps, which was envisioned as principally conservation—camp, training, and educational program—and the Neighborhood Youth Corps, which was envisioned as a local employment program.

The 88th Congress was explicit in defining limitations on the work-training programs or Neighborhood Youth Corps under part B of title I of the Economic Opportunity Act of 1964. Section 113, subsection a(4) of that act specifically prohibited the so-called "Neighborhood Youth Corps" from replacing workers in the private sector. In addition, such authorities as Secretary of Labor W. Willard Wirtz in testifying on the poverty program said that:

> No job in this program will displace a regular worker. Nor will the Department (of Labor) approve any program which might substitute for regular full-time jobs that would otherwise be created. We are not going to meet this problem by robbing Peter of his job to give it to Paul's son.

In rereading the legislative history of the Economic Opportunity Act of 1964, it seems clear that no one contemplated that it would be necessary to make specific limitations as to the Job Corps. In the Senate report last session on the poverty bill, the Committee on Labor and Public Welfare did express itself in regard to the employment—training to be conducted by the Job Corps.

The committee said:

> It is contemplated that the training corps will relate to occupations where the employment outlook is favorable and where the occupational requirements are within the capability of the enrollee.

But the committee apparently did not feel that it was necessary to limit the Job Corps, as it had expressly limited the Neighborhood Youth Corps. However, the present attempt by the Bureau of Land Management to replace privately employed workers with Job Corps personnel make it imperative that Congress now express such a limitation. It is unfortunate that the original poverty bill was drafted and passed in such a way as to make possible such an extraordinary misinterpretation of the intent of Congress by some Federal bureaucracy. But such a misinterpretation has been made. It is patently ridiculous to wipe out 20 jobs held by wage earning, taxpaying citizens so that their means of livelihood can be given to high school dropouts and juvenile delinquents. The purpose of the poverty program was, I hope, to alleviate poverty, not to create it. My amendment would remedy the specific difficulties of which I have spoken and would prohibit a similar incident from occurring in the future.

This amendment meets a real need and I strongly urge its adoption by the Senate.

I have discussed this matter with the distinguished Senator from Michigan [Mr. McNAMARA]. Perhaps the Senator is willing to accept the amendment to the bill.

Mr. McNAMARA. Mr. President, as the Senator in charge of the bill, I have had an opportunity to study the amendment and discuss it with the distinguished Senator from Wyoming. Since it generally provides for matters that have been acceptable not only to the committee but the administration, we will accept the amendment.

Mr. SIMPSON. I thank the distinguished Senator from Michigan.

The PRESIDING OFFICER (Mr. McGOVERN in the chair). The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may speak on several matters not related to the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO SENATOR ERVIN

Mr. MANSFIELD. Mr. President, last week the Senate very expeditiously passed the bill providing exemptions from the antitrust laws, under certain prescribed conditions, for banks which help our Government solve the very difficult balance-of-payments problem.

The floor manager of that bill was a very able lawyer, the distinguished senior Senator from North Carolina [Mr. ERVIN]. Because of his skilled management of the bill and his ability to explain it with clarity and conciseness, this important measure was agreed to by this body in short order. I would be remiss, however, were I to permit the occasion of passage of that significant balance-of-payments measure to go by without expressing to the Senator from North Carolina my personal thanks and commendations and those of the entire Senate.

FOURTH ANNIVERSARY OF SIGNING OF CHARTER OF PUNTA DEL ESTE

Mr. MANSFIELD. Mr. President, today marks the fourth anniversary of the signing of the Charter of Punta del Este—a day which stands out as the beginning of a new era in United States-Latin American relations. It was on this date that the mutual concern for the economic and social health and welfare of the American Republics was translated into a program of hemispheric action. In the words of President Kennedy it was "a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools."

As the Alliance for Progress is reviewed on this anniversary, it is painfully apparent that the job is so great that progress seems to have been slow and inadequate when it is measured against what needs to be done. There are too many problems, too many ills, and too many minds to educate, too many institutions to build and rebuild, too much unrest and dissatisfaction, too much to be done.

If progress seems slow, perhaps it is inevitable that it must be; some lag behind; others have marshalled their skills and their talents, their resources and their ambitions and have moved ahead with great strides. The problems of the dispossessed, the poor, the hungry, the illiterate will not easily be solved, nor should any of us expect them to be. They are, after all, the entrenched legacy of centuries.

While so far the effects of the alliance have been substantial they have not been overwhelming. The greatest accomplishments of the Alliance cannot be measured by numbers, not by the number of schools, houses, and water systems built, nor by the number of loans made nor money spent. What is even more impressive about the last 4 years is the dramatic change of attitude among governments that has taken place in this short time span. This is evident in progressive tax and land reform laws that many legislatures have enacted and by the self-help housing programs that have been set in motion. It is evident in the world councils of states, at the bargaining tables, in the OAS, in the Inter-American Bank, and in the responsible self-criticism by the Inter-American Committee for the Alliance for Progress. It is evident in the beginnings of a newborn and growing consciousness of the inevitability and the desirability of change. It is evident in a deep and thoughtful concern for the future. It is evident in a new awareness that life can be better for the forgotten millions of this hemisphere.

ADDRESS BY AMBASSADOR GOLDBERG IN THE SPECIAL COMMITTEE ON PEACEKEEPING OPERATIONS OF THE UNITED NATIONS

Mr. MANSFIELD. Mr. President, our new Ambassador to the United Nations, Arthur J. Goldberg, has over the years, established an unblemished record as a man of purpose, of strength, and of candor. And, it was with purpose, strength, and candor—in plain and forthright language—that he delivered his first address as U.S. representative to the U.N. yesterday before the Special Committee on Peacekeeping Operations. Ambassador Goldberg spoke for the Nation when he reemphasized the hope and the dreams of the American people and people everywhere that the U.N. can become an effective instrument for the maintenance of world peace and the rule of law in international affairs. But, he left no doubt that if that potential is to be fulfilled, the support of every member of the world body for the sound principles on which the U.N. is based is essential. In the absence of the rule of law and a collective willingness to adhere to the responsibilities set forth in the Charter of the United Nations a return to chaos is certain and imminent.

Mr. President, I ask unanimous consent that Ambassador Goldberg's speech at the U.N. be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

STATEMENT BY AMBASSADOR ARTHUR J. GOLDBERG, U.S. REPRESENTATIVE TO THE UNITED NATIONS, IN THE SPECIAL COMMITTEE ON PEACEKEEPING OPERATIONS, MONDAY, AUGUST 16, 1965

Mr. Chairman, I have had the pleasure of meeting informally with some of the heads of delegations to the United Nations during the past few weeks. This, however, is my first formal appearance before an official organ of the General Assembly. I, therefore, asked to be inscribed to speak first so I might begin, with your indulgence, by assuring all members represented on this committee of the great sense of responsibility I feel in assuming my new duties as Permanent Representative of the United States of America to the United Nations.

President Johnson, in announcing my appointment, said of my assignment: "In his new office he will speak not only for an administration but he will speak for an entire Nation, firmly, earnestly, and responsibly committed to the strength and to the success of the United Nations in its works for peace around the world."

My own thoughts, in accepting this assignment, are dominated by a strong conviction that the world is so full of danger and tribulation that every available part of the U.N.'s peacekeeping machinery must be in working order so that the United Nations as a whole can perform its appointed role of peacemaker and peacekeeper.

And I cannot enter upon my official duties without paying my respects to my great and gifted and eloquent predecessor, the late Adlai E. Stevenson. He will be sorely missed. He and I were personal friends of long standing; and I knew him well enough to be sure that if he could be here today his message to us would be simple and forthright: get on with your work of making peace.

* * * * *

I therefore turn, Mr. Chairman, to the business at hand.

I do not intend to review here in detail the position which the United States has taken with respect to articles 17 and 19 of the charter. As the members of this committee are well aware, we believe in the soundness of the following straightforward principles:

First, that the concept of collective financial responsibility adopted by the United Nations in 1945 is a sound principle—and a landmark in the practice of international organizations.

Second, that article 17 of the Charter of the United Nations is impeccably clear on the right of the General Assembly to assess and apportion among its members the "expenses of the Organization."

Third, that the costs of peacekeeping operations, once assessed and apportioned by the General Assembly, are expenses of the Organization within the meaning of article 17—a proposition confirmed by the International Court of Justice and accepted by the General Assembly by an overwhelming vote.

Fourth, that article 19 is clear beyond question about the sanction to be applied in the case of 2-year delinquents.

Our views on these matters have not represented a bargaining position nor have they changed. They have not been based on narrow national interest but on the clear language of the charter and what seemed to us the clear interests of the Organization.

This is not and never has been an issue in any so-called cold war; under the law of the charter the questions would be identical regardless of which member or members happened to be in arrears—or for what assessed United Nations activity they failed to pay—or why they refused to pay for it.

Nonetheless, the issue has been interpreted widely as a "confrontation"—not between the delinquent members and the law of the United Nations—but between major powers. We do not so regard it.

We, for our part, cannot abandon our adherence to positions which we firmly believe to be constitutionally, legally, procedurally, and administratively correct.

Much less can we abandon positions taken and precedents established by the Assembly itself by overwhelming majorities, acting within the framework of the charter and according to its own established procedures. I refer specifically to the formal actions of the General Assembly since 1956 levying assessments to finance the United Nations Emergency Force; to the similar assessment resolutions since 1960 for the United Nations operation in the Congo; to the decision in 1961 to submit to the International Court of Justice the question of whether these assessments are "expenses of the Organization"; within the meaning of article 17; to the Assembly's authorization in 1961 of the United Nations bond issue; to the Assembly's acceptance in 1962 of the advisory opinion of the Court on the question submitted to it; to the reaffirmation by the Assembly's fourth special session in 1963 of the collective financial responsibility of all United Nations members; and to the appeal by the same body to delinquent members to pay their arrears.

All this has been done by the Assembly and cannot be undone by a few of its members. The law and the history of the matter cannot be revised.

The United States regretfully concludes, on ample evidence, that at this stage in the history of the United Nations, the General Assembly is not prepared to carry out the relevant provisions of the charter in the context of the present situation. From private consultations, from statements by the principal officers of the Organization, from the statements and exhaustive negotiations within and outside this committee, from an informal polling of the delegations—indeed from the entire history of this affair—the inevitable conclusion is that the Assembly is not disposed to apply the loss-of-vote sanction of article 19 to the present situation.

We regret that the intransigence of a few of the member states, and their unwillingness to abide by the rule of law, has led the Organization into this state of affairs.

The United States adheres to the position that article 19 is applicable in the present circumstances. It is clear, however, that we are faced with a simple and inescapable fact of life which I have cited. Moreover, every parliamentary body must decide, in one way or another, the issues that come before it; otherwise it will have no useful existence, and soon no life.

Therefore, without prejudice to the position that article 19 is applicable, the United States recognizes, as it must, that the General Assembly is not prepared to apply article 19 in the present situation and that the consensus of the membership is that the Assembly should proceed normally. We will not seek to frustrate that consensus, since it is not in the world interest to have the work of the General Assembly immobilized in these troubled days. At the same time, we must make clear that if any member can insist on making an exception to the principle of collective financial responsibility with respect to certain activities of the Organization, the United States reserves the same option to make exceptions if, in our view, strong and compelling reasons exist for doing so. There can be no double standard among the members of the Organization.

Some members may believe that in not applying article 19 no important decision is being made. The United States believes that no one can or should overlook the fact that the exercise of important prerogatives of the Assembly granted it under the charter is being impaired. The United States wishes to strengthen, not weaken, the United Nations by adhering to rather than departing from basic, sound principles. Therefore we must disclaim responsibility for the Assembly's attitude, which has developed contrary to the views we still hold to be valid, and place the responsibility where it properly belongs—on those member states which have flouted the Assembly's will and the Court's opinion.

We look forward, nonetheless, to the not-too-distant day when the entire membership will resume its full range of collective responsibility for maintaining world peace. In the meantime, it is all the more important for the membership, though unready to apply article 19, to solve the United Nations financial problems and to continue to support in practice the sound principle of collective financial responsibility, and to adopt practical and equitable means by which those willing to share the responsibility for peace can act in concert to maintain and strengthen the indispensable peacekeeping capacity of the United Nations.

Meanwhile, the Security Council retains its primary responsibility—this does not mean sole responsibility—for the maintenance of international peace and security; and the General Assembly retains its residual authority for this purpose, especially when the Security Council is unable to meet its responsibilities.

Mr. Chairman, my Government has never been prepared to accept a situation in which the capacity of the United Nations to act for peace could be stopped by the negative vote of a single member. Nor should the effectiveness of this Organization be determined by the level of support forthcoming from its least cooperative members.

The world needs a strengthened—not a weakened—United Nations peacekeeping capacity. Those who are prepared to help strengthen it—the overwhelming majority—must be in a position to do so with or without the support of the reluctant few until they learn, as they surely will, that a workable and reliable international peace system is in the national interest of all members.

My Government states these views here today in the conviction that the time is now for the General Assembly to get on with its heavy agenda, which is indeed the unfinished business of mankind.

We must find new strength and new capacities for building, brick by brick, the community of man.

Mr. Chairman, when my appointment was first announced I said that "the effort to bring the rule of law to govern the relations between sovereign states is the greatest adventure in man's history." These were not merely ceremonial words. They described, rather, a deep conviction on my part and a precise evaluation of what I think this work at the United Nations is all about. If President Johnson did not agree he would not have sent me here.

I would be less than candid if I did not state my conviction that the rule of law is not being furthered by the action of those Member States who are responsible for not implementing it. But establishing a rule of law is not easy and, despite temporary setbacks, we must persevere in what is not only a noble but an indispensable task if universal peace is to be achieved.

I therefore pledge to you, on behalf of myself, and on behalf of my delegation, and on behalf of the Government I represent, that the United States is prepared to join in a fresh drive to help the United Nations gather new strength until the rule of law is universally accepted—until the present and future generations are indeed safe from the scourge of war—until better standards of life in larger freedom are indeed the order of the day—and until the dignity and worth of the human person is realized everywhere.

Mr. Chairman, we agree, in light of present world tensions, that the General Assembly must proceed with its work. In doing so, it is well to remember the ancient counsel that while the world is full of tribulation, "tribulation maketh patience; and patience, experience; and experience, hope."

COOLIE SUPPLY TRAIN

Mr. MANSFIELD. Mr. President, in the Washington Daily News of August 9, there appears an article by the Scripps-Howard staff writer, George Carmack, on the primitive transportation system which is employed by those who oppose the Saigon Government. It is the coolie supply train which has apparently become the main source of supply for the insurgency. Thousands of human porters move north and south in an endless stream, carrying on their shoulders the necessities of warfare and survival. The "bitter effort"—for that is what "coolie" means—system of transport is as cruel and as exhausting as it is indigenous to China and many other parts of Asia. But it can be effective when the hands are many and the roads, vehicles, and even the pack animals are few.

The Senate should find this article by Mr. Carmack of considerable interest and I ask unanimous consent that it be included at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington (D.C.) Daily News, Aug. 9, 1965]

Coolie Line Supplies Vietcong

(By George Carmack)

The Defense Department official's hands moved swiftly as he made his point:

"Over here put a little mound of sugar.

"Then over here put an anthill.

"The way those ants work back and forth"—and here his fingers danced in and out—"is the way thousands of coolies stream back and forth between North and South Vietnam carrying ammunition and other supplies to the Vietcong."

ON THE BACK

Most of the stuff North Vietnam sends to South Vietnam is moved in two ways:

The soldier himself carries it when he first goes south.

What he can't carry plus the necessary resupply is carried on the backs of coolies.

Some supplies must be carried as much as 600 miles. A trip down the Ho Chi-minh trail and into the southern part of South Vietnam might take a coolie as much as 6 months.

It is believed we have now shut off most of the men and supplies coming in by sea.

SEA PATROL

The South Vietnamese have about 500 armed junks on patrol. They also man about 40 naval vessels the United States has supplied them.

The U.S. Navy has brought into being a new 16-vessel unit called the Sea Surveillance Force.

The Coast Guard has 17 cutters operating in two groups.

Within North Vietnam the supplies can be moved over a good network of roads.

This is the area where the United States is doing much of its bombing and where thousands of workers have been shifted to keep roads and bridges under repair.

No supplies move directly across the short 50-mile-wide border between North and South Vietnam. The border has been heavily mined by both sides.

North Vietnam must move its supplies down through Laos. Many miles of the Ho Chi-minh trail are in Laos.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOURTH ANNIVERSARY OF THE ALLIANCE FOR PROGRESS

Mr. JAVITS. Mr. President, I join the distinguished Senator from Montana, the majority leader, and the distinguished Senator from Oregon [Mr. Morse], the chairman of the Subcommittee on Latin American Affairs of the Foreign Relations Committee, in hailing the fourth anniversary of the Alliance for Progress. Also, with respect to the President's speech upon this occasion, I wish to express the deep satisfaction that he has undertaken to call attention to new opportunities for the economic integration of the Americas which lie before us.

His call for the establishment of a continent-wide program—patterned after the European Coal and Steel Community—for the production and trade of fertilizers, pesticides, and other products needed to increase Latin American agricultural production and his offer of U.S. support for such a program is a most important initiative. This proposal is in line with recommendations made a week ago by the Inter-American Committee on the Alliance for Progress, CIAP and is supported by the achievements of the Central American Common Market and LATTA.

The President also proposed that the Congress eliminate the special import fee now levied on sugar.

Third, and very importantly, the President has called for further work on the stabilization of commodity prices, through the International Coffee Agreement and similar commodity agreements. This represents a great change in policy.

I speak personally now in expressing my personal gratification that the President seems to have taken up the idea of western hemispheric economic integration by encouraging the nations of Latin America to take the first big step, as Europe did with its European Coal and Steel Community.

Some time ago I spoke in Santiago, Chile, and earlier this year in Mexico City, and called for a common market encompassing all of Latin America, and then the formation of a Western Hemisphere free trade area including the United States and Canada, with certain exceptions, which were taken into account, in light of the specialized character of the economies of both South America and North America.

The first step that was taken along this line in Europe was in the establishment of the European Coal and Steel Community. That could be the pattern here in the rationalization of the production of Latin American industry related to increasing Latin American agricultural production.

I hail this initiative. I get personal gratification from it, as an early proponent of this program, which follows the pattern of the ADELA Investment Co., with which the Senator is already very much familiar.

I hope very much that we will go through with helping our Latin American brethren to break through in this first step for the economic integration of the Americas.

I pledge my very best efforts toward attaining these enviable opportunities for peace and security and freedom, and in resisting Communist influences or even ultraright influences, such as those of military juntas.

I shall do everything I can to forward this historic and enormous objective.

I feel distinctly gratified, and perhaps feel the most gratification that I have ever felt, that this should have been taken up by the President of the United States.

Even the critics of the Alliance for Progress will agree that in this 4-year period the Alliance has achieved a great many successes both in terms of meeting the targets laid down in the Charter of Punta del Este and in terms of representing a historic turning point in U.S. policy toward Latin America.

In terms of economic development, the Alliance resulted in an extraordinary mobilization of Latin America's resources in the past 4 years. This year Latin American nations will not only contribute the 80 percent of the total investment capital called for by the Charter of Punta del Este for economic and social development—an average of $8 billion a year—but will exceed it by 50 percent. The United States for its own part also fulfilled its pledges by committing $4.4 billion in U.S. aid funds under the Alliance. Per capita gross national product rose by 2.5 percent last year—another key target set by the charter.

An effective multilateral organization—the Inter-American Committee of the Alliance for Progress—CIAP—is now a key element in the drafting and execution of development plans, the mobilization of domestic and external financial resources, and in the carrying out of economic and social reforms in Latin America.

Economic integration is beginning to show promising results, particularly in the Central American Common Market. The Latin American Free Trade Association has increased intraregional trade—for the first time in history intraregional trade exceeded 10 percent of the region's total trade. It is also becoming increasingly clear that accelerated regional integration can be achieved only in the form of a broader Latin American Common Market with close U.S. support and assistance. I have urged this since March 1964. Earlier this year four leading hemisphere leaders submitted detailed plans for creating a Latin American Common Market to the leaders of the hemisphere at the request of President Frei, of Chile.

The Alliance's achievements to date do not mean that all problems have been solved. For example:

First. Seventy-five percent of Latin America's foreign exchange income is still generated through exports of oil, coffee, meat, cotton, copper, sugar, wool, iron ore, and bananas.

Second. Developed countries—especially in Europe but including the United States—continue to impose restrictive measures on Latin American exports such as coffee, lead, zinc, and oil—a situation which has been condoned by Latin American exporters desiring the benefits of selling in protected, high-price markets.

Third. Wide disparities remain between the development of economic sectors within individual countries as well as between the levels of development of individual countries of Latin America—per capita annual income ranges between $1,120 in Venezuela to less than $100 in Bolivia.

Fourth. Development planning often takes place without the full participation of the private sector.

Fifth. The heavy external debt burden of many Latin American countries impedes their economic development efforts.

Sixth. Intra-LAFTA trade still constitutes only 8 or 9 percent of the LAFTA countries' total trade. Intra-CACM trade accounts for only 13 percent of that region's total trade.

Seventh. Tariff cutting procedure in LAFTA is permissive rather than automatic or across the board which allows member countries to protect indefinitely against effective competition the most sensitive areas of their economies.

Eighth. Industrial integration among countries is still only in the talking stage.

Ninth. Real monetary and fiscal stability is still lacking in many of the member countries of LAFTA.

Tenth. Expansion of intra-LAFTA trade in manufactured goods has been quite limited due to the reluctance of the more advanced member countries to reduce their high tariffs on such goods because of a fear of exposing their heavily subsidized industries to competition from abroad.

We are only at the beginning of a long, hard road that will require further Latin American economic and social reforms, further changes in United States and European trade policy and a constant review of the aims and content of the Alliance for Progress.

It is, therefore, of the utmost importance that the letter sent last week by Carlos Sanz de Santamaria, chairman of CIAP, to the Presidents of the member countries of the Alliance for Progress, be carefully evaluated and given the highest consideration. CIAP proposes a reexamination of every phase of the Alliance for Progress and a new stress on trade policies, planning, regional economic integration and social development.

The letter lays heavy stress on extending worldwide commodity agreements to sugar and cocoa as a means of stabilizing world market prices in these vital commodities of the Latin American economy. It also calls for certain forms of preferential treatment by the United States in the form of tariff reduction for Latin American products in the United States market and for an end to "tying" U.S. economic aid funds earmarked for Latin American nations.

Finally, the CIAP letter calls for a special meeting of the Inter-American Economic and Social Council to coincide with the expected Inter-American Conference of Foreign Ministers in Rio de Janeiro scheduled for sometime this fall.

These recommendations require careful analysis in Washington and other hemisphere capitals. The President's actions today indicate that the United States is giving these recommendations sympathetic consideration.

With respect to the United States granting preferences to Latin American exports to the United States, my own personal feeling is that in line with the CIAP's request and the May 1963 GATT ministerial declaration the United States could now call on the industrialized nations of GATT to extend preferential treatment to specified Latin American exports.

In a statement of May 1963, the ministers of the contracting parties of GATT agreed that in the forthcoming GATT negotiations every effort would be made to reduce barriers to the exports of developing countries and that the more advanced industrialized countries would not expect to receive reciprocity from the developing nations.

The United States itself could take the lead by taking such a step, provided that the other GATT nations involved follow suit and that in exchange Latin American nations would agree to accelerate the process of Latin American economic integration in a competitive atmosphere. Low-cost, efficient, modern industries, established in regions which offer the best combination of accessibility of markets, resources, and trained manpower and ready to face competition from abroad, are the best assurance that competitive conditions would prevail during this process.

In view of the complex economic issues involved and in view of its special expertise in this field, I would like to see the whole issue of Latin American integration, and U.S. trade policies toward Latin America, carefully examined by the Joint Economic Committee at the earliest opportunity. This committee, and its Subcommittee on Inter-American Economic Relationships, of which I am the ranking Republican member, has a distinguished record in the field of Latin American economic affairs. In view of its responsibilities for the Nation's foreign trade policies, Congress should play a full and constructive part in any reconsideration of U.S. trade policies toward Latin America.

Mr. MOSS. Mr. President, I join the Senator from New York in his remarks about the development of the Alliance for Progress, in commemorating the 4th anniversary of the treaty which established this great effort to make the ties in the Americas stronger and more secure, and to lift the countries in respect to their economic development and educational development to a higher plane.

I take great pride in the progress we have made to date, recognizing that it has not been fully adequate, that we need to do much more, and that we need to explore additional ways to realize the noble ideals of the Alliance for Progress.

I call attention to one facet of the development in the Alliance for Progress. This is the country-to-country relationships that have been established on a voluntary and nongovernmental basis of cooperation and development between countries.

My own State of Utah has been paired with the country of Bolivia in South America. This relationship is developing in a very exciting and fruitful way. Already there have been exchanges which are bearing the fruits of cooperation and understanding between our countries.

In the past year a group of young students from Bolivia enrolled in what is called the 4-S program, which is the counterpart of our 4-H program in the United States. Those young people spent a considerable time in this country, and were helped by working with a group of our own young people.

We in Utah are endeavoring to arrange an exchange of young students of our own in the 4-H program with a group of young Bolivians.

On the 25th of the month a benefit has been planned at Utah State University, at Logan, to raise funds, on a private basis, in support of the young people in the 4-H group meeting with their counterparts in the 4-S group in Bolivia. Mr. Dale Peak is one of the leaders in this movement. I discussed the subject with him this morning.

I believe that the effort that is being made now contributes greatly to the program of development in the Americas. It shores up the Alliance for Progress.

I commend those who are making this great effort in my State as well as elsewhere in our relations with our South American and Central American neighbors.

Mr. JAVITS. Mr. President, I am grateful to the distinguished Senator from Utah [Mr. Moss] for his extremely helpful statement on this subject. I am deeply interested in the experience which he has described. I hope very much that other Senators will consider duplicating that experience in their States.

Mr. President, I call attention to the fact that in the Joint Economic Committee, of which I am presently the ranking Republican member, we have a Subcommittee on Inter-American Economic Relationships. I hope very much that in view of our responsibilities we may now initiate a series of hearings, which will be a fine frame of reference for the suggestions which the President has now placed on the highest and most authoritative level for the beginning of an American common market, patterned after the European Coal and Steel Community.

Mr. President, I ask unanimous consent that the following items concerning this subject be inserted into the RECORD at the conclusion of my remarks, the Alliance for Progress Weekly Newsletter of August 16, 1965; an editorial from today's Washington Post entitled "The Alianza's Fourth"; an article from Sunday's Washington Post by John Goshko and an article from August 15 issue of the New York Times by Richard Eder; as well as an Alliance for Progress press release summarizing the CIAP letter to the presidents of the hemisphere and the full text of that letter, which was signed by the distinguished members of the Inter-American Committee on the Alliance for Progress including Carlos Sanz de Santamaria, who heads the Committee—the famous CIAP—and Walt W. Roston, who represents the United States on the Committee.

I also ask unanimous consent that a copy of my Santiago speech of March 1964 as well as a copy of my Mexico City speech of April 1965—both dealing with a proposed Latin American Common Market—may be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALLIANCE FOR PROGRESS WEEKLY NEWSLETTER

Four years ago, 19 Latin American nations and the United States signed the Charter of Punta del Este, creating the Alliance for Progress.

In that document, the nations pledged to undertake a 10-year, $100-billion program "to bring our people accelerated economic progress and broader social justice within the framework of personal dignity and political liberty."

In 4 years, the Alliance has built a record of solid accomplishment. Most noteworthy, perhaps, is the way the program has spurred the mobilization of Latin America's own resources for development.

The charter calls on the 19 Latin American partners to contribute 80 percent of the $100 billion required for the program—an average of $8 billion a year. This year, according to CIAP Chairman Carlos Sanz de Santamaria, Latin American investment in economics and social development will exceed $12 billion, 50 percent above the target set by the charter.

The United States is also fulfilling its pledges under the charter. Agency for International Development figures show that total commitments of U.S. assistance under the Alliance have reached $4.4 billion.

To date, AID figures show, U.S. funds have been used to: build more than 300,000 homes and 25,000 classrooms; provide about 800 mobile health units, hospitals and medical centers serving nearly 10 million people; construct more than 1,500 water and sewerage systems serving more than 20 million people; establish 120 savings and loans institutions in 9 countries; feed 22 million people, including 10 million children.

Of course, to measure the true impact of the Alliance, one must also consider the thousands of programs, costing billions of dollars, being financed entirely by the Latin Americans themselves.

Take education for example: Last week's newsletter reported that Mexico built 25,000 new classrooms between 1958 and 1964. Of these, 17,600 were built since the start of the Alliance.

Other examples abound: Like Mexico, Peru is now spending about 25 percent of its budget on education. Ecuador last year spent more on education than ever before in its history—$21.7 million, up $2.8 million over 1963. For the first time in Guatemala's history, the budget for the Ministry of Education exceeds the budgets of all other Government agencies. Honduras last year raised its education expenditures by 50 percent to $12 million. Chile in 1964 increased student enrollment by more than 100,000 pupils and has now placed nearly 75 percent of its school-age children in schools, compared with about 50 percent in the early Alliance years.

The partnership is producing results in other fields as well. Latin America's gross product increased 5 percent last year as per capita income advanced 2.5 percent, meeting the target set by the charter.

Nearly every country has taken significant steps to improve tax administration, and 14 have adopted fundamental tax reforms. These changes enabled central governments to increase tax receipts 11 percent from 1960 to 1963—a trend that likely was accelerated last year.

Planning has become a basic instrument for speeding economic and social development under the Alliance. Every country now has a central planning agency and the OAS Panel of Nine has evaluated development plans of nine nations.

In establishing CIAP, the Inter-American Committee on the Alliance, the nations created an effective multilateral organization to speed the drafting and execution of development plans, the mobilization of domestic and external resources, and the carrying out of basic economic and social reforms.

Progress toward economic integration, another major Alliance goal, is showing good results, particularly in Central America. Since 1960, the five nations of the Central American Common Market have eliminated 95 percent of the internal customs duties on products originating in the area, and have imposed a common external tariff on about 98 percent of the items in the regional customs classifications. With the help of a $35 million AID loan, a Fund for Economic Integration has just been established to finance regional infrastructure projects such as roads, telecommunications facilities, and power installations. The Central American Bank for Economic Integration is already settling local accounts in the area's new accounting currency, the Central American peso—at par with the U.S. dollar.

Despite political difficulties, the Latin American Free Trade Association has registered significant gains. Tariff cuts have been negotiated on more than 8,750 products, and intraregional trade last year topped 10 percent for the first time in history. Earlier this year, four leading hemisphere leaders drafted plans for creation of a Latin American common market in a move to accelerate the trend toward economic integration.

Industrialization is another bright spot. Mexico's industrial production climbed 12.9 percent last year, one of the fastest growing rates in the world. Private investment in the Mexican economy hit a record high of $1.43 billion in 1964, a 30-percent gain over 1963. In Venezuela, where industrial production climbed 11 percent last year, the Government has launched a 3-year program of industrial diversification and expansion. The program calls for investments totaling $550 million, mostly in the chemical and metallurgical fields. Last year Peru for the first time became an exporter of heavy machinery when it shipped a complete fishmeal processing plant to Panama. Argentina's Banco Industrial de la República and Brazil's Banco Nacional de Desenvolvimento Econômico have launched similar programs to spur the growth of small- and medium-sized industries.

Private individuals and citizens groups are providing more and more support in the effort to reach the goals of the charter. Colombia's Comité Privado de Desarrollo, a businessmen's group in operation only a year, has contacted 750 local and foreign organizations in an effort to increase investment. In Chile, the Students Federation, B'nai B'rith and the Boy Scouts are among the groups aiding President Frei's campaign to improve the nation's elementary school facilities. Peruvian university students are spending their vacations in the interior helping the nation's Indians learn to help themselves under a Peace Corps-type program sponsored by President Belaúnde.

U.S. and foreign groups are also playing an important role. The Partners of the Alliance program in the last year and a half has mobilized groups in 25 U.S. States to aid in Latin American economic and social development. The U.S. Credit Union National Association has helped Latin American groups in 6 nations to establish nearly 1,300 credit unions. The Pan American Development Foundation, created to enable individuals and corporations to play a direct role in the Alliance, has already raised contributions totaling $500,000 this year, up from $125,000 for all of 1964. The American Institute for Free Labor Development is assisting unions in 13 Alliance nations in planning projects, mainly in the housing field. ADELA, an organization of top international corporations, has invested more than $10 million in projects in Latin America.

But, for all this progress, Latin America is still beset by many of the problems that brought the Alliance into being.

While population is growing at about 3 percent annually, food production is increasing slowly, if at all. Last year 11 Alliance countries had a per capita food production index below that of a decade ago.

Although 14 countries have enacted some type of major agrarian reform legislation, implementation has been far too slow. An Inter-American Economic and Social Council report summarizes the situation like this: "Despite the legislation approved after 1961, to date very little has been accomplished in the field of concrete progress, especially in the matter of land redistribution, when one considers the magnitude of the agrarian problem facing Latin America."

Fiscal instability continues to hamper development efforts of many Alliance nations. Despite strong government actions to curb inflation, the cost-of-living index is expected to rise this year by 25 percent in Chile and by 40 to 50 percent in Brazil. In Uruguay, inflation this year will likely surpass the 38 percent increase recorded in 1964.

Despite recent agreements to stretch out international debt repayments of several Latin American nations, Alliance officials continue to be greatly concerned about the heavy burden of short- and medium-term debts, faced by a number of countries. Argentina, Brazil, Chile, Colombia, and Mexico face obligations totaling $1.9 billion in 1965, nearly exceeding the amount of external assistance projected under the Alliance.

CIAP Chairman Carlos Sanz de Santamaría believe the short-term nature of this debt indicates that two important changes are needed—"an effective external debt management policy on the part of the recipients" and "a policy of development financing, rather than export promotion through suppliers' credits, on the part of the lenders."

Trade continues to be one of Latin America's most pressing problems. Exports provide the foreign exchange to finance Latin America's development efforts. But over the past decade, the region's share of the world market has dropped from about 11 percent to about 6 percent.

Now, after two relatively favorable years, there has been a softening in the prices of several tropical products. This weakening, compounded by continued restrictions abroad on the volume of imports, is likely to have an adverse impact in several countries.

These problems, together with the lessons learned from the Alliance's successes, form the basis for a major reevaluation of the program. As the newsletter went to press CIAP sent a 20-page letter to all Alliance Presidents, calling for greater emphasis on trade and social development in the next phase of the program.

Industrialization: ADELA Investment Co. announced approval of eight new investments totaling $5.7 million in four Alliance nations. The new projects will raise the number of investments made by ADELA to 15 in eight countries, totaling $10 million. Overall investments in these ADELA-backed projects, including funds mobilized by local sources, will reach nearly $100 million.

ADELA was incorporated a year ago by United States, European, Canadian, and Japanese corporations with an interest in Latin American development. The undertaking now has the backing of 130 corporations. ADELA provides equity capital and debt-financing to private enterprises, which through their activities contribute to the economic development and social progress of their country and region.

Largest of the new investment commitments is in Brazil, where ADELA is investing $3 million in Papel e Celulose Catarinense, a manufacturer of kraft pulp and paper in Lajes.

ADELA is also investing $1.6 million in five Ecuadorian firms: Fertilizantes Ecuatorianos, South America, a Guayaquil manufacturer of sulfuric acid, ammonium sulfate and mixed fertilizers, $650,000; Acerías Nacionales del Ecuador, South America, a Guayaquil steel rolling mill $400,000; Ecuatoriana de Desarrollo, South America, a development financing company operating in Quito and Guayaquil, $300,000; Matadero y Frigorífico Guayaquil, South America, a Guayaquil slaughtering and processing plant, $150,000; and Cristalerías del Ecuador, South America, a Guayaquil manufacturing company of glass bottles, $100,000.

In Nicaragua, ADELA has agreed to invest $750,000 in the Nicaraguan Long Leaf Pine Lumber Co., Inc., a manufacturer of wood resin, turpentine and pine oil.

ADELA has also approved in principle an eighth project, calling for a $400,000 equity investment in Chile, subject to clarification of legal and tax aspects.

Prior to this group of projects, other ADELA investments have been approved in Colombia, Guatemala, El Salvador, Nicaragua and Peru. In addition to these operational commitments, all of them equity investments or loans with equity features, ADELA has also provided $11.5 million, in short- and medium-term loans to Latin American enterprises in Mexico, Colombia, Venezuela, Nicaragua, and Chile.

[From the Washington (D.C.) Post, Aug. 17, 1965]

The Alianza's Fourth

Four years ago today, 19 Latin American countries and the United States signed the Charter of Punta del Este which created the Alliance for Progress. It is an appropriate day for taking stock of what has been accomplished during those 4 years.

The birth of the Alliance marked a historic turning point in the U.S. policy toward Latin America. Prior to Punta del Este, that policy was guided by the slogan of "trade, not aid"; it was a policy that relied on large scale private investment and the growth of international trade to supply the vital catalyst for sustained economic growth. But that policy was far too passive for a world torn by political instability and furious competition between rival ideologies. An active policy, one designed to stimulate economic growth in Latin America through a working partnership of the 20 governments was the only answer.

After 4 years of experience, it is not at all difficult for a critic to point out the cracks and fissures in the house that has been built. It can be charged, and with some justice, that the rhetoric employed in launching the Alianza gave rise to expectations that could not be reasonably fulfilled; that it has been difficult to push programs through the bureaucratic thicket in Washington; that the individual Latin American countries have been more interested in extracting the maximum volume of aid from this country than in drawing up sound plans or coordinating their efforts with other recipient countries.

These and other charges are not without substance, but they should not be permitted to obscure the very real accomplishments of the Alianza. At $12 billion, the Latin American investment in economic and social development is running 50 percent above the target level established by the charter. U.S. commitments for economic assistance have reached $4.4 billion. There has been some progress—although it is insufficient—in achieving monetary and fiscal reform in Latin America. And perhaps most important, the machinery has been established for a continuing program of economic assistance and cooperation.

What of the future? The Inter-American Committee on the Alliance, a ministerial group known as CIAP, has forwarded a number of valuable recommendations for change to President Johnson. Most of them are unexceptionable. U.S. aid to Latin America should be united, and as a first step, the recipient countries might be permitted to make purchases in Latin America, Canada, or Japan, transactions not likely to weaken markedly this country's balance-of-payments position. Where they have any likelihood of success, this country should become a party to additional commodity agreements aimed at stabilizing the prices of the tropical produce on which Latin America heavily depends for foreign exchange. Land reform and other programs designed to modernize rural life in Latin America are sorely needed.

The proposal for preferential tariffs, however circumscribed, is thoroughly objectionable. If this country, in violation of the principles of nondiscrimination, were to grant the Latin American countries preferential tariffs, it would be productive of little good. Imports of cotton textiles, the one class of products for which Latin America has a clear advantage, are restricted by quotas. The argument that Latin America must have U.S. tariff preferences because the Europeans discriminate against her in favor of their former African dependencies is a non sequitur. Latin American commodities are hardly affected by U.S. tariffs, and granting her preferences would do nothing to improve access to the European markets. In fact it might slam the door even tighter.

There is a story which is commended to all those who are so impatient or naive as to believe that there is an express train to rapid economic progress in Latin America. An admiring American guest asked his titled British host to tell him the secret of his magnificent lawns. "It's all very simple," replied his Lordship. "You must prepare the ground with great care, choose the right sort of seed, and wait a hundred years."

It will not require a century to uncover the formula for sustained economic growth in Latin America, but we ought to be prepared for a long haul, one in which progress is reckoned in decades, not in months or years. And over that longer haul the Alianza para el Progreso must be constantly strengthened by the infusions of fresh talent and new ideas.

[From the Washington (D.C.) Post, Aug. 15, 1965]

Latins Urge Full Review of Alliance—Preferential Pacts on Trade With U.S. Proposed by Panel

(By John M. Goshko)

An appeal for a top-to-bottom reexamination of the Alliance for Progress has been made to the Presidents of the 20 hemispheric nations participating in the 10-year program for Latin American development.

The proposal is contained in a 30-page letter, made public today, that was sent to each of the Presidents by the Inter-American Committee on the Alliance for Progress.

The eight-member Committee, commonly called CIAP after its Spanish initials, is responsible for overall coordination of the Alliance and for guiding the progress of individual member nations.

TIED TO ANNIVERSARY

CIAP's proposals were timed to coincide with the fourth anniversary Tuesday of the signing of the Charter of Punta del Este, which created the Alliance. It was forwarded to the Presidents by its Chairman, Carlos Sanz de Santamaria of Colombia. Also signing were the other members including the U.S. representative, Walt W. Rostow, counsellor of the State Department.

CIAP proposes that the Alliance lay heavy new stress on trade policies, planning, regional economic integration and social development. Its most potentially controversial suggestion is for a series of trade agreements that would give Latin America preferential treatment by the United States and end the tying of U.S. foreign aid to purchases made in the United States.

The letter calls for a special meeting of the Inter-American Economic and Social Council, CIAP's parent organization and the highest policymaking body within the Alliance.

The CIAP suggestion is that the Council meeting be scheduled to take place alongside the expected Inter-American Conference of Foreign Ministers in Rio de Janeiro. The Foreign Ministers' meeting, originally scheduled August 4, was postponed because of the uncertainties of the Dominican Republic situation.

A new date has not been set for the Foreign Ministers' Conference but there have been hints that it will be rescheduled for sometime in November.

VAGUE DISCONTENT

In calling for changes in the Alliance, CIAP is mirroring a vague but widespread discontent over the progress being made by the vast development scheme.

In many respects progress has been better than anticipated. For example, the charter calls on the 19 Latin nations to contribute 80 percent of the $100 billion required for larly, the United States, which indicated it the program—an average of $8 billion annually.

This year, Latin American contributions are expected to exceed $12 billion, 50 percent more than the charter's target figure. Similarly, the United States, which indicated it would support the Alliance to the extent of $1 billion a year, has fulfilled its pledge.

Even more significantly, the CIAP letter notes that during 1965 the Alliance, for the second straight year, is expected to achieve the charter's goal of a 2.5 percent per capita increase in Latin America's overall gross national product.

Yet, a feeling has persisted that the Alliance is not moving as fast as it should, that its accomplishments are often nullified by outside conditions and that its future aims are periled by political and economic instability.

To carry out its recommendations, CIAP proposes the creation of special task forces, to include both national and international technicians, charged with drawing up new plans and programs, especially in the social field.

REMEDIES PROPOSED

In hemispheric trade, the letter says that the "Alliance remains seriously endangered by weak or precarious prices or markets for certain traditional Latin American exports." As remedies it proposes:

A series of worldwide commodity agreements, similar to the International Coffee Agreement, for such items as sugar and cocoa. Such agreements would attempt to stabilize world market prices through quotas aimed at preventing overproduction.

Temporary measures to give Latin American products certain preferences in the U.S. market similar to those enjoyed by other underdeveloped countries in the European market.

A strengthened system of compensatory financing for nations that suffer from a fall in export earnings caused by factors beyond their control.

A call for the United States to review its policy of requiring Latin nations receiving U.S. aid to follow a buy American path. The CIAP suggestion is for a broadening of this policy to require that purchases be made either in the United States or Latin America.

[From the New York (N.Y.) Times, Aug. 15, 1965]

Backing Is Sought by Latin Alliance—Leaders Asked To Hold Talks on Development Ideas

(By Richard Eder)

WASHINGTON, August 14.—The Inter-American Committee for the Alliance for Progress has written to the Presidents of the Latin American countries and to President Johnson to ask political backing for new moves in three important areas of economic and social development.

In its letters, which were made public today, the Committee asked that the Inter-American Economic and Social Council be called to meet in Rio de Janeiro at the same time as the Inter-American Conference, which is scheduled to meet before the end of the year.

The Alliance, a 10-year, $100 billion development program, was adopted by 19 Latin American countries and the United States at a conference in Punta del Este, Uruguay, on August 17, 1961.

The eight-member Inter-American Committee, headed by Carlos Sanz de Santamaria, which acts both as coordinator and promoter of the Alliance, recommended emphasis on three major points.

POLITICAL SUPPORT ASKED

In the first place, it called upon the Latin-American leaders to find a way to muster greater political support and popular understanding for their social and economic plans.

It suggested two principal areas in which this was necessary. One was planning itself, where it found that there should be more effort to involve business, labor, and education in the coordination of development. The other was in the fight against inflation.

Economists have seen a number of technically sound anti-inflation attempts fail because business increased prices or labor increased wages, not in response to present measures, but as a precaution against feared future measures.

The Committee said that there was a "critical need to bring about by political leadership at the highest level, a social compact among the major groups in the society" to regulate price and wage increases. "Without this political and social foundation it will be difficult to prevent and to end inflation in Latin America," it added.

The Committee asked the United States to modify in two important respects its trade and aid policies.

Pointing to the exclusive, favorable arrangements granted by European nations to African commodities, the Committee asked the United States to work out a pragmatic compensatory policy for Latin America.

The U.S. Government is sympathetic to the problem faced by the Latin Americans. The Latins find themselves at a disadvantage selling in Europe while the Africans find no disadvantage in the United States. Therefore the United States is considering a number of proposals. It was to these, rather than to a blanket Common Market-type arrangement that the Committee was referring.

The measures being considered include a tighter policing of coffee imports because African coffee is going beyond its quota. A compensatory sugar arrangement and a new effort to conclude a cocoa agreement similar to that in force on coffee.

The Committee also asked the United States to modify its policy of requiring dollar loans to be spent in the United States. A number of U.S. officials recognize this is often a cumbersome, expensive procedure and are considering possible changes.

SOCIAL AID RELATIVELY NEW

One Alliance official noted that whereas Latin American countries have considerable experience in managing and planning of loans for such things as electric power, lending for social projects is relatively new, and proper planning agencies are lacking. This has often resulted in a loan to an isolated hospital or housing project without regard for an overall health or housing program.

The Committee announced that it would begin an intensive effort to enlist technical assistance in the social planning field from the United States, the Inter-American Development Bank, and the International Bank for Reconstruction and Development.

After consultation in Washington, the Committee is prepared to send out committees to help countries work out strategies for health, housing, agriculture, and other fields. Instead of making the usual short visit, these committees are to remain, perhaps 6 months or more, until the strategies have been worked out and specific projects have been selected and prepared for financing.

Alliance Committee Proposes New Directions for Latin American Development

WASHINGTON, D.C., AUGUST 15.—The Inter-American Committee on the Alliance for Progress, through its Chairman, Carlos Sanz de Santamaria, has sent a letter to the Presidents of the member countries of the Alliance for Progress, calling for important new emphasis in the 10-year hemispheric development program.

The letter, signed by Sanz de Santamaria and all seven members of the Alliance Committee, proposes new stress on trade policies, planning, integration, and social development programs under the Alliance for Progress.

The CIAP letter grew out of talks held by Sanz de Santamaria with hemisphere Presidents over the past year, and studies carried out by the Committee. It was drafted at the recent closed-door session of CIAP in Washington.

Pointing out that the Alliance is "seriously endangered by weak or precarious prices or markets for certain traditional Latin American exports," the CIAP letter proposes new commodity agreements along the lines of the World Coffee Agreement; transitory measures to compensate Latin American countries that suffer from trade preferences granted to developing countries outside the hemisphere; and a strengthened system of compensatory financing for nations that suffer from a fall in export earnings for reasons beyond their control.

The letter also emphasizes the need for agricultural diversification and export promotion programs.

The CIAP letter calls on the U.S. Government to review its policy of tying Alliance assistance to purchases made in the United States. It proposes a means of partial untying which would require purchases to be made either in the United States or Latin America.

The letter emphasizes the need for improved national planning procedures. "Progress has been made in the planning process in Latin America; but we do not have enough stable, realistic, publicly understood and supported national plans, intimately related to the projects, institutions and to the national budget. Only on the basis of such plans can the resources of Latin America be effectively mobilized and the full potentialities of external assistance brought to bear."

CIAP gives support in the letter to the general layout of the proposals for regional economic integration made last April by Raúl Prebisch, Felipe Herrera, José Antonio Mayobre and Dr. Sanz de Santamaría. It presents the basis for new initiatives in multinational projects, regional investments in industrial activities, and regional financing agreements.

In the social section of its document, CIAP "focused on the problem of implementing those parts of the Charter of Punta del Este which promise to the peoples of Latin America more and better food; land reform and modernization of rural life; more and better housing; more and better education; more and better public health facilities."

The Committee stressed three steps necessary to step up the pace of social development; the elaboration of systematic programs, as opposed to ad hoc projects; the expansion of local institutions capable of carrying out such programs; and greater individual participation in, and contribution to, development programs.

Changes in land tenure—both latifundia and minifundia—remain in many cases an essential condition for fulfilling the goals of the Charter of Punta del Este, the Committee said. Improvements are also needed in levels of agricultural production and marketing facilities.

Major improvement is required in social fields such as housing, education and health, the CIAP letter said. Noting the high rate of population increase in Latin America, the letter reported that CIAP is currently engaged in population studies. Results of the study will be made available to member governments of the Alliance.

Implementation of the recommendations in the letter, CIAP said, depends on the development and training of technical staffs in Latin America capable of preparing projects and carrying out feasibility studies. "The simple fact is," the document said, "that we have more external project capital resources available for economic and social purposes than we are bringing to bear in the Alliance for Progress."

To carry out the recommendations, CIAP proposes the creation of special task forces, to include both national and international technicians, who would draw up plans and programs, particularly in the social field.

The CIAP letter calls for a special meeting of the Inter-American Economic and Social Council to consider its recommendations. Following that, it proposes that the next regular meeting of the Economic and Social Council conduct a full-scale review of the Alliance to draw up a balance sheet of problems and achievements in the first half of the development program's 10-year existence.

PAN AMERICAN UNION,
Washington, D.C., August 10, 1965.
The PRESIDENT OF THE
UNITED STATES OF AMERICA,
The White House
Washington, D.C.

MR. PRESIDENT: Taking into account the present situation of Latin America and the concern arising from recent developments in some countries of the Hemisphere, the Chairman of CIAP, on his own initiative, convoked a special meeting of the Inter-American Committee on the Alliance for Progress. Based on the experiences acquired in his visits to the countries of Latin America and on his contacts with the governments, he considered it appropriate that the Committee call attention to the most urgent problems that the Hemisphere is currently facing and to the means of joint action that could be adopted to solve those problems. He was also moved to call this meeting to give consideration to the suggestion he made at the Inter-American Economic and Social Council meeting in Lima regarding the need to begin a systematic review of the results of the Alliance, since we are nearing the midpoint of the time period established in the Charter of Punta del Este, to carry out this continental effort.

The meeting took place in Washington, July 23–26, and we believe it appropriate, Mr. President, to inform you directly of its results.

The members of CIAP do not act as officials of governments, nor can they take decisions on those matters which, by means of this letter, we bring to your attention. Consequently, in sending this letter to you and to the Presidents of the other countries participating in the Alliance for Progress, we have no purpose other than to stimulate an interchange of views on these matters and to provide a starting point so that the governments can make the decisions which they consider necessary in the coming months.

The nature and importance of the concepts which we forward to you are the justification which moved CIAP to address you and your government directly.

This letter summarizes the conclusions reached in our meeting, which have been approved (unanimously) by (the members of) CIAP. This letter refers to all of Latin America and for this reason characteristic situations referred to in some countries may not be applicable to others.

The Alliance for Progress is a going concern. There has been widespread forward movement on many fronts as the CIAP reports of October 1964 and May 1965 indicated. Although progress is by no means uniform among the nations of Latin America, it appears likely that for the second successive year the overall growth target of the Charter of Punta del Este will be achieved; that is, a 2½-percent per capita increase in gross national product.

The task of CIAP, however, is to help reinforce the efforts to solve problems that still await solution if the Charter of Punta del Este is to be accomplished. It is the judgment of CIAP that at this time a redoubled effort is required in the fields of economic and social action in order to avoid the spread of a sense of frustration which appears to exist in some parts of Latin America.

These pressures derive from various causes in different parts of the hemisphere. Among those causes are the following:

(a) The slowness of some countries in executing economic and social reforms designed to mobilize their internal resources and to bring about a sense of participation, social justice, and self-evident progress;

(b) The inadequate absorption of foreign assistance due, in part, to insufficient planning and project preparation, particularly in the field of social investment, and, in part, due to cumbersome aid procedures;

(c) The sharp deterioration of trade prospects, caused by weakened prices or markets for some products—cocoa, sugar, bananas—has tended to reduce or cancel the positive effects of aid measures, rendering more difficult stabilization efforts, reducing the rate of development, and creating hardships for certain population groups or regions.

It was against the background of this mixed assessment of our situation that the present meeting of CIAP was devoted not merely to stocktaking but also to beginning to chart the course ahead. In this effort we had the advantage of a number of specific propositions laid before us by the chairman.

We agreed that it was appropriate to take counsel together and to set down our thoughts on two matters: first, on certain problems, mainly of an economic character, where action is both urgently needed and possible; second, on the wider economic and social problems we must seek to solve if, over the whole span of the Alliance for Progress, we are to fulfill the injunctions of the Charter of Punta del Este. These relate, in particular, to: land reform and the modernization of rural life; housing; education; and public health.

This letter sets forth our present views on the implementation of the Charter of Punta del Este in its next phase, covering both sets of problems.

The agenda for action which emerged falls naturally, therefore, into two parts.

Our initial recommendations concern possible next steps in fields with which we have all become familiar: planning; monetary stabilization; external trade; regional economic integration; and improvements in the scale and quality of external assistance.

CIAP has examined these fields at length in its three reports[1] over the past year; and it has made extensive observations and recommendations we would still hold to be valid. On this occasion we wish to call your attention only to certain specific and urgent items of action, where forward movement is possible but requires prompt political decision and initiative at the highest level, in order to fulfill better the commitment to the Charter of Punta del Este.

1. THE ACCELERATION OF NATIONAL PLANNING

Our common vision of the Alliance for Progress calls for long-range national plans—commanding the full support not merely of governments but of the major sectors of each society, supported by long-term loans on a stable basis, including program loans.

These are the essential framework for bringing the nations to a position of self-sustaining growth, where progress can be supported without recourse to special external assistance.

Progress has been made in the planning process in Latin America; but we do not have enough stable, realistic, publicly understood and supported national plans, intimately related to the projects, institutions and to the national budget. Only on the basis of such plans can the resources of Latin America be effectively mobilized and the full potentialities of external assistance brought to bear.

CIAP considers it quite important that the countries of Latin America examine the possibility of accelerating and strengthening the national planning process in its technical institutional, and political dimensions. The flexibility afforded by program lending can be a powerful instrument for development and institution building; but it demands the prior existence of serious national programs (even if not necessarily fully elaborated plans) and the national consensus necessary to give them life.

---

[1] CIAP/71, Rev. 2; CIAP/178; CIAP/219, Rev.

In connection with planning, action should be taken to organize in Latin America working sessions which would regularly bring together for relatively short periods (4 to 6 weeks) politicians, industrialists, leaders of worker and farm organizations, and economists to consider the problems and possibilities of national and regional economic planning. The lack of a common understanding among these groups is a major weakness in the Alliance for Progress which such sessions might help to remedy.

2. INFLATION AND POLITICAL LEADERSHIP

Inflation remains an enemy of economic and social progress; a disrupter of national plans; and one major block to regional integration. In this connection, it should be noted that some countries are now in a delicate stage of their stabilization process requiring both a steady flow of external assistance and measures to prevent deterioration of their trade position. We have analyzed and made technical policy recommendations designed to prevent and halt inflation. We would call to your attention, in addition, the critical need to bring about, by political leadership at the highest level, a social compact among the major groups in the society which would relate wage policy as a whole to the average national increase in productivity, while correcting the inequitable aspects of the wage structure; which would commit industry and commerce to avoid anticipatory price increases under the pretext of possible or even inevitable price increases; and provide the widespread political understanding necessary to permit governments to conduct effective counter-inflationary policies. Without this political and social foundation it will be difficult to prevent and to end inflation in Latin America.

3. TRADE POLICY

The Alliance for Progress remains seriously endangered by weak or precarious prices or markets for certain traditional Latin American exports. Remedy must be found by simultaneous action in various fronts.

(*a*) *Commodity agreements*

The Coffee Agreement is emerging as a model of what may prove possible if producers and consumers are prepared to cooperate. It includes provision for realistic quotas; for built-in quota flexibility designed to assure the producer stable and remunerative prices while also being fair to the consumer; internal prices which do not encourage overproduction; strict production controls; effective measures by consuming countries to assist in enforcing marketing discipline; and commitments to diversification.

It is in the interest of the Alliance for Progress as a whole, and indeed, the whole world community, that the Coffee Agreement be reinforced. We recommend for consideration by its members the development of a special fund designed to facilitate the production control and accelerate the diversification features of the Coffee Agreement.

The state of the prices and markets for sugar and cocoa make it urgent that effective, disciplined commodity agreements engaging producers and consumers, be sought in these fields. What is needed is international action to organize world commodity markets to reduce short-term price fluctuations and to achieve more favorable prices as a partial answer to some of the trade problems of Latin America.

(*b*) *Transitory, compensatory measures against preferences outside the hemisphere*

Latin American countries and the United States are committed to the principle of nondiscriminatory treatment for developing countries in their trade relations with the industrial nations. This principle is consistent with the position taken by the Latin American countries in their request for generalized preferences at the UNCTAD Conference in Geneva and in the Declaration of the Charter of Alta Gracia of April 1964, and does not conflict with the traditional most favored nation policy of the United States. We believe this principle remains sound as a working longrun objective. The fact is, however, that since the UNCTAD meeting the movement outside the hemisphere has been toward more rather than less preferences in trade, particularly in relation to tropical products. This tendency is damaging the prospects for the Alliance for Progress. Therefore, although we are opposed to the creation of spheres of influence, we commend for urgent consideration, a policy of transitory, defensive measures to compensate for such preferences. It is inequitable for the products of some of the developing countries to enjoy preferences outside the hemisphere plus nondiscriminatory access to the U.S. market. A policy to compensate for such discrimination against Latin America should be worked out pragmatically, on a commodity-by-commodity basis, with provisions which would facilitate return to nondiscriminatory trade as discriminating practices are removed elsewhere.

(*c*) *Compensatory financing*

In the short run, it is urgent for the Executive Board of the International Monetary Fund to clarify the ambiguities surrounding the so-called floating tranche. Toward this end it is recommended that it be discussed at the forthcoming meeting of this organization. This tranche is designed to supply additional automatic assistance to developing nations suffering from a fall in export earnings for reasons beyond their control. It is our view that the claim on such compensatory short-term resources should be automatic, when the facts are established; and the assistance should be additional to that provided under other circumstances, by criteria which apply to normal quota drawings.

In the long run, we must look in two directions: first, to the system of compensation being studied by the IBRD; second, to the expansion of liquidity (means of payment) in the international monetary system to deal with such short-run fluctuations in foreign exchange earnings. It is evidently time for the nations of Latin America to clarify and formulate their own interests and proposals in any reorganization of the international monetary system. As a result of proposals laid before the present CIAP meeting by the Chairman, it was agreed that he initiate studies, on the basis of expert opinion within and outside the hemisphere, to this end.

(*d*) *Agricultural diversification and export promotion*

We would underline strongly that efforts to protect the foreign exchange earnings of traditional Latin American exports will fail unless production is guided by effective programs of agricultural diversification (which are, in any case, required to increase food supplies); and that Latin America will not be able to generate the foreign exchange it requires unless exports are effectively promoted in nontraditional fields, both industrial and agricultural. In both cases, attention to market expansion is of critical importance. We urge that the priority accorded these sectors be elevated in Latin American economic planning and policy and we would note that untapped project resources exist in the external financial agencies, notably in support of agricultural diversification and the promotion of exports of agricultural and manufactured products.

4. EXTERNAL DEBT

The problem of external debt in Latin America is not one of debt service beyond the financial capability of the region, but rather one of heavy amortization payments which a limited number of countries have to make in the next few years. This situation has already been reviewed at some length in Document CIAP/170, "CIAP Policy Statement" on "The State of the Alliance for Progress and Prospects for 1965." In part, the problem results from inadequate control, in the past, in contracting external debt. But equally important factors have been the tendency in certain lending countries to furnish supplier credits to increase their own exports, and their inability to adjust to loan policies which would have assured more appropriate terms for Latin America's development and its capacity for debt service.

To correct this situation, consolidation of existing debt under longer and easier terms than those originally established is essential; but this measure alone is not sufficient. The debtor countries must be prudent and restrain themselves, by means of an effective system of discipline, in contracting new short- and medium-term debts; they must also make the greatest effort to meet existing obligations; and to adopt monetary and development policies which will facilitate access to long-term international financing. These efforts must be complemented by the adoption, in the creditor countries, of a credit policy appropriate for development as well as for export promotion. Credit terms must be in harmony with the financial capability of the country and its ability to earn foreign exchange. Short-term loans should not be agreed to when it is obvious from the beginning that in time it will be necessary to renegotiate them. It is also opportune to request creditor countries to eliminate restrictive commercial policies which prevent debtor countries from earning the foreign exchange needed for external debt service.

5. INTEGRATION

In CIAP/219 of May 1965 we underlined the convergence and mutual reinforcement of policies of national development and internal market expansion; export diversification; and regional integration. Since that time Raul Prebisch, Felipe Herrer, José Antonio Mayobre, and Carlos Sanz de Santamaría have addressed themselves to the Latin American presidents in support of regional economic integration; and the Government of the United States has clearly reaffirmed its support for effective Latin American economic integration. We wish to express to you our collective support for the general position taken in that report by four Latin Americans mentioned above.[2] The larger nations of Latin America, which might find in time a basis for mature industrialization through national development and conventional trading arrangements, nevertheless have a major stake in Latin American regional integration. But the fate of the smaller nations (and the pace of development throughout Latin America) depends vitally on a decision to go forward boldly together, in regional groupings such as the Central American Common Market or in other subregional groupings within the larger framework of regional economic integration. The trade aspects of the integration movement are dealt with mainly by other organizations which should be supported. CIAP has focused principally on certain investment and financial aspects of the integration movement. We believe this work should be carried forward urgently on the following fronts:

(a) Multinational projects to develop the region's infrastructure, notably in the fields of multinational highway construction, telecommunications, shipping, and port development.

(b) Multinational development of river basins, irrigation works, and power projects.

---

[2] Proposals for the Creation of a Latin American Common Market. Mexico, April 12, 1965.

(c) The development of more rational patterns of regional investment in industrial fields where economics of scale can be applied to advantage, such as chemical fertilizers.

(d) Acceleration in the development of Latin American regional financial arrangement, via the central banks, designed in particular to facilitate the movement of intraregional trade. We have requested our Chairman to explore the possibilities of support by governments of the hemisphere and the external financing agencies for a revolving fund which would finance project preparation and feasibility studies related to regional integration, the fund to be replenished from the loans flowing from these studies.

6. EXTERNAL ASSISTANCE

(a) We believe the time has come for the Government of the United States carefully to review whether the tying of its assistance to Latin America under the Alliance for Progress is required on balance-of-payments grounds. The overall Latin American contribution to the U.S. balance-of-payments deficit was always small—if, indeed, it was a factor at all. Recent official statements indicate that the U.S. balance-of-payments position has improved, although it remains to be seen if this improvement can be sustained. On the other hand, the tying procedures are cumbersome and reduce the contribution U.S. assistance could otherwise make to the Alliance for Progress. One form of partial untying might be considered; that is, to free U.S. loans and grants for purchases either in the United States or elsewhere in Latin America. A provision of this kind, already incorporated in the operations of the Inter-American Bank and, for a narrower region, in the recent loan to the Central American Bank for Economic Integration, could contribute substantially to the development of intraregional trade and to the integration movement in general.

(b) The Chairman of the CIAP has been informed that the U.S. Government has agreed to review in detail, with members of the CIAP staff, current AID procedures with a view to seeing what changes in those procedures (including, for example, those related to advance procurement and the 50–50 shipping clause) and in action by recipient governments might make the flow of external assistance from the United States more prompt and efficient.

CIAP views with satisfaction the growing interest demonstrated by certain countries of Western Europe, Canada, Japan, and Israel, in the economic and social development of Latin America. These countries have begun to participate in the annual reviews conducted by CIAP and in the consultative groups organized by the IDB, as well as in a series of technical assistance and training projects. It is hoped that this tendency which strengthens the multilateral sense of the Alliance will be matched by a more liberal attitude on the part of the more developed countries of Latin America so that they may provide, in the future, financial or technical assistance to other countries of the region.

The second part of our deliberations focused on the problem of implementing those parts of the Charter of Punta del Esta which promise to the peoples of Latin America more and better food; land reform and the modernization of rural life; more and better housing; more and better education; more and better public health facilities. As we all know, the governments of Latin America and the external agencies committed to their assistance have undertaken many measures and projects in these fields since 1961.[3] And the fresh resources available to the IDB under the Expanded Fund for Special Operations assures the continuity of these efforts. But we are convinced that, as the Alliance for Progress unfolds, increased emphasis must be given to these dimensions of our common commitments under the Charter of Punta del Este. We must all do more. And we must do it better.

How can this be done? On the basis of our common experience thus far we must proceed in terms of three principles.

First, we should attempt to develop systematic programs as opposed to ad hoc projects in these fields. These are required to provide adequate benchmarks of performance and a better basis for allocating marginal resources as between social and more directly economic investments. Second, we should seek out, stimulate, and expand local institutions capable of carrying forward these enterprises. Third, we should build these enterprises to the maximum possible, on the principle of individual participation and contribution, rather than solely on the receipt of benefits and assistance either from the local government or from foreign institutions.

Men do not feel the full impact of development unless they participate and contribute personally to the process.[4]

Within these broad principles, observations on each of these four fields of economic and social progress follow:

1. THE MODERNIZATION OF RURAL LIFE

In talking of the modernization of rural life we are considering the environment of about 50 percent of the people who live in Latin America. The working agenda under this heading, therefore, has many dimensions each, in itself, immensely complex. The major elements of an Alliance policy to accelerate the modernization of rural life appear to be the following:

(a) Changes in land tenure (both latifundia and minifundia) remain, in regions of many Latin American countries, an essential condition for fulfilling the Charter of Punta del Este. The whole machinery of the Alliance for Progress should be geared to helping governments achieve such structural reform with equity and efficiency and in ways which achieve an increase in agricultural productivity.

(b) The encouragement of agricultural policies by governments which afford the farmer a fair and reliable price for his product.

(c) The expansion of production and distribution at fair prices of chemical fertilizers, on a national, and, if possible, on a regional basis, including an expansion of fertilizer loans to cover the interval until Latin American fertilizer resources are more fully developed.

(d) The expansion of agricultural extension and credit, especially to the small farmer, as well as credit for land reclamation and irrigation projects. Agricultural development banks have a particularly important role to play in carrying forward these policies.

(e) The modernization of urban-rural marketing, including feeder roads, transport, storage, food processing, etc.

(f) Support for and the development of institutions which combine elements which assure a fair price to the farmer; credit; fertilizer; seeds, etc.; and modern marketing facilities. These institutions may take the form of producers' cooperatives, food processing firms, large commercial farming ventures, etc.

(g) The linking of urban and rural life by programs of popular cooperation and community development of the type now being successfully pursued in some countries of the area.

2. HOUSING

An expansion in housing construction in Latin America could serve two purposes: First, to help meet one of the region's most urgent social and human needs; second, to absorb in useful employment substantial numbers of those who are underemployed or without jobs, while exploiting the fact that building materials are mainly local, involving little requirement for foreign exchange.

Some of the most hopeful recent developments in housing in Latin America involve institutions which encourage local citizens to put up their own money to help finance the construction of housing. External resources are contributing and could do more to develop and strengthen such institutions. We require a systematic search in each Latin American country for such institutions, both rural and urban, that the Alliance for Progress might back.

But many Latin American families, urban and rural, cannot save enough to participate financially, on a substantial scale, in these programs. The Alliance for Progress encourages the allocation of additional public funds and external resources to provide housing for families of low income on terms which they can afford, even though the beneficiaries cannot through their own savings meet all of the costs of improved housing. Maximum encouragement should be given in such programs to self-help and mutual aid efforts, as a form of contribution by the ultimate beneficiaries.

In both approaches, much needs to be done to reduce the high cost of housing construction through research in new and less costly building materials which can be found locally and which save foreign exchange, and through innovations in housing design and construction methods.

Housing is only one aspect of the problems created by the explosive growth of Latin America's cities. Inadequate social, economic, and administrative services threaten to prevent the major urban areas from fulfilling their function as the centers of growing industrialization. Improved planning for the orderly expansion of cities is indispensable, as well as the improvement of their financial and administrative institutions.

3. EDUCATION

The educational institutions of Latin America have been created and are being developed not merely to fulfill certain functional purposes in their societies, but to carry forward the whole rich stream of national, regional, and universal culture. Nevertheless, as the process of modernization proceeds rapidly in Latin America, the educational institutions are being reshaped to meet the practical changing needs of Latin American society. It is our conviction in CIAP that under the Alliance for Progress this trend should be reinforced.

As part of development planning, we must in the years ahead encourage more systematic programs of education; we should support key pathfinding educational institutions within Latin America which are likely to set patterns for the future; and, in this field above all, external resources must be woven into the fabric of local initiative, contribution, and participation. It is proper to continue to encourage and support the training of students in other Latin American countries, in the United States, and Europe, notably in critical fields related to modernization and development. But the primary objective should be the development of more first-rate Latin American educational institutions.

---

[3] Roughly $892 million have been lent or granted to Latin America in these fields in the period since 1961 by the Inter-American Bank (including grants under the Social Progress Trust Fund); and $750 million by the U.S. Government (including Public Law 480 grants and loans but excluding Export-Import Bank loans). The IBRD has also made an increasing contribution in these fields.

[4] The following wise passage in the Encyclical Letter of Pope John XXIII (Mater et Magistra) should, perhaps, be noted (151): "Special effort must * * * be made to see to it that workers in underdeveloped areas are conscious of playing a key role in the promotion of their personal socioeconomic and cultural betterment. For it is a mark of good citizenship to shoulder a major share of the burden connected with one's own development."

At the present time the Latin American universities could contribute even more to the development of their countries and to the achievement of Alliance for Progress goals than they already contribute. They could prepare more highly qualified planners, educators, economists, specialized industrial engineers, scientists, and social scientists, and administrators. They could conduct more research projects bearing directly on the economic and social development of their countries and the region as a whole. To do this, the quality of research and instruction in the universities and the capability for dispassionate scientific inquiry will have to be improved as well as the physical facilities, particularly with respect to teaching aids, laboratories, and libraries.

Concerted efforts are required to develop projects in these fields to use available funds which are not fully tapped. The curriculum of at least one university in each of the countries of Latin America should be directly related to national planning efforts so that the country's needs for trained professional manpower can be met at both the graduate and undergraduate levels, with Latin American personnel.

Looking beyond the universities, education is the source of the manpower which will fulfill—or fail to fulfill—the requirements of national development plans. Traditionally there has been little communication between educational planners and economic development planners. The CIAP country review process should be used to encourage this essential communication and linkage. Therefore, we should seek, in the 1966 country reviews, a systematic examination of the mutual consistency of education and other manpower training programs and economic development plans.

4. HEALTH AND POPULATION

Acting in terms of the Charter of Punta del Este, we in the Alliance for Progress must work on the principle that those born into the world deserve the fullest opportunity for their physical and mental development, bearing in mind that those ill-fed up to the age of 6 are permanently limited as members of society. We must, therefore, look to the expansion of public health institutions of every kind, including programs of child feeding. As in other fields of social investment, much has been going forward in recent years out of resources generated within Latin America and through the assistance of external financial agencies. What is required here, as elsewhere, are systematic efforts geared to the national development plans themselves. Certain Latin American countries face problems due to the rate of population increase in relation to the increase in their economic and social infrastructure. CIAP is now engaged, as a result of decisions taken at its meeting of May 1965, in studies of the population problem in Latin America. It will make available its conclusions and recommendations to the governments when those studies are completed.

5. A GENERAL PROBLEM: LOCAL INSTITUTIONS TO DEVELOP PROJECT PREPARATION AND FEASIBILITY STUDIES

The simple fact is that we have more external project capital resources available for economic and social purposes than we are bringing to bear in the Alliance for Progress; and feasibility studies remain a major bottleneck, even in the more advanced countries of Latin America. The weakness is particularly pronounced in the four social and economic fields examined above. The use of foreign firms to do ad hoc project preparation and feasibility studies is often expensive, inadequate, and generates widespread local resentment. We should concentrate, therefore, on measures to expand public and private institutions in Latin America capable of turning out a flow of first-rate feasibility studies. This means strengthening the feasibility study capacity of government department, including the provision inside those departments of foreign experts on a technical assistance basis when they are needed. It also means encouraging the development of local private feasibility study firms—including firms which combine foreign and local capital and talent. Investment in this kind of institutional development in Latin America should, in the next several years, be a major item of concern both to Latin American governments and to external financing agencies.

6. THE FINANCING OF SOCIAL INVESTMENT

The resources available for investments of the type discussed above depend critically on three factors: public savings; private savings (notably with respect to housing); and the scale and terms on which external resources are available.

The expansion of domestic resources, in turn, demands the fulfillment of the common commitment to tax reform and improved tax collection, against the background of regularly rising levels of gross national product. In addition, public resources should be freed for these investments by systematic programs to improve the efficiency of public corporations which, in many Latin American countries, now lay a heavy claim for subsidy on tax revenues.

With respect to the terms of external assistance, there is a prima facie case for flexibility in the proportion of local contribution required. The overall level of income and the potential level of tax revenues are relevant to a sound judgment, as well as the character of the particular project under examination. We commend to the external financing agencies, in the course of the reviews proposed in the following paragraph, a careful reexamination of the arrangements governing the proportion of local funds required to match external grants and loans in these fields of social investment.

In order better to come to grips in a practical way with these four fields of economic and social action, the chairman of CIAP will seek the collaboration of the various financing and technical assistance agencies to set up immediately committees in each field to examine current policies and programs. Having assessed what is now going forward and what steps the external agencies might themselves take to accelerate these programs, CIAP will be prepared to organize multilateral teams, where they are desired, to work intensively with the authorities and experts in particular countries to generate new projects and to strengthen local planning agencies and institutions.

What is the relation between the two parts of the working agenda we propose?

First, without success in meeting urgent problems of planning, capital formation, price stabilization, trade, market integration, and external assistance, it seems unlikely that Latin America will command the capacity to fulfill on the requisite scale the promise of the Charter of Punta del Este to the peoples of Latin America in these crucial fields where we seek the welfare of man and the community.

Second, properly conducted, the social and economic dimensions of the Charter of Punta del Este can be made substantially to converge rather than to compete. More effective action under the headings of the second part of the agenda could contribute to the expansion and modernization of the Latin American economies as well as to meeting deep social and human needs.

The modernization of rural life promises, for example, not merely more and better food but industrial raw materials, expanded exports, and enlarged national and regional markets.

Expanded housing programs promise not merely to fulfill an essential human requirement but to achieve a reduction in unemployment and partial unemployment, as well as an enlargement of private savings and a favorable change in consumption habits.

Properly designed education programs not only enlarge the capacity of men and women to develop their talents and perceptions, they are the human foundation for modernization of every aspect of life.

Improved health measures not only prolong and protect the quality of life, they are the basis for an effective working force.

Third, we may be able to set in motion more effective action sooner in some aspects of the economic program outlined in the first part of this letter; but we are conscious that we must begin now to put renewed emphasis on the social part of the agenda, which was given prominence in the Act of Bogotá, if we are to achieve in the later years of the Alliance the scale of effort required to meet the standards of the Charter of Punta del Este.

Specifically, CIAP recommends that at the extraordinary meeting of the Foreign Ministers, scheduled to take place in Rio de Janeiro before the end of 1965, there take place a meeting of the Inter-American Economic and Social Council, starting shortly before and running concurrently with the Foreign Ministers' session. By that time the governments will have had an opportunity to consider our present recommendations and to formulate their own ideas. As noted earlier, CIAP plans to conduct further intensive staff work on these problems between now and the Foreign Ministers' meeting, and to present those results to the Inter-American Economic and Social Council, should that concurrent meeting be convoked. We shall also have the benefit at that time of having completed and assessed the full round of CIAP country reviews which have just begun.

CIAP also suggests that the scheduled regular meeting of the Inter-American Economic and Social Council in Buenos Aires might begin on the fifth anniversary of the launching of the Alliance for Progress, March 13, 1966. That regular meeting, against the background of the earlier discussions and deliberations, should be in a position to lay out firmly and in detail the lines of policy we should all seek to follow in the next phase of the Alliance for Progress. CIAP will try to prepare for that regular meeting a detailed analysis of what has transpired in the Alliance in its first 5 years as well as concrete recommendations for consideration by the ministers, in the light of the discussions and resolutions at the Rio Conference.

In addition, we would recommend that, in preparation for the Buenos Aires meeting, each of the governments signatory to the Charter of Punta del Este review and assess its own performance and problems encountered over the first 5 years in seeking to fulfill its commitments, in order to provide a basis for policy recommendations covering the next phase of the Alliance for Progress.

We would wish, Mr. President, finally to express to you our deep confidence that, whatever the magnitude of current problems and the task ahead, the Charter of Punta del Este reflects the active will of the peoples of our hemisphere; that the Alliance for Progress can and will succeed; and that, as a result of this unique multilateral experience, the nations of Latin America shall emerge in the years ahead with the capacity to sustain economic growth, under conditions of increasing social justice, out of their own human and material resources, without the need for abnormal external assistance.

We can already begin to see within the hemisphere the more advanced Latin American nations helping the less advanced. A truly multilateral sense of responsibility and participation is spreading and must be encouraged. Our institutions for the multilateral examination and evaluation of national development plans must be strengthened as well. If we persist with courage and faith, we shall build a community among us, including a Latin America whose economy is increasingly integrated, that can meet the tests of progress and interdependence which life in this century demands.

Respectfully,
Roberto de Oliveira Campos, Member; Luis Escobar Cerda, Member; Rodrigo Gómez, Member; Jorge Sol Castellanos, Member; Roque A. Carranza, Member; Ezequiel González Alsina, Member; Walt Whitman Rostow, Member; Carlos Sanz de Santamaría, President.

The Age of the Good Partner: A Program for the Americas

(Note.—The following are the remarks of Senator Jacob K. Javits, prepared for delivery at the 10th Plenary Assembly of Businessmen of the Americas, sponsored by the Inter-American Council of Commerce and Production in Santiago, Chile, Monday, March 16, 1964, at 1 p.m.)

The questions that must be answered by the governments and responsible elements of the Western Hemisphere in the next few years are whether we are capable of understanding the social and political ferment which now pervades the hemisphere and whether we are ready to deal with this ferment by making the necessary and sustained adjustments to satisfy the just aspirations of its peoples. How can we—acting together—bring about economic and social change within a democratic framework? Not only the United States future relations to the hemisphere but the future of each nation of the hemisphere depends on the answers to these questions.

Accordingly, I propose that the policy of the good partner should succeed the policy of the good neighbor, in the relationships between the United States and the other American Republics. To implement this policy, I suggest for your consideration an economic program for the Americas, consisting of two major parts: (1) A basic revision of the trade relations among the Latin American Republics on the one hand, and between the Latin American Republics and the United States and Canada on the other hand, leading to a Latin American common market and a Western Hemisphere free trade area; and (2) a new role for the private enterprise system in the development of the Americas—a new social direction, with broader responsibilities and commensurately broader opportunities for success.

We all know that in developing countries the political framework within which economics and society operate tends to determine the success of even the most auspicious efforts. I suggest, therefore, that the program which I propose needs to be espoused by the democratic, progressive, and non-Communist parties of the American Republics.

Great and fundamental changes are taking place in every part of the world which critically affect the future plans of the hemisphere. The nuclear stalemate between the United States and the Soviet Union has lessened the chances of war but increased competition between the two systems in trade, aid, and culture. Longstanding tensions existing between China and the U.S.S.R. over the leadership of the Communist movement have come out into the open for all to see and have considerably weakened the effectiveness of Communist parties everywhere. Nationalism, a desire for self-determination, is causing many nations now undergoing the process of economic development to seek their own direction outside the shadows of the two power blocs. Western Europe is fully recovered, the European Common Market is a reality and France under General de Gaulle has embarked on an effort to create a third force.

In the Western Hemisphere, the centuries-old lethargy toward social injustice, poverty, feudal land systems, hunger, and disease is giving way to an insistent demand for political and social reform and economic improvement.

The response of the inter-American system to this demand, although at first long delayed, has been by no means ineffective. Within the space of 4 short years, there has been brought into existence a new system of inter-American cooperation for economic and social development—the Act of Bogotá, the Central American Common Market, the Latin American Free Trade Association, the Inter-American Development Bank, and the Alliance for Progress.

Despite criticisms which may be leveled against some aspects of its implementation, the Alliance is already achieving one of its fundamental objectives—to create an awareness throughout the hemisphere that comprehensive and well-planned social policies and reforms are essential to achieve accelerated economic development in a democratic framework. The new atmosphere created by the Alliance appears also to be exercising a major influence on the internal politics of a number of Latin American countries.

Another encouraging step was the establishment, at the Second Annual Meeting of Ministers of the Inter-American Economic and Social Council last November, of an Inter-American Committee on the Alliance for Progress (CIAP) to coordinate and promote the multilateral implementation of the Alliance. The establishment of CIAP represents a development of historic importance to Latin America, similar to the OEEC, which played such an important role under the Marshall plan in the recovery and unification of Western Europe. Indeed, even today, as I speak here, the President of the United States and the Latin American diplomatic community are celebrating the installation of CIAP, and the third anniversary of President John F. Kennedy's first call for the Alliance for Progress at the White House in Washington, D.C.

The great unfulfilled tasks, however, do not permit a pause over what has been achieved. Gains which have been made in Latin America in the formulation of development plans, in economic integration, and in increasing the economic well-being of millions of people, will now have to be followed by further progress in education, health, industrial development, housing, and institutional reforms of all kinds.

The hemisphere must now turn its attention to the future and take the next steps necessary to give new impetus to the gains already made in its economic development.

First, we must accelerate the process of regional economic integration.

The Latin American Free Trade Association and the Central American Common Market are clear evidence that the idea of continentwide economic integration can become a reality in the foreseeable future. In its brief period of existence, LAFTA, which includes 82 percent of Latin America's population and 78 percent of its income, has closely adhered to its schedule of tariff reductions, resulting in a significant increase in intraregional trade: up 37 percent from 1961 to 1962. The Central American Common Market is much smaller than LAFTA—with a population of 12 million as compared to 180 million for LAFTA, and an estimated total GNP of $2.3 billion as compared with an estimated $55 billion for LAFTA. But during its as yet short life, the Central American Common Market has eliminated trade barriers on about half of the trade of member countries, standardized external tariffs on most commodities, launched a regional development bank, set up machinery for resolving disputes arising among its members, and just last month, established machinery for a Central American Monetary Union as a base for eventual monetary unification. As a result of the activities of the CACM the members' trade with each other has increased from 3 percent of their total trade in 1958 to 11 percent in 1962. The members still do well over 70 percent of their trade with Europe and the United States.

Undeniably, many problems remain before the broader aims of Latin American economic integration are fully realized. LAFTA faces important difficulties in negotiating further tariff concessions, in creating a common market in specific complementary industries within the region, in creating an adequate inland and ocean transportation system and in providing adequate financing for its foreign trade. The CACM, in turn, is faced by problems arising from the existing inequalities in the development levels of its member countries and their dependence on primary commodities for the bulk of their export earnings.

The resolution of these problems, in my view, can best be effected within the framework of a genuine Latin American Common Market, within which goods, persons, and capital can move more freely and which would comprise the nine countries of LAFTA, the five-nation CACM as a unit, plus Venezuela, Bolivia, Panama, and certain of the Caribbean countries. With the emergence of a common external tariff and a phased, across-the-board removal of tariffs on intraregional trade, there would emerge in such an arrangement a mass market of 220 million with a combined annual GNP of between $70 and $80 billion, $18 billion in foreign trade, and $2.5 billion in gold and foreign exchange reserves. Such a common market with a unified commercial policy would greatly increase Latin America's leverage with the industrial countries of the West in the field of trade. It would also provide a powerful pull on private capital from the United States, Western Europe, and Japan which is essential for Latin America's rapid industrial development. It would permit the establishment of a rational regional transportation system, in coastal shipping as well as inland road and rail transportation. It could provide a great stimulus to economic growth through the strengthening of competition in the region, and the expansion of additional local manufacturing. Further diversification in production in domestic manufacturers would help to reduce Latin America's dependence on the exportation of primary commodities.

The United States could provide a major impetus to the creation of a Latin American Common Market by offering to LAFTA and CACM a unilateral reduction in U.S. tariffs on simple manufactures and semimanufactures imported from Latin America in exchange for a speedup in the rate of the integration schedules of LAFTA and CACM, and effective safeguards for new foreign investment. The extension of unilateral tariff concessions to developing nations on this basis would be preferable to proposals now being advanced by developing nations which do not provide some reciprocity to the developed nations.

Once such a Latin American Common Market is a reality, the United States and Canada would have to establish a new relationship with it. Such a relationship could take the form of a Western Hemisphere Free Trade Area limited to raw materials. Under this arrangement, the United States, Canada, and the Latin American Common Market would reduce their trade restrictions—both tariffs and import quotas—on raw materials originating in the Western Hemisphere on a phased annual basis until such trade restrictions, say in 10 years, are at zero.

As the Latin American Common Market is more industrialized and is able to compete with the more efficient industries of Western Europe, Japan, and the United States, this limited Western Hemisphere free trade area could be expanded to cover manufactured products; and could develop further by negotiating arrangements with other regional trading groups, such as the European Economic Community. Its existence would also insure that the Latin American Common Market would be outward looking and competitive.

In 10 years time, a common market area of 200 to 300 million people—larger even than our own U.S. common market of 50 States—could be created, justifying the establishment of highly efficient, large scale industries in Latin America.

In proposing the creation of a Western Hemisphere free trade area on raw materials, I am not overlooking the fact that 55 percent of Latin America's exports to the United States already enter the United States duty free and that the forthcoming trade negotiations under the Trade Expansion Act of 1962 may bring additional benefits to Latin America.

For, while it is difficult to estimate with precision the amount of trade that would be generated by eliminating trade barriers on raw materials, a recent study conducted by the Inter-American Research Committee of the National Planning Association suggests that such a move could have a substantial impact on Latin American exports to the United States, which now total $3.4 billion. It was estimated that suspension of U.S. import restrictions on a selected category of Latin American raw materials would increase U.S. imports from Latin America by at least $850 million, and perhaps by as much as $1.7 billion.

Some will protest that such an arrangement would necessitate a departure by the United States from its traditional unconditional most-favored-nation policy. My answer is that GATT has already made a number of exceptions to this principle, notably in the case of the European Economic Community and the European free trade area. I see no reason why GATT should object to a similar exception with respect to the countries of the Western Hemisphere. For the United States, it may be necessary to subordinate the value of continuing the practice of extending U.S. tariff concessions on a nondiscriminatory basis to all countries automatically, to perhaps the greater value of aiding the worldwide movement toward regional economic integration.

Nor am I unaware of the difficulties involved in creating such a Western Hemisphere free trade area, especially in regard to such commodities as sugar, lead, and zinc. But with U.S. cooperation and hemispheric determination, I am confident these problems are not insoluble.

As we examine the future shape of our trade relations, there are problems which can and should be resolved now in our national interest.

The United States should utilize the forthcoming Kennedy round of trade negotiations to facilitate entry for Latin American exports—primary commodities as well as other products—to the European Common Market. There appears to be some disposition along this line by the EEC, notwithstanding its special relations with the associated African States. Also, together with other Americans, I am doing my utmost to minimize to the greatest extent possible the rigors of U.S. import quotas on such products as lead, zinc, and residual fuel oil. I also believe that the United States should support measures like the International Coffee Agreement, designed to stabilize primary commodity prices.

At the same time, all of us must recognize the dangers of inflation—in some places galloping inflation—which nullifies economic gains. The flight of capital and the grave imbalance of the international balance of payments represents major threats to countries subject to these inflationary forces. To deal with this threat every effort ought to be made to modernize antiquated fiscal systems and monetary policies and to organize capital markets and other institutions to mobilize untapped national savings for productive uses. In short, self-help and mutual cooperation must be the rule, even as we develop Western Hemisphere institutions along the lines which I am charting here.

All of this leads me to the second part of the economic proposal I am here advancing—the role of private enterprise in Latin America.

The Latin American nations must find means for improving the climate for private initiative, while at the same time providing for social justice. These ends are not in the least incompatible. But we must recognize that Latin America is trying to achieve in a decade what has taken a century in the United States and is even yet far from perfected there—the operation of private business in the public interest. What is needed is a new spirit both on the part of government and of private enterprise in the achievement of common goals of progress without sacrificing their own self-interest. In many Latin American countries, leadership in developing such a spirit has been demonstrated to a heartening degree.

Latin American development can be based on a strong foundation of successful private enterprise investment. It should be remembered that not only does some 70 percent of all Latin American economic activity originate in the private sector, but contrary to a widespread impression, 90 percent of this private sector is owned by Latin American investors themselves. A developing economic system so intimately tied to private ownership clearly cannot accelerate its forward movement in the face of the erosion of investor confidence—an erosion signaled by a substantial outflow of private Latin American capital over the past few years and the sharp reduction in net U.S. private investment. I am aware of the selective nature of the investment process and of certain bright spots in the picture. However, these positive currents are bucking a great outward tide caused by private decisions which range from expressions of indifference to acts of panic. To reverse the outward tide—and such a reversal is essential—the positive factors must be greatly augmented. Latin American governments can aid immeasurably in restoring investor confidence. The infusion of Western European private and public investment into these contrary streams can also be an important element in reversing the overall capital outflow and in accelerating the momentum of economic growth in Latin America.

The Atlantic Community Development Group for Latin America (ADELA), under the sponsorship originally of the NATO Parliamentarians' Conference and in the United States, of myself and Senator HUBERT HUMPHREY, of Minnesota, was established in order to formulate a means for focusing free world economic strength—i.e., the force of private sector activity—on this problem.

The multinational, multienterprise private investment company now being established to implement the ADELA program, envisages a revitalization of the private enterprise forces in Latin America by enlisting the partnership of North American, European, and Japanese private enterprise strength. In the first instance, this investment company will focus on expanding the sector of medium sized and smaller enterprises in Latin America so that they may serve as the essential base for the larger ventures of national and regional economic development. The talents and the capital of many enterprises of many nations will go into partnership with the Latin American enterpriser, in order to supply him with that measure of financial resources and technical assistance which he needs to participate more fully in the success of the social-economic revolution which is intended to carry Latin America toward a new era of freedom.

The implementation of the ADELA program represents a unique experiment. It recognizes that the governments most directly involved in the Alliance—i.e., the governments of Latin America and the United States—cannot accomplish the job of Latin American economic development alone. It recognizes, above all, that even all of the governments of the free world together are not possessed of the combination of capital, skills, initiative, and knowledge needed for the successful economic development of Latin America and that the role of the private sector is indispensable.

In the ADELA project the private sector of the free world has the opportunity to give concrete evidence of a fact which it has too long claimed to be self-evident. It can show that inherent in the processes of the system of private enterprise, which has brought historically unparalleled wealth to large areas of this globe, are qualities of statesmanship and discipline which can give Latin America an opportunity to attain equality of economic status. Indeed, private enterprise can show that it has the moral qualities needed for its own survival, in those areas now threatened from the outside by a system which cannot abide individual initiative, which cannot tolerate private ownership of anything and which affords no person credit. Above all, the leaders of private enterprise can display a political awareness of the shape of the future. Thus, the successful realization of this private enterprise action program in the ADELA investment company can be a turning point in the history of Latin America.

In the ADELA project private enterprises are seeking to turn their capital, manpower, and techniques to the creation of economic and social conditions which will assure the viability of the system upon which their own existence depends—not only today or tomorrow, but far into the future. If the peoples in this great Western Hemisphere can be shown that relative freedom from poverty can be achieved by means compatible with individual political freedom, they will decisively choose such means. This is the challenge which the private sector of our economies is uniquely fitted to meet.

I said earlier that the economic program I have outlined here should be espoused by the democratic, progressive and non-Communist parties of the American Republics. I believe the economic and social development of Latin America can be enormously forwarded through the work of political parties which possess the will to express a real evangelism for freedom and free institutions—an evangelism which can be communicated directly to the people in meaningful terms. In short, the Western Hemisphere needs to develop a flaming morale conducive to values which freedom and private enterprise can foster. And this spirit can be created by an identification of the mutuality of interest in each country of all peoples in the Western Hemisphere who are fighting for these values on the basis of democratic political organization, our common Judeo-Christian ethic and progressive economic principles.

One way to do this has been suggested by your compatriot and scholar, Felipe Herrera, president of the Inter-American Bank, who has proposed a Latin American assembly with functional participation by capital, labor, and the universities, with a cooperative working arrangement with delegates of the U.S. Congress. Call it, if you will, "The Parliament of the Hemisphere."

Whatever steps we take to develop greater hemispheric unity would advance in our time the dream of Simon Bolivar when he envisioned consolidating Latin America into a single nation, united by pacts into a single bond.

"The time has now arrived," said Bolivar 140 years ago, "when the interests and associations which unite the American Republics should secure a firm foundation."

It is a fitting note on which to sum up and to dedicate ourselves to this high purpose—as valid today as it was then—and at least as urgent.

POLITICAL ACTION VITAL FOR LATIN AMERICAN INTEGRATION

(NOTE.—The following are the remarks of Senator JACOB K. JAVITS prepared for delivery before the American Chamber of Commerce of Mexico, University Club, Mexico City, 1 p.m., April 5, 1965, and released in Washington and Mexico City.)

It has been more than 3 years since the signatories of the Declaration of Punta del Este agreed to accelerate the integration of Latin America so as to stimulate economic and social development in the continent.

In these years we have witnessed substantial gains in the economic integration of Latin America. We have seen both the Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM) make substantial cuts in tariffs, and intraregional trade has increased.

Despite these accomplishments, despite these gains, true economic integration and the harmonization of economic policies has not been achieved, particularly in LAFTA. In short, reality has not been able to match the plan of Punta del Este; actions have not yet been able to fulfill the manifest destiny of Latin America—a continental economic union, cemented by mutual interest, and designed to allow the peoples of Latin America to realize the potential of their resources, natural and human.

It is evident that this destiny of true economic integration of the Americas can be realized only through full political commitment to it at the highest levels and with the strong support of democratic political parties, trade unions, men of influence in all walks of life and the peoples concerned. Even though the Inter-American Committee on the Alliance for Progress (CIAP), ministerial groups, experts and private enterprise hemispherewide organizations such as the Inter-American Council for Commerce and Production (CICYP) fully realize this need, such commitment has not been made evident today to any appreciable degree.

Unless widespread political support develops the great gains of LAFTA, CACM, and the Alliance for Progress could be dissipated with the most damaging consequences to the future of freedom and well-being in the hemisphere.

I invite today, therefore, leaders of democratic political parties and trade unions of the Americas—which excludes the extremist right and the Communist left—and Latin American personalities devoted to the cause of democratic reform and unity to join me in the establishment of an Action Committee for an Economic Union of the Americas.

This Committee should dedicate its heart and soul and its influence to bringing about a true continental economic union by rallying strong political support behind the idea of a treaty for a Latin American Common Market, composed of all the nations of Latin America, to be followed, in due course, as the Latin American members agree, by a treaty for a Western Hemisphere Free Trade Area, including the United States and Canada.

To those who would dismiss this call as being unrealistic—or at least premature—let me refer you to the comment that was the fashion in the capitals of Europe on the future of Western European economic integration in the early 1950's: "A Common Market of all Europe is a wonderful idea, and it may even happen someday, but how can anybody expect it to succeed when the nations of Europe have been rivals for centuries?"

Who indeed, would have thought that in the next decade, a European Common Market would become one of the most powerful economic forces in the world? Who, indeed, but Jean Monnet and his Action Committee for the United States of Europe. The committee I propose today, like Monnet's group, would derive its strength from a membership agreed on the necessity of achieving the goal of a continental economic union, and committed to influence their respective parliaments, trade unions, and public opinion in general, to realize that goal.

The problem of political leadership in Latin American economic and political unification is becoming clearer daily to the governments and people of the hemisphere. What is needed now is a final well-organized drive to overcome that inertia and that provincial view of nationalism which separates the hemisphere from the realization of these goals.

The experience of the Monnet group in Europe can teach us much about how such goals can be realistically achieved.

Monnet's group came into existence in late 1955 following the Messina Conference of the Foreign Ministers of the Six Counties of the European Coal and Steel Community, which recommended the initiation of "a Common European Market, free from all customs duties and all quantitative restrictions" on the basis of "appropriate institutional means for the realization and operation" of enlarged economic organisms. The Ministers created an intergovernmental committee under Paul Henri Spaak to draft the relevant treaties or arrangements.

As in the case of Latin America today, the European integration movement was well underway at this time and had succeeded in the creation of the European Coal and Steel Community. LAFTA, the Central American Common Market, CIAP, and the Inter-American Bank represent the victories so far of the economic integration movement in the hemisphere.

But the parallels between Europe in the early 1950's and Latin America today do not stop here. Monnet and his group realized that there was a lack of organized, Europe-wide political support to insure that governments would implement the recommendations of the Spaak Committee.

Similarly, more and more dissatisfaction is being heard today over the lack of political support for the meaningful economic integration of Latin America. There has not been an important inter-American conference during the past several months which did not recommend in one form or another a means to remedy this lack. What has been absent, however, is a focal point—a central group—that could give direction and purpose to the diverse groups working toward the same goal.

Similar ferment in Europe—a similar feeling that not enough was being done—brought about the creation of Monnet's Action Committee in late 1955. It brought together a coalition of divergent forces which were agreed on one point, the important one—the need for European unification. It created conditions which made certain that any draft treaty put together by the Spaak Committee would fall on the ears of receptive parliamentary and public opinion. Its members were party and union leaders of the democratic left who were agreed on the principle of economic integration and who were prepared to build up the necessary political support to make this goal realizable, without further delay. Largely through the work of this group, the Spaak Committee's draft treaty establishing the European Economic Community and the European Atomic Energy Community was approved in Rome by the foreign ministers of the six nations joined in the European Coal and Steel Community.

It is my belief that a similar action committee in Latin America in 1965 can have the same effect as Monnet's European group in 1955. Certainly there are many divergent forces in Latin America. But there is ample evidence that there is one central idea which is gaining credence in all sections of the hemisphere—the need for Latin American economic unity.

This is true because many Latin American economic and political leaders are now becoming aware that the process of Latin American economic integration is not proceeding fast enough and many basic problems remain. For example:

1. Seventy-five percent of Latin America's foreign exchange income is still generated through exports of oil, coffee, meat, cotton, copper, sugar, wool, iron ore, and bananas.

2. Developed countries—especially in Europe but including the United States—continue to impose restrictive measures on Latin American exports such as coffee, lead, zinc, and oil—a situation which has been condoned by Latin American exporters desiring the benefits of selling in protected, high-price markets.

3. Wide disparities remain between the development of economic sectors within individual countries as well as between the levels of development of individual countries of Latin America—per capita annual income ranges between $1,120 in Venezuela to less than $100 in Bolivia.

4. Development planning often takes place without the full participation of the private sector.

5. The heavy external debt burden of many Latin American countries impedes their economic development efforts.

6. Intra-LAFTA trade still constitutes only 8 or 9 percent of the LAFTA countries' total trade. Intra-CACM trade accounts for only 13 percent of that region's total trade.

7. Tariff cutting procedure in LAFTA is permissive rather than automatic or across-the-board, which allows member countries to protect indefinitely against effective competition the most sensitive areas of their economies.

8. Industrial integration among countries is still only in the talking stage.

9. Real monetary and fiscal stability is still lacking in many of the member countries of LAFTA.

10. Expansion of intra-LAFTA trade in manufactured goods has been quite limited due to the reluctance of the more advanced member countries to reduce their high tariffs on such goods because of a fear of exposing their heavily subsidized industries to competition from abroad.

It is becoming more evident each day that the resolution of Latin America's economic problems can best be effected within the framework of a genuine Latin American Common Market, within which goods, persons, and capital can move more freely. With the emergence of a common external tariff and a phased, across-the-board reduction of tariffs on intraregional trade, there would emerge in such an arrangement a mass market of 220 million people with a combined annual gross national product of between $70 and $80 billion, $18 billion of foreign trade, and $2.5 billion in gold and foreign exchange reserves.

Such a common market with a unified commercial policy would greatly increase Latin America's leverage with the industrial countries of Western Europe, North America and Japan in the field of trade. It would also provide a powerful pull on private capital from the United States, Western Europe and Japan which is essential for Latin America's more rapid industrial development. It would permit the establishment of a rational, regional transportation system, in coastal shipping as well as inland road and rail transportation. It could provide a great stimulus to economic growth through the strengthening of competition in the region, and the expansion of additional local manufactures. Further diversification in production of domestic manufactures would help to reduce Latin America's dependence on the exportation of primary commodities.

At the same time, the process of establishing a Latin American Common Market can receive great impetus from the industrially advanced nations of the world. These nations under the leadership of the United States, have already recognized the importance of trade to developing nations and the need to take urgent action to improve their terms of trade. In a statement of May 1963, the Ministers of the Contracting Parties of GATT agreed that in the forthcoming GATT negotiations every effort would be made to reduce barriers to the exports of developing countries and that the more advanced industrialized countries would not expect to receive reciprocity from the developing nations.

I strongly believe that in line with the May 1963 GATT ministerial declaration the United States could now call on the industrialized nations of GATT to extend preferential treatment to specified American exports. The United States itself could take the lead by taking such a step, provided that the other GATT nations involved follow suit and that Latin American nations agree to accelerate the process of Latin American economic integration in a competitive atmosphere. Low-cost efficient modern industries, established in regions which offer the best combination of accessibility to markets, resources and trained manpower and ready to face competition from abroad, are the best assurance that competitive conditions would prevail during this process.

Once such a Latin American common market is a reality, and in agreement with its member countries, the United States and Canada could effectively establish a new economic relationship with it. Such a relationship could take the form of a Western Hemisphere free trade area—but limited at first to raw materials. Under this arrangement, the United States, Canada, and the Latin American common market would reduce their trade restrictions—both tariffs and import quotas—on raw materials originating in the Western Hemisphere on a phased annual basis until such trade restrictions, say in 10 years, were at zero.

As the Latin American common market becomes more industrialized and is able to compete with the more efficient industries of Western Europe, Japan, and the United States, this limited Western Hemisphere free trade area could be expanded to cover specified manufactures and semimanufactures and could develop further by negotiating arrangements with other regional trading groups, such as the European Economic Community. Its existence would also insure that the Latin American common market would be outward looking, and competitive.

If such an economic union is to succeed, however, Latin American nations must improve the climate for private initiative, while at the same time providing for social justice. These ends are not in the least incompatible. But we must recognize that Latin America would be trying to achieve in a decade what we in the United States, after a century of trying, have not perfected—the operation of private business in the public interest. What is needed is a new spirit both on the part of government and of private enterprise in the achievement of common goals of progress without sacrificing their own self-interest. In many Latin American countries, leadership in developing such a spirit has been demonstrated to a heartening degree.

Proof that businessmen of the hemisphere are becoming more and more conscious of their responsibility to play a major part in solving the profound problems facing Latin America was evidenced in the meeting last month of the Executive Committee of the Inter-American Council of Production and Commerce (CICYP). The Committee decided to form a committee to represent private enterprise before LAFTA and to send a delegation to the upcoming LAFTA Foreign Ministers' Conference as well as to promote a multilateral system of investment guarantees for private capital in Latin America and to undertake a number of measures to expand Latin American export possibilities in cooperation with the Inter-American Committee for the Alliance for Progress.

This proof is also provided in the formation of the multinational, multiprivate enterprise investment company last September to implement the Atlantic Community Development Group for Latin America (ADELA), which I had the honor to initiate. ADELA is designed to revitalize private enterprise in Latin America by bringing the capital and the talents of many enterprises in many nations into a partnership with Latin American business.

The implementation of ADELA represents a unique experiment. It recognizes that even all the governments of the free world together are not possessed of the combination of capital, skills, initiative and knowledge needed for the successful economic development of Latin America without the indispensable aid of the private sector.

Latin America has the resources and I believe many of its political and business and trade union leaders now have demonstrated their desire to bring about an economic union which will benefit all the peoples of the continent. It is my hope that an Action Committee for the Economic Union of the Americas will now be formed to translate these resources and these desires into organized action to make Latin America the great, independent free world economic force it has every right to be.

Mr. JAVITS. I hope very much that our Joint Economic Committee may get at this subject promptly. As the ranking minority member of the subcommittee, I shall request the chairman of our subcommittee concerned to go forward with the hearings, which are so portentous and important at the present time.

RECESS

Mr. BASS. Mr. President, I ask unanimous consent that the Senate now stand in recess until 2 o'clock p.m.

The PRESIDING OFFICER. Is there objection?

There being no objection, at 1 o'clock and 1 minute p.m., the Senate took a recess until 2 o'clock p.m.

At 2 o'clock p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. BURDICK in the chair.)

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MILLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAPITULATION IN THE UNITED NATIONS

Mr. MILLER. Mr. President, the front page story in today's Washington Evening Star covers action by the United States which can only be described as capitulation in the United Nations. Ambassador Arthur Goldberg, acting, of course, on instructions from the White House, announced that the United States will not seek to enforce article 19 of the Charter of the United Nations.

What apparently has happened is that a majority of the members of the United Nations could not be enlisted to join together to vote to uphold article 19. Thus, a basic provision of the charter has been tossed into the wastebasket, and the United States has capitulated to this action. Such an attitude is a terrible setback for the rule of law movement, which many people believe is the answer to world peace. It places the United Nations in the position of standing for expediency over principle. Those who have looked to the United Nations as the best avenue to world peace through law are shocked over this development; for it now serves as clear evidence that a majority of the members of the United Nations will not live up to their treaty obligations under the U.N. Charter. Worst of all, the United States, which is supposed to be the leader of the free world, has sold out its principles in favor of a so-called consensus that principles of the charter are not to be enforced.

The Soviet Union has won another victory for communism—a victory which will have repercussions around the world. The Soviet Union steadfastly maintained that it would remain in violation of the Charter of the United Nations, and a majority of the members, including the United States, have backed down. This is an open invitation to any other member, and particularly to the Communist nations, to violate any other article of the charter with impunity. Communist leaders are now encouraged to think that when the going gets really tough, the United States will forsake its lofty principles and capitulate. This is a dreadful development in view of all of the talk about negotiations over the war in Vietnam.

The administration had its chance to avoid this awful situation. The article in the Star states that the practical alternative, it was generally believed, was to be beaten on the floor of the U.N. Assembly next month. The article did not say so, but the reason for this prospect is that over half of the members of the United Nations are themselves delinquent in their dues or assessments.

What was needed was a mechanism which would persuade the member nations to pay up their dues and assessments. And that mechanism was offered by my amendment to the foreign aid bill earlier this year. It was offered on August 18, 1961; on April 5, 1962; on November 12, 1963; and again on August 10, 1964. Each time this amendment was defeated—largely due to opposition from the administration and its leadership in the Senate. The amendment would have withheld our foreign aid from those nations over 1 year in arrears in their dues and assessments to the United Nations, with reasonable exceptions to be made by the President of the United States based on certain required findings by him and reported to the Congress.

I offered this amendment, time after time, because I foresaw what kind of a situation could develop if the recipients of our foreign aid failed to pay their dues and assessments. We would end up with exactly what we have today—a majority of the members of the United Nations delinquent. And on a vote to uphold article 19, who would expect this majority to vote for its enforcement? On the other hand, with the adoption of my amendment, we could expect that the recipients of our foreign aid would quickly pay up their delinquencies in order to avoid the loss of our aid. They would then be in a good position to vote to enforce article 19. In fact, with the great majority of the members of the United Nations current in their payment of dues and assessments, it is entirely possible that the Soviet Union would have backed down from its position of refusal to pay.

Some of my colleagues may wring their hands over this latest development. If they were among those who supported my amendment, they are in a consistent position to decry this development. If they voted against my amendment, they have only themselves to blame for following the administration's stubborn and superficial opposition to the amendment.

On February 9 of this year, I said—page 2323 of the RECORD:

> I hope that we will have the courage of our convictions and will stick to our demand for the enforcement of this article. As our Ambassador to the United Nations, Hon. Adlai Stevenson, said on January 26: "We cannot have two rules for paying assessments for the expenses of the organization—one rule for most of the members, and another for a few. If the Assembly should ignore the charter with respect to some of its members, it will be in no position to enforce the charter impartially as to the others, with all the consequences which will follow with respect to the mandatory or voluntary character of assessments."

The late Ambassador Stevenson knew what he was talking about. It is too bad that, so soon after his untimely death, his counsel has been replaced by capitulation to consensus.

I ask unanimous consent that the article from the Washington Evening Star be printed in the RECORD, along with an extract from my newsletter No. 65-3, issued over 2 months ago, entitled "Capitulation in the United Nations," and a table showing the list of nations receiving our foreign aid which would have been affected by my amendment, showing the total foreign aid extended by the United States to them during fiscal year 1964, and, as of March 31 of this year, the amount of their arrearages over 1 year delinquent and also the total amount of all of their arrearages.

There being no objection the article, excerpt, and table were ordered to be printed in the RECORD, as follows:

UNITED STATES ENDS FIGHT TO FORCE ALL TO PAY U.N. DUES—GOLDBERG MAKES ANNOUNCEMENT IN FIRST APPEARANCE

(By William R. Frye)

UNITED NATIONS, N.Y.—The United States has reluctantly stepped aside and let the United Nations General Assembly abandon its power of compulsory taxation to keep the peace.

At the same time, Washington has pointed out that if the U.N. cannot, or will not, force Russia to pay what she owes, it cannot force the United States to do so either—if the United States should ever decide to balk.

This, observers here agree, is the net impact of an announcement yesterday by U.S. Delegate Arthur J. Goldberg that Washington now is ready to let Russia and other U.N. debtors vote without paying their due arrears.

The announcement was made to a 33-nation U.N. Finance Committee in Goldberg's first formal U.N. appearance as successor to the late Adlai E. Stevenson.

ACTION RELUCTANT

Goldberg threw in the towel with obvious reluctance and regret on the issue over which the United States has fought intermittently since 1957. He pointed out—some thought bitterly—that the majority, in refusing to enforce the U.N. Charter:

1. Was not "furthering" the rule of law in the world.

2. Was going back on an opinion of the World Court which the General Assembly had formally accepted. The Court ruled in 1962 that peacekeeping dues had to be paid like any other kind, or the debtor would lose his vote.

3. Was undercutting "important prerogatives" of the veto-free Assembly. This was obviously a reference to compulsory tax power.

All the vital principles of law which the United States has urged in the past remain valid, Goldberg said. But if the U.N. does not choose to enforce them "in the present situation," the United States "will not seek to frustrate that consensus."

ENDS IMMOBILIZATION

The overriding reason for this decision, he said, is that "it is not in the world interest to have the work of the General Assembly immobilized in these troubled days."

Since January 1964, the Assembly, which normally acts by two-thirds majority, has been paralyzed by inability to vote on controversial issues. It could act only by unanimous consent. Any rollcall would have precipitated the question of who was qualified to take part, and a majority did not wish to decide that question.

Whether Russia, France, and the 10 other countries which owe a total of some $108 million for Congo and Mideast peace actions will make "voluntary" contributions, now they have in effect won their legal case, remains to be seen. The general expectation is that most will.

Soviet Delegate Platon D. Morozov said, however, that Russia would make a "substantial voluntary contribution" if—and only if—it were clearly understood the U.N. Assembly's power of compulsory taxation was being abandoned permanently, not just set aside in the present instance.

Few observers think this power, once abandoned, will ever in fact be recovered. But it was obvious from Goldberg's speech that the United States does not wish to say so. Thus, the makings of a new Soviet-American deadlock seemed at hand.

Goldberg's contention that it remains illegal to withhold dues payments seemed to some diplomats to conflict with his statement that the United States might one day withhold its own dues. However, he argued that "there can be no double standard" in enforcement of the U.N. law.

This option to withhold payment of American dues assessments was read into the record, observers believed, primarily to satisfy U.N. critics on Capitol Hill who have deplored the U.N. tax power, fearing it might one day be used against the U.S. interests.

The hope is that, by this tactic, an explosion of bitterness over Russia's victory can be avoided. Both pro-U.N. and anti-U.N. legislators have long urged the administration to fight for payment of Russia's dues.

Of late, however, it had been widely accepted that the fight was hopeless. Most of Capitol Hill seemed ready to let the President abandon it.

The practical alternative, it was generally believed, was to be beaten on the floor of the U.N. Assembly next month.

Monday's surrender in less conspicuous circumstances was settled upon as a way to escape with minimum loss of face.

CAPITULATION IN THE UNITED NATIONS

Although I have been supporting the administration's policy of firmness in dealing with Communist aggression in South Vietnam, I have warned that this policy, to be effective, must be matched by firmness in other international relations. Efforts to persuade the leaders in Hanoi to cease and desist from aggression will be undercut if they get the idea that the leadership in this country probably will back down eventually. Basically it's a test of strength between two ideologies, and we can be sure that the leaders of other nations are measuring our character by what happens in other places besides South Vietnam.

Probably the worst damage in a long time to our reputation for steadfastness in standing for principle recently occurred in the United Nations—the worst, at least, since the administration backed down from the agreement by the Soviet Union to have onsite inspection in Cuba by United Nations representatives.

What happened was a change from our firm policy of insisting on adherence to article 19 of the Charter of the United Nations to a policy of accommodation with the Soviet Union's flagrant violation of article 19. The change came in a statement by U.S. Ambassador to the U.N., Adlai Stevenson, before a Special Committee on Peacekeeping Operations, that the United States would consider and negotiate "procedural modifications" of article 19 "if the members of the U.N. think it desirable to take into account any strong political objections to peacekeeping operations on the part of a permanent member of the Security Council." In fairness to Mr. Stevenson, one should realize that such a statement would have been cleared with, if not directed from, Washington.

Last fall Ambassador Stevenson, speaking for the administration, said that we would insist that the Soviet Union not be permitted to vote in the General Assembly. This was in line with article 19, which provides for loss of vote when a member nation is more than 2 years in arrears in its payment of dues and assessments, as interpreted by the International Court of Justice. (Actually there are 12 member nations over 2 years in arrears, including France, but the biggest delinquent by far is the Soviet Union, which has threatened to pull out of the United Nations if article 19 is enforced.) It was rumored that the Secretary General would not rule on the point if raised by the United States, but would refer it to the membership of the General Assembly for a vote. And with 71 of the 114 members delinquent a total of $132 million in their dues and assessments to some extent (51 of them to which we extended foreign aid last year were more than 1 year behind), one might well wonder how the vote would come out. A motion to adjourn the Assembly was made on February 18 and, in order to permit adjournment, the United States allowed the Soviet Union to vote on a parliamentary question raised by Albania without making a point that under article 19 she had lost her vote.

Last August the House (351 to 0) and the Senate (voice vote) adopted a resolution, endorsed by the State Department, urging that financially delinquent members be subjected to loss of vote under article 19. Now we learn that the State Department has donated $60 million to the U.N. Special Fund from which the United Nations is borrowing the money to meet its current bills. (It is around $300 million in debt now.) With the lack of a sense of financial responsibility of so many of its members, compounded by the capitulation of the United States to the Soviet Union in its flaunting of the U.N. Charter, the future of the organization is in serious jeopardy.

I have been warning of financial disaster in the U.N. ever since I came to the Senate, and each year I have offered an amendment to the foreign aid bill providing that no foreign aid will be extended to any nation more than 1 year behind in its dues and assessments to the U.N. except in very special cases determined by the President. Each time the State Department and administration leaders in the Senate have opposed the amendment on the frivolous argument that we are not supposed to be collectors for the U.N. I intend to keep working for such an amendment.

Countries which would be affected by Miller amendment

Country	Total U.S. Aid fiscal year 1964	U.N. arrearages, calendar year 1963 and prior	U.N. arrearages for all years
Afghanistan	$43,600,000	$66,228.00	$74,750.31
Argentina	14,800,000	670,822.15	1,750,573.15
Belgium	[1] 41,400,000	3,092,143.00	3,253,651.00
Bolivia	80,700,000	56,070.00	94,097.00
Brazil	401,500,000	930,749.50	1,954,266.00
Central Africa Republic	1,100,000	3,240.00	8,845.00
Chile	142,900,000	342,116.00	593,496.00
China	183,800,000	6,218,493.00	10,733,165.00
Congo (Brazzaville)	2,900,000	8,845.00	48,594.00
Costa Rica	16,400,000	18,950,59	41,965.71
Dahomey	1,200,000	3,644,81	34,225.57
Dominican Republic	16,600,000	67,724.02	116,684.01
Ecuador	30,800,000	6,855.84	55,638.72
El Salvador	15,900,000	15,203.00	22,018.00
Ethiopia	19,200,000	11,059.00	19,578.00
France	32,300,000	16,143,083.00	17,752,565.00
Guatemala	15,500,000	12,090.00	49,627.00
Guinea	19,800,000	17,064.00	23,879.00
Haiti	3,700,000	49,400.50	87,985.50
Iraq	24,600,000	96,502.00	184,179.00
Jordan	58,800,000	76,617.00	83,432.00
Lebanon	200,000	23,434.00	31,953.00
Mali	3,300,000	20,910.00	24,259.00
Mauritania	800,000	17,318.00	40,262.55
Mexico	108,700,000	1,228,888.00	1,354,965.00
Nepal	6,400,000	8,845.00	48,593.77
Nicaragua	8,100,000	44,539.00	84,133.00
Niger	2,400,000	29,214.50	38,470.50
Panama	18,200,000	37,279.50	37,279.50
Paraguay	9,500,000	55,410.00	95,159.00
Peru	120,100,000	158,577.78	175,614.78
Poland	15,000,000	3,665,051.00	4,322,387.50
Portugal	17,200,000	188,277.00	221,105.00
Saudi Arabia	(2)	122,885.00	134,811.00
Senegal	6,200,000	30,014.00	79,699.00
Somalia	4,100,000	28,583.32	68,332.32
Spain	81,600,000	1,828,833.00	1,975,356.00
Sudan	7,500,000	75,067.00	144,625.00
Syria	3,400,000	51,681.00	101,366.00
Thailand	81,600,000	12,962.00	35,384.00
Togo	1,700,000	29,214.50	41,625.50
United Arab Republic	144,500,000	326,300.00	374,322.52
Upper Volta	900,000	21,797.00	54,365.14
Uruguay	9,000,000	136,052.44	240,446.44
Yemen	5,700,000	87,380.50	127,129.50
Yugoslavia	75,600,000	301,453.00	333,269.00
Total	1,807,800,000	36,536,866.95	

[1] Includes Luxembourg.

[2] Military data classified.

Sources: U.N. Secretariat, statement on the collection of contributions as at Mar. 31, 1965, U.S. overseas loans and grants, fiscal year 1964, AID, Sept. 4, 1964.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

The Senate resumed the consideration of the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 210 Leg.]

Aiken
Allott
Anderson
Bartlett
Bass
Bayh
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, W. Va.
Cannon
Carlson
Case
Cooper
Cotton
Curtis
Dirksen
Dominick
Douglas
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy, Mass.
Kennedy, N.Y.
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McClellan
McGovern
McIntyre
McNamara
Metcalf
Miller
Mondale
Monroney
Montoya
Morse
Morton
Moss
Mundt
Murphy
Muskie
Nelson
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smathers
Smith
Stennis
Symington
Talmadge
Thurmond
Tower
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. MCGEE] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

The PRESIDING OFFICER (Mr. BURDICK in the chair). A quorum is present.

The committee amendment is open to amendment.

AMENDMENT NO. 389

Mr. DOMINICK. Mr. President, I call up my amendment No. 389.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The legislative clerk proceeded to read the amendment.

Mr. DOMINICK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendments (No. 389) are as follows:

On page 28, line 24, strike out "$535,000,000" and insert in lieu thereof "$412,500,000".

On page 29, line 10, strike out "$880,000,000" and insert in lieu thereof "$490,000,000".

On page 29, line 23, strike out "$55,000,000" and insert in lieu thereof "$35,000,000".

On page 30, line 22, strike out "$30,000,000" and insert in lieu thereof "$10,000,000".

Mr. DOMINICK. Mr. President, if my colleagues will remain in the Chamber, I shall not be very long in the discussion of this amendment. I think I can explain it adequately in a short time.

Last year's authorization, in terms of round numbers, was $947½ million. Last year's appropriation, in terms of round numbers, was $793 million.

The proposed bill authorizes $1,650 million, as reported by the committee.

My amendment would cut this amount back to last year's authorization of $947½ million, plus $150 million added on by the Nelson amendment. So it comes to a little over $1 billion.

My amendment, if adopted, would increase the amount spent last year by about 38 percent, which, at a time when a program is under sharp attack by Members of both political parties because of the problems being encountered in setting up an administration which will make it work efficiently would be an entirely adequate increase.

My amendment would reduce the amount authorized to be appropriated to that set by last year's legislation, except for an increase of $150 million, to allow for the funding of the program suggested by the Senator from Wisconsin [Mr. NELSON].

Some of us may not be in agreement with the amendment of the Senator from Wisconsin. In effect, it adds a public works type program by providing $150 million for the employment in parks and gardens of those who are, generally speaking, on the unemployment list and who are having difficulty finding jobs. It provides that they can be moved from one area to another for this purpose.

I am not going to argue the merits of that amendment. I am accepting it and adding in that amount of money for this purpose, even if I may not agree with it.

One of the complaints we have is that the bill would increase by 3 times the amount of administrative expenses. The bill, if enacted, would expand administrative expenses from $10 million to $30 million.

One of the problems about which we have had complaints from all over the country is as to whether or not most, or at least a great deal, of the money is going to top level supervisors, to the brass hats of the program. It seems to me we should cut that back and reduce it to the previous year's authorization of $10 million.

I think we should keep in mind that this program has been operating for less than a year, and we have already gotten into positions that seemed inconceivable to us when the program was originally adopted. So it seems to me that when we are considering expanding the program, there is no need for doubling the amount that was actually spent last year in the administration and conduct of the program.

At this point, I should like to cite, for the benefit of my colleagues who are present some of the examples which were given in a recent issue of U.S. News & World Report, a carefully documented article. I am reading from the recent issue of August 23, 1965. For the RECORD, and for the benefit of my colleagues, at least those who are interested in listening, this will provide some valuable information on this subject. The article begins:

> Is the so-called war on poverty getting out of hand?
>
> Around the country, more and more people are asserting that it is. The White House is concerned about the swelling volume of criticism.
>
> Complaints are heard in growing numbers—charges of administrative chaos, bureaucatic bungling, waste, extravagance, costly duplication of existing services, internal squabbling.
>
> Cases of serious crime, violence and racial friction involving youths enrolled in Job Corps camps appear to be on the rise.
>
> Much criticism is being directed at R. Sargent Shriver, Jr., boss of the poverty war. Mr. Shriver, a brother-in-law of the late President Kennedy, heads both the Office of Economic Opportunity—the antipoverty high command—and the Peace Corps.
>
> A Congressman described Mr. Shriver's poverty-war headquarters as "an administrative shambles * * * nobody in that office seems to know who is responsible for what."

This is not merely a criticism originating in Washington. It is also not a partisan criticism.

Let me give some examples of some experiences had with Job Corps trainees. This is one which was reported in the article. It states:

> Five Negro youths from the Camp Gary Job Corps training center at San Marcos, Tex., were arrested in connection with an attempted robbery and the shooting of two U.S. Air Force military policemen at San Antonio.
>
> One of the wounded airmen may be permanently blinded. The other was shot in the stomach and hand. The airmen are white.

In connection with that story, Senators should keep in mind that these Job Corps trainees are, in many cases, being paid more than twice as much as our enlisted servicemen who are defending their country in Vietnam.

Let me also remind the Senate that under the bill it is proposed to appropriate the taxpayers' money to pay lawyers to defend the trainees. No one else in the country receives that kind of treatment. We have to pay for it ourselves or the court will appoint a lawyer for us, but no money is appropriated out of a special fund to help us defray that kind of expense. The trainees are being paid $200 a month for the privilege of learning and getting a job, and then they go out and commit felonies.

I believe that there is absolutely no excuse for going ahead and increasing the size of this program until some of these problems have been straightened out.

Here is another one:

> Two dropouts from the Job Corps were arrested on burglary charges near Cotulla, Tex.

Here is another one:

> A newspaper in Columbus, Ind., reported that youths from Camp Atterbury had attempted to buy guns while on leave from the camp.

I gave other examples in my speech of yesterday. There are more examples in the minority views that are before each Senator; but let me go on a little further, if I may.

Here is an interesting fact, which few know, regarding the procedures of the Job Corps which has drawn such widespread criticism:

> Recruiting procedure for the Job Corps has drawn widespread criticism.
>
> The Government, besides using the U.S. Employment Service, pays some private employment agencies $80 for every youth accepted as a trainee.

In other words, the Government, with taxpayers' funds, is paying a private employment agency $80 to bring a trainee into the Job Corps.

I suggest that this is an odd way to try to conduct a Government program.

Continuing reading:

> One charge made is that some agencies, in order to collect as many $80 fees as possible often conceal from Government "screeners" the fact that some applicants have criminal records.

In case after case after case has come up, the trainees who have been in the camps and who are not supposed to have any criminal records at all are, nevertheless, found to have them and to be in violation of that requirement.

Yesterday I mentioned the St. Petersburg, Fla., camp for girls. I should like to read a little more about this example, which comes from the magazine article:

> The antipoverty program is paying $225,000 to rent the hotel for 18 months. The market value of the property has been estimated at $150,000 to $200,000.

Thus, what the Government will be paying to the hotel operators in a year and a half will be more than the total market valuation of the property. This, it seems to me, is an odd way to try to operate a Government program; yet, we are being asked to more than double the amount to be spent.

This is what the Denver Post had to say in an open letter written to Sargent Shriver on July 20th:

> DEAR SARGENT SHRIVER: For nearly 6 months, Denver has been trying to get your poverty agency to approve a plan for a neighborhood health center—

This is for a neighborhood health center, let me emphasize—

> to help people in slum areas in this city overcome some of the health problems that keep them poor.
>
> For everyone involved in this effort, the experience of dealing with your agency has had a nightmarish quality about it and the kind of maddening frustrations appropriate for a novel by Kafka.
>
> As you know, the frustration became so intense last spring that Denver's Mayor Currigan felt obligated to complain about it to the Vice President of the United States and threatened to keep Denver out of the program altogether.

Mayor Currigan is a Democrat, and he is doing his best to try to operate the city in the reasonable manner.

> Poverty officials in Denver complain that a long series of vague and sometimes contradictory messages from Washington left them thoroughly confused about what your agency wanted.
>
> At one point, they say, they were told that the proposal was about to be approved; later, that it would need only minor revisions; still later, that it would have to be revised entirely.

Mr. DIRKSEN. Mr. President, will the Senator from Colorado yield?

The PRESIDING OFFICER (Mr. BASS in the chair). Does the Senator from Colorado yield to the Senator from Illinois?

Mr. DOMINICK. I yield.

Mr. DIRKSEN. Does not the Senator wish to ask for the yeas and nays on his amendment, and should we not ask for them now?

Mr. DOMINICK. Yes.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. I thank the Senator from Colorado.

Mr. DOMINICK. Mr. President, the open letter continues as follows:

> What do you want from us, Mr Shriver? What can you accomplish with all this delay except to keep these extra health services from the poor of Denver and disillusion the people of this city with the war on poverty?
>
> This newspaper has supported the poverty program from the beginning, and we would like to go on supporting it. But the example we have had so far of redtape and delay is

enough to sour anyone on the whole program.

Mr. President, I ask unanimous consent to have this entire article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

POVERTY WAR OUT OF HAND?

(Note.—Scandals, confusion, redtape, bureaucratic infighting—those are examples of the troubles that are hounding the war on poverty in city after city around the country. Complaints are made that agencies are overstaffed, Federal funds being wasted, that the poor are on the short end of benefits. A sampling of local reports provides a national cross section of what's going on.)

Is the so-called war on poverty getting out of hand?

Around the country, more and more people are asserting that it is. The White House is concerned about the swelling volume of criticism.

Complaints are heard in growing numbers—charges of administrative chaos, bureaucratic bungling, waste, extravagance, costly duplication of existing services, internal squabbling.

Cases of serious crime, violence, and racial friction involving youths enrolled in Job Corps camps appear to be on the rise.

Much criticism is being directed at R. Sargent Shriver, Jr., boss of the poverty war. Mr. Shriver, a brother-in-law of the late President Kennedy, heads both the Office of Economic Opportunity—the antipoverty high command—and the Peace Corps.

A Congressman described Mr. Shriver's poverty war headquarters as "an administrative shambles. * * * Nobody in that Office seems to know who is responsible for what."

OUTLAY IS RISING

Federal spending in the antipoverty program is to run to well over $1.5 billion in the year ahead—more than double the first year's outlay.

In city after city, political wrangling over control of antipoverty funds has impeded programs which are intended to help the poor. The poor themselves, according to some of their spokesmen, are becoming increasingly disenchanted with the whole thing.

In some places, local wrath has been stirred by what one newspaper called the maddening frustrations of dealing with Washington headquarters.

Chagrin has resulted, too, from what some community leaders who are attempting to aid the "war" effort regard as a contemptuous attitude on the part of Federal officials.

Following are examples of the controversy and complaints to which the attempt to stamp out poverty is giving rise in various parts of the United States.

In Omaha, Nebr., an angry stir was created by a "confidential" report prepared by a poverty-war official from Washington.

The report said the Omaha citizens who volunteered to help get the program started were "power-structure types," "gray-lady types" and "white do-gooders."

The document was prepared by Jack Williams, a special agent of the Office of Economic Opportunity, who was sent to investigate Greater Omaha Community Action, Inc., the area's planning organization for the war on poverty.

Although the OEO refused to release Mr. Williams' report for publication, "the Omaha World-Herald" obtained a copy and published it—along with some pungent editorial comment.

Mr. Williams described the Omaha "power structure" as a "triumvirate of corporations," of which he mentioned only one, the Northern Natural Gas Co.

The report said that both the 50-member GOCA council and its 15-member board of directors were "topheavy with power-structure types." Mr. Williams observed also that the council membership "includes many well-meaning 'gray-lady' types.

AMONG NEGROES: SKEPTICISM

The Federal official said that "there is no confidence in GOCA by the Omaha Negro community."

The report was less than flattering to J. Alan Hansen, president of the GOCA council and personnel director of Northern Natural Gas. Mr. Williams had this comment:

"Hansen is somewhat weak in his orientation toward the poor—sort of an Edgar Eisenhower Republican—and he's deep in the gray-flannel-suit corporate in-fighting of the company. * * *

"Ken Young, the Negro vice president of GOCA, wants to quit now because he views Hansen as a weak reed who will inevitably quit, and Young doesn't want to be in the heir-apparent position when that happens. Mr. Young also caught a good deal of flak as an 'Uncle Tom' because of his continued involvement with GOCA as its critics grew.

"These two resignations, if they happened together, would be a serious blow to GOCA. Hansen would lead the white do-gooders off the board, and the departure of Young would probably make it tactically impossible for any other Negro to remain with GOCA."

NEWSPAPER'S LAMENT

In its editorial, the World-Herald said: "GOCA commanded substantial backing and respect among Omahans largely because of the kind of leadership it had—including many good citizens, both white and Negro.

"But how innocent these Omahans were. They have now learned from Mr. Williams that white citizens who have given of their time and energy are gray-flannel suit types and gray-lady types or merely white do-gooders. And responsible members of the Negro community are called Uncle Tom, simply for being associated with GOCA.

"The report has angered some Omahans. Perhaps it has dismayed a great many others as they reflect that the clairvoyant Mr. Williams is a representative of the great new antipoverty bureaucracy that has a great deal of the taxpayers' money to spend."

Crime involving Job Corps trainees is a major headache for officials of the antipoverty program.

Some recent incidents:

Five Negro youths from the Camp Gary Job Corps training center at San Marcos, Tex., were arrested in connection with an attempted robbery and the shooting of two U.S. Air Force military policemen at San Antonio.

One of the wounded airmen may be permanently blinded. The other was shot in the stomach and hand. The airmen are white.

At Camp Atterbury, Ind., seven Job Corps enrollees were arrested on charges of sexual assault on another trainee.

Two other Job Corps youths at Camp Atterbury were charged with assault after they allegedly injured two fellow trainees in fights.

A newspaper in Columbus, Ind., reported that youths from Camp Atterbury had attempted to buy guns while on leave from the camp.

Two dropouts from the Job Corps were arrested on burglary charges near Cotulla, Tex.

The Job Corps policy of using Federal funds to hire attorneys for enrollees accused of crimes has come under fire.

Noting that the taxpayers are footing the bill for defense of the youths involved in the San Antonio shooting, a Texas columnist pointed out that when members of the Armed Forces are in trouble with the law, they must hire counsel with their own funds, or, if broke, accept court-appointed lawyers.

The crime problem in the poverty war is not confined to the Job Corps.

A raid on a job-retraining center at Poughkeepsie, N.Y.—a project set up under the Manpower Development and Training Act—had this result:

Three men were charged with possession of marijuana. Four were accused of possession of knives. One was charged with possession of obscene literature.

Racial antagonism is one cause of violence at Job Corps camps.

Fights between white and Negro youths at the training center in Tongue Point, Oreg., resulted in a request by Oregon's Gov. Mark Hatfield for a Federal security force to prevent more serious outbreaks.

The camp administrator said that fighting erupted when white enrollees used disparaging language about Negro trainees.

At Lewiston, Calif., site of California's first Job Corps camp, citizens, at a protest meeting, accused the Job Corps of reneging on promises that no youths with criminal records would be assigned to the camp.

Lewiston residents also complained of such incidents as the knifing of one Job Corpsman by another, gunplay in a parking lot, and purchases of liquor for teenage enrollees.

Recruiting procedure for the Job Corps has drawn widespread criticism.

The Government, besides using the U.S. Employment Service, pays some private employment agencies $80 for every youth accepted as a trainee.

One charge made is that some agencies, in order to collect as many $80 fees as possible, often conceal from Government screeners the fact that some applicants have criminal records.

Standards for admission to the Job Corps—which is expected to number 40,000 by the end of this year—specifically bar criminals, drug addicts, and youths with serious emotional or psychological disorders.

Nevertheless, it is charged, hundreds of youths who have been involved in serious crimes have turned up at the camps.

Another complaint is that $80-a-head recruiters lie to prospective enrollees about the type of training which is available and give them a false impression that life in the Job Corps is a "country club" existence.

A storm of unfavorable publicity has swirled around the women's Job Corps training center set up in a resort-type hotel at St. Petersburg, Fla.

Complaints of noise and disorder at the Center prompted the St. Petersburg city council to ask the Government to vacate the premises.

The antipoverty program is paying $225,000 to rent the hotel for 18 months. The market value of the property has been estimated at $150,000 to $200,000.

Senator Strom Thurmond, representative of South Carolina, had this comment on the St. Petersburg training center:

"The girls get little training, but do get $30 spending money and $50 put in the bank each month, special bus transportation to the bank and downtown, and maid service. They are not even required to help serve their own food.

"On the staff for this one project are 122 persons who are paid more than $680,000 per year. These employees have little experience in the type work required. Many of the staff have resigned their well-paying jobs in disgust. Many of the trainees in this integrated project have been dismissed for chronic misbehavior, including fighting and drunkenness."

The staff at the center adds up to one full-time employee for every two girls. According to one calculation, expenditures for each girl—including housing, food, training, transportation, and pay—run to $7,000 a year—considerably more than the cost of sending a girl to college for a year.

Complaints of political favoritism resulted in the shutdown of a Neighborhood Youth Corps project in Macoupin County, Ill.

Ernest Reiher, an editor of the weekly Carlinville Democrat, charged that most of the youths in the project were ineligible.

Mr. Reiher said that some of the selections were made on the basis of political preference and favored children of families that voted Democratic.

Investigation then disclosed that 80 of the 200 enrollees in the project were ineligible.

A spokesman for the Illinois Farmers Union, which administers the antipoverty summer work programs in 32 Illinois counties, said on August 10:

"We definitely tried to go too fast on the thing. We put too many to work too fast. We put far too many to work in some places. There definitely was a misunderstanding on the local level."

Said J. M. Watson, Illinois coordinator of the Neighborhood Youth Corps: "There was some political favoritism."

The youths were being paid $1.25 an hour for 32 hours of work a week, the national rate in the Youth Corps.

A comment by Representative Richard L. Roudebush, Republican, of Indiana, on a Veterans' Administration directive authorizing treatment for Job Corps members in VA hospitals: "Every admission of a Job Corpsman takes a bed away from a veteran."

The frustrations experienced by one city in its attempts to cooperate in the Government's war on poverty are recounted in an editorial that appeared in the Denver Post on July 20.

Excerpts from the editorial, which was entitled "Open Letter to Sargent Shriver":

"Dear Sargent Shriver: For nearly 6 months, Denver has been trying to get your poverty agency to approve a plan for a neighborhood health center to help people in slum areas in this city overcome some of the health problems that keep them poor.

"For everyone involved in this effort, the experience of dealing with your agency has had a nightmarish quality about it and the kind of maddening frustrations appropriate for a novel by Kafka.

"As you know, the frustration became so intense last spring that Denver's Mayor Currigan felt obligated to complain about it to the Vice President of the United States and threatened to keep Denver out of the program altogether.

"Poverty officials in Denver complain that a long series of vague and sometimes contradictory messages from Washington left them thoroughly confused about what your agency wanted.

"At one point, they say, they were told that the proposal was about to be approved; later, that it would need only minor revisions; still later, that it would have to be revised entirely * * *

"What do you want from us, Mr. Shriver? What can you accomplish with all this delay except to keep these extra health services from the poor of Denver and disillusion the people of this city with the war on poverty? * * *

"This newspaper has supported the poverty program from the beginning, and we would like to go on supporting it. But the example we have had so far of redtape and delay is enough to sour anyone on the whole program."

A poverty-war program that is causing more and more controversy is Project Head Start, in which Federal funds are used to underwrite costs of preschool training for children of the "hard core" poor.

With the handling of this project his target, Representative Charles R. Jonas, Republican of North Carolina, described what he called "a glaring example of extra cost whenever the Federal Government insists on handling a local program out of Washington."

Mr. Jonas, pointing out that his State already had such a program in operation financed by non-Federal funds, said that North Carolina applied for Federal money to expand the program, only to have the application rejected. The Congressman added:

"The sole reason advanced by the Director of Project Head Start for rejecting the North Carolina plan was that our plan was based on State administration of the funds and program.

"It apparently did not matter to the Federal officials that the North Carolina program had been conducted by professional and trained public-school teachers at a cost of $30 per child and that the federally directed program would cost $170 per child.

"They were not interested in expanding a well-established and efficiently operating program which would cost $140 per child less than the Federal program, but their concern was to retain control and direction of the program in the hands of Federal officials."

A complaint about Project Head Start expressed by educators in Boston:

Children of hard core poor families are not being reached by the project because, as one teacher put it: "Nobody in their families cares enough to put them in it."

A private day-care center for children of working parents in Indianapolis has complained that some of its teachers have been lured by higher salaries to an antipoverty preschool program.

An incident at San Antonio, Tex., reported in the San Antonio News:

A San Antonio physician refused to participate in a medical-examination program for children involved in Project Head Start because she objected to the speed with which the youngsters were being processed.

The physician said that some 100 children were rushed through in 1 hour. The school district involved, which handles funds for the project, pays $5 for every 20 examinations. The San Antonio physician said that tests required by the Federal Government could not be completed properly at the pace set.

Adverse comment has been created in some areas by the antipoverty program's practice of paying teachers' salaries higher than those paid in public school systems.

Typical of this comment is a statement by a Texan, referring to the academic staff at a Job Corps center:

"They have pulled out of the school system good instructors and teachers with master's degrees. These teachers are sorely needed in our public schools. There is quite a lot of dissension among teachers about the difference between their salaries of $5,000 and the $9,000 a year paid at Camp Gary."

A prominent Negro educator, Lester B. Granger, of Dillard University, New Orleans, called the antipoverty program a "slaphappy, sloppy, wasteful procedure." Mr. Granger told the National Urban League convention:

"The fat should be taken out of it. We are going to waste two-thirds of the funds going into it, just like the New Deal. This doesn't mean I don't support it. If we get even one-third out of it, it would help."

The spreading complaints about the way the poverty war is run have been echoed in strong criticism in Congress, by Members of both parties.

Some examples from the Congressional Record:

Representative Donald D. Clancy, Republican, of Ohio, branded the war "an obvious fiasco." Mr. Clancy said: "There is hardly an aspect of the program that has not become mired in waste and utter confusion."

Representative Edward J. Gurney, Republican, of Florida: "Funds have been given out without investigation to sham groups, in areas where poverty is almost unknown."

Mr. Gurney said that in one such area, in Ypsilanti, Mich., "over 90 percent of the population own their own homes, nearly everyone has at least one car and a TV set, and the average family income is just dollars short of $8,000."

A sample of political in-fighting in the antipoverty operation was given by Representative Leonard Farbstein, Democrat, of New York. Assailing William F. Haddad, the program's inspector general, Mr. Farbstein told the House:

"He is the gentleman who ran against me last year and has stated publicly that he is going to run again. Now it is my opinion that he is subverting parts of this program for his own personal political gain. I think he is attempting to build a personal political organization out of poverty funds."

In spite of the rash of criticism in Congress and from around the country, the heavily Democratic Congress insists upon giving Mr. Shriver more spending authority than he said he needed to expand the war against poverty.

In so doing, the legislators disregard such comment as that of Representative Albert H. Quie, Republican, of Minnesota, who said:

"This program could become not just a national disgrace, but a national catastrophe."

A Poverty War Project Under Fire: Training School for "Agitators"?

Syracuse, N.Y.—Bitter controversy is being created here by an antipoverty project which teaches techniques of organizing the poor.

The project—financed in large part by Federal funds under the poverty program—is the Community Action Training Center at Syracuse University.

The center's director, Prof. Warren C. Haggstrom, says that its object is to "create organizations among low-income groups that can achieve power and exercise it in their self-interest."

Techniques taught in the project here are expected to be applied across the country.

The mayor of Syracuse, William F. Walsh, charges that the main purpose of the center is to train agitators. Mayor Walsh says the center teaches "Marxist doctrines of class conflict."

Serving as a paid consultant and lecturer in the action training program is Saul D. Alinsky, self-styled "professional radical," who has been a militant organizer of Negroes in Chicago and other cities.

As part of its program, the center has made the Syracuse Housing Authority a target.

Tenants of low-income housing projects, organized by trainees at the center, have picketed and staged a sit-in to force various improvements in their living conditions.

On August 10, a delegation of tenants met with the housing authority and presented a long list of new grievances.

At the end of a 3-hour session, Charles A. Walker, one of the housing authority's five commissioners, said he did not believe that the meeting would have positive results "because the organizers, those troublemakers at the center, won't allow it."

One organizer was arrested on a trespass charge when he entered a housing project to attend a tenants' meeting. He was acquitted, then brought suit against the authority, charging false arrest.

The center began operations this spring. The training program requires a full year of participation. The center's official prospectus says that applicants for enrollment "should have a controlled but intense anger about continued injustice and should be committed to hard work for people who are grappling with apparently overwhelming problems."

Among topics listed for discussion:

"The extent to which programs of community development and urban renewal

> benefit affluent persons at the expense of low-income areas.
>
> "Consequences of poverty programs intended to make the poor less troublesome to the affluent."
>
> Mr. Alinsky's connection with the project has drawn much criticism. Critics cite his comments on the poverty war, published in the July issue of Harper's magazine. He said that "the poverty program is turning into a prize piece of political pornography * * * a huge political pork barrel, and a feeding trough for the welfare industry."

Mr. DOMINICK. Mr. President, I do not have very much more to say on this subject, but I wish to outline what the bill would do.

Under title I of the bill last year, there was authorized $412.5 million. This includes the Job Corps work training program and the work study program. There was appropriated $371.5 million, which is $40 million less than was authorized.

This year, the request is for a total of $535 million—in other words, $180 million more in the title I program, in round figures, than last year.

Mr. LAUSCHE. Mr. President, will the Senator from Colorado yield for a question?

Mr. DOMINICK. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. Earlier in his discussion, the Senator from Colorado gave the figures as to what his amendment would do; that is, he told us by what amount it would be cut, and that, after the cut, there would still be 30 percent more than was available elsewhere; is that not correct?

Mr. DOMINICK. Thirty-eight percent more, I believe it is.

Mr. LAUSCHE. Thirty-eight percent more. Can the Senator give me any information as to what the original budgetary request was on this item, and whether it was raised in the House or not?

Mr. DOMINICK. Yes; the original budgetary item——

Mr. LAUSCHE. I am speaking with reference to the whole subject.

Mr. DOMINICK. Yes. It was $1½ billion. The House raised it to $1,895 million, which added $395 million to it. The bill as reported to the Senate then added $150 million to the budget request, which makes the figure more than twice what was spent last year. The House figure was 2½ times what we spent last year.

Mr. LAUSCHE. Then the Senator proposes to cut the amount which, after the cut is made by his amendment, will still be 38 percent more than was available last year; is that not correct?

Mr. DOMINICK. The Senator is correct.

Continuing with the breakdown, in title II, last year, $340 million was authorized, and $259 million was appropriated—a difference of approximately $81 million in that figure. The proposed bill would bring this up to $880 million, counting in the Nelson amendment.

My amendment would leave it at $490 million, $150 million more than was authorized last year.

With respect to title II, or the community action programs, including the adult basic education program, many mayors have advocated that all community action programs be eliminated entirely because they are too often used as political weapons, instead of doing something for the poor.

Under title III last year we authorized $35 million and actually spent $40 million. This is more than the authorization. It was done because authority was given to the Director to move $15 million from one program to another.

This takes care of the rural loans and migrant workers. My amendment would bring the figure back to $35 million.

Title V—$150 million was put in the authorization, and only $112 million was spent, or some $38 million less than was authorized. My amendment would bring it back to $150 million.

Title VI—$10 million was authorized for administration; $9.7 million was actually spent. The bill proposes that we put in $30 million for this purpose. We triple the authorization for administration. This is one of the weakest points in the whole bill, not because of lack of money, but because of the way it is being administered.

I would bring the figure back to $10 million. Our primary purpose is to provide money to help the poor, not the bureaucrats. That is what we are really trying to do.

Mr. McNAMARA. Mr. President, the general increase in authorizations provided in the bill reflects two primary considerations. First, all programs last year operated only over a 9-month period. Second, none of these programs existed at all before last year. Each started from scratch—at zero. If we are to carry these same programs over the present year we must therefore do more than just provide funds for a full 12 months. We must also recognize that each of these programs started this year with a capability that did not exist when they started operations last year.

Last year we began with no organization, no procedures, no Job Corps centers in operation, no community action agencies, no approved State plans. All of these things now exist. They represent resources that have been created. They should be used.

This year, each month, we should be able to do just a little better than we did in a comparable month last year in reaching the 35 million people living in poverty. Certainly, there is nothing unreasonable in this. Certainly, we cannot afford to do less.

I would like to make it clear that the authorizations in the bill are designed to allow leeway for many program improvements. They are framed on the proposition that there should be time for staff and effort that is not focused simply on producing more and more grants. In fact, if we were talking about sheer production—about what is mathematically possible on the basis of the program rates attained last year—we would not be talking about a $1.5 billion authorization. We would be talking about a $2 billion or perhaps even a $4 billion authorization.

Mr. President, the House bill, which is primarily before us, with some revision having been made by the Senate committee, called for the amount of $1,895 million. The bill now before us, as it comes from the Committee on Labor and Public Welfare, calls for $1,650 million. It has already been substantially reduced from the amount of money authorized by the House. The administration has authorized the appropriation of one and a half billion dollars. This amount has been approved by the Bureau of the Budget, and our committee added $150 million to one item, to bring the sum total to $1,650 million.

I hope the amendments of the distinguished Senator from Colorado will be rejected.

Mr. THURMOND. Mr. President, H.R. 8283, the "Economic Opportunity Amendments of 1965," constitutes the most flagrant abdication of responsibility by the Congress to date.

The program has been in operation for a year, and its history provides a catalog of futility, abuses, political partisanship, wastefulness, slipshod administration and scandal.

Salaries and administrative expense are out of all rational proportion. There is a proliferation of supergrade positions, having reached a proportion of 1 to 18 employees, compared to the ratio of 1 supergrade position to 1,000 employees in the Department of Defense. It is reported that in one county in New Jersey, that out of a grant of $67,000, all but $15,000 was earmarked for salaries and administrative expenses.

The taxpayers' money is being squandered on an unprecedented scale even for this fiscally irresponsible administration. In the Head Start program, expenses are running as much as $275 per pupil for 3 months preschool instruction, equal to the cost-per-pupil per full school year in the public schools, in communities where the monthly tuition in established kindergartens is only $18.

In its first year of operation, the war on poverty has proved to be a political grab bag and a program to finance a war on the existing political and social order in the United States. Even the liberal New York Times, in an editorial review of the poverty centers in New York, concluded that "there is at least as much basis for fear now that the centers will turn into launching pads for systematic political warfare against city hall, the schools, and all established society."

The Job Corps camps established by the poverty czar have repeatedly provided public scandal headlines for the press.

In St. Petersburg, Fla., the Women's Job Corps Training Center, housed in a plush oceanside hotel rented for $12,500 per month, was revealed to be little more than a paid vacation at the beach for the approximately 125 girls between ages 16 and 21 residing there. The girls get little training, but do get $30 spending money and $50 put in the bank each month, special bus transportation to the beach and downtown, and maid service. They are not even required to help serve their own food. On the staff for this one project are 122 persons who are paid more than $680,000 per year. These employees have little experience in the type work required. Many of the staff have resigned their well-paying jobs in disgust. Many of the trainees in this integrated project have been dismissed for chronic misbehavior, including fighting and drunkenness.

It is quite symbolic, Mr. President, that the directorship of this billion-dollar fiasco rates as only a part-time job. It is indeed remarkable, however, that any bureaucratic administrator could so foul up even such an ill-conceived program as the war on poverty when he only works at it part time.

Faced with such a miserable mess, the majority of the House of Representatives and the majority of the Senate Committee on Labor and Public Welfare have come up with two major changes—double the money being squandered and eliminate the minor, but only sensible brake on the program, the Governor's veto. It is almost beyond belief, but this horrendous program is in the process of being made worse.

There is only one sensible remedy, only one responsible remedy—to reject the bill and the entire program. The Senate should vote the bill down.

Mr. PROUTY. Mr. President, I should like to have the attention of the distinguished junior Senator from Colorado. Do I correctly understand that the Senator has requested and has been granted a yea-and-nay vote on his amendment?

Mr. DOMINICK. The Senator is correct.

Mr. PROUTY. Since Senators will have to be present in the Chamber for the vote, I wonder if it would not be wise to have a live quorum call with the understanding that the Senator from Colorado would then have 2 or 3 minutes in which to explain his amendment and then ask for the vote.

Mr. DOMINICK. What the Senator from Vermont has suggested is an eminently sound and sensible move, and I shall suggest the absence of a quorum.

Mr. PROUTY. Mr. President, before the Senator does so, will he yield?

Mr. DOMINICK. I am happy to yield.

Mr. PROUTY. I made the suggestion because many Senators are busy in committees. They do not and will not know what the amendments proposed are. I believe that the amendments of the Senator from Colorado are highly important, and, therefore, I am delighted that the Senator is willing to suggest the absence of a quorum.

Mr. DOMINICK. I thank my friend from Vermont. I, too, believe that it is a sensible suggestion, and I assure Senators on the other side of the aisle, including the distinguished Senator from Michigan [Mr. McNamara], that we are not following the proposed procedure for the purpose of delay. I merely wish Senators to know what they will be voting on before they are required to vote.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. JAVITS. I believe that the Senator from Colorado has taken an extraordinarily modest amount of time for what in his judgment and in the judgment of many others represents an important question which should be probed and answered. The Senator need have no self-consciousness whatever for doing what he is doing.

Mr. DOMINICK. I thank the distinguished Senator from New York.

Mr. President, I intend to suggest the absence of a quorum——

The PRESIDING OFFICER. Does the Senator from Colorado request that he be permitted to suggest the absence of a quorum without losing his right to the floor?

Mr. DOMINICK. Mr. President, I ask unanimous consent that, despite the fact that the yeas and nays on the amendment have been ordered—and I assure Senators that I shall not take more than 3 minutes when Senators arrive in the Chamber—I may be permitted to suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMINICK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 211 Leg.]

Aiken
Allott
Anderson
Bartlett
Bass
Bayh
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, W. Va.
Cannon
Carlson
Case
Cooper
Cotton
Dirksen
Dominick
Douglas
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy, Mass.
Kennedy, N.Y.
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McClellan
McGovern
McIntyre
McNamara
Metcalf
Miller
Mondale
Monroney
Montoya
Morse
Morton
Moss
Mundt
Murphy
Muskie
Nelson
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell, Ga.
Russell, S.C.
Saltonstall
Scott
Simpson
Smathers
Smith
Stennis
Symington
Talmadge
Thurmond
Tower
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Mr. DOMINICK. Mr. President, I appreciate the courtesy of the Senator from Michigan in permitting me to call this live quorum. I told him at the time I would only take 3 minutes to explain my amendments when more Senators were present, and then the Senate could vote.

I shall give a breakdown of my amendments.

Last year under title I of the program Congress appropriated $371.5 million. My amendments, if adopted, would authorize $412.5 million, which is considerably more than was appropriated.

Under title II of last year, Congress appropriated $259.1 million. My amendments, if adopted, would authorize $490 million.

Last year under title III Congress appropriated $40.7 million. If my amendments were adopted, they would authorize at this time $35 million, with the right of the Director to transfer $15 million from other programs to the rural program.

Under title V last year Congress appropriated $112 million. My amendments, if adopted, would authorize $150 million.

Under "Administration" last year $9.7 million was appropriated. Under my amendments, $10 million would be authorized.

If my amendments were adopted, an expansion of some 38 percent, over what was spent last year would be permitted. At the same time there would be a cutting back on what is proposed by approximately $630 million, so there would be a substantial reduction in the proposed authorization but a substantial increase in what was spent last year.

Mr. COOPER. Mr. President, will the Senator yield for a question?

Mr. DOMINICK. I yield.

Mr. COOPER. What is the difference between the authorization asked for this year and the amount provided in the Senator's amendments?

Mr. DOMINICK. The amount authorized last year was $947.5 million. My amendments, if adopted, would add $150 million. The bill as proposed would authorize $1,650 million.

Mr. COOPER. I thank the Senator from Colorado.

Mr. DOMINICK subsequently said: Mr. President, immediately prior to the last vote, on my amendment, I was discussing in summary form what the adoption of my amendment would do. I have a table which I ask unanimous consent to have printed in the RECORD immediately following my remarks at that point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Breakdown of authorization under Dominick amendment

[Dollars in millions]

Title	Appropriated in fiscal 1965	Authorization under Dominick amendment	Amount of increase	Percent of increase	Proposed committee authorization
I. Youth programs	$371.5	$412.5	$41.0	11	$535
II. Community action programs	259.1	[1] 490.0	230.9	89	880
III. Rural programs [2]	[2] 40.7	[2] 35.0			55
V. Work experience	112.0	150.0	38.0	34	150
VI. Administration	9.7	10.0	6.3	3	30
Total	793.0	1,097.5	304.5	38	1,650

[1] This includes an increase of $150 million for the Nelson amendment.

[2] Title III–c of the act authorizes the Director to spend up to $15 million from other parts of the act to carry out pt. B of title III. Therefore, although the authorization under the Dominick amendment would be less than last year's appropriation, the actual spending on title III programs might exceed the authorization of $35 million.

NOTE.—Adoption would place authorization $304.5 million over 1965 expenditures and $552.5 million less than proposed committee authorization.

Mr. McNAMARA. Mr. President, a few minutes ago I commented on the amendments of the Senator from Colorado by stating that the amount recommended by the Committee on Labor and Public Welfare was reasonable and realistic.

To cut back the program to the level of authorizations presently existing would do immeasurable harm to the war on poverty.

We have heard many complaints about the program—some of them real, some of them fanciful.

As I have stated before, this is a new program in existence for less than a year.

I believe the program has made remarkable progress.

However, it would be totally inconsistent, even with the complaints that have been voiced against the program, to put the Office of Economic Opportunity in a financial straitjacket.

The amounts recommended by the committee are in line with the President's budget, and the needs of OEO. They are below the amounts recommended in the House bill by $245 million—almost a quarter of a billion dollars.

We must give OEO an opportunity to carry out the assignments given it by the President and by Congress. Therefore, I sincerely hope the amendments of the distinguished Senator from Colorado will be defeated.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. WILLIAMS of Delaware. How does the Senate bill compare with the President's recommendation?

Mr. McNAMARA. It contains the President's recommendation plus $150 million added in committee.

Mr. WILLIAMS of Delaware. It is $150 million over the President's recommendation?

Mr. McNAMARA. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Colorado. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Wyoming [Mr. McGee], and the Senator from Oregon [Mrs. Neuberger] are absent on official business.

I also announce that the Senator from Virginia [Mr. Byrd], the Senator from Idaho [Mr. Church], the Senator from Pennsylvania [Mr. Clark], the Senator from Minnesota [Mr. McCarthy], and the Senator from Alabama [Mr. Sparkman] are necessarily absent.

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Pennsylvania [Mr. Clark].

If present and voting, the Senator from Virginia would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Connecticut [Mr. Dodd] is paired with the Senator from Nebraska [Mr. Curtis].

If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Nebraska would vote "yea."

I further announce that, if present and voting, the Senator from Wyoming [Mr. McGee] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis] is necessarily absent because of death in the family.

On this vote, the Senator from Nebraska [Mr. Curtis] is paired with the Senator from Connecticut [Mr. Dodd].

If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Connecticut would vote "nay."

The result was announced—yeas 40, nays 51, as follows:

[No. 212 Leg.]

YEAS—40

Aiken
Allott
Bennett
Boggs
Carlson
Cooper
Cotton
Dirksen
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Holland
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Lausche
McClellan
Miller
Morton
Mundt
Murphy
Pearson
Robertson
Russell, Ga.
Russell, S.C.
Saltonstall
Scott
Simpson
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—51

Anderson
Bartlett
Bass
Bayh
Bible
Brewster
Burdick
Byrd, W. Va.
Cannon
Case
Douglas
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Pastore
Pell
Prouty
Proxmire
Randolph
Ribicoff
Smathers
Smith
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—9

Byrd, Va.
Church
Clark
Curtis
Dodd
McCarthy
McGee
Neuberger
Sparkman

So Mr. Dominick's amendments were rejected.

Mr. McNAMARA. Mr. President, I move that the vote by which the amendments were rejected be reconsidered.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 387

Mr. JAVITS. Mr. President, I send to the desk a modified version of my amendment No. 387.

The PRESIDING OFFICER. The amendment will be stated.

Mr. JAVITS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with and that the amendment be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, ordered to be printed in the Record, is as follows:

DISAPPROVAL OF PLANS

Sec. 15. Section 209(c) of the Economic Opportunity Act of 1964 is amended by (1) inserting "of part B" before "of title I" and (2) striking out "and such plan has not been disapproved by him within thirty days of such submission" and inserting in lieu thereof "and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and, after public hearing in which the Governor or his authorized representative is given an opportunity to appear, found by the Director to be fully consistent with the provisions and in furtherance of the purposes of this part".

Mr. JAVITS. Mr. President, while Members of the Senate are present——

Mr. AIKEN. Mr. President, may we know what the modification is?

Mr. JAVITS I will explain the amendment.

Mr. AIKEN. And the modification.

Mr. JAVITS. It is not a modification. It differs from the printed amendment only by inserting page, line, and section numbers. There is no other modification in the amendment. The amendment deals with the question of veto by Governors of community action programs in their States.

The range of choice before the Senate on this issue will be complete, because I understand it to be the intention of my colleague, the Senator from Arizona [Mr. Fannin], to offer as a substitute for my amendment the amendment which he offered in committee.

I want to point out the complete range of choices which will be offered for Senators to make. The first is to eliminate the Governor's veto altogether in relation to community action programs. The Senator from Texas [Mr. Yarborough]—who can correct me if I am in error—proposed an amendment to remove the veto by Governors in community action programs. But it retained the Governor's veto for VISTA and the Job Corps. It was adopted by a close vote of 8 to 7 in committee and incorporated in the bill. That is what the bill now before us provides.

My amendment proposes to insert into the bill a provision which allows a veto of community action programs by the Governor, but the Governor, having vetoed, may be overruled by the Director of the Office of Economic Opportunity after public hearing. That is the second choice available to the Senate, which is incorporated in my amendment.

The third choice available to the Senate is to restore the original provisions of the act, which provides a Governor's veto of community action programs, by striking out the provision in the bill relating to that subject. That choice will be proposed in an amendment by the Senator from Arizona [Mr. Fannin]. So the Senate will have before it an opportunity to vote to retain the system now in the law. The first vote will be on this question.

On the second vote, Senators will have a choice to adopt what I recommend, namely, allowing the Governor to veto, but permitting him to be overruled by the Director, after a public hearing.

The third choice, which is presented if both amendments are rejected, is to vote to end the veto on commuty action programs altogether. That provision has been reported by a one-vote margin by the Committee on Labor and Public Welfare.

Let me point out what the House did. This is very important. The House adopted my plan of allowing the Governor to veto, but giving the Director power to overrule the veto, but it did not provide for a public hearing before the Director could do so. The only change I have made in the House provision—or compromise, if we may call it that—is to include provision for a public hearing. Other than that, there is no change.

So, for all practical purposes, it can be said that I am offering the Senate an opportunity to vote on the House provision; the Senator from Texas [Mr. YARBOROUGH] is offering the Senate what is in the bill before the Senate, striking out the veto provision altogether in community action programs; and the Senator from Arizona [Mr. FANNIN] will offer the Senate the choice of restoring to the bill what is now in the law.

To say a word on the merits, it seems to me that there is something of a dilemma in Federal-State relations that makes such programs as this vulnerable. It is fair to say to Senators of judgment on both sides of the aisle that, because of the possibility of political influence, corruption, money waste, and inept administration, probably the range of peril to this program is as great as or greater than any domestic program which we have. Therefore, it seems to me the lines between the State and Federal Governments should in this area be respected.

A strong argument has been made on the question of the authority of the Office of Economic Opportunity as against an absolute Governor's veto. The argument has not been based upon the proposition that the Governor's veto power has actually been overused. In fact, the veto power has not been overused. Vetoes occurred only in Texas, Alabama, Florida, and Montana in the first year of the program. I would not consider that an overuse, considering the number of projects started, which the Director testified was approximately 5,000.

What the administration objects to most is that in some places the threat of the Governor's veto is constantly raised; that it is used as a basis for demanding that a particular program be shaped in a certain way; so that the Governor really shapes the program, rather than the Director of OEO or the applicant agencies; so that the Governor does not have to veto in order to control the program in his State. The essence of the argument is that permitting this to continue would depress the range, nature, and size of the community action programs which are established in a number of States. The Governor does not have to use the veto; the mere existence of the power to use it is enough. That is what the administration argues.

In an effort to resolve that dilemma and in an effort to deal with the incubus of a Governor's complete power to veto, taking into consideration State policies and attitudes which perhaps might be more conservative than otherwise, I have opposed the provision of an inflexible Governor's veto. I was regretful and rather rueful that last year, in the original antipoverty bill, the Director did not adopt a proposal I made on that score. In my opinion, he unwisely rejected it. The result was that the bill as passed provided for an absolute veto, and the Director could do nothing about it until the act came back before the Congress.

The amendment I have proposed is a compromise between those who say, "Do not worry about the Governors, because OEO consults with them," and those who say the Governor must have an absolute veto. Under my amendment the Governor can risk political damage by a veto. When a Governor vetoes a program, the Director can override the veto after a public hearing, which insures that the matter will be put in the public domain. I believe that would result in a salutory kind of action. I do not believe we ought to provide for an absolutely inflexible veto power by a Governor.

Mr. CASE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE. The Senator's solution to this vexing problem has seemed to me to be a very sound one. I have heard the argument that it will likely work when we are dealing with weak Governors, but in the case of intransigent Governors, such as Governor Connally, of Texas, it is not likely to be successful and the veto will have to be overridden.

I wish the Senator would comment on that point.

Mr. JAVITS. It depends on the strength of the Director. If we have a strong Director in Washington who is not afraid to take on a Governor in the public domain, he would have the power to handle it. If we have a weak Director, he should be fired if he does not feel convinced enough about the program to overrule an unjustified veto by a State Governor.

Therefore, I believe that the proposal would be effective, assuming that we have a degree of determination on both sides which is relatively equal. If we do not have that degree of determination in the Federal Establishment, we had better soon find out about it.

Mr. MURPHY. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I am glad to yield to the Senator from California.

Mr. MURPHY. There has been a recent meeting of the Governors. In their conference, approval was expressed on their part with only one abstention, which happened to be my Governor. In trying to find out the reason for his abstention, we find that the program is in such a confused state in California—the No. 1 State of the Union—that the Governor would rather not be involved in having to make decisions. This is the only reason I could get for his vote. This is indicative of the condition which exists, I believe.

Let me say to the Senator from New York that it is extremely important that the Governors be responsible to the people within their States. They should have a great deal to say about programs taking place within their States.

Mr. JAVITS. I appreciate very much the comments of the Senator from California. Let me point out to the Senate that naturally—and I do not use that word "naturally" invidiously—the Governors wish the veto retained exactly as it is in the law. If Governors could vote in the Senate today, they would vote to sustain the Senator from Arizona [Mr. FANNIN] and keep the veto as it is at present.

I refer to the fact that they adopted the resolution, as the Senator from California has just stated, at their Minneapolis, Minn., meeting, to that effect. I am sure that the Senator from Arizona [Mr. FANNIN] will, in the course of his argument, wish to put that resolution into the RECORD.

Mr. HICKENLOOPER. Mr. President, will the Senator from New York yield.

Mr. JAVITS. I yield.

Mr. HICKENLOOPER. I realize that the Senator from New York is trying to find some ground to satisfy the various elements, but it seems to me that if his amendment prevails, if there is a strong administrator, as he suggests, it makes a complete nullity of the so-called Governor's authority.

If there is a strong administrator, he is a strong bureaucrat. As such, history shows that he will override local interests in the interests of bureaucratic authority in Washington.

I cannot say that the Senator's amendment does anything except go through another round of motions. The last word lies in the administrator, if, for various reasons, sometimes obscure and sometimes plain, he is determined to put a great deal of money into a program in a State and goes right ahead to do it, regardless of what the Governor would say.

I therefore very much favor the Governor's veto in his own State, because I know of States where it is felt that a program is absolutely foolish and wasteful, and is not being properly directed, and for that reason the Governors feel that their influence must result in a proper application.

Mr. JAVITS. Let me say to the Senator from Iowa that I cannot endeavor to persuade him from his conviction with respect to the power of the Governor. I would not try to do that, but I can answer for my amendment.

I believe that no matter how strong a personality the Director my be, the requirement of a public hearing and the fact that a State Governor's veto would have to be overridden are in our society and the way we operate, a very effective sanction. I do not believe that we are likely to get a Director any stronger minded than the President of the United States; yet we know very well that, exposed to public feelings upon a given subject, even the President of the United States has, on occasion, given ground, and will again do so.

Therefore, I believe that the sanction which I have included, which allows the Governor to veto and affords a public hearing, enables a case to be made—the way we are organized in this country—so that it would be tough for even the strongest administrator to fly in the face of the veto, unless he has a very good case. Anyone can be arbitrary, but, generally, if he is, an administrator does not last very long in Washington, or he finds many other things happening to him—such as what Appropriations Committees can do to him, what speeches made in the House and Senate can do to him—which can make life miserable.

The Senator from Iowa has had great experience in government. It seems to me that we have a mighty strong case if the Director is going to use his naked power to override a Governor's veto after a good case for that veto has been made in public hearings.

Mr. HICKENLOOPER. We have all seen many examples of powerful, sensible, and logical arguments being used against a proposal which is considered to be indefensible; yet a bureaucrat will override it and put it into effect, anyway. Those examples are numerous. It is often one of the characteristics of bureaucracy.

So far as I am concerned, I believe that we should be thinking more about permitting the people to manage their own affairs in their home areas, rather than from a remote spot in Washington. For that reason, I favor the Governor's veto being retained, as it is now.

Mr. JAVITS. One of the things which is troublesome about the existing tight Governors' veto provision, along the lines the Senator has been discussing, is that Governors—including the Governor of my own State—have been kept in the dark about programs until the programs were all completed and suddenly announced in Washington and then were submitted to them for approval within 30 days. Then the Governors had the very sad responsibility of either taking an entire program or leaving it, in the face of built-up public opinion within their States.

Mr. HICKENLOOPER. We have already had some experience along that line in my State. We have had busy people running around the State of Iowa searching for pockets of poverty. I have talked with some citizens in a certain county in Iowa, and they told me that those busy people had discovered a pocket of poverty in the county, that they had found a substantial number of people in the county who were poverty stricken.

This county happens to be one of the highest agricultural income counties in the State. When the people of that county found out about it, they expressed great surprise. They said, "If this is poverty, we certainly enjoy it, because we have been living 'high on the hog' here, and we did not know that we were poverty-stricken people."

Nonetheless, the Administrator says, "You are a poverty-stricken county and, therefore, we are coming in to pour money into your county." The people were astounded, because this was the first they had ever thought that they were living in a poverty-stricken area.

That is a characteristic of a bureaucracy. They have to have something to do to spend their money. They have to have something to do to carry out their programs. That is why I would prefer that the Governors have their veto. Even if they do not exercise their veto power, abuses may occur from time to time in various States.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. JAVITS. I shall not detain the Senate much longer, but I should like to point out where the veto has been used in this past year. It has, to my knowledge, been used only four times.

It was used in Texas to veto a 30-county neighborhood youth corps rural project. It was used in Alabama to veto a community action program for Birmingham. It was used in Florida to veto a Head Start program for preschool children in Miami. It was used in Montana to veto a rural neighborhood youth corps project.

Mr. President, in conclusion, I lay before the Senate the fact that my amendment provides an opportunity for a fair compromise, going as far as we can to sustain the authority of the Governors in the States, and to put the Director of the antipoverty program to his proof, without giving the Governor the absolute power of life and death over community action programs. That is the main point of the proposal: enabling the United States to carry out some responsibility toward poverty within each State, if the case is strong enough, not only to convince the Director, but to stand up under the scrutiny of public opinion, which will come about through the public hearing provided for in my amendment.

Mr. McNAMARA. Mr. President, the majority of the Labor and Public Welfare Committee voted to eliminate the Governor's veto from the Neighborhood Youth Corps, Community Action and Adult Basic Education programs. You will recall that the veto was adopted on the floor of the Senate during the debate last year after several votes on various proposals to provide for review by the Governors. These votes were by narrow margins and indicated the careful consideration given the issue and the extreme division on the various proposals.

Some of the fears and arguments expressed then were the subject of extended discussion in committee when the action of last year was reversed. Specifically, the committee was concerned about the arbitrary use of the veto by some Governors to kill meritorious programs. Although the number of vetoes was small, I believe four, it was felt the threat of veto was used to alter programs to suit the taste of the State Governor in more cases. As we pointed out in the committee report, the veto gives the Governor discretion over local programs and affairs over which, under State law, he normally has no direct control and for which he is not directly responsible.

Since the Federal law prescribes no criteria, his discretion is unquestionable. Further, and most important, the veto power is without precedent in any Federal program where Federal assistance is given to a local community. A few examples of Federal programs dealing directly with municipality are: Community facilities, urban renewal, public housing, Federal aid to airports, and the impacted education aid program.

Mr. President. I submit that the Governor has no veto power over these programs, which are similar in nature, and the Governor should not have the veto power under the bill before us today.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. JAVITS. It is a fact, is it not, that the amendment which is in the bill was carried in committee by a vote of 8 to 7?

Mr. McNAMARA. I believe that was the vote in committee.

Mr. JAVITS. I thank the Senator.

AMENDMENT NO. 391

Mr. FANNIN. Mr. President, I call up my amendment No. 391, and offer it as a substitute for the pending Javits amendment No. 387.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, strike out lines 1 to 4, inclusive. Renumber sections 16 to 31 as 15 to 30, respectively.

Mr. FANNIN. Mr. President, I ask unanimous consent that the following Senators be listed as cosponsors of the amendment: CARLSON, DOMINICK, HRUSKA, JORDAN of Idaho, MURPHY, PROUTY, PEARSON, COTTON, SCOTT, LAUSCHE, DIRKSEN, SALTONSTALL, TOWER, MILLER, THURMOND, and HOLLAND.

Mr. SIMPSON. Mr. President, I should like to join the Senator as a cosponsor.

Mr. FANNIN. And also the Senator from Wyoming [Mr. SIMPSON].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. FANNIN. Mr. President, this is a simple amendment, to restore the language of section 209(c) of the Economic Opportunity Act to its original form as enacted by Congress last year.

I shall make only a short statement at this time. I consider it a highly important amendment. It has the almost unanimous support of the Governors' conference.

Section 209(c) gave the Governors of the States a veto power over community action, Neighborhood Youth Corps, and adult basic education programs proposed by the Director of the Office of Economic Opportunity.

The language of the bill as amended and passed by the House last month virtually wiped out this veto authority by giving the OEO Director power to override any veto after review. Obviously, this would give the Governors only a limited power of veto at best.

Unfortunately, however, the Senate Committee on Labor and Public Welfare has gone even further. Over minority objection, the committee has recommended language which completely eliminates any vestige of the veto authority granted to the Governors in the existing law. They could not even force a review or delay of any project proposed in their States.

The mere presence of the veto power in the act—even if it is never used—assures that the views and experienced counsel of the respective Governors will be considered in the planning of such projects. This is as it should be.

Without the ultimate power of the veto, there is not even a semblance of State participation or cooperation provided for in the law. Even if a proposed community action or Neighborhood Youth Corps project were clearly unsound, a Governor would be powerless to stop it unless this amendment is adopted.

The record of the antipoverty campaign is already bulging with shocking examples of waste and confusion resulting from ill-conceived projects that were begun in haste without proper consultation with State authorities. If ever there was a Federal program that needed tightening up, this is surely one.

Many of my colleagues, like myself, have had the privilege of serving as Governors of their States in the past. I know they will agree with me that their offices had more comprehensive knowledge of what was going on in their States than did the newly established offices in Washington.

The Governor of a State, after all, is elected to represent all of the people of that State. He is the chief executive and administrative official who is held responsible for the conduct and administration of the State's business. And, in that role, the Governor is quite obviously the one person who is best equipped to serve as the liaison between the Federal Government and the people in a joint effort against poverty.

A Governor's knowledge and judgment of his own State's conditions and people cannot help but be more accurate and timely than that of a Federal administrator.

Mr. President, I can testify from personal experience that this arrangement worked quite well. During my service as Governor I had occasions to make suggestions about the antipoverty program in our State to the director of the OEO which he accepted. Likewise, the director counseled with me about project planning and advanced his views. This interchange was beneficial for the program.

Since I had a veto power, I noted that the Director abided by my suggestions. Without that veto power, I am not sure what would have happened.

At this point, let me make it clear that the veto power of the Governors over Job Corps or VISTA programs is not disturbed by this amendment or by the committee's version of the bill. These two major aspects of the antipoverty program are contained in other sections of the act, and the existing veto authority remains.

Some fear has been expressed that the veto power of the Governors provided in the existing law and which my amendment would maintain is too arbitrary and far reaching. It has been suggested, for example, that it opens the way for a Governor to block any poverty project for petty, personal, or political reasons.

This is a ridiculous and unjustified argument that demeans the integrity of all 50 Governors of our States. It is refuted by the record.

The veto power in this section of the act has been exercised on only four occasions since the entire antipoverty program began. And in each case, clear and cogent reasons were advanced by the Governors to justify their action.

Mr. President, the record is clear and available in each of these actions none of these vetoes would appear to have been dictated by any reasons other than a desire for proper administration and a justified concern over administrative costs.

Without going any further into this particular matter, let me say merely that I am prepared to accept the reasoning of the three Governors in each instance, rather than any politically motivated attacks upon them from partisan quarters.

As for the Governors themselves, the Senate surely is aware that the National Governors Conference, which met last month in Minneapolis, adopted a resolution urging the Congress to preserve the veto power in the current law.

This resolution was personally endorsed by virtually every Governor in the Union, and since it expressed very well their feeling on this subject, I ask unanimous consent to have a copy of the resolution appear at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ECONOMIC OPPORTUNITY ACT

Whereas under the Economic Opportunity Act of 1964, although a number of antipoverty programs and projects bypass the State level, a substantial portion of such programs and projects require clearance through a Governor's office and are subject to the Governor's veto; and

Whereas the gubernatorial clearance and power to veto provide a measure of coordination and orderliness in the administration of those programs to which they apply; and

Whereas, with respect to those programs and projects not requiring clearance through a Governor's office and not subject to his veto, negotiations and contracts are between the Office of Economic Opportunity or a delegate Federal agency and the local applicant, which may be a nongovernmental agency, thus producing conditions of chaos; and

Whereas legislation has been approved by the U.S. House of Representatives to permit the Director of the Office of Economic Opportunity to override a Governor's veto disapproving a program or project to be undertaken in his State by any public agency or private organization with respect to the Neighborhood Youth Corps program, the community action program and the adult basic education program, to all of which programs the veto presently applies, if, in the opinion of the Director, the application for the program is consistent with the laws and would further the purposes of the act: Now, therefore, be it

Resolved, That the National Governors' Conference express its firm opposition to any diminution of the power of a Governor to veto proposed projects and programs under the Economic Opportunity Act and respectfully request the Congress to preserve intact the relevant provisions of the current law; and be it further

Resolved, That copies of this resolution be sent to all Members of Congress.

Mr. FANNIN. Mr. President, finally I wish to emphasize that this is truly a bipartisan and nonpolitical issue, as evidenced by the fact that distinguished Senators on both side of the aisle support and are cosponsors of the amendment. I am informed that not a single Governor spoke against the resolution adopted at their national conference. I hardly need point out that there were more Governors of the opposition party represented at that conference than there were Governors of my party.

The amendment is offered in an honest and sincere attempt to improve the administration and results of the antipoverty program. It has no other purpose. I urge adoption of the amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FANNIN. I yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. I commend the Senator for the action which he has taken. What his amendment would do would be to leave the law as it now is. Is that correct?

Mr. FANNIN. The Senator is correct.

Mr. SALTONSTALL. The Senator has been the Governor of a State, as I have been Governor of a State. The Governor of a State ought to have an opportunity to determine whether or not a Federal agency should come forward with a plan of which the Governor might entirely disapprove, or a program that he believes from his knowledge of the community and the other services in the community and all that goes with it should be disapproved. The Governor has a better knowledge of his community than a man working out of a Washington office, or even working out of a regional office, could possibly have.

The Senator is trying to give the Governor a veto power over something that has been proposed from without the State.

Mr. FANNIN. The distinguished Senator from Massachusetts is correct. I observed that during my term of office since the poverty program has been in effect.

Mr. SALTONSTALL. Am I not correct in saying that up to the present time the veto power has been exercised only four times?

Mr. FANNIN. The Senator is correct. I have also observed the work that has been done by the departments under the Government in assisting the community programs, so it would be highly essential that the veto be retained.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one further question?

Mr. FANNIN. I yield.

Mr. SALTONSTALL. As I understand the various parts of the act, the veto power would apply to 1(b) of the act, the work training program; 2(a), the community action program; and 2(b), the adult basic education program. Am I correct in that statement?

Mr. FANNIN. The Senator is correct.

Mr. SALTONSTALL. The veto would not apply to the other programs, including the Job Corps program and the study program.

Mr. FANNIN. That is correct.

Mr. SALTONSTALL. It would not apply to loans to migrant workers. Am I correct in that statement?

Mr. FANNIN. The Senator is right in his assumption.

Mr. SALTONSTALL. Fundamentally, what the Senator is saying is that the Governor should have a veto power over programs of a work training character in his State, or a community action program which might be instigated in other ways by other actions in the community, and also in relation to the adult basic education program, which might involve a great many agencies of the State.

Mr. FANNIN. The Senator is correct. I thank the distinguished Senator from Massachusetts for pointing that out.

Mr. SALTONSTALL. I sincerely hope, in the interest of what I believe to be good legislation, that if we are to maintain the integrity of our State governments, if we are to give the Governors of our 50 States an opportunity to have some responsibility—and we are taking away a great deal of their responsibility—we should give them some power of determination for what will take place in their States and for which they must raise money and pay.

The States will be required to administer these programs from a police point of view and from every other point of view. We should give the Governors of the States an opportunity to veto programs. As I have said, programs have been vetoed only four times in the first year of the operation of the act.

Mr. FANNIN. I wholeheartedly agree with the distinguished Senator from Massachusetts, and I thank him for bringing these points to the attention of the Senate.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. FANNIN. I yield.

Mr. LAUSCHE. The Senator mentioned the Governors' conference recently held in Minneapolis, and pointed out that a vote was taken on the issue. The result of the vote showed unanimous support for the maintenance of the power of the Governors to veto programs, with the exception of one dissenting vote. Is that correct?

Mr. FANNIN. The Senator is correct. The distinguished Senator from Ohio has brought out that point previously.

Mr. LAUSCHE. I have had my staff assistant call the State Council of Governors in Washington to ask what the political complexion of the 50 State Governors is. We discussed that subject yesterday.

No answer was given to it. The girl at the office of the Council of State Governors tabulated the names of the various Governors, and reported that there are 17 Republican Governors and 33 Democratic Governors.

Mr. FANNIN. That is correct.

Mr. LAUSCHE. To me that ratio seems greatly significant in disproving the argument that the Governors will play politics with this subject. Those who charge the Governors with politics, and who are opposing the right to veto, are condemning members of their own party.

Mr. FANNIN. I overwhelmingly agree with the distinguished Senator from Ohio.

Mr. LAUSCHE. I repeat that there are 33 Governors of Democratic political conviction and 17 of Republican.

The Senator from Arizona expressed the thought that with the power to veto, there is created a situation in which compromises can be reached. Am I correct in that statement?

Mr. FANNIN. The Senator is correct. I wholeheartedly agree.

Mr. LAUSCHE. The Senator pointed out that he spoke to the Administrator about programs proposed for his State. Out of those discussions came a compromise. My question is, What would be the situation if the power of the Governor to veto were removed?

Mr. FANNIN. I believe it would cause the program to deteriorate, because, as I stated before, not only can the Governor use his knowledge, but in most instances he has a staff working with communities and is in a position through the staff and the departments of the State government to work with the communities advantageously.

Mr. LAUSCHE. Would it not result in arbitrary power being placed in the administrator of the Economic Opportunity Act and completely divest the Governor of the right to have anything to say?

Mr. FANNIN. I believe it would. It would be a duplication of activity that is not needed and is not essential.

I believe it would be extremely helpful to the communities to permit the Governor to retain a veto power and to have the departments and their personnel assist him.

Mr. LAUSCHE. The Senator from Arizona, a former Governor of his State, has been in politics for some time. I observe in the Chamber former Governor SALTONSTALL and former Governor AIKEN—and I might say that former Governor LAUSCHE is present.

I pose this question:

If a Governor is seeking the good will of the people, wanting to be reelected, is it reasonable to infer that he will veto a program having attributes of goodness, in which Federal money will come into the State?

No one can convince me that a Governor would politically be so shallow or so devoid of conscience as to veto a program if he deeply believed in its soundness.

Mr. FANNIN. That is a logical conclusion. I wholeheartedly agree with the Senator.

Mr. LAUSCHE. The Senator from Massachusetts [Mr. SALTONSTALL] just mentioned that it could be argued that a Governor might veto for political purposes a program which would be of benefit to the people. What political purposes? How would it benefit him? It would bring defeat to him at the next election.

I wholeheartedly support the amendment of the Senator from Arizona.

Mr. FANNIN. I thank the Senator from Ohio [Mr. LAUSCHE] for his enlightening remarks on this subject.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. FANNIN. I yield to the Senator from California.

Mr. MURPHY. I have just received a telegram from a man who is not a Governor, although he has been mentioned as a possible candidate for Governor of my State of California. I refer to the mayor of the city of Los Angeles, the Honorable Sam Yorty. Mayor Yorty has asked that I read this telegram into the RECORD.

There is no Member of the Senate who does not feel that the stated purposes of this program are not good purposes. I have heard no member of the committee say at any time that he thought the program was bad. The proceedings before the congressional committee and the debate have concerned method. It is a reason to which the people are sensitive.

In my city of Los Angeles the entire program is a mess—a frightful mess. Many other cities face the same problem. San Francisco had the same experience.

One of the essential points was covered in the earlier proposal by the Senator from Colorado [Mr. DOMINICK].

Perhaps we want to know that the program is mature before we authorize more money to be spent. Yet the bill provides a sizable amount of taxpayers' dollars, and there are many objections across the country that the money already authorized is not going into the program, but to the people who will administer the program. I know of no business in this Nation that would double experimentation funds until the initial expenditures' effectiveness have been evaluated.

I have a list of salaries that is shocking. Also, we find the names of persons selected. They are not being screened. Yet it is imperative that we know the background of people using public funds.

I shall read to the Senate the telegram from Mayor Sam Yorty:

Senator GEORGE MURPHY,
Senate Office Building,
Washington, D.C.:

One of the riot inciting factors is the deliberate and well publicized cutting off of poverty funds to this city pending our efforts to reorganize the Youth Opportunities Board to meet the chameleonic OEO criteria.

I was told the OEO criteria had been changed there almost on a weekly basis. For 2 months the Director was asked to visit Los Angeles, and after 2 months one of his assistants visited that city.

I continue to read:

Other cities have not been subjected to such strong-arm tactics. Regularly constituted authority here has been bypassed, abused, and misrepresented. There has been a reckless effort to incite the poor for political purposes. The funds cut off from the poor in this area are our tax funds. Please demand that Shriver process our program and release our funds while we reor-

> ganize. There is no excuse for continuing the inciting tactic of trying to publicly strong-arm us into complete submission to Federal whims which are confusing, changing, and arbitrary. The city of Los Angeles, county of Los Angeles, and city and county school systems have endeavored together to meet arbitrary Federal criteria and are in agreement. If funds not provided at once for our program, I should like to suggest a Senate inquiry. The so-called ad hoc congressional hearing by Hawkins and Roosevelt was just a phase of the strong-arm tactics employed against us. It had no legitimate purpose.
>
> Sam Yorty,
> *Mayor.*

It was at the request of Mayor Yorty that I read the telegram into the Record.

Although Sam Yorty is not the present Governor of California, he may well be in the near future. He has been mentioned as a candidate.

He has given an example of the feeling in the community and the State. It is the feeling that the States are being bypassed.

I associate myself with the Senator from Arizona and recommend the adoption of the amendment.

Mr. FANNIN. I thank the Senator from California.

I yield to the Senator from Colorado.

Mr. DOMINICK. Mr. President, yesterday in my discussion of the bill I stated that I had learned by hearsay that a part of the problem involved in the weekend riot in Los Angeles had been generated by activities of this nature in the program. I was talking about comments that had been made prior to that time about endeavors to incite the poor to storm city hall, and activities of that kind.

Do I correctly understand that this telegram is a part of that process or a part of the documetary proof with respect to what I have just said?

Mr. MURPHY. The junior Senator from California returned only this morning from California, where he met with the mayor of Los Angeles, the chief of police of Los Angeles, and supervisors of the city. They all agreed that a part of the problem was the result of a contest within the political group, as stated, and that a tug of war has been going on, which had a very bad reflection and which, in my judgment, had something to do with triggering off the trouble.

Mr. DOMINICK. I could not be more upset than anybody else about the terrible situation that exists in California. I know how dedicated are the Senator's efforts to assist in alleviating the condition.

It seems to me that the mayor's telegram and the evidence contained in the minority views and the additional views by the former Governor of Arizona, Senator Fannin, are a strong indication of the need for some State and local responsibility, so that the State authorities would be able to have some voice in the direction of these programs. The only weapon available in the present bill is the Governor's right of veto.

I strongly support the amendment and hope that it will be adopted.

Mr. FANNIN. I thank the Senator from Colorado. I agree with what he has said. I believe it is most important that the veto power be retained.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FANNIN. I yield.

Mr. SALTONSTALL. Mr. President, the Senator from Ohio [Mr. Lausche] has mentioned the Governors' conference.

I should like to quote from a statement by Governor King, of New Hampshire, a Democrat, who said:

> Authority of Governors to veto projects under the act is essential to avoid duplications of State programs and local misunderstandings. Existence of veto power has already made it possible to tailor projects to specific needs of New Hampshire.

Governor Smylie, of Idaho, a Republican, and the chairman of the conference of Republican Governors, voiced the same concern when he said:

> Extreme action such as this (deleting veto power) would seriously jeopardize the orderly progress of the entire program and result in chaos and confusion in those States and communities where local efforts are already underway or meeting the needs.

I merely supplement what the Senator from Ohio and the Senator from Arizona have said about their feeling concerning the Democratic and Republican Governors on the subject.

Mr. FANNIN. Mr. President, I appreciate the statement of the Senator from Massachusetts.

Mr. MURPHY. Mr. President, it would seem obvious to me that this is one of the most important and one of the largest undertakings ever attempted. Rather than excluding the help, guidance, and the local knowledge which could and properly should be provided by the Governors, we find ourselves engaged in an attempt to exclude them completely and make the action directly subject to a man who has been appointed to a job, a man whose background in the job, I believe, leaves a great deal to be desired.

When he was questioned before the committee, his answers were very glib. However, I found most of them unsatisfactory. I was told that I was out of touch with what was going on in my area, that conditions were settled, and everything was arranged. I found 3 weeks later that that was not the case.

I recall when the Senator from New York mentioned the problem of the package that was handed to the Governor of New York. The Governor had to veto the whole thing or accept nothing.

I should think that it would be sensible if the Director of the program were to welcome the help of the Governors.

Certainly there would be 2, 3, or 4 with whom he might not agree completely. However, in a sense of mutual trust and respect, and working for the mutual benefit of the people involved, and not for any political purposes, I believe that the program would get started a lot faster and accomplish its purpose much quicker.

Mr. FANNIN. I thank the Senator from California for his statement.

PROPOSED UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, with the concurrence and interest of both sides, I should like to make a unanimous-consent request that there be a time limitation of 40 minutes on this particular amendment, the amendment of the Senator from Arizona [Mr. Fannin], the time to be equally divided, 20 minutes to each side.

Mr. PROUTY. Mr. President, reserving the right to object, I shall not object if it is understood that, if I shall require more time than 20 minutes, additional time will be available to me.

Mr. MANSFIELD. It will be.

Mr. PROUTY. Mr. President, I should also like to have the additional understanding that there will be a live quorum before the vote, and that the distinguished Senator from Arizona [Mr. Fannin] will be recognized by the Chair for a brief period in order to explain what his amendment is for the benefit of Senators who may be absent now.

Mr. YARBOROUGH. Mr. President, reserving the right to object—and I shall not object—I believe that, after the live quorum, each side should be allowed 3 minutes within which to explain its position.

Mr. MANSFIELD. Mr. President, with the understanding that this is agreeable, I should like to withhold the request temporarily.

Mr. JAVITS. Mr. President, in order to clear the record, since I understand that the Parliamentarian has a problem, I ask to withdraw my amendment for the moment and to reinstate it once the vote has been completed on the Fannin amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield without losing his right to the floor?

Mr. FANNIN. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. MANSFIELD. Mr. President, if the Senator from Arizona will yield, I make the same unanimous-consent request, with the additions proposed by the distinguished Senator from Vermont [Mr. Prouty], and the distinguished Senator from Texas [Mr. Yarborough].

The PRESIDING OFFICER. There will be 20 minutes to the side on the pending amendment, with 3 minutes to each side following a live quorum.

Is there objection? None is heard, and it is so ordered.

Mr. FANNIN. Mr. President, I yield myself 2 minutes.

Mr. MANSFIELD. Mr. President, the time will be under the control of the Senator from Arizona [Mr. Fannin] and the Senator from Michigan [Mr. McNamara], or whomever they may designate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona is recognized for 2 minutes.

Mr. FANNIN. Mr. President, I bring to the attention of Senators, many of whom are supporting the measure, that this amendment would merely preserve the existing law. The amendment is not complicated. I feel that, without it, a great deal of trouble could occur within a State if a Governor did not have the opportunity to use his facilities and to work with the Director on the same basis as he has done so in the past.

When I refer to the past, I refer to the limited number of occasions on which the Governor has disagreed and vetoed a program. I know, from my personal experience with the program, that when there was any question, I had the opportunity to send representatives to a community to determine just what was involved in the particular project in order that I could discuss it with the Director.

It was very beneficial to me to have this opportunity and privilege. Without that provision, it would have been difficult for me to have had the same relationship with the Director. The Director at all times recognized that I would have authority to veto in that case. He was willing to cooperate.

As I said before, I could not estimate what his cooperation would have been without that provision. However, I can certainly assume that it would not have been as good, or that the problem would not have been as easily handled as it was with the provision included in the measure as it now exists in law.

Mr. President, I feel that this is an essential amendment, and that it has been proved to be essential by the support that has been given it.

I ask support for my amendment.

I reserve the remainder of my time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FANNIN. I yield to the Senator from Florida.

Mr. HOLLAND. I compliment the distinguished Senator——

The PRESIDING OFFICER. The Senator must yield himself additional time. The time he yielded to himself has expired.

Mr. FANNIN. I yield myself 2 minutes.

Mr. HOLLAND. I compliment the distinguished Senator for his action. I know it is in style now to downgrade the States, but I do not agree with that approach. In this great national effort which is underway, regardless of the wisdom or the unwisdom of it, the Governors and the States have a distinct part to play. We shall make better progress by regarding this program as a matter in which the States have a vital interest and in which the Governors should participate. The results will be much better if the Governors are kept in the picture. They know their people and the problems of their people.

As I remember, the Senate last year approved, by a vote of 80 to 7, putting the Governors into the picture, and I have heard nothing since then that justifies a departure from that philosophy.

Mr. FANNIN. I thank the Senator from Florida for his remarks. He is correct in his statement. I feel it would be detrimental if this right were not preserved.

Mr. President, I reserve the remainder of my time.

Mr. McNAMARA. Mr. President, I yield myself 1 minute.

I have already responded to the proposal for a Governor's veto. I call attention at this point to the report of the committee that accompanies the proposed legislation. There is a detailed section in the report objecting to the position of the Senator from Arizona. It starts on page 11 and continues to pages 12 and 13 of the report. I read a part of the report:

> The chief problem to date appears to revolve around the Governor's unlimited power to veto programs and projects under title 1–B and title II–A.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McNAMARA. I yield myself 1 additional minute.

To continue reading:

> These both involve assistance to local programs planned and developed by local agencies. The absolute veto as applied to these programs gives the Governor discretion over local programs and affairs over which, under State law, he normally has no direct control and for which he is not directly responsible.

The PRESIDING OFFICER. Who yields time?

Mr. McNAMARA. Mr. President, I have no requests for time.

Mr. YARBOROUGH. Mr. President, will the Senator yield me 10 minutes?

Mr. McNAMARA. I yield 10 minutes to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, last year the Senate Labor Committee recommended to the Senate that the Governors not be allowed to veto locally initiated and sponsored antipoverty projects in Neighborhood Youth Corps, community action programs, and adult education. Unfortunately, the Senate failed to take that advice and in amendments added on the floor the Governors were given that veto power.

Since then, we have seen how unwise it was not to take the Labor Committee's advice. By giving the Governors veto power over these local projects, as the House report to this bill notes:

> Congress conferred upon the Governors more power of control over a federally assisted program than the Governors enjoy with respect to State action of their own governments.

The veto given the Governors by floor amendment last year was absolute and irresponsible: absolute in that there was no way in which it could be overridden, irresponsible in that a Governor using it has to give no reason whatsoever for his decision. The irresponsible nature of the Governor's veto was underlined by the statement of Governor Babcock of Montana who this June vetoed a proposed Farmers Union Neighborhood Youth Corps project which would have provided summer jobs for 1,200 young people. In so doing, Governor Babcock stated:

> My most important reason for denying approval is my belief that no private organization should be granted the authority to administer and spend Federal * * * funds.

In effect, Governor Babcock said that two of antipoverty program's five instruments for helping the impoverished, the Neighborhood Youth Corps and the community action program, shall not operate in Montana because he disagrees with the way Congress chose to fight poverty.

The irresponsible use of the Governor's veto is going to grow more and more unless we cut it out now. So far, the Nation's various Governors who are not in sympathy with the poverty program have not all fully learned how to use the veto power which last year's bill granted them. However, those who have learned have used this power to threaten and coerce the directors of various community action and Neighborhood Youth Corps programs to tailor programs to meet their whims and to force the sponsors of the projects to take on as officers and directors their political friends while forcing anyone critical of the Governor out of the project. In my own State, for example, the Governor has used the threat of veto to force sponsors suggesting an hourly wage of $1.25 to retreat to a wage of a dollar an hour. In other words, even when the citizens of a local community approved of paying what is the Federal minimum wage, the Governor used the threat of veto as a club to destroy local autonomy. The Governor of Texas is constitutionally denied this power in his normal relations with local communities.

Last year, some of my friends on the other side of the aisle suggested that this program would create a poverty czar. It seems that they were almost correct. The bill as it passed the Senate last year with the Governor's veto over local projects created 50 poverty czars, one in each State. These new czars are using their veto power in the poverty program to create the strongest political machines this Nation has ever seen. The old machines that ruled our large cities in the past will seem child's play in comparison. The veto power given the Governors over locally based and initiated programs is and will be, unless now taken away, used to crush every vestige of local control and local initiative. I think that every advocate of local governments will rejoice at this chance to remove this ill-considered tool.

This year the Labor Committee is again recommending that the Governors not be given the power to veto locally sponsored and initiated programs. The committee does not propose that the Governor's veto be totally abolished over all projects in the poverty program. The Governors will still retain veto power over the establishment of Job Corps centers and the assignment of VISTA volunteers in their States. Moreover, the Governors or the properly designated boards or officials will have de facto control over adult education programs since these are established with the cooperation of the State educational agency.

Your committee's recommendation is to abolish the Governor's veto over the Neighborhood Youth Corps and the community action program completely. The committee explicitly turned down the suggestion of the House to give the administrator of the poverty program a veto over the Governor's veto. This would put an appointed official into the position of having to veto judgments of powerful and highly political elected officials. No director could stand the political heat that would be caused. In effect, I am afraid that the poverty Director would have to back down and never veto a Governor's decision.

Mr. President, I urge that we take the advice of the Labor and Public Welfare Committee and not make the same mistake we did last year of adding an amendment on the floor giving the Governors veto power over locally initiated programs.

Our friends across the aisle forget to mention what the Democratic Members, who are in the majority, adopted in committee. They should give us credit for what we did. We voted to have the Hatch Act apply.

I call attention to page 20, section 17, in which we apply the Hatch Act to take the Poverty Corps out of politics.

I further call attention to the bottom of page 19 of the bill, a Republican-sponsored provision, which the majority of the committee adopted because we wanted it taken out of politics. The following language was added: "including, but not limited to, continuing consultation with appropriate State agencies on the development, conduct, and administration of such programs."

So, to try to make the poverty program work, we wrote the Hatch Act into it.

Our friends on the other side proposed continuing the consultative powers.

But the Governor's veto does not belong in the program. We made the mistake last year of putting it in and we have found out it was a mistake. As both House and Senate reports note, what Congress has done in section 209(c)—that is the Governor's veto that we struck out in the committee—"is to confer upon the Governors more power of control over a federally assisted program than the Governors enjoy with respect to State action of their own governments."

The State constitutions do not give the State Governors this absolute power over a county or a city that they are given over these Neighborhood Youth Corps projects, community action projects, and adult education projects.

I quote further:

> In some States the Governor has no veto at all, but there is no State where the Governor's veto of the legislative process cannot be overridden.

If this were State law, the State legislature could pass something over the Governor's veto, but the amendment of the Senator from Arizona gives the Governor an absolute veto, irrevocable and unappealable, and it cannot be overridden. No wonder the Governor of a State does not come in and say, "Take this away from us. We have something superior to the legislature, even Congress, even superior to the President of the United States."

In my State, for example, a program where the cost ratio was less than 10 percent was stricken down by the Governor with this absolute veto. The decision could in no way be appealed.

Mr. GORE. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield.

Mr. GORE. Who were the beneficiaries of such arbitrary power, and who were the victims?

Mr. YARBOROUGH. The victims were the youths of the area. I can think of no beneficiaries. I see none. It is arbitrary, absolute, uncontrolled power. I can think of no possible beneficiaries. The impoverished areas in Texas would have received enough money to give these children schooling without weakening the educational processes. Who could profit by it?

Furthermore, in my particular State, if a project were to pay a dollar an hour wage, the Governor has a separate and easier set of standards than if the project is to pay the minimum wage at a dollar and a quarter.

I appeal to the Senators across the aisle and remind them that we of the Democratic majority took their amendments applying the Hatch Act to the program, as well as provisions for continuing consultation with the appropriate agencies, to make this program work harmoniously. We took out, however, the arbitrary, absolute veto power. We greatly improved the bill, with the minorities' recommendations, because we wished to make it work.

I say in good faith that we should leave all three provisions in. If we are to give the Governor the veto power, other amendments should come out, too.

Mr. GORE. Mr. President, will the Senator from Texas yield further?

Mr. YARBOROUGH. I yield.

Mr. GORE. If this is sound in principle, why should it not be extended to urban renewal?

The PRESIDING OFFICER. The time of the Senator from Texas has expired—all 10 minutes.

Mr. YARBOROUGH. Mr. President, I ask for 1 more minute to answer the Senator from Tennessee.

Mr. McNAMARA. Mr. President, I yield 1 additional minute to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 additional minute.

Mr. GORE. If this principle is sound in principle, why should it not be extended to the urban renewal program, to housing, to community facilities, and to the accelerated public works programs?

Mr. YARBOROUGH. The House report points out that this has never before been extended to any such Federal program.

I read from the report on page 12, paragraph 6;

> The power that the Governor has under section 209(c) is without precedent in any Federal program where Federal assistance is given to a local community.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. McNAMARA. Mr. President, I yield 1 more minute to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 additional minute.

Mr. YARBOROUGH. I continue reading:

> There are many such Federal programs where the Federal Government and the municipality deal directly: Community facilities, urban renewal, public housing, Federal aid to airports, the "impact education" aid program, to mention a few.

But, Mr. President, in none of these is the Governor given the veto power. This is without precedent in Federal law, as the House report states, as well as the Senate report.

In Federal-State relations, it introduces a new dimension in Federal-State relationships, cutting the Federal program into 50 segments.

Next summer, we shall see, with the fall elections approaching, 50 different areas and kinds of poverty programs, depending upon the whim of the Governor, completely uncontrolled and dependent upon his economic and social background and governmental predilections. There will be 50 autocracies instead of some kind of uniform system. It will not work. It will kill the program if it is not taken out.

Mr. McNAMARA. Mr. President, I yield 3 minutes to the Senator from Massachusetts [Mr. KENNEDY] for the purpose of continuing this colloquy.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes.

Mr. KENNEDY of Massachusetts. Mr. President, I should like to ask the Senator from Texas whether he is concerned, as I am concerned, that placing a veto in the poverty program would violate the basic spirit of the philosophy of the poverty program. At least with respect to those aspects of the poverty program which concern community action and Neighborhood Youth Corps programs.

Would not the Senator from Texas agree with me that this program was based upon a concept of local understanding, of local conditions and local initiatives? The whole concept should be preserved, and those who understand the local needs should have the authority to make the decisions on those matters which most directly reflect upon programs of the community. Is it not true that if we adopted the amendment of the Senator from Arizona [Mr. FANNIN] we would be frustrating the basic, philosophical approach of the poverty program?

Mr. YARBOROUGH. The Senator from Massachusetts is correct. This was a local-initiative program, a local self-help program, to get the people involved in their communities and, hopefully, to get the impoverished people themselves to go on the board, to teach themselves self-government, and to help any other programs work and succeed.

This is local self-government personified, but when we include the Governor's veto to kill this county program or that city program, we destroy local self-government. The Governor's veto in the bill is playing politics. It is not local self-government, as the Senator from Massachusetts has so ably pointed out.

Mr. KENNEDY of Massachusetts. The Senator from Texas has commented on the nature of the veto. As I understand it, the fact is that in all States where the veto is exercised by the Governor, the legislature has the power to overrule the veto. I am wondering whether the Senator from Texas could enlighten me as to whether there are any provisions in the poverty program for legislative overruling, if a Governor were to veto what would be considered a worthwhile program, or a local program? Would there be any opportunity for such veto to be scrutinized or overruled? It does not seem to me that there is any provision for this, and I should appreciate the comments of the Senator from Texas.

Mr. YARBOROUGH. Under the amendment of the Senator from Arizona [Mr. FANNIN] there would be none. This would be stricken out. The Governor would be given uncontrolled veto power.

The PRESIDING OFFICER. All time of the Senator from Massachusetts has expired.

Mr. FANNIN. Mr. President, I yield 13 minutes to the Senator from Vermont.

Mr. MANSFIELD. Mr. President, in line with the agreement which has been entered into, I ask unanimous consent, with the consent of the distinguished Senator from Michigan [Mr. MCNAMARA] that the 13 minutes yielded to the Senator from Vermont be extended to 20 minutes, with the additional 3 minutes remaining after the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, I am grateful to the distinguished majority leader.

Mr. President, I rise in support of the amendment offered by the Senator from Arizona.

Mr. President, the bill now before the Senate contains a provision that will set a new, and I am convinced, disastrous precedent in Federal-State relations. That is section 15 of H.R. 8283, which repeals section 209(c) of the Economic Opportunity Act.

It is worthwhile, I think, to review the legislative history of section 209(c), which permits a Governor to veto a community action, adult basic education, or Neighborhood Youth Corps program in his State within 30 days after the proposal is submitted to him.

Prior to the consideration of the amendment which became eventually section 209(c) the junior Senator from Florida [Mr. SMATHERS] proposed an amendment to include a similar provision with regard to the establishment of Job Corps camps under title I-A. The able Senator argued that the public authority of a State should have some say about whether the Federal Government could come in and establish in that State programs which in one way or another might prove inimical to the best interests of the State. There was practically no discussion of this proposal and it was accepted.

The following day the Senate had before it a proposal by the senior Senator from New York [Mr. JAVITS], which would have permitted a State to take over the administration of community action and migrant labor programs in that State if it so desired. If it did not so desire, the Office of Economic Opportunity could go ahead and put those programs into operation itself. In short, the State was given an option to act; if the State was passive, the Federal Government could step in.

I then proposed a substitute amendment, limited to the community action program sections of the bill, title II-A. My amendment would have required the prior approval of the Governor before the OEO could initiate community action programs in the State. On a rollcall vote my substitute amendment was adopted by a vote of 45 to 44. A motion to reconsider was then made, and a motion to table the motion to reconsider. On this latter motion another rollcall was taken, and the motion to table failed by a tie vote of 45 to 45. Then, on the motion to reconsider, the Senate voted 46 to 45 to reopen discussion on my amendment. Subsequently my substitute amendment was defeated by a vote of 45 to 46.

Following this series of parliamentary maneuvers, Senator SMATHERS, whose 30-day veto provision with respect to the Job Corps had been adopted the previous day, offered another substitute to the Javits amendment. This substitute amendment contains substantially the present language of section 209(c), permitting a Governor to disapprove a proposed Neighborhood Youth Corps college work-study, community action, or adult basic education program proposed for his State, within 30 days of its submission to him. The Senate adopted the Smathers substitute by an overwhelming vote of 80 to 7.

The House made only one change in the language of section 209(c), broadening it to include State and local public agencies as well as private organizations within a State.

H.R. 8283 as passed by the House contains an amendment that so waters down section 209(c) as to make the Governor's participation virtually meaningless. That amendment says that whenever a Governor disapproves one of the programs, the Director of OEO may review the reasons for the disapproval. If, in the opinion of the Director the program is fully consistent with the provisions and in furtherance of the purposes of the act he may, notwithstanding the objections of the Governor, proceed to put it into operation.

No Governor or representative of a Governor or Governor's association came before our committee to testify on the veto provisions. Mr. Shriver himself told the committee that he would take no position on the issue, and that he would prefer to let the Congress grapple with the matter. He did state, however, when pressed:

> The existing veto provision, considered in the light of our overall experience, has occasioned few administrative difficulties. There is very little gubernatorial objection to what we are doing. In fact, I think we have had at least 5,000 instances by now where Governors could have vetoed what we were proposing to do. In fact, out of approximately 5,000 opportunities there have been only, so far as I now know, 2 vetoes.

In a later letter to me, dated July 26, Mr. Shriver listed four vetoes that had been cast as of that date.

Certainly by no stretch of the imagination can the Governors' veto be considered a significant hindrance to the operation of the war on poverty. The great majority of the Governors from whom I have had communications on this point—and I include both Democrats and Republicans—have expressed their very sincere willingness to make the programs of the war on poverty a success in their States. Many volunteered the statement that relations between their offices and the Office of Economic Opportunity were excellent, and that real progress was being made. Yet, almost to a man, the Governors of the 50 States are strongly opposed to any change in the existing law that would impair their power to prevent a project truly unsuitable for their State.

Simply put, Mr. President, existing law makes OEO the defendant and the Governor the judge.

The House language makes OEO both defendant and judge.

The Senate language now before us does away with the trial altogether.

Last year 92 percent of those Senators voting on this question voted in favor of the Governor's veto. After a year of operation, the Office of Economic Opportunity says it has had few administrative difficulties with this provision. The Office of Economic Opportunity has not advocated a change. The President of the United States has not advocated a change. The Governors of the States have not only not advocated a change, but are strongly and outspokenly opposed to a change. But now, in the bill before us, the veto provisions are not merely changed, but annihilated. I raise—but do not attempt to answer—the question: Whose interest, in the light of these facts, would the Congress be serving by striking the Governor's veto from this act?

I hope I may have the attention of the Senator from Texas [Mr. YARBOROUGH].

In the vast majority of Federal grant programs leaving aside educational assistance to individuals such as scholarships and fellowships, the States have an absolute veto. They exercise the veto by merely refusing to submit a State plan. To name a few, this is true of the Vocational Education Act of 1963, title I of the Higher Education Facilities Act of 1963, the Library Facilities Act, the Federal Highway Acts dating back to 1944, and titles I, II, and V of the Elementary and Secondary Education Act of 1965.

In certain other programs the Federal Government makes grants directly to local public bodies. Usually there are grants for construction of physical facilities, as in the Mental Retardation Facilities and Community Mental Health Centers Act of 1963, the Health Professions Educational Assistance Act of 1963, the Federal Airport Acts dating back to 1946, and the Taft-Wagner-Ellender Housing Act of 1949. In one recent case the grant is for education—under title III of the Elementary and Secondary Education Act of 1965. In each case here the State governments are bypassed, but the grants are made to local public agencies, which are ultimately under the control of the State government. A provision of the Federal Airport Act (49 U.S.C. 1108) recognizes ultimate State control by providing that "nothing in this chapter shall authorize the submission of a project application by any municipality or other public agency which is subject to the law of any State, if the submission of such project application by such municipality or other public agency is prohibited by the law of such State."

In certain cases the Federal Government makes grants directly to nonpublic organizations, such as hospitals and colleges, for research or the construction of facilities. Examples of this include title II of the Higher Education Facilities Act and the Hill-Burton Hospital Act.

And then, there are Federal grant programs that provide funds for local, public or private organizations, subject to a veto by the Governor of the State. Section 102 of the Food and Agriculture Act of 1962, for example, provides that "loans to State and local public agencies—for land conservation and utilization—shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency." In this category, of course, come the programs covered by section 209(c) of the Economic Opportunity Act of 1964.

From a perusal of these various types of Federal aid programs two relevant conclusions can be drawn:

First. Federal grants that bypass State governments are in the great majority of cases made to local public agencies, ultimately subject to control by the State.

Second. Federal grants that bypass both State and local public agencies, and pay or lend funds directly to nonpublic institutions or organizations, are, so far as I have been able to determine, limited to bricks and mortar construction programs, or to academic research programs. I know of no Federal grant program to local private organizations or institutions for other than these two purposes, which is not subject to public control at the State or local level.

Now what has all this to do with the Governors veto in the poverty bill? The point is this: in no other program does the Federal Government come into a State to mobilize local people, as in the community action programs.

In no other program that I am aware of does the Federal Government come into a State and give money to a private organization to hire young people, as in the Neighborhood Youth Corps program.

This is not the same as the Federal Government coming into a State with education research funds or housing construction funds or airport construction funds.

Should a Governor not have some opportunity to intervene when Federal authorities seek to provide a job program operated by a quasi-political organization in that State? I think, Mr. President, the answers are clearly, "Yes." I believe the Senate owes it to the people of this Nation to continue an effective check on these programs at the State level, by striking section 15 from the bill.

I very much hope that the amendment offered by the distinguished Senator from Arizona [Mr. FANNIN] will be adopted, because basic to it is the question of States rights and precedents over a long period of time.

Mr. FANNIN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining before the quorum call.

Mr. FANNIN. Mr. President, preservation of the existing law would retain the Governors solidly behind the program.

It is important that they have such an interest in it and that they be willing to accept their responsibilities. In many States staffs have been set up by the Governors to coordinate the programs. This provides a means of assisting, without duplication in costs, programs so essential to the communities of the States of our Nation. If that privilege of the Governors is removed, would it mean the loss of a great deal of assistance and aid. In addition the responsibility of the Governors would not be as it is today. I realize that the Governors might still be able to counsel. They might still be able to participate in a minor way. But their participation would be very limited and particularly when compared with the system which is now in existence.

I am sure that upon reflection Senators will realize what is involved in the preservation of the existing law. Mr. President, I appeal to the Senate to support the amendment.

Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. I hope attachés will notify Senators to the effect that it will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 213 Leg.]

Aiken
Allott
Anderson
Bartlett
Bass
Bayh
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, W. Va.
Cannon
Carlson
Case
Cooper
Cotton
Curtis
Dirksen
Dominick
Douglas
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy, Mass.
Kennedy, N.Y.
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McClellan
McGovern
McIntyre
McNamara
Metcalf
Miller
Mondale
Monroney
Montoya
Morse
Morton
Moss
Mundt
Murphy
Muskie
Nelson
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell, Ga.
Russell, S.C.
Saltonstall
Scott
Simpson
Smathers
Smith
Stennis
Symington
Talmadge
Thurmond
Tower
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment of the Senator from Arizona. Three minutes remain on either side.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may, in the course of the debate, take 1 minute to deal with the parliamentary situation which resulted in the withdrawal of my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. Who yields time?

Mr. FANNIN. Mr. President, have I 3 minutes?

The PRESIDING OFFICER. The Senator from Arizona has 3 minutes.

Mr. FANNIN. Mr. President, everyone agrees with the aims of the antipoverty program. The question involved in my amendment is: Are we to preserve the Federal-State relationship existing in the program at the present time? As we all recognize, the Governor is the chief executive of his State. As such, he is the official liaison between the people of his State and the Federal Government. Is it not our goal to have the best administration possible? I am sure that we all agree that it is. Then is not the best way to attain the goal to have the chief executive of the State work with the Director and to coordinate the efforts through the departments of the State? Will this not bring about a cooperative program that will most greatly benefit the people who are in need and who would benefit by the antipoverty program?

I yield back the remainder of my time.

Mr. McNAMARA. Mr. President, the amendment offered by the Senator from Arizona strikes at the very heart of the Economic Opportunity Act.

It would reject the decision of the committee to strike from the act the unlimited power of a Governor to veto projects under the community action programs and the Neighborhood Youth Corps.

Much has been made of the argument that the Governor's veto power has been little used during the first 10 months of the poverty program, and that it would be supposedly politically unwise for a Governor to block Federal funds with this power.

This argument misses the point completely and bears no relation to what has actually happened in many areas of the country.

It is true that there have been only four or five actual vetoes. However, this small figure totally obscures the number of times that a Governor may have threatened to use his veto in order to shape a program to his own desires.

It completely obscures the number of times a Governor may have delayed the inauguration of a program by using the 30 days he has at his disposal.

I can only repeat that such veto power is unprecedented in programs of Federal aid to communities. It gives a Governor a degree of power that bears absolutely no relationship to his degree of responsibility.

We have not touched the Governor's rightful power over Federal programs affecting his State—such as Job Corps camps and the VISTA program.

We do seek to eliminate the Governor's arbitrary, unwarranted, and unprecedented control over the remainder of the program.

Mr. JAVITS. I yield myself 1 minute. If the Fannin amendment fails, the next vote will occur on my amendment, which seeks to present to the Senate the House plan plus the addition of a public hearing.

I do not wish Senators to misunderstand the addition. It does not require elaborate procedures; but the hearing must be public.

Mr. President, my amendment is a compromise between the points of view being presented to the Senate by the pending amendment. I am pleased that the Senate will have the opportunity to work its will on a range of alternatives.

If the Fannin amendment is adopted, it will restore the act to its original condition. If the Fannin amendment fails, the Senate will have the opportunity to choose the House plan, which my amendment incorporates with the addition of the hearing requirement.

If that amendment fails, we shall revert to the language of the bill, which eliminates the veto altogether.

Mr. LONG of Louisiana. Mr. President, the bill as reported by the committee would not affect all of the Governor's veto provisions in the act. The existing veto provisions for Job Corps centers and VISTA—the Domestic Peace Corps—projects would be retained. However, the bill would eliminate the veto in the two areas where the present act has caused problems—the Neighborhood Youth Corps and the community action program.

If the 10-percent local money is to be matched by 90-percent Federal money for a local community project, it is none of a Governor's business how the program should be administered.

Why should a Governor be permitted to do what I know Governors have done on occasion: insist, as a condition of his approval, that a repudiated politician be appointed, someone who has passed "hot checks"; someone who is not qualified to administer anything. Why should I make such a statement? Because I once had a hot check given to me.

Why should such persons be allowed to freeze a local fund as a condition of cooperating with the Federal Government, which would put up 90 percent, while the State put up only 10 percent? That is not done in the case of airports; why should it be done in this type of program?

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Arizona [Mr. Fannin]. On this vote the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JORDAN of North Carolina (when his name was called). On this vote I have a pair with the Senator from Idaho [Mr. Church]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Wyoming [Mr. McGee], and the Senator from Maryland [Mr. Tydings] are absent on official business.

I also announce that the Senator from Virginia [Mr. Byrd], the Senator from Idaho [Mr. Church], the Senator from Pennsylvania [Mr. Clark], the Senator from Minnesota [Mr. McCarthy], and the Senator from Alabama [Mr. Sparkman] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. McGee], and the Senator from Maryland [Mr. Tydings] would each vote "nay."

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Pennsylvania [Mr. Clark]. If present and voting, the Senator from Virginia would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Connecticut [Mr. Dodd] is paired with the Senator from Nebraska [Mr. Curtis]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Nebraska would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis] is necessarily absent because of death in the family.

On this vote, the Senator from Nebraska [Mr. Curtis] is paired with the Senator from Connecticut [Mr. Dodd]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Connecticut would vote "nay."

The result was announced—yeas 45, nays 45, as follows:

[No. 214 Leg.]

YEAS—45

Aiken
Allott
Bennett
Bible
Boggs
Byrd, W. Va.
Cannon
Carlson
Cooper
Cotton
Dirksen
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Holland
Hruska
Jordan, Idaho
Kuchel
Lausche
McClellan
Miller
Morton
Mundt
Murphy
Pearson
Prouty
Randolph
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—45

Anderson
Bartlett
Bass
Bayh
Brewster
Burdick
Case
Douglas
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Ribicoff
Smathers
Symington
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—10

Byrd, Va.
Church
Clark
Curtis
Dodd
Jordan, N.C.
McCarthy
McGee
Sparkman
Tydings

So Mr. Fannin's amendment was rejected.

Mr. PROUTY. Mr. President, I ask for a recapitulation.

The vote was recapitulated.

Mr. LONG of Louisiana. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

Mr. PROUTY. Mr. President, I ask for the yeas and nays.

The yeas and nays on the motion to lay on the table were ordered.

Mr. PROUTY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Is the vote on the motion to reconsider or on the motion to table?

The PRESIDING OFFICER. The question is on the motion to table the motion to reconsider. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The vote was recapitulated.

(The VICE PRESIDENT assumed the chair as Presiding Officer.)

Mr. PROUTY. Mr. President, regular order.

Mr. LONG of Louisiana. Mr. President, I request a recapitulation.

Mr. PROUTY. Mr. President, regular order.

Mr. LONG of Louisiana. Mr. President, I request——

Mr. RUSSELL of Georgia. Mr. President, the Senator's request is not in order until the vote is announced.

The VICE PRESIDENT. The Senator is correct.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Illinois [Mr. Douglas], the Senator from Florida [Mr. Holland], the Senator from Wyoming [Mr. McGee], and the Senator from Florida [Mr. Smathers] are absent on official business.

I also announce that the Senator from Virginia [Mr. Byrd], the Senator from Idaho [Mr. Church], the Senator from Pennsylvania [Mr. Clark], the Senator from Minnesota [Mr. McCarthy], and the Senator from Alabama [Mr. Sparkman] are necessarily absent.

I further announce that if present and voting, the Senator from Illinois [Mr. Douglas], and the Senator from Wyoming [Mr. McGee] would each vote "yea."

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Pennsylvania [Mr. Clark]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Connecticut [Mr. Dodd] is paired with the Senator from Nebraska [Mr. Curtis]. If present and voting, the Senator from Connecticut would vote "yea" and the Senator from Nebraska would vote "nay."

On this vote, the senior Senator from Florida [Mr. Holland] is paired with the junior Senator from Florida [Mr. Smathers]. If present and voting, the senior Senator from Florida would vote "nay" and the junior Senator from Florida would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis] is necessarily absent because of death in the family.

On this vote, the Senator from Nebraska [Mr. Curtis] is paired with the Senator from Connecticut [Mr. Dodd]. If present and voting, the Senator from Nebraska would vote "nay" and the Senator from Connecticut would vote "yea."

The result was announced—yeas 44, nays 45, as follows:

[No. 215 Leg.]

YEAS—44

Anderson
Bartlett
Bass
Bayh
Brewster
Burdick
Case
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Ribicoff
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NAYS—45

Aiken
Allott
Bennett
Bible
Boggs
Byrd, W Va.
Cannon
Carlson
Cooper
Cotton
Dirksen
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Lausche
McClellan
Miller
Morton
Mundt
Murphy
Pearson
Prouty
Randolph
Robertson
Russell, Ga.
Russell, S.C.
Saltonstall
Scott
Simpson
Smith
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NOT VOTING—11

Byrd, Va.
Church
Clark
Curtis
Dodd
Douglas
Holland
McCarthy
McGee
Smathers
Sparkman

So the motion to lay on the table was rejected.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the motion to reconsider.

The VICE PRESIDENT. The Senator should know that the Senate just failed to table a motion to reconsider.

Mr. LONG of Louisiana. Mr. President, I desire to discuss this matter.

Mr. DIRKSEN. Mr. President, a point of order—a point of order.

The VICE PRESIDENT. The Senator from Montana is recognized.

Mr. DIRKSEN. Mr. President, there can be no other business after a motion has been tabled. That ends it.

Mr. LONG of Louisiana. Mr. President, I demand a recapitulation.

Mr. MANSFIELD. Mr. President, I repeat my request. I believe that I am in order, and I should like to have a ruling from the Chair.

The VICE PRESIDENT. The Senator from Louisiana has demanded a recapitulation of the last vote.

Mr. MANSFIELD. Mr. President, I am referring to my motion, which I believe is in order.

The VICE PRESIDENT. The Senator from Louisiana has demanded a recapitulation.

Mr. DIRKSEN. Mr. President, there has been no intervening business.

Mr. MANSFIELD. Mr. President, which one has precedence?

The VICE PRESIDENT. The motion to recapitulate.

The legislative clerk recapitulated the vote.

Mr. MANSFIELD. Mr. President——

The VICE PRESIDENT. On the recapitulation, the results are the same, yeas 44, nays 45, and the motion to table is not agreed to.

Mr. MANSFIELD. Mr. President, I renew my request.

The VICE PRESIDENT. The Senate will now reconsider the vote by which the motion to table failed.

Mr. MANSFIELD. Mr. President I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, how many times can we reconsider a reconsideration of a vote?

The VICE PRESIDENT. Will the Senator from Arkansas repeat his request?

Mr. McCLELLAN. How many times can we reconsider a reconsidered vote, I should like to know.

The VICE PRESIDENT. A motion to reconsider the vote by which—the vote that was just taken——

Mr. McCLELLAN. Can the vote then be reconsidered?

The VICE PRESIDENT. No. This is the motion to reconsider.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. HICKENLOOPER. Mr. President——

The VICE PRESIDENT. This is a motion to reconsider the vote by which the vote on the amendment did not carry. The yeas and nays have been ordered.

Mr. TOWER. Mr. President, a point of order.

Mr. McCLELLAN. Mr. President, is this on the amendment?

The VICE PRESIDENT. No. This is on the motion to reconsider.

Mr. TOWER. Mr. President, a point of order. The mover was not a voter on the prevailing side.

Mr. PASTORE. Mr. President, may we please have order in the Chamber? There are too many Senators standing in the well away from their seats.

The VICE PRESIDENT. Will Senators please take their seats? The Senate will be in order.

Mr. BASS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Tennessee will state it.

Mr. BASS. The vote we are about to take is a vote to reconsider the vote on the amendment?

The VICE PRESIDENT. The Senator is correct.

Mr. BASS. Now, a vote in the affirmative on this motion would be to approve the previous vote; is that not correct?

The VICE PRESIDENT. Will the Senator restate his question? [Laughter.]

Mr. BASS. I will restate it. A vote in the affirmative on this rollcall would be a vote to agree or disagree to the previous vote? [Laughter.]

The VICE PRESIDENT. The chair will attempt to help the confused situation by adding his own confusion to it. The Senate voted, first on the amendment to the committee bill. That amendment failed to pass. There was, then, a motion to reconsider, and a motion was made to table. The Senate held a vote on the motion to table and it failed.

The Senator from Montana asks to vote now on a motion to reconsider the vote by which the amendment itself failed. The yeas and nays have been ordered and——

Mr. BASS. So, if a Senator wishes the previous vote on the amendment to stand, he would vote "nay," then, on the motion to reconsider?

The VICE PRESIDENT. The Senator is eminently correct, and the clerk will call the roll.

Mr GRUENING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The yea-and-nay vote is now in progress, and the Senator's inquiry is not in order.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Florida [Mr. Holland], the Senator from Wyoming [Mr. McGee], and the Senator from Florida [Mr. Smathers] are absent on official business.

I also announce that the Senator from Virginia [Mr. Byrd], the Senator from Idaho [Mr. Church], the Senator from Pennsylvania [Mr. Clark], the Senator from Minnesota [Mr. McCarthy], and the Senator from Alabama [Mr. Sparkman] are necessarily absent.

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Pennsylvania [Mr. Clark]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Connecticut [Mr. Dodd] is paired with the Senator from Nebraska [Mr. Curtis]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Nebraska would vote "yea."

On this vote, the senior Senator from Florida [Mr. Holland] is paired with the junior Senator from Florida [Mr. Smathers]. If present and voting, the senior Senator from Florida would vote "yea" and the junior Senator from Florida would vote "nay."

I further announce that, if present and voting, the Senator from Wyoming [Mr. McGEE] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] is necessarily absent because of death in the family.

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Connecticut would vote "nay."

The yeas and nays resulted—yeas 45, nays 45, as follows:

[No. 216 Leg.]

YEAS—45

Aiken
Allott
Bennett
Bible
Boggs
Byrd, W. Va.
Cannon
Carlson
Cooper
Cotton
Dirksen
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Lausche
McClellan
Miller
Morton
Mundt
Murphy
Pearson
Prouty
Randolph
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—45

Anderson
Bartlett
Bass
Bayh
Brewster
Burdick
Case
Douglas
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Ribicoff
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—10

Byrd, Va.
Church
Clark
Curtis
Dodd
Holland
McCarthy
McGee
Smathers
Sparkman

Mr. McNAMARA. Mr. President, I move the regular order.

The VICE PRESIDENT. The regular order has been called for, and the Chair votes "nay."

The motion is not agreed to.

So the motion to reconsider the vote by which the amendment was not agreed to was rejected.

AMENDMENT NO. 387

Mr. JAVITS. Mr. President, I call up my amendment No. 387.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, delete lines 1 through 4, and insert in lieu thereof:

DISAPPROVAL OF PLANS

SEC. 15. Section 209(c) of the Economic Opportunity Act of 1964 is amended by (1) inserting "of part B" before "of title I" and (2) striking out "and such plan has not been disapproved by him within thirty days of such submission" and inserting in lieu thereof "and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and, after public hearing in which the Governor or his authorized representative is given an opportunity to appear, found by the Director to be fully consistent with the provisions and in furtherance of the purposes of this part".

LIMITATION OF DEBATE ON JAVITS AND PROUTY AMENDMENTS

Mr. MANSFIELD. Mr. President, the Javits amendment, now pending, has been thoroughly explained this afternoon.

I had intended to suggest to the Senate that it remain in session until about 8 o'clock tonight. However, in view of certain developments which have arisen, the leadership would like to have the Senate go out of session at 7 o'clock tonight.

It is my understanding that the distinguished senior Senator from New York [Mr. JAVITS] and the distinguished senior Senator from Michigan [Mr. McNAMARA] are both willing to consider the possibility, the Senate concurring, to agree to a unanimous consent request to limit debate on the Javits amendment to 30 minutes, 15 minutes to a side, to be controlled, respectively, by the Senator from New York and the Senator from Michigan, to be followed by a yea-and-nay vote. That would complete the business of the Senate for today.

Mr. PROUTY. Mr. President, I may have an amendment to offer as a substitute for the Javits amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. JAVITS. Mr. President, reserving the right to object, if the Senate is to be in session until about 7 o'clock, and if the Senator from Vermont has an amendment, we could allow a half hour of debate on the amendment of the Senator from Vermont, to be divided between him and me. In addition, we may not need all the time allotted.

Mr. MANSFIELD. I might suggest that the time on the side of the Senator from Michigan may not be used entirely, knowing the Senator from Michigan.

Mr. McNAMARA. I wonder about the time on the other amendment.

Mr. MANSFIELD. The time on that amendment would be equally divided also.

The VICE PRESIDENT. Will the Senator from Montana restate his unanimous-consent request?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an hour be allowed for debate on the Javits amendment and all amendments thereto, the time to be equally divided between the proponents of the amendment and the distinguished Senator from Michigan [Mr. McNAMARA].

Mr. JAVITS. I shall be glad to allow time out of my time to the Senator from Vermont, if he desires additional time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the order is entered.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

The VICE PRESIDENT. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, the amendment which I have proposed has been very thoroughly explained. It would allow Governors to veto community action plans, provided that, if the Director of the program decided that he wished to override the veto, he could do so only after a hearing. Therefore, the Governor would have an opportunity to present his case in the public domain.

I have also made it clear that the public hearing to which I refer could be an informal public hearing. It would not have to be surrounded by the forms of law with respect to public hearings, whatever may be the general statutes, if a statutory public hearing were provided for. But there should be a hearing, and it should be open to the public. I have no doubt that, if the Senate adopted the amendment, the Administrator would be able to promulgate rules and regulations which would deal with the subject adequately.

It seems to me that we are in exactly the same position, and face exactly the same dilemma, that we faced a year ago. I have an idea as to what the amendment of the Senator from Vermont [Mr. PROUTY] to my amendment will be. He proposed it in the committee. It relates to the possibility of a veto by the Governor, which would be subject to being sustained or overridden by his own State legislature. Of course, that is a variant of the Governor's veto which we have dealt with by a very close vote. I believe that the plan which I have offered to the Senate is the only plan that is likely to satisfy those who feel strongly about States rights, and those who feel strongly about the poverty program in terms of being able to reach areas which might not otherwise be reached.

This is very much the approach the House came to after much consideration. We should not leave it to the House bill, however, because we had experience with that the last time the bill came before the Congress. What happened the last time was that in the Senate we wrote a veto provision into the bill, and the House promptly went for the veto.

Now we are writing no veto provision in the bill in the Senate, and my guess is that the House would go for that, unless the Senate manifests its will that it desires something in the bill to deal with the Governors' vetoes.

I believe that there is a real danger in letting the bill leave the Senate without such a provision in it, because we had bad experience with that the last time. Notwithstanding how much I favor the program, I was very unhappy with the way the matter was left, and I would have been if there had been nothing said about a veto. And that is exactly what is happening now.

In other words, the pendulum, having swung one way, is swinging the other way without anything in the bill whatever with respect to the Governor's right to veto. It does provide for consultation, but that is all. Indeed, that was an amendment of mine.

So having learned from experience—and we have certainly learned the toughness of the minds of Senators today by reason of the fact that minds are pretty much what they were a year ago. The voting then was very close, and it is just as close today, give or take absentees on each side. Let us learn from experience that many of us got something we did not want in the veto, so that we shall not get something that others of us do not want, which is no veto whatever, or no reference to a veto whatever.

I know that Senators on both sides of this issue feel very strongly. Normally, compromise falls between the two stools. That is why life is often such a sharp change from one side to the other, which is exactly what we are saying here. I do not expect to convince every Senator, but I hope that there are enough minds in the Senate who will look at the question coolly and will recognize that we need some compromise between the two views. We have the House approach of record for a compromise, and it should be latched into the bill. That is the plan that apparently represents the middle-of-the-road approach. I should like to see that the Director has such an opportunity as is provided in the amendment.

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). The Senator's 5 minutes have expired.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. JAVITS. I refer to page 118 of the record. The Director himself has testified that the amendment contained in the House bill provides a workable approach.

He said:

> The existing veto provision, considered in the light of our overall experience, has occasioned a few administrative difficulties. The House amendment, as we understand it, is directed to cases where the veto might be used for arbitrary, capricious, or discriminatory purposes. It thus retains the basic format of the existing provision with the addition of what is essentially a review procedure. Since the present provisions have, as indicated, presented few difficulties from an administrative standpoint, we consider that this—

Meaning the House version—

> represents a sound way of approaching the practical and procedural problems involved in any modification.

In short, the Senate now having turned down the proposal to restore the veto provision, I deeply believe that a majority of this body, leaving aside the feelings as reflected by the last vote, ought at least to put into the bill what is considered to be a workable plan, which will give dignity to the authority of the Governor. At the same time it will not give absolute power to the Governor over the projects under the bill, but will give him a great deal of power. I would be the last to underestimate the influence of a Governor's veto and the fact that the Administrator would have to hurdle public hearings in order to overrule him, with all the difficulty which such action implies.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I yield.

Mr. SALTONSTALL. So the difference between the House provision and the Senate provision is that the Governors would have an opportunity to have a public hearing?

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 additional minutes.

Mr. JAVITS. The Senator is exactly correct.

Mr. SALTONSTALL. That is the difference?

Mr. JAVITS. Yes.

Mr. SALTONSTALL. So if the Senate should adopt the amendment, it would be taken to conference with the conferees on the part of the House, and we could hope that an opportunity would be afforded to a Governor for a hearing after that Governor had indicated his disapproval of a project.

Mr. JAVITS. The Senator is correct. I should also like to point out to the distinguished Senator from Massachusetts, since he himself has offered a similar idea in relation to the urban affairs bill, that I have already made the legislative record that the hearing would not be a public hearing surrounded by statutory procedures, but it would be an informal public hearing. That is what I have in mind.

Mr. SALTONSTALL. I thank the Senator.

Mr. JAVITS. If the conferees feel that they should write the conference report in that way, that would be satisfactory.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McNAMARA. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 2 minutes.

Mr. McNAMARA. The debate up to now has brought out most of the salient points on the overall subject. It seems to me that one of the things that I would object to in the amendment is the fact that it would retain in the hands of the Governor the ability to delay a project for 30 days, and during that 30-day period the people in a local community could be intimidated in a community facility program. Therefore, I hope that the amendment will be rejected if it continues to have that very objectionable feature in it.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may be permitted to suggest the absence of a quorum with the time to be charged equally to both sides. I am looking for the Senator from Vermont [Mr. PROUTY].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 30 seconds to ask unanimous consent that, notwithstanding the fact that time is still reserved by the opponents and proponents of my amendment, the Senator from Vermont [Mr. PROUTY] may offer an amendment or whatever else he wishes to offer to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I yield 5 minutes to the Senator from Vermont.

Mr. YARBOROUGH. Mr. President, is this a part of the Senator's time or is it additional time?

Mr. JAVITS. No; it is not additional time. It is a part of the time under my control.

Mr. PROUTY. Mr. President, I send to the desk an amendment in the nature of a substitute. I ask unanimous consent that the reading of the amendment be dispensed with, but that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> Beginning on page 1, line 1, strike all through to the end and insert in lieu thereof the following:
>
> "SEC. 15. Section 209(c) of the Economic Opportunity Act of 1964 is amended.
>
> "(1) by inserting 'part B of' immediately before 'title I'; and
>
> "(2) by amending the proviso thereof to read as follows: '*Provided, however,* That this section shall not apply to contracts, agreements, grants, loans, or other assistance (1) to any institutions of higher education in existence on the date of the approval of this Act; or (2) in any State in which the Legislature of such State, has, by concurrent resolution, provided that subsequent disapprovals of any such plan by the Governor shall be advisory only.'"

Mr. PROUTY. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, I now propose an amendment in the nature of a compromise on the question of the Governor's veto. The motion to restore the existing language of section 209(c) of the Economic Opportunity Act has been defeated. As the bill now stands, there is no provision whatsoever for participation by the State authorities in the approval of programs under titles I-B and II-A of the Act.

My proposal is an attempt to find a middle ground. It places the final decision as to whether the Governor shall have the veto power not in the hands of a Federal appointee, but in the hands of the popularly elected legislatures of the States themselves.

Simply, my amendment provides that a Governor shall continue to have the power to effectively disapprove projects under titles I-B and II-A unless the legislature of his State, by concurrent resolution, provides that the Governor's approval shall be advisory only.

Thus, the legislature could strip the Governor of his veto authority in all future cases by providing that it should be advisory and not binding on the Office of Economic Opportunity.

The legislature could not interfere with a previous veto cast by the Governor.

It could only strip him of the authority to make future vetoes.

The legislature would not be given authority to strip the Governor of the power to veto any specific project.

The authority would be to strip the Governor of all future veto power, not just the power to veto a certain proposal. Of course, a legislature could always rescind the concurrent resolution at a later date, thus restoring to the Governor his full unimpaired power under section 209(c) of the act.

This amendment would put a check on a Governor who might be tempted to wield his veto power for purposes other than the best interests of the war on poverty program. A Governor tempted to cast a veto would know that such an action, if indefensible and offensive to a substantial number of people in his State, could well result in a resolution by the legislature depriving him of authority to cast any future vetoes. By making the Governor's veto power responsive to the popular will of the people of his State, as expressed through their representatives in the legislature, an important safeguard is established against its abuse.

On the other hand, if it should happen that a Federal official were eager to promote an antipoverty project in a State, and the great majority of the people of the State were opposed to such project, the Governor would be able to protect their interests and wishes by vetoing the project. Under H.R. 8283 the people of a State would be completely dependent upon the will of the Director of OEO, who could ignore the advice and wishes of the Governor, legislature, and the citizens of that State.

This amendment does not authorize or require the legislature of a State to pass upon any project to be carried on in that State. It merely states that when a certain event takes place—the concurrent resolution of the legislature—the Governor of that State shall henceforth be limited to advising OEO as to certain projects, and may not forbid OEO from going ahead without his consent.

Briefly, the present law gives the Governor a right.

In the House bill, the Director of OEO is authorized to strip the Governor of that right.

In the Senate bill now before us, Congress strips the Governor of that right.

In my amendment, the legislature of the State, presumably elected according to the one-man, one-vote rule and thus perfectly responsive to the wishes of the people, may, if it sees fit, strip the Governor of that right.

If my amendment is adopted and a legislature subsequently strips a Governor of his right to veto, local people in that State will know where the responsibility lies and will be able to consider the affair at the local level in the next State election. In the House bill, the only recourse is an appeal to a government bureaucrat. In the Senate bill, the only recourse is an appeal to both Houses of Congress. In my amendment, the appeal may be made to the members of the State legislature, who are more readily accessible to the citizen and more knowledgeable of the events within that State.

This amendment is a natural, Mr. President, for those who believe in Government exercised at the level closest to the people. It is also a natural for those who champion the one-man, one-vote rule—as a means of obtaining equal representation for all in State legislatures. Would these advocates who urge that every inhabitant of a State have an equal voice in that State's legislature, now turn around and argue that a decision of this nature—which directly affects the everyday lives of those inhabitants—not be made by the popularly elected legislature, but by the Congress in Washington? I certainly hope not, Mr. President. I think that the Prouty proposal is a reasonable way to settle the matter, a way that keeps in sight the need for local control, but at the same time permits the people of a State, acting through their State representatives and senators, to override a Governor's veto that is, in their opinion, out of keeping with their own best interests.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PROUTY. I am happy to yield.

Mr. SALTONSTALL. Do I correctly understand the Senator to say in substance that the Governor's veto shall prevail unless the legislature by concurrent resolution takes away that right and leaves the decision to the Federal Administrator?

Mr. PROUTY. That is correct. The decision would be left in the hands of the State legislature, and through that means, in the hands of the people.

Mr. SALTONSTALL. The Senator's amendment would remove the criticism in the committee report of letting the Governor have the absolute say, if that power be given to him, without the legislature having opportunity to override him.

Mr. PROUTY. The Senator is absolutely correct. It seems to me that this amendment is a fair compromise, and overcomes the objections voiced earlier.

Mr. SALTONSTALL. Once the legislature adopted such a resolution, its action would apply to any projects in the future.

Mr. PROUTY. That is correct.

I have had placed on the desks of Senators an explanation of the so-called Prouty veto amendment.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The committee considered the proposal of Senator PROUTY. It was the subject of considerable debate, and I myself gave careful thought to it. As I see it, the Senator from Vermont is endeavoring to be constructive and creative in suggesting another compromise to the Senate.

The difficulty that his substitute presents to me is that it lacks the flexibility of my amendment, because the legislature would have to exercise its power on a generic basis; that is, by either allowing or not allowing a Governor to exercise an absolute veto over programs in the future. Hence, the amendment does not have the flexibility of enabling the antipoverty programs to be dealt with on a case-by-case basis.

In addition, I believe that the plan which the Senator from Vermont has suggested would throw the entire matter at one time into a tremendous political struggle between the Governor and the State legislature, because a Governor would hardly recommend such a procedure to a State legislature; he would rather keep the power himself. Therefore, for all practical purposes, the State legislature would be acting against the Governor. Consider what might happen if a Governor and a State legislature were of different political parties.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROUTY. My amendment puts the power in the hands of the people. The people would exercise the veto.

Mr. JAVITS. I cannot accept that explanation, I am sorry to say, for the reason that the Governor is elected by the people, too. We are elected by the people. The President of the United States is elected by the people. The fact that authority is delegated to various officials does not make it any less an act of the people. In my judgment, it cannot be said that this amendment gives the authority to the people and that everything else does not. That is not the nature of our government. If we wanted to give the decision to the people, we would have a town meeting on every project.

I believe that we must construct a plan which would be selective enough to deal with the entire problem on a project-by-project basis. I believe that what we are asked to do here would involve us in a monumental struggle between State legislatures and Governors which would outshine the issues on any given project and which, in my judgment, could easily vitiate the desirability of the projects, which would fall down the hatch, depending on the outcome of the political struggle.

I would not want to see that as the end result of the Governor's veto. As we live in our society, if a Governor were to veto a project and get a hearing concerning that veto, it would be a rather rare case when an administrator in Washington would override the Governor's veto. That is the way it ought to be. However, the administrator could override it in the case of injustice or discrimination. He could do it on a case-by-case basis, and not on the generic basis of the power of the Governor or of the State legislature.

I am pleased that the Senator from Vermont [Mr. PROUTY] has used creativity and ingenuity in coming forth with another idea. However, with all due respect, I believe that the plan which I have suggested to the Senate is the best plan. It would avoid the danger which we suffered before of going to one extreme of the scale when granting the veto power. Now we encounter the extreme of new danger of going to the other extreme of the scale when no veto power is provided.

I believe that the plan which we have before us in my amendment pursues a method which has already been followed by the other body. It would be a fair compromise. It would work. The Director himself said in the hearings that it would be workable and that it is his best answer to the dilemma in which we find ourselves.

I hope that the Senate will vote down the substitute amendment and vote affirmatively upon my amendment.

Mr. President, I am not aware of any other requests for time on this side. I reserve the remainder of my time.

Mr. YARBOROUGH. Mr. President, I yield myself 2 minutes on the Prouty amendment.

The PRESIDING OFFICER. The Senator from Texas is recognized for 2 minutes.

Mr. YARBOROUGH. Mr. President, in many ways the pending amendment is worse than the absolute veto in the present law. One vice is the veto, and the other vice is the appeal to the Director of the antipoverty program. It would lead to political confusion.

These projects, especially those allowing students to work in the summer and be prepared to go to school in the fall, ought to be expedited. If we were to permit the proposal to go to another governmental body, a body such as a State legislature, some of which meet only once every 2 years, it would lead to more confusion. The programs would be lost.

I believe that this is the worst of all the proposals.

Mr. JAVITS. Mr. President, I yield myself one-half minute.

The PRESIDING OFFICER. The Senator from New York is recognized for one-half minute.

Mr. JAVITS. Mr. President, in view of the fact that most Senators are not aware that a substitute amendment is pending, I ask unanimous consent that there be a quorum call, the time for which I suggest be equally divided between both sides, so that Senators can be apprised of the parliamentary situation before they vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

The purpose of the quorum call was to acquaint Members of the Senate with the parliamentary situation which has developed since the unanimous-consent request on time was agreed to. My amendment was then pending. It was the subject of the unanimous-consent request. Since that time a substitute has been offered by the Senator from Vermont [Mr. PROUTY], which would give the Governors absolute veto power but would vest in the State legislature of each State the power to take away the Governor's absolute veto authority and leave him with an advisory veto, which could be overridden by the Director. It does not contain a provision for a public hearing, which my amendment does, in case of such veto.

The Senate has a choice between the two alternatives which I have described, and which I have previously described at great length.

I should like to sum up my own argument by saying that the last time we had the problem before us, last year, we adopted the absolute veto amendment. It went over to the House and was promptly agreed to. Now if the bill stands as it is with its no-veto provision, that may well be what will happen in the House again, and we shall have frustrated the effort to have a Governor have any voice. My proposal gives the Governors a flexible opportunity to be heard in a very effective way, with respect to individual projects, which is I think what is required by the situation.

My amendment gives the Governor the right to have a public hearing before his veto can be overridden by the Director. That makes it difficult for an administrator to overrule the Governor. But it makes it possible when he feels that strongly about it and is likely to appeal to the public about it.

My amendment is a fair compromise. I hope the Senate will vote for it. I prefer it to the recommendation of the Senator from Vermont [Mr. PROUTY], which would go the other way and in the direction of leaving the law as it is. That amendment raises the problem of involving the legislatures and the Governors in a confrontation, which I do not favor, and I hope the Senate will not favor it.

Mr. McNAMARA. Mr. President, I yield myself 2 minutes.

The Prouty amendment was offered in committee, discussed in committee, and voted down in committee. Therefore, speaking for the committee, I hope the Prouty amendment will be defeated.

We have discussed the subject of the Governor's veto at great length this afternoon. An amendment to reaffirm the total veto power as it exists in present law was defeated.

Now the Senator from New York offers a modified version.

His amendment would pick up the language as it appeared in the original House bill, which would permit the Director of OEO to override a Governor's veto.

However, he adds another provision to the House language by stipulating further that there be a public hearing before the Director of OEO could take such action.

It seems to me that the question of a public hearing simply would add further delay and confusion to the situation.

As I have stated previously, it is the threat of a veto and the delaying tactics of some Governors that has been more obstructive to the aims of the economic opportunity program, than the actual veto.

Therefore, I feel that rather than helping the situation, the amendment of the Senator from New York carries with it the threat of further confusion.

I hope the Javits amendment will be defeated.

The VICE PRESIDENT. Do Senators yield back their time?

Mr. JAVITS. I yield back my time.

Mr. McNAMARA. I yield back my time.

The PRESIDING OFFICER. All time on the amendment is yielded back. The question is on agreeing to the amendment of the Senator from Vermont [Mr. PROUTY] as a substitute for the amendment of the Senator from New York [Mr. JAVITS] to the committee amendment.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Arizona [Mr. HAYDEN], and the Senator from Wyoming [Mr. McGEE] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. McCARTHY], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Virginia would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Nebraska would vote "yea."

I further announce that, if present and voting, the Senator from Wyoming [Mr. McGEE] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] is necessarily absent because of death in the family.

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Connecticut would vote "nay."

The result was announced—yeas 44, nays 47, as follows:

[No. 217 Leg.]

YEAS—44

Aiken
Allott
Bennett
Boggs
Byrd, W. Va.
Carlson
Cooper
Cotton
Dirksen
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Holland
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Lausche
McClellan
Miller
Morton
Mundt
Murphy
Pearson
Prouty
Randolph
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—47

Anderson
Bartlett
Bass
Bayh
Bible
Brewster
Burdick
Cannon
Case
Douglas
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Mondale

Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Ribicoff
Smathers
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—9

Byrd, Va.
Church
Clark
Curtis
Dodd
Hayden
McCarthy
McGee
Sparkman

So Mr. Prouty's amendment as a substitute for the Javits amendment to the committee amendment was rejected.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New York will state it.

Mr. JAVITS. A vote now recurs upon my amendment to the committee amendment as originally proposed and debated most of the afternoon?

The VICE PRESIDENT. Yes. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll; and Mr. Aiken voted "yea" when his name was called.

Mr. LAUSCHE. Mr. President, is there any time left on that amendment?

The VICE PRESIDENT. The yea-and-nay vote is now in process.

Mr. LONG of Louisiana. Mr. President, is the yea-and-nay vote now underway.

The VICE PRESIDENT. It is underway. The Senator from Vermont [Mr. Aiken] has voted.

Mr. LONG of Louisiana. Mr. President, has all time been yielded back?

Mr. HICKENLOOPER. Mr. President, the regular order, please.

The VICE PRESIDENT. The regular order is demanded. The clerk will call the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Arizona [Mr. Hayden], and the Senator from Wyoming [Mr. McGee] are absent on official business.

I also announce that the Senator from Virginia [Mr. Byrd], the Senator from Pennsylvania [Mr. Clark], the Senator from Minnesota [Mr. McCarthy], the Senator from Alabama [Mr. Sparkman], and the Senator from Idaho [Mr. Church] are necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. Byrd], the Senator from Pennsylvania [Mr. Clark], the Senator from Connecticut [Mr. Dodd], and the Senator from Wyoming [Mr. McGee] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis] is necessarily absent because of death in the family and, if present and voting, would vote "nay."

The Senator from Kansas [Mr. Carlson] is detained on official business.

The result was announced—yeas 23, nays 67, as follows:

[No. 218 Leg.]

YEAS—23

Aiken
Bible
Boggs
Byrd, W. Va.
Cannon
Case
Cooper
Ervin
Fong
Javits
Jordan, N.C.
Kuchel
McIntyre
Morton
Pearson
Randolph
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Smith
Talmadge
Young, N. Dak.

NAYS—67

Allott
Anderson
Bartlett
Bass
Bayh
Bennett
Brewster
Burdick
Cotton
Dirksen
Dominick
Douglas
Eastland
Ellender
Fannin
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Jordan, Idaho
Kennedy, Mass.
Kennedy, N.Y.
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McClellan
McGovern
McNamara
Metcalf
Miller
Mondale
Monroney
Montoya
Morse
Moss
Mundt
Murphy
Muskie
Nelson
Neuberger
Pastore
Pell
Prouty
Proxmire
Ribicoff
Robertson
Simpson
Smathers
Stennis
Symington
Thurmond
Tower
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, Ohio

NOT VOTING—10

Byrd, Va.
Carlson
Church
Clark
Curtis
Dodd
Hayden
McCarthy
McGee
Sparkman

So Mr. Javits' amendment to the committee amendment was rejected.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY of Massachusetts. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SALTONSTALL. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. On page 20, line 14, after "community action agency" it is proposed to insert: "and the Governor of the State in which the community is located".

Mr. SALTONSTALL. Mr. President, I have always been in favor of having the Governor given responsibility in connection with this subject. The Senate has seen fit not to give the Governor the responsibility. I believe the amendment which I have offered is acceptable to both the Senator from Michigan and the Senator from New York. The national Director now gives 5 days' notice to the community director as to what the national Director intends to do in connection with any community action. The amendment adds that the same notice shall also be given to the Governor of the State in which the community is located.

I believe the Senator from Michigan and the Senator from New York will accept the amendment.

Mr. McNAMARA. Mr. President, on the basis of the explanation given by the Senator from Massachusetts, I am prepared to accept the amendment.

Mr. JAVITS. I am prepared to accept it.

Mr. HICKENLOOPER. Mr. President, I do not want the amendment to be accepted without an understanding being had by Senators that it does not add anything to the situation. I do not like to have the Senate accept it, but I am not going to object to the acceptance of it if the Senate wishes to accept it. However, I do not want anyone to be fooled about this matter. The amendment does not add anything to the power of the Governor. It looks like window dressing, with the little coloring of notice to the Governor.

Mr. SALTONSTALL. Mr. President, I believe it does add something. I agree that it does not give the Governor the veto power. What it does do is to make certain that the Governor, within 5 days after the national Director wishes to establish something in a community, and now, under the bill, must give the community director notice that he intends to do so, shall also give the same notice to the Governor of the State in which the community is located.

It gives the Governor an opportunity to understand what is proposed, and to temper it, if he desires to do so.

We have been defeated on the other amendments. I am heartily in favor of giving the Governors a veto. That has been taken away. As I see it, what we wish to do is to give the Governor notice so that he can take a part in working out whatever problems might exist, smoothing them down, and tempering the situation to the best of his ability. That is what my amendment would do.

Mr. DOMINICK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOMINICK. If the amendment should be adopted, would such action prevent further efforts to present a method of preserving the right of veto tomorrow or whatever other time such a proposal might be made?

The VICE PRESIDENT. The Senator knows that he is at liberty to offer amendments to any other portion of the bill that he sees fit.

Mr. DOMINICK. Does the amendment apply to section 209(c)?

Mr. McNAMARA. Section 209(b).

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DOMINICK. I am happy to yield.

Mr. JAVITS. The amendment would apply to section 209(d), which deals with applications from private nonprofit agencies. It provides that the Governor shall receive notice at the same time that the director, namely the Director of the antipoverty program, gets such notice. That action is entirely consistent with what we adopted in relation to section 209(a) for continuing consultation with appropriate State agencies. It is pretty hard to consult unless the parties know what they wish to consult about.

The Senator from Massachusetts [Mr. Saltonstall] has spelled that out in respect to the particular question contained in section 209(d).

The VICE PRESIDENT. The Chair informs the Senator from Colorado that the bill may be amended line by line, title by title, and section by section, with the exception of the exact words that have been added or proposed by the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I thank the Chair.

Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOMINICK. Do I correctly understand that the amendment is an amendment to section 209(d)?

The VICE PRESIDENT. The Senator is correct.

Mr. SALTONSTALL. It is an amendment to section 209(d), on page 20, line 14. I should like to read what that section provides.

Mr. DOMINICK. I am satisfied. I thank the Senator.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Massachusetts [putting the question].

The Chair is in doubt.

Mr. McNAMARA. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

AMENDMENT NO. 386

Mr. JAVITS. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. On page 24, between lines 15 and 16, insert the following new section:

QUALIFICATIONS OF DIRECTOR

SEC. 18. The second sentence of subsection (a) of section 601 is amended by inserting before the period at the end thereof a comma and the following: "and who shall hold no other Federal office of equivalent rank.".

Renumber the subsequent sections of the bill accordingly.

Mr. DIRKSEN. Mr. President, my understanding is that the amendment laid before the Senate tonight will be the pending question at the conclusion of the morning hour tomorrow.

Mr. MANSFIELD. That is correct.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this evening, it stand in adjournment until 12 o'clock noon tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

The Senate resumed the consideration of the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

Mr. HARRIS. Mr. President, I intend to vote for the amendment offered by the distinguished Senator from New York [Mr. JAVITS] which is now the pending business, to provide a full-time administrator for the Office of Economic Opportunity.

In so doing, I wish to make three points points clear:

First. I believe in the concept of, and am highly sympathetic with the need for the President's war on poverty. A nation as rich in resources as is the United States, with the great majority of our people living in abundance, must accept its responsibilities to give a helping hand to that portion of our population not in the mainstream of American economic and cultural life. I intend, therefore, to support and vote for the expanded authorization contained in this bill.

Second. Great and rapid progress has been made in the several programs comprising the war on poverty, and I am quite aware of the fact that a program as new and as big as this one is, necessarily must have some unfortunate mistakes in administration and resultant snarls of redtape as it gets underway. I think, however, there have been more administrative difficulties and redtape than the situation warrants. I feel that at least rapid improvement is needed.

I commend the Senate committee and the distinguished Senator from Michigan [Mr. McNAMARA] for recommending an authorization figure lower than that approved by the House. I understand the recommended authorization in this bill is $245 million less than was recommended by the House, plus $150 million to cover the cost of the new program under the Nelson amendment; thus the authorization is $95 million less than was approved by the House. This is in line with the request of the administration, and it represents, I feel, less of a crash program and more of an orderly program, which I think will help those who administer it to reduce some of its administrative difficulties.

Third. Furthermore, I think it is imperative that the program be directed by a full-time administrator. Mr. Shriver is an outstanding public servant. He has done a truly remarkable job with the Peace Corps, but the war on poverty is big enough and important enough to have the undivided attention of its administrator. Mr. Shriver brings an amazing zeal and great ability to this job, but he cannot do everything.

Examples of incidents which have occurred recently in Oklahoma will serve to point up my concern for the present administration of this program.

In Oklahoma City, a Neighborhood Youth Corps program was underway. Then its funds expired in midsummer, and the young people had to be discharged. The Oklahoma congressional delegation was told by the Federal officials that the renewal of the contract had been approved, but official approval was not forthcoming. There was great confusion in the Oklahoma City community, much adverse press and resulting loss of interest and confidence in the program. Even Time magazine carried a critical report on this incident where 300 young people were discharged and later rehired.

In Clinton, Okla., an application was filed for an Operation Head Start program. The Oklahoma congressional delegation was notified that the application had been approved, and we notified the local leaders in late June. By mid-July, no official word had been received by them from OEO. Our office contacted OEO and was told that the project was being held up because there had been no waiver of the Governor's veto of the project. Upon investigation, it was found that the waiver had long since been given by the Governor, but apparently had been lost. Thereafter, the project was approved retroactively so as to pay faculty salaries, but a great part of the summer was lost for the young people the program intended to benefit.

In Altus, Okla., local sponsors of a Neighborhood Youth Corps project became concerned about delay in action on their application and asked our office to check on it for them. They gave us the project number, and we used the project number on our contact with Federal officials. We were given the information that the project had high priority and would be approved soon.

Later it was discovered, and we were notified, that the Federal officials had the wrong project in mind when they gave us this notification and that the project application inquired about had never gotten out of the regional office.

Oklahoma City filed a planning application for a community action project. Notification was given that the application had been approved, but nearly a month later, it had not been funded. Our office was informed that the probable cause in the funding delay was a lack of waiver of veto by the Governor. We passed this information on to the interested local parties as reliable information. Later we learned that the Governor had wired his waiver of veto the very day that approval had been announced, nearly a month earlier.

I am sure that a part of the problem illustrated by these examples is that various parts of the war on poverty are administered by different agencies, and lines of responsibility are not always clear. However, there seems to be much undue delay, sloppy public relations and too much misinformation which embarrasses friends of the program and undermines community support and interest.

It is difficult to get a sharply stated list of criteria by which programs are to be evaluated, and in many instances it is impossible to get agreement among various evaluators.

Therefore, it seems to me we must have a full-time Administrator of this program on the national level, and authorization figures should be held to the amounts approved by the Senate committee so that we allow time for the realities of the program to catch up with its aspirations.

We need a well-staffed, centrally located regional office in our area of America immediately. I understand that progress is being made on this, and it is long overdue. Clear lines of communication, sources of reliable information, must be provided the public.

Administrators at various levels in the program need to have a less defensive attitude toward the Congress. The local citizens generally come to Members of the Congress for assistance and information, and there is no reason why Members of Congress cannot work together in a joint effort with administrators of this program and local communities, since our goals are the same. But to do so, we must be kept up to date and must be furnished reliable information.

I state these criticisms and my own feelings in a helpful spirit, as one of those who support the war on poverty, founded upon the sound principle that it is a much better investment in America and a much more humane and cheaper investment to help people get the necessary skills and education to enable them to be productive and self-sufficient, than it is to bear the costs of welfare and crime, which almost inevitably will result from nonaction.

I hesitate to detract from a good program, but I state these suggestions only after having made them in writing to Mr. Shriver in a letter dated July 15, 1965, a letter which, as yet, has not been acknowledged.

I shall vote for the Javits amendment to provide a full-time Administrator for OEO. I am not sure that this will cure the administrative ills with which this program is beset, but it is one way of showing that, as one who supports the aims of the war on poverty, I feel there is much room for improvement of its administration.

Mr. YARBOROUGH. Mr. President, when we talk about poverty, we are talking about people. We are talking about 10 million families, American families, who try to shelter, feed, and clothe themselves and their children on less than $60 a week.

An equally startling figure that came out of hearings on this bill is that in this great country of ours, we have 4½ million rural families who are trying to live on weekly incomes of less than $60.

What makes this picture darker is that in rural America we have over 500,000 poor families with a family head older than 55 with less than an eighth grade education. In my own State of Texas, there are over 39,000 such families.

It can easily be seen that their chances of climbing out of poverty are considerably less than those with family heads who are younger.

We have also learned in our hearings and from some economists that poverty in this country is about equally divided between urban and rural areas—and if there is any difference it is caused by the population makeup of our country. More people live in cities than in towns, and for this reason rural poverty is twice as high as urban poverty.

In stating these facts—in comparing rural with urban poverty—I am in no way trying to make a case for letting rural areas get more than may be given urban areas. This legislation does not make a distinction between urban and rural poverty. Its programs are aimed at eliminating poverty wherever it exists and that is as it should be. This is a national problem and this is a national piece of legislation for attacking that problem.

What does disturb me is that if no particular assistance is provided, a large portion of these rural poor families will be forced to move—and if this happens, where will they go? To our cities, of course, where they will join the already large numbers of poor living in the slums.

Is this what we want to happen? Do we want to see our rural poor forced to leave rural areas and compound the problems of city poverty?

I, myself, do not think that this is the answer. The Economic Opportunity Act is broad enough to attack poverty anywhere in our Nation.

The President, in his message to Congress on February 4 of this year, when he discussed in some detail the problems of rural areas and of its people utilizing Federal programs, directed the Secretary of Agriculture to establish a new agency having one aim—to help move Federal programs into rural areas.

This agency, called the Rural Community Development Service, was called upon by Mr. Shriver in May to help rural people participate in the poverty program.

I hope that the Director of the Office of Economic Opportunity will allocate administrative funds to the Department of Agriculture so that they can continue to assist OEO in getting the poverty program into operation in the rural areas.

It is perfectly clear to me that this agreement would be completely in accord with the President's farm message of February 4. I ask unanimous consent that an excerpt from the message be inserted in the RECORD following my remarks.

Let us all hope that Sargent Shriver and Secretary Freeman, who are both dedicated to helping people, work out an arrangement whereby our rural areas will be able to more fully participate in this nationwide war on poverty.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE PRESIDENT'S SPEECH TO THE CONGRESS OF THE UNITED STATES, FEBRUARY 4, 1965

The rural unemployed and underemployed are largely out of sight. Most of them are hidden in the remote valleys of Appalachia and the Ozarks, on the unpaved side roads of the South, in the once-rich timber lands of the North, on Indian reservations, and in the wornout mining communities of the West.

The results of opportunity's decline in rural America are reflected in harsh facts:

Lack of a decent life is almost twice as prevalent in rural America as it is in urban America. Only 30 percent of our families live in rural areas, but they include 46 percent of those American families with incomes under $3,000.

Rural America has almost three times the proportion of substandard houses found in urban areas. A fourth of all farm homes and a fifth of rural nonfarm homes are without running water. Over 14,000 rural communities of more than 100 population lack central water supplies.

Rural people lag almost 2 years behind urban residents in educational attainment. They often suffer from a lower quality of education. Per pupil expenditures for elementary and secondary education in rural school districts are substantially below expenditures in urban districts.

Rural communities lag in health facilities. Rural children receive one-third less medical attention than urban children. Their mortality rate is far higher.

These deficiencies feed on one another. They leave too few resources to support education, health, and other public services essential to development of the talent, skills, and earning power of the people.

PARITY OF OPPORTUNITY FOR RURAL AMERICA

These facts require a national policy for rural America with parity of opportunity as its goal.

There has been a steady migration from our countryside. In the 1950's more than half of America's rural counties suffered a population loss. But farmers who are handicapped by poor health, age, or lack of skill in any occupation outside of farming and who leave their home communities for want of opportunity, often create new problems—for themselves, for the communities they leave, and for the cities which receive them.

When people move away from rural areas, the area suffers. Migration leaves vacant stores, abandoned churches, empty schoolrooms, declining tax bases, and a declining ability to support a minimum level of public service.

This is what we need to have parity of opportunity for rural Americans:

National economic prosperity to increase their employment opportunities;

Full access to education, training, and health services to expand their earning power; and

Economic development of smaller and medium-sized communities to insure a healthy economic base for rural America.

When the rural citizen, his community, business and government cooperate, the chances for a better rural life increase. Local leadership and initiative are necessary if rural development is to keep pace with the needs of the people. But government can and should provide information as well as the technical and financial assistance which will speed progress.

Many measures enacted by the Congress in recent years are assisting rural communities in building new opportunities for their citizens. Others I have recommended this year aim at these same objectives.

The Area Redevelopment Act has helped scores of small- and medium-sized communities through loans to new industrial enterprises and loans and grants for needed public facilities. I will soon make recommendations that will urge this act be improved and made permanent.

Under the Economic Opportunity Act, communities will be carrying out programs to provide new opportunity for low-income rural families.

The Department of Agriculture has a wide range of programs to assist in rural economic development—loans for telephone systems, for recreation enterprises, for development of forest resources, for community water systems, and for rural housing. The small watershed and resources conservation and development programs add to business activity in rural areas.

The development of new job opportunities in rural areas has been considerably aided in the past by a strong program of rural electrification. The ability of rural areas to attract and support industrial activities—one of the fundamental solutions to the basic problem of our farm population—rests in very large part upon the availability of electric power. We must and will continue our efforts to enable those areas that do not presently possess an adequate power supply to meet their growing demands and insure that the benefits of industrial diversification are available in rural areas.

Many other activities of the Government are assisting businessmen and farmers to revive dying economies and raise the level of public services in rural areas. These include aid for community facilities, employment services, health and education programs, small business loans, job training, and development of outdoor recreation.

Yet gaps remain between the levels of living in rural America and those of urban America: in income, in education, in housing, in health and sanitation facilities. Parity of opportunity remains a distant hope for many. It is a challenge we must meet head on.

REACHING OUT TO RURAL AREAS

In my earlier messages to the Congress, particularly those on education and health, I have proposed measures to assist those areas of our country and those families most in need, both urban and rural.

It is not easy to equitably distribute Federal assistance to a scattered rural population. Rural communities often lack the specialized organizations found in major cities which keep informed of development programs and initiate action to make use of them. Special measures must be taken both by the States, and by Federal agencies to reach rural people, particularly in remote areas.

Since it is clear that an administrative office for each Federal agency or program cannot and should not be established in every county, a method must be developed to extend the reach of those Federal agencies and programs which should, but do not now, effectively serve rural areas.

Accordingly, I have asked:

1. Each department and agency administering a program which can benefit rural people to assure that its benefits are distributed equitably between urban and rural areas.

2. The Secretary of Agriculture and the Director of the Budget to review carefully with the head of each department or agency involved, the administrative obstacles which may stand in the way of such equitable distribution. They should propose administrative or legislative steps which can be taken to assure that equity is attained to assure full participation by rural areas.

3. The Secretary of Agriculture to put the facilities of his field offices at the disposal of all Federal agencies to assist them in making their programs effective in rural areas. The Secretary is creating within the Department of Agriculture a Rural Community Development Service, which will have no operating programs of its own but will devote its energies to assisting other agencies in extending their services. I have requested funds in the 1966 budget to finance this service and to strengthen the capacity of the Cooperative Federal-State Extension Service to assist rural communities in forming strong and active development organizations.

Mr. FULBRIGHT. Mr. President, I am aware of imperfections in administration of the economic opportunity programs. But these imperfections should not be permitted to obscure the real accomplishments, and the worthy purposes, of this effort to uplift and redeem the many thousands of young people who have never before had a chance to glimpse the vast horizon of an abundant America.

The purposes of these programs are clear and worthy. The accomplishments are real and lasting. The mistakes in administration will diminish.

The perfection and continuation of these programs are proper steps in our determination "to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common Defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity."

These words from the preamble to our Constitution appropriately state the goals of this economic opportunity legislation. Many children and young people in Arkansas, and throughout the Union, will be given a chance to contribute to and participate in the fulfillment of these constitutional goals.

Mr. President, I ask unanimous consent for insertion of an article by Mr. Mark R. Arnold from the August 16 issue of the National Observer. This article relates some of the achievements of the Head Start project in Yell County, Ark.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW PROJECT HEAD START IS WORKING: YELL COUNTY GETS A HANDLE ON POVERTY PROBLEM

OLA, ARK.—Cindy is a 5-year-old girl with delicate features and flowing black hair who had never seen an elephant. But last month she and her 39 classmates at a local school in Yell County here boarded a bus, clutching their picnic lunches, and drove to Little Rock, 90 miles to the east. There, at the zoo, she saw an elephant. "It had a long nose," she exclaimed last week. "It was bigger than a turtle. Bigger than my daddy." Now she draws pictures of elephants in water colors, and pictures of herself, which show a girl with spindly legs, a round stomach, and a grin on her face.

Cindy doesn't know it, but the trip to the zoo, the water colors, the songs she's taught to sing, the nourishing lunch she's served in school, the games she's taught to play—even the contests to see who can wash his hands the cleanest—all are designed to prepare her for entering first grade next month. For Cindy is one of those 500,000 children who are enrolled in the Federal antipoverty program's Project Head Start, the program aimed at bringing youngsters from what sociologists call "culturally deprived" homes closer to the level of the classmates they will soon meet. The program originally was planned as an 8-week summer project, but the response has been so good, said Federal Antipoverty Director R. Sargent Shriver last week, that the Government will make Head Start a year-round project.

Rural Yell County, where a steadily declining population (now 12,000) exists on an average income of $2,600 a year, is a good place to see Project Head Start in operation. It is a county where girls and boys from homes like Cindy's have traditionally quit school long before graduation. There are as many adults here with less than an eighth grade education as there are with more.

SCANT SCHOOLING IS NO BAR

One reason for the high dropout rate is that a limited education has never served as much of a handicap. Yell County residents could make a living on family farms growing row crops like corn and cotton, or find employment in one of the sawmills and woodpulp factories that process timber from the area's deep forests.

But things are changing, here as in other rural areas. Increasingly, larger farms are squeezing out the small producer, and cutbacks in the timber industry have idled many. To provide steady employment and curb the steady population loss to the cities (15 percent since 1950), county leaders are seeking to attract new industry and develop the area's lakes and woods for recreation. Industry's demand for a skilled labor supply spurred the county to establish an antipoverty program, with the emphasis on education. Project Head Start is part of the effort.

Explains Mrs. Hazel Marcum, a fourth grade teacher, who directs the local Head Start project: "A lot of kids show up for the first day of school showing serious effects from neglect. They don't have shoes or they're not clean. Some from large families can't say more than a few words. They can't keep up in class and they're laughed at. It doesn't take long before they lose interest."

WHAT THE CHILDREN ARE TAUGHT

To prevent this year's crop of first-graders from being "laughed at," the Federal Government is pouring $84 million in antipoverty funds into Head Start projects in 2,300 communities. Yell County's program cost $49,000, 90 percent of it to be paid by the Federal Government. The county will pay the rest. At half-day sessions in the county's seven schools, 233 pupils learn to recognize colors and shapes, to use scissors, listen to music, recite nursery rhymes, and identify simple household objects like a toothbrush and a bar of soap.

In addition to the zoo, the youngsters have been taken on trips to a supermarket, a dam, a movie (Walt Disney's "Cinderella"), a library and to Arkansas Polytechnic College in nearby Russellville, where an unexpected attraction proved to be the public rest rooms. "Many of them had never seen indoor plumbing before," a teacher explained.

Visit the Ola School here and you get an idea of the problem. A few faces are gaunt. One child has burns on her chin, which her teachers think might have come from huddling too close to a stove to keep warm. Mrs. Marcum points to a thin girl at the corner of a table who is rubbing her eyes, and whose dress hangs down almost to her ankles.

"We had a devil of a time getting her here," she says. "It took three visits to the home before her mother would let her come. Some of the other children in the family have never been to school. Their mother said there was no use sending them.

SHE'S GETTING ANIMATED

"When we finally got her, she did not eat her snack (of milk and cookies) in the morning, or her lunch for 3 days. Just chewed bubble gum off in a corner and rubbed her eyes. Now she's eating and beginning to talk to the other children. At the zoo, she jumped around like crazy, and she talked the whole way back on the bus."

But these children are exceptions. Most are normal, healthy, and active. "Want to look at my coloring book?" one of the class' two Negro pupils asks. He wants a visitor to see a crayon drawing he did, a caged hamster, and a plant that he and other youngsters take turns watering.

If you judge Head Start as an experiment in cultural enrichment it seems to be working well here. The children benefiting by 8 weeks of special summer schooling are indeed from impoverished homes. A ratio of 1 teacher for each 16 pupils assures personal attention to each child's needs, and the work of the teachers is supplemented by 14 teacher aides, most of them college students or graduates.

But Head Start is not without its problems here, and those problems are reflected in the experiences of other Head Start communities across the Nation.

Antipoverty officials in Washington argue that if the opportunity offered to Head Start youth is to have any lasting effect, it must be reinforced in the home. The program, therefore, provides for employing parents of the children as paid volunteers in the schools (as teacher aides and recreation leaders, for example), and for extending community services to help parents with family problems. Under the Yell County program, five home economists have been hired to teach low-income mothers proper budgeting, cooking skills, nutrition, and health care.

But this part of the program has met with little success. Says Boss Mitchell, Yell County antipoverty director: "When some of these mothers are working 8 or 9 hours a day they do not feel like going to a meeting at night to learn how to run their home. Some who are not working would not be good examples for the kids in school. Or they have a feeling that their clothes are not good enough or their hair's not fixed right."

Medical treatment is another problem. Every youngster in Head Start is to be given a complete health checkup. Under Yell County's budget, local physicians are paid $2 and local dentists $2 for each examination they give. But Washington has made no allowance for correcting the deficiencies detected. Examinations on local children here have revealed deficiencies, including bad teeth, malnutrition, possible tuberculosis, and one child suffering from a heart defect. Mrs. Marcum hopes that local welfare funds will be made available to treat some children but she has no assurance of it.

Head Start officials in Washington acknowledge these problems. "This parental involvement thing has not gone as well as we think it can go," says Jule M. Sugarman, the program's deputy associate director, "but we've made a start." Head Start administrators say they anticipated that some medical problems might go uncorrected, but they reason that uncovering the deficiencies is an achievement nonetheless.

SOME SIDE EFFECTS

Though it is too early to assess the results of Head Start, the program has already had some notable side effects in Yell County. It is the first major project undertaken jointly by the county's seven autonomous school districts. In the past, programs such as foreign-language instruction or music that no single school district could support have sometimes been abandoned because of lack of cooperation among the districts. Head Start also appears to have wiped out the last vestiges of racial segregation in county schools. Washington insisted on countywide integration as a condition of releasing Head Start funds. Finally, the project has set precedent by keeping school doors open during the summer months.

Local officials now seek to employ county schools as a year-round weapon in the antipoverty program. Twenty-six adults are learning to read and write in new basic education education classes. Vocational-training courses have been proposed to teach new skills to the jobless. Remedial reading classes for potential school dropouts, begun this summer, will be expanded when the fall term begins. And if Washington approves the county's $150,000 request for a continuation of Head Start, next year's crop of low-income firstgraders may get a heavier dose of preschool training than was available this summer.

"I don't guess we have any more of a poverty problem than a lot of other areas," says County Antipoverty Chief Mitchell. "But we've got a handle on our problem. With a little bit of education, maybe we can lick it."

MARK R. ARNOLD.

Mr. TOWER. Mr. President, I know that we all recognize the existence in scattered areas of pockets of poverty and despair. Indeed, I believe we all give recognition to the despair and suffering that go hand in hand with such poverty. There is not one here I am sure who does not have deep concern for those affected by poverty. All wish to take effective steps toward ending it.

The present program does not take effective steps to end existing poverty. The present program has flaws so serious, that if they are not corrected now, there will be even less assistance to the poor next year.

Nowhere in the Federal Government today, nor for that matter in the past, have we seen or do we see, more evidence of bureaucratic clumsiness and bungling than in the poverty program. It has a part-time Director and a tremendous number of highly salaried executives, with an accompanying short supply of largely untrained, and in many cases, disorganized and unqualified field personnel.

As a result, little or no help at all has come to the poor. Let us consider for the moment statistics pointed out in the minority report on the bill:

In the Office of Economic Opportunity there is 1 supergrade position for every 18 employees, and 1 supergrade in the Department of Agriculture for every 500 employees. While we have yet to see any evidence that economic opportunities will be provided for the poor by OEO, it is not difficult, ironically, to conclude that the supergrade positions, which entail salaries of from $19,000 to $24,500, create a great deal of economic opportunity for bureaucrats. Because of the superabundance of supergrades and the resulting high ratio of administrators to personnel, it has even been reported that OEO has had to hire special consultants at high cost merely to answer the daily mail. Some of these consultants are paid as much as $100 a day for their efforts.

OEO bureaucrats are also getting rich from the salaries paid to them as local directors of the antipoverty program. In New Jersey the State director of the Office of Economic Opportunity receives $25,000 a year, a higher salary than is paid to any member of the New Jersey Governor's cabinet. One county in New Jersey received a grant of $67,000, but unfortunately the poor did not benefit greatly from the grant. All but $15,000 of the grant was earmarked for salaries and administrative expense. In Indiana OEO paid salaries 25 percent higher than those paid by the State for comparable positions in public schools.

Perhaps the most glaring shortcoming of the poverty program is its complete lack, its complete failure, to coordinate local and State and private programs to assist the poor, with Federal programs. It would take considerable time to detail the number of complaints from local governments. The Office of Economic Opportunity has been accused, and I might point out, by members of the administration's own party of trying to wreck local government by setting the poor against city hall. Other local citizenry have criticized the poverty program because in many areas it has been initiated without requesting assistance from local charities who have had experience with local problems.

Of paramount significance in the bill now being considered has been the elimination of one of the very few safeguards, that is the gubernatorial veto. I might point out here, that were it not for the inclusion of the veto by the Congress last year, the poverty program would most probably not have received congressional approval. And now, we are asked to delete the veto. As the minority report points out:

> The most unfortunate Senate committee change in H.R. 8383, however, was the act of eliminating completely the veto power of State Governors over activities encompassed in certain sections of titles I and II. H.R. 8283 was bad enough in this respect as it came from the House. The House-passed version left a veto power for the Governors but permitted that veto to be overridden within 30 days by the Director of OEO. Largely because of internecine warfare in the Democratic Party in the State of Texas, this committee knocked out the House version and eliminated entirely any right of a Governor to exercise his State's sovereignty over activities in and affecting his State. This was done in the face of a resolution passed, with only one dissenting vote, at the recent Governors' conference held in Minneapolis. This resolution, introduced by Democratic Governor Sawyer of Nevada, urged the committee to reinstate the previous provision for the Governor's veto.

Mr. President, Governors have stated on innumerous occasions that threatened use of the veto power is their only means of getting the poverty czars to consult with State antipoverty agencies before going ahead with programs. Thus far, the veto has been exercised only where community action programs have been established under the jurisdiction of blatantly political groups. There is no evidence to show abuse of the power.

Mr. President, abuses under the existing poverty program are legion. We could cite case after case of incidents, many of a most serious nature, perpetuated by recipients of the program. The pending bill, designed proponents say to strengthen and expand the war on poverty, will most assuredly only lead to an increase in difficulties presently encountered.

It is a fact that the poverty program is bogged down so heavily in politics and bureaucratic bungling that little assistance to the poor has been forthcoming. The program must be better coordinated between Federal, State, local, and private organizations. The gubernatorial veto should have been retained so that local and State efforts will not be completely subordinated.

Mr. President, we must take cognizance of mistakes thus far made. We must provide for ways to correct such mistakes. We must not now provide machinery for additional ones.

Mr. BARTLETT. Mr. President, I rise in support of H.R. 8283, a bill to expand the war on poverty, to continue and improve the programs established under the Economic Opportunity Act of 1964.

Churchill once wrote:

> I pass with relief from the tossing sea of cause and theory to the firm ground of result and fact.

Our Nation is now at such a transition point in its efforts to deal with "the other America." It is not that we fully understand the extent of poverty, its roots, the reinforcing effect of its various manifestations, or the reasons for its ironic persistence in a context of national affluence. But we have begun to put the knowledge we do have to work. We have begun a frontal attack on the Nation's subculture of misery. Much has been done in the 10 months since the Office of Economic Opportunity was established. I support H.R. 8283 as a means to continue the national assault on poverty and to expand and improve our efforts.

Alaska, and particularly rural native Alaska, has by no means escaped the blight of poverty. In fact, many of the areas of the State are subject to economic deprivations and physical hardships as severe as any to be found in the Nation. Almost one fourth of our households have an annual income of less than

$4,000; this is even less adequate in Alaska than it would be in the other States. The average per capita income in the Kuskokwim District is $1,402, some $448 below the national average. Around Nome the figure is $1,222; for the Kobuk area, $675. The Wade Hampton District has the lowest per capita income to be found in the entire Nation: $424.

Unemployment figures tell a similar story. The Statewide average for 1964 was 7.3 percent, considerably above the national average. Rural and native areas displayed incredibly high unemployment rates: 32 percent in the Wade Hampton District; 28 percent in the Kobuk, Bethel, and Kuskokwim areas, 24 percent around Prince of Wales Island, 20 percent around Nome, 15 percent in the Kenai area, and 13 percent in the Bristol Bay District.

These statistics represent stubborn problems, problems not amenable to quick or easy solutions. But we have made a start. The projects begun during the last few months are such as to give new hope to thousands of Alaskans. Here are a few examples:

The State has received over $1½ million for the establishment of Youth Corps programs in several areas. A number of these projects have furnished summer employment for needy students; others will furnish experience and training during the school year, generally as a supplement to classwork. Ninety youths have been aided at Nome, 150 at Sitka, 100 in the Greater Juneau Borough, 100 in the North Star Borough, and 250 in Anchorage. The most ambitious Youth Corps program, and one aiming directly at some of Alaska's most desperately deprived areas, is being carried out by the Alaska Rural Development Agency. Federal grants of over $1 million will be used to employ and train 625 youths in the lower and central Kuskokwim and lower Yukon River areas.

Project Head Start also got underway in Alaska this summer, made possible by some $1 million in Federal funds. Seven hundred and fifty children, most of them from poor families, with a leavening from families better situated with respect to income, have been enabled to enter kindergarten or first grade better equipped to compete with their more fortunate classmates. Anchorage, Kodiak, Fairbanks, Nome, Gateway Borough, North Star Borough, Juneau, Hoonah, Haines-Port Chilkoot, Ketchikan, and Kenai were among those communities participating in the Head Start program.

Financial hardships have been eased for a number of the State's college students through the Economic Opportunity Act's work-study program. The University of Alaska has already been enabled to expand its part-time work opportunities through $38,902 in work-study grants; the university is scheduled for a $38,192 grant for the coming fall semester, Alaska Methodist University for $21,177, and Sheldon Jackson Junior College for $2,916.

Work-experience program funds have financed training programs for 50 welfare recipients, with 250 dependents, in the Juneau area. Included in the program have been housekeeper, maintenance, clerical, and harbor-master trainees.

Volunteers looking toward assignment in villages on the Bethel Peninsula are currently being trained at the University of Alaska. These 30 VISTA workers will be trained in health and sanitation, remedial education, home economics, and the development of native crafts.

Another imaginative program is helping seven towns in southeast Alaska—Klawock, Saxman, Petersburg, Angoon, Wrangell, Kake, and Metlakatla—provide for day care for children during the fishery canning season. The program will reach over 400 children, many from rural areas, and will involve $184,717 in Federal funds.

One hundred loans totaling $158,110 have already been made available to Alaskans under the Economic Opportunity Act's title III program to combat poverty in rural areas, and 134 applications from the State are currently pending. The fact that this program, administered by the Farmers Home Administration, is not limited to farm families has enhanced its applicability to Alaska. Rural Alaskans have been enabled to purchase fishing, trapping, and hunting gear, acquire electrical and mechanical equipment, and make other investments to increase their income.

The State has also been allotted $50,000 for adult education programs, $32,000 for the development and coordination of work-experience programs, and $61,280 for technical assistance in community action programs.

I regard these programs, Mr. President, as a remarkable first effort in what will be a long, perhaps never-ending struggle against poverty. The beginning which Alaska has made is a credit to the OEO and to local and State leaders as well. And of course our efforts in Alaska are only part of a much larger picture. Exciting and encouraging projects are underway all over the Nation. A "Books for Appalachia" drive has collected 500,000 volumes, making it possible for 800 one- and two-room schools in eastern Kentucky to have libraries for the first time. VISTA workers have been assigned to impoverished Indian reservations throughout the country, and programs in adult education, health and sanitation, and vocational training have gotten underway. An entire city block in New York's Harlem district is to be renovated and activity centers for preschool classes, health clinics, and employment training are to be set up. Six hundred college students are providing special tutorial assistance to 10,000 low-income high school students in 11 counties of Alabama.

The national record includes the establishment of 47 Job Corps centers with 10,000 enrollees; the inauguration of 639 Youth Corps projects to provide training for 300,000; the assistance of 54,000 low-income college students through work-study programs in 648 schools; the establishment of 2,400 Head Start programs, serving half a million preschool children; the reaching of 43,372 adults through rudimentary education programs; the provision of housing, sanitation, day-care, and education assistance to 75,000 migrant agricultural workers; the extension of 11,000 low-interest loans to poor rural families; and the provision of work-training to 88,700 welfare recipients.

H.R. 8283, Mr. President, will improve and expand these programs. It will provide for the continuation of projects that have already reached over 3 million of the Nation's poor and which, I am convinced, can improve the quality of life for millions more. I strongly urge its adoption. And I look forward eagerly to the expanded programs and accelerated progress which the bill should make possible.

Mr. MURPHY. Mr. President, it is obvious and indisputable that in its first year the war on poverty has been plagued with problems, delays, confusion, and political turmoil. To even the most casual observer it is apparent that the poverty program is stalled and stagnate throughout the Nation in self-generated chaos. As a survey of the Scripps-Howard newspapers disclosed last month, most of the ten major programs under the Economic Opportunity Act have not come close to achieving their objectives. In Los Angeles, Chicago, New York, Cleveland, Omaha, Albany, and many other cities across the Nation, the program has produced sharp controversy and has been embroiled in political power struggles unmatched in intensity in recent years.

In no State has the program faced greater problems and produced more controversy than in the State of California. Democrats and Republicans alike have criticized it. Governor Edmund Brown said at the Western Governor's Conference it was scandalous that politicians, including elected officials, were fighting each other for fat-salaried war on poverty jobs for themselves and their friends solely to enhance their patronage.

Mayor Yorty, of Los Angeles, has charged that the war on poverty is a "huge political porkbarrel."

Democratic Congressman B. F. SISK said recently that the antipoverty program is "not working well" in California, and that "the program is bogged down in nine different directions."

A survey of the situation in California reveals that the criticism is well founded. In Los Angeles, the war on poverty has been stalled for months in what has become a major political struggle between two factions of the Democratic Party. The poor of Los Angeles, like the poverty stricken all across the Nation, were promised solutions to their problems when the Economic Opportunity Act was passed last year. No help has come. The frustration, the disappointment, the feeling of having been taken in again—these emotions are not hard to imagine, and they have become widespread. The House Subcommittee on Poverty got a glimpe of the bitterness and tension in Los Angeles when it held hearings on the antipoverty program just 4 days before the tragic riots ripped that city. The chairman of that subcommittee, Congressman AUGUSTUS F. HAWKINS, has tied the violence to the failure of officials to get the poverty program moving.

In San Francisco the controversy over the makeup of the commission to administer funds delayed the program for months, and a total deadlock was averted only by the resourcefulness of Mayor Shelley.

In Fresno, antipoverty funds have been threatened by a similar dispute over control of the program.

In Oakland, according to a recent article in the Oakland Tribune, the antipoverty program is a "snafu," a "confusing and bewildering operation." The problem was largely attributed to the fact that there has been "undue haste to get something started."

In Contra Costa County, according to reports of the Richmond Independent, the program is "divided, clumsy, and costly," and after 9 months "has yet to help a significant number of county's poor." I received a lengthy letter from the Richmond chapter of CORE asking that the funds be withheld until the mess could be straightened out.

In a telegram to me last month, State superintendent of public instruction, Dr. Max Rafferty, said that coordination between the Federal Government and local applicants had been poor, that "advance planning has been almost nil," that "project approvals have been on a hit or miss basis."

Most of California's leading newspapers have editorialized on the war on poverty and have provided incisive analysis and criticism of the program. To cite a few, the Los Angeles Times of July 4, 1965, stated:

> The poor of Los Angeles County have already paid a high price for the failure of local and State governmental agencies to agree on how to administer antipoverty program funds * * *. In recent months the poor have been all but forgotten in the power struggle for control of the antipoverty effort.

No final compromise agreement has yet been reached. The Long Beach Press-Telegram, in an editorial of July 12 entitled "A Stalled Poverty War," calls attention to administrative decision-making and control problems involved in allocating poverty funds. The editorial concludes:

> One thing is certain. Nobody will benefit from the antipoverty war if the program remains bogged down in disagreement over the makeup of the general staff.

The San Francisco News Call Bulletin reached a similar conclusion on July 12:

> Pursuit of the poverty war in San Francisco—and elsewhere—calls for dedication on the part of everyone involved. It must not be allowed to become an arena for a power struggle.

And the San Diego Union on July 20 in an editorial entitled "War on Poverty Tastes Defeat," states:

> It is becoming increasingly apparent as the so-called war on poverty unfolds that the only unemployment solved today is that of Washington bureaucrats desperately trying to spend appropriated funds.
>
> The inflexible and poor administration has been a mark of the war on poverty since its inception. It has arbitrarily assumed a set of conditions and tried to fit all problems into the boundaries, regardless of local conditions and pleas.
>
> As a result, vast sums have been spent on administration instead of the poor. Local wishes have succumbed to pressures that fit them into the preconceived mold. Flexibility has all but vanished.

And finally, the Oakland Tribune on August 12 in an editorial on "Politics and Poverty," states:

> All the unsavory grubbiness of the political spoils system have plagued operations of the war on poverty since it was authorized.
>
> High-salaried jobs, and the right to decide who should get them, are the prize sought by local politicians fighting for control of the program in many areas. There is a very real danger that this money-dispensing program may become merely a war chest for big city political machines * * *.

Mr. President, the unavoidable conclusion is that the war on poverty is in trouble, deep trouble.

If a change is not forthcoming, and if evidence continues to mount that funds are not doing the job of helping the poor but rather are being caught up in an ever-widening whirlpool of politics and patronage, then the war on poverty will collapse.

I would hate to see that happen. As I am sure most of my colleagues will agree, many of the ideas and programs of the Antipoverty Act are good, imaginative approaches to a national problem all Americans want to solve. Many of the programs can go far toward improving the opportunities of the poor to help themselves out of the mire of poverty in which they have found themselves since birth. And a few, such as Project Head Start, have had an impressive beginning and have promising futures. It would be tragic to see these programs dragged down because of poor planning, mismanagement, and waste, as well as political competition.

As a member of the Special Subcommittee on Poverty of the Labor and Public Welfare Committee, I offered an amendment which would help eliminate politics from the community action program and the VISTA program. I commend the distinguished Senator from Michigan [Mr. McNamara] and my colleagues on both sides of the aisle for accepting this amendment. It will help prevent the program from being used for partisan purposes by politicians whose main concern is not for the poor but for their own power.

On pages 13 and 14 of the Senate committee report is an explanation of my amendment as accepted by the committee, and I read from the report:

> The committee has added a subsection to section 211 designed to make the Hatch Act applicable to employees of community action agencies. Under the committee amendment, these employees would be prohibited from engaging in political activity where they are paid in principal part from Federal funds.
>
> When public agencies are recognized as the local community action agencies, the Hatch Act is already applicable. When private nonprofit agencies are recognized, however, the act does not apply. The committee's amendment reflects the belief that the success of community action programs could be adversely affected if local antipoverty officials were actively engaged in partisan politics. Such engagement could impart a partisan character to a program which should be based on a broad spectrum of support within the community.

Also, Mr. President, on page 16 the Senate report discusses my amendment as applicable to the VISTA volunteers, and I read from the report:

> The bill includes, finally, one additional amendment relating to VISTA which was adopted by the committee. This would make the Hatch Political Activities Act applicable to volunteers. Although volunteers for many purposes are not deemed employees of the Federal Government, their relationship with the Government has many characteristics of an employment relationship. The committee believes that they should be subject to the same restrictions on political activity as regular Federal employees.

I am hopeful that, the coming year will see an improvement in this area.

But, Mr. President, I think it would be most irresponsible to think of increasing the authorizations for the Office of Economic Opportunity before improvements are forthcoming.

I have heard many of my colleagues shrug off the criticism that has come from all around the country with the admonition that "this is still an experimental program. There are bound to be bugs at first." I agree. But I say that we cannot consider increasing the funds until those bugs are worked out. We cannot double the expenditures for a program which has had, in balance, a deplorable record in its first year until we have some guarantee that that record will be improved. We cannot commit an additional $750 million when the only evidence we have indicates that that money may well be wasted in the largest political boondoggles in the history of this Nation. I cannot, in good conscience, vote to double the amount of money poured down the drain of patronage and mismanagement as I have seen in California.

Mr. President, I have pledged to the people of my State that I would carefully examine every proposal and program to come before the Senate to be sure that it would use the taxpayer's money efficiently and effectively. If any measure failed to meet these basic requirements of good government, I pledged in the best interests of the people of California and the Nation to vote against it. I am sorry to say that as presently conceived and administered, the war on poverty does not meet these requirements and I cannot agree to double its authorization.

I urge my colleagues to defeat this measure.

THE VISTA PROGRAM

Mr. MUSKIE. Mr. President, I support the Economic Opportunity Amendments of 1965. At this time I wish to state my support for the provisions of the bill which would strengthen and expand the VISTA program.

Present law strictly limits the kinds of activities to which VISTA volunteers may be assigned. Assigned volunteers may serve in only a limited list of activities, all of which are connected with the Federal Government—projects supported under titles I and II of the Economic Opportunity Act; projects for Indians on reservations, migrants and residents of Federal territories; projects in federally assisted mental health and retardation facilities. Impoverished people who are not involved in programs with a suitable Federal association may not receive the services of assigned volunteers.

I have seen, in my own State of Maine, the hardship that these somewhat arbitrary limitations can cause. The Passamaquoddy and Penebscot Indians of Maine do not live on Federal reservations. Some live on reservations provided by the State and some live in distinct communities off the reservations. Many of these people are desperately poor. They need the help that VISTA volunteers can give them to start them on the road to a better life. Yet because they do not live on Federal reservations and because they are not the beneficiaries of community action programs or other programs under titles I and II of the Economic Opportunity Act, it is doubtful under present law whether any of these people may receive the services of assigned volunteers.

The bill now before us would remedy this inequity. It would permit local organizations or groups of citizens to request and receive the assistance of assigned VISTA volunteers in any local antipoverty program or activity that is of a character eligible for assistance under the act. It would no longer matter whether the program had a Federal connection or was, in fact, supported under another provision of the act.

This bill will, I think, better permit VISTA to fulfill the purposes for which it was created. Volunteers do of course work in existing community action programs and in a wide variety of other federally supported projects. But from the outset it was also the intention of Congress that volunteers should often be the first assault wave in the war on poverty. They should work in communities that have not yet developed community action programs. They should work with the people who have not yet articulated their needs and who have not yet planned a concerted attack on their problems. VISTA volunteers should serve, with the Indians and communities of my State and with the disadvantaged throughout this land, as sources of encouragement and knowledge, as catalysts to help the impoverished develop their own programs for the conquest of poverty.

In many cases, therefore, VISTA volunteers should be assigned to communities before the communities have received any other Federal assistance or established any other Federal tie. The bill now before us would make it clear that the law both permits and intends this.

SENATOR RANDOLPH SUPPORTS ECONOMIC OPPORTUNITY AMENDMENTS OF 1965—LISTS PROJECTS IN WEST VIRGINIA

Mr. RANDOLPH. Mr. President, probably tomorrow Senate Members will vote on the Economic Opportunity Amendments of 1965, a bill to expand the effort against poverty and to enhance the effectiveness of the Economic Opportunity Act of last year.

This vital legislation will provide worthwhile work projects, training, and employment for the needy persons in the United States. The Senator from Michigan [Mr. McNamara] has congently pointed out for us the many nationwide accomplishments of this program during the first 9 months of operation. It is truly an impressive record.

Assuredly, no person believes that this one program is the panacea for all the problems of those low-income families and single individuals who do not enjoy the benefits of our affluent society. There has been a commendable beginning in the efforts to eradicate the ancient enemies of poverty, ignorance, and disease, adversaries which, if allowed to thrive will continue to lay waste the vital manpower of our Nation. The past year has seen significant progress toward a better tomorrow and a more meaningful life for the American citizen.

We cannot deny that there have been problems—yes, even mistakes—during this initial year but we must remember that the Office of Economic Opportunity has faced the monumental tasks of recruiting and organizing a staff, formulating the programs, and developing regulations and procedures for administration.

This is a progressive and coordinated plan to attack the roots of poverty and as such there would undoubtedly be problems and controversies. However, when weighing the constructive assistance rendered to our people, the balance sheet shows meaningful success. The critics cannot overshadow these accomplishments. I am reminded of the words of Theodore Roosevelt:

> It is not the critic who counts * * * the credit belongs to the man who is actually in the arena; whose face is marred by dust and sweat and blood; who strives valiantly.

The Office of Economic Opportunity, our States, our communities, and individual citizens are in the arena fighting the war on poverty. We again have the opportunity to assist in this battle. We are continuing to strive—and to do the task.

In West Virginia we moved rapidly when the Economic Opportunity Act, which I cosponsored, became law last August. In the first 9 months of the war on poverty, West Virginia has been allocated $21.4 million in Federal funds. That sum has been approved for programs to provide direct assistance to more than 40,000 of the State's neediest persons.

Our State has been especially active in four classifications of the antipoverty program:

Project Head Start for preschool children, with 18,502 enrolled and all counties participating.

Job Corps for remedial and vocational education, with more than 8,400 young persons between 16 and 21 saying that they want to enter the program.

Work experience program for educational services and counseling to the 10,000 men in the State work and training program and 2,000 women receiving aid to dependent children. The State received its largest single grant—11.8 million, or more than half of the entire total of all allocations—for expenditures in this classification.

Volunteers in Service to America—VISTA—or Domestic Peace Corps, has a program approved for the State department of mental health. A total of 168 volunteers are to work in a four-stage program in State hospitals and in the field to provide a variety of badly needed services.

The allocation of Federal funds for nine classifications under the Economic Opportunity Program includes:

Neighborhood Youth Corps, $3,465,204; college work-study, $295,507; community action programs, $1,456,358; program development projects, $342,396; Project Head Start, $2,875,573; Economic Opportunity Agency, $84,015; adult basic education, $233,391; rural loans, $874,840; and work experience program, $11,848,400.

It should be noted that this report covers a less-than-9-month period, ending June 30, and includes all allocations since they were first authorized by Congress.

Since June 30, an additional $307,096,000 has been approved for remedial reading programs in three counties.

Governor Hulett Smith recently stated:

> We have had some failures, as well as these successes. The Small Business Incentive Program has been at a standstill in the State. However, staff members are working with West Virginia University and Federal officials on the incentive program and a sound and workable proposal has been submitted.

I feel this record is truly indicative of the work which can be accomplished through this comprehensive program. West Virginians are cooperating in this record and on behalf of the citizens of our Mountain State I have given my support to the Economic Opportunity Amendments of 1965 and to future endeavors under this essential program.

In the Labor and Public Welfare Committee, during hearings and consideration of the testimony of qualified witnesses, I have been convinced that carping criticism cannot tear down this worthwhile program. I continue my strong support of the measure—and the mission on which we are committed.

EXPANSION OF MEAT EXPORT INDUSTRY

Mr. DIRKSEN. Mr. President, now, as never before, the United States faces an opportunity to expand its meat export industry and on a long-range basis.

The market for beef in the United Kingdom and Europe is constantly growing. At the same time, their traditional major beef supplier, the Argentine, seems to be facing disaster in its own beef export efforts.

I ask unanimous consent to have printed at this point in the Record an excerpt from the August 9 issue of Foreign Agriculture, USDA publication.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

ARGENTINE BEEF EXPORTS DROP SHARPLY

> Increases in cattle prices since late June in Argentina, the result of greater domestic demand for beef, have led packers to greatly reduce operations and to buy only token quantities for export. Steer prices reached the equivalent of about 20 U.S. cents per pound in mid-July.

Government measures to discourage domestic consumption and to directly stimulate exports have not halted the decline in shipments. These measures include the establishment of 2 beefless days a week, the requirement that steers from 900 to 1,055 pounds be sold only for export, and the granting of tax benefits to exporters to help offest the price differential between foreign and domestic markets.

Argentine beef exports during January–May 1965 were about 30 percent less than in the same period of 1964 and may decline still further unless means are found to make exports more profitable.

Mr. DIRKSEN. The same publication, elsewhere in the same issue, and many others have more than confirmed the fact that Europe's meat shortage is a real one; that, because of the inability of the Argentine to supply the needs, a "vacuum" is developing rapidly in the European and the United Kingdom meat markets.

I am not unaware of the fact that the present administration has been making some moves, in conjunction with the American Meat Institute, to expand the market for American meat and meat products in the United Kingdom and on the European continent.

At the same time, however, our own U.S. beef and meat industries face various complex problems in seeking, fully and on a long-range basis, to exploit this European meat "vacuum" where, heretofore, the Argentine had always reigned supreme.

For example, the price differential between costs for U.S. meat and that in Europe must be solved. Our high labor rates here contribute to create this price differential.

Nonetheless, if the reports are accurate, the Argentine at present seems to be doing little or nothing to restore its preeminent place in the European meat markets.

In the United States we have the potential to produce vast quantities of beef—to turn our grain surpluses into meat—to tailor this product to fit the appetites and desires of the British and European markets.

I do not feel that, at present, the administration may be doing enough to exploit these potentials on a long-term basis. Nor do I believe, from the reports one receives, that the Argentine Government seems to realize the extent to which it is rapidly losing its traditional European markets.

In fact, if these reports are accurate, the Argentine Government, rather than trying to help its meat industry, actually seems to be penalizing it by new export taxation and by other unrealistic measures. This seems strange when most nations go out of their way to subsidize and otherwise to help their major earners of foreign exchange.

Nonetheless, that is the problem of the Argentine. It may well become a problem of the U.S. Government, as well, when the foreign aid policy is reviewed. We may face a vicious cycle. For, when the Argentine cannot export meat and earn foreign exchange, ultimately it may mean more and more aid.

That, however, is not my thesis of the moment. Rather, I plan to recommend that the Congress hold a full-scale investigation into ways-and-means of expanding the United Kingdom and European markets for our American beef; that we consider practical and realistic means for helping the Department of Agriculture, the American Meat Institute, the American National Cattlemen's Association and all others interested in taking advantage of this opportunity on a truly long-range basis.

For, in view of the reports from the Argentine where, I am informed, virtually its entire beef export industry is paralyzed, some nation will move into that "vacuum" of meat markets in Europe. Why should not the United States, with our ample supplies and even more ample production potentials, do so?

I will welcome the views of my colleagues in this regard so that we might, together, move forward and expand beyond the somewhat limited efforts which the present administration, however laudable, already has undertaken.

I ask unanimous consent to have printed at this point in the RECORD an article entitled "Europe Buying More Beef," by L. H. Simerl, published in the State Journal-Register, of Springfield, Ill., August 15.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EUROPE BUYING MORE BEEF

(By L. H. Simerl)

A couple of years ago our cattlemen became alarmed about the rapid increase in imports of meat. Since that time imports have been reduced sharply, and many stockmen have become interested in finding oversea markets for their own beef. They will doubtless be interested in some recent comments by E. E. Broadbent, professor of livestock marketing at the University of Illinois.

Broadbent recently returned to the campus after studying livestock marketing for several months in foreign countries. He reports that there is a growing shortage of beef in Western Europe. The shortage arises from greatly increased consumer demand for beef and from a shrinkage in the amounts supplied from former sources.

STRONGER DEMAND

Demand is increasing because of the high level of employment and rising wages. At the same time the formerly large flow of beef from South America to Europe has diminished.

Most countries in Western Europe have been enjoying nearly full employment and rising wages. Increases in buying power per person often exceed the rate in the United States, but population growth is slower.

West Germany is the major importer of beef in Western Europe. Shipments in the country during the first half of this year were equivalent to 407,000 head of cattle, 28 percent more than the year before. Most of this increase came from Australia and the United Kingdom.

Less beef from South America. Exports of beef from Argentina totaled about 147,000 tons during the first half of 1965, 28 percent less than last year. Exports from Uruguay were also lower. Most European observers do not expect any quick recovery in the flow of beef from South America to Europe.

Australia ships more. The Australians have greatly increased their shipments of beef to the West European markets. They have established meat market expediters in Europe. Their prime targets are restaurants, hotels, and institutional meat users.

New Zealand continues to ship a large proportion of her beef exports to Europe. The United Kingdom has become the third largest supplier of beef to West Germany.

European buyers want lean beef. Broadbent observes that most of the beef produced in U.S. feedlots is too highly finished to please European buyers. They want and use beef that is about like our typical standard and commercial grades. The best of their beef is similar to our Good grade.

Prices for these grades of beef recently were 2 to 4 cents a pound higher in the Common Market countries than in Chicago. This difference is not enough to pay transportation costs from our packing centers to the European markets.

Prices of our standard grade of cattle recently were around $22 a hundred pounds, 27 percent higher than a year before. This rise puts our beef in an even less favorable position to compete with other supply sources.

AMENDMENT OF THE NATIONAL FIREARMS ACT AND THE FEDERAL FIREARMS ACT—REFERRAL OF BILL

Mr. MAGNUSON. Mr. President, on March 22 of this year, the Senator from Connecticut [Mr. DODD] introduced two bills, S. 1591 and S. 1592, which respectively amended the National Firearms Act and the Federal Firearms Act. Although S. 1592 would normally have been referred to the Committee on Commerce it was, at Senator DODD's request, with unanimous consent of the Senate, referred to the Judiciary Committee. Subsequently, all other measures pending before the Commerce Committee relating to firearms were referred to the Judiciary Committee to enable the latter to fully examine and have the benefit of all avenues of approach concerning firearms control which were embodied in legislative proposals. Referral of these measures to the Judiciary Committee prior to their coming to the Commerce Committee was considered desirable for several reasons. It was felt that because issues of a constitutional nature were raised concerning these bills that the Senate should have the benefit of the recommendations of the Judiciary Committee. In addition, the Subcommittee on Juvenile Delinquency, to which these bills were referred by the Judiciary Committee, has conducted extensive investigations on the subject of the firearms problem. It has kept abreast of the problem since 1959 and commenced a full-scale investigation in 1961. As a result of its long and exhaustive study, it issued in the closing weeks of the last session an interim report. Referral of the present bills was also intended to enable the Juvenile Delinquency Subcommittee to finalize its recommendations—which the Commerce Committee now anxiously awaits.

On August 10, the House passed H.R. 9570, a bill to authorize the Secretary of the Treasury to relieve applicants from certain provisions of the Federal Firearms Act if he finds such relief would not be contrary to the public interest. The provisions of H.R. 9570 are similar, and identical in purpose, to section 6 of S. 1592. Since S. 1592, as well as all other measures affecting firearms, was referred to the Senate Judiciary Committee, it seems to me appropriate that H.R. 9570 should be similarly referred.

Mr. President, in light of the foregoing, I ask unanimous consent that H.R. 9570 be referred to the Judiciary Committee under the same terms and conditions as those which have previously been referred.

The conditions previously referred to are that if and when the Committee on the Judiciary came to some conclusion on the question, the bill or bills would be referred back to the Senate Committee on Commerce for a perusal by that committee. It may not be that the committee would need to look at the bills for a long time. Perhaps it would not wish to hold hearings or anything like that. The bill to which I have referred would be referred under the same agreement.

Mr. President, I ask unanimous consent that the bill H.R. 9570 be referred to the Judiciary Committee under the same terms and conditions as those which have previously been referred.

The PRESIDING OFFICER (Mr. Russell of South Carolina in the chair). Is there objection?

Mr. ALLOTT. Mr. President, reserving the right to object—and I shall not object—many of us, as the distinguished Senator from Washington knows, have a vital interest in the proposed legislation. Since the distinguished chairman of the Committee on Commerce has explained the terms and conditions under which the bill will be referred to the Judiciary Committee, I have no objection. But I hope that the action will not be taken on merely a cursory level by the Commerce Committee. The bill is one of the most important pieces of proposed legislation pending before the Congress.

If S. 1592, to which the distinguished Senator from Washington referred, had been passed in its original form, the rights of the people of the United States to have firearms to protect themselves would be seriously impaired. So I am glad to have the Senator's assurance; and I shall, therefore, not object.

Mr. MAGNUSON. I thank the Senator from Colorado.

THIRTIETH ANNIVERSARY OF THE MOTOR CARRIER ACT

Mr. MAGNUSON. Mr. President, I salute the men of vision whose foresight 30 years ago today made the Motor Carrier Act a part of the law of the land.

This outstanding piece of legislation was endorsed by the American Railway Association, the American Trucking Association, the National Association of Motor Bus Operators, the Interstate Commerce Commission, and the National Association of Railroad and Utilities Commissioners.

The transportation industry was in dire straits in 1935. The report of the Senate Committee on Interstate and Foreign Commerce filed on April 11, 1935, found:

> Competition has been carried to an extreme which tends to undermine the financial stability of the carriers and jeopardizes the maintenance of transportation facilities and service appropriate to the needs of commerce and required in the public interest. The present chaotic transportation conditions are not satisfactory to investors, laborers, shippers, or the carriers themselves.

This legislation has proved to be a milestone in giving to this country an outstanding transportation network developed by private enterprise which has served the Nation well during time of war and the public during time of peace.

In 1935, at the time of the enactment of the Motor Carrier Act, the operating revenues of motor carriers of property was estimated to be about $500 million. Today, motor carrier revenues are in excess of $9 billion. In 1938, rail revenues were below $4 billion; today they are in excess of $10 billion.

I especially wish to salute those members of the Senate Interstate and Foreign Commerce Committee who are still active—Burton K. Wheeler, then chairman of the committee; President Harry S. Truman, who served as a member of the committee from 1935 to 1945; two members from my own State, C. C. Dill, who served on the committee from 1923 to 1935, and was its chairman during 1933 and 1934, and Homer T. Bone, my predecessor who served on the committee from 1935 to 1944; and a member from the other side of the aisle, Daniel O. Hastings, who served from 1930 to 1937. There are many, many others whose names I could mention who ably served on the committee during the deliberations on this legislation.

I also wish to salute those still active industry leaders who played an important roll in urging enactment of this law, Chester T. Moore, John Lawrence, Jack Keeshin, and Clint Reynolds from my own State. There are many others I would wish to single out if time permitted.

The committee has written to many of these able leaders and has received their thoughts and comments on this landmark legislation. There will soon be available to the Members of the Senate a brief collection of some of their remarks.

After 30 years of demonstrated durability, the Motor Carrier Act has proved to be an indispensable part of our national transportation regulatory system. In closing I would like to quote from a recent letter written by Ed Johnson, who ably served as committee chairman, and member of the committee for 18 years:

> I know of no single statute on our books that did quite so much for American transportation or business progress generally as did the Motor Carrier Act of 1935. I am happy that you are observing this anniversary. It is one of the red letter days of American progress.

THE FEDERAL CIGARETTE LABELING ACT

Mr. MAGNUSON. Mr. President, last Tuesday, President Johnson signed S. 559, the Federal Cigarette Labeling Act. It is now the law of the land. By January 1 of next year, under its terms, each and every cigarette package will bear in a conspicuous place the warning "Caution: Cigarette Smoking May Be Hazardous to Your Health."

This is a good time to take a look at what else this act does and, equally important, what it does not do.

A smoke screen of misinformation has shrouded this bill for the past several weeks. As a result, many of those who have long demanded strong cigarette labeling and advertising legislation have now, themselves, been labeled pawns of the tobacco lobbyists.

The distinguished Senator from Oregon [Mrs. Neuberger], perhaps the most outspoken and courageous advocate of strong cigarette control legislation, has been attacked on the pages of the New York Times because she refused to demand a Presidential veto of the cigarette bill.

Mr. Emerson Foote is chairman of the Interagency Council on Smoking and Health, representing the major voluntary health associations in the United States in their effort to secure strong and meaningful cigarette legislation. He had resigned as chairman of the board of the largest advertising agency in the United States because he objected to his firm's accepting cigarette advertising. He has since donated his time and his distinguished talents to the interagency council because he and members of the council, including the Cancer Society and the Heart Association, among others, have concluded that the Cigarette Labeling Act represents a significant step forward. Yet, he has been attacked not only for "bad judgment" but also for "bad faith."

The Cigarette Labeling Act is far from perfect legislation. It necessarily reflects a compromise of widely, even violently, divergent views both in the House and in the Senate. The labeling bill, in the form in which I introduced it, would have left the Federal Trade Commission free to implement its rule requiring warnings both in advertising and on the package. Many Senators and a large majority of the Members of the House believed that the Commission should never have this power.

As the bill finally emerged from the Senate-House conference, a compromise had been fashioned on this issue, in effect suspending the Commission's order for 3½ years from the effective date of the act.

Three and one-half years is not what we who sought strong legislation wanted—nor is it what those who sought mild legislation wanted.

In reaching the compromise on the FTC's cigarette rule, our committee took great pains to preserve the substance of the Federal Trade Commission's authority to regulate cigarette advertising. Both in the committee report and during the Senate debate, we made it clear that the Trade Commission would retain the power and the responsibility to restrict any advertising which "tends to negate the warning which must be placed on the package."

The Trade Commission, in implementing the new act, has now issued a strong statement acknowledging its continuing authority to police cigarette advertising. The FTC thereby served notice that it will proceed against any cigarette advertisements "which negate, contradict or dilute the cautionary statement on the packages."

Those who criticized the President for signing the bill argued that in the absence of legislation, the Trade Commission rule would have taken immediate effect and that from this day forward every package and every advertisement would have carried a warning. The Washington Post complained that while all packages must now bear a warning by January 1, of next year, "the public, on the other hand, would doubtless have been more adequately warned much earlier had the Congress not acted."

But Chairman Paul Rand Dixon, of the Federal Trade Commission, testifying before the Commerce Committee, was asked how long it would take to enforce the Commission's rule. This was his answer:

> Any member (cigarette company) that this rule would affect could pick any district court in the United States of America and start there to challenge the basic authority of the Commission to issue a trade regulation rule.
>
> From there, the circuit court and Supreme Court. If approved, then we would still have to make the rule effective by a lawsuit. We would then have to sue a party that would say, "All right, now you have proved it, but that doesn't mean anything. I don't have to stop until I get the order."
>
> So, then, we would have to start one case at a time, noticing the rule, perhaps, and speeding that procedure up. If we could do all of that in 4 years, it would be rather miraculous.

Mr. President, I fail to see how a 4-year lawsuit could warn the public of the hazards of smoking more adequately or much earlier than a warning on every package by next January 1.

The significance of the Federal Cigarette Labeling Act extends far beyond the imposition of the warning. In taking affirmative action, Congress has placed its stamp of approval upon the Surgeon General's verdict that "Cigarette smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action."

The significance of this fact has not been lost on the advertising industry. An editorial in Advertising Age for May 31, 1965, cautioned the advertisers that the cigarette labeling bill represented a serious setback for them:

> Of greater import for the long run than the question of FTC's jurisdiction is the portion of the report (Senate report) which represents committee acceptance of the findings of the U.S. Surgeon General. The warning on the package may or may not scare customers but the legislation involves a unique burden of its own. This is the first time that Congress has said, by legislation, that a product in such general use is so hazardous that it must carry a prescribed warning legend.

As the President signed the cigarette bill, the White House announced that the President had concluded "that the benefits of the bill far outweighed any deficiencies and disadvantages" and that the bill "makes a real contribution to the effort to bring to the attention of all smokers, and potential smokers" the data "indicating the health hazards involved in cigarette smoking."

This view is shared by the people most intimately and directly concerned with the health of the American people. A letter sent to me by Emerson Foote, as chairman of the Interagency Council, sets forth the views of the council and its constituent agencies in support of the legislation. They, as I, would have preferred legislation which did not suspend the Trade Commission's rule for 3½ years, but they concluded, as I have concluded and as the President concluded, that the Federal Cigarette Labeling Act represents a positive and an historic step forward.

I ask unanimous consent that the letter from Mr. Foote addressed to Representative Moss and the order of the Federal Trade Commission be printed at this point in the RECORD.

There being no objection, the letter and order were ordered to be printed in the RECORD, as follows:

NATIONAL INTERAGENCY COUNCIL
ON SMOKING AND HEALTH,
Bethesda, Md., July 26, 1965.

Hon. JOHN E. MOSS,
House of Representatives,
Washington, D.C.

DEAR MR. MOSS: I am in receipt of your letter of July 21.

The decision of the National Interagency Council on Smoking and Health to support S. 559, as amended, was taken—unanimously—at a meeting of the board of directors of the council held in Washington on July 8.

On Wednesday, July 21, following your telephone call, a telegram from Representative BOLLING and a telephone call from Mr. Peter Edelman of Senator ROBERT F. KENNEDY's office, I took a poll by telephone of each member of the executive committee of the National Interagency Council. Fortunately, I was able to reach all members of the executive committee within 2 hours.

For your information, the members of the executive committee of the council and the organization they represent are:

Dr. Harold S. Diehl, vice chairman, National Interagency Council on Smoking and Health; senior vice president for research and medical affairs and deputy executive vice president, American Cancer Society.

Dr. Eugene H. Guthrie, secretary, National Interagency Council on Smoking and Health; Chief, Division of Chronic Diseases, U.S. Public Health Service.

Dr. George E. Wakerlin, medical director, American Heart Association.

Dr. James E. Perkins, managing director, National Tuberculosis Association.

Mrs. Katherine B. Oettinger, Chief, U.S. Children's Bureau.

Dr. William Ellena, associate secretary, the American Association of School Administrators.

I am also a member of the executive committee of the council.

The views expressed by yourself, Representative BOLLING and Senator KENNEDY were thoughtfully considered by each member of the executive committee. None felt that we should ask the President to veto S. 559; all feeling that a veto would prove a disservice to the great number of Americans who are presently suffering and dying from the effects of cigarette smoking.

We therefore unanimously concluded not to ask for a veto, holding to the position taken previously by the full board of directors of the council.

You state in your letter "every objective called for in your petition to the Congress would be achieved through veto."

I am devoting my full time to the fight against cigarettes and cigarette interests and I believe this statement of yours is totally in error. So do the officers and directors of the National Interagency Council on Smoking and Health.

I heard Mr. Paul Rand Dixon testify that he expected the application of FTC warnings in cigarette advertising would be delayed for 4 years in the courts.

We believe that S. 559 can be amended to include a warning in advertising, and otherwise strengthened, much before 4 years have elapsed.

In other words, after the most careful deliberation it was, and is, the opinion of the National Interagency Council on Smoking and Health, as we have frequently said, that some kind of a bill against cigarettes is better than no bill at all.

While in your letter you state that you doubt both our good faith and our judgment, we have no doubt of your good faith or your desire to reduce cigarette consumption. Therefore, we expect you to fight for the amendment of S. 559—to strengthen its power to reduce cigarette consumption—at the earliest practicable opportunity.

Sincerely,

EMERSON FOOTE,
Chairman.

VACATION OF WARNING REQUIREMENTS IN TRADE REGULATION RULE CONCERNING ADVERTISING AND LABELING OF CIGARETTES

On June 22, 1964, the Commission, pursuant to its statutory procedures, issued a trade regulation rule which required, in effect, that after January 1, 1965,[1] all packs and other containers in which cigarettes are sold to the public contain an affirmative warning that cigarette smoking is dangerous to health and may cause death from cancer and other diseases, and that after July 1, 1965, all cigarette advertising contain a like warning. On July 27, 1965, the Federal Cigarette Labeling and Advertising Act (hereinafter called the Labeling Act) was enacted into law. This act requires that, effective January 1, 1966, every package of cigarettes must display the following statement conspicuously and legibly: "Caution: Cigarette Smoking May Be Hazardous to Your Health." It also provides that (1) no different statement relating to smoking and health shall be required on any cigarette package, and (2) for a period terminating on July 1, 1969, no such statement shall be required in the advertising of any cigarettes the packages of which are labeled in conformity with the provisions of the act.

It is important to set forth in what respects the Labeling Act limits the Commission's authority in the field of cigarette advertising, and in what respects the Commission's existing powers and responsibilities in this area remain unimpaired.

Under the Labeling Act the Commission, for a period terminating July 1, 1969, may not require an affirmative statement relating to smoking and health in cigarette advertising. Congress has determined that any imposition of such a requirement should be delayed to permit the effectiveness of other remedies, including the cautionary statement on cigarette packages, to be evaluated.

The act, however, does not purport to question or overrule, and is consistent with, the basic factual findings and conclusions of the Commission contained in the statement of basis and purpose of the trade regulation rule. The Senate Committee on Commerce, after reviewing the principal findings of the Surgeon General's Advisory Committee on Smoking and Health, and noting that "no prominent medical or scientific body undertaking a systematic review of the evidence has reached conclusions opposed to those of the Surgeon General's Advisory Committee" (S. Rept. No. 195, 89th Cong., 1st sess., p. 3), concurred in the judgment of the Advisory Committee that "Cigarette smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action." See also CONGRESSIONAL RECORD, July 6, 1965, page 15598 (remarks of Senator MAGNUSON, sponsor of the Senate bill). It also agreed that cigarette manufacturers are under a duty to the public to disclose the health hazards of cigarette smoking (S. Rept., p. 3): "[T]he committee is convinced that too many Americans, particularly teenagers, are unaware of the extent of the potential hazard in smoking and that these people will not be convinced until the Federal Government, upon which they have come to rely for cautionary labeling of hazardous substances, takes affirmative action which manifests its concern."

---

[1] On Sept. 3, 1964, the Commission amended the trade regulation rule to extend such effective date to July 1, 1965.

The report of the House Committee on Commerce states: "The determination of appropriate remedial action in this area, as recommended by the Surgeon General's Advisory Committee, is a responsibility which should be exercised by the Congress after considering all facets of the problem, it is desirable that the Federal Government—upon which persons have come to rely for cautionary labeling of hazardous substances—should take affirmative action which would manifest its concern; the individual has the right to know that smoking may be hazardous to his health" (H. Rept. No. 449, 89th Cong., 1st sess., p. 3).

Congress, in short, has not rejected the basic factual premises of the trade regulation rule; namely, that cigarette smoking is a health hazard of sufficient importance to warrant governmental remedial action, and that the public should be warned by manufacturers of the hazards to health involved in smoking cigarettes. Accordingly, enactment of the Labeling Act warrants no modification of the findings and conclusions underlying the trade regulation rule, which the Senate report (p. 4) describes as "an exhaustive examination of advertising, labeling, and other promotional practices of the cigarette industry."

The Labeling Act explicitly states that, except as otherwise specifically provided, the authority of the Commission with respect to unfair or deceptive acts or practices in the advertising of cigarettes is not affected. The act does not change the substantive legal standards under the Federal Trade Commission Act applicable to cigarette advertising; any cigarette advertisement that violates the standards of that act is unlawful, notwithstanding enactment of the Labeling Act. Congress has made clear that the Commission should continue to apply the established standards of present law to cigarette advertising, and prohibit any advertising found to violate the law. The chairman of the House Commerce Committee, Congressman HARRIS, in presenting the conference report to the House, stated: "We did not in any way intend to restrict the Federal Trade Commission in carrying out its duties and responsibilities under the Federal Trade Commission Act on false and deceptive advertising. * * * We do not intend by this report to change the present authority of the Federal Trade Commission in any way one way or the other. * * * If they have the authority to act today, they would have the authority to act under this legislation" (CONGRESSIONAL RECORD, page 16544, July 13, 1965). To the same effect, see CONGRESSIONAL RECORD, page 15597 (July 6, 1965, remarks of Senator MORTON).

Having found that a health statement on cigarette packages is required in order that "the public may be adequately informed that cigarette smoking may be hazardous to health" (sec. 2(1) of the act), Congress recognized that it would be inconsistent with the objectives of the act for a manufacturer to be permitted to make advertising claims, or conduct an advertising campaign, which negate, contradict, or dilute the effectiveness of the cautionary statement on the packages. The committee reports specifically enjoin the Commission to prohibit "any advertising which tends to negate the warning which must be placed on the package in accordance with" the act. Senate Report, page 6; see also House Report, page 5. Thus, any cigarette advertising which contains any representation, express or implied, that tends to undermine the warning placed on the package would be unfair and deceptive, and could be ordered to be stopped. During the period in which the Commission is prevented by the terms of the Labeling Act from requiring a health statement in cigarette advertising, it will continue to monitor current practices and methods of cigarette advertising and promotion, and take all appropriate action consistent with that act to prohibit cigarette advertising that violates the Federal Trade Commission Act.

Accordingly, without modifying the findings and conclusions underlying its trade regulation rule for the prevention of unfair or deceptive advertising or labeling of cigarettes in relation to the health hazards of smoking, issued June 22, 1964, the Commission hereby vacates the requirements in said rule that cigarette labeling and advertising contain an affirmative statement of the health hazards of cigarette smoking.

THE RISING CRIME RATE IN THE UNITED STATES

Mr. THURMOND. Mr. President, despite the fact that it is general knowledge that the rising crime rate in the United States is the Nation's No. 1 domestic problem, there appears to be all too little willingness in official circles to face up to the real causes of the problem.

It is not a matter of increasing population. The latest crime statistics show that the rate of serious crimes in the United States is increasing six times as fast as population growth.

The FBI statistics show that young people are responsible for a greatly disproportionate share of serious crimes. Young people were involved in 48 percent of the arrests for serious crimes last year. This is only a part of the story, however. Statistics also show that more than 95 percent of our young people do not become involved in crimes. The explanation of what might appear to be a conflict between these statistics lies in the fact that of all the persons arrested last year, 76 percent were repeaters. The rising crime rate is obviously due to the fact that those who are disposed to commit crimes, and do so, are being released by the courts back into the mainstream of society where they may and do continue to wreak a toll on the law-abiding and innocent members of society. The consequences of such crime phenomena are increasingly becoming obvious without requirement for prognostication. In Los Angeles and Chicago over the weekend, crime reached the level of outright insurrection.

There were undoubtedly a number of factors which contributed to the immediate outbreak in Los Angeles. Foremost, I believe, among the causes is the attitude and belief among Negroes that mass lawlessness by them will be tolerated and condoned. This attitude is fostered by the prevailing policy of the President and high officials of Government to protect, tolerate, and encourage lawbreaking mass demonstrations, particularly when they are committed in the South. Our Nation cannot condone deliberate mass defiance of laws in a particular section of the country without undermining respect for law throughout the country.

Another major contributing factor to the attitude which prompted the outbreak in Los Angeles is the innumerable court opinions and decisions which have created such barriers to criminal convictions that they have encouraged a belief that even if one is brought to the bar of justice, he can readily escape punishment through legal technicalities.

One cannot eliminate Communist agitation as another factor in the Los Angeles riots. The prompt appearance of organized leadership among the rioters, proliferation of fire bombs, commonly called molotov cocktails, and the now all too familiar professional sniper techniques employed by the insurrectionists are all significant in this connection.

Mr. President, it is somewhat encouraging that at least some of the causes which I have mentioned are gradually, although belatedly, being recognized and voiced in the news media. For instance, the lead editorial in the Evening Star of Saturday, August 14, entitled "Los Angeles Riots," included the following paragraphs:

> In short, the rule of law, to which so much lipservice is paid, seems to be breaking down in Los Angeles and throughout the land. This is something which might properly concern the President's new Commission on Crime. What are the real reasons? Slums? Discrimination? Underprivilege? These doubtless are part of the story. We suggest, however, that the Commission examine other possibilities. What is the effect on respect for law when prominent members of the clergy announce they will not obey a law if they disagree with it? What is the effect when the Supreme Court, as well as lower Federal courts, overturn convictions for law violations on the flimsiest of bases, or, as in one instance, for no stated reason? Does this sort of thing encourage the hoodlum type to think that respect for law is "for the birds"? We think so.
>
> At any rate, it has become clear in Los Angeles that the rioters will give way to nothing except superior force. And in that event the superior force must be applied—followed, one may hope, by severe punishment of those who may be found guilty of criminal activity.

Mr. President, I ask unanimous consent that the entirety of this editorial from the Evening Star be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. THURMOND. Mr. President, one of the most scholarly, objective, and commonsense analyses of the crime problem appeared in the News & Courier of Charleston, S.C., on August 15, 1965. This article, entitled "Criminal Law Trends in the Emerging Welfare State," was written by W. L. Backus, a member of the bar of New York State. In this article, the author discusses both the legal and practical effects of recent court decisions which have tied the hands of police and prosecutors, such as the Mallory rule; the tainted evidence rule, better know as the Poison Tree doctrine; the Gideon doctrine, which expands the right to counsel; the changes in the insanity defense from the McNaughton rule to the Durham rule; and the series of decisions which began with the Jencks case, giving criminal defendants access to the files of police and prosecutors. Particularly at this time when the District of Columbia crime bill is pending on the calendar, it would be well worthwhile for all Senators to have the benefit of this outstanding article. I ask unanimous consent that this article, entitled "Criminal Law Trends in the Emerging Welfare State," be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 2.)

Mr. THURMOND. Mr. President, the courts have lost sight of the reason and purpose of criminal trials. In setting up a veritable legal thicket to protect persons accused of crimes, the Federal appellate courts apparently have forgotten that the purpose of the trial is to determine the guilt or innocence of the accused. In addition, many judges apparently ignore the fact that our criminal laws are enacted primarily for the protection of society rather than just for the protection of criminals.

Mr. President, if the Nation is to escape the ultimate fate of complete anarchy, there must be a return to commonsense in the high official positions of the National Government.

The law, and the entirety of the law, must be applied to all persons strictly, without regard to race. Negro citizens, and those in positions of influence who have been encouraging them to defy the law, must be shown that they are not exempted from obeying the law in any part of the country, whether they act individually or in mobs. It is also time to enforce the laws prohibiting incitement to riot.

The perversion of our judicial procedures to favor criminals and render society helpless must be rectified. The Congress has a responsibility to take whatever action is necessary to insure that judicial procedures are reinstated which protect society and to so discipline the Federal courts that they must exercise judicial restraint, or in other words, stop legislating.

Last, but not least, the Congress has a responsibility to investigate and make public the degrees of infiltration of the Communists into the civil rights and other movements engaged in direct action programs to subvert the social and political structure, as well as the foreign policy objectives of the Nation.

These, Mr. President, are the imperatives in meeting the Nation's No. 1 domestic problem.

EXHIBIT 1

[From the Evening Star, Aug. 14, 1965]

LOS ANGELES RIOTS

The most baffling aspect of the savage rioting and looting which has swept Los Angeles is the utter senselessness of the thing.

It started Wednesday evening when a white policeman tried to arrest a Negro motorist on suspicion of drunken driving. And it really took off from there.

At least 16 people are dead, including a deputy sheriff and a fireman caught by a falling wall. Property losses will run high into the millions. The Negro rioters would set fire to buildings, and then stone and shoot at firemen responding to the calls. Also stoned were ambulances trying to aid the injured. Police cars were special targets, many being wrecked or burned. Finally, when the police conceded they could not control the mobs, National Guardsmen were called in last night and for the moment, at least, an uneasy peace prevailed.

To try to put this thing into some kind of perspective, Los Angeles has a Negro population of about 250,000, or roughly 12 percent of the total. The largest number of rioters at any one time is not believed to have exceeded 7,000. Thus, the hoodlums have constituted a relatively small minority. And there is probably much truth in the comment of a housewife who said: "It's the rowdy teenagers all gassed up on airplane glue and gin who provoke the trouble." The news photos indicate this is true. So does a report to the New York Times which stated that the Watts area of Los Angeles, where the trouble started, is not at all typical of the Negro city ghetto. There are some pockets of extreme blight. But, according to the dispatch, most of the Negroes "live in neighborhoods that would represent a dream of suburban bliss to Harlem Negroes."

So one must look behind the conventional excuses offered when something of this sort happens. What are the real reasons which touched off what a Los Angeles Negro official called an "inexcusable outbreak?"

One certainly is a hatred of all police, white or black, but especially white. Another is total contempt for law and the rights of law-abiding people. This latter is not peculiar to Los Angeles. It crops out in many places, although generally in less severe form.

In short, the rule of law, to which so much lipservice is paid, seems to be breaking down in Los Angeles and throughout the land. This is something which might properly concern the President's new Commission on Crime. What are the real reasons? Slums? Discrimination? Underprivilege? These doubtless are part of the story. We suggest, however, that the Commission examine other possibilities. What is the effect on respect for law when prominent members of the clergy announce they will not obey a law if they disagree with it? What is the effect when the Supreme Court, as well as lower Federal courts, overturn convictions for law violations on the flimsiest of bases, or, as in one instance, for no stated reason? Does this sort of thing encourage the hoodlum type to think that respect for law is "for the birds"? We think so.

At any rate, it has become clear in Los Angeles that the rioters will give way to nothing except superior force. And in that event the superior force must be applied—followed, one may hope, by severe punishment of those who may be found guilty of criminal activity.

EXHIBIT 2

[From the News and Courier, Aug. 15, 1965]

CRIMINAL LAW TRENDS IN THE EMERGING WELFARE STATE

One may well ponder the question as to whether the decline of a great nation and the civilization it represents does not parallel in tempo its dwindling capacity for righteous indignation in the face of reprehensible conduct—criminal or otherwise—constituting an affront to its moral, ethical, and spiritual values. Or to put the question in different form, whether such nation has become so civilized, and has reached such point of toleration, equanimity, broad-mindedness, and understanding that it no longer possesses shock reaction, or its concomitant, the instinct quickly and forcefully to suppress and root out evil—and thus failing, to compromise the basic tenets of its existence.

The degenerative process may be said to fall into the following pattern: lack of indignation or shock reaction (from whatever cause produced) entails a measure of toleration of the evil (or challenge to its code). As the condition becomes more commonplace, the social stigma or opprobrium attaching thereto, normally an inhibiting factor, is diminished and diluted, giving way initially to what may be termed a form of coexistence, and leading eventually to acceptance of the prevailing condition, with a consequent lowering of community standards to the point of apathy, indifference, cynicism, selfishness, and callousness. The lowered standards dissipate any basis or justification for endeavoring to uphold the higher standards, and in the end, reduce the will or capacity to uphold or fight for anything. With the loss of that combative spirit, the foundation stones upon which the nation is laid are undermined, and the civilization as such is doomed. For if the nation itself has no interest in defending and preserving its ideals and heritage, a fortiori, no one else will. Thus, perhaps, are civilizations destroyed by decay and corruption from within. That this is not merely theory—Toynbee, the noted English historian, has recorded that of 21 civilizations in past history, no less than 19 have disintegrated from within. It is not to be assumed that Western civilization is impervious to this retrogressive process—certainly not without a definitive blueprint laid out for its survival.

A key factor in maintaining community standards, and the preservation of national ideals and moral values, has been considered to lie in the criminal law and its enforcement. For while laws as such do not necessarily build character, integrity, moral fiber, or create a sense of duty or responsibility, where none theretofore existed—the absence of law, or its lackadaisical observance or enforcement, in due course, would dissipate whatever did exist. Subversion of the criminal law, accordingly, would fall within the category of those items constituting the first order of business by those intent upon the destruction of a nation. This is not to say, however, that the current state of our system of criminal justice is due to subversive elements, inasmuch as it appears that the present drive to pull the teeth of the criminal law is spearheaded by sincere, well-meaning groups whose main objective, apparently, is to enlarge the sphere of justice, humanity and compassion—and to whom, it sometimes appears, the province of law is not to protect the community but to rescue and salvage, at whatever cost, those caught within its toils. In this pursuit, the focal point of interest, toward which all the energies of the community are to be directed, is the criminally accused, whose welfare above all, guilty or not, is the goal to be attained.

This softening-up process is being accomplished, not by frontal attack—that is, by overt change in the substantive law, but by the indirect and more palatable form of erecting procedural barriers, often in the name of the Constitution, whereby the most simple prosecution is beginning to resemble an insurmountable obstacle course.

The depths of the procedural thicket now prevailing in bringing a criminal to justice can only be gaged by a review of contemporary Federal decisions, particularly those arising in the District of Columbia, where this philosophy, apparently, has reached its full flowering. It is no undue exaggeration to suggest that the Nation's Capital has become a defense counsel's dream world, and a prosecutor's nightmare.[1]

The campaign being waged against the established system of criminal justice is along the entire procedural front. Basically, it emerges into four broad categories: (1) Restrictions upon the police in the conduct of the investigative phase of law enforcement, buttressed by an expanding utilization of the "fruit of the poison tree" doctrine to suppress incriminating evidence "illegally" obtained; (2) affording wider access to prosecution files in order to give defendants a better idea of how much the police have on them in the way of a case; (3) expansion of the "right of counsel" and peripheral rights; (4) amplification of the insanity defense as a means of total exoneration.

The strictures upon the police now gaining ascendancy commence from the very moment of the commission of the offense. The police are being told, in effect, that the investigation must be conducted in such form and manner as not to inconvenience anybody if he does not wish to be inconvenienced. Inasmuch as criminal activity seldom is pursued openly, if avoidable, the only means for solution of many crimes is the interrogation of the citizenry, particularly elements thereof which, it might be anticipated, either participate in similar offenses or associate with those who do. From time immemorial, the police have been afforded reasonable latitude in the interrogation and the temporary detention of suspects. This practice, a sine qua non to effective police work, has not resulted, in any perceptible degree at least, into the spawning of a police state. Nevertheless, the cry is on that this practice must be eliminated as being unseemly in a democratic state. While this may be a stride in the direction of more liberty, the proponents of the change in procedure, although still demanding efficient police protection, have offered no alternative to this vital tool in criminal investigation. The end product of such a policy is not difficult to discern.

The search and seizure rules, as presently construed, have developed into another bonanza for criminal defendants. All will recognize, of course, that the police should not be permitted to break into and enter private property at will in a search for evidence, nor allowed to make arrests promiscuously. And as a matter of commonsense, in all cases, whether armed with a warrant or not, the endeavor should be at all times to pursue their tasks with a minimum of injury either to person or property.

With that said, however, there appears to be little justification for the measures now being undertaken in purported adherence to those principles.

The root of the problem lies in the so-called "fruit of the poison tree" doctrine, dubious at best, and legislated into existence initially by the Federal judiciary. One may state with assurance that this doctrine certainly has been poisonous to effective law enforcement. In effect, it denies to the Government the use of evidence emanating, directly or indirectly, from an illegal search or seizure, the theory being that this will discourage the police from acting improperly in criminal investigation. At first blush, the doctrine has a ring of plausibility inasmuch as one conjures up a scene of the police burglarizing the home of an unwary citizen. The fact is, however, that its most frequent application has to do with borderline cases entailing close combat between the police in their unceasing surveillance of the underworld, and criminal suspects, involving intricate questions of law and fact so confusing and perplexing as to baffle panels of judges sitting in lengthy deliberation in an endeavor to delineate between legality and illegality. To say that a mere police officer, sometimes acting upon split second timing, with perhaps his life at stake, is obligated to make the correct decision upon pain either of immunizing a dangerous criminal or permitting him to escape, is to divorce one's self totally from reality.

It is to be doubted that the suppression of evidence in such circumstances serves the purpose of the rule (to deter unlawful police activity), inasmuch as it is manifest that in such borderline cases, with the legal justification totally fluid, dependent upon later court determination—the police are obliged to act in any event, and let the chips fall where they may. In practical effect, therefore, the rule simply gives criminals an escape hatch, entirely undeserved, and likens law enforcement more to a game of chance, rather than to the exercise of reason.

Because of the rule, the judiciary has found it encumbent, in order to determine whether a prosecution may proceed, to draw lines of demarcation so tenuous, between legal and illegal police action, as to border upon the metaphysical, and in case after case, to substitute its judgment for that of the police as to the proper timing and circumstances befitting police intervention.[2] This not only has brought the law into disrepute, but since the rule affords an avenue of escape regardless of guilt, the concept of what constitutes sufficient probable cause in support of search and seizure is under continuing and microscopic scrutiny by zealous counsel who, invariably, find new types of injustice, lack of fair play, and ad infinitum, on the part of the police, requiring that the court further circumscribe the latter's area of maneuver. Beyond that, it has opened the door to an all-out assault to extend the poison-tree doctrine to every conceivable area wherein the Government, for one reason or another, may have proceeded faultily. The thesis here is that evidence gained during the course of faulty procedure is "tainted," and therefore, not to be utilized in any prosecution—this even though the avowed procedural deficiency has worked no prejudice against the accused, nor was a producing factor in the obtaining of the evidence.

The most notable example of this extension of the poison-tree doctrine is the so-called Mallory rule barring confessions obtained during a period of illegal detention (failure to take the accused "without unnecessary delay" before a magistrate, as provided by rule 5a of the Criminal Rules).[3] Although the rule calls for reasonable promptitude, Congress set up no penalty for alleged infractions thereof. Nevertheless, although the problem—if any were deemed to exist by reason of police failure of compliance—appeared to be a legislative one to be resolved solely, and in a manner thought fitting by Congress (which, conceivably, may have decided to enforce the rule by some less stringent measure, such as disciplinary action against the officer), the Federal judiciary itself undertook to supply the legislative gap. Firstly, by stringent interpretation of the term "without unnecessary delay," it tightened up to the vanishing point the period of time available to the police for interrogation of the suspect—and thence, decreed that all confessions and statements obtained thereafter were to be barred. Such judicial action, regardless of the worthiness of the ends sought, would hardly seem to conform with principles of democratic government, whereby laws are to be promulgated pursuant to the will of the people, as expressed through their elected representatives.

The results flowing from the Mallory doctrine have been less than salutary in their impact upon efficient and beneficial law enforcement not only because of individual prosecutions lost or abandoned, but in the pervasive disruption of time-honored police procedures (reasonable opportunity to interrogate) for the solution and successful prosecution of crimes.

The suspicion that the Mallory rule is not an isolated principle confined to rule 5a, but the possible forerunner to the eventual barring of all confessions, voluntary or otherwise, may be noted from later developments suggestive of a mounting judicial attitude that confessions, per se, are intrinsically untrustworthy, and in any event that it is somehow unsporting or taking advantage to permit, encourage or induce an accused in any circumstance to furnish evidence against himself. Thus, following the Mallory case, a voluntary confession (or admission) was deemed inadmissible despite the fact that all the admonitions of rule 5a had been pursued faithfully.[4] The plea, successfully advanced, was that the confession had been made outside the presence, and without the knowledge of defense counsel, and hence, defendant had been denied the right of counsel. Obviously, however, since the accused had not been prevented, prior to making the incriminating statements, from consulting with his attorney, and in fact, was not required to speak at all, he had not been denied anything along this line. If the grievance was that it was unfair to discuss the case with defendant outside the presence of counsel—an entirely separate matter—in the absence of an act of Congress on the subject, no illegality would appear to have been involved, constitutional or otherwise. If this theory of right of counsel is followed through, it may well be that the Court is leading up to a ruling that such right develops from the very moment a criminal accused has his first contact with the police, although plainly, the right "to have the assistance of counsel for his defense," as provided in the 6th amendment, along with the right to a speedy and public trial, an impartial jury, to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, and to have compulsory process for obtaining witnesses in his favor—have reference to formal trial procedures, not to the activities of the police in the first instance in ascertaining those putatively responsible for commission of the offense.

The tainted evidence rule is applied also (again without specific legislative sanction) in circumstances where the police allegedly fail to identify themselves, or to state their purpose sufficiently, in the course of enforcing a search or arrest warrant. The courts hold that such failure renders their subsequent presence upon the premises unlawful, with the consequence that evidence obtained or arrests made at such time are illegal and null and void for prosecution purposes.[5]

---

[1] The prosecution dilemma in the District of Columbia may be pointed up, perhaps, by reference to a single crime statistic, that of homicide. With a homicide rate of prime rank among American cities, one would be hard put (without entering into the controversy regarding the merits of capital punishment) to recall the last time a D.C. murderer paid the supreme penalty. How this is managed in the face of the plain provisions of the law may be explainable, undoubtedly, in a variety of ways, depending upon the individual viewpoint. It cannot be gainsaid, however, upon examination of the history of some of those prosecutions through the courts, that the procedural thicket that has now been interposed must be accorded a fair share of the credit.

[2] See, e.g., *Miller* v. *U.S.*, 357 U.S. 301 (1958); *Accarino* v. *U.S.*, 179 F. 2d 456 (1949); *Wong Sun* v. *U.S.*, 371 U.S. 471 (1963); *Work* v. *U.S.*, 243 F. 2d 660 (1957); *Jones* v. *U.S.*, 362 U.S. 257 (1960); *Hair* v. *U.S.*, 289 F. 2d 894 (1961); *Rios* v. *U.S.*, 364 U.S. 253 (1960); *White* v. *U.S.*, 271 F. 2d 829 (1959); *Williams* v. *U.S.*, 170 A. 2d 233 (1961); *Bynum* v. *U.S.*, 262 F. 2d 465 (1958); *Whitley* v. *U.S.*, 237 F. 2d 787 (1956); *U.S.* v. *Meachum*, 197 F. Supp. 803 (1961); *U.S.* v. *Mitchell*, 179 F. Supp. 638.

[3] *Mallory* v. *U.S.*, 354 U.S. 449 (1957). See also *Wong Sun* v. *U.S.*, 371 U.S. 471 (1963).

[4] *Massiah* v. *U.S.* 84 Sup. Ct. 1199 (1964). See also *Spano* v. *N.Y.*, 360 U.S. 315 (1959); *Escobedo* v. *Illinois*, 378 U.S. 478 (1963); *Rogers* v. *Richmond*, 365 U.S. 534 (1961); *Rochin* v. *California*, 342 U.S. 165; *Killough* v. *U.S.*, 336 F. 2d 929 (1964); *Killough* v. *U.S.*, 315 F. 2d 241 (1962).

While the object of the requirement is to minimize friction between the police and the public by giving the citizen opportunity of peaceful compliance with lawful process, it is difficult to understand why the police failure to intone precisely the necessary verbiage or perform the prescribed ritual should result in exoneration of the criminal (by suppression of vital evidence), any more so that when police use unnecessary force in making an arrest. The proper course, it would seem, would be disciplinary or other action against the officer, not the penalizing of the State or the frustration of the public interest. And again, because many of these cases involve borderline situations which may fall within recognized exceptions to the rule, and wherein the legal justification must be reserved for later judicial determination, the police have no choice but to act—hardly a tenable basis for the invocation of so harsh a penalty.[6]

The steady erosion of the police position is pointed up by what is taking place in an area in which, in the past, police activity has never been questioned. Thus, a search of the premises with the consent of the occupant has never been considered offensive to constitutional principles. Nevertheless, an emerging pattern of cases now holds that access by consent may not be proper because, assertedly, the individual in such circumstances does not truly consent but actually is yielding to the superior authority of the police—in short, that he has been coerced.[7] Presumably, if that concept is pursued to its inevitable conclusion, the police ultimately will be required to give such person advance notice of their intentions so that he may consult with his attorney. Once again, while Congress in its discretion may see fit to adopt such a policy, it has not done so. In the absence of legislative action, it would not appear to be within the province of the judiciary to impose such strictures, no matter how commendable the objective. The 4th amendment to the Constitution has no relevance since it deals with the use of physical force and duress (or stealth), not the exercise of moral force or superior will.

In 1960, the Supreme Court extended the poison-tree doctrine, theretofore confined solely to Federal prosecutions, to state criminal cases as well, citing the 4th amendment to the Constitution, which it was held was made applicable to the States by the 14th amendment.[8] In appraisal of this decision, it may be stated at the outset that the theory advanced in support of the proposition that the 14th amendment has such expansive effect is less than persuasive. The point will be discussed in later paragraphs. Adverting for the present to the 14th amendment itself, it is to be seen that while it prohibits unreasonable searches and seizures, it makes no provision for any remedies, penalties or relief of any nature, for infraction thereof. Upon that basis, the 14th amendment is not self-executing, but has been left to the discretion of Congress (not the courts) to lend it bone and sinew—and rightly so, inasmuch as the greater flexibility inherent in legislative procedures, as distinguished from judicial, permits through experimentation, and trial and error, the forging of the most appropriate remedy to meet particular needs or situations as they develop.

In the exercise of its authority, Congress would be under no constitutional obligation to adopt the exclusionary rule or for that matter any other particular device for implementing the 4th amendment. It is free to do as it pleases in that regard. In other words, the exclusionary rule, as such, is not part and parcel of the 4th amendment so as to make it a matter of constitutional necessity and at least until the Mapp decision has been considered merely a policy matter adopted by the judiciary in the exercise of its general supervisory powers in the conduct of Federal criminal trials, subject at all times, however, to revision or elimination by Congress.

The court in the Mapp decision, accordingly, in raising the status of the rule to one of constitutional mandate, not only has stripped Congress of its formerly unquestioned and presumed clear-cut authority in matters of Federal jurisdiction to develop alternative measures in lieu of the exclusionary rule, but has imposed a similar proscription upon all the courts in each of the 50 States—undeniably not a perfunctory shift in the balance of power when it is realized that any further effort to mitigate the mischief of the poison-tree doctrine demands nothing less than a constitutional amendment.[9]

In 1963, the Supreme Court held that the several States are obliged under the sixth amendment to the Constitution to provide counsel for indigent defendants.[10] The amendment referred to, it is to be noted, purports to apply strictly to the Federal Government, and not to the States. The Court surmounted this impasse by asserting that the due process clause of the 14th amendment made by the 6th amendment applicable to the States, although there is nothing in the text to so indicate. One would assume that if such had been the intention of the framers of the amendment, the inclusion of the necessary additional verbiage would have presented no problem. Apart from that, and since this seems to be the age when all constitutional principles, no matter how long standing, are subject to reexamination, the due process clause in and of itself would appear open to some question. On the face of it at least, it makes no grant of substantive power to the Federal Government for overall, catchall supervision of every conceivable State action, such as that clause has been and is being construed by the Federal judiciary, but purports merely to require the States in their dealings with the citizenry to utilize established procedures and legal machinery (such as it is) in contrast with what might be termed "lynch law." Under such interpretation—clearly conformable to the text of the clause—the Federal Government would have no authority to dictate concerning the type, form, or quality of the legal machinery adopted by a particular State—the latter alone being free, subject to other possible constitutional provisions, to fashion the kind of procedures it deems suitable for its purposes, whether they be considered harsh, rudimentary, unsophisticated, inefficient, rough-hewn, or ill-adapted to the desired objective.

---

[5] *Miller* v. *U.S.*, 357 U.S. 301 (1958); *Accarino* v. *U.S.*, 179 F. 2d 456 (1949); *Wong Sun* v. *U.S.*, 371 U.S. 471 (1963); *McKnight* v. *U.S.*, 183 F. 2d 977 (1950); *Gatewood* v. *U.S.*, 209 F. 2d 789 (1953); *Keningham* v. *U.S.*, 287 F. 2d 126 (1960).

[6] The argument has been advanced that alternative measures to deter the police, such as civil damage suits, departmental discipline, and others, have proven inadequate to cope with the problem, hence the need for the grave penalty of excluding all evidence derived from illegal searches or seizures. This contention overlooks the fact that innocent persons involved in such matters and against whom no case, therefore, will be brought, are still, according to this reasoning, without a remedy. That leaves as the sole beneficiaries of the exclusion rule the guilty—this despite the fact that the fundamental purpose of the 4th amendment was not to provide sanctuary for criminals, but to protect law-abiding citizens from police harassment.

But it is stated further that if the police are denied the fruits of an illegal search, the innocent as well as the guilty will benefit because of diminished police activity which surely would follow. Lessened police activity would mean fewer searches and thus, less likelihood of either guilty or innocent being subjected to invasion. This once again fails to take into account, as pointed out above, that in the tight situations in which such incidents generally occur, the police will be forced to act in any event, and consequently, in those circumstances certainly, with or without the rule, no material change would appear forthcoming.

It may be noted further that the claimed protective mantle afforded the public by the exclusionary rule, without which, allegedly, police despotism would reign, is belied sufficiently by the historical fact that large numbers of the States—many in the forefront in the cause of civil liberties—have operated since the early days of the Republic without the use of the exclusionary rule, all without ill effect or noticeable loss of essential freedom.

[7] *Judd* v. *U.S.*, 109 F. 2d 649; *Hall* v. *Warden, Md. Penitentiary*, 313 F. 2d 483 (1963); *Williams* v. *U.S.*, 263 F. 2d 487 (1959); *Higgins* v. *U.S.*, 209 F. 2d 219; *U.S.* v. *Evans*, 194 F. Supp. 90 (1961); *U.S.* v. *Roberts*, 179 F. Supp. 478 (1959); *U.S.* v. *Minor*, 117 F. Supp. 697; *Nelson* v. *U.S.*, 208 F. 2d 505; *U.S.* v. *Wallace*, 160 F. Supp. 859.

[8] *Mapp* v. *Ohio*, 367 U.S. 643 (1960).

[9] It is true, of course, that with Congress, the courts and the executive branch amending the Constitution freely, particularly in the field of Federal-State relationships and in that pertaining to the balance of power within the Central Government itself (the executive branch, for instance, seems largely to have absorbed the war-making authority without benefit of amendment)—the formal amendment process may be virtually obsolete, although the fiction persists that no more is being done than the interpretation of existing provisions.

In the light of such trends, in future power struggles between Congress and the Court, to take an illustration, the former may tend to rely more and more upon simple legislation to undo or forestall Court action, either by circumscribing the Court's appellate jurisdiction (as already provided in the Constitution), or prohibiting the use of Federal funds to hear particular cases or enforce Court decrees. This seems necessarily so because in the context of the philosophy of Government now emerging, it is doubtful that Congress long will be willing to accept the proposition that what the Court evolves by simple decision Congress can undo only by recourse to the laborious and torturous mode of formal amendment. Further, with the one-man, one-vote policy in force as a result of reapportionment, and the ultimate reduction of the solid-white South following amplification and the assertion of Negro voting rights in that region—the lines of demarcation between the legislative and executive branches of the Government will tend to become somewhat obscure; and not improbably, a de facto blending of those two branches will eventuate, with the executive branch the likely dominant force.

The deterioration of the "rule of law," as thus exhibited—an evolutionary process, perhaps, inherent in any system subject to intimate human ministration—in a nation universally acclaimed as the foremost exponent of that doctrine does not lend encouragement to the belief that the written law alone, no matter how solemnly ordained, nationally or internationally, can ever be relied upon as a sturdy bulwark against tyranny or oppression.

[10] *Gideon* v. *Wainwright*, 372 U.S. 335 (1963).

But setting aside the question of what appears to be usurpation compounded, and conceding arguendo, the validity of the Federal position as to the force and applicability of the 14th amendment in reference to the 6th amendment—it is patent that the exclusive function of the 6th amendment is to afford an accused the opportunity of representation by counsel if he chooses. The State cannot deny him the privilege of such representation. There is nothing in the amendment, however, placing upon a State the affirmative duty or responsibility of providing or paying for such counsel. In the absence of such requirement, and consonant with the principle that every man, inherently, is responsible for his own needs, whatever they may be, it is up to the accused to take the necessary steps in that direction. This is not to say that as a matter of simple justice an indigent defendant should be set adrift and abandoned. It is merely being pointed out that the problem lies wholly within the jurisdiction of the States, which in the exercise of their sovereign authority alone are empowered to deal with such matters.

Looking beyond the superficial aspects of the Gideon doctrine, which undeniably have definite emotional appeal, and examining the realities of what has occurred—the principle now established, presaging a profound change in our legal system, is that the State, as part of, and in order to discharge its duty of guaranteeing an accused a fair trial, has an affirmative responsibility for looking after his needs in the preparation, development and presentation of his defense—in this case, it had reference to his need for an attorney. However, it should not and cannot stop there, since a defendant in most instances has need for more than just a lawyer in order to obtain a fair trial. He clearly can use a trained investigative staff, technical experts, and where appropriate, competent psychiatric assistance—and if necessary, in depth. Carrying the matter a step further, and fully commensurate with the newly imposed State duty to provide criminal defendants with the wherewithal to conduct an effective defense and thus to be insured of a fair trial, defendants with merely modest means, as well as the indigent, often would require the services above mentioned, but also would be lacking the necessary funds. Presumably, the State in all fairness and logic should be compelled to subsidize defendants in this category and make up the difference in the sums required.

Beyond that, it might be argued with equal force and cogency that a State's duty to provide a fair trial carries with it under our national policy of equality for all and "equal protection under the law" the right and opportunity of one man to have as good a trial and skillful a defense as the next one—in brief, an impoverished defendant is entitled not just to any jailhouse lawyer who happens to be available, but to the cream of the criminal bar, and thereby to be placed upon an equal footing with a wealthy defendant, his lack of funds notwithstanding. This would extend also to investigative staffs and technical personnel which should be upon the same full-blown scale as is available routinely to the wealthy. Otherwise, in practical effect, there would be two systems of justice in force countenanced by the State, one for the rich and the other for the poor. How the average community would fare in its endeavor to meet the financial burden implicit in the ruling is beyond immediate comprehension. Additionally, one cannot be optimistic that defense counsel in the zeal of protecting their clients' interests will be above taking advantage of the situation, i.e., by making incessant but not illogical demands for expensive services, and otherwise whipsawing local communities into being "more reasonable" in the pressing of the prosecution.

In end result, in converting into the straitjacket of an absolute constitutional right—and conversely, making into an obligation of the State—what always has been regarded as a privilege to be meted out by legislatures in the exercise of their sound discretion—a Pandora's box has been opened, the full portents of which cannot readily be gaged. A beachhead has been established, which if past experience in other areas of criminal law is an criterion, will be exploited relentlessly. The final solution may be the absorption of the legal profession by the Government.

More recently, in *Griffin* v. *California*, 380 U.S. 609 (1965), the Supreme Court set aside a murder conviction because the judge and the prosecutor, as was permissible under State law, made adverse comment to the jury upon the defendant's failure to testify in his own defense. The Court held that the fifth amendment's guarantee against self-incrimination precluded such comment. Once again, despite the total irrelevance of the 5th amendment to the actions and operations of the several States—the amendment being wholly a limitation upon the powers of the Federal Government—the Court, as it has done previously with respect to 1st (school prayer cases and others), 4th, 6th, and 8th amendments, brought into play the 14th amendment, which it declared made applicable to the States the 5th amendment, although one will look in vain throughout the length and breadth of that amendment (the 14th) for the slightest intimation or suggestion of such a proposition.

But passing by that objection, and turning to the fifth amendment and the pertinent language thereof, it is seen that it provides merely that no person "shall be compelled in any criminal case to be a witness against himself." The Court now says that this right to remain silent carries with it by necessary implication the companion right of insulation against adverse comment—otherwise, it is insisted, such passing comment subtract from the right and make it less meaningful.

The Court, in assuming this stance, has ignored the limited purpose and function of the fifth amendment, which was simply to bar the State from exerting force (physical compulsion) in order to elicit a defendant's testimony. The language does not go beyond that, and hence, upon that basis certainly, the amendment does not relieve a defendant from accountability for his own actions in connection with the conduct of his defense. Thus, it remains the responsibility of the defendant if he wishes to persuade others in his behalf, of coming forward of his own volition to give his version of the matter upon which he is being tried. On the other hand, if he deigns to maintain a posture of discreet silence, and declines the opportunity proffered him of proclaiming his innocence (if he is innocent) from the witness stand, he must be prepared to accept the incidental consequences, including adverse commentary, which such inconsistent position (inconsistent with innocence) would portend.

The action of the Court here would be entitled to greater validity if the immunity conferred were a positive right standing upon its own merits, rather than merely a restraint upon the hand of the State, for certain practical reasons, in dealing with its criminal accused—not an insignificant distinction. Specifically, the amendment was adopted not because there is something virtuous about remaining silent which must be upheld by whatever means, even to the extent of introducing ancillary rights by necessary implication; nor was it conceived for the benefit of individual defendants in order to protect them in their private counsels which were to be deemed sacrosanct, or because there is something wrong, per se, in having a defendant confess to his malefactions. If such were so, then supplementary measures by way of "interpretation" to bolster the right or to combat undermining influences might not be entirely out of order. In point of historical fact, however, the object of the rule was to eliminate abuses which develop invariably when compulsory inquisition by the State is tolerated—not, to reiterate, to repudiate the essential motion that the criminal accused constitutes and remains a primary source of information concerning all aspects of the case.

In light of the foregoing considerations, it would appear to be more than stretching a point even if the Court were to limit its present construction of the rule strictly to the Federal Government. But to foist this doctrine upon the States by virtue of the proclaimed pertinency of the 14th amendment seems totally without tenable basis. For granting that the due process clause of the 14th amendment has the all-encompassing effect that its adherents claim, viz. that the Federal Government, through the Supreme Court has the power to intervene in State affairs where the action of the latter allegedly is so lacking in elementary fairness and reasonableness as to affront fundamental principles of justice and democracy—it nevertheless would have no application in the instant circumstances. For how could it be said that there has been such an abandonment of basic principles by the State where it appears, as here, that the constitutional provision in question is, at the very least, capable equally of either of the two constructions propounded? Thus, so casually and promiscuously are the supposed Gibraltar-like precepts of our fundamental law extinguished without a trace.

The drive to gain criminal defendants greater so-called discovery rights by providing access to the Government's innermost files is gathering momentum. The Jencks case, as an illustration, held that the statements of police informants must be handed over to the defense if the informant appears as a prosecution witness.[11]

The rationale advanced in support of expansive, one-sided discovery (that is, against the Government, not the defendant) is that the defendant, in knowing more precisely the type of evidence the prosecution has in store for him, will be enabled better to establish the falsity of such evidence, and thereby prove his innocence. This takes for granted, unqualifiedly, that the defendant is truly innocent. However, to lay the foundation for discovery or criminal investigatory procedures upon any such hypothesis is woefully unrealistic. The fact must be faced that in actual practice the defendant, more likely than not, has not been wrongfully accused. Accordingly, the procedures to be adopted must be made to accommodate that factor. A guilty defendant, admittedly, is highly desirous of knowing specifically what the police have on him in support of the case, both in the way of evidence and witnesses. If he manages to obtain that information, he will know whether to plead guilty or to fight the charges. If he decides to contest, he will be able by careful preparation to so tailor his defense as to neutralize to the fullest extent possible the charges against him. There is also, apart from possible evidence fabrication, the danger of exposing prospective prosecution witnesses to the machinations of desperate criminals.[12]

---

[11] *Jencks* v. *U.S.*, 353 U.S. 657.

[12] One can only speculate as to what extent open-discovery procedures resulting in pretrial exposure of prosecution witnesses and informants have contributed to the current noninvolvement philosophy of many citizens who are eyewitnesses to violent crime, and

The claimed benefits to the innocent defendant, to whose needs the open-discovery doctrine ostensibly is geared, are more fanciful than real. He already, above all others, is in full possession of the facts insofar as his personal involvement is concerned. The evidence wrongfully or erroneously implicating him in the crime will be exposed fully during the course of the prosecution's case, at which time he will be in the position of establishing discrepancies therein. While there will be occasion where advance knowledge of various aspects of the prosecution's case may be of substantial aid to the defense—it is questionable whether in the large majority of cases, the innocent defendant is any better off through pretrial discovery than he would be if he waited until the prosecution has concluded its case.

Thus, whatever may be the supposed advantage to the innocent accused through a policy of full scale pretrial discovery, it cannot be doubted that from the standpoint of the general run of criminal cases, such benefit is far outweighed by the serious prejudice to the public interest, and the cause of justice, flowing from unstinting exposure of the prosecution's case to the guilty defendant.

Upon the adoption of openhanded discovery, as is now being espoused, the day will come when the criminal trial, rather than being a mechanism for ascertainment of the truth, will devolve into a test of ingenuity in the art of maneuver and deception—an ingenuity fostered by a foreknowledge or preview of the Government's case.

Perhaps the most deadly menace to the fabric and substance of the criminal law has been the current developments in the law of insanity as it pertains to criminal defense. The Durham rule, adopted in the District of Columbia, again through the medium of judicial edict rather than by congressional enactment, a defendant is deemed not criminally responsible if he was suffering from a mental disease or defect at the time of the crime and the crime was a product of this disease or defect.[13]

That decision has opened up vast possibilities for exploitation of the underlying thesis that, basically, no human being is a criminal, or to be held responsible as such, but is simply the victim of factors essentially beyond his control, such as environment, heredity, upbringing, adverse conditions, and other like circumstances—all of which tend to negate the concept of free will. Lacking free will to avoid antisocial conduct, it would be barbarous to inflict punishment upon him for his failure to do so.

There is little doubt that there is hardly a criminal alive for whom a fairly respectable case of insanity could not be made out to justify or explain his antisocial behavior. And it may well be that the answer is not prison or punishment but treatment. Nevertheless, no matter how the problem is to be dealt with, the inescapable fact remains that for the well-being and safeguarding of the community, those engaging in such activity, regardless of question of personal fault, must be removed from the mainstream of society in the same manner that one afflicted with a contagious disease is quarantined, or a defective vehicle barred from the highways.

The difficulty with the Durham decision, and its implications, is that in attacking the concept of criminality in persons disturbed, and barring prison terms for such individuals, the judiciary ignored completely the reverse side of the coin, and undeniably, its most significant facet—an alternative protection for society from the depredations of such persons. Mental institutions, as now constituted, offer no solution. In sum, the courts handled in piecemeal fashion a matter which required treatment as a whole—a circumstance which tends to underscore, if for no other reason, the wisdom of developing remedies for social ills by legislative means rather than through the bombshell approach of judicial bodies.

In conclusion, the growing paternalism now evident in the field of criminal law (State as well as Federal because of the accelerating trend to apply Federal principles to the States by constitutional interpretation and reinterpretation), that is to say, the negation of fault upon the part of the individual, and acceptance by the State of collective responsibility for untoward or antisocial behavior—and with such acceptance, the insistence by the State for the taking of total, mass or collective measures for alleviation of the problems arising (such as broad social programs designed to combat delinquency, poverty, ignorance, slums, unemployment, discrimination, and their logical sequiturs, those concerned with annual wage and income guarantees, effectuation of a more even distribution of the wealth, and the eradication of rank and special privilege)—fit squarely within the framework of the welfare-state concept which appears to be evolving in all corners of the world, wherein all facets of life seemingly will be directed by and under the aegis of a centralized authority.

Needless to say, with criminality increasingly becoming more or less a social and medical problem, and the malefactor treated or considered as a hospital or mental case—our constitutional safeguards such as indictment by a grand jury, jury trial, habeas corpus and other familiar criminal-law procedures aimed toward protection of the individual from the danger of State despotism—ostensibly will become obsolete from reduced to the status of anachronisms belonging to a darker age. For if the essential issue presented is no longer to be one of criminality, but at most the type of medical or psychiatric treatment needed to cure the patient, a jury trial, and other such procedures, would have no place or relevance. More importantly, perhaps, sentencing would no longer be for a fixed or determinable period of time, but for such duration as may be deemed necessary to effectuate a cure.

If the American people are desirous of moving into a big-brother type of criminal justice, they are, unquestionably, free to do so. Nevertheless, in view of the subtle approach being utilized to accomplish these ends—by the use of the judiciary rather than through open legislation, and by the oblique process of nullification of the criminal laws by procedural roadblocks—it is doubtful whether the citizenry is even dimly conscious of the climactic changes now in the offing. In that respect, regardless of the essential merits or demerits of the program, the mode of implementation hardly comports with the cherished principles upon which this Republic was founded, much less with our vaunted world leadership in the struggle against totalitarianism.

IN THE PUBLIC DOMAIN—EXPRESSION OF APPROVAL OF POLICY OF U.S. COMMISSIONER OF EDUCATION

Mr. MORSE. Mr. President, I wish to call the attention of this body to an editorial in the Washington Post of Sunday, August 8, 1965 entitled "In the Public Domain." The editorial expresses approval of the policy announced in the Federal Register on July 28, by the U.S. Commissioner of Education, the Honorable Francis Keppel, that "material produced as a result of any research activities undertaken with financial assistance" from the U.S. Office of Education would henceforth be in the public domain. Commissioner Keppel, subsequently, said that the new policy would:

> Prevent development of private monopolies;
>
> Leave to the judgment of the market policy the use and the variation of use of research materials (thus minimizing) Federal control; and
>
> Cut down the chances of conflicts of interest and foster creativity.

In my judgment, this is a minimum statement of the benefits that flow from the adoption of this policy.

Mr. President, for as long as I have been in the Senate, I have been fighting for the principle that property paid for by the public should not be disposed of without the payment of fair compensation. The new education office policy is consistent with this principle, in that the results of public financed research will be available throughout the land, and to all of the inhabitants thereof, rather than the preserve of a limited number of persons or institutions.

The $100,000 spent by the Office of Education on research is a small proportion of the $15 billion total that the U.S. Government expends each year on research and development, and the creation of new materials, ideas, inventions, and processes. However, it is an important area. It affects the quality of the education in every schoolhouse in the country. It also illustrates the great usefulness of the public property arising out of taxpayer financed public research. Particularly as to copyright material, which the law allows to be held private for 56 years—title 17, United States Code, section 24—the public domain policy speeds access to and use of the property created. The same philosophy is also applicable to patents, where the public has paid for property that might be retained in private ownership for 17 years.

It is predictable, I suppose, that the two or three dozen largest corporations and institutions, which yearly receive the bulk of public R. & D. money, would make efforts to gain the exclusive rights to this property. They employ public relations men, legal and administrative counsel and other Washington representatives, who possess considerable ability and experience, to advance these interests. This gives this select group of institutions organization, publicity, and political power that the real owners of public R. & D. property—the people of

---

who decline to so much as identify themselves to the police. Certainly, the knowledge that their names may be handed over beforehand to hoodlum elements—an action which for practical purposes would tend to shift the onerous burden for successful prosecution from the Government to the shoulders of the hapless citizen, since the defendants thereupon would regard the latter as their most accessible and vulnerable road to freedom—is not an inviting prospect for anyone. The further common belief, not without foundation, that because of flabby criminal-enforcement procedures all will come to naught anyway is not particularly conducive toward encouraging even the hardiest of souls to accept the role of good citizen.

[13] *Durham* v. *U.S.*, 214 F. 2d 862 (1954).

the United States—cannot bring to bear when copyright and patent issues come up for decision.

During the course of deliberation on the higher education bill before the Senate Subcommittee on Education this year, copyright questions were among the most serious we considered. At that time, the Senator from Louisiana [Mr. LONG] delivered most helpful testimony, in which he traced the basic issue back to the distinction between the Jeffersonian Democrats and the Federalist Party of Alexander Hamilton. This issue is simply whether Government should exist for the benefit of the many, or whether it should exercise its powers for the advantage of the few.

It takes authentic courage for a public official, such as Commissioner Keppel, or for a newspaper, to stand up for the property rights of the many inarticulate citizens of this country against the vocal and powerful special representatives of the few.

As chairman of the Subcommittee on Education, I commend the Commissioner of Education for his timely announcement of this position.

Before being appointed Commissioner, Mr. Keppel enjoyed a distinguished career as the dean of the Graduate School of Harvard University beginning in 1948. He also served in numerous advisory and consultant capacities on national and international education problems before being named to this post by the late President Kennedy in November 1962.

As the editorial states, this policy is not "an academic matter." It will mean a better educational break for millions of boys and girls who are in school now, and who will be entering educational institutions for many years to come.

I ask unanimous consent that the editorial from the Washington Post be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 15, 1965]

IN THE PUBLIC DOMAIN

When the public pays for research, the research properly belongs to the public. The Commissioner of Education, Mr. Keppel, has now adopted that rule without qualification. Since the Federal Office of Education is currently distributing nearly $100 million a year in research funds, the question of copyrights and patents is not wholly academic.

The most valuable research, in the commercial sense, will probably be that bearing on the development of new curriculums and textbooks. The Office of Education anticipates that its policy will mean faster dissemination of new ideas; the authors and publishers of textbooks will be able to use the federally financed prototypes without fear of copyright infringement. However, interesting the research reports may be to theorists, they will have practical effect only as they reach schools and children. They will be put to use more quickly, and more widely, because they will now lie in the public domain.

OREGONIAN APPOINTED VICE CHAIRMAN OF NATIONAL EXPORT EXPANSION COUNCIL

Mr. MORSE. Mr. President, I was pleased at the announcement that Mr. Robert F. Dwyer of Portland, Oreg., was recently named to the post of vice chairman of the National Export Expansion Council. Mr. Dwyer heads the firm of Dwyer Lumber & Plywood Co., which has its headquarters in Portland, and has been active in seeking markets for American wood products in export markets such as South America and Japan.

The vice-chairmanship position is a newly created one on the National Council. Its creation accompanied the doubling of the council's membership from 33 to 66, which denotes a redoubled effort in our national drive to expand exports. As President Johnson stated on that occasion:

> While, as you know, we are now engaged in a most comprehensive program to eliminate our deficit, our future balance-of-payments position will be determined primarily by just one thing: the ability of American business to compete successfully and adequately in all markets of the world.

The Senate Small Business Committee, under the able chairmanship of Senator JOHN SPARKMAN, has been consistently active in expanding export opportunities for American businesses.

Since about 90 percent of all firms are small business, it is logical that our greatest opportunities nationally are among businesses of small and medium size. The fact that a company need not be a giant to be a successful exporter, is evidenced by the fact that between a third and a half of the President's "Export E" awards are small business.

During the hearings of the Small Business Committee in 1962, one of these award winners, the Key Equipment Co. of Milton-Freewater, Oreg., gave some fine testimony on how small businesses can enter the export field and profit substantially.

Currently, our Small Business Committee is considering ways of expanding exports of U.S. beef and beef products by reducing freight rate and other barriers.

Following hearings in February 1965, we were able to report that ocean freight rates on beef were reduced between 20 and 25 percent. Later in the year, Senator SPARKMAN reported that beef exports for the first quarter of 1965 were up 100.2 percent over the first quarter of 1964, and live cattle exports were up 68.6 percent.

These developments help every livestock raiser, rancher, finisher, and meatpacker from coast to coast, who is trying to achieve the best possible market for his products at home and abroad.

As is well known, most of these businesses are independent, family-owned, small enterprises in the best sense of the term.

The Export Expansion Council system, which is based upon 42 regional councils in different parts of the country, is a valuable instrument for mobilizing interest, advice, and know-how in our national efforts to win new markets abroad and balance our national accounts.

I, therefore, congratulate President Johnson on the appointment of Mr. Dwyer to the vice-chairmanship of the National Council, where he will have the opportunity to contribute his talents toward the realization of these important objectives.

I ask unanimous consent that an article bearing on the subject matter I have just discussed be printed at this point of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THREE TOP ASSIGNMENTS: FRED C. FOY TO HEAD NEEC—EXPORT COUNCIL IS ENLARGED AS PART OF MORE MASSIVE BALANCE-OF-PAYMENTS EFFORT

President Johnson named three top officials of the National Export Expansion Council (NEEC) last week.

At the same time, membership in the Council was doubled from 33 to 66.

Former Secretary of Commerce Luther H. Hodges, chairman of the Research Triangle Foundation in North Carolina, accepted appointment as NEEC honorary Chairman.

Fred C. Foy, Koppers Co. board chairman, Pittsburgh, was named NEEC Chairman.

Robert F. Dwyer of the Dwyer Lumber & Plywood Co., Portland, Oreg., became Vice Chairman.

The vice-chairmanship is a newly created NEEC post. The honorary chairmanship now assumed by Governor Hodges formerly was held by Foy.

Thanking Foy for accepting the chairmanship, President Johnson wrote:

"While, as you know, we are now engaged in a most comprehensive program to eliminate our deficit, our future balance-of-payments position will be determined primarily by just one thing: the ability of American business to compete successfully and adequately in all markets of the world."

NEW SETUP

Secretary of Commerce John T. Connor announced that membership on the National Council would be increased twofold. This is the new setup:

On the numerically strengthened National Council, the chairmen of the 42 Regional Export Expansion Councils (REEC's), 10 association presidents and 11 private businessmen are now serving with Honorary Chairman Hodges, Chairman Foy, and Vice Chairman Dwyer. These changes are part of a national export expansion drive which is being "redoubled" literally and in every other sense.

The National Export Expansion Council is composed of business, labor, and professional leaders, including heads of national associations directly concerned with export trade.

ON MANY FRONTS

The NEEC advises the Secretary of Commerce on all matters under his jurisdiction affecting U.S. exports, and provides leadership and guidance to the REEC's—one for each of the Commerce Department's 42 field offices.

Twelve hundred of America's most prominent business and professional men and women serve on the 42 REEC's, supplementing the work of field offices by helping to strengthen Government-business relations in international trade. Among other things, they:

Inform business communities throughout the Nation on U.S. business policies and programs affecting exports.

Alert the Department to problems encountered by American exporters.

Advise the Secretary of Commerce in the formulation of international business policies and programs.

Provide assistance to established exporters in increasing their share of overseas markets.

Encourage nonexporters to enter international trade.

Stimulate the flow of private direct investment from the United States to less-developed countries and from other industrialized countries to the United States.

EXECUTIVE BOARD

A 12-man executive board will be appointed from among the 66 NEEC members to advise the Secretary of Commerce and give policy direction to the Council. All NEEC members are appointed by the Secretary for 1 year. Association presidents are appointed for the duration of their terms of office in their respective organizations.

As National Export Expansion Council Chairman, Foy succeeds the late Neil C. Hurley, Jr. A University of California graduate, Foy has been associated with the Koppers Co. since 1948 and is also a director of the Kroger Co., Western Allegheny Railroad Co., H. K. Porter Co., Carrier Corp., Mellon National Bank & Trust Co., and others. He is also an active member of the business council.

Vice Chairman Dwyer is a lumber industry executive with interests in Oregon, California, and New Mexico. He has been a NEEC member for 2 years and is active in many industrial, civic, eduactional, and charitable organizations.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 45. An act for the relief of Maj. Raymond G. Clark, Jr.;

S. 125. An act for the relief of Armando S. Arguilles;

S. 207. An act for the relief of Dr. Jose S. Lastra;

S. 263. An act for the relief of Honorata A. Vda de Narra;

S. 442. An act for the relief of Carleen Coen;

S. 570. An act for the relief of Frank S. Chow;

S. 582. An act for the relief of Aleksandr Kaznacheev;

S. 616. An act for the relief of Miss Choun Seem Kim;

S. 678. An act for the relief of Lee Hi Sook;

S. 826. An act for the relief of Har Gobind Khorana;

S. 916. An act for the relief of Debra Lynne Sanders;

S. 954. An act for the relief of Ailsa Alexandra MacIntyre;

S. 1103. An act for the relief of Kathryn Choi Ast; and

S. 1498. An act for the relief of Nikolai Artamonov.

JOINT RESOLUTION INTRODUCED

Mr. MAGNUSON, by unanimous consent, introduced a joint resolution (S.J. Res. 104) to designate the calendar week beginning May 7, 1967, and ending May 13, 1967, as "Woman's International Bowling Congress Week," which was referred to the Committee on the Judiciary.

(See the remarks of Mr. MAGNUSON when he introduced the above joint resolution, which appear under a separate heading.)

DESIGNATION OF WOMAN'S INTERNATIONAL BOWLING CONGRESS WEEK

Mr. MAGNUSON. Mr. President, it is with great pleasure that I introduce this joint resolution to mark appropriately the forthcoming Woman's International Bowling Congress.

In its 50 years the Woman's International Bowling Congress and its member organizations have made a substantial contribution in all of our communities. The value to the nearly 3 millions of housewives is apparent. More than 75,000 women in my own State of Washington participate under the sponsorship of the Woman's International Bowling Congress. Undeniably, bowling provides for these women a healthy, vigorous, and constructive form of recreation, where they may meet with their friends in their leisure hours.

Further, as the joint resolution points out, the presence of women at the bowling lanes has had a salutary effect on the establishments themselves. Not only have the many newly built bowling centers been beautifully decorated as a result of the feminine influence and interest, but bowling has also become a family recreation.

Mr. President, more than 50,000 women will participate in a 2-month long tournament accompanying the convention in 1967, and I think it is perfectly fitting that we take action to designate "Woman's International Bowling Congress Week." .

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 104) to designate the calendar week beginning May 7, 1967, and ending May 13, 1967, as "Woman's International Bowling Congress Week," introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on the Judiciary.

ADDITIONAL COSPONSORS OF BILL AND JOINT RESOLUTION

Mr. GRUENING. Mr. President, at its next printing, I ask unanimous consent that the name of the junior Senator from Colorado [Mr. DOMINICK] be added as a cosponsor of the bill (S. 1676) to provide for certain reorganizations in the Department of State and the Department of Health, Education, and Welfare, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, on the next printing of Senate Joint Resolution 103, I ask unanimous consent that the names of the Senator from Vermont [Mr. AIKEN], the Senator from Kansas [Mr. CARLSON], the Senator from North Dakota [Mr. YOUNG], the Senator from Maine [Mrs. SMITH], and the Senator from Iowa [Mr. MILLER] be entered as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. MORSE. Mr. President, in accordance with the understanding previously agreed to, I now move that the Senate stand in adjournment until 12 o'clock tomorrow.

The motion was agreed to; and (at 7 o'clock and 34 minutes p.m.) under the previous order, the Senate adjourned until tomorrow, Wednesday, August 18, 1965, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 17, 1965:

DIPLOMATIC AND FOREIGN SERVICE

Joseph John Sisco, of Maryland, a Foreign Service officer of class 1, to be an Assistant Secretary of State, vice Harlan Cleveland.

Harlan Cleveland, of New York, to be the U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary, vice Thomas K. Finletter.

Wilson T. M. Beale, Jr., of Connecticut, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

Raymond L. Thurston, of Missouri, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Somali Republic.

John Gordon Mein, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Guatemala.

Phillips Talbot, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

Raymond A. Hare, of West Virginia, a Foreign Service officer of the class of career ambassador, to be an Assistant Secretary of State, vice Phillips Talbot.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 17, 1965

The House met at 12 o'clock noon.

The Right Reverend Monsignor Maurice King, pastor of St. Peter's Church, Washington, D.C., offered the following prayer:

O God, we believe in Thee—strengthen our faith. All our hopes are in Thee, do Thou secure them. We love Thee—teach us to love Thee daily more and more. We are sorry for our offenses—increase our sorrow.

We adore Thee as our first beginning; we aspire after Thee as our last end. We give Thee thanks as our constant benefactor, we call upon Thee as our sovereign protector.

Vouchsafe, O God, to conduct us by Thy wisdom, to restrain us by Thy justice, to comfort us by Thy mercy, to defend us by Thy power.

We call upon Thee to enlighten our understanding, to strengthen our will, to purify us in body and soul.

Give us strength, O Lord, to expiate our offenses, to overcome our temptations, to subdue our passions, and to acquire the virtues proper to our state in life.

Fill our hearts with tender affection for Thy goodness, hatred of our sins, love of our neighbor and contempt of worldly vanity.

Teach us to be submissive to our superiors, courteous to our inferiors, faithful to our friends and charitable to our enemies.

Assist us to overcome sensuality by mortification, avarice by almsdeeds and anger by meekness.

Make us prudent in our undertakings, courageous in dangers, patient in affliction, and humble in prosperity.

Let our conscience be ever upright, our exterior modest, our conversation edifying, our deportment honest.

Assist us that we may continually labor to overcome the corruption of human nature, to correspond with Thy grace, to keep the Commandments, and to work out our salvation.

Discover to us, O God, the nothingness of this world, the greatness of Heaven, the shortness of time, length of eternity, through Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 546. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within Camp McCoy Military Reservation, Wis.;

H.R. 1291. An act for the relief of the children of Mrs. Elizabeth A. Dombrowski;

H.R. 3320. An act to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes;

H.R. 4024. An act for the relief of Lewis H. Nelson III;

H.R. 4025. An act for the relief of Terence J. O'Donnell, Thomas P. Wilcox, and Clifford M. Springberg; and

H.R. 5819. An act for the relief of John Henry Taylor.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 881. An act to authorize the establishment of the Alibates Flint Quarries and Texas Panhandle Pueblo Culture National Monument.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 683. An act for the relief of Mrs. A. E. Housley;

S. 766. An act for the relief of Lt. Samuel R. Rondberg, U.S. Army Reserve; and

S. 1873. An act for the relief of Mrs. Clara W. Dollar.

CONTEST FOR SEAT IN THE HOUSE OF REPRESENTATIVES FROM THE THIRD CONGRESSIONAL DISTRICT OF IOWA

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives, which was read and referred to the Committee on House Administration:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 16, 1965.

The Honorable the SPEAKER,
House of Representatives.

SIR: I have the honor to lay before the House of Representatives the contest for a seat in the House of Representatives from the Third Congressional District of Iowa, Stephen M. Peterson versus H. R. GROSS, notice of which has been filed in the office of the Clerk of the House; and also transmit herewith original testimony, papers, and documents relating thereto.

In compliance with the act approved March 2, 1887, entitled "An act relating to contested-election cases," the Clerk has opened and printed the testimony in the above case, and such portions of the testimony as the parties in interest agreed upon or as seemed proper to the Clerk, after giving the requisite notices, have been printed and indexed together with notice of contest, and the answer thereto and original papers and exhibits have been sealed up and are ready to be laid before the Committee on House Administration.

Two copies of the printed testimony in the aforesaid case have been mailed to the contestant, and the same number to the contestee, which, together with the briefs of the parties, when received, will be laid before the Committee on House Administration, to which the case shall be referred.

Very truly yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

AUTHORIZING ESTABLISHMENT OF THE DELAWARE VALLEY NATIONAL RECREATION AREA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 89) to authorize establishment of the Delaware Valley National Recreation Area, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, strike out "Valley" and insert "Water Gap".

Page 3, line 14, strike out "Valley" and insert "Water Gap".

Page 8, line 2, strike out "Valley" and insert "Water Gap".

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendments were concurred in.

The title was amended so as to read: "An Act to authorize establishment of the Delaware Water Gap National Recreation Area, and for other purposes."

A motion to reconsider was laid on the table.

ESTABLISHMENT OF THE ALIBATES FLINT QUARRIES AND TEXAS PANHANDLE PUEBLO CULTURE NATIONAL MONUMENT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 881) to authorize the establishment of the Alibates Flint Quarries and Texas Panhandle Pueblo Culture National Monument, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, strike out lines 18 to 21, inclusive, and insert:

"SEC. 3. There is hereby authorized to be appropriated not to exceed $5,000 for the acquisition of land and not to exceed $260,000 for the development of the area."

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SUBCOMMITTEE ON NATIONAL PARKS AND RECREATION OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. RIVERS of Alaska. Mr. Speaker, I ask unanimous consent that the Subcommittee on National Parks and Recreation of the Committee on Interior and Insular Affairs may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

AUTHORIZING PRINTING OF 3,000 ADDITIONAL COPIES OF HEARINGS HELD BY SUCOMMITTEE ON NATIONAL SECURITY

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 11 and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 11

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Government Operations three thousand additional copies of the hearings (including brief staff studies thereon) held by its Subcommittee on National Security Staffing and Operations during the Eighty-eighth Congress.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF 2,000 ADDITIONAL COPIES OF HEARINGS HELD BY COMMITTEE ON ANTITRUST AND MONOPOLY

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration I call up Senate Concurrent Resolution 37, and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 37

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary two thousand additional copies of part 1 of the hearings held by its Subcommittee on Antitrust and Monopoly during the Eighty-eighth Congress, second session, on economic concentration and its overall and conglomerate aspects.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

THE SOVIET EMPIRE—"A STUDY IN DISCRIMINATION AND ABUSE OF POWER"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 38, and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 38

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary five thousand additional copies of its committee print of the Eighty-ninth Congress, first session, entitled "The Soviet Empire—A Study in Discrimination and Abuse of Power", prepared by the Legislative Reference Service, Library of Congress, at the request of the Internal Security Subcommittee.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

THE PRAYER ROOM IN THE U.S. CAPITOL

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House concurrent Resolution 451, with an amendment, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 451

Resolved by the House of Representatives (the Senate concurring), That there be printed fifty-four thousand two hundred additional copies of House Document Numbered 234 of the Eighty-fourth Congress, entitled "The Prayer Room in the United States Capitol", of which forty-three thousand nine hundred copies shall be for the use of the House of Representatives and ten thousand three hundred copies shall be for the use in the Senate.

With the following committee amendment:

Following line 8, insert the following:

"SEC. 2. Copies of such document shall be prorated to Members of the Senate and House of Representatives for a period of sixty days, after which the unused balance shall revert to the respective Senate and House Document Rooms."

The amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

DEDICATION CEREMONIES, RAYBURN HOUSE OFFICE BUILDING

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 422, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 422

Resolved, That there be printed as a House document the dedication ceremonies of the Committee on Government Operations hearing room in the Rayburn House Office Building.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE HONORABLE ALBERT THOMAS

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, the huge get-well card we had in the Speaker's lobby during the last few days was sent to ALBERT THOMAS last Friday. I would like to read a note which came from Mrs. Thomas to my office this morning:

DEAR EDDIE: It is most difficult for me to express Albert's great thrill and appreciation for the tremendous get-well card. To be remembered by you and his other colleagues touched us both deeply. It was such a surprise and great tonic for him.

In all the years ALBERT and I have been in Washington we have never known this to be done. It will be historic.

I am enclosing a newspaper clipping from the Houston Post and this was carried in other papers.

Please accept our thanks and express to each and everyone our sincere appreciation and what a great privilege it is to serve with these great men.

With each day ALBERT is gaining strength and the doctors are pleased with his progress.

ALBERT joins me in extending our warm personal regards and best wishes to all.

Sincerely,

LERA THOMAS.

RELIEF FROM PROVISIONS OF THE FIREARMS ACT

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9570) to amend the Federal Firearms Act to authorize the Secretary of the Treasury to relieve applicants from certain provisions of the act if he determines that the granting of relief would not be contrary to the public interest, and that the applicant would not be likely to conduct his operations in an unlawful manner, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, and I will not object, I do so in order that the House might have a full explanation of this legislation. I now yield to the chairman of the committee, the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. I thank my friend from Wisconsin.

Mr. Speaker, the purpose of this bill can be rather simply stated, I believe.

First, however, let me emphasize that the bill is relatively narrow in scope and it is unrelated to and not a part of the broad administration firearms control bill on which the Committee on Ways and Means has just conducted hearings.

Mr. Speaker, the problem to which this bill is addressed is of an entirely different nature. Under present law; in fact, United States Code, title 15, chapter 18, section 902, subsection (f) enacted in 1961, as I recall, the conviction of a felony automatically deprives the convicted person—of course, the word "person" includes "corporation"—of the right to have any dealings with any firearm or ammunition in interstate or foreign commerce. No consideration can be given to any circumstances which might cause a judge to properly mitigate or even suspend the punishment, nor any consideration can be given to the fact that the crime might be wholly unrelated to firearms and to the disabilities imposed by the Federal Firearms Act.

Mr. Speaker, the purpose of the bill is to authorize the Secretary of the Treasury under the conditions specified in the bill to relieve applicants from certain disabilities of the Federal Firearms Act.

Mr. Speaker, these conditions are, first, that the grant of relief by the Secretary is in the public interest.

Second. That the crime involved did not involve the use of firearms or any other weapons, or a violation of the Federal or National Firearms Act.

Third. That publicity be given to each grant of relief under the bill, and

Fourth. That it is established to the satisfaction of the Secretary that the applicant's record and reputation is such that he is not likely to carry on his operations in an unlawful manner.

Mr. Speaker, the Committee on Ways and Means is convinced that the legislation is desirable and that it is in the public interest.

Mr. Speaker, the disabilities imposed under existing law, the Committee on Ways and Means is convinced, can operate with inequitable and unfair results in certain types of cases. For this reason, the committee felt that some discretion should be vested in the Secretary of the Treasury where the public interest would be served by granting some relief from these disabilities. In fact, a specific case was called to the attention of the committee involving an existing firearms manufacturer who is also a multi-product manufacturer, operating through a single corporation through divisions which are basically separate in character.

Mr. Speaker, the circumstances involving this particular case are set forth on page 2 of the committee report. The relief involved in this bill is, however, of general application and is only available where all of the conditions which we have described are met.

Mr. Speaker, the bill does not in any way make a determination whether the relief should or should not be granted in this case or in any other specific case. It simply authorizes the Secretary to make the determination when he finds that the conditions specified in the bill have been met.

Mr. Speaker, as I said earlier, the bill was unanimously reported by the Committee on Ways and Means.

Mr. BYRNES of Wisconsin. Mr. Speaker, as I said before, it was not my intention to object and I shall not object, but I believe the important thing to bear in mind is this bill itself does not suspend any of the operations of the Federal Firearms Act. It merely provides that the Secretary of the Treasury may in specific instances and particularly in the case of the overriding public interest suspend the disability provisions of the Federal Firearms Act.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Virginia.

Mr. JENNINGS. Mr. Speaker, I support this bill which the distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas, the Honorable WILBUR D. MILLS, and the ranking minority member, the gentleman from Wisconsin, the Honorable JOHN W. BYRNES, have so ably described. The bill in my judgment is in the public interest and deserves the unanimous support of the House.

As has already been explained, in enacting this legislation, we are not in any way undertaking to rule upon any specific case but we are vesting authority in the Secretary of the Treasury, in cases in which the public interest would be promoted thereby, to make a determination upon the facts of the case and under the conditions which are set forth in the bill to provide relief in meritorious situations. The bill provides that in every such instance publicity should be given by publication in the official Federal Register of the United States and the bill also requires that the Secretary must make an affirmative determination that any relief which is granted would not be contrary to the public interest, and that the circumstances regarding the conviction and the applicant's record and reputation are such that he will not be likely to conduct his operations in an unlawful manner. Moreover, in any event, relief cannot be granted where the conviction involved is a violation of the Federal Firearms Act.

As I indicated, this bill deserves the support of the House and I urge my colleagues to pass the bill unanimously.

Mr. GROSS. Mr. Speaker, further reserving the right to object, I would like to ask the gentleman whether this legislation grows out of a conspiracy charge—I do not know whether there was a conviction, but a conspiracy charge—that applied to pharmaceutical products of this corporation?

Mr. MILLS. The gentleman is right.

Mr. GROSS. And that legal action indirectly affects the sale of the corporation's firearms?

Mr. MILLS. Even though there is no direct relationship whatever between the crime and the firearms. It just happens that the company by which this convicted employee was employed, a large diversified company, not only produced pharmaceuticals but produced powder and ammunition.

Mr. GROSS. There was no violation through the sale by the corporation of firearms?

Mr. MILLS. The gentleman is exactly right.

Mr. GROSS. The only thing I find rather inexplicable is that the Olin-Mathieson Chemical Corp. was unaware of the law in this respect.

Mr. MILLS. I think in fairness to this company it should be pointed out they were not unaware of the act. They were completely and totally ignorant of what this particular employee abroad was doing that subjected him to the charges which were made in connection with the sale, or disposition, of pharmaceuticals.

Mr. GROSS. I thank the gentleman.

Mr. MILLS. And it should be completely borne in mind by everybody concerned that we are not ruling on this case one way or the other. We are not making a decision.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

H.R. 9570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Firearms Act, as amended (52 Stat. 1250; 15 U.S.C. 901 et seq.), is amended by adding at the end thereof the following new section:

"SEC. 10. A person who has been convicted of a crime punishable by imprisonment for a term exceeding one year (other than a crime involving the use of a firearm or other weapon or a violation of this Act or of the National Firearms Act) may make application to the Secretary of the Treasury for relief from the disabilities under this Act incurred by reason of such conviction, and the Secretary of the Treasury may grant such relief if it is established to his satisfaction that the circumstances regarding the conviction, and the applicant's record and reputation, are such that the applicant will not be likely to conduct his operations in an unlawful manner, and that the granting of the relief would not be contrary to the public interest. A licensee conducting operations under this Act, who makes application for relief from the disabilities incurred under this Act by reason of such a conviction, shall not be barred by such conviction from further operations under his license pending final action on an application for relief filed pursuant to this section. Whenever the Secretary of the Treasury grants relief to any person pursuant to this section, he shall promptly publish in the Federal Register notice of such action, together with the reasons therefor."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar Day. The Clerk will call the first bill on the Private Calendar.

EDWARD V. AMASON AND EMERITA CECILIA AMADOR AMASON

The Clerk called the bill (H.R. 1473) for the relief of Edward V. Amason, and Emerita Cecilia Amador Amason.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TALCOTT and Mr. GROSS objected and, under the rule, the bill was recommitted to the Committee on Claims.

JOANNE MARIE EVANS

The Clerk called the bill (H.R. 3103) for the relief of Joanne Marie Evans.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DEBRA LYNNE SANDERS

The Clerk called the bill (S. 916) for the relief of Debra Lynne Sanders.

There being no objection, the Clerk read the bill, as follows:

S. 916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (1) of section 212(a) of the Immigration and Nationality Act, Debra Lynne Sanders may be issued an immigrant visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided,* That if the said Debra Lynne Sanders is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act. This section shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS ADLER

The Clerk called the bill (H.R. 1821) for the relief of Louis Adler.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

WRIGHT G. JAMES

The Clerk called the bill (S. 1196) for the relief of Wright G. James.

There being no objection, the Clerk read the bill, as follows:

S. 1196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Wright G. James of Heidelberg, Mississippi, is hereby relieved of all liability for repayment to the United States of the sum of $12,511.35, representing overpayments of salary paid to him during the calendar years of 1961, 1962, and 1963, for services he rendered while holding an office as a civilian employee of the United

States Army Transportation Depot Activity, Korea, in violation of section 2 of the Act of July 31, 1894 (5 U.S.C. 62), which prohibits the employment of certain retired military officers in a civilian position, the said Wright G. James having advised the Department of the Army of his retired status prior to his employment with such Transportation Depot Activity. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Wright G. James, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

With the following committee amendment:

On page 2, following line 11, insert:

"No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF 1ST LT. ROBERT B. GANN

The Clerk called the bill (H.R. 1644) for the relief of 1st Lt. Robert B. Gann.

There being no objection, the Clerk read the bill, as follows:

H.R. 1644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That First Lieutenant Robert B. Gann (serial number O79902), United States Marine Corps, is relieved of liability to the United States in the amount of $2,041.22, representing overpayments of compensation made to him as a Marine Corps officer as a result of an administrative error in establishing his pay entry base date. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

With the following committee amendment:

Strike all after the enacting clause and insert:

"That each of the individuals named in this Act is relieved of all liability to the United States in the amount shown opposite his name representing overpayments of compensation made to him as a Marine Corps officer as the result of administrative error in the establishment of his pay entry base date due to the fact that each of them held enlisted status concurrent with status as a midshipman and was given credit for such enlisted service in the establishment of his pay entry base date. The overpayments in each instance relieved by this Act are as follows:

"Name	Serial No.	Amount of overpayment
1st Lt. Robert B. Gann	O79902 USMC	$2,041.22
1st Lt. Thomas A. White	O81799 USMC	2,317.32
1st Lt. Denton Lotz	O82092 USMC	1,585.61
1st Lt. Willard E. Slack	O82898 USMC	814.30
1st Lt. Carl R. Sawyer, Jr	O79837 USMC	2,411.18
1st Lt. Lynn A. Hale	O79537 USMC	2,265.18
1st Lt. Carl R. Ingebretsen	O79543 USMC	1,067.69
1st Lt. Donnie L. Darrow	O79529 USMC	3,250.36
1st Lt. Steve R. Balash, Jr	O79519 USMC	2,629.00
1st Lt. Karl Rippelmeyer	O79560 USMC	2,542.48

"SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each individual named in section 1 of this Act, the sum certified to him by the Secretary of the Navy as the aggregate of amounts paid by such individual to the United States, or withheld from amounts due him from the United States, on account of the liability referred to in the first section of this Act.

"SEC. 3. No part of the amount appropriated in this Act for the payment of any claim shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of 1st Lt. Robert B. Gann, and others."

A motion to reconsider was laid on the table.

WILLIAM S. PERRIGO

The Clerk called the bill (H.R. 6726) for the relief of William S. Perrigo.

There being no objection, the Clerk read the bill as follows:

H.R. 6726

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William S. Perrigo of Beloit, Wisconsin, is relieved of all liability to pay to the Veterans' Administration the sum of $484, representing the amount now held due in order to pay up insurance premiums in full on national service life insurance policy numbered V167593, and that the said policy issued to William S. Perrigo shall be considered as fully paid up, without further payment, as of July 29, 1947, when he complied with the requirements and paid the amount of $3,060.30 then quoted and requested by the Veterans' Administration to pay up the policy in full; it having been found by the Veterans' Administration sixteen years later that such payment was based upon an erroneous quotation and insufficient by $484 to pay up the policy in full. The Administrator of Veterans' Affairs is authorized and directed to refund to the said William S. Perrigo the sum of any amounts received or withheld from him on account of the $484 payment said to be due and to transfer the sum of $484 plus interest from the national service life insurance appropriation to the national service life insurance fund to accomplish the purposes of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAJ. RAYMOND G. CLARK, JR.

The Clerk called the bill (S. 45) for the relief of Maj. Raymond G. Clark, Jr.

There being no objection, the Clerk read the bill, as follows:

S. 45

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Major Raymond G. Clark, Junior, United States Army, is hereby relieved of all liability for repayment to the United States of the sum of $1,285.23, representing the amount of overpayments of longevity pay which the said Major Raymond G. Clark, Junior, received for the period from May 19, 1950, through June 30, 1963, while serving as a member of the United States Army, such overpayments having been made to the said Major Raymond G. Clark, Junior, as a result of his being erroneously credited, for pay purposes, with service for certain periods during which he was enrolled as a temporary member of the United States Coast Guard Reserve. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Major Raymond G. Clark, Junior, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provision of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. RAYMOND E. BERUBE, JR.

The Clerk called the bill (S. 97) for the relief of Lt. Raymond E. Berube, Jr.

There being no objection, the Clerk read the bill, as follows:

S. 97

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lieutenant Raymond E. Berube, Junior, United States Navy, is hereby relieved of all liability for repayment to the United States of the sum of $797.27, representing the amount of overpayments of basic pay received by the said Lieutenant Raymond E. Berube, Junior, for the period July 1, 1960, through June 30, 1964, such overpayments having been made as a result of his having been erroneously credited for pay purposes with military service previously performed as a midshipman in the Reserve Officers' Training Corps. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant Raymond E. Berube, Junior, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

With the following committee amendment:

Page 2, line 10, after "Act." insert: "No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be demed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LLOYD K. HIROTA

The Clerk called the bill (S. 134) for the relief of Lloyd K. Hirota.

There being no objection, the Clerk read the bill, as follows:

S. 134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lloyd K. Hirota of Aiea, Hawaii, is hereby relieved of all liability for repayment to the United States of the sum of $782.93, representing overpayments of salary which he received as a civilian employee of the United States Army, Office of the Quartermaster, at Honolulu, Hawaii, for the period from October 10, 1954, through June 16, 1962, such overpayments having been made as the result of administrative error in establishing his salary rate when he was erroneously promoted from grade GS–3y to grade GS–4x, effective as of October 10, 1954. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Lloyd K. Hirota, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

With the following committee amendment:

Page 2, line 9: after "Act." insert:

"No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BENJAMIN A. RAMELB

The Clerk called the bill (S. 149) for the relief of Benjamin A. Ramelb.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

HONORATA A. VDA DE NARRA

The Clerk called the bill (S. 263) for the relief of Honorata A. Vda de Narra.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Administrator of Veterans' Affairs is authorized and directed (1) to accept any application filed within one year after the date of enactment of this Act by Honorata A. Vda de Narra of the Republic of the Philippines for the payment of insurance benefits previously authorized under section 602(d) of the National Service Life Insurance Act of 1940 (now repealed), and (2) to pay to the said Honorata A. Vda de Narra any insurance benefits the Administrator determines would have been payable to her under such section had she made application for such benefits within the time period prescribed by section 602(d)(5) of such Act, the said Honorata A. Vda de Narra not having been officially notified by the Department of the Army until January 29, 1958, of the death of her son, Florentino A. Narra, who died on March 1, 1942, while serving in the Armed Forces of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT L. WOLVERTON

The Clerk called the bill (S. 572) for the relief of Robert L. Wolverton.

There being no objection, the Clerk read the bill, as follows:

S. 572

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Robert L. Wolverton, of Fenton, Missouri, is hereby relieved of all liability for repayment to the United States of the sum of $1,260.23, representing overpayments of salary which he received as a civilian employee of the United States Army, Corps of Engineers, St. Louis District, Missouri, for the period from September 24, 1962, through December 28, 1963, such overpayments having been made as a result of administrative error in establishing his salary rate at the maximum scheduled rate of the grade to which he was appointed, in violation of section 801 of the Act of October 28, 1949 (5 U.S.C. 1131), which provides that all new appointments shall be made at the minimum rate of the appropriate grade. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Robert L. Wolverton, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

With the following committee amendments:

Page 1, line 8, strike "December 28," and insert "October 6,".

Page 2, following line 12, insert: "No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LT. COL. WILLIAM T. SCHUSTER, U.S. AIR FORCE (RETIRED)

The Clerk called the bill (S. 919) for the relief of Lt. Col. William T. Schuster, U.S. Air Force (retired).

The SPEAKER pro tempore (Mr. Albert). Is there objection to the present consideration of the bill?

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

FRED E. STARR

The Clerk called the bill (S. 1068) for the relief of Fred E. Starr.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TALCOTT and Mr. HALL objected and the bill was recommitted to the Committee on the Judiciary.

LT. ROBERT C. GIBSON

The Clerk called the bill (S. 1138) for the relief of Lt. Robert C. Gibson.

There being no objection, the Clerk read the bill, as follows:

S. 1138

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lieutenant Robert C. Gibson, United States Navy, retired, of Oklahoma City, Oklahoma, is hereby relieved of all liability to repay to the United States the sum of $5,296.36, representing salary paid him during the period from March 20, 1961, through April 6, 1962, while he was employed as an aircraft sheet metal worker at Tinker Air Force Base, Oklahoma, in violation of section 2 of the Act of July 31, 1894 (28 Stat. 205; 5 U.S.C. 62), which prohibits the employment of certain retired military officers in a civilian position, the said Robert C. Gibson having advised the Department of the Air Force of his retired status prior to and after his employment at Tinker Air Force Base. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Robert C. Gibson, the sum of any amounts received or withheld from him on account of the salary payments referred to in the first section of this Act.

With the following committee amendment:

Page 2, line 13, after "Act." insert:

"No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JACK C. WINN, JR.

The Clerk called the bill (S. 1267) for the relief of Jack C. Winn, Jr.

There being no objection, the Clerk read the bill, as follows:

S. 1267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jack C. Winn, Junior, of Roswell, New Mexico, is hereby relieved of all liability for repayment to the United States of the sum of $721.25, representing overpayments made on the date of his release from active duty in the United States Army on April 18, 1958, as a result of administrative error in the computation of payments due for accrued leave and excess leave. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Jack C. Winn, Junior, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

With the following committee amendment:

Page 2, line 8, following "Act." insert: "No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

IRENE McCAFFERTY

The Clerk called the bill (H.R. 1395) for the relief of Irene McCafferty.

There being no objection, the Clerk read the bill, as follows:

H.R. 1395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Irene McCafferty, of San Francisco, California, is relieved of liability to the United States in the amount of $303.20, representing an overpayment of salary made to her because of administrative error from April 3, 1960, to June 9, 1963, while employed by the Maritime Administration in San Francisco, California. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Irene McCafferty an amount equal to the aggregate of the amounts paid by her, or withheld from sums otherwise due her, in complete or partial satisfaction of the liability to the United States specified in the first section of this Act. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 8 and 9, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

M. SGT. RICHARD G. SMITH, U.S. AIR FORCE, RETIRED

The clerk called the bill (H.R. 1892) for the relief of Master Sergeant Richard G. Smith, United States Air Force, retired.

There being no objection, the clerk read the bill, as follows:

H.R. 1892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Master Sergeant Richard G. Smith, United States Air Force, retired (AF 17252944), of Omaha, Nebraska, is relieved of liability to the United States in the amount of $790.44, representing an overpayment of base pay, accrued leave, and a reenlistment bonus paid to him by the United States Air Force between 1948 and 1963 through an erroneous credit of longevity. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Master Sergeant Richard G. Smith an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section of this Act. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 10 and 11, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MAJ. ALEXANDER F. BEROL, U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3684) for the relief of Maj. Alexander F. Berol, U.S. Army (retired).

There being no objection, the Clerk read the bill, as follows:

H.R. 3684

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Major Alexander F. Berol, United States Army, retired (O33000), of Oreland, Pennsylvania, is relieved of liability to the United States in the amount of $3,161.28, representing the amount of compensation received by him while employed as a civilian by the Department of the Navy from January 7, 1963, through September 13, 1963, in violation of the Act of July 31, 1894 (5 U.S.C. 62). In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Major Alexander F. Berol an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section of this Act. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 10 and 11, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MYRA KNOWLES SNELLING

The Clerk called the bill (H.R. 4596) for the relief of Myra Knowles Snelling.

There being no objection, the Clerk read the bill, as follows:

H.R. 4596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Myra Knowles Snelling, the daughter of Sergeant Willie L. Knowles (United States Air Force), the sum of $35,000. The payment of such sum shall be in full settlement of all claims of the said Myra Knowles Snelling against the United States on account of personal injuries sustained by her on May 28, 1955, when she was struck by an automobile operated by a citizen of France as she was alighting from a school bus at Nogent-en-Bassigny, France, which bus was engaged in transporting the children of Air Force personnel between the Air Force base and the school attended by such children pursuant to a contract with the United States Air Force. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 7 and 8, strike "$35,000. The payment of such sum shall be in full settlement of all claims of the said Myra Knowles Snelling" and insert "$7,500 in full settlement of her claims".

Page 2, line 6, strike "in excess of 10 per centum thereof".

Page 2, after line 13, add:

"SEC. 2. That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $473.55 to Technical Sergeant Willie L. Knowles (United States Air Force) in full settlement of his claims against the United States for medical, hospital and transportation expenses incurred by him in connection with the treatment of his daughter, Myra Knowles Snelling, during the period of her minority as the result of personal injuries sustained by her in the accident referred to in section 1 of this Act. No part of the amount appropriated in this Act thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JAMES P. BRADLEY

The Clerk called the bill (H.R. 5121) for the relief of James P. Bradley.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

WILLIAM C. PAGE

The Clerk called the bill (H.R. 5903) for the relief of William C. Page.

There being no objection, the Clerk read the bill, as follows:

H.R. 5903

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William C. Page of Oklahoma City, Oklahoma, the sum of $1,449 in full settlement of all his claims against the United States for amounts due him, as a United States Commissioner for the United States District Court for the Western District of Oklahoma, for services rendered in the quarter ending November 30, 1963. His claim for such amount was disallowed by the Administrative Office of the United States Courts because it was not made within the period provided in section 636 of title 28, United States Code. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$1,449" and insert "$2,342".

Page 1, lines 9 and 10, strike "in the quarter ending November 30, 1963." and insert "between August 31, 1963, and February 10, 1964."

Page 2, lines 3 and 4, strike "in excess of 10 percentum thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RICHARD D. WALSH

The Clerk called the bill (H.R. 7282) for the relief of Richard D. Walsh.

There being no objection, the Clerk read the bill, as follows:

H.R. 8282

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Richard D. Walsh, of Rochester, New York, is relieved of liability to the United States in the amount of $137.10, representing the amount of an allotment which was paid on his behalf for the month of November 1961, while he was on active duty in the Army, for which no corresponding deduction was made from his pay. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Richard D. Walsh, an amount equal to the aggregate of the amounts paid by him in satisfaction of liability to the United States for which relief is granted by the first section of this Act. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 7 and 8, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

WALTER K. WILLIS

The Clerk called the bill (H.R. 8218) for the relief of Walter K. Willis.

There being no objection, the Clerk read the bill, as follows:

H.R. 8218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Walter K. Willis, of Mexico, Missouri, is relieved of liability to pay to the United States the sum of $726.73, representing the aggregate of amounts received by him from the Department of the Air Force, as a result of administrative error on the part of such Department, for (1) accrued leave at the time of his discharge on January 22, 1962, as an enlisted member of the United States Air Force (service number AF17338530), and (2) pay and allowances or fifty days of leave taken by him, in excess of his entitlement thereto, during the period beginning May 16, 1960, and ending January 12, 1961. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amounts for which liability is relieved by this Act.

With the following committee amendment:

Page 2, line 5, after "Act.", insert: "No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. (JG.) HAROLD EDWARD HENNING, U.S. NAVY

The Clerk called the bill (H.R. 4603) for the relief of Lt. (j.g.) Harold Edward Henning, U.S. Navy.

There being no objection, the Clerk read the bill, as follows:

H.R. 4603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lieutenant Harold Edward Henning, United States Navy (641384/1310), of Emporia, Kansas, is relieved of liability to the United States in the amount of $3,835.14, representing the total amount of overpayments of compensation paid to him by the United States Navy as the result of an administrative error in determining the amount of service that should be credited to him for pay purposes. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Lieutenant Harold Edward Henning an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section of this Act. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike "$3,835.14" and insert "$3,847.11".

Page 2, lines 10 and 11, strike "in excess of 10 per centum thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. GENEVIEVE OLSEN

The Clerk called the bill (S. 69) for the relief of Mrs. Genevieve Olsen.

There being no objection, the Clerk read the bill, as follows:

S. 69

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Genevieve Olsen, of Ogden, Utah, the sum of $3,375, in full settlement of all her claims against the United States for compensation for personal injuries resulting in permanent partial disability which were sustained by the said Chester J. Olsen on October 10, 1953, while he was performing duties as an employee of the Forest Service of the United States Department of Agriculture: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by an agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 1 and 2: Strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RIFKIN TEXTILES CORP.

The Clerk called the bill (H.R. 8646) for the relief of Rifkin Textiles Corp.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

A. T. LEARY

The Clerk called the bill (H.R. 9854) for the relief of A. T. Leary.

There being no objection, the Clerk read the bill, as follows:

H.R. 9854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to A. T. Leary, of Beaufort, North Carolina, the sum of $3,778.02, representing the amounts paid by the said A. T. Leary to the United States as employee and employer taxes under the Railroad Retirement Tax Act (chapter 22 of the Internal Revenue Code of 1954, and subchapter B of chapter 9 of the Internal Revenue Code of 1939) by reason of services performed by him in connection with the operation of the Beaufort and Morehead Railroad Company. The fact that taxes were not payable by reason of such services, and that no coverage under the Railroad Retirement Act of 1937 was provided by reason of such services, was not discovered until the statutory period for filing claim for refund of such amounts had expired: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LT. COL. LAWRENCE F. BACHMAN, U.S. AIR FORCE

The Clerk called the bill (H.R. 9787) for the relief of Lt. Col. Lawrence F. Bachman, U.S. Air Force.

There being no objection, the Clerk read the bill, as follows:

H.R. 9787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant Colonel Lawrence F. Bachman, 6896A, Headquarters, United States Forces, Japan, Box 394, Army Post Office, San Francisco, California, 96525, the sum of $1,500.81 in full satisfaction of his claim against the United States for reimbursement in addition to the amount he received under section 2732 of title 10, United States Code, for household goods and personal effects destroyed as the result of a fire of undetermined origin on August 17, 1963, at the Columbia Van Lines warehouse, Alexandria, Virginia, while the property was stored in the warehouse under a Government contract. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JOHN ALLEN

The Clerk called the bill (H.R. 2694) for the relief of John Allen.

There being no objection, the Clerk read the bill, as follows:

H.R. 2694

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That John Allen of Oakland, California, is hereby relieved of liability to the United States in the amount of $1,035.79, the amount of an overpayment of salary between January 10, 1960, and January 10, 1962. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to said John Allen, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section. No part of the amount appropriated in this Act in excess of 10 percentum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 6, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EXEMPTING FROM TAXATION PROPERTY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION IN THE DISTRICT OF COLUMBIA

The Clerk called the bill (H.R. 6905) to exempt from taxation certain property of the Daughters of the American Revolution in the District of Columbia.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS and Mr. HALL objected, and, under the rule, the bill was recommitted to the Committee on the District of Columbia.

EXEMPTING FROM TAXATION PROPERTY OF THE WASHINGTON GALLERY OF MODERN ART

The Clerk called the bill (H.R. 8418) to exempt from taxation certain property of the Washington Gallery of Modern Art.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS and Mr. HALL objected, and, under the rule, the bill was recommitted to the Committee on the District of Columbia.

ARMANDO S. ARGUILLES

The Clerk called the bill (S. 125) for the relief of Armando S. Arguilles.

There being no objection, the Clerk read the bill, as follows:

S. 125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Armando S. Arguilles shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DR. JOSE S. LASTRA

The Clerk called the bill (S. 207) for the relief of Dr. Jose S. Lastra.

There being no objection, the Clerk read the bill as follows:

S. 207

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Doctor Jose S. Lastra may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that no period of residence or physical presence within the United States or any State shall be required in addition to his residence and physical presence within the United States since October 30, 1961.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

OH WHA JA (PENNY KORLEEN DOUGHTY)

The Clerk called the bill (S. 402) for the relief of Oh Wha Ja (Penny Korleen Doughty).

There being no objection, the Clerk read the bill, as follows:

S. 402

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Oh Wha Ja (Penny Korleen Doughty) may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, and a petition may be filed in her behalf by Mr. and Mrs. Edwin Doughty, the adoptive parents who are citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of sections 203(a)(2) and 205 of the Immigration and Nationality Act, Oh Wha Ja (Penny Korleen Doughty) shall be held and considered to be the natural-born alien daughter of Mr. and Mrs. Edwin Doughty, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CARLEEN COEN

The Clerk called the bill (S. 442) for the relief of Carleen Coen.

There being no objection, the Clerk read the bill, as follows:

S. 442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of subsection 301(a) of the Immigration and Nationality Act, Carleen Coen shall be deemed and considered to have been the daughter of an American citizen, the late Michael G. H. McPharlin, at the time of her birth.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FRANK S. CHOW

The Clerk called the bill (S. 570) for the relief of Frank S. Chow.

There being no objection, the Clerk read the bill, as follows:

S. 570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mr. Frank S. Chow shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 12, 1956.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ALEKSANDR KAZNACHEEV

The Clerk called the bill (S. 582) for the relief of Aleksandr Kaznacheev.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MISS CHOUN SEEM KIM

The Clerk called the bill (S. 616) for the relief of Miss Choun Seem Kim.

There being no objection, the Clerk read the bill, as follows:

S. 616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Choun Seem Kim may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of that Act, and a petition may be filed in behalf of the said Choun Seem Kim by Mr. and Mrs. Dennis J. Sherman, citizens of the United States, pursuant to section 205(b) of the Immigration and Nationality Act, subject to all the conditions in that section relating to eligible orphans. Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LEE HI SOOK

The Clerk called the bill (S. 678) for the relief of Lee Hi Sook.

There being no objection, the Clerk read the bill, as follows:

S. 678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Lee Hi Sook may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of that Act, and a petition may be filed in behalf of the said Lee Hi Sook by Captain and Mrs. John H. Duval, Junior, citizens of the United States, pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

HAR GOBIND KHORANA

The Clerk called the bill (S. 826) for the relief of Har Gobind Khorana.

There being no objection, the Clerk read the bill, as follows:

S. 826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Har Gobind Khorana shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 23, 1960.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AILSA ALEXANDRA MacINTYRE

The Clerk called the bill (S. 954) for the relief of Ailsa Alexandra MacIntyre.

There being no objection, the Clerk read the bill, as follows:

S. 954

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Ailsa Alexandra MacIntyre, the fiance of William Bruce Baird, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided,* That the administrative authorities find that the said Ailsa Alexandra MacIntyre is coming to the United States with a bona fide intention of being married to the said William Bruce Baird and that she is found otherwise admissible under the immigration laws, except that the provisions of section 212(a)(4) of the Immigration and Nationality Act shall not be applicable to the said Ailsa Alexandra MacIntyre: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Ailsa Alexandra MacIntyre, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Ailsa Alexandra MacIntyre, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Ailsa Alexandra MacIntyre as of the date of the payment by her of the required visa fee.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

KATHRYN CHOI AST

The Clerk called the bill (S. 1103) for the relief of Kathryn Choi Ast.

There being no objection, the Clerk read the bill, as follows:

S. 1103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kathryn Choi Ast may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Donald Roy Ast, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans. Section 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

NIKOLAI ARTAMONOV

The Clerk called the bill (S. 1498) for the relief of Nikolai Artamonov.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

JOSEPH DURANTE

The Clerk called the bill (H.R. 1319) for the relief of Joseph Durante.

There being no objection, the Clerk read the bill, as follows:

H.R. 1319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Joseph Durante shall be held and considered to have been lawfully admitted to permanent residence as of October 11, 1954.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MISS GLORIA SEBORG

The Clerk called the bill (H.R. 2005) for the relief of Miss Gloria Seborg.

There being no objection, the Clerk read the bill, as follows:

H.R. 2005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of title III of the Immigration and Nationality Act, Miss Gloria Seborg, admitted to the United States for permanent residence on November 5, 1954, shall be held to have complied with the residential and physical presence requirements of section 316 of the said Act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TONY BOONE

The Clerk called the bill (H.R. 2358) for the relief of Tony Boone.

There being no objection, the Clerk read the bill, as follows:

H.R. 2358

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act (Tony Boone alias Tony Moon) may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Raymond C. Proxmire, citizens of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

With the following committee amendment:

On page 1, line 10, at the end of the bill, add the following sentence:

"Sec. 205(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

KSENIJA POPOVIC

The Clerk called the bill (H.R. 2772) for the relief of Ksenija Popovic.

There being no objection, the Clerk read the bill, as follows:

H.R. 2772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Ksenija Popovic may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition in her behalf by Mrs. John Drinkwater Behan, a citizen of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

With the following committee amendments:

On page 1, line 6, strike out the words "upon approval of" and substitute in lieu thereof the word "and".

On page 1, line 7, after the words "of the United States," insert the words "may be approved".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. ANTONIO DE OYARZABAL

The Clerk called the bill (H.R. 3337) for the relief of Mrs. Antonio de Oyarzabal.

There being no objection, the Clerk read the bill, as follows:

H.R. 3337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 301(a)(7) of the Immigration and Nationality Act, Mrs. Antonio de Oyarzabal shall be held and considered to have been physically present in the United States during all the time she was residing in Spain with her father, the Honorable John Davis Lodge, while he was United States Ambassador to Spain.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EMILIA MAJKA

The Clerk called the bill (H.R. 3669) for the relief of Emilia Majka.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DR. JAN ROSCISZEWSKI

The Clerk called the bill (H.R. 4137) for the relief of Dr. Jan Rosciszewski.

There being no objection, the Clerk read the bill, as follows:

H.R. 4137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Doctor Jan Rosciszewski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of November 5, 1959.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CONCETTA CIOFFI CARSON

The Clerk called the bill (H.R. 2285) for the relief of Mrs. Concetta Cioffi Carson.

There being no objection, the Clerk read the bill, as follows:

H.R. 2285

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Concetta Cioffi Carson shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act: *Provided,* That unless the beneficiary is entitled to care under chapter 55 of title 10 of the United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, notwithstanding the provision of section 212(a)(3) of the Immigration and Nationality Act, Mrs. Concetta Cioffi Carson may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissable under the provisions of that Act: *Provided,* That unless the beneficiary is entitled to care under chapter 55 of title 10 of the United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DR. FELIPE V. LAVAPIES

The Clerk called the bill (H.R. 7357) for the relief of Dr. Felipe V. Lavapies.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING THE HONORABLE FRANCES P. BOLTON TO ACCEPT AWARD OF OFFICER IN FRENCH NATIONAL ORDER OF LEGION OF HONOR

The Clerk called the bill (H.R. 10342) to authorize the Honorable FRANCES P. BOLTON, of Ohio, a Member of the House of Representatives, to accept the award of Officer in the French National Order of the Legion of Honor.

There being no objection, the Clerk read the bill, as follows:

H.R. 10342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Honorable Frances P. Bolton, of Ohio, a Member of the House of Representatives, is authorized to accept the award of Officer in the French National Order of the Legion of Honor tendered by the Government of France, together with any decorations and documents evidencing this award, and the consent of Congress is hereby expressly granted for this purpose as required under section 9 of article I of the Constitution. The Secretary of State is authorized to deliver to the Honorable Frances P. Bolton the decorations and documents evidencing such award.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ALEKSANDR KAZNACHEEV

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 188, the bill (S. 582) for the relief of Aleksandr Kaznacheev.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

S. 582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Aleksandr Kaznacheev, lawfully admitted for permanent residence in the United States on August 16, 1959, shall be held to be included in the class of applicants for naturalization exempted from the provisions of section 313(a) of the Immigration and Nationality Act, as such class is specified in section 313(c) of the said Act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

NIKOLAI ARTAMONOV

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 194, the bill (S. 1498) for the relief of Nikolai Artamonov.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

S. 1498

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Nikolai Artamonov, lawfully admitted for permanent residence in the United States on August 22, 1959, shall be held to be included in the class of applicants for naturalization exempted from the provisions of section 313(a) of the Immigration and Nationality Act as such class is specified in section 313(c) of the said Act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This ends the call of the Private Calendar.

FOOD AND AGRICULTURE ACT OF 1965

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 512 and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 512

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 512 provides an open rule with 5 hours of general debate on H.R. 9811, a bill to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes. The resolution also provides that the bill shall be read for amendment by titles instead of by sections.

Agriculture has advanced on a broad front during recent years. The downtrend in farm income, which marked the middle and late 1950's has been reversed. Farm income is higher. Grain surpluses have been cut dramatically. Exports of farm products are at record levels. More land has been protected for posterity. Consumer food prices have been reasonable. Food distribution programs have been expanded.

H.R. 9811 embraces the major provisions set forth as follows:

TITLE I. DAIRY

The class I dairymen's base plan authorized in the first title seeks to reduce surplus milk production and stabilize the income of dairy farmers in Federal milk order areas.

TITLE II. WOOL

The National Wool Act of 1954 is continued through December 31, 1969. A floor of 77 percent of parity is set on wool price supports.

TITLE III. FEED GRAINS

This title continues for 4 years the provisions of the present feed grains program for price-support loans, purchases, and in-kind payments to program participants.

TITLE IV. COTTON

The one-price cotton program, wherein American mills buy U.S. cotton at the same price it is offered to foreign mills, is extended for 4 years, through 1969, with modification.

TITLE V. WHEAT

This title authorizes continuation of the voluntary wheat certificate program for 4 years with modifications from current provisions aimed at boosting wheat farmers' income by about $150 million a year, reducing Government costs, and providing more freedom in the marketing system.

TITLE VI. CROPLAND ADJUSTMENT

Under this title the Secretary would be authorized to enter into long-range contracts with farmers calling for conversion of unneeded cropland into vegetative cover, water storage facilities, or other soil, water, wildlife, or forest conserving uses.

TITLE VII. MISCELLANEOUS

This final title would:

First. Expand a system of farmer certification of compliance with the acreage provisions of various programs, except for tobacco and peanuts. It would reduce administrative costs in operating acreage programs.

Second. Extend the present authority through December 31, 1969, for growers to lease tobacco allotments to other farmers.

Third. Make permanent the exemption of "boiled peanuts" in the definition of peanuts in the acreage allotment, marketing quota, and price-support programs.

Fourth. Authorize a study on the parity of income position of farmers, to obtain more definitive information of the true income status of farmers relative to other segments of the economy. While parity prices and the parity ratio are a useful relative guide to the prices farmers receive, they do not reflect farmers' income position considering increased efficiency and productivity. Government income supplements, mortgage debt ratio to income, and other factors which have a direct bearing on farm income.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. BOLAND. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 240]

Adair
Andrews,
  George W.
Bolton
Bonner
Brown, Ohio
Burton, Utah
Cabell
Cahill
Carter
Craley
Cramer
Cunningham
Curtis
Derwinski
Diggs
Downing
Dyal
Hansen, Iowa
Harsha
Hawkins
Holifield
Karth
Kee
King, N.Y.
Kornegay
Lindsay
McCarthy
McEwen
Martin, Mass.
Miller
Moeller
Moorhead
Passman
Powell
Reinecke
Resnick
Rogers, Tex.
Roudebush
Roybal
Ryan
Scott
Teague, Tex.
Thomas
Toll
Utt
White, Idaho
Willis
Younger

The SPEAKER pro tempore. On this rollcall 383 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOOD AND AGRICULTURE ACT OF 1965

The SPEAKER pro tempore. The Chair recognizes the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Speaker, I would like to conclude by a few brief comments with reference to some of the lobbying activities and some of the statements and propaganda that have been put out by certain individuals and organizations with reference to this farm bill. I think there have been some of the most vicious and some of the least factual statements put out by the milling and the baking industries that it has ever been my experience to read in connection with any piece of legislation.

As I indicated when this bill was before the Committee on Rules, the majority of the propaganda was pure poppycock and as phony as a $3 bill. Because of some of the activities of the milling and baking industry, Mr. Speaker, I am today preparing a resolution to introduce calling for a congressional investigation of the milling and baking industry in this country, their monopolistic tendencies and what I believe to be the antitrust violations of this particular industry as it affects every American, because it does deal with the grocery basket of every housewife in America.

So, Mr. Speaker, I am hoping that a select committee will be set up, or a subcommittee of an appropriate committee of the House to investigate the activities of what I believe to be a giant monopoly, out to feather its own nest.

I might cite one statistic in closing, Mr. Speaker. For example, I note that bread today is selling at approximately 30 cents a pound in the city of Los Angeles. The same amount of bread is selling for approximately 18 cents a pound in the city of Detroit. There are many other factors too numerous to mention, Mr. Speaker, and which I shall not go into at this time. But, as I say, I am hopeful and shall vigorously urge that such an investigation will be held.

Mr. SMITH of California. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, House Resolution 512, upon adoption, will provide for 5 hours of general debate for the consideration of H.R. 9811—the Food and Agriculture Act of 1965. It is an open rule and provides for the bill to be read by titles. Although the testimony before the Rules Committee indicated that there is considerable oposition to the bill, there was no opposition to the "rule."

There were various requests for time for the general debate—from 4 to 8 hours. The main concern seemed to center around whether or not sufficient time would be permitted to discuss the amendments under the 5-minute procedure. This the Rules Committee can do nothing about. I feel certain, and I hope I am correct, in stating that, in my opinion, the gentleman from North Carolina [Mr. COOLEY] will exercise his usual fairness in being certain that all are entitled to be heard.

H.R. 9811 is an omnibus farm bill. It attempts to cover most all programs in one measure. It contains several titles as follows:

TITLE I—DAIRY

The dairymen's base plan seeks to reduce surplus milk production by removing the necessity for dairymen to maintain maximum production in order to preserve individual participation in the markets for milk. Title I would assign to each producer in a milk order area a fluid milk base, enabling him to receive a higher price for milk consumed in fluid form on a specified part of his production, in lieu of a price on total production for all purposes. This title was not part of the administration's original bill.

TITLE II—WOOL

The National Wool Act of 1954 is continued until December 31, 1969. A floor of 77-percent parity is set on price supports. The administration's proposal to permit a system of graduated payments to producers based upon levels of production was rejected by the committee.

TITLE III—FEED GRAINS

This title continues until December 31, 1969, the present support program. Participants who divert acreage from feed grains to conservation uses will receive payments in kind, as in the past, based on a percentage of price-support rates, per-acre yields, and acreage diverted.

TITLE IV—COTTON

The program is continued until December 31, 1969. It is the same one-price program by which U.S. mills buy cotton at the same price it is offered to foreign mills. There are a number of modifications in the program:

First. The 16-million-acre national minimum allotment is continued, but a domestic allotment is established within this figure, to be less than 65 percent of each farm allotment.

Second. A 15-percent reduction in acreage is required of each participant.

Third. Anyone may stay out of the program and plant an unlimited amount, without penalty.

Fourth. Loans are available to cooperators at 90 percent of the estimated average world market price.

Fifth. Payments to cooperators will include price supports—9 cents a pound in 1966—and payment for retirement of acreage at 50 percent of the loan rate on the projected yield of acreage retired.

Sixth. Acreage retired cannot be reapportioned to other farmers outside the county.

Seventh. The Secretary of Agriculture may enter into contracts permanently retiring land.

Eighth. Sale or lease of cotton acreage is permitted in a county if producers vote to permit it.

Ninth. An exchange of cotton and rice allotments is permitted.

TITLE V—WHEAT

The voluntary certificate program is continued until December 31, 1969, with modifications. A price support at or near 100 percent of parity is authorized. The support price is increased about 50 cents to $2.50 per bushel, accomplished by higher value domestic certificates, issued to producers to supplement wheat prices which are purchased by domestic wheat users.

TITLE VI—CROPLAND ADJUSTMENT

The Secretary of Agriculture is authorized to enter into long-term contracts calling for conversion of unneeded cropland to conservation projects. Payments would be at rates determined by the Secretary. It is estimated that by 1970, 40 million acres would be under such contracts. Whole farms could be placed under such contracts.

TITLE VII—MISCELLANEOUS

Four major areas are covered by this title:

First. The system of farmer certification of compliance with acreage programs, except for tobacco and peanuts, is expanded.

Second. Through December 31, 1969, growers of tobacco may lease tobacco allotments to other farmers.

Third. The exemption of "boiled peanuts" in the marketing quota, acreage allotment program, and price-support program is made permanent.

Fourth. A study of farm income is authorized.

COST

The total cost of the program over the next 4 years is difficult to determine. It is estimated at between $18 and $19 billion. The present wheat program is costing about $1.47 billion per year, in addition to the costs directly assessed against wheat consumers through the operation of wheat certificates, a cost of $625 million per year. The feed grain program costs about $1.5 billion a year. The average cost of the wool program since 1960 has been $58 million. The cropland adjustment program, at its peak in 1970, will cost about $700 million per year. This does not include the soil bank program costs, estimated at $4.17 billion, and the conservation reserve program, estimated to cost about $2.6 billion. The 1964 cotton program cost $860 million; the estimated cost for 1965 is $725 million.

Mr. Speaker, there is a minority report signed by 11 committee members, additional minority views signed by 4 members, additional views by 1 member, and separate views by 2 members on cotton. My comments from reading the same, and listening to the testimony are as follows:

A primary objection to H.R. 9811 is the failure to raise the CCC's release price on wheat. An amendment was offered to this end, but was rejected by the committee on a vote of 18 to 17. The amendment was to raise the resale price to 110 percent of the support price. Almost all farm organizations favor an increase in the resale price.

The present wheat program with some modifications is retained for another 4 years. The Secretary of Agriculture has set the CCC loan level at $1.25 per bushel. Farmers who comply with acreage restrictions are eligible for loans and, additionally receive 75 cents a bushel payment on 45 percent of normal production and 30 cents on another 35 percent. He receives $2 a bushel on 45 percent of his normal domestic production and $1.55 on 35 percent, and at least $1.25 on the remaining. H.R. 9811 proposes to raise the level of support on domestic wheat from $2 to $2.50. This would require domestic users to pay approximately 50 cents to 57 cents more per bushel. This will almost certainly require a 1- or 2-cent increase in the price of a loaf of bread. This is manifestly unfair to low-income families, the very group that uses proportionally more wheat products than other income groups. On top of everything else, U.S. processors and consumers will be required to pay twice as much or more than the world price.

The cotton program is a costly failure, according to the minority views. It has not lowered Government costs nor brought lower consumer prices. The cost actually rose by $375 million last year. Department of Agriculture officials admit that their claims for lower consumer prices are still in the future. During the last year, the United States suffered a 20-percent drop in cotton exports, in large part due to the present program.

The language of the title on cotton will encourage more production at a time when the surplus is near a record high.

The minority cite as an example of the kind of thinking behind this bill, that there are two different and opposed provisions of the cotton title relating to production. On one hand the bill encourages the reduction of cotton acreage by cash payments to farmers who cut their present allotments from 15 to 35 percent. The same title also allows any cotton farmer to grow all he wants without penalty and without subsidy. The minority favor moves toward a free market; feel that both provisions in the bill are bound to result in a loss for the taxpayers.

Finally, as to the feed grains program, Government sales policies have contributed to much lower prices to farmers than was necessary. Amendments were offered and defeated in committee to prohibit the CCC from selling surplus grains for less than 105 percent of the loan level. Under present law the Secretary of Agriculture has authority to control the corn market. He will continue to have this power under H.R. 9811. Testimony showed that an increase in the release price from the present 100 percent to 105 percent would improve corn market prices by an estimated 7 cents a bushel.

Mr. Speaker, my personal comments for what they may be worth, are that for a long time under both Republican and Democratic administrations, the public has been waiting for an end to the subsidy-and-control policies that have made so many farmers so dependent on the Government. New hope was stirred last January when President Johnson, in his state of the Union message, said he had instructed the Secretary of Agriculture to find "new approaches" to the farm problem.

But if any new approaches were found, it is hard to find them in H.R. 9811, the omnibus farm bill which we will consider today. It is a collection of the same tired formulas which have failed to solve the farm problem in the past 15 years. It moves no closer to what must be agriculture's long-term goal—control chiefly by the market, not by the Government.

Long years of experience should have convinced us by now that price supports are unnecessarily costly to the public and do little to help the small farmer. In 1954, for example, only 3 percent of farm income was from Government cash payments. Last year the figure had risen to 25 percent.

Farmers, themselves, when asked, generally vote for less reliance on Government and more reliance on the market. A vote to defeat the bill we are about to consider, H.R. 9811, might force, at last, the new approaches to the farm problem which had been promised for so long, and which some of us still hope may eventually come about.

As I indicated at the start, there seems to be no objection to the rule, but considerable objection to the bill itself. I reserve the balance of my time, Mr. Speaker.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I want to announce to the House that when we go into the Committee of the Whole I intend to offer an amendment which reads as follows:

> On page 47, between lines 7 and 8, insert the following: "SEC. 514. Section 379d of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subsection:
>
> "(e) Commodity Credit Corporation shall bear a portion of the cost of domestic marketing certificates required for wheat used in the manufacture of food products equal to the amount by which price support for wheat accompanied by domestic certificates exceeds $2 per bushel."

The net effect of that is to do away completely with any argument about a so-called bread tax. I never heard more criticism of any provision in any bill than has been leveled against this proposal to increase the price the millers must pay for wheat, in our effort to maintain something near a fair level of income for our wheat producers. This has been called a bread tax from one end of the country to the other. The fact is that the price of wheat has been going down and down for 15 years, and bread prices have been going up and up for 15 years. However, there apparently is no way to answer the bread tax argument that will draw public attention and sympathy to the problems we are trying to solve in this legislation. We have made a diligent effort to do that.

In introducing this amendment I am taking a consistent position because an amendment that had the same objective was offered in our Committee on Agriculture. I voted for the amendment which was defeated by a tie vote of 17 to 17.

With this amendment which I shall offer it seems to me that the entire wheat bill should be acceptable to everybody in this House.

We also shall propose amendments to the cotton section. Those will be offered by the gentleman from Texas [Mr. POAGE], who is vice chairman of our committee. Their purpose is to strengthen the cotton section and to remove some objectionable features.

The cotton section did not meet with my approval when it came out of the committee. As I said, the wheat part of the bill did not meet with my approval.

After all, I am chairman of the committee of 35 members, and I asked the Rules Committee to give us an open rule so the House could work its will on these two very controversial provisions.

I do not believe that there is any real objection to any other provision in this bill, and with the adoption of the amendment I shall offer and the adoption of the amendment Mr. POAGE will offer, it seems to me the House should approve the bill by an overwhelming vote.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. JONAS. I congratulate the gentleman on asking the Rules Committee to grant an open rule on this bill. As the gentleman has so well stated, it will give the House an opportunity to consider some very needed amendments, and if the bill can be amended as proposed it will meet with more general acceptance on the part of the membership as well as the country generally.

Mr. COOLEY. I hope the amendments will be adopted, and the bill passed.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. TEAGUE].

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding, and I want to say to the chairman of the Agriculture Committee, I thank him for being willing to offer the amendment that I offered in committee, which failed by a vote of 17 to 17, which will result in the payments to the wheat farmers added to the present law in this bill being financed from the Treasury as will be done in the cotton and wheat programs. The committee put the tax on the consumer. I believe my amendment will make this a much more acceptable bill, and our colleagues will find it more acceptable because the consumers do not want to be saddled with this 50-cent increase.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman.

Mr. COOLEY. I would just like in all fairness to say to my friend, the gentleman from Minnesota, I stated to the House the net result of this amendment of mine would be just what the net result of your amendment would have been. But there is a difference in that herein I direct the CCC to pay this 50 cents, as in all programs operated through that agency of the Government.

Mr. QUIE. I recognize that, but it will still come from the General Treasury and the taxpayers pay for it. In no way can it be passed on to the consumer so that it would be a consumer tax or a processing tax or anything else that you might want to call it.

Mr. COOLEY. That is right.

Mr. QUIE. I am also glad that we have an open rule because I think there are other changes that ought to be made in the bill.

Mr. TEAGUE of California. Mr. Speaker, I have no objection whatsoever to this rule and will vote for its adoption. I do, however, have reservations about and objections to many provisions of the omnibus bill. I think the package approach is wrong. We should have considered these various sections item by item in separate legislation.

I would like to acknowledge that the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY] and the vice chairman, the gentleman from Texas [Mr. POAGE] were most fair in the subcommittee and the full committee hearings and in the final determination of the form which the bill should take.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman.

Mr. NELSEN. I understand from the statement made by the chairman of the committee that many of the objections will be met by some of the amendments that will be offered. I hope the House will consider favorably amendments to increase the release price not only of wheat but also of feed grain. The Department policy has worked a hardship on the Midwest feed grain farmers because of the low release price of CCC stocks, and I hope the committee will consider amendments that will correct this inequity.

Mr. TEAGUE of California. I take this time, Mr. Speaker, because I came across a very interesting speech delivered last Friday in the other body. It was not delivered by Senator DIRKSEN or Senator AIKEN or even Senator ELLENDER. It was made by Senator CLINTON ANDERSON, a former Secretary of Agriculture. I would like to read into the RECORD a few brief excerpts from that speech. These are Senator CLINTON ANDERSON's words and this speech was made last Friday:

> * * * we have over the last 30 years created an agricultural program which had validity at the outset, but has since blossomed into absurdity.

Now speaking of feed grains, he says this:

> The latest estimate I have seen puts the 1965 cost of the feed grain program at $1.6 billion. This is roughly $400 million more than in 1964. Yet, the latest crop report indicates an alltime high in feed grain production—hardly a success story from the standpoint of reducing production and lowering Government costs.

Further, Senator ANDERSON said:

> In its report on the farm bill, the House Agriculture Committee stated that the feed grain legislation during the last 4 years "has reduced the feed grain stocks more than 30 million tons from the record high 85-million-ton level at the end of 1960 crop-marketing seasons. It has kept Government costs down from what they would have been if the surplus had continued to rise."

This was the House committee report.

This is what Senator ANDERSON says:

> But that was written before the crop report was released. The judgment was premature.

Here is what he had to say about wheat:

> The prospective wheat crop—second highest on record—is 7 percent greater than 1964 and 16 percent above the average of years 1959–63.

Here Senator ANDERSON is talking about cotton:

> Judging from current cotton production and use estimates, the carryover of cotton will go up—not down.
>
> Much has been said lately by the supporters of the omnibus farm bill now before the House of Representatives with respect to how it would reduce the production of surpluses, cut Government cost, and maintain farm income. If recent history is any criteria, it will fail to accomplish its stated objectives. Furthermore, it would promote and expand the very objectionable philosophy of direct Government payments to farmers.
>
> The normal forces of the market system cannot function when a relative low loan rate is established and direct payments are employed. Farmers respond to the total incentive, not just the loan rate. The crop report dramatically reflects this fact.
>
> As I understand it, the omnibus farm bill now before the House extends and expands Government direct payments to farmers as embodied in the current feed grain, cotton, and wheat programs. We have a fairly good measure of the results to date. There is nothing to suggest that future results will be any better than what we have seen thus far.
>
> It is now evident that the present cotton program has failed to fulfill the claims made for it at the time of its passage by Congress last year. We should recall that its proponents said that, under the program, consumption of cotton would increase, cost to taxpayer would decline, consume prices of cotton goods would be lowered, and the upward trend in manmade fiber use would be halted and farm income for cotton would be maintained. This program has failed on

all counts. The proposal for cotton in H.R. 9811 also will fail to solve cotton's problems.

I repeat, my colleagues, these remarks were made by Senator Clinton Anderson, and were made within the past 3 days. As Members will recall, Senator Anderson was Secretary of Agriculture under the Truman administration. Certainly there is no greater authority in this field than he.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. O'Neill].

Mr. O'NEILL of Massachusetts. Mr. Speaker, before the election of President Kennedy, the Members of Congress from the northern cities, and particularly the group from New England, always opposed farm legislation. If one were to examine the record, one would find the lone voter for the farm program in those days was the present Speaker of the House. He would stand alone.

Since the time of President Kennedy most of us from the northern cities have supported the farm bills. When the last farm bill was passed, assistance was given to our textile workers and manufacturers. Some aid was given in the wool program. Some assistance was given in the cotton program.

I, for one, would like to vote for the program now, but there is a "hooker" in the bill. I refer to the section on wheat.

I do not intend, as a Member of Congress this year, to reduce the excise tax on diamonds, to reduce the excise tax on automobiles, to reduce the excise tax on jewelry, and then to put a 2-cent tax on bread so that the housewives of America will be irked at each Member of Congress.

I understand an amendment will be offered by the gentleman from North Carolina [Mr. Cooley] which will wipe out this so-called 2-cent bread tax.

I should like to have that spelled out in the Record at this time, so that I, for one, can go along with the farm bill.

Will this stabilize the price of bread, in order that the farmer and in order that the baker cannot say that the Congress in any way has put an added bread tax on the housewives of America?

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL of Massachusetts. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman is absolutely correct. The bakers will have no excuse for increasing the price of bread to the consumers because of the bill. With the amendment which I will offer, the bill will direct that the funds be paid out of the Commodity Credit Corporation, 50 cents a bushel. It will be exactly the same situation we have now. The bakers will have no right to squawk about it. They ought to be delighted. Certainly the housewives should be delighted.

Mr. O'NEILL of Massachusetts. I thank the gentleman for spelling that out in the Record.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. Poage].

Mr. POAGE. Mr. Speaker and Members of the House, after a detailed discussion among a good many Members but without any committee action, there has been an informal agreement to offer an amendment to the cotton section which I believe will greatly interest those from the cotton growing areas but which will probably be of little or no concern to those from other areas.

It is my understanding that at least a substantial number of the members of the committee will feel we should adopt two amendments, the one which the chairman just discussed and the one which I shall propose to the cotton section.

The one to the cotton section does two things in an effort to be fair to all sections—the western section and the eastern section. It will eliminate the opportunity to plant all of one's land in cotton unless it is done by a cotton grower with an allotment. As the bill now stands anybody could come in and get land and plant the whole place in cotton provided he does not take any Government payments. This amendment will limit that right to those who now have cotton allotments. It will keep a lot of speculators out of the program. It is primarily applicable to the newer western areas.

On the other hand, working in the eastern area, we will provide for the crossing of county lines by the released acres and allow them to go to those sections of the State where there is a demand for them. This will answer the objections of a great many of the cotton-growing areas of the eastern part of the belt.

Then we will provide that anyone who receives released acres will only have to make one cut in acreage. He will be required to retire at least 15 percent of his allotment just as any other cooperator. He will have to make a cut of 15 percent on his own allotment, for which he will receive the same pay as any other cooperator receives and he will then be eligible to receive released acres and grow them and receive payment at the low rate. This support which will be 11.42 cents on the domestic allotment portion and 9 cents on the portion in excess of 65 percent and less than 85 percent.

The SPEAKER. The time of the gentleman has expired.

Mr. SISK. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. POAGE. The other phase of this amendment will be to clarify the present provision about which there is some confusion in making sales and leases of allotments. A sale is a sale and if made will continue forever, but we give authority to make such sales for the period of 4 years, only. There is a provision that a grower cannot obtain more than 100 acres of allotment in addition to his present allotment by purchase or lease. These amendments do not in my judgment give us a perfect program, but they greatly improve the program. I am not introducing this amendment as my own but as agent for the substantial group who have studied and worked on this subject.

With those amendments it is believed we will have a much more acceptable program throughout a large part of the Nation. I hope that we will accept these cotton amendments, and pass the bill.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. POAGE. Yes. I yield to the gentleman.

Mr. JONES of Missouri. When you speak of the amendment which would permit the released acres to be reapportioned across county lines, do you make any provision for the pro rata production?

Mr. POAGE. Yes, we do as to all purchase or lease.

Mr. JONES of Missouri. Or take into consideration the yield?

Mr. POAGE. Yes, we do.

Mr. JONES of Missouri. In other words, you are not going to let them yield a half-acre production allotment to an area which produces a bale-to-the-acre?

Mr. POAGE. No. If you are transferring from land that was not making but half a bale an acre to an area where they are growing a bale an acre, you would have to buy twice as many acres in the low producing area as you used in the high producing area.

Mr. JONES of Missouri. You say "buy"?

Mr. POAGE. When I say "buy" I mean where we are buying or leasing because there we are transferring acres from one place to another. You would have to buy twice as many acres if you were selling low producing acres.

Mr. JONES of Missouri. Thank you.

The SPEAKER. The time of the gentleman has again expired.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. Anderson].

Mr. ANDERSON of Illinois. Mr. Speaker, I have asked for this time because I do not think that this occasion should pass without noting the fact that the setting for our deliberations today is quite different from what it was a few days ago when we considered an amendment to the Taft-Hartley Act; namely, the bill repealing section 14(b). Even though at that time we were involved in the field of labor-management relations, as interrelated as all of the problems of labor and management are, that bill was so very narrowly and carefully constricted and drawn that you literally could not even offer a freedom of conscience amendment. But today when we are considering a farm bill, under an open rule—and I am glad that it is an open rule—we have wrapped up into one great, big gaudy package, in 7 different titles, every single commodity loan program that is presently operated by the Department of Agriculture. And I would second what I think was said earlier by one of the other speakers that I do not think this is the proper way to legislate.

The problems of the farmer, whom I represent in Illinois, the feed grain farmer of northwest Illinois, or the stock raisers, are not the problems of the cotton grower in the Southeast or in the Western United States. The idea that we have to legislate on the basis of—well, I do not like the cotton part of the bill, but to get something for the feed grain producer, or to get something for the wheat grower, we are going to buy another section or another part of the bill that is not sound, that is not wise, and we do not like it, but here it is, the big package, so we have got to take it or leave it—that is what we are operating today under an open rule.

Mr. Speaker, I also want to make this comment, that those of us on the Rules Committee thought, after listening for several days to testimony before the committee, that we knew what was in the bill. I am glad that I was here today to hear the discussion under the rule because apparently we did not know. And when I read, as I did yesterday, in one of the newspapers, that proposed changes, dealing largely with the wheat and cotton programs, have been worked out in secret conferences in order to placate some opponents, I am now privileged to share the secret and find out just what kind of a bill it is that we are going to be voting on.

Let me say this, Mr. Speaker, it was said earlier by my good friend and colleague on the Rules Committee, the gentleman from California [Mr. Sisk], when he said that there has been so much poppycock about a bread tax, when there has been so much in the nature of actual fraudulent misrepresentation, that he wants a resolution to investigate the whole baking and milling industry, that I do not have any mills in my district, I do not have any baking companies, so I would suggest, particularly for them, but I would also respectfully suggest that not all of the bilge has been on one side of this issue. As I have read some of the intemperate statements by the Secretary of Agriculture, some of the remarks he has made, I wonder if we could couple under that resolution a suggestion that we investigate some of his activities, and some of the Federal moneys that have been used to lobby for this farm bill; money out of the Treasury of the United States to put forward his pet ideas and notions; because I think the resolution should be broad enough to cover the whole spectrum.

I doubt very much whether it is poppycock, in view of the fact that the Secretary admitted 0.7 cent would be added to the price of the pound loaf of bread. I do not care whether it is 0.7 cent a pound or a 2-cents-a-loaf bread tax, but that is what this bill originally included and still includes as it stands and is before us at the present time.

Mr. Speaker, I also want to say that I was a little bit disturbed after listening to the distinguished chairman of the Agriculture Committee, the gentleman from North Carolina [Mr. Cooley] when he explained the amendment which he proposes to offer, and then said that this, of course, would satisfy everybody, that this ought to take care of any and all objections to this bill. Believe me, anybody who feels that way has not read the bill, has not read the hearings, and does not know what is involved, because it is far more than a bread tax.

To be sure, the principal fire has been aimed at this provision, and I think it was a bad one. But there are many other things in this bill that are bad. Let me quote just a sentence or two from a former Secretary of Agriculture, who said this:

> It is my honest opinion that we must move toward a market price system rather than reliance on Government-rigged production controls and compensatory payment programs. A Government warehouse is not a market.

That was not Ezra Taft Benson who said that, Mr. Speaker. That was a former Secretary of Agriculture under the Truman administration who now sits in the other body.

And, as has been pointed out, when you consider that we have spent something like $6.8 billion under the feed grain portion of this program, sure, they have reductions in the tonnage in the CCC stocks, sure, as I think the gentleman from Texas [Mr. Poage] said, they have gone from 85 million tons to something like 50 million tons. But, wait, let us look at the price we have paid and let us consider whether or not that has been an efficient and economical way of reducing Government surplus.

Mr. Speaker, I believe if the Members will study this bill and the hearings as well as the report they will be convinced that in addition to the bread tax, in addition to the deficiencies in the cotton title of this bill, that there are other sections as well that must have amendment on the floor of the House before we can support it.

Mr. SISK. Mr. Speaker, I yield 6 minutes to the gentleman from Iowa [Mr. Smith].

Mr. SMITH of Iowa. Mr. Speaker, it seems like every time one of these farm bills comes to the floor we hear a great discussion that is based upon the general theory that the price of the finished product is controlled by the price of raw materials covered in this bill. It is not so, and I am going to prove it to you. We heard three or four times today about the bread tax, and there has been a most concentrated campaign for the past month claiming the bill includes a bread tax.

Mr. Speaker, I did a little shopping over the weekend, just like I did 2 years ago when this bill came up, except that this time I shopped for more articles.

Mr. Speaker, I shopped for some price-supported products and also for some that are not price supported, and I want to show you what I bought.

First of all, Mr. Speaker, here is cornmeal. This is the package I bought 2 years ago. The price on it was 47 cents. I bought the identical brand over the weekend. The price was 49 cents. That is 5 pounds of cornmeal, pure cornmeal. It is 2 cents higher but corn prices to farmers have not increased.

In addition to that, Mr. Speaker, I bought 5 pounds of flour.

Here, Mr. Speaker, is the 5 pounds of flour, and on it you will find a price of 59 cents. These are price-supported products. Both corn and wheat are what some people call terribly high price supported products that you have been hearing about.

Then, in addition to that, I bought a loaf of bread the day after the wheat referendum had been defeated 2 years ago. It was a 1-pound loaf of bread, bought in Des Moines—Colonial bread—a 1-pound loaf, a "big old-fashioned, enriched," loaf of bread, for 23 cents. The tag is prominently displayed on the end of the wrapper.

I bought another identical loaf over the weekend. During that 2 years, there has not been any change to millers in the price of wheat.

I bought a loaf of bread over the weekend and, you know what the price was for the identical bread? Twenty-five cents. The price is prominently displayed on the end. This will prove to you that you cannot be guaranteed by anything either in or out of this bill as to what the price of bread is going to be 2 years from now.

Mr. Speaker, I do not know about all of these statistics but I do know what we pay for these items at the grocery store.

Mr. Speaker, this loaf of bread was 2 cents higher last weekend than it was 2 years ago. Yet there has not been an increase in the price of wheat to the miller.

In addition to that, I thought that I ought to look at some other articles, and I found one that was listed at 69 cents. What in the world do you suppose could sell for 69 cents? That is 10 cents higher than flour and 20 cents higher than cornmeal. It is 40 percent higher than cornmeal. It is wild bird seed, 5 pounds for 69 cents. That should help any bird to sing. It contains wheat, millet, peanut centers, some buckwheat, and a little bit of sunflower seed. You have not heard of the Wheat Users' Council complaining about the price of birdseed, containing wheat, have you? There it is. Sixty-nine cents for 5 pounds of wild bird seed. I do not know what it would be if it were tame bird seed.

Mr. Speaker, we have another little package and it is a multicolored package, a rather attractive blue, red, and white package.

Well, this little 5-pound package cost 55 cents. What do you suppose that would be? It is cat litter. Five pounds for 55 cents. It costs more to scratch like a cat than to eat hot biscuits or cornbread.

There is another little item. I did not want any part of the country to be discriminated against, so I thought I would go to Appalachia. Here it is charcoal. That is all it is, charcoal, 5 pounds for 51 cents. That is not a price-supported product but the cost of 5 pounds for 51 cents and that is more than the cost of 5 pounds of cornmeal.

Well, you know, I thought we ought to get down to earth, so I bought something that was 69 cents that was really down to earth because all it is—is earth. It is "Green Thumb" potting soil, 5 pounds for 69 cents; cornmeal was 49 cents for 5 pounds but if you want the plain dirt, 5 pounds costs you 69 cents. Corn is not just dirt cheap, it is cheaper than dirt. If a farmer got a penny out of that bag of dirt, I will eat all of the turnpike from here to Chicago.

I thought I should see what is going to the dogs, so I bought 5 pounds of dogfood. What do you suppose that cost? Seventy-three cents for Gaines New Dog

Meal. Seventy-three cents—50 percent more than it costs for cornmeal. It costs more for dogfood than human food covered by this bill.

You have not heard of any of these protest groups protesting the price of dogfood, have you? Maybe I should form one. I have three of them—at least, that was at the last count.

Then, I see my friends from Kentucky on the front row. I figured they would be there, so I got something from Kentucky. It is only 2¾ pounds, but it is 89 cents—that is 30 cents per pound. It is just chunks of hickory wood—2¾ pounds for 89 cents.

I thought I also should get something produced by the folks in New Jersey. I got a big bargain package at $1.15. You know, you get more if you get a bigger family-size package. This is a 10-pound package for $1.15, the same price as flour, and it is 17 percent more per pound than for cornmeal.

Now, what do you suppose would cost that much? I had to wrap some plastic around it. You will know why in a minute. It is a nice big bargain package. Of course, it must be some very luscious food to cost that much! What do you suppose, it is? It is cow manure. It is just plain, old unadulterated cow manure. A shopper complains about 80 cents per gallon for milk but who has complained about the price of cow manure?

You people from New Jersey have something by the tail here, and may not know it. If any of you doubt that it is the real McCoy, take a whiff of it. Surely no one from New Jersey will complain about, for instance, the price of corn or wheat when you are receiving that kind of money for your product. This leads me to ask if our dairy farmers should reevaluate which end of their production is the by-product. In view of this price for that stuff the Republicans tried to sell last year during the campaign, it is no wonder they had a million-dollars left over. So, while eating your hot biscuits on a cold and frosty morning next winter, and complaining about the price of wheat and corn, you can think what it would be like if you could just afford to be a cat, if you could eat like a dog, or if you could afford to be a canary or if you could really live high on the hog, and could afford 10 pounds of manure.

Anyway this should prove that the price one pays in the grocery store is not controlled by the price of the raw product included in this bill. And consumers' councils that alleged this just have not been shopping lately.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Speaker, now that we have been so well entertained for a few minutes, I would suggest that perhaps we ought to go to the Department of Justice to investigate the matter if they are getting such healthy prices for the products that we saw displayed here.

I would first of all thank the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY] for his introductory remarks in which he called our attention to the fact that we would have an open rule. He referred to the fact that some amendments would be offered which I think we all agree will improve the bill. I would feel the atmosphere is one that would be in favor of accepting amendments to make this a better bill.

I live in a feed grain area where we are livestock farmers. We have a dairy herd on our farm. I never sell any grain, and every pound of grain and hay that we raise we feed on the farm. I am very much concerned about the feed grain section of this bill and the dairy section. But I want to relate a little history of this feed grain legislation and point out that at the time the first feed grain bill was presented to congressional committees, the Secretary of Agriculture, who had always been an advocate of high supports, to our amazement came in with a bill setting the support at 74 percent of parity. He then requested the authority under the law to sell CCC surplus stocks at levels below the support prices, and his theory was that with this club he could drive the farmers into that program. It so happens that some of us do not have a feed grain base on our farm and we could not be in the program if we wanted to be. But we would be subject to the damage done under such a procedure. I do hope in the deliberations today, the committee will favorably consider some amendments to the bill that will require a release price at a little higher level—and I am not asking for anything unreasonable—not only on wheat but also on feed grains.

The thing that farmers such as myself have been faced with—I know what I am talking about—is the fact that the corporation farmer that everybody screams about can go to the Commodity Credit Corporation and he can buy grain cheaper than I can raise it. He can feed cattle in a huge feed lot in competition with me and can make money because his feed is bought below the support price. He can put his finished product in the packing plant and make money while I have my costs that are fixed and cannot compete with him. This has been a devastating thing to the Midwest. I want to point out that the Secretary of Agriculture himself has demonstrated the wisdom of what I say. He has always stated that cheap feed means cheap livestock, and yet he has made feed cheap by the use of this authority granted to him. I wish to further point out that by virtue of this fact, those of us who are trying to make a go of it on the family farms have been competing with the Government of the United States. If we increase the release prices a little bit, the Government will be better off and we will be better off.

The Secretary himself since last fall has changed a little on the policy. He has allowed some fluctuation in the market by holding CCC stocks at about 105 percent of loan price. He has been more cautious in his conduct and as a result prices have increased a little, the CCC has acquired less stocks, and livestock prices have improved. He himself has demonstrated the wisdom of what I say.

I believe the law should require that the Secretary operate in that manner in the future.

I believe the atmosphere here on the floor is and should be one of listening to one another and yielding a little here and there. That has been demonstrated by what our good chairman said. I hope, as we go through our deliberations, we can make a forward step.

I would further urge this House to think about the wisdom of the words of our colleague in the other body, the former Secretary of Agriculture [Mr. ANDERSON] who has been one of the soundest farm advocates over a period of years that I know of. In remarks on the Senate floor last week, Senator ANDERSON offered the following advice:

> Based on the facts, it seems to me imperative that we take a real look at the current and proposed price support and adjustment program for agriculture. We cannot continue to pour out billions of dollars annually for programs that are aggravating the situation rather than solving some of the problems of overproduction. It is my honest opinion that we must move toward a market-price system rather than reliance on Government-rigged production controls and compensatory payment programs. A Government warehouse is not a market.

I might also point out that I disagree most heartily with the Secretary of Agriculture in his statement before the committee, when he said, "we must not yield to the temptation to make prices so high the programs become unworkable."

I would point out that in 1964 the parity level of income was 75 percent of parity, the lowest since the depression years. It is too low.

Another thing I should like to point out to our good chairman is that I hope the colloquy will nail down and clearly indicate the intention of the Congress relative to the assignment of a base to a farm. I operate 440 acres. Because of a rotation practice my son in this operation lost his base in the year 1959–60 on 160 acres of land on which feed grains had been raised for 100 years. To this day, he does not have a single base acre. I believe that is because of arbitrary decisions on the part of a local committee, but I believe we should write into plain language what we mean and what we expect.

I have talked to the chairman privately about this. I am sure he will assist in getting some language in the bill to do that very thing.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Speaker, in recent weeks quite a battle has raged around the country over whether the price of bread has gone up in the past year or not; that is, has there been an adverse effect on the price of bread resulting from the bread tax bill the Congress passed a year ago? Secretary Freeman has denied that bread prices are up. The statistics of his own Department indicate they are up. The argument ought to end here and now. The gentleman from Iowa [Mr. SMITH] very kindly just gave us visible proof that bread prices are up. They are up 2 cents a loaf over last year.

As we consider the amendment which the gentleman from North Carolina indicated he will offer, to provide for a general revenue financing on the proposed 50 cents hike in certificate value, let us remember that the bread tax bill which helped to force up the price of Neal Smith's bread will still be in effect whether the amendment is accepted or not. The value of the present bread tax, by Secretary Freeman's own figures, comes to more than 1 cent for each pound loaf of bread.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. Smith].

Mr. SMITH of Iowa. Mr. Speaker, the price to the miller has not increased one penny per bushel because at the time the certificate cost was added, the market price was reduced by the same amount. The price to the miller has not increased and any increase in the cost of bread has not been caused by the certificate provision that was added 2 years ago.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AID TO HIGHER EDUCATION

Mr. SISK, from the Committee on Rules, submitted the following privileged resolution (H. Res. 527, Rept. No. 803), which was referred to the House Calendar and ordered to be printed.

H. Res. 527

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FOOD AND AGRICULTURE ACT OF 1965

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9811, with Mr. Harris in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. Cooley] will be recognized for 2½ hours and the gentleman from Pennsylvania [Mr. Dague] will be recognized for 2½ hours.

The Chair recognizes the gentleman from North Carolina [Mr. Cooley].

Mr. COOLEY. Mr. Chairman I yield myself 5 minutes.

Mr. Chairman, I present now H.R. 9811, the omnibus farm bill. This is one of the most important pieces of legislation to be considered in this 89th Congress. I shall discuss its purposes and provisions briefly, in the thought that this may be helpful to Members, as the debate begins.

I announced earlier, during consideration of the rule, that certain amendments would be offered to the wheat and cotton titles of the bill, with the view to removing controversy and to enable the House to approve this legislation by a substantial vote.

The amendment to the wheat title will eliminate the so-called "bread tax" issue. The amendments to the cotton title will remove some objectionable features with respect to the program for this important crop. We shall discuss these amendments in detail as the debate here progresses.

Mr. Chairman, H.R. 9811 incorporates the successful features of past programs and draws on new proposals in a determined and comprehensive effort to meet the basic needs of farmers, consumers, and taxpayers.

Gains have been achieved in agriculture in recent years, but farmers still find themselves lagging behind as other segments of the economy move upward during these most prosperous times.

In opening the discussions on these proposals which seek to build on successful farm provisions of the past, it is fitting to review accomplishments achieved from legislation in recent years.

The grain surplus is disappearing—down more than one-third from the 4.5-billion bushel peak at the end of the 1960 crop marketing season.

Government wheat costs are down—more than $300 million less in the fiscal year just ended than in the previous fiscal year.

Farm wheat income is up—combined crop value and income for the past 4 years totals nearly $4.4 billion more than the 1960 level.

Consumers continue to enjoy food abundance—only 18.5 percent of the average family's take-home pay is spent for food, less than last year and considerably less than a few years ago.

Farm exports are at record levels—more than $6 billion last year and at least as high this year.

Overall farm income is up—net income in 1965 will be higher than in any year since 1953.

These are notable accomplishments which are established facts. They cannot be denied by those who find fault with all efforts to help agriculture and who continue to raise doubts concerning every proposal advanced to consolidate these gains.

While these advances are gratifying and point the way hopefully to increasing betterment in the future, we cannot overlook the sad truth of the continuing erosion of the farmer's position relative to the remainder of the economy. He is further away from a parity income than he was 15 years ago even though the Nation has been enjoying increasingly prosperous times.

Only a small proportion of the Nation's farmers earn a decent hourly wage. In fact, the farmer in 1964 averaged about $1.05 per hour in providing this country with the abundance it enjoys. This is below the national minimum wage and far less than the $2.60 per hour earned by industrial workers.

Even though farm prices have moved upward from their low levels of a few years ago, farm prices in 1964 were 15 percent less than they were 17 years ago. What other major industry in this country has suffered an overall price decline of this magnitude since the late 1940's. The answer is obvious.

Equally alarming is the rising level of farm debt. Caught in the tightening cost-price squeeze, the farmer in a desperate effort to increase his gross income is forced to go further and further into debt as he seeks ways to increase his efficiency. In the past decade, farm debt has doubled and since 1960 has increased by 50 percent. This reduces the margin of economic resources that he can draw on and makes him increasingly vulnerable to any further decline in the farm price level.

Farm commodity programs which the omnibus bill would improve and strengthen are the barrier against a catastrophic drop in farm income. The programs included in the bill encompass commodities and farm output either directly or indirectly that account for more than two-thirds of yearly gross farm income. This leaves little doubt as to the far-reaching implications of the decision that the Congress must make on these proposals. Every study made of the impact on farm income if farm commodity programs were eliminated points to a drastic drop with net income sliced at least in half.

Most of us from farm areas are acutely aware of the significance of farm commodity programs not only for agriculture but for the rest of the Nation. It is not unreasonable to assume that many of you who represent metropolitan areas are also aware of the stake your constituents have in maintaining an economically healthy agriculture to assure continuing abundance of food and fiber.

The commodity programs are a part of the price we pay for abundance. And this price cannot be measured solely in dollars and cents. Would any of us put a price on starvation? In the time of man, no nation has matched the volume and variety of food available to U.S. citizens at a reasonable cost in relation to income. In many countries, food alone takes as much as 50 percent of each individual's income. In many other nations, an ample food supply is but a dream for the future.

So to consumers, abundance means an ample and reasonably priced food supply. But what does abundance mean to farmers? Without some form of market protection, it means distressed prices because abundance requires just a little bit more than is actually needed. For every 1-percent increase in farm production beyond needs, prices fall by a much larger percentage. This circumstance, if permitted, would doom the family farmer whose thin resources would soon be exhausted in the struggle to meet his living and production costs with constantly decreasing prices for the things he produced.

Every instinct of the hundreds of thousands of family farmers is to produce even though the end result of abundant production comes out of the farmer's hide. Most other segments of the economy have better control of their output and are conditioned to keeping it in line with needs at a price returning ample profits. Would it be desirable in the national interest to govern our food supply in this same fashion?

Yet, should the family farm pass into oblivion as well it might without adequate income safeguards, farming would become a corporate enterprise with much tighter control on agricultural output. By its very nature, a corporate enterprise's every instinct is to make a profit. And this is proper in the free enterprise system. Without a doubt, this kind of a farming structure would be geared to a production level designed primarily to maintain a normal profit over cost. Agricultural abundance as we have known it would also pass into oblivion.

It is of the utmost practicality from every standpoint to preserve our present farming structure. There are some who would experiment with our future food supply under the guise of freeing farmers from some imagined bondage. There is no worse bondage than the bankruptcy which hundreds of thousands of family farmers face without the assistance the Government provides just as it does for other segments of our economy through tariffs, mail subsidies, minimum wages, fair working conditions, and countless others.

Most of us are unwilling to gamble in so vital an area of national requisite as our food supply—just as we are unwilling to gamble on the dream of peace by stripping our military structure as a measure of reducing Government costs. We have constant dramatic reminders of the essential need for national preparedness. Food is of the utmost importance to the security of our Nation. Yet, because agriculture has always responded to the demands placed upon it in times of peace and times of national emergency, dare we assume that it can be allowed to drift into an uncertain future and still retain its producing capabilities? We cannot shirk our obligation in providing the basis for a strong and healthy agriculture for the future.

Even though all consumers have an essential stake in a continuing adequate level of food and fiber, hundreds of thousands of them are closely tied to the welfare of the farmer. These are the consumers who provide the services and work in the factories to make the goods and equipment farmers need each year to produce crops and livestock. Farmers spend more than $40 billion a year for automobiles, farm machinery, oil and gas, rubber and steel goods, and many other products, countless services and items needed for family living. Farm buying power reaches every section of this Nation for goods and services, and its influence on the national economy extends far beyond the rural areas. Frequently, those of you who live in metropolitan areas overlook this significant interrelationship in your annoyance over rising food costs which are laid on the farmer's doorstep. Of course, food prices have gone up in recent years, but the onus should not be put on farmers. Average expenditures per person for food in the United States increased by $105 from 1950 to 1964. Marketing firms—that is, the people and businesses operating between the farm fields and the retail food counter—received $104 of the $105 added consumer expenditure. Farmers received only $1 of the added $105 cost.

We have reviewed some of the basic facts pointing to the importance of agriculture in our national life and the many compelling reasons for a continued vigorous farm program to meet the problems of modern day farming. In this spirit, the House Committee on Agriculture fashioned the omnibus farm bill giving recognition to the interest of farmer and consumer and to their mutual interest as taxpayers. We have been working since January developing this legislation. No farm bill ever received more thorough consideration.

It will cut Government costs, maintain farm income, and keep food and fiber at abundant reasonable prices. It will meet these objectives with provisions that seek a middle ground bridging across the diverse interests that always prevail in any consideration of farm legislation. The committee, in drawing upon the many suggestions offered, screened some objectionable features out of the administration's proposal, and modified others to a more intermediate position among the conflicting interests represented at the hearings. We have not, nor will we ever, reach the millenium when all are completely satisfied with legislative proposals on agriculture. The bill, however, does, in general, provide a practical and workable answer to the more pressing agricultural problems.

The strength of the omnibus bill is that it draws heavily on features that have been tested during the past few years and have been proven undeniably successful. It will continue the reduction of the grain surplus with improvement in income for farmers who produce these crops. It will move toward a lowering of the cotton surplus with modified features borrowed from the wheat and feed grain programs. It will give dairy farmers in the major milkshed areas an opportunity to cut down on their surplus milk production which returns barely enough to pay these costs. It offers a comprehensive approach to longer term cropland retirement at a lower cost than under the wheat, feed grain and cotton programs. Tied to this, is the opportunity to broaden the use of farmland to meet the basic needs of the expanding urban population for more open space and recreational areas. It will continue the wool program which has worked well for more than a decade.

FEED GRAINS

It is crystal clear that the feed grain program has met the test of time and is working. Feed surpluses are receding and carryover stocks going into the 1965 crop marketing year will be down to 55 million tons, the smallest since 1957 and down more than 35 percent from the record level of 85 million tons at the end of the 1960 crop marketing season.

It is difficult to understand how some can challenge the effectiveness of this program in light of the dramatic shift in the feed grain situation. The surplus is down, farm income from feed grains is up, market prices are higher, and exports are increasing without a Government subsidy. Government costs have been much less than if the surplus had continued to build up as in the 1950's.

Critics certainly cannot ignore the tremendous production potential of the Nation's feed grain farms. More than the equivalent of 1 year's plantings of feed grains has been held out of production during the 5 years of the program. If planted, this acreage coupled with the rising trend in yields would have swamped us in feed grains. Market prices would have been lower, the surplus and Government costs would have been higher and the stability of the livestock and poultry industry would have been seriously threatened by the stimulus for overproduction from an ever increasing supply of feed grains at a lower and lower price.

Yet some urge a return to the program of the late fifties or even worse to a program providing less price protection to feed grain producers. The committee rejected this philosophy and approved with some modifications the basic provisions now in effect. Price support would be in a range from 65 to 90 percent of parity for corn (with comparable levels for the other feed grains). This would permit support prices around current levels. Participants by diverting acreage feed grain production to conservation uses would continue to receive payments in kind to maintain income. A part of the price support would be in payment form to allow the marketplace to set prices.

WHEAT

The wheat certificate program has been severely criticized, but during its first year of operation it has clearly accomplished its objectives. Farm income from wheat has been maintained at about the level of recent years. Government wheat program costs have been reduced. Further inroads have been made in the wheat surplus. Retail wheat product prices have remained stable. Profits of the major flour millers and bakery concerns in most instances are higher during the period of certificate program than immediately before it.

The wheat certificate provisions of the bill would give wheat farmers a much deserved raise in their price. As approved by our committee, it would do this by returning some of the cost to the marketplace. Under the amendment I shall offer, the cash of this raise for producers will be paid for by the Government. Both wheat and feed grains, the legal resale provisions for Government-owned grains would not be changed by the bill. It would be continued at 105 percent of the support price plus reasonable carrying charges. Under past programs, this provision has worked well and permitted a substantial movement of surplus grain into use while farm prices have moved upward. It is unwise to tinker with a provision that has worked successfully. Furthermore, the basic changes in both the feed grain and wheat programs remove the Government further from the price setting role, thus lessening the need to be concerned about this provision.

COTTON

Rising cotton surpluses demand immediate and forceful action. There is discouragingly little agreement as to what should be done. The cotton provisions basically adapt the successful features of the wheat and feed grain programs in meeting the dual problem of too much production and the need to maintain farm income.

Cotton farmers could divert acreage from cotton program and receive varying payments to maintain their incomes. Those farmers who want to grow cotton at world price level could do so just as the feed grain and wheat farmers have been able to make this choice under the voluntary programs for these crops.

Cotton users could buy domestic cotton at the same price as foreign merchants and processors, thus continuing the one-price system established in 1964. This system removed the inequity under which the textile industry has operated since 1956. Under the one-price arrangement, U.S. manufacturers are using substantially more cotton than in 1963–64.

A reduction in surplus stocks through reduced plantings and increased domestic consumption and exports would result in lower Government costs for the cotton program. Without some change in the current program, the cotton surplus can be expected to rise substantially and Government costs skyrocket.

CROPLAND ADJUSTMENT

The cropland adjustment program would be a valuable adjunct to these commodity programs. It would concentrate on a longer term retirement of land than would be possible under the yearly commodity programs. In return for the longer term contract, the Government could retire the acreage at a lower cost.

However, there are other attractive features in this program. It would provide the means for older farmers near retirement to continue to live on their farms with an income. It would offer a basis for other farmers to shift their land resources into new ventures, such as recreation or wildlife farming.

It recognizes the expanded need for land and open space for our urban population and would enable cities and towns to work with the Federal Government in acquiring land for recreational and other purposes.

DAIRY

The dairy provisions would enable dairymen to cut their production in Federal milk marketing areas without suffering a proportionate cut in their share of the fluid market. It would relieve them of the necessity of pushing their production higher to maintain gross return as they now must do under the blend price system. They are caught in a vicious circle, as production goes up the blend price goes lower.

Under these provisions, they would be paid the higher fluid price for their share of the fluid market in an area. Their incomes would improve as they could eliminate uneconomic production. To the extent uneconomic production is eliminated, the surplus dairy product purchasing under the price-support operation would be reduced.

WOOL

The wool program which has operated successfully for more than a decade would be continued by this legislation. The only basic change would raise the minimum level of support to 77 percent of parity from the current 60 percent minimum. Based on current parity, this would be 64.1 cents per pound. The support level for wool has been 62 cents per pound since the program started in 1955. As the parity price for wool has steadily increased, this support price has been a declining percentage of the parity price—from 106 percent in 1955 to 74 percent in June 1965. The higher minimum support level would provide a support price reflecting increases in parity prices and help cover higher production costs.

OTHER PROVISIONS

Other provisions would expand the farmer certification of compliance with the acreage provisions of various programs which have been carried out successfully on a pilot basis for the past 2 years. It would reduce administrative costs. The present authority permitting tobacco growers to lease their allotments to other farmers would be continued. The "boiled peanut" exemption in the definition of peanuts in the acreage allotment, marketing quota and price support programs would be made permanent.

We need more specific information and guidelines as to the income position of farmers in relation to the rest of the economy. Dramatic changes have taken place in agriculture since World War II period. Overall productivity of farms has risen sharply and may be offsetting a part of the farm price decline registered during the past several years. On the other hand, farm costs have gone up and this is shown by lower net farm income over the years. Yet, per farm income is up reflecting the fewer number of farmers. All of these factors and others such as rising farm debts must be pulled together into a combined appraisal of where the farmer stands in our growing economy. This act provides for a study to be made of the parity income position of farmers leading to a recommendation for the development of a specific income formula.

CONCLUSION

The provisions of this act will maintain or increase farm income while at the same time moving toward lower Government program costs. It will not go as far in either direction as might be desirable but this has been governed to a considerable extent by the many conflicting interests that would be affected by the act.

Costs attributed to the 4-year life of this legislation have been inflated by some. There was an attempt to include in the cost of this legislation the Public Law 480 cost for these commodities, which clearly is not involved. The cropland adjustment program costs for the 4-year period were put at between $3.5 and $5 billion in a well-circulated statement. The 4-year cost would be less than $1.5 billion and this expenditure would represent only about 80 percent of the cost of diverting the same acreage under the annual wheat, feed grains, and cotton programs. The cotton provisions would make a start toward reducing the cotton surplus. This would save money.

Of course, these programs cost money and the costs should be reduced. This is what we are attempting to do. But let us be realistic. We cannot cut agriculture off and expect to survive. Increasing productivity which provides the farm abundance so vital to consumers would destroy farming as we know it. We cannot return to the programs of the 1950's with falling farm income, lower prices, and bigger surpluses. During the 4 crop years 1957 through 1960, the grain surplus increased by nearly 1.5 billion bushels. During the past 4 years, it has dropped by 1.6 billion bushels, farm income is higher, prices are up. There can be little argument as to the better course.

Mr. Chairman, I shall yield later to the chairman of the subcommittee to discuss the separate sections and then I may have some closing remarks.

Mr. DAGUE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I rise in opposition to H.R. 9811, the omnibus farm bill.

As the debate proceeds on this very comprehensive—and I might add, very expensive—bill, I think the House will find that it is one of the most complicated and contradictory pieces of legislation that has come before this body in some time.

In the first place, this is another omnibus bill. It has provisions dealing with dairy products, wheat, feed grains, wool, cotton, land retirement, boiled peanuts, tobacco, and parity studies. It consists of 54 pages and, believe me, it is highly technical legislation. As is the case with most omnibus legislation, this bill contains some features which, in my opinion, have merit. Unfortunately, though, none of us can split our votes on final passage. It must be either "yea" or "nay." In my opinion, the demerits of this omnibus bill outweigh its virtues, and I intend to oppose its passage.

My first reason is that H.R. 9811 proposes to extend the wheat, feed grain, and cotton programs for 4 years. Four years is just too long to let these massive and expensive programs go unchecked and unsupervised.

Ordinarily the Congress can maintain annual supervision of the programs it enacts through the appropriations process, but in farm legislation where most of the financing is done by the Commodity Credit Corporation, Congress simply does not maintain any effective method of supervising and controlling expenditures and activities. It is only when it is too late—only after the back door of the Treasury has been opened—that Congress comes into the picture again to reimburse the Commodity Credit Corporation for its losses.

These losses are of considerable moment, Mr. Chairman. In 1964 the cotton program alone cost $860 million. The wheat program alone cost $1.4 billion in 1964, and that cost was exclusive of the value of wheat marketing certificates which were paid for by U.S. consumers. Finally, the feed grain program in 1964 cost another $1.5 billion.

I would really like to believe that H.R. 9811 would make these programs less expensive to the taxpayer. I am sorry I just cannot believe that though, because we have heard that promise too many times in the past with no tangible evidence ever following these promises.

Being a 4-year bill, H.R. 9811 will, if enacted, not be fully accounted for until 5 years from now. This just should not be done if we are to maintain some congressional control over the expenditures of the public's money.

Actually, I have been one who thinks our price support and farm income problem can be dealt with much more effectively than has been the case in the past.

In that regard, I support the concept of the creation of a bipartisan, blue-ribbon, agricultural task force to seriously study the farm problem and to make long-range recommendations toward sound solutions to these problems in a world where population is expanding at alarming rates.

This concept has been endorsed by the President of the United States as recently as January 4 of this year when he stated in his farm message to the Congress as follows:

> Accordingly, to assist in adapting our farm programs to the needs of tomorrow, and in making rural America a full partner in our national economic progress, I intend to conduct a fundamental examination of the entire agriculture policy of the United States. I will reorganize the National Agricultural Advisory Commission—which has made an invaluable contribution in years past—into a new Commission on Food and Fiber. It will be broadly representative of rural communities, consumers, producers, industry, government, and the public. I expect it to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America.

The omnibus bill sent to Congress by the administration sought only 2-year extensions of most of these programs. The Committee on Agriculture has made this a 4-year bill in most instances.

It should be obvious to everyone concerned that a 4-year extension of the major commodity programs will leave very little in the way of substantive recommendations for any bipartisan commission mentioned by the President.

This commission would be left pretty much as an academic debating society if H.R. 9811 were enacted, and our overall farm policy would only stumble along for another 4 or 5 years without the basic reforms that are needed to bring farm prosperity and fair treatment to American consumers.

Clearly the present commodity programs of the Department of Agriculture are not meeting the needs of modern agriculture, the American consumer, or the U.S. taxpayers.

Ten years ago the farmer received 42 cents from every consumer food dollar—today he receives only 37 cents, less than in the depression days of 1935. Retail food prices have increased 29 percent in the past 16 years, while the net income of agriculture has gone down 29 percent. Yet, farm production and the number of consumers have risen.

Internal Revenue Service analysis of farm tax returns reveals that the number of farmers reporting a net loss increased from 29.8 percent in 1962 to 34 percent in 1963. Only 15.4 percent of the business and professional groups showed a net loss for 1963.

Farm production expenses in 1947 averaged 57.6 percent of cash receipts from marketings. Production expenses last year were 80.1 percent and rising, a level almost as high as during the depression, when, in 1933, the figure was 80.9 percent and last month the index of prices paid by farmers reached an alltime high.

In addition, recent modest increases in realized net farm income have been more than offset by ever-increasing costs to the general taxpayer. Total Government payments to farmers in 1964 were, according to the February 1965 "Farm Income Situation," $2,168 million, compared to $1,686 million in 1963. In 1965, these payments are expected to reach $2.5 billion. Yet, according to the April 1965 "Farm Income Situation," realized net farm income in 1964 was only $12.6 billion, or about the same as it was in 1958 when it also was $12.6 billion and Government payments were only a fraction of the present level.

The parity ratio, a Department of Agriculture index which weighs the prices a farmer receives against the costs of the things he buys, has dropped from 80 in 1960 to 75 in 1964, the lowest level since the depression days of 1934.

Federal expenditures for stabilization of farm prices and income have increased enormously in the past few years. For every dollar spent for this purpose in 1948, $25 is being spent today. Expenditures in 1957 were $1.6 billion for price supports—last year they were $2.6 billion. During the last 3 years, the present administration spent more than twice as much as was spent for this purpose during the entire period from 1932 through 1941, the beginning of World War II.

Although the cost-price squeeze is forcing more and more farmers off the land, the cost of running the Department of Agriculture is not going down. Back in fiscal year 1933, for instance, there was 1 USDA employee for every 203 farms in the United States. In 1961, the ratio was 1 to 37. Today there is 1 USDA employee for every 32 farms.

In addition, farm debt—exclusive of CCC loans and guarantees—now stands at an alltime record of over $36 billion. In way of comparison this represents an amount of money equal to the expenditures of the Federal administrative budget in 1948. At the same time the Commodity Credit Corporation investment in surplus farm crops, while down in grains, is up in cotton and stood at $6.8 billion on May 31, 1965.

As the debate commences on this bill, I think it would be useful to review just what has happened to it in the Committee on Agriculture since it was sent to us by the administration last April.

A number of significant changes were made in H.R. 7097, the administration's original request.

First. A cotton title was added. The administration made no recommendations on cotton in their bill. The Committee on Agriculture approved the cotton title of H.R. 9811 by a vote of 18 to 14. As indicated by the additional minority views which I signed and the separate opposing views of the gentleman from Arkansas [Mr. GATHINGS] and the gentleman from Mississippi [Mr. ABERNETHY], the cotton proposals in this bill are most unwise.

Naturally, we do not grow one single boll of cotton in Pennsylvania, but we do raise a goodly number of taxpayers who will be required to pay for this program.

It seems most foolish to me to expend literally millions upon millions of dollars in the form of cotton farm subsidies in an effort to cut back our production of surplus cotton, and then, at the very same time allow any existing cotton farmer in the United States to grow all the cotton he wishes.

I think we should all remember that the present carryover of cotton is almost at the record high. We have over 14.2 million bales piled up, enough to last a whole year for our domestic and export use.

Certainly I share the philosophy that we should have a freer cotton market, but not, I would hope, at a time when we have this huge surplus and when we will be paying millions of dollars to farmers for not growing cotton.

Second. The committee has added a dairy provision to this bill. I will leave this to the experts to explain, but suffice to say, it is quite complicated, and it is highly technical. The proposal raises just one question in my mind and that is, Will it work? Frankly, I do not know.

Third. The committee eliminated completely the administration's proposal to set up a certificate rice program very similar to that for wheat.

Quite frankly, I cannot capture the logic that deleted a rice tax program and then extended and increased the bread tax. If a rice tax program is no good, then it would seem to me, at least, that a bread tax would not be any good either.

Fourth. As I pointed out before, the administration generally sought 2-year extensions. The committee bill is generally a 4-year bill.

Fifth. The administration sought broad authority to permit the sale, lease, and transfer of all crop allotments, bases, and sugar proportionate shares. The committee bill has limited this authority to cotton, and in a more restricted manner, to tobacco.

Sixth. The administration sought authority to permit the planting of soybeans on diverted feed grain acreage. The committee bill rejects this proposal.

Seventh. The administration's recommendation on wheat left the Secretary of Agriculture with discretion as to the number of bushels of wheat which would be eligible for domestic wheat certificates. It also left the Secretary discretion to set the price support on domestic food wheat up to 100 percent of parity. The committee bill fixes the number of bushels for which domestic certificates must be issued each year at 500 million bushels. It also set the support price at $2.57 per bushel or as near thereto as is practicable, but in no event less than $2.50 per bushel.

In other words, the bill as approved by the committee would raise by at least 50 cents, but maybe as much as 57 cents, the support price on 45 percent of the annual production of wheat. This would mean, of course, an increase for consumers in the cost of all wheat products. It would mean that the value of the wheat certificate, or "bread tax" if you so choose to call it, will be as much or more than the value of the wheat itself.

Eighth. The administration's wool recommendations to eliminate the present 300-million-pound domestic production goal, to establish graduated payments to wool growers, and to maintain the present price-support level at 75 percent of parity were all rejected by the committee. The committee bill raises the price support on wool from 62 cents a pound to 64.1 cents a pound, an increase which is described on page 15 of the committee report as costing taxpayers an additional $5.5 million per year.

Ninth. The committee also added the provisions of title VII which contains a 4-year extension of the tobacco acreage allotment leasing law, a permanent extension of the boiled peanut exemption, and new provisions dealing with acreage measurements and parity of income.

Sometimes, Mr. Chairman, what does not happen in a committee is almost as important as what does. Several major amendments were rejected by the committee.

First. By an 18-to-17 vote to increase the Commodity Credit Corporation release price on unrestricted domestic sales of wheat from 105 percent of the loan level plus carrying charges to 110 percent of the loan level plus carrying charges.

Second. By a 17-to-17 tie vote to finance the proposed 50-cent increase in domestic wheat certificates by Government payments from appropriated funds.

Third. By a 21-to-10 vote to include the provisions of H.R. 7500, as amended, a bill to establish a $200 million Suburban Land Corporation equally capitalized by the Federal Government and private investors to buy, manage, and sell farmland within 6 miles of cities of 50,000 or more inhabitants.

Fourth. By a 19-to-14 vote to limit the application of the cropland adjustment program to farmland producing surplus crops only.

Fifth. By a 15-to-8 vote to delete the provision in the dairy title allowing each dairy farmer an individual vote in a referendum on the adoption of the class I dairymen's base plan.

Mr. Chairman, I would also like to set forth at this point the major provisions in each of the titles of H.R. 9811.

The major provisions of H.R. 9811 are as follows:

TITLE I—DAIRY

Establishes authority for adoption of the class I dairymen's base plan in any or all of the present 75 Federal milk marketing orders. Under this program dairy farmers would be assigned milk bases reflecting their class I sales during a past period of time. Compliance with this base would mean that the farmer would receive the class I price for all his production. If the class I base were exceeded, the excess production would be priced at lowest level applicable under the existing order. This whole plan would be subject to a producer referendum in which each individual dairy farmer would be eligible to vote. Special provisions are in the bill for new producers, the assignment of bases, the application of Federal orders to manufacturing milk, the status of producer-handlers, and the adoption of the class I plan as part of an existing order.

TITLE II—WOOL

Extends the National Wool Act of 1954, for 3 years and 9 months to December 31, 1969; retains the 300-million-pound domestic production goal; and sets a floor of 77 percent of parity on wool price supports.

TITLE III—FEED GRAINS

Extends without major change the present feed grain program for 4 more years. While soybeans could not be planted on diverted acres, authority to allow soybeans to be planted on permitted feed grain base acreage is provided in this title.

TITLE IV—COTTON

Extends for 4 years with a number of major modifications the present cotton program. These major changes include the following: First, lowers price-support loans to 90 percent of the world market average (except in 1966 when it will be 21 cents); Second, provides payments to cotton farmers agreeing to cut their present cotton allotments by at least 15 percent as as much as 35 percent—payments would consist of price-support payment—9 cents per pound on domestic allotment—and diversion payment on acreage taken out of production—about $55 per acre national average; Third, allows any farmer to stay out of the program, and plant and sell all the cotton he wishes without marketing quota penalty and without subsidy; Fourth, modifies current release and reapportionment provisions; Fifth, allows limited sales and leasing of cotton allotments, including sales of cotton allotments to the Secretary; Sixth, allows certain CCC sales of surplus cotton at the loan level; and Seventh, provides that if limitations on payments to producers are later adopted, a modified form of price-support loans from 65 to 90 percent of parity would automatically "snap back" into operation.

TITLE V—WHEAT

Extends the present wheat certificate program for 4 more years; sets a minimum of 500 million bushels as being eligible for domestic certificates; increases the value of domestic wheat certificates by at least 50 cents—and possibly 57 cents if domestic support were set by the Secretary at 100 percent of the current parity price for wheat; gives Secretary discretion to discontinue export certificates; and sets loan level in relation to feed grain prices, world wheat prices, and feeding value of wheat in relation to feed grains.

TITLE VI—CROPLAND ADJUSTMENT

Establishes a long-range land retirement program similar to the conservation reserve of the Soil Bank Act. Like the conservation reserve, the cropland adjustment program would allow farmers to enter contracts for periods of time up to 10 years for the conversion of cropland into soil, water, forestry, and other conservation uses. Whole farms would be eligible for retirement under this program.

Unlike the conservation reserve program, the cropland adjustment program would allow accelerated rental payments to be made for the whole contract period in one or more installments; it would allow other governmental units to be partially reimbursed for the purchase price and conservation practices on farms acquired for public purposes near cities; and it would provide an extra bonus to farmers willing to provide free public access to their land for hunting, fishing, and trapping during the life of the contract.

This title does not contain any ceiling on the amount of funds which may be necessary to carry out its goal of retiring 8 million acres per year during each of the next 5 years, after which the anticipated goal of 40 million acres would be reached.

TITLE VII—MISCELLANEOUS PROVISIONS

Sections 701 and 702 allow compliance certifications by producers of all allotted crops—except tobacco and peanuts—for acreage measurements.

Section 703 extends lease and transfer authority on certain tobacco acreage allotments for 4 more years.

Section 704 extends permanently the marketing quota exemption for boiled peanuts.

Section 705 directs a study of farm income parity to be made by the Secretary of Agriculture in cooperation with the House and Senate Agriculture Committees.

Mr. Chairman, I do not pretend to be an expert in the maze of details that are included in this bill, and as the debate progresses, I intend to yield to those Members who have been active in subcommittee and committee consideration of the various phases of H.R. 9811.

Before yielding to my distinguished colleagues for their comments on each of the various parts of this bill, though, I would like to make just four observations about the proposed wheat certificate plan in H.R. 9811.

First. It is completely inconsistent with the cotton, feed grains, and wool provisions of the bill. Each of these other commodities would move to American consumers at world prices. Not wheat, though. U.S. consumers would be required to pay twice as much or more for their wheat products than would foreigners. Or stated another way, foreigners who buy U.S. wheat would get it for one-half the cost that Americans would.

Second. The only other farm commodity that I am aware of which has a processing tax is sugar. On sugar the tax is only one-half cent a pound. Under this bill the de facto processing tax would increase by at least 50 cents a bushel—from 75 cents at present—to $1.25 per bushel. Since a bushel of wheat weighs 60 pounds, the proposed de facto wheat processing tax would be over 2 cents a pound.

Put another way, the processors of wheat would have to pay as much or more to make wheat into food as they paid for the wheat itself. Under this bill, the wheat tax would be more than the value of the wheat.

Third. The wheat certificate plan does not apply to pet foods or to industrial products—the certificate, or de facto tax, applies only to human food.

It gets pretty ridiculous, to my way of thinking, when it costs people twice as much for a farm staple than it does for cats and dogs.

Fourth. The amendment to finance the proposed increase in the value of domestic certificates is a major amendment to this bill. However, it applies only to the increase in the bread tax. The basic bread tax is still there. The amendment would wipe out 40 percent of the proposed bread tax, but this bill, even with the amendment, still leaves a 75-cent-per-bushel tax on the processing of wheat, and it still would leave U.S. consumers under the present financing system. The amendment would, of course, eliminate any anticipated reduction in the taxpayers' expenditures on the wheat program. Thus, the bill with the amendment will be more expensive than the present program, and it will still retain 60 percent of the bread tax proposed in H.R. 9811.

Finally, Mr. Chairman, in closing my remarks I would like to clarify one very important question which I am sure will be present in the minds of many Members of the House.

That question is, "What would happen if H.R. 9811 were defeated?"

First of all, I am sure we would have a more reasonable bill in a short time. If not, only one program would expire—and that is the wool program which is relatively uncontroversial and which could be easily handled separately.

All the other provisions of this bill are either covered by permanent farm laws or propose new programs.

Most importantly, the permanent wheat law provides that farmers would hold a referendum on the 1966 crop within 30 days of the adjournment of this session of Congress to decide whether they wanted a mandatory wheat certificate program or not.

The following table shows the major legal effect of the failure to enact the various parts of H.R. 9811:

Provision of H.R. 9811	Type of proposed program	Scheduled time of expiration	Major legal effect if not extended or enacted
Title I—Dairy: "Class 1 Dairymen's Base Plan."	New, authorizes program for 4 years	None. Amends existing milk marketing order law.	Present provisions of Agricultural Marketing Agreement Act of 1937, as amended, continue in effect.
Title II—Wool	Extension for 3 years, 9 months through Dec. 31, 1969.	Mar. 31, 1966	National Wool Act of 1954, as amended, would expire.
Title III—Feed grains	Extension for 4 years (1966, 1967, 1968, and 1969 crops).	1965 crop	Permanent law provides for price supports on corn at 50 to 90 percent of parity at a level which Secretary determines "will not result in increasing CCC stocks of corn." Other feed grains would be supported in relation to corn.
Title IV—Cotton	Modified extension for 4 years (1966, 1967, 1968, and 1969 crops).	do	Permanent law provides for marketing quotas, farmer referendum, 16,000,000-acre national acreage allotment, and price supports at 65 to 90 percent of parity.
Title V—Wheat	Extension for 4 years (1966, 1967, 1968, and 1969 crops).	do	Permanent law provides for marketing quotas, farmer referendum, and price support through certificate system at 65 to 90 percent of parity. Farmer choice in referendum would be between mandatory certificate program and price supports to cooperators at 50 percent of parity ($1.28 per bushel).
Title VI—Cropland adjustment	New. Allows farmers to enter into long-range land retirement contracts during the 5-year period, 1965–69.	None	Present land retirement programs would continue. These include the cropland conversion, conservation reserve of soil bank, and Great Plains programs.
Title VII—Miscellaneous:			
Secs. 701 and 702	Compliance certification (change in method of measuring feed grain bases and acreage allotments for all crops except tobacco and peanuts).	do	Present provisions of law for acreage measurement would continue.
Sec. 703	Extension of authority for lease and transfer of certain tobacco acreage allotments for 4 years (1966, 1967, 1968, and 1969 crops).	1965	Permanent law does not provide authority for these leases and transfers.
Sec. 704	Permanent extension of boiled peanut exemption.	1965 crop	Permanent law does not provide an exemption from marketing quotas for boiled peanuts.
Sec. 705	New. Directs Secretary to make a study of income parity in cooperation with House and Senate Agriculture Committees.	None	None.

In conclusion, Mr. Chairman, let me repeat—I do not think H.R. 9811 is in the interest of farmers, consumers, or taxpayers. Its enactment would only delay for 4 long years the badly needed reforms that are necessary in our agricultural program

The CHAIRMAN. The gentleman from Pennsylvania has consumed 16 minutes.

Mr. COOLEY. Mr. Chairman, I yield to the distinguished and lovely gentlewoman from Missouri [Mrs. SULLIVAN] 10 minutes.

Mrs. SULLIVAN. Mr. Chairman, the farm problem we are most concerned about here—low prices and low return to the farmer compared to high prices for the things he buys—is a problem not just to farmers but to our entire economy, including our urban industrial centers. We want the farmer to be able to buy the goods our industries produce. Consequently, consumers are willing to pay fair prices for food commodities, particularly if the prices we pay are reflected also in what the farmer receives. Often they are not so reflected. As a member of the national Commission on Food Marketing, I am very conscious of the large discrepancy which often exists between farm prices and consumer prices.

Nevertheless, I am glad that the distinguished chairman of the Committee on Agriculture has exercised his legislative wisdom and fine leadership to prepare the way for the removal from this bill of a provision which would unnecessarily and unrealistically raise consumer prices of wheat products without providing commensurate benefits for the farmer.

The propaganda war waged by baking interests against the additional 50 cents per bushel wheat certificate scheme in the administration bill, attacking it as a bread tax of 2 cents per loaf, has been shrewd and effective—one of the classic lobbying performances of the year—even if coldbloodedly deceptive. I will not say "false and deceptive" because there are enough elements of truth in the propaganda to give it some persuasiveness. Under this strategy, win or lose, the baking interests just could not lose; because if the Congress were to enact this provision to raise wheat prices a little, the baking interests would have brilliantly been in the position of having a believable excuse for raising prices a lot.

Chairman COOLEY's amendment on wheat will pull the teeth of this price-raising scheme. The baking interests, shedding such crocodile tears for the consumer, will have to find some other excuse—other than increased wheat-price supports—to raise consumer prices. The Cooley amendment will, therefore, serve to make any price increase in wheat products suspect from now on—and subject to the most critical congressional analysis and review. The wheat users will have us looking over their shoulders on any price increase—asking why, and demanding honest answers. As chairman of the Subcommittee on Consumer Affairs of the Committee on Banking and Currency, I certainly intend to keep a watchful eye on all price movements in wheat products as a result of this propaganda effort to try to translate a seven-tenths of a cent increase in the wheat costs of a loaf of bread into a 2-cent per loaf price increase. I am sure Chairman COOLEY's committee will also want to keep its eye on bread prices, and on the prices of other wheat products, to see what any future price increases will be blamed on, if they cannot be attributed to the provisions of this bill.

I have fought with the administration—from within the family, for 2 months on this issue. I pleaded with Secretary Freeman to abandon the additional wheat certificate proposal, because it is bad economics and bad politics, as well as creating a precedent for shifting all farm subsidies to consumers—an inflationary danger. If Congressman COOLEY had not announced his intention of amending the bill to charge to the Treasury the higher wheat costs the bill calls for, I had prepared an amendment of my own to accomplish this same purpose. I think my amendment might perhaps have been preferable—it would provide for a guarantee of full parity—but no more than that—to the farmer on all of his wheat intended for domestic consumption and produced under crop limitations. But it would have based the actual additional payment on average wheat prices for a full crop year, with the Government paying only the difference between the parity price and the amount the farmer had actually received, including the value of the domestic certificate. If market prices should rise because of uncertain world conditions, or the Soviet wheat failure, or Vietnam or anything else, the farmer would receive not an extra $1.25 over the market price, but only the difference between parity of about $2.50 and the market price. This difference could be less than the proposed subsidy of $1.25 a bushel. This is the proposal I had developed and was prepared to offer when I learned that Mr. COOLEY had decided to lead the fight against the committee action on the wheat certificate plan with an amendment of his own.

I congratulate him, and applaud his leadership. He has been a great and good friend of the city consumer—and particularly our poor, through his support and guidance and encouragement of the food stamp plan, and in many other ways. I am delighted to have his leadership on this controversial issue of wheat-support machinery.

Secretary Freeman fought hard and valiantly for the administration position, but it was obvious to many of us for a long time that this position could not prevail, regardless of the truth or falsity of the lobbying efforts against it. The savings the proposal would have meant to the Federal budget were not sufficient to justify the effort, and the consequences to consumer understanding of farm problems and farm needs would have been disastrous. Demagoguery would have flourished in our lower income areas, and profiteering would have been shameful, based on a half-lie wrapped in brazen self-righteousness.

The Cooley alternative is a reasonable solution and I will support it. I urge all Members interested in helping both the farmer and the consumer to join in supporting the Cooley amendment on wheat supports and then in maintaining the integrity of other provisions of the bill intended to improve farm purchasing power while curbing excessive production.

The surpluses, if properly managed to avoid depressing the domestic market, are our greatest asset in international diplomacy—at least as important as our weapons. We can feed much of the world, and we are doing so. Sharing our abundance is morally right and diplomatically astute. The American farmer, by his resourcefulness and sweating hard work, has given us great power in our quest for world decency. This legislation will strengthen our farm economy, and thus our ability to grow an abundance of food which can be sold at reasonable prices. Let us never deplore the miracles our farmers have accomplished in agricultural technology; let us strive to manage our great abundance with compassion, and with wisdom, and with gratefulness to Almighty God for our blessings of such abundance.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman and members of the committee, I want to relate another story that the gentleman from Pennsylvania [Mr. DAGUE] told about the farmer who became intoxicated when his farm was in the course of sheepshearing and inadvertently got ahold of a pig instead of a sheep and sheared it. His neighbors asked him what the results were, and he said, "Well, I got very little wool but a lot of squealing."

Now, this is typical of farm legislation, regardless of the content. It is bound to be controversial because it affects different farmers differently. There are some people who are antifarm bill regardless of what is contained in it. I know of no responsible element in our country which would abolish all farm programs any more than they would propose abolishing the minimum wage for labor, because these responsible people know that chaos would result. But very often they do not come forward with constructive alternatives.

This legislation before us is a result of many hours and days and even months of work. It is a constructive program. The main thrust of it is that it is cheaper, if you need a farm program—and I think everybody concedes that we do need one—it is cheaper to pay for retirement of acres and the conservation of their fertility and so forth than it is to pay for the production of needless surplus crops. This observation and this premise applies to all commodities dealt with in this legislation with the exception of wool, which is a deficit commodity in this country. So I think generally speaking we can assume that this legislation, if passed, will reduce considerably the cost to the Federal Government of an effective farm program.

My purpose here is to discuss the dairy section of the farm bill inasmuch as I am chairman of the Dairy and Poultry Subcommittee of the master Committee on Agriculture. We have a section in here which was unanimously approved in our subcommittee and which was incorporated in the omnibus bill.

Basically it adds one new power to the present authority in the Marketing Act of 1937, as amended, as it relates to dairy products and fluid milk; and that is the authority of the dairymen in these milk marketing areas—and there are some 75 in the country—to vote for themselves, if they wish, by a two-thirds vote in a referendum, a so-called class I base plan. This legislation was embodied in bills by the gentleman from Texas [Mr. POAGE] and the gentleman from Wisconsin [Mr. STALBAUM]. I may say with respect to the latter that he is an expert on dairy matters because he managed a dairy co-op for many years, as I understand it.

The problem with the present authorities in the Marketing Act as it relates to dairy products is that the powers are somewhat inadequate. Under the class I base plan there would be some tendency to stop the rush for ever-increasing production which not only lowers the returns to the dairy farmers but also costs the Government a considerable amount of money in buying cheese, dried milk, and these products which they are obliged to buy under this dairy support program which relates to manufactured milk.

Presently under these dairy marketing orders, a minimum price can be voted for different categories of milk. Fluid milk would bear the highest price, milk for manufacturing purposes a lower price; and the farmers receive a so-called blend price. The problem is that the processors of milk are almost certain of getting a profit, and the more volume they can run through their plants, the more money they make. They have an assured market with the Federal Government, if they have no market anywhere else. So that there is constant pressure on dairy farmers to increase the size of their herds, to increase their production, and they have to do it in order to maintain their relative position in a given marketing area. This proviso, if voted in in a particular area, would say that they would have a class I base, a certain assigned percentage of the fluid milk market for a somewhat lengthy period. They would not be forced to increase the size of their herds in order to get this same share of participation.

Mr. DENT. Mr. Chairman, will the gentleman yield for a question?

Mr. HAGEN of California. I yield to the gentleman.

Mr. DENT. The fear in my State is that we have a very strict milk control policy and legislation. As it is now written, under your Federal base plan, it would only affect the districts that are in a certain milk marketing order; is that right?

Mr. HAGEN of California. That is correct.

Mr. DENT. Is it the intention, or is there any intention that the gentleman knows of, to create a situation where they would expand this particular thinking to the point where the milk marketing orders would be expanded across State lines in such a way that Pennsylvania laws would be circumvented by a Federal milk marketing order?

Mr. HAGEN of California. No; I assure the gentleman that is not true. If that were the case, I would be fearful also. We have a State milk control law in California. We have no Federal milk marketing order in California. We regulate it by State law, as I assume Pennsylvania does.

Mr. DENT. But we do have on the border between New York and Pennsylvania some areas that are in a Federal milk marketing order by vote, of course, as the gentleman knows. But our danger is that our farm economy is represented by self-sustaining farms, as the gentleman knows. They have a few milk cows, some hogs and chickens, and so on—self-sustaining. The problem we have always had is the overflooding of our milksheds with milk from Wisconsin and the western high production States.

Is there any intent, is this an opening wedge, to make the Nation into one Federal milk marketing order? If I can be assured that that is not the case, then I have no problem.

Mr. HAGEN of California. Not at all, really. In those milk marketing areas which would be affected it would more or less protect those areas. This will not result in any expansion whatsoever.

With respect to this particular proviso, which is a simple addition of an additional power in the milk marketing order, if the producers in a given area want it, this would have to be adopted by a one-man, one-vote rule. There would be no bloc voting such as voting by co-ops with respect to this particular aspect of the marketing order. There would be a separate vote on it.

Mr. DENT. If the gentleman will yield further, is that written into the law?

Mr. HAGEN of California. That is written into the bill.

Mr. DENT. It is written into the bill?

Mr. HAGEN of California. Yes.

Mr. DENT. The report does not show that. I wish it did.

Mr. HAGEN of California. I might say also that this additional power is true of the other authorities contained in this bill, which will expire at the end of 4 years. So, it does not represent a permanent addition to the authorities possible under the milk marketing order.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Following the comments of the gentleman from Pennsylvania [Mr. Dent] of a moment ago, can we interpret from your remarks that you as the chairman of this subcommittee would be in opposition to the establishment of Federal marketing orders?

Mr. HAGEN of California. I would. I do not believe milk is a commodity which lends itself to a milk marketing order. As a matter of fact, the Department of Agriculture has never sought to promulgate such an order.

Mr. DON H. CLAUSEN. If the gentleman will yield further, we in California should have no concern over changing the existing State marketing order and it will not be disturbed?

Mr. HAGEN of California. I would say "No." As the gentleman knows, we have made more use of marketing orders in California on a regional basis than any other State.

I might also say that one of the most troublesome problems which we experienced was the problem of the producer-handler. There are farmers who market their own milk. They are not large retailers, but they represent substantial, wholesome entrepreneurs. They wanted assurance that we were not doing anything that would jeopardize their exemption which occurs in these marketing orders, typically from the regulations.

I want to assure the representatives of producer-handlers that it is not the intent to make it any more possible than it now is to include them in the impact of any milk marketing order.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I would like to congratulate the gentleman from California, the chairman of the subcommittee which handled this dairy section, and to congratulate the committee for bringing this section of the bill to us for consideration.

Mr. Chairman, I am particularly pleased with the consideration which has been given to the producer-handler.

In the last paragraph of the report you point out two potential abuses that may develop in connection with this problem.

Do I read correctly that last paragraph of the report to be a warning to the industry of possible future congressional action should these abuses develop and not as intended in any way to modify the language of the bill as well as the language in the report?

Mr. HAGEN of California. The answer would be "Yes."

Mr. DUNCAN of Oregon. I thank the gentleman.

Mr. HAGEN of California. No case was brought to our attention which would justify the inclusion of producer-handlers in the pooling arrangements in a given marketing order about which we knew.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. POAGE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HAGEN of California. I may say that this language to which the gentleman has referred in this report was formally adopted by vote by the entire Committee on Agriculture as our position with respect to this subject of producer-handlers. So, it is the official position of the committee.

Mr. DUNCAN of Oregon. I thank the gentleman.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I am interested in this: Is it possible for the farmers outside the marketing area to enter the marketing area? What deterring influence will there be on a producer within the area to not produce more and more in competition with the farmers outside the area? Is there any way you can influence this producer within the area to not produce a product which is in surplus?

Mr. HAGEN of California. As I understand it, it is a relatively unprofitable operation to produce milk for manufacturing purposes in these dairies around these urban areas where they do not raise their own food for their cattle and land costs and taxes are high.

Mr. NELSEN. If the gentleman will yield further, may I point out that these farmers within the area have class I prices and could add one, two, three, four, or five more cows at very little cost and he could afford to sell much cheaper by going into the manufacturing area in competition with those of us who are in this market.

I wonder if the committee gave any thought to the possibility of sort of governing this, if they move into this area.

Mr. HAGEN of California. We did not consider this to be a real problem.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. Nelsen].

Mr. NELSEN. Mr. Chairman, I would like to mention a bit further the dairy section of the bill. I have been trying to get more information relative to it to have clear in my mind just what the bill will do in this area. Many of us live outside of these marketing areas, and we find that because of a great maze of regulations we are really, in effect, denied entrance to those areas, and denied this very lucrative price paid in these areas.

We also find the farmers within the marketing area producing more than the area needs, and the surplus that they produce goes into manufactured products in competition with those of us outside the area who are denied the favored price at the same time we compete with them in manufactured products. It would seem to me that the producer within the marketing area should be willing to regulate or at least control his production to meet the needs of the area and not in turn go in competition with the farmer who must move his production in the open market. I wish the committee would give some attention to that with the idea of doing something about it.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Wisconsin.

Mr. STALBAUM. Mr. Chairman, it strikes me that the very intent of the class 1 provision as written into the omnibus farm bill is to do that which the gentleman from Minnesota has just mentioned, because the intent of it is to design a plan whereby a farmer within a market order area will produce milk for that area, and not be forced into producing milk to go into the manufactured milk channels.

Chicago, for instance, has 50-percent surplus milk. A great share of that is milk they do not need at any time of the year. They have produced this milk, it does go into competition with areas such as the gentleman from Minnesota mentioned. Under this plan we give him a pricing system on a portion of his fluid milk so that he does not have to produce this extra surplus milk to get his return at the farm. It would be my hope, as one who has long sponsored the class 1 plan, both within and without the Congress, that this would be the ultimate result. The net result of such a plan should be less production by the farmers in the market order area with less being put into surplus in competition with farmers from Minnesota. I would hope in the long run the class 1 plan would reduce competition that his farmers have with areas of this kind.

Mr. NELSEN. I thank the gentleman. When the gentleman makes the statement "it is my hope," it is also my hope, but the statement then is an admission of the fact there is a possibility it will not correct the problem. I feel that if a producer has a class 1 fixed price in the marketing area, if he insists on going beyond his total and producing in excess of that, he should be denied the lucrative price on some of his production. I think that could be worked out.

I would also suggest I want to compliment the committee on what it is trying to do. I think it is moving in the right direction, and I hope their hope is well founded.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from California.

Mr. HAGEN of California. The problem with the producers who supply big milk consumption areas, is that because of lack of a class 1 base plan they have been in a race with each other to keep their relative position in the market. There is really no incentive for them to go into the business of manufacturing milk except in this context, and the hope is that this base plan will remove that incentive. Actually, there should be a reduction in their production to the extent class 1 base plans are adopted.

Mr. NELSEN. The only point I see is the possibility if you do have a guaranteed class 1 price there is still the temptation to put in a few more cows and produce a bit more even if you take less on the added production. It does not cost much to add a few head of cattle to your herd. However, the point is well taken and I thank the committee for their contribution.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. OLSON of Minnesota. I think the points you raise are very valid. I have not been in complete agreement with the class 1 base approach. I think the dairy situation needs to be studied in greater depth. I think a transfer and sale of bases allowed is going to result in what might be referred to as a milk tax. I think those people who are concerned about the bread tax ought to take a look at some of the dairy provisions allowed under our present law.

Mr. POAGE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in an effort to proceed in an orderly manner, I intend to take up the wool sections of this bill and then later proceed to discuss the feed grain section after my friend, the gentleman from Pennsylvania, has had an opportunity to discuss the wool section.

The wool provisions of this bill basically extend the present wool law. The wool bill was adopted in 1954 when another party was in control of the destinies of this Government. I think they did a good job in establishing this program. I think it has worked real well.

The committee is of the opinion it should be continued. We proposed a rather minor change in the procedure. The present law is a direct-payment program based upon paying the producer of wool the difference between the average market price in the preceding year and 62 cents per pound for shorn wool. The 62 cents per pound at the time it was adopted in 1954 was 106 percent of parity, the highest supports we have ever established for a supported commodity—62 cents per pound is today only 78 percent of parity. So the committee felt that, rather than seeing wool producers suffer a constant decline in their purchasing power, we should establish a program that would guarantee the wool producers that they would have some purchasing power year after year, and we have changed the 62 cents per pound to 78 percent of parity. At the time we did that they were exactly the same—78 percent of parity was 62 cents or, to put it the other way, 62 cents was 78 percent of parity. But the effect of it will be, if the parity figure continues to go down, that the support on the wool will remain at a higher buying power than it would if we did not make that change. We think that is rather important. That is the basic thing we do by this legislation. Of course, we continue the wool and the mohair program for another 4 years—through December 31, 1969, as does the rest of this bill.

We believe that with those changes we will have a sound program and one which will give to the wool producers of America the kind of support to which they are entitled during the next 4 years.

Mr. DAGUE. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. STANTON] who wishes to speak out of order.

(By unanimous consent, Mr. STANTON was granted permission to speak out of order.)

Mr. STANTON. Mr. Chairman, I know that my colleagues will be happy to learn that Mr. Robert Manry, of the 11th Congressional District of Ohio, has successfully completed one of the most outstanding feats of individual endurance and individual accomplishments of our generation. Mr. Manry arrived safely today in Falmouth, England, after conquering the great Atlantic Ocean in a 13½-foot sailboat. His solo trip from Falmouth, Mass., covered over 3,400 miles. He departed on June 1.

It seems to me that Mr. Manry's voyage has pointed out to a new generation of the world that the individual American's desire to explore the unknown, his fearless ingenuity, and his pioneer spirit of adventure—the same spirit that made this country the greatest country in the history of the human race—is still very much alive in our country today. Mr. Manry's feat should remind the world that it is our people and not our money or our power that makes America free and strong.

Mr. Manry's feat compares with the flights of Charles Lindbergh and John Glenn in displaying individual courage, and I am today asking President Johnson to invite Mr. Manry to the White House so he can extend to Mr. Manry the congratulations of an appreciative country.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, first I should like to commend our chairman for the way he has handled this bill in the committee. This is my fourth term under Chairman COOLEY. He has treated the witnesses very fairly and has given the minority members an opportunity to be heard and to question the witnesses. I commend him in this regard.

I also wish to commend our ranking Republican member, the gentleman from Pennsylvania, PAUL DAGUE, who is serving in this capacity for the first time this year. He has done an outstanding job and has been most helpful to me and to the other members on the minority side.

President Johnson in his farm message this year stated that "farmers want freedom to grow and prosper, freedom to operate competitively and profitably in our present economic system," and then proceeded to refute this position by supporting H.R. 9811, a bill which completely suppresses any freedom which the American farmer may have left.

Let me say for the RECORD that the farmers of the Fifth Congressional District of Ohio agree with the position taken by the President of the United States in his farm message and disagree wholeheartedly to the subsequent commodity positions taken by the administration in H.R. 9811. They do, however, agree with the administration's position on the cropland adjustment title of this bill. This title establishes a long-range land retirement program similar to the conservation reserve of the Soil Bank Act. Like the conservation reserve, the cropland adjustment program would allow farmers to enter into contracts for periods up to 10 years for the conversion of cropland into soil, water, forestry, and other conservation uses. Whole farms would be eligible for retirement under the program.

Unlike the old conservation reserve program, however, an additional payment would be made to participating farmers permitting access to their lands for hunting, fishing, and trapping during the life of the contract.

This provision should prove popular to farmers and sportsmen alike. It will give the farmers some extra revenue and will give sportsmen access to lands not otherwise available. This, incidentally, is a voluntary provision of this title, and I want to stress this fact. From a personal standpoint, seeing this section in this bill gives me real satisfaction as a similar section appears in a bill which I introduced earlier in this session. When the first draft of the administration's bill came before our committee I discussed such a provision with the administration's witness, Mr. Ed Jencke, who promised to take the suggestion back to the Department for consideration. Favorable consideration must have been given by the Department, for I was pleased to see that such a provision was in the next draft of the administration's bill.

I was pleased that our committee deleted an administration proposal from this bill which would have had real dire effects in our district and permitted the planting of soybeans on diverted feed grain acres.

Such a provision would have been disastrous for soybean producers. Unfortunately, however, this bill permits the planting of soybeans on feed grain acres. Should such a provision remain in the bill, its effect will be felt by every soybean producer in the Nation. I for one, hope that the House will strike such a provision from the bill and not permit what has been a good soybean market to be destroyed by needless overproduction.

Our committee's action on cotton is not one to write home about. The committee heard testimony from the then Under Secretary of Agriculture, Mr. Murphy, that the cotton program has been costly and has not achieved its objective. That the $900 million paid to the textile mills was practically for naught. He called for action by our committee and favored the tightening of the regulation of the skipped row plantings as one means of cutting down unneeded production. As pointed out in our minority report, though, this bill will not accomplish what Mr. Murphy was seeking when he testified before the committee in good faith.

In coming to a section of this bill which is most important to the farmers of northwestern Ohio, I would like to say that their objections to the wheat section of this bill still persists notwithstanding the fact that they have been told repeatedly that this is a voluntary program. Actually, from an economic standpoint, they know and we know that it is not a voluntary program. These farmers, from an economic standpoint, are being forced into a program that they turned down 9 to 1 in a referendum in May 1963, and they do not like it. However, there are other provisions of the bill which we are considering today that they do not like. Going back to Mr. Freeman's testimony before our committee on April 6, 1965, and speaking on this matter of marketing certificates, he had this to say: marketing certificates would be issued on the portion of the crop used domestically. Under the provisions of this bill a participating farmer will be paid marketing certificates on 45 percent of his crop notwithstanding the fact that his class of wheat may be used in a far larger amount for domestic purposes.

For example, 72.4 percent of the Soft Red Winter wheat produced east of the Mississippi-Missouri Rivers, during the 5-year period of 1959 through 1963, was used domestically or within the United States. But under this bill, notwithstanding what Mr. Freeman said before our committee on April 6, 1965, they will get certificates on only 45 percent of their production. Not only are these producers discriminated against under this bill, but the producers of Hard Red Spring wheat are discriminated against even more. In fact, during this same 5-year period, 1959 through 1963, 86 percent of their total crop was used domestically. But under the provisions of this bill, and not withstanding what Mr. Freeman said before our committee, they will get certificates on only 45 percent of their production. I feel that this is gross discrimination against the producers of these two classes of wheat and it should be rectified in this bill.

If we are going to have a certificate plan based on a producer's share of the domestic utilization of his class of wheat, it should be paid for on this basis and not on an arbitrary figure picked out of the air by the Secretary of Agriculture. When the time comes, during the amendment period on this bill, I shall attempt to rectify this injustice.

We've heard a great deal about this bill giving wheat producers 100 percent of parity. Nothing could be further from the truth. Wheat producers will get parity on only 45 percent of their crop—not on 100 percent of their crop. To obtain 100 percent of parity, they would have to be issued certificates on 100 percent of their production. Such is not the case under this bill.

We have heard a lot about bread taxes in the last couple of days. We have all heard the expression, if you "can't stand the heat, get out of the kitchen." Relating that to Mr. Freeman, apparently he has found the heat in the kitchen too much—and his heat apparently has come from the housewife as well as from our side of the aisle—and he is retreating from his insistence on a bread tax. Apparently this heat didn't get to him until last night because as late as yesterday Secretary Freeman is reported as having told a Seventh District Iowa Group here in the Capital as follows:

Secretary Freeman termed it "unfortunate that the false bread tax charge has tended to overshadow the basic consumer-producer-taxpayer benefits of a comprehensive and constructive food and farm bill," and added that the "bread trust appears to be seeking subsidies from both farmers and the Federal Treasury with no intention of showing compassion for consumers."

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. ALBERT. Mr. Chairman, I take this time simply to correct the gentleman. The decision with respect to this matter was not made by the Secretary of Agriculture nor was his concurrence requested. This was purely a legislative decision and the legislative branch takes full responsibility for it.

Mr. LATTA Is the gentleman saying that Mr. Freeman did not make this statement?

Mr. ALBERT. No, I am not saying that.

Mr. LATTA. I was reading Mr. Freeman's own statement.

Mr. ALBERT. As I understood the gentleman, he said that housewives were putting the pressure on the Secretary because of his position. But the change in the method of payment of the certificate in the case of wheat was a change that was made by the legislative leadership of the Congress and not by the Secretary of Agriculture.

Mr. LATTA. Since the gentleman from Oklahoma is elaborating on that point, perhaps the gentleman would answer a question as to whether the Secretary was down here participating in these discussions with the legislative leaders. Would the gentleman like to answer the question?

Mr. ALBERT. If the gentleman will yield, the Secretary was present, but he had nothing to do with the decision. The decision was made before he got there.

Mr. LATTA. I am glad to know that the Secretary did not participate in the decision, because he probably would have gone along the blind path he has been following on this subject.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. LATTA. And, Mr. Chairman, I want to congratulate the legislative leaders on the other side for feeling the heat and seeing the light causing them to change their position.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. GROSS. Was the decision made in the rose garden, does the gentleman know?

Mr. LATTA. No.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield, I will tell the gentleman where the decision was made.

Mr. LATTA. I want to commend the legislative leaders on that side, because I think that a lot of these decisions are made in the rose garden which should be made up here on Capitol Hill. I commend them for taking this type of action and hope that on some of these other decisions that should be made by the legislative branch, will be made up here.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield further, this decision was made at the Capitol by legislative leaders. It was made without any recommendation from the administration, and notwithstanding the recommendation of representatives of the administration.

There is nothing new in this proposal. It is as old as the Brannan plan. Vice President HUBERT HUMPHREY, when he was Senator, introduced a bill which carried a provision almost identical to this provision. It is not new and the decision to take the approach which will be embraced in the Cooley amendment has been considered for weeks on both sides of the aisle. It has been considered for years on our side of the aisle. But the decision made in this instance was a legislative decision and not a decision of the administration.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 2 additional minutes in order to maintain this high-level debate.

Mr. LATTA. May I say further to my good and very able friend from Oklahoma, who formerly served with distinction on our committee, let me say I commend the legislative leadership for taking the position they have taken and I hope that they take such strong stands on other matters, notwithstanding what they might say downtown. The legislative branch of the Government has a responsibility to fulfill and I am glad that this responsibility is not completely carried out in the rose garden downtown.

Mr. ALBERT. Mr. Chairman, will the gentleman yield further?

Mr. LATTA. This is a good turn of events.

Mr. ALBERT. Respecting the gentleman as I do, I appreciate the compliment all the more.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder if the gentleman from Oklahoma, the majority leader, could tell us whether the Secretary of Agriculture agreed or objected at the Capitol?

Mr. LATTA. Before the gentleman from Oklahoma answers that, let me refer you to what he said as late as yesterday. Apparently, there was some arm twisting on the part of the legislative branch for a change.

Mr. GROSS. If the gentleman will yield further, I assure the gentleman that arm twisting may take place in the rose garden. The gentleman would not want to infer that there is ever any arm twisting at the Capitol.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Oklahoma.

Mr. ALBERT. There was no occasion for arm twisting. It was a legislative responsibility and the legislative leaders accepted the responsibility. That is all there was to it.

Mr. LATTA. In view of the fact that the Republican leadership and the Republican members of the House Agriculture Committee had taken this position all along, that this was a bread tax and it should not be passed on to the housewife, we are glad, even at this late date, that the Democratic leadership adopted our suggestion.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from North Carolina.

Mr. JONAS. I think most respectfully that this colloquy could be continued and I think it would be important for us to know whether the Department of Agriculture approves of the action that is about to be taken, because this bill will go to another body and it might be changed when it comes to conference.

So, I hope the gentleman can get an admission out of someone as to whether or not the Secretary of Agriculture approves the amendment, or if he is fighting it?

Mr. LATTA. The gentleman has raised a very important question and I think perhaps it deserves an answer from our majority leader, as to whether or not if the House adopts this position, is Democratic leadership going to hold firm in conference, if the other body does change it.

I wonder if we are trying to get the bill through the House knowing that when it goes to the Senate, it will be changed back to the old bread tax approach.

Mr. JONAS. A year ago when the cotton bill was first passed by this body it was a cotton bill only, but when it came back from conference it was a cotton plus a wheat bill.

Mr. LATTA. Does the gentleman from Oklahoma care to comment on this?

Mr. ALBERT. I did not get the question.

Mr. LATTA. The gentleman from North Carolina was posing a question as to whether or not if the House adopts the position that has been agreed, should the Senate amend this bill and return us to the bread tax approach, will the House conferees insist on the House position?

Mr. ALBERT. The leadership will not be members of the conference, but I certainly support the position of the House.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RESNICK].

Mr. RESNICK. Mr. Chairman, first I would like to point out to the gentleman from Ohio I am only a freshman Congressman, I do not know too much about these things and where these decisions were made, but I recall our very able whip the gentleman from Louisiana [Mr. BOGGS], standing in this well and pointing to where the decision was made and when it was made. It was last November, and it was made in the ballot boxes.

We are all understandably proud of the American free enterprise economy. Our tradition of depending on the law of supply and demand is a long one. Let us face it—it no longer works as far as the agricultural economy is concerned. I feel that it is not only the duty but the responsibility of this Congress to act. To this end I am introducing Thursday an amendment to the farm bill, H.R. 9811, that would provide for a nationwide egg marketing order.

In two separate hearings this year the House Agriculture Subcommittee on Dairy and Poultry heard testimony concerning the conditions in the egg industry. In all this testimony no one denied that the industry is undergoing a period of great difficulty. So far this year all egg producers in every section of the country have been forced to sell their products below the cost of production.

I feel I must point out that we are not talking about "chicken feed," or little old ladies earning pin money from the sale of a few eggs. The egg industry has an investment of well over $1.5 billion. Neither is this problem one that came upon us out of the blue this year. For the past 9 years the Department of Agriculture has purchased eggs on the open market in an attempt to balance the supply with the demand. The egg-buying program is both short-range in effect and expensive. Indeed, its every implementation in the past has created some of the problems for today. For as year after year passed with the Department stepping in and purchasing eggs, producers began to count on this as a market and increased production accordingly.

A nationwide egg marketing order would be the best method not only to help the farmer achieve a fair income but to guarantee the consumer a stable supply of eggs at a reasonable price. This amendment would in effect limit the total number of eggs that could be marketed in any 1 year. This limitation could be affected by regulating the number of baby chicks producers could purchase for the production of eggs. There are many other provisions outlined in this amendment such as a market diversion program, a provision for a regulated increase in production, and a provision to allow some new entries into the field. It is very similar in operation to the dairy marketing orders which have worked reasonably well for many years.

However, I feel I cannot stress strongly enough at this point the fact that this amendment is basically enabling legislation. Its adoption would enable the Secretary of Agriculture to hold public hearings, draw up an order and submit it to a referendum of egg producers. Two-thirds of those producers voting would be required to implement the order.

As I said before, this is an industry in trouble and I feel this industry must be given an opportunity to vote on its own future. I feel that the eventual implementation of an order will go a long way in preserving our family farm tradition.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I yield to the gentleman.

Mr. HOWARD. I commend the gentleman for introducing his amendment. I certainly support it in every way. Basically what the gentleman's amendment would do is to give the poultry farmers of America the right to vote as to how their industry might be controlled as to the marketing of their product.

Mr. RESNICK. That is correct. This is simply the legislation that will permit the individual poultry farmer to determine his own future and to try to get the industry out of the desperate condition it is in today.

Mr. HOWARD. Is it not true that this has been done in other areas of the agricultural economy and is it not also true that it has been successful when applied to such other areas of agriculture?

Mr. RESNICK. Yes, it has worked very successfully in California on any number of products. Of course, we have a marketing order for dairy products that was discussed earlier today.

Mr. HOWARD. I thank the gentleman. I believe that this is a fine, worthwhile amendment. I hope the membership of the House will accept it when it is voted on as is expected on Thursday. Again I commend the gentleman on his amendment.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I yield to the gentleman.

Mr. STALBAUM. I compliment the gentleman from New York for bringing this in. I trust he has made it clear for the RECORD and I repeat it here to emphasize it for the RECORD that this amendment of his does not in any way arbitrarily establish any egg marketing order program. There is no power given to the Secretary for this purpose but it merely permits egg producers to so establish a program if they so want to do.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. RESNICK. Certainly I yield to the gentleman.

Mr. COOLEY. I would like to inquire whether or not this amendment of yours has been approved by the subcommittee of the House Committee on Agriculture. My impression is that it had been referred to the subcommittee but that the subcommittee has not reported it back to our full committee.

Mr. RESNICK. Mr. Chairman, the subcommittee did not have time to act upon it due to the press of business. However, it has been approved by the Department of Agriculture and the Bureau of the Budget.

Mr. COOLEY. How about the subcommittee itself?

Mr. RESNICK. They have not had an opportunity to act upon it.

Mr. COOLEY. Do you not think it would be much better if the subcommittee would report the bill to the full committee and to let us bring it up subsequently?

Mr. RESNICK. Mr. Chairman, I feel I need say nothing more than to point out that the hour is late and if something is not done it is going to be too late for this particular piece of legislation.

Mr. COOLEY. The gentleman from California [Mr. HAGEN], chairman of the subcommittee, is here and I am certain he will cooperate and expedite the matter. If the subcommittee reports it to the full committee, then I shall call a meeting of the full committee.

Mr. HAGEN of California. The problem here is similar to trying to hook a car on the train when the train is going by. It is frequently stated, we can only pass one agriculture bill a year and this is the problem that the gentleman from New York [Mr. RESNICK] is confronted with. He wants to get on the train when it is going by, and he is entitled to that opportunity. I support him.

Mr. RESNICK. Farmers in more than one way are the backbone of our rural economy and provide employment not only for themselves but for thousands of rural businessmen depending on farm spending. If we allow this important family farm segment of agriculture to be destroyed, with them will go the owner of the gas station, teacher, grocer, hardware and feed dealer.

Family farmers also provide thousands of communities with a broad tax base. These commercial egg producers have an individual investment of anywhere from $50,000 to $200,000 in their farms. I stress this to point out they are not marginal producers. They are truly businessmen. These people will be forced to go to our cities and our cities are not prepared to accept them. Our cities are already overcrowded and are simply not prepared to handle an influx of people unskilled for city work.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I am glad to yield to the gentleman.

Mr. JOELSON. I just want to point out that as of this time just about everything that is wearable, eatable, and smokeable is under regulation. If this is truly to be described as an omnibus bill, I do not know why we need to worry about trains—and we should make it an "omni-bus" bill and put eggs in it and be done with it.

I think sometimes the programs are ominous but I think since we have embarked on this course, the gentleman's amendment would certainly be in order.

Mr. HAGEN of California. I did not mean to be facetious when I said that. I support your position myself as an individual and I hope that you can include eggs in this bill.

As I understand it, from the testimony of Mr. Mehren, Assistant Secretary of Agriculture, under the proposal it would not be necessary to have a national marketing order, but there could be regional marketing orders, such as there are in the milk business.

Mr. RESNICK. That is correct.

Mr. HAGEN of California. As I understand it, the problem in the egg business, even in those areas where production is growing, is that the large integrators are taking over the whole operation. If there were a marketing order program the chances of the small farmers surviving would be augmented; is that correct?

Mr. RESNICK. That is correct.

What lies at the root of this price squeeze which these people are now feeling—a price squeeze of seeing income drop while expenses rise?

A dozen eggs sold for about 45 cents in 1947–1949, and today the price is down to less than 30 cents a dozen.

In the egg-producing industry the fault lies with the rise of the vertically integrated production unit. These integrators, usually large feed and grain companies, do not care for the traditional supply and demand theory of economics. They do not care whether or not they show any profits on the production of eggs so long as they sell their feed at previously set and very profitable prices. We have already seen the establishment of 1½-million-hen egg factories by such companies as Ralston Purina. With our national consumption of eggs produced by about 300 million birds, we can see that only a few hundred such factories are necessary to supply our country's needs. This trend is definitely antagonistic to the public interest. We need only imagine what would happen if a natural disaster, fire, or disease put some of these factories out of commission. Egg prices would rise drastically.

Mr. Chairman, I am introducing this amendment in an attempt to reestablish our national free enterprise system of supply and demand in the egg production industry. This proposed amendment has had a favorable report from the Department of Agriculture and from the Bureau of the Budget. At the hearings on the bill, the Assistant Secretary of Agriculture, George Mehren, spoke supporting this measure.

I understand that in the very near future we are going to be called upon to vote for a minimum wage proposal for farmworkers. How can we in good conscience vote for this much needed legislation if we do not attempt to increase the farmers' income now?

We cannot hesitate any longer. The hour is very late. If we do not pass this amendment on this farm bill, we will be in effect sacrificing many thousands of farm families. History will show that I am not crying wolf. In the past 5 years we have witnessed the total destruction of the family farmer in the production of broiler chickens, by the vertical integrator. I honestly do not believe we can even wait another year for this legislation.

Mr. Chairman, I respectfully urge the adoption of this amendment.

I hope to vote for that legislation.

I point out again that the passage of this bill will not establish a marketing order against the will of those people to be controlled. In our finest traditions, this will allow those people directly affected to cast a ballot on their futures.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I yield to the gentleman from Oklahoma for a question.

Mr. BELCHER. I should like to ask the chairman of the subcommittee, the gentleman from California [Mr. HAGEN] how long ago it was we had hearings on the egg bill?

Mr. HAGEN of California. I cannot state exactly. It was a relatively short time ago as these matters go.

Mr. BELCHER. At least 2 or 3 weeks ago?

Mr. HAGEN of California. Possibly 3 weeks, and certainly 2.

Mr. BELCHER. The chairman would have had an opportunity any of these days to call the committee together to report it out?

Mr. HAGEN of California. It has not been easy, because we were in the middle of considering this overall farm bill in the committee, without the egg proposal. That was part of the problem.

Mr. RESNICK. Let me ask my colleague a question. The subcommittee did not act unfavorably toward this proposal?

Mr. HAGEN of California. That is correct.

Mr. DAVIS of Wisconsin. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One-hundred-three Members are present, a quorum.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, this is, without any question, the biggest legislative package in the history of the Congress dealing with agriculture. It provides for a longer than average period of time, at least if we judge averages by the past 5 years. It provides authority for a 4-year cotton, wheat, and feed grains program and gives 5-year authority for the Secretary of Agriculture to enter into contracts extending up to 10 years for land retirement, a program to be superimposed on top of the existing commodity programs.

Because of its size, duration, and lack of promise it has been accurately described as an $18 billion boondoggle. Because of these dubious attributes it has attracted rather wide press attention. That news account for the press coverage given today to the compromise deal worked out by the Democratic leadership intended to give the bill the votes needed for passage.

Mr. Chairman, this compromise deal we have read so much about means just one thing, that is, that the Secretary of Agriculture, Mr. Freeman, literally got caught with both hands in the consumer's pocketbook.

The compromise gets one of his hands out, but this, in my opinion, is not enough. The deal just eliminates one part of the bread tax, less than half of it. One of Freeman's hands, you might say, is still where it should not be.

I intend to see that an amendment is offered to strike the entire bread tax from this bill. The compromise would finance the higher payments to wheat farmers from general revenues instead of by means of a higher bread tax. This deal would leave the most of the bread tax, however, untouched. Only 50 cents of the total of about $1.30 per bushel would come from general revenues and the rest would be bread tax.

By the Secretary's own figures—and you will all recall, I am sure, getting a letter from the Secretary on this subject—the cost of the ingredients in a loaf of bread would go up about seven-tenths of a cent for the 50-cent value of the certificate. This means the remaining 80 cents, after the proposed compromise deal goes through, is a bread tax valued at more than 1 cent per loaf. This comes to 5 percent of the price of bread—hardly an incidental item to the fellow who has to hunt around for nickels and dimes to pay for his grocery bill.

The tax on flour is even higher. Even granting that this compromise goes through and you knock out a part of the bread tax, the remaining bread tax would be 2 cents a pound on flour. Compare this with the 12 cents a pound average price the housewife pays for flour. This is more than 15 percent of the retail value of the commodity.

So, let us not be fooled by any reports that this compromise is going to eliminate the bread tax. The bread tax will still be there, an amount exceeding 1 cent per loaf on bread and 2 cents per pound on flour.

As we consider this gigantic piece of legislation, we ought to ask ourselves, what are the taxpayers going to get for their $18 billion when the 4 years are over, and the money spent? And where will the cotton people be, where will the feed grains people be, and where will the wheat people be? There is nothing in this bill which gives any substantial hope that any one of these commodities will be in a better position than it is right today. It means that when the 4 years are up and the $18 billion has been spent, the basic farm problems will remain untouched.

There cannot be much dispute about the contention that these programs have been ineffective. We have all received a lot of literature indicating how much worse things might have been had some other type of program been in effect. They mention savings that have been brought about by these multi-billion-dollar programs. Savings? That is the kind of savings that my wife tells me about when she comes home and says that she bought a hat for only $10 instead of spending $20. She tells me that she saved $10 on that transaction. That is the type of saving the administration spokesmen are talking about when they say that there are savings in these programs.

You could save the same kind of money if you were to go window shopping and just look at furniture instead of going in and buying it. In this jargon, you save by not spending money. But the important thing is not what might have been, what might have happened if some still worse programs had been in effect. What matters is what has been actually spent on these programs.

Look at feed grains, for example. This year, the Department is spending more than $1.5 billion for feed grains. The Department is spending that money to retire land, trying to bring production into balance with demand. What did we get for the $1.5 billion? We retired about 36 million acres of land. We rented as taxpayers 36 million acres of land under the feed grains program. And guess what? The crop reports now announce that we are going to have the biggest crop production in history. We have had a record of all-time-high spending on feed grains and we are going to get the biggest crop in all history. So what do we have for our money? All we have is the empty assurance of the proponents of this legislation that things might possibly have been still worse.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. HAGEN of California. The gentleman does not advocate abolishing all farm supports, does he?

Mr. FINDLEY. I think that is an ideal goal, I will say to the gentleman. Getting there without wrecking the farm economy is the problem. It is a problem that can be solved but the simple fact of life, I am sure the gentleman will agree with me, is that this 4-year, $18 billion program does not move 1 inch toward that ideal situation in which the farmer can compete in the marketplace for better income, for better prices, for expanding markets.

The wheat program is costing about the same as the feed grains program. If the cost of the bread tax is added, the cost is still higher. Do you know what this taxpayer outlay for the wheat program represents in terms of the value of the crop? Two-thirds. The outlay by the taxpayers comes to two-thirds of the value of the entire wheat crop.

It has not reached quite that point under feed grains, but it is gaining. The cost to taxpayers represent 22 percent of the value of the feed grains crop of this year.

Now, Mr. Chairman, take cotton for example. The taxpayer cost comes to more than one-third of the total U.S. value of the cotton crop produced in the United States.

If we made allowance for the fact that American cotton is artificially pegged at this high price through this farm program with which we have lived for about 30 years, then the percentage of the value of the crop represented by the outlay by the American taxpayer would be roughly 50 percent. Government holdings of cotton are nearly at an all-time record level. The cost this year of the program will exceed $700 million.

Mr. Chairman, what is wrong with farm programs generally? This is a good time for a little talk on basic philosophy. These farm programs are based on some very unsound assumptions.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. FINDLEY. The most unsound assumption of all is that farmers should be singled out for price fixing. Why should they be singled out for price fixing any more than any other segment of the marketplace economy?

Thirty years' experience with Federal price fixing has led to nothing but problems for the farmers, for the consumers, and for the taxpayers, and the commodities that have been relatively free of price fixing and controls, are the commodities that are basically the healthiest.

Mr. Chairman, the second unsound assumption is that Government can effectively control production by just cutting back on the number of acres that are planted. As I said earlier, under feed grains the taxpayers retired over 36 million acres and got the biggest corn crop, the biggest grain sorghum crop, the biggest crop production in American history.

The third assumption which is unsound is that Government can run farms, can make the management decisions for this vast agricultural enterprise of ours better than the farmers themselves. This unsound assumption has led to schemes like those this legislation proposes to keep in motion for another 4 years and for another $18 billion worth.

Of course, Mr. Chairman, of the many features of this program, the most surprising in this era in which we are making such an effort to combat poverty, is the method of financing part of the wheat program. I refer of course to the bread tax.

It is curious that 10 of the major States in this Union that have sales taxes have recognized the problem of food costs to the low-income people by exempting food from the imposition of this sales tax. These States are California, Connecticut, Florida, Maryland, New York, Ohio, Pennsylvania, Rhode Island, Texas, and Wisconsin.

Here, Mr. Chairman, the administration in this legislation is proposing to go exactly in the opposite direction, to continue the bread tax imposed a year ago, a tax which hits the poor people the hardest. The Department of Agriculture statistics show clearly that those of low income depend most heavily upon flour and flour products in their diet. A family with an income of under $2,000 per year uses more than twice the poundage of flour and flour products as does the family with an income of $10,000 or more.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New Jersey.

Mr. JOELSON. I understood the gentleman to say with the compromise there would still be a so-called 1-cent-a-loaf bread tax. That is not my understanding. I would like the gentleman to answer that.

Mr. FINDLEY. I am glad the gentleman brought that up, because a lot of people are misinformed. If the compromise deal goes through, the major part of the bread tax will remain, the same bread tax that is on the products today. It amounts to 1 cent a pound on bread, and 2 cents a pound on flour.

Mr. COOLEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman who just addressed the House spoke about Members being confused. I think he is the most confused Member of the House of Representatives. If he thinks by abolishing all farm programs we can bring prosperity to the agriculture of America he has another thought coming. Some engage in this business of standing up here and advocating repeal of programs which have operated year in and year out successfully, well, and very inexpensively, until your party came into power in January 1953. With the accumulated surpluses, with our warehouses bulging with food and fiber, if these programs were abandoned, anyone would know that this would cause chaos and a depression of gigantic proportions to this great country of ours.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. POAGE] chairman of the Livestock and Feed Grain Committee of the House Committee on Agriculture.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. JONAS. I do not want to engage in a discussion with the gentleman from Texas if he wishes to devote his time to feed grains, but I am not quite satisfied with the colloquy between the gentleman from Illinois and the gentleman from New Jersey about this increase in the bread tax. Might I ask the gentleman to clarify that?

Am I correct in my understanding that the increase of 50 cents per bushel will not be required to be paid in the future by wheat users if the proposed amendment is adopted?

Mr. POAGE. That is correct, under the proposed Cooley amendment.

Mr. JONAS. In his reference to the bread tax remaining, he referred to the current situation, did he not?

Mr. POAGE. That is right.

Mr. JONAS. It is not changed by this legislation?

Mr. POAGE. The gentleman from Illinois just said what would remain would be the tax we now have. We now have certificates, but they have not raised the price of wheat 1 penny. The price of wheat, plus certificates, results in a cost to the miller as low as it was 2 years ago. The result is there has been no increase in the cost of bread and while it should not have added to the cost to the consumer, the 50 cents, had it been produced under the method which was originally suggested by the bill, would have added 50 cents to the cost to the miller. It will not do so under the proposed amendment to be offered by the gentleman from North Carolina.

Mr. JONAS. There is operating in my district a processor of flour products, who uses one car a day. That is 365 railroad cars of flour a year. He sells his product at 5 cents a package. He simply cannot absorb a 25 percent increase in raw material cost in an article which sells for 5 cents. I want to be sure if this amendment is adopted there will not be any increase in the price consumers have to pay for wheat.

Mr. POAGE. No, sir. On the contrary, if the amendment which the gentleman from North Carolina proposes to introduce is adopted, the cost of wheat to your constituent and other milling operations in the United States will be substantially less than it was 15 years ago. Wheat was selling for $2.40 a bushel 15 years ago. It will be selling, under the amendment that the gentleman from North Carolina will offer, for $2 per bushel. So the mills will be paying substantially less, not more, and about 42 cents a bushel less than they paid 15 years ago.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. COOLEY. What has happened to the cost of bread to the consumer in the meantime when wheat was going down?

Mr. POAGE. Well, it has gone up a little more than 8 cents a loaf during that period of time.

But if I may turn to the feed grain provision, in which there are no certificates and I hope there is possibly greater agreement on the feed grain program with which we are all acquainted and which has been in operation now for 4 or 5 years—at least 4 years I would guess.

It has cost a great deal of money. No one is going to dispute that. But it has in spite of all the statistics that have been presented worked well and it has maintained the income of feed grain producers and that means primarily corn producers. Corn is by far the largest crop in the United States measured in volume of bushels and in dollars. Some of our folks are interested in maize and some other people out in California are interested in barley and somebody else has some interest in rye or oats or something of that kind. But basically we are talking about corn—the biggest crop in the United States. We have stabilized the price of corn. It has moved at relatively fair figures. It has brought to the producer a degree of prosperity that has been lagging for a good long time and at the same time it has moved into the channels of trade—into the feed mills of the East. It has moved into the feed mills of the East at a lower figure than it was moving before we had the feed grain program. The reason is we are supporting corn at approximately $1 a bushel. Next year we will be paying 25 cents a bushel directly to the farmer which means that the corn producers gets a return of, let us say, $1.25 in the Midwest and the cost of corn to the east coast or west coast user is $1 plus the transportation.

So that those of you who are interested on the east coast or the west coast in any kind of feeding operations must bear in mind this feed grain program enables you to buy feed more cheaply than it would be possible for you to do were we using the old loan program alone. Because if that is all we had, you would have to pay the entire return to the farmer plus the transportation. So the program has worked real well for the people.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. JONAS. I hope the gentleman will expand on that just a minute because I am trying to figure a way to explain to my farmers who are in a deficit feed grain area that this section will benefit them. I hope the gentleman will elaborate on that.

Mr. POAGE. I hope I can.

Mr. JONAS. And I hope the gentleman will give me some answers because they do not think it has helped them in the past.

Mr. POAGE. I hope I can. Of course, the figures I have to use are rough figures—I cannot use exact figures for any given area, you understand. But if you are growing corn in Illinois and get $1 a bushel for it and the Government pays you 25 cents a bushel, then you get $1.25 out of your corn. That is about what we are doing. Then if you are in North Carolina and are growing chickens and feeding corn——

Mr. JONAS. Or cattle.

Mr. POAGE. Cattle, hogs, or anything else—and you are buying corn on the basis of $1 corn in Illinois—you are buying it on the basis of $1 because that is what it is selling for. But the producers get $1.25 because they get $1 support. Sometimes the market goes higher—plus the 25 cents payment from the Government.

The producer gets $1.25, which is a good price for his corn. The feed man buys it for $1 and ships it. I do not know what the transportation costs are, but he will get it in North Carolina 25 cents cheaper than he was able to get it when we had a loan program. At the same time the man in Illinois would get the same return as he would out of a loan. When we made a loan in Illinois for $1.25 on that corn, the corn sold to the feed dealer, who sold to the man in North Carolina, for $1.25, and he had to move it into North Carolina, and he had 25 cents a bushel more in the corn. So the man in North Carolina will now get the corn for 25 cents a bushel less than he had to pay under the loan program, which gives the producer in Illinois the same return for his corn.

That is why I believe it is advantageous to the people on the two extreme coasts of the United States. Obviously it is advantageous to the corn producer, in that it gives him a guaranteed fair return for his corn.

This program has worked. Your people know it has worked. The corn-producing people know it has worked. We all know it has worked. In spite of anyone's figures, all it is necessary to do is to ask a farmer, and we know it has worked.

It has been expensive. I do not want to deny for 1 minute that it has been expensive, as any strictly voluntary program is going to be. This is a voluntary program, because no man has to go into it unless he wants to.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Wisconsin.

Mr. STALBAUM. The gentleman from Texas has well pointed out how the program has worked. Might I add that he has not made reference to the fact that it has worked in reducing Government stocks in storage. The stocks have been reduced in spite of this movement of the feed grains in the economy satisfactory to the users.

Mr. POAGE. That is absolutely a fact. Our stocks of feed grains have dropped down to the point that we probably do not need to drop them very much more—probably some 8 million or 9 million tons will drop us down to about what we want to carry.

Mr. STALBAUM. If I might point out to the committee, the original figure was about 85 million tons in storage in 1960, and it is now down to 55 million tons. It is believed that somewhere between 40 million and 45 million is the irreducible minimum in this area.

Mr. POAGE. That is correct. We have done the thing we want to do.

I should like to take this opportunity to point out that that is the item about which some of my friends have been complaining. Whatever you sell out of stocks, of course it tends to lower the price. Of course it lowers the price.

The Secretary has, in keeping with the mandate of this Congress, sold from stocks, as he should sell, because he must sell out of stocks if we are ever to reduce those stocks. When somebody complains that the Secretary of Agriculture has been breaking the market by selling grain into the market we must remember that the only choice is to sell it into the market or to keep it and pay storage on it. We cannot keep grain, we cannot keep cotton, and we cannot keep wheat forever. We should not keep it and pay storage on it the rest of our lives.

Yet if we do not do that, if we do not sell it into the market, we are going to have to keep commodities in storage and we will have to keep paying storage on them. That, my friends, is the simple question that has been raised. Do we want to keep these commodities in storage forever and pay storage on them, or do we want them sold on the market?

Of course, if they are sold on the market this will adversely affect the market. Any fourth-grade boy should be bored for the simples if he does not know that to sell on the market would lower the market.

Where do you think the Secretary should put that grain? What do you want done with it? You cannot eat it up. It has to go on the market when the market wants it. That is the only thing you can do with it, and that is all that all this criticism of our Secretary is about. He has done a good job and an honest job of selling this. He sold it as the Congress directed it should be sold. We have gotten the results we need, and this program will but continue that for another 4 years. I think we all want to continue the feed grains program.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes. I yield to the gentleman.

Mr. NELSEN. I wish the gentleman would elaborate a little bit relative to the colloquy we had a couple of years ago about establishing a farm base. Some of us happen to be in the unfortunate position of not having a base on our farms so we cannot participate in the program. As a result of the policy which you so loudly laud we are competing with a price which has been reduced, as you pointed out to the gentleman from North Carolina. They can buy for a dollar, which is favorable to them, but we are competing in our area, some of us, with a market which has been disturbed, I think, by the Government at the same time that we have been denied entrance to the program. I wish the gentleman would elaborate on what we can do to establish a base on a farm and then participate.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. POAGE. We could go to a complete study of revising our bases. Maybe we should. This bill does not do that. This bill does not attempt to change the base structure nor the method of establishing bases. I would agree heartily that there are injustices, and they have been there for a great many years. They have grown up over a long period of time. We probably should correct it but they have not been corrected, and this bill does not attempt to correct them.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes. I yield to the gentleman.

Mr. COOLEY. The gentleman has the right to appear before the local board.

Mr. NELSEN. That is right.

Mr. COOLEY. And appeal to them at the State level and then appeal at the Washington level. There is some authority for making adjustments or new allotments.

Mr. NELSEN. I understand that, and we have discussed it before. I am well aware that the machinery is there to do it, but it is not done. I want this colloquy to indicate the intent of the Congress to do exactly that.

I thank the gentleman for his contribution.

Mr. DAGUE. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, I think my good friend from Texas did a pretty good job of explaining the method by which you raise corn in Illinois and sell it in North Carolina, but he lacked a little bit of completely clarifying the issues so that the gentleman from North Carolina would know why it is his farmers are able now to buy at 25 cents less than he did under the original program. It is true the man in Illinois used to get $1.25 and ship it to North Carolina and the man there paid $1.25 to him plus the freight. Now the man in North Carolina pays the man in Illinois $1 and the corn goes down to North Carolina and the taxpayers make up the extra quarter. So your farmers are not indebted at all to the people of Illinois and are not indebted to the Committee on Agriculture but are only indebted to the ribbon clerks and the charwomen and everybody who earns any kind of a salary in this country, because those people are paying your cattle feeders down in North Carolina 25 cents on every bushel of corn that they feed. So as long as you are representing cattle men I would say to my good friend that this is a good program. If, by any chance, however, you should happen to have a taxpayer in your district, it is not such a good program for him.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, as we now meet to debate the agriculture bill, I will say that in some respects this bill makes some improvements in the law. During the night there were some changes agreed to in the legislation by the Democrat leadership in the House that will make it much more acceptable to me. Let me talk about that first, because I am glad that the chairman of the Committee on Agriculture has come before this House and said that he will propose the Quie amendment to remove what has now been called the bread tax. It has been called the bread tax because the processor would have been expected to pay an additional 50 cents a bushel for the wheat that he mills.

Last Congress there was this talk about a bread tax because the processor was required to buy a certificate. Since the loan plus the certificate would equal $2 a bushel, which was about what the price of wheat was before the present law, the label did not stick. This bill would have pushed the cost to the miller up by an additional 50 cents and that $250 million would, of necessity, have to be passed on to the consumer.

The Secretary of Agriculture said that this would be seven-tenths of a cent on a pound loaf of bread. There are other costs that relate to the basic cost of the commodity which would have pushed it up to a higher amount, but I think it is pretty well agreed that the cost of bread would have gone up by 2 cents a loaf.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. TEAGUE of California. Am I not correct, even though the Cooley-Quie amendment is adopted, under the provisions of the bill or the present law, we will still have a 75-cent certificate or "bread tax"?

Mr. QUIE. We will still have a 75-cent certificate. I might say that this program is different than the cotton program to that extent. We now will have one-price cotton. We have been working toward one-price cotton and we have it under this bill. It is called one-price cotton since the price for cotton on the domestic market will be the same as in the world market. The cotton mills in the foreign countries will not be able to secure U.S. cotton at a lower price than the U.S. mills as has been the case under old cotton law. But in the case of wheat, this will not be true. Those who buy wheat overseas will be able to buy it at the world market price which will be approximately what the loan is in this country, while the domestic millers will have to pay 75 percent extra if the Quie amendment is adopted. I would say that at least the Quie amendment would prevent an increase of 50 cents making a total of $1.25. Under the cotton title, export and domestic cotton will sell at the same price. Under the wheat title export wheat will be $1.25, domestic food wheat will be $2.00 if my amendment is adopted and $2.50 if it were not.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. HAGEN of California. With respect to the existing cost of that certificate, that was a sort of a trade-off, was it not? The price support was reduced so that the difference was made up in the certificates. Actually the miller gets the wheat at the same price in the absence of the certificate plan. In essence, it is not a tax. The miller is getting the wheat at the same price.

Mr. QUIE. Except that it would be more accurate to say that the tax in the form of a 75-cent certificate on top of the loan of $1.25 makes the price to the miller about the same as it was on the market before the present law. I say about the same since the certificate plan adds some additional expenses to the processors and also he has not been able to buy wheat at the loan price but about 7 cents higher since the market price has bounced against the resale formula.

Let me say, however, about this 50 cents extra that would have come to a 2-cent-a-pound increase on a loaf of bread, that it is true that the price of bread has increased over these past years. I have heard some people blame it on organized labor. I have heard other people blame it on increased profits, or the gains of these big millers, or on the "bread trust" that we have been hearing about. The reason I believe the amendment was dropped over night is that the people who would be to blame for the increased price by 2 cents would have been the Members of Congress. Nobody could say, "Oh, it is those laborers who are getting it" or "The millers are getting it," or "The bakers are getting it." They would only say that the Congressmen where the ones who were responsible. I recall that when a sales tax was passed in a State, often the Governor lost out in the next election, it was because the retailers, when they explained the increase in prices due to the sales tax would say, "A penny for the Governor." In the fall of 1966, since the 50-cent increase in tax would have gone into effect, on July 1, 1966, you can imagine the grocers all saying, "2 cents for the Congressman, 2 cents for the Congressman," when they explain why the bread prices went up.

You can imagine the turnover in this body would have been pretty great next year if that had happened.

But basically, Mr. Chairman, I think it is unwise when the Government makes a payment to the farmer to collect the money for the payment by an excise tax on the processor. In feed grains, in wool, and in cotton under this program, we finance the cost out of the Treasury. By levying the tax so it comes from the consumer it turns out to be the most regressive tax imaginable. In the sales tax States, some exemption for foodstuffs is provided, but here the most basic foodstuff, where the poor people eat more wheat products in their diet than the rich people—in fact practically twice as much is consumed by those of incomes under $2,000 and those with incomes of over $10,000—this would have meant poor people would have paid double the tax of the rich. This is a regressive tax and that is why I am glad the "bread tax" provision will be eliminated from the bill.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I certainly wish to confirm what the gentleman is saying and I am glad that the people involved in this are working this thing out. I know that the gentleman from Minnesota has been active in trying to change this formula and many Members on this side have been active in regard to it. I think it is most encouraging that this compromise is being worked out.

However, the gentleman from Minnesota said that even if the Cooley amendment is adopted—the Cooley-Quie amendment, or whatever you want to call it—the 75-cent tax would continue as it has been for the last 2 years.

Mr. QUIE. That is correct.

Mr. PUCINSKI. Mr. Chairman, if the gentleman would yield further, would the gentleman be in position to tell me, should this bill be defeated, would this in any way alter the present 75-cent payment on wheat? In other words, would the 75 cents continue in existence even if the bill were defeated?

Mr. QUIE. If the bill were defeated, the wheat law goes back to the referendum process and a referendum will be held again similar to the one which they held in May 1963 when at that time the farmers chose not to have a mandatory program, but to take 50 percent of parity under a voluntary program, supports if they complied, but no price supports if they raised all they wanted to raise above their allotments.

Mr. PUCINSKI. If the gentleman will yield further, am I correct in assuming that whatever action we take here, notwithstanding that fact, the 75 cents that the gentleman spoke of will continue?

Mr. QUIE. No; the only way it could continue is if a referendum is passed. So, very likely, if history repeats itself and the farmers again defeat a referendum, then we would not have the certificate program. If they did pass the referendum, we would continue to have a 75-cent tax. It would depend on the vote of farmers participating in the referendum which now, under a resolution passed by this Congress, would come within 30 days after Congress adjourns.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. So there would be no change in the price of wheat if they passed the referendum?

Mr. QUIE. That is what I said. The 2-cent increase on bread, however, would have been of great harm also to others such as bakers who depend only on the baking of bread for their livelihood, the small bakers and also the small millers who may depend only on the milling of flour. It would especially represent a hardship on those who live close to the Canadian or Mexican borders. I have receive some mail from Detroit to the effect that they have been upset about the fact that Canadian bread, which does not have any import levy against it, can come in and compete against them.

If you will look at the minority views you will see the effect of an increase in the cost of bread by about $20 a ton and also of $40 a ton. This competition would have moved into the country which would have been harmful to the bakers, the millers, the people who are working in the flour mills, and the bakeries and those who truck the wheat products around.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Under this bill, if enacted, could a cottonfarmer plant from fence to fence or plant all of his acreage or go out in the community and rent land and plant it, if he accepted the world price?

Mr. QUIE. If he accepted the world price; yes, he could. However, he would receive no help from the Government whatsoever.

Mr. PASSMAN. I thank the gentleman very much. The gentleman has answered the question.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. RESNICK. The gentleman from Minnesota keeps referring to 2 cents. As a matter of fact, the figure itself is seven-tenths of a cent. I also wonder if the gentleman is aware of the fact that the price of bread within the last month has already gone up 2 cents in many areas of the country including New York City, without any increase in the price of wheat? Is the gentleman aware of that?

Mr. QUIE. Yes, and I have expected it to come about.

Mr. RESNICK. In anticipation of this increase?

Mr. QUIE. No, as a result of the action which the Congress took in the last Congress.

When the millers produce flour they contract ahead for a long period of time. They expected the price to be $2 under last year's certificate plan, but it did not turn out to be exactly that. The market price went up to the resale formula, therefore millers had to pay a greater price on the market than $1.25. The cost of handling the certificates increases the cost of doing business as well, and this pushes it up also. When the flour contracted for does not bring the expected profit the next contract must be increased. This also proves that the other costs relating to the basic cost of the product move up also. The result was an expected increase and the 50-cent processors tax would have added another increase.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. RESNICK. They might have anticipated their costs. I am a member of a firm that deals with industry. We buy many, many items. Very often we have to absorb these increases. We saw that the steel industry after protesting that they could not operate, absorbed it and also dropped the price of steel. Again I come back to the same point. The point is that the price of bread has already gone up. In my hometown it has gone up 3 cents a loaf. That is without any increases. Does not the gentleman think the seven-tenths of a cent, as between the retailers and millers, might have been absorbed?

Mr. QUIE. I do not think you can say that $250 million being added to an industry can be absorbed.

Mr. RESNICK. They did it in the steel industry.

Mr. QUIE. You cannot expect an industry to go without profit.

Mr. RESNICK. There is the steel industry.

Mr. QUIE. Every industry is different. When you compare the steel industry with the wheat industry you will find them altogether different. Also the Congress did not levy a processors tax against the steel industry. If they had steel products would have gone up in price also.

Mr. RESNICK. This would have been spread over three different profit centers—miller, baker, and the retailer. There are three different places where this seven-tenths of a cent could have been absorbed. There was no attempt made to absorb it. We find that the seven-tenths has gone to 2 cents, and this increase has come about even though we think there will be no increase.

Mr. QUIE. I keep hearing this all the time. Some Members of Congress like to pass off their responsibility onto some scapegoat. This is one. You cannot deny that. This increase is going to be our responsibility, nobody else's. If you believe industries ought to go without a profit, that is not the way industries are operated. When raw materials go up in price, industries increase the price of their product. The difference between the farmer, the producer, and the consumer, is that, if anyone is going to make a profit it will be those between the farmer and the consumer. They buy as cheaply as possible, and they try to get as much as they can get. That is the way we operate in this country. If the industry is taxed and they are prevented from taking it out on the farmer, they will pass it on to the consumer. Those who can do neither, cannot compete with those who can.

Mr. CALLAN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Nebraska.

Mr. CALLAN. I have heard a great deal of argument made about profits. Bread in the supermarket 2 weeks ago was selling 10 loaves for 99 cents.

Mr. QUIE. I can say you will not be credited for that, but as bread increases from July to November of next year, that would be different. If we put the bread tax on, you would then be blamed for the increase in price.

Mr. CALLAN. We talk on the one hand about where this increase is going to increase bread prices. On the other hand, we have a situation where we can buy 10 loaves for 99 cents, which means that the price of wheat in a loaf of bread does not make much difference.

Mr. QUIE. You cannot say that. In some stores they sell milk for what it costs them to acquire it. This is no indication that there will be no basic price increases. Stores have their loss leaders which must be the case to which you refer.

Mr. PURCELL. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Texas.

Mr. PURCELL. Does the gentleman now feel that if this amendment that we have heard discussed is adopted there will be no need to raise the price of bread?

Mr. QUIE. The passage of this bill with my amendment should not cause any increase in the price of bread. I cannot say there are not other factors that taken into consideration may increase the cost of bread. I am not going to stand here and say that because of this bill, it denies them the right to increase the cost of bread. This is up to them and the economic factors that they face will determine the price they charge for bread. It may be what they can secure from the consumer—all that the traffic will bear. But I do agree with the gentleman from Texas, the chairman of the wheat subcommittee, that nothing in this bill, if my amendment which the chairman of the committee will offer, is adopted, should cause an increase in the price of bread.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. JONAS. This is crystal clear; is it not—if the bill as written passes, that is the wheat section without amendment, the price of wheat to the processor goes up 50 cents a bushel?

Mr. QUIE. That is correct. With the amendment this is removed from the charge to the processor.

Then going into other commodities, and I might point out that in the committee I did vote for some of these various titles as they came up with the exception of the wheat section and the cotton section. Let me say, I think we can make an improvement in this bill. With feed grains, I think we can make an improvement by an amendment to prevent the Secretary of Agriculture from accumulating the payment-in-kind feed grains which he has authority to merchandize, but can resell at 100 percent of the loan plus carrying charges.

The Secretary of Agriculture has accumulated quite a supply of payment-in-kind feed grains—the ones that he advanced payments on when he made the payments-in-kind to the farmers since he has not merchandised a great amount of them. The farmer under the law can let the Secretary merchandise these commodities for him. The Secretary now has accumulated more than 1.5 billion bushels of PIK grains which can be sold at any time as low as the loan level. I think the intent of the feed grain program when we enacted it in its present form was this—the Secretary could sell the feed grains that he used for payment-in-kind at the loan level plus carrying charges within that marketing year. It was never anticipated that he would accumulate this much and hold it over the market with the right to sell at the loan price. The surpluses he presently has were to be resold at not less than 105 percent of support plus carrying charges.

For this reason I think the accumulated PIK feed grains ought to come under the 105-percent resale formula. This would make a great improvement in the feed grain bill.

On wheat I think one of the difficulties here is the fact that the 105-percent resale formula is so low as compared to the $1.25-a-bushel loan that this does not give any place for the market to function. It puts the Department into the business of really being the biggest competitor on the market and setting the price of wheat. I urge you to read the minority views signed by myself for a full discussion of this.

I think if our marketing system is going to function we need some latitude between the loan level and the price which the Commodity Credit Corporation will resell on the market. If the price-support loan was at 90 percent of parity, a 105-percent resale formula would give about the same price differential as 110 percent would do when the loan is only $1.25. The 105-percent resale formula does not fit with the loan.

For this reason I hope the committee will accept at least an increase in the resale formula from 105 percent to 110 percent of the loan level. This will help the farmer secure a better price, encourage him not to turn his grain over to the Government, strengthen the market system, and cost the Government less money.

With reference to cotton, I think we are in the right direction when we try to develop one-price cotton. I feel this is the only way we are going to save our cotton industry.

We do not have any cotton in Minnesota, but I do have a concern for those parts of our country that depend on cotton as an industry. If we can do something to help them to meet their problems and to help alleviate the problems that have been concerning them since 1961, we ought to work toward that. For this reason I believe a move toward one-price cotton for loan at about 90 percent of the estimated average world market is right and that is what it would be after this year if this bill is passed.

There is one part of the cotton program that I do not approve of and that is the sale or leasing of allotments to other farmers because if the farmer purchases the right to produce from another farmer, then he has an investment in the right to produce and not just in the value of the land as it might have increased in value due to the cotton allotment. If a farmer purchases the right to produce he has a vested economic interest which the Government cannot ignore.

If we do solve the cotton problem or sufficiently so, we will not need strict allotments for cotton farmers, and if that happens, the farmer will find that the allotment he purchased with hard cash has evaporated. He would be continually working for the type of cotton program that has failed in the past in order to protect his investment.

Also, I believe it would be terribly unwise if the sale and lease of allotments were at some later date applied to wheat, as there was consideration of this year, and it would be even worse to move it into feed grains. I do not believe we ought to permit this foot in the door toward the sale or lease of allotments. It is an extremely unwise provision. I believe this should be dropped from the cotton bill, and then we would have a measure which I would recommend my colleagues support.

So far as dairying is concerned, while I do not believe this will do a lot of good I do not believe it will do any harm. About all it will do is expand the period of time in which a class I producer can establish his base. Now they establish a base in a period of less than 1 year, typically a 3- or 4-month period. This bill will enable them to extend the base establishing period over a longer period of time, and anybody who greatly increases his total production will not be able to dilute every other farmer's production and base in the marketwide pool. For that reason, if it does fit into a particular Federal milk marketing order, it will not be accepted by the farmers since the farmers will be able to vote on the one-person, one-vote basis. I believe if farmers can develop this class I base plan under the authority of this bill they can pass a referendum only if the program is developed in such a way as to be acceptable to two-thirds of all the farmers, and it would be acceptable to us with such support.

On the last title, the cropland adjustment program, I support this provision. It is similar to the old soil bank. I hope some of the mistakes that were made in the first few years of the soil bank will not be made again. I doubt that they will, because many men in the Department of Agriculture are held over from that period of time.

I believe that one of the best provisions of this title which should be fully utilized and encouraged and will find the greatest approval by the nonfarmers is the provision for special emphasis on the wildlife cover and raising wildlife on the land. The expansion of game bird population, for instance, on the farm land is desirable. The open access for people to hunt will make this program much more acceptable to nonfarmers. It will not be looked on as a means for the farmers to be paid for doing nothing. It will be a help to local economies as people from the cities travel out to the country to partake of the recreation and wildlife opportunities on the retired farms.

The tourist dollar has the greatest potential in the rural areas. I remember somebody saying down in the southern part of this country that tourism brings in more dollars than cotton and the Yankee tourists are a lot easier picking. The cropland adjustment title with this provision makes it a much more acceptable bill.

Mr. Chairman, let me say in closing, this bill could be vastly improved, and if I had my way, would be drastically changed. However, with the amendments I have referred to, I believe the bill will be an improvement over present law.

Mr. COOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I shall try to place in perspective the cotton problem which this bill seeks to deal with in title IV. It is my sincere hope in doing so that I may help to make our efforts more fruitful than similar efforts have proved in years passed.

In the long view of our experience with farm problems and Federal farm programs, it is doubtful that this body has ever faced a more crucial and perplexing problem than the one now facing us in cotton.

The problem simply stated is that our ability to produce cotton exceeds our ability to market or get cotton consumed at the levels of price we have deemed necessary to maintain the income of cotton growers. The vital core or crux of the problem is that in our efforts to improve the situation, too many of us have been obsessed with the now clearly erroneous idea that high cotton prices automatically mean good producer income.

As a consequence of this obsession, our vision has been blurred or obscured to the fact that our domestic and foreign cotton markets are being eroded by onrushing manmade fibers and increasing cotton output abroad. This is to say, our attention has been so tightly focused on assuring what were thought to be adequate prices that we have failed to see the even more important need of assuring the continuing availability of adequate markets through which to move the product once produced. We are now suffering the bitter results.

It is not my purpose to review in detail the agonizing story of how our once great cotton industry has deteriorated to the desperate State in which we find it today. I do want, however, to cite some of the reasons why it is now all too clear that the approach of last year was not a proper one and why it would be unwise to extend legislative authority for this approach or a modified version of it as now proposed in H.R. 9811.

Let us recall the scene of just over a year ago when the situation in cotton was such that Congress had no alternative but to act if we were to avert certain disaster. The industry, as we viewed it at that time, was characterized by rapidly declining markets both at home and abroad. Rising imports from foreign textile manufacturers who were enjoying a sizable price advantage over domestic firms in the purchase of raw fibers. There was an ever-increasing domestic production. Government stocks were mounting. Program costs were intolerably high. There was a threat of severe acreage cuts and declining income for farm people.

In an effort to halt these devastating trends, there was hurriedly put together and presented a stopgap legislative proposal for congressional consideration. We heard the arguments for the proposal and a majority of us thought them sufficiently plausible and logical to merit our support. The proposal was thus passed and signed into law on April 11, 1964.

In the light of the situation now, after a 16-month test of this program, it is shockingly clear that this approach fell far short of the promises made for it at the time of adoption. It is likewise clear that the program has in no respect measured up the urgent needs of the cotton industry. On the contrary, the situation is worse now than when the present law became operative as attested by the following facts.

Consumption of upland cotton which was supposed to turn upward under this program increased domestically during the year; however, consumption dropped from the level of the preceding year by 1.1 million bales. Furthermore, the consumption gain made by cotton domestically was far exceeded by the gain in consumption of synthetic fibers.

It is all the more discouraging to note that the cotton consumption forecast for the 1965–66 marketing year is still appreciably below that of 2 years ago under the old program.

The carryover of cotton which was to go down under this program was 14.2 million bales on August 1, 1965, or 2.1 million bales above the level of last year. Judging from cotton production and consumption estimates for this year, the carryover on August 1, 1966, will top 15 million bales surpassing the record high of 14.4 million bales in 1956, which sounded the death bell of the then existing cotton program.

Cotton production which we were led to believe would drop substantially with the present program is apparently hardly down at all. The present estimate is for a 1965 crop of only 1.7 percent below the crops of 1963 and 1965 which were the largest in a decade. Yet, the signup by growers in the domestic allotment program this year supposedly removed a million acres from production.

Cotton cloth prices which we were told would decline after cotton mills started receiving the 6½ cents per pound subsidy provided by this law are actually higher now than before this year became operative. For July 1965 the wholesale value of 20 major cloth constructions was 65.30 cents per pound compared to 60.69 cents in July 1964, or a gain of nearly 5 cents.

Mill margins in July 1965 as reported for 20 major cloth constructions averaged 37.97 cents compared to 25.09 cents in July 1964. Obviously, the total of the mill subsidy payment plus the reduction in support level of 1964 and 1965 has been absorbed in mill margins.

The earnings of textile manufacturing firms have shown astounding gains, under this program. On June 14, 1965, the Wall Street Journal stated:

> Cheaper cotton and higher priced products helped boost profits of 13 textile companies by 57 percent in the first quarter.

This article also stated that fabric buyers expected prices to drop after textile mills began receiving a Government subsidy on cotton of 6½ cents a pound last year, but prices are rising instead.

The June 1, 1965 report to stockholders by Burlington Mills, Inc. showed the earnings of this, the largest of the Nation's textile firms, during the first 6 months of this fiscal year to be $34.2 million. This according to the report compared to $22.7 million in the comparable 1964 period or an increase of 50.4 percent.

The earnings of farmers during the past year make a sad contrast. The combined value to farmers of cotton and cottonseed from the 1964 crop totaled $2,546 million or more than 8 percent less than the value of $2,784 million from the 1963 crop. Undoubtedly, the value of the 1965 crop will be less than in 1964.

Imports of cotton manufacturers, which we were told would decline after adoption of the present law are in fact increasing. The recent cotton situation report of the U.S. Department of Agriculture states:

> Imports (of textile) on a raw cotton equivalent basis, totaled 307,400 bales in the first 5 months of 1965, nearly 20 percent above the 257,200 bales for the same period of 1964.

We were told that the approach set forth in the present law would reduce the cost of the cotton program to the Federal Government. Instead, we now find that this program cost some $900 million during its first year of operation or almost twice the cost of the program it displaced.

The cotton program is not only failing to improve the cotton situation, it is adding to the problems of farmers producing other crops, since land taken out of cotton by this program is immediately diverted to something else—mainly soy beans and feed grains. Current estimates place the 1965 soybean crop at 864 million bushels, up nearly a fourth from last year's alltime record—23 percent to be precise—and feed grain output too is forecast at a new record level. I would remind you that, even with the short crop of last year, our feed grain program was already the most costly of our commodity programs. This year the cost will undoubtedly be—$1.6 billion recent estimate—substantially higher.

Now please understand, Mr. Chairman, I do not wish to pick a fight with anyone in the Department of Agriculture. I know from long and close associations with the folks down there of the great difficulty—the virtual impossibility—of administering some of the programs. But we must face reality.

The present cotton program is the worst yet. We adopted it in good faith. The Secretary sought earnestly, I believe, to make it work. We now know it won't work and no kind of amending or repairing that we might do during these next few days can make it work much better. The test of experience shows unequivocally that this law is too faulty in too many respects to ever be righted. Were our concern only the well-being of textile firms and their fortunate stockholders, we might act differently. But our responsibility also includes farmers, consumers, taxpayers, and the general public, not just the textile firms.

Let us then face the facts and dedicate ourselves to finding a truly workable and acceptable approach to alleviating our cotton problem, which is now of crises proportions, and start the rebuilding of a strong self-sustaining cotton industry.

There are other approaches to the goals we seek. This much we know—something must be done. And that something must include termination—not mere modification—of the present temporary law for dealing with cotton—lest we at the same time prepare ourselves to write the epitaph of our great cotton industry.

We would, in fact, be infinitely better off to return to the basic provisions of the Agricultural Act of 1958 than to continue the present program even with the proposed modifications.

May providence and wisdom guide our quest of the solution.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, there is no sound argument against the need for wheatgrowers to receive more income. Over the past 15 years income of both labor and industry has risen to meet increased costs of living. The income of the farmer, however, has declined, and the farmer is forced to absorb increased costs of living out of his net worth and standard of living.

Figures show that a rural family is twice as likely to be living in substandard slum housing. A fourth of all farm homes have no running water, and rural American children are nearly 2 years behind urban Americans in educational achievement. Rural children receive one-third less medical attention than urban children. Unemployment in rural areas—including underemployment—ranges about 15 percent. Rural people have less access to credit for housing, for business expansion, or for public utilities. Only one-third of our people live in rural areas, but over one-half of our poverty is found there.

It must be noted that the farm income problem is not limited to "small inefficient farmers." Facts indicate our larger and more efficient farmers are not doing nearly as well as their counterparts in other industry. Our very best farmers fall far below the average of the Nation in the return on their labor and investment.

Farm policy is not something separate and apart. Food and agricultural policies affect our entire economy. It is also a part of our overall effort to serve our national interests at home and around the world. American farmers have produced abundant supplies of food—at reasonable prices—to meet the high levels of consumer demand growing out of a prosperous and expanding economy; an abundance sufficient to contribute to a positive foreign policy designed to combat hunger and further international development, and to help lay the foundation for world peace. As a matter of simple justice the farmer should share equitably in this prosperity.

The farmer deserves a place of dignity and opportunity.

It appears that everyone else involved in producing wheat food products has shared in the economic growth of our economy. The price of bread has increased every year since 1947. In 1947 a 1-pound loaf of bread retailed at 12.7 cents; in 1964 it was 20.7 cents—an increase of over 50 percent. In 1947 the farmers' wheat price was about $2.75 per bushel and in 1964 the blended price to farmers was about $1.75 per bushel. While farm prices were declining about 40 percent, bread prices increased by more than 50 percent. The U.S. Department of Agriculture reports factors which have affected the cost of a loaf of bread since 1947 have been; the millers' share increased from 6 to 9 cents, a 50-percent increase; the bakers' and wholesalers' share increased from 5.7 to 11.4 cents, an increase of 100 percent; the retailers' share increased from 1.9 to 4.0 cents, an increase of 111 percent; and labor's hourly wage increased from $1.15 to $2.33, an increase of 103 percent. But what of the farmer? In 1947–49 the farmer received 2.7 cents from a loaf of bread, but in 1964 he got only 2.5 cents—or a decrease of 8 percent.

Farmers produce in order that they may share in the abundance of consumer goods produced in the economy: cars, appliances, furniture, clothing, and vacations; and education for their children. That is why the prices farmers receive for their crops are so important—these prices determine how much money farmers will be able to spend for consumer goods. And that is why I have said that food and agriculture policies affect our entire economy, and that farm policy is not something separate and apart from the rest of the Nation's economy.

Today we have more than 50 million acres of cropland than is required to produce all the food and fiber that we consume and export. Without programs to guide production, new crop surpluses would be inevitable; and, it is a well-known fact, even relatively small surpluses can depress prices below the cost level of production. The American farmer needs and must receive the assistance of the Federal Government.

For the reasons I have set forth, commodity programs were initiated 30 years ago in the administration of President Franklin D. Roosevelt to help create a commercially successful agriculture. It was discovered then that commodity programs geared to current conditions in agriculture provide the most dynamic framework within which a family farm system can be maintained. These programs provide price and income support to the farmer while keeping production in check, and deals most effectively with the output revolution. In 1963 there were 3.5 million farms—U.S. Department of Agriculture, Office of Information, Washington, D.C., "Fact Book of U.S. Agriculture," January 1965. It has been estimated that fewer than 400,000 farms provide the families who operate them with anything close to parity of income. That is, an income approximating the wages of a skilled factory worker and a reasonable return on investment. The majority of farmers do not even earn the equivalent of a minimum wage. And today, as in the 1930's, no individual farmer has any perceptible influence on total market policy or on price. As a matter of fact, the farmers' lack of choice about price and sometimes about where and when to buy or sell makes them passive participants in the market.

Under the price support program, each farmer is given domestic marketing certificates covering that portion of his crop to be consumed in this country, and export marketing certificates for that portion to be exported. Food processors and exporters are required to buy the certificates to cover the wheat they process or export at prices set by the Secretary of Agriculture.

In order to provide the increase to wheat farmers' income, the value of the domestic certificate must be increased to $2.50 a bushel, up 50 cents over 1964. This would set price supports at or near 100-percent parity on domestic use wheat. This increase will justify a 1-cent—seven-tenths of 1 percent—increase in the price of a loaf of bread. The proposed legislation intends reducing the cost of farm commodity programs to the Government by taxing a basic food commodity. I do not believe that such a proposal is in the national interest.

Shifting part of the Government's farm costs to the consumer is not a better plan because the greatest consumers of bread and wheat products are low-income families. There are millions in this classification—there were 15 million children under age 18 counted as poor in 1963—"Counting the Poor: Another Look at the Poverty Profile," by Moller Orshansky. Social Security Bulletin, January 1965—many, many aged persons with inadequate fixed incomes; nonwhite families who suffer a poverty risk three times as great as white families; and even white families—7 out of 10 poor families are white.

Despite the fact that the American economy produces the highest level of living for its people in any economy in the world, low incomes still prevent millions of families from obtaining nutritious and attractive diets. It is for these people that I am so greatly concerned over the proposed new method of financing wheat price supports. These low-income families cannot fail to be adversely affected by taxing so basic a food as bread, which is essential for helping fill many small stomachs in large families where the father's income is marginal or where he is unemployed. This new policy is in conflict with the Government's own national program against poverty. Under the provisions of this bill, wheat processors and users of wheat products are affected: the bread bakers, the macaroni and spaghetti manufacturers, the cookie and cracker manufacturers and the cereal manufacturers. And, in addition, hundreds of food items found in grocery stores will be affected by this tax in terms of higher ingredient costs for flour.

Moreover, it is believed that if this is permitted in one or two steps, we will be presenting an opportunity for additional increases in bread prices at each step in the processing and marketing of bread.

Existing subsidies are financed out of general revenues and should continue to be paid for from general revenues. We must not demand that the urban poor finance an increase in income for the poor in our rural areas. We cannot justify a policy of "robbing Peter to pay Paul."

I am therefore delighted at the reported "compromise" agreement which has been reached. It enables those of us who try to support a rounded national economic policy to vote for yet another farm bill. We believe our city constituents want a strong rural as well as a strong urban America.

Mr. COOLEY. Mr. Chairman, may I inquire as to the time remaining?

The **CHAIRMAN.** The gentleman from North Carolina has 1 hour and 34 minutes remaining and the gentleman from Pennsylvania has 1 hour and 15 minutes remaining.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. In view of the information given as to time, could the gentleman tell us his plans?

Mr. COOLEY. I was going to inquire of the gentleman from Pennsylvania if we could set a time for ending the debate today?

Mr. ARENDS. The gentleman would expect to continue another hour or two?

Mr. COOLEY. I personally would like to. It is up to the House.

Mr. ARENDS. I had understood there would be an effort to finish general debate today.

Mr. COOLEY. I should like very much to do so.

Mr. DAGUE. I have requests for 35 or 40 minutes, at the outside.

Mr. COOLEY. There is a cotton section which I shall discuss now, and a wheat section. Perhaps we can finish in 35 minutes on each side.

Mr. Chairman, I yield myself 5 minutes, and I would like the gentleman from Pennsylvania [Mr. DAGUE] to consider that perhaps we can limit general debate to 40 minutes on each side and finish it up tonight. Maybe we can have an understanding on it.

The **CHAIRMAN.** The Chair would like to advise the gentleman that the gentleman from North Carolina is in charge of the time on his side and the gentleman from Pennsylvania is in charge of the time on his side. The gentleman from North Carolina now has been recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman and Members of the Committee, I think that the House has been very patient in hearing this debate. I believe it is in the interests of all of us to try to shorten the further general debate, because there will be ample time under the 5-minute rule on tomorrow.

As I explained, this bill has seven sections and each section has been considered separately by subcommittees. All the sections were written in the subcommittees except for the cotton section, which was developed in the full committee, over which I presided. So I should now like to take a few minutes to discuss the cotton section. I do not know anybody here who is actively opposing this section of the bill.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. GATHINGS. I would like to say to the gentleman that I am present and I am opposed to the cotton section. I opposed it in the committee and I oppose it today.

Mr. COOLEY. I did not see you sitting back there. I did not know you were here.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. ABERNETHY. I would like to say that I am here and I also oppose it.

Mr. COOLEY. That is two.

Mr. JONES of Missouri. Mr. Chairman, would the gentleman from North Carolina yield to me?

Mr. COOLEY. I yield to the gentleman.

Mr. JONES of Missouri. As the chairman will agree, we perfected a cotton section in this bill before it came out of committee and then in a few night sessions it seems a lot of amendments were agreed to that some of us knew nothing about. We saw them for the first time today.

Mr. COOLEY. I might say there have not been any night sessions, but there have been a lot of daytime sessions.

Mr. JONES of Missouri. Anyhow, I did not know about these amendments until today. If all of these amendments you propose to offer to this bill, which nullify everything we did in the committee when we started toward a solution of this problem, are going to be accepted, and if these amendments which you propose to offer or someone will offer to this bill are accepted, you will actually have a worse cotton program which will cost more money and put us back many years than we had before. Before we leave this today I would like to have some time to explain why the amendments will do that.

Mr. COOLEY. I am sure the gentleman will have some time.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield briefly?

Mr. COOLEY. I yield to the gentleman from California.

Mr. TEAGUE of California. I must state that I voted for the cotton section in committee, but the changes I understand are now contemplated will cause me to change my position on the cotton section of the bill.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. MAHON. I recognize that often silence is golden, but in view of the remarks of the gentleman from North Carolina, the chairman of the committee, I think I must say in fairness that I have grave doubts about the cotton provisions of this bill and some concern about other portions of it. I realize your committee has worked hard and long in undertaking to perform an almost impossible task, but before the bill is concluded I, along with many others I am sure, would like to have a chance to say a word with respect to the provisions of this bill. If we proceed under the 5-minute rule tomorrow and are rather liberal on that, I certainly would have no desire to press for recognition at the moment.

Mr. COOLEY. If the gentleman will permit me to interrupt him, he is an experienced parliamentarian and a very distinguished Member of this House, and a man who has always been intensely interested in the welfare of agriculture. Certainly it would not be my purpose in any way to restrict or to put a limitation on time. I say the same to the distinguished gentleman from Missouri [Mr. Jones], who serves with great ability and distinction on our Committee on Agriculture. But these gentlemen know and I know that these general debates can go on here and wear us all out.

When we come to the 5-minute rule, there will be amendments offered. I am going to offer the wheat amendment and perhaps my colleague will offer an amendment and his colleague from Texas [Mr. Poage], will offer these cotton amendments. Then we can discuss them at great length.

So, let me continue here and finish what I have to say about the cotton program.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BELCHER. In view of the fact that so many Members have arisen to say that they were against the bill, should the Chairman not ask if there is anybody in the Chamber who is for the bill?

Mr. COOLEY. I might propound that question, but only six said they were against it, so I shall leave it where it is.

Now, Mr. Chairman, going back to the cotton program which is now under consideration, and was under consideration before we passed the bill which is now in operation, the cotton industry in this country was laboring under an intolerable burden of 8½ cents a pound differential between what our American mills had to pay for cotton and what the mills in Osaka, Japan, or Bremen, Germany, or Liverpool or other places in the world had to pay. Every other country could buy cotton from us cheaper than could our own mills, many of which are located right in the cottonfields, in the Carolinas and in other places.

Under that inequity, they labored and finally exhausted every remedy provided by law. They went to the Tariff Commission on two different occasions, once under a Republican administration and once under a Democratic administration. They spent thousands and thousands of dollars in litigation only to come out the loser. They went to the Emergency Planning Board with the same result; they lost. They had no place to come for relief then except the Congress. We heard them and we brought out that bill and I think it has served well.

Mr. JONAS. Mr. Chairman, before the gentleman leaves that point, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JONAS. I think the gentleman ought to make it clear also that not only can foreign competitors buy our cotton cheaper than can our own mills, but also there is an embargo on import. Our local domestic textile industries cannot import the cheap cotton that is grown abroad.

Mr. COOLEY. And the thing about it is that some of the foreign countries were flooding our markets with cheaply made cotton goods and taking our markets away from us.

Mr. JONAS. But our mills could not import the cheap cotton because of the law restricting imports.

Mr. COOLEY. That is correct. We said at the time that the bill would do certain things. We said that it would revitalize the textile industry in this country. That it has done. Since we passed this bill, the textile industry has spent over a billion dollars in new machinery and in expansion programs. They have increased workers' salaries and wages on 3 different occasions, I believe. They have increased the consumption of cotton by almost 1 million bales. All because of this bill that was passed. Of course, it has been an expensive program but this is a very great industry. It is about a multibillion-dollar industry. I have a great and vital interest in the problems and in the cotton industry, not only because cotton is an important crop in North Carolina, but because we have more textile mills in North Carolina than has any other State in the Union. About 240,000 breadwinners work in the textile mills. They are now working around the clock, three shifts a day in each mill with which I am familiar.

Of course, the consumer has not yet received the benefit that we hoped the consumer would receive because, unfortunately the manufacturer—or, fortunately—the manufacturer has no control over the price at the retail counter. But they have assured us that in a short time the consumer will receive great benefits under this bill. The consumer has already received some benefit. Some of these nationally known, nationally famous shirt manufacturers have reduced the cost of the manufactured shirt which, of course, contains a small amount of cotton. But without this program, the industry would be absolutely prostrate, it would be paralyzed. The industry would be worse off than they were when we started out to help them 2 years ago.

Mr. Chairman, this industry is too vital and too important for us to stand idly by and permit it to be destroyed, as it was being destroyed.

Mr. Chairman, one manufacturer in North Carolina told me that this would be the case. He picked up a ball of yarn and he said, "Up to this point we can import this yarn from Portugal or Pakistan or from many other places in the world and bring it back here and I could fire 12,000 workers, but I do not want to do it. I want to stay in the cotton business, as my family has been in the cotton business for generations."

So, he has expanded his plant and he has spent hundreds of thousands of dollars—I believe $6 million on this one plant which I have in mind.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 additional minutes.

The CHAIRMAN. The gentleman is recognized for 2 additional minutes.

Mr. COOLEY. The workers are working and they are happy. I do not know of anyone who understands this bill who could oppose its passage.

Mr. Chairman, I do understand that there are some differences and that there will be some amendments offered. I am going to offer some amendments myself. I did not like the cotton bill when it came out of the committee but, after all, I am just 1 man of a 35-man committee and I know I cannot always have my way. The bill did not suit me any more than it suits some of the other Members. Through these amendments, I believe, it will be made into a good bill.

Mr. LENNON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. LENNON. I want to commend the distinguished chairman of the House Agriculture Committee because in my considered judgment, more than any other man in Congress, you are responsible for the one-price cotton legislation that was passed last April, a year ago.

Did I understand the gentleman to say just a few seconds ago that the consumption of cotton in the domestic mills increased by 1 million bales in the calendar year 1964?

Mr. COOLEY. I said approximately 1 million bales.

Mr. LENNON. If the gentleman will yield further, that is my understanding also, that it did increase by approximately 1 million bales, which is definite proof in my opinion that the one-price cotton bill that was passed here last April a year ago was essential to the textile industry.

One other thing, if I may ask the gentleman, I also understand that our exports during last year decreased by 1 million bales. If that is true, we cotton growers are not making too much progress. I wonder what accounted for this situation?

Mr. COOLEY. I am not sure about the accuracy of that statement. Perhaps our exports did decrease in cotton but our overall exports last year were at an alltime high.

Mr. LENNON. If the gentleman will yield further, I read it and let me say to the gentleman that I am advised the reason that the cotton exports decreased by 1 million bales was because the Secretary of Agriculture pegged the price, and immediately Mexico, Brazil, Argentina, and a number of other great cotton producing countries, sold their cotton on the world market at anywhere from one-half cent to a cent and a half less than our price.

Mr. COOLEY. I might say that I shall certainly take into consideration the gentleman's observation and I shall discuss it with the Secretary and his associates in the Department. But in that connection the gentleman will notice in the bill that the cotton loan for the first year has been fixed at 21 cents a pound, and we did that because we were unable to determine quickly and accurately the correct world price of cotton.

So we said for the year 1966 the loan would be 21 cents and to that will be added the figure of 9 cents to the producers. So the farmer will be assured of 30 cents a pound. That will continue for the life of this bill, which is 4 years.

Mr. LENNON. Will the gentleman permit me to refer to title IV, the so-called cotton title. The gentleman is the author of H.R. 9414, the so-called cotton provision which was subsequently substituted for H.R. 9715, which subsequently became title IV of H.R. 9811. I would like to make it crystal clear to the chairman of this distinguished committee and to all of the other members of the committee that I would much rather have the original bill introduced by the chairman of this committee, H.R. 9414, substituted in its entirety for title IV of the omnibus bill, H.R. 9811. But I understand that is an impractical situation because of the realities of politics.

So, Mr. Chairman, I want to commend the chairman for his initiative and I say again that the gentleman is responsible in my judgment in securing the amendments that will be offered here by the distinguished gentleman from Texas [Mr. POAGE].

It is not all we from the Southeastern States want, it is not all we are entitled to, but under the circumstances those of us in the Southeastern States can in conscience vote for this bill.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Louisiana.

Mr. WILLIS. I would like to ask a couple of questions on the subject that the gentleman just alluded to.

I notice that the cotton section of the bill reads that price supports shall be made available for the years 1966, 1967, 1968, and 1969. So this is a 4-year program?

Mr. COOLEY. That is correct.

Mr. WILLIS. Then on page 29 of the report it states that the bill would provide loans at 90 percent of the estimated average world market price, which for 1966 is set at 21 cents per pound. Then it goes on to say there will be payments, including price supports, at the rate of 9 cents a pound in 1966. That leads me to one or two questions. Reference is made only twice to the year 1966. It seems obvious from the bill that we have these cotton problems for 1967, perhaps, and there will be loans, or loans will be made available at 21 cents a pound, then support payments of 9 cents, which makes 30-cents-a-pound cotton.

What about the years 1967, 1968, and 1969? I ask these questions because I have been hearing considerable comment that this bill means there will be 30-cents-a-pound cotton for the year 1966, but that is not true, or not so with reference to the years 1967, 1968, and 1969.

Mr. COOLEY. It is not true as to those years the gentleman mentions. And I can assure the gentleman it was not the intention of the committee. The intention of the committee was to fix it at 9 cents per pound, and be valued in connection with the world price of cotton which we fixed at 21 cents in 1966. In that time we will know what the world price of cotton is for 1966. Certainly if you are ready to believe we are advocating a program that brings the price of 21 cents only, nobody on the committee will agree to that.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. In 1966 the loan plus payment will average 30 cents a pound. In 1967, 1968 and 1969 the loan will be based upon 90 percent of the average world price.

As the chairman pointed out, we do not know what that will be, but we want to keep this loan below the world price so that it will not become a place into which all cotton will move. On the other hand we want the loan to be something to enable farmers to get money they need, and this is in keeping with what every one of those who have criticized the program, including the American Farm Bureau, said they wanted all these years. It is keeping the loan at a low level rather than putting it so high as to become the market.

Mr. WILLIS. Mr. Chairman, will the gentleman yield for one further question?

Mr. COOLEY. Certainly, I yield to the distinguished gentleman from Louisiana.

Mr. WILLIS. The gentleman in his short statement started to comment on the total price for the years 1967, 1968, 1969 and mentioned that there would be a support price of 90 percent of the average world price. But would not the 9-cent payment obtain in those 3 years?

Mr. POAGE. Yes, we were assured that the 9-cent payment would obtain for every 1 of the 4 years for which the bill exists.

Mr. WILLIS. For the year 1966 the starting point is 21 cents.

Mr. POAGE. That is right.

Mr. WILLIS. What is the world market price?

Mr. POAGE. At the present time it is between 23 cents and 24 cents. We do not know and we hope it will never come down to 21 cents. We hope it will never go below 23 cents and if it does not get below 23 cents, you will have the 21-cent loan again in 1967. You will have 90 percent of the average price and that will be approximately 21 cents and you will have the same 9-cent payment. The thing that varies is the loan and, unfortunately, I think we do not have in this bill a variable payment that would move up and down as the loan moves up and down as we have in the wool bill. If the loan goes up to 22 cents and it could very well do it.

Mr. WILLIS. Plus the 9 cents?

Mr. POAGE. You would still get enough payment to bring 30 cents.

Mr. WILLIS. Let us get that clear because there is a lot of talk about this.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 1 more minute and trust that we can conclude this discussion, and I hope my colleagues will take the matter of time into consideration.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. ABERNETHY. I would like to make this one simple observation. The 9-cent payment is applicable only to the year 1966. The price for 1966 as I understand the bill, that is the return to the farmer, is 30 cents a pound but after 1966 nobody in this House can tell the gentleman from Louisiana what the price will be because that would depend on what the Secretary determined and what the Secretary sets.

Mr. WILLIS. We can tell what the price will be if we follow this procedure.

Mr. COOLEY. The gentleman should read the bill and the report.

Mr. WILLIS. The gentleman and ranking Member both say that the 9-cent payment will obtain for those 4 years. Well, if there is any doubt about it, would the gentleman agree to an amendment to that effect to make it specific for the years 1967, 1968, and 1969?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 more minutes.

If the gentleman would just read the report or talk to counsel sitting at the desk, you will know that this is not a 21-cent cotton bill.

Mr. ABERNETHY. I did not say that.

Mr. COOLEY. You indicated that after the first year the Secretary would have the farmer in his hands and could fix any price that he wanted to.

Mr. ABERNETHY. I said that the return to the farmer is flexible depending upon what the Secretary fixed.

Mr. COOLEY. That is what he determines the world market to be.

Mr. ABERNETHY. I am not speaking of the loan price, Mr. Chairman, I am speaking about the total return to the farmers in 1967, 1968, and 1969.

Mr. COOLEY. All right, you know the certificate does not fluctuate in value—that is fixed at 9 cents.

Mr. ABERNETHY. I would tell my chairman, if we would legislate on the basis of the report that is one thing, but I thought the bill we are considering would carry the language of the law.

Mr. COOLEY. You understand what you are talking about and the gentleman should not take my time for me to explain it to him.

Mr. ABERNETHY. In all deference to my chairman, I understand it.

Mr. COOLEY. Let me ask you—is the gentleman suggesting to this House that this is a 21-cent cotton bill?

Mr. ABERNETHY. I am saying that it is 21 cents plus what the Secretary decides and fixes.

Mr. COOLEY. No, sir; it is 21 cents plus 9 cents for the year 1966.

Mr. ABERNETHY. Would the chairman point out to me the language in the bill where he would have to pay 9 cents a pound for 1965 and 1966 and 1967?

Mr. COOLEY. Yes—look at the bill, it is right there in front of you on your desk.

Mr. ABERNETHY. I am looking at it. I have already looked at it.

Mr. WILLIS. Mr. Chairman, if the language is not clear enough, would the gentleman accept an amendment to that effect to clear it up?

Mr. COOLEY. It is clear and he knows it is clear—it is in the bill—read the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I believe that the colloquy with the gentleman from Louisiana was most in order. I wish the gentleman from Louisiana would not leave the Chamber, though. I appreciate the fact that he raised the question as to exactly what the blend price would be.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I just wanted to say this, however. I yield to the gentleman from Louisiana.

Mr. WILLIS. In asking these questions, I am neither an opponent nor a proponent of the bill. I want to know what I am asked to vote for. I want to understand it.

Mr. GATHINGS. The gentleman will have to take into account that there is going to be a mandatory cut in acreage before they will be able to realize that 31 cents. There will be at least a 15-percent mandatory cut, and there will be a further cut of between 15 and 35 percent of the present acreage.

Mr. WILLIS. Will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Louisiana.

Mr. WILLIS. We will be talking about acreage after a while.

Mr. GATHINGS. What are they going to do?

Mr. WILLIS. Does the gentleman agree with the chairman, or with the gentleman from Mississippi? I am not a member of the committee.

Mr. GATHINGS. I was trying to help the gentleman out and to give a little additional word. That is this: There is going to be a mandatory cut of 15 percent. What are we going to do with that 15 percent of land that is going to be taken out of cultivation? It cannot be put into anything except guar castor beans, mustard seed, sun flower, safflower, and flax or something like that. What are the farmers going to do with this land that had formerly been planted to cotton? What are the people of the community who are engaged in the business of growing, processing, ginning, or supplying fertilizers, insecticides, seed, or financing in the areas where cotton is grown going to do when such severe cutbacks in acreage takes effect if this bill becomes law.

Mr. WILLIS. I am not advocating the bill. I am talking about the price only. I wish the gentleman would address himself to the pure arithmetic of cents per pound.

Mr. GATHINGS. I had in mind commenting on other phases of the legislation.

Mr. WILLIS. Does the gentleman agree with the chairman, or with others who contend otherwise?

Mr. GATHINGS. I will support the gentleman's amendment, to make it sure and certain.

Mr. WILLIS. I did not say I would offer an amendment.

Mr. GATHINGS. But I ask, what are we in the cotton areas going to do under the 15-percent mandatory provision and the authority to increase the acreage reduction to as much as 35 percent of the allotments for cotton?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the Chairman.

Mr. COOLEY. I said that if it is not clear we will make it crystal clear that it is our purpose to have a fixed certificate of 9 cents a pound for 4 years.

Mr. GATHINGS. There will be a mandatory reduction, if the Cooley bill is passed, of 15 percent at least?

Mr. COOLEY. There is no question about it.

Mr. GATHINGS. I want to make that clear.

Mr. COOLEY. It is clear.

Mr. GATHINGS. I want to make this point while the chairman of this committee is on his feet. Will the chairman place in the RECORD today, at the close of this debate, every one of the amendments he proposes to offer to the cotton title of this bill?

Mr. COOLEY. I propose to offer only one amendment.

Mr. GATHINGS. We want to know what the gentleman is going to offer. Many of us who are interested in cotton were not at that secret session at 5 o'clock yesterday afternoon when these amendments were agreed to. We would like to know what you did agree to.

Mr. COOLEY. They are here on the table.

Mr. GATHINGS. If they are on the table, will the gentleman put them in the RECORD so that we will have them overnight and so that we will know what was done behind the closed doors after 5 o'clock yesterday?

Mr. COOLEY. You were not invited.

Mr. GATHINGS. I was not invited.

Mr. COOLEY. Because we knew your views to start with.

Mr. GATHINGS. The gentleman is right. I oppose your cotton bill—I hope that the chairman will put the amendments that are to be offered tomorrow or Thursday in the RECORD so that everyone can take a look at them. Will you not do that?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Texas.

Mr. MAHON. I believe it most important, Mr. Chairman, that we make the record straight. This good man and fellow colleague here, from Louisiana, was seeking information which he did not get. Now, the question was, what will be the loan in 1967, 1968, and 1969? There is nothing in this bill that says what the loan will be.

Mr. GATHINGS. I want to say to the gentleman that I cannot yield further for the reason that this is not a Gathings' bill. I do not subscribe to it. I do not have my name on it. I have nothing to do with it. I am against it.

I am going to vote against the overall bill because of the the cotton section or title. The author of the bill, our chairman, Mr. COOLEY, ought to answer the gentleman's question in order that the meaning is clear and that legislature history can be made. The information you seek is most pertinent.

I do hope that the gentleman from Louisiana will get his amendment agreed to. I believe it is a good amendment. I believe the chairman said that he would agree to it.

But I want time, Mr. Chairman, to discuss the bill. I only have 5 minutes.

What I want to talk about is the type of a cotton bill we have before us.

I am opposed to this legislation for many reasons. In the first place, it sets a terribly heavy cut in acreage, from 15 to 35 percent. It will knock out the release and reapportionment provision. It will kill it for all useful purposes whatsoever.

Another thing is that it will provide that the payments shall be made on the difference between the price-support level and what is a fair price for cotton, and that will have to come by a payment in kind or by a Treasury check. I am against these payments being made to farmers. The farmer wants to sell his cotton in the marketplace and to get his money for his cotton then and there. He does not want to have a check coming in from the Government every time he sells a bale of cotton. Payments to farmers are repugnant to their manner of belief and opinion. At least a large part of the cotton farmers abhor receiving payments in lieu of getting paid a fair price when they sell their cotton.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. Just a moment until I finish and then I will gladly yield to you. I want to get a chance to talk about something I had in mind talking about.

One of the main things I would like to discuss is this: that is the open end unlimited planting provision in this legislation. In the first place, we have on hand now 14.2 million bales of cotton. What we propose to do in this bill is to give the farmer an opportunity to plant all his land in cotton, if he so desires, and the fence rows in cotton in 1966, 1967, 1968, and 1969 under this bill. Open end planting. Yet we are trying to cut back in our production which is a primary reason for the cotton legislation being here in the first place. They are going to let them plant all their land in cotton if they desire and they will be paid 22 to 24 cents a pound, the world-price level for their cotton. It is too good a deal for so many farmers to miss. They will be able to plant an awful lot of it. The first estimate made by the Department of Agriculture officials who came before our committee were 2 million added acres would be the result of this legislation. We are trying to cut down the surplus from 14.2 million bales of cotton. The Department of Agriculture said 2 million acres would be added. They came in and revised those figures and said there would be added from 400,000 to 800,000 acres. Where would they come from? Those acres would come from the irrigated West, the areas in this country that produce at least two bales of cotton to the acre. If you were to have 1 million additional acres of that kind of land put into cotton that would mean 2 million additional bales would be grown. They are talking about cutting costs and they come in now to appease California where this provision is appealing. The chairman said before the Committee on Rules in order to get the bill out of the committee he had to appease someone in order to do it. The vote was 18 to 14. I think you are talking about the gentleman here from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I will yield to the gentleman.

Mr. HAGEN of California. I will say to the gentleman it is about time they appeased California a little bit. We have been getting the business on this cotton program for some time.

Mr. GATHINGS. The gentleman voted for the bill.

Mr. HAGEN of California. Our whole situation is that there are areas in the South—and your State is not one—where 85 percent of the cotton is grown with a Government loan.

Mr. GATHINGS. Are you in favor of open end planting? You are in favor of that provision?

Mr. HAGEN of California. Now, if you think that your farmers will grow cotton for the world price, they are entitled to do it under this provision.

Mr. GATHINGS. That is right. They can. I want to say to you that that is the most asinine proposal that has ever been presented to the House Committee on Agriculture since I have been on it. Absolutely, to say we are going to throw it wide open although we have too much cotton and it is costing too much to store it is foolhardy to say the least. Wherever you have irrigated land, you can produce two bales of cotton per acre or more. We do have some good cotton farmers in our part of the country, that is true, but we do not get that kind of yield per acre like the gentleman does in California. We want to stay in business.

There is another provision in this legislation that ought to be knocked out, too. That is the title that has to do with cropland adjustment. That ought to be eliminated from the bill.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. GATHINGS. Thank you.

I want to talk just a moment or two about the cropland adjustment title.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I thought I would take 30 seconds out of your time to let you rest your voice.

My good friend refers to the fact that they appease the gentlemen from California in the Committee on Rules, but now they want to introduce an amendment tomorrow to appease you fellows. Is that correct?

Mr. GATHINGS. I want to say to the gentleman the information I get by rumor with respect to the amendments that will be proposed—and I understand they will be in the RECORD so we can see them tomorrow morning—will not touch the side or the bottom or any part of the legislation that should be put on the statute books for cotton. They are innocuous and do not affect basic policy of the bill.

They will not help us in any way to remove the defective parts of this bill, not in the least. They are meaningless. They are eyewash and they will do nothing at all to be of assistance to the people who grow cotton.

Mr. BELCHER. I am sure that the gentleman from Arkansas and the other gentleman from the South are not going to be appeased by eyewash.

Mr. GATHINGS. This is eyewash that they are going to put in the RECORD, I am sure about that.

Mr. Chairman, let us talk one moment with regard to this business of cropland adjustment. The cropland adjustment provision came out of the Subcommittee on Conservation and Credit. I happen to be on that subcommittee. That program has been estimated by some to cost some $700 million a year. Taking an average of anywhere from 5 to 10 years that they will take this cropland out, or taking an average, say, of 7 years, at $700 million a year, there would be $4,900 million that would be completely thrown away, absolutely thrown away. Why do I say that? Because you are cutting back on cropland, supposedly. That is what you are supposed to do. What are you going to cut back, when you cut back on cropland? You are going to cut back on feed grains. Well, we have got a title in this bill for feed grains. That is what the purpose of the feed grains title is. What else would the legislation do? It would reduce wheat acreage. Well, we have a wheat section in this bill. You are also going to have authority given to the Secretary of Agriculture to go in and get down and work out some kind of a proposition with the farmer to cut back on his cropland through a system of bids. The cropland adjustment title is aimed at reducing cotton acreage. The cotton title to the bill would drastically eliminate cotton acreage.

Mr. Chairman, this cotton legislation is bad legislation all the way around. There are some provisions in the overall bill I would say are good. But I hope the legislation will be recommitted to the committee for redrafting that part having to do with cotton.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Chairman, the combined impact of the provisions of this bill has serious long-range implications for the cattle industry. The bill is specifically aimed at drastically reducing cotton production in the United States. Currently, the minimum national allotment is 16,200,000 acres. This vast acreage represents some of the most fertile land in the world.

As cotton shrinks in importance, those who once built their operations around this crop will be forced to develop new farming systems; inevitably, their new emphasis will be on growing more feed—plus conversion of this feed into beef, milk, pork, eggs, and broilers.

The impact on beef will be especially heavy because the Midsouth and Southeast, with low-cost forage to go with its feed grain potential and ample rainfall, would have a competitive advantage in cattle production.

Even though temporary restrictions on land diverted from cotton are included in the bill, cotton farmers in the Midsouth and Southeast would be forced to utilize the interim period to develop large acreages in Coastal Bermuda and other highly adapted pasture grasses. In addition, increased emphasis on feed grain production on land diverted from cotton would, because of its greater productivity, provide yields conservatively estimated to be at least 10 percent higher than the average.

While southwestern and western cotton farmers would be somewhat restricted in their alternatives because of lack of rainfall, implications are also serious. On southwestern cotton farms where feed grains currently are grown, they are generally produced in areas where lack of rainfall imposes sharp restrictions on yields. Irrigation could sharply increase yields—but water is limited.

As things now stand, cotton unquestionably receives preferential treatment over feed crops in the allocation of water. Given a sharp reduction in the cotton allotment, however, both land and water would be released to feed grains. Overall, the effect would be to increase the average yield of the region by an estimated 15 percent.

In the West, about three-fourths of the feed grain acreage currently grown on cotton farms is accounted for by barley, even though this crop yields about one-third less grain per acre than milo and corn. This cropping pattern is dictated largely by the fact that milo and corn compete directly with cotton for available water supplies and labor, whereas barley is grown in the winter months and is harvested before the peak demands of the summer crops. If cotton acreage is substantially reduced and the competition for water during the summer months is correspondingly diminished, milo or corn would be substituted extensively for barley. Probably all of the acreage diverted from cotton into feed grains would be planted to milo or corn. The substitution of milo or corn for half of the barley acreage in 1963 would have raised the acreage grain yield for cotton farms is this region to an estimated 35.2 hundredweight per acre—or about 15 percent. The expected yield from cotton acreage diverted to grain would be about 2 tons per acre.

Since the production of feed grain for the cash market falls considerably short of filling the income void that would result from the loss of cotton acreage, it is logical to assume that cotton farmers would turn to commercial livestock enterprises in the expectation of realizing an additional margin from the conversion of feed into animal products.

Mr. DAGUE. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I have been listening to this colloquy for the last 60 minutes with a great deal of interest. I have no cotton farmers in by district, but I must say to my friends on the other side of the aisle that they lost me about 59 minutes ago. And even if I had been a representative of cotton farmers they probably would have lost me about 58 minutes ago. It must be plain that confusion begets confusion, especially when a committee attempts to rewrite a bill, as apparently they have tried to do here, on the House floor. I have some further thoughts on the pending bill.

Mr. Chairman, in President Johnson's farm message to Congress this year, we find this, the opening sentence:

> The bounty of the earth is the foundation of our economy.

Might I say, for the benefit of those of you from other States who tend to think of New York State as an industrial or urban State only—in which thinking you may well have been influenced by your awareness of the existence within our borders of the great city of New York and our other large, metropolitan centers—that agriculture is still, for the people of New York, too, the foundation of our economy.

I come from an area of upstate New York that is both urban and rural, with cities and rapidly expanding suburban areas, but also of beautiful river valleys and gently rolling hills dotted with thousands of farms—mostly family farms in the true sense of that term—on the success or failure of the operation of which rests, in great measure, the economy of our State.

These people—our farmers—are, with rare exception, rugged individuals, asking little other than the right to live out their lives doing what they like best, tilling the soil that they, themselves, own as did many of their fathers and grandfathers before them, producing the crops and the farm produce on the abundant harvest of which depends the continued strength of our Nation.

I know these people well and they are, literally, the "salt of the earth." I am well aware of their present struggle to succeed, too, in their chosen work, a struggle made ever more difficult with each passing year, it seems, as that vise in which they have been caught between rising production costs to them and steady or declining farm income continues to tighten.

Many of our farm people have not succeeded in this struggle. Perhaps it was inevitable—given the scope of the technological revolution through which American agriculture has been passing. As evidence of this, note should be made of the fact that more than 20,000 farmers in New York State quit selling milk during the last decade—a continuation of a long-term trend that began in 1930.

I am further advised by the experts who serve on the faculty of our great State College of Agriculture, at Cornell University, that probably as many as 10,000 more dairy farmers will similarly withdraw during the next 5 or 10 years. There may well be a variety of causes for this continued and marked migration from our farms, or of farmers from farming, but undoubtedly the main cause has been the inability of many farmers to compete in the economic and technological revolution that has now hit the dairy industry—not unlike that which struck the poultry business a few years ago.

Whatever the real cause, I think the President was exactly right when he said, in that farm message of his:

> We need to change much of our thinking on farm policy. Just as we do in other segments of our economy, we need to separate the social problems of rural America from the economic problems of commercial agriculture. We need to be concerned about both, but the answers to each may be different.

Earlier this year, it was my privilege to travel the rural areas of my district with several of the people from the College of Agriculture at Cornell. It was apparent to me, as they pointed out, that there has been a real change these past few years in dairy farming as it is carried out in the Northeast. The hard core of successful farming continues to be the family operated unit—but, to survive, that unit has had to take on, more and more, the aspects of a truly commercial operation, with increasingly larger investments in land and equipment, and with an ever-greater emphasis on land management and skilled business administration.

In helping our farmers to make these kinds of adjustments, the New York State Cooperative Extension Service has played a major role, and the educational programs it has carried out have contributed greatly toward preparing our farmers to compete with those from other States in today's sophisticated type of agriculture.

Now, as I also found out, that same Extension Service is devoting much of its time and attention toward the other side of the coin—toward helping, that is, those farmers who cannot make this adjustment in dairying or other fields to turn their land to other, more profitable uses, and to find other occupations for themselves. But there is a great deal of thinking yet to be done in this direction and, in whatever can be done to help, it is obvious that the Federal Government will have a major role to play if for no other reason than the fact that its often-misguided farm programs of the past have tended to unwisely tie the too small or inefficient farmer to the farm.

Thus, the question of appropriate steps to be taken toward wise development of our rural resources—and that term includes people—assumes an ever-greater importance, and I am sorry to see that the bill now before us—H.R. 9811—does not seem to adequately recognize that fact. In fact, it is difficult to see that H.R. 9811 proposes to do anything, really, other than to endeavor to continue to hold American agriculture in status quo for the time being, perhaps because to do anything else would require both more imagination and greater political courage than the present administration and Secretary of Agriculture seem able to summon.

I fail to see any real point in our continuing to head down this same road of Government control of production and governmental manipulation of the marketplace under the delusion that—this time somehow—this is going to work, when the road we have been following for far too long is marked with a record of nearly constant failure.

It is my desire to faithfully represent the wishes of a majority of my farmers in casting my vote on this bill. It is true—and almost tragically true in some respects—that they, themselves, are divided as to the direction we should take. Perhaps if there were not this division—which is duplicated in farming circles across the land—this Congress would have come up with some more meaningful farm legislation than a bill just holding to the status quo.

However, since I am convinced that such a better plan can still be evolved—though there is no hope of that this year unless H.R. 9811 is defeated—and since I am similarly convinced that a substantial majority of the farm people I endeavor to represent as best I can are not in favor of many of the provisions of this bill—even with its last-minute changes—I have tentatively determined that I must vote against it.

Before casting that vote, however, I would like to say a few words about the additional title that was inserted in the bill by the House committee—title I, or the so-called dairy section. I have no particular objection to this section, or to the proposal to permit the voluntary adoption of a so-called class I "dairyman's base plan" in any of the existing Federal milk-marketing areas. I have given this proposal my most careful attention, and have had numerous discussions concerning it with individual dairy farmers and dairy farm groups from my area, including those who favor such a proposal and those who rather strongly oppose it.

However, as I understand the situation, it will be the dairy farmers, themselves—and not I—who will be voting for or against the establishment of such a plan. It will be they—and not I—who must decide whether or not such a plan will be of economic benefit to them and will help to stabilize their markets and enable them to get off that intolerable merry-go-round of ever-increasing production of milk just in order to survive.

When this proposal was first made, I expressed my concern over the lack of wisdom—since, in any such referendum, some far-reaching and very basic and lasting changes would be made in the operation and use of dairy farms as we have heretofore known them—in permitting what is known as "bloc voting" in that referendum. At that time, I had some rather extensive correspondence with some of the leaders of several of the dairy cooperatives in our State on this question and I doubt if I convinced them, but I succeeded in convincing myself that this was one time when each producer ought to vote individually, thus insuring that he knew what was entailed for him and his children—if they wished to follow along in farming after him—and that he was casting his own vote in favor of or against such changes, rather than having someone else make that decision for him.

When I became so convinced, I did what I could to encourage my friends on the House Committee on Agriculture to insist—if such a section was to be included in this bill—that the individual producer be entitled to vote in the necessary referendum, and I am most pleased to note that this is now provided.

Under these circumstances, since I believe that the individual dairy farmer ought to have the right to change his own marketing program if he so wishes, I would probably support this title if it were offered as separate legislation.

Those in charge of the bill, however—or perhaps it was the White House—have decided instead to adopt the omnibus approach, apparently in the expectation that they could put enough of something for everybody into one package so that those who wanted that something badly enough to ignore the rest of the package would be induced to vote for it. I do not expect that I will find myself in that category—in view of the objections that I still have to the wheat and cotton and feed grains titles—although it is still possible that further amendments will be adopted besides those now in the wind that would tend to lessen my objections. But we shall have to wait until tomorrow to see what may develop here.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, I do not begin my remarks at this moment with the traditional "I rise in support of" or "in opposition to this bill" because I doubt that any member of our committee, and I am sure no Member of the House, could clearly make such a statement because of the present conditions of this omnibus farm bill.

I might say that I am extremely glad that the distinguished gentlemen who had their colloquy on the cotton program preceded me because it comforts me to find out that there are those, whom I consider experienced, intelligent, and certainly competent in their field, who are as confused as I am.

I would like to direct my questions to that portion of the bill that has to do with wheat. We have worked many months on this bill, as our distinguished chairman has told you. We agreed on certain titles, after a great deal of debate, and pro and con, and give and take, which he has said was necessary. I supported and worked for certain titles of this bill. But, today as a Representative of one of the major wheat-producing areas of our country, I certainly am just as confused as those who have been talking about cotton, as to where we are in this bill on that section.

For many weeks following the committee hearings on the farm bill, and since the committee reported the bill, we have heard speeches by the President of the United States, the Secretary of Agriculture, various farm groups like the National Grange, the National Association of Wheat Growers, and the Farmers' Union. We have heard from distinguished spokesmen from the consumer groups, all saying that this was a good section of the bill and there was no justification for the bread tax argument.

We have been hearing that this was an excellent bill for both farmers and consumers.

Mr. Chairman, for one thing I hold a letter in my hand here signed by David W. Angevine, chairman of the Wheat Consumers Committee. Mr. Angevine speaks for the consumers. I believe many of my colleagues received a copy of his letter about August 12, but in any event let me just quote from a portion of it. He says:

> Under H.R. 9811, farmers will get a fair price in the marketplace, not out of the Treasury, not out of the taxpayers' pockets, as those opposed suggest, but a fair price in the marketplace.

Mr. Chairman, I also hold in my hand a letter dated July 29 and signed by Mr. Anson Horning, president of the National Association of Wheat Growers which, again, went to all Members of Congress, and he said:

> Please consider these facts. That in the past 17 years the price of bread has increased every year. The average annual increase has ranged from one-tenth of a cent up to almost 1 cent. Not one of these increases during this time has benefited the farmer. The farm bill, H.R. 9811, provides increased income to the farmer through the marketplace, the only one he has had in 17 years. Since 1947-49 when we look at the factors which affect the cost of a loaf of bread, the millers' share is up 100 percent; the retailers' share is up 111 percent; labor's hourly wage rate has increased 103 percent; however, the farmers' share has decreased by 8 percent. The farmer, in H.R. 9811, is finally getting the benefit of one small increase in bread prices.

Mr. Chairman, one of the most distinguished spokesmen for the consumer, the housewife consumer, and all in America is Mrs. Esther Peterson, Special Assistant to the President for Consumer Affairs. She spoke out on this bill and favored it, saying:

> The bill is designed to benefit the consumer by encouraging greater economic stability among farmers who produce wheat for market.

Mr. Chairman, there was a speech made just yesterday by our distinguished Secretary of Agriculture, Orville Freeman, before the 7th District Iowa Development Group at noon, August 16. I am just going to read to the members of the committee a portion of this speech because in it Secretary Freeman again, as in many times before, reaffirmed his support of the wheat section of the bill.

The Secretary repeated an earlier description in calling the legislative package to go before the House Tuesday "a producer-consumer bill." While assuring consumers of continued food abundance at fair prices, the legislation will strengthen the family farm and make rural America a more effective contributor and participant in total economic growth.

He said:

> Unity among food producers and consumers in advancing their common welfare will overcome the selfish interests which seek to divide them for exploitation.

He also said major baking firms are spearheading efforts to amend the bill and make farmers increasingly dependent upon tax funds for essential income gains by "raising a phony 'bread tax' claim and threatening to boost the retail price of bread by 2 cents a loaf."

He went on to say it is unfortunate that the false bread tax charge has tended to overshadow basic consumer-producer-taxpayer benefits of a comprehensive and constructive food and farm bill.

Ending his speech, he said the question now demanding an answer is: Who shall determine the Nation's food and farm policies—producers and consumers and taxpayers and their Congress, or the bread trust?

That speech was made yesterday.

May I repeat, the President of the United States, the Secretary of Agriculture, outstanding consumer groups, our National Association of Wheat Growers, representing wheat producers, not to mention very distinguished farm groups like the Grange and the Farmers' Union, were for this bill before amended. But this afternoon, Mr. Chairman, we are suddenly told that some kind of secret behind-the-scenes meeting among Democratic leaders was held, and that suddenly, apparently, everybody's position has changed on this bread tax issue. Does that mean that all these people I have just quoted are now saying that they were wrong? How now, Mr. President? How now, Mr. Freeman? How now, Mrs. Peterson? How now, the leaders of the Democratic Committee? What about the wheat farmers?

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from North Carolina to answer if he can.

Mr. COOLEY. The gentlewoman knows how I voted in the committee, and that is as I am going to vote here tomorrow.

Mrs. MAY. We have not seen the amendment.

Mr. COOLEY. It was read this morning.

Mrs. MAY. As I said, I have not seen it. But I was speaking only of the change of those who backed the wheat section of the bill.

Mr. COOLEY. Is not the gentlewoman going to vote for my amendment tomorrow?

Mrs. MAY. Indeed, I am not. The wheat growers in the State of Washington, the wheat growers of other States were not consulted about this switch. We have had letters and wires from wheat grower associations in various counties, and from State organizations, all supporting the wheat section of the bill. But that was before the sudden switcharoo was made. How do the wheat growers feel about it now? Do they favor a $250 million Brannon plan kind of direct subsidy?

There can be no doubt that developments over the past 24 hours have considerably changed the complexion of the wheat portion of the omnibus bill.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Iowa.

Mr. GROSS. Did those switcheroos occur in the rose garden?

Mrs. MAY. The gentleman has posed a question I am sure is in everybody's mind in America today. I do think we should give the President of the United States, the Secretary of Agriculture, and these other people a chance to tell us what part they may have played in this present changeover.

For one thing I know the wheat growers of my State and other States must be very confused over these recent events. They have asked for a wheat program that they could count on so they could make some long-range plans. In the case of the Secretary's position up until last night, my wheat growers felt that they could count on what they had been told. Now without warning, the Secretary, the administration, and the House Democratic leaders do a sudden about-face and I would just pose this question for all of you, for whatever commodity you might represent in this bill: Just how do I or how does any Member of the Congress representing a rural district ask our farmers to have confidence in a program when obviously they cannot have confidence in the words or the deeds of its own leadership as this is administered?

Mr. CALLAN. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman.

Mr. CALLAN. I, for one, supported your position on the certificate plan last week. We worked hard to see if we could get votes to pass this bill. I could tell the gentlewoman if we had assurances of 20 or 30 votes from her side of the aisle, I doubt if this so-called switcheroo would have ever come about.

Mrs. MAY. I would suggest the gentleman appeal to the chairman of the subcommittee. I think, perhaps, you should put that question to him and find out just where we stood on that. But obviously the votes have to come from those who are in control at the moment.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PURCELL] to discuss the wheat section of the pending bill. The gentleman from Texas is chairman of the wheat subcommittee.

Mr. PURCELL. Mr. Chairman, I would first say I feel more at home now during the last 30 minutes or so than I did during the first 2 hours. I thought our Committee on Agriculture had died, but I am happy to say I see some of our colleagues are as lively as ever.

First, Mr. Chairman, I would like to say it has been my privilege to serve as chairman of the Wheat Subcommittee during the last 2 years. This subcommittee began work last January on a wheat bill. I cannot be too complimentary of the people on both sides of the aisle who serve on the committee I am honored to be chairman of. I want to say publicly, I thank them for their hard work and dedication and doing a job as they see it for the farmers and the consumers of America.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman.

Mr. QUIE. I would like to say that from my experience with the gentleman from Texas there is no finer Congressman who ever walked through the doors of this Chamber. He is a great friend of mine. I have respect for everything he tries to do. We have differed at times but whenever we do differ, I know it is because of the conviction that the gentleman from Texas has that he is right. I just want to say I take my hat off to him for the great work he has done. There is no man for whom I have greater respect than the gentleman from Texas.

Mr. PURCELL. I thank my colleague for his kind words.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentlewoman.

Mrs. MAY. I would certainly like to add my compliments to those of the gentleman from Minnesota. I am certainly happy to have had the privilege of working on the House Committee on Agriculture with the gentleman from Texas. I also had the privilege of working with him on the National Commission on Food Marketing. I consider the gentleman as one of the most honest, courageous and hardworking and cooperative Members of this body and I am very proud of our association in this work over the past years.

Mr. PURCELL. I thank the gentlewoman.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman.

Mr. BELCHER. I would say as ranking minority member of the gentleman's subcommittee, I reiterate everything that my colleagues have said. The gentleman has been extremely fair. He is an objective thinker and is certainly a very fine man to work with. There have been times when we differ, but one can differ with the gentleman from Texas in an agreeable manner.

Mr. PURCELL. I thank my colleague.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman.

Mr. POAGE. Just so that it may not look as if the minority alone feels that the chairman of the wheat subcommittee has done a splendid job, as a member of the majority I would like to say that we on this side likewise feel the gentleman has done a splendid, fair, and outstanding job and we are just as proud of him as you are.

Mr. PURCELL. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the distinguished Speaker of the House, the gentleman from Massachusetts.

Mr. McCORMACK. While our colleagues have paid these well-deserved tributes to the gentleman from Texas [Mr. PURCELL], I cannot remain in my seat if I thought the RECORD would reflect that these remarks concerning my distinguished friend and colleague were in reference to him only in his capacity as chairman of the Wheat Subcommittee of the House Committee on Agriculture. Of course, the gentleman is a great chairman as everybody has expressed. But more than that, the gentleman from Texas is one of the outstanding Members of the Congress.

Mr. PURCELL. I thank the distinguished Speaker.

Mr. Chairman, this has been an unusual and exciting year in the U.S. Congress. Working together, we have passed some of the most significant and important legislation ever seen in our country.

Better education, medical care for the aged, air and water pollution controls, scientific research projects, public works, city housing problems, crime and delinquency controls, special regional recovery programs, higher business profits and income for workers, improved transportation facilities, and legislation to benefit labor have all received special attention from this Congress.

Today we have an opportunity to work on legislation for our friends in rural America. All of the work that has gone into these other problems will not be enough if we fail to recognize the needs of our people in rural United States.

The possibility of a life of poverty is twice as likely to happen in a rural family as in a family of a city dweller. More rural families live in substandard deteriorating houses than there are in all the cities of the Nation put together.

Yet, thanks to the skill and ingenuity of American agriculture, the American consumer has been provided the best food deal in the world, only 19 cents out of each dollar of income is spent for food. Farm costs have, however, continued to grow, while farm prices have held steady or even fallen back some.

Now is the time and here is the place to start bringing farm income up to a level consistent with the economy.

Mr. Chairman, I also want to take this time to clarify, if I may, the major decisions which were made to change the portion of the bill covering one of the basic commodities of the United States and of the world—wheat. The change from the original concept of the bill is this: Originally the millers and other users of wheat for domestic purposes were to purchase certificates which would be based on the difference between the support price of $1.25 and full parity, which is approximately $2.50. This provision was approved by the Wheat Subcommittee and again by the full Agriculture Committee, and had the support of nearly every farm organization in this country.

In order that no one might feel he has not had explained to him enough of the details of the present wheat program, I will divert a moment from my prepared statement to state very briefly what the wheat program provides.

Farmers who participate in the program and make the required acreage reduction will be paid on approximately 45 percent of their wheat crop a 75-cent certificate. The loan price will be $1.25. This will give a price at the present time of $2 for the domestically used wheat.

During last year and this year there has been an export certificate of 25 cents per bushel allowed on a participating farmer's production on an additional approximately 45 percent of his wheat. Under the proposed bill the 25-cent export certificate will not be mandatory.

So really the only change between the existing law and the law we are now proposing is that the farmer will receive from the marketplace $2.50—that is about parity—for one commodity in America.

Under the proposed amendments that will be submitted by the gentleman from North Carolina, 50 cents, or the entire increase from the 75-cent certificate to the $1.25 certificate, will be paid out of the Treasury. This meets all of the objections I know of that have come from the so-called bread users or wheat users or whatever it is they have been called. I hope this explains satisfactorily the wheat program as we have it. The decision has now been made that the Commodity Credit Corporation will bear any portion of the price support in excess of the $2 per bushel. Therefore, the cost to processors under the amendment would not exceed $2 per bushel, which is the same as it was in 1964 and 1965 under this program and the same as the price was in years prior to that.

I believe that the events which led to this change are significant. As time progressed and as more consideration was given to the provisions of the wheat title of this bill it became evident that the general public felt an increase in the price of bread at this time would be unreasonable. From many parts of the country people expressed concern that food prices were too high and could not go higher. The decision reached to take the extra cost on the U.S. Treasury is proof that the House is responsive to the concerns of the American people. This decision, however, while responding to the concerns expressed by the people, was brought about largely by the time and work and tremendous quantity of money spent by the large millers and baking corporations and certain unions making up the Wheat Users Committee. I believe that if the concern expressed by the Wheat Users Committee is as significant as they would have us believe, we can certainly rely on them to hold the line with their price and wages.

For example, I am sure that the unions which participated in the drive by the Wheat Users Committee will want to do their part in holding down the bakers' costs of production and thereby maintain the current price of bread. Certainly wage increases which would increase consumer costs will not be in order in the baking industry.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. POAGE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PURCELL. Likewise the giant bakeries and millers who make up the bread trust which fought the efforts to place the cost of this program on the marketplace where it belongs will not make any plans to increase the price of bread or other wheat products. I know the concern expressed by these industrial giants in behalf of the consumer must have been genuine and sincere. I am therefore confident that they will hold the price on wheat products down in a manner consistent with their expressed concern that higher prices will reduce consumption of wheat products, thereby injuring the farmer. I would also hope we will be able to count on the support of these unions and wheat users when the farmers come before this Congress to ask for the appropriation of $250 million to continue this program in each of the next 4 years. I am sure we can count on them to stand shoulder to shoulder with farmers and consumers in obtaining passage of legislation which will improve farm income without increasing consumer prices. So there will not be the slightest excuse for raising the price of bread, not one-tenth of a cent and not even one-hundredth of a cent. No more need we listen day and night to the howling wind with the mournful wailing noise, "bread tax, bread tax, bread tax."

That dragon at last is dead. The hideous, sinuous, insidious, monstrous, fire-breathing serpent lies limp at our feet—its once-hot nostrils cool—all of its flame extinguished by a four-bit subsidy from the U.S. Treasury.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Chairman, first of all, I wish to add my commendation of the chairman of our Wheat Subcommittee for the excellent job he has done in the past and I know will do in the future. I would like to touch on a subject that we have not discussed today which is very important, and is noncontroversial in every place except in the Office of the Secretary of Agriculture. That subject is with reference to raising or increasing the Commodity Credit Corporation release price on wheat. There is much to be said about probably every section and every title of H.R. 9811. It is a very complicated bill as you have learned this afternoon, dealing with cotton, feed grains, wheat, and wool, and dairy; and then there is a section on cropland adjustment and finally a miscellaneous section dealing with boiled peanuts and other important provisions.

I would like to devote my time to the so-called resale formula because tomorrow I plan to offer an amendment to the appropriate section of the bill asking an increase in the resale formula of CCC stocks of wheat from the present 105 percent of the current support price, plus carrying charges to 115 percent of the current price, plus carrying charges. We read a lot, hear a lot, and talk a lot about farm organizations differing on farm programs. But let me say that, when it comes to the resale amendment, there is almost universal agreement among farm groups. I can say in all candor that on this particular issue, on raising the resale formula, such great farm organizations as the National Farmers' Union, the American Farm Bureau Federation, the Farmers Grain Terminal Association, the National Grain Trade Council, the National Grain and Feed Dealers' Association, the National Federation of Grain Cooperatives, and the National Association of Feed Growers, with some reservations, are in agreement that the resale formula should be increased when it comes to disposing of Commodity Credit Corporation stocks of wheat.

In our Wheat Subcommittee, the vote on such an amendment was 6 to 5. Then in the full committee, when lowered to 110 percent, the vote was 17 to 18. This indicates two things. First of all, there is wide support for this amendment; and secondly, the support is bipartisan. This is not a Democratic or a Republican proposition. I would go back to the President's message of February 4 and quote from that message, when he said:

> Our objective must be for the farmer to get improved farm income out of the marketplace, with less cost to the Government.

In a subsequent paragraph, the President stated:

> To do this, I am asking the Secretary of Agriculture to so utilize the Commodity Credit Corporation as to make the free market system work more effectively for the farmer. We must encourage the private segment of our economy to carry its own inventories, bought from farmers, rather than depending on the Government as a source of supply. We must urge the private sector to perform as many services as possible now performed by Government agencies.

And this is all we attempt to do by raising the resale formula.

We are trying to carry out the statement of the President in his farm message on February 4 of this year. One would think with that statement from the President there would be a great effort on the part of the Secretary of Agriculture and others charged with the administration of this program to work out some increased formula and support the amendment which will be offered. But this has not been the case, even though farm leaders, farm organizations, Republicans, and Democrats support some increase.

Mr. Chairman, I would say in all candor that there is a difference of opinion as to whether it should be 125 percent, 120 percent, or 115 percent, or 110 percent. But I know of no major farm group, with one or two exceptions, which believes there should not be some increase in the resale formula.

Mr. Chairman, section 407 of the Agricultural Act of 1949, as amended, specifies that in selling commodities for unrestricted use in the domestic market, the sales price of the Government should not be less than 105 percent of the current support price programs, reasonable carrying charges for storage, handling, and so forth included. It is clear the USDA is not required to sell for unrestricted use at the 105-percent level, and it has been pointed out by many experts that the CCC could advance with the market beyond 105 percent. But rather than do this, the CCC policy has been to sell commodity stocks at 105 percent and thus, without question, depress the market prices and literally deprive the farmer of additional income.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. DOLE. I thank the gentleman from Pennsylvania.

I do not say this would automatically raise the income of every farmer who produces wheat, but it could depending on the circumstances and where the amount of increase. It can do four things. First it could raise the net returns to wheat producers by approximately 10 cents per bushel on an average, at 115 percent.

It could mean substantial savings to the Government by greatly reducing transportation costs and elevator in-and-out charges which now accrue as a result of selling farm products with one hand and buying equivalent amounts through the storage loan program.

Three, the farmer would receive his increased income in the marketplace and not through a direct Government payment. This would result in less cost to the Treasury.

Fourth, tighter restrictions on CCC sales would give farmer-owned cooperatives and the private grain trade an increased opportunity to carry out their historic function as the buyers and merchandisers of the output from American farms. There would be added incentive for all segments of the trade to carry larger inventories of farm commodities, thereby reducing the Government's enormous storage costs.

Mr. Chairman, there have been a number of arguments advanced in opposition to raising the resale formula, and one often used is that any increase in the resale formula would, in effect, freeze the present surplus stocks of the Commodity Credit Corporation. It is well to again emphasize that the amendment to be proposed will apply only to sales for unrestricted use, and the Commodity Credit Corporation would still be selling grain, redeeming PIK certificates for exports at the market price. Grain donated or barter grain would also come out of the Commodity Credit Corporation stocks without prohibition and then, in addition, deteriorated grain can be disposed of by the Commodity Credit Corporation notwithstanding any provision of section 407. At the present time Commodity Credit Corporation is supplying about 35 percent of all wheat moving abroad, and there is no reason to believe that this will change significantly in the years ahead.

Mr. Chairman, one of the most overlooked items in the current controversy over increase in the price at which the Commodity Credit Corporation may sell wheat for unrestricted use is the fact that for years now this agency has been able to unload vast amounts for export under a multiplicity of programs exempt from this provision of law on which it has the exclusive to be the sole supplier.

These programs include barter, donations abroad, payment in kind, and, optionally, sales financed by CCC's credit program at interest rates varying from 4.5 to 5 percent.

Since the 1959–60 marketing year, analysis of official USDA data discloses that the Commodity Credit Corporation has annually supplied exclusively from its stocks 35 percent of the average annual exports of wheat—grain only.

This should take care of any argument that we are in effect locking up CCC stocks, and adding additional costs to the Government. This is not the case.

I would point out again that this amendment, whether it be 115, 120, 125 or perhaps as low as 110, has wide support among farm leaders, and in all honesty, the only apparent reason it is not supported by the Secretary is because he can use the low price to force farmers into what is designated a voluntary program. Now when over half the benefits in the wheat program come from Government or other payments, it is very unlikely that raising the resale formula by 5 or 10 percent would result in any less program compliance. Anyone who says this just does not understand the program. In all earnestness I trust that tomorrow when the amendment is offered it will have broad bipartisan support.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Ohio.

Mr. LATTA. When the Secretary of Agriculture was before our committee, he admitted they were using this 105-percent parity to enforce compliance with the program.

Mr. DOLE. Yes. I belive it was on April 6 of this year when he was before the House committee, and stated the purpose of keeping the formula at 105 percent was to get program compliance.

Mr. LATTA. Will the gentleman agree that is not the real purpose of that section when it was enacted by the Congress?

Mr. DOLE. Yes. When price supports were at $1.80, or higher, 105 percent worked fairly well. With supports at $1.25 per bushel we have a different picture. Section 407 simply needs to be updated and the amendment proposed would accomplish this.

The amendment, I might add, has the support of every Member of the Kansas delegation, of Members in the North and South Dakota delegations, and many other Members on both sides of the aisle.

Mr. TUNNEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TUNNEY. Mr. Chairman, I rise in support of the open end clause in the cotton bill. I believe that clause would extend to domestic cotton producers many of the advantages now enjoyed by their foreign competitors. In my own district in California cotton has been produced since the turn of the century when irrigation water became available to the farmers in that desert area. Only during the war years of the forties when the USDA War Board requested that such war crops as guayule, medicinal herbs, flax, sugar, and even poppies for opium be substituted for cotton did farmers in my district fail to harvest cotton crops. During the Korean conflict those same farmers found it necessary to adjust their planting rotation a second time. And this time cotton was included in the list of needed crops. In 2 years' time, we had an increase in the planting of cotton that put 120,000 additional acres into cotton cultivation. In 1953, however, when cotton allotments were reinstated my farmers received a real jolt. Their cotton allotment was cut back to less than 20,000 acres.

The irony of this situation lies in the fact that while my farmers are prevented by law from planting the cotton so in demand by domestic and foreign mills, just across the border from Imperial County the Mexican farmer has been steadily increasing his cotton production. That increase has been so tremendous in Mexico's Mexicali and San Luis Valleys that the city of Mexicali has grown in 20 years from a small community populated by a few thousand people to a city populated by more than 250,000 people.

The cotton economy of our neighbor to the south is now so firmly established that a 150-mile-long highway was built by the Mexican Government to accommodate the cottongrowers there. That highway runs through deserts and over mountains to Ensenada, on the west coast of Baja California. There in the last 4 years a big harbor has been established solely for the exportation of the cotton, grown so freely and profitably across the border from southern California.

For many years now the United States has, in effect, been protecting foreign cottongrowers by holding a price umbrella over foreign production. In addition we have been eager to share technical know-how necessary for the production of irrigated quality cotton—the cotton so in demand because of its spinnability. The ingenuity and knowledge of some of the young farmers from my district made it possible for Guatemala to increase its cotton production from 90,000 to over 250,000 bales a year. That increase took place in just 5 years.

If the open end clause is retained in the cotton bill, U.S. farmers will be able to take advantage of their own know-how without having to leave the country to do so.

That clause would allow cottongrowers to produce more quality cotton. Because mills are using a blending process in yarn manufacturing, an increase in available high-grade cotton would mean that more low grade could be spun.

Certain areas of the country can sell all the cotton they produce. The reason for this is that their cotton has good breaking strength, top character, good color, and desirable staple length.

Other regions of the country can sell on the open market only 20 percent of the cotton they produce. The cause is, of course, poor quality of product. As a result, mills in those very regions are willing to pay high freight rates on cotton shipped from the Mississippi Valley and the Far West while local cotton is bought up and permanently warehoused by the Federal Government.

There must be an end to the constant increase in Government stockpiling. The Commodity Credit Corporation now has over 14 million bales in storage, more than 1 year's requirement for our domestic needs.

No longer does the cotton fiber command the absolute and unique position it once held. Manmade fibers are seriously breaking into the market. More quality cotton must be grown if the industry is to survive.

Cotton must be grown, spun, woven, finished, and made into various consumer items, varying from high fashion garments to seldom seen industrial fabrics. Cotton is one of the Nation's most valuable agricultural commodities, and its value is related directly to its ability to measure up to very exacting manufacturing requirements.

We must enable those farmers who can produce cotton efficiently to do so. It will in the long run save the cotton industry and guarantee to the consumer high quality merchandise.

It should be noted that those who elect to grow cotton under the open end clause cannot participate in the loan or subsidy program.

This is in the highest tradition of free enterprise. It allows the farmer to go out on his own and produce for the market. If he is efficient and his selling price is good, he makes a profit. If he cannot sell for a profit, he suffers financial loss and cuts future production. At least he has had the right to make his own production decisions.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska [Mr. CALLAN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CALLAN. Mr. Chairman, in the course of this debate you have and will hear so many statistics, so many conflicting statements, that I would not try to further confuse the issue with more of the same. As a member of the Committee on Agriculture, however, I want to try to impress on you the effects of this legislation. Extensive hearings were held, all aspects of the bill were thoroughly discussed, and every effort was made to write the best possible farm bill.

H.R. 9811 will accomplish some specific goals which I think we can all agree on: First, farm income will improve; second, farm surpluses will be further reduced; and, third, this Nation will be assured an ample supply of food, not only at reasonable prices, but at bargain prices.

I am completely convinced that this Government could, and should, spend more money in the agricultural sector. I am convinced that it would pay off in jobs and in greater economic growth all across the Nation. It would be good for rural as well as urban America, but I am also realistic. American agriculture has not done a good job in public relations. I suspect that the farmer has been too busy producing food and fiber and neglecting the important business of influencing public opinion. The recent controversey over the so-called certificate plan, points out vividly what a well-organized and well-financed lobby can do.

I am sure I speak for American agriculture when I say that the farmers of the country want the American consumer to be able to purchase their food products at reasonable prices; that they want their food supplies to be in abundance, but that they must now insist that they have equity in the marketplace and that they cannot continue to be left out in a prosperous and expanding American economy as they have been in the past years.

By producing more and better food through use of improved techniques and better equipment—equipment built by industry across the country—American agriculture has done its part in contributing to the expanding economy. It has not only done its part, it has subsidized the rest of the country by not charging as high a price for its products as it should. In relation to income, the American consumer has been paying less and less of his income for food contrary to the experience of the rest of the world. Eighteen percent of the income of the American public goes for food, while the figure is 30 percent in many countries and runs up to 50 percent in Russia.

When those of you who represent areas that produce steel, petroleum, fertilizer, building materials, automobiles, trucks, and farm equipment support farm legislation, you are supporting jobs and increased employment opportunities for the people of your districts.

I suggest to you today that when you vote for this farm legislation you join the effort to stem the exodus of people from rural America to urban America and you will be voting in the best interests of our country. We in rural America do not want to compete with urban people for jobs, further congest our cities, and further complicate problems you now have. We want to remain in our own area and share in the abundance of this country and I believe that passage of this farm bill will assist us in doing just that.

The legislation that has been passed in this session of Congress proves that we in rural America have been and are willing to try to understand the problems of urban America. We now urge you to join us in supporting this bill which is vital to rural America.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. Redlin].

Mr. REDLIN. Mr. Chairman, as a new member of the Committee on Agriculture, I wish to express my appreciation for the fine manner in which the committee and subcommittee sessions were conducted. The distinguished chairman, the gentleman from North Carolina [Mr. Cooley], and the distinguished subcommittee chairmen, the gentlemen from Texas [Mr. Poage and Mr. Purcell], have exhibited fairness and protected the best traditions of this democracy.

For the first time, this legislation offers the solemn assurance that Congress is concerned that the wheat grower should receive a 100-percent-of-parity return, at least on his share of production used for food in the United States. Another strong feature is the 4-year duration of programs, permitting producers to plan ahead more intelligently.

I understand that amendments will be offered to take away any possible onus that the wheat program would raise the price of bread to consumers. In view of this action, consumers have a right to expect a holding line on prices.

Discussions regarding the wheat income features demonstrated that the cost of wheat is a minority item in bread cost and that normal price fluctuations have no effect on bread prices.

A move that could have helpful effects, without increasing bread prices, is adjustment of the resale price of Commodity Credit Corporation wheat stocks. I intend to support an amendment to increase the resale price from 105 percent to not less than 110 percent of the support level.

The narrow margin now permitted is not realistic, and serves to deter the attraction of private capital to invest in grain inventories. We need healthy commercial channels of trade, both cooperative and private. Free enterprise, cooperative, individual, and other corporate, is meant to carry the load in the movement, handling and processing of grain. An increase in CCC release price could mean substantial additional income for the farmer in the marketplace. Such resale price increase should result in less inventories in Government hands, and thus decrease Government storage costs.

Mr. Chairman, I submit that a reasonable return to agricultural producers offers the best assurance to the Nation of an adequate, stable supply of food and fiber for consumers, world markets and our own national security. H.R. 9811, the Food and Agricultural Act of 1965, would accomplish this objective.

As a member of the Agriculture Committee, I became familiar with every aspect of this legislation. While I fully subscribe to the sections on feed grains, cotton, dairy and wool, I intend to discuss wheat primarily, because of its vital impact on the economy of my State of North Dakota.

Basically, wheat growers face the same problems as other agricultural producers. Because there are nearly 2 million of them and because they produce an homogenous product, it is difficult—indeed, impossible—for them to tailor their production to demand. They overproduce and their prices fall.

Faced with a similar situation, a factory simply cuts back production to allow demand to catch up with supply. An individual wheatgrower, 1 of the 2 million, can respond in a similar manner, without making a dent on total supply; only if a large percentage of wheatgrowers act in concert can supply be brought into balance with demand. Instead, the natural response to falling prices for each individual producer is to increase his production, in the desperate and futile hope, that he can maintain his income by selling more units at the lower price. The paradoxical fact is that, in agriculture, falling prices spur more production rather than less, leading to a vicious circle of surplus, diminishing farm income and more surplus.

Carried to its logical conclusion, such a process will starve thousands upon thousands of producers out of existence, opening the door to price control by a small group of survivors. The loser would be the consumer, the buyer of food.

Mr. Chairman, the consumer has a large stake in preserving competition in American agriculture. On the average, American families will spend only 18.3 percent of their takehome pay for food, compared to more than 50 percent in most countries. Between 1947 and 1964, food prices rose 14 percent less than for other items on the Consumer Price Index. There is no question about it—food in the United States is a bargain.

The way to keep the American pattern of agriculture intact is to insure adequate compensation for the farmer. It is a shocking fact that the farmer today, on the average, earns about $1.05 an hour, less even than the minimum wage and far less than the $2.61 for industrial workers. Our farmers have fallen well behind the national prosperity pace.

We have accepted the proposition that workers are entitled to a fair, reasonable wage. In the farm program, we are only applying the same proposition to the farmer. In the wheat section, we are taking a significant step forward in asserting the right of a farmer to a 100 percent of parity return on the share of his production used for food in the United States, meaning simply that he should receive compensation reasonably related to his costs and the general level of the economy. A second major improvement would be the establishment of a 4-year program to give producers an opportunity to make intelligent long-range plans.

Mr. Chairman, without farm commodity programs, economic studies indicate that net farm income would drop in half, from $12.5 billion annually to $6 billion. From a basic wealth-producing industry, the depressive effects would reverberate throughout the economy.

In H.R. 9811, we are rejecting the philosophy that price collapse for grain producers must be the cost of achieving an abundant food supply. Likewise, we are rejecting artificial scarcity as a means of forcing prices up for farmers. Instead, we are taking the supply management course, utilizing a voluntary acreage diversion program, coupled with realistic price supports, to bring production into reasonable balance with our food requirements, including an adequate national reserve.

Mr. Chairman, in the past few years, we have made strides in developing such programs that have raised farm income and decreased costs. H.R. 9811 takes us another step forward, and I urge the support of my colleagues for this legislation.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REDLIN. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. I wish to say to the gentleman from North Dakota that he has made a very profound impression on the members of my delegation. I was in doubt about the wheat program. I wanted to be educated. I wanted to help the farmer. I walked with the distinguished gentleman from North Dakota, and he has converted me to his side.

Mr. REDLIN. I thank the gentleman from Illinois.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. Langen].

Mr. LANGEN. Mr. Chairman, there are those among us who would have us believe that the bill before us would do something for agriculture that 30 years of farm programs have not been able to do. This, in my judgment, it will not do. In fact, the agricultural economic experience over this period has been so well documented that when reviewed in connection with this bill, it rather indicates that the situation might well be worse at the end of the 4-year period for which the legislation will be in effect. This, of course, is barring any great economic change such as has been brought on by war years during the history of the last 50 years, a situation that all of us hope and pray will not be the case, even though clouds may be threatening on the horizon. It is ironic indeed that we should today find ourselves in a position of dealing with a farm problem that is so serious that it finds no comparison other than the conditions that prevailed in the depression days of the 1930's.

Much has already been said about the deplorable conditions that prevail today. I think it is most important that we realize what the present agricultural situation is, because it is the problem with which the legislation before us concerns itself. It has been consistently repeated around the country that farm income is down. Whether measured in terms of parity ratio—76 percent—or whether in terms of the amount of money that the farmer receives from the consumer's dollar—37 cents—all are indicative that farm income today is back at about depression-day levels. The fact that this is true is evidenced by the very rapid increase in the farm debt. Farm mortgages and short term debt increased far out of proportion to income, which is the real proof that the farmer's economic situation is very rapidly deteriorating.

To give some idea of just how alarming the deterioration is, in 1961 farmers were indebted $1.97 for every dollar of realized net income. The same comparison made early this year indicates that this indebtedness has grown to where it is now $2.86 for every net income dollar, which is shocking indeed when we realize that the farmer owed only $2.30 per income dollar in 1929, the eve of the great depression. These facts become even more alarming when we realize that less than 6 percent of U.S. farmers today actually receive a parity of income. This, of course, means that the farmer is being forced to use credit as a substitute for income. While there are those who would say that the farm real estate values have increased and so have offset some of the mounting debts, even this argument becomes fictitious when we note that the farm debt grew 23.1 percent while the value of farm real estate grew only 9.8 percent. Obviously, farm debt is increasing at a much faster pace, so the comparative balance sheet of agriculture clearly reveals that the rising real estate values have not offset losses in the farm economy.

But I want to call to your further attention some more recent figures that were released on July 28 of 1965 by the Economic Research Service, U.S. Department of Agriculture, titled "Farm Income Situation." This docket, which I hold in my hand, is a very complete and thorough document of the various phases of the agricultural economic realities, and I would recommend its study by every Member of Congress or anyone else who has a sincere interest in the future of this Nation's agriculture. Permit me to quote a few figures from this docket, and I do so because it represents the Department of Agriculture's own analysis of agriculture, which in many instances they have documented from 1910 up to and through 1964.

On page 50, we find table 2–H, which identifies the total growth in net income from farming for this entire 54-year period. It specifically identifies the total gross farm income, the total production expenses, and the total net income. These statistics reveal that in 1964 the percentage of total gross represented in net income is at 25.9 percent, with Government payments excluded. This is the lowest percentage during the entire 54-year period, and is 4.3 percent lower than it was in 1932, at the very heart of the depression years, when it was 31.2 percent. Now, it is interesting to note that when we add Government payments, which in 1964 amounted to a little more than $2.1 billion, the percentage increases to 29.3 percent, but is still the lowest during the entire 54-year period, being 1.9 percent lower than it was in 1932, when there were no Government payments.

It is equally interesting to note that Government payments started in 1933, with a total payment of $131 million. In 1964 they amounted to $2,169 million, or 16 times higher than they were in 1933. In 1960, Government payments amounted to $693 million, or less than one-third of the 1964 figure. We find that they have increased by more than three times during the last 4 years. Yet the percentage of net income to gross income declined by 2.1 percent in this 4-year period. These facts and figures certainly do not present a success story, but rather indicate the extent to which these expenditures of Government money have been a complete failure in accomplishing the desired objective of improving the farm economy and income security to the individual farmer.

There are even more disturbing factors. On page 51 of the same document I also note that the total number of farms in 1932 was 6,687,000. In 1964 there were 3,472,000, or just a little more than half as many as in 1932. This substantially refutes the argument that reducing the number of farms provides the answer to the depressed farm income, for while we have cut the number in half since 1932, the net income has shown no improvement, and is rather worse. Were we to make the same comparison since 1960, we find that the number of farms has declined by more than 475,000 during the last 4 years, with the total farm population now being at 6.8 percent of the total national population. It is also worth noting that this 6.8 percent of our population which can be identified as farm population received only 3.8 percent of the total disposable personal income.

There is another document that I should like to call to the attention of the House. It sets forth the same dark picture most explicitly, and was compiled by the House Committee on Agriculture, revised and printed in July of 1964, and is entitled "Food Costs and Farm Prices." It very clearly and concisely presents the inequities that exist in the relationship of farm income to the cost of food to the consumers of our Nation. I shall quote only a couple of figures from this document because of their pertinence to the problem that the legislation before us is allegedly designed to improve.

You will note that in the foreword, written by the chairman of the Agriculture Committee, he states that over the past 16 years prices received by farmers have dropped by 12 percent while the prices paid by consumers for food have increased by 29 percent. He goes on further to identify that the cost of food to the American consumer is still the lowest in the world, at 18.8 percent in 1963, and has declined from 22.8 percent in 1950 primarily because of the efficiency in agriculture and the decline in prices farmers receive. And so we see that the American consumer still enjoys a most impressive bargain counter when compared to the food costs to all the rest of the world. In the United Kingdom it costs 29.5 percent of the average family's income after taxes for food; in Italy 44.7 percent; in Japan 46.9 percent; yes, and in Russia, 53 percent, while in the United States, as I indicated earlier, that cost is only at 18.8 percent.

I have called some of these facts and figures to your attention for two specific reasons. First, it serves to identify specifically the problem which confronts American agriculture that we are dealing with today as identified by the Department of Agriculture and the House Agriculture Committee. These are their figures, and their analyses of the experience and results of farm programs during the years of their history. They should alert us all as to how serious the problem is and how urgent the need for improvement. One cannot look through either of these documents without being further disturbed, because it becomes so glaringly evident that the only profitable years in agriculture have been the periods of two world wars, when farmers served the cause of the Nation so admirably in providing food and fiber. It would seem that they are most deserving of a more favorable regard and reward now.

And so the big question—Will the legislation as now presented to this House and that is presently being debated, provide the answer, the solution, or even relief to these most inequitable conditions? It is my humble opinion that it will not, and as I stated in the beginning, will probably serve so ineffectively that conditions could well be worse at the end of the 4-year period that the legislation will be in effect.

H.R. 9811 is a very comprehensive bill in that it covers the major part of our agricultural productive unit. It deals with dairy, wool, feed grains, cotton, wheat, cropland adjustment, plus some miscellaneous items relating to peanuts and tobacco and other minor regulations pertaining to agriculture. It is to be noted at the outset, however, that even though it does cover this broad field, it offers very little, if anything, by way of improvement in the net income return to individual farmers. In fact, it will do well to even hold its own. There is little or no increase in the price support structure or markets.

It should be noted at this point that the only justification for the existence of any farm program is to improve the net return to individual farmers across the Nation. It was for this purpose that the original farm programs were started, brought about because of the agricultural bankruptcy that existed throughout the Nation during the depression years of the early 1930's. The surplus problem is one that has been created by, or, probably better stated, exemplifies the failures of the farm programs over the years, in that they have failed to achieve their objective and have resulted in the accumulation of the large surpluses that are now held by the Commodity Credit Corporation.

I stated earlier that farm income was now at a lower level in many instances and by several comparisons than was the case in the 1930's. One of the main factors that has contributed to this continuous decline in farm income has been the fact that production expenses have just as consistently gone up. In fact, the production costs in 1932 were $4,483 million, and in 1964, more than $29 billion, or more than 6 times as high as they were in 1932. This alerts us to the fact that we cannot possibly evaluate the results of this legislation without also giving some thought to what will happen to the costs of production during the next 4 years. If we follow the normal pattern of our economy, it becomes quite obvious that there will naturally be some increases in the production expenses. However, there are also other adverse factors which can be directly attributed to actions already taken and pending in this Congress. Let me just take a moment or two to look at a few of them.

It is commonly known that the Education and Labor Committee is about to recommend to this House an increase in the minimum wage law to the extent of 40 percent as it affects all of the workers that are now covered by the minimum wage. The bill will also add 6 million workers who are not now covered in various business enterprises, and of equal importance, it will also add some 700,000 farmworkers. This, of course, can only mean that the farmer's cost of production is bound to go up, because of the added burden of increased costs of labor created by the inclusion of farm labor, and while this involves only a part of the farm labor force, it is only a matter of time until the rest of the labor force will be included. We have seen these progressive steps having been taken in other fields over the years, and it is only a question of "When will the rest of them be included?" The farmer will be equally adversely affected by the 40-percent increase in the existing minimum wage and the inclusion of 6 million workers in business and service enterprises that are being brought under the act, many of which are located in rural areas. Whether they are implement dealers, service stations, or other shops and retail stores, they do involve items that farmers, of necessity, must buy. Therefore, it becomes perfectly obvious that within the life of this bill, the production costs and direct expenses of farm operations are going to go up substantially, and as they do, this, of course, will bring about the very undesirable result of further reducing the net return to levels that are even lower than they are today. These actions amount to a great injustice to the farm population, because the farmer represents the only segment of our society that does not have the means by which he can increase the price of the commodity he has to sell. The businessman, undesirable as it might be, can always increase the price of the product that he offers for sale. And, so again, we see where the farmer gets the short end of the deal.

I certainly do not blame the farm population for having raised the complaints and the concerns that they have in the many hundreds of letters that have come to my office and I am sure have also been received by other Members of this House. The farmer has just cause for concern when he sees how Congress has increased salaries in every conceivable category, including the Members' own compensation, up to as much as 40 percent in the instance of minimum wage, and then he is faced with a further reduction in income, which, incidentally, is far below the minimum wage to begin with. The very least we could do would be to provide him with a comparable increase.

The farmer has been further affected by legislation passed by this and other Congresses, and I find it almost unbelievable that we should be here today considering a bill which provides for a cropland adjustment or a land retirement program that, according to the report, should retire some 40 million acres from production during the next 5 years. It is only a matter of a few weeks ago since this Congress passed a bill to increase production on 250,000 acres at a cost of around $800 an acre of the taxpayers' money, and now we are about to spend more of the taxpayers' money to retire cropland from production. In the meantime, the farmer is faced with additional production and more competition created, instigated and paid for by the same Government, with the same taxpayers' dollars. Is it any wonder that the farmer complains, the taxpayer complains, and the consumer complains, with this kind of mismanagement which has made them all losers?

The farmer has not only lost income, but he has also lost a great part of his freedom. The bill that is before us does not improve this situation either. I view with some alarm the fact that in reading the bill I found 120 instances where there were words to this effect: "as the Secretary determines," or "as prescribed by the Secretary," indicating the vast amount of authority that is delegated to the judgment and whims of whoever is the Secretary of Agriculture. In fact, there are so many items left to the discretion and judgment of the Secretary, that it is almost impossible to completely evaluate what many provisions of the bill will be when administratively applied. It is certainly obvious that the farmer will become more and more dependent upon the bureaucratic actions of Government for his income, and less and less dependent upon the marketplace. This is particularly evident in the wheat certificate program, title V of the bill.

While it is not my purpose to describe in detail the various sections of the bill, because this has already been so adequately done by the respective members of the committee, let me just make this brief reference to the wheat certificate program. By virtue of its provisions, the farmer will now receive, through price supports or the market, about $1.25 per bushel for all of the wheat that he raises, this to be supplemented by a 75-cent wheat certificate on about 45 percent of his Government-determined normal production, and I now understand there is to be a 50-cent-per-bushel or more direct subsidy payment, depending upon the Government-determined parity price, thereby making the blend price which the farmer will receive a little more than $1.80 per bushel. This is a ridiculous arrangement, regardless of how you may look at it. In the first place, it completely ruins anything that resembles a market price, for the market now no longer represents income to the farmer, nor does it represent cost to the miller or the purchaser. Let us look at the farmer's case first. If he has a bin of wheat, let us say, of 1,000 bushels capacity, it now means that while the cost of production to him is the same on every bushel, 45 percent of it will be worth to him $2.50 per bushel or more, while the other 55 percent is worth only $1.25; and so he might well be losing money in his operation, in the production of 55 percent of the bushels that he produced. Any profits that he would receive would necessarily have to come from the other 45 percent. The miller, in turn, will now have to buy this wheat off the market or from the Commodity Credit Corporation at a farm price of somewhere near $1.25, plus the price of the wheat certificate, for which he will have to pay the U.S. Government.

And so we see that the market price now no longer represents cost to the miller or the processor either. And what a folly this is. If we have determined that the value of this wheat is to be $2.50 per bushel or more—and I guess we must have done so, because this is what the bill provides—then is there any reason why the miller should not pay this price on the marketplace? This is the way the American business system has been set up and operated so efficiently and respected by us as a nation in every other category during our entire history.

What a strange turn of events the past several hours have witnessed, with a complete about-face and an acceptance of a direct subsidy program. The wheat certificate program is bad enough in the first instance. To now further complicate it with a direct subsidy will not serve either the best interests of the farmer or the Government.

Does it not seem strange that the consumer can pay for everything in a 21-cent loaf of bread except the price of its principal ingredient, wheat, which now is less than 3 cents a loaf? He can pay for the labor costs, cost of the plant, equipment, wrapping, shipping, taxes, and every other expense that goes into putting that loaf of bread on the grocer's counter, but the smallest part of the overall cost and the only one that has shown little or no increase in the past several years is the only item that somehow or another he cannot pay for. There have been consistent increases in all of the other costs, whether they be the cost of equipment or labor, which is about to go up again by virtue of an increase in the minimum wage to which I have referred before, but I hear no one complain about any of these factors. It is only the cost of wheat that becomes a detriment to the consumer.

This recent action probably answers better than any words could possibly do the reasons why the farmer has experienced the economic problems that he has today. He is no longer considered to be on a par with any of the rest of our great industrial system, and so must be the recipient of this most unusual treatment. Once this action has been taken, it is only a matter of a short time until again you will hear the great hue and cry about the enormous subsidies being paid to the farmer. Yet, as evidenced by the cost of a loaf of bread, he still produces the main ingredient at a lower price than any of the other factors that make up the total price. During the past 16 years, the price he has received for his efforts and his contribution has dropped by 12 percent, while the increases in the other factors have contributed to a 29-percent increase in the cost to the consumer.

The only possible reason that this kind of a system should be adopted is to place the farmer in a position of having to raise food for the foreign market, or for the foreign consumer at a price that is cheaper—sometimes so cheap that he will lose money in doing it—than he does to our own American people. The net result is that both the American farmer, as well as the American consumer, become great contributors in a very hidden manner to another foreign aid program. In the meantime, the farmer is subjected to Government restrictions of every description, with acreage limitations, Government-established yields, and so forth, each of which becomes an important factor in the total gross income that he receives for this crop.

At the same time, the miller is also subjected to Government restriction and a complicated system of bookkeeping which requires him to send a part of the cost of the product he bought through the U.S. Treasury in order to get that money to the farmer. This involves added expense to both the purchaser and eventually the consumer, as well as the taxpayer, who again is also the consumer.

The free market system is further interfered with by Government because the Commodity Credit Corporation is in a position to sell its surplus stocks of wheat on the market at any time that they can receive 105 percent of the support price, plus carrying charges. This means, of course, that they are in a position to place wheat on the market, and consequently drive the price down, at any such time as demand may be such that the market would go up. This, of course, means that the program is self-defeating, as the Secretary of Agriculture has admitted, as identified in the minority views of the committee report, when he stated:

> We must not yield to temptation to make prices so high that the program becomes unworkable.

In other words, if the market price goes up, then the program cannot work, and it has always been my opinion that the prime purpose of the program to begin with is one of improving the price structure. But with this kind of a mechanism, as soon as the desired price might be achieved, then the program is no longer workable, and so it becomes a question of whether the purpose is to improve prices, or make the program work and leave the farmer to suffer the consequences of continuing inadequate prices. I understand that amendments will be offered for the purpose of increasing the minimum price at which Commodity Credit can sell its stock, and this, in my humble opinion, is a necessity to both the marketplace and the farmer, if we are to achieve the objective that I have referred to so many times. It ought to be increased to at least 115 percent of the support price, or higher. The wisdom of such an amendment is stated most convincingly in the minority views that are a part of the committee report.

There is another provision in the cotton title of the bill which greatly disturbs me, as I am sure it does farmers throughout the Nation. It is the provision which provides for the sale and lease of cotton allotments. I do not know just how or where this idea may have originated, but I do know, having sat through all of the House hearings on the very famous and notorious Estes case, that this would legalize the transactions that Mr. Estes carried on, which provided him with a transfer of some 3,000 acres of cotton allotments. If this principle is adopted and then later added to other allotment crops, as no doubt it would be, it can have only the effect of making big farmers bigger, particularly those that have sufficient financial means, and drive all of the little operators off the farm. In fact, the bill has so many provisions which will encourage the farm exodus and do away with the small farmer, that it seems specifically designed to carry out the suggestion that has been so prominently made, that we must move 2½ million farmers off the farm and into other occupations in metropolitan areas. We all know the dire consequences that will accrue to rural communities if such action is to be advocated and practiced by a Government farm program.

I have already referred to the 120 different instances in which the Secretary determines what the realities of this program may be. Let me for emphasis just cite one particular instance as it relates to the cropland adjustment title. On page 49 of the bill, item 2, under paragraph C, beginning on line 11, we read the following language:

> Under such agreement, the Secretary shall make an annual adjustment payment to the producer for the period of the agreement at such rate or rates as the Secretary determines to be fair and reasonable, in consideration of the obligation undertaken by the producers. The rate or rates of annual adjustment payments, as determined hereunder, shall be increased by an amount determined by the Secretary to be appropriate in relation to the benefits to the general public with the use of the designated acreage, if the producer further agrees to permit without other compensation, access to such acreage by the general public during the agreement period, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

Here are two instances that refer to the establishment of rates of payment, seemingly with no minimum and no maximum, and consequently leaves us in a position of having no idea whatsoever of just how much money or what is involved in the implementation of these two particular provisions of that title of the bill. Add 118 more instances in which the Secretary will determine just what the actual provisions will be, and one gets some idea of just how uncertain and unspecific the legislation is, with more authority granted to the Secretary than should ever be given to any one man in government.

I could go on and cite any number of additional inadequacies of this legislation, but I think that I have identified a sufficient quantity to make us all realize just how difficult the decision is before us, in determining whether or not this bill should become the law of the land. Now, actually, this should not be a difficult decision, because any legislation that offers as little and costs so much should surely not be enacted. However, it is the circumstances and the atmosphere that surround this decision that make it a most difficult matter, because it seems like again we are faced with the proposition of where you are going to have to take this or nothing—or you are going to get this whether you want it or not. I do not mind saying that I am getting just a little tired of being faced with this kind of a proposition so often, and it usually pertains to agricultural legislation. This becomes even more disturbing when we realize that this legislation is so undesirable that it has become necessary to pass other undesirable legislation in order to gain sufficient votes with which to pass this bill. Have the producers of food and fiber become so insignificant that this is the best we can do in providing for them the proper place in our economic structure?

This seems a grave injustice to me, after they have served this Nation so well, both in times of war and in peace, in providing with great proficiency a generous supply of excellent quality food under any and all, and sometimes most trying circumstances. I certainly hope that before these deliberations are over, we will have accepted a few amendments that will at least make the bill a little more acceptable and a little more responsive to the great needs of agriculture and the many great rural communities of this Nation.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, the bill that we are now considering is important to all of the people of our Nation. The various commodities affected by it are vital to every citizen and to our national welfare.

The time allotted to me will not permit a discussion of all sections of the bill. For that reason I have elected to address the House on the important relationship between a continuance of the one-price cotton system and our domestic economy.

The welfare of our cotton-producing economy is of concern to the hundreds of cotton farmers in my congressional district. In meeting our responsibility to those farmers we must see to it that we have a vibrant domestic textile industry. It is my considered opinion that we are required to constantly take into account both sides of the agri-business relationship if we are to preserve the cotton-producing economy and the great textile industry.

North Carolina has more than 230,000 persons directly engaged in textile production. Allied industries which draw their support from the industry provide employment for many thousands of North Carolinians. So, the promotion of those things which keep the industry moving is a necessity if we are to have in North Carolina and the Nation the level of economic activity which we desire.

There have been many constructions placed upon the results of our one-price cotton legislation and its effect upon the Nation. Some of these constructions have not been realistic or fair because of unwarranted conclusions that many have given to the facts.

Today I would like to give my views as to the true situation in our domestic textile industry.

Some of the attacks upon the domestic textile industry in connection with the 1964 cotton program are amazing.

In the spring of 1964, a one-price system for cotton went into effect, a program under which the domestic textile mills could buy American cotton at the same price as their foreign competitors for the first time since 1956.

Since August 1964, the domestic mills have acquired cotton at 23½ cents per pound, the price at which the staple has has been sold for export. Since the loan rate was 30 cents a pound, a payment of 6½ cents per pound was made to the buyer of cotton for domestic use. The buyer could be a ginner, merchant, warehouseman, or textile mill. Payments did not go to the cotton producer, since he got a support price from the Government.

The 6½-cent-a-pound domestic payment has been described as a mill subsidy. It is nothing of the kind. The 6½ cents simply enabled the manufacturer to buy his cotton at the same price it was sold for export, 23½ cents. Prior to the 1964 program, the foreign competitors of the domestic industry could buy their cotton $42.50 a bale cheaper than the homebased manufacturer. If there is any subsidy involved in the 1964 program it is a subsidy to the producers, since the Government assured them a price of 30 cents a pound, which, incidentally, dropped to 29 cents on August 1. At the same time, the payment declined to 5.75 cents a pound.

The change in 1964 to a one-price system for cotton simply removed a grave inequity which had damaged the domestic mills and the entire American cotton industry. This action, long overdue, has been described in some papers, and, I am sorry to say, by some Members of Congress, as a mill subsidy.

The effects of the removal of the burden of two-price cotton have been constructive. The domestic consumption of American cotton in the crop year which ended on August 1 will approximate 9.1 million bales, an increase of 600,000 bales above the 1963–64 crop year. This actually represents more than a net gain of 600,000 bales, since, in all probability, the continuance of the two-price system for the 1964–65 cotton year would have meant a decline in domestic cotton consumption over the previous year. Some experts have estimated that the one-price system for 1964 meant an increase of approximately 1.5 million bales in comparison to what it would have been under the program which allowed foreigners to buy cotton grown here at home more than $40 a bale cheaper than our own manufacturers could obtain it.

Cotton is still the primary fiber in the textile spinning system. But, over the years, we have pursued a cotton policy which seemed deliberately designed to drive our own mills away from the staple. In April 1965, 81 percent of the textile industry's spinning hours were given to the production of cotton yarn. But in 1958, the percentage was 92. The two-price system has been a boon to manmade fibers.

Since one-price cotton, the textile industry's profit position has improved. As a result, some critics have charged profiteering, and statements have been made that the manufacturers put the payments, which equalized domestic prices with foreign prices for American cotton, in their pockets.

Let us examine these charges, which, in view of the facts, are fantastic.

The textile industry for a long period of time has been a depressed industry; its profits have lagged sharply behind the profits of other major industries.

In 1963, the industry reported profits as a percentage of sales, after taxes, at 2.3 percent. This represented a slight decline from the 1962 figure of 2.4 percent.

In 1964, the textile industry had profits of 3.1 percent and, for the first quarter of 1965, of 3.7 percent. But, in 1964, the profits of manufacturing industries were 5.2 percent. No matter the yardstick used, textile profits were no higher than 16th in the list of the 20 major manufacturing industries. The textile industry's earnings were only about 60 percent of the average.

Some of the country's big corporations, General Motors, for example, enjoyed record earnings in 1964 and are repeating them in 1965. I have heard no criticism of these industries; in fact, as I understand it, the tax cut last year and the excise tax reduction this year, had as their objectives a stimulus to business activity which would mean more employment and more tax money for the Federal Government. It would seem then that the rise in profits for the textile industry, which employs nearly 1 million men and women, would be a cause for congratulation and rejoicing. It would seem that the improvement would be hailed and that everyone who wants to further bolster the economy would be insistent on continuance of a one-price system, since undoubtedly the program which went into effect in 1964 has helped the industry a great deal.

If the textile industry had failed to expand, regardless of its improved profit position, and failed to pass along some of its earnings to its employees in the form of higher wages, there might be grounds for criticism. The facts are such, however, that, once again, I am amazed at the attacks which have been made on the industry.

The level of investment by the industry in new plants and equipment has risen to levels under one-price cotton that are unprecedented. Last year, the textile manufacturers' outlay of capital for plants and equipment amounted to about 17 percent of their net worth, as compared to an average of 9 percent for other major industries. The mills spent around $760 million for new plants and equipment in 1964.

The Department of Commerce estimates that new plant and capital equipment expenditures in 1965 will be close to $1 billion, as compared to a 5-year average of only $608 million. When net worth is taken into account, the textile industry is spending at present more for capital improvements than any other major industry in the country.

There have been three wage increases of 5 percent for textile workers because of one-price cotton. The first raise took place late in 1963 in anticipation of one-price cotton; another in the fall of 1964 after the benefits of the program became apparent; and the third raise is being completed. In the short period of 18 months, employees have received more than $500 million through wage increases and this does not take into account fringe benefits. Many textile mills lie close to the Appalachia area where the Government is administering special programs to overcome poverty and lack of opportunity. Consequently, there is a special reason for gratification over the increase in textile wages.

Moreover, from April 1964 to April 1965, employment in the mills has risen by about 30,000 workers.

The textile industry wants to raise wages still further, but to do so, it must have adequate earnings. It is incontrovertible that one-price cotton is essential to a continuance of the recovery which has taken place since April 1964.

But the critics of the textile manufacturers still assert another reason for complaining. They contend that textile prices should have declined substantially with the reduction in price to the domestic mills under the 1964 program. The rise in mill margins in 1964 has been taken, by some, as automatic proof that the textile industry has victimized the consumer. The facts show otherwise.

The Department of Agriculture prepares monthly tabulations for 20 constructions of unfinished cotton cloth. For each of the 20 constructions, the selling price at the mill is given for the amount of cloth which can be manufactured from a pound of cotton. An examination of these constructions shows that the lightest fabrics—those with the least amount of cotton—rose between March 1964 and March 1965 while the heaviest fabrics, those with the most cotton declined. The fabrics with the lowest percentage of cotton cost and the highest percentage of labor and other costs, went up in price; where cotton costs were heaviest, and other costs relatively lower, prices tended to decline. It might also be mentioned that the Department of Agriculture's 20 constructions of unfinished cotton cloth does not represent adequately the behavior of cotton cloth prices as a whole. Dr. M. K. Horne, Jr., chief economist of the National Cotton Council, a world authority on cotton, comments of the sample:

> It is too small a sample of fabrics, and the lighter fabrics are automatically given a larger weighting in the averages, since the figures are in terms of a pound of cotton used.

In 1963, the demand for clothing lagged behind the demand for other goods. Nevertheless, clothing prices rose substantially. In 1964, the demand for clothing outstripped the demand for other goods and services but there was very little rise in clothing prices—one-sixth that of the index for all consumer prices. The lower price of raw cotton was a factor in the fact that clothing prices lagged behind the rise in other consumer prices.

Also, an inquiry into the price behavior of all cotton fabrics in 1964 indicates they did not rise but declined in the face of a very strong demand for textile products. This, evidently, was due to a lower price for cotton.

Reverting to the charge of excessive profits on the part of the textile industry since one-price cotton, the profits of apparel manufacturers rose more than the profits of textile manufacturers in 1964. Retailing profits also rose substantially. Finally, the textile companies which employed manmade fibers for the most part, had a profit position as good or better when compared with the concerns which relied mostly on cotton.

The textile industry is highly competitive, being oftentimes too competitive for its own good. Anyone familiar with its operations knows that it would have been impossible to pocket the payments which enabled the domestic industry to buy cotton at the same price that it sold to foreign mills. The demand situation in 1964 was extraordinarily strong and the textile industry responded to it as other industries responded.

The concern for the consumer arising out of the failure of textile prices to decline sharply in 1964 and 1965 also seems a little strange when the behavior of textile prices since 1947—just 2 years after the end of World War II—is considered.

Using the 1947–49 period as a base, the wholesale price index for all industrial commodities has risen about 29 percent. The price of cotton products has fallen 10 percent. As I recall, there has been little outside concern over the lag in textile prices and its relation to the low profits of the industry. Nor has the textile industry been given any credit for savings to consumers because prices have lagged 39 index points behind the general run of industrial prices.

Early in the 1960's, the Government moved the wholesale price index to the 1957–59 base, thus wiping out the gap between textile prices and other prices. Yet, using the new base, the wholesale price index for all industrial commodities and for cotton products stood at 102.2 during the first quarter of 1964, prior to the one-price program. The law went into effect in April. By July 1964, the cotton products index fell to 98.3, other commodities holding to 101.1 The most recent figures are 102.1 for all industrial commodities and 99.7 for cotton products.

Any objective examination of cotton textile products and their price behavior since the end of World War II requires the conclusion that cotton textiles are relatively cheap in comparison to other commodities. The charge of profiteering in cotton textiles at the expense of the consumer is unwarranted.

The 1964 cotton program cost more than the first estimates. This, too, has been blamed on the textile industry. The original estimates were that the cost of the payments to equalize domestic and foreign prices would be around $250 million. This is what the one-price phase of the program costs. The rise is overall costs had no relation to the one-price system and related primarily to a much bigger cotton crop than was anticipated and to the lag in exports.

The one-price plan for cotton has been beneficial, not only to the textile industry, but to the entire cotton industry and to the country. Any reversion to a two-price system will damage the textile industry. The real injury, however, will be to other segemnts of the cotton industry. The mills will lose the confidence they now have in cotton and will make plans to rely on other fabrics for the future. Their research and promotion will center around synthetics and the latter will gain rapidly at cotton's expense. The textile industry has recognized the interests of the producers and of other segments of the cotton industry. The mills do not try to spell out the details of a cotton program. They only ask that they be allowed to buy the staple at the same price as their foreign competition. They do not insist on legislation which equalizes many other advantages which the foreigners have, for example, the tremendous differential in wages here and abroad in favor of the outsiders.

I think the textile industry is to be commended upon their attitude. In this situation, the least the Congress can do in the interests of all concerned is to continue the one-price system of cotton.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Chairman, my district is not primarily an agricultural one. In the agricultural field, it is peopled largely by dairy farmers; in the cities, it is a district of industries and industrial workers and managers. It is clear that the interest of these people is in cheap grain and reasonably priced bread. It is obvious that a farm bill whose effect will be to raise the price of grain and the price of food would not be well received in the area which I represent.

Naturally, in considering H.R. 9811 which is before the House today, as with all legislation, I do not base my vote solely on a determination of what is a burden or a benefit to my district. The national interest must also be considered and I have considered it thoroughly. I am aware of the history of the 1920's and 1930's and I also recognize that a healthy agricultural segment is just as necessary to the country as good industrial wages and high business profits. I recognize, too, that American agriculture has produced abundantly and we are not confronted with the frustrating shortages that are found in Communist farm production. However, when this much has been said everything has been said and I firmly believe that the considerations on the other side of the ledger are so compelling that I am unable to support this legislation.

My opposition to the bill is more broadly based. In my judgment it is too expensive, it does not meet the objectives which it proclaims and it neglects the problems of the very farmers who are most in need. It involves wasteful and ruinous storage charges and constitutes an unfair burden on the community as a whole.

The bread tax proposal is an unconscionable attempt to foist yet another exaction on the long-suffering consuming public. Even with this eliminated, however, the bill would still remain objectionable. The whole thrust of the wheat program is misdirected. It confuses largesse with progress. I submit that the time has come for a reexamination of the premises on which this program is based and for a weighing of reasonable alternatives. There is too much call for Federal funds for other necessary and productive purposes, including tax reduction, to justify us continuing to waste them for obsolete programs. After all, 92 percent of all U.S. families live elsewhere than on the land and their problems are entitled to consideration and action.

It is not only the effect of the program on the consumers but on the farms themselves that is subject to criticism. Over the years, the reason for farm-income supports has changed drastically. In depression years, these were relief measures; in war years, they were used to stimulate production increases. In recent years, however, supports have been used to counteract the results of increased productivity upon prices and income.

In 1963 there were 3.5 million farms, yet the top million farms accounted for 80 percent of the sales of farm products. These were only 27 percent of the number of farms. As Kermit Gordon, then Director of the Bureau of the Budget, pointed out in a remarkable speech on November 19, 1964, this 27 percent of American farmers could produce all of the Nation's farm needs and these farmers had a 13-percent income increase for the 4 years preceding 1963, while their average rates of return on capital investment corresponded to those in the nonfarm economy.

The ridiculous fact is that 80 percent of our farm support assistance goes to those million farmers whose average income exceeds $9,500, while the other 20 percent remains thinly spread among the remaining 2.5 million or 75 percent of the Nation's farmers. As one commentator has said: "The bulk of the taxpayers' money goes to the few biggest farmers, who are already enjoying bigger income than most taxpayers. Poor farmers hear only the whistle of the gravy train as it goes by."

Thus both the welfare aspect and the production stimulation aspect of farm support legislation are outmoded.

I would not begrudge the expenditure of the $4 billion required for the commodity programs, including the million dollars a day that are needed to store surpluses, if the whole were not such a resounding flop. We have supported subsidies of various sorts for other segments of our American community and we have even been willing to send American dollars abroad in our national interest, but we at least are entitled to ask that our program do the job for which it was conceived.

What other objectives have been missed by the farm program? One of these has been the piously asserted determination to preserve the small family farm. Yet since 1935 the number of farm units dropped from 6.8 to 3.7 million, while from 1930 to 1960 the big farms—i.e., those over 1,000 acres—increased their holdings from 28 percent to 49 percent of all the agricultural land in the country. As Professor Higby has said:

> While the family farm survived, America went a long way toward getting rid of the farm family.

The present system comprises a fantastic combination of bonus handouts, retirement payments, and price supports which has made high-speed, big investment agriculture a wonderfully profitable enterprise. The system itself, however, with all its gimcracks and spur-of-the-moment improvisations, makes one think of a Rube Goldberg contraption.

The result is that the rich get richer while the poor go out of business. Thirty-four percent of all farms purchased in 1960 were bought by persons who were not farmers.

One serious obstacle to clearheaded examination of the farm program is the definition of a farmer. Statistics indicate that the top level of 312,000 units sell 50 percent of all agricultural commodities. These are the active, productive farmers.

The second group constitutes 1.7 million units and sells 45 percent of the Nation's crops and livestock, but this group is sharply divided between one-half million farms which produce over $10,000 worth of commodities and a lower group of 1.27 million farms which sell less than this amount and have a net income of only one-third of gross sales.

There is a third group of 1.6 million units which produce only 5.3 percent of all farm commodities. Actually, it is questionable whether their operators are farmers at all, since their average net annual income was only $217 from agriculture. They include semiretired or spare-time operators. However, this third group constitutes 44 percent of the official farm family and includes 349,000 farms of distressed owners whose income from agriculture averages $438 and income from other sources averages $425. The solution of the problem of this last group should not be attempted in a farm bill. It is obviously a problem of stimulation of the economy to provide more nonfarm jobs that must be explored to deal with this difficulty.

It is easy to tick off problems in other categories which urgently need examination. One need only mention urban renewal, water pollution, mass transportation and vocational education to indicate fields where the billions spent on the farm program could be expended with vast benefits to the vast majority who live in urban areas. Surely the time has come for us to stop these wasteful programs. The old slogans are not enough. The farmers themselves must stop the pressure for reducing controls while increasing support payments. We need a fresh approach and one that will accomplish the necessary objectives with fairness to farmer, processor, consumer and taxpayer. Until such approach is apparent, I shall oppose this legislation.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I wish there were time for me to make a more comprehensive statement on this important legislation at this time, but in view of the time element I shall defer that until tomorrow during the course of the reading of the bill. However, I would like to ask the chairman several questions.

Can the chairman tell me why it was necessary on page 21 of the bill, beginning on line 19, to write in that paragraph No. (12) beginning, "Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted"——

Mr. COOLEY. What page is that, please?

Mr. MICHEL. Page 21 of the bill, beginning with the last paragraph No. 12:

> Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of combined price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton—

And then it makes reference to cotton.

Mr. COOLEY. I think the language is perfectly clear. Should we impose a limitation——

Mr. MICHEL. As has been done in times past.

Mr. COOLEY. Yes; then we go back to a price support program, to loans rather than direct compensatory payments.

Mr. MICHEL. Mr. Chairman, in the report on page 17, in the middle of the page, there is the following:

> The limitation that land diversion and price-support payments could not exceed 20 percent of the fair market value of the land would be removed.

That, of course, was a limitation which I had in the form of an amendment to the bill several years ago. Now I see you have taken it out. I am wondering if the chairman could tell me why that 20-percent limitation has been stricken from the bill? Of course, I see further in the report that you say:

> Land value is not always a fair criteria of producing capacity. Land in suburban areas is higher priced while not necessarily as a result of superior productiveness.

Of course, my limitation was not designed for that land in the immediate suburban areas that get up to $2,000 or $3,000 an acre. Certainly, the Department down here is not going to be making payments aggregating that amount.

Mr. COOLEY. Does the gentleman not agree that that comment is accurate in the report, that the land value is not always a proper criterion?

Mr. MICHEL. Oh, granted, but you single out suburban areas which are certainly not areas which I had in mind. As a matter of fact I was thinking at the opposite end of the spectrum in what I was talking about.

Mr. COOLEY. We base the support on the earning capacity of the land rather than upon the value of the land. Look at section 7, paragraph 16:

> Payments for diverting acreage from feed grain to conservation uses would be up to 50 percent of the county price support rate for the normal production of the commodity as under previous programs.

So, that limits it.

Mr. MICHEL. But the gentleman still seems to feel—or for some reason a limitation has been deleted in this bill, which gives me cause to think that there are going to be some payments that will exceed one-fifth of the reasonable land value, or you would not be taking the limitation out of this bill.

Then it moves me to say that I think it is just unconscionable and unreasonable that we should be making payments in some areas——

Mr. COOLEY. The payments we are talking about are price support payments; is that right?

Mr. MICHEL. Yes.

Mr. COOLEY. Not land retirement payments?

Mr. MICHEL. That is right.

Then what effect would that have on regular direct payments?

Mr. COOLEY. The program is that if money is not available to make direct payments we will do it through loans.

Mr. MICHEL. And those direct payments then would never exceed what?

Mr. COOLEY. Fifty percent of the normal value of the income from the property.

Mr. MICHEL. I notice then in the feed grains section on page 16 that the yields on which diversion payments would be computed would be the yield expected on the farm in the current year rather than being tied to a historical 5-year average.

Now, would that not work to the advantage of those whose crops in the current year would be good, as against those who might not have received rain and have experienced a bad year, as against averaging it over a period of years where they might have had good rainfall?

Mr. COOLEY. What we are talking about is normal yield. If there are adverse weather conditions, that would be taken into consideration in making the adjustments.

Mr. MICHEL. Is there language in here where the Secretary has discretion to make the adjustments?

Mr. COOLEY. I think so. It is in the report if not in the bill.

Mr. MICHEL. I thank the chairman.

Mr. COOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman and Members of the Committee, I would like to comment on the subject of the remarks of the gentleman from Arkansas [Mr. GATHINGS].

The provisions of the cotton section of the farm bill to which he objects are precisely its strong points. A major defect in the cotton program is that the law has been shot through with devices to concentrate or keep production in those geographic areas which grow the largest amount of the least usable varieties and grades. As a consequence the Federal storage bins have become the principal market for such cotton. In one Southern State over 85 percent of the cotton grown is purchased by the Government for storage or foreign giveaway. Several other similarly located States market over 50 percent of their cotton to the Government through the loan mechanism.

This means that we have had a very expensive cotton program at the same time that cotton mills in those areas have been unable to get adequate supplies of the kind of cotton that they need at a reasonable price.

On the other hand, California, Arizona, New Mexico, and parts of other States have been producing the kind of cotton mills can use and buy when it is offered. This cotton is not bought by the Government through the loan program and costs the taxpayers nothing. For example on the average over 98 percent of California cotton is sold on the open market and is in actual short supply. You need not wholly rely on my veracity for the truth of this statement.

L. T. Barringer, vice president of Cannon Mills of North Carolina has said:

> The high strength and uniform quality of California cotton make it possible for us to use more cotton. We can take other cotton and, by blending it with strong California cotton, make a good, salable product.

Ben Tipton, vice president of Dan River Mills says:

> If we didn't have strong California cotton to beef up other cottons, we would just use less cotton. California cotton makes it possible for us to use more cotton from other areas. It provides strong competition to synthetics. We need it especially for our new finishes that demand stronger yarns and cloth.

It has been reliably estimated that about 900,000 additional bales of California cotton could have been sold last year at home and abroad had it been available.

It is for this reason that the overplant provision that Mr. GATHINGS objects to is in the bill. It meets a need of the cotton mills and will provide an opportunity to deserving growers to meet the challenge of world market pricing. They will receive the same privilege as any grower has under both the wheat and feed grain programs.

They will give up all possible Government assistance in cotton growing. I doubt that the privilege will find too wide a use but if only one grower uses it it will establish a case for a radical lowering of price supports or the elimination thereof in cotton production. It will be a test for free enterprise in farming.

The other provisions that the gentleman from Arkansas objects to would restrict the indefensible, in my opinion, abuse of a section of the cotton law which requires a small farmer to lend his allotment, without profit to himself, to a larger farmer who uses it to grow more cotton at increased cost to the Government. A collateral provision is the establishment of a land retirement program for cotton land and cotton allotments. It is much cheaper for the Government to retire unneeded production than to finance and purchase production of an unneeded quality of product and the land retirement aspects of the proposed cotton program will be a real source of saving to the Government.

One final analogy. Those persons who support release and reallotment without restriction. Those persons who oppose retirement of marginal cotton land—those persons who oppose letting a competent grower takes his chances of producing without Government assistance at the world price—are as wrong as an economist who insisted on the Government supporting the production of the old square Essex cars and restricting the production of a modern Ford automobile. Each such effort would be described as foolish, uneconomic, and certainly costly in terms of the results achieved.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, the chairman of the Agriculture Committee in remarks earlier today might have left an erroneous impression to the effect that if this bill is defeated there would be no programs on the books to deal with the major commodities. I am sure he did not intend to leave that impression. But later on he made a remark which made me wonder, and that remark related to the cotton program and the two-price system which prevailed prior to early last year.

He said in his remarks that the only place that the textile mills could look to get relief was to Congress to get this type of mill subsidy program.

I am sure the gentleman would not want that statement to stand on the record.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I did not refer to any mill subsidy program at all. I have never called it a mill subsidy program.

The gentleman from Illinois knows that in the committee we were in doubt as to whom the payment should be made. It was highly controversial. So we left it to the Secretary's discretion to designate the person who should receive the payment. The mills stated specifically that they did not want to be subsidized and some of the farm organizations did not want to accept the payments. So we left it with the Secretary and the gentleman knows what the reasons were for doing this.

My comment was based upon the statement which the gentleman made in response to a question propounded by one of the Members in the debate when he asked the gentleman from Illinois if he were not in favor of doing away with all of the farm programs and the gentleman said that yes, that is an ideal goal or words to that effect.

Mr. FINDLEY. I will say to the gentleman I appreciate his clarification. I am sure he will agree with me that the textile mills did have a place to go prior to the enactment of this so-called one-price cotton program. They could have gone to the Secretary of Agriculture who had ample discretionary authority to drop the level of price supports under the 1958 act, and eliminate the inequity to the textile industry. Later on the gentleman from North Carolina [Mr. WHITENER] made quite a case for this payment to the textile mills.

But one of the problems that occurred to me is the plight of the wheat mills. Would it not be just as equitable to provide a payment to the wheat mills to offset the disadvantage they have in comparison with millers up in Canada who can buy American wheat a lot cheaper, or use their own wheat and have a 75-cents-per-bushel advantage in making bread and shipping it into the United States?

Mr. COOLEY. The gentleman must be woolgathering, or something.

Mr. FINDLEY. You can understand that when we have cotton, wheat, wool, and everything else right in this bill.

Mr. COOLEY. Let us get back to the cotton proposition.

Mr. FINDLEY. I think it is a shame so little time has been devoted to the cotton section which, in my opinion, is the most expensive boondoggling we have had in American agriculture.

Mr. COOLEY. We will see who agrees with the gentleman tomorrow.

Mr. FINDLEY. The gentleman said that the consumers have benefited under this cotton program. Looking at the "cotton situation report" from the consumer and marketing service of USDA I find that the price on 20 cotton constructions—the index showing product prices—has gone up each and every single month since the so-called one-price cotton program went into operation. On the other side of this same statistical table from USDA I find that each and every single month the mill margin—that is the gross profit of textile mills—has gone up. This despite the fact they had the price advantage of this program, which is costing the taxpayers somewhere around $900 million a year. I think it is shameful we have to consider any variation of a program which so adversely affects the taxpayers of the United States.

Mr. COOLEY. The gentleman stated that poor men eat more bread than the rich man. The poor man wears more cotton than the rich man, too.

Mr. FINDLEY. Why do we not have a cotton tax?

Mr. COOLEY. Why does not the gentleman bring out a bill?

Mr. FINDLEY. Will the gentleman support the amendment? I will be glad to offer the amendment.

Mr. COOLEY. No. I would not support anything right now that the gentleman offers.

Mr. FINDLEY. One of the curious results of this so-called one-price cotton is that imports of cotton textiles are up, the exports of cotton are down. The utilization of cotton is down compared with the year before. I do not see how anyone can conclude this cotton program has been a success. We talk about revitalizing the cotton industry with a price tag of about $900 million. With that kind of money we could revitalize the buggy whip industry.

Mr. MURPHY of New York. Mr. Chairman, I want to bring to the attention of my colleagues, during this debate on the farm bill this year, the statement by the Seafarers International Union of North America, AFL–CIO.

The Seafarers have in their statement clearly pointed out that billions of dollars are being spent to subsidize our agricultural labor and industry to keep it competitive with other world markets. And yet we seem to be overlooking our dying merchant marine in its greatest hour of need.

I think that the House should insist on the cargo-preference program being supported by the Department of Agriculture, and that we hear today from the Secretary.

Mr. Chairman, the Seafarers statement follows:

STATEMENT BY SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, AFL–CIO

Members of the House of Representatives will soon be asked to vote on H.R. 9811—the Food and Agriculture Act of 1965.

Before voting on this measure, we would urge the Members of the House to weigh carefully certain activities of the Department of Agriculture, and allied agricultural interests, with respect to the preservation of the American-flag merchant marine.

Agriculture each year asks the Government—the American taxpayer—to appropriate some $7 billion, most of which is spent to maintain high farm prices at home and to enable the American farmer to compete in world markets.

We have no quarrel with this subsidization of the American farmer. On the contrary, we believe that the American farmer is entitled to enjoy every benefit of the American way of life—including a fair return for his labor.

But we also believe that the same concept should apply to other American workers, including American maritime workers.

We believe that the agricultural industry of this country should be given every possible constructive support. But we do not believe that this should be done at the expense of another industry—and certainly not at the expense of an industry which is essential to the defense of this Nation, as well as to its commerce.

Unfortunately the Department of Agriculture, and particularly during the tenure of Mr. Freeman, has been making repeated efforts to destroy even the small measure of security still retained by American shipping and American seamen.

At the present time, and pending the development of a more vigorous maritime policy by our Government, American shipping must rely in large measure, for its continued existence, on the carriage of Government-sponsored cargoes, particularly agricultural commodities.

Even for the subsidized segment of our merchant fleet, these Government cargoes often spell the difference between profit and loss. And for the unsubsidized segment of our fleet—which makes up two-thirds of our total fleet—these Government cargoes spell virtually the difference between life and death.

The legal right granted by Congress to American ships and seamen, to carry at least half of the cargoes generated by their own Government, and paid for by the American taxpayer, represents, as we have said, the single small measure of security still left to the American-flag merchant fleet.

Yet this final measure of security is the one which the Department of Agriculture, along with various allied agricultural blocs, has methodically and systematically been attempting to destroy.

Last March 16, for instance, Charles S. Murphy, who was then the Under Secretary of Agriculture, told members of the Senate Committee on Banking and Currency that the requirement on the use of American-flag merchant ships is detrimental to the export of U.S. farm products to Russia and other Communist countries.

Three days later, on March 19, the same view was expressed by Secretary Freeman in testimony before a House appropriations subcommittee.

In recent weeks there has been marked evidence of the buildup of an attack, by the agricultural interests of this country, against the requirement that American-flag vessels carry at least half of the grain cargoes destined for the Soviets and its satellites—although a pledge to this effect was given by the late President Kennedy at the time the original sales of wheat to Russia were negotiated in the fall of 1963.

It must be evident that a victory for these farm interests, which are seeking an end to the use of American flagships to carry grain to the Soviets, would signal the beginning of a new onslaught against the entire cargo preference program, which they have been seeking to destroy since it was enacted by the Congress in 1954—even though the entire cargo preference program costs the American taxpayer around $80 million a year, compared with the billions which Agriculture spends annually.

The maintenance of an adequate and healthy American-flag merchant fleet is essential not only to the commercial well-being of this Nation, but also to its national security. Yet the state to which our merchant marine has fallen was heavily underscored recently when our military authorities had to authorize the use of foreign-flag vessels, and break antiquated American-flag vessels out of the reserve fleets in order to maintain the sealift to Vietnam.

Moreover, the essentiality of an American-flag merchant marine for both commercial and defense purposes is clearly stated in the Merchant Marine Act of 1936 and constitutes the foundation of our national maritime policy.

In pursuing programs which seek the destruction of the American-flag merchant fleet, the Department of Agriculture is not only trying to destroy an industry upon which hundreds of thousands of American workers depend, but is also acting contrary to the established national maritime policy which has been mandated by the Congress.

The destruction of the American-flag merchant fleet, which could result if the Department of Agriculture and Secretary Freeman continue with their present policies, would also have a most detrimental effect upon our international balance of payments as well as upon our local economies—particularly the economies of our seacoast cities.

We would strongly urge that the Members of the House demand that Agriculture clarify its intentions toward the American merchant marine before approving the bill now before it.

The CHAIRMAN. If there are no further requests for time, pursuant to the rule, the Clerk will now read the bill by title, instead of by section.

The Clerk read as follows:

H.R. 9811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1965".

TITLE I—DAIRY

SEC. 101. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all of clause (d) and inserting in lieu thereof a new clause (d) to read as follows:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk, which may be adjusted to reflect sales of such milk by any handler or by all handlers in any use classification or classifications, during a representative period of time which need not be limited to one year. In the event a producer holding a base allocated under this clause (d) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases. Allocations to producers under this clause (d) may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. Any increase in class one base resulting from enlarged or increased consumption and any producer class one bases forfeited or surrendered shall first be made available to new producers and to the alleviation of hardship and inequity among producers.";

and by adding at the end of said subparagraph (B) the following: "Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under (d) above shall not become effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

SEC. 102. Such Act is further amended (a) by adding to subsection 8(c)(5) the following new paragraph: "(H) Marketing orders applicable to milk and its products may be limited in application to milk used for manufacturing."; and (b) by amending subsection 8c(18) by adding after the words "marketing area" wherever they occur the words "or, in the case of orders applying only to manufacturing milk, the production area".

SEC. 103. The provisions of this title shall not be effective after December 31, 1969.

SEC. 104. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendment made by this Act title as it was prior thereto.

Mr. COOLEY. Mr. Chairman, before the Committee rises, I am placing in the RECORD at this point the amendments to be offered to the cotton title, together with explanatory material:

On page 14, beginning on line 24, strike out all of paragraph (2) and renumber paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

On page 15, line 12, insert a comma after the figure "344", and strike out the words "or planting cotton on a farm for which no allotment was established for such crop," and on page 15, line 15, change the period to a colon and add the following language: *"Provided,* That this subsection shall be applicable only to farms for which farm acreage allotments were established for 1965 and the farm operator for the current year was the operator of such farm for 1965 or has acquired such farm by inheritance from the operator since such year. The operator of any farm who elects to forego price support for any such year under this subsection shall not be eligible for price support on cotton on any other farm in which he has a controlling or substantial interest as determined by the Secretary."

On page 18, beginning on line 6, strike out paragraphs (4) and (5) and insert in lieu thereof the following:

"(4) The Secretary shall provide price support payments in addition to the payments authorized in paragraph (3) to cooperators who divert from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided,* That such diversion shall not exceed 35 per centum of the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended.

"(5) The combined rates of the payments under paragraphs (3) and (4) for the 1966 crop shall be made on the farm domestic acreage allotment determined on the basis of the farm acreage allotment without regard to acreage reapportioned to the farm under section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, and shall be in amounts as follows:

"(A) For farms on which the acreage planted to cotton does not exceed the farm domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

"(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

"(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

"(D) Notwithstanding the foregoing provisions of this paragraph, no payment shall be made with respect to the domestic allotment portion of any acreage reapportioned to the farm under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, greater than 42.9 per centum of the basic level of support established under paragraph (2).

"The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance."

On page 22, beginning on line 24 after the word "exceed", strike out the balance of the sentence and insert: "an acreage equal to 85 per centum of such farm acreage allotment determined without regard to any acreage reapportioned to the farm under paragraph 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, plus an acreage not to exceed the number of acres reapportioned to the farm under such paragraph."

On page 25, line 9, change the period to a colon and add: *"Provided,* That the authority granted under this section may be exercised for the calendar years 1966, 1967, 1968, and 1969, but all transfers hereunder shall be for such period of years as the parties thereto may agree. On page 26, beginning after the semicolon on line 3, change item (v) to read as follows:

"(v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) established for such farm for 1965 by more than one hundred acres."

EXPLANATION OF THE AMENDMENTS

The amendment on page 14 would eliminate paragraph (2). This would permit the transfer of released acreage across county lines within the State, as is permitted under present law.

The amendment on page 15 would permit the planting of unlimited acreage to cotton while foregoing program benefits only on farms which had an acreage allotment for 1965 and which were operated by the same farm operator or his heir. An operator who chose to overplant his acreage allotment on one farm could not participate in the program on any other farm in which he had a controlling or substantial interest.

The amendment on page 18 provides that farmers who receive reapportioned acreage would receive price support payments on the farm domestic acreage allotment computed without regard to reapportioned acreage. The rate of price support payments on such domestic acreage allotment would reflect payments for diverted acres. Farmers would continue to receive 9 cents per pound in 1966 for the domestic allotment portion of reapportioned acres but would not receive payment for diversion of any such acres.

The amendment on page 22 would provide that a cooperator for purposes of the bill would only have to divert 15 per centum of the farm acreage allotment determined before any acreage is reapportioned to the farm.

The amendment on page 25 would limit the applicability of section 405 of the bill so that transfers could be approved during the 4-year period 1966–69 but transfers so approved could continue in effect beyond such period.

The amendment on page 26 would limit the total cotton allotment which may be transferred by sale or lease to any farm to an acreage not to exceed 100 acres above the 1965 farm acreage allotment excluding acreage reapportioned to the farm for 1965.

Mr. Chairman, I move that the Committee do now rise.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity to rural areas, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. **COOLEY**. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on H.R. 9811.

The **SPEAKER** pro tempore (Mr. ALBERT). Without objection, it is so ordered.

There was no objection.

THE MARITIME STRIKE

Mr. **BOGGS**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. **BOGGS**. Mr. Speaker, yesterday the President of the United States, in a very well considered statement, called upon the parties involved to negotiate settlement of the current maritime strike. I commend this statement to the Members of this body, and to the people generally. This strike is having a disastrous effect on the economy of our country. It is having a particularly bad effect upon our balance of payments, not to mention the tremendous loss of revenues to the American-flag ships as well as the loss in employment of many American seamen.

The strike has lasted way too long, and the President has called upon the operators and the unions to work with Secretary Wirtz and the president of the AFL–CIO, George Meany, to bring about an amicable and lasting solution.

I hope this will come about in the next few hours.

ANNIVERSARY OF ALLIANCE FOR PROGRESS

Mr. **SELDEN**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. **SELDEN**. Mr. Speaker, 4 years ago last April it was my privilege to join distinguished representatives of the Western Hemisphere in the East Room of the White House at the invitation of President John F. Kennedy. At that time the President enunciated a sweeping program for the social and economic development of Latin America and asked the Latin American countries to join with us in an Alliance for Progress.

As in any such novel and dynamic program, the Alliance has, over the past 4 years, capitalized successfully on its experience of successes and disappointments. Progress has been made in the past 4 years but, as we all know, the path ahead is still a long one.

Today, a little more than 4 years later, I again joined representatives of the Western Hemisphere in the same room of the White House where we heard President Lyndon B. Johnson eloquently restate our faith in the future of this partnership.

His words, I am sure, will be of interest to the Members of Congress and I include them at this point in the RECORD.

ADDRESS OF THE PRESIDENT

My fellow citizens of the Americas, 4 years ago this hemisphere embarked upon a great adventure—the greatest, perhaps, since an unknown Italian mariner first touched these shores almost five centuries ago.

It was nothing less than to transform the life of an entire continent.

It was to reach into the homes and villages of more than 200 million people—touching each with hope and expectation.

It was to replace privilege with social justice and unchanging poverty with economic progress. Where there was disease we would bring health. Where there was ignorance we would bring learning. We would feed the hungry and shelter the homeless. And we would do all this as freemen, making liberty the companion of progress.

The adventure began in a dozen scattered spots. In Colombia, the act of Bogotá was signed. In Caracas, Romulo Betancourt moved a nation from dictatorship to a living and hopeful democracy. In Cost Rica, and Mexico, and in many other places, new standards were being shaped; old dreams were taking on fresh meaning. Across the hemisphere revolution was in the air, promising these three: Freedom, justice, progress.

And then all these growing, resistless forces converged on this room, where a new President of the United States addressed himself to his fellow citizens of the hemisphere. With unmatched spaciousness of vision, John F. Kennedy called for "a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people."

And 5 months later—4 years ago today—on the coast of Uruguay, 20 American Republics solemnly resolved "to establish and carry forward an Alianza para el Progreso."

That act was a turning point, not only in the history of the new world, but in the long history of freedom.

The goals were towering, almost beyond achievement. The hopes were soaring, almost beyond fulfillment. The tasks were immense, almost beyond capacity. But entire nations are not stirred to action by timid words and narrow visions. The faith and will of millions do not take fire from brands muffled in reluctance and fear. And if the reality of progress was to be slow, the radiance of ultimate achievement must be bright enough to compel the effort and sacrifice of generations.

If our Alianza was suffused with compassion and idealism, it also responded to the most real and urgent necessities of our time. Our continent is in ferment. People long oppressed demand their share of the blessings and dignity which the modern world can offer man. The peaceful democratic social revolution of the Alianza is not the alternative to tranquillity and changelessness. It is the alternative—and the only alternative—to bloodshed, destruction, and tyranny. For the past is gone. And those who struggle to preserve it enlist unawares in the ranks of their own destroyers.

We will shape the future through the principles of our Alianza, or find it swallowed up in violence bred of desperation.

And how fortunate we are to live in such a time, when justice so mingles with necessity, and faith with opportunity.

Almost from the moment of birth, the Alliance for Progress was beset by doubt. But men of rooted faith in every country held firm to purpose. And if we have not reached the farthest limit of expectation, we have done much; more, indeed, than many believed.

This 4 years has been the greatest period of forward movement, progress and fruitful change in the history of the hemisphere. And the pace is increasing.

Last year Latin America as a whole exceeded the Alliance for Progress target of 2½ percent per capita growth rate. Our experts tell us we will do the same this year. And in the Central American Common Market, growth is almost 7 percent.

A large and swelling flood of resources contributes to this progress. In 4 years, the United States has contributed almost four and a half billion dollars in grants, loans, goods, and expert assistance. The nations of Latin America have channeled $22 to $24 billion into development. And more than a billion dollars has come from other countries and international agencies.

At the heart of Alliance are the two urgencies of planning and reform. Ten nations have already submitted development programs, and others are on the way. Fourteen countries now have major tax reforms under way—and the rate of tax collection is steadily rising. Fourteen nations have now instituted land reform programs. Others are confronting the growing importance of population control. One government after another is determined to reconcile reform and economic growth with the struggle against destructive inflation. And I salute those, like the people of Brazil, who help lead the way.

In my own country we have constantly worked to improve the speed and usefulness of our own participation in the Alliance. And we have made progress.

In the last year and a half we have loaned over $847 million—almost $150 million more than in the 2 full preceding years. The number of loans is increasing. The amount of investment guarantee is on the rise. Housing guarantees have gone up 20 times in only 2 years.

Thus in both United States and Latin America we are moving more and more swifty to meet the obligations and reach the goals of the Alliance for Progress.

And behind the statistics lie the countless stories of human needs met, human suffering relieved, human hopes fulfilled.

Twenty-five million people—13 million of them children—are receiving food from Alliance programs.

More than 1½ million people have new homes.

A million children now have new classrooms, and 10 million textbooks have been produced.

Hundreds of thousands now can find relief from suffering in more than 850 hospitals, health centers and health units now in service.

More than 100 million people are now protected from malaria.

And across the face of the hemisphere new roads are being built. Electric power lines are going up. And institutions for savings and credit and development are opening their doors.

These are important gains. But, perhaps more importantly, the banners of reform, of social justice and of economic progress have been seized by governments and leaders and parties all over the hemisphere. Elections are fought and won on the principles of the Alliance. Where once the light of hope flickered in few places, it now burns in many nations. And in the oppressed countryside and desperate slums growing numbers of people know that in distant capitals—under different slogans and with varying success—their leaders are working to brighten their days and ensure their dignity.

For the fact is, even though forces of injustice, privilege and tyranny hold many fortresses, they are on the defensive now. And we can say, far more surely than we once could: Their final days is coming.

But whatever we have accomplished we know the road ahead is longer and more steep than the way behind. If many have been helped, many more are still untouched. If some are newly free, millions are still shackled by poverty and disease, ignorance and malnutrition. If we have made more progress than before, we have made far less than we must.

To this end, we must all increase the efforts we are now making: To build modern industry and the structures on which it rests, to attract a growing flow of private investment and technology to Latin America, to speed up the process of social reform.

But it is not enough to continue what we are doing. From the experience, achievement and failures of the first 4 years we can now shape new directions.

Recently I received—as did the other American Presidents—a letter from CIAP suggesting changes and new departures. The leadership of this organization is itself one of our healthiest developments. And I pledge my government to review this letter with care and sympathy.

But from this letter—and from our own experience—we can already see the shape of future emphasis.

First, we must step up our efforts to prevent disastrous changes in the prices of those basic commodities which are the life blood of so many economies. We will continue—we did this week in London—to strengthen the operation of the coffee agreement and search for ways to stabilize the price of cocoa.

We will also try to maintain a regularly expanding market for Latin American sugar. And consistent with the CIAP recommendations—I will propose today that Congress eliminate the special import fee on sugar, so the full price will go to the Latin American producers.

Second, we must try to draw the economies of Latin America closer together. The experience of Central America reaffirms that of Europe. Widened markets—the breakdown of tariff barriers—leads to increased trade, more efficient production, and greater prosperity.

The United States will, as CIAP suggests, contribute from its Alliance resources to the creation of a new fund for preparing multinational projects. By building areawide road systems, developing river basins which cross boundaries, and improving communications we can help dissolve barriers which have divided the nations.

In addition, I hope the American nations will consider the establishment of a program—patterned after the European Coal and Steel Community—for the production and trades, on a continental basis, of fertilizer, pesticides, and other products needed to increase agricultural production. My country is willing to help in such a venture.

Thus, in ways he never imagined, we can move closer to the dream of Bolivar.

Third, we must emphasize the needs of rural Latin America. Here is the scene of the most abject poverty and despair. Here half the people of Latin America live. And it is here, in the countryside, that the foundation of a modern economy will be built. Through diversification of crops we can decrease dependence on a few export products. Through increasing production, the countries of Latin America can feed their own people. Through increasing farm income, we can provide growing markets for industry.

Fourth, we must, as CIAP also suggests, direct more of our effort toward those things which directly touch the lives of individual human beings—homes and education, health and food. It is not enough simply to say that a growing economy will ultimately meet those needs. Misery and pain and despair exist in the present; and we must fight them in the present as best we can. This is not only the command of compassion. It is the counsel of wisdom. For factories and banks and dollars do not build a nation. People build a nation. On those people—their health and knowledge and faith; their participation and their sacrifice—rests the future of all of us and all our nations.

This is the common thread which runs through the Great Society in my country and the Alliance for Progress in all our countries.

These are a few—and only a few—of the many tasks which lie before us as we labor to complete the second revolution of the Americas.

The task of development is a practical process. It demands skilled leadership, careful judgment, and imagination firmly tempered by possibility. But it demands something more. For our progress is not its own end. It is an instrument to enlarge the dignity of man. And so we must build on faith and on belief and on those values which are the resistant and enduring mark of our civilization.

This means that each man should have the chance to share in the affairs of his nation—to participate in that liberating process of self-rule we know as democracy. It is fundamental to our Alliance that all our nations should be free, and all our people part of that freedom. We have not yet achieved that for all our countries, indeed for all the people of my own country. But that is our goal for this entire continent. And, however we build, the Alianza will not be a success until that is accomplished.

It is to protect that right of self-determination that the OAS now works in the Dominican Republic. I know all of you share the wish that the future government, chosen by the Dominican people, will be devoted to the principles of liberal democracy and social justice; and that you share as well the intention of my country to help rebuild that memory and strife-scarred land.

This also means that each man's nation—great or small—must walk as an equal with all others—free to shape its society, select its institutions and find its own way to the future so long as it respects the rights of its fellows. And from that enriching diversity of custom and tradition—practice and the conduct of affairs—we will all draw strength and, perhaps even wisdom.

This also means that each man must have a chance to share in present benefit and future progress. God did not create any man to live in unseen chains, laboring through a life of pain to heap the table of a favored few. No farmer should be enslaved to land he can not own. No worker should be stripped of reward for toil. No family should be completed to sacrifice while others escape the obligation of their society. "Indeed," said Thomas Jefferson, "I tremble for my country when I reflect that God is just." We must surely tremble for our continent as long as any live and flourish by the walls of injustice.

If we follow these commands in all our lands then progress will fulfill our dreams. But if we sacrifice them to weakness, or interest, or to false promise, then the hand that builds will become the hand of desolation.

I am, as best I can, trying to follow them in my own country. This year new laws will help the old to find health, families to supplement the cost of homes, Negroes to share democracy, the poor to find an exit from poverty, and children to seek learning. For my Nation, like yours, is struggling to find justice for all its people. And because we are fortunate in abundance we must try to help others who seek it for their own people.

And there is also something more. The process of development is still an unknown process. Although we mask our uncertainty with charts and tables, calculations and intricate theories, we are still uncertain. But one thing we do know. Development is not just a matter of resources or trade, production or crops. Rather, in some mysterious way, a people—because they have great leaders and because they have great hopes and because they themselves are great—an entire people begin to stir, and sacrifice and work. And a nation begins to move.

And today throughout this continent this is beginning to happen.

It is that—not the numbers or reports—which tell us these have been fruitful years—and that with luck, and with skill, and with intransigent resolve we will clear away the thousand barriers that lie ahead—if enough hands grasp them, and all are allowed to make the journey.

To all that was pledged that momentous August day—and everything promised since—I here, on this anniversary, again pledge my administration and my personal life in office.

As for the future, leave that to this new world. It will be ours, as it was promised so many years ago.

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a statement by the President.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MORSE. Mr. Speaker, will the gentleman yield?

Mr. SELDEN. I yield to the gentleman from Massachusetts.

Mr. MORSE. I rise to associate myself with the gentleman's remarks.

I am proud to associate myself with the gentleman's remark in commendation of the President's speech this morning. I was particularly pleased by the President's reference for expanding efforts in the rural areas of Latin America. The people in these sections of the Hemispheric Republics cannot be permitted to fall further behind in the quest for development.

More and more the people of Latin America must be encouraged to participate—at all levels and at all stages of their development. This is the promise of democracy, of Bolivar and Thomas Jefferson, to which the President referred so eloquently today.

The Alliance for Progress is a noble concept. It had its germ in the administration of President Eisenhower when the Inter-American Development Bank was authorized and funded and a development program conceived out of the wreckage of the Chilean earthquake in 1960. It was given an imaginative expression and execution by President Kennedy. And it is receiving commitment, encouragement and support from President Johnson.

We have made important strides in the past 4 years, not only in the building of roads and schools, the development of industries and the creation of new jobs, but in the development of a greater understanding between the peoples of the Hemisphere. But I agree with the President entirely when he says:

> If we have made more progress than before, we have made far less than we must.

HOME RULE FOR THE DISTRICT OF COLUMBIA IS CLEARLY CONSTITUTIONAL

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, this year opponents of home rule for the District of Columbia have revived the threadbare claim that home rule would be unconstitutional.

Tired old arguments that have been shot full of holes in the past are being patched up to do service in a last-ditch effort to keep the people of Washington from self-government.

The fact is that such arguments are without foundation.

Congress clearly has the constitutional power to delegate legislative authority to a local body for the District of Columbia.

This conclusion rests not only on the Supreme Court's decision in *District of Columbia* v. *John R. Thompson Co., Inc.*, 346 U.S. 100 (1953), but also on the views of those who founded our Nation and framed our Constitution, on the consistent action of Congress since 1802, and on a multitude of judicial decisions by the Supreme Court of the United States and the courts of the District of Columbia.

Those who argue that Congress lacks the power to establish a local legislative body for the District of Columbia would in all likelihood oppose home rule whether such power exists or not.

However, there may be some members who have not had an opportunity to study the issue and are troubled by the claim that home rule would be unconstitutional.

Some years ago, I studied this question very carefully and reported my findings to the House District Committee and to the House.

Since the issue of constitutionality has been raised again, I would like to again set forth the basic facts of history and law that establish beyond doubt Congress' power to give the 800,000 people of the District the right to run their own local affairs.

The argument of unconstitutionality rests upon the word "exclusive" in article I, section 8, clause 17 of the Constitution which confers upon Congress the power "to exercise exclusive legislation in all cases whatsoever, over such District as may, by cession of particular States, and the acceptance of Congress become the seat of the Government of the United States." Those who argue against the power of Congress to create a local legislative body for the District apparently contend that because of the word "exclusive" every law in the District of Columbia must be passed by Congress itself, and that Congress cannot confer upon any other body any kind of legislative power within the District.

Such a contention is contrary to the intent of the framers of the Constitution, and contrary to the historical and uniform views of both the Congress and the Supreme Court concerning the constitutional power of Congress. The plain fact is that the word "exclusive" does not preclude the Congress from delegating legislative power to a District legislative body that would enact laws solely within the District of Columbia, but rather was designed simply to prevent other States from enacting laws to govern legal relationships within the District of Columbia.

THE VIEWS OF THE FOUNDING FATHERS

James Madison, who perhaps had the largest role in the framing of the Constitution, clearly indicated the intent of the framers when he wrote in the Federalist, No. 43, that the inhabitants of the proposed District "will have had their voice in the election of the Government, which is to exercise authority over them" and that "a municipal legislature for local purposes, derived from their own suffrages, will of course be allowed them."

But this famous statement by Madison was not the only expression of the Founding Fathers on this topic.

During the fall of 1783, the Continental Congress gave much consideration to the question of where Congress should have its permanent residence. Fresh in the minds of all the Members of the Congress was their experience in June of that year, when mutinous soldiers had stationed themselves with fixed bayonets around the building in Philadelphia where Congress was meeting. Because the State authorities had failed to disperse them or provide any guarantee of protection to Congress, the Continental Congress moved elsewhere. Shortly afterward, a special committee was appointed charged with the specific duty "to consider what jurisdiction may be proper for Congress in the place of their permanent residence." This committee consisted of James Duane, Jacob Read, James McHenry, Samuel Huntington, Richard Peters, James Wilson, and James Madison. On September 22, 1783, this committee reported a resolution dealing with two points, namely, the size of the proposed District, and the extent of the powers which Congress should exercise therein. The resolution stated that Congress "ought to enjoy an exclusive jurisdiction over the District which may be ceded and accepted for their permanent residence." An additional resolution was presented on the motion of James Madison which specified that the District "ought to be entirely exempted from the authority of the States ceding the same; and the organization and administration of the powers of government within the said District concerted between Congress and the inhabitants thereof." Still another resolution was presented on motion of Arthur Lee which specified:

> *Resolved,* That the people inhabiting within said territory should enjoy the privilege of trial by jury, and of being governed by laws made by representatives of their own selection. (Journals of the Continental Congress (1774–89), pp. 603–604 (Sept. 22, 1783).)

It is thus quite clear that the committee, in using the word "exclusive," intended only to preclude the exercise of power by any State which ceded the area of the District. Madison's resolution clearly envisaged that the inhabitants of the territory would concert with Congress in relation to the organization and administration of the powers of government within the said District. Even more clearly, Lee's resolution declared that the residents of the District should have the privilege of "being governed by laws made by representatives of their own selection." Since Congress would, of course, consist of representatives chosen by all the States, it is obvious that the words "representatives of their own selection" meant persons selected by the District residents to represent them in a municipal legislature.

Equally significant in indicating the general understanding of the Founding Fathers was Thomas Jefferson's "Opinion Relative to Locating the 10-Mile Square for the Federal Government and Completing the Federal City," which he wrote on March 11, 1791. This opinion is reprinted in Padover, "Thomas Jefferson and the National Capital," pages 47–48, GPO, 1946. Thomas Jefferson stated, page 48, line 10, and the following:

> Terms of sale to be settled. As there is not as yet a town legislature, and things may be done before there is one to prevent them, which yet it would be desirable to prevent, it would seem justifiable and expedient that the President should form a capitulary of such regulations as he may think necessary to be observed, until there shall be a town legislature to undertake this office; such capitulary to be indented, signed, sealed, and recorded, according to the laws of conveyance in Maryland.

It is clear, by his reference to the "town legislature" which was "as yet" not established and his reference to the time "until there shall be a town legislature to undertake this office," that Jefferson fully understood and contemplated that a municipal legislature would be provided for the Federal City. It is inconceivable that Jefferson would have made such an assumption if he had thought that the establishment of a municipal legislature within the District would violate the newly established Constitution.

The unanimity of this understanding is underscored by the fact that John Adams, who was one of the greatest of the Founding Fathers and who vigorously opposed most of Jefferson's views, thoroughly agreed with Madison and Jefferson on this point. Adams had been Vice President during Washington's two terms and succeeded him as President. In November 1800, as Congress began its first session in the newly established Federal City, President John Adams, in his welcoming address to Congress, referred to the need for "local powers" within the newly established District and said—"Annals of Congress," November 22, 1800, page 723, Sixth Congress, Second session:

> You will consider it as the Capital of a great nation, advancing, with unexampled rapidity, in arts, in commerce, in wealth, and in population; and possessing, within itself, those energies and resources, which, if not thrown away, or lamentably misdirected, will secure to it a long course of prosperity, and self-government.

THE VIEWS AND ENACTMENTS OF CONGRESS

Congress acted almost immediately on President Adams' recommendation by establishing a municipal corporation with a council of 12 persons elected by the qualified voters and exercising legislative authority for the city of Washington—act of May 3, 1802 (2 Stat. 195, 197). Thereafter, from time to time, Congress enacted other statutes broadening and extending the legislative powers of the city of Washington—act of February 24, 1804 (2 Stat. 254, 255); act of May 4, 1812 (2 Stat. 721, 725); act of May 15, 1820 (3 Stat. 583, 587); act of May 17, 1848 (9 Stat. 223, 224). Thus the act of 1812 added a board of aldermen of eight persons also elected by the voters; the act of 1820 further provided that the mayor, who was previously an appointed official, would thereafter be elected by the qualified voters; and the act of 1848 made other public offices, namely, the assessor, register, collector, and surveyor, subject to election by the qualified voters.

The city of Georgetown, which had been established as a municipal corporation in 1789, prior to the creation of the District of Columbia, continued to exist after the District was established, and to exercise municipal legislative authority with a council of 10 members elected by the qualified voters of the city. No one questioned the power of the city of Georgetown to exercise local legislative power, even though the city of Georgetown was completely within the boundaries of the new District. On the contrary, Congress quickly enacted legislation to expand the legislative power of the city of Georgetown and authorized popular election of the board of aldermen also (act of March 3, 1805 (2 Stat. 332, 334–335)).

In 1830, Congress provided that the mayor, who previously was chosen by the council, aldermen, and recorder, should thereafter be elected by the qualified voters of Georgetown—act of May 31, 1830 (4 Stat. 426). In 1856, Congress further liberalized the requirements for voting in the city of Georgetown—act of August 11, 1856 (11 Stat. 32, sec. 2).

The city of Alexandria, which was within the District of Columbia until the portion of the District on the Virginia side of the Potomac was retroceded to Virginia, had been incorporated in 1779, with provision for popular election of officials who enacted city ordinances. Congress expanded this legislative authority in 1804 (2 Stat. 255), and in 1843 (5 Stat. 599).

The remainder of the District—the counties of Washington and Alexandria—were governed by their respective levy courts, which consisted of appointive officials with certain limited powers, some of which were legislative in nature. See, for example, act of June 12, 1860 (12 Stat. 29), act of March 3, 1863 (12 Stat. 799).

In 1867, Congress enacted legislation further extending the right of the residents of the cities of Washington and Georgetown to vote in municipal elections—act of January 8, 1867 (14 Stat. 375).

In 1871, Congress abolished the legislative bodies which then existed in the District, and established a territorial government, with an appointed Governor, an elected Delegate to the House of Representatives with the same rights as Delegates from other Federal territories, and a legislative assembly consisting of an appointed 11-member council and a 22-member House of Delegates elected by the voters of the entire District—act of February 21, 1871 (16 Stat. 419).

This act granted to the legislative assembly "the legislative power of the District" over "all rightful subjects of legislation within said District, consistent with the provisions of this act" and the Constitution—section 18.

Although the legislative assembly was abolished by the act of June 20, 1874 (18

Stat. 116), which substituted the Commissioner form of government, Congress continued to delegate extensive powers of legislation on local matters to be exercised by the Board of Commissioners—act of June 20, 1874, supra, sections 3, 5, 6, 8, and 9; act of June 11, 1878 (20 Stat. 103, sec. 3); act of January 26, 1887 (24 Stat. 368; District of Columbia Code, 1951 ed., sec. 1-224); act of February 26, 1892 (27 Stat. 394; District of Columbia Code, 1951 ed., sec. 1-226). The latter act authorizes the Commissioners "to make and enforce all such reasonable and usual police regulation as they may deem necessary for the protection of lives, limbs, health, comfort, and quiet of all persons and the protection of all property within the District of Columbia." In addition to these general statutes, Congress has enacted literally dozens of statutes, conferring upon the Commissioners the power to make regulations, which are essentially legislative in character, in a large variety of situations. See cross-reference note under section 1-226 District of Columbia Code—1951 edition.

All of these enactments by Congress clearly demonstrate that Congress did not view the word "exclusive" as preventing it from delegating legislative powers to a local legislative body which was elected by the local qualified voters. As Justice Story pointed out in 1833 when he wrote his great "Commentaries on the Constitution of the United States"—section 1223:

> In point of fact, the corporations of the three cities [Washington, Georgetown, and Alexandria] within its limits [i.e., within the District of Columbia] possess and exercise a delegated power of legislation under their charters, granted by Congress, to the full extent of their municipal wants, without any constitutional scruple, or surmise, or doubt.

It is entirely clear that the word "exclusive" was used only for one purpose; namely, to make sure that none of the ceding States would exercise legislative power within the District. This was the view entertained during the debates on the Constitution (3 Elliot's "Debates in the Several States on the Adoption of the Federal Constitution" (2d ed. 1876), pp. 432-433; "The Federalist and Other Constitutional Papers," No. 43, p. 239 (Scott ed. 1898)). This was also the view of commentators of the Constitution (2 Story, "Commentaries on the Constitution of the United States" (4th ed. 1873), sec. 1218; 1 Crosskey, "Politics and the Constitution in the History of the United States," pp. 493-494 (1953)).

The courts have uniformly held the same view. In 1880 the highest court in the District of Columbia stated "that the term 'exclusive' has reference to the States, and simply imports their exclusion from legislative control of the District, and does not necessarily exclude the idea of legislation by some authority subordinate to that of Congress and created by it." *Roach* v. *Van Riswick, MacArthur and Mackey* (11 D.C.) 171, 174 (1880). (See also opinion of Circuit Judge Taft in *Grether* v. *Wright,* 75 Fed. 742, 756-757 (C.A. 6) quoted in *O'Donoghue* v. *United States,* 289 U.S. 516, 539.) The Supreme Court squarely considered the meaning of the word "exclusive" in the case of *District of Columbia* v. *John R. Thompson Co., Inc.,* 346 U.S. 100, 109 (1953), and in a unanimous opinion rejected the "suggestion that the power of Congress to exercise exclusive legislation granted by article I, section 8, clause 17, of the Constitution is nondelegable because it is 'exclusive'." The Supreme Court specifically ruled that "it is clear from the history of the provision that the word 'exclusive' was employed to eliminate any possibility that the legislative power of Congress over the District was to be concurrent with that of the ceding States."

THE JUDICIAL PRECEDENTS

Long before the Supreme Court definitely settled the matter in the Thompson case, both that Court and the courts in the District of Columbia had frequently ruled that Congress has power to delegate legislative authority to a local body for the District. For example, in *Welch* v. *Cook,* 97 U.S. 541, 542 (1878), the Supreme Court said:

> It is not open to reasonable doubt that Congress had power to invest, and did invest, the District government with legislative authority, or that the act of the legislative assembly of June 26, 1873, was within that authority. We shall therefore consider the question as if that act exempting manufacturing property from taxation had been passed directly by Congress.

In *National Bank* v. *Shoemaker,* 97 U.S. 692, 693 (1878), the Supreme Court said:

> The property upon which the assessment was laid is in the District of Columbia, though outside the bounds of the city of Washington. But the legislative assembly created by the organic act (Feb. 21, 1871, 16 Stat. 419) had authority to legislate for the entire District.

In *Stoutenburgh* v. *Hennick,* 129 U.S. 141, 147 (1889), the Supreme Court in discussing laws enacted by the Legislative Assembly of the District of Columbia, said:

> It is a cardinal principle of our system of government, that local affairs shall be managed by local authorities, and general affairs by the central authority, and hence, while the rule is also fundamental that the power to make laws cannot be delegated, the creation of municipalities exercising local self-government has never been held to trench upon that rule. Such legislation is not regarded as a transfer of general legislative power, but rather as the grant of the authority to prescribe local regulations, according to immemorial practice subject, of course, to the interposition of the superior in cases of necessity * * * as the repository of the legislative power of the United States, Congress in creating the District of Columbia "a body corporate for municipal purposes" could only authorize it to exercise municipal powers, and this is all that Congress attempted to do.

In *Cohens* v. *Virginia,* 19 U.S. (6 Wheat.) 264, 442 (1821), the Supreme Court indicated that when Congress enacted the organic act of the city of Washington, "Congress must have considered itself as delegating to this corporate body powers for the management of the internal affairs of the city, for its internal government, for its police."

In *Metropolitan Railroad* v. *District of Columbia,* 132 U.S. 1, 9 (1899), the Supreme Court, after reciting the history of the cities of Washington and Georgetown and the establishment of the District of Columbia as a municipal corporation, referred to the "subordinate legislative powers of a municipal character which have been or may be lodged in the city corporations, or in the District corporation."

In *Binns* v. *United States,* 194 U.S. 486, 491 (1904), the Supreme Court said:

> It must be remembered that Congress, in the government of the Territories as well as of the District of Columbia, has plenary power save as controlled by the provisions of the Constitution; that the form of government it shall establish is not prescribed, and may not necessarily be the same in all the Territories. * * * It may legislate directly in respect to the local affairs of a Territory or transfer the power of such legislation to a legislature elected by the citizens of the Territory.

The courts in the District of Columbia repeatedly upheld ordinances of the former corporation of Washington, and of the legislative assembly, as enactments of legislative bodies to whom Congress had validly delegated legislative power. Some of these cases are:

Corporation of Washington v. *Eaton,* 4 Cranch C.C. (4 D.C.) 352, 29 Federal Cases, page 345, No. 17288 (1833).

France v. *Corp. of Washington,* 5 Cranch C.C. (5 D.C.) 667, 9 Federal Cases, page 660, No. 5,028 (1840).

Cooper v. *District of Columbia, MacArthur & Mackey* (11 D.C.) 250 (1880).

District of Columbia v. *Waggamann,* 4 Mackey (15 D.C.) 328 (1885).

Bush v. *District of Columbia,* 1 App. D.C. 1 (1893).

District of Columbia v. *Burgdorf,* 6 App. D.C. 465 (1895).

District of Columbia v. *Weaver,* 6 App. D.C. 483 (1895).

Parsons v. *District of Columbia,* 8 App. D.C. 391, 34 Wash. L. Rep. 269 (1896), affirmed 170 U.S. 45 (1898).

Lasley v. *District of Columbia,* 14 App. D.C. 407 (1899).

Smith v. *Olcott,* 19 App. D.C. 61, 73-74 (1901).

In a number of cases arising under acts of the legislative assembly, the courts of the District of Columbia, although voiding convictions or tax liens on the basis of the particular facts, dealt with the cases on the assumption that the acts involved had been validly enacted. Some of these cases were:

Johnson v. *District of Columbia,* 6 Mackey (17 D.C.) 21 (1887).

District of Columbia v. *Nau,* 9 Mackey (20 D.C.) 547 (1892).

Stevens v. *Stoutenburgh,* 8 App. D.C. 513 (1896).

Callan v. *District of Columbia,* 16 App. D.C. 271 (1900).

In addition, the following cases decided by the District of Columbia courts were particularly noteworthy:

In *United States* v. *May,* 2 MacArthur (9 D.C.) 512 (1876), the court upheld a conviction for violation of an act of the legislative assembly prohibiting abortion, and ruled that the act was within the authority granted to the legislative assembly by section 18 of the organic act of 1871, supra.

In *Dennison* v. *Gavin*, 3 MacArthur (10 D.C.) 265 (1877) the court ruled that the Commissioners of the District did not, after the abolition of the legislative assembly, have authority to repeal prior ordinances enacted by the local legislative body.

In *Roach* v. *Van Riswick, MacArthur & Mackey* (11 D.C.) 171, 178, 179 (1879), the court invalidated an act of the legislative assembly providing for judgment liens on equitable interests in land, but acknowledged that Congress had the constitutional power to delegate to the legislative assembly the power to enact regulations dealing with local and municipal matters. The court said:

> Thus, universal usage and legislation recognize the preservation of public order, morals, and health, the regulation of markets and places of amusements, the inspection of provisions, the improvement and repair of streets and, as an incident to others, the levying of general taxes and special assessments, as appropriate powers of a municipality.

In *Johnson* v. *District of Columbia*, 30 App. D.C. 520 (1908), the court upheld an act of the legislative assembly forbidding cruelty to animals as being "within the scope of powers delegated to the municipality by Congress."

This extensive background of judicial decision was part of the foundation for the Supreme Court's decision of 1953 in the Thompson case which squarely upheld the power of Congress to delegate legislative power to a legislative body for the District of Columbia.

Equally important as another part of the foundation for the Thompson case ruling was the analogy of congressional delegation of legislative power to the various territorial governments which Congress established beginning in 1804.

It is, of course, well recognized that Congress has plenary jurisdiction in both the District of Columbia and in the territories.

Article IV, section 3, clause 2 of the Constitution is the basis for congressional power over the territories in the United States. It provides as follows:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States.

There is no significant difference, so far as concerns the powers of Congress to delegate legislative authority, between this clause and clause 17 of article I, section 8, which deals with the District of Columbia. The word "exclusive" in the clause concerning the District of Columbia means no more nor less than the word "all" in the clause concerning the territories. Under both provisions, the lawmaking powers of Congress with respect to the District of Columbia and the territories, is exclusive only in the sense that no State can intrude upon the supreme legislative authority of Congress. Neither provision prevents Congress from creating subordinate bodies endowed with local legislative authority.

The fact of the matter is that since 1802 Congress has granted legislative authority not only to local legislative bodies in the District of Columbia but to virtually every territory. Thus, the legislative power over "all rightful subjects of legislation" which Congress granted to the legislative assembly for the District of Columbia in 1871 was phrased in language substantially identical with the phrase "all rightful subjects of legislation" in the organic acts of the following territories:

Louisiana: Act of March 26, 1804 (2 Stat. 283, 284).

Wisconsin: Act of April 20, 1836 (5 Stat. 10, 12).

Iowa: June 12, 1838 (5 Stat. 235, 237).

Oregon: Act of August 14, 1848 (9 Stat. 323, 325).

Minnesota: Act of March 3, 1849 (9 Stat. 403, 405).

New Mexico: Act of September 9, 1850 (9 Stat. 446, 449).

Utah: September 9, 1850 (9 Stat. 453, 454).

Washington: Act of March 2, 1853 (10 Stat. 172, 175).

Nebraska and Kansas: Act of May 30, 1854 (10 Stat. 277, 279, 285).

Colorado: Act of February 28, 1861 (12 Stat. 172, 174).

Dakota: Act of March 2, 1861 (12 Stat. 239, 241).

Arizona: Act of February 24, 1863 (12 Stat. 664, 665).

Idaho: Act of March 3, 1863 (12 Stat. 808, 810).

Montana: Act of May 26, 1864 (13 Stat. 85, 88).

Wyoming: Act of July 25, 1868 (15 Stat. 178, 180).

Hawaii: Act of April 30, 1900 (31 Stat. 141, 150).

Alaska: Act of August 24, 1912 (37 Stat. 512, 514).

Puerto Rico: Act of March 2, 1917 (39 Stat. 951, 964).

These provisions were codified in Revised Statutes, section 1851. See also the act of August 28, 1958 (72 Stat. 1094, 48 U.S.C. 1574, Public Law 85-851), in which Congress recently granted "legislative authority and power" over "all rightful subjects of legislation," and so forth, to the Legislature of the Virgin Islands.

The Supreme Court has construed these provisions in numerous cases involving laws enacted by territorial governments. It has uniformly upheld the power of Congress to delegate legislative authority to the territorial legislature and has construed the words "all rightful subjects of legislation" as embracing all laws which are local and appropriate to territorial self-government. The Supreme Court has given the widest latitude to the permissible scope of such territorial laws.

In *Simms* v. *Simms*, 175 U.S. 162, 168 (1899), the Supreme Court said:

> The power so conferred upon a territorial assembly covers the domestic relations, the settlement of estates, and all other matters which, within the limits of a State, are regulated by the laws of the State only.

In *Maynard* v. *Hill*, 125 U.S. 190, 204 (1888), the Supreme Court said that the words "all rightful subjects of legislation" included all "subjects upon which legislatures had been in the practice of acting with the consent and approval of the people they represented." In *Cope* v. *Cope*, 137 U.S. 682, 684 (1891), the Supreme Court referred to these words, and said that subject to the exceptions specifically stated in the organic act of the territory, "the power of the territorial legislature was apparently as plenary as that of the legislature of a State." In *Christianson* v. *King County*, 239 U.S. 356, 365 (1915), the Supreme Court said that:

> "'Rightful subjects' of legislation included all those subjects upon which legislatures have been accustomed to act."

In *Puerto Rico* v. *Shell Co.*, 302 U.S. 253, 260-262 (1937), the Supreme Court said that Congress may delegate legislative power to a territory "as broad and comprehensive as language could make it."

The wide scope of power which Congress has delegated to territorial legislatures by use of the word "rightful subjects of legislation" is demonstrated by the breadth and variety of the territorial statutes upheld by the Supreme Court as being within the power delegated by Congress to the territorial legislature. In large measure, the cases dealt with statutes which, in a State, would ordinarily be enacted by the State legislature. Among these are the following decisions:

Hornbuckle v. *Toombs*, 85 U.S. (18 Wall.) 648 (1874)—procedural code limiting forms of action.

Maynard v. *Hill*, 125 U.S. 190 (1888)—divorce statute.

Cope v. *Cope*, 137 U.S. 682 (1891)—statute permitting illegitimate children to inherit.

Simms v. *Simms*, 175 U.S. 162 (1899)—statute concerning remittitur of part of money judgment.

Atchison, T. & S.F. Ry. v. *Sowers*, 213 U.S. 55 (1909)—statute limiting tort claims.

Christianson v. *King County*, 239 U.S. 356 (1915)—statute escheating property.

Puerto Rico v. *Shell Co.*, 302 U.S. 253 (1937)—antitrust statute similar to Sherman Act.

See also *People of Porto Rico* v. *American R.R. Co.*, 254 Fed. 369 (C.A.A. 1st 1918), *cert denied* 249 U.S. 600 (1918)—statute regulating freight rates: *Richards* v. *Bellingham Bay Land Co.*, 54 Fed. 209 (C.A.A. 9th, 1893)—statute abolishing dower and creating community property; *People of Puerto Rico* v. *Suazo*, 63 Puerto Rico Reports 869 (1944)—antidiscriminating statute.

In *Binns* v. *United States*, 194 U.S. 486, 491-492 (1904), the Supreme Court of the United States made the following statement concerning the nature of the power that may be validly delegated to the territories and to the District of Columbia:

> It must be remembered that Congress, in the government of the territories as well as of the District of Columbia, has plenary power, save as controlled by the provisions of the Constitution, that the form of government it shall establish is not prescribed, and may not necessarily be the same in all territories. We are accustomed to that generally adopted for the territories, or a quasi-State government, with executive, legislative, and judicial officers, and a legislature endowed with the power of local taxation and local expenditures, but Congress is not

> limited to this form. In the District of Columbia it has adopted a different mode of government, and in Alaska still another. It may legislate directly in respect to the local affairs of a territory or transfer the power of such legislation to a legislature elected by the citizens of the territory. It has provided in the District of Columbia for a Board of three Commissioners who are the controlling officers of the District. It may entrust to them a large volume of legislative power, or it may by direct legislation create the whole body of statutory law applicable thereto.

These cases reflect the congressional policy underlying the broad grants of legislative power to the territories which was stated by the Supreme Court in *Clinton* v. *Englebrecht,* 80 U.S. (13 Wall.) 434, 441 (1871) as one that "has ever been that of leaving to the inhabitants all the powers of self-government consistent with the supremacy and supervision of national authority." A recent illustration of this congressional policy to confer the broadest legislative authority upon local legislatures was the act of August 28, 1958 (72 Stat. 1094, 48 U.S.C. 1574; Public Law 85-851), which amended the Revised Organic Act of the Virgin Islands by deleting the words "subjects of local applications" and substituting the words "all rightful subjects of legislation," in order to change the effect of the Supreme Court's decision in *Granville-Smith* v. *Granville-Smith,* 349 U.S. 1 (1955), which had held that under the former words the Virgin Islands Territorial Legislature had not been delegated sufficient legislative power to enact a statute authorizing divorce suits by persons in the Virgin Islands who had not yet acquired domicile therein. See House Report 1726, pages 2, 6, 7, and Senate Report 2267, pages 2, 7, both 85th Congress, 2d session, indicating that Congress made this amendment in order that "the legislative jurisdiction of the territory would cover the ordinary area of sovereign legislative power as limited and circumscribed by the Revised Organic Act or the laws of the United States made applicable to the Virgin Islands" (S. Rept. 2267, 85th Cong., supra).

In view of this long-established and uniform line of precedents, it is significant that the Supreme Court and the courts of the District frequently referred to the District legislative assembly government of 1871–74 as a "territorial government." *Eckloff* v. *District of Columbia,* 135 U.S. 240, 241 (1890); *District of Columbia* v. *Hutton,* 143 U.S. 18, 20 (1892); *Roth* v. *District of Columbia,* 16 App. D.C. 323, 330 (1900); *Grant* v. *Cooke,* 7 D.C. 165, 194, 200–201, 207 (1871).

This vast background of constitutional, congressional, and judicial history and practice was synthesized by the Supreme Court in its unanimous opinion in *District of Columbia* v. *John R. Thompson Co., Inc.,* 346 U.S. 100 (1953).

In that case the Court upheld the validity of two statutes prohibiting racial discrimination in restaurants enacted by the legislative assembly of the District of Columbia, pursuant to the Organic Act of 1871 which invested it with legislative authority over "all rightful subjects of legislation." The Court's rulings concerning the power of Congress to delegate authority to a legislative body for the District of Columbia are summarized in the first two headnotes of the Court's decision, as follows:

> 1. Under article I, section 8, clause 17 of the Federal Constitution, Congress had power to delegate its lawmaking authority to the legislative assembly of the municipal corporation created by the Organic Act of 1871 for the government of the District of Columbia (pp. 104–110).
>
> (*a*) The power of Congress under article I, section 8, clause 17 of the Constitution to grant self-government to the District of Columbia is as great as its authority to do so in the case of territories (pp. 106, 107).
>
> (*b*) The power of Congress over the District of Columbia relates not only to "national power" but to all the powers of legislation which may be exercised by a State in dealing with its affairs (p. 108).
>
> (*c*) The Constitution does not preclude delegation by Congress to the District of Columbia of full legislative power, subject to constitutional limitations to which all lawmaking is subservient and to the power of Congress at any time to revise, alter, or revoke the authority granted (pp. 108, 109).
>
> (*d*) In the provision of article I, section 8, clause 17 of the Constitution, empowering Congress "to exercise exclusive legislation" over the District of Columbia, the word "exclusive" was employed to eliminate any possibility that the legislative power of Congress over the District would be deemed concurrent with that of the ceding States; and it does not make the power nondelegable (pp. 109, 110).
>
> 2. Within the meaning of section 18 of the Organic Act of 1871, the "rightful subjects of legislation" to which the legislative power of the District of Columbia government extended was as broad as the police powers of a State, and included a law prohibiting discrimination against Negroes by restaurants in the District of Columbia (p. 110).

The Supreme Court in the Thompson case specifically pointed out that the "power of Congress over the District and its power over the territories are phrased in very similar language in the Constitution," pages 105, 106. It pointed out that the power of Congress to delegate "legislative power to a territory is well settled" and held that the power which Congress may constitutionally delegate to a territory, subject to the right of Congress to revise, alter, and revoke, "covers all matters 'which, within the limits of a State, are regulated by the laws of the State only,' " page 196, citing *Simms* v. *Simms,* 175 U.S. 162, 168 supra. The Court therefore ruled as follows, pages 106, 107:

> The power of Congress to grant self-government to the District of Columbia under article I, section 8, clause 17 of the Constitution would seem to be as great as its authority to do so in the case of territories.

The Supreme Court specifically dealt with the distinction which the court of appeals attempted to draw in the Thompson case; namely, that Congress could validly delegate municipal but not general legislative powers. This distinction had first crept into decisions of the District of Columbia courts in *Roach* v. *Van Riswick, MacArthur & Mackey* (11 D.C.) 171 (1879). The Supreme Court examined the precedents relied on by the lower court, found them inapplicable, and flatly rejected the municipal-general distinction, pages 107–109. The Supreme Court squarely ruled that "on the analogy of the delegation of powers of self-government and home rule both to municipalities and to territories there is no constitutional barrier to the delegation by Congress to the District of Columbia of full legislative power, subject, of course, to constitutional limitations to which all lawmaking is subservient and subject to the power of Congress at any time to revise, alter, or revoke the authority granted," page 109.

The Supreme Court then concluded as follows, page 110:

> We conclude that the Congress had the authority under article I, section 8, clause 17 of the Constitution to delegate its lawmaking authority to the legislative assembly of the municipal corporation which was created by the Organic Act of 1871, and that the "rightful subjects of legislation" within the meaning of section 18 of that act was as broad as the police power of a State so as to include a law prohibiting discriminations against Negroes by the owners and managers of restaurants in the District of Columbia.

I submit that, on the basis of this long line of history and precedent, it is entirely clear that Congress has the constitutional power to delegate legislative powers to a local legislative body for the District of Columbia, and that Congress can make such delegation effective with respect to any matter, subject only to the following conditions:

First. The local legislature may not pass acts to operate beyond the District, just as a State cannot pass legislation to operate outside the State boundaries; except, of course, to the extent that the full faith and credit clause of the Constitution requires other States to recognize them—see *Embry* v. *Palmer,* 107 U.S. 3 (1882).

Second. The local act may not transgress any limitation then or later described by Congress.

Third. Congress may at any time, revise, alter, or revoke the local body's enactments.

Fourth. Congress may not abdicate its own ultimate power to alter or revoke any act passed by the local body.

Fifth. Congress can at any time take away the delegated power.

Sixth. The local act remains at all times "subject to constitutional limitations to which all lawmaking is subservient."

I submit, therefore, that the question of whether, and in what form, Congress should grant the people of the District of Columbia home rule, with authority to enact local laws incident to self-government, is a question only of policy and morality, not a question of legislative power or constitutional limitation. Congress clearly has the power to do so under the Constitution and may, if it wishes, confer legislative power upon a local legislative body for the District of Columbia "as broad and comprehensive as language could make it."

Mr. Speaker, on July 22, the other body passed a bill, S. 1118, to grant home rule to the District of Columbia.

This marked the sixth time in the last 16 years that a home rule bill has passed the Senate. But in all that time, for one reason or another, the House District Committee has not been willing to let a home rule bill come to the floor of the House for a vote.

Home rule legislation has been before the House District Committee since January 4. The chairman of the District Committee has been urged both by members of the District Committee and other Members of this House to hold early hearings and to report, adversely if need be, a home rule bill so that the House could work its will.

Unfounded arguments concerning the constitutionality of home rule must not discourage the signatures needed to discharge the District Committee and finally bring a home rule bill to the floor of the House.

INDEPENDENCE DAY OF REPUBLIC OF GABON

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, as chairman of the African Subcommittee of the Committee on Foreign Affairs, I am happy to extend warm congratulations and good wishes to President Leon M'ba, to Ambassador Aristide N. E. Issembe, to the Government and the people of Gabon on the anniversary of the independence of the fine and brave nation in Africa that is often called the Bastion of the Cross in Africa.

Gabon, covering an area of 102,000 square miles, straddles the Equator on the West Coast of Africa. It is bordered on the north by Rio Muni—Spanish Guinea—and Cameroon, on the east and south by the Republic of Congo—Brazzaville—and on the west by the Atlantic Ocean.

With only about 450,000 inhabitants Gabon is the least populated and has the lowest density per square mile, an average of four persons, of any of the four Republics of former French Equatorial Africa. The people are concentrated along the rivers and roads while large areas of the interior lie empty. During the last 80 years there has been a decline in population because of disease, but increased medical care and social services have recently halted this trend. As a consequence there is a manpower shortage for economic development.

Gabon is called the Bastion of the Cross in Africa because of its high percentage of Christians. There are perhaps 180,000 Catholics, 50,000 Protestants, and 3,000 Moslems; the rest are animists and fetishists. American Protestant missionaries have been in Gabon since 1842. At present there are about 25 American missionaries, all in the interior.

Gabon is a republic with a presidential form of government. It is unique in equatorial Africa in being patently an economically viable state. Gabon has always had a favorable balance of trade and payments. The current excess is estimated to be $14 million.

Until very recent years Gabon's wealth came from her lush equatorial forest. Wood exports, mostly logs, amounted to 84 percent of all Gabonese exports up to 1960. In recent years Gabon's enormous mineral wealth has begun to be exported so that wood, while still a very important export commodity, now accounts for only about 60 percent of all exports.

Gabon possesses in addition a very large deposit—1 billion tons—of high-grade iron ore which a consortium of United States and European steel producers hopes to put into production with in 10 years. Gabon also has favorable hydroelectric potential which it is now beginning to tap. Much of Gabon is unexplored and may contain additional deposits of commercial minerals.

U.S. private capital was attracted to Gabon, even before independence. Gabon welcomes private investment. The recently enacted Gabonese investment law provides substantial concessions and guarantees for new foreign investments. An investment guaranty agreement exists between Gabon and the United States.

On the international scene Gabon maintains warm relations with France, its former metropole, and to a lesser extent also has friendly relations with the United States and the countries of the European Economic Community. In international affairs Gabon leans toward isolationism, concentrating on its own economic development. It tends to remain aloof on cold war questions. On African questions—especially colonialism and apartheid—Gabon is an outspoken supporter of the black African position.

GENERAL LEAVE TO EXTEND

I ask unanimous consent that my colleagues who so desire may have 5 legislative days to join in expressions of friendship and of congratulations to the Republic of Gabon.

The SPEAKER. Is there any objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FARNUM. Mr. Speaker, today is the Independence Day of Gabon, a nation whose capital city has the happy name of Libreville.

Gabon, which is a republic with a presidential form of government, has no diplomatic or cultural relations with any member of the Sino-Soviet bloc. It is perhaps not strange, therefore, that Gabon enjoys good relations not only with its neighbors in equatorial Africa, but also friendly relations with the United States and countries of the European Economic Community and, additionally, very warm relations with its former metropole, France.

Gabon is celebrated in its area of Africa for maintaining a favorable balance of trade and payments and for having a rapidly growing gross national product, with the present per capita rate being the highest in any comparable nation in Africa.

Side by side with these gains in the pursuit of peace and prosperity have been registered advances in cultural and religious advancement.

It is my position, Mr. Speaker, that it is not mere coincidence that accounts for the rapid progress of Gabon but that, like our own Nation, this emerging state is winning rewards in domestic and foreign affairs that customarily come to peoples who constantly seek to broaden the horizons of freedom.

I would ask that other Members of this honorable body join me in conveying through Head of Government Leon M'ba, Minister for Foreign Affairs Jean Engone, and Ambassador Aristide N. E. Issembe our congratulations to the people of Gabon for past accomplishments and best wishes for more of the progress that has become the hallmark of the nation of Gabon.

Mr. POWELL. Mr. Speaker, today the Republic of Gabon celebrates the fifth anniversary of its independence. On this occasion, we wish to extend warm felicitations to His Excellency Leon M'ba, the President of Gabon; and to His Excellency Aristide Issembe, the Gabonese Ambassador to the United States.

Under the able leadership of President M'ba, Gabon has experienced relative political stability since independence and has steadily adhered to a program to improve the well-being of her people. Special attention has been given to the development of the economy of Gabon, and rightly so. For unlike many of her sister Republics, Gabon is richly endowed with mineral resources.

Until 1960, the Gabonese economy was highly dependent on wealth gained from the exploitation of a lush equatorial forest. Exports consisted largely of wood. In recent years, however, Gabon has become a major exporter of minerals, as the extensive natural resources of the country have been discovered and opened to exploitation. Thus, in addition to about 700,000 tons of wood, Gabon now exports each year close to 1 million tons of crude oil, over 600,000 tons of high-grade manganese, more than 1,000 tons of 30-percent uranium oxide, and about 1,000 kilograms of gold.

Gabon also possesses a large deposit of high-grade iron ore which will be put into production when facilities for the transportation of the ore from Mekambo to Libreville can be completed. Plans are underway to develop the hydroelectric potential of the country. It is expected that with further exploration, additional deposits of commercially valuable minerals will be found.

Gabon's wealth in natural resources both poses some problems for the country and underpins hopes for the future. Problems first. Gabon as yet lacks the infrastructure, especially transportation facilities, necessary for efficient exploitation of her resources. Substantial foreign investment will be required to develop a transportation network and to build industries for processing raw materials. Yet, foreign investment brings with it the risk of inequitable sharing arrangements and the danger that capital gains will not be plowed back into the Gabonese economy for the benefit of the people of Gabon. The Government of Gabon is alert to these problems, however, and like the governments of other countries in Asia and Africa, is taking steps to avoid the evils of what has come to be known as neocolonialism.

The hopes of the people of Gabon are also connected with the development of Gabon's natural resources. At present, the per capita gross national product in Gabon is the highest in Africa south of the Sahara. With the continued expansion of gross national product, there will be increasing expenditure on health services, housing, and schools for the people of Gabon. Already, the Government is making a massive effort in education, with close to 85 percent of Gabonese children now in school.

Without jeopardizing her independence, Gabon has maintained close ties with France, to the benefit of both countries. On the international scene, Gabon has chosen the course of quiet diplomacy, giving firm support to the United Nations and to the movement to erase the last vestiges of colonialism and racialist policy from the African Continent. Relations with the United States are good. I am sure that I can speak for my fellow citizens when I say it is a great pleasure to send greetings to the Government and the people of Gabon on an occasion that holds great significance for them.

Mr. CONYERS. Mr. Speaker, 5 years ago today the West African country of Gabon achieved independence. Prior to independence France tried to unite the four territories of French Equatorial Africa, but in 1959 Gabon refused political union. The four territories became the four independent states of Gabon, Congo—Brazzaville—Central African Republic, and Chad in 1960. Since that time, these four states, now joined by Cameroon, formed an Equatorial Customs Union, an Equatorial Postal and Telecommunications Union, and a Common Defense Union. France today enjoys excellent relations with Gabon and there are more Frenchmen in Gabon today than in colonial times.

Gabon is unique in equatorial Africa in that it is an economically viable state. Its gross national product is approximately $125 million a year, and the per capita gross national product is over $300, one of the highest in Africa. The economic outlook for the future of this young nation holds a promise of great prosperity. One of the primary goals of the country is to help Gabonese entrepreneurs without driving out the foreign investors who produce Gabon's wealth and the government's financing. At this stage in its development, Gabon welcomes private foreign investment. The recently enacted Gabonese investment law provides substantial concessions and guarantees for new foreign investments. An investment guaranty agreement between Gabon and the United States is in effect.

Much of its present wealth comes from the lush forests which provided 84 percent of all exports until 1960. In recent years, however, its enormous mineral resources have been tapped for the production of crude oil, manganese, uranium oxide, and gold. United States Steel, in consortium with European partners, has over $50 million invested in the mining and export of Gabon's manganese. Bethlehem Steel and Mobil and Shell oil companies also have large investments in Gabon. At present Gabon is trying to find the long-term investment capital necessary to finance a wide variety of industries.

This thickly forested nation has an area of 102,000 square miles and a population of 450,000 which makes it the least densely populated country in equatorial Africa. Its Atlantic ports, Libreville and Port Gentil, give it access to the world's markets in which it sells vast quantities of minerals and mineral products.

Gabon is also making great strides in other areas. Much has been done to eradicate the diseases which once ravaged its already small population. Better medical facilities and services have lowered the infant mortality rate and thus increased the school-age population. In order to cope with the increased numbers of school children the Gabonese are concentrating on improving their educational facilities. The Peace Corps has a rural school construction project which will assist Gabon in achieving its goal of universal education.

We warmly salute our friends in Gabon on this fifth anniversary of independence, and extend greetings to His Excellency the President of Gabon, Leon M'ba, and His Excellency, the Gabonese Ambassador to the United States, Aristide Issembe.

Mr. FRASER. Mr. Speaker, August 17 marks the fifth anniversary of independence of the Republic of Gabon. On that date in 1960 the last ties between Gabon and the colonial power were severed in an outstanding example of the peaceful and friendly birth of a new nation. Today, 5 years later, Gabon gives an example of the economic progress that is possible on the African Continent. I believe I can speak for the American people when I offer the heartiest congratulation to the Government and people of Gabon on this happy occasion.

The United States has had a long association with Gabon dating from June 1842 when American missionaries began working with the Gabonese people at a point just above the capital city of Libreville. In recent years our young American Peace Corps volunteers have been engaged in a joint venture that is contributing significantly to the economic and social development of the country. They are working side by side with Gabonese youth in constructing rural schools and teachers' houses, as a part of the country's massive effort in education. Eighty-five percent of school-age children are reportedly attending schools in Gabon.

The lush equatorial forests and rich mineral resources have attracted the businessmen of the free world. Even before independence several large American enterprises recognized the great potential of this African country and joined with others in developing its resources. As a result of these ventures and the activity of about 600 smaller firms, Gabon boasts one of the highest per capita incomes in Africa.

It should be noted that Gabon welcomes private investment. The recently enacted Gabonese investment law provides substantial concessions and guarantees for new foreign investments. Also, an investment guaranty agreement has been signed between Gabon and the United States.

The United States is proud to have been associated with Gabon during these early fruitful years. It is my firm hope that the bonds of friendship that now exist between our peoples will grow ever deeper in the future.

Mr. CEDERBERG. Mr. Speaker, I would like to call the attention of my colleagues to a birthday being celebrated on the West Coast of Africa. Five years ago today, independence was proclaimed in the Gabon Republic—formerly the overseas territory of Gabon, French Equatorial Africa.

Gabon is a small nation of 450,000 people, often called the bastion of the Cross in Africa because of its high percentage of Christians. Formerly a French colony, Gabon today enjoys excellent relations with the former colonial power. There are more Frenchmen in Gabon today than in colonial times.

Gabon is now a republic with a presidential form of government. It has a unicameral National Assembly elected for 5 years. The president, serving as both chief of state and chief of government, is elected for 7 years. All other members of the Government are appointed by the President, who can recall any of them.

Gabon is unique in equatorial Africa in that it has always had a favorable balance of trade and payments. Wood, mostly logs, still accounts for 60 percent of all exports, but in recent years Gabon has begun to export part of its enormous mineral wealth. Much of Gabon is unexplored and may contain additional deposits of minerals.

Gabon welcomes private investment. United States Steel, Bethlehem Steel, Mobil, and Shell are among the American companies which have invested in Gabon in cooperation with European firms. But U.S. interest and aid is clearly secondary to that of France and the European Economic Community.

Although the majority of Gabon's businesses are presently foreign owned and operated, the future is bright for this small but viable African nation.

I would like to take this opportunity to congratulate the people of Gabon, the head of government and the Minister of National Defense, Leon M'BA and the Gabonese Ambassador to the United States, His Excellency Aristied N. E. Issembe.

Mr. ROOSEVELT. Mr. Speaker, it gives me great pleasure to take a few moments today to note an occasion of great importance to the people of Gabon. In the summer of 1960, they took the momentous decision to become an independent state after having been an overseas territory and then an autonomous state within the French community. On August 17, they celebrate the fifth anniversary of their proclamation of independence.

Gabon is a small country lying on the west coast of Africa. It is bounded on the north by Rio Muni and Cameroon, and on the south and east by the Congo Republic—Brazzaville. Unlike many of its sister republics, Gabon enjoys a favorable balance of trade and payments, and its per capita gross national product is the highest among the independent states of black Africa. Gabon finds itself in this fortunate situation partly because it has a relatively small population and partly because it possesses enormous wealth in natural resources.

The hopes of the country are pinned to the rapid exploitation of these resources and to the equitable distribution of the income they generate. As Gabon's first 5-year plan draws to a close, it is possible to see progress on many fronts. Achievements in education have been outstanding. The government of Gabon has encouraged substantial foreign investment and has maintained close relations with France in order to spur development projects. Facilities for the extraction, transport, and processing of Gabon's mineral wealth are being rapidly built.

Mr. Speaker, I would like to take this occasion to congratulate the people of Gabon on their achievements since independence, and to express my hope that they will continue to enjoy the blessings of steady economic and social progress in years to come.

Mr. TODD. Mr. Speaker, today marks the anniversary of the independence of the state of Gabon.

This country is known to many Americans as being the site of the extremely humanitarian work of Dr. Albert Schweitzer. However, the country's development in recent years has been impressive. For example, its per capita gross national production is over $250, one of the highest in Africa. Its relations with France, the United States, and the countries of the European Economic Community have been good and it has pursued a responsible posture in its foreign policy.

Mr. Speaker, I think it appropriate that we honor this day of independence.

Mr. MATSUNAGA. Mr. Speaker, today the people of Gabon will celebrate the fifth anniversary of the formal declaration of their independence. It was not too long ago that the United States was a newly independent Nation, seeking to find its way in a world filled with dangers and opportunities. I think that we can still appreciate the significance that independence day celebrations hold for those people of Africa and Asia who have recently taken their destinies into their own hands, and who are in turn seeking their way in the world of the 20th century, filled with new dangers and new opportunities.

Gabon is a small republic on the west coast of Africa. Its neighbors to the north are Rio Muni and Cameroon; its neighbor to the south is the Republic of Congo—Brazzaville. Large parts of the country are covered by dense rain forest. In years past, the economy of Gabon has been heavily dependent on the exploitation of this forest. In recent years, however, rich mineral deposits have been discovered in Gabon, which promise to be of immense benefit to the country in the future. The Mekambo iron field in northern Gabon contains reserves estimated to be as high as a billion tons of ore of 60 to 65 percent iron content. High-grade manganese deposits at Moanda near Franceville have been exploited since 1962. Metallic uranium mines have been in production since 1961. In addition to these minerals, Gabon contains deposits of oil and potassium. And in the past, the country has exported gold and diamonds.

Thus richly endowed by nature, the people of Gabon can count on steady economic and social progress. A good start has been made on education. Plans for the future call for the development of local industries based on the mineral wealth of the country in which newly trained Gabonese can find gainful employment.

The Government of Gabon has welcomed foreign investment, realizing that outside capital and technical assistance are necessary for the rapid development of the country's resources. It has maintained especially close ties with France, the former metropole, believing that much could be lost if unnecessary acrimony accompanied independence, and that much could be gained by following the path of cooperation. At the same time, the Government has entered various cooperative arrangements with its neighbors, believing that independence does not require autarchic policies and that the new nations must embark on joint efforts to solve common problems.

Gabon has enjoyed relative political stability since independence, and has benefited from steady and progressive leadership. Relations with the United States are cordial with no issue threatening to disrupt these relations in the future. It is a pleasure to send my greetings to the people of Gabon on the occasion of the fifth anniversary of the Republic's independence.

BIAS OF CURRENT ISSUE OF U.S. NEWS & WORLD REPORT

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Speaker, yesterday I received the August 23 issue of the U.S. News & World Report, donated to me and other Members of Congress by the publishers of that magazine. This issue contains within its cover the biggest load of "garbage" that has ever been dumped in my office.

Mr. Speaker, I call attention to the current issue of U.S. News & World Report and the article entitled "Poverty War Out of Hand?" This article is based upon material that comes from the most biased, least knowledgeable and most unreliable source that I know of. This article that masquerades under the caption of "objectivity" is biased and slanted beyond description.

The "faint-hearted prophets of doom" who have opposed this program from its inception are now joined by the "garbage peddlers."

LOS ANGELES RIOTS

Mr. ICHORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ICHORD. Mr. Speaker, on Saturday, August 14, the Washington Star carried as its lead editorial a piece entitled, "Los Angeles Riots." Members of Congress who have not seen this comment should give their attention to a thought therein contained. The United States is experiencing a severe breakdown in respect for law and order among students, among minority groups, among both extreme right and left wing organizations. It really matters very little who is to blame. What really matters is how we can find the solution. All public officials, from local to Federal, should make this problem one of top priority. I submit, Mr. Speaker, that civil disobedience has undoubtedly played a great part in the present situation as has discrimination and poverty. What can we expect when prominent members of the clergy announce that they will not obey a law if they disagree with it. What can we expect when even governmental officials condone civil disobedience. I take this opportunity to declare that it is high time that leaders in both the public and private sectors issue condemnations against the spurious doctrine of civil disobedience and start talking about civil responsibilities. The Federal Government has responded to the needs of those who have been the victims of an imperfect society as all societies are political, economic, and social injustices are not solved in a year, or in a decade, or in a lifetime. It is now time for the civil rights movement to turn to their own people and to use the tools which they have fought and died for to teach all victims of circumstance and of bigotry how to utilize their gains and how to contribute to society in general. We speak of underlying causes of the riots in Los Angeles, we speak of poverty, of discrimination, of unemployment, of injustice. All of these things exist certainly but what of those organizations with foul motives who exploit these ills for their own gains? What of the professional organizers and agitators from extremist groups.

Are we naive enough to believe such people do not exist in these communities? Are we to ignore their part in this horrible senseless explosion? Are we to permit them to carry on their ill-motivated programs designed to spread resentment, hate, fear, and anarchy? The professional agitators are busily creating another Los Angeles elsewhere, in San Francisco, in St. Louis, in Kansas City, in Philadelphia, in New York, in Boston, in

Cleveland, and even here under our noses in the Nation's Capital. Certainly there was an element of spontaneity in Los Angeles arising from the overall plight of the poverty stricken but there also was an element of organization, necessarily invisible because a good agitator enlists people to do his rioting for him.

It is beyond my ability to comprehend how anyone could call this totally unorganized and totally spontaneous and how anyone could blame conditions exclusively for this violent outbreak. Conditions may not be desirable, but conditions are better than ever before in history. If conditions alone were responsible, why didn't the Mexican-American people in Los Angeles join the rioting in great numbers? Certainly they are equally as blighted and suffer the pains of discrimination. Why then, are the Mexican-Americans relatively silent through all of this? I am amazed at the fact that no leader familiar with the problems in southern California has come forth to explain that the minority situation, especially regarding Negroes and Mexican-Americans, is of a different complexion in that area than anywhere else in this country. The circumstances are such in that area that I believe it would have been impossible to have a completely spontaneous outbreak devoid of professional agitation.

Violence, for whatever cause, cannot and must not be tolerated by this society. This Congress answered discrimination in voting with the strongest voting rights bill in history. This Congress answered racial violence in the South with congressional investigations of the agitating groups. Now, let law enforcement officials answer professional agitation and mob violence with equal determination and vigor. Those in Los Angeles who broke the law should receive the maximum punishment under the law. Due process of law demands justice for the guilty as well as the innocent. That is too often forgotten. The rioters committed murder, arson, and grand larceny among many other crimes. I hope they are not merely prosecuted for disturbing the peace. If any pity is shown in these cases it will serve to stimulate similar outbreaks all over the country. If civil, political, or economic gains are made solely because of this riot then our society is sick.

If the American people do not demand justice in this case as they demanded justice in Selma last March, this Nation is in serious danger of a complete breakdown of law and order. The Negro people in this country have done a lot of demanding, and rightfully so. However, the majority must demand of the minorities the same things which they demand of themselves. Let those people who flagrantly violated the law pay for their crimes, and further, let those who agitate for this type of action be weeded out and prosecuted for their crimes.

The United States of America has a heritage of which we all should be proud, not ashamed. The problems of our country should be met with determined resolve, not apologetic whimpering. And the special problems of our minority groups should be met with empathy and understanding, not pity and hypocrisy. We must not allow ourselves to pity the Negro, rather, we must accept him, imperfect as he is and as we are, for in that acceptance he can find opportunity, equality, and most important, peace of mind.

Mr. Speaker, I include the aforementioned editorial at this point in the RECORD by unanimous consent:

LOS ANGELES RIOTS

The most baffling aspect of the savage rioting and looting which has swept Los Angeles is the utter senselessness of the thing.

It started Wednesday evening when a white policeman tried to arrest a Negro motorist on suspicion of drunken driving. And it really took off from there.

At least 16 people are dead, including a deputy sheriff and a fireman caught by a falling wall. Property losses will run high into the millions. The Negro rioters would set fire to buildings, and then stone and shoot at firemen responding to the calls. Also stoned were ambulances trying to aid the injured. Police cars were special targets, many being wrecked or burned. Finally, when the police conceded they could not control the mobs, National Guardsmen were called in last night and for the moment at least an uneasy peace prevailed.

To try to put this thing into some kind of perspective, Los Angeles has a Negro population of about 250,000, or roughly 12 percent of the total. The largest number of rioters at any one time is not believed to have exceeded 7,000. Thus, the hoodlums have constituted a relatively small minority. And there is probably much truth in the comment of a housewife who said: "It's the rowdy teenagers all gassed up on airplane glue and gin who provoke the trouble." The news photos indicate this is true. So does a report to the New York Times which stated that the Watts area of Los Angeles, where the trouble started, is not at all typical of the Negro city ghetto. There are some pockets of extreme blight. But, according to the dispatch, most of the Negroes "live in neighborhoods that would represent a dream of suburban bliss to Harlem Negroes."

So one must look behind the conventional excuses offered when something of this sort happens. What are the real reasons which touched off what a Los Angeles Negro official called an "inexcusable outbreak?"

One certainly is a hatred of all police, white or black, but especially white. Another is total contempt for law and the rights of law-abiding people. This latter is not peculiar to Los Angeles. It crops out in many places, although generally in less severe form.

In short, the rule of law, to which so much lipservice is paid, seems to be breaking down in Los Angeles and throughout the land. This is something which might properly concern the President's new Commission on Crime. What are the real reasons? Slums? Discrimination? Underprivilege? These doubtless are part of the story. We suggest, however, that the Commission examine other possibilities. What is the effect on respect for law when prominent members of the clergy announce they will not obey a law if they disagree with it? What is the effect when the Supreme Court, as well as lower Federal courts, overturn convictions for law violations on the flimsiest of bases, or, as in one instance, for no stated reason? Does this sort of thing encourage the hoodlum type to think that respect for law is for the birds? We think so.

At any rate, it has become clear in Los Angeles that the rioters will give way to nothing except superior force. And in that event the superior force must be applied—followed, one may hope, by severe punishment of those who may be found guilty of criminal activity.

UNITED STATES HUMBLED BEFORE THE EYES OF THE WORLD

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, it was with deep regret that I heard yesterday the report that Ambassador Goldberg was placed in the position of having his first speech before a United Nations body such that it had to be on a major policy change which abandons the long difficult fight to require the Soviet Union and other debtor nations to pay delinquent dues and assessments for the United Nations peacekeeping efforts.

I reported the policy change to my constituents in my May newsletter and all the time hoping and praying that it would not become a reality. From now on, Mr. Speaker, how will the United Nations be able to undertake peacekeeping missions when it does not know where the funds shall come from to sustain such actions?

What in the world is happening to our principles? We talk and act on principles in Vietnam and in the Dominican Republic, but yet we have humbled ourselves before the world in the action taken yesterday at the United Nations. I ask, How can the administration justify this?

SURRENDER IN THE GENERAL ASSEMBLY

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, yesterday was a black day for America. The decision of our Government to retreat from our position that nations not paying their U.N. obligations must lose their votes in the General Assembly is a most regrettable one. Our surrender also marks a further decline in the meaning, worth, and power of the United Nations.

If the United Nations Charter cannot command the support of U.N. member nations, then the United Nations is not a functioning world body, but a lightweight world debating society which will continue to function just so long as a few nations can be persuaded to pay its bills. I believe that the United Nations is only as effective as its members want it to be, and the wishes of the United States are merely one part of an otherwise negative and evasive consensus. Our hopes do not translate into results. Unfortunately our hopes have so entranced us that we refuse to put them to the steel test. If we had forced a showdown, I suspect we would have seen that the world does not care as we do. We would have seen that many foreign nations do not really care to see the United Nations truly strong and effective. Many nations care only about the superficial role of the United Nations as a cosmopolitan world meeting place. By our actions, we have bowed to this assessment of the United Nations.

Pretty soon that great big crystal palace on the East River in New York City will be nothing more than an expensive international clubhouse paid for by the United States and a few other nations, directly and through foreign aid programs. We can expect the decline of the United Nations to continue. We do not need to be the sugar daddy of an overgrown international cocktail party, which is about what United Nations activities boil down to. I realize that there is some worth merely in keeping open the lines of communication represented by the United Nations. But if we become preoccupied by the desire merely to keep such lines open, we will guarantee that we will have a meeting place and discussion club and no more. If we are to make something really worthwhile out of the United Nations, we must insist that its members fish or cut bait.

The choice in the end is between two options. We may accept the administration's retreat on the dues question, which is part of the trend toward a meaningless, discussion club-type United Nations, or we may seek to fashion an attack out of retreat, so that the issue may be forced. If we force the issue, we take the chance of throwing the United Nations on the rocks, but just how worthwhile is a U.S.-sponsored discussion club anyway? That is all the United Nations amounts to, so it is all we would be risking.

I think the time has come to see what the story is in the United Nations. Either it is a functioning body or it is not. Either it amounts to something or it does not. The administration, choosing not to risk its delusions in the face of obvious international apathy, has ducked a showdown. I urge a reversal of this policy. Let us find out what the facts are and face them. If the United Nations has outlived its usefulness as originally conceived, it would be well to know. It may be that we need to fashion a new vehicle of effective international cooperation. I hope that the administration will retract its surrender and reactivate its courage.

SICKNESS IN THE STREETS

Mr. MARTIN of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MARTIN of Alabama. Mr. Speaker, I had determined not to speak on the tragic and violent lawlessness which raged in the city of Los Angeles for 6 days and nights. There are too many who eagerly seize upon any statement by a southerner as an excuse for refusing to face the truth of what is happening in America. There are some things which must be said and they are not being said. Therefore, I cannot remain silent as the sickness in the streets is killing our people, destroying our country, and giving comfort to the enemies of freedom throughout the world.

Mr. Speaker, the guns in Los Angeles are not yet silenced; the bodies of those murdered by mob action have not yet been buried in some instances; the ugly scars of arson, looting, and a complete breakdown of law and order lie naked in the California sun; and already our national leaders and the professional agitators are excusing the criminals with the same wornout and tired statements. The President, the Vice President, Martin Luther King, and others express shock at the violence and in the next breath want us to believe that those responsible are somehow not to blame. They did these terrible things because they are poor, we are told; they went on a rampage of murder and robbery because their grandfathers were slaves and because they are now unemployed and live in a slum.

No one deplores injustice more than I do. As an American and one who tries to apply Christian principles to daily living, I have never knowingly done an injustice to any man, nor have I knowingly by word or deed caused hurt to a fellow man. I would that I had accomplished more on my journey through life, but being subject to human frailty, I have fallen short of the goals I hoped to achieve in my relations with my fellow man, but I have tried. Now I am asked to assume the blame for the crimes committed in Los Angeles because my skin is white.

Mr. Speaker, I refuse to assume such responsibility. Nor do I believe that white Americans are responsible for what took place in the streets of Los Angeles. There are millions of decent, law-abiding, hard-working, God-fearing American Negroes, even thousands in Los Angeles who are not responsible. No, the death and destruction by the mob was the work of those who have no respect for the law, who use any excuse to steal, burn, or to kill.

There is no power which forces an individual to become a part of a mob. Each individual must accept responsibility for his own actions and those who took part in the burning, killing, and looting in Los Angeles are criminals and should be dealt with as criminals, not excused because of some fancied wrong.

The criminals who participated in the criminal acts must accept the first responsibility, but there are others. Much of the responsibility must be placed on the shoulders of politicians who have aroused the emotions of the Negroes merely as a means of getting votes. There are members of the clergy who encouraged and took part in civil disobedience and told Negroes that they were not bound to obey laws which they felt were unjust. Read the statements of Martin Luther King over a period of years, while hypocritically calling for nonviolence he has never engaged in a peaceful demonstration and he has told his people over and over and over again they did not have to obey laws which they felt were unjust. Well, Martin Luther King has reaped the whirlwind in the streets of Los Angeles where thousands of his people took him at his words and defied the laws which said they could not steal, could not kill, could not burn.

There have been high officials of every church denomination who have encouraged minorities to break the law. They preached sermons on the question that it was morally right to break the law. Although the silence of these same members of the clergy is now deafening regarding the crimes in Los Angeles, they must bear part of the responsibility, for you cannot break down the respect for law and order; you cannot continue to preach that all policemen are brutal and that any time a Negro is arrested he is the victim of police brutality, without giving a free hand to those who want to break the law for any purpose.

Mr. Speaker, last February I stood in the well of this House and pleaded with the leaders of Congress, with the President, and with the Attorney General to put an end to the demonstrations in the streets and the violence that was taking place all over the Nation. I warned that they could not confine such violence to the South, but that with the breakdown of law and order the sickness would spread. I said then that when we began to reap what we had sowed, that Negroes would be the principal sufferers. There are 33 dead in Los Angeles, more than 800 injured, most of them Negroes, many of them shot by their own people. Negro homes were burned, some Negro stores, and thousands of Negroes in Los Angeles are now out of work because their places of employment have been destroyed by their own people.

What is far worse is the spread of hatred against all whites. It will be many years before the races in this once great melting pot of nations will be able to live again in peace with mutual trust and respect. And for this we must blame the agitators, the unprincipled politician who puts votes above human welfare, the misguided clergy, and the professional minority leaders who have grown rich and powerful by exploiting the problems of their own people.

How little respect Martin Luther King has for the cause for which he preaches is clearly indicated by his public display of contempt for the Governor of California. Martin Luther King was not in Los Angeles at the height of the violence. He is seldom in the immediate area while the fighting is going on, but he always is there prior to or after the area has been made safe. In this instance, the Governor and other public officials in Los Angeles are to be commended for the action they took in bringing the violence to an end with as little loss of life and with no greater loss of property than has already taken place. In a public appeal the Governor asked Martin Luther King not to come to Los Angeles at this time. His plea was completely ignored as Martin Luther King called a press conference to remind the Governor that only King could settle the situation, that the Governor did not understand the problem. This show of contempt for the white Governor by Martin Luther King is not lost on the people he is attempting to influence. It is a deliberate effort to put a further wedge between the races. It is a subtle move to continue to foster the rallying cry of King and his mobs, "police brutality."

I say, Mr. Speaker, before we begin long and exhaustive studies of the social causes of this outbreak, let us as responsible leaders help bring about a decent respect for law and order; let us cease to join in the verbal lynching of policemen who are being used as an excuse for every robber, rapist, and murderer who sets himself against society and the civilized rules which must govern society. I think it is time for Members of Congress, the President, the Vice President, and responsible citizens to take a stand in defense of the police of the cities of this Nation who are hired by us to protect us and who we now are crucifying under the heavy demands of the racists who must have a scapegoat to justify their lawlessness.

Thank God, Mr. Speaker, that some editorial writers at long last are coming out in defense of law and order. As a part of these remarks I would like to include an editorial from the Washington Daily News of August 16, "Sickness in the Streets"; an editorial from the August 17 issue of the Wall Street Journal, "Beyond the Los Angeles Terror"; and a column in the Washington Evening Star of August 16 written by David Lawrence, "A Tragic Time in U.S. History."

I would also like to include a news story from the Washington Evening Star of August 14 concerning violence in Chicago to show the same evil forces are at work wherever these outbreaks occur:

[From the Washington Daily News, Aug. 16, 1965]

SICKNESS IN THE STREETS

The first thing that needed doing in Los Angeles was to put in enough muscle to stop the wave of beating, burning, looting—and keep it stopped. This was no race riot which erupted in the heat and hate of the city's Negro ghetto. It was, as one law enforcement officer noted, an armed insurrection. And it had to be treated as such.

The thing that needs doing now is to punish the guilty firmly and without favor. A murderer is a murderer, a looter a looter, an arsonist an arsonist—whatever his color, whatever his frustrations, whatever his grievances.

The third thing is to take a hard, cold look at what happened, what caused it, how to prevent it from occurring again and again in Los Angeles and elsewhere.

This includes, for each of us, a hard, cold look at ourselves.

It is not enough for the white majority to applaud the passage of civil rights laws as if these alone could do the job. Los Angeles has no civil rights problem as such. Negroes there have the unrestricted right to vote, to eat, shop, play wherever they like. Yet look what happened.

It is not enough, either, for Negroes to blame the outbreak on white exploitation, police brutality, unequal justice. Such evils undeniably exist—but they cannot be cured by the gun and the torch.

Negro leaders have won much by methods which they proudly describe as nonviolent. Now they must face their deeper responsibility—of reaching, and leading, those members of their own race who turn to violence.

White political leaders, too, have used their pro-Negro positions to enhance their strength at the ballot box. Now is their chance to prove their sincerity by probing to the heart of the problems of those they claim to represent.

There is sickness in the streets, and it is not confined to Los Angeles. It exists in cities from New York to Cleveland to Chicago to Selma, Ala., and Washington.

It cannot be cured by slogans, or laws, or demonstrations, or blaming others, for it is not a sickness of race as such. It is a sickness of hate, filth, disease, ignorance, and hopelessness.

It can be eradicated only slowly, and by efforts far more vigorous than those attempted so far. But eradicate it we must.

[From the Wall Street Journal, Aug. 17, 1965]

BEYOND THE LOS ANGELES TERROR

Surveying the wreckage, material and moral, wrought by the race war in Los Angeles gives the helpless feeling of witnessing an earthquake's toll or, more accurately, the shooting rampage of a madman. Yet there are ironies and lessons in this horror-strewn spectacle.

It is ironic that the violence comes in the wake of the most sweeping civil rights laws in the Nation's history. We will not draw a causal connection; we applaud the objectives of the legislation whatever the defects of certain provisions. Sociologists note, however, a possible psychological relationship, in that when advances are made for a group, those members who do not feel they are benefiting may turn more bitter than ever.

It is saddening, too, that the civil rights leaders, in pursuit of worthy aims, have done so much to breed disrespect for the law. Here again we would not press the point too far. Still, the theory of obeying only the laws a person likes is dangerous doctrine in a civilized society. And it would be simpleminded to deny any link between that notion and the outbreaks in Los Angeles and elsewhere and, indeed, the rapid rise of crime generally.

In any event, a principal lesson is that the most far-reaching legislation and all the attention-getting, purportedly peaceful demonstrations cannot alone solve the fundamental problems. The studies all show it: Portions of the Negro community are on a treadmill of illegitimacy, crime, and isolation from the values of the society.

The high Negro birth rate alone is cause for pessimism. It can mean that for every individual who can be helped on the road to achievement, two others may be caught on the treadmill. In the face of such circumstances, a voting rights act appears almost as an irrelevancy.

It is utterly unjust, in our opinion, to lay the blame for these conditions exclusively at the door of the white man. We may well curse the day that white immigrants to the United States imported and held slaves; we cannot, century after century, nourish a guilt complex for ancestral evil. Unless, that is, we are prepared to accept the impossible proposition that we living today are guilty for every cruelty perpetrated throughout the eons of human existence.

Moreover, the individual's responsibility for his own life is fundamental to a free, civilized society. Other ethnic or national groups have come to these shores, some hardly better than as slaves and most the victims of prejudice and exploitation at first; a great many of them nonetheless prospered through initiative and frugality. While it is true that a black skin makes a special difference from the others, this phenomenon of nature is becoming less and less a consideration in the rewards of citizenship, employment policies, and social relations.

Not everyone, black, white, or whatever, can make out in this or any other country. There are poor whites, whites with inadequate intelligence or motivation, in Harlem, the South, and Los Angeles; conversely the roster of successful Negroes is a long one. The glory of America is that, because opportunity exists for the individual, more people of all kinds have achieved the good things of life than anywhere else in the world today or at any time in history.

But if the Negro people as a group are to find significant improvement in the years ahead, they cannot rely entirely or even mainly on the white majority. The white community is trying to help, is going far more than half way to meet the Negro, and yet in the end the Negro must do much more for himself.

That means in particular, we think, that the civil rights leadership should turn from its spectacular displays and occasional rabble-rousing and devote itself to a far greater degree to Negro individuals, Negro children, Negro families; to education in the home and group as well as in the school. We refuse to believe that considerable progress would be unattainable once more Negroes acted on the realization that further advancement requires a determined effort on their own part.

Hoodlums, it is said, set off the Los Angeles race war, which is still being waged as these words are written. Hoodlumism, we may be sure, will be put down. Meantime the gangsters and all the rest of us are, in part at least, reaping the whirlwind of a long sowing of needless bitterness, dissension, and contempt for order and common decency.

[From the Washington Star, Aug. 16, 1965]

A TRAGIC TIME IN U.S. HISTORY

(By David Lawrence)

This certainly is a tragic time in American history. Will it be like the worrisome era of Reconstruction which followed the War Between the States?

More than 30 persons were killed in the last few days in Los Angeles, and hundreds were injured in the riots there. The estimated damage to private property exceeds $100 million. Serious riots also occurred in other big cities such as Chicago, and looting has been a sequel to almost all the disturbances.

With troops of the California National Guard called out, and National Guardsmen on duty also in Chicago, in an effort by the States to assist the local police, there is beginning to be a resemblance to the military rule which was directed against the South a century ago but which this time affects all sections of the country.

The causes of all these outbursts cannot be oversimplified as attributable merely to race consciousness or to the effects of discrimination. The trouble goes deeper. It has to do with the impulses to crime that grow out of idleness, unemployment, and listening to those impassioned speakers and demonstrators who preach nonviolence but themselves practice what amounts to an incitement to violence.

But this is not the whole story. The truth is American cities are becoming more and more congested as population grows by leaps and bounds. America has not really come to grips as yet with the problems growing out of constant unemployment among the unskilled and uneducated masses.

It happens that most of those persons engaged in the riots of the last few days as well as other disorders in recent months are Negroes—but the crime wave in the United States is not limited to interracial conflict. Even here in the National Capital, where the

Negro population is in the majority, the attacks on Negroes by Negroes are increasing in number.

So the answer doesn't lie in more oratory on the subject of civil rights. What is needed is more knowledge about the importance of obeying local ordinances and the laws that are designed to preserve order. This is where the Negro leaders could become more active.

In the last few days, for instance, many of the better educated and the sensible leaders among the Negro groups have tried desperately in Los Angeles, Chicago, and elsewhere to try to persuade the mobs to disperse. But they have not been too effective. For, once a match lights the fires of race hatred over any episode, however trivial, it is hard to extinguish the flames that spread so rapidly.

Maybe the outbreaks in the big cities were inevitable, but the effects of what many Negro leaders said when they preached civil disobedience cannot be ignored. Many white clergymen, too—befuddled by their desire and instinct to be helpful, yet really unaware of, if not untutored in, the fundamentals of law—have kept on arguing that it is morally right to disobey what an individual may decide for himself is an "unjust" law.

These clergymen unwittingly have been advocating rebellion and revolution. They rationalize this by saying it is something that our forefathers did at the Boston Tea Party or that the Scriptures recorded in ancient times.

But it's one thing to engage in revolution against a tyrannical regime, and it is quite another to disobey laws and written ordinances which any citizen, joined by his fellow citizens, can seek in proper ways to modify or repeal under a constitutional system. For redress is available, and it can be obtained through legal processes rather than by force.

As long as pickets can engage in violent demonstrations at the White House or at the Capitol here or in municipal buildings and yet not meet wtih emphatic and vehement reproof from the Negro leaders themselves, such examples indicate to less-educated persons that mob action is permissible and justified. They easily become tools of extremists, who are often educated persons and should know better. **Gov. Edmund G. Brown**, of California, says the riots actually were instigated by organized gangs.

The responsibility now rests with the President and the Congress and the Governors of the States, as well as mayors of all cities, to make clear again and again to the people who do not understand such things that the right to demonstrate does not mean there is a license to create disorder or to stimulate the criminal elements who loot stores, set fires and attack innocent bystanders.

There certainly needs to be a moratorium on all kinds of street demonstrations until the authorities in Government can restore law and order while at the same time tackling the deeply rooted causes of unrest, especially in employment and education.

[From the Washington Star, Aug. 14, 1965]

Scores Hurt in Violence in West Side Chicago

CHICAGO.—Rioting broke out for the second straight night in a West Side neighborhood last night with about 150 policemen engaged in a wild battle with several hundred Negroes.

Police reported 18 policemen and 47 civilians, most of them Negroes, were injured in the brick throwing and fighting. Police arrested 100 persons, most of them on charges of disorderly conduct.

Police continued to patrol the district during the early morning hours and the situation appeared eased.

Police battled the angry mob up and down an eight-block stretch of Pulaski Road in the Garfield Park district. The rioters, some on rooftops, hurled missiles out of the darkness.

LOOTING ERUPTS

Windows in scores of stores were smashed and police reported much looting.

Last night's fighting started after hundreds of Negroes came to the scene of Thursday night's disturbance for a civil rights demonstration. The fighting erupted into a full-scale riot after Robert Wiens, 25, a white policeman on his way to work in civilian clothes, was attacked and slashed by a group of Negroes.

A mob had gathered at a fire station Thursday night after a 20-year-old woman was accidentally killed. The woman, Dessie Mae Williams, was crushed by a falling traffic sign which was toppled from its moorings by a hook and ladder fire truck responding to a false-alarm fire. Three firemen were suspended. Seventeen Negro firemen were assigned to the fire station in an effort to forestall further demonstrations.

Last night's civil rights rally was in protest of the Negro woman's death and alleged lack of integration in the fire department.

But Lawrence Landry, spokesman for a civil rights group, ACT, told the group that "You live in leaky little houses infested by rats."

Some Negroes in the crowd began chanting: "Revenge." "Fight" and "Let's kill 'em."

Suddenly, about 200 Negroes came streaming down the street after Wiens.

"I was driving through the street and this guy was blocking my car," Wiens said before being taken to a hospital. "I got out and chased him." The burly policeman's head was covered with blood.

WHITE YOUTHS BEATEN

As darkness fell more than 500 persons milled throughout the district. Bottles and bricks flew wildly, injuring police and bystanders. Several white youths passing through the area were assaulted with baseball bats. An empty police squad car was overturned and set on fire.

Windows of cars driven by whites were shattered by beer bottles. A white cabdriver, dazed and bleeding, stumbled out of his car. "All I want is to get out of here," he said.

The air was charged with shouts of "Watch it." "Get back." Obscenities shrieked against police and whites in general, and the police, ambulance, and fire sirens wailed constantly.

The firehouse trucks, answering nine false alarms, were also pelted with bottles.

At midnight the rioting, which had begun in full force about 8:30 p.m., was still out of control. Police had sealed off a four-block section of Pulaski Road, but new looting and bottle throwing broke out near the busy Eisenhower Expressway.

The Reverend Patrick J. McPolin, a Roman Catholic police chaplain, described last night's fighting with police the worst he had seen in his 20 years' experience.

THE RIVERS AND HARBORS CONGRESS RECREATION COMMITTEE REPORTS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I have the privilege of serving as chairman of the Committee on Recreation and Wildlife of the National Rivers and Harbors Congress.

This committee met during the annual convention of the National Rivers and Harbors Congress here in Washington in June and discussed a number of vital subjects of interest to sportsmen, and to all Americans who use the outdoors for recreation. I believe the views of this committee, whose members come from many States in the Union, ranging from the east to the west coast, are of interest to all Americans, and place the complete committee report in the RECORD at this point:

REPORT OF THE COMMITTEE ON RECREATION AND WILDLIFE AT THE 52D NATIONAL CONVENTION OF THE NATIONAL RIVERS & HARBORS CONGRESS

Meeting called to order by Mr. Richard H. White, Jr., assistant to Congressman ED EDMONDSON, of Oklahoma, as the Representative was detained by legislative action.

Cochairman Hodges, Florida, was not present to assume chairmanship.

Motion by Coy, Ohio, seconded by Price, California; approved, electing Leigh E. Eisenhauser, Ohio, temporary chairman.

Thereupon L. Bennett Coy, Ohio, was appointed acting secretary.

The chairman then presented in order the following congressional bills for comment, consideration and/or action by the committee:

H.R. 5169: Tocks Island National Recreation Area. Motion by Voight, Pennsylvania; second, Sawyer, New Hampshire. Unanimously approved and encourage acceleration of project.

H.R. 23: Anadromous fish. Motion by Critchfield, Washington; second by Swearingen, Texas. Unanimously approved bill. Encourage passage thereof.

H.R. 1111: Coordinated natural resources planning on national level.

S. 21: Companion bill. Motion, Price, California; second, Voight, Pennsylvania. Unanimously approved, recommend passage.

H.R. 3988: Federal water pollution.

S. 4: Control act amendments. Motion, Price, California; second, Critchfield, Washington. Unanimously endorse principle contained in bills but neither approved as presently constituted.

S. 560: Clean Air Act. Motion, Voight, Pennsylvania; second, Young, Maine. Unanimously approve tabling recommendation as subject out of jurisdiction of this committee.

H.R. 5269: Recreation and fish; and

S. 1229: Wildlife benefits. Motion, Price, California; second, Swearingen, Texas. Unanimously endorse theory of legislation in this field but not this specific bill.

S. 98: Preservation of shoreline areas. Motion, Young, Maine; second, Sawyer, New Hampshire. Unanimous endorsement and encourage passage and accelerated action.

Swearingen, Texas, initiated discussion of State participation with Bureau of Outdoor Recreation; Ohio, Washington, and California discuss programs of those States.

Motion by Coy, Ohio; second Swearingen, Texas, and unanimously approved that—

1. National office, N.R. & H. Congress to provide promptly copy of minutes of this meeting to all participants as listed later in these minutes.
2. Participants are to be polled concerning agenda for next year's (1966) meeting.
3. Copies of agenda for next year's (1966) agenda to be mailed to all participants of this meeting.

Central Arizona project and other western regional projects were discussed and on motion of Price, California; second by Critchfield, Washington, committee unanimously endorsed consideration and, where practicable, inclusion of recreation and wildlife features in studies leading to development of above projects.

Motion by Frost, Ohio, second by Critchfield, Washington, unanimously approved to encourage review of funding of Small Boat Harbors of Refuge by the Corps of Engineers and Bureau of Budget to eliminate inconsistencies in administration.

The following individuals, representing their several States, participated:

Leigh E. Eisenhauer, delegate, Ohio.
Reg Price, delegate, California.
Col. Donald A. Young, delegate, Maine.
Carroll Swearingen, delegate, Texas.
E. L. Bussey, delegate, Pennsylvania.
F. J. Jeffers, delegate, Maryland.
Valein A. Gisclair, delegate, Louisiana.
Wilmer J. Michel, delegate, Louisiana.
Dorothy H. Veon, delegate, Pennsylvania.
Robert C. Sawyer, delegate, New Hampshire.
J. Ray Heath, delegate, Washington.
Larry Hall, delegate, Washington.
C. Truett Smith, delegate, Texas.
Otto Wettstein, III, delegate, Florida.
Victor R. Schmidt, Jr., delegate, Texas.
W. Swearingen, delegate, Texas.
E. R. Dieckmann, delegate, Ohio.
H. W. Groth, delegate, Ohio.
L. Bennett Coy, delegate, Ohio.
Hays Arnold, delegate, Georgia.
Chester A. May, Jr., delegate, Georgia.
S. L. Frost, delegate, Ohio.
Ney C. Landrum, delegate, Florida.
Wm. Voight, Jr., delegate, Pennsylvania.
P. T. Lagrone, delegate, Mississippi.
B. M. Davis, advisory committee, Alabama.
C. R. Gutermuth, delegate, District of Columbia.

There being no further business the meeting was, on motion, adjourned.

LEIGH E. EISENHAUER,
Acting Chairman.
L. BENNETT COY,
Acting Secretary.

INTERNATIONAL PEACEKEEPING FORCE IN SOUTH VIETNAM

Mr. HALPERN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, in a letter of July 24, I urged the President to direct our Ambassador to the United Nations to call upon the General Assembly to dispatch an international peacekeeping force to South Vietnam, to patrol the borders of that beleaguered nation, and put an end to the infiltration of men and materiel. The force could also secure areas of relative safety, where the civilian population might find refuge and succor from the scourge of war.

I would like to point out that the barriers which barred our taking this path to peace were lowered yesterday by the new policy announced by Ambassador Goldberg. For, in stating that we would not insist upon the application of article 19, we made possible the normal functioning of the U.N., and at the same time, reaffirmed the clear legal right of the General Assembly to provide for the maintenance of peace and security by dispatching peacekeeping forces. This was the essence of the controversy, and on this point we stood firm.

Now that this first vital step has been taken, I strongly urge the President to continue to strengthen the U.N., by giving it this opportunity to secure and preserve peace in southeast Asia.

SUPPORT FOR BANK MERGER LEGISLATION

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, the House Banking and Currency Committee is currently conducting hearings on the bank merger bill, S. 1698, which is identical to my bill, H.R. 9457.

The Meriden, Conn., Journal in its edition of August 11, 1965, carried an editorial which points up the importance of this legislation in removing the threat which has hung over merged banks as a hazard to the banks themselves, to their investors, to their customers and, particularly, to thousands of depositors in mutual savings banks. I believe this editorial should be shared with my colleagues and with permission to extend my remarks I include this article for the RECORD:

[From the Meriden Journal, Aug. 11, 1965]

BANK MERGER LEGISLATION

Hearings are scheduled to start today before the House Banking and Currency Committee on a Senate-passed bill (S. 1698) affecting bank mergers. H.R. 9457, a companion measure introduced in the House by Representative JOHN S. MONAGAN of the Fifth District, will also be heard by the committee headed by Representative WRIGHT PATMAN.

Bankers throughout the country are much interested in the proposed legislation. Its passage would expedite five big bank mergers, and would relieve the anxiety of banks which have merged since 1950—2,200 of them, with assets totaling more than $15 billion.

Federal courts, in several cases between 1962 and 1965 have held certain mergers consummated pursuant to the Bank Merger Act of 1960 to be in violation of antitrust laws.

The statute of 1960 gave jurisdiction over bank mergers to the Federal Reserve Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, depending on whether the newly created bank operated under a State or a national charter. It was generally understood to exempt bank mergers from antitrust laws. Lyndon B. Johnson, then Senator, said in 1960 that the bill provided for "a thorough review by the appropriate Federal bank supervisory agency" and felt that it offered adequate protection to all interests involved, including those of the public.

The U.S. Supreme Court has held up bank mergers under both the Clayton Act and the Sherman Act. Banks in Philadelphia, Pa., Lexington, Ky., Chicago, Ill., Nashville, Tenn., and San Francisco, Calif., are the five affected.

The pending legislation would relieve these banks of the ministrations of the Justice Department. Chairman A. WILLIS ROBERTSON of the Senate Banking and Currency Committee sponsored the measure that cleared the Senate by voice vote. A clause of the bill extends antitrust exemption to "any merger * * * which was consummated prior to the enactment of this amendment" under proper regulatory approval, Federal or State, so long as the merged bank has not been divided.

The Supreme Court decisions threaten equally all other approved mergers since 1950. Other suits could be brought now or in the future by the Justice Department. At present, all the merged banks have reason to fear that their structures will be broken up.

Representative PATMAN, chairman of the House committee, has strongly opposed all efforts to give immunity to the banking community from antitrust prosecutions. But 26 of the 33 members of his committee have asked for hearings on the proposed legislation. PATMAN has promised to give it "a square deal."

There now seems to be an excellent chance for passage of relieving legislation by the House during the current session. The hopes of bankers have been renewed. The threat which has hung over them so long is also a threat to investors in merged banks and to their customers. In some cases, the separation of merged banks could be ruinous, and the losses would fall heavily in many quarters, giving a serious setback to the economy.

UNITED STATES YIELDS IN U.N. DUES DEADLOCK

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I join with the gentleman from New York [Mr. FINO] in his denunciation of the capitulation by the American delegate to the United Nations on yesterday. It was a sad and sorry day in the history of this country when Arthur Goldberg abjectly surrendered the previous position of the United States to the Communists and others.

It is noteworthy that Soviet delegate, Platon D. Morozov, promptly and arrogantly told the United States that this would in no way constitute a settlement of the issue. He said that for one group, meaning the United States, to reverse itself was not enough, that there must be additional and firm guarantees that no further effort will be made to collect the financial obligations of the Communist countries to the United Nations.

Mr. Speaker, I repeat that yesterday was a sad and sorry day in the history of this country for it marked an ignoble surrender on the part of President Johnson from the previous position of the United States, backed by the International Court of Justice, that the Communists either pay their legal obligations to the U.N. or get out as the charter of that organization provides.

American troops, manning the battlelines in Vietnam, are expected to have the courage to hold their positions against the Communists. No less should be expected of President Johnson and Goldberg, his emissary to the United Nations.

UNITED STATES BLACKMAILED BY THREAT OF SOVIET WITHDRAWAL FROM U.N.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, 3 years ago I tried to condition the $100 million U.S. loan to the United Nations upon adoption by the General Assembly of the International Court's decision which, in effect, said that peacekeeping operations were expenses of the U.N. and subject to article 19 of the charter.

The amendment I then proposed was defeated largely upon assurances that the General Assembly would unquestionably act to implement the Court's decision and that my amendment would hamper, rather than help, that action. How incredibly naive we were. We lost our chance to act like a nation of men; we lost our chance to show our determination that the charter must be upheld. So now, we have been blackmailed. We have been blackmailed by the threat of Soviet withdrawal from the U.N. if article 19 were applied. We have been blackmailed into a public repudiation of the charter itself.

How sad—how tragic—that the first act of our new U.N. Ambassador—a former Justice of the Supreme Court—should be to announce that this Nation would no longer fight to uphold the U.N. Charter, that it would no longer fight to uphold the rule of law, that it would, in fact, feel free to break that law itself if the occasion demands.

It was a sad day for the United Nations. It was a tragic day for United States.

The United Nations is not stronger today. It is weaker. It is weaker because the charter has been shown to be meaningless in the face of blackmail. It is weaker because peacekeeping operations will be impossible to finance. It is weaker because it has no means to enforce its assessments; it has no means to finance itself.

And this Nation? We are less respected in the world today. We have sold a principle down the river. We have done harm to the rule of law by consenting to the repudiation of a law. We have given encouragement to those who show their contempt for the law. In Vietnam, American lives are being given daily for the principle of freedom. In the United Nations, we did not even have the courage to stand up for the principle without which freedom is impossible—adherence to the law.

MINIMUM WAGE BILL

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, a clean bill on the minimum wage was today introduced and will be acted upon by the Committee on Education and Labor tomorrow.

I am going to ask unanimous consent for a 1-hour special order a week from Wednesday in order that all Members may have an opportunity to ask such questions as they may have on this legislation and in the meantime I will mail to every Member the so-called blue sheet in order that the various provisions of the bill may be made known to our colleagues in the hope that this will expedite the debate on the bill and promote better understanding of its provisions.

PERMITTING SURPLUS MATERIALS FROM STOCKPILE TO BE OFFERED TO EDUCATION AND HEALTH INSTITUTIONS BEFORE PUBLIC SALE

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MORSE. Mr. Speaker, I am today introducing legislation that will permit the offering of surplus materials from the Federal stockpile to educational and health institutions before they are offered for public sale.

This will put these surplus materials in the same category as Federal furniture and other equipment that is made available by the General Services Administration to this type of institution.

An experimental program was carried on in Massachusetts with the distribution of mercury. Four hundred and fifty flasks were made available to public and private schools, colleges, and hospitals with great success. The program resulted in a saving of $5.89 per pound in health and education budgets.

It seems to me that this is an opportunity to encourage research and scientific education at very little cost. The success of the preliminary distributions indicates that we should make this offering mandatory.

AUTHORIZING GAO TO AUDIT THE EXCHANGE STABILIZATION FUND

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, Monday, August 16, 1965, I introduced H.R. 10474, which will authorize the General Accounting Office to audit the Exchange Stabilization Fund.

Section 10 of the Gold Reserve Act of 1934, title 31, United States Code, section 822a, authorized the establishment in the Treasury of a stabilization fund to be operated under the exclusive control of the Secretary of the Treasury, with the approval of the President, for the purpose of stabilizing the exchange value of the dollar. The net worth of the fund as reported at June 30, 1964, totaled $355.2 million. Decisions of the Secretary relating to the use of the fund are not subject to review by any other officer of the United States and the fund is not subject to an independent audit.

The Secretary of the Treasury has made a broad interpretation of what constitutes "purposes of stabilizing the exchange value of the dollar." In furtherance of the interpretation, the Treasury has used this broad authority to finance activities from the fund, some of which are only slightly related to the stabilization of the exchange value of the dollar. Such activities, not now subject to the traditional budgetary, appropriation, and audit processes, embrace the functions of the Assistant Secretary for International Affairs, the Office of Foreign Assets Control, and the Office of International Tax Affairs, along with elements of the Office of General Counsel and the Office of Administrative Services. Some of these activities were not in existence and possibly not contemplated when the fund was created in 1934. In fiscal year 1964 expenses totaling $3.5 million were charged to the fund.

In a report to the Congress entitled, "Purchase of Residence In Tokyo for Financial Attaché From Exchange Stabilization Fund," dated June 28, 1965, the Comptroller General reported that the Treasury Department used moneys from the fund to purchase a one-family residence in Tokyo at a price of $150,000 for occupancy by the financial attaché stationed there. Because of his broad authority under section 10 of the Gold Reserve Act of 1934, the Secretary was able to purchase the property without subjecting his proposal to the scrutiny of Congress which appoves the acquisition of property overseas for most civilian agencies through Department of State appropriations.

In the light of the nature of the Exchange Stabilization Fund, I am satisfied that decisions of the Secretary relating to the use of the fund should continue to be final and conclusive. However, I firmly believe that it is essential that the fund be made subject to an independent audit. Particularly, this seems necessary in view of the fact that activities are now being financed by the Exchange Stabilization Fund which were not in existence and possibly not contemplated when the fund was created or are only slightly related to the stabilization of the exchange value of the dollar such as the referred-to purchase of the residence in Tokyo.

Since the fund is not subject to the normal budgetary and appropriation processes, I strongly recommend that the audit be performed by the General Accounting Office who would report its findings to the Congress. This would provide the Congress with an independent opinion of whether the activities of the fund are being carried out in an efficient and economical manner, and whether the expenditures incurred are in furtherance of the objectives of the Gold Reserve Act of 1934.

H.R. 10474 has been introduced to carry out this recommendation and it is my sincere hope that prompt action will be taken on the matter.

WIDNALL INTRODUCES $2 BILLION NATIONAL WATER RESOURCES TRUST FUND BILL

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WIDNALL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. WIDNALL. Mr. Speaker, today I am introducing H.R. 10510, a bill to establish a National Water Resources Trust Fund.

This trust fund would be established in the Treasury Department and would receive its revenue from the net seigniorage profits on all coins minted under authority of the Coinage Act of 1965, which removed or reduced the silver content in dimes, quarters, and half dollars. Seigniorage is the difference between the face value and the intrinsic value of the coins. "Net seigniorage" means the seigniorage on such coins, less the amount of such expenditures incurred in the minting and distribution of such coins as are authorized by law to be paid directly or indirectly from seigniorage profits.

Under present law the Coinage Act of 1965 will create a massive seigniorage profit for the U.S. Treasury. This profit will be reflected in the greatly increased Treasury receipts, listed in the Federal budget as "miscellaneous Treasury receipts." During the floor debate on the Coinage Act, Mr. BROCK, of Tennessee, tried to amend the bill on the floor so as to create a seigniorage trust fund with receipts to be used to reduce the Federal deficit. This floor amendment was defeated in a nonrecord vote. Nevertheless the Brock amendment for the first time served to spotlight public attention on a little-noticed aspect of the Coinage Act of 1965 in that it dramatized the tremendous profit to the Federal Government resulting from reducing or eliminating silver in our coinage.

Since passage of the Coinage Act the Nation has been confronted with an increasingly dangerous water shortage. The President of the United States has dispersed emergency study teams to the northeastern section of the United States in an effort to find out what, if anything, can be done to avert a serious emergency affecting tens of millions of our fellow citizens. Moreover, in the past 2 months the Congress has passed and the President has signed two major bills dealing with the emergency on a nationwide basis. Despite the serious attention this crisis has been given by our local, State, and Federal officials, one fact remains clear: Whatever the ultimate solution may be, the total cost will stagger the imagination. We have heard proposed plans aimed at desalinization, water pollution control, leakage of existing supplies, development of new underground water supplies, transcontinental pipelines, and even at tapping abandoned coal mine shafts. Any and all of these possible solutions, however, eventually will collide with the stark reality of multimillion and multibillion dollar costs.

The bill I have introduced suggests no solutions. It does, however, suggest the possibility of an immediate answer to at least part of the cost for alleviating our national water shortage. According to testimony submitted by Secretary of the Treasury Fowler before the House Banking and Currency Committee, it is estimated that the seigniorage profit to the Treasury in the next fiscal year will amount to approximately $700 million. According to this same testimony, the anticipated coinage production the following year will be approximately double next year's, similarly doubling the estimated seigniorage profits in that year. Thus, within the next 2 fiscal years miscellaneous Treasury receipts resulting from profits on the new coins will be approximately $2 billion.

I am suggesting that these profits be placed in a newly created National Water Resources Trust Fund. There is no logical reason why these receipts should be permitted to be reflected in the next 2 years' budgets as greatly inflated miscellaneous receipts. The intent of Congress in passing legislation for eliminating or reducing silver in coinage was not to enrich the coffers of the U.S. Treasury, nor was the congressional intent aimed at creating Treasury revenues which could be used to misrepresent a small deficit in next year's budget.

If the American people are expected to accept the new coins they should not have the wool pulled over their eyes by those in the Federal Establishment who eagerly await the opportunity to further juggle the Federal budget. Rather, they should have clearly labeled for them any Government profits which might accrue as a result of the new coinage. To do otherwise might run the risk of creating public resentment and suspicion over the clear-cut need for reducing or eliminating silver in our coins.

There is ample precedent for creating such a trust fund in this manner. The Gold Reserve Act of 1934 devalued the dollar, thereby increasing the value of the gold held by the Treasury. This act established an Exchange Equalization Fund to which was appropriated $2 billion resulting from the increased value of gold. Eleven years later, in 1945, Congress authorized that $1.8 billion be taken from the Exchange Equalization Fund to be used as the U.S. subscription to the International Monetary Fund. It is purely coincidental, and somewhat ironical, that in both cases the amount involved was approximately $2 billion. If the receipts to the Treasury resulting from devaluation of the dollar could be used for U.S. subscription to an international project, I see no reason why seigniorage profits resulting from the new coins cannot now be used for alleviating one of our most pressing domestic problems.

Section 3 of the bill avoids spelling out in any detail the specific purposes for which receipts into the National Resources Trust Fund would be allocated. This is a job for the experts and one that cannot be answered definitively at the present time.

The specific use or uses to which this fund would be put in later years would be left up to the future authorizations and appropriations of the Congress, based upon and closely associated with the several other programs already in operation.

However, if enacted, I would assume that the newly created Water Resources Council in the Office of the President would be helpful in presenting to the appropriate committees of Congress the order of priorities to which these funds could be directed in the coming years. The Water Resources Council, made up of the Secretaries of Interior, Agriculture, Army, HEW and the Chairman of the Federal Power Commission has been charged with the responsibility of studying, on a continuing basis, the adequacy of water supplies, as well as establishing comprehensive regional and river projects. In addition, just last week the President signed into law a bill authorizing the Secretary of Interior to spend $220 million during the next 6 fiscal years for the saline water conversion program. Moreover, the Congress presently has in conference major amendments to the Water Pollution Control Act of 1962 which would have a direct relationship with any programs financed from receipts held in a National Water Resources Trust Fund.

In short, the bill I am introducing is aimed at creating and earmarking revenue for water resources development. We are a nation with the technological ability to place a man on the moon within the next few years. There can be no doubt that we have the technological ability to solve our Nation's water problems. A far more bedeviling problem for the Congress, however, will be to find the source of revenue without which all of the proposed solutions will remain as little more than dusty blueprints. My bill is directed to this end.

FOGGY THINKING AT FOGGY BOTTOM

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HARSHA] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HARSHA. Mr. Speaker, I am sure many of the Members are not aware that a consular convention between the United States and Russia was signed at Moscow on June 1, 1965, providing for the regulation of the consular affairs of each country in the territory of the other and further providing for complete immunity from prosecution for all criminal violations by employees and consular officials. Unfortunately, on recommendation of the State Department and Secretary of State Rusk, the Senate Committee on Foreign Relations has recommended that the Senate give its advice and consent. As yet, the Senate has not acted on this recommendation and I take this opportunity to call this fact to the attention of the House, urging that they in turn alert their constituents so that the constituents may voice their objections to the Senate—for in this way, and this way only—can the ratification of this treaty be prohibited.

This consular convention treaty with the Soviet Union is one of the most dangerous and preposterous mistakes that has yet been advocated by the State Department. This is another dangerous error in a long list of miscalculations of Russian intentions by the State Department, and only an aroused American public can stop Senate ratification of this treaty. The treaty signed in 1964 by Russia would allow Russia and other Communist nations to expand consular agencies in the United States and to staff them with intelligence agents and other operatives who would be immune from prosecution in the United States for espionage or other criminal violations. This convention is the first to which the United States has been a party which provided for unlimited exemption from criminal jurisdiction for consular personnel, and provides the basis for a nationwide Communist spy and subversion ring with protection from prosecution.

Mr. Speaker, J. Edgar Hoover has warned that such an agreement was a "cherished goal of Soviet intelligence services." He said:

> None but the most naive and totally misinformed would doubt but that the Communists will take full advantage of such a treaty to expand their espionage and subversion activities in this country under the cloak of protection provided by this treaty.

Mr. Speaker, this is a clear indication of the foggy thinking at Foggy Bottom and is a prime example of why the American public has little faith in the activities of our State Department.

AN APPROACH TO THE PROBLEM OF THE LOS ANGELES RIOTS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the situation which has existed in Los Angeles these past few days has distressed and saddened us all, whether representing a congressional district in or near the so-called Watts area, as I do, or anywhere in the United States. Distressed and saddened are scarcely adequate to describe my own feelings, and frankly, I must confess I am still somewhat numb at the events I witnessed in Los Angeles last weekend.

Last night on ABC–TV, on the "Night Life" program, Les Crane talked by telephone with Dick Gregory, the noted comedian. Mr. Gregory, you may recall, was at the scene of the rioting, and was wounded a few nights ago. His remarks, I think, merit some attention.

Mr. Gregory first compared the situation to a hurricane—if you were not there, you just could not fully appreciate it, and in this I wholly concur. He further commented that if such an outbreak occurred in a foreign land, we would know precisely how to control and handle the matter. And then he recalled that when Russia put up the first Sputnik, we lost no time in accepting the challenge of the space race, and immediately hired, with little thought for cost, the very best brainpower and technicians available to speed our efforts toward putting a man on the moon. Mr. Gregory suggested that very same effort and disregard for expense be directed toward solving the question of why these riots occurred in Los Angeles, and toward correcting the reasons when they are determined. I do not pretend to know all the answers right now. But I do believe Mr. Gregory's suggestion merits some attention by the Congress, and I am going to give some further thought and study to this idea with a view to making some pertinent recommendations in this area.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. ROOSEVELT] is recognized for 1 hour.

Mr. ROOSEVELT. Mr. Speaker, if it is proper to do so, may I ask unanimous consent that the gentleman from Louisiana who has a special order to address the House today be recognized at this time.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

FOURTH ANNIVERSARY OF ALLIANCE FOR PROGRESS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Louisiana [Mr. BOGGS] is recognized for 1 hour.

Mr. BOGGS. Mr. Speaker, the late President Kennedy in early 1961 gave voice to the most ambitious and most noble program of regional development ever undertaken in the Western Hemisphere. It was on March 13, 1961, to the assembled Ambassadors of all the American nations that President Kennedy enunciated a bold and far reaching—and at the same time, hardheaded—social and economic program by which the peoples of this hemisphere could realize the benefits of their rising expectation. Five months later representatives of the Organization of American States signed the Charter of Punta del Este, and the Alliance for Progress was formally launched.

It is this fourth anniversary of the launching of the Alliance for Progress which we commend today. President Kennedy's sweeping vision to strengthen hemispheric unity and provide the peoples of Latin America, through self-help, with the opportunity to raise their living standards, has been carried forward with energy and imagination by President Johnson and the progressive leaders, both public and private, of Latin America.

There are those who say, after 4 years of the Alliance, that the high flown words which launched this program were too ambitious, too visionary, and that the advances which could possibly be achieved in the 1960's would fall far short of the proposed goals. But clear call to action, galvanized by noble words, was needed to initiate concrete beginnings for the Alliance. The fact is that the Alliance program has realized progress in its first 4 years of life; and I am confident that in the next 4 years, we will see an even greater measure of advances.

As my fellow colleagues know, the Alliance for Progress is not a giveaway program—it asks much of the leaders and the peoples of the American nations to the south. It demands of them social and economic sacrifices in the form of investment, tax reform, land reform, price stabilization, and other areas—and I am pleased to say, Mr. Speaker, the start of these necessary reforms is fully discernible on this fourth anniversary. We must be prepared for this massive joint effort to continue, not just through the sixties because this decade will witness only the first step in a long journey, but rather for many decades beyond. We must be prepared for a sustained effort in order to overcome the deprivations of 500 years of history.

Particularly in this hemisphere, where there is great disparity between the living standards of the people of the United States and those of the other American nations, this unfulfilled task presents us with a tremendous challenge. The obstacles are herculean, but so is our collective will, our ingenuity, our energy, our determination—of this, I am confident. Progress we are making, and we shall continue to do so.

I am convinced that the realization of the goals of the Alliance is the best avenue to bring economic and political stability to all of the American countries, and to stem the efforts of communism to seize control of more nations in our hemisphere, and subjugate their peoples. Communism will gain no more foothold in this hemisphere, if we maintain our sustained drive and our unity of purpose. The Alliance offers the best means for the peoples of Latin America to attain, by peaceful evolution, their rising expectations.

At this point, Mr. Speaker, I should like to insert in the RECORD, a fine editorial in the Washington Post of August 17, 1965, commending the progress made by the Alliance program in its first 4 years of operation. The editorial follows:

THE ALIANZA'S FOURTH

Four years ago today, 19 Latin American countries and the United States signed the Charter of Punta del Este which created the Alliance for Progress. It is an appropriate day for taking stock of what has been accomplished during those 4 years.

The birth of the Alliance marked an historic turning point in U.S. policy toward Latin America. Prior to Punta del Este, that policy was guided by the slogan of "trade, not aid"; it was a policy that relied on large-scale private investment and the growth of international trade to supply the vital catalyst for sustained economic growth. But that policy was far too passive for a world torn by political instability and ferious competition between rival ideologies. An active policy, one designed to stimulate economic growth in Latin America through a working partnership of the 20 governments was the only answer.

After 4 years of experience, it is not at all difficult for a critic to point out the cracks and fissures in the house that has been built. It can be charged, and with some justice, that the rhetoric employed in launching the Alianza gave rise to expectations that could not be reasonably fulfilled; that it had been difficult to push programs through the bureaucratic thicket in Washington; that the individual Latin American countries have been more interested in extracting the maximum volume of aid from this country than in drawing up sound plans or coordinating their efforts with other recipient countries.

These and other charges are not without substance, but they should not be permitted to obscure the very real accomplishments of the Alianza. At $12 billion, the Latin American investment in economic and social development is running 50 percent above the target level established by the Charter. U.S. commitments for economic assistance have reached $4.4 billion. There has been some progress—although it is insufficient—in achieving monetary and fiscal reform in Latin America. And perhaps most important, the machinery has been established for a continuing program of economic assistance and cooperation.

What of the future? The Inter-American Committee on the Alliance, a ministerial group known as CIAP, has forwarded a number of valuable recommendations for change to President Johnson. Most of them are unexceptionable. U.S. aid to Latin America should be untied, and as a first step, the recipient countries might be permitted to make purchases in Latin America, Canada or Japan, transactions not likely to weaken markedly this country's balance-of-payments position. Where they have any likelihood of success, this country should become a party to additional commodity agreements aimed at stabilizing the prices of the tropical produce on which Latin America heavily depends for foreign exchange. Land reform and other programs designed to modernize rural life in Latin America are sorely needed.

The proposal for preferential tariffs, however circumscribed, is thoroughly objectionable. If this country, in violation of the principles of nondiscrimination, were to grant the Latin American countries preferential tariffs, it would be productive of little good. Imports of cotton textiles, the one class of products for which Latin America has a clear advantage, are restricted by quotas. The argument that Latin America must have U.S. tariff preferences because the Europeans discriminate against her in favor of their former African dependencies is a non sequitur. Latin American commodities are hardly affected by U.S. tariffs, and granting her preferences would do nothing to improve access to the European markets. In fact it might slam the door even tighter.

There is a story which is commended to all those who are so impatient or naive as to believe that there is an express train to rapid economic progress in Latin America. An admiring American guest asked his titled British host to tell him the secret of his magnificent lawns. "It's all very simple," replied his Lordship. "You must prepare the ground with great care, choose the right sort of seed and wait a hundred years."

It will not require a century to uncover the formula for sustained economic growth in Latin America, but we ought to be prepared for a long haul, one in which progress is reckoned in decades, not in months or years. And over that longer haul the Alianza para el Progreso must be constantly strengthened by the infusions of fresh talent and new ideas.

One of the most heartening aspects of the progress being made by the Alliance is the vital role which the private sector is playing in advancing this extensive program. This is true, Mr. Speaker, both in our country and in the nations of Latin America. Specifically, the newly organized Business Council for Latin America is composed of leading businessmen, representing major American companies and industries with extensive operations in Latin America. These business leaders in our country are joining with private enterprise leaders in the other American nations in actively supporting many projects under the Alliance program. These Business Council members, who are directed by the able Mr. David Rockefeller, of the Chase Manhattan Bank, also are working with the Agency for International Development and other Government agencies to help make the Alliance program a success. The council is coordinating the views of U.S. business and their members participation in the Alliance.

Further, AID's part in encouraging private participation in the Alliance continues to achieve headway through the partners of the Alliance program. AID established this program last year, so that State and local Chambers of Commerce, civic clubs, unions, business and professional groups, schools and individuals, can work directly with groups of people in Latin America.

Mr. Speaker, a fine example of direct participation in the Alliance is taking place in my own home city of New Orleans, La., the gateway to the Americas. I refer to the training seminars being provided at the Inter-American Center of Loyola University for some 150 young, potential leaders from the Republics of Central America. The university signed a contract with aid to provide these 6-week training seminars at its Inter-American Center, under the able direction and guidance of Father Louis Twomey, S.J., and his staff. Loyola has been assisted in offering these seminars by some of the faculty and staff of Tulane University; of Louisiana State University; and of Dillard and Xavier Universities.

In these seminars, the young leaders of Central America consider problems of social, economic, and political development; and of techniques to solve them through group action and effective leadership. These potential Central American leaders come from credit unions and cooperatives; rural communities; normal schools; universities, and political and business groups—in short, all sectors of society in Central America. This contract between a university in our country and AID was the first of its kind in our Government's efforts to provide leadership training for potential leaders in the developing nations of Latin America.

For more than 2 decades, Mr. Speaker, a great organization in my city has been the prime mover in fostering good will, trade, and private investment between the nations of Latin America, and New Orleans, the State of Louisiana and the lower Mississippi Valley. This is International House, under the guidance today of Mr. Paul Fabry as managing director, and a blue-ribbon group of officers from business and industry in the New Orleans area. Through its annual Pan-American seminar, which brings together leading editors from our country with those from Latin America; through its trade and industrial promotion trips to our good neighbors to the south; through two-way tourist promotion between New Orleans and the lower Mississippi Valley, and Latin America, International House has forged, and is continuing to forge greater trade and cultural exchange between our country and all the American nations.

The trade through the port of New Orleans between my State of Louisiana and the lower Mississippi Valley, and the other member nations of the Alliance is tremendous today, Mr. Speaker. At this time, principal obstacles to an expansion of this trade through the port of New Orleans from Latin America is the lack of capital and the lack of development in those neighboring countries. When more capital is available, through the building program of the Alliance, and greater development, both agriculturally and industrially, is achieved, then the trade between my city of New Orleans and Latin America will boom to greater heights than could be realized today. For this reason, and for many others, the success of the Alliance for Progress is vital to the future growth and prosperity of my city of New Orleans, of the State of Louisiana and of all the lower Mississippi Valley. As I pointed out, International House has been a great catalyst in this growth and development through the years, and its future is intertwined with that of New Orleans and the Mississippi Valley, and now the Alliance for Progress program.

At this point, Mr. Speaker, I should like to call to the attention of my colleagues in the Congress, the latest publication on the meaning and the achievements of the Alliance for Progress.

The U.S. Chamber of Commerce recently published a booklet, "The Alliance for Progress—A Hemispheric Response to a Global Threat." This booklet represents the most recent endorsement by the Chamber of Commerce of the objectives of the Alliance for Progress. This support and endorsement by such an outstanding civic service group is greatly appreciated and welcomed by those of us who share in its determination to help realize the objectives and goals of the Alliance for Progress.

Mr. Speaker, without objection, I request that a summary of the booklet, "The Alliance for Progress—A Hemispheric Response to a Global Threat," be printed in the RECORD:

There are in Latin America common bonds that go beyond language, culture, historic traditions, temperament and religion. The deepest bond is what has been called the revolution of rising expectations—the universal desire for a better life and a recognition that it is attainable.

The formidable task of the Alliance for Progress in essence is to harmonize the variegated components of the Western Hemisphere into a unity of purpose and action to promote the political, economic, and social development of the Latin American nations.

It remained for a Latin American leader to issue the first call for a multilateral approach to hemispheric unity. In 1825 Simon Bolivar, liberator of much of South America from Spanish rule, invited the United States and other American Republics to a congress in Panama to discuss problems of common interest to the hemisphere. After 4 months of sharp debate in Congress, the United States agreed to participate. One of the delegates died en route and the other started so late that he gave up his efforts to reach Panama. The Congress of Panama was a failure. None of its recommendations was ever adopted nor of its projected future meetings ever held. But the concept of inter-American cooperation was born.

A climax to the long and gradual developments of inter-American relations was reached at the Ninth International Conference of American States, April 30, 1948, in Bogotá, when representatives of 21 American nations signed the charter of the Organization of American States. This treaty gave a political structure to the principles and policies which had been taking shape for more than a century. The conference of Bogotá in 1948 was a turning point, for it marked a degree of hemispheric unity which was not to be achieved again until the Alliance for Progress was approved more than 12 years later.

In many countries, per capita incomes remained static, and the socioeconomic aspirations of the Latin American people—aroused by the "revolution of rising expectations" that was taking place in many of the less-developed areas of the world—remained unfulfilled.

With Sino-Soviet aid and trade missions penetrating Latin America to take advantage of deteriorating political and economic conditions, the region became a critical arena in the ideological struggle between East and West. It was apparent to the U.S. Government and leaders throughout Latin America that a broad program of economic and social development was urgently needed.

In its broadest terms, the Alliance for Progress has set out to vastly increase the real incomes of the Latin American peoples, and to widen the distribution of new wealth within each country, within Latin America as a region, and in Latin America as a whole relative to the rest of the world. In reaching for these goals, the program must rely heavily on successful encouragement and development of Latin American middle classes, which are already established in several countries.

The Alliance for Progress is the most ambitious program of regional development ever undertaken in this hemisphere. It involves a unique extent of formal commitment between advanced and underdeveloped countries.

The Alliance faces difficulties not encountered by the United States and Europe during the execution of the Marshall plan. The task is not one of repairing war-torn economies, but one of building from the ground up prosperous economic systems that will contribute to social development.

The Alliance for Progress is not avowedly political in intent, but success or failure in the political field will profoundly influence social and economic development in the hemisphere.

Agriculture is not only of primary internal importance to each Latin American country; it plays a vital role in the foreign trade of the entire region. In a number of countries, earnings from agricultural exports are the chief source of the foreign exchange so desperately needed to pay for imports of capital goods. Agricultural underdevelopment acts as a force of inertia impeding the growth of all sectors of national economies.

For these reasons, the Charter of Punta del Este and its appended resolutions pay considerable attention both to the general improvement of Latin American agriculture and to the strengthening of world commodity markets through improved commodity agreements, better export facilities, and removal of restrictive trade and business practices.

In Latin America, as in other less-developed areas, it is impossible to separate the economic from the social aspects of development. Ill-housed, poorly educated, and disease-ridden farmers and workers have neither the capacity nor the incentive to participate responsibly in organized political and economic life. Therefore, the Alliance emphasizes improvements which are other than strictly economic in character.

Education is one of the most pressing of all of Latin America's social needs. The awareness of the relationship between education and economic development prompted the signers of the charter to propose a long-range educational program for the Alliance. The program demands eradication of adult illiteracy, improvement and expansion of teacher training and school construction programs, and reform of higher education.

On the hemispheric level, the Alliance pins its hopes increasingly on regional economic integration. By providing larger markets than would otherwise be possible, it hopes to accelerate the development process through industrial specialization, higher productivity, and better allocation of resources.

The Central American Common Market is more than a free trade area. Like the European Common Market, it is a true customs union which will eliminate internal trade barriers between its members and establish a common external import tariff to the rest of the world during a specified transition period. In addition, it incorporates provisions of an earlier agreement relating to industrial integration, under which location, capacity, and determination of priorities for new industries will be decided jointly by the signatory nations.

LAFTA is similar in concept to most other free trade areas, such as the European Free Trade Area or Outer Seven. The LAFTA agreement calls for elimination of internal trade barriers over a 12-year period, but permits member-nations to set individual tariffs on imports from the rest of the word. It does not anticipate early achievement of a common external tariff—the principal characteristic of a common market or customs union. The LAFTA treaty contains the usual escape and relief clauses, most-favored-nation treatment, plus special concessions to its less-developed members. So far LAFTA has closely adhered to its schedule of tariff reductions resulting in a significant increase in intra-regional trade, up 37 percent during the 1961–63 period.

Both LAFTA and CACM are thus strongly oriented toward the Alliance goal of diversification through regional integration. The Charter of Punta del Este expressly encourages closer cooperation between the two groups and between them and remaining nonmember countries. Implicit in this encouragement is an ultimate single Latin American economic bloc.

The early misconception that the Alliance for Progress was just one more U.S. foreign aid program easily led to criticism of the program in the United States and to a dangerous sense of complacency in Latin America. The fact is, that the U.S. contribution to the Alliance in terms of financial assistance will comprise only a fraction of the total—and even this total is small compared to the magnitude of effort expected from the Latin American countries in nonfinancial terms.

Thus, the United States plans to contribute an average of almost four times as much per year to Latin America during the current decade as it did during the decade and a half after World War II.

Compared with foreign aid activities in other areas, however, U.S. participation in the Alliance appears in a different light. Economic aid to Europe in the same postwar period amounted to over $28 billion, or almost $2 billion per year. During the four Marshall plan years 1949–52, U.S. aid to Europe exceeded $13 billion—more than the 10-year total projected for the Alliance. Latin America's relative share of AID funds has more than quintupled from 5.3 percent in 1960 to 27.3 percent in 1964.

Last year a meeting of Western business leaders in Paris established an interim organizing committee for a new institution, the Atlantic Development Group for Latin America Investment Company (ADELA). The first and critical stage in establishing this new operation has already been successfully completed. The creation of ADELA—proposed by U.S. Senators JACOB JAVITS, Republican, New York, and HUBERT HUMPHREY, Democrat, Minnesota, in the Economic Committee of the NATO Parliamentarian's Conference in 1962—closely supports the goal of the Alliance Charter in seeking to enlist the full resources of private enterprise in achieving the desired high goals of economic and social development.

The newly formed business Council for Latin America (formerly Business Group for Latin America) composed of businessmen representing major U.S. companies and business organizations with extensive operations in Latin America, has been actively supporting projects. The council will offer the benefit of its members experience to government agencies active in the Alliance. David Rockefeller of the Chase Manhattan Bank is chairman. The council's purpose is to coordinate U.S. business views and participation in the Alliance. In it are merged the U.S. Inter-American Council, the Latin American Information Committee, and the Latin operations of the Business Council for International Understanding.

AID's program to encourage private participation in the Alliance continues to make notable headway. In 1964, AID initiated the Partners of the Alliance (Companeros de la Alianza) program, a channel through which state and local chambers of commerce, civic clubs, unions, business and professional groups, schools, and private individuals in the United States may work directly with groups of people in Latin America who are striving to improve their standard of living. Direct participation by the people of the United States with people of the various Latin American countries is an obviously essential element to the success of the Alliance.

The statesmen who created the Alliance were well aware of the contributions to economic and social development to be made by private investors, both domestic and foreign. They also understood that unstable economic and political conditions repel such contributions.

For this reason, the responsibilities imposed on the Latin American countries by the Alliance for Progress are heavily oriented toward the changes in economic and social structures necessary to improve these conditions.

The national development plans called for in the Alliance are the basic blueprints for the entire program. They will establish goals for Latin America over the next 10 years in both economic and social development, provide estimates of the external and domestic resources needed, and serve as benchmarks to indicate relative success or failure of the Alliance.

One of the most serious problems faced by Latin American governments is the shortage of trained economists, scientists, technicians, and administrators—the experts needed to draw up the national plans. The Alliance has set up a training center for development experts in Santiago, Chile, to boost the output for local consumption in Latin America.

The Latin American nations recognized that the primary responsibility for the success of the Alliance lay with themselves, and that no outside power, no international institution, could bring about the required transformations. It was also seen that the Alliance was multilateral in a more subtle sense, in that within the Latin American nations there exists a strong impulse to work toward new approaches for development, such as increased economic unity, a desire to give technical and economic substance to the elements of a common history, common tradition and common culture which have been the region's pride. It was agreed by all the participants of the Alliance that the agencies committed to assist in Latin American development should concert their efforts on a team basis if the demanding programs were to succeed.

It was in the light of these considerations that the Inter-American Committee on the Alliance for Progress (CIAP, after its Spanish initials) was established in January 1964. The committee is an eight-man executive group empowered to review national programs and recommend allocation of external financing.

A subject of increasing concern to hemisphere economists and CIAP is the development of national markets. The concept of developing national markets stems from Walt W. Rostow, U.S. representative to CIAP, who suggest that: "the central problem of development on the world scene is not the gap between rich nations and poor nations: it is the gap between the rich and poor parts of the developing nations themselves * * * The prices paid in the countryside for manufactured goods in these developing nations are too high; while the prices paid by cities for the output of rural areas and the total resources allocated from the cities for rural development are too low."

Rampant inflation strongly discourages the savings necessary to investment in productive enterprise. It also tends to force existing savings into such unproductive channels as hoarding, land speculation, and capital flight. Two steps appear necessary to combat inflation: (1) Establishment of monetary and fiscal policies that maintain price stability; (2) creation of adequate institutions to attract savings into industry, agriculture, housing and other capital-starved areas. In just 4 years Latin American nations have made impressive progress in reforming their tax systems. What was once largely a neglected question has since become a central political issue in most of the countries of Latin America, and substantial achievements are already evident.

One of the most controversial and complex of Latin America's responsibilities mentioned in the charter is that of agricultural reform. The phrase "land reform" means many things to many people. Usually, it implies a large-scale expropriation of agricultural land for redistribution to landless peasants, a concept which bears relationship to the actual needs of only some of the Latin American countries.

As long as the concept of indiscriminate expropriation without compensation for purposes of political control is prevalent in men's minds, the job of the Alliance will be difficult.

The solution to Latin America's agricultural ills is more complex than distribution of land alone. If the arable land of some Latin American countries were divided among its rural population, a few centers in which well-organized agriculture presently exists would no longer be able to operate efficiently.

One basic problem involves the peasant himself. Since he is often illiterate, he must first be taught to read. Since he is usually unskilled, he must be taught to use better tools, fertilizers, and farming methods. Since he is poor, he will need credit and assistance in marketing his products. Since he is frequently isolated he must have improved roads, railroads, storage, and distribution facilities. Since his crops are subject to the same droughts and diseases that farmers everywhere must deal with, he will have to learn to use better seeds, insecticides, and irrigation.

To meet these staggering needs many new agrarian reforms laws are now being implemented throughout 12 countries in Latin America. These laws seek a dual objective for the Alliance: to vastly increase agricultural output and at the same time attain a much broader distribution of landownership.

The very stagnation and decay which are so widespread in the rural areas have bred equally or more explosive situations in the Latin American cities. Because the rural areas are blighted with incredible poverty and social stratifications so rigid and impenetrable that it is virtually impossible to ascend a social scale or to enlarge meager holdings by acquiring more land, the lure of the city has become increasingly irresistible. While there has been political concern over peasant discontent with poor agricultural conditions, the special target of the Cuban propaganda offensive has been the steadily increasing number of city dwellers.

That future economic development in Latin America will be planned is a virtual certainty. The vital questions are how? and by whom? A significant footnote to last year's visit of French President Charles de Gaulle to Latin America is that resulting requests for increased French trade and aid are being met with offers of the assistance France is best able to provide—technical help in development planning. Current French economic philosophy, solidly based on the private enterprise concept, is nevertheless more government-directed than that of the United States. One of Latin America's key economic development planning decisions is whether to follow the lead of Washington or Paris.

Various attempts to weld the Hemisphere together to achieve a set of common goals already span more than a century. The relative success or failure of the Alliance for Progress can have a far-reaching impact upon future generations of America, North and South.

The program will strongly influence developments in other regions of the world. The nations of Asia and Africa are watching Latin America with great interest. If the Alliance proves successful, the benefits in other less-developed areas could be greater than the effects of either the Marshall plan or the European Common Market. The problems which the United States and Latin America are trying to overcome are more similar to those in Africa and Asia than to the problems of Europe in 1948 and 1958.

Recognizing that the program is still far from reaching its ambitious 10-year goals laid down in the charter signed at Punta del Este, Alliance officials are encouraged that modest progress in the economic and social development of most Latin American nations is beginning to become evident.

Perhaps the most encouraging sign is the stabilizing, and in a number of key instances upturn, of the prices and "terms of trade" of vital Latin American commodity exports, after a long downward slide and bad years from 1960–63. Terms of trade climbed an estimated 2 to 3 percent last year.

Perhaps the most hopeful trend of all is a changing attitude on the part of many Latin American governments toward the program itself. After three years of Alliance efforts, a growing number of Latin American officials appear to recognize the extent of the need for self-help reforms and identifying themselves and their countries with the program.

Alliance leaders point with satisfaction to a new generation of Latin American public administrators who recognize both the enormity of the area's diverse economic and social problems, and the hard fact that progress against these obstacles requires sound, though often unpopular economic policies—and that there are no easy political or magic economic solutions.

In the face of these difficulties, the Alliance for Progress stands as a bold program calculated to make at least a start toward the long-range solutions of Latin America's diverse problems and toward assurance of social and economic progress in the years ahead.

The Alliance for Progress is perhaps the best known and the least understood overseas development program in U.S. history.

The Alliance differs from any aid program of the past. It is not a unilateral U.S. program. It is not a grant program. It is a combination of instruments—to be employed for at least 10 years—in which the U.S. Government is a minority administrator, a minority contributor, and in which aid is contingent on major internal reforms, self-help, and development planning on the part of Latin American nations.

The chamber endorses the objectives of the Alliance for Progress, and makes continuous, specific recommendations for improving it legislatively and administratively.

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. Albert], the gentleman from Oklahoma [Mr. Edmondson], the gentleman from Texas [Mr. Wright], the gentleman from California [Mr. Mailliard], the gentleman from Iowa [Mr. Smith], and the gentleman from New Jersey [Mr. Frelinghuysen] may extend their remarks at this point.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ALBERT. Mr. Speaker, the effort to help other nations mount an effective development effort is a difficult one, the results of which are not always easy to assess. But while the effort we are embarked on is indeed complicated, the dollars which we have contributed to help the Latins help themselves are accomplishing some very real and important things.

Let us take for example northeast Brazil. This is one of the poorest areas of Latin America, a potential breeding ground for Communist subversive effort.

On April 13, 1962, the United States signed a 2-year agreement to assist in improving the living standards of the 25 million people in this area. The United States agreed to provide the equivalent of $143 million for projects of direct benefit to the people of the area. As a result, 270 health units have been constructed or renovated. Water supply units have been constructed or are under construction in 70 cities and towns. In 73 other towns electricity generating stations and distribution networks have been built or are under construction. A total of 2,900 classrooms and 24 teacher-training and supervisory centers were established. Road programs and river basin development are underway.

Other examples can be noted.

In Ecuador a 146-mile all-weather highway built with the assistance of a $5.3-million loan now connects the capital city, Quito, with the coastal city of Quevedo. Due to this road, which traverses some of the most difficult mountain terrain in the world, rich coastland has been opened up to settlers.

In Honduras, the first stage of a hydroelectric project, which will triple Honduras' electric generating capacity is in operation. The project is joint United States, World Bank, and Honduras funded.

Our assistance to Latin America includes not only assistance in the establishment of capital projects, but also assistance in the building of institutions as well.

For example, Peru, faced with chronic unemployment in depressed regions in the south, wanted to move forward as rapidly as possible with a program of industrialization. To assist with this effort, a graduate school of business has been opened by Stanford University under contract with AID. With assistance from advisors from Stanford's Research Institute, Peru's National Institute of Industrial Promotion is helping to identify promising investment opportunities.

In Costa Rica, where, as in so many countries, food and farming account for a major part of gross output, technical assistance to agriculture is essential. AID advisors are working with the Ministry of Agriculture and the College of Agriculture at the University of Costa Rica. To date, considerable progress has been made by two AID-financed experimental stations in developing agricultural credit and extension services.

These illustrations are a few of the results of our contribution to the Alliance. It is a contribution which is being translated into tangible gains, gains which have a meaning for the millions of people within Latin America who are working to make the Alliance succeed.

Mr. EDMONDSON. Mr. Speaker, as we look today at the Alliance for Progress, where it has come and where it is going, the Central American Common Market stands out as one of its signal achievements. This experiment in cooperative endeavor is a major hemisphere beacon pointing the way to what can be and is being done by cooperation in the great effort pledged at Punta del Este.

No single aspect of the Alliance offers more hope for the successful realization of its many goals than the growing conviction that accelerated economic integration on a regional and continental basis, rather than traditional national approaches to development, can help to bring about self-sustained economic and industrial growth for the nations of Latin America.

It is particularly significant, therefore, that the five countries of Central America—Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, which are at a considerably earlier stage of industrialization than most of their neighbors to the south, have banded together in a bold effort to improve their common economic welfare through a common vehicle—the Central American Common Market, now in its fifth year.

Relatively small—the combined area of the five republics barely exceeds that of California—and with marked differences in size, population, and geography, these nations share a common colonial history, an agrarian economy, and an earnest, even optimistic desire to achieve a better life. Ties of blood, language, and culture, have persuaded most of their citizens that they share a common destiny.

As stated in the General Treaty on Central American Economic Integration, entered into in December 1960, the objectives of the Common Market are effective economic measures to convert several national markets, largely agricultural, into a broader, unified economy with some industrial activities capable of expanding with the population. The general treaty provided for immediate free trade within Central America with the exception of some 56 products which are expected to be brought into free trade by June 1966. As contemplated, under the general treaty, a treaty unifying industrial incentives has been signed, and the basis for an eventual customs union has been approved. Efforts to harmonize the tax laws of the republics have been initiated.

The Central American Bank for Economic Integration—CABEI—the main regional financing organ of the Common Market established in May of 1961, is designed to promote the balanced economic development of the member countries and to act as liaison for both private and public sectors in insuring an equitable distribution of domestic and foreign funds available for capital investment. With paid-in capital of $20 million by member countries and another $30 million from various sources, including IDB and AID, by March 1965 CABEI had granted credits of over $34 million, mostly in the private sector. To further private enterprise and initiative CABEI set up last spring an investment development department and established a permanent committee in each of the member countries to coordinate national development plans, evaluate investment proposals and opportunities, and act as a liaison between investors and businessmen.

At a White House ceremony less than 3 weeks ago, President Johnson signed an agreement under which AID will lend $35 million to CABEI to finance projects in the public sector, including new roads and communications, electric power grids, industrial parks, grain silos, and marketing facilities. The total program will cost $42 million, with $7 million contributed in $1.4 million shares by each of the members of the Common Market. AID's assistance fulfills a pledge by President Kennedy to the Presidents of Central America and Panama at a meeting in Costa Rica in March 1963, that the United States would participate in the Central American Fund for Economic Integration and work with its Central American neighbors in obtaining other free world resources. Applications for loans under the Fund will be considered on the basis of the contribution of the project to regional rather than national development.

Addressing their Ambassadors at the signing ceremony, President Johnson paid this high tribute to the Common Market countries:

> They have in a series of acts of the highest statesmanship, embarked upon a process of integrating their economies, which is one of the really most exciting undertakings of our world today.

What are some of the accomplishments of the Common Market and and CABEI?

Trade between the partners, which amounted to $20 million in 1958, rose to $66 million in 1963, and to $105 million in 1964.

Total worldwide Common Market trade estimates for last year show a 20-percent increase for both exports and imports to $700 and $772 million, respectively. Private and official capital inflows covered the trade gap.

While the area's export trade still depends on the traditional agricultural crops—coffee, bananas, cotton—good progress is being made in diversification.

More than 70 percent of the 91 loans CABEI has made to the private sector have helped to establish new industries.

A coordinating committee for market and price stability has been established.

A major goal of the common market is to achieve full monetary union and CABEI is already settling local accounts in the area's new accounting currency, the Centroamerican peso—at par with the U.S. dollar.

The growth rate in Central America was 6 percent in 1964 and indications are good that this annual percentage increase can be maintained. This increase on a per capita basis has exceeded the 2.5 percent goal set by the Charter of Punta del Este.

The Central American Common Market, with 4 years of solid growth behind it, is no longer in the experimental stage, and can face and handle with increasing confidence new problems as they arise. The achievement of the Central American Common Market is undoubtedly a landmark in the progress which the Alliance has made, and a landmark which should serve all neighbors of the Alliance for Progress well.

Mr. WRIGHT. Mr. Speaker, a measure of tenuous and hard won progress is interrupting a 500-year siesta in that sweeping tilt of the continent below the Rio Grande.

I am convinced that no area of the world means more to our future than Latin America. No other area is as critically indispensable to our safety. None other beckons quite so appealingly or promises greater financial return for our investments. None other buys more of our total manufactured goods or produces more goods for our own market—and there is no other wherein the potential for growth could mean so much to our own future.

To project in a few minutes a true image of this land of 200 million people in 20 nations would be almost like trying to give a brief summary of the Encyclopedia Britannica or a 5-minute synopsis of the Texas Almanac.

There is no more a typical Latin American than there is a typical housewife or a typical North American or a typical baseball fan.

It is a land of contrasts and contradictions. It is the Andes where commerce travels on the backs of llamas over little trails at 10,000 feet above the Pacific Ocean. It is the Panama Canal where the commerce of the world changes oceans. And it is the brooding jungles of the Amazon where swarms of piranha infest the rivers and commerce does not move at all.

It is the dazzling modernity of Brasilia, the world's most ultramodern capital city; and it is the Darien wilderness where life goes on among the Cuna Indians just as it did when Columbus discovered the New World. It is the thriving thirst for educational pre-eminence at the University of Mexico City; and it is the little adobe one-room school in the back country of Guatemala. It is the hacienda and the hovel, the grandee and the peon, the ranchero and the ejido, the sparkling new hotel and the crowded slum—all thrown into a churning caldron of ferment.

DIMENSIONS OF THE PROBLEM

For years we have talked together about the problem. The problem is still there. But, happily, today we can talk in specific terms about progress toward its solution.

The basic dimensions of the problem are still much the same as they have been for some years:

The average life expectancy throughout Latin America is approximately 45 years. The infant mortality rate is still four times higher than our own; yet the population grows faster than anywhere else in the world.

Roughly half the entire adult population can neither read nor write. Only 1 in 800 has finished college.

Per capita income, while growing, still is less per year than it is per month in the United States.

To put the comparison properly in focus, consider the following:

In the United States we fret through traffic jams, worry about finding a place to park, and wonder whether we should trade for a new car this year. We are a nation of 75 million automobiles—just about 2 to the family. In the average Latin American city, bicycles are still more numerous than autos; and in the countryside most people walk to town, some ride burros, and only 1 in 20 would have access to a motor-driven means of transportation.

We wonder whether there will be steak, lobster, or beef stroganoff for dinner tonight. The head of the average family in Latin America is thinking more in terms of tortillas and frijoles and will be content if there is enough.

Our status symbol is to have a backyard swimming pool; theirs is to live in a community with a potable water supply.

We hope our children's grades will be sufficiently good to admit them to one of the better universities. If you were the father of six children in Latin America, you would expect on the average that one of them would die before reaching adolescence, your realistic hope would be limited to seeing the rest of them through elementary school, and perhaps you might aspire for one of them to attend college—and he would be the first in your family to reach such a pinnacle of learning.

CHANGE IS COMING

Four years ago we spoke of a continent dangling between two magnets—ours and that of the Communist orbit. Held down by centuries of grinding poverty, the people of Latin America were stirring to new ideas and determined by one means or another to build a brighter mañana for their children.

We said at the time that change was coming in the 20 Republics of Central and South America and the Caribbean. It was only a question of what sort of change. It was no longer a question of preserving a threadbare status quo. The status quo was already on its way out.

No longer was it possible for corrupt or complacent governments to entertain the masses with occasional fiestas and fireworks displays—or to content them with unfulfilled promises. Where they could not read, they could hear the radio—and even remote villages had receiving sets. The more they heard of the world's progress, the more they hungered to taste it for themselves.

Thus aware through modern communications that there is a better way, people no longer will tolerate conditions in which their children are doomed to live out their lives as indebted tenants, without opportunities for education, without rudimentary medical care, without a chance.

In the vacuum of hopelessness, in rat-infested slums and on the poverty-ridden farms, the Communist conspiracy had marked Latin America as it next target. Russia has been pouring almost as much money into Cuba alone each year as we have earmarked for the entire continents of Central and South America. Radio Havana is broadcasting a steady daily stream of propaganda throughout the hemisphere. Even Red China is promoting a broad exchange program attempting to lure Latin American opinionmakers with expense paid tours of that country.

The people of Cuba followed Castro not because they were Communists, but because they had given up hope of ever achieving anything better than the despair and desolation which had been their lot for generations ad infinitum. They had despaired of ever owning a home, of ever having a decent job, of sending their children to school, of ever seeing any meaningful development through the slow and orderly processes of government.

The peoples of Latin America do not fundamentally desire communism. But where they have become cynical about the claims and promises of democracy, it has loomed up as a last resort of desperation—the one remaining promise of a way out.

THE TEST AND THE TASK

This is the test: Unless it can be demonstrated that their legitimate economic and social objectives can be realized without the sacrifice of their political liberties, the Republics of Latin America would remain a cluster of ripe plums vulnerable to the swarming and infesting insects of communism.

In March of 1961, President Kennedy announced the Alliance for Progress. Four years have passed. Today I want to report to you on what has been done, what is being done, and what yet remains to be done under this monumental effort.

This is our task: To demonstrate that economic democracy can be attained, in fact best attained, through the framework of political democracy.

It was to this task that the Alliance for Progress addressed itself. It was an objective which could not be accomplished overnight. It was a far more difficult goal than that undertaken by the Marshall plan. The Marshall plan assayed only the rebuilding of an economic structure ravaged by 6 years of war. The Alliance undertakes to build, largely from the ground up, a social and economic structure ravaged by 500 years of a cruel history.

AN ENORMOUS UNDERTAKING

It was a monumental undertaking, attempting to compress into a decade the development which has taken other civilizations generations and even centuries to achieve. But time would not stand still. Already we were late.

We knew we could never hope to achieve the result unilaterally. The United States with all its resources could not do this work unassisted. The best we could hope to do would be to provide a spark of inspiration, a beacon of hope, enough water to prime the pump, enough seed to plant one row in order that from its harvest a field could grow. It had to be a cooperative endeavor, and Latin Americans themselves had to provide the lion's share of the effort.

So we explained in the beginning that the Alliance for Progress was not to be just another aid program supported primarily by the U.S. taxpayers. The total program would require a composite investment of at least $100 billion in Latin American development during the decade of the 1960's. Of this amount, four-fifths—or $80 billion—must be put up by the Latin American countries themselves—by their governments and their private investors. Of the remaining $20 billion required from external sources, only about one-half was to come from the U.S. Government. The remainder would be in private investments.

Each dollar in U.S. taxpayers' funds would have to generate at least $9 from other sources.

Criticism has been offered that the Alliance has been slow in getting off the ground. To some extent this may be true. But we do not speed its ascent by saying it will not fly or by withholding the wind from its wings.

Like others, I have been somewhat impatient for this vast program to take hold and begin to exercise its full effort. Yet is was never intended that the entire course of 5 centuries would be completely reversed in only 4 years. To have anticipated so sudden and dramatic a change would have been unrealistic in the extreme. If Rome was not built in a day, surely the traditions, outlooks, and customs of more than 200 million people cannot be revolutionized in a mere 48 months.

SIGNS OF REAL PROGRESS

But the important thing is that Latin American countries are rising to the challenge. The majority of them have instituted long-range planning, adopted internal land and credit and tax reforms as suggested by our country, appropriated funds of their own for social and economic development of their nations.

Look at the scoreboard to see what activity has been stimulated by this self-help program in only 4 years:

Four years ago, we spoke of the need for private housing, stimulated by loan guarantees. By the middle of this year, 489,000 new houses or family dwelling units will have been constructed in Latin America.

We talked of the need for new classrooms and textbooks in areas where education had been only a myth. By the middle of this year, 38,490 new classrooms will have been built, providing facilities for one and a half million children—and almost 12 million textbooks will have been made available.

The ravages of disease and the rudiments of public health required a crash program to construct potable water systems. By this July, more than 2,500 new sanitary water systems will have been built to serve 27 million people who never before had the benefits of a community water treatment program. All of this is attributable directly to the Alliance for Progress.

PRIVATE SECTOR

But the most heartening changes have been forged in the private, not the public sector. Before the monetary reforms demanded of local banking and governmental policies, capitalism was only a name—and not a very popular name—for a system reserved to less than 10 percent of the total population. Banks were institutions for the privileged few.

But today there are more than 23 times the number of individual savers in banks and savings and loan associations than there were just 4 years ago. Individual savings have increased from $1½ million to $59 million. The number of new homes financed through these savings and loan associations has jumped from 417 in 1961 to 24,810 in 1964.

Four years ago, I told the story of a priest named Dan McClellan in Peru who had pioneered against all advice in the establishment of a credit union. The move has grown like wildfire. From a beginning of only 27 members, participation has spread to over 500,000 individual small investors. Savings in Latin American credit unions totaled about $200,000 4 years ago. Today, they are close to $25 million.

Savings of the local financial elite were being drained away into Swiss banks in fear of political upheaval. Today, with the establishment of stable governments, they are returning gradually but steadily to Latin America.

LOCAL GOVERNMENT ACTION

And what have the local governments done by way of self-help in response to the stimulus which the Alliance has provided?

Over 6,000 miles of roads have been constructed to bring the blessings of civilization to the remote and isolated villages and to provide the veins which can bring the lifeblood of commerce into the main arteries of the Inter-American Highway.

Nearly 300,000 agricultural credit loans have been extended, and the simple implements and techniques of modern agriculture are beginning to be known.

Over 12 million schoolchildren are participating in school lunch programs and more than 75,000 teachers have been trained to spread the benefits of education from the few population centers to the countryside at large.

Nine countries have undertaken major tax reforms, plugging the gaping loopholes and the leaky sieves through which their own privileged citizens had escaped taxation and by which it was made almost impossible for Latin American governments to raise their own revenues for their part of the task.

One of the greatest achievements of the Alliance is the Central American Common Market. The nations lying between Mexico and the Panama Canal have entered into agreements eliminating 95 percent of the tariff barriers between them, and the results have been impressive. Trade within Central America has increased from $30 million in 1960 to over $75 million last year.

In addition to this, the member countries themselves have created the Central American Bank for Economic Integration, and this bank has extended loans of $18 million to foster development in the private sector. This has included the initiation and expansion of some 63 manufacturing enterprises.

If that figure seems relatively small to you, then gage its impact in light of the knowledge that all of these countries combined had less total industrial employment 4 years ago than we have today in the city of Houston.

However you may value it, this is progress. It is not enough, but it is movement in the right direction. To a large extent, it has been inspired by the hope held out through the Alliance for Progress. A candle has been lighted in the darkness. Other candles are lighting themselves from its glow.

POLITICAL EFFECTS

And what have been the political effects of these economic advances?

Peru has returned to constitutional government.

Bolivia, torn by revolution as recently as 1952, has stabilized a previously explosive internal situation.

The people of Latin America through their governments in 1962 unanimously supported the decision to take whatever measures were necessary to remove the threat of Soviet offensive missiles in Cuba. And those missiles were removed.

Again, last year, the foreign ministers of the Latin American States formally censured Castro for his attempt to foster subversion through arms shipment to Venezuela, branding it an act of aggression within the meaning of article 6 of the Rio Treaty.

Venezuela has instituted numerous reforms aimed at giving the average people a better break, and 56,000 families have been able to take up land of their own. Exports have increased by 15 percent over the past 2 years, and the Government has maintained its popular support in spite of vicious Communist terrorism.

No one of these improvements in itself is enough. All of them put together are not enough. The winds of change are sweeping over the ancient lands of the Incas, the Mayas, and the Aztecs. Like a sleeping giant, awake from a long siesto, Latin America today is hungrily reaching out to satisfy the long-suppressed wants of its people.

Through the Alliance for Progress, the forces of freedom seized the vital initiative away from the Communists. But we must hold the initiative until the full force and effect of orderly democratic development can make itself felt.

MUCH REMAINS TO BE DONE

A very great deal remains to be done. There is an impatience for results, both in our own country and throughout the Republics of Latin America. The danger is not fully removed.

And the Government cannot do it all. An alliance, if it means anything, is more than a row of statistics or a formal agreement in stilted language on a piece of paper. An alliance is a thing of the spirit. If it is not this, it will not endure.

A philosophy of private investment is slowly beginning to emerge. Latin governments themselves are taking steps to guarantee foreign investments against the old dread of confiscation. And North American investors slowly are building a new image by bringing Latin citizens into partnerships and responsible managerial positions within the newly formed enterprises.

MANY SMALL THINGS

Often the catalyst for progress is something very small by North American standards.

The little mountain village of Toabre in Panama, isolated from civilization for generations, has been brought into the 20th century by means of a pioneer road built at a cost of only $5,000 a mile under the Alliance for Progress, connecting with the Inter-American Highway at Penonome, 30 miles distant. Where previously it took 3 days to walk down the mountains with only the oranges a native could carry on his back and for which he could not get sufficient return to justify the journey, now they are brought by carts and vehicles over the road, and a profitable industry has developed.

For generations the women of that village had rubbed fibers between their palms to make thread. The Alliance for Progress has introduced simple hand looms from Costa Rica at a cost of less than $1 each and has revolutionized the weaving industry of that area. This is truly grassroots progress.

Much of what I am telling you now I have learned from a good friend of mine, a native Texan named Jim Boren, who is associated with the Alliance for Progress and is heading up a nationwide voluntary effort called Partners of the Alliance. Jim Boren is a truly dedicated public servant, the type of whom we all would be proud. He gave up a much more lucrative career to serve our Government. He has recently returned from 2 years in Peru. With unbounded enthusiasm, he tells hundreds of individual success stories of the new spirit of hope and the new pride of self-help which the Alliance had introduced in the remote pueblos and barriadas of that country.

Here is a bit of what he has seen and done:

Many of the Andean villages are participating in the Peruvian Government's literacy program. The adults are attending night classes in the village schools, he explains. But there have been no electric lights in the adobe schools. It is difficult to see the small blackboard and to write when the only light is from candles, or at best a single kerosene lamp. Jim Boren discovered a small 12-pound generator, manufactured by an American firm, which will light seven 50-watt bulbs and operate for 5 hours on 1 gallon of gasoline. The total cost of each generator including transportation and two extra spark plugs, is $85. So we are not talking about a great deal of money. The generators are not simply being given to the villages. They are part of a special self-help agreement whereby the community agrees to do certain things for itself in return, including the construction of larger blackboards. Thus are they developing the true sense of being "partners" in this Alliance for Progress.

To see and understand the impact of the Alliance, we must see it not as a few, huge, grandiose projects detached from the day-to-day lives of people. We must see it instead as literally hundreds of small self-help programs which touch the average people in their daily pursuits and help them individually to climb the next rung up the ladder of individual and community progress.

For the people of the Pampa de Comas barriada, a slum near Lima, the galvanizing and energizing force of the Alliance was introduced in the prosaic form of a cement mixer. The members of this barriada had organized a development committee through which they have been working to build a community center and a series of low-cost housing units. The cement mixer and some simple instructions in its use by a Peace Corps volunteer have speeded up their work, given them fresh hope and a new outlook of pride in themselves as they see their community center, into which they have put their own labor, nearing completion.

In the Peruvian Andes, the community of Yauli has created a sewing institute. The young women are being trained to sew and make marketable sweaters from local wool. The Alliance has helped this progressive community to help itself by providing materials for a knitting machine.

These success stories are built around simple things, devices which we long have taken for granted. In the village of Cuyo Chico, high in the Andes, the people have been working with rudimentary pick and shovel to build a simple irrigation system. There it was a jackhammer, and the assignment of a young man from the Peace Corps, which have speeded completion of their irrigation works and will soon be helping to extend that system to a neighboring village, so that those who live so close to the rocky soil will be able to increase their production of food crops and thus enjoy a better life.

A hand loom, a generator, a cement mixer, a knitting machine, a jackhammer: this is the basic stuff of which the Alliance is made. It is at work in hundreds of different localities throughout Central and South America. Private citizens, determined to pour some cement of their own into this growing effort toward solidarity, are giving the program its real meaning. Governments can only provide a skeleton outline. It is up to private citizens to give the skeleton flesh and blood.

We in Texas have joined this effort in a truly meaningful way. Under the outstanding leadership of Edward Marcus, of Dallas, Partners of the Alliance are moving forward in an excellent partnership program. Rex Baker, Jr., of Houston, has recently become a member of the executive committee of the Texas program.

High school students of Texas have provided funds to purchase lanterns and blackboards for schools in the rural villages.

The Texas State AFL–CIO has donated funds for wheelbarrows, picks and shovels with which a back-country community is completing its own farm-to-market road as a means of moving their agricultural products from their isolated valley.

The Texas Rehabilitation Association sent training equipment for the Rehabilitation Institute in Lima to teach handicapped people a useful trade.

Because the Alliance for Progress is for and about people, it will never work if it is only a design on a drawing board. It has to be a shirt sleeve effort. Because of the sad history behind and the huge obstacles ahead, it is one of the most ambitious progams ever undertaken. For the same reason, it is one of the most important.

The path is long and the road is bumpy, but a good beginning has been made.

Mr. MAILLIARD. Mr. Speaker, the Alliance for Progress represents in my opinion an impressive effort undertaken by men to improve the conditions under which they live. More than a gesture of generosity from north to south, it is an effort by the people of Latin America to develop themselves.

This program's success can be seen throughout the hemisphere both in improved environment and increased awareness of human worth.

It can be seen in the schools where the people are striving with U.S. advisers to provide better opportunities for their children. In drawing up long-range educational plans, constructing simple schoolhouses, printing millions of textbooks, and furnishing countless communities with school lunch programs, Latin Americans find in their northern neighbor an eager partner.

This effort for self-change can also be seen where men live. City slums have not vanished, nor has rural poverty been eliminated. But today both slum-dweller and poverty-stricken farmer have an alternative. The man who is willing to build his own home can get advice and materials from self-help housing developments. The poor farmer whose father and grandfather barely managed to subsist now has the opportunity to expand production by enrolling in agricultural credit programs and community cooperatives.

Alternatives such as these are providing Latin Americans not only with better living conditions but an increased awareness of life's values and opportunities. In the Alliance the accent is on individual self-development, on providing advice and assistance as investments rather than gifts. It gives men the institutional tools to better themselves. With U.S. aid, universities are setting up agricultural extension services and business education centers. For the first time, private and public development banks as well as savings and loan associations are being established. These programs and institutions, rather than continuing people in poverty, reward their initiative and bolster their human pride.

As ranking minority member of the Subcommittee on Inter-American Affairs, I have closely followed the plight of many Latin American nations. I fully appreciate the overpowering desire of these peoples to develop rapidly—and to develop on their own. The Alliance gives them this opportunity. It promises progress to those nations which stand on their own feet, face up to chronic social, and economic problems and use wisely aid that is offered them.

What is perhaps most significant about the Alliance is that it represents a partnership rather than a hierarchy of nations. All share a goal not of individual domination but of mutual development—and this is the key to Latin American social, political, and economic advancement. Beyond national urban and rural needs the peoples of this hemisphere are recognizing that to help themselves they must help each other. Already eight South American nations and Mexico have taken important steps toward establishing a Latin American free trade area. By June of 1966 nations of the Central American Common Market will have eliminated all tariff barriers. To encourage such international cooperation is one of the chief purposes of the Alliance. Each year a special committee for the Alliance for Progress meets to discuss ways by which nations of the hemisphere can help each other to solve problems of mutual concern and promote the flow of free world aid to Latin America.

To render assistance without destroying the dignity of the recipient has long remained a challenge to humanitarian efforts. Today the Alliance accepts that challenge. In Latin America it seeks to prove that self-development is the historical solution to the paradox of accepting aid without yielding honor.

The Alliance represents foremost a program of immediate action to improve the conditions and broaden the opportunities of developing peoples. But it should not be seen as a crash attempt by the United States to palliate potential crisis areas; nor is it a campaign to sell a particular political philosophy or to extend economic spheres of influence. For these reasons the Alliance is unique in that it seeks to build a strong and prosperous Latin America for Latin Americans.

The progress that the Alliance has made thus far is certainly sufficient to assure ourselves that its concepts are valid, and that this effort to help people help themselves must persevere. Although a program of immediate activity, it does not purport to guarantee immediate solutions to all of Latin America's ailments. Problems of exploding populations, single product economies which are subject to disastrous price fluctuations, lack of representative governments and a scarcity of educational institutions are never easily or rapidly corrected.

We must not deceive ourselves into believing that this effort will not meet with obstacles and temporary disappointments, for such is the history of all great endeavors. It is rather the responsibility and the challenge of both hemispheres that we not be deterred from our objectives.

Mr. SMITH of Iowa. Mr. Speaker, today, August 17, 1965, is the fourth birthday of the Alliance for Progress. The purpose of the Alliance as stated in the Charter of Punta del Este "is to enlist the full energies of the peoples and governments of the American republics in a great cooperative effort to accelerate the economic and social development of the participating countries of Latin America."

Significant progress has been made toward this goal.

One of the most important fields of endeavor in which progress must proceed if development is to occur is education. Only an educated society can be responsive to the demands and responsibilities of a working, vital democracy in the modern world. This is one of the hoped-for results of the Alliance for Progress.

The United States is assisting education programs of various sizes and levels in all but three Latin American countries.

The Central American textbook is one of the largest programs in the field of education. A new normal school is nearing completion in El Salvador. At completion over 500 students can be trained as rural teachers.

Various seminars, conferences, and meetings are being held all over Latin America in an effort to improve the educational facilities of the various countries.

Over 60 percent of the Latin American countries have ongoing programs designed to improve and upgrade all aspects of their universities. An example of U.S. participation in this field is the work of the University of Pittsburgh with Central University of Quito, Ecuador, in the improvement of university administration, the development of a basic studies program, curriculum improvement, the development of a full-time faculty, and upgrading of teachers.

Through Alliance efforts, a total of nearly 25,000 classrooms have been built, nearly 10 million textbooks have been distributed, and nearly 100,000 teachers have received some training.

An example of the type of initiative that is being exercised by the nations of Latin America is seen in the striking strides that Mexico has taken to radically improve the opportunity for education for her people.

I ask unanimous consent that a summary of Mexico's progress in this field contained in the Pan American Union Weekly Newsletter, volume III, No. 32, of August 9, 1965 appear at this point in the RECORD.

> In 6 years, Mexico has more than tripled its education budget, to serve its expanding population and meet development goals.
>
> In every category, from primary schools to universities, from vocational training to literacy courses, Mexico's long-range education program is showing striking results.
>
> Details on the program's first 6 years are found in a new, 500-page book, "Obra Educativa en el Sexenio" 1958–64, published by the Secretaría de Educación Pública.
>
> Measured in terms of financial commitments alone, the totals are impressive. Last year, the Government earmarked 25 percent of its budget, or about $325 million, for education, up from $92 million, or 14 percent of the budget, in 1958. Meanwhile, State governments last year were providing more than $80 million for education, about 40 percent of their budgets.
>
> In 6 years, the nation built 25,000 new classrooms. Primary school enrollment jumped by more than 60 percent to 6.6 million in 1964. To keep pace with rising demand for school supplies, the Government distributed more than 114 million free texts and work books between 1958 and 1964.
>
> Every sign indicates this remarkable growth is continuing. In 1958, there were 1.6 million children enrolled in the first grade of Mexican schools; by last year, the total of first-graders had reached 2.3 million.
>
> As more students complete primary school—412,000 last year versus 231,000 in 1958—the impact of the education program is shifting to the secondary schools. Enrollment in secondary schools supported by the Federal system is already up 150,000 over 1958 and is still growing.
>
> To cope with these huge increases, Mexico needs more teachers. The number of secondary-level teachers in schools supported by the Federal system has nearly doubled since 1958, reaching 21,500 in 1964. New teachers will come from an expanded teacher-training program, which last year was preparing 87,000 students, up 44,000 over 1958.
>
> Between 1958 and 1964, Government-financed literacy centers taught more than 1,750,000 adults to read and write. These centers, together with increased school enrollment, have reduced Mexico's illiteracy rate from 56.5 percent to 29 percent in just 6 years.
>
> Other important aspects of the education program: college enrollment has nearly doubled, reaching 126,000 in 1964; 40,000 persons received degrees and diplomas last year, compared with 18,000 in 1958.

Mr. FRELINGHUYSEN. Mr. Speaker, the Alliance after 4 years in operation has made a promising attack on its problems. The goal of assisting 200 million people to achieve a better life is indeed a difficult one, but the increasing momentum of this effort justifies a cautious optimism that the nations of Latin America will succeed.

The goals of the Alliance are wide and varied, but what is sometimes overlooked is that all the programs, whether their immediate purpose be the construction of a hydroelectric project or the training of a teacher, have as their ultimate objective the improvement of life for the individual.

In what ways is this individual affected?

Let me take as an example a hypothetical urban worker. His and his fellows' fruitful participation in society is vital to the future of Latin American industry and progress.

Through the Alliance, a start has been made in opening new vistas. The urban worker may now have a chance to become literate through participation in the adult literacy program; new jobs are created for him through increased industrialization fostered by Alliance for Progress assistance. He can now acquire a new home through savings accumulated at a newly established credit union. His children are fed a nutritious meal each school day as part of Operation Ninos, a child feeding program. His children are attending new schools built under the Public Law 480 program. These projects help to reinstill in him a faith in himself and his ability to provide. His government is now better equipped to help him pull himself out of the depths of poverty and despair.

The Alliance affects not only the urban but the rural man as well. The Alliance brings to the rural man a variety of programs designed to better his life. Farm to market roads enlarge the markets available to him. Credit for small loans to assist him in improving his farm is becoming available. Land reform programs help give him a greater stake in his own future. Rural health centers wage a continuous war against disease and infections. Special technical assistance in the field of agriculture offer the opportunity of achievement beyond subsistence existence. His village is given assistance to improve its water systems. No longer is the rural man the forgotten individual of Latin America.

All the programs of the Alliance contribute to a historic effort—to improve the conditions of human life in Latin America. We measure growth in percentages, in miles of roads, in new legislation. But behind these figures are the men and women of Latin America. This is what our programs are all about. And it is a better life for these men and women which the Alliance is starting to make possible.

GENERAL LEAVE TO EXTEND

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the fourth anniversary of the Alliance for Progress.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BOGGS. Mr. Speaker, I asked for this time in order that we in this House might note the fourth anniversary of a great event, namely, the beginning of the Alliance for Progress, which is now 4 years old.

In my judgment, Mr. Speaker, it has made a profound impact on the direction of the Western Hemisphere. At the time of its announcement some people said that its objectives were too grandiose, that we were hoping to do not enough but too much.

I believe the record speaks for itself—it has been a magnificent achievement.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Alabama [Mr. SELDEN] who earlier today made some very fine remarks on this subject.

Mr. SELDEN. I thank my colleague from Louisiana, the distinguished majority whip, and I commend him for calling to the attention of the House and of the American public the fourth anniversary of the signing of the Charter of Punta del Este, which created the Alliance for Progress.

In the ensuing years the Alliance has been much maligned. First by the Communists, who feared that the success of the program would reduce the appeal of their revolutionary doctrine. Soon the Communists were joined in their attacks upon the Alliance by some of the more conservative elements in Latin America. These people feared that if the Charter's provisions were put into effect, they would lose their privileged position in society. Before its first anniversary, the Alliance was also being bombarded with criticisms by those who supported its principles but were disappointed at the slow pace with which they were being implemented.

Now, at the 4-year mark, it is possible to take some meaningful stock of the Alliance's operations. The Alliance has withstood the assaults from the far left and the far right. It has also managed to allay the impatience of those who expected the millenium overnight.

Meanwhile, the most provocative lesson from 4 years experience with the multilateral program has been the realization that modifying rigid, entrenched practices and mores cannot be achieved without ceaseless effort.

Out of this recognition, the American Republics are forging new mechanisms to pursue the objectives of the Alliance. In this respect, we have seen the birth of CIAP, the Inter-American Committee on the Alliance, and can observe the manner in which that multilateral group has provided necessary leadership for the Alliance concept. CIAP's members, representing not the countries of their origin, but the entire American community, are beginning to provide a much needed forum for exploring new approaches to Latin America's problems.

Meanwhile, impatience with the pace with which fiscal and social reforms have been enacted in some of the Latin American countries should not dissuade us from pursuing the goals of the Charter of Punta del Este. Rather, a healthy dose of impatience, coupled with vigorous determination to adhere to the charter's basic precepts, should enhance the pursuit of the Alliance's ultimate goals.

At the same time, I am hopeful that the search for new formulas to strengthen the region does not devolve into the old Latin American custom of looking for an El Dorado—a single gold strike that will answer all problems. In the last year or two there has been a growing sentiment in Latin America for a preferential tariff arrangement with the United States. This idea appears in the list of recommendations forwarded by CIAP to all the heads-of-state in the Alliance. While it is just one of CIAP's proposals, other Latin Americans have of late begun to advance the idea as an alternative to the many measures for Latin American recovery set forth in the charter. The idea seems to be that if only the United States will purchase more from Latin America, Latin America would have sufficient capital to undertake its own rapid development. It is doubtful that preferentials would add much to Latin American coffers. Moreover, it would be thoroughly unfortunate if Latin American leaders come to regard such preferentials as an alternative to the admittedly difficult internal reforms which they must make before meaningful economic development, social justice, and political stability can take place.

On this, its 4th anniversary, the Alliance for Progress is neither as moribund as pessimists would believe nor as flourishing as optimists would like to believe. Nevertheless, the Alliance is proving to be a useful and adaptable vehicle for promoting those ends which Latin America's friends have so long desired.

I commend my colleague for noting this very important anniversary.

Mr. BOGGS. I wish to say to the gentleman that he has made a very wonderful contribution himself to the advancement of Latin America, and I believe that is well recognized throughout our country.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the distinguished gentleman for yielding.

Mr. Speaker, our moment in history has been called "the century of the common man." Poets, statesmen, philosophers, and politicians have expended words and efforts seeking to identify and define and even to glorify the common man. It was Sir William Beveridge who said:

> The object of government in peace and in war is not the glory of rulers or races, but the happiness of the common man.

In a very real sense, that is what the Alliance for Progress is all about.

We have joined with our Latin American neighbors to satisfy the basic human wants and needs of millions of common men in this hemisphere. Most of them are helpless prisoners of their miserable heritage of centuries of neglect, hunger and disease. In every respect less fortunate than we here in the United States, they have merely existed on the fringes of mankind's proud, advanced civilization.

They would understand, with a clarity that the poorest among us never could, the meaning of President Johnson's recent words:

> When I was young, poverty was so common that we didn't know it had a name. And education was something that you had to fight for. Water was really life itself.

By thus simply but eloquently stating some of our problems of a couple of generations ago, the President touched the very problems that have plagued Latin America for many, many generations.

How has the Alliance for Progress tackled these many and complex problems in the complex and varied social, political, and economic structures of our many sister republics? I could recite the vast statistics of planning, reforms, regulations, institutions, and programs, all growing out of the Charter of Punta del Este, the keystone document of the Alliance. For example, in financing the Alliance, $26.570 billion has come from Latin American sources; $4.422 billion has come from U.S. public sources; $177 million from U.S. private sources; and $1 billion has come from other sources. But our main concern is not a recounting of vast industrial, hydroelectric, road, agricultural, education, and health projects financed by loans and grants to governments participating in the Alliance. Rather, we want to reduce this tremendous effort to a human equation we can understand. The question at hand really is "How is the Alliance for Progress helping the common man in Latin America?"

Let us take a hypothetical common man, Juan Martinez and some members of his family and see how the Alliance has indeed brought him a better life. He could be one of the forgotten citizens of any Latin American republic who has finally learned that hope can be a living thing. Keep in mind however, that we are drawing a composite picture. The real Juan Martinez may have yet been touched only by one or two beneficial programs of the Alliance for Progress, or by none. Centuries of utter neglect are not overcome by 4 or by 40 years of determined measures for self-help and national development. Juan is one of the lucky ones. He has seen some light. But remember that behind him in the darkness of stagnation and despair, are millions of his brothers, who have not even begun to hope. They wait, not as patiently as before, for their share of human concern and opportunity.

Juan Martinez is the eldest son of hardworking but illiterate parents who died several years ago of tuberculosis hastened by the malnutrition which goes hand in hand with extreme poverty. Until recently, Juan, his wife Maria and their four children lived on the rundown outskirts of a large city. Their home was a hut divided into two tiny rooms. The roof was made of thatch, which they could replace easily as it rotted. The walls were built of adobe that wore away a little more with each rain. The central heating was a fire built in the middle of the dirt floor. There was no chimney, so the rooms were blackened by smoke. Furniture and simple bedding were literally fashioned out of scraps. Inside plumbing and running water were no part of this picture. Water for washing and laundry was available in a constantly muddy stream that ran through this misery village and was used as a swimming hole by the hundreds of brown, half-naked children in the barrio. Cleaner water for cooking and drinking had to be laborously hauled in buckets or old oil cans from a public fountain in one of the outlying plazas of the city, far down the road that joined the main highway.

The road itself was only a bare trail worn into the barren ground by the residents of the village on their way to work in the city or to haul the indispensible water.

Juan, then, was a family man responsible for feeding, clothing, and providing the protection of a home, crowded and humble though it was, for his family. He had managed to achieve a bare minimum of literacy, completing a few grades of elementary schooling before his hands, too, were needed in the ceaseless scraping to be able to live through another day.

As a grown man with no real education, he was a poorly paid employee in a small radio repair shop in the heart of the city. His job was to keep the shop clean and run innumerable errands. Although completely unskilled, he was a quiet, good worker, happier than most of his friends in the barrio, because he had a steady job. However, advancement and opportunity were a closed door to Juan. He received slight raises in pay whenever the government decreed higher minimum wage scales. But they were usually only enough to just about meet the constant rise in the cost of living. They represented no increase in real income for him.

Juan hoped that his children could receive an education that would help them climb out of poverty. But they, trapped in the same mold as their father, attended school only infrequently in the city. There was none in the barrio. And they too were needed at home to help their mother in a variety of small projects that brought in needed money. It was a case of survival coming before education or any other civilizing amenity or comfort.

Juan wanted better things for his family and for himself. His income could hardly clothe and feed them all. How could he ever hope to save the money needed to provide decent housing, education, food and health for those who made up his most immediate, intimate world, his family? Surrounded by a high wall of squalor, their future seemed irrevocably linked to their hopeless past.

Keep in mind that the picture we have seen thus far was drawn from life in a Latin American republic. Its constitution is dedicated to the same principles of representative democracy and guarantees of individual freedoms as our own. In fact, it was inspired by and largely based on our Constitution. But for a multitude of reasons, democratic ideals have not been translated into tangible fruits of democratic progress for the common man at the same pace we have achieved and enjoyed in the United States.

Is it any wonder that, beset by a hundred daily frustrations, Juan listens with interest to the conversation of Communists in the barrio?

He hears phrases he cannot really understand—capitalism, exploitation of the masses, proletariat, collectivism, bourgeoisie and many others. But he understands only too well the meaning of misery. His life until now could stand as its dictionary definition. They tell him of bloody revolutions in countries across the seas accomplished by poor workers like themselves, who violently took the future instead of submissively waiting for it.

Such heady talk can raise hope in the breast of such a man as Juan Martinez. In his ignorance, he cannot know that it has been demonstrated over and over to be a false hope. Was not the talk of the exploitation of the masses the logical explanation of his plight? Had not democracy let him down? Were not its benefits interminably slow in finding their way directly to him and his family. He asks himself these questions and many similar ones.

The promises of a better life that were made by his government in the capital city meant little to Juan. Did not he, after all, have to worry if his family had enough to eat as each sunrise brought them a monotonous sameness of insufficiency? How could the government find time and resources to help him when it could not help itself against the revolts and coups that constantly brought in new sets of politicians and military leaders? Was there any end to frustration?

Such things he did not fully comprehend. But he could grasp at the straw of the Communist promise of a "peoples democracy" as any drowning man might. His friends, whom he trusted, because they were like him and shared his poverty, told him that a "peoples democracy" would give them a continuing stable government, decent jobs and salaries, and most important, enough to eat each day. Ideology, the struggle between the East and the West for men's minds, the choice between freedom under democracy or slavery under communism—all these were vague concepts that were distant from his daily struggle. But the lure of a full stomach could make Juan a Communist at the polls if not in his mind or heart. Some of Juan's friends have continued their fruitless reach for solutions to their problems with their eyes clouded by Communist promises. Thank goodness, Juan and many more like him did not. For the sunrise that brought them a daily ration of despair, at last brought them their first glimmer of hope.

Juan's government, 4 years ago at Punta del Este, joined its sister republics and the United States in the vast program of national development which we all know as the Alliance for Progress. It was a hemispheric challenge to poverty, a war on hunger, ignorance and disease. It was, at long last, an answer to the pent-up demands that governments show a human concern for the happiness and well-being of the common man.

About 2 years ago, our Agency for International Development arranged a loan to Juan's government that financed the construction of a hydoelectric project to service the city near which he lived. News spread through the barrio that jobs were available at the new powerplant. Juan applied and was given a job as a janitor in the control and dynamo area. Fascinated by the dials and gages, Juan made use of the practical knowledge he had gained by watching and listening at the radio repair shop and impressed the engineers with his intelligent questions and his intense desire to learn. They helped him enroll in an adult literacy class conducted by AID-trained personnel. Soon he was able to read and write with some fluency and was advanced to the job of apprentice electrician. He learned quickly on the job and because of his skill was entrusted with complex maintenance jobs on the machinery. He joined the union at the powerplant as soon as it was organized.

Even here the Alliance touched him directly. After attending a 6-week training program organized by the AID-assisted American Institute for Free Labor Development, Juan was elected an officer of the union. It was a proud moment, an honor for humble Juan Martinez. Yet it could not compare with the dignity he felt, knowing that he earned a salary adequate to feed his family every day without the constant worry of the past.

He found that he was even able to put a little money aside each month. This small but important surplus went regularly into an account at the credit union organized for workers like him by local initiative under AID sponsorship. Successful American credit unions were used as models for the one to which Juan belonged.

Using his job and his small savings account as collateral, he was given credit to buy materials to build a new house in a completely new area closer to the city. With AID-donated technical assistance, Juan and a group of his friends worked on weekends and other spare time, building their homes in common. They made many mistakes, but laughed and joked with the AID technician who shared their long hours of work. He corrected their mistakes and praised their enthusiasm for the job, until at last their cement and cinderblock walls were true and the roof lined all trim and the last brushful of pastel-colored paint made them gleam in the sun.

The little homes were truly modest. Only four small rooms. But they had inside plumbing, so the family could wash and drink without making the long trip to the plaza fountain to haul water. They slept in clean, airy rooms no longer begrimed with smoke. Their hut in the misery village now seemed unreal. When they woke up that first morning in their new home and realized that their new surroundings were not an impossible dream, their happiness was apparent in their smiles. Over a million families already have homes and millions more, without adequate housing, are eager for their opportunity.

Even before construction was begun on the self-help houses, municipal authorities had completed a potable water system and a sewerage system. These basic necessities for healthful community development were also made possible under long-term, AID-financed loans.

Juan's four children were now able to attend school regularly. Through Operation Ninos, they were fed a nutritious meal at school. Actually, in this Alliance for Progress child-feeding program, one out of every four school-age children in Latin America is receiving food-for-peace commodities furnished by the people of the United States. Their school is now inadequate because of increased attendance. Taking advantage of the sense of community spirit and pride that grew in Juan and his neighbors while they built their homes with their own hands, AID and the government enlisted their new construction skills in another self-help project. "Here are the materials and technical assistance," they said. "Build a school for your children and we will pay you in food for your labor." That school is being completed at a rapid rate. An AID textbook project will provide reading materials free of cost as it has in many Latin American countries.

Thus, some of the financial burdens of everyday existence have been temporarily lifted so that Juan may pay off his loan at the credit union and slowly accumulate savings. In the first 4 years of the Alliance, the personal savings of thousands of people like Juan all over Latin America jumped from $1.5 million to $59 million. These dramatically increased savings have been a factor in attaining some of our currency stabilization goals for the American Republic. And they have helped control chronic inflation which has always discouraged saving and investment as people see the purchasing power of their money dwindle. Juan's savings, therefore, help make his future secure, while forming part of the seed capital that will finance more of his government's development programs.

Maria Martinez, a hard-working wife and mother, has, like her husband and children, also benefited directly from Alliance for Progress activities for women. She attends free classes for housewives and mothers in the community center, which is staffed by young Peace Corps volunteers. There, with many of her new friends, she has learned how to read and write and how to cook and sew better. She now knows that disease come from infection, filth, malnutrition, impure water, and not from the spell of the evil eye or the dank night air. In ridding herself of ignorance and superstition, Maria is becoming a better mother to her family and a more useful citizen to her country. While she is in class her younger children are left with other local women in a day care center operated with funds provided by the AID mission. Each new and happier day shrinks her memory of the rugged hand-to-mouth existence in her pitiful hut. It involves her more deeply and directly in the development of her new community as a meaningful, productive part of her country's social structure.

In our rapid look at the life of the Martinez family, we have seen how Alliance for Progress programs can and have improved the life of a typical underprivileged Latin American family living in or near a city. For them the Alliance has created opportunity. Their better life came about largely through their own efforts and hard work, through self-help.

But what about the millions of rural Latin Americans, the campesinos? Many of them are practically cut off from urban centers and markets by the forbidding topography of mountains and jungles that cover much of the map of the hemisphere south of our border. Is the Alliance helping the campesino? The answer is, of course, yes, although, the job is more often difficult because his physical inaccessibility must be overcome.

Let us look at a typical campesino, the common man of the sparsely populated backlands. But since he has been the forgotten man for so long, let us leave him nameless. For years he has lived with his wife and children in a jungle village of palm-frond huts whose floors are several feet off the ground because of the high rainfall and an abundance of snakes and other jungle creatures. There was no school, no concern for or knowledge of sanitation, no pure water, and no doctor. If a campesino or his wife or children got sick, they had to trust jungle remedies and the will of God. The government did send around medical teams and army doctors once or twice a year, penetrating the backlands by jeep, boat, horse, on foot, and even in ancient amphibious aircraft. But for the vigorous life the campesino led, such minimal help was never enough.

Using a worn machete, his only tool, he cleared the jungle and burned off the few acres he needed to raise a subsistence crop of corn and beans. A few scrawny chickens, a couple of pigs, game animals, fish, and plentiful stalks of plantains helped his family eat at least enough to satisfy the pangs of hunger. Since their meat could not be kept, pigs were a treat to be eaten only on feast days when they could be consumed at one sitting with friends and relatives. Pigs were a precious commodity, for they and a few stalks of plantains could be carried into a distant town and sold for cash or bartered for cloth, rice, salt, candles, or kerosene, or an all-important new machete.

After a couple of crops the tenuous fertility of the jungle soil would be depleted. And he would start again the laborious process of hacking out and burning off a new plot of land—land that would never be his and was of little value to anyone after he left it exhausted. Such is the pattern of the campesino's existence—an unending struggle to subsist. Truly a forgotten man, he has until now contributed little or nothing to his nation's agricultural production and absolutely nothing to its progress.

The Alliance for Progress has helped in many ways to bring hope to the rural common man. The Charter of Punta del Este specifically recognized the many problems of the long-neglected rural sector of Latin America's population. The charter encourages agrarian reform, so that, "the land will become for the man who works it the basis of his economic stability, the foundation of his increasing welfare, and the guarantee of his freedom and dignity."

These words are being translated into effective action by many Latin American governments. Through Alliance loans and grants coordinated by AID missions they are working hard to improve the lot of their campesinos. Programs and projects are adapted to the special characteristics of the areas in which the rural population lives—jungles, mountains, arid plateaus, deserts, and even in fertile valleys, where wasteful or old-fashioned agricultural methods can show dramatic improvement with a little modern technical assistance.

Land reform programs are basic for they assure the landless campesino title to a sufficiently large piece of land to take care of his own food needs and produce a marketable surplus. All land redistribution must be paid for at fair rates to avoid the destruction of landowner's property rights. Loans from the Inter-American Development Bank finance such land purchases by the government. These loans are repaid by funds accumulated as the campesino pays for his new land in easy monthly installments.

Many farm families, like the jungle dwellers whose life I have described are resettled in this way in more fertile productive areas. They are given credit to buy seeds, farm implements, and animals. Farm-to-market roads end the campesino's isolation and assure him of getting his crops to market. Irrigation projects make arid land productive and open up new areas for campesino resettlement. Agricultural cooperatives are organized so that groups of farmers can own storage and packing facilities and expensive heavy farm machinery in common that they could never afford individually. Urgent health and sanitation needs bring into being sewerage systems, pure water supplies, rural health clinics, community centers, and schools. Almost all of these have a self-help character where the campesinos donate their labor and their government provides materials and technical assistance.

AID technicians, working side by side with the humblest campesino have become familiar and respected figures all over the varied landscape of Latin America. They are assisting to create a peaceful, bountiful revolution in the face of the rural countryside and in the hard lives of the people who populate it.

To further stimulate agricultural growth so that the rate of farm production will not fall behind the rapid rate of population growth, AID fosters agricultural education at the high school and college level. It has strongly suggested that the Latin American nations set aside funds to establish land grant colleges. They would be patterned after our own, which played such a predominant role in developing the almost miraculous agricultural abundance that we enjoy and share with the less privileged of the world. AID assisted research centers and experimental stations promise to find solutions to many of the problems of farming in widely varying conditions of climate, terrain, and altitude.

It is evident then, that the problems of the millions of common men like Juan Martinez and his campesino brothers have finally awakened the conscience of our continents and we are embarked in an Alliance for Progress that seeks to restore self-respect that had vanished and hope that had fled. Our nations have begun to look to the happiness of the common man.

That lonely observer of his fellow man, Thoreau, once wrote: "The mass of men lead lives of quiet desperation."

But we can all be proud that the work of the Alliance, which our generation began 4 short years ago, will someday make that despairing sentence a lie.

Mr. BROOMFIELD. Mr. Speaker, the Alliance for Progress has sometimes been criticized as a government-to-government program, but it is a great deal more than this, for the assistance we make available is translated into gains for the people of Latin America. A good example is our assistance to promote availability of local credit in Latin America. In many areas for the first time the little man can now get a commodity essential to any hope for progress—credit for new implements, credit for the tools to get a start toward a better life, credit to obtain a decent dwelling.

Let me take some examples.

Through contracts with Credit Union National—CUNA—assistance is being given to the development of credit unions in Latin America. The first CUNA contract involving six countries in South America started 2 years ago. As a result, in Bolivia, Brazil, Colombia, Ecuador, Peru, and Venezuela there has been a growth in credit unions from 605 to 460,000. Savings increased from $6,200,000 to $18,900,000. Loans have increased from $6 million to over $21 million. National federations now exist in each of these countries and the federation in Peru is totally sustained by the dues paid to it by the member credit unions of that country.

These credit unions make loans to their members to start small shops or businesses, to purchase tools, feed, seed, and fertilizer, to meet medical expenses, to make downpayments on homes and home improvements, and for education and many other purposes.

Of major importance is the supervised agricultural credit program. To date over 300,000 loans have been extended. In El Salvador work is presently underway to establish 30 credit unions with a goal of 6,000 members by the end of 1965. These credit unions will make low-interest loans to small farmers for tools and other means to improve the productivity of their land.

For every $1 of AID money spent on credit union development in South America, $41 of credit union savings have been accumulated by the membership.

Adequate housing is essential to development, but before a country can build houses for itself, it must be able to make long-term credit available to its people. Today, nine countries have savings and loan legislation. In 8 of these countries, 88 savings and loan associations have been formed, and 250,000 depositors have accumulated net savings of $66 million. Approximately 30,000 homes have been financed through these associations.

Chile now has 22 savings and loan associations and over 100,000 members. Loans amounting to $50 million have been made to finance home construction.

Private or public development banks have been or are in the process of being established in 13 countries. These banks provide the private sector with a vital injection of capital. They make it possible for the small entrepreneur to obtain the necessary resources to set up his own manufacturing or other industrial enterprise. In turn, as a result, jobs are created essential to the growth of the industrial sector and to the transition of the country from a rural to a mixed economy.

After 4 years, the Alliance can indeed report some significant strides. Strides that affect the lives of many. And of special importance is the fact that what is being done does not have a one-shot effect. In credit, as in many other fields, the steps that are taken today carry within them the seeds for their own continued growth.

Mr. ULLMAN. Mr. Speaker, 4 years ago this month, 20 Latin American nations expressed their hopes and aspirations in the Charter of Punta del Este, linking themselves in an Alliance for Progress. As we all know, the objective of those signatories was nothing less than economic prosperity and social well-being in a framework guaranteeing personal dignity and political liberty.

At such an early date, success or failure are meaningless terms but, nevertheless, there are unmistakable indications that positive measures have taken place. And once again, the State of Oregon is proud to contribute its resources in such a worthwhile undertaking. Our initial program for the partners of the Alliance resulted in Costa Rican instructors coming to our school districts to teach Spanish; under the wise leadership of Mr. Edward Cooper, superintendent of the Crow-Applegate School District in Eugene, the achievement in that effort prompted a joint Oregon-Costa Rica program on an even larger scale. In conjunction with this, I am delighted to insert in the RECORD the names of the distinguished members of our State team who will travel in Costa Rica next month to visit area projects in an attempt to expand the scope of these noteworthy aims. The following individuals will represent Oregon's partners in the September trip:

Public health: Mrs. Christie Corbett, director, Migrant Day Care Center, Sandy, Oreg.

Education: Mr. Max Harriger, Lake Oswego, consultant on social studies, State department of education.

Agriculture: Mr. John J. Inskeep, Oregon City, retired county extension agent, Clackamas County.

Business and civic organizations: Mr. Phillip Parsons, Klamath Falls, executive secretary, Klamath County United Fund.

Community development: Mrs. George P. Sale, Portland, consultant in program development and community organization.

Student leader: Mr. Steve Goldschmidt, Eugene, student body president, University of Oregon.

Mr. Speaker, creativity, imagination, and flexibility will be necessary if the Alliance is to attain its ultimate objectives; with these ingredients, there are few barriers to the solution of human problems by the personal, direct-assistance approach at the community level. With this in mind, I salute the members of this Oregon delegation and confidently await their findings and constructive recommendations. On this the fourth anniversary of the Alliance for Progress, it is entirely fitting to pay tribute not only to these humanitarians but also to those visions shaping the destiny of our Latin American neighbors.

A GOOD YEAR FOR THE ALLIANCE

Mr. COHELAN. Mr. Speaker, 4 years ago when the Alliance for Progress was announced, all of us were struck by the grandeur of the conception and the nobility of the aspiration. A hemisphere-wide cooperative effort to satisfy the basic needs of the Latin American people for homes, work, land, health, schools, and political liberty was more than a brilliant innovation to improve the lot of people throughout the Americas, it was also a revolutionary step toward solidifying the political ties among nations already bound together by geography.

But some of us wondered whether the conception would in fact become reality. Could people and governments, set for generations in staid patterns, summon the force to lift themselves by their bootstraps? The late President Kennedy, himself, summed up the major obstacles facing the inter-American organization:

> I know the difficulties of such a task. It is unprecedented. Our own history shows how fierce the resistence can be to changes which later generations regard as part of the normal framework of life. And the course of rational social change is even more hazardous for those progressive governments who often face entrenched privilege of the right and subversive conspiracies on the left.

Today, 4 years after the signing of the Charter of Punta del Este, we can look back at the first 4 years of the Alliance for Progress and see that President Kennedy's vision is becoming not only a reality, but also a dynamic moving force throughout the hemisphere. The economies of most of the hemisphere's countries are being stimulated by the Alliance's programs of self-help and cooperation. Important work is being done to help stop the crippling fluctuations in price of such basic Latin American exports as coffee. But most important of all, the poor of the Americas, struggling to free themselves from oppressive oligarchies, have found a strong alternative to communism in the Alliance for Progress.

Let me discuss briefly some of the specific areas in which important steps are being taken.

Perhaps for the long run, no area is more important to development than education. Recognizing this need, the Charter of Punta del Este set a goal of a minimum of 6 years primary education for school-age children in Latin America by 1970. Today 13 million children are participating in school lunch programs. Ten million schoolbooks have been circulated. Something has been received by nearly 100,000 teachers.

No country can hope to mount the ladder to self-sustaining growth without making available to its people minimum services to protect and promote healthy life. In 1963 there were 392 water supply and sewerage systems which had been constructed. Today nearly 1,000 systems have been constructed, serving 22 million people.

No development effort can succeed without transportation necessary to connect market and producing areas. To date nearly 9,000 miles of roads have been built or improved.

But basic facilities are not enough. A nation must possess a vital and creative private sector if the attempt at development is to be more than a sterile show. Today, private and public development banks have been established in 13 countries. These banks make credit available to small entrepreneurs, making it possible for new businesses to be established and new jobs to be created. Credit unions are being established throughout Latin America. The rural economy has received an injection of new opportunity from the more than 300,000 agricultural credit loans which have been extended.

It is hard to dispute the fact that the Alliance for Progress has had a good fourth year; important problems seem to have been solved, and others are nearing solution. The world prices for coffee, cotton, meat, and bananas have come out of the decline that began in 1961 and hampered the start of the Alliance. In the past, these price cycles have crippled the economies of many nations and have been an indirect cause of political upheaval. The growth rate of the overall economy of Latin America has exceeded the target of a 2½-percent net increase annually. The contributions of the Latin American countries to the Alliance this year are expected to exceed $12 billion, 50 percent more than the target of $8 billion.

The lack of thoroughly prepared projects to put into action slowed the start of the Alliance, but this deficiency is being remedied. And ideas which may go far toward giving a new direction to the Alliance were presented in the report of the Inter-American Committee on the Alliance for Progress or CIAP, made public this week.

This committee, formed when the original panel of nine experts failed to gain enough power for effective planning and decisionmaking, called for a complete review of all Alliance programs and for heavy new stresses on trade policies, planning, regional economic integration, and social development.

Despite all this progress which seems to bode well for the future, many of the problems that faced the Alliance at its conception are still there. Though some countries are instituting valuable democratic social reforms, others still labor under governments of dictators, military juntas, and oligarchies. Economic systems that seem to date back to the middle ages are still in use in some countries, while defective distribution of arable land has continued to be a major block to progress. These stumbling blocks will have to be eliminated before the Alliance for Progress can be termed a real success, but nobody expected the job to be easy. Perhaps the words of President Kennedy delivered on the first anniversary of the Alliance for Progress 3 years ago can best express the spirit behind the whole program:

> The conquest of poverty is as difficult if not more difficult than the conquest of outer space. And we can expect moments of frustration and disappointment in the months and years to come. But we have no doubt about the outcome. For all history shows that the effort to win progress within freedom represents the most determined and steadfast aspiration of man.

Mr. HANNA. Mr. Speaker, I commend the legislative leadership of the gentleman from Louisiana [Mr. BOGGS]. In bringing to the attention of the House of the fourth anniversary of the Alliance for Progress, he brings to each of us an opportunity to express our gratification for the constructive progress made in the great joint effort between ourselves and the other nations of our continent and to give encouragement for a furtherance of the program in its achievements envisioned but yet to be accomplished.

I should like, Mr. Speaker, to address my remarks to a special fallout from the Alliance that is making this form of assistance so very meaningful at the grassroots of our great Nation. An interesting development with the Alliance for Progress has been the developing partnerships through which citizens of States within the United States can work directly with citizens and private organizations in Partners areas of Latin America. I am particularly proud of the leadership that has been given to this program in developing a new partnership activity through which private citizens of California will be working directly with citizens in four States in Mexico.

Mr. Speaker, 3 days ago a group of California citizens returned from a 2-week program development trip which took them to four States of Mexico. They have developed specific proposals for a working alliance which will include programs in the fields of public health, education, and agriculture. From this visit with their counterpart, Partners of the Alliance Committee in the State of Nayarit, specific projects have been proposed involving scholarships, assistance with hospital equipment, and technical assistance in water drainage, sanitary engineering. It is my understanding that preliminary discussions in the State of Sinaloa focused on the exchange of teachers and collaboration in institutional development. The Baja California program which is being developed under the auspices of the Commissions of the Californias likewise will stress the education aspect of this direct alliance. In the State of Puebla the preliminary discussion indicated probable professor and student exchanges and assistance in the agricultural fruit industry of Puebla.

The teams have returned with enthusiasm for this direct grassroots level approach to the Alliance for Progress and they report similar enthusiasm from their counterparts in the Mexican State which they visited. The membership of this initial program development team reflects the range of interest and the scope of activities which can develop. I would like to call to the attention of my colleagues the names of those persons who have participated in this initial contact in Mexico:

Robert H. Erickson, manager, graphic communications, Douglas Aircraft Co.

Lawrence Elfelt, director of the National Grain Trade Council.

Louis Baker, attorney.

Lee Collins, president, Collins Microflat Co.

Leno Diaz, teacher, San Bernardino city unified school district.

Ernest O'Bryne, vice president for administration, San Diego State College.

Ivan L. Richardson, professor of political science, California State College, Fullerton.

Joseph Rosener, Jr., management consultant.

Robert H. Sehnert, director of government requirements, Atomics International—a division of North American Aviation, Inc.

Edward W. Smith, assistant to the president, California State College, Fullerton.

Burton Taylor, director, Los Angeles World Trade Center.

George L. Woodward, president, Newport National Bank.

It is with pleasure that I report this progress because of my interest in the Alliance for Progress and because of my interest in the direct participation of my State and, Mr. Speaker, I am particularly proud of the fact that the California Partners of the Alliance was launched through the leadership given by citizens of my district. I specifically refer to Dr. W. B. Langsdorf, president of Fullerton State College, and his able assistant, Prof. Edward Smith. I am pleased that I was able to participate in that initial exploratory meeting at which the various private citizens were brought together to discuss the great potential of grassroots alliance of good neighbors.

Mr. MORSE. Mr. Speaker, 4 years ago today 20 American nations united, in the words of the Punta del Esta Charter, "in a common effort to bring our people accelerated economic progress and broader social justice within the framework of personal dignity and political liberty."

Each of the concepts expressed in this opening paragraph to the charter: common effort, economic progress, social justice, personal dignity, political liberty is fraught with problems and pitfalls. Each has found a measure of success in the past 4 years; each has difficulties still remaining.

No assessment of our progress in achieving these goals can be concerned only with dollars and cents, with tons of production and balance of payments. We must also look at the extent to which the partnership implicit in the Alliance has penetrated the understanding of the people of the United States and the people in the 19 other hemispheric republics.

The statistics about economic growth, land reform, educational development, and the construction of highways are most encouraging. All of these things are needed—and needed badly. But what is needed as much, in the United States as well as in the other nations of the Alliance, is a heightened mutual understanding. This involves the elimination of old attitudes about one another. On our part there must be a greater understanding of the traditional cultural and economic patterns that have hindered development in Latin America. On the part of our neighbors, there must be a greater willingness to take steps, often difficult ones, to help themselves.

On this level, it seems to me, there has been remarkable progress. A new school in Ecuador adds a statistic, but it also represents 5 months of cooperative effort by the people of a village who hauled water, sand, and rock 4 miles uphill to build it.

Examples of such self-help efforts in Colombia, for example, are numerous. In Bogotá, a group of high school girls spend their free time teaching underprivileged children. Community development teams of Colombians with U.S. advisers are helping local communities to solve their problems in areas such as sewage and the establishment of cooperatives.

These incidents, and one could cite them all afternoon, are becoming well known here in the United States and they are deepening the commitment of our citizens to the goals of the Alliance. Thousands of U.S. citizens are becoming aware of Latin America for the first time. They do not see Latin American nations as small dots on a map; they are actively participating in the mutual partnership effort.

The partners of the Alliance program initiated just 2 years ago, is now functioning in more than 25 States. I am proud to be a sponsor, with Senator EDWARD M. KENNEDY of Massachusetts, of the Massachusetts-Antioquia partners of the Alliance program.

This program embodies all four of the basic concepts of the Alliance. It is a common effort; private individuals and groups in both areas are working together. It is producing economic progress through the sharing of ideas and technology. It is broadening social justice by making education, better health, and community facilities available to the underprivileged element in the partnership state. It strengthens the framework of personal dignity and political liberty by sharing decisions about the projects to be undertaken, and by placing the initiative role with the committees themselves.

The Massachusetts Partners Committee, under the dynamic leadership of Anthony Faunce, of Lincoln, has planned an ambitious program that is particularly suited to the common interests of Massachusetts and Antioquia. Antioquia, like Massachusetts, was the first area in its nation to industrialize. In many ways it faces problems of automation, water pollution, and unemployment that are very similar to our own.

The steering committee is composed of George Peabody Gardner, of United Fruit; Msgr. Charles Dewey, director of Catholic Charities in Boston; Prof. Samuel H. Beer, of Harvard; Erwin Canham, editor of the Christian Science Monitor; Daniel A. Cronin, Jr., president of the Macbick Co. of Wilmington; Daniel Hogan, Standard International of Andover; Joseph Manion, Dowd Advertising; John A. W. Richardson, vice president, First National Bank of Boston; John B. Whitla, assistant to the president, Northeastern University; Josiah Norton, A. D. Little; William Swartley, station WBZ; Leroy Marek, A. D. Little; Robert Chadbourne, Associated Industries of Massachusetts; Lawrence Loughlin, resident assistant to Senator Kennedy; and Paul W. Cronin, my administrative aid for district affairs.

This distinguished group is moving forward on four main projects. During the recent visit of Antioquian leaders to Boston, a representative of the small business group in the capital city of Medellin met with officials of the Smaller Business Association of New England to discuss a program of education in technical and management techniques for Antioquian small business. A program to be conducted by the Massachusetts committee in cooperation with Northeastern University in Boston, has been submitted to the Antioquian counterpart committee for their approval.

Prof. Samuel H. Beer, of Harvard, is in charge of a project to improve the libraries of the universities in Medellin. The Massachusetts survey team which visited Antioquia last December found not only a lack of books in many fields, but a lack of knowledge about what new titles were available, and what constitutes an adequate basic library in such fields as economics and the social sciences.

Daniel A. Cronin, Jr., president of the Macbick Co. of Wilmington, is heading a project to provide health kits to be circulated in rural areas through existing channels which have been developed both privately and through U.S. assistance.

A similar program of distribution of vocational education kits through existing channels is also planned.

For the long term the committee is exploring the possibility of a junior executive exchange program. This project will be headed by John A. W. Richardson, vice president, International Division, First National Bank of Boston. Mr. Richardson has broad experience in Latin America and has developed a successful program already. A young man from Medellin is working at the First National Bank, not only learning U.S. banking practices, but being exposed to the full range of responsibilities of a junior executive through civic and other activities.

This is an ambitious beginning but it only scratches the surface of the need and opportunity for cooperation. The effort is vast and time is short for each year the developing nations of the world seem to be falling behind their more prosperous nations despite urgent efforts to progress.

We have made a good start. We must build upon our gains and continue to enlist the commitment of public and private sectors in what may be the most exacting and vital challenge of our generation.

Mr. FULTON of Tennessee. Mr. Speaker, it is a privilege and an honor to join on this occasion with my very distinguished colleagues in marking the fourth anniversary of the Alliance for Progress.

Throughout this Nation today and throughout the countries of Central and South America men will pause for a few moments to reflect on the progress which has been marked during these 4 years under this program initiated by President John F. Kennedy and so ably pursued and developed under the excellent leadership of President Lyndon B. Johnson.

There are cracks in the Alliance, yes. There have been failures and disappointments. But there has been progress, progress alleged by the critics of the Alliance as beyond hope, progress viewed by the friends of the Alliance as not to be hoped at such an early date.

I might mention just two areas of progress which have gone beyond expectation at this time.

The Alliance was initiated as a program of trade, not aid. It was also designed to insure maximum local self-help and financing. I quote from an editorial in this morning's Washington Post:

> At $12 billion, the Latin American investment in economic and social development is running 50 percent above the target level established by the charter.

In addition, there has been some progress marked in the achievement of monetary and fiscal reform by Latin America though much work remains to be done.

In my own State of Tennessee, this anniversary has special significance this year because Tennessee is today directly participating in a program designed to implement the Alliance at the local level.

Earlier this year I was privileged to meet with Dr. Carl Thomas, assistant dean of the University of Tennessee Graduate School, Mr. James Boren of the Department of State, and a diversified group of interested Tennesseans for the establishment of a Tennessee Partners of the Alliance.

The Partners of the Alliance, which is so ably conducted under the skilled and sensitive leadership of Mr. Boren, is a program which gives people, your neighbors and friends back in your hometown, a chance to assist in the Alliance directly and a certain voice in policy and administration of its programs.

Tennessee was joined in partnership this summer by western Venezuela. Already a team of Tennesseans, headed by Dr. Carl Thomas of the University of Tennessee, has visited our Latin American partners and they, in turn, have reciprocated. For Venezuela the result to date has been the initiation of a program for rural electrification development. For Tennessee our partners will provide next month and for the following year, a 58-piece exhibit of Venezuelan art to be shown across the Volunteer State at seven locations.

And this is just the beginning. In future weeks other small groups will visit with our Venezuelan partners in their country and their countrymen will come to Tennessee to see how we can help each other benefit thereby.

Nor is this a federally subsidized program as such. There was initially some assistance from AID but it is now entirely self-financing.

In Tennessee, as in the 23 other States with partners programs, the participation is open to any and all groups and individuals who can contribute.

In Tennessee we are contributing assistance and advice presently on rural electrification development. Texas has provided Peruvians with picks, shovels, and wheelbarrows with which farmers in a remote mountain area have built themselves a road connecting their village with a nearby highway. In another area funds and technical assistance have been provided for local construction of a school, while elsewhere American investment of only $285 provided the necessary capital for construction of a pump to lift water from a well dug by villagers to serve a self-made community center.

Throughout Latin America small partner projects are in a very big way making the Alliance for Progress meaningful and real to the people and it is the people for which the Alliance is designed.

Mr. Speaker, when the Alliance for Progress was designed the partners program was not then envisioned. But from the birth of the Alliance at the signing of the Charter at Punta del Este 4 years ago the program has grown and given birth, in turn to the partners program.

Where there was need, we moved forward to meet it with the Alliance for Progress. When it was seen that additional effort was needed in smaller programs at the grassroot level, the partner program was born.

Thus, the partners program, in a way smaller in scope than the Alliance but in determination and vision equally as large, has demonstrated that when men of good faith and worthy purpose meet for a noble common cause there is little they cannot achieve.

The Alliance for Progress will succeed because such men of such purpose are meeting and working today for such a cause.

Mr. BOGGS. Mr. Speaker, I wish to express my deep appreciation to my friend and colleague from California [Mr. Roosevelt] for making it possible for Members to speak on this subject. I hope we can reciprocate the courtesy.

Mr. Speaker, I yield back the remainder of my time.

WATER RESOURCES AND DEVELOPMENT IN THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Roosevelt], is recognized for 60 minutes.

GENERAL LEAVE TO EXTEND

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the Record on the subject on which I am about to address the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, last week I discussed with the Members of this distinguished body the problem faced in the Middle East by all of the nations of the Middle East. Today I want to add not a part of the military problem but a part of the overall problem which can be considered in both an economic and a military manner. I refer particularly to water resources and the development of water resources in the Middle East.

Mr. Speaker, a small item in last Friday's Washington Post, August 13, 1965, "Around the World," reported that fighting flared up on the Syrian-Israeli border on Thursday. A 3-hour battle ensued in which tanks, artillery, and aircraft were used. Four Israeli women were killed by Syrian shellfire and two Israeli soldiers were wounded. Syrian losses were listed as four soldiers and two workers wounded. United Nations truce supervisors ended the battle. The clash occurred at the site of Syrian operations to divert headwaters of the Jordan River.

This threat to Israel's water supply is the second aspect of the Arab war against Israel. It is motivated by the same spite, the same hatred, and the same desire for conquest which motivates the Arab's massive arms buildup which I discussed last Tuesday.

In January of 1964, President Nasser convened the heads of the 13 Arab League States in a summit meeting. Realizing that they were then too weak to win a war with Israel, Nasser outlined a new approach to accomplish their goal of destroying Israel. The Arab leaders deferred the military threat to Israel and instead proposed to cut Israel's water artery—the sources of the Jordan River. This was to be accomplished by damming and diverting the Hasbani and Banyas Rivers in Lebanon and Syria, which feed the Jordan River. By denying Israel her vital and rightful share of water, the Arabs felt they could eliminate, without actual combat, the state they had sworn to destroy.

Nasser, always the leading advocate of the water diversion plan, elected Lebanon, Syria, and Jordan to carry it out—and bear the consequences. Lebanon at first hesitated. Back in 1947, the Archbishop of Beirut told the United Nations Special Committee on Palestine, in an off-the-record letter:

> Major reasons of a social, humanitarian, and religious nature require the creation of two homelands for minorities. A Christian home in Lebanon and a Jewish home in Palestine.

Lebanon, never eager to become a Nasser satellite, had no desire to repeat the bloody civil war that occurred in 1958 when pro-Nasser forces tried to take over her government. For that reason it was always hoped that Lebanon might someday set an example for other Arab States by making peace with Israel. But Nasser, not one to be thwarted, stepped up external and internal pressure by threatening to send Arab troops into Lebanon to protect Syria's diversionary projects. And, when Nasserites within Lebanon insisted that their government actively cooperate with the Arab scheme, Lebanon capitulated and began construction of a canal at Wadi Sarid—10 miles north of Israel's border—designed to carry the water of the Hasbani River southward into Syria. Work was also begun, just a mile and a half from Israel, on a pumping station at the Ein Wazzan Spring.

Prime Minister Eshkol issued a warning:

> The waters of the Jordan are as precious to us as the blood in our veins. We shall act accordingly.

In Lebanon, the diversion provoked widespread dissension and distrust. Christian Lebanese feared that the Syrians would take advantage of the tension to act on their claims to some territory of Lebanon. In the stock market a sudden drop reflected the fears of Lebanese investors that the crisis would affect the country's economy. Southern Lebanese feared it would turn their lands into a battlefield, and they sharply criticized their government's action. And, Lebanese farmers near the borders of Israel feared evacuation.

All of these protests were stated in a pamphlet issued by the Union of the Inhabitants of the South, published in the daily Al Jarida on February 24, from which I would like to read an excerpt:

> Today the Government of Lebanon yielded to pressure from the outside and decided to take part in the diversion action in our area, actions which are of no benefit to the inhabitants of this area, and can only turn it into a possible battlefield which will bring about only disaster to the peaceful inhabitants. It should be clear to everybody that there is an intention to evacuate 100,000 souls from their homes in southern Lebanon. It means that our honorable government consented to a project which will turn us into deprived refugees just for the sake of an interest which is not ours.

The United States, in private talks, protested to the Lebanese. British and French officials added their criticisms.

And, Israel's Chief of Staff, Brigadier Yitzhak Rabin, warned that Israel would act.

The Arab States themselves began to have doubts. On May 31, addressing the Palestine National Congress in Cairo, Nasser said that the Arabs were not yet prepared to attack Israel. The Unified Arab Command, set up by the summit meeting, could not act because of Arab disunity. Nasser criticized Syria for demanding that Egypt come to its aid in border clashes with Israel:

> How can we talk about attacking when we are unable to defend ourselves? If an aggression is committed against Syria, do I attack Israel? Just because Israel commits an aggression against Syria and hits one or two tractors, am I to attack Israel the second day? Is this logical or sound talk? It is we who will choose the time of the battle. If we are unable to carry out the diversion today, we should postpone the diversion until we would be capable of protecting it.

The next day Syrian Premier Amin Hafez replied by disparaging Nasser's water diversion project:

> We do not believe in the water diversion project. It is a tranquilizer * * * appeasement. We accept it because we wanted to preserve Arab unanimity.

And Hafez again called on the Arab command to lead the war against Israel.

Finally, after weeks of mounting tension, the Lebanese paper Al Hayat reported that work on the Lebanese diversion was halted "because of lack of funds."

The Arabs, however, have not completely abandoned their plans to cut off Israel's water supply. The Syrians continue to dig a canal to carry the waters of the Banyas River some 50 miles southward through arid and mountainous terrain to the Jordan border at a cost of some $100 to $150 million.

Mr. Speaker, you may properly ask why the Arab States are so interested in changing the course of rivers which have, for centuries, run along established routes? The answer requires a little background.

From ancient times, water has always been life to the people of the Near East. In Biblical days in the times of the Patriarchs Abraham and Isaac, who dug their wells to nourish their families and flocks, men have dreamed of removing salt from seawater so that the desert might flower. Centuries later the Nabateans settled in the desert and cultivated the land by reopening the ancient wells and using an advanced system of irrigation canals and cisterns. Still later the Romans established villages and cities fed by terraced gardens and reservoirs. In those centuries, it was the intelligent use of water which permitted the Near East to support a population substantially larger than exists in the region today. In fact, during the Roman Empire the people of the Near East enjoyed a standard of living much superior to that of most of its present inhabitants. However, successive wars and invaders destroyed the irrigation system and laid waste to the forests and terraces and caused the neglect which desolates much of the land today. Nevertheless, the water of ancient times still flows through the Near East, but it needs to be captured and utilized.

Our late Ambassador Eric Johnston, in 1953 amalgamated a number of Arab and Israeli plans for the utilization of the Jordan River into a unified water plan, commonly known as the Johnston plan. This plan took into account the needs of all four riparian states—Lebanon, Syria, Jordan, and Israel—in developing a program which would provide for the maximum use of available water. The plan called for some 61 percent of the Jordan River water to be made available to the Arabs and the remaining 39 percent assigned to Israel. This plan gave Lebanon and Syria the full amounts they requested for the irrigation of lands in the headwaters region. Jordan also was allotted all the water it needed to irrigate its irrigable land.

In 1955 Ambassador Johnston reported that both Arab and Israeli technicians had accepted the plan.

However, the Arab League in October of that same year refused to cooperate with Israel and vetoed the plan. And because it would aid Israel, despite the resulting loss to themselves, the Arabs refused to sanction a development program which would benefit the whole region. As the result of the Arab League's refusal to accept the Johnston plan, Israel built its water carrier—a pipeline which runs from Lake Tiberias to the Negev. It carries the water some 125 miles southward to irrigate the land of the Negev desert and provides water for both industry and the people. The national water carrier was built to help restore at least part of the wasteland of the Near East to its original productive capacity. In 1970 when the carrier is fully operational—consistent with the Johnston plan—it will draw some 320 million cubic meters of water from the Jordan River's yearly flow of 1 billion cubic meters.

It is important to emphasize that Israel is not alone in implementing the Johnston plan. Jordan also has gone ahead with its development project, and the United States has given its blessing to both countries.

In 1963 Jordan completed the East Ghor Canal, diverting the clear water of the Yarmuk River—another of the Jordan River's tributaries—along the riverbed south of Lake Tiberias. This fresh water is needed to irrigate the arable lands parallel to the Jordan River because its existing waters are too saline. Jordan plans to extend the canal to the tip of the Dead Sea on both sides of the Jordan River. When completed the project is expected to irrigate more than 100,000 acres.

Despite Jordan's diversion, the imminent completion of Israel's project led Nasser to call the summit conference of January 1964 to which I referred earlier. Not satisfied with their veto of the Johnston plan, and faced with the reality of Israel's progress, the Arabs proposed to retaliate by diverting almost half of the Jordan River's flow away from Israel, thereby violating the Johnston plan and illegally interfering with the traditional rights of Israel as a downstream user. All this at great expense but to the benefit of no one.

Our Government expressed displeasure with the Arab plan. Former Assistant Secretary of State Frederick G. Dutton, on June 17, 1964, wrote Senator Kenneth B. Keating that the Department supported Israel's water project as consistent with unified plan recommended by the late Ambassador Eric Johnston in 1955. Mr. Dutton stated:

> In the event that other Middle East states attempt to frustrate the Israeli plan by counterdiversion projects, the United States would oppose such projects if it appeared that the Arab riparian states were taking waters in excess of the combined allocations as specified in the 1955 plan.

Syria and Lebanon cannot now use all the water they have. Some six-sevenths of Lebanon's Litani River runs wastefully into the Mediterranean. Jordan, which is to be the final recipient of the Hasbani and Banyas waters, has not yet completed its plans to use the waters of the Yarmuk. Therefore, it is obvious the Arab scheme is simply a spite project in the Arab war against Israel. Recognized as such it must be opposed by the full force of world opinion. Our Government must act to mobilize the international community to prevent its implementation.

In February of this year, former Assistant Secretary of State Phillips Talbot told the House Foreign Affairs Committee:

> We have sought in every way that we could to encourage restraint upon those who were essentially agitated about the diversion of the waters of the Jordan. But the important way in which we have tried to avert this was by supporting better utilization of water in the Arab countries as well as Israel.

The Jordan River does not contain an endless supply of water, and even its effective use will not solve the basic water problem of the Near East. Nor does it affect the waterless countries of the Arabian Peninsula or Egypt. To fully develop all the potentially arable land in the region, to supply growing industrial development needs and an ever-expanding population, new sources of water must be found.

Israel's water needs can only be satisfied by present resources until 1970 when the national carrier becomes fully operational. Thereafter, an additional 25 to 40 million cubic meters of water will be needed annually. Israel is presently utilizing more than 80 percent of her total water supply. In 5 years no additional sources will be available.

Mr. Speaker, we in California have long been aware of the importance of water, and now our country as a whole is beginning to recognize the vital necessity of an adequate water supply. The severe drought which is affecting the northeastern section of the country has brought home to us all the need for effective and even distribution of our water resources. A solution, however, is within reach—the desalting of sea water.

President Johnson, last February, in an address before the American Committee for the Weizmann Institute of Science, proposed a United States-Israel partnership "in using nuclear energy to turn salt water into fresh water." Prophetically, the President said:

> Our own water problems in this country are not yet solved. We, like Israel, need to find cheap ways of converting salt water to fresh water, so let us work together. In this way we will demonstrate the constructive meaning of man's mastery of the atom. We will pool the intellectual resources of Israel and America, and all mankind, for the benefit of all the world.

And the President invited other nations to join the partnership, by saying:

> We are equally ready to cooperate with other countries anxious to cure water shortages.

As the result of the agreement reached during the President's meeting in June 1964 with Prime Minister Eshkol, a United States-Israel desalting and power team was formed to undertake a preliminary study of the feasibility of a combination electric power and desalting installation for Israel. On the recommendation of the joint team, we cooperated with Israel in financing a detailed engineering feasibility study of a dual-purpose plant which would provide up to 200 megawatts of electricity and approximately 120 million gallons per day of fresh water.

Last month the construction of a nuclear desalting plant in Israel came closer to realization. The Joint American-Israel Desalting Board announced that such a plant is technologically and economically feasible. Approving a report by the Kaiser Catalytic Co., the Board stated that a dual-purpose plant producing 200 megawatts of electric power and 100 million gallons of desalted water daily could be built by 1972 at a cost of $175 million. The plant would be the largest of its kind in the world and would serve as a model for other nations.

Fresh water in the Near East is of vital importance. Rainfall in northern Saudi Arabia averages between 4 and 8 inches annually. In the southern part of the country not even that much rain falls. It is, therefore, easy to understand why Saudi Arabia's Agricultural Minister said recently that "our No. 1 problem is water." It is also easy to understand why the Saudi Government is engaged in a systematic program to find and conserve water, including the building of two dams near the Yemen border, and in the digging of wells throughout the peninsula, and the construction of a water filtration and purification plant near Riyadh, designed to utilize the brackish water found under the city. Saudi Arabia's water resources, like Israel's, are limited and the country is turning to desalting for the answer to its problems. King Faisal, in conjunction with U.S. experts, is planning to build a desalinization plant near Jiddah. The plant is expected to produce 5 million gallons of fresh water a day and 36,000 kilowatts of electricity.

Lebanon's water hopes are centered around the Litani River which a United Nations economic survey mission has called the key to the economic future of Lebanon. The U.S. Bureau of Reclamation, in 1954, completed plans for the construction of three major and five smaller dams, six hydroelectric stations, 130 miles of irrigation canals, and 25 miles of tunnels. The project—which was to take 25 years—would increase Lebanon's irrigated area by 50 percent and expand their electric power three or four times its present capacity. Work on the first phase of the plan began in 1965 but progress was seriously retarded when a main tunnel collapsed in 1959. In 1963, the hydroelectric plant finally went into operation.

Syria completed its largest water development project in 1961 in the Ghab region on the Orontes River. Drainage of the marshes and the construction of two dams and a 580-mile network of canals added some 100,000 acres of irrigated land. The Euphrates River, the greatest source of water in the country, remains largely untouched. A dam across the Euphrates has been under study since 1948. The total cost—estimated at some $250 million—is hard to come by.

The Aswan Dam—financed by a $325 million Russian loan—is Egypt's most massive project. It is expected that the high dam, when is it completed, will barely keep pace with Egypt's burgeoning population. In anticipation of the increased need for water, President Nasser is turning to other sources. With U.S. assistance, geologists and engineers are searching for an underground river between the Sahara and Cairo which could transform the desert into an oasis. West German technicians are even studying the possibility of a 50-mile canal from the Mediterranean which would flood the Gattara Depression south of El Alamein, creating a huge inland sea and producing twice as much electric power as the Aswan Dam.

Most of these countries have a common problem—a lack of sufficient funds to carry out these projects. Saudi Arabia, because of her vast oil revenues, is a notable exception.

Israel's economy has prospered, but Israel is burdened with the necessity of keeping pace with her neighbors in a deadly and dangerous arms race competition. The Israelis labor under one of the highest debt burdens in the world on a per capita basis because they must bear the cost of defense as well as development. We ended grant economic aid to Israel a long time ago, but we never provided her with a gift of arms. Her neighbors, however, have been able to get their weapons, at cut prices, from the Soviet Union.

Mr. Speaker, it seems to me that this makes it mandatory that we do what we can to assist Israel to complete her project to build a nuclear-powered desalting plant. And, in addition, we need to establish a policy to provide a guarantee that we will never permit our economic assistance to be misused and diverted from constructive economic development in order to finance an arms buildup such as Egypt is presently engaged in. This policy would be highly beneficial to the people of Egypt, as well as to Egypt's neighbors.

Israel's ability to build will depend on the cost of money which she must obtain. Hopefully, some of the money would come in the form of a grant. Certainly much of it should come in the form of low-interest rate loans, in order to make this desalting plant feasible. At 5-percent interest, the cost of 1,000 gallons of pure water would only be 26 cents. But at 10 percent the cost rises to some 60 cents.

We will serve three purposes if we give allout economic aid to Israel in the construction of her desalting plant:

We will make it feasible for this little country to build a pilot plant which would serve as a model to the rest of the world;

We will demonstrate in the most forceful way that it is futile for Israel's neighbors to persist in absurd and mischievous water diversion schemes; and

We will set an example to all the Near East by giving its people and leaders the incentive they need to emulate Israel. This would benefit the entire region in that it would raise the standard of living and hasten the attainment of a peaceful settlement of differences over water.

Mr. Speaker, more than half the earth's land surface is semiarid or outright desert. At the present time 150 million people are living on semiarid or desert land and, within a few decades, this figure is expected to double. It appears that nuclear energy will provide the cheapest source of heat for large-size desalting processes of the distillation type. Consequently, the Office of Saline Water of the U.S. Department of Interior has been working closely with the Atomic Energy Commission in developing a joint program. In an effort to assist other nations in applying nuclear energy to desalting, we have been cooperating with the International Atomic Energy Agency.

From October 3 to 9, 1965, the first International Symposium on Water Desalinization will be held in Washington. Forty nations have already accepted the invitation of the United States to send official delegations to this important meeting. I think it is most significant that Israel is to play an active role in the symposium. Six Israelis will deliver papers on technical aspects of the problem. Included among the 58 nations invited to attend the conference are Egypt, Lebanon, Saudi Arabia, and Syria.

In the words of President Johnson:

> Water should never divide man; it should unite them. Water should never be a cause for war; it should always be a force for peace, and peace is first on our agenda.

The Arab aim has been to discredit any move which would help or even remotely redound to the benefit of Israel. Arab leaders, under the sway of Nasser, have advanced a full-scale political and economic offensive campaign against Israel, not the least of which has been diverting the waters of the Jordan River.

Mr. Speaker, I, therefore, propose that we demonstrate to Nasser and his followers that we will not be manipulated into denying our full assistance to Israel in search of a solution of her vital water problem. I also propose that we proceed, full steam ahead, in our investigation and implementation of the use of large nuclear reactors for producing energy for sea water distillation, using Israel as a model project.

Lastly, Mr. Speaker, the challenge for our delegation in the United Nations to work for a regional water planning system, in which the United Nations would assume definite responsibility, is a golden opportunity not to be lost. If the October meeting is to have any result, it must have a followthrough. The opportunity is there. If we fail, we will have demonstrated our inability to be the kind of leader of the free world so necessary and vital for all people everywhere. If we use it, we remove yet another explosive element in a potential world war situation.

Mr. RYAN. Mr. Speaker, I would like to congratulate the distinguished gentleman from California [Mr. ROOSEVELT] on his fine presentation. He has described the water situation in the Near East clearly and concisely, and his suggestions are certainly worthy of our careful consideration.

My colleague has accurately detailed the various Arab schemes to cut off Israel's water supply by diverting the headwaters of the Jordan River, and has shown the need for unified water planning in the Near East, such as proposed by the late Ambassador Johnston. If there are still any doubters, let them consider Maurice A. Garbell's fine study of the Near East water situation, published in the March 1965 issue of Scientific American, which I shall include at the end of my remarks.

I have kept close watch on the Near East's water problems, for I have long recognized the vital necessity of an adequate water supply. We in New York, and throughout the Northeast, have been having similar drought problems recently and know, as those of the Near East know, that effective distribution of water resources is necessary if life and industry are to survive. Just as I have advocated coordinated United States water policy, such as would result from my bill, H.R. 10244, to establish a Federal Water Commission, so have I advocated coordinated water policy in the Near East. The United Nations must take the lead in the formation of such regional water policy. Here in our country we have seen the need for a larger presence—a Federal presence—to help solve local water disputes. The Near East has the same need; only the U.N. can properly rescue the area's precious water from being involved in bitter political struggles.

At the same time, the United States should encourage and aid further research in Israel into possible methods of low-cost desalination. As President Johnson has said:

> We, like Israel, need to find cheap ways of converting salt water to fresh water, so let us work together.

A demonstration plant in Israel could not only aid that nation in solving its important water problem, but also serve as a model to all the world.

The water problems of the Near East are similar to those of our Nation, and just as pressing. We must do all in our power to aid in their solution.

The text of Mr. Garbell's article follows:

THE JORDAN VALLEY PLAN

(The historic region at the eastern end of the Mediterranean is especially suited to a unified development of water resources. Some advances have been made in spite of Arab-Israeli tensions.)

(By Maurice A. Garbell)

It is an irony of history that semidesert conditions now prevail in much of the region once known as the Fertile Crescent. At the time of the Roman and Byzantine empires these lands just east of the Mediterranean supported a population substantially larger than they do today. Moreover, the earlier peoples had on the whole a higher standard of living than most of the present inhabitants.

The degradation of the region came about almost entirely because of human discord and neglect. The ancient peoples had ingeniously developed the lands of the Fertile Crescent by the intelligent use of meager water resources. Their technique was mainly efficient storage of water in cisterns and in open reservoirs, supplemented by well-planned irrigation, terracing, and tree planting. Then invaders laid waste to the region and a long decline set in. A succession of indolent and mutually intolerant peoples allowed the cisterns and reservoirs to fall into ruin, the irrigation channels and the terraces to crumble, the trees to be cut down, the low vegetation to be destroyed by sheep and goats, and the land to be scoured by erosion.

Only in recent years has any systematic effort been made to arrest the decline and to restore a flourishing agriculture by modern techniques of conservation and water distribution. Israel in particular is making remarkable progress in this direction (see "The Reclamation of a Manmade Desert," by Walter C. Lowdermilk; Scientific American, March 1960). More recently the Hashemite Kingdom of Jordan has likewise begun to develop its water resources. Because of their common hydrographic endowment both nations must depend primarily on the waters that flow into the River Jordan. Lebanon and Syria are also affected, although less significantly, because some of the Jordan's headwaters originate in those countries.

Logic would prescribe that the most effective use of the water resources in such a situation would be made by a common undertaking, similar to the Tennessee Valley Authority, directed toward the unified development of a jointly held and mutually needed river system. Indeed, several such plans for the Jordan Valley were integrated into a unified plan that gained the technical agreement of the parties concerned but was not adopted explicitly by the Arab participants because of the political impasse between Israel and the Arab nations. Even so, Israel and Jordan have managed to proceed individually with aspects of the plan—aspects that are, in fact, virtually dictated by the hydrography of the region. Lately, however, the situation has become fraught with the danger of open conflict. The danger arises from the declared intent of the Arab nations to divert several of the Jordan's headwaters before those waters reach Israel. Such an action would violate the concepts of the unified water plan I have mentioned. Israel has asserted that she would take serious measures against such a move.

It appears likely that political efforts to ease this situation may soon be undertaken, perhaps by the United Nations. It is desirable that the geographic, hydrographic, and technological considerations involved be broadly understood. For the remainder of this article, then, I shall discuss mainly these subjects.

The major components of the Jordan River system are the Jordan itself and the Yarmuk River. It is useful, however, to consider the system in three parts. One I shall call the Jordan River Fork, by which I mean the waters north of the point at which the Yarmuk joins the Jordan. The second part is the Yarmuk, and the third is the Jordan south of the Yarmuk-Jordan confluence.

The Jordan River Fork is the product of three creeks that come together in Israel after originating mainly in several perennial springs on the western and southern slopes of Mount Hermon, which bestrides the border between Lebanon and Syria. From west to east the creeks are the Hasbani, which rises in Lebanon and also flows for about a mile in Syria before entering Israel; the Dan, which is entirely in Israel, and the Baniyas, which rises in Syria. The Hasbani has an annual flow of 150 million cubic meters; the Dan, 240 million; and the Baniyas, 120 million. Below the confluence of the three creeks, which occurs at about 230 feet above sea level, the Jordan River Fork flows into Lake Huleh, where its volume is further augmented by springs. Emerging from Lake Huleh, the fork tumbles to 650 feet below sea level at its entrance to Lake Tiberias, which is the Sea of Galilee of the Bible and is called Yam Kinneret by the Israelis. South of Lake Tiberias the fork continues in a shallow gradient for about 4 miles to the confluence with the Yarmuk.

The Yarmuk River originates in a widely spread system of winter wadis and perennial springs in the Horan Plain of Syria. The river forms the border between Syria and Jordan for some 20 miles and then becomes the border between Jordan and Israel for 8 miles until it joins the Jordan River. Unlike the Jordan River Fork, the Yarmuk has no natural storage basins such as Lake Tiberias.

Each of these major tributaries of the River Jordan is markedly seasonal, carrying a much larger natural flow in winter than in summer. For example, the maximum natural winter flow of the Yarmuk is about 62 cubic meters per second and the minimum summer flow about 7.6 cubic meters per second. This variation is attributable to scant snow storage, which occurs only on the main massif of Mount Hermon, and to the almost total absence of precipitation during the summer in the source regions of both the Jordan River Fork and the Yarmuk. During the course of a year, however, each of these two tributaries discharges about 500 million cubic meters of water into the River Jordan.

South of the confluence of the Jordan River Fork and the Yarmuk, the River Jordan forms the boundary between Jordan and Israel for about 20 miles before it enters Jordan. Thereafter it continues southward some 40 miles to the Dead Sea. Along its course the Jordan receives irregular storm runoff from several winter wadis, so that at the Allenby Bridge near Jericho the average natural annual flow of the river is 1.2 billion cubic meters.

One geographical feature of the region is particularly significant. The Jordan Valley is no ordinary valley produced by geological folding or erosion. It is a deep rift; part of a huge crack in the crust of the earth. This crack cleaves the Asian-African land bridge to depths far below sea level; at the Dead Sea bottom, which is 2,600 feet below sea level, the rift forms the deepest inland sink in the world. South of the Dead Sea the same rift contains the Red Sea, and as it winds through Africa it forms the East African Rift Valley, with its many large lakes and depressions.

As a result of this unusual geomorphic feature the entire River Jordan south of the Jordan River Fork-Yarmuk confluence flows below sea level. So does most of the Jordan River Fork, beginning at a point just south of Lake Huleh. On the other hand, the Yarmuk and its tributaries are almost entirely above sea level.

Certain consequences important to the development of the water resources of the Jordan River system arise from this situation. One is that the Jordan, flowing far below sea level and with a shallow gradient, is unable to provide any appreciable amount of irrigation by gravity to agriculture along its banks. Moreover, being below sea level, the Jordan and much of the Jordan River Fork receive heavy infusions of salt, mostly from subterranean springs. Such springs deliver an annual discharge of 160,000 tons of chlorine in the basin of Lake Tiberias and an additional 180,000 tons between the lake and the Dead Sea. (The figures are given in terms of chlorine to provide a common denominator for the several chlorides involved.) These saline infusions would render the water of the Jordan intolerable for most human uses were it not for the diluting action of the fresh water of the Yarmuk.

These facts prescribed two broad concepts that any equitable plan for the development of the Jordan system would seem compelled to follow. The first is the use of the fresh water of the Yarmuk to supply trunk-line canals within the Jordan valley. Such canals would parallel to the River Jordan but would be uphill from the arable land along the river. Carried through the farmlands by subsidiary canals, the water would serve both for irrigation and for leaching salts out of the soil before draining into the Jordan. The salts would be carried by the river to the Dead Sea.

The second concept involves the separation of the fresh water of the Jordan Fork from the saline infusions occurring in Lake Tiberias and south of it. If this were not done, the water would continue to be spoiled by the admixture of brines while coursing wastefully to the Dead Sea. The fresh water thus taken from the Jordan Fork could be used for irrigation of arable lands along the Jordan or carried far south to the northern Negev, which has a potentially fertile soil of the loess type that is now virtually useless for lack of water.

These basic concepts underlie several of the plans that have been drawn up for the development of the Jordan River system. The concepts figured in a proposal made in 1944 by the American conservationist, Walter C. Lowdermilk. His proposal was a forerunner of others that embodied similar concepts. One such plan was "The Unified Development of the Water Resources of the Jordan Valley Region," prepared in 1953 at the request of the U.N. This plan, drawn up by Charles T. Main, Inc., under the direction of the Tennessee Valley Authority, is sometimes called the Johnston plan because it formed the basis for extensive negotiations conducted between the Arabs and the Israelis from 1953 to 1955 by the late Eric A. Johnston, who went to the Middle East as a special ambassador at the request of President Eisenhower.

Johnston also took into account plans prepared separately by Israel and Jordan. He incorporated features of all of them into what became known as the Unified Water Plan, which sought to recognize the right of each riparian state to a fair share of the available waters. Jordan, Syria and Israel were regarded as riparian states concerned with both the Yarmuk and Jordan Fork waters, and Lebanon was recognized as a fourth party at interest with respect to the Jordan Fork. The plan called for about 60 percent of the water to be available to the three Arab States, with the rest to be assigned to Israel. It gave Lebanon and Syria the full amounts specified by their governments for the irrigation of farms in the headwater region, and it gave Jordan the water required for the irrigation of all its irrigable lands. The United States offered to provide up to $200 million toward the execution of the plan.

In October, 1955, Johnston reported that "Israel and her Arab neighbors—Lebanon, Syria and Jordan—now recognize the Jordan Valley plan as the only logical and equitable approach to the problem of developing a river system that belongs, in some part, to all of them." He added: "They have made it clear to me that, in the main, the technical and engineering aspects of the plan are now satisfactory to them." Johnston expressed the view that the negotiations had reached the "1-inch line."

Unfortunately they advanced no further. Although the technical experts on both sides had signified agreement with the plan and Israel had indicated a readiness to ratify it, the political committee of the Arab League deferred its decision and sent the policy paper back to the technical committee.

Interestingly the failure of the plan to obtain formal approval has not meant its total abandonment. Most of the work done by the nations individually since 1958—by Jordan and Syria to draw on the Yarmuk and by Israel to draw on the Jordan Fork—has followed closely the basic provisions of the unified water plan. In effect, the plan has proved to be largely self-enforcing because of the physical facts on which it is based. The two major projects undertaken since 1958, both with financial support from the United States, are the Jordanian Great Yarmuk project and the Israeli national water carrier project.

The Great Yarmuk project is principally a Jordanian venture, but it is being carried out in cooperation with Syria. It is based on a plan prepared by the Harza Engineering Co. of Chicago. The project has three distinct phases, which I shall discuss by the names most frequently used in referring to them.

The El-Muzeirib phase, designed to deal with the large variation between the winter and summer flow of the Yarmuk, is a headwater irrigation program to provide controlled winter irrigation and expanded summer irrigation in the El-Muzeirib region of Syria. It is of major importance to the agriculture of a dry and remote part of southern Syria. This undertaking has already brought about 7,500 acres under irrigation and will eventualy encompass about 16,500 acres. The total withdrawal of water will be some 70 million cubic meters, which is substantially in agreement with the unified water plan.

The Upper East Ghor Canal phase is a Yarmuk diversion affecting the summer flow at Adasiya in Jordan, where the river begins to form the Jordan-Israel border. Water diverted there is channeled along the foothills of the eastern Jordan valley to irrigate some 30,000 acres of previously marginal and undeveloped land between the Yarmuk and the Wadi Zarqa, which is about half of the distance from the Yarmuk-Jordan confluence to the Dead Sea. This joint undertaking of the Jordanian Government and the U.S. Operations Mission to Jordan, financed by the United States to the extent of about $15 million, was substantially completed in 1963. Its principal feature is the 42-mile Upper East Ghor Canal.

As a result of the diversion of water from the Yarmuk by the Jordanian undertaking, amounting to 150 million cubic meters a year, certain problems have arisen along the Yarmuk and the Jordan downstream from the diversion. Although the Israeli villages along the Yarmuk are enabled to draw a flow of water approximately equal to what they have drawn in the past, the task of utilizing the water has become complex. Israel used to take its share from a fairly ample stream; now it has the difficult and costly task of deriving the same share from a shallow rivulet, trickling at levels below the previously installed intake strainers. Another problem is that the Yarmuk diversion has already increased the salinity of the River Jordan to so great a degree that the Jordan's water can no longer be used for irrigation by Jordanian farmers along the east bank. Jordan is moving to provide them with a substitute by building branch canals from the Upper East Ghor Canal.

The Maqarin Dam phase of the Great Yarmuk project involves the impounding and controlled release of the total winter flow of the Yarmuk by means of a dam to be constructed at Maqarin on the Jordan-Syria border. This phase also involves an extension of the East Ghor Canal into two branches south of Wadi Zarqa, one branch to extend along the eastern face of the Jordan Valley and the other along the western face. The entire undertaking is now in the early stages of development, aided by substantial funds from the U.S. Agency for International Development.

Both hydroelectric power and irrigation will be provided by the water stored behind the dam. The power will be shared by Jordan and Syria; most of the irrigation waters will go to Jordan. These waters will be distributed through the two extensions of the Upper East Ghor Canal (the extension west of the Jordan receiving its water by means of a pipeline passing beneath the bed of the saline river) and will irrigate some 125,000 acres of hitherto parched land along the banks of the lower River Jordan.

Israel's national water carrier project, partly new and partly old, extends from the Jordan Fork through nearly the full length of the country, including also some east-west extensions and branch networks. The philosophy of its design derives from certain characteristics of the nation's water economy. One is the marked variation in rainfall, both geographically and in time. Geographically the variation is from 40 inches a year in the mountainous upper Galilee region to about 16 inches in the coastal plain, 8 inches in the northern Negev and 1.25 inches at the southern end of the country. The north has a longer winter precipitation season and a smaller year-to-year and storm-to-storm variation than the south; indeed, the typical desert "drought or deluge" situation in the south may in unusual years result in entire winters being rainless. Another characteristic of the nation's water economy is an abundance of water at low elevations (some below sea level) in the north and a deficiency in the south on irrigable lands 250 to 650 feet above sea level. A third characteristic is a preponderance of population and unused arable land in the dry south and a higher degree of current use of existing arable lands in the amply watered north. Concomitantly the potentially fertile lands of the dry Negev offer the attraction of a smooth topography that makes them particularly suitable for mechanical cultivation.

Three major parts of the national water carrier system were built some time ago and so do not arise directly from the unified water plan. The Yarqon-Negev part, completed in 1955, is fed by wells east of Tel Aviv and provides 270 million cubic meters of water a year for the city and for the irrigation of the potentially fertile lands south of the city in the Lakhish area, which had been a neglected badland for nearly 2,000 years. Another part captures the flow of northern Galilean creeks, formerly lost to the Mediterranean Sea, to irrigate the inner portions of the Esdraelon Valley. The third part is the system that drains the area around Lake Huleh; this work eliminated a malarial swamp, improved the land and enriched the flow of the Jordan Fork.

The national water carrier project was designed to coordinate these and other existing systems. It had other objectives as well. One was to extend irrigation farther southward in the Negev by augmenting the existing water projects with a flow of water from the Jordan Fork. Another was to stabilize the water economy of the central coastal plain, where pumping had caused an alarming drop in the water level of the two principal subterranean aquifers and had produced an equally objectionable advance inland of the underground saltwater front.

To accomplish these purposes Israel has undertaken the construction of a large trunkline to take water from the Jordan Fork and carry it as far as 125 miles south. The carrier was designed in accordance with the water allocation of the unified water plan. Technologically the undertaking is impressive. It raises water from 692 feet below sea level to 120 feet above sea level by pumps, and then it carries the water southward (with some additional raising) in a line of canals, pipes 9 feet in diameter and tunnels drilled through mountains.

Originally Israel planned to take water directly from the Jordan Fork at Benot Ya'akov, which is between Lake Huleh and Lake Tiberias. It is also above sea level, so that the project could have been designed to let excess winter flows descend to Lake Tiberias for storage and generate electric power in the process of descent. Because Benot Ya'akov is in the demilitarized zone between Israel and Syria, however, Syria protested to the U.N. when Israel began work on the intake and the hydroelectric facilities in 1953. A debate ensued in the Security Council, and Israel suspended work pending the outcome. In 1954 a resolution for the resumption of the work carried a majority in the Security Council but was vetoed by the U.S.S.R. Israel stopped all work at Benot Ya'akov and undertook the planning of an alternate intake.

That intake is at Eshed Kinrot on Lake Tiberias and is therefore below sea level. As a result Israel has had to use electricity to raise water from the lake without the compensating factor of electricity generated by the water in its descent to the lake. From the intake three pumps, each rated at 23,000 kilowatts and having a capacity of 6.75 cubic meters a second, lift the water 812 feet through a penstock 1.3 miles long. The penstock feeds into a canal that carries the water 11.5 miles to an operational reservoir at Beit Netofah. Along the route the canal crosses two deep wadis by means of buried crossover pipelines known locally as inverted siphons. Actually they do not involve the siphon principle of suction; the function of the structure is merely to let water fall down one side of the wadi and, as a result of hydrostatic pressure, rise again to the original free level on the other side. Before reaching Beit Netofah the water goes into an intermediate reservoir at Tsalmon, where another pumping station lifts the water from 122 feet above sea level to the level of the Netofah Valley at 482 feet. There three more pumping units maintain the canal-discharge rate of 20 cubic meters a second. At the Beit Netofah Reservoir the water enters the 9-foot pipe, which carries it 48 miles interrupted only by the 1-mile Shimron Tunnel through the Nazareth Range and two tunnels through the Carmel Range—Menashe-A tunnel, 4 miles long, and Menashe-B, 1,100 feet.

When the trunkline is fully in operation in 1970, it will carry an average waterflow of 320 million cubic meters a year. That is well within the share of the Jordan-Yarmuk system allotted to Israel by the unified water plan. It amounts to 1.3 percent of the total river flow in the four countries encompassed by the Jordan River system.

An accessory to the trunkline undertaking is the use of Lake Tiberias as a storage reservoir, which has necessitated some work designed to reduce the salinity of the lake. In the natural state of the lake the salinity is approximately 350 parts per million, compared with 20 to 30 parts per million for the water of the Jordan Fork at the point of entrance to the lake. Although a salinity of 300 parts per million can be tolerated for many agricultural uses, it is too high for the irrigation of the citrus groves that abound in Israel and produce a major export crop.

The saline effusions come about equally from shore springs and underwater springs, some of the latter issuing through fissures 3,000 feet or more below water level. A survey by Tahal, the Israel Water Development Agency, revealed that many of the shore springs actually carried fresh water and only became saline through contact with soil layers containing soluble materials. These layers proved to be at fairly shallow depths and rather close to the lake. Tahal therefore has undertaken to capture the fresh water before it reaches the soluable minerals. Deep saline springs, on the other hand, are being captured by drilling. All captured saline effusions are carried off in a canal and ultimately deposited in the Dead Sea. Tahal foresees that in about 10 years the combination of saline withdrawals and the steady flow of fresh water from the Jordan Fork into the lake will reduce the salinity of the lake to a mean value of about 130 parts per million. Then the water drawn into the trunkline will be suitable for unlimited irrigational use in citrus groves.

As a result of withdrawals of fresh water from the Jordan Fork and the Yarmuk, Israel has had to take some steps to continue providing usable water to the flourishing Beit Shean agricultural region in the vicinity of the Jordan-Yarmuk confluence, because that region had depended on water from the rivers for irrigation. Israel has built a special canal network to supply the region with water from the Jordan Fork. In addition Israel is continuing to release the quantities of fresh water agreed to by the technical conferees in 1955 from Lake Tiberias into the River Jordan for the use of Jordanian farmers. This action conforms with the unified water plan.

In January 1964, a few months before Israel began withdrawing water from the Jordan Fork into the national water carrier system, the leaders of the nations that constitute the Arab League held a summit conference in Cairo. From that meeting emerged the plan to divert some of the Jordan's headwaters from Israel. As subsequently outlined in general terms by Arab spokesmen, the plans call for diversion of the Hasbani Creek in Lebanon into the Litani River, the flow of the Wazzani springs near the Hasbani into the Baniyas Creek and the Baniyas into the Yarmuk. A second meeting of the Arab leaders last September produced a decision for immediate work on diversion projects.

Any such undertaking would be costly and time-consuming. It also would be contrary to the concepts of the unified water plan and inconsistent with traditional international headwater rights of a historically established downstream user. It therefore seems unlikely that serious diversionary moves will be made immediately. Still, an Arab-Israeli encounter over water could occur at any time through misunderstanding.

If Israel and Jordan are able to proceed with their separate efforts to carry out the concepts of the unified water plan, the time will soon be at hand when all the fresh-water resources of the Jordan River system will be put to effective use. At that stage the only practicable addition to the supplies will be large-scale desalination of seawater. Whenever desalination becomes necessary—or desirable if the cost can be reduced to a level comparable to that of obtaining fresh water from other sources—the waterworks already built by Israel and Jordan will be useful for receiving and distributing the desalinated water as a welcome supplement to a supply already hard pressed by expanding agricultural and industrial activities.

Mr. HORTON. Mr. Speaker, again I wish to thank the distinguished gentleman from California [Mr. ROOSEVELT] for his reservation of time in order that Members might comment on the Middle East.

Among the many regional problems of the Middle East, that of water is one of the most important for the future of the areas as a whole. Even the casual observer of the natural resources available for development is struck by the magnitude of the problem created by severely limited supplies of water, whether it is to be used for agriculture or industry.

To most of us in the United States, who have been accustomed to obtaining all the water we could ever use at insignificant cost, it is difficult to imagine the fierce competition which develops in arid lands over even the most meager sources of this vital liquid. In the past, long wars have followed the expropriation of even a single well by a tribe or people who had no prior rights; today, with populations which have increased immensely in the past century, we see the unpleasant prospect of international wars created by this same age-old problem.

Quite obviously, the contest over water which is of most immediate interest to us today is the dispute over the division of the limited water resources of the Jordan River. Although the annual flow of the Jordan River is only about 1 percent of that of the Nile, it plays the same role for the inhabitants of its watershed that the Nile does for the residents of Egypt, that is, it is the one essential prerequisite for the continued presence of human beings. And, with a more rational and comprehensive plan for the full utilization of the total available supply of water, even its meager flow could provide the water necessary for increased agriculture and industry.

Unfortunately, as we all know, the dispute between the Arabs and Israelis in the Middle East has had its deleterious effects on even this ancient and storied river. Although teams of engineers, hydrological experts, and political mediators have striven to bring about some compromise between the demands of both sides for the waters of the Jordan, no regional plan has yet been devised which has the wholehearted support of both. Once again, the complex political and psychological factors which made up the background of the many disputes which rack the Middle East play their role.

All attempts by Israel to come to some regional agreement with its neighbors have come to nought, for they have foundered on the hostility of the Arabs with respect to the intentions and projects of the Israelis. Unwilling to negotiate new agreements for the most rational use of the water available, the Arabs have adopted a policy of opposition to all Israeli plans to avoid letting even a drop of the precious waters of the Jordan go to waste.

The Israelis, who a decade ago declared their desire to cooperate in the regional plan negotiated by the late Eric Johnston, have seen their portion of the vital Jordan waters flow uselessly into the Dead Sea while the Arab States stubbornly refused all attempts at a new understanding. These waters are absolutely essential to the young state if it is to be able to become economically self-sufficient, and create the industrial and agricultural production necessary for the well-being of its inhabitants. It has, therefore, undertaken to construct those water facilities which it needs for its future development; but, and this is extremely important, it has only built conduits, dams, and reservoirs which are in accordance with the regional plan worked out by Ambassador Johnston, so that in the future they may be integrated into a master plan for all the riparian states of the Jordan. This foresight and restraint are remarkable, and worthy of our approval. Unfortunately, some of its neighbors are determined to undertake diversionary projects which would not only measurably raise the possibility of armed conflict, seriously and dangerously affect Israel's essential water supplies, and also permanently destroy any possibility for a rational regional arrangement.

It is incumbent upon us to see that no one state in the Middle East is threatened by any of its neighbors; similarly, it is incumbent upon us to see that the limited resources of the area are not used unilaterally for the sole benefit of one state and to the exclusion of all others. It should be, and it is, our duty to assist the states of the Middle East in coming to reasonable agreements for the use of the area's resources for the benefit of all of the peoples resident there. In this connection, we should make it absolutely clear that we will not tolerate such unilateral actions as the Arab States threaten; at the same time, we should participate in cooperative arrangements with all the Middle Eastern nations to assist them in finding or creating additional sources of that natural resource—water—the need for which is a common denominator among them all.

Mr. FARBSTEIN. Mr. Speaker, ever since 1948, the Arab States of the Middle East have waged an all-out campaign to destroy the State of Israel. While the Arab peasant and his family have gone hungry and suffered amidst some of the worst living conditions to be found anywhere in the world, Mr. Nasser and the other so-called leaders of the Arab bloc have spent billions of dollars in a campaign to crush Israel.

The bitter jealousy and antagonism of the Arab States has driven them to commit acts of armed aggression against Israel with weapons purchased from the Soviet Union. But, as we all know, they would have done better to spend the military aid on food for their people and economic development, because Israel has proven itself quite capable militarily of defending itself against all aggressors.

I think the Arabs are finally becoming cognizant of this fact, and thus have decided to alter their tactics, although their intentions remain the same. The new tactic is more subtle, more insidious, but is just as much an act of aggression as a bombing raid. I refer, of course, to the deliberate piracy of Israel's vital water supply by the Arab States.

Now you would think, Mr. Speaker, that in an area such as the Jordan River watershed where water is so crucial to the existence of life, and where there is so little water to be found, the riparian states would cooperate in a regional plan designed by hydrological experts for the benefit of all the people living there. But, regrettably, such is not the case.

A water-sharing plan has been conceived for the region. It is an excellent plan. It was formulated 10 years ago by the late U.S. Ambassador Eric Johnston, who drafted a masterful compromise between the Israelis and the Arabs on future plans for the development of the Jordan River waters. It was acknowledged then, as it is today, that the lack of some regional arrangement would not only waste whatever scarce water resources are available, but would also greatly increase the chances for an armed conflict over the use of those resources.

The Johnston plan was eminently fair to the Arab States. It provided that about 61 percent of the Jordan River water would be for the use of the Arab States, and that 39 percent would go to Israel. The plan was initially endorsed by Arab technical experts but was rejected by the Arab League for political reasons.

The political reason was, Mr. Speaker, that the Arabs were not about to participate in any plan which benefited Israel in any way. Although the Johnston plan gave the States of Lebanon, Syria, and Jordan all the water they needed to irrigate their lands, although rejection of the plan meant serious losses to themselves, the Arab States were perfectly willing to cut off their noses to spite their faces if they could hamper Israel's progress.

And so the logic and necessity of economics are today being ignored in the Jordan River region. Petty and aggressive nationalism and hatred on the part of the Arab States is causing millions of gallons of precious Jordan River water to flow daily to the Dead Sea, while cities and farms on both sides search frantically for additional supplies. And yet Israel, showing remarkable patience and restraint in the face of this criminal wastage of water, has consistently built her irrigation projects in strict compliance with the provisions of the Johnston formula, in the hope that someday the integrated regional plan for water sharing in the Middle East will be implemented. In order to irrigate the barren Negev desert region in the south, Israel has, in accordance with the Johnston plan, built a 125-mile conduit from Lake Tiberias to the Negev which will eventually draw some 320 million cubic meters of water from the Jordan River's yearly flow of 1 billion cubic meters. But wastage still goes on.

Wastage, however, is one thing; piracy is altogether different. In 1964, President Nasser, of Egypt, decided he could stand by no longer and watch Israel flourish and prosper. But he knew he could not launch a military attack without being utterly crushed by the superior Israel forces. So he decided the Arab States must band together and hit Israel where she is now most vulnerable—in her water supply.

The Arab States decided to dam and divert the Hasbani and Banyas Rivers in Lebanon and Syria, which feed the Jordan River. Thus the Arabs planned to divert almost half the Jordan River's flow away from Israel, in clear violation of the Johnston plan, at great expense, and for no other purpose than sheer harassment. This diversion is now taking place.

Israel cannot stand still for this particularly sinister and cowardly form of aggression, which injures not only soldiers, but farmers and women and children as well. There have already taken place a number of armed clashes between Israeli and Arab forces, and there will be more, unless the Arab States desist immediately from their odious policy of water thievery.

I submit, Mr. Speaker, that the United States has no other choice but to do everything in its power to see that the Arabs are prevented from weakening or threatening the State of Israel in any way. This brave young state, which has demonstrated by hard work and courage that the most incredible feats of economic development are possible in the Middle East, represents our most stable political and military ally in this strategic region.

But beyond that, simple justice requires of us that we protect from Arab aggression this tiny country which was built literally from dust by determined bands of pioneers, and which is supported financially and in spirit by large segments of the people of the United States.

Mr. Speaker, American soldiers are today fighting in Vietnam to preserve the freedom and dignity of a nation under attack by a ruthless aggressor. I do not suggest that we send American soldiers to the Middle East, for the State of Israel has demonstrated that militarily she can take care of herself. I do, however, suggest that the United States must unequivocally declare its firm opposition to the Arab policy of water thievery in the Jordan River region. The silence of this Government in the face of the diversion of Jordan River water by the Arab States merely encourages Nasser and his minions to further flaunt every rule of international cooperation and good will.

Mr. Speaker, the United States has a water problem of its own; it is not as bad as Israel's water shortage, but we, too, know what it is like to feel the pinch. Given our experience, I do not see how we can permit the Arab States to deliberately deprive Israel of the precious water which is rightfully hers. It is indeed time for the United States to speak out in protest.

MORE THAN $86,000 AWAITING MISSING SERVICEMEN

The SPEAKER pro tempore (Mr. ROONEY of New York). Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, for more than 3 months the Domestic Finance Subcommittee has been investigating Federal Services Finance Corporation, a worldwide lending institution which is engaged primarily in the business of making personal and automobile loans to members of the Armed Forces.

During our investigation, we learned that more than 30,000 Federal Services loans are currently being repaid by allotment through Suburban Trust Co., a commercial bank in Hyattsville, Md. Under an agreement with Federal Services, Suburban Trust serves as the sole collection agency for allotment repayments and for this service is paid 25 cents a month by Federal Services for each allotment it forwards to the finance company. Under military regulation, a serviceman is prohibited from making an allotment to a finance company. However, this regulation is circumvented by Federal Services by having the serviceman initiate an allotment to Suburban Trust Co. and, at the same time, sign an agreement with the bank that it will forward the allotment payments to Federal Services. Thus, the regulation against making allotments to a finance company is bypassed.

PAY IN, PAY OUT

Normally, the allotments from servicemen to Suburban Trust are involved in "washout" transactions. This means that the serviceman who, for instance, is repaying Federal Services $50 a month for 24 months will make out an allotment for that amount and it will be forwarded by the military to Suburban Trust and deposited in the serviceman's account. It is immediately withdrawn and forwarded to Federal Services. Thus, the account is normally dormant and without funds except for 1 or 2 days a month.

During our investigation, the subcommittee also learned that more than $86,000 is on deposit at Suburban Trust Co. as a result of allotment deposits by servicemen, and the bank is unable to locate the owners of these funds. At present, there are 1,090 accounts, ranging from $2 to $1,119.75, for which Suburban Trust has only the name and serial number of the owner. The average balance in these accounts, which date back to 1960, is $79.59.

Suburban Trust is unable to explain the reason for the excess money among servicemen who were repaying Federal Services loans through allotments, but several reasons have been advanced for the extra funds. Among there are mistakes on the part of the serviceman in making out the allotment or the inability of the serviceman to cancel the allotment after the final payment has been made to Federal Services. In some cases, the serviceman who is repaying a loan with a 20-month maturity will not cancel in time to prevent a "21st payment." Often he is not aware that an extra payment has been made. Some servicemen fill out allotments in mistake in amounts greater than the amount for the loan, and others believe that the acceleration of payments will result in refund of any unused interest if the loan is paid off ahead of time. However, in these cases, Suburban Trust only forwarded the stated monthly payments to Federal Services.

ATTEMPTS TO LOCATE FAIL

Officials of the bank have informed the subcommittee staff that they have made attempts to reach the more than 1,000 unlocated depositors and at one point asked the Army to help to finding these servicemen. According to Suburban Trust, the military did not respond to the request. It must be pointed out, however, that the request was not made until February of this year, nearly 5 years after the buildup began. Suburban Trust indicated that they did not attempt to obtain the name of a nearest relative or permanent address of the unlocated depositors from Federal Services, nor did they periodically advise the excess depositors that they were depositing more money than the loan repayments called for. Suburban Trust officials have said that a periodic audit of the excess funds and a notification to the depositor, before he changed military stations several times, probably would have prevented this situation.

NO NOTIFICATION

It is interesting to note, Mr. Speaker, how these excess deposits have grown over the years. In the case of the largest excess balance, $1,119.75, the serviceman made deposits—above his loan repayment—of roughly $80 per month for a 13-month period. He apparently was never notified that he was depositing more money than was necessary for repayment of the Federal Services loan, nor did the bank ask for instruction as to what to do with the extra money. The second largest excess account, $1,060, was built up through extra payments of $53 a month for 20 months. In one case, a soldier made excess payments of $3 a month over a 32-month period, building his backlog of funds to $96. The largest single excess payment was made by a sailor, Alfred J. Robertson, who deposited $920 in March 1963 and has not been heard from since. None of the excess accounts draw any interest from Suburban Trust and at the present time no service charge is being levied against these accounts. However, Suburban Trust officials have said that they are allowed under Maryland law, to charge a service fee for as long as 20 years. Although the bank does not attach a service charge, it still receives a great deal of benefit from the funds since it can use the money for lending purposes subject to meeting the minimum deposit reserve requirements.

Mr. Speaker, I find it impossible to believe, as has been suggested by some Suburban Trust officials, that the owners of the $86,752.88 are unaware that they have these funds in the bank and are content to leave them there. I cannot understand why a serviceman, who for the most part is underpaid, would deposit more than $1,000 in a bank that he has never heard of except through a representative of Federal Services and allow the money to sit there over the years without drawing a nickel's worth of interest.

CLEARINGHOUSE NEEDED

The experience of these more than 1,000 servicemen and the unsuccessful attempts by Suburban Trust to locate the depositors point up the need for a national clearinghouse for dormant accounts. This agency would handle dormant accounts for such institutions as banks, savings and loans, finance companies, credit unions, mutual savings banks, and any other organization which might be holding funds for persons who cannot be located without a great deal of time and expense. Gas, water, and electric companies would be good examples of public utilities which could avail themselves of a national clearinghouse. These public utilities would be able to use the clearinghouse to help locate customers who have made deposits for services and then moved without leaving forwarding addresses.

The clearinghouse would not act to determine who was the rightful owner of any unclaimed funds but would only provide information so as to help the courts, if necessary, to determine the rightful owner of the money.

Mr. Speaker, there are millions of dollars in dormant accounts throughout this Nation that will never be returned to their rightful owners unless we take action to establish a national clearinghouse. Not only would a clearinghouse relieve the burden of location from the institution holding the funds, but would also provide the depositor with a much needed public service.

Mr. Speaker, today the Domestic Finance Subcommittee has released a report dealing with the more than 1,000 unknown account holders at Suburban Trust Co. Included in the report are the names, branch of service, serial number, and the amount of deposit for most of these unlocated depositors. In some cases, the bank was unable to obtain a branch of service or a serial number. I am including a list of the account holders in my remarks today in hopes that the publicity given this document will help locate the rightful owners.

Excess allotment payments made by Federal Services borrowers to Suburban Trust Co., Hyattsville, Md.

ARMY

Name and serial No.	*Amount on deposit*
A	
Abels, Allan F., 16367161	$6.00
Acedillo, Zoilo, 10100180	50.00
Acton, John B., 51112538	55.00
Adams, Blankston H., 12346451	24.25
Adams, David, 52522205	112.00
Adams, Sammie C., 14502543	33.00
Adams, Virgil F., 17561434	20.00
Ah Sam, Joseph A. P., 10109182	49.00
Alexander, Don R., 91545	40.78
Alldredge, Gene, 19510387	57.39
Allison, James E., 14283316	59.75
Amaral, Wallace H., 30124764	37.81
Ambrosio, Louis J., 32188099	24.00
Anderson, Sammie L., 18436367	26.00
Andrews, Clyde O. Sr., 37238026	4.00
Andrews, Ollen D., Jr., 19284372	33.00
Annan, George T., 13680422	162.00
Antonacci, Charles T., 25430202	10.00
Ard, Joseph W., 25175279	66.00
Arnold, Robert W., 6977282	33.00
Arnold, Roy H., 18529078	5.00
Artis, James D., Jr., 33823219	15.00
Asiu, Joseph K., Jr., 10104946	30.00
Austin, Cecil M., Jr., 19680968	38.00
Austin, Kent H., 28977301	21.00
B	
Babola, Joseph J., 7021541	20.00
Badgett, James W., 18581112	312.00
Bagley, Richard R., 19475596	14.30
Bagwell, Andrew W., 34381743	34.00
Bailey, Ronald R., 13710783	110.00
Baker, Ben, 38361023	34.00
Baligad, Pacifico L., 10114955	80.00
Banul, John F., Jr., 13456461	29.00
Barber, Alonzo E., 55682008	5.00
Barbo, Alvin H., 38336192	20.00
Barnstable, Francis G., 16539740	28.00
Barr, John H., 5324739	87.00
Barrineau, Henry R., 14678341	29.00
Barron, Harold L., 19306511	33.75
Bartlett, Dewey M., 14634571	116.00
Barton, Franklin L., 15246763	17.04
Bautista, Louis, 10733740	78.00
Beck, Frank A., 15210480	13.86
Bedrosian, Bedros D., 31307478	33.00
Beimdick, Charles H., 36836700	20.00
Bell, Edward T., 17560203	4.00
Bell, Wallace K., 50007830	57.00
Bellemore, Donald M., 11363785	115.75
Benitez, Jose L., 25969689	20.00
Bennett, Byron A., 11187305	155.00
Benoit, Thomas, Jr., 14300823	4.00
Benton, Wesley L., 55592266	24.00
Bernard, Edward D., 14081062	29.75
Bernard, George W., 13693804	38.00
Beumer, David E., 24561560	80.00
Birkvalds, Richard, 10812127	102.00
Black, Eddie B., 14299218	3.00
Blackburn, Alex B., 53211010	63.00
Blalock, Joseph B., 14294130	4.00
Bland, Henry L., 14334430	34.00
Blankenship, Earl, 13346654	105.00
Blankenship, Willi, 24909088	20.00
Bledsoe, Ray C., 54215248	33.00
Blevins, Paul, Jr., 14611377	4.00
Blue, Willie, Jr., 34111332	100.00
Bodin, John D., 18458985	21.00
Bolton, Amos, 34629727	28.00
Bolyard, Harold F., 52532017	90.00
Bosarge, Milton F., 14304961	63.00
Boulton, Eugene W., 17236147	21.00
Bourque, Robert L., 54178570	12.00
Boyd, James E., 17449087	21.00
Boyd, Richard S., 6971876	24.00
Bradley, William H., 14644776	23.00
Branch, Alva N., 38506792	99.00
Brandt, Darrel J., 17593377	43.00
Bravi, David J., 11325310	49.12
Breland, William L., 14305009	32.00
Brewer, Estel, 15241614	40.00
Bridges, Oliver W., 14628570	20.00
Brinson, James E., 44150596	49.00
Brockmann, Michael G., 18625753	$7.00
Brooks, Larry, 19614717	166.68
Brown, Arnold, 36436979	26.00
Brown, Arthur J., 14286843	35.00
Brown, Charles A., 52223816	110.00
Brown, Donald J., 17443083	12.00
Brown, Gerald C., 17521086	920.00
Brown, Harold J., 34606878	37.00
Brown, Jasper, Jr., 13591309	5.00
Brown, John, 14787400	30.00
Brown, Millard, 19494834	14.00
Brown, William K., 23733074	68.00
Brown, William W., 36509575	34.00
Bruce, Willie J., 34959735	33.00
Bryant, Emmett L., 17521086	33.50
Buie, Robert E., 13290943	48.00
Bullard, John L., 18503322	20.00
Burbage, Charles D., 14561582	54.00
Burke, Franklin C., 53297569	68.00
Burns, Keith C., 13295301	33.00
Burrell, John E., 55220447	23.50
Burroughs, Rudolph, 52286441	40.00
Burrows, George L., 13484865	21.00
Butts, Dwayne E., 55118453	33.00
Byrd, James L., 13561836	25.94
Byrd, Leslie J., Jr., 12054573	66.03
Byrd, Robert F., 5324754	145.62
C	
Camp, James E., 25530816	13.25
Camper, James R., 13566797	74.96
Canady, Jerry W., 25923909	5.07
Candelario, Santos, 30446908	44.00
Candia, Abel B., 20844514	23.00
Cannady, Melvin C., 38609304	68.00
Cantrell, Thomas R., 14764919	13.00
Cantu, Jose Q., 18319896	72.00
Capra, Petre, 10812436	34.00
Caraballo, Ferdinand, 30450048	9.00
Varnevale, Chester, 12625231	20.00
Carnley, James O., 14293064	25.00
Carpenter, Carlton E., 23442248	116.00
Carrick, James B., 56348396	51.00
Carrigan, Jesse L., 17459605	144.00
Carroll, Frank D., 16431390	37.00
Carter, Carl C., 24762966	236.37
Carter, Kay, 37064878	36.00
Carter, Meldon T., 54199946	20.00
Carter, Robert L., 14480636	42.00
Carter, William H., 13657071	17.00
Caudill, Alfred, 35650708	134.75
Cauthen, Harry C., 14536376	3.46
Cavender, James C., 24597190	121.80
Challgren, Clinton, 11157814	13.29
Chance, Frank I., 1891237	51.95
Chandler, Zane F., 52511999	5.00
Chase, James C., 27072019	24.00
Chavez, Ernesto, 17501626	44.00
Chavez, John, 18532516	40.00
Chavez, Luis M., 39137249	53.13
Chester, Daniel, 20132584	82.00
Chouinard, William E., 26242096	4.00
Clampet, Lloyd R., 35836355	61.00
Clanton, Jesse, 54134997	40.00
Clark, Carroll, 18445302	10.00
Clark, David, 38494887	75.00
Clark, Donald L., 18562992	94.52
Clark, Ervin L., 28988778	17.00
Clark, Kenneth M., 14617924	56.50
Clarke, Benjamin F., Sr., 33221295	174.00
Clarkson, Harold D., 17585031	114.00
Clayton, Howard W., 51205556	62.00
Clifford, James M., 14696518	57.00
Cline, John R., 14447021	76.00
Clokey, James T., 33699691	35.00
Coburn, James A., 6563023	34.00
Cole, John F., 36521967	35.00
Coleman, Oliver, 53296424	4.00
Colvin, Raymond L., 19534514	70.00
Compton, Kredel T., 35030537	25.00
Conard, Percival, 55304590	10.00
Contino, Anthony J., 13492677	32.00
Conwell, Ronald F., 23898193	30.21
Cook, Earl H., 14557352	80.00
Cook, Robert Q., 14332677	23.00
Cooke, Robert E., 21319198	$20.42
Coonich, Alfred L., 36418083	40.00
Cooper, James D., 14245834	20.00
Cooper, James E., 56308766	202.00
Cooper, Oscar J., 14725368	4.00
Copeland, Nolan F., 18529077	40.00
Coplen, William L., 19524707	20.00
Coppock, Charles W., 14328427	17.75
Cornelius, Ray E., 56312014	22.72
Cosby, Charles N., 33803430	60.00
Covell, Odell P., 12324440	22.50
Craft, Harry J., 54039755	104.90
Craig, William S., Sr., 15255668	42.00
Crawford, John A., 14533908	60.00
Cronk, Charles E., 15561186	31.00
Crow, Frankie L., 18340593	56.29
Crump, Delmas G., 14608485	20.00
Cruz, Felix L., 50122341	20.00
Cubero, Roman Jose U., 29231292	22.00
Culberson, Carl C., 15600131	10.00
Culver, Archie G., 13469106	21.00
Cunningham, Douglas J., 53312597	9.00
Curley, Joseph, Jr., 54106095	102.00
Currie, John E., 12549850	30.00
Custer, James H., 52092616	40.00
Cutts, John R., 34486411	28.00
D	
Dall, Carl, 14229333	7.95
Daley, Anthony P., 13654078	66.00
Daniel, John W., 17347893	34.00
Dannell, John T., 87077	151.00
Darracott, George E., 44038734	25.00
Davidson, Johnnie F., 18561317	29.00
Davis, David E., 13722018	21.00
Davis, Milton A., 53032105	34.00
Davis, Warren J., Jr., 11351152	74.60
Davis, William C., 14240328	17.00
Day, William T., 36537066	34.00
Deck, Calvin M., 35094271	30.00
Dekle, Elvin L., 14268910	40.26
Dellecese, Donald R., 11308376	29.00
DeMarco, Carmen J., 13549740	116.80
Deming, Allen C., 1634669	3.45
De Moe, Kenneth R., 17270904	24.00
Dennis, Kenneth M., 24977046	10.85
Deugaw, Francis, 12116199	32.00
DiAmicis, Joseph L., 13664498	28.00
Di Grado, Joseph T., Jr., 20261090	61.00
Dillard, Walter S., 2152138	100.00
Dillon, Thomas C., 13740627	27.00
Dixon, James, 16380952	42.00
Dixon, James Wilburt, 33637705	31.00
Dome, Donald R., 15548590	20.00
Dorsey, Henry F., 14755383	10.00
Dorsey, James S., 12036025	20.00
Dorsey, Maurice H., 13667973	68.00
Dorsey, Robert L., 14359377	71.09
Douglas, Glen, 39489900	80.00
Douglas, Herman, 17617796	76.00
Dow, Lavern E., 37570928	30.00
Downs, William E., 23003676	23.00
Doyle, John H., 13336158	16.00
Draine, Thomas, 34803025	82.00
Dresser, Leland M., 87479999	3.41
Duarte, William J. J., 50009853	68.00
Duchscherer, Peter, 19609530	65.00
Du Cote, Glenn F., 18456383	39.50
Dudney, Alton R., 57318089	25.00
Dugan, Edward W., 32766063	34.00
Dukes, Richard M., 39074172	113.30
Duncan, Arthur B., 34663557	32.75
Duncan, Martin W., 37514285	10.00
Duren Jimmy R., 14324766	10.00
E	
Eads, Davis J., 38239830	33.00
Earley, J. G., 53050823	27.00
Ecker, John F., 12243162	30.00
Edens, George W., 13065918	30.00
Edington, Dwaine H., 16485132	52.65
Edwards, John H., 14104140	96.00
Edwards, Robert B., 15570061	195.00
Edwards, Rufus H., Jr., 25014300	6.28
Edwards, Silas, Jr., 38112017	40.00

Excess allotment payments made by Federal Services borrowers to Suburban Trust Co., Hyattsville, Md.—Continued

Name and serial No.	*Amount on deposit*
Ellison, Oscar L., 44155348	$6.00
Emig, David L., 15291847	98.00
Emmons, William F., 24611247	360.72
Emond, Donald C., 26352656	30.00
Engelmohr, Danny F., 19788969	156.48
Ennamorato, John J., 33804682	4.00
Evans, Agustus R., 14508805	23.00
Evans, David E., 19713909	56.00
Evans, Donald B., 13164181	30.00
Evans, Edward L., 13570683	37.21
Evans, Kenneth L., 46068690	14.00
Evans, Tasker L., 53180319	40.00
Evans, Warren G., 34667874	20.00
Ezell, Eddie J., 14665831	35.00
F	
Fairchild, David C	330.00
Falcone, Thomas C., 23957522	19.00
Faris, Roer S., 19651210	67.78
Farmer, James E., 13525286	60.00
Farneth, Ronald L., 13514547	30.00
Felton, Robert Jose, 11281395	36.00
Ferguson, Alphonso, 53126365	9.75
Fetwell, Julius R., 55007455	90.00
Fields, Jackie P., 16722249	85.00
Fierova, Joe M., 18493777	49.00
Fierro, Daniel R., 19614700	59.00
Finan, William W., 32496028	36.00
Fisher, Donald R., 57300220	148.00
Fisher, James T., 13586847	44.75
Flagg, Arnold H., 19628890	10.00
Flaherty, Raymond F., 12565958	12.00
Flemming, Ronald M., 15534163	70.00
Fondonella, Ralph J. J., 12306481	84.00
Ford, Horace W., Jr., 13560815	29.00
Ford, Robert, 14462554	3.00
Forsythe, Harry R., 1737904	56.00
Fortier, Howard A., 19591694	40.00
Foster, Marion E., 52248420	37.44
Fox, Carl E., 12237758	6.00
Fox, James M., 10611278	28.00
Fox, Lawrence S., 28098858	4.35
Fox, William W., 6945962	20.00
Franklin, Nineveh H., 18101474	33.00
Frasher, Michael T., 22004101	87.00
Frazier, James B., 15222846	41.00
Frederick, Abraham, 14421850	116.00
Freeman, Charles L., 44187262	35.00
Frick, Vance L., 36588693	2.34
Friend, Alvey G., 52534598	80.00
Fulghum, Robert M., 53320193	66.00
Fuller, George C., 12356465	160.00
Fuqua, Lonnie C., 14348639	2.00
G	
Galins, Alan L., 16611407	23.00
Gallops, John D., 14731110	68.00
Galtney, Willie, 34046228	63.00
Gamble, Richard A., 13634964	81.00
Gambrell, Nathaniel H., 54125882	140.00
Gammell, Roy C., 29004856	28.00
Garcia, Humberto M., 25857570	4.00
Garcia, Jesus M., 21996925	34.00
Gary, Sheldon A., 11333562	30.50
Gaul, William G., 19720189	21.00
Gebhardt, John H., 12339372	9.00
Geiger, James L., 29004880	20.00
Geralds, Herbert C., 53060225	20.75
Gibbone, Leroy, 34759585	42.00
Gibbs, Andrew G., 12571162	14.00
Gibbs, Lester R., 28268007	47.75
Gibson, Lynval H., 18533734	128.83
Gilbert, William C., 16485266	20.00
Gilchrest, Gerald V., 18583062	28.00
Gillespie, Vernon, 18409263	40.00
Girod, Aubrey A., 18212738	29.00
Glasscock, Carl L., 18510945	23.00
Gleave, Roy E., 17267897	66.60
Glenn, William T., Jr., 13563542	124.00
Godfrey, Allie B., 6928220	61.00
Goncalo, Richard, 11367092	40.00
Gooden, Esau, Jr., 53250065	66.00
Goodloe, Gerry D., 56272350	36.50
Goodman, James C., 17023619	160.00
Gonter, Richard C., 12494776	52.00
Grace, Alphonso, Jr., 26353947	$25.00
Grant, Fzelle, 28218065	28,00
Gray, Marvin, 43033613	175.00
Gray, Rodney K., 19603262	64.00
Greene, Emmett E., 12296326	56.62
Greening, George F., 54087933	9.00
Greenlee, Gilbert I., 14703259	63.59
Greenwell, Charles, 23336518	22.00
Gressett, Andrew J., 18360454	20.00
Greto, Dominic A., 31031068	50.00
Griffin, Clyde H., 14391529	40.00
Griffin, Robert L., 24431546	225.20
Griffith, James W., 53323816	141.84
Griffith, William W., 6991959	45.00
Grissman, Charles M., 18497320	58.00
Grosshart, Milton D., 4009753	45.00
Guier, Richard C., 17230749	40.00
Gunnels, Herman L., 19708914	53.00
Guthrie, James L., 19617440	4.00
Guy, David H., 35845358	53.38
Gwidt, Gerald P., 25006528	56.00
H	
Hadley, Gabriel D., 35894632	76.00
Haggard, James C., 14400671	29.00
Hairston, German F., Jr., 13241593	20.00
Hale, Allen F., 14301355	61.75
Hall, James R., 16661591	20.00
Halyard, Scott M., Jr., 5309724	12.99
Hallett, Charles W., 12602921	15.00
Hallman, Jerry O., 14488402	119.91
Hamer, Frederick, 34856580	66.00
Hamilton, Frank, 34551622	39.00
Hamm, James R., 14351907	58.00
Hammonds, Dane T., 14649665	20.00
Hammons, Charles F., Jr., 37523843	2.00
Hardeman, Alfred M., Jr., 14687121	69.00
Hargett, Archie C., 14599615	2.00
Hargett, Hobart J., 54009334	30.00
Harper, Leroy F., 14678207	5.00
Harrell, Billy, 14505544	29.00
Harris, Carey L., 33521111	21.00
Harris, Charlie G., 43002793	56.00
Harris, Edward L., 54101012	20.00
Harris, Melvin L., 16496157	340.00
Harrison, Herbert A., 14633936	12.00
Harrison, Warren R., 10611495	9.00
Harriss, Peter L., 13590461	100.00
Harthausen, Walter E., 52121515	30.00
Harvey, Kenneth L., 2145059	68.00
Havron, Jessie A., 18086224	33.00
Hawn, Carl K., 55278575	72.00
Haynes, Jimmie D., 14517089	36.00
Hays, Carl E., Jr., 18572286	42.05
Hazeltine, James F., 16439398	56.00
Heighton, Wayne E., 16305537	18.00
Henderson, Charles R., 18390852	34.00
Henderson, Richard, 52077184	12.00
Henry, Harvey L., 14243119	40.00
Hernandez, Francis, 30000761	60.00
Hensley, James G., 25349438	80.00
Hester, Edward, 23921263	60.00
Higa, Carl J., 10104386	21.00
Hinkle, Lee H., 13287336	117.00
Hill, Albert, Jr., 43011737	39.00
Hitt, Otis R., Jr., 52297203	63.00
Hogan, James R., 18449160	125.00
Holcomb, R. C., 44022858	33.02
Holland, Elvage, 34547172	54.00
Holland, Otto W., 37625712	39.50
Hollaway, Roland I., 52416440	80.00
Holmes, Lonnie L., 42190097	40.00
Homchick, Bruce W., 19196751	44.71
Hooper, Robert M., 34771414	32.00
Hoops, Harry G., 13345912	58.00
Hopkins, Robert G., 13433998	60.00
Hoskins, Orville E., 2145641	30.00
House, Dell, Jr., 18385506	29.00
Howard, Earl, 15527379	42.00
Howard, Henry J., Jr., 44109329	35.00
Howard, James C., 24916517	118.00
Howard, Marice L., 14339505	39.75
Howe, Albert W., 5324944	50.00
Howe, Llewellyn F., 14244455	4.00
Hoy, Frederick T. J., 35219150	33.00
Hudson, Edward L., 14255403	$59.75
Hudson, Frank, 14337380	40.00
Hughes, Monroe, 13637590	5.00
Hughes, Robert W., 13594350	20.00
Hull, Paul E., 39014907	25.00
Hunter, Charles W., 14633268	46.45
Hunter, William G., Jr., 53102578	11.00
Hurst, Charles C., 14292766	59.50
Hutsell, Dallas L., 18607246	33.00
I	
Iacopelli, Joseph, 12620596	80.00
Inman, Philip M., 13597728	30.50
Irish, William G., 11309475	40.00
Isenhour, Howard W., 35364296	24.75
Ivanovich, Nicky H., 16677017	30.00
J	
Jackson, Charles E., 54232106	159.93
Jackson, Clyde U., 18448609	38.00
Jackson, Edward, Jr., 14580142	30.00
Jackson, Horace G., 34274389	41.97
Jackson, Howard, 17201579	138.00
Jackson, John H., 34471293	40.38
Jackson, John, Jr., 53041963	8.00
Jackson, Joseph, Jr., 16531940	26.34
Jackson, Joseph, Jr., 53139905	64.00
Jackson, Lester B., 38546225	52.00
Jackson, Rayfield, 14294687	20.00
Jackson, Robert N., 13454413	59.00
Jackson, Tyrone W., 18656037	36.00
Jackson, William 16643149	30.00
Jahelka, George H., 52376644	70.00
Jalufka, Pete F., 38540056	21.00
James, Carl A., 19681123	41.50
James, Ernest Jr., 18302316	21.00
James, Willie R., 14669994	22.00
January, Curtis E., 18336822	40.00
Jasinski, John, 16284636	44.00
Johnson, Albert L., 33692788	33.00
Johnson, Arthur W., 53158279	33.20
Johnson, Gordon M., 36907776	105.00
Johnson, Horace D., 53295748	70.00
Johnson, James E., 12300494	30.00
Johnson, Joe, 16347517	42.00
Johnson, Jones O., 14560834	20.00
Johnson, Julius W., Jr., 55315143	20.00
Johnson, Lee D., 14071440	149.00
Johnson, Louis A., 13722516	52.00
Johnson, Raymond D., 54029299	20.00
Johnson, Robert F., 15209028	24.00
Johnson, Theodore, 35088197	25.00
Joines, Charlie K., 14671599	28.00
Jones, Clarence W., 53055837	5.00
Jones, Clinton P., 55082616	23.75
Jones, Earl L., 14749726	30.00
Jones, Edward R., 12108990	28.00
Jones, Lorenzo T., 52524701	38.82
Jones, Robert E., Jr., 52457955	33.00
Jones, Wallace A., 52196092	3.00
Jones, William L., 12666166	70.26
Jump, Ben O., 15506967	58.00
Joyce, John J., 31360453	33.01
Joynes, Samuel H., Jr., 12529818	27.00
K	
Kaku, Joseph C. T., 10734868	18.00
Karstetter, Donald P., 19496474	40.00
Keding, Donald R., 24640754	120.00
Keeling, Hobart B., 55111793	6.00
Kenfield, Clifford L., 19248616	30.00
Kennedy, Arnold C., 52444918	6.00
Kennedy, Martin F., 12635446	20.00
Kenniston, George D., 51042073	30.00
Kent, Jerry M., 53213622	34.37
Ketz, Frederick W., 3200438	76.08
Kight, Marion W., 25731229	24.00
King, Kenneth L., 14686443	60.00
King, Lawrence R., 5325286	83.42
Kirk, Boyd, 19342062	37.00
Kirkwood, Bobby, 14511097	100.00
Kitchell, Thomas C., 19492712	28.00
Kittrell, James W., 56099834	42.00
Klisavage, Robert E., 13407107	8.00
Kliza, Walter, Jr., 16494377	6.00
Kloss, Dallas E., 18348664	8.00

Excess allotment payments made by Federal Services borrowers to Suburban Trust Co., Hyattsville, Md.—Continued

Name and serial No.	*Amount on deposit*
Klotz, Elias W., 12349588	$2.36
Knight, Clyde H., Jr., 14649095	40.00
Knight, Robert L., Jr., 14564148	24.00
Knight, Spurgeon, 19587277	62.00
Knoup, Ivan C., Jr., 18638351	2.00
Knowles, Lorenzo D., 14270716	12.00
Knudson, Paul E., 17570593	24.00
Kopas, William J., 33621437	34.00
Kowalski, John W., 24455475	324.75
Krick, James F., 13666122	16.00
Kron, Laszlo, 12351695	34.00
Kuzenski, Joseph F., 12020716	40.00
L	
Labombard, Spencer W., 12560112	68.00
LaBooth, Marcell J., 52263330	38.00
Lamb, Richard E., 44075505	60.00
Landon, Charles W., 13295452	21.00
Lannoye, Gordon W., 37299276	8.00
Lansdown, Roscoe, 34617417	67.00
Lapio, Ralph A., 32936563	30.00
Larmore, Robert A., 39706508	2.00
Larson, Douglas W., 29007463	12.00
Larson, Hilmer O., 39190628	21.00
Laskowski, Raymond, 31212974	85.00
La Vana, Burton J., 12021385	20.00
Lawrence, Henry, Jr., 13264704	35.00
Lawson, Sherman C., 13548576	34.00
Lawson, William O., 14541545	16.00
Leaf, William F., 17167365	20.00
Leas, Milford W., 27377667	112.00
LeBlanc, Marshal M., 18516582	139.20
Ledford, Thomas B., 18493906	20.00
Lee, Charles R., 38371894	309.20
Lee, John M., 55657359	20.00
Lee, John P., 13236908	8.00
Leffel, Ralph D., 11401395	81.35
Leonavicius, Juoza, 11350885	62.06
Lester, Jimmy L., 13650897	21.00
Lethbridge, Allan, 36527746	16.00
Lewis, Luther F., 34953140	24.75
Lewis, Robert A., 23278829	61.53
Lewis, Stanford H., 19362435	20.00
Libel, J. Harry, 55197927	14.00
Lilly, Curtis M., 24433237	34.00
Link, Arthur J., 12298581	18.00
Lipford, Milis D., 53335476	8.97
Littleton, Roy F., 52508290	114.60
Livingston, Robert L., 18292384	12.00
Loftis, Ralph C., 14678259	85.00
Long, Houston, 17076391	76.00
Longobardi, Theodore, 14674278	36.00
Lorenc, Frank N., 32583538	22.00
Loring, Roy R., 19596105	55.18
Lovell, Billy G., 18457435	28.00
Lovell, Ronald J., 19719580	30.00
Love, Willie L., 14467228	2.00
Lowe, Alexander, Sr., 6396268	12.00
Lowery, Hubert M., Jr., 13567059	60.00
Lukashunas, Adolph F., 33621329	25.00
Lumpkins, Carlton P., 33820952	27.00
Lyman, Arthur F., 17288625	29.00
Lynch, Louis E., 52358528	6.00
MC	
McAllister, David, 34462168	130.00
McAlroy, Madeline, 711554	20.00
McBride, John, 53286838	24.00
McCarthy, Terrence P., 5012128	28.00
McCarty, Robert E., 13651208	120.00
McClard, Sterling, 18547509	279.00
McCluney, Willie, Jr., 14261352	78.00
McCord, Lawrence W., 37459005	20.00
McCoy, Henry W., 52089685	20.00
McCoy, Sam, Jr., 38761906	104.50
McCoyle, Lawrence C., 14672348	77.00
McCrea, Donald J., 19262872	29.00
McCrory, Wyatt, 34961635	38.00
McCullough, Jerry L., 53052636	30.00
McDaniel, Coley R., 14327606	45.00
McDaniel, Harry L., 44124365	62.00
McDavid, Joe L., 26384768	5.00
McDonald, Richard L., 15240548	32.00
McElvy, Willie L., 14462006	29.50
McGougan, Benjamin B., 14406600	32.00
McHenry, Francis E., 13079894	$13.40
McHenry, Patrick E., 19652576	18.00
McIsaac, Harold H., 36101614	40.00
McKenner, Robert D., 28033120	102.00
McKenzie, Burlon, 44028306	35.00
McKinney, Charles L., 15275039	100.00
McLelland, Washington, 18027576	34.00
McMullan, Robert W., 11303824	12.00
McMurray, Thomas M., 36776969	49.00
M	
MacDonald, Kenneth, 19305256	65.50
Machen, Curtis G., 24892046	3.00
Madara, William E., 13630133	25.00
Malave, Lopez Efrain, 50157883	28.00
Maldonado, Jose F., 18325408	24.00
Melecha, Walter C., 36634688	34.00
Malloy, Neil A., 44016572	30.00
Maloney, Gerald W., 13720210	48.00
Maner, Eugene H., 54057896	60.00
Marcial, Herman G., 18089974	110.00
Mariani, Manuel D., 30124849	6.00
Maliere, George M., 16368084	18.00
Marshall, Arthur, Jr., 19323550	4.00
Marshall, Gerald L., 54019240	59.00
Martinez, Louie M., 19560509	34.00
Martinez, Urdez J., 29156579	55.00
Martiniz, Jose Del C., 30412561	20.75
Maryland, Eddie R., 51470105	29.00
Mason, James T., 18349542	4.00
Matheny, Martin P., 19622750	7.26
Matherly, Donald E., 36448910	186.00
Mathews, Crosby, 34291771	34.00
Mathews, Elsry, 53207318	49.00
Mauldin, Lacey B., Jr., 53090924	34.00
Maxwell, Charles R. H., 12327102	69.00
Maxwell, James H., 18595185	26.00
May, James R., 13636014	84.00
Mayberry, Chapman W., 33157947	4.00
Maycock, Devaun J., 20911646	21.00
Medeiros, Francis R., 21309995	30.00
Melendez, Torres Jose, 50157382	90.18
Menges, Allen B., 13344176	35.00
Meyer, William H., 46078784	30.00
Michonski, James A., 11300676	60.00
Middleton, Walter, Jr., 51465992	34.20
Midgette, Ronald E., 13276088	127.75
Milford, Willie L., 14369423	68.00
Miller, Charles L., 35611168	21.00
Miller, Donald J. E., 5418980	109.00
Miller, George, Jr., 54337136	4.92
Milner, Jimmie D., 34135776	29.75
Milton, Joseph F., 15260892	72.00
Minnick, Walter W., 16478203	160.68
Mitchell, Frank L., 12484997	66.00
Mitchell, Howard E., 18603589	6.00
Mitchell, Lawrence E., 34784756	28.75
Mitchell, William M. J., 13559692	29.00
Mohn, John S., 13634059	20.00
Moody, Robert H., 44095609	59.75
Moon, Walter, 34418240	36.00
Moore, Edward L., 23348266	58.12
Moore, Freddy L., 54107504	274.35
Moore, James C., 15602513	48.00
Moore, Joe M., 14515492	80.00
Moore, Lewis W., 18578771	30.00
Moore, Taylor, III, 38484451	40.00
Mooso, Gerald J., 12573089	34.00
Morgan, Francis E., 14352851	50.00
Morgan, Gerald L., 13655455	55.00
Morphew, Archie R., 15645030	56.00
Morris, Ivory W., Jr., 14771130	65.00
Morris, John W., 14471767	90.00
Morris, Kenneth E., 25746219	7.76
Moseley, Clarence, 33752026	50.00
Moss, Oradie, 20522457	20.00
Motte, Robert F., 14669247	6.00
Mullis, Beverly J., 14284553	31.00
Murray, Stephen J., 11364197	53.00
Munger, Clyde O., 14220020	34.00
Munson, John K., 954485	50.00
Munson, Thomas E., 3d, 55662479	65.00
Murchison, Willie, 34112763	31.40
Mullek, Paul J., 5418743	108.38
Musson, Clinton A., 53289816	24.44
N	
Nagy, Laszlo L., 10813478	$56.00
Nappier, Donald P., 17266281	20.00
Nash, James L., 16479889	110.00
Nash, Robert, 14617656	47.00
Neal, John L., Jr., 4012106	38.00
Neckelberry, Chill, 19295474	60.00
Neel, James C., 3d, 19719662	16.00
Nelson, James C., 18606120	175.26
Newman, Allen C., 17336822	19.75
Newton, Roland L., 17498418	51.90
Nitzschke, Louie W., 36854632	40.00
Noland, William L., 34745371	98.00
Norman, Willie H., 14369392	23.00
Nunley, Otis L., 34344265	60.00
Nuttall, Howard D., 51280384	26.00
O	
Oakes, Aubrey E., 52520584	41.00
O'Bryant, Joseph J., 13187355	5.00
O'Keefe, Desmond W., 19640064	39.14
O'Mary, Hollie L., 34034016	20.00
Orr, Harvey E., 11199401	130.50
Ortega, Julio, 50157115	75.00
Owens, Edward A., 34636833	5.00
Oxford, Dick E., 18034366	21.00
Ozier, Robert R., 14445391	563.91
P	
Pacheco, Juan A., 29162477	22.98
Padilla, Albert S., 17089720	33.00
Padilla, Jose Ernesto, 18620906	3.00
Page, Howard P., 19693552	93.00
Parkin, Lloyd I., 16291475	21.00
Patrick, Curtis G., 52380904	12.00
Patrick, Lee Roy G., 15212575	20.75
Patterson, Willis, 28672085	58.00
Patton, Cornelius, 18504578	20.00
Peck, Alfred D., 12239894	25.00
Peery, Henry B., 13166138	26.00
Peoples, Herman, 14056783	33.00
Pereyra, Vincente L., 50008323	65.38
Perkins, Alfred F., 21290123	71.13
Perkins, Robert C., 38395537	21.00
Perkins, William G., 13665720	44.50
Perrigin, Eddie V., 44054697	34.00
Perry, Absolom D., 24433078	25.50
Perry, Dallas, 6666344	85.00
Perry, Henley A., 53322758	41.00
Perry, L. A., Jr., 18608969	34.00
Peterson, Charles W., 15213056	18.00
Petiney, Norbert W., 36529889	50.00
Petty, Arthur R., 12296571	20.00
Phillips, Harold G., 15579690	17.75
Phillips, James E., 14668784	34 01
Phillips, Jesse, 14648106	13.00
Picklesimer, Billy A., 14480085	70.00
Pierce, Joseph L., 15582722	475.75
Pierson, George D., 37298249	28.00
Pillow, Edgar, Jr., 52218109	34.00
Pilon, Robert L., 12592220	70.00
Pines, James L., 16489164	71.00
Pitt, David L., 14694608	33.00
Pitts, Billy J., 24501185	19 50
Piunt, Joseph, 13316559	72.00
Poitrow, Emery N., 11238755	20.00
Polk, Lucian V., 25881275	6.00
Pollak, Roland G., 16180476	33.00
Pollack, Kenneth L., 19616034	44 93
Pontuti, Chester N., 15651676	20.00
Poole, John N., 14497966	119.75
Pope, William E., Jr., 2149158	34.00
Porter, Phillip E., 14763232	55.00
Porter, Merlie E., 15414116	16.00
Powell, Enoch, 14215849	4.00
Powers, Charles T., 16659851	14.00
Powers, George W., 35997304	59.75
Powers, Roy S., Jr., 13664436	37.08
Pratt, David S., 31166859	114.75
Pratt, Robert H., 16636805	58.00
Premac, George, 17266243	131.92
Preston, William E., 3036123	49.50
Price, David, 53094629	9.00
Price, James E., 18510982	10.00
Prier, Larry J., 17561163	116.82

Excess allotment payments made by Federal Services borrowers to Suburban Trust Co., Hyattsville, Md.—Continued

Name and serial No.	*Amount on deposit*
Provencio, Daniel A. P., 54335433	$64.00
Prue, Murriel W., 16095934	24.50
Puckett, William B., 17561448	20.00
Pugsley, Thomas W., 17623604	14.00
Pulshinski, Ervin, 36202862	52.00
Q	
Quinones, Romulo, 30420892	106.08
R	
Rager, Russel A., 13436111	33.00
Rainer, Steven J., 51513528	40.00
Ralls, Elijah H., 53145699	27.00
Ranson, Samuel G., 35570002	44.60
Raudenbush, Paul R., 13563593	5.00
Razmyslowski, Raymond, 13561379	20.00
Redd, Frankie B., 39677996	300.00
Reed, Jerry L., 55667517	61.97
Reese, Cornell, 15260696	48.00
Reese, John A., 13199130	6.00
Reisinger, Leonard L., 13657427	216.00
Rewer, Harvey E., 16527019	78.00
Reynolds, Donald R., 52372967	6.00
Reynolds, Robert T., 19603298	5.00
Rhodes, William R., 18564915	71.80
Richards, Frank L., 14734360	15.00
Richardson, Frank, 14377459	20.00
Richardson, Roy D., 14676073	5.00
Riehl, Robert G., Jr., 13721919	33.00
Riley, Erwin L., 14249363	40.00
Ringgold, Gerald E., 13660806	60.00
Robbins, Dennis D., 28797845	56.00
Roberson, James L., 51445008	58.00
Roberts, Elijah, 38673438	20.00
Roberts, George W., 33597757	60.00
Roberts, Thomas J., 13048408	33.00
Robinette, John L., 13636951	7.87
Robinson, Rossie, Jr., 51473169	56.00
Robison, John F., 17001832	14.00
Roche, Thomas J., 11297982	232.00
Rock, John E., Jr., 17385741	26.00
Rohaley, Joseph L., Jr., 35397404	34.00
Rooks, Ellis M., 14770654	126.00
Rosado, Rodriguez, 50160732	30.00
Rossow, Leon V., 17393118	12.87
Roth, Richard, 19698081	60.70
Roush, Richard I., 23753957	50.31
Rowan, George A., 44152960	7.00
Rucker, John P., 33991420	10.00
Ruff, Christ G., 55278275	145.00
Runge, Harold J. E., 17546514	29.00
Rusch, Frederick O., 5217851	20.00
Russell, Jesse E., Jr., 13522944	36.00
S	
Salley, James, 53149225	90.00
Sampson, Booker, Jr., 53166491	58.00
Sanchez, Gregorio F., 38706744	25.00
Sanchez, Henry, 17237389	35.00
Sanchez, Santiago, 30405018	20.00
Sanders, Charles L., 15562552	74.18
Sanders, George, 53091590	399.00
Saupe, Fred K., 55555424	15.00
Saxton, Allen L., 14619245	48.00
Schaefer, James V., 17598782	55.03
Schetgen, Ralph J., 37684090	70.00
Schlumbohm, Douglas, 18489940	63.71
Schneider, James E., 27552249	30.00
Scott, Frederick D., 15288804	81.75
Seagroves, Joe C., 14694772	55.75
Searcy, Clifford W., 44003982	20.00
Sebastion, Thurman, 11179657	30.00
Seeley, Lawrence E., 42237046	54.16
Segura, Jesus R., 54116545	87.36
Selleck, David G., 27873725	2.47
Serna, Leonardo, Jr., 18230557	33.00
Shewmake, Hervey C., 54061492	5.00
Shockley, Melvin O., 3151683	149.75
Shotts, Rudolpho V., 19626911	75.00
Shriner, Jerry J., 17535985	96.00
Sidney, L. C., 18264110	25.00
Siebel, Robert A., 55198590	5.00
Simer, Billy J., 18296655	64.00
Simmons, Richard S., 6882409	40.00
Simon, Pierre, Jr., 25508438	63.00
Sims, James H., 14747442	40.00
Sincinito, Joseph, 12020971	$110.00
Singleton, Gordon E., 14254445	8.48
Sipes, Franklin D., 15615453	294.00
Skiba, Joseph J., Jr., 13711951	21.60
Sikes, Ronnie L., 17584441	16.00
Sloan, Donald H., 5418918	33.00
Smith, Albert L., 17280049	31.00
Smith, Archie B., 55660921	46.00
Smith, Benjamin T., 53334226	34.00
Smith, Bonnie, 14267333	90.00
Smith, Clayton, 14497119	20.00
Smith, Earl C., 13339882	60.00
Smith, Fred A., 36606074	33.00
Smith, James W., Jr., 11347321	5.00
Smith, Marvin R., 35499763	42.00
Smith, Reynolds J., 52406387	3.90
Smith, Thomas A., 26930493	199.00
Smith, W. L., 18117135	30.00
Smittick, Jory E., 18480900	44.00
Solis, Alfonson M., 38764494	86.00
Sommers, Roger D., 12572222	137.16
Sneddon, Jess R., 19545417	60.00
Sosby, Marshall E., 15600910	110.50
Speed, Houston P., 44045119	8.00
Standifer, S. B., 53322418	36.00
Staten, Ezekiel, 34746798	30.00
Stauffer, Lester R., 13629249	22.00
Stennies, Willie R., 34471128	8.00
Stephenson, Ray H., 25921703	58.00
Stevenson, Johnny B., 38421494	31.00
Stewart, Richard C., 35215670	20.00
Stewart, Thomas J., 12584456	1,119.75
Stiers, Warner E., 16562672	125.52
Stinnett, Sidney W., 38481997	41.50
Stone, Alfred H., 53325429	54.50
Stone, Robert H., 34965357	30.00
Stover, James D., 14726018	49.00
Streightiff, Franklin, 17649133	20.00
Stringfield, Albert H., 13360732	33.00
Strocks, Tom, 18561904	33.31
Stuart, Arthur H., 36350934	45.00
Stuart, Ivan I., 13085086	33.75
Suggs, Lee V., 53013507	40.00
Sullivan, Gerald R., 5530664	152.00
Sullivan, Leroy, 14614921	44.00
Sumpter, Bill J., 35784669	20.00
Sutton, William H., 24768488	131.72
Swafford, Herbert H., 53137947	34.15
Swank, Wallace B., 15253105	51.00
T	
Tarbox, James E., 32846889	19.75
Tassone, Richard F., 21273093	70.26
Taulbee, Woodrow, 15224139	130.00
Taylor, Alfred J., 36394103	69.00
Taylor, Nathaniel, 12291025	16.00
Telliho, John M., 13257217	34.00
Templeton, Gerard, 31169808	122.00
Terry, Harold, 15213924	34.00
Terry, James L., 16073497	20.00
Terry, Solomon R., 38452379	25.00
Thibodeau, Robert D., 21202117	24.00
Thomas, David, 34667824	11.41
Thomas, Elijah, 16536994	25.00
Thomas, Jack, Jr., 54201866	48.00
Thomas, Raymond T., 13334671	232.00
Thompson, Don R., 15687348	135.00
Thompson, Ernest E., 15618312	16.00
Thompson, John T., 54223807	32.50
Thompson, Ronald F., 16627169	87.78
Thompson, Wendell E., 15525370	33.00
Thornton, Harvie L., 14536896	34.00
Tilghman, Rudolph, 52494338	20.00
Tillery, James J. H., 53143101	84.00
Tilley, Ray, 19253947	27.04
Tillmann, Charles L. J., 55159802	34.00
Tinsley, Robert C., 12282444	18.00
Todd, Auburn L., 20418542	40.00
Todd, Howard, 17241627	7.00
Tolander, Donald E., 55311016	15.00
Toliver, Willie Lee J., 14617950	71.50
Tomes, Roy D., 35158616	27.00
Toney, Sylvester, 44004728	7.00
Torres, Acevedo Sa., 30425748	20.00
Torres, Gonzales P., 50108583	48.00
Torres, Martinez Ga., 29124024	$59.50
Tostado, Eladio, 37827884	20.00
Toucheck, Lawrence J., 18494134	39.50
Touchette, Bernard, 21279648	54.64
Tranum, Richard A., 33562967	20.00
Travis, Tommy J., 19661126	59.14
Triplett, Billie E., 18464981	70.24
Troutman, Warren H., 16245654	48.60
Tuggle, Henry H., Jr., 34941199	10.00
Turner, Donald S., 2206938	138.00
Tyra, Johnny R., 54206865	17.00
U	
Utt, Wilbur J., 5232987	134.00
V	
Valdemar, Camerino V., 18443933	15.00
Valentine, Leon, 14579973	24.00
Valenzuela, Edward, 18425460	22.40
Vanderhoof, Francis A., 17535675	70.00
Van Noppen, Daniel, 16266471	9.06
Vannoy, Lawrence R., 13320367	74.43
Vargas, John F., 19323008	92.29
Vargo, Tippie J., 19606321	79.00
Vaughan, Horace R., 57218058	17.00
Vickers, Edward, 15223702	130.00
Vieau, Wallace E., 4031522	37.50
Vinson, Troy L., 38544554	31.00
Vobelt, Rolf W., 12531267	53.50
W	
Waddle, Wilburn E., 14480342	89.82
Wagner, Reginald J., 15234314	26.00
Wakefield, Warren D., 56281119	31.46
Walcher, Warren L., 17393856	118.00
Walker, Gut C., 25251690	39.50
Walker, Herbert C., 53268119	20.00
Walker, James B., 24424137	10.00
Walker, Ralph W., 12582505	728.00
Waller, Frank, 14363949	16.00
Walsh, Denis J., 51455384	8.00
Walther, Frederick L., 55704554	45.00
Walton, David W., 18100213	30.00
Ward, William E. M., 52063851	45.00
Warren, Curtis M., 19245510	70.00
Watts, Herman, 34073405	25.00
Watts, Noland, 14501363	54.00
Weaver, Norman E., 11142941	25.00
Webb, Charles H., 16684074	36.15
Webb, Jack C., 24992613	54.00
Webster, James E., 53260322	34.00
Weger, Louis M., 17216230	6.00
Welch, Richard W., 13627901	58.00
Wells, Malcolm C., 27038231	33.00
Welton, William S., 13263236	30.00
Wesche, Harry C., Jr., 19105869	49.00
Wescoat, Gilpin N. J., 21697765	35.00
West, Charles C., 18282061	5.00
Wheatley, James M., 24788361	35.00

AVERTING AIRCRAFT ACCIDENTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 10 minutes.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, last night at approximately 9:30 in the evening a United Airlines Boeing 727 crashed into Lake Michigan just off the shore of Chicago, carrying to their deaths 24 passengers and 6 crew members. This is another of many serious aircraft mishaps that we have witnessed over the years. The aircraft was coming in from New York. Weather conditions were good.

The lake was calm. There was no unusual turbulence, no storm activity. The aircraft was approximately 11 miles east of the shoreline, just north of the city of Chicago, at an altitude of 6,000 feet. The pilot of the aircraft, 2½ minutes before the aircraft disappeared from the O'Hare radarscope was cleared for landing. Obviously, the pilot and copilot and engineer were preparing for a landing at O'Hare Field. At the time the pilot radioed the aircraft tower to get his final instructions, there was nothing to indicate any difficulty in the aircraft. In the ensuing 2½ minutes something happened.

The CAB and the FAA and all other interested agencies, including the airline, have sent out their investigators and we are now going to witness another agonizing speculation on what caused this tragedy that took the lives of 30 people. It would be my hope that this tragedy would again remind the aviation industry of the need for cockpit recorders to give us greater information on the cause of these tragedies.

Last night's tragedy is not too dissimilar from other tragedies where everything seemed all right as the pilot called the tower, and then all of a sudden something happened. The observers on the shoreline thought they saw an explosion. They did indeed say they saw a huge ball of flame. The observers thought that this explosion occurred in mid air, but because, under cover of the dark, there is no horizon perspective, it is entirely possible that what they saw was the airplane actually crashing into the water, causing the explosion.

These are all things that remain a mystery and I doubt very much, if experience is any teacher, that the CAB and the FAA will be able to pinpoint the cause of this accident any more than they have previous accidents.

We have seen the tremendous work that goes into trying to reassemble the remains of an air crash, the fuselage, and whatever other parts may be recovered, and then on the basis of the best expert engineering knowledge try to arrive at some explanation. I have the highest respect and regard for both the FAA and the CAB, I think both these agencies have done a magnificent job in trying to piece together the information to draw some conclusion as to what causes airplane crashes.

But I say, Mr. Speaker, it is my hope that the aviation industry itself will hasten the program already approved by the FAA for the installation of cockpit recorders in the aircraft. The Federal Aviation Agency last year issued regulations which go into effect on July 1, 1966, which will require all jets and turbo prop aircraft, weighing more than 12,500 pounds, to install approved cockpit voice recorders.

By January 1, 1967, all pressurized four-engine piston planes will have to meet these same requirements. But that is a whole year away. The FAA has already established this regulation and as far as I know, it is irrevocable. So, the industry will have to install these cockpit recorders.

What will these cockpit recorders do? They will preserve for the investigating teams the last words of the pilot and the copilot and the engineer and the other personnel in the aircraft during those tragic last seconds when a tragedy occurs and there is no time to try and contact the tower to say what happened. These recorders will be continuously operating recorders.

They have been designed to withstand heat of up to 2,400° Fahrenheit. The recorders will be entombed in special cases to withstand shock, to withstand heat, and to withstand water.

Mr. Speaker, the recorders will be painted a special color in order to help in the recovery after the aircraft goes down. The recorders have been very carefully designed to preserve the recording, even though the airplane goes through the worst type of traumatic experience.

Mr. Speaker, I am fully convinced that the installation of these recorders will give the airplane industry and will give the agencies of the departments of the Government a new weapon in trying to determine the cause of aircraft accidents and then take appropriate steps to prevent similar tragedies in the future.

Mr. Speaker, permit me to give the Members just one example. Some time ago we had an aircraft go down on takeoff at O'Hare Field. This was a giant jet. I believe there were 48 passengers aboard on a Sunday afternoon. The airplane went down on takeoff and all 48 were killed. The aircraft was demolished. Fortunately, the pilot on takeoff, in those split seconds of tragedy, was able to shout into the mike, "No controls."

Mr. Speaker, those two words served as a clue for the agencies to track back and find that someone had failed to put a cotter pin into a bolt in the tail control assembly.

But, Mr. Speaker, these two words, "No controls," furnished to the FAA its most significant clue and it was able to trace back the cause of this tragedy.

Mr. Speaker, I am convinced that the airlines could speed along the installation of these cockpit recorders. They do not have to wait until July 1966. This is a matter that involves many people and involves a very important industry.

It would be my hope that the airlines would start installing these voice cockpit recorders forthwith.

Mr. Speaker, there is no excuse for any delay. There are those who say that it would tie up these airplanes because it takes some time in which to install this equipment.

Mr. Speaker, I should like to remind the industry that they did not have any such considerations when they installed millions of dollars worth of television equipment, closed-circuit movies, stereophonic music, and all these other things they have installed in their planes in an effort to make airplane travel more comfortable.

Mr. Speaker, no one complained then about tying up these aircraft and delaying departures or anything else.

I believe that the aircraft industry owes it to the public, and they owe it to everyone concerned, to install these cockpit recorders as quickly as possible so that we can indeed start getting some firsthand information from the people most directly involved in these tragedies.

Mr. Speaker, I am sure that with the installation of voice recorders in these airplanes we can add another very important weapon toward finding a solution and toward preventing further accidents.

Mr. Speaker, I have been working on this problem now for 6 years. I am indeed very proud and happy that the FAA has ordered the installation of these recorders by no later than July 1, 1966. But, Mr. Speaker, that is almost a year away. I submit the industry does not have to wait until July 1. They can do it right now and they can start providing a new vehicle for finding out the cause of these accidents so that we do not have to go through this agonizing speculation every time an air tragedy occurs.

Mr. Speaker, I should like to take this opportunity to include with my remarks a release by the Federal Aviation Information Agency which spells out in detail the plans for the installation of voice recorders by July 1, 1966, and it is my hope that the aircraft industry will as a result of this latest tragedy move immediately for the installation of these tape recorders.

The release referred to follows:

Passenger Planes To Have Voice Recorder in Cockpit Under New FAA Rules

Cockpit voice recorders that will record communications within the cockpit and between crew and ground facilities will be required in large passenger planes under new rules issued by the Federal Aviation Agency.

Designed to aid in accident investigation and prevention, approved cockpit voice recorders will be required by July 1, 1966 in jets and turboprop aircraft weighing more than 12,500 pounds. Pressurized four-engine piston planes will have to meet the requirement by January 1, 1967.

Installation of cockpit voice recorders is a further step toward improving air safety. It supplements the existing requirement for flight recorders on similar aircraft which have been found indispensable in helping investigators determine probable accident causes, thus developing ways to prevent accidents. The flight recorder provides vital data on such critical factors as time, altitude, heading, vertical acceleration and speed.

The voice recorder will provide firsthand information on the flight crews' comments on conditions aboard the aircraft just prior to an accident, or on procedures employed to handle emergencies. Such information will help the Civil Aeronautics Board—which has the primary responsibility for determining the "probable cause" of an accident—the FAA, and the aviation industry in general develop appropriate corrective procedures and standards.

The new regulations become effective September 2, 1964. They will require continuous operation of the voice recorder beginning with the crew's preflight check before starting up engines through completion of the final checklist at the end of the flight.

The recorder is designed to retain the last 30 minutes of conversation and to erase all previous information. It would be designed to prevent inadvertent erasure of information and have an aural or visual means for preflight checking the equipment. In addition, the recorder container would be colored bright orange and located in an area that provided maximum protection against damage from a crash impact or fire.

Four separate channels in the recorder will pick up communications at the first pilot station, second pilot station, from a cockpit-mounted area microphone, and from a possible fourth source such as a third crewmember station or the flight deck microphone connected to the plane's loudspeaker.

Carriers and operators will be required to furnish the Agency an installation schedule before October 1, 1964, specifying progressive dates for installing approved recorders. Airplanes planned to be phased out of operation before the appropriate deadline will also have to be listed.

In the event of an accident or an occurrence requiring immediate notification to CAB, tapes would have to be kept by the operator for at least 60 days, or longer if requested by the FAA or CAB. FAA would not use recordings in any civil penalty or certificate action.

Provision is made under the new rules to permit aircraft to continue operating if their recorders become inoperative after takeoff, for installing recorders in newly acquired aircraft, for flying to a place to repair an inoperative recorder, or for conducting an airworthiness flight test where the recorder must be turned off.

Technical performance standards for approved cockpit voice recorders can be obtained from FAA, HQ-620, Washington, D.C.

The new rules (Regulatory Docket No. 3008), which amend parts 4b, 40, 41, 42, and 91 of the Civil Air Regulations and part 514 of the Regulations of the Administrator, are based on a notice of proposed rulemaking (notice 63-46) issued December 18, 1963. Comments received by the Agency in response to the notice were carefully studied and were incorporated in the final regulations where appropriate.

CIVIL SERVICE INVESTIGATION

The SPEAKER pro tempore (Mr. Rooney of New York). Under previous order of the House the gentleman from Minnesota [Mr. Quie] is recognized for 60 minutes.

Mr. QUIE. Mr. Speaker, in early June I disclosed before the House the manner in which the Post Office Department was distributing jobs under the President's so-called Youth Opportunity Campaign as political patronage. On July 26, I brought to the attention of the House a great deal of information concerning this matter. It appears in the Congressional Record of that date, beginning on page 18145.

At that time, I made public my request for a Civil Service investigation of this situation. I have now received what purports to be the result of an investigation.

I have also asked of the Post Office Department a list of the names of people hired under this program. I have received the evasion of blatant bureaucratic secrecy.

Since July 26, newspapers throughout the country have helped disclose the scope of this patronage giveaway and the names of many of the people involved. I am not going to overburden the Record today with the many disclosures. Suffice it to say that included are sons and nephews of high-ranking Democrat political personages.

A few people have approached me and said, in effect, why are you concerned about Post Office patronage? Has the Post Office not always operated on a patronage basis?

To this, the answer is "Yes." But, the Youth Opportunity Campaign was to be different. When he announced it on May 23, President Johnson said the jobs should go, so far as practicable, to young people who are educationally or financially disadvantaged. All other agencies of the Government have apparently followed this criteria. So have the thousands of private businessmen, leaders of State and local government and of private organizations, who responded to the President's plea.

The Civil Service Commission sent out regulations, indicating that the prime source of youths for these jobs were to be "special rosters" developed by the U.S. Employment Service offices. These civil service regulations never mentioned patronage.

What occurred in the Post Office Department was a blatant disregard of the President's criteria and the Civil Service Commission's regulations.

Mr. Speaker, a fine background on the situation and important statistics relating to it are contained in the following article which appeared in the August 13 editions of the Minneapolis Tribune and Des Moines Register:

Washington.—The Post Office Department released statistics Thursday showing that 3,380 youths were hired for Youth Opportunity Campaign jobs this summer on the recommendation of Congressmen.

The Department statistics showed that 8,685 youths received postal jobs as part of President Johnson's program to ease summer unemployment of youth.

The Department has more detailed statistics on the manner by which 8,579 youths were hired. Of this total, 3,380 (39 percent) were hired on congressional recommendation, 3,531 (41 percent) were hired on recommendation of the employment service, and 1,676 (20 percent) were hired through other recommendations including those of postmasters, and local community agencies.

The Department statistics may underestimate the percentage of youths who received jobs through congressional influence, since the statistics credit the employment service with recommending youths who received both congressional and employment service endorsement.

A Department spokesman said that about 1,000 to 1,500 youths were hired through the Employment Service after July 21 when the White House and Civil Service Commission ordered the Post Office to stop distributing the jobs as congressional patronage.

The President originally had ordered that Federal jobs in the Youth Opportunity Campaign be given, so far as practicable to youths 16 through 21 "who need them the most because of economic or educational disadvantages." The Civil Service Commission had ordered Federal agencies to use the Employment Service as their prime source of filling the jobs.

But ranking postal officials and a White House aid started off assigning quotas of the jobs to Democratic Congressmen and members of the two congressional Post Office Committees. Republican Congressmen also were contacted after the patronage practice was disclosed.

The Department's final hiring statistics show that of 155 youth hired in Minnesota, 73 were recommended by Congressmen and the other 80 by the employment service and other sources.

On July 12, regional postal officials had reported to Representative Albert Quie, Republican, of Minnesota, that of 105 youths then hired, 75 had been recommended by Congressmen.

Since that interim report, a postal spokesman said some youths may have quit and some with both congressional and employment service endorsements now have been credited to the employment service.

The Department's final hiring statistics show that of 110 youths hired in Iowa, 39 were recommended by Congressmen, 61 by the employment service, and 10 by postmasters.

Since that interim report, a postal spokesman said some youths may have quit and some with both congressional and employment service endorsements have now been credited to the employment service.

The Post Office Department's final hiring statistics do not show how many youths were recommended by Republicans and how many by Democrats.

They do show that in the 29 States with the least jobs available a greater percentage of them went to congressional appointees than in the larger States.

In the 29 smaller States, 827 jobs (59 percent of a total of 1,401) went to youths recommended by Congressmen.

In the 21 larger States and the District of Columbia, 2,553 jobs (36 percent of a total 7,178) went to youths recommended by Congressmen.

A Post Office Department spokesman said more youths were hired through the employment service in the larger States because a greater supply of unemployed youths were available there.

A further explanation, offered by an authoritative source, is than in the larger States it was possible to permit Congressmen to appoint youths and still have ample jobs available to be filled through other sources. In the smaller States, there were only enough jobs to allot 5 to 10 of them to each interested Congressman.

If Iowa is any example, the employment service recommendations were used mostly where Congressmen made no or few recommendations.

Post Office Department officials feel, from a number of standpoints, that they have been unfairly criticized in the job controversy.

First of all, they recommended last winter that summer employees be selected on the basis of a national examination, thereby greatly reducing the pressures of congressional patronage.

The Civil Service Commission turned down the examination proposal as too costly. Postal officials reminded the Civil Service Commission of the proposal after the commission criticized the Department's patronage procedures.

In addition, at least a month before Commission Chairman John Macy criticized the Department, Postal officials had explained in some detail exactly how they were handling the jobs.

Furthermore, postal officials point out that the youth hiring proposal was not announced until late May and that other agencies involved in the campaign also were confused as to guidelines.

For example, the Post Office Department has been criticized for not following the "need criterion," but many State offices of the employment service also did not take financial need into consideration in recommending youths for the jobs.

Postal officials contend the employment service was moving too slowly to fill the summer jobs.

Postal officials and other Government officials also question how youth job applicants could be fairly evaluated on the basis of an unspecified "need" criterion in a crash program which was supposed to be underway 2 weeks after it was announced.

Finally, postal officials consider unjustified the scattered complaints of regular employees who say that the youth jobs have cut back on their own working hours.

Postal officials point out that the postal employee unions constantly complain that overtime work hours should be reduced.

The Post Office Department's official statistics on how youths were hired are:

Summer employment

State	Total	Congress	U.S. Employment Service	Other
Alabama	68	46	22	
Alaska	23	18		5
Arizona	49	40	8	1
Arkansas	66	34	28	4
California	694	318	330	46
Colorado	58	37	4	17
Connecticut	116	61	51	4
Delaware	15	15		
Florida	200	75	107	18
Georgia	169	36	51	82
Hawaii	31	30	1	
Idaho	27	17	10	
Illinois	467	76	301	90
Indiana	175	32	135	8
Iowa	110	35	64	11
Kansas	81	28	34	19
Kentucky	70	13	51	6
Louisiana	152	76	76	
Maine	33	10	23	
Maryland	234	84	85	65
Massachusetts	281	177	105	9
Michigan	352	90	233	29
Minnesota	153	73	72	8
Mississippi	31	13	18	
Missouri	228	104	85	39
Montana	40	32	8	
Nebraska	73	27	28	18
Nevada	25	20	5	
New Hampshire	42	33	5	4
New Jersey	486	227	251	8
New Mexico	35	34	1	
New York	1,026	329	226	471
North Carolina	108	74	33	1
North Dakota	35	23	12	
Ohio	458	85	361	12
Oklahoma	94	58	13	23
Oregon	69	48	21	
Pennsylvania	509	233	225	51
Rhode Island	36	8	28	
South Carolina	82	51	20	11
South Dakota	30	23	7	
Tennessee	95	62	33	
Texas	322	191	121	
Utah	24	14	10	
Vermont	12			12
Virginia	142	32	46	64
Washington	81	43	38	
West Virginia	55	30	15	10
Wisconsin	173	77	94	2
Wyoming	21	20	1	
Washington, D.C.	621	68	25	528
Total	8,577	3,380	3,521	1,676

Mr. Speaker, with this background in mind, it is interesting to consider the following information, which I have just received from Mr. John Macy, Chairman of the Civil Service Commission, in response to my request for a civil service investigation of the situation:

U.S. Civil Service Commission,
Washington, D.C., August 16, 1965.

Hon. Albert H. Quie,
House of Representatives,
Washington, D.C.

Dear Mr. Quie: As I discussed with you, the Civil Service Commission made a review of summer employment in the Post Office Department in cooperation with the Post Office Department. Attached is a statement reflecting the findings made in this review.

The Department and the Civil Service Commission have agreed to conduct a thorough study of summer employment procedures in the Department to be completed in time for use in the summer of 1966. The purpose of this study, as indicated in the statement, is to establish a program for future summer employment which will meet the operating needs of the Department on a full merit basis.

Sincerely yours,
John W. Macy, Jr.,
Chairman.

Attachment.

JOINT STATEMENT OF THE POSTMASTER GENERAL JOHN A. GROUNOUSKI AND CIVIL SERVICE COMMISSION CHAIRMAN JOHN W. MACY, JR., ON APPOINTMENTS OF SEASONAL ASSISTANTS IN THE POST OFFICE DEPARTMENT

Summer appointments in the Post Office Department have been reviewed by the Department and the U.S. Civil Service Commission. This review shows that there had been a basic misunderstanding on the part of some Department officials regarding the relationship between the regular summer employment program of the Department and the additional summer employment undertaken in response to the Youth Opportunity Campaign.

The misunderstanding was caused in part by the nature of the Post Office Department's summer requirements. In previous years seasonal assistants were used to replace regular postal employees who were on vacation and to reduce excessive overtime worked by regular employees. They were paid at the same rate, $2.29 per hour (PFS–3 level), paid to full-time employees for similar work.

This summer the Department did not believe that it was practicable to differentiate between the duties assigned to individuals appointed under their regular summer employment program and those appointed under the new Youth Opportunity Campaign. This contrasts with the operations of other agencies where it was possible to create special employment opportunities for Youth Opportunity Campaign referrals and consequently to pay the minimum Federal Youth Opportunity Campaign wage rate of $1.25 per hour.

In view of the similarity of duties and wage rates, the Post Office Department treated all summer appointments as one group. Referrals from sources which had furnished names for consideration for summer employment in the past were accepted and considered for employment to all summer jobs. State employment service referrals were also sought. However, the Department did not at the outset of the program use the State employment service's offices as the prime recruiting source.

After the initial hiring effort, the Post Office Department made all seasonal appointments solely on the basis of the needs of the Department and the needs of the individual. This included using the State employment service referrals as the primary source. A final report of hiring, in fact, shows that the State employment offices provided the largest source of employees.

The Postmaster General and the Chairman of the U.S. Civil Service Commission have determined—based on the information developed in their now completed reviews—that a thorough study of future summer employment procedures in the Department will be completed in time for use in the summer of 1966. The purpose of this study will be to establish future summer employment which will meet the operating needs of the Department on a full merit basis.

Mr. Speaker, it is certainly good to know that the Civil Service and the Post Office Department intend, in the future, to conduct this program on a merit basis. However, I might point out that this reply is not completely satisfactory. It does not answer the questions which I orginally asked be part of the Civil Service investigation. These questions were and remain:

Why patronage appointments to summer postal jobs were offered to Congressmen and why quotas were assigned Democratic Congressmen;

Why the Post Office Department ignored a May 25 Civil Service directive which ordered that State employment service rosters be used in finding jobs for needy persons;

How many postal jobs have been filled nationwide by congressional referrals and of these, how many are needy;

If patronage has been used by other departments or agencies in filling the Youth Opportunity Campaign jobs;

What were the roles of administration officials outside the Post Office Department who contacted Congressmen and assigned them job quotas;

How many jobs have been filled from congressional referrals and how many from State employment service referrals on July 20. July 20 is an important date, because it is the day the White House ordered that the patronage procedure be stopped. The statistics which I have already cited, as they appeared in the Minneapolis Tribune and Des Moines Register, were compiled at least 2 weeks later, after there had been time to hire many from USES sources.

Mr. Speaker, these questions are answered not at all or vaguely in this statement from the Civil Service and Post Office Department.

Therefore, Mr. Speaker, I have not received all the information I have requested from the Civil Service. When and if I do, I will supply the information to my colleagues.

Mr. Speaker, extremely disconcerting is the stance of Mr. Richard J. Murphy, Assistant Postmaster General, of whom I have requested the names of the people employed under the so-called Youth Opportunity Campaign. Following is an exchange of correspondence with this gentleman:

Post Office Department,
Assistant Postmaster General,
Washington, D.C., August 6, 1965.

Hon. Albert H. Quie,
House of Representatives,
Washington, D.C.

Dear Congressman: Reference is made to correspondence you have had with Mr. Adrian P. Winkel, our regional director in Minneapolis, Minn., who has referred your letter of July 23, 1965 to us for further reply.

You asked that the Department supply you with a list of the names of the young people who were placed in summer post office jobs in the States of your region—Minnesota, Wisconsin, North and South Dakota—under the President's Youth Opportunity Campaign.

For many years the Post Office Department has had a regulation providing that lists of employees, including their designations, salaries or addresses shall not be furnished to any individual, commercial firm, or other non-Federal organization. This regulation currently contained in part 744.444 of the Postal Manual is attached.

This regulation serves to protect Federal employees from harassment or invasion of their privacy. Postal employee organizations have strongly protested any change in this regulation on several occasions in the past.

The Postmaster General has advised Congressman Moss that we will immediately initiate a study of the present regulations on furnishing names of employees in an effort to determine whether or not the current regulation should be modified. Under the provisions of our agreement with the exclusive postal employee organizations, we intend to consider their views as well as the continuing needs of the Department and its employees. Until this is done, I do not feel I can release a list of names as you requested.

Sincerely yours,

RICHARD J. MURPHY,
Assistant Postmaster General.

Following is my reply to the above letter:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 10, 1965.

Mr. RICHARD J. MURPHY,
Assistant Postmaster General, Post Office Department, Bureau of Personnel, Washington, D.C.

DEAR MR. MURPHY: Thank you for your letter of August 6, in which you refuse to supply me with a list of names of young people placed in summer post office jobs in the States of my region under the President's youth opportunity campaign.

When I requested the list, I was aware of postal regulation part 744.444, which prohibits the furnishing of lists of employees to "any individual, commercial firm, or other non-Federal organization."

As a Member of the Congress of the United States, I am surprised that I am considered in this case "an individual, commercial firm, or non-Federal organization." I note that regulation 744.444 also states that "a single name or a list of names may be furnished on the written request of another Federal agency, when properly justified and its preparation would not involve excessive expense."

I believe that the interest of Members of the Congress in regard to the operation of certain programs of the Federal Government is certainly a "proper justification" and is, in fact, essential if we are to function effectively as the elected representatives of the people.

Certainly, I am not to construe from your letter that you believe I intend the harassment or invasion of the privacy of post office employees?

I assure you, I am not. I am, however, interested in knowing whether the intentions of a portion of the so-called war on poverty, which legislation I have been intimately associated with, are being carried out. I might point out to you, Mr. Murphy, that it is incumbent to the duties of a Congressman to study not only legislative proposals, but legislative effect.

Therefore, I respectfully request that you immediately provide me with a list of the names of those young people placed in summer post office jobs under the President's youth opportunities campaign in the four-State region of Minnesota, Wisconsin, North and South Dakota, as well as the rest of the Nation.

Sincerely yours,

ALBERT H. QUIE,
Member of Congress.

Mr. Speaker, Mr. Murphy replied a second time and this is what he said:

POST OFFICE DEPARTMENT,
ASSISTANT POSTMASTER GENERAL,
Washington, D.C., August 16, 1965.

Hon. ALBERT H. QUIE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: Thank you for your letter of August 10 requesting once again that I provide you with a list of names of young people placed in summer post office jobs in the four-State region of Minnesota, North Dakota, South Dakota, Iowa as well as the rest of the Nation. Regretfully, I must once again refuse to do so for the reasons stated in my letter of August 6.

Regulation 744.444 of the Postal Manual states:

"Furnishing information concerning employees: Lists of employees, including their designations, salaries, or addresses shall not be furnished to any individual, commercial firm, or other non-Federal organization. Addresses, salary, and financial information about individual employees shall not be furnished in response to public inquiries other than to verify information the employee himself has divulged for such reasons as establishing credit, buying insurance, arranging for hospitalization, etc. A single name, or a list of names may be furnished on the written request of another Federal agency when properly justified and its preparation would not involve excessive expense. Refer doubtful cases to the Regional Director for decision."

In answer to the specific points raised in your letter regarding the above-cited regulation: (1) Although you are a Member of Congress, you are certainly an "individual"; (2) Under no interpretation could you be considered to be "another Federal agency"; (3) The preparation of a list of approximately 8,500 names would, indeed, "involve an excessive expense"; (4) While I have no doubt that you do not intend the harrassment or invasion of privacy of post office employees, I call to your attention that recently in your area certain newspaper stories concerning the summer employment program have resulted in a number of our summer employees having their names printed in newspapers as though they were guilty of some serious offense rather than performing a job for the Government in a creditable fashion; (5) If I were to accede to your request and grant you a list of employees, summer or otherwise, there would be no grounds on which to refuse similar requests from others, some of whom may not have the same motives as yourself, and who may wish to make use of such lists for political or other purposes; (6) The legislation concerning the war on poverty, to which you refer, has no direct relationship to the summer employment program of the Department, which is operated from departmental funds.

The Postmaster General has advised Congressman Moss that we are initiating a study of the present regulations regarding the furnishing of names of employees in an effort to determine whether or not the regulations should be modified. Under the provisions of our agreement with the exclusive postal employee organizations, we intend to consider their views as well as the continuing needs of the Department and its employees. Until this is done, I cannot release a list of names as you have requested.

Sincerely,

RICHARD J. MURPHY,
Assistant Postmaster General.

Mr. Speaker, as I said in my letter to Mr. Murphy, I cannot see how Congressmen can carry out their duties as the elected representatives of the people if they are to be denied the most harmless information.

Therefore, Mr. Speaker, I intend to introduce a House resolution requiring the U.S. Post Office Department to provide in full the names of its employees to Members of Congress upon written request.

In addition, I have written to the Chairman of the Government Information Subcommittee as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 17, 1965.

Hon. JOHN E. MOSS,
Chairman, Government Information and Foreign Operations Subcommittee, Rayburn Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed you will find copies of certain correspondence between myself and Mr. Richard J. Murphy, Assistant Postmaster General, concerning my request for the names of young people hired by the Post Office Department under the President's youth opportunity campaign.

You will note that my request for this information is being denied under Postal Regulation 744.444. According to Mr. Murphy's letter of August 16, I am being refused on the grounds that I am an "individual."

It certainly seems to me that Members of Congress will be placed in a strange position if such a precedent is established. It should be our duties, as elected representatives of the people, to make regular inquiry into the operation of various governmental programs. If we are to be constantly denied access to the most harmless of information, I cannot see how we can possibly fulfill our duty.

I am sending you the copies of this correspondence in the belief that it may be of use to you in your work as chairman of a Government Information Subcommittee. You may rest assured that I appreciate the concern you have already shown in this matter.

Sincerely yours,

ALBERT H. QUIE,
Member of Congress.

THE LOS ANGELES SITUATION

The SPEAKER pro tempore (Mr. ROONEY of New York). Under previous order of the House, the gentleman from South Carolina [Mr. WATSON], is recognized for 15 minutes.

Mr. WATSON. Mr. Speaker, every American should hang his head in shame over the activities which are now going on in Los Angeles, Calif., and other areas of the United States. But this era of lawlessness will not stop until the responsibility for its occurrence is assumed by the rightful authorities and they, in turn, demonstrate a determination to condemn rather than condone and excuse such outrageous disregard for law and order.

The insurrection they are experiencing in California is the responsibility of the President, his Attorney General, the Federal courts and such professional troublemakers as Martin King. I intentionally do not use his supposedly full name, for I understand such was not his given name, but in any event to do so is to desecrate the memory of that great religious leader, Martin Luther. Additionally, a majority of this Congress must assume a part of the responsibility.

While local law enforcement officers throughout the United States have attempted to maintain law and order, we find King openly advocating defiance of law and even recently injecting himself into international negotiations by advocating withdrawal of American forces from Vietnam. When told that his proposal to negotiate directly with the Communists was against American law, he, as in the past, simply threw it off with the comment: "It is unfortunate that my plans conflict with the law." Repeatedly he has advocated the violation of local law, and he and his cohorts have led thousands of Americans into a life of civil disobedience. He cannot disavow his responsibility for what is occurring in Los Angeles. He cannot teach and lead young people to disobey one law and then criticize them for disobeying any other law regardless of how grave the consequences may be. The fact that the punishment for or the gravity of the violation differs does not excuse the violators.

Without question, King and his cohorts have done irreparable damage to America in the destruction of our prestige abroad and in the breakdown of law enforcement at home. King is the most dangerous man in the United States, and unless he is checked immediately the seeds of insurrection which are now germinating in Los Angeles will erupt into widespread revolution.

Obviously, Martin King considers himself above and beyond the law. He is calling the shots and for obvious political reasons the Attorney General and the President refuse to stop him. Regardless of what King and others may say, we still profess to be a government of laws and not of men, and it is imperative that obedience to law and respect for our law enforcement officers be restored. As long as King gets what he wants, the tide of terrorism will never be turned back.

Mr. Speaker, we cannot expect the violence and demonstrations to cease unless positive and firm punishment is given the violators on the local level and such measures receive the support of the administration and the Federal courts.

Today the racial troublemaker has a virtual Federal license to violate local laws. He knows that local officials and courts are powerless to punish him. He knows that the Federal authorities will free him as quickly as the local authorities convict him. In fact, he knows that in one instance a Federal official had the temerity to post bonds for some of the law violators in my great State of South Carolina.

This general breakdown of law and order is contributed to by the President when he stands before this Congress and the American people and personally repeats the chant of the troublemaker, "We shall overcome." He will be powerless to control the mobs so long as respect is shown King and other advocates of disorder and the President himself takes the position, as he has done, that demonstrations and sit-ins are in the best tradition of the American Republic.

Then, too, a majority of this Congress, in the passage of so many far-reaching and unconstitutional civil rights measures, has given comfort and encouragement to the lawless. I stated on the floor of this House when we were debating the Civil Rights Act of 1964, that the passage of that measure would not solve any of our problems but would, in fact, create more frustration and encourage the lawless. You do not provide jobs by the passage of a law. You do not bring about better understanding and mutual respect among our citizenry by the passage of a law. Racial problems vary from State to State and county to county and will be solved, as indeed they were being solved before Federal intervention, on a local level.

Mr. Speaker, we cannot sit by quietly while 32 persons, black and white, are killed, 600 wounded and over 3,000 jailed with over $175 million worth of private property burned or destroyed. Martin King will not be able to stop this insurrection for, although he was a recipient of the Nobel Peace Prize, he has indeed inspired lawlessness and has brought about more unrest and violence in the United States than any other man in the history of our country. Neither can the President and the Department of Justice deal effectively with this grave problem until their attitude and that of the Federal courts is changed from respect for to rejection of the leaders of violence.

It is imperative that we stop coddling and encouraging the troublemaker. It is imperative that our Federal authorities give full support to our local law enforcement officers, for lawlessness even in the name of social justice is still lawlessness. It is imperative that we commend the officer who is trying to do his duty rather than condemning him and commending the violator. Unfortunately, today, a person who is injured or killed as a troublemaker is made a martyr, with personal attention from the President, while the local law enforcement officer who is guilty of no offense other than trying to perform his duty is criticized and subjected to public scorn. Indeed, the officer is made a heel while the offender is made a hero. It is high time that the rights of the overwhelming majority of our citizens are considered and that strong measures are taken to control the lawless. Unless this is done, and done immediately, the seeds of anarchy will continue to germinate and will ultimately burst into revolution.

While I do not contend that all of the civil rights agitators and troublemakers are Communists or Communist sympathizers, we cannot escape the conclusion that what is going on in California and other parts of this great Nation is playing into the hands of the Communists and presents a serious threat to the future of this country. There must be a reversal of the attitude on the part of the President, the Attorney General, the national press, and the leadership of this country before this rioting and mob rule will be controlled.

Mr. Speaker, we cannot cater to every whim and caprice of the civil rights agitator, as has been done in recent years, without destroying this country. King and his cohorts have an insatiable desire for power and they will not stop until they control every aspect of our national life. God forbid that we cooperate with them in the destruction of America.

A STEP FORWARD AT THE UNITED NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. COHELAN], is recognized for 15 minutes.

Mr. COHELAN. Mr. Speaker, earlier this month, along with the distinguished gentleman from Wisconsin [Mr. REUSS], I urged that the United States take a new look at its position regarding article 19 of the United Nations Charter.

It was quite clear then, as it has been for some time, that the American effort to make the Soviet Union and other nations pay their share of the U.N.'s Congo and Middle East operations, or lose their vote in the General Assembly, has paralyzed the Assembly but failed to make the delinquent parties pay up. As the Washington Post correctly stated in an editorial yesterday:

> Though legally and morally right, the United States has gotten nowhere.

It has been equally clear for some time now that at this state of international relations no world power can be compelled to pay for peacekeeping operations of which it disapproves; any effort to force the issue, to insist on the proper provisions of article 19, could only serve to destroy the United Nations.

The problem of the U.N.'s $108 million deficit remains, and it is a serious problem. But it can be resolved through voluntary contributions. Several countries have already followed this route and others have indicated they will do so.

The problem of future peacekeeping operations remains as well. But here again it can be resolved by voluntary United Nations peacekeeping forces with participation restricted to those willing to share in its costs. In this respect it is worth remembering that several of the U.N.'s peacekeeping operations, including the present effort on Cyprus, have been conducted on a voluntary basis.

Mr. Speaker, our primary objective in regard to the United Nations should not be merely to keep it alive but to strengthen it and to enable it to deal with the very difficult and dangerous problems of today and tomorrow. One such step would be to deal with the overall problem of U.N. financing; to put the U.N. on a firmer financial footing where it would not find itself continually in such a dependent state.

Another step would be to create a permanent standby peacekeeping force made up of representatives of many nations so that the reluctance of one or several countries to participate at a particular time or place would not preclude quick and effective action.

A third step is the one taken by Ambassador Goldberg yesterday at the 33-nation Committee on Peacekeeping Operations. It was not, I am sure, a pleasant step for the Ambassador to take. We had an advisory opinion of the World Court on our side. But it was a necessary step if the United Nations is to survive its present crisis and if it is to move forward to fulfill man's hopes for world stability and world peace.

Mr. Speaker, I include the editorial from yesterday's Washington Post, that I have already mentioned, which speaks further and pointedly to this issue:

PRIDE SWALLOWING AT U.N.

In this imperfect life, no matter how right you are you may not be given deserved support. Such is the case of the United States valiant fight to have article XIX enforced at the United Nations.

Article XIX of the U.N. Charter provides that nations more than 2 years delinquent in their dues lose their vote in the General Assembly. The World Court, in an advisory opinion, has ruled that article XIX also applies to such U.N. peacekeeping operations as the Congo and the Middle East.

The Soviet Union, the Eastern European Communists, France and a number of other nations who disapprove of the U.N. Congo or Middle East peacekeeping operations, or both, have refused to pay their assessments and now are more than 2 years behind in their bills. The United States, both as a matter of principle and out of annoyance at having to perpetually make up the deficit of an ever-broke U.N., has insisted on the enforcement of article XIX against these delinquents.

Though legally and morally right, the United States has gotten nowhere. The majority of U.N. members have refused to have a showdown denying the Soviet Union its vote, because it might force a Soviet walkout from the U.N. altogether. Rather than face up to the issue, the General Assembly last February decided to adjourn its session—and reassemble, with a solution worked out, this September 1.

Today, a committee of 33 nations charged with finding a solution, reconvenes in New York. U.S. Ambassador to the U.N., Arthur Goldberg, will be making his maiden appearance and so far is the only speaker inscribed.

As distasteful as it may be, the United States now is faced with the alternative of either sticking by its position—right as it may be—or giving in and permitting the General Assembly to vote—delinquents as well as dues payers—and get about its business.

Such a U.S. capitulation will be an expediency, nothing more. It will not solve the essential problem of how the United Nations is to finance peacekeeping operations in the future. It will open the door to what some Senators now are urging, punitive U.S. actions in the future in which this country will have its turn at holding back payments.

It will, in a very real sense, mean conceding to the Soviet Union, France, et al., that the veto-less General Assembly, which voted the funds for the Congo and Middle East peacekeeping operations, is not the proper place; that such votes must take place in the Security Council where the great powers can veto them.

One alternative, advanced by Senator GEORGE D. AIKEN, would have future peacekeeping funds come from the almost-untapped special reserve fund of the World Bank. This fund, which is growing at the rate of $150 million a year and now totals some $1 billion, represents free world money with no Communist contributions. But the free world, which is footing the peacekeeping bills now anyway at least would be granted a way of financing future Congo-type operations free of a Security Council veto.

Voluntary contributions from the U.N. membership itself would, of course, be another alternative.

Whatever the solution, the time unfortunately has come for the United States to acknowledge that its fight to get article XIX enforced has made no progress. This newspaper, which has fought for the article XIX principle in the past, and still acknowledges it to be the correct legal solution, is persuaded that this country must give way in order to permit the United Nations to resume whatever business it now is capable of performing.

THE FARM BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 10 minutes.

Mr. FOGARTY. Mr. Speaker, the farm bill now before us gives all of us the feeling that "we have been here before"; that we have wrestled for many years with a situation only made worse by the U.S. Department of Agriculture and by our own willingness to go along—at times—with Agriculture Department officials who obviously do not know what they are doing.

To be sure, we have rejected some of the more flagrant schemes of the Agriculture Department—as we did in 1961—but any member who sits on the Appropriations Committee is compelled, by mere force of figures, to conclude that we have helped create an inexcusable situation.

Last year, we moved a farm bill that was much like the one we are acting upon now. The 1964 bill was bad, but it was not nearly as bad as this one.

Last year, we received all sorts of idle promises—cotton prices to consumers would be lowered, Government costs would be lowered, flour prices would not go up—and on and on and on and on.

Now, here we are a bare 16 months later and we find that the Federal Treasury has spent $3 billion in 1 year on cotton, wheat, and feed grains, and that within this very month, the same U.S. Department of Agriculture predicted this Nation will harvest the all-time record high crop of feed grains, and that cotton and wheat production will be at near-peak points.

It is very easy to say all this, but we should let it sink in—$3 billion in 1 year spent for programs that we were told would help to bring things into balance. And yet, $3 billion later, we have a record production, our cotton exports are down to a miserable point, cotton surpluses are extremely high, wheat production is high, and feed grains are setting a new record.

I say again, the U.S. Department of Agriculture does not know what it is doing, and it is about time we on this floor told the Department just that in plain, unvarnished words by defeating this legislation.

Some of you will think—as I speak—that I speak strictly from the urban point of view. I acknowledge fully that my chief interests lie in urban groups, but I have at heart the interests of all Americans. In that connection I was most gratified to see that only last Friday the distinguished senior Senator from the State of New Mexico, Mr. CLINTON P. ANDERSON—himself a former Secretary of Agriculture—expressed many of the same opinions I long have held in farm matters. It is, indeed, most helpful to find Senator ANDERSON—an acknowledged expert in the field of agriculture—taking essentially the same point of view that I have espoused over these many years of one farm bill after another.

I, for one, would be most interested in any thoughtful response the U.S. Department of Agriculture made to the words of Senator ANDERSON, but I think we all know that reply will not be forthcoming. We can expect, however, a response of "pie in the sky." We can expect, too, I am sure, some sort of idle estimate of all the horrors which would have been if the Department of Agriculture was not all wise. Heaven help us.

Just a year ago this month, I stood on this floor and predicted that the Department of Agriculture would be back this year to "nick the consumers"—as I believe I put it then.

I had hoped I would be wrong, but the U.S. Department of Agriculture—by sponsoring this legislation today—only has proven me right.

I find the wheat sections of this bill wholly repugnant, and I know many other Members feel the same way. I am fully aware of all the maneuvering that has been going on to try to make this bad bill palatable, but I am opposed to it no matter how our people are taxed to pay for it—whether by a bread tax or by a general tax.

Let us look at the background of this wheat certificate idea.

Back in May of 1963, the wheat farmers of this country said very loudly in a referendum that they did not want a certificate plan for wheat.

But, 16 months ago, the Department of Agriculture came up with a bread tax—a regressive tax—upon consumers of 75 cents a bushel, and that proposal passed this Chamber by a narrow vote. As a result of that vote, the consumers of this Nation have spent $375 million in bread taxes—and by bread I mean all those other foods of which wheat is an essential part—pastries, macaroni, cake, and flour itself.

Not satisfied with that, the same Department then returned this year and proposed a still larger bread tax of $1.25 on a bushel of wheat. That would shoot up food prices all the more. This would cost consumers $625 million a year. Just think of it—$625 million a year, and yet we are told this is not a big item.

Early this week, the opposition to that second bread tax reached such proportions that the managers of this legislation—and the U.S. Department of Agriculture—created a scheme to try to get out from under.

They proposed, in a makeshift arrangement, to charge that extra 50 cents of the bread tax to the Treasury—that is $250 million.

Mr. Speaker, I do not care what they call this tax, or how they shield it. A tax of $250 million is just that—whether by bread tax or general tax.

But, the planners of early this week still left in this bill that earlier bread tax of 75 cents a bushel. That is still a direct charge upon consumers of $375 million.

Now—I have an important question: How can the backers of this legislation be for a partial bread tax?

Is the principle sound, or is it not?

How can they be for 75 cents in bread tax and 50 cents in direct tax? Which is correct?

My own answer is simple—neither is correct.

As I have said before, I speak not only from the urban point of view, but from a national position. I believe the wheat growers when they said in 1963 that they do not want a certificate plan for wheat.

But, the U.S. Department of Agriculture never is dissuaded apparently.

I ask: Who does want this legislation? Why? Farmers do not want it, consumers do not want it. Who is left? That is a rhetorical question which only the U.S. Department of Agriculture would be foolish enough to try to answer.

Now as to cotton. You all remember the tall stories of a year ago—cotton textiles would be cheaper, the cotton industry would be healthier. It all sounded too good. Many of us did not believe it. Would that still more of us had not believed it because it never happened.

Let us look at the figures. Total disappearance of cotton under the new program fell below expectations by 700,000 bales—that is 500 pounds to a bale—and below actual disappearance of the preceding year by 1 million bales. The carryover of cotton, now estimated at 14.2 million bales, is an increase of 2.1 million bales over a year earlier. The present stocks are only 200,000 bales under the all-time high record surplus of 1956.

We were told that last year's bill was an attempt to put into effect a one-price system for cotton. I agree wholeheartedly that we badly need a one-price system for cotton, but the remedy is not to pay out millions of dollars in double subsidies. The remedy is to lower the farm price support to the end that our own textile manufacturers will be able to buy cotton at more nearly the price at which foreign mills can buy it.

During this current year, we are paying out a billion and a half dollars in subsidies to textile mills. Now, today's bill would transfer that subsidy to cotton producers, who also do not want it.

I am against the principle of a double subsidy—for cotton or for anything else.

I am for the consumer in this area, too. You will remember those grandiose promises of 16 months ago—how cotton textiles would be cheaper. Well, cotton textile cloth is not cheaper, even after we have spent a billion and a half dollars for the cotton program in 1 year.

Mr. Speaker, this farm bill touches many other areas—all having to do with food and fiber.

Coming as I do from a small town in which much fruit is grown, I am forced to wonder why we have not spent billions to support the fruitgrowers. I am not advocating that expenditure of money, simply wondering.

But, I can tell you this. The fruitgrowers of my little town are doing very well, thank you, without Government subsidies. If the U.S. Department of Agriculture ever proposes subsidies for fruitgrowers—and I have come to expect almost anything from that Department—I can tell you that I will strenuously oppose that, too, because I would not want to be guilty of handicapping my fruitgrower friends with a Government subsidy.

LAWRENCE F. O'BRIEN

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. King] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KING of California. Mr. Speaker, I include in the Record an article by Robert E. Thompson, appearing in the Los Angeles Times on Sunday, August 15, 1965, concerning the much esteemed Presidential aide, Lawrence F. O'Brien:

TOP KENNEDY, JOHNSON AIDE DUE TO STEP DOWN—PRESIDENTIAL ASSISTANT LAWRENCE O'BRIEN MAY RUN FOR SENATE FROM MASSACHUSETTS

(By Robert E. Thompson)

WASHINGTON.—As Congress strides toward adjournment, the door appears to be closing on the remarkable White House tenure of Lawrence F. O'Brien, last of John F. Kennedy's pre-1960 associates to remain in Lyndon B. Johnson's intimate service.

After nearly 5 years, O'Brien is expected to step down this autumn as special Presidential assistant in charge of congressional liaison.

He may enter private business or, more likely, he may seek his own political fortunes in Massachusetts, taking aim at the Senate seat now held by Senator Leverett Saltonstall, Republican, of Massachusetts.

LEAVES GOOD RECORD

But whatever his future route, O'Brien will leave behind a record of unprecedented accomplishment in his maneuvers between the executive and legislative branches of the Federal Government.

Working first with Mr. Kennedy and then with Mr. Johnson, he has since 1961 been able to win congressional approval for almost every major legislative objective of the New Frontier and the Great Society.

He also transformed the makeshift White House congressional relations operation of the past into a viable, permanent agency within the executive arm.

The task has been a difficult one. The pressures have been brutal.

While Mr. Kennedy lived, O'Brien was confronted with Congresses in which numerical Democratic control was highly deceptive. He constantly faced the turmoil of winning legislative victories against a powerful coalition of Southern Democrats and Republicans. Sometimes he lost.

HOLDS TOUGH JOB

With Mr. Johnson, he has been charged with conducting the congressional operations for a President who probably knows more about the inner workings of Congress than any other living man.

But, in the past year, there has been a new and more personally vexing pressure on O'Brien.

For his loyalty to Mr. Johnson has been interpreted by some of his close associates of the New Frontier as disloyalty to the memory of Mr. Kennedy.

While he has worked arduously to achieve legislative goals which were handed down to Mr. Johnson from Mr. Kennedy, O'Brien has been the target of bitter innuendo from individuals who once were his closest friends. But he has withstood the ordeal in soldierly fashion.

JOHNSON GRATEFUL

No man was more dedicated to Mr. Kennedy or more bereaved by his assassination. Yet no man who was deeply involved in Mr. Kennedy's public life has done more to assist the late President's personally chosen successor.

Mr. Johnson is cognizant of the torment heaped upon O'Brien by old friends and allies. He also is appreciative of the services performed for him by O'Brien.

When he signed the medicare law in Independence, Mo., on July 30 the President publicly described O'Brien as "the White House's best legislator."

When he affixed his name to the Voting Rights Act 2 weeks ago, Mr. Johnson summoned O'Brien to his side and threw an arm about him to demonstrate his appreciation.

These were not idle gestures. For Mr. Johnson knows, as do most Members of Congress, that O'Brien is closest thing to a political genius that the Democratic Party has discovered since James A. Farley.

He was the architect of the organization which helped Mr. Kennedy defeat Henry Cabot Lodge in the 1952 Massachusetts Senate race, to win an amazing reelection victory in 1958, to capture the Democratic presidential nomination in 1960 and to defeat Richard M. Nixon in the election of that year.

The handbook of Democratic organization which O'Brien wrote a few years ago has become the campaign bible for both parties. Senator Barry Goldwater admitted to O'Brien last year that he borrowed heavily from the handbook in charting his successful campaign for the Republican presidential nomination.

The fact that Goldwater could enjoy a friendly chat with O'Brien amid the heat of an acrid campaign was not unusual. For while O'Brien has been shrewd and tough in combat, one of the marks of his White House service has been that he has made few enemies.

A gregarious, articulate Irishman, O'Brien enjoys friendships on both sides of the aisle in Congress. It would be difficult, even after 5 years, to find a single legislator who bears personal animosity toward the director of the White House liaison operation.

HE OFTEN WINS

Yet O'Brien has defeated some powerful men on some vital issues, beginning with his successful move in January 1961, to enlarge the House Rules Committee and thus dilute the authority of its conservative chairman, Representative Howard Smith, Democrat, of Virginia.

Even those who disagree sharply with the ideology of the Kennedy-Johnson administrations agree that O'Brien has helped put together a monumental record of legislative accomplishment.

Mr. Johnson, of course, has exerted tremendous personal persuasion on Congress, sparing no effort to win passage of his program. But he has counted heavily on O'Brien.

During O'Brien's years at the White House, Congress has established the Peace Corps and the Alliance for Progress. It also has approved such far-reaching measures as the nuclear test ban treaty, the $1.25 an hour minimum wage, the International Trade Expansion Act, the $11 billion income tax cut, the $4 billion slash in excise taxes, the first Federal program of aid to education, medicare, the war on poverty, aid to Appalachia, the Civil Rights Act of 1964 and the Voting Rights Act of 1965, and expansion of the housing, desalination, natural resources, health, and mass transportation programs.

With this record behind him O'Brien is considering returning to his native State to seek the Democratic Senate nomination and then run against Senator SALTONSTALL.

If he pursues this course, O'Brien could be in for the toughest battle he has faced.

A BILL TO REHABILITATE THE DISTRIBUTION SYSTEM OF THE RED BLUFF PROJECT AT TEXAS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. WHITE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITE of Texas. Mr. Speaker, with great personal satisfaction I am today introducing a bill to authorize the Bureau of Reclamation to undertake rehabilitation of the Red Bluff project in my home State of Texas. This work is urgently needed to restore vitality to a sizable area in the western part of the State. Congress has enacted comprehensive legislation in recent years designed to inject new life into Appalachia and other economically depressed areas of our affluent Nation. With the passage of legislation along the lines of the bill I am introducing, Congress would be making another solid contribution to our national goal of a balanced economy with equal opportunity for all.

The Red Bluff area includes portions of four counties situated in the Pecos River Basin. These counties are Reeves, Loving, Pecos, and Ward, and all are in great need of the area development assistance contemplated by rehabilitation of the water supply system in the Red Bluff area.

The known use of water from the Pecos River for irrigation dates back to 1877. Those who saw this area 40 years ago recall that it was a veritable garden in the midst of a vast desert. Today, one can only say that it is rapidly returning to the desert because the water available for irrigation has been unsuitable in quality and grossly inadequate in quantity. The Bureau of Reclamation plan for rehabilitation which this bill would authorize would greatly alleviate the situation. Unfortunately, it is not possible to remove these problems entirely, but new hope can be given to the people who reside in these counties. Once again this garden in the west of Texas can be made to bloom.

In 5 of the last 10 years fewer than 5,000 acres have been irrigated under the Red Bluff project, and even these have had an inadequate supply. In 2 of the other 5 years fewer than 20,000 acres were irrigated, and the maximum acreage in any of these years was 29,800.

Of the water available in Red Bluff Reservoir today an average of only 45 percent reaches the land for irrigation because of seepage losses and transpiration by phreatophytes such as salt cedars. The Bureau plan of rehabilitation contemplates a concrete-lined canal to replace the present-day use of the bed of the Pecos River below Mentone. As a result of this canal, engineers of the Bureau of Reclamation estimate that 75 percent of the available water would be delivered to the farms. It is estimated that this rehabilitation plan would increase farm deliveries of irrigation water by 67 percent, or 26,700 acre-feet annually.

With rehabilitation the Red Bluff project would provide a dependable water supply for 22,000 acres and an intermittent supply for an additional 13,000 acres. It is estimated that the quality of the water would be improved by 10 percent under this plan.

The fine people who live in this area realize that good management of their water resources will be necessary if their garden spot is to be successfully restored. Consequently, they are prepared to agree that their water supply will be used only on free-draining soils capable of sustained irrigation. They are prepared to assume this responsibility, and provision is made for it in the bill introduced today.

The people in the Red Bluff area also recognize that the benefits of rehabilitation should be spread widely over the area. As noted in the Bureau report the acreage to be supplied will be apportioned among the seven irrigation districts now existing under Red Bluff Dam. The bill provides that no individual landowner shall receive more water than that reasonably necessary to irrigate 160 acres of free-draining lands capable of sustained irrigation. This provision is wholly in keeping with the land limitation provisions of reclamation law.

The people in the area will rehabilitate the laterals at their own expense. In addition they are willing to have their repayment capacity reviewed every 5 years so that they will repay all that they can of the Federal investment.

In conclusion this bill will rescue the people of this fine area in west Texas from economic desolation. No legislation could have a more worthy and urgent objective.

THE 1965 CAPTIVE NATIONS WEEK AND A SPECIAL COMMITTEE ON CAPTIVE NATIONS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FLOOD. Mr. Speaker, internationally as well as domestically, the 1965 Captive Nations Week observance achieved the greatest success on record. Since its inception in July 1959, and under the guidance of the National Captive Nations Committee here in our National Capital, the week has progressively grown and attracted the thoughts and energies of broad sections of our society. As the examples attached to my remarks will show, the week's observance has made an impact on a number of foreign countries.

This steady growth of interest in and dedication to the freedom of the captive nations in Eastern Europe, the U.S.S.R., Asia, and in Cuba intensifies the need for a Special House Committee on the Captive Nations. It provides a broad basis for the appeal of such a committee, and indicates the enormous amount of work that has yet to be done in enlightening free world opinion as to the breadth and depth of Sino-Soviet Russian imperiocolonialism. The plain fact is that no existing committee in the House has the time or resources, not to mention appropriate jurisdiction covering the vast geographical scope of all the captive nations, to accomplish this necessary work in behalf of new legislation contributing to the security interests of our country and the free world.

Mr. Speaker, over 30 resolutions calling for a Special Committee on the Captive Nations are pending in the Rules Committee. That committee has yet to place this measure for a decisive vote. Hopefully, I again call upon our colleagues in the Rules Committee to give this measure a fair and honest consideration. There is broad, sympathetic support for this measure in our Chamber of Congress. As the many Captive Nations Week observances have shown, there is wide national support for such a committee. We should not allow this opportunity to slip by, this time that we have to be wasted, while the Red totalitarians in Eastern Europe and Asia are licking their economic wounds and yet pursuing their goals of covert, psychopolitical aggression throughout the world.

I join with many of my distinguished colleagues in paying tribute to the millions of Americans who contributed to the success of the 1965 Captive Nations Week. As indications of the scope of this past observance, I request that the following selected examples be printed as parts of my remarks:

First, the proclamation of Mayor John F. Shelley, of San Francisco; second, special greetings by President Ibrahim Scekahmed Afrah, of the Somali African Union; third, the program of the Republic of China, President Chiang Kai-shek's message, and the main declarations and addresses of the Free Chinese observance; fourth, an Australian resolution on the week; fifth, a partial report on the week in Svoboda; sixth, the program of the captive nations breakfast in Washington, D.C., and the chief reports, messages, and addresses of the local observance; seventh, reports and an editorial on the week in the Hairenik Weekly; eighth, press reports in the Tablet, New York Herald Tribune, the New York Times, New York Journal American, New York Daily News, the Arizona Republic, the Miami Herald, and the Miami News; ninth, the program of the south Florida observance and its informative releases; and tenth, concerning the week, the Ukrainian Bulletin editorial "Captive Nations Versus Communist Wars of Liberation," Dr. Frederick Brown Harris' excellent article "'Ring It, Ring It, Ring It Again," the salute of the Blue Army of Our Lady of Fatima, and the pastoral appeal of the Most Revenend Ambrose Senyshyn, in addition to the other reports that appeared in America on July 22:

Office of the Mayor,
San Francisco.

Whereas in accordance with Public Law 86-90, unanimously adopted by the 89th Congress, authorizing the third week of July each year to be proclaimed Captive Nations Week until such time as freedom and independence shall have been achieved for all the captive nations of the world, the period of July 18–25, 1965, will be observed throughout the United States as Captive Nations Week; and

Whereas the city of San Francisco includes a great many people who have roots in the captive countries, and it is in keeping with the traditions of this city that its people express their interest in the freedom of other nations: Now, therefore

I, John F. Shelley, mayor of the city and county of San Francisco, do hereby proclaim the week of July 18–25, 1965, to be Captive Nations Week in San Francisco, and I do urge all citizens to join in appropriate observances thereof and to support the just aspirations of all peoples for national freedom and independence.

John F. Shelley,
Mayor.

Somali African Union,
Mogadiscio, July 10, 1965.

National Captive Nations Committee,
4520 Kling Drive,
Alexandria, Va.

Dear Sir: On the occasion of the July third week of the Captive Nations week by the United States, I extend to all of our friends and allies of the National Captive Nations Committee in the United States our warmest greetings and best wishes for the most successful and resounding celebration. In spirit and in thought we of the Somali African Union are one with you and commemorate this all-important week.

The Somali African Union and all its associated member organizations reaffirm their firm determination to advance the objective of a liberated mainland China, to prevent the disastrous admission of totalitarian Peiping to the United Nations, and to intensify the bonds of indissoluble friendship and alliance with all anti-Communist groups in Asia, Africa, Latin America, for the expansion of freedom throughout the Red totalitarian empire.

With best wishes and regards,

Yours truly.

Ierahim Scekahmed Afrah,
President of Somali African Union.

PROGRAM OF THE MASS RALLY BY PEOPLE OF THE REPUBLIC OF CHINA IN SUPPORT OF THE CAPTIVE NATIONS WEEK MOVEMENT

1. Opening of the rally.
2. Chairman and members of the Presidum in chairs.
3. Audience standing up.
4. Band play.
5. National anthem.
6. Salute to national flag and to the late Dr. Sun Yat-sen, father of the Republic of China.
7. One minute's silence in memory of deceased captive people under Communist slavery.
8. Reading the message from H. E. President Chiang.
9. Reading the Proclamation on Captive Nations Week, 1965, by the President of the United States of America.
10. Report by the chairman, Mr. Ku Cheng-kang.
11. Speech by Premier Yen.
12. Speeches by guest speakers: (a) U.S. Congressman Joe D. Waggonner, Jr., Representative from the National Captive Nations Committee in the United States of America; (b) Prof. Ivan London.
13. Adoption of declaration and resolutions.
14. Chanting slogans.
15. Band play.
16. Meeting adjourned.

H. E. PRESIDENT CHIANG KAI-SHEK'S MESSAGE TO THE MASS RALLY IN OBSERVANCE OF THE CAPTIVE NATIONS WEEK, JULY 24, 1965

It is gratifying to note that since their first response to the Captive Nations Week movement, civic groups and people in the Republic of China have done much to help strengthen the democratic bloc and at the same time bring about a better understanding of the real danger of communism. The Chinese Communists, in their attempt to reinforce the Iron Curtain and enslave people everywhere, have enlarged the scope of their aggression and subversion against the free world. The war in Vietnam and the turmoil in the Dominican Republic are brush fires started by the Communists to threaten the freedom and security of mankind. At this critical juncture, we are holding a mass rally to support the recovery of freedom by the captive peoples. This is a matter of great significance.

Today the most pressing problems facing the democratic countries are the prevention of further Communist encroachment and expansion, the safeguarding of the free world so that no more people will be enslaved by the Communists, and, finally, the taking of steps to tear down the Iron Curtain so that those already enslaved can be set free.

The Chinese Communists are the principal perpetrators of the troubles in Asia and also the arch enemy of mankind. Judging from their diabolical nuclear explosions and their vicious instigation of North Vietnamese aggression against the Republic of Vietnam, it is their ambition to communize the world and enslave mankind. The outcome of the Vietnam war, therefore, will decide not only the independence of the Republic of Vietnam and the freedom of its people, but also the destiny of other Asian peoples and the peace and security of the world.

We Asians must fight in self-defense. We must remain firm in our conviction, strengthen our cooperation and assume a greater responsibility in supporting the Republic of Vietnam. We must go one step farther to eliminate the Peiping regime with a single blow before it can develop nuclear weapons, thus winning total victory in our struggle against communism and sparing the world and mankind the scourge of a nuclear war.

The Chinese Communists have bled the mainland white in order to carry out nuclear explosions. As a result of their tyrannical measures, our compatriots there are in a more desperate plight. Their anti-Communist activities consequently have become stronger and stronger. The scope has been extended from inland provinces to such frontier regions as Sinkiang, Chinghia, and Tibet. The Chinese Reds are backing the war in Vietnam and vociferously shouting anti-American slogans and threatening to invade Taiwan in hope to be able to avert internal crises. They will not hesitate to sacrifice the people in a last attempt. Despite their seemingly belligerent attitude, they are actually betraying their own weakness.

At this moment the Chinese Communists are fast digging their own graves and our compatriots on the mainland are rising up in ceaseless anti-Communist revolts. This presents us with an excellent opportunity for our counterattack to recover the mainland. We must heighten our vigilance, complete our war preparations and merge our strength with the anti-Communist forces on the mainland. Then we shall recover our lost territory, construct a new nation based on the three principles of the people and open up a victorious and brilliant new vista for all the captive peoples of the world in their courageous struggle to defeat communism and win freedom.

DECLARATION OF THE CAPTIVE NATIONS WEEK MASS RALLY

At this moment when a billion people are enslaved by the Communists behind the Iron Curtain and when the Chinese Communists are conducting an all-out war of aggression in Vietnam and carrying out subversive plots in Africa and Latin America, we people from all walks of life are gathered today in Taipei in the Republic of China for a mass rally to support the Captive Nations Week movement that originated in the United States. We are deeply aware that our responsibility runs even deeper than support for the peoples of the enslaved nations in regaining their lost freedom. The urgency of the times requires that we go all-out to check Communist aggression and to protect those whose freedom is endangered so that they, too, will not fall into Communist slavery.

The war in Vietnam is a decisive chapter of the battle between democratic freedom and totalitarian slavery. The outcome not only will be decisive for the independence of the Vietnamese nation and the freedom of its people but also for the peace and security of all Asia. Moreover, it will have great bearing on the prospects for the freedom of man and for world peace. The Vietnam war is not merely a war of the Vietnamese people for the cause of freedom but is a war for freedom of all the people of the world.

We fully support the firm policy of U.S. President Lyndon Johnson in defending the freedom and independence of Vietnam. The United States is fulfilling its role as leader of the free world and is demonstrating the American dedication to human rights and to faith and freedom on which the American Nation was founded. Besides our unanimous support for U.S. policy in Vietnam, we people of Asia are willing to exert ourselves to the utmost, and with the objective of supporting the United States to help Vietnam, will fight together with the American Government and people to achieve victory in this anti-Communist war. We express our deepest respect and admiration to the great majority of the American people for their appreciation of justice and righteousness and for backing their Government's action in helping the Vietnamese. By so doing, they have crushed the Communists' united front schemes for creating dissension within the democratic camp.

We wish to point out that the Vietnam war inevitably will evolve into a long, drawn-out conflict because:

It is not possible to bring about a nonviolent settlement because the Chinese Communists and the Vietcong have refused to negotiate peace;

The Chinese Communists and Vietcong have declared they will no longer abide by the Geneva Conference decision to divide North and South Vietnam at the 17th parallel;

The Chinese Communists, taking advantage of the monsoon season in Vietnam, have instructed the Vietcong to launch an all-out offensive.

For these reasons, we must call upon the United States, as leader of the free world, to carry out its firm Vietnam policy with resoluteness and to take the initiative for more positive actions to deal the Communists a decisive blow so that Communist aggression can be brought to an end at an earlier time.

Vietnam is a part of Asia. The Asian peoples have their own unique historical and cultural traditions and psychological patterns. Only by mobilizing Asia's own anti-Communist power to take up the major responsibility for defending Vietnam can Communist aggression be checked in Vietnam and Communist schemes of infiltration and subversion be frustrated in Thailand, Malaysia, and other free areas of Asia. Therefore, we strongly urge that the free Asian nations speedily establish an anti-Communist alliance so Asia can coordinate its collective power and, with the support of the United States, defend Asian freedom and security and safeguard world peace.

We also resolutely advocate that the peoples of Asia, recognizing their responsibility for self-help and help for others, should urge their governments to send troops to help Vietnam. Moreover, we should double the speed of our preparations so as to organize an army of Asian peoples' volunteers to fight side by side with the Vietnamese people, redouble their anti-Communist morale and will to fight, and hasten the day of victory in Vietnam.

We must also point out that the chief culprit in the Vietnam war is the militant and belligerent Peiping regime. Red China is the source of the major threat to Asia and to the whole world's freedom and security. To bring about a reversal of the present unfavorable situation in Vietnam and to safeguard the peace of Asia and the world, we must urge the United States and other democratic nations and their peoples to take advantage of the grave crises now confronting the Peiping regime at home and abroad, and of the favorable conditions created by anti-Communist movements in Tibet, Sinkiang and other parts of the Chinese mainland, to support the Republic of China's counteroffensive against the Chinese mainland. This will open up a second battlefield in Asia and permanently eliminate the source of the trouble in Vietnam. It will tear open the Iron Curtain in Asia and expedite its destruction in Europe and Cuba, thus restoring freedom to the enslaved peoples and attaining the noble and sacred objectives of Captive Nations Week.

History has clearly indicated that freedom, justice and peace are attained through man's unceasing struggles and that there is absolutely no peace at a cheap price. Nor is peace without freedom any godsend. As peace and freedom-loving peoples, we have no alternative but to unite together in our common struggle and advance unwaveringly. It is our deepest conviction that the restoration of freedom to the 1 billion enslaved peoples and the downfall of the Communist Iron Curtain will become a reality in the near future.

We call upon all freedom-loving peoples of the world to unite and rise up to support the act of justice of the United States in its assistance to Vietnam. We call upon all to fight to the end in the struggle for the defense of Vietnam, lest its people fall into Communist slavery, and to fight for the restoration of freedom to the enslaved everywhere.

Captive Nations Week, 1965: A Proclamation by the President of the United States of America

Whereas the joint resolution approved July 17, 1959 (73 Stat. 212), authorizes and requests the President of the United States of America to issue a proclamation each year designating the third week in July as "Captive Nations Week" until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

Whereas all peoples yearn for freedom and justice; and

Whereas these basic rights unfortunately are circumscribed or unrealized in many areas in the world; and

Whereas the United States of America has an abiding commitment to the principles of independence, personal liberty, and human dignity; and

Whereas it remains a fundamental purpose and intention of the Government and people of the United States of America to recognize and encourage constructive actions which foster the growth and development of national independence and human freedom: Now, therefore,

I, Lyndon B. Johnson, President of the United States of America, do hereby designate the week beginning July 18, 1965, as Captive Nations Week.

I invite the people of the United States of America to observe this week with appropriate ceremonies and activities, and I urge them to give renewed devotion to the just aspirations of all people for national independence and human liberty.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this second day of July in the year of our Lord 1965 and of the Independence of the United States of America the 189th.

LYNDON B. JOHNSON.

By the President:

DEAN RUSK,
Secretary of State.

Following Is the Full Text of a Speech Delivered by Mr. Ku Cheng-Kang, President of the China Chapter, the Asian Peoples' Anti-Communist League, at the Mass Rally During the Captive Nations Week, July 24, 1965

We, the people of all walks of life of the Republic of China, are assembled here today in response to the Captive Nations Week Movement sponsored by the American Government and people to strive for the freedom of the nations and peoples enslaved by the Communists. While a thousand million people are groaning under the weight of Communist tyranny, particularly at a time when the Chinese Communists are instigating the Vietnam Communists to launch an aggressive war against Vietnam and the freedom of the peoples of southeast Asia is being seriously threatened, we are fully conscious of the magnitude of responsibility which is imposed upon us in the struggle for freedom.

However, in the bitter struggle between freedom and communism, a new situation has emerged. That is to say, the United States as the leader of the free world, in her struggle for the freedom of Vietnam, has taken a firm stand, positive attitude and correct actions. In the face of Communist expansion, she is no longer on the defensive. On the contrary, she does not hesitate to retaliate and bring the war to the areas under the control of the enemy. We are confident that if the United States persists in her efforts in the same direction, it will not be long when the forces of freedom will triumph over those of communism.

The development of the situation in Vietnam has definitely proved that our views on the struggle against slavery and for freedom are correct. It also shows that there is an inevitable tendency in the struggle for freedom by mankind, as evidenced by the following facts:

1. It has been our consistent view that freedom is indivisible. A society half free and half enslaved cannot survive long. Facts now have proved that even if some people in the free world would be willing to accept a society half enslaved, the world Communists will not tolerate any freedom in their midst and would not feel satisfied until they have enslaved the whole society. This is a clear warning to the free world that, short of fighting, surrender is the only way left and there is no other choice.

2. We have always held that appeasement can never remove the Communist threat. Now facts have borne out that a policy of appeasement cannot stop Communist aggression. On the contrary, it will only encourage the enemy to farther aggression. As a matter of fact, the growth of Communist influence is the result of a mistaken policy on the part of the free world.

3. We also have held that containment can never check the expansion of Communist aggression. Now facts have definitely proved that such a passive measure cannot stop Communist infiltration and subversive activities. Instead, it has only intensified Communist destructive activities and forced the free world on the defensive most of the time.

4. We have always considered the Chinese Communists to be the source of all troubles in Asia. The only way to preserve the security and freedom of Asia is to destroy the puppet Peiping regime. Now facts have shown that the Chinese Communists are intensifying aggression and infiltration activities not only in Asia but also in Africa, Latin America, and even on the mainland of the United States. Such being the case, the Chinese Communists have become the most diabolical force which threatens the security of Asia and the peace of the world. If we do not destroy it at an early date, the sufferings of the peoples in Asia stemming from wars and enslavement will continue. If we wait until the Chinese Communists can manufacture nuclear weapons by themselves, they would pose a serious threat to the entire world and humanity.

In view of these experiences and facts, we should like to make the following suggestions as guiding principles in our struggle against the Communists.

1. We wish to call on all freedom-loving nations and peoples of the world to give their full support to President Lyndon B. Johnson's decision regarding the situation in Vietnam and also to any positive policy and resolute actions the United States may take from time to time in the days to come to achieve victory in the Vietnamese war, not only for the sake of human dignity and international justice and the freedom of Vietnam but also for the security of Asia and the peace of the world.

2. We appeal to all peace-loving nations and peoples of the world who are against slavery to recognize the fact that on the success or failure of the struggle against slavery in Vietnam hinges the future destiny of all mankind. The struggle in Vietnam is, in fact, a crucial struggle between freedom and slavery. It must succeed and cannot be allowed to fail. That being the case, we must back up the United States.

We must also give every possible sympathy and assistance to the armed forces and people of Vietnam who are struggling under the most difficult circumstances. We must also call on all governments and their peoples to send combat forces or volunteers to Vietnam to fight shoulder to shoulder with the Vietnamese troops and other troops of friendly nations. At the same time, we must provide Vietnam with economic, medical, technical, and other necessary assistance in order to maintain the independence and freedom of Vietnam.

3. We hold that, in the face of the serious threat of Communist aggression in Asia, all nations in Asia, particularly those stanchly anti-Communist nations in east Asia, must close ranks and organize an Asian anti-Communist alliance to protect Vietnam with concerted efforts and to cope with the changing situation, so as to create a favorable climate in the crucial struggle against the common enemy. Asia has its own independent culture and tradition as well as special geographical and psychological factors. To

mobilize the nations of Asia and give full expression to the will of the Asian peoples to oppose and destroy their common enemy—the Chinese Communists—is the only effective method to save the critical situation in Vietnam, to protect the security of Asia, and to preserve the peace of the world.

4. We must recognize that all efforts made in the struggle against slavery in Asia are ultimately all for a single objective; namely, destruction of the puppet Communist regime on the Chinese mainland, or the liberation of the peoples shut behind the Iron Curtain in Asia. It is the key to the very survival of the Asian peoples. It is also a turning point which will decide the fate of the whole mankind. It is, therefore, a pity that there are still some free nations, especially the United States, which fail to understand the aspirations for freedom of the 600 million people on the Chinese mainland. Owing to their fear of the huge manpower at the disposal of the Chinese Communists, whenever they make any decision on political and military strategy toward the Chinese Communists, they always fail to adopt daring and positive measures. We want to take this opportunity to advise the free world that the Republic of China will not shirk her own responsibility; nor will she give up her historic mission. On the contrary, she will exert her utmost to take up the difficult task of launching counteroffensive against the mainland for national recovery and uprooting the source of evils that endangers Asia and the whole world. Of course, we hope that all anti-Communist friendly nations, especially the United States, considering our common interest, will give us both moral and material support and help us defeat our common enemy.

5. We want also to point out that the Chinese Communists are now clamoring for the invasion of Taiwan. Whether it is only a gesture intentionally made for mobilization in preparation for war or a desperate venture is quite irrelevant. So far as we are concerned, we welcome it as a fanatic attempt on their part before they go down to ultimate destruction. We believe that when another conflagration breaks out in the Taiwan Strait, it will be the time for the extinction of the Communist regime on the mainland. The problem of the war in Vietnam now raging cannot find its solution either in South Vietnam or in North Vietnam. Only by opening a second, third, and fourth fronts on the Chinese mainland will be found the key to the thoroughgoing solution of the Vietnamese and the Asian problems. We must call on our armed forces and people to be ever ready for the final showdown with the Chinese Communists, so that they can fulfill their mission of recovering the Chinese mainland at an early date.

Finally, we must stress that the moment for this crucial struggle between freedom and slavery is drawing near. History is replete with instances in which freedom triumphs over slavery. But this can be realized only by concrete action on our part. It can be accomplished only by hard struggle. Let us unite all our brethren at home and abroad and those on the Chinese mainland and all anti-Communist forces of the whole world in our common struggle to uproot this Communist aggressive force, so that a new society in which every person is free and there is no persecution of man by man and everybody can enjoy full freedom and a happy life can be realized at the earliest possible date.

CABLEGRAM TO U.S. PRESIDENT LYNDON B. JOHNSON

His Excellency, President LYNDON B. JOHNSON,
The White House,
Washington, D.C., U.S.A.:

At a time when the situation in Vietnam is growing more critical as a result of the Vietcong's all-out war of aggression in South Vietnam—a war instigated by the Chinese Communists—people from all walks of life have met today in Taipei, the Republic of China, for a mass rally to support the Captive Nations Week movement originated by your great country. We unanimously support Your Excellency's policy of firmness and justice in Vietnam. We shall unite with all the peoples of Asia in launching an all-out campaign to "Support U.S.A.—Help Vietnam." We pledge ourselves to back the United States in the task of terminating Communist aggression against Vietnam.

The war in Vietnam is, in fact, an integral part of the decisive battle between democratic freedom and Communist slavery. The fighting spirit of your country's officers and men, who have been shedding their blood for the cause of justice, and their acts of gallantry in the defense of human freedom have won the respect and admiration of our people and other freedom-loving peoples everywhere. We respectfully request Your Excellency to convey our highest respects and sincere regards to the U.S. officers and men stationed in Vietnam and to their dependents.

The destiny of the Asian nations and peoples hangs on the war in Vietnam, and we must exert ourselves to the utmost. We therefore urge all the free nations and our own government to send troops to help the Vietnamese people and to support the organization of an anti-Communist alliance of Asian nations at an early date. We also call for the creation of an Asian people's army of volunteers so that the nations and peoples of Asia can make use of their collective power and, in coordination with the righteous support of the United States, fight and win the victory in Vietnam and safeguard freedom and security in Asia.

Communist China is the chief culprit in the Vietnam war. It is the all-Communist trouble in Asia. The destruction of the Peiping regime and the deliverance of our fellow countrymen on the Chinese mainland from Communist tyranny constitute a national mission to which this country is dedicated. At this moment when the people on the Chinese mainland are rising up in actions of resistance against the Communists, and when the Peiping regime has yet to accomplish the manufacture of nuclear weapons, we urge that Your Excellency extend moral and material support to the Republic of China for counterattacking the Chinese Communists. This will open up a second front in Asia and reverse the unfavorable situation in Vietnam. It will also eliminate the source of the trouble in Vietnam and consequently lead to the tearing down of the Iron Curtain in Asia. Ultimately, it will bring about the downfall of the Iron Curtain in Europe and Cuba and the restoration of freedom to the enslaved peoples behind the Iron Curtain. That will mark the attainment of the noble aspirations of Captive Nations Week.

KU CHENG-KANG,
Chairman, the Mass Rally of the People of the Republic of China in Support of the Struggle of Captive Nations and Peoples for Freedom.

CABLEGRAM TO THE GOVERNMENT AND PEOPLE OF THE REPUBLIC OF VIETNAM

To His Excellency Gen. Nguyen Van Thieu, Chief of State; His Excellency Gen. Nguyen Cao Ky, Premier, and the Armed Forces and People of the Republic of Vietnam:

Instigated by the Chinese Communists and with their support, the Vietcong are taking advantage of the monsoon season to launch an all-out offensive and terroristic activities against your great country. Under the leadership of Your Excellencies, the people of Vietnam are carrying on the anti-Communist struggle and the great task of political reformation. You have manifested to the world your determination to march to North Vietnam and achieve unification, and have resolutely opposed all efforts to draw you into peace negotiations with the Communists. This demonstration of resoluteness in the face of adversity and in the cause of safeguarding freedom has won for Your Excellencies and your people the unanimous respect and admiration of all freedom-loving peoples the world over. We people from all walks of life in the Republic of China shall exert ourselves to the utmost to support your country in its endeavors.

Rallying in Taipei in observance of U.S.-originated Captive Nations Week, we call upon the free world to redouble its assistance to the Republic of Vietnam and urge our own government to send troops to the aid of your country. We also call for positive action to create an Asian Peoples' army of volunteers to go to your country to fight by your side. We are expediting organization of an Action Committee for Aid to Vietnam by people from all walks of life in the Republic of China in order to step up our assistance to your country. We hereby renew the longstanding determination of all the people of our country to stand side by side with the people of your great country in our common fight against communism.

KU CHENG-KANG,
Chairman, the Mass Rally of the People of the Republic of China in Support of the Struggle of Captive Nations and Peoples for Freedom.

CABLE OF SUPPORT TO OFFICERS AND MEN OF THE UNITED STATES, AUSTRALIA, NEW ZEALAND AND KOREA FIGHTING IN THE VIETNAM WAR

To General Westmoreland, Commander, U.S. Forces in South Vietnam, and All Officers and Men of the United States, Australia, New Zealand and Korea fighting in Vietnam:

With the Vietcong waging an all-out war of aggression in Vietnam at Chinese Communist instigation, the courageous officers and men of the United States and the troops of Australia, New Zealand and Korea are fighting heroically in defense of the Vietnamese people. Thus the Communists are frustrated in their treacherous schemes to conquer Vietnam and enclave the Vietnamese people. Your spirit of fearlessness, your shedding of blood in the cause of justice, and your resolute and courageous defense of the freedom of man have won the respect and admiration of us and all the freedom-loving peoples of the world.

This mass rally of people from all walks of life in the Republic of China, held in Taipei to observe U.S.-originated Captive Nations Week, solemnly pledges to support you all the way in your noble endeavor. We shall fight side by side with you in the cause of Vietnam's freedom and independence. We express to you our highest respects and regards.

KU CHENG-KANG,
Chairman, the Mass Rally of the People of the Republic of China in Support of the Struggle of Captive Nations and Peoples for Freedom.

LETTER TO THE PEOPLES OF THE CAPTIVE NATIONS

DEAR FRIENDS: Since 1959, the Government and people of the United States, as an expression of their sympathy and support to and your countries, designated the third week of July each year as the Captive Nations Week, during which are held various activities to show their concern for and support to the captive nations and peoples.

The people of all walks of life of the Republic of China, as from 1961, have enthusiastically responded to this movement. On the mainland, 600 million Chinese people are experiencing the same fate as you do. They are undergoing untold sufferings under the tyrannical rule of the Chinese Communists. It is exactly for this reason that we are all the more sympathetic with all captive nations and peoples and hope that you will, like our compatriots on the mainland, free yourselves from the yoke of Communist enslavement and regain your freedom at an early date.

Signs of disintegration are now visible within the Iron Curtain. Among the Communist parties exist ideological differences and organizational paralysis. There is a struggle between the so-called dogmatists and revisionists and monolithic leadership stands opposed to many-headed center. All this explains a single fact, namely, the Communist movement has been on the decline and it is being eliminated by the surging waves of the time. The totalitarian rule behind the Iron Curtain has been shaking and shouts for democracy and freedom have been growingly audible behind the Iron Curtain. No amount of suppression and persecution on the part of the Communists can stifle such a tendency.

That being the case, we are of the opinion that now is the most opportune moment for you to strive for freedom. It is to be hoped that you will continue your efforts by demanding democracy and freedom from the Communist regimes and unfolding your struggle for freedom and democracy so as to accelerate the disintegration of the Communist regimes from within. We, the people of all walks of life of the Republic of China, will exert our utmost to give you our support, which is also our duty.

We want to tell you that the Republic of China had completed all preparations for the counterattack against the Chinese mainland and will take action very soon. We are confident that, once our armed forces land on the mainland, thousands upon thousands of our compatriots there will give us their enthusiastic response. With the combined forces from within and without, the puppet regime in Peiping will be overthrown and the Iron Curtain in Asia will thus be liberated. When this is done, the Iron Curtain in Europe and Cuba will follow suit. Thus, we must, irrespective of where we happen to be either in Europe, Asia or America, race, nationality, age, religious belief, or which side of the Iron Curtain we are in, close ranks, and give support to each other in our concerted effort in the struggle for the destruction of the Communist Iron Curtain.

Dear friends, the radiance of the anti-Communist victory is shining upon us. Let us bravely march forward hand in hand and shoulder to shoulder toward the road of freedom.

The Mass Rally of the People of the Republic of China in Support of the Struggle of Captive Nations and Peoples for Freedom.

PEOPLE OF ALL WALKS OF LIFE OF THE REPUBLIC OF CHINA IN RESPONSE TO THE U.S. CAPTIVE NATIONS WEEK MOVEMENT IN 1965

The people of all walks of life of the Republic of China, in response to the U.S. Captive Nations Week movement, held all kinds of activities to mark the occasion in the week from July 18 to July 24, 1965.

The decision in support of the Captive Nations Week movement was made by the China Chapter, the Asian Peoples' Anti-Communist League in conjunction with the Committee of the People of the Republic of China in Support of the Peoples Behind the Iron Curtain To Struggle for Freedom. In the 7 days during which the Captive Nations Week was observed all important cities such as Taipei, Keelung, Taichung, Tainan, Kaohsiung and Hualien as well as Kinmen and Matsu and all other places of the country and Chinese communities abroad were holding various activities.

The Captive Nations Week movement for this year was launched against the background of the critical situation in Vietnam and Chinese Communist clamor for invasion of Taiwan. People of all walks of life of the Republic of China staged "help-America-support-Vietnam" movements calling upon the free world to strengthen its anti-Communist solidarity in support to the firm and positive policy towards Vietnam as enunciated by President Johnson of the United States and striving for the victory in the anti-Communist war in Vietnam and advocated the opening of the second front on the Chinese mainland so as to eradicate once for all the source of all trouble which has brought about the war in Vietnam. They also called upon the United States and all democratic nations of the world to extend both moral and material support to the Republic of China in her counteroffensive against the Chinese mainland.

All Chinese people, be they at home or abroad, were engaged in various activities within the week marked for the Captive Nations Week. They were assembled for meetings, held forums, made speeches or staged performances for this occasion. All news media in the form of newspapers, magazines, radio, television and movie made more news coverage on the reports related to the support to Vietnam and the peoples shut behind the Iron Curtain in Euorpe, Asia and Cuba in their struggle for freedom.

At the same time, the U.S. National Captive Nations Committee sent its representative, U.S. Congressman JOE D. WAGGONNER, JR., to Taiwan to participate in the Captive Nations Week activities. It is for this reason that the activities taken in the Captive Nations Week in Taiwan was of greater political significance.

Through various member units of the China Chapter, the Asian Peoples' Anti-Communist League, various activities were taken in the form of radio broadcasts, airdropping and floating of letters and others to strengthen the publicity to the peoples shut behind the Iron Curtain. In the domestic field, the main activities included the following: as from July 18, 1965, radio stations made more broadcasts; newspapers published special articles and editorials; all cinemas showed publicity slides; all public vehicles were pasted with posters; all organizations held their monthly meetings during which the political objectives of the Captive Nations Week Movement were enunciated.

Buddhist temples and churches prayed for the dead in the war in Vietnam and also for those peoples enslaved behind the Iron Curtain. Huge red cloth posters were flying in the air in all thoroughfares. During the week, all letters were stamped with slogans to mark the occasion.

In the morning of July 19, a meeting was held in support of the anti-Communist struggle in Vietnam and helping the enslaved people behind the Iron Curtain to regain their freedom. Five conclusions were reached in support of Vietnam in the struggle for victory against the Communists. From 7 to 9:30 p.m. on July 19 and 24, there were two evening meetings held at the Taipei New Park. In the program there were dancing, drama, and other of anti-Communist nature with more than 5,000 participants.

In the evening of July 22, Mr. Ku Cheng-kang, president of the China Chapter, APACL, U.S. Congressman WAGGONNER took part in a special program of the Taiwan Television Co. during which they discussed such problems as how to give support to Vietnam to win the war against the Communists and how to preserve the freedom and democracy of the nations and peoples in Asia.

In such big cities as Kaohsiung, Taichung, Hualien, Tainan, and Keelung there were big mass meetings in the period from July 20 to 24 to mark the occasion.

The Captive Nations Week activities reached their climax on July 24. On that day, more than 2,000 people including members of the Legislative Yuan, members of the Control Yuan, members of the National Assembly, college professors and leaders of all fields of endeavor, assembled at the city hall, Taipei to take part in a mass rally in support of Vietnam in the struggle against communism and the captive nations and peoples to strive for freedom. Aside from a message from President Chiang calling on the peoples of Asia to close ranks and to take up the responsibility to help Vietnam to destroy the Communists (the full text of the message is attached below), Mr. Ku Cheng-kang, who was the chairman of the mass rally, delivered an important speech. He enunciated five points as the direction for our struggle at the present stage (the text is attached). Premier Yen was the main speaker at the meeting. Congressman WAGGONNER and Professor London were also invited to address the audience. In the midst of applause, the meeting adopted a declaration, cable to President Johnson of the United States, cable to President Chiang, cable to the Government and people of the Republic of Vietnam and also cable to the American troops and armed forces of other countries now fighting in Vietnam. In addition, there were also letters sent to the people on the Chinese mainland and the peoples shut behind the Iron Curtain, respectively. All activities in the course of the Captive Nations Week in the Republic of China were filmed and were shown in cinemas both here and abroad.

Judging from the activities of the Captive Nations Week in the Republic of China this year, we may say that there has been much progress made as compared with those of the previous years. This is evidenced by more news coverage and greater and warm response to them on the part of the people.

LETTER TO OUR COMPATRIOTS ON THE CHINESE MAINLAND

DEAR COMPATRIOTS ON THE MAINLAND: As from 1959, the U.S. Government and people have designated the 3d week of July each year as the Captive Nations Week, calling on the people of the United States to hold various activities as an expression of their sympathy and support to those nations and peoples shut behind the Iron Curtain. Mindful of the significance of this movement, and fully aware of the sufferings of our compatriots on the mainland under the yoke of Communist tyranny, we gave our enthusiastic response to this movement 5 years ago by extending our support to all captive nations and peoples on the one hand and by joining hands with the just forces of the United States and the whole world in our effort to rescue our compatriots on the mainland from the Communist oppression.

We know quite well that since the implementation of the so-called three red flags, you have been deprived of all the property you once owned. Now Mao Tse-tung and his henchmen are carrying out the so-called socialist education movement by stirring up anew class struggle and launching the so-called family revolution with a view to creating contradictions and hatred among our mainland compatriots on the one hand and between husband and wife and parents and children on the other. By the same token, they destroy the traditional family relationship in an effort to divide members of the family so as to exercise more effective control over the people under their domination.

Besides, since the turn of the year, the Chinese Communists have started the so-called four purification movement which calls for each of you to make clear your history, your class component, your relationship and your ideological stand. This movement coupled with ideological struggle, political struggle, and class struggle is aimed at making all of you willing tools of the ruling class by means of stirring up hatred and creating troubles among you. Now the property you once owned has been confiscated; what you earn through the sweat of your brow you cannot enjoy by yourself. Even individual thought, history, relationship and class component have been placed under strict control. Tyranny such as this is indeed quite unprecedented in the history of mankind. Whenever we, your compatriots in Taiwan, think of this, we are highly indignant and hope that we can exert our utmost to recover the mainland, deliver you from Communist tyranny and thus regain your freedom under the leadership of President Chiang at an early date.

Now Mao Tse-tung and his group are launching the anti-American-help-Vietnam movement in utter disregard to the sufferings of the mainland people for the realization of their aggressive designs. At the same time, they are clamoring for the so-called liberation of Taiwan.

They are prepared to turn you into cannon fodder for aggressive purposes.

Dear compatriots, do you still remember the hardships and sufferings which Mao Tse-tung and his henchmen inflicted upon you 10 years ago during the resist-American-help-Korea movement? And also the gun battle at Kinmen 7 years ago in which the Chinese Communists sustained dismal defeat? We are confident that they are courting their own downfall. Now is also a good opportunity for you to save yourselves and overthrow the Communist regime with your concerted effort.

We wish also to tell you that the Republic of China has completed all preparations for the counteroffensive against the mainland, is prepared to launch counterattack any moment and is determined to overthrow the puppet regime in Peiping before the Communists can manufacture nuclear weapons so as to save you from the holocaust of a nuclear war.

It is for this reason that we hope that at the time when darkness is eclipsing and light is dawning, you will use every available chance to go on with strikes, sabotages, and all destructive activities and to unite with the guerrilla activities everywhere by setting forth an overall anti-Communist struggle and helping the government forces to land on the mainland so as to strive for the victory in the struggle against communism.

Availing ourselves of the opportunity to hold a mass rally in Taipei in commemoration of the Captive Nations Week, we, the people of all walks of life of the Republic of China, while conveying to you our deep concern for you, wish to reiterate our determination to help you strive for freedom. Compatriots, let us address ourselves to the common effort for the destruction of the tyrannical regime in Peiping and to strive for the reconstruction of a new China where freedom and welfare will reign.

Mass Rally of the People of the Republic of China in Support of the Struggle of Captive Nations and Peoples for Freedom.

RESOLUTION

The public meeting convened by the Central Delegacy of the Anti-Bolshevik Bloc of Nations for Australia and New Zealand, and held in the Latvian Hall, Parnell Street, Strathfield, N.S.W., on June 19, 1965, having heard the reports on: (a) The grave threat to the free world by communism; (b) the struggle for their freedom by nations enslaved by communism; and (c) the need to provide immediate help, both moral and otherwise, to enslaved nations, has adopted the following resolution in support of a proclamation by the Australian Federal Government of a Captive Nations Week.

The meeting felt that:

Whereas Soviet imperialism tries to foster through propaganda media the idea of peaceful coexistence; and

Whereas on the other hand the same tyrannical communism wages an all-out war of aggression and subversion against the free world; and

Whereas the enslavement of a substantial part of the world's population by the Communist imperialism makes a mockery of the said propaganda of peaceful coexistence; and

Whereas the recent Communist enslavement of Tibet, military attacks on India, open aggression in Korea, and the present aggression in South Vietnam, is a further proof of the true face of tyrannical communism and constitutes a grave threat to Australia; and

Whereas the aggressive policy of the Soviet imperialistic communism has led through direct and indirect aggression to the subjugation of national and/or individual freedom and independence of North Korea, North Vietnam, mainland China, Mongolia, Ukraine, Albania, Azerbaijan, Croatia, Slovakia, Byelorussia, Poland, Rumania, Hungary, Estonia, Latvia, Lithuania, East Germany, Georgia, Armenia, Turkestan, Cossackia, Bohemia, Bulgaria, Idel-Ural, Tibet, Cuba, and others; and

Whereas these enslaved nations look toward Australia and the free world for support in bringing about their liberation and independence and restoration of their religious freedom; and

Whereas freedom is indivisible, it is vital to the security of Australia and the free world that the desire for freedom and independence on the part of the enslaved nations be kept alive by clear manifestation to them through appropriate channels, that the people of Australia share with them their aspirations for the restoration of their freedom and independence: Now, therefore,

This meeting kindly requests the Federal Government of Australia to proclaim a Captive Nations Week, and invite the people to observe this week with appropriate ceremonies and activities, and further request that such a proclamation be issued each and every year, until such time as freedom and independence shall have been restored to all the enslaved nations of the world.

Dr. C. I. UNTARU,
Chairman.
O. SCHWARZ,
Secretary.

[From Svoboda, July 31, 1965]

CAPTIVE NATIONS WEEK OBSERVED SOLEMNLY IN COMMUNITIES ACROSS THE NATION

JERSEY CITY, N.J.—Six years after the first enactment of the national Captive Nations resolution in the Legislature of the United States, the plight of the captive nations is far from forgotten.

Since 1959, three U.S. Presidents have annually issued formal proclamations denoting the third week of July as Captive Nations Week. In addition, the Governors and mayors of States and municipalities all over the country have issued similar proclamations and appeared at numerous commemorative programs especially prepared for the occasion.

This year's commemorative week, which lasted from Sunday, July 18, to Saturday, July 24, was no different from all the others, except in one respect. Today, more and more legislators are acknowledging the urgent need for the formation of a Captive Nations Committee in the U.S. Congress, and, more and more, the various communities around the Nation are organizing impressive rallies, manifestations, and gatherings on this occasion. As a result, the cause of the captive nations is beginning to echo even more strongly than it ever was across the length of this and other countries.

The following list outlines the more significant events that took place during the Captive Nations Week 1965. This list is merely an outline, but it represents the efforts of countless citizens and numerous patriots who have in their own way contributed to the cause of the eventual liberation of the Communist-enslaved captive nations.

NEW YORK

Captive Nations Week in this world metropolis was initiated by solemn celebrations of divine liturgies in St. Patrick's and St. John's Cathedrals. Both services were attended by capacity crowds which included numerous faithful in their native garbs. The Ukrainian representation was especially plentiful.

Immediately following the services a rally was held in the building of the Assembly of Captive European Nations with the full representation of all nationalities currently under the yoke of Communist oppression.

Sunday's edition of the New York Daily News, a newspaper that boasts the widest circulation in the world, brought to the readers a large photo of a young Ukrainian girl, dressed in national costume, as she was kissing the ring of His Excellency Francis Cardinal Spellman, Archbishop of New York.

On Tuesday, July 20, the delegates of the ethnic groups participating in the Captive Nations observances met in New York's City Hall to hear Mayor Robert F. Wagner read his Captive Nations Week proclamation.

Mayor Wagner called upon all "to rededicate ourselves to securing freedom for all men and independence for all nations," and solemnly asked God's support and help, "that these prayers may not go unanswered and our hopes unfulfilled."

In addition to Mayor Wagner there were two other speakers, Mr. Vasil Germenji, chairman of the Assembly of Captive European Nations, and Mr. Joseph Lesawyer, chairman of the Political Committee of the Conference of Americans of Central and East European Descent (CACEED).

Mr. Lesawyer, who is also a member of the executive board of the UCCA thanked Mayor Wagner for issuing the 1965 Captive Nations Week proclamation, stating that this is the seventh such consecutive annual proclamation issued in the city of New York. He cited Mr. Wagner as a "brilliant, generous and understanding" leader whose kind will lead "mankind * * * (to) tear asunder the chains of Communist enslavement."

Friday, July 23, witnessed another major event in the observance of Captive Nations Week in this city when the American Friends of the Anti-Bolshevik Bloc of Nations held a formal press conference followed by a commemorative dinner in the Commodore Hotel.

PHILADELPHIA

A ceremonial signing of a declaration of resistance to all oppression, and a mammoth rally were held here. The ceremonial signing of the resolutions condemning the Kremlin for the ruthless enslavement of the captive nations was held aboard the cruiser *Olympia* in the Philadelphia Harbor. Copies of this indictment of the Communist tyranny were dispatched to the United Nations headquarters in New York City, the State Department, U.S. legislators and members of the diplomatic corps of foreign countries with official representation in the United States.

Speaking at a rally, held on Sunday, July 18, at Independence Hall, were the Very Reverend V. Marusevych, representing His Excellency, the Most Reverend Archbishop John Kroll; Dr. Lev E. Dobriansky, president of the National Captive Nations Committee and of the Ukrainian Congress Committee of America; Dr. Austin Epp, president of the local Captive Nations Committee; Hon.

Arlene Adams, representing Pennsylvania's Governor William Scranton; and Philadelphia Commissioner Morris Osser.

Following these formal ceremonies a symbolic wreath was placed at the site of the Liberty Bell in Independence Hall.

BUFFALO

A colorful parade consisting of costumed groups representing the nations enslaved by the Soviet Union, and a whole line of prominent civic leaders and public officials, was the highlight of the Captive Nations Week observances here last week.

The week's ceremonies initiated on Sunday, July 18, at the local Catholic and Protestant churches, where special services were held. Later that afternoon the marching groups and a motorcade proceeded to city hall's Niagara Square, where the official program was opened by Mr. H. Duswell Roberts, who acted as master of ceremonies for the occasion.

The national anthem was followed by the presentation of the colors of the United States and the posting of the captive nations' flags. The program consisted of an invocation, delivered by the Most Reverend James A. McNulty, D.D., Bishop of the Catholic Diocese of Buffalo; after which Dr. Nestor Procyk chairman of the local Captive Nations Week Committee, introduced Buffalo Mayor Chester Kowal, who read the official proclamation. Addresses were delivered by U.S. Congressman HENRY P. SMITH, III, Republican, of North Tonawanda, and several other dignitaries. This portion of the program was closed by a benediction read by the Right Reverend Bishop Lauriston L. Scaife, Episcopal Diocese of Buffalo.

A civic luncheon was held on Wednesday in the Terrace Room of the Hotel Statler Hilton. This event, sponsored by the Kiwanis Club of Buffalo and the Citizens' Committee To Observe Captive Nations Week, featured U.S. Congressman THADDEUS DULSKI, Democrat, of Buffalo, as the keynote speaker. Congressman DULSKI is one of the stanchest supporters of the cause of the captive nations on the floor of the U.S. House of Representatives.

Finally, on Sunday a Captive Nations festival was held in Delaware Park. Performing in the program was the Greater Buffalo Orchestra, under the baton of Robert F. Schulz, and other selections, collectively billed as "Music, Songs and Dances of the Captive Nations." The guest speaker at this affair was Mrs. Edith Hyder-Jester, of Washington, D.C., whose appearance was sponsored by the United Anti-Communist Committee.

[From the Ukrainian Quarterly]

CAPTIVE NATIONS BREAKFAST, WASHINGTON, D.C., JULY 17, 1965

HEAD TABLE GUESTS AND OFFICIALS

Orlando Cuervo, subsecretary of commerce in the cabinet of Fidel Castro in 1960 until he fled to the Colombian Embassy and thence to the United States. He was director of communications in the Bay of Pigs invasion, was captured, and was a year and a half in a Castro prison on the Isle of Pines before he was released.

Father Theo J. Danusiar, Holy Family Ukrainian Catholic Church, Washington Church, Byzantine Rite.

The Honorable Julius Cahn, executive secretary to Vice President HUBERT H. HUMPHREY.

The Honorable Pham Khac Rau, former Charge d'Affaires, Embassy of the Republic of Vietnam (South Vietnam) in Washington, D.C.

Donald L. Miller, executive director of the National Captive Nations Committee.

The Honorable Yaroslav Stezko, former Ukrainian Prime Minister and president of the Central Committee of the Anti-Bolshevik Bloc of Nations, Munich, Germany.

Rev. Bradshaw Minturn, director of the Chesapeake Foundation.

Randolph Russell, acting chairman, Washington Captive Nations Committee.

OTHER DIGNITARIES INTRODUCED AT THE BREAKFAST

Dr. Stasys A. Backis, counselor, Lithuanian Legation, Washington, D.C.

Dr. Stvant B. Dinbergs, counselor, Latvian Legation, Washington, D.C.

Mr. Gereban, president, Federation of Hungarian Freedom Fighters.

The Honorable Emery Kiraly, president, American Hungarian Federation.

Mr. Louis Furyk, secretary, American Hungarian Federation.

Dr. Michael J. Horvath, American Hungarian Federation.

Volodymyr Y. Mayewsky, president, Ukrainian Four Freedoms.

Col. William Rybak, chairman, Ukrainian Congress Committee, Washington Branch.

Michael Dankewych, chairman, American Friends of ABN, Washington, D.C.

Mr. Raul L. Comesana, president of the Patriotic Club (Cuban), Elizabeth, N.J., and editor of Carib.

Mr. and Mrs. Carlos M. Sera, Inter-American Crusade.

Mr. Eusebio Mujal Barniol, Cuban Labor Federation.

Mr. Natalio Flaifel, Cubanos Unidos.

The seventh annual observance of Captive Nations Week held this year throughout the United States from July 18 to 25 was initiated in Washington, D.C., on Saturday, July 17, with a breakfast at the Sheraton Park Hotel. Various national groups were represented, some of whom came in colorful costumes. Among those attending were Ukrainians, Latvians, Lithuanians, Hungarians and Cubans, along with a number of Asian representatives, friends and guests supporting the Captive Nations Week Resolution. The chairman of the event was Mr. Donald L. Miller, executive director of the National Captive Nations Committee, and guest speakers represented Asia, Eastern Europe and Latin America.

After welcoming the guests, Mr. Miller presented a very thorough explanation of the principles which guide the National Captive Nations Committee. He brought to the fore very clearly, incidents instrumental in founding and continuing these principles.

"Whether we go back to 1917," he said, "when Russian imperial power was broken and nations such as Ukraine and the Baltic States declared their independence from Moscow, or to 1956 when Poland and Hungary moved to break their chains following the death of Stalin; whether oppression in mainland China was relaxed for a time by Mao Tse-tung, or whether people are deceived as were the Cubans; whether tyrannical power is broken altogether or relaxed temporarily, it is nevertheless always looked upon as a repressive force, and given a chance, oppressed people will take the opportunity to assert themselves to regain their freedom and preserve their national identity as soon as opportunity presents itself. Although the Marxist theory is aimed at destroying nationality, as long as national spirit exists in people be they Hungarian, Polish, Latvian, Lithuanian, Estonian, Ukrainian, Chinese or Cuban, no tyrannical force can prevent this spirit from rising again and again. Pressure exerted by the captive peoples upon their Communist rulers coupled with pressure exerted by free people in letting the captives know that we are allied with them in a common struggle for national independence, personal liberty and human dignity, leaves nought but to eventually weaken the Communist empire. These then—to work in behalf of the freedom, national indpendence, personal liberty and human dignity of the captive peoples—are the principles of the National Captive Nations Committee."

Mr. Miller then introduced the guests and speakers: Dr. Orlando Cuervo, former Under Secretary of Commerce in Cuba; Rev. Theodore J. Danusiar, pastor, Holy Family Ukrainian Catholic Church, Washington, D.C.; the Honorable Julius Cahn, administrative asisstant to Vice President HUBERT H. HUMPHREY; the Honorable Pham Khac Rau, former Chargé d'Affaires, Embassy to the Republic of Vietnam (South Vietnam) in Washington, D.C.; the Honorable Yaroslav Stezko, former Prime Minister of Ukraine and president of the Central Committee of the Anti-Bolshevik Bloc of Nations (ABN), Munich, Germany; Rev. Bradshaw Minturn, director of the Chesapeake Foundation; and Mr. M. Russell, chairman of the National Captive Nations Committee, Washington Branch.

Among the many representatives attending were: Dr. Stasys A. Backis, counselor, Lithuanian Legation, Washington, D.C.; Dr. Anatol Dinbergs, counselor, Latvian Legation, Washington, D.C.; Mr. Istvan Gereban, president of the Federation of Hungarian Freedom Fighters; the Honorable Emery Kiraly, president, American Hungarian Federation; Mr. Louis Fury, secretary, American Hungarian Federation; Dr. Michael J. Horvath, American Hungarian Federation; Mr. Volodymyr Y. Mayewsky, president, The Organization for the Defense of the Four Freedoms of Ukraine, Inc., Washington Branch, No. 17; Col. William Rybak, president, Ukrainian Congress Committee of America, Washington Branch; Mr. Theodore Caryk, secretary, Ukrainian Congress Committee of America, Washington Branch; Mr. Michael Dankewych, chairman, American Friends of ABN, Washington Branch; Mr. Raul L. Comesana, president of the Patriotic Club (Cuban), Elizabeth, N.J., and editor of Carib; Mr. Carlos M. Sera, Inter-American Crusade; Mr. Eusebio Mujal Barniol, Cuban Labor Federation; Mr. Natalio Flaifel, Cubanos Unidos; Mr. Laurentino Suarez, representing Clarin and the International Club, Bloomfield College, N.J., and Mr. Antonio Campina, All-American Federation to Combat Communism. A number of the Cuban representatives were veterans of the Bay of Pigs invasion.

The breakfast commenced with the invocation given by Rev. Bradshaw Minturn. Mr. M. Russell read the proclamation commemorating Captive Nations Week issued by the Commissioners of the District of Columbia.

Although Dr. Lev E. Dobriansky, chairman of the National Captive Nations Committee, was unable to attend due to speaking engagements and radio and television appearances in connection with the Captive Nations Week observance in Philadelphia, a message from him was read by Mr. Miller. Dr. Dobriansky extended best wishes on behalf of the National Captive Nations Committee, its new honorary chairman, Mr. George Meany, president of the AFL–CIO, and himself. He said that attendance at the breakfast was in itself symbolic of the dedication to the cause of the captive nations and a basic interest in their freedom and our own national security. Further, that Moscow, Peiping, and the totalitarian Red satraps fear and oppose the continuous observance of Captive Nations Week, and Moscow has even suggested its elimination, in its interest of deceptive peaceful coexistence. Captive Nations Week, the message continued, is a fixed moral symbol of all the captive nations; it is a national forum for us to explain to our fellow citizens the strategic importance of the captive nations to our Nation and the free world; it is an educational medium by which many circulating myths concerning communism, the U.S.S.R., and the Red empire can be readily exploded. All of these functions and values lend themselves to obstruct the cold war activities of our enemies, and they seek to abolish them.

Another congratulatory message received and read by Mr. Miller was from Prof. Dr. Th. Oberlander, member of the West German Parliament. Dr. Oberlander stated that the German Government was united with the captive peoples in their struggle for national independence and human freedom and that he himself submitted to the German Parliament, a resolution similar to our own Captive Nations Resolution, substantiating the realization of the goal of freedom-loving people the world over.

The first speaker was Dr. Orlando Cuervo. Dr. Cuervo was former Under Secretary of Commerce in the cabinet of Fidel Castro until he fled to the Colombian Embassy and ultimately to the United States. A veteran of the Bay of Pigs invasion, he was captured and was a Castro prisoner on the Isle of Pines until his release. In a brief but poignant speech, Dr. Cuervo emphasized that the people of Cuba wanted a political and not a social revolution; that although they have been deceived, the Cuban people are willing to pay the price but they need the sympathy and help of all free nations.

The next speaker was the Honorable Dr. Yaroslav Stetzko. On behalf of the Central Committee of the Anti-Bolshevik Bloc of Nations (ABN), the Ukrainian people and himself personally, Dr. Stetzko expressed his appreciation in being able to participate in the Captive Nations Week commemoration. He felt, he said, that the passage of the captive nations resolution was an important step on the part of the American Government in recognizing and supporting the freedom-aspirations of the captive peoples. In his opinion, the U.S. Congress was the central body that best expressed the moral principles and sentiments of the American people. He further stated that the establishment of a Freedom Academy and the creation of a Special House Committee on Captive Nations could have great impetus on the subjugated peoples in their hope for national independence. He indicated that a strong policy on the war in Vietnam should be continued and supported. This same policy, he felt, should also be adopted for Korea, the Republic of China and Cuba, as supporting proof of an intense movement for liberation of the captive and satellite countries. Lest past mistakes be repeated, a common alliance of Western nations toward the dismemberment of a governmental system which advocates colonialism, would inspire an aura of hope in the captive nations in their struggle to regain freedom and national independence. Given an opportunity, he felt that cooperation could well be had from the captive peoples in their desire to destroy their Communist rulers from within. He cited as an example the sustained fight of the Ukrainian Insurgent Army (UPA). Pressure, both from within the Communist empire on the part of the captive people themselves, and pressure from the free world upon the Communist rulers, could act as a strong deterrent, and could greatly undermine and control their determination to rule with absolute power. On direct orders from (Alexander) Shelepin, Deputy Prime Minister and chief of the KGB, two leaders of the Organization of Ukrainian Nationalists (OUN), Stepan Bandera and Dr. Lev Rebet, were murdered. This, he intimated, were examples of what that type of absolute power was capable of carrying out. On the subject of the youth of these subjugated countries, Dr. Stetzko did not agree that they have become sovietized. He felt that youth has shown its national feelings courageously and fearlessly, especially in prose and poetry, citing as an example the young Ukrainian poet Symonenko. Dr. Stetzko concluded his talk by emphasizing that appeasement and containment were not the solution of the Russian threat. The West, he said, must be fearless in its policy and actions, for herein lies its strength.

Dr. Stetzko was followed by the Hon. Pham Khac Rau. Dr. Rau stated that although there are people who deceive themselves as well as others about the true nature of the war in Vietnam, the enemy which the Vietnamese face is the same enemy which is faced by the East European nations and the free world. He pointed out that the Vietnamese affair is an international affair, and that all free nations face the same common danger. He stressed the penalty the free world faced if American troops withdraw from Vietnam; that in calling upon friends in the free world, the Vietnamese are doing so to avoid a defeat which would surely and irrevocably bring about the loss of all of southeast Asia to the Communist horde. With such a strategic loss, Africa and Latin America would not hold out for long. If the free nations were to allow this to happen, the price for the defense of liberty could be much costlier. He expressed his gratitude to the American Government for its effort and assistance in the Vietnamese war. He felt much could be gained if public opinion would support the American Government's efforts in interpreting the war and the necessity of our troops in Vietnam. He was convinced, he said, that the liberation of the Vietnamese people in North Vietnam by the military leaders in Saigon, was not a desperate, but rather a very realistic move in response to the profound wishes of the Vietnamese people to be unified under a free regime. Neither withdrawal nor negotiation is the answer because freedom cannot be negotiated. Sheer commonsense and the Vietnam lesson, he concluded, have taught us that in this kind of war, it costs less to take the initiative than to receive the blow on the defensive.

All three speakers exhibited a keen awareness, moving force and fluency in their manner of presentation. Although distinctly concerned with the plight of the captive nations they represented, by no means did they limit this concern to their own areas. The unfortunate circumstances which today engulf their countries can only serve as an example of the swiftness with which an aggressive force acts when man's limited power becomes tinged with lust.

The Captive Nations Week breakfast was closed with the benediction offered by Rev. Theodore J. Danusiar.

Vera A. Dowhan.

National Captive Nations Committee Message

In behalf of the National Captive Nations Committee, its new honorary chairman, Mr. George Meany, president of the AFL–CIO, and myself, I extend our heartiest greetings to all of you on this Washington, D.C., observance of the Seventh Captive Nations Week. Your attendance at this breakfast today is in itself a fitting measure of your solid dedication to the cause of the captive nations and in the basic interests of their freedom and our national security.

As all of you well know, Moscow, Peiping, and the totalitarian Red satraps have since 1959 vehemently opposed and castigated Captive Nations Week. Two years ago Moscow even suggested that the week be eliminated in their interest of deceptive peaceful coexistence. The concrete evidence over these past 6 years is simply overwhelming with regard to the fear of the Red totalitarians toward the week and its implications.

Captive Nations Week is many things in one. It is a fixed moral symbol of our determination to work for the liberation and freedom of all the captive nations; it is a national forum for us to explain to our fellow citizens the immense strategic importance of the captive nations to our Nation and the free world; it is an educational medium by which many circulating myths concerning communism, the U.S.S.R., and the Red empire can be readily exploded. All these functions and values of Captive Nations Week obstruct the cold war activities of our enemies, and they seek to abolish them.

The prime themes of this week have been given nationwide publicity by the National Captive Nations Committee. You know them well. We intend to carry them forth well beyond the 1965 week; indeed to the 1966 week on a year-round basis. We urge your committee to do the same, along with all the others throughout the country. The times demand it, the sworn enemy challenges us to it, and we cannot but respond accordingly.

With you in a persistent and unwavering fight toward victory.

Sincerely,

Lev E. Dobriansky,
Chairman.

Remarks of the Honorable Pham Khac Rau, Former Chargé d'Affaires of the South Vietnamese Embassy, Before the Captive Nations Week Breakfast, Hotel Sheraton-Park, Washington, D.C., July 17, 1965

Mr. Chairman, members of the assembly, ladies and gentlemen, I should like to thank you for having associated me with this undertaking of your distinguished assembly.

In doing this, you thus acknowledged the fact that the peoples in the eastern European nations and the Vietnamese people are facing the same enemy and are fighting the same battle, only on different fronts.

This, unfortunately, has not been admitted by some people who want to deceive themselves and others about the true nature of the war now going on in Vietnam.

Here, in America, some want to think of it as a purely internal Vietnamese affair, that should be settled between Vietnamese. They would say that this is not American business, that Americans should not get involved in the first place; now that the war has dragged on for so long, it must end by the withdrawal of all American troops from Vietnam.

I am sure that no Vietnamese, from north to south, wants this war; we wish to have peace and we would want all foreign troops to leave our land. It is unfortunate that, because of its strategic location, Vietnam has found itself at the frontline of the battle between the free world and the imperialistic Communist forces.

The young Vietnamese boys who died by thousands every week now did so, not only to save Vietnam from the external Communist aggression, but also to protect the cultural heritage of the free world; they died so that others could enjoy their liberties. And if after 20 years of struggle they still fight, that was because they know they fight for a good cause.

That is why we think we have every right to call on our friends in the free world to share the burden with us. We do not beg for help; we claim for justice and equality, in facing the common danger.

As prime victim of the Communist aggression, we have to bear the brunt of the attack.

Our friends much know that our defeat will surely and irrevocably bring about the loss of all of southeast Asia to the Communist horde. After that, Africa and Latin America would not hold out very long. Could the U.S.A. then feel secure while surrounded by a hostile and implacable enemy. They will find, perhaps too late, that it will be more costly to defend their liberty then.

The American Government has made commendable efforts to explain the true nature of this war to its people; they also have been increasing their contribution to the Vietnamese battle.

In spite of that we feel that more could be done: The public opinion should be mobilized to support the Government's efforts; because some people here think they have the right and the wisdom to question and to antagonize the policy of their Government the Communists have been misled into thinking that they would win the war as the American troops will have to withdraw under pressure at home. As long as the Communists are allowed to persist in this belief, the war will continue.

The homefront should offer no encouragement to the aggressors. No withdrawal and no negotiation either, because our freedom cannot be negotiated. Perhaps we should do more than just show our determination to contain the aggressors. It is time to adopt a more positive policy, to take the offensive, to destroy the evil at its source and to liberate the peoples now under the Communist yoke. Sheer commonsense and the Vietnam lesson have taught us that in this kind of war, it costs less to take the initiative than to receive the blow on the defensive.

I am convinced that the call for the liberation of our own people in North Vietnam by the military leaders in Saigon is not a desperate but a very realistic move, in response to the profound wishes of the Vietnamese to be unified under a free regime.

If the domino theory is correct, and I believe it to be so, our victory in Vietnam will have its echo all around the world; and not only the Vietnamese people will recover their freedom, but the day will not be far when the peoples in other Communist countries would rise and liberate themselves from their masters, thus opening a new era full of promise.

OUTLOOK FOR THE CAPTIVE NATIONS

(Speech by Donald L. Miller, executive director, National Captive Nations Committee at the captive nations breakfast, Washington, D.C., July 17, 1965)

The National Captive Nations Committee is guided by several well-proved principles. The first is this: A concept or idea held down by force will reassert itself when the oppressive force is weakened.

There are many examples of this principle as regards the national feelings of now captive peoples. For example:

When Russian imperial power was broken in 1917, nations such as Ukraine, the Baltic States and others, immediately declared their independence from Moscow.

In the course of time all were reconquered by Communists, and other countries including Poland, Hungary, Rumania, East Germany, and Bulgaria were overrun. But when Communist repression was relaxed following the death of Stalin the people of Hungary and Poland in 1956 immediately moved to break the Russian yoke and establish independence once again.

On the Chinese mainland, when Mao Tse-tung falsely and deceptively relaxed his oppression of mainland Chinese during the "Let a Thousand Flowers Bloom" period, thousands of Chinese spoke out against the Communist tyranny.

While these expressions of opposition to communism failed in their ultimate purpose of regaining lost freedom, yet they succeeded in letting the world know that the national spirit for independence and the individual spirit for personal liberty lives on to rise again.

A second principle is this: The national spirit of a people—whether Hungarian, Polish, Latvian, Lithuanian, Estonian, Chinese or Cuban—is an essential part of the personality of these respective peoples.

National spirit is made up of history, tradition, custom, religion, a feeling of common destiny, and a style of living. People will strive to preserve their national identity just as they struggle to preserve their individual personality.

This is a powerful human force. It cannot be snuffed out by a tyrant—as Communists are trying to do. As you know, a prime goal set forth by Marx in the "Communist Manifesto" is to destroy nationality. In their conquest period, especially in wars of so-called liberation, Communists exploit national feelings, but once in power they strive by all means to liquidate it.

Nonetheless, the national spirit of people in the captive nations cannot be extinguished. It will rise again and again. No force on earth can prevent it.

We who are here today are proud of the peoples from which we have sprung. I am proud of the Welsh and the Irish though my forebearers came to this land in the early 1700's and fought in the American Revolution and in every battle for freedom in which our country ever has been involved. Just so, you are justly proud of the peoples from which you have sprung.

Pride in oneself and in one's own people coupled with due respect for the right, the identity, and the dignity of all others is the essential spirit which has made our multinational nation of America great and Americans free.

The third principle is this: The freedom aspirations and freedom struggle of captive peoples inside the Communist empire exerts pressure upon Communist rulers to relax their tyranny. Its constant working inside the empire acts to deter Communist rulers from launching any major aggression against us.

On the other hand, constant pressure exerted by ourselves and others upon the Communist rulers from outside the empire—whether moral, economic, diplomatic, psychological, or where necessary, military—also acts to weaken Communists' ability to exercise their desire to rule with absolute tyranny.

These two forces, one inside and one outside, are giant millstones between which Communist rule can be ground to dust which then can be swept into the ash can of history. As we proceed seeking more personal liberty for captive peoples day after day by these means, we advance toward the day when all captive peoples will again be free.

During the coming week—Captive Nations Week—we in this room and thousands of others in New York, Philadelphia, Pittsburgh, Cleveland, Miami, San Francisco, Chicago, Los Angeles and elsewhere will proclaim these truths.

Above all, we will be telling our kin and our friends in the Communist empire that we are thinking about them and are working earnestly in behalf of their freedom. We are telling them that we are allied in a common struggle for national independence, personal liberty and human dignity.

We know that history and the true desires of mankind are on our side. Despite temporary setbacks, we know that eventually we will win.

TEXT OF MESSAGE FROM PROF. DR. TH. OBERLÄNDER, MEMBER OF PARLIAMENT, FEDERAL REPUBLIC OF GERMANY

CAPTIVE NATIONS COMMITTEE,
1028 Connecticut Avenue NW.,
Washington, D.C.

I am sending my warmest greetings to you on the celebration of Captive Nations Week.

As a proof of our solidarity in the struggle of the subjugated peoples against bolshevism, I submitted not so long ago in our Parliament an interpolation in the sense of the U.S. Congress resolution on the captive nations. The great part of our nation is oppressed by Communist dictatorship too.

Our Minister of Foreign Affairs responded that our Government feels the closest connection with all people who are striving for national independence and for human freedom. The German Government demands the right to freedom, self-determination and national independence not only for the German people, but for all the peoples of the world. It is seeking to realize this.

I strongly believe that only with a united front of all freedom-loving people can we achieve the human freedom and national independence for the peoples subjugated by godless bolshevism.

Prof. Dr. TH. OBERLÄNDER.

[From the Boston (Mass.) Hairenik Weekly, Aug. 5, 1965]

PRESS REPRINTS JOINT STATEMENT OF CAPTIVE NATIONS REPRESENTATIVES

(The following joint statement signed by representatives of ethnic groups composing the Massachusetts Committee for Captive Nations appeared in the Boston Herald, July 24. The MCCN recently collaborated in sponsoring the major Captive Nations Week motorcade held Wednesday, July 21, through the streets of Boston.)

CAPTIVE NATIONS WEEK

To the EDITOR OF THE HERALD:

Americans apparently are little aware that the staggering total of 810 million people suffer the humility and degradation of slavery under communism, that in fact the Soviet Union is the greatest colonial empire man has ever known.

In order to acquaint our people with this somber and significant fact, President Lyndon B. Johnson, following the example of his predecessors, Presidents Eisenhower and Kennedy, and motivated by a Public Law passed by Congress in 1959, has proclaimed July 18–24 as Captive Nations Week in the United States as a measure of assurance to the once free nations of the captive world that America still aspires to the day when those peoples, now in bondage, will join the United States and the free world in democratic self-sovereignty.

We respectfully ask, through your esteemed news organ, that citizens of Massachusetts pause with us during Captive Nations Week to pay silent homage to the courage of those people who are in fact the vanguard of freedom in the darkness of a tyrannized world, so that mankind may confirm that the American beacon of liberty, which was first illumined in Massachusetts, still shows in all its brilliance.

Let us on the occasion remember the captive peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, North Vietnam, Cuba, and other subjugated nations.

Massachusetts Committee for Captive Nations: Alex Dano, Hungarian Society of Boston; Josef Mlotmroz, Polish Freedom Fighters, Inc.; Orest Szczudluk, Ukrainian Congress Committee of America, Inc., Boston Chapter; James H. Tashjian, American Committee for the Independence of Armenia; Ludvigs Reiters, American Latvian National League of Boston; John J. Grigalus, Esq., Lithuanian American Council of Boston.

[From the Boston (Mass.) Hairenik Weekly, August 5, 1965]

NEW HAMPSHIRE HOUSE OK'S CAPTIVES RESOLUTION

CONCORD, N.H., July 1.—The New Hampshire House of Representatives today adopted on a viva voce vote a resolution on Captive Nations Week submitted by State Representatives Maloomian (Somersworth) and Cole (Swanzey). The resolution reads:

"Whereas in 1959 the Congress of the United States voted to proclaim July 18 to July 24 of that year as Captive Nations Week and to authorize the President to set apart a day in July in each year to be known as Captive Nations Day, and

"Whereas many captive nations have fallen to the hand of communism and until they have been freed from the bonds of tyranny we shall celebrate this day; Therefore be it

"*Resolved,* That we, the members of the New Hampshire House of Representatives in general court convened, do hereby pledge ourselves as opposed to oppression and to the furtherance of helping all such captive nations until they have regained their freedom."

[From the Boston (Mass.) Hairenik Weekly, Aug. 5, 1965]

LOWELL PAPER ATTACKS CAPTIVE NATIONS WEEK

LOWELL, MASS., July 23.—Today's issue of the Lowell Sun, a newspaper catering to the public of this northern Massachusetts community, broke out with an editorial on Captive Nations Week which has shocked its thousands of readers.

The newspaper, in a statement untypical of American press reaction to President Lyndon B. Johnson's recent proclamation of Captive Nations Week in the United States, blasted the event as an occasion seized upon by politicians to make political hay in terms of possible voting advantages.

Readers of the paper have pointed out that the Sun's attack on the eminently American institution of Captive Nations Week had come at a most unpropitious moment.

They have pointed out to the editors of the Sun that the inconsistent outburst against liberation came at a time when the President had ordered all possible military support of the struggle of the South Vietnamese people to prevent their nation from joining Armenia, Ukraine, Poland, Latvia, Hungary, Lithuania, Estonia, Georgia, Azerbaijan, White Ruthenia, Rumania, Bulgaria, Cuba and other nations as captives of communism.

They pointed out too that it conflicted head on with recent statements by President Johnson, Vice President HUMPHREY and Secretary of State Rusk, that it was the American mission to encourage and champion freedom in all corners of the world.

Readers also expressed shock at the cavalier ability of the Sun to subscribe to the permanent enslavement of 810 million people of 25 nations, the captive world, by Soviet and Chinese communism.

Captive Nations leaders in Boston joined Sun readers in expressing shock at the editorial obfuscation of Captive Nations Week on the part of the newspaper.

They expressed opinions that the editorial writer had demonstrated nothing more than an impetuous misunderstanding not only of the mechanics of Captive Nations Week, but also its purpose.

As an example, they said that the newspaper's charge that "The CONGRESSIONAL RECORD is replete with cliche-filled statements by Senators, Congressmen, Governors, and mayors about the need to liberate the nations behind the Iron Curtain," was simply not true.

The plethora of statements on Captive Nations Week in recent issues of the RECORD, they said, rather reflect the desire to "remind the world that America had not forgotten about the people of the Iron Curtain," a statement used by the newspaper in extolling the original Captive Nations Week proclamation of President Eisenhower, in 1959, which, however, the newspaper found to have now been misused in such a way as to "overdo a good thing" by introducing "political considerations."

A study of the RECORD, they said, brings to light that not a single American figure recorded therein proposed the "liberation" as such of the captive world. What they proposed was that the American public join with the President in remembering the heroism of the peoples captivated by communism so that the spirit of freedom and independence might continue to glow behind the Iron Curtain.

The newspaper also resurrected the old cliche that: "To keep shouting that we will 'roll back' the Iron Curtain is to fan false and dangerous hopes of a promise everyone knows we cannot fulfill. Remember the tragic Hungarian revolution."

The charge has been amply refuted. Captive Nations activities in the United States do not "fan false and dangerous hopes" among the enslaved peoples. They merely sustain the will to be free of these people, tell them that the world's greatest nation is cognizant to their plight, and continues sympathetic to their aspirations.

As many Congressmen have stated, the captive nations are the "Achilles heel" of the Communist dominated world. What Vietnam is now suffering has been suffered by 25 nations in the past.

[From the Boston (Mass.) Hairenik Weekly, Aug. 5, 1965]

THE ASSASSIN OF LIBERTY

In an age when national liberation of peoples is the supreme issue, the addition of every free national state is a contribution to the cause of universal liberty. And conversely, the destruction of every free democratic national state is a loss to the cause of human freedom.

There is, however, one political ingredient which makes a vast difference in the final makeup of this balance sheet. And that is, the qualification of a nation for self-government.

There is, for instance, a considerable degree of doubt in some minds, as to the wisdom of the liberation of a host of Afro-Asian nationalities. Is this an asset or an impediment to the cause of universal freedom? The promiscuous proliferation of a host of backward peoples who have won their independence but who are ill prepared for national independence, for instance, no matter how vociferously hailed by romanticists, may be simply tolerated and endured indefinitely in the hope of eventual maturity. But the destruction of the independence of such historically mature states as Armenia and Ukraine must necessarily be considered as criminal.

The question of the real culprit in the destruction of the independent Republic of Armenia in 1920 has been the subject of wide speculation by students of history but only recently some new revelations in connection with the Turco-Soviet hobnobbings have shed new light on the real culprit.

Armenian students have known right along that it was the Turco-Soviet conspiracy which put an end to the independent Republic of Armenia in 1920. But the fact of Soviet complicity had never been adequately studied. This criminal action was one item on which the Soviet has kept a meticulous silence. The principal fact remains that the independent Republic of Armenia would still be alive today were it not for the Soviet conspiracy. It was the Soviet which bolstered the successor government of the old Ottoman Empire and promoted the liquidation of a host of independent democratic states which were functioning normally and were well on their way to political maturity.

This fact was brought to light in a recent radio and television broadcast of the Soviet Tass News Agency. While purporting the role of the Soviet as "a bulwark for national liberation struggle" the broadcast said specifically: "The Soviet socialist state handed over to the Turkish Government of Mustafa Kemal 10 million gold rubles just as the fate of the Turkish revolution was at stake. This was done not because our people could easily spare the money, but because the young Soviet Russia understood that the fate of a national revolution was at stake and helped it."

By this damning admission the Soviet, instead of promoting the cause of Armenia's liberation, a nation which had won its independence by its own sweat and blood, turned around and bolstered a decadent and discredited people who ill-deserved their independence and destroyed a perfectly well-deserved and justly won independence, all in the fraudulent name of promoting the cause of national liberation.

It goes without comment that the Government of the United States took this same Turkey to its bosom and supported it to the tune of some $3 to $4 billion, all in the hope that the murderer nation of women and children had now reformed and was a reliable ally of the free democratic nations.

In two world wars the Turk was a liability to the free world. In one war he was with our enemies and was a cause of the loss of thousands of our boys. In another war he stood on the fence until the 11th hour and made up his mind only when the victory was won. He profited from American generosity to the tune of billions, and now is again hobnobbing with the Soviet, just as the Armenians had repeatedly warned the free world would occur.

The free world will yet learn that the best way to promote the cause of peoples liberation is to support and sustain such reliable peoples as the Armenians, the Ukrainians and the other Soviet-enslaved European peoples.

[From the Brooklyn (N.Y.) Tablet, July 22, 1965]

CAPTIVE NATIONS WEEK

At the request and the recommendation of both Houses of Congress, President Eisenhower in 1959 designated the third week in July, Captive Nations Week. By Presidential proclamation the commemorative days are being noted this year July 18–24. The weeklong observance is intended to make public the concern of the American people over the agonizing plight of the untold millions of their fellow men who are forced to live and to suffer under Communist tyranny and oppression.

East Germany, Eastern Europe, Soviet Russia, Red China, North Korea, North Vietnam and Cuba are the world areas that come quickest to our mind at this time. Their peoples, bereft of freedom and all else that contributes to human dignity and decency, must these days especially be the fond objects of our prayers.

The raucous protestations of Red sympathizers at home and abroad must never be allowed to distract us from the tragic plight of helpless and voiceless nations. For communism thrives on deception and duplicity. It would have us believe that things go well behind the Iron and the Bamboo Curtains. It would insist that what does go on there is no one else's business.

It consistently maintains that all attempts to enlighten world opinion regarding conditions in the satellite nations is nothing more than capitalistic propaganda. To cover up its own crimes against humanity, it imputes the guilt of them to others. It charges us with imperialistic aggression in places like South Vietnam and the Dominican Republic.

Many in this country have let themselves be deceived, and in their own blindness they would lull others into a sense of complacency and indifference regarding the enormity of the threat posed by communism to all the world, whether it be the Soviet or the Chinese brand of the evil.

Captive Nations Week is an annual reminder that we must not relax in our prayers or in our vigilance. It is not just a case of protecting ourselves from the horrible fate that has been thrust upon other nations and other peoples. We must go on working and praying that one day they may be free again.

[From the Brooklyn (N.Y.) Tablet, July 15, 1965]

ASK CAPTIVE NATIONS WEEK PRAYERS FOR "UNREACHABLES"

DEAR SIR: Except for Divine Providence the millions of captive peoples under communism have indeed become the unreachables to citizens of the free world.

"Pray for them," urges Auxiliary Bishop Roman R. Atkielski of Milwaukee, executive director of the League of Prayer for the Captive Peoples, in issuing a call for prayers during Captive Nations Week July 18–25.

"While we are hopelessly separated from these captives by all human yardsticks, we must not lose hope. What is impossible to man is possible to God."

Bishop Atkielski particularly recommends prayers of intercession to Our Lady of Guadalupe, patroness of the league. "We know that she, as the mother of all America, will accept tenderly any prayer we have for the persecuted."

Correspondence from priests and members of the hierarchy who have experienced Communist captivity express wholehearted approval of the LPCP spiritual apostolate. Bishop Atkielski adds that their stories of spiritual privation should instill compassion in the hearts of Americans who enjoy easy access to their priests and churches.

A former Communist-imprisoned missionary wrote: "In prison, with good laymen whom I greatly admired, I was forced several times to tell them: 'You know I want to help you; I know you want to help me. The kindest thing I can do, for the time being at least, is not to speak a word to you or show you any notice.' That's part of the suffering imposed on us, and it is accepted with understanding."

From a Jesuit missioner exiled from China: "The thoughtful Catholics in China will be very grateful for your prayers and masses, and will strengthen us all by their patience under complex and painful burdens. They will be thankful if, in addition to praying for them, we 'behave for them' and use the principles of faith and charity in every part of our everyday life. But it is the children who are in the saddest situation; they are deprived of the light and strength our faith could give them; are exposed to hearing religion derided and calumniated in press, classroom, films, etc. Parents can only with difficulty teach them to pray."

From a priest who visited an Iron Curtain country in 1964: "There is a complete disorientation among these people since the Communists are very hard on them. One of these poor people asked me, father, tell us, do we still belong to Rome? They say we aren't anymore."

LEAGUE OF PRAYER FOR CAPTIVE PEOPLES.
MENOMONEE FALLS, WIS.

[From the Brooklyn (N.Y.) Tablet, July 22, 1965]

MONTHLY MASSES FOR CAPTIVE PEOPLE

St. Elizabeth of Hungary Church, Ozone Park, is celebrating monthly masses as part of a nationwide crusade for prayer for those suffering Communist persecution.

The masses offered on the 19th of each month are part of a campaign conducted by the League of Prayer for the Captive Peoples with headquarters in Menomonee Falls, Wis. Auxiliary Bishop Roman R. Atkielski, of Milwaukee, is executive director.

[From the New York Herald Tribune, July 17, 1965]

CAPTIVE NATIONS WEEK IN CITY

Captive Nations Week, which starts tomorrow by proclamation of President Johnson, will be observed in churches and synagogues in New York.

A solemn mass will be celebrated tomorrow at 10 a.m. at St. Patrick's Cathedral.

Rabbi Ronald Sobel of Temple Emanu-El, 5th Avenue at 65th Street, will preach on captive nations in his sermon next Saturday at 10:30 a.m.

[From the New York Times, July 19, 1965]

CAPTIVE LANDS WEEK OPENS WITH CEREMONY NEAR U.N.

UNITED NATIONS, N.Y., July 18.—The flags of nine Eastern European nations were raised to half-staff today in a ceremony across from the United Nations headquarters in token of the present subservience of those nations to Communist regimes. The midday program initiated Captive European Nations Week, proclaimed by President Johnson.

Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania were represented through the flags and in the audience of about 150. The audience included both Americans and exiles from Eastern Europe. Some of the latter wore their national costumes.

The activities of the week are under the auspices of the Assembly of Captive European Nations, organized and headed by a number of former officials of the nine countries.

[From the New York (N.Y.) Journal American, July 18, 1965]

MEMO TO FREEMEN

Captive Nations Week, which begins today, reminds us that the Soviet Union is the greatest colonizing power on earth. with Red China an eager second. The African and Asian nations which are targets of aggressive colonization by the U.S.S.R. and Red China should be reminded, too.

While many of the nine Eastern European satellites are progressing toward economic independence (i.e., Rumania), they squirm in political and mililitary bondage.

The late Ambassador Adlai E. Stevenson hammered away at the Russian colonial masters to release their territories from that bondage. It is a distant hope.

This week looks forward to the day when the captive nations will have free elections; and millions of people within those nations are looking to that day, too.

[From the New York (N.Y.) Daily News, July 19, 1965]

IT'S CAPTIVE NATIONS WEEK

Back in 1959, Congress by a joint resolution authorized and requested the President to designate the third week in July of each year as Captive Nations Week, until all the captive nations of the world should be free.

President Dwight D. Eisenhower had no hesitation about pointing a finger, in his captive nations proclamations, at Soviet Russia as the champion slaveholder nation of the world and the slaveholder that Congress had in mind when it adopted the joint resolution.

President John F. Kennedy discontinued the Eisenhower practice of calling the Kremlin what it was (and is). He contented himself with pious proclamations voicing the hope that some day all captive nations would be liberated.

President Johnson has now repeated the Kennedy procedure. His 1965 Captive Nations Week proclamation, issued July 2, doesn't carry the word "communism" or name any captive nations, or say what nation is holding others captive.

We're surprised and disappointed that the big man from Texas should pussyfoot in this manner. We recall that the late H. L. Mencken once urged that all U.S. Reds be sent to Texas—whose citizens would promptly kill them to the last scrubby man and scrofulous woman.

Anyway, the week which began yesterday is Captive Nations Week; and the big enemy still is Soviet Russia; and demonstrations staged this week by the Assembly of Captive European Nations and kindred organizations deserve, we believe, the cooperation and applause of all patriotic Americans.

Looming back of Soviet Russia as a would-be captor of a lot of nations and a would-be conqueror of all the world is Red China.

Mao Tze-tung and his colleagues in Peiping are as bloodthirsty and ruthless as Genghis Khan, Tamerlane, and Ivan the Terrible ever were.

[From the New York (N.Y.) Herald Tribune, July 24, 1965]

CAPTIVE NATIONS WEEK IN CHURCHES

(By Patricia Smith)

Captive Nations Week, which began last Sunday by Presidential proclamation, had special meaning for many worshipers in foreign language churches throughout New York. No official pronouncement was necessary to remind them of political persecution.

These people, mainly from Iron Curtain countries, remember escape, displaced persons camps, and the problems they have had to face in a new country.

Often, their priests and ministers share these memories. Pastor Rudolf Kirivanna of the Estonian Evangelical Lutheran Church, Lexington Avenue at 86th Street, fled his native Estonia in 1944, just 2 hours before the Red army marched into the capital, Tallin, where he was a minister.

He found room for himself, his wife, and two children aboard a Dutch tugboat, which had been left in the harbor by the retreating Germans. The tug moved out with a German convoy. "In wartime no one can go on his own," explained Pastor Kirivanna.

Once beyond the harbor, the tug feigned engine trouble and signaled the Germans that it couldn't keep up. All aboard escaped to Sweden, where Pastor Kirivanna remained for 3½ years until he was called to his church in New York.

[From the Arizona Republic, June 19, 1965]

THE PEOPLE SPEAK: CAPTIVE NATIONS COMMITTEE WRITES ABOUT ANNIVERSARY

EDITOR, THE ARIZONA REPUBLIC:

In a strong statement of protest the Phoenix Committee for the Captive Nations has called attention to an announcement by United Press International that last week's passage of West Berliners through the Berlin Wall to see relatives in East Berlin may be the last permitted by the satellite Communist regime.

They point out that the so-called "German Democratic Republic" is not, in the true sense, even a state, because this creation lacks two essentials which even today, are considered indispensable for recognition in international law: it is neither internally stable nor does it possess the necessary independence for regulating freely its foreign relations.

The Potsdam agreement stipulated that local government was to be developed immediately in Germany in accordance with democratic principles, and elections were to be held as soon as possible. The agreement not only dealt with Germany as a single economic unit, but it indicated that Germany was ultimately to be restored as a single nation.

Under House Concurrent Resolution No. 8, proposed in 1963 by Representative FRANK T. BOW, June 17 was set aside as "East Germany Day" to commemorate this enslavement of East German territory by Soviet forces.

June is also the anniversary of the first post war crisis of blockading the city of Berlin in 1948, as well as of riots started in Berlin in that year on the day on which West Germany's currency reform was introduced—a reform which sparked Germany's economic upsurge and ended in a sharp contrast of economic prosperity for the free

Germany as against the poverty of socialist East Germany.

By the time the Western Allies entered Berlin at the end of World War II, the Soviet authorities had been in sole charge for 10 weeks. According to House Committee on Un-American Activities Documents No. 139, part 11, it was a period of looting, "unrestrained debauch," "rape," and disorder.

In a period in which "coexistence" is being pressed upon the American people, the Phoenix Committee for the Captive Nations sought to use the occasion of East Germany Day to remind their fellow-Phoenicians of the realities of the record of "coexisting with marauders."

[From the Phoenix (Ariz.) Republic, June 19, 1965]

Captive Nations Club Invites New Members

Needed: Albanians, Cubans, Chinese, Bulgarians, Estonians, and Latvians.

A special invitation has been extended to these nationalities to attend the Captive Nations Club meeting tomorrow at 8 p.m. at Luke Greenway Post of the American Legion, 364 North Seventh Avenue. These groups are the only captive nations not represented in club membership, club officers said.

[From the Phoenix (Ariz.) Republic, June 19, 1965]

Captive Nations

The captive nations committee will meet tonight at 8 o'clock in the Yellow Room of the American Legion Luke Greenway Post, 364 North Seventh Avenue.

[From the Phoenix (Ariz.) Republic, June 19, 1965]

Holy Hour To Be Held Tomorrow

A holy hour, in observance of the recent feast day of Our Lady of Mount Carmel and the beginning of Captive Nations Week, beginning tomorrow, will be held by the blue army of Our Lady of Fatima.

The Reverend Aloysius Ellacuria, pastor of Immaculate Heart Church, 909 East Washington, will officiate at the services, which begin with mass at 7 p.m. tomorrow at the church.

The blue army works with the local captive nations committee as religious branch of the organization.

In line with this the blue army banner will be displayed during the captive nations rally at Encanto Park Band Shell Tuesday at 8 p.m.

Included in the blue army activities next week will be a religious seminar July 24 from 10 a.m. to 4 p.m. at the center, 702 East Adams Street, for adults and students.

The program will feature a film on the brown scapular.

[From the Phoenix (Ariz.) Republic, June 19, 1965]

Captive Nations Rally Set Tuesday

Several hundred persons are expected to attend a rally sponsored by the Arizona Captive Nations Committee at 8 p.m. Tuesday at Encanto Park bandshell.

Governor Goddard has been asked to read the proclamation he signed June 15 stating the third week in July as Captive Nations Week. President Johnson also issued a similar statement proclaiming national Captive Nations Week.

Senator John Conlan, Republican, of Maricopa, has been named the guest speaker.

The meeting will be attended by several American ethnic groups: Chinese, Croatian, Czech, German, Hungarian, Lithuanian, Polish, Rumanian, Serbian, Slovak, and Ukrainian. German student pilots from Luke Air Force Base are also scheduled to attend.

Events including dancing, singing, and music by the national groups, have been scheduled.

The nonpartisan committee was established 7 years ago, nationally, and 3 years ago in Arizona. Purpose is to help create a Captive Nations Committee in Congress in order to free captive nations of the Communist bloc, according to Shirley Beckman, secretary.

[From the Phoenix (Ariz.) Republic, June 19, 1965]

Captive Nations Week Set

Captive Nations Week will be celebrated in Phoenix with a July 20 program dedicated to countries that are under Communist rule.

To be held at Encanto Park band shell, the program will include a concert by the Williams Air Force Base band and a demonstration by a Marine color squad.

A huge map will be set up on the bandshell stage to illustrate the nations that have been overwhelmed by the Communists. Dances of the various nations will be presented during the evening program and flags of the nations will be paraded.

Walter Chopiwskyj, AiResearch engineer, is chairman of the observance.

[From the Phoenix (Ariz.) Republic, June 19, 1965]

Conlan Links United States to Captive Nations

Senator John Conlan, Republican, of Maricopa, said last night that this Nation's future is inseparable from that of the 200 million people living in the captive nations of Eastern Europe.

Conlan, speaking before several hundred persons attending a Captive Nations Rally at Encanto Park band shell, asserted: "To the degree we encourage and support the liberation into freedom of these nations, the sooner will the foundations of the Communist empire be shaken and shattered."

He said the "geopolitical foundations of the Communist conspiracy rest on captive nations, who detest and despise their slavemasters * * *. The most vulnerable heart of the Communist empire is found in the captive nations who are gasping for that fresh, sweet breath of air labeled freedom and self-determination."

Conlan recalled that Congress in 1959 passed a law designating the third week of July Captive Nations Week. It called upon the President to issue a proclamation yearly to this effect "until such time as freedom and independence shall have been achieved for all the captive nations of the world."

He also defended U.S. policy in Vietnam and decried the idea of negotiating in the face of Communist demands for "reunification" of all of the country on Communist terms.

"What can we negotiate," Conlan said, "except the hour and place of our capitulation? Those who buy surcease with concessions, shortly face a new battle on more difficult terrain."

Conlan declared that those who "cry for 'withdrawal,' 'disengagement,' and 'negotiation' * * * mean 'surrender.'"

"The day we walk out of Vietnam," he said, "will be the death sentence day for millions who have trusted us."

[From the Phoenix (Ariz.) Republic, June 19, 1965]

Captive Nations Week Planned

Captive Nations Week July 18 to 24 will be highlighted in Arizona with a rally at Encanto Park band shell at 8 p.m. July 20.

Governor Goddard and Phoenix Mayor Graham will be among the participants. Senator John Conlan, Republican of Maricopa, will deliver the keynote address.

Walter Chopinwskyj, executive director of the sponsoring Arizona Captive Nations Committee, said ethnic groups of 11 nations will perform native dances in costume as a feature of the rally. This is the seventh observance of Captive Nations Week.

[From the Miami (Fla.) Herald, July 18, 1965]

Representative Fascell Will Speak on Program

Congressman Dante B. Fascell will be the principal speaker at ceremonies in observance of "Captive Nations Week" Sunday through July 25.

Fascell will speak at a public program at 3 p.m., July 25, at Miami High School, Rev. John Paul Nagy, general chairman of the South Florida Captive Nations Committee, said.

During the week, representatives of various ethnic groups, whose homelands are behind the Iron Curtain, will meet to give "renewed devotion to the just aspirations of all people for national independence and human liberty."

A special program will be at 8 p.m., July 25, which will include speakers, entertainment, folk dances, and folk songs by participating groups.

The week was proclaimed July 3 by President Johnson. Participating groups include Cubans, Estanians, Hungarians, Ukrainians, Latvians, Lithuanians, and Polish.

[From the Miami (Fla.) News, July 15, 1965]

New Captive Nations Unit Plans Day

The executive board of the newly organized South Florida Captive Nations Committee will meet at the McAllister Hotel tomorrow to plan community observances of Captive Nations Day.

The annual observance, set by Presidential proclamation, will be at 8 p.m. Sunday at a site to be announced later.

Nationals from Hungary, Cuba, Estonia, Latvia, and the Ukraine will participate in the massing of the colors, while the keynote speech will be delivered by Lee Vogel, executive director of the local chapter.

Chosen general chairman of the chapter was Rev. John Paul Nagy, pastor of the First Hungarian Church of Miami.

[From the Miami (Fla.) Herald, July 19, 1965]

The Captive Nations Celebrate

A Fillip has been added, locally and internationally, to the 1965 Captive Nations Week, which began Sunday.

In Miami, a public observance is being planned by a committee led by the Reverend John Paul Nagy, pastor of the First Hungarian United Church. This will be the first such program here.

Globally, Communists are trying to build a backfire against this reminder of the way they they have enslaved 27 once-free nations in Europe, Asia and even on the doorstep of the United States, in Cuba.

The backfire takes the form of big celebrations being whipped up for Wednesday in Estonia, Latvia, and Lithuania. These three little Baltic nations were occupied by Russian troops 25 years ago this month, and dragooned into the Soviet Union. Their people are now being called upon to celebrate the 25th anniversary of their enslavement.

This festival, in turn, is an attempt to smother the effect of a resolution adopted June 21 by the U.S. House of Representatives. The Congressmen called on President Johnson to "draw the attention of world public opinion in the United Nations and other appropriate international forums to the deprivation of the people of Estonia, Latvia, and Lithuania of the right to self-determination."

The head Red in Lithuania objected to this resolution, naturally. He called it an effort to spoil "our happy holiday" and "to slander the Soviet regime in Lithuania and to portray it as occupied."

So what else is new? The Miami observance of Captive Nations Week, for one thing. It will be an addition to the growing list of programs across this land expressing sympathy with victims of Communist aggression.

The Reds were nettled when Congress in 1959 called on Americans to observe the third week in July "each year until such time as freedom and independence shall have been achieved for all the captive nations of the world." For the seventh time this week, the response will proclaim America's support for that goal.

[From the Miami (Fla.) News, July 12, 1965]

REMEMBER CAPTIVE PEOPLES

Communist denunciations of the United States for interfering in Vietnam and the Dominican Republic are too often used to divert world attention from totalitarian rule imposed on 100 million East Europeans who have been deprived of human rights by the Red bosses.

This is why designation of the third week in July as Captive Nations Week serves as a reminder to all Americans that unrelenting pressure must be maintained against the growth of communism throughout the world. This is why American soldiers are losing their lives in Saigon and Santo Domingo today.

The 69th Congress authorized the President of the United States to issue an annual proclamation inviting this Nation to appropriately observe 1 week out of the year until such time as freedom and independence shall have been achieved for all the captive peoples of the world.

Enslavement of millions by the Communists makes a mockery of an idea about peaceful coexistence between nations and will continue to be a detriment to understanding between the two major powers.

CAPTIVE NATIONS WEEK—SOUTH FLORIDA OBSERVANCE, JULY 18 TO 25, 1965

(General meeting, Sunday, July 25, 3 p.m., Miami Senior High School auditorium, Miami, Fla.)

Honorary chairman: Metro Mayor Chuck Hall.

General chairman: Rev. John Paul Nagy, First Hungarian United Church.

Executive director: Lee Vogel, WQAM radio commentator.

PUBLIC LAW 86-90, 86TH CONGRESS, SENATE JOINT RESOLUTION 111, JULY 17, 1959

Joint resolution providing for the designation of the third week of July as "Captive Nations Week"

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic background; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence, and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

THE STAR-SPANGLED BANNER

Oh say! Can you see, by the dawn's early light,
What so proudly we hailed, at the twilight's last gleaming?
Whose broad stripes and bright stars, thro' the perilous fight,
O'er the ramparts we watched, were so gallantly streaming?
And the rockets' red glare, the bombs bursting in air,
Gave proof thro' the night that our flag was still there.
Oh, say, does that Star-Spangled Banner yet wave
O'er the land of the free and the home of the brave?

PROGRAM

"To give renewed devotion to the just aspirations of all people for national independence and human liberty."—LYNDON B. JOHNSON, President of the United States.

Opening exercises: Conducted by the 10th district staff of the American Legion, Department of Florida, under the direction of past commander Andrew N. Bergida, of Miami Beach Post 85, 10th district service officer.

Massing of colors and grand march: Led by 10th district staff color guard and colors of district posts; colors of the Royal Lancers with color guard; colors of the captive nations with escorts.

Pledge of Allegiance.

National anthem: Led by Barbara Gladsdem, Miami Opera Guild.

Invocation: Father Sevastian Loncar, rector of St. Michael's Catholic Church.

Introduction of flags of captive nations.

Rifle drill: By Royal Lancers, all-girl team sponsored by Lindley De Garmo Post 70, Coconut Grove, Bernard Serletic, director.

Master of ceremonies: Lee Vogel, WQAM commentator. "The Background of Captive Nations Week."

Greetings: U.S. Representative CLAUDE PEPPER.

Selections

Cuba: "La Comparsa de Añorada Cuba," song and dance.

Baltic countries: Miss Meeta Sepp singing:

Lithuania: "There Where the Flax Thatched Cottage Is."

Latvia: "Orphans' Song at Sunset."

Estonia: "Memories of Homeland" duet with Saimi Vilbas.

Ukraine: Sword dance by Ukrainian Dancers of Miami.

Hungary: Poem: "They've Walled Up Every Window."

Intermission

A goodwill donation will be collected by the girls of the Royal Lancers to help defray expenses of the South Florida Captive Nations Committee in sponsoring this observance.

Principal address: Congressman DANTE B. FASCELL, Member of the House of Representatives Foreign Affairs Committee.

Selections

Poland: "Pray for Poland" sung by Polish-American Club chorus.

Hungary: "Dance of the Braves" by John Paul Nagy, Jr.

The role of religion in the struggle for freedom of the captive nations, (Greater Miami Council of Churches).

Benediction: Rabbinical Association of Greater Miami.

"God Bless America."

"This country must never recognize the situation behind the Iron Curtain as a permanent one, but must, by all peaceful means, keep alive the hopes of freedom for the peoples of the captive nations," (John F. Kennedy, 35th President of the United States.)

HONORARY COMMITTEE (PARTIAL LIST)

Chairman: Chuck Hall, mayor of Metropolitan Dade County.

U.S. Senator SPESSARD HOLLAND.
U.S. Senator GEORGE A. SMATHERS.
U.S. Representative CHARLES E. BENNETT.
U.S. Representative WILLIAM C. CRAMER.
U.S. Representative DANTE B. FASCELL.
U.S. Representative DON FUQUA.
U.S. Representative SAM M. GIBBONS.
U.S. Representative EDWARD J. GURNEY.
U.S. Representative JAMES A. HALEY.
U.S. Representative A. SYDNEY HERLONG, JR.
U.S. Representative CLAUDE PEPPER.
State Senator Robert M. Haverfield, Jr.
State Senator George L. Hollahan, Jr.
State Representative Murray H. Dubbin.
State Representative Mary Ann MacKenzie.
State Representative Richard A. Pettigrew.
State Representative Ralph R. Poston.
State Representative W. Thomas Spencer.
State Representative Lee Weissenborn.

South Florida Captive Nations Committee: General chairman, Rev. John Paul Nagy, pastor, First Hungarian United Church; executive director, Lee Vogel, WQAM commentator; publicity director, Tod Swalm, Jarrett Associates, Inc.

SPONSORING ORGANIZATIONS

American Legion, 10th district, Andrew N. Bergida, district service officer.

Cuban Revolutionary Unity, Dr. Mario Seiglie, Dr. Miguel A. Olba.

Dade Youth Council, Mike Rich.

Estonian-American Culture Club, Eugenia Rosenberg, Meeta Sepp.

Hungarian Center, Rev. John Paul Nagy, Louis Brewer.

Latvian Society, Nickolais Grinins, Vitauts Purmalis.

Lithuanian Council, Zigmas Kaulakis, A. D. Kaulakis.

Polish-American Club, Carl Kochanek.

Ukrainian-American Club, Katherine Hodivsky, Ted N. Maksymowich.

RELEASE FROM THE SOUTH FLORIDA CAPTIVE NATIONS COMMITTEE

Congressman DANTE B. FASCELL will be the principal speaker at ceremonies in observance of Captive Nations Week to be held at Miami High School auditorium on Sunday, July 25, 3 to 5 p.m., it was announced by Rev. John Paul Nagy, general chairman of the South Florida Captive Nations Committee, sponsors of the event.

This will be the first organized observance of Captive Nations Week in Florida. Similar observances are scheduled in Washington, D.C., Chicago, New York City, Buffalo, Rochester, Pittsburgh, Los Angeles, San Francisco, Philadelphia, and other cities.

The week of July 18–25 has been proclaimed as Captive Nations Week by President Johnson, and Mayor Chuck Hall has done likewise by urging the people of Dade County to observe this week with appropriate ceremonies and activities "to give renewed devotion to the just aspirations of all people for national independence and human liberty."

The observance at Miami High School auditorium will be opened by a massing of the colors, including those of the captive nations, conducted by a crack drill team of the 10th district American Legion staff, with Andrew N. Bergida, past commander of Miami Beach Legion Post 85, 10th district service officer, in charge.

Lee Vogel, WQAM commentator, who is executive director of the South Florida committee, will serve as master of ceremonies and deliver the keynote speech. Religious portions of the program will be under the direction of Reverend Nagy, who is pastor of the First Hungarian United Church.

Colorful and appropriate entertainment in the form of folk dances and songs expressing the longing for liberty will be presented by representatives of various ethnic groups that are participating on the committee. Cochairmen for this phase of the program are Ted N. Maksymowich and Katherine Hodivsky, of the Ukrainian-American Club.

Other groups represented on the committee include Cuban Revolutionary Unity, Polish-American Club, Estonian-American Culture Club, Hungarian Center, Independent Latvian Society, the Miami Lithuanian Council, and the Dade Youth Council.

Captive Nations Week was established by joint congressional resolution and Presidential proclamation, Public Law 86–90, in 1959 and has been observed throughout the country each year since that time.

RELEASE FROM SOUTH FLORIDA CAPTIVE NATIONS COMMITTEE

The first permanent committee for the observance of Captive Nations Week in Florida has been formed here, it was announced today by Rev. John Paul Nagy, pastor of the First Hungarian United Church of Miami.

Reverend Nagy was elected general chairman at an organizational meeting of representatives of various ethnic groups in the area whose homelands are behind the Iron Curtain. Patriotic and civic organizations also are participating.

The meeting was called by Lee Vogel, local radio commentator (WQAM), who was elected executive director of the South Florida Captive Nations Committee. Vogel had participated in Captive Nations Week observances at Minneapolis, Kansas City, and Chicago prior to coming to Miami last year.

Up to now there have been no organized observances of the occasion, which has been established by Congress and by Presidential proclamation as the third week in July, in the Miami area or in Florida, except for scattered references to it in some of the churches.

This year a communitywide observance is planned for the week of July 18–25, culminating in a program to which the general public is invited on Sunday, July 25, 8:00 p.m., at a place to be announced later. There will be an outstanding speaker, also to be announced later, and appropriate entertainment in the form of folk dances and songs by representatives of the participating ethnic groups in native costumes.

Leading off the program will be a massing of the colors, including those of the captive nations, conducted by a crack drill team of the 10th district American Legion staff, with Andrew N. Bergida, past commander of Miami Beach Legion Post 85, 10th district service officer, in charge.

Vogel will serve as master of ceremonies and deliver the keynote speech. Representatives of the three major faiths will give the invocation, benediction, and a brief review of the activities of the churches in respect to the suppression of religious freedom by the Communists.

The observance will be within the framework of Public Law 86–90, passed by the 86th Congress, which declares that "it is vital to the national security of the United States that the desire for liberty and independence on the part of the people of the conquered nations should be steadfastly kept alive" and to manifest to them that the citizens of the United States share their aspirations for freedom from the yoke of Communist imperialism.

At the organizational meeting of the South Florida Captive Nations Committee, an executive committee was elected to plan and supervise the observance program. In addition to Reverend Nagy, Vogel, and Bergida, it is composed of Dr. Mario Seiglie, of Cuban Revolutionary Unity; Katherine Hodivsky and Ted N. Maksymowich, Ukrainian-American Club; and Carl Kochanek, Polish-American Club.

Other groups represented at the organizational meeting included the Estonian-American Culture Club, Hungarian Center, Independent Latvian Society, the Miami Lithuanian Council, and the Dade Youth Council. Other interested groups will be welcomed and should contact Reverend Nagy.

[From the Ukrainian Bulletin]

CAPTIVE NATIONS VERSUS COMMUNIST WARS OF LIBERATION

For the past 6 years the United States of America has been observing Captive Nations Week, a solemn observance dedicated to the captive nations of Europe and Asia enslaved by Russian Communist imperialism and colonialism. This observance is based on the Captive Nations Week resolution which was enacted by the U.S. Congress on July 17, 1959, and which upon the signature of President Dwight D. Eisenhower, became a law of the land, specifically, Public Law 86–90.

This year the week of July 18 to 24 will be the seventh Captive Nations Week in the United States. As in the past it will be commemorated throughout the Nation, while in Congress many U.S. Senators and Congressmen will make appropriate statements on the floor of Congress paying tribute to this patriotic American manifestation.

THE MEANING OF THE CAPTIVE NATIONS WEEK OBSERVANCES

The late President John F. Kennedy, in issuing a Captive Nations Week proclamation, stated, among other things:

"This country must never recognize the situation behind the Iron Curtain as a permanent one, but must, by all peaceful means, keep alive the hopes of freedom for the peoples of the captive nations."

This catches the essence of the annual observance of the "Captive Nations Week" in this country and in other parts of the world. Since the passage of Public Law 86–90 in 1959 the captive nations movement has grown in scope and intensity in the United States and Canada. It has also generated considerable discussion of the captive nations problem in Europe, Asia, and Latin America.

Highly significant is the fact that the very idea of the captive nations observances utterly enraged the Russian totalitarians. It is to be recalled that after the passage of the resolution Mr. Khrushchev threw tantrums and assailed the President of the United States for taking official cognizance of the plight of the enslaved nations. The Soviet press and radio were ordered to stage a vast counteroffensive charging that the U.S. congressional resolution was a "cover-up" for the oppression of American Negroes and for American "imperialist" ventures in Korea, the Middle East, and Latin America. The Soviet campaign against the captive nations concept has been consistent and well-planned. Every year after the "Captive Nations Week" observances are held in the United States the Soviet press berates the American President and the U.S. Congress. Now, as a result, some American pacifists and Soviet appeasers openly point out that one substantial obstacle to a better Russian-American understanding is the attention paid to the captive nations.

No less a personage than George F. Kennan, our former Ambassador to Moscow and perennial glorifier of "Mother Russia," has been a stubborn enemy of the captive nations concept. He believes that pursuance of the captive nations ideology would inevitably bring about the dismemberment of Russia:

"I can think of nothing more catastrophic than that the policy of our Government should be committed to the breakup of the traditional Russian state. Remember that nothing could be carried forward except at the cost of the violent and total estrangement of the Russian people * * *" (cf. George F. Kennan, "On Dealing With the Communist World," 1964, p. 13).

While his heart bleeds for the Russian people, Mr. Kennan remains totally oblivious to the murder and persecution of Ukrainians, Latvians, Lithuanians, Estonians, Byelorussians, Georgians, Armenians, Cossacks, Azerbaijanis, and the people of Turkestan, as if they were inhuman and fit only to serve as fertilizer for the beloved Russian people.

Mr. Kennan is not alone in this callous attitude to the captive nations, especially those which are within the Soviet Union. The Washington Post, notorious for its nefarious campaign against the erection of the Shevchenko monument in Washington, is also a stanch defender of "Mother Russia" and its imperial conquests. Last year it called for a revision of our concept of the captive nations, for which it was speedily complimented by Izvestia of Moscow (July 15, 1964). Even such an eminent authority on foreign affairs as C. L. Sulzberger of the New York Times, in attacking Barry Goldwater's Republican platform, saw Ukraine, Byelorussia, Turkestan, Georgia, and North Caucasus as mere parts of Russia.

To be noted is that all these critics and opponents of the captive nations concept are also among the severest critics of President Johnson's policies in Vietnam, and are, in fact, advocates of our surrender in Asia. While this fact is of small comfort to the friends of the captive nations, it does throw a proper light on these critics, showing how truly liberal they are.

UNITED STATES MUST ACCEPT THE CHALLENGE

There can be little doubt in any American's mind that our involvement in Vietnam and our intervention in the Dominican Republic are simply reactions to the overall Communist strategy of "wars of national liberation."

From the Caribbean to southeast Asia, three Communist countries—the Soviet

Union, Communist China, and Communist Cuba—are working in unison to undermine the existing societies. This is not overt aggression, but an insidious one—the hidden and silent action of termites. This strategy originated at the 22d Congress of the Communist Party of the Soviet Union in 1961. At that time a program was conceived and adopted under the instigation of Nikita S. Khrushchev, outlining Communist strategy for the next 20 years. In this program "anti-imperialist national liberation wars" were officially approved.

Thus far neither Breshnev nor Kosygin has officially rejected this strategy. Mao Tse-tung has long been practicing "wars of national liberation" strategy, while Fidel Castro's Cuba is a nest of Communist saboteurs poised for the destruction of Central and Latin America.

The United States, in accepting the Communist challenge, must, in doing so, fully understand the far-reaching implications of the Communist strategy. It must also reinforce its attitude toward the captive nations inside the Soviet Russian empire.

While it is true that the Soviet totalitarian hold has relaxed somewhat in the satellite countries, such is not the case with the non-Russian nations inside the U.S.S.R. Travelers returning from Ukraine and the Baltic States tell of an increasingly oppressive domination on the part of the Russian oligarchy and commissars. Russification is the order of the day, and cultural genocide of these people continues unabated.

The United States and its true allies should counteract the Communist wars of national liberation with a far more vigorous espousal of the captive nations concept.

The importance of the captive nations to the United States and the free world at large rests on such considerations as the indivisibility of the captive nations concept, the understanding that the captive nations are the perennial weaknesses of Moscow and Peiping and that they afford unlimited opportunities for paramilitary, economic, and psychological warfare operations for the United States and its allies.

Dr. Lev E. Dobriansky, president of the Ukrainian Congress Committee of America and president of the National Captive Nations Committee (NCNC), has suggested that the Seventh Captive Nations Week observance be conducted throughout the Nation between July 18–24, 1965, with the following major themes emphasized:

(1) Full support for the President's action in Vietnam; (2) a poltrade policy, no slipshod trade liberalization with the Red Empire; (3) the complete exposure of Sino-Russian imperiocolonialism in the United Nations and throughout the free world; (4) creation of a Special Committee on the Captive Nations in the U.S. House of Representatives; (5) the establishment of a Freedom Commission and Academy, and (6) the issuance of a Captive Nations Freedom Stamp Series (cf. "Outstanding U.S. Myths on the Captive Nations," by Lev E. Dobriansky, the Ukrainian Quarterly, vol. XXI, No. 2, summer 1965).

Peace which is worth the name is possible only when all colonial peoples, including the captive nations of Europe and Asia, have gained their freedom and national independence from Soviet Russian oppression and tyranny.

[From the Washington Sunday Star, July 4, 1965]

RING IT, RING IT, RING IT AGAIN

(By Dr. Frederick Brown Harris, Chaplain, U.S. Senate)

Again the steeple of Independence Hall looms high and a clanging bell rings out to any tyrant who would make men slaves. The American Revolution was the most momentous human happening of the past 200 years. It was still ringing when in the lifespan of those now living vast armies of militant Americans in three liberation crusades crossed land and seas not to return until it was "Over, Over There." Now our Republic is in the thick of another war whose issue will determine the fate of freedom in Asia as a slavish system like a deadly octopus thrusts out its grasping tentacles. History is repeating itself and once more stalwart young warriors, thousands of miles from their homeland, are fighting and dying so that for millions under Far Eastern skies the bell may ring, and not toll, for freedom's demise on a continent.

But even as we spring to the aid of brave peoples whose freedom is in jeopardy, it is the height of shameful inconsistency to disregard the pitiful plight of once free people now bound by the cruel fetters of the diabolical conspiracy which is advancing against the forces of the free in every portion of the earth. The falsely pious policy being presently advocated even by some duped idealists, that it is now necessary in the interest of world concord to accept the status quo, including the permanent captivity of once proud people, is of the same craven pattern as the futile "peace in our time" of Chamberlain when he faced the demands of Hitler with an umbrella and no sword.

It involves no feat of courage to applaud the ringing of our Liberty Bell as the calendar is turned to the glorious fourth unless it is rung defiantly and clearly and steadily in a broadcast heard in Lithuania, and Latvia, and Estonia, and in four times that number of lands now enslaved. For these coerced inhabitants the author of liberty demands, "Let my people go." Unless our bell means that, it is muted with its inscription revoked—"Proclaim liberty to all the land," meaning all the earth. The most appropriate way to celebrate July 4 in this year of our Lord, in this sweet land of liberty, is not just to call the roll of 50 States over which the Star Spangled Banner waves, but to publish the list of the subjected people whose national flags are now trailed in the dust of alien regimentation.

In our free land, and reveling in it, within the sound of our Liberty Bell there are thousands and thousands whose motherlands are now in chains but in whose hearts there burns on sacred altars the blazing candles of dauntless hope and determination. They know full well what ruthless communism has done, and is doing, to the dear lands of their ancestors. That record, so far as the Baltic States are concerned, is a chapter of horrors.

There is not the slightest sign that the inner troubles of this slave system has altered their world objectives. It may change its game but not its aim. None of its promises and agreements are worth any more than was a solemn pledge of the Soviets to Latvia in the Peace Treaty of Riga in which the Kremlin recognized the independence and sovereignty of that nation forever and renounced all sovereign rights. As late as 1932 they declared in a pledge to the Balkan States, to refrain from any act of regression against the territory or political independence of that vital part of Europe.

It is with the same cynical duplicity that since then these same international bandits have ravished the fair land of the noble Lithuanian people and their neighbors in the Baltic territory. Our Congress has served notice that every year during Captive Nations Week the Liberty Bell will ring. That such a gesture might not be but an ephemeral sop to the American conscience. It authorized and requested the President to issue a similar pronouncement yearly "until such time as freedom and independence shall have been achieved for all the captive nations of the world." And so, from under the White Dome the edict has gone forth—Ring it, ring it, ring it again and again.

To acquiesce in the crucifixion of freedom anywhere is ultimately but to nail our own boasted liberties on the same cross.

In Washington, the capital of the free world, stands now to greet July 4 the statue of Taris Shevchenko, the Ukrainian patriot. From the captivity of his own people in their Soviet prison, he cries out for all captive people—

"Ah! you miserable and cursed crew,
When will you breathe your last?
When shall we get ourselves a Washington
To promulgate his new and righteous law?"

The erection of this latest salute to captive nations is saying to all Americans on this latest July 4: Ring it, ring it, ring it again.

THE BLUE ARMY OF OUR LADY OF FATIMA SALUTES CAPTIVE NATIONS WEEK, JULY 18–24

The Blue Army of Our Lady of Fatima is an international organization and movement formed to spread information on the appearances of the mother of Jesus to three shepherd children in Fatima, Portugal. In a series of six appearances she promised the conversion of Russia and world peace if the faithful fulfilled certain requests. Although this message is primarily intended for Catholics—many people of other faiths believe it is true—and are praying and sacrificing in their own way that enough will fulfill her requests so that her promise might come true. These visits took place from May through October of 1917. Today—48 years later—we are witnessing the destruction of many nations, suffering and martyrdom of the good and the spread of atheistic tyranny—because enough have not listened and fulfilled her requests—the very next person we influence to do so might be the last person needed to bring about the conversion of Russia and world peace * * * the essential message is: prayer sacrifices offered to God in doing your daily duty—consecration to God—offering masses and communions on first Saturdays of the month for 5 consecutive months—observing modesty in fashions—thought, word and action. In other words—to spread God-based morality throughout the community and the world. Are you interested? Will you inquire for more information? Who will win this war between the forces of good and evil—it is up to each of us.

CAPTIVE PARISH PLAN

As a result of our concern for the peoples behind the Iron, Bamboo, and Castro curtains of the world—we in Blue Army have maintained the policy of our cells (small groups of militant crusaders) adopting a captive parish by name and we pray for those people and take them to church with us spiritually—since they can no longer worship God in freedom. We cooperate with the League of Prayer for Captive Peoples—and they have given us lists of names to assign to our groups. If you wish more information about this plan please contact the address below.

ADAPTED PRAYER FOR CAPTIVE PEOPLES

Almighty God, Father of all, we pray for the humble and oppressed. We commend to Thee today the peoples of the captive nations suffering under godless oppression. Be with them and comfort them in their hour of desolation * * * grant them courage to remain faithful to thee in the face of persecution, threats, and even death. We pray for the clergy and the peoples of the countless, captive nations. Most loving of fathers—be the refuge, hope, and victory for these and all children of God. Amen.

Keep this prayer handy—pray all year round for the captive peoples—not just during Captive Nations Week. Back up your prayers with study and action to do all in your power to restore freedom to all parts of the world.

This leaflet written and distributed through the Blue Army Center, diocese of Tucson, 702 East Adams Street, Phoenix, Ariz.

[From America, July 22, 1965]

Pastoral Appeal of His Excellency, the Most Reverend Ambrose Senyshyn, OSBM Archbishop and Metropolitan of Philadelphia on the Occasion of Captive Nations Week, July 18–24, 1965

"Hear our plea, O Lord, misfortune destroys our land. The strength of a nation is unity. That unity grant us, O Lord."

Very reverend and reverend fathers, venerable sisters, distinguished laity of the Ukrainian church, honorable officers and members of Ukrainian national organizations, beloved brethren in Christ, 20 years have passed since the end of the Second World War. Yet there is no end to captivity, which war had brought to millions behind the Iron and Bamboo Curtains. This is especially true of our beloved Ukrainian people.

Aware of the responsibilities for the fate of the captive nations, the President of the United States proclaimed Captive Nations Week. Only three simple words, but O what a horror-filled scene they convey of vanquished nations under Communist domination.

Many nations in the world, especially Ukraine, have in the past survived captivity and difficult times, but never in all history has such a yoke been placed on Ukrainians as the terror of communism. There were atrocious and bloody invasions by Turks and Tartars. But, at least, a large number of people were able to seek refuge in hills and forests until the horde vanished. The situation is entirely different today. Pious Christians and honorable patriots cannot defend themselves from the Red onslaught. Even those who sought refuge in other lands are deprived of a peaceful life. Communist agents follow their prey everywhere in the free world, and constantly persecute them with subtle propaganda and malicious character assassination.

A half century ago during the First World War, when the Czar's army occupied Western Ukraine, Galicia and Bukovina, his soldiers sacked the populace. Today Communist invaders not only usurp private property, but also encroach upon people's souls with a rain of atheistic propaganda.

Consequently, some questions arise in our minds. Why is such atrocious violence made against the Ukrainians and their churches? Why are social conditions now reduced to serfdom? Why have Ukrainian churches and national traditions been liquidated? Why are Ukrainian youth forced to leave beyond the borders of Ukraine? Why are mass murders and violent death of millions of Ukrainians perpetrated by "caused" hunger? Why are prisons, concentration camps, brainwashing, deception, and lies so prevalent? Why do sophisticated agitation, infiltration by Communist agents and a favoritism to mercenary elements exist in Ukraine? Why are so many graves filled with our brothers in Siberia and other forlorn places in the Soviet empire? Why are there such cunning endeavors of building bridges between the free world and Ukraine behind the Iron Curtain by certain suspected individuals?

This is not the proper place to seek reasons for such affliction. History will reveal the culprits who brought about the destruction of the Ukrainian Church and Nation.

Not only will Ukraine's enemies answer to future generations for the destruction of her church and people. This wrath will not, unfortunately escape many of her sons and daughters. Let us not forget that we, too, are part of the annals of history. We ourselves are writing the history of our patriotic duties. To be a Ukrainian patriot it is not enough to sing: "we shall dedicate spirit and body for our freedom." It demands, rather, to stand up in defense of freedom, fearing not the onslaughts of insidious traitors, who defame us because we love our church and our people. Our enemies strive to plant weeds of discord among us in the free world. Some fall for their line. Perhaps it is an opportune moment to quote in part a poem titled "Discord" written in 1924 by Mark Skrytyj of New Haven.

"Suffering shrouds my people
And struggling ensnares the land
In defense of country and of liberty
Of precious independence.
But, alas, a labyrinthan brawl
Sets brother against brother in violence."

To combat the destructive Red storm, we must find a common front, a common defense. Let Captive Nations Week remind us of the warning given by the servant of God, Metropolitan Andrew Sheptycky, in 1936: "Whosoever assist the Communists in any way possible, betrays, at the same time, his country. This truth must constantly be borne in mind." ("Warning Against the Threat of Communism," Lviw, 1936.) Ukrainians have paid heavily for the unsuspecting diplomacy of past Ukrainian statesmen in dealing with communism. We still are paying for their blunders.

To whom shall we turn for assistance in this hour of captivity and misfortune? Turn to almighty God and say: "Hear our plea, O God, misfortune destroys our land. The strength of a nation is unity. That unity grant us, O Lord."

Let us unite in prayer to Almighty God that the bitter sufferings of Ukraine soon cease and that her enemies receive the grace of conversion and come to know the extent of the harm they caused. May they make reparation for the wrong inflicted upon all captive nations, especially Ukraine.

In time of international crises, people ordinarily turn to God in prayer. They fast and seek mercy and beg His assistance. Let us, in like manner, pray for a better fate for our church and country. It would be most beneficial if we would impose upon ourselves a voluntary fast during Captive Nations Week, by sacrificing one meal in any given day and contribute the cost of that meal to the ill and needy refugees who beg for our assistance.

In Christ Jesus we constitute one mystical body. For this reason let us try to sense the pain, the woe, and sufferings of our brothers and sisters in Ukraine, and elsewhere beyond their homeland. Let us hasten to offer assistance to them. On this occasion I appeal to the reverend clergy, venerable religious leaders of all organizations, and the generous hearts of Ukrainian Catholics everywhere to assist the poor and sick refugees who await our help. Therefore, I direct that a special collection be taken up during all divine liturgies on Sunday, July 18, 1965.

Let the thought about captive Ukraine and the Ukrainian Catholic Church stir our hearts and awaken us to perform a good deed for the glory of God and for the good of our Ukrainian brothers and sisters.

[From America, July 22, 1965]

What About the 17 Million Captive North Vietnamese

Washington, D.C.—This question was raised, on the eve of Captive Nations Week by the National Committee. The chairman of the national organization, Dr. Lev E. Dobriansky of Georgetown University, declared "It is both politically incredible and morally reflective that in all the public discussion on Vietnam no one has asked 'What about the freedom aspirations of 17 million captive North Vietnamese?' "

Pointing out that no psychopolitical sanctuary should be afforded the Communists anywhere in the totalitarian Red empire, Dr. Dobriansky announced that Captive Nations Week observances are underscoring full support for the President's actions in both Vietnam and the Dominican Republic. He added, "We will also urge that the free South Vietnamese be permitted to conduct an intense political warfare in the north, directed at the freedom and independence of their captive brethren. Myths about Hanoi being a popular government and Ho Chi Minh a "Vietnamese George Washington" have blinded many Americans to the fact that the plight of the North Vietnamese is no different from that of the East Germans, the North Koreans, and the mainland Chinese."

Captive Nations Week observances are being held this week in all major cities across the country. On July 3, President Johnson issued his annual proclamation of the week, July 18–25. Many Governors and mayors have similarly proclaimed the week. Moscow, Peiping, and their satraps bitterly oppose the institution and have long sought its abolition.

[From America, July 22, 1965]

Lest We Forget

(Editorial in the Evening Bulletin, Philadelphia, Pa., July 19, 1965)

President Johnson, by proclamation, has reminded all Americans that the period between July 18 and July 24 is Captive Nations Week. It is a time, he said, when appropriate ceremonies and activities should express our "renewed devotion to the just aspirations of all people for national independence and human liberty."

In 1959, Senator Paul Douglas, of Illinois, and Senator Jacob Javits, of New York, introduced the resolution which authorized the annual observance of Captive Nations Week. The first proclamation, by President Eisenhower in July 1959, coincided with Vice President Nixon's visit to the Soviet Union. The anger and resentment immediately expressed by Chairman Khrushchev proved that he was stung to the quick by an implied charge that he coud neither deny nor defend convincingly.

The Soviet's responsibility for the present plight of once free and independent nations is plain. The list is long: Albania, Armenia, Azerbaijan, Bulgaria, Cuba, East Germany, Estonia, Hungary, Lativia, Lithuania, Poland, Rumania, the Ukraine, and a half dozen other nationalities swallowed up since 1917 by the U.S.S.R. Red China holds the mainland people captive, as well as North Korea and North Vietnam.

No amount of talk about peaceful coexistence, easing tensions or a mellowing communism should blind us to the facts of international life, or prevent us from assuring our captive friends behind the Iron and Bambo Curtains of our continued sympathy and good will.

[From America, July 22, 1965]

Captive Nations Week Solemnly Observed Throughout the United States

Philadelphia, Pa.—The Seventh Captive Nations Week is now being marked throughout the United States. The nationwide observance, under the sponsorship of the National Captive Nations Committee, opened officially on Sunday, July 18, and will end on Saturday, July 24. During the solemn ceremonies held in many American cities, Captive Nations Week proclamations issued by President Johnson, as well as many Governors, and mayors were read, and appropriate programs presented. Outstanding personalities from American political life, as well as representatives of many national groups participated in religious services, public rallies, and manifestations.

The Captive Nations Week observance in Greater New York was sponsored jointly by the Conference of Americans of Central and Eastern European Descent, the Assembly of

Captive European Nations, and the American Friends of the Captive Nations. Rt. Rev. Msgr. John Balkunas presided, and Rt. Rev. Msgr. T. J. Flynn preached a sermon at a solemn mass in St. Patrick's Cathedral on Sunday, July 18.

National groups with flags and wearing the native costumes of their homelands staged a rally at the U.N. Plaza, and raised the flags of all captive nations.

In Philadelphia a ceremonial signing of a declaration not to surrender, but to fight on against oppression was held aboard the cruiser *Olympia* in the Philadelphia harbor. Copies of signed resolution condemning Communist leaders for the continued enslavement of the captive nations, were sent to the U.N., the U.S. Government, U.S. legislators, and diplomats of foreign countries.

A big rally, attended by several hundred people, was held at Independence Mall on Sunday, July 18, at 3 p.m. Very Rev. V. Martusevicz, representing His Excellency, Most Rev. Archbishop John Kroll, gave the invocation. The president of the National Captive Nations Committee and the UCCA, Prof. Dr. L. Dobriansky; the president of the local branch of the CNC, Dr. Austin Epp; Hon. Arlene Adams, personal representative of Governor Scranton; and Philadelphia Commissioner Morris Osser were among the distinguished speakers. A symbolic wreath-laying took place at the site of the Liberty Bell in Independence Hall.

The local press reported extensively about the observances.

Over 1,000 people participated in Captive Nations Week ceremonies at the Ukrainian Homestead in Lehighton, Pa., which was sponsored by an honorary committee, headed by Very Rev. Msgr. Stephen Chehansky, supreme president of Providence Association.

In Washington, D.C., representatives of many enslaved nations met in the Sheraton-Park Hotel on July 17 with Mr. Jaroslaw Stetzko, president of the Anti-Bolshevik Bloc of Nations.

In Boston, Mass., a motor cavalcade passed through the streets of the downtown area, and representatives of the captive nations placed a wreath before the George Washington Monument in Boston Gardens.

In Chicago, Mayor Richard Daly led a parade through the city, and addressed a rally, called by the Captive Nations Committee. Appropriate resolutions were adopted.

In Passaic, N.J., a display, organized by Mrs. M. Stefaniw was presented in the window of one of the banks on Passaic's main street. The display depicted the plight of the captive nations and underlined the ruthless colonial policies of the Kremlin regime.

A PROGRAM TO ENCOURAGE UNDERGROUND POWER TRANSMISSION

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. OTTINGER. Mr. Speaker, today I have introduced three bills to attack the mounting problem of overhead transmission lines which are challenging all of our efforts to save and restore the natural beauty of the Nation.

The first bill directs the Secretary of the Interior to undertake an immediate program to compile necessary information about the extent of the overhead transmission problem and the economic and other damage that such lines have done and will do in the future.

The second bill amends the Internal Revenue Code so as to provide effective tax incentives to private power companies to start immediately on the underground installation of lines.

The third bill directs the Secretary of the Interior to undertake an immediate program of research to develop the most economical and technically efficient methods of underground transmission. It also directs the Secretary to undertake demonstration projects and to make certain grants and loans to non-Federal systems to enable them to take part in this program.

The problem that we are attacking here is more than just a simple question of beauty versus power. It is an issue of the utmost economic importance and one that affects particularly our spreading urban complexes and the health and welfare of citizens who live in and around these growing metropolitan centers.

Utility companies and Government agencies, when dealing with transmission line problems, have always compared the costs of underground with those of overhead construction. They have never taken into account the very real economic costs that overhead transmission lines inflict on the communities through which they pass. The first bill provides, for the first time, for measurement of these local costs so that they may be weighed in the balance of future transmission line decisions.

I have long agreed with experts who hold that aesthetics is good economics. The first of the bills that I have introduced is intended to instruct the Secretary of Interior to develop statistical, dollars-and-cents evidence in support of this view.

Today, more than 300,000 miles of overhead transmission lines cut across the open spaces and through the towns and villages of America. These lines eat up a total of nearly 7 million acres and have a detrimental effect on many, many millions more.

Of course, these figures are estimates. In fact, so little real concern has been shown over this problem by the industry and by responsible Government officials that even today there is no reliable source of information and statistics. But this much we do know. We know that expert evaluation has shown that power corridors through certain developed communities have devalued as much as 300 acres of property for every mile of powerline.

We know that the Federal Power Commission estimates that present transmission facilities will be more than trebled by 1980. This means close to 1 million miles of overhead lines in the United States in 15 years. It also means that nearly 20 million acres of our Nation's land—nearly twice as much land as is now preserved in our entire national park system—will be eaten up as right-of-way for power corridors.

We know that there is, today, no incentive for utilities to develop economically and technically feasible methods of underground transmission and that the private citizen and the local community have little or no protection from overhead lines under the existing law.

No citizen would deny that as the industrial plant and population of the Nation grow, there is a real and genuine need to find new sources of power. Electrical power produced by plants at or near the point of use will no longer meet the need. It is becoming necessary to tap cheaper and more abundant supplies farther and farther from the point of use. This is essential to our continued growth and no citizen would have it otherwise.

However, there are conflicting needs of equal urgency—needs that the President singled out in his message on natural beauty last February as deserving the urgent attention of the Nation. For the tremendous expansion of overhead lines in the future will not be spread out all over the Nation, it will be concentrated where industry is, where people are: in the growing cities of the Nation and their all-important suburbs.

Within 15 years, unless we act now, a forest of steel towers and high-voltage lines will be knifing through the very areas where dwindling reserves of land and an expanding population are posing the greatest challenge to the President's "new conservation."

This is a conflict that can be resolved, but not with pleasant words about natural beauty, not with study groups or conferences. It is going to take concerted action—and money.

The power industry itself is obviously not prepared to act on its own. The costs are said to be too great. The responsible Federal agencies have not assumed the necessary leadership. In such a situation, the ultimate responsibility rests with Congress.

First and foremost, we need information. We must begin to compile the statistics and projections that will enable us to cope with the problem.

For that reason, my first bill directs the Secretary of Interior to undertake a comprehensive program of research into the extent and the economic and social impact of overhead transmission and to report to the President and the Congress at the opening of the next regular session.

But we also need direct action. There are technical and economic problems and questions that can only be answered by experience. We have abundant evidence that study without action is fruitless.

Private power companies generate considerably more than 70 percent of the Nation's power. They have enormous engineering capability to resolve the technical problems of underground transmission. I am sure that if they are given the incentive they have the ability to make significant contributions to solving this problem if they are properly motivated. I have, therefore, introduced an amendment to the Internal Revenue Code which provides real economic incentive to these companies to start building underground powerlines. The incentive, in the form of rapid write-off and a short-term tax credit, will, in effect, bring the costs of underground transmission down almost to parity with overhead construction costs. Preliminary estimates indicate that it will cost the Treasury roughly $25 million a year over the next 10 years.

Experience with tax credits and accelerated depreciation in the past indicates that this figure would be reduced by increased revenues resulting from the increased expenditure and business activity. But even without this reduction, I believe that the benefits obtained for the investment would be cheap at the price.

We can afford to spend $25 million a year for the next 10 years to avoid the tremendous expenditures that will be involved if we fail to act now. In fact, we cannot afford not to spend it.

Experience has shown us the folly of "penny-wise, pound-foolish" spending on important national programs such as this. When the Federal Highway Act was passed in 1950, there were many who urged that it include additional appropriations for cleaning up, restoring, and beautifying our highways. They were not heeded. In this session of Congress we are asked to spend about $90 million a year to correct what could have been prevented by modest expenditures 15 years ago. When will we learn to act in time?

The combination of accelerated depreciation and tax credit is uniquely geared to the operating realities of the utility industry.

First, the major reason that the private utilities have failed to undertake even limited programs before now, they say, is the fear that once they start going underground, they will be forced to put all lines underground. This is a vicious circle. Fear of added initial expense has prevented the private companies from undertaking the very projects that would lead to reductions in cost.

Second, over the past decade the utility industry has come to rely almost entirely upon internally generated funds from depreciation, rather than upon external financing for its new construction. The incentive I am proposing is, therefore, targeted to the very funds now used for construction.

In urging that programs be undertaken immediately to meet the challenge to beauty posed by unsightly power complexes, President Johnson in his message on natural beauty also pointed out that:

> The greatest single force that shapes the American landscape is private economic development. Our taxation policies should not penalize or discourage conservation and the preservation of beauty.

The incentive in this bill will mobilize our taxation policies as a potent force to encourage conservation policy in the economic development of the private sector of the economy.

Third, the power industry, insulated from competition by a blanket of Federal and State regulation, has spent far too little on research to date.

In 1962, according to Federal Power Commission figures, the private utility companies spent a total of $30 million on all research projects. This represented about 1.5 percent of the companies' net income of $2,050 million. But the lion's share, some $26 million of this pathetically small research budget, was devoted to nuclear projects. Only $4 million, two-tenths of 1 percent of net revenue, went into all other forms of research, including underground power.

According to the Edison Electric Institute, an industry source, the percentage of the budget devoted to research actually decreased in 1964. Last year, the industry spent a total of $46 million on all forms of research which is only nine-tenths of 1 percent of the industry's net revenue of $4,880 million in that year. By contrast, the suppliers of equipment to the utility industry spent $105 million on research. In general, this averages to between 4 and 5 percent of their net revenues.

The tendency to treat transmission problems as the "poor cousin" of the power industry is reflected in a breakdown of industry costs. Today, less than 14 cents out of the utility construction dollar is spent on transmission facilities. By comparison, the industry spends 47 cents of its construction dollar on generation facilities and 39 cents on distribution facilities.

Public welfare demands that this lag be overcome with larger expenditures in research and development as well as construction.

There can be no question that with proper incentives the industry can develop economically feasible methods of underground transmission.

Ten years ago these same utilities were fighting efforts to make them put distribution lines underground. They reported that such installations cost 10 times as much as overhead lines and were uneconomic.

In this case they lacked the Federal protection and, under pressure from local zoning ordinances, they quickly learned cost-saving techniques. Today, these utilities boast that they have reduced the cost ratio to less than 1½ to 1 and they vie with each other in praise of their efforts at beautification.

I share with most power experts a faith in the ability of the power industry to accomplish the same miracle with transmission lines, if they are properly motivated.

This is how the tax incentive that I have proposed would operate. It would:

First. Provide for a tax deduction for amortization of funds spent after January 1, 1965 on underground transmission facilities completed after December 31, 1965 and before December 31, 1974. Amortization shall be permitted over a period of 60 months as against the 360 months currently allowed for transmission facilities.

Second. Prohibit the sale of transmission lines amortized under the bill from yielding capital gains.

Third. Provide for a 49-percent tax credit for the capital and construction costs of underground transmission facilities built after January 1, 1965 and completed on or before December 31, 1969.

Fourth. Set up a reserve equal to 46 percent of the credit—excluding the 3-percent tax credit now permitted utilities—and provide that the reserve may be reduced by the amounts spent on capital investment or construction of new underground transmission facilities on or before December 31, 1974, but after December 31, 1969. Provide that funds remaining in the reserve after December 31, 1974 and not expended, shall be taxed.

Fifth. Provide that the credit or the amortization are not to be used to reduce the taxpayer's income tax for the purpose of establishing cost of service.

Sixth. Provide that no portion of the investment covered by the tax credit is to be added to cost of service for the purpose of increasing rates.

Through these amendments to the Internal Revenue Code, we will have provided effective incentives for the private sector of the utility industry. This will be a tremendous achievement. It will reach some 320 separate companies accounting for better than 70 percent of the electricity transmitted in the United States and serving 47,500,000 consumers.

However, it is important that the nearly 1,000 other utility systems be included in this effort as well. These systems, including those owned by the Federal Government and by the States and municipalities, as well as the important cooperatives, play an important role in transmission.

The third bill that I have introduced today will direct the Secretary of Interior to enter into research, development, and demonstration projects with such systems. This bill will also cover the 21,000 miles of overhead transmission lines—approximately 7 percent of the Nation's total transmission facility—which is under the Secretary's authority.

Overhead transmission lines pose a problem that deserves forceful and immediate action by the Federal Government. With increasing frequency American citizens are turning to the Federal Government—to administration officials, to the Federal courts, and to Congress—for help in defending their homes and property against defacement and devaluation.

Can they be anything but disillusioned and discouraged to find that the Government that speaks of natural beauty, that calls for action, is unwilling or unable to act?

In February, President Johnson said:

> I am hopeful that we can summon such a national effort. For we have not chosen to have an ugly America. We have been careless, and often neglectful. But now that the danger is clear and the hour is late this people can place themselves in the path of a tide of blight which is often irreversible and always destructive.

We know what the problem is. We know what must be done. I urge my colleagues in both Houses of Congress to step to the forefront of a great national effort to keep America beautiful.

CONGRESSMAN ROSENTHAL, A THOUGHTFUL, DILIGENT, AND EFFECTIVE MEMBER OF CONGRESS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Burton] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BURTON of California. Mr. Speaker, I would like to commend my distinguished colleague and close personal friend, Congressman Rosenthal, of New York, as a thoughtful, diligent, and effective Member of the Congress who believes that to represent the people of this Nation it is his responsibility to know their views.

The open and free expression of differing points of view is vital in a free society—surely, without it democracy does not exist.

We in this Body bear a responsibility to our fellow citizens—our acts, in great and small matters, shape their lives.

Congressman Rosenthal is to be commended for soliciting their views and contributing to free dialog which is the keystone of a free society.

I associate myself with his remarks of yesterday and with the remarks of my other colleagues, Mr. Bingham, Mr. Kastenmeier, Mr. Dow, Mr. Fraser, Mr. Ryan, Mr. Grover, and Mr. Gonzalez.

H.R. 6431, H.R. 8638, AND H.R. 9336

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Pepper] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PEPPER. Mr. Speaker, yesterday, August 16, I was absent from the House because I was in my district on official business and was granted leave to be absent.

If I had been present I would have voted for H.R. 6431, a bill to amend the Tariff Act of 1930 to provide that certain forms of nickel be admitted free of duty.

Also, I would have voted for H.R. 8638, a bill to establish a Federal Boxing Commission.

This bill has been a long awaited piece of legislation and I highly commend the able chairman of the House Interstate and Foreign Commerce Committee [Mr. Harris] and the members of his committee, for bringing this legislation before the House for its consideration.

We have been shocked to read in the newspapers that gamblers and criminals have invaded this once highly respected sport. So that the interest which has been manifested in professional boxing today may have the needed elevation, this bill by its passage will bring sportsmanship back to this act of self-defense.

Mr. Speaker, the boxing profession should, and I hope will, welcome this legislation as it will restore boxing to its former high place as the attractive and manly sport it always has been.

Mr. Speaker, I would also like to call to the attention of my colleagues a bill, H.R. 9336, which would amend the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba. This bill was passed under suspension of the rules.

I cosponsored similar legislation with my able colleague, Dante Fascell, whose committee handled this legislation.

This Cuba-claims bill would permit American citizens to claim legally their rightful possessions when they return to a free established Cuba. It provided that a true due redress may be made to our citizens who were forced to flee the ravages of Mr. Castro's communism.

Mr. Speaker, I profoundly urge that our colleagues in the other body support this legislation and give it speedy approval.

THE FOURTH ANNIVERSARY OF THE ALLIANCE FOR PROGRESS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. Gonzalez] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I have spoken in support of the Alliance for Progress on the floor of this House many times in the past several years. On this occasion, the fourth anniversary of the signing of the Charter of Punta del Este, I am happy and grateful for the opportunity to add my voice to those who praise the Alliance and who further the goal of greater United States-Latin American relations.

The problems of the hemisphere have not all been solved in the past 4 years. In fact, we face some today of such seriousness that it can be said that the freedom-loving peoples of the Americas stand at a crossroads. Certainly, an enormous job lies ahead. But what is also significant is what is happening in much of Latin America: In most countries much more has been done in the past 4 years to prepare for hastened growth along peaceful and democratic lines than in the preceding 40.

For example:

AID figures show that U.S. funds have been used to build more than 300,000 homes and 25,000 classrooms; provide about 800 mobile health units, hospitals, and medical centers serving nearly 10 million people; construct more than 1,500 water and sewerage systems serving more than 20 million people; establish 120 savings and loan institutions in 9 countries; feed 22 million people, including 10 million children.

For example:

In the past 6 years, Mexico has more than tripled its education budget, 25,000 classrooms have been built in a program that has resulted in a 60-percent increase in primary school enrollment. Last year, the nation earmarked 25 percent of its budget, about $325 million, for education.

Peru is also spending about 25 percent of its national budget on education. Last year, Ecuador spent more on education than ever before in its history. Honduras raised its education expenditures by 50 percent. And Chile in 1964 increased student enrollment by more than 100,000 pupils and has now placed nearly 75 percent of its school-age children in schools.

The partnership under the Alliance has produced other equally impressive results. Latin America's gross national product increased 5 percent last year as per capita income advanced 2.5 percent meeting the target set by the charter. Fourteen countries have adopted fundamental tax reforms. Every country now has a central planning agency, setting the goals and guidelines so important for the speeding of economic and social development.

United States and foreign public and private groups are also playing an important role. The partners of the Alliance program in the last year and a half has mobilized groups in 25 States to aid in Latin America. The U.S. Credit Union National Association has helped groups in six nations to establish nearly 1,300 credit unions. The Pan American Development Foundation has raised contributions totaling $500,000 this year. The American Institute for Free Labor Development is assisting unions in 13 Alliance nations in planning projects, mainly in the housing field. ADELA, an organization of top international corporations has invested more than $10 million in projects in Latin America.

I am pleased to say that I have had a direct hand in helping to create an international exposition, known as HemisFair 1968, to be held in San Antonio, Tex., in the year 1968. This exposition will be truly a fair for the Americas, directed primarily at the nations of this hemisphere and dedicated to the advancement of inter-American brotherhood and solidarity.

Last week's Alliance for Progress weekly newsletter described very well the outlines of HemisFair 1968 and what it will try to do. With unanimous consent I am inserting in the Record a copy of the article from the Alliance for Progress weekly newsletter for August 9, 1965, concerning this exposition:

> HemisFair 1968, an international exposition of the Americas, is scheduled to take place in San Antonio, Tex., in 1968. The fair, running 6 months from April through September, is using the theme of inter-American friendship and cooperation.
>
> HemisFair is timed to coincide with the celebration of the 250th anniversary of the founding of San Antonio and the 1968 Olympic games in Mexico City. Sponsors of the two events are considering plans to coordinate their promotion efforts.
>
> Congressman Henry B. Gonzalez, originator of the idea for HemisFair and its honorary chairman, says the exposition "will be the first of its kind and will demonstrate the living partnership of the peoples of North, Central, and South America."
>
> The fair, to be situated on a 90-acre tract at the edge of San Antonio's business district, is expected to feature exhibits from all Alliance nations, a number of other Western Hemisphere countries and a cross section of industries. In addition, several European countries and industries with interests in Latin America and the United States are expected to participate.

An independent research firm estimates the fair could draw up to 7.2 million people, reports the Latin American Times. The paper adds that this estimate may be on the conservative side, since the study of the fair's potential was made before the selection of Mexico City as the site for the Olympic Games.

So far, $54.5 million has been committed for the celebration, most of it from local sources. San Antonio businessmen and community groups have raised a private subscription of $7.5 million and a $30 million local bond issue has been approved by popular referendum.

"All of the major improvements built for HemisFair will be of a permanent nature," reports Congressman GONZALEZ. The Texas Legislature has approved a $4.5 million appropriation for a permanent State exhibit. The Federal Government is providing a $12.5 million urban renewal grant for purchasing and improving the land on which the fair will be built.

Most of the 90-acre site has already been acquired and existing buildings have been removed from much of it. December is the target date for the entire site to be cleared.

In conclusion, let me say that while I am deeply aware of the problems ahead, I am proud of the accomplishments of the Alliance thus far, and am hopeful that the cause of pan-American friendship and economic and social development will continue to go further under this dynamic and imaginative program.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KORNEGAY (at the request of Mr. HENDERSON), for the remainder of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GROVER (at the request of Mr. WATSON), for 15 minutes, on August 18.

Mr. QUIE (at the request of Mr. WATSON), for 60 minutes, today.

Mr. WATSON, for 15 minutes, today.

Mr. ROOSEVELT, for 1 hour on Wednesday, August 25, and to revise and extend his remarks and include extraneous matter.

Mr. PUCINSKI, to address the House for 1 hour, following Mr. ROOSEVELT, on August 25.

Mr. PUCINSKI, for 10 minutes, today.

Mr. COHELAN (at the request of Mr. ROOSEVELT), today, for 15 minutes.

Mr. FOGARTY (at the request of Mr. ROOSEVELT), today, for 10 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. PATMAN and to include extraneous matter in columnar form in his special order of today.

Mr. TENZER.

Mr. ST. ONGE.

Mr. STALBAUM.

Mr. FINO in two instances.

(The following Member (at the request of Mr. WATSON) and to include extraneous matter:)

Mr. WIDNALL.

(The following Members (at the request of Mr. ROOSEVELT) and to include extraneous matter:)

Mr. POWELL.

Mr. TODD.

Mr. HANNA in three instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 683. An act for the relief of Mrs. A. E. Housley; to the Committee on the Judiciary.

S. 766. An act for the relief of Lt. Samuel R. Rondberg, U.S. Army Reserve; to the Committee on the Judiciary.

S. 1873. An act for the relief of Mrs. Clara W. Dollar; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 546. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within Camp McCoy Military Reservation, Wis.;

H.R. 3037. An act to amend section 1485 of title 10, United States Code, relating to the transportation of remains of deceased dependents of members of the Armed Forces, and for other purposes;

H.R. 3044. An act to authorize payment of incentive pay for the performance of hazardous duty on the flight deck of an aircraft carrier;

H.R. 3320. An act to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes;

H.R. 4024. An act for the relief of Lewis H. Nelson III;

H.R. 4025. An act for the relief of Terence J. O'Donnell, Thomas P. Wilcox, and Clifford M. Springberg;

H.R. 5034. An act to amend 2575(a) of title 10, United States Code, to authorize the disposition of lost, abandoned, or unclaimed personal property under certain conditions;

H.R. 5819. An act for the relief of John Henry Taylor;

H.R. 7595. An act to amend title 10, United States Code, to authorize transportation at Government expense for dependents accompanying members of the uniformed services at their posts of duty outside the United States, who require medical care not locally available;

H.R. 7843. An act to amend titles 10 and 37, United States Code, to authorize the survivors of a member of the Armed Forces who dies while on active duty to be paid for his unused accrued leave;

H.R. 9947. An act to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives, and for other purposes; and

H.R. 10306. An act to amend the Universal Military Training and Service Act of 1951, as amended.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1309. An act to authorize checks to be drawn in favor of financial organizations for the credit of a person's account, under certain conditions.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 206. An act to provide a realistic cost-of-living increase in rates of subsistence allowances paid to disabled veterans pursuing vocational rehabilitation training;

H.R. 208. An act to amend chapter 31 of title 38, United States Code, to extend to seriously disabled veterans the same liberalization of time limits for pursuing vocational rehabilitation training as was authorized for blinded veterans by Public Law 87-591, and to clarify the language of the law relating to the limiting of periods for pursuing such training;

H.R. 2176. An act to authorize the Secretary of the Interior to convey certain property to the county of Dare, State of North Carolina, and for other purposes;

H.R. 6097. An act to amend title 18, United States Code, to provide penalties for the assassination of the President or the Vice President, and for other purposes;

H.R. 9075. An act to increase the basic pay for members of the uniformed services, and for other purposes;

H.R. 10139. An act to amend the act of June 23, 1949, relating to the telephone and telegraph service furnished Members of the House of Representatives; and

H.J. Res. 431. Joint resolution extending the duration of copyright protection in certain cases.

ADJOURNMENT

Mr. ROOSEVELT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 7 minutes p.m.) the House adjourned until tomorrow, Wednesday, August 18, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1466. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 11, 1965, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of Naples, Fla., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 265); to the Committee on Public Works and ordered to be printed with two illustrations.

1467. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated July 9, 1965, submitting a report, together with accompanying papers and illustrations, on an interim report on James River and tributaries, Jamestown, N. Dak., requested by resolutions of the Committee on Flood Control and the Committee on Public Works, House of Representatives, adopted November 10, 1943 and June 2, 1953 (H. Doc. No. 266); to the Committee on Public Works and ordered to be printed with three illustrations.

1468. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Agriculture.

1469. A letter from the Assistant Secretary, Export-Import Bank of Washington, transmitting a report of shipments to Yugoslavia insured by the Foreign Credit Insurance Association and the Export-Import Bank during month of July 1965, pursuant to title III of the Foreign Assistance and Related Agencies Appropriation Act of 1965 and to the Presidential determination of February 4, 1964; to the Committee on Foreign Affairs.

1470. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions approved, pursuant to section 204(c) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1471. A letter from the Secretary of the Air Force, transmitting a report of claims paid, pursuant to section 2672 of title 28, U.S.C.; to the Committee on the Judiciary.

1472. A letter from the Secretary of the Air Force, transmitting a report of claims paid, pursuant to section 2732(f) of title 10, U.S.C.; to the Committee on the Judiciary.

1473. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 30, 1965, submitting a report, together with accompanying papers and an illustration, on a letter report on Broad Creek (Gittings Creek), N.C., requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 27, 1956; to the Committee on Public Works.

1474. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report of transfer of research and development funds appropriated for the fiscal year 1965, pursuant to section 3 of the National Aeronautics and Space Administration Authorization Act, 1965 (78 Stat. 310, 311); to the Committee on Science and Astronautics.

1475. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 2, 1965, submitting a report, together with accompanying papers and illustrations, on an interim report on Skunk River, Ames Reservoir, Iowa, requested by a resolution of the Committee on Public Works, U.S. Senate, adopted June 1, 1948, and a resolution of the Committee on Flood Control, House of Representatives, adopted December 18, 1945 (H. Doc. No. 267); to the Committee on Public Works and ordered to be printed with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 11. Concurrent resolution authorizing the printing of additional copies of the hearings held by the Senate Subcommittee on National Security Staffing and Operations during the 88th Congress; without amendment (Rept. No. 794). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 37. Concurrent resolution authorizing the printing for the use of the Senate Committee on the Judiciary of additional copies of its hearings on economic concentration; without amendment (Rept. No. 795). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 38. Concurrent resolution to authorize the printing of additional copies of a committee print of the Committee on the Judiciary entitled "The Soviet Empire—A Study in Discrimination and Abuse of Power"; without amendment (Rept. No. 796). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 451. Concurrent resolution authorizing the printing of additional copies of "The Prayer Room in the U.S. Capitol"; with amendment (Rept. No. 797). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 422. Resolution dedication ceremonies of the Committee on Government Operations hearing room in the Rayburn House Office Building; without amendment (Rept. No. 798). Ordered to be printed.

Mr. DANIELS: Committee on Post Office and Civil Service. H.R. 10263. A bill to amend the Civil Service Retirement Act to authorize the payment of annuities to secretaries of justices and judges of the United States on the same basis as annuities to congressional employees, and for other purposes; without amendment (Rept. No. 801). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 4845. A bill to provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies; with amendment (Rept. No. 802). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL of Massachusetts: Committee on Rules. House Resolution 527. Resolution for consideration of H.R. 9567, a bill to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education; without amendment (Rept. No. 803). Referred to the House Calendar.

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 8848. A bill to amend title 10, United States Code, to provide transportation for the immediate families of personnel of the American National Red Cross serving with the Armed Forces; without amendment (Rept. No. 804). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 10234. A bill to amend section 1085 of title 10, United States Code, to eliminate the reimbursement procedure required among the medical facilities of the Armed Forces under the jurisdiction of the military departments; without amendment (Rept. No. 80). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McCLORY: Committee on the Judiciary. H.R. 10097. A bill for the relief of North Counties Hydro-Electric Co.; with amendment (Rept. No. 799). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H.R. 5530. A bill for the relief of the estate of Robert A. Ethridge; with amendment (Rept. No. 800). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 10494. A bill to amend title II of the Social Security Act to permit a State or local employee under a divided retirement system to elect not to have social security coverage even though he was hired after the division of the system, if he was an employee before such division and remained continuously a member of such system; to the Committee on Ways and Means.

By Mr. COLLIER:

H.R. 10495. A bill authorizing a survey of the Des Plaines River, Ill., and unnamed tributaries, in the interest of flood control and allied purposes; to the Committee on Public Works.

By Mr. COOLEY:

H.R. 10496. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. GALLAGHER:

H.R. 10497. A bill to provide criminal penalties for making certain telephone calls in the District of Columbia; to the Committee on the District of Columbia.

By Mr. LONG of Maryland:

H.R. 10498. A bill to authorize additional GS–16, GS–17, and GS–18 positions for use in agencies or functions created or substantially expanded after June 30, 1965; to the Committee on Post Office and Civil Service.

By Mr. MORSE:

H.R. 10499. A bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949 to permit the donation of material determined to be surplus to the needs of the national stockpile; to the Committee on Government Operations.

By Mr. OLSON of Minnestota:

H.R. 10500. A bill to provide for the U.S. participation and leadership in an international effort to end malnutrition and human want, and for related purposes; to the Committee on Foreign Affairs.

H.R. 10501. A bill to provide readjustment assistance to veterans who serve in the Armed Forces during the induction period; to the Committee on Veterans' Affairs.

By Mr. RIVERS of Alaska:

H.R. 10502. A bill to terminate use restrictions on certain real property previously conveyed to the city of Kodiak, Alaska, by the United States; to the Committee on Interior and Insular Affairs.

By Mr. ST. ONGE:

H.R. 10503. A bill to amend the Internal Revenue Code of 1954 to extend the head of household benefits to all unremarried widows and widowers and to all individuals who have attained age 35 and who have never been married or who have been separated or divorced for 3 years or more; to the Committee on Ways and Means.

By Mr. WHITE of Texas:

H.R. 10504. A bill to authorize the Secretary of the Interior to provide for rehabilitation of the distribution system, Red Bluff project, Texas; to the Committee on Interior and Insular Affairs.

By Mr. HOWARD:

H.R. 10505. A bill providing for a nationwide marketing order for table eggs; to the Committee on Agriculture.

By Mr. MOORE:

H.R. 10506. A bill to amend the Sherman Antitrust Act (15 U.S.C. 1 et seq.) to provide that exclusive territorial franchises, under limited circumstances, shall not be deemed a restraint of trade or commerce or a monopoly or attempt to monopolize, and for other purposes; to the Committee on the Judiciary.

By Mr. PATMAN:

H.R. 10507. A bill to restore the constitutional authority of Congress over expenditures by agencies of the United States having jurisdiction over bank mergers, and for other purposes; to the Committee on Banking and Currency.

H.R. 10508. A bill to amend the Federal Reserve Act with respect to the term of office of the Chairman of the Federal Reserve Board, and for other purposes; to the Committee on Banking and Currency.

By Mr. SWEENEY:

H.R. 10509. A bill to amend the act of September 21, 1950, incorporating the U.S. Olympic Committee to authorize that organization to mediate certain disputes; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 10510. A bill to establish the national water resources trust fund; to the Committee on Banking and Currency.

By Mr. CURTIN:

H.R. 10511. A bill to prohibit the introduction, or manufacture for introduction, into interstate commerce of master keys for motor vehicles, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 10512. A bill to amend title 39, United States Code, to provide certain mailing privileges with respect to members of the U.S. Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H.R. 10513. A bill to authorize the Secretary of the Interior to conduct a program of research regarding overhead electric transmission lines and the effect of such lines upon the health and welfare of citizens, community planning and zoning, real estate values and tax revenues, and the natural beauty of our country; to the Committee on Interstate and Foreign Commerce.

H.R. 10514. A bill to authorize the Secretary of the Interior to conduct a program of research and development to encourage the use of underground transmission of electrical power and to undertake projects to evaluate and demonstrate the economical and technical feasibility of such transmission; to the Committee on Interstate and Foreign Commerce.

H.R. 10515. A bill to amend the Internal Revenue Code of 1954 to provide for an amortization deduction and an increased tax credit for certain underground electrical transmission lines, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 10516. A bill authorizing the disposal of vegetable tannin extracts from the national stockpile; to the Committee on Armed Services.

By Mr. WHALLEY:

H.R. 10517. A bill to reduce the price at which feed grain may be sold by the Commodity Credit Corporation in acute distress areas and major disaster areas; to the Committee on Agriculture.

By Mr. ROOSEVELT:

H.R. 10518. A bill to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes; to the Committee on Education and Labor.

By Mr. HARVEY of Michigan:

H.J. Res. 628. Joint resolution to authorize increased marketings of domestic beet and cane sugar in 1965 and 1966; to the Committee on Agriculture.

By Mr. BROYHILL of Virginia:

H.J. Res. 629. Joint resolution proposing an amendment to the Constitution of the United States granting representation in the Congress to the District of Columbia; to the Committee on the Judiciary.

By Mr. TENZER:

H.J. Res. 630. Joint resolution proposing an amendment to the Constitution of the United States to provide that the terms of Members of the House of Representatives shall be 3 years; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

360. By the SPEAKER: Memorial of the Legislature of the State of Michigan relative to currently proposed antifirearms legislation; to the Committee on Ways and Means.

361. Also, memorial of the Legislature of the State of Michigan relative to appropriating funds for the economic engineering survey of the American Canal; to the Committee on Appropriations.

362. Also, memorial of the Legislature of the State of Michigan relative to service life insurance for members of the Armed Forces; to the Committee on Veterans' Affairs.

363. Also, memorial of the Legislature of the State of Michigan relative to railroad transportation; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H.R. 10519. A bill for the relief of Chee Kuei Fen Hwang; to the Committee on the Judiciary.

By Mr. CAHILL:

H.R. 10520. A bill for the relief of Nicola Schepis; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 10521. A bill to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on certain claims of Stephen Goodwin against the United States; to the Committee on the Judiciary.

H.R. 10522. A bill for the relief of Kristo Selestrin; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 10523. A bill for the relief of Mrs. Anna Lew; to the Committee on the Judiciary.

By Mr. HAGAN of Georgia:

H.R. 10524. A bill for the relief of Elie Minakakis and Helen Minakakis; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 10525. A bill for the relief of Clara B. Hyssong; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

260. The SPEAKER presented a petition of President of the Argentine Senate relative to the death of Adlai E. Stevenson; to the Committee on House Administration.

EXTENSIONS OF REMARKS

National Drum Corps Week

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. FINO. Mr. Speaker, August 15–22 is National Drum Corps Week. The drum corps movement is a crisp example of how purposefully today's youth can occupy themselves.

Not only is drum corps activity beneficially disciplinary to participating youth, but it can be said that the colorful blade of the martial musical pageantry is representative of an emerging new art form. Drum corps activity is thus productive in many ways, and those participating in it are to be commended.

Drum corps activity has grown in scope so that a million or so teenagers are involved in its activities. There are an increasing number of pageants and drum corps championships these days. In 1963, there was, for the first time, a world open championship for drum corps. We can proudly say that as an art form, a discipline, and as a sport, drum corps activity is rapidly growing throughout the United States.

Communist Rumania's Discrimination Against Hungarians in Transylvania

EXTENSION OF REMARKS

OF

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. WIDNALL. Mr. Speaker, in a day when Americans are becoming more and more concerned with discrimination in our own country, we cannot afford to ignore prejudice against minority groups in other parts of the world.

Since the end of World War II, the Rumanian Communist Government has been following a policy of systematic repression of the rights of its Hungarian minority in Transylvania. The 1952 Rumanian constitution provides for the free development of minority cultures and languages, including provisions for the free establishment of churches and schools. However, these provisions have not been carried out. The International Commission of Jurists has reported that the policies now in effect would eradicate the Hungarian minority as a recognizable unit in the next 10 or 15 years. The large-scale Hungarian educational system has been destroyed and the educated element of the population dispersed throughout the country. Centuries-old Hungarian libraries and castles have been destroyed. Religious freedom has been denied to the Catholic churches which provide for the religious needs of the minority. In addition, only 50 percent of those imprisoned during the Hungarian uprising in 1956 have been released.

Such a denial of rights and freedoms basic to all individuals must be protested by those who believe in the inherent worth of each man to a private life free from invasion from the public sector. At a time when a serious reevaluation is being made of our relationship with the Rumanian Government, it is necessary to explore all aspects of that country's relationships with its people and the world. Therefore, I join with the distinguished gentleman from New York [Mr. HALPERN] and my other distinguished colleagues from both sides of the aisle in urging that hearings be held soon on H.R. 289 and subsequent legislation condemning the discrimination of the Rumanian Government against its Hungarian minority.

A 3-Year Term for U.S Representatives

EXTENSION OF REMARKS

OF

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. TENZER. Mr. Speaker, I commend the distinguished chairman of the House Judiciary Committee for scheduling hearings on House Joint Resolution 394, introduced by the gentleman from Kentucky, FRANK CHELF, my distinguished colleague on the House Judiciary Committee, and related bills to increase the term of Members of the House of Representatives.

The proposed constitutional amendments to extend the term of Members of the House of Representatives, which will be considered at these hearings, vary only in the proposed length of the term and the mechanics for implementing the increased term.

House Joint Resolution 394 and all related bills seek to amend article I, section 2 of the U.S. Constitution, which provides:

> The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

In this session of Congress, 18 joint resolutions have been introduced in the House, each proposing an extension of the term of U.S. Representatives.

In order to insure complete debate on this important constitutional issue, and to provide the members of the subcommittee and full Judiciary Committee with testimony on all possible approaches to a solution of this problem, I have today introduced a resolution to provide a 3-year term for House Members.

To prepare my own views on the question of an increased term for House Members and to redeem a campaign pledge, I carefully studied documents which summarized the debate of our Founding Fathers on the length of the term of Members of the House at the time the Constitution was adopted. They considered 1-, 2-, 3-, and 4-year terms.

House Joint Resolution 394—the Chelf resolution—would provide a 4-year term for Members of the House, with one-half of the Members running concurrently with the President and the other half running in a mid-term election. There are some difficulties inherent in a resolution providing for a drawing of lots to determine which half of the House shall run with the President and which shall run without the President. There is also the problem of States which have an odd number of Representatives and those which have only a single Representative in the House. These are some of the objections to House Joint Resolution 394 which I have heard from my colleagues although a majority of those I have spoken to favor an extension of the term of Members.

By reason of my own desire to retain a system of checks and balances between the legislative and executive branches of Government and to overcome the objections voiced by my colleagues, I have introduced a resolution to provide a 3-year term for Members of the House, effective as of the first general election following ratification of the proposed constitutional amendment by the requisite number of States.

I favor an extension of the term for Members of the House to 3 years for the following reasons:

First. Under a 3-year term, all Members of the House would run for office at the same time. The House would remain a noncontinuing body subject to reorganization every 3 years, just as it is subject to reorganization every 2 years under the present system.

Second. A 3-year term would maintain the essential features of our system of checks and balances between the legislative and executive branches of Government. Every 12 years Members of Congress would run with the President and three out of every four congressional elections would take place during nonpresidential elections.

Third. An increased term for Members of the House would encourage more citizens with outstanding leadership qualities to seek public office, and would bring to the Congress persons from many walks of life not presently stimulated to seek this office by reason of the physical and financial strain inherent in a campaign for a seat in the Congress every 2 years.

Fourth. A 3-year term would provide an opportunity for the voters to judge their Representatives on the basis of a record compiled over a 50-percent longer period of time in office while at the same time retaining that closeness which must exist between a Representative and his constituents. In addition, the voters would be able to judge their Representatives on the record and conduct in office without the frequent pressures and emotions present during a presidential election. This would occur only once every 12 years, Representatives would have to stand on their own records of performance.

Fifth. Under a 3-year term, Members of Congress will run less frequently in presidential elections, thereby freeing the Congress to devote itself to legislative business during the period preceding presidential elections.

Most newly elected Members of Congress generally require from 2 to 4 months to get fully acquainted with their duties and responsibilities and to organize their offices and staffs. There are of course some exceptions. Some newly elected Members are ready to perform their duties and to discharge their responsibilities upon being sworn in as Members of the House and others may require longer periods to become fully oriented and organized. Then comes the second session which coincides with the second year of the term when the Member faces a long campaign for reelection. When we examine the record of the Congress we learn how little legislation is passed in the second year of a 2-year term. In addition, when the second year coincides with a presidential election year, the effectiveness of the Congress is affected by the emotional strains of the presidential campaign. In such campaigns the people pay most, if not all, their attention to the candidates for President, Vice President, and Senator and very little to candidates for Members of the House.

I introduced this resolution because I am convinced it is the best proposal for increasing the term of Members of the House of Representatives to a more realistic tenure without sacrificing our delicate system of checks and balances. In addition, I wanted to afford my colleagues an opportunity to review all possibilities to insure that we will formulate our final legislative decision wisely.

In offering a resolution proposing a 3-year term I do not claim originality, for it is not a new suggestion. It was first proposed by the framers of our Constitution. The historical background of our present system is enlightening and I believe can shed much light on the subject.

The provision of the Constitution providing a 2-year term for Members of the House was adopted after lengthy debate and met with considerable opposition in the Constitutional Convention. Under the Articles of Confederation the Members of Congress were elected for only 1 year, but the Convention sought to avoid such frequency of elections. When the matter came up in the Committee of the Whole, 1-, 2-, 3- and 4-year terms were proposed. James Madison, of Virginia, seconded the 3-year term. "Instability," he said "is one of the great vices of our Republic to be remedied. Three years will be necessary in a government so extensive for Members to form any knowledge of the various interests of the States to which they do not belong, and of which they can know but little from the situation and affairs in their own. One year will be almost consumed in preparing for and traveling to and from the seat of national business."

Seven States supported the 3-year term—New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and Georgia. The proposal passed by a vote of 7 to 4 in the Committee of the Whole.

Madison's writings reveal that when the question came up in the Convention, a motion to strike out 3 years and insert 2 was carried.

And so it came about that the term for which Members of the House of Representatives should be elected was fixed and inserted in the Constitution.

Writing in the Federalist in defense of a longer term than 1 year, Mr. Alexander Hamilton said:

> As it is essential to liberty, that the Government in general should have a common interest with the people; so it is particularly essential that the branch of it under consideration should have an immediate dependence on, and an intimate sympathy with, the people. Frequent elections are unquestionably the only policy, by which this dependence and sympathy can be effectually secured. But what particular degree of frequency may be absolutely necessary for the purpose, does not appear to be susceptible of any precise calculation—and must depend on a variety of circumstances, with which it may be connected.

The variety of circumstances which existed when Alexander Hamilton made the remarks just quoted—are even more varied today. What motivated Hamilton and others to favor a 2-year term instead of the existing 1-year term motivated me and I hope will motivate my colleagues to favor a 3-year term instead of the 2-year term.

Today a Member of Congress does not have to return home to acquaint his constituents with what is happening at the seat of government. With the newspapers, radio, and television, a Member of the House lives under a system of full exposure to his constituents. This is as it should be. Congressional mail and visits from home by those whom the Member serves represents only two examples of the new variety of circumstances which should persuade my colleagues to favor an extension of the term and when doing so to favor a 3-year term.

The men who fashioned our Constitution had good reason for establishing a 2-year term instead of a 1-year term for House Members. Referring again to Federalist paper No. 52, the authors said "that the [House of Representatives] have an immediate dependence on, and an intimate sympathy with, the people."

However, with our years of experience as a democratic nation, we can now safely assume that the notion of a tyrannical legislature in Washington is outdated. Modern means of communication, unknown in 1787, provide easy and rapid contact between the legislators and the voters at home. Today we have instantaneous contact with the voters at home. The radio flashes news from Washington within seconds after the events occur. The daily newspapers carry details of the vote of each Member of the House on each major item of legislation. Full texts of major items of legislation are carried in the press.

Members of the House in order to properly perform their duties and to adequately discharge their responsibilities must spend a disproportionate amount of their time and effort in the process of learning the rules of the House, the detailed procedures and requirements of their office. Under the present 2-year term he must begin to plan for his reelection campaign almost immediately upon assuming office. The daily mail, the telephones and telegraph and greeting the many out-of-town visitors add substantially to the workload of the legislative duties.

The increase in the legislative workload has made far more serious inroads on a Member's time and energy than was the case during the early Congresses. The House of Representatives in the very First Congress in both of its sessions proposed only 142 bills of which 118 became law. During the 88th Congress, 15,299 measures were introduced of which 1,734 were adopted.

Although the proposed 3-year term would not of itself reduce the burden of Members, a smaller percentage of his total time would be spent in organization of his office and in his campaign for reelection. His experience with, and understanding of, the numerous technical problems of his office, gained in a longer term in office will materially facilitate the performance of his duties and make him a more effective representative of the people who elected him to office.

Encouraging legislative service as a career has considerable merit. A legislator should be given more than 2 years to prove his value as a public servant; he cannot be given a true test of value in so short a time. An additional factor to be considered is that with a longer term in office, Members may be more independent of the pressures from all sides, all to the advantage of the larger public interest.

Of considerable importance to the legislative process is the need for sufficient time to hold full and complete committee hearings and House debate on complicated legislation. This is not always available in a 2-year term, particularly in a presidential election year.

Lastly, the increased financial burden of congressional campaigns is a source of deep concern to many Members of the House and prospective candidates. An increased term would reduce the frequency of these expensive campaigns.

I congratulate the chairman of the House Judiciary Committee for his willingness to air this subject despite his previous statements in opposition to the proposed constitutional amendment. This is truly a decision based upon the desire of the people and the desire of a majority of the Members of this Chamber.

I urge my colleagues to support an extension of the term for Members of the House and particularly the proposed 3-year term.

Federal Government and Arizona: Partners in Crime and Vice

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. FINO. Mr. Speaker, today I would like to tell the Members of this House about the ignorant partnership of the Federal Government and the State of Arizona in keeping gambling illegal in Arizona thus making gambling's lucrative profits available to finance the needs of the crime syndicates.

Last year, the parimutuel turnover in Arizona came to $22 million. More significant—and more menacing—is Arizona's illegal gambling, which makes Arizona parimutuels look puny. Testimony before the McClellan committee indicated that off-track betting comes to about $50 billion annually throughout the Nation, with this figure accounting for only some 42 percent of the national annual illegal gambling total, which would thus be $120 billion. On a population basis, illegal gambling in Arizona would come to about $1 billion a year. The mob cuts itself 10 percent of the illegal gambling take, which means that Arizona could be as much as a one hundred million dollar desert treasure trove for the syndicates. Government-run gambling would siphon these moneys from mob treasuries, putting gambling revenues to work at public rather than criminal tasks.

The best way to make gambling work for the public good—since it is basically ineradicable—is a national or series of State lotteries. If the State of Arizona would wake up to social and financial reality, it would legalize, regulate, and control gambling so that the gambling urge of the people of Arizona could be made to benefit the people rather than buttress the mob.

Malaysia: A Divorce Within the Pacific Community

EXTENSION OF REMARKS

OF

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. HANNA. Mr. Speaker, divorce is always tragic, and it is especially so when it involves 10½ millions of people. A week ago Monday, on August 9, the marriage of Singapore to the other states of the Federation of Malaysia came to a close only 1 month short of its second anniversary, thus ending what the matchmaker, Great Britain, could have easily termed a marriage of necessity. In retrospect, the match was conceived by the British Government on October 3, 1961, as a means of bolstering the Malaysian countries against Communist aggression and in order to couple the industrious, entrepreneurial abilities of the Singapore Chinese with the material but undeveloped wealth of Sabah, Sarawak, and the Malaya Federation. As this week's Economist reminds us in its lead article:

> Malaysia was devised as a solution to several specific problems. The basic one was that, as the 1960's opened, Singapore was clearly on the way to independence. In 1961 this began to look as if it would mean giving independence to a government of Chinese race and Communist orientation. The Malayans happened to have achieved independence a few years before after a decade spent in fighting Communists of Chinese race. The British happened to have a whopping great base, which they wanted to

> keep, in the island that a pro-Communist government might thus control.

The wedding took place on September 16, 1963, amid overwhelming applause from throughout the Pacific community of free nations. The United States, especially, lauded the move and encouraged American companies to invest in the new country, although politically we remained in the background.

Each of the partners had something to contribute and much to gain from the marriage. The State of Singapore had the well-known port of Singapore with its large industrial center. Its people, a population which is 75 percent Chinese, were endowed with advanced industrial and entrepreneurial abilities along with large capital holdings. On their small island, however, they lacked the basic resources and raw materials to supply potential industries. Here, Malaya, Sarawak and Sabah—rich with these very items—came into the picture. Malaya alone is the largest supplier of iron ore in Asia and a leading producer of tin. Furthermore, all three states produce great quantities of rubber, pineapples and wood. At best these commodities represented only a small part of Malaysia's potential production and export capacity. They needed only the capital and the entrepreneurial talents of the Singapore businessmen to develop their potential.

After the wedding, construction boomed and commercial activity grew apace. Economically, the combination went hand in glove. Interstate ties were created, and a common market planned with the hearty endorsement of the World Bank.

But, as in many marriages, under the facade of prosperous togetherness, lay the ever-troublesome problem of who should hold the reins in the family. On this point, the governments of Malaya and Singapore could not agree, reflecting the long-known struggle between the Malays on the one hand and the overseas Chinese community on the other. Unfortunately, the Federation, based on a remarkably democratic constitution, fell prey to this struggle which had grown to uncontrollable proportions. The British recognized the situation as a problem which could defeat the Federation, but were no longer in a strong enough bargaining position to do anything about it. And thus, the Federation plummeted down the sad road of failure—failure to bring together a meeting of the minds, failure to compromise. The failure came purely from within. If blame must be placed, it must rest squarely on the shoulders of the Malaysians themselves—not the British and least of all the United States. In the final analysis, the marriage failed because of a political problem which is seemingly insoluble at this time. The Economist commented tersely but accurately, I think, "not that disaster was inevitable. Malaysia was a rational idea, which might well have worked. The reason it did not was that there simply was not enough goodwill around."

Whatever the causes, the tragic fact is that the match was broken: the glove is off and the ring has been slipped from the hand. The split further disturbed the already unsettled waters in the Pacific community. It came at a time when strength and unity are needed most to stave off Communist aggression in southeast Asia and Indonesia's militant and mistaken policy of confrontation.

But, let us take heart that the split has not proved as devastating as it might have. It was only a matter of hours before the two former partners exchanged ambassadors and proclaimed their continued friendship. Moreover, Singapore quickly indicated that it was not going to turn its back on either Malaysia or the West. Indeed, the Economist reports that Singapore's new Foreign Minister, Mr. S. Rajaratnam:

> Has already made it very clear that Singapore's foreign policy will be designed to keep it close to Malaysia—which is, indeed, essential if both states are to survive and prosper. He has promised that Singapore, like all good progressive, newly developing Afro-Asian states, will adopt a foreign policy of nonalinement "in the power struggle of the two ideological blocs." Knowing Mr. Rajaratnam, one can imagine how much restraint he must have exerted to hold himself back from speaking of three blocs. For, as director of the politbureau of the People's Action Party, he knows a great deal about the two rival Communist blocs and their interests in southeast Asia. Singapore will be friendly with all countries that recognize its integrity and independence and are friendly to Singapore. Indonesia may be able to qualify for a resumption of trade with Singapore on those grounds; but can Jakarta accept the other plank in Singapore's statement of foreign policy? This lays down that its foreign policy will "underpin the domestic attitude of preserving the state's integrity and independence while safeguarding the interests of Malaysia."

I note further that Mr. Rajaratnam just yesterday stated emphatically that Singapore would not join with Indonesia in a confrontation against Malaysia. He said that, "Political separation has not obliterated the fact that the people of both territories are one. Our destinies are inextricably interwined and the crushing of one must inevitably mean the crushing of the other." Overall, the split has been made definitely but gently.

The potential for a good marriage, however, still exists for the old partners. Their economic interests remain complementary as before. We hope that they can resolve their political differences. If they can succeed in doing that, their real interests are certain to unite them once again. Perhaps, the union will take another form in the future. Indeed, perhaps the split will prove to be the needed catalyst for an even closer, more durable and more viable partnership. Again, I quote the Economist:

> Togetherness may be much more feasible now that there is a political separation than it ever was while Chinese and Malay politicians struggle for power inside the so-called unity of Malaysia.
>
> Providing that industrial and other rivalries are not carried to extremes, Malaysia and independent Singapore could work together harmoniously, and indeed must do so in respect of their interests in trade and security. Direct political rivalry no longer exists, so much of the cause of past trouble has been removed.

The Malaysian split dramatically reminds us that we are not the only Western power facing thorny problems of responsibility and security in southeast Asia. The British are there also, and with the split, as the Economist points out:

> Britain's commitments seem likely to remain. While subscribing to a foreign policy of nonalinement, Singapore is fully convinced (and so is Kuala Lumpur) that President Sukarno would drop his paratroopers on the island less than an hour after the withdrawal of the last British soldier.

The interests of Britain and the United States in southeast Asia are mutual—to help independent nations stave off Communist aggression, to help southeast Asian nations help themselves to achieve a better life, to help each other achieve and maintain peace—but at this time, our areas of responsibility are clearly separate.

V-J Day and Our Fighting Men in Vietnam

EXTENSION OF REMARKS

OF

HON. LYNN E. STALBAUM

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. STALBAUM. Mr. Speaker, my esteemed colleague, Representative CLEMENT J. ZABLOCKI, second highest ranking member of the House Foreign Affairs Committee, and chairman of the House Foreign Affairs Subcommittee on the Far East and Pacific, recently gave an analytical firsthand report on the accomplishments and objectives of America's fighting men in Vietnam. He gave this presentation on August 13 to the Allied Veterans Council joint observance of V-J Day at Milwaukee where the theme fittingly was: "A Tribute to Our Fighting Men in Vietnam."

The close and accurate knowledge that Congressman ZABLOCKI has of the free world committment against the spread of communism is of such great import to all Americans that I take exceptional pleasure in inserting into the RECORD his worthwhile address to the council, which is composed of 15 veterans organizations in Milwaukee County.

The address follows:

V-J DAY AND OUR FIGHTING MEN IN VIETNAM

(Speech of Hon. CLEMENT J. ZABLOCKI at the Allied Veterans Council V-J Day Ceremonies, Milwaukee, Wis., Friday, Aug. 13, 1965)

It is indeed a privilege and an honor to have been asked by the Allied Veterans Council of Greater Milwaukee to participate in the events of this evening.

These V-J Day observances, sponsored by the council, have become an important annual event in our community. They have reminded us of the sacrifices which so many made in World War II in order that we might enjoy freedom and prosperity in our great land.

The Allied Veteran's Council is particularly to be commended for having dedicated this evening's program to the American fighting men in Vietnam.

It is entirely fitting as we observe the 20th anniversary of the victory over Japan and the end of World War II, that we pay tribute to those who are fighting and dying to preserve freedom against Communist aggression in southeast Asia.

This occasion also affords an excellent opportunity to make certain meaningful comparisons between World War II and the present conflict in Vietnam.

Many of us recall the protests which accompanied increasing American involvement in World War II before Pearl Harbor. Each attempt by the Roosevelt administration to strengthen the Nation's defenses and assist our traditional Allies in Western Europe was met with criticism. Mother's marches and peace demonstrations were organized in an attempt to dissuade the military buildup which later proved not only neccessary but vital to the security interests of our Nation.

In 1939 and 1940 it was fashionable in some quarters to say: "I didn't raise my boy to be a soldier." Others quoted President George Washington's advice about avoiding foreign entanglements.

Who were these peace-at-any-price advocates? For the most part they were well-intentioned, genuinely concerned individuals. They lacked, however, any real appreciation of the menace represented by nazism, fascism, and Japanese militarism.

Further, many were deluded by the deliberate efforts of fifth-columnists among our own people. These included the Communists who had teamed up with the Fascists after the Hitler-Stalin pact of 1939.

Today we read of, and see, demonstrations against U.S. participation in the war in Vietnam which are quite similar to those of pre-World War II.

The slogans have been updated, of course. Now they read "Get out of Vietnam," and "Stop the bombing." Critics of the administration's policy have tried to create an atmosphere of defeatism. Some claim that antiguerrilla actions cannot be successful and that Communist-inspired insurgency is bound to win. The facts are, of course, that Communist guerrillas have been defeated in Greece, in the Philippines and in Malaya.

Mistaken as they often are, I believe that most of those who advocate our withdrawal from Vietnam are sincere. They have forgotten, or refuse to remember, the principal lesson taught by World War II. That lesson is that if aggression is left unchecked, the aggressors grow more bold and antagonistic.

Just as the Nazis were guilty of aggression against Poland and Czechoslovakia in 1939, and the Japanese against the Philippines in 1941, so also has North Vietnam been the aggressor against its neighbor to the south.

The Communist regime in Hanoi has directed—in large measure controlled—the activities of the Vietcong guerrillas. The hard core of the Communist forces attacking South Vietnam are men trained in North Vietnam.

These key personnel, many of whom have never seen South Vietnam before, are infiltrated into the Republic of Vietnam to become the leaders and cadres of the Vietcong forces. Fifty thousand such persons have been infiltrated since 1960.

There also is clear proof that Hanoi has supplied the guerrilla forces with weapons, ammunition, and equipment.

In recent days three battalions of regular North Vietnamese troops have been identified in the fighting in the central highlands region of South Vietnam.

Those guerrillas were not the barefoot, pajama-clad, lightly armed peasants we often have seen in newsphotos. These men are outfitted in completely military fashion. They wear uniforms, helmets, and boots. They exhibit military discipline and are organized to engage in unit-sized clashes with government troops.

If the direct role of Hanoi in the Vietnam conflict ever was in question, this infiltration of entire military units should dispel all doubt. Communist China also has played a role in this struggle by aiding and abetting North Vietnam.

Our Nation, as in World War II, is meeting this aggression with force and determination. The United States has sent more than 80,000 American troops to Vietnam and plans to call for 45,000 additional men to be landed there in the near future. The United States has committed our airpower to unceasing bombing of strategic military targets in North Vietnam, as long as the Communist aggression persists.

The United States is spending more than a million dollars a day to supply and equip the forces of South Vietnam, on whom the principal burden of this war rests.

The United States has successfully persuaded many of our allies to assist in this fight for freedom. More than 30 nations have responded by providing aid to South Vietnam, including units of fighting forces.

Our efforts to contain communism in southeast Asia have not been without sacrifice. Several hundred American boys have been killed. Others have been wounded. Undoubtedly there will be still further casualties in the future.

These young men are the flower and the promise of our Nation. We do not wish to see their blood shed on foreign shores. Nor do these brave men wish to die. But they realize, as some other Americans fail to, that the presence of American troops in Vietnam is necessary to the security of our own country.

All of you, I am sure, are aware of the tragic accident which occurred this week at the Titan missile installation in Arkansas. In a very real sense the 53 men who lost their lives in that accident, though civilians, died in the defense of our country.

Those 53 deaths were more than 10 percent of the total number of American soldiers killed in Vietnam since the conflict began. Surely, responsible judgment would not dictate that we discontinue or curtail our missile program because of this or other military accidents.

In the same way, the fact that Americans have been killed in the line of duty in Vietnam should not stampede us into withdrawal. We will continue to place the highest value on each human life. We shall try to insure to the extent possible the safety and security of our troops. But, firm in the belief that our cause is just and right, we must never abandon our efforts simply because casualties occur.

As you know, I have been in Vietnam and have had the opportunity to talk to some of the American soldiers on the scene. Their high morale, their sense of purpose, is truly something to behold.

The service and dedication of these men has been the one continuing bright spot in what all too often has been a dismal picture. Their positive attitude has been a source of inspiration to the Vietnamese with whom they deal, and to our American civilian officials as well.

We can be truly proud of our fighting men in Vietnam, just as we are proud of those who fought to defend freedom and restore peace in World War II, the Korean conflict, and our Nation's other wars.

In my opening remarks I recalled the misguided pacifist efforts that preceded World War II. Now let us speculate what might have happened had our Nation's leaders listened to those voices of appeasement.

Today the Nazis probably would be ruling all of Europe and much of Africa. The Japanese would be the supreme power in Asia, ruling both China and India with an iron hand.

We Americans would be an embattled minority, with probably only Canada and the nations of Latin America as allies. Fortress America—which many advocated in 1939—would be a weak fortress under siege.

With the benefit of hindsight we can be truly grateful that President Roosevelt and other American leaders saw the danger and were not moved to the disastrous course advocated by the isolationists of the 1930's.

In the same way, I believe that a generation from now the American people will be grateful that President Johnson and his advisers have disregarded the criticism of the neo-isolationists of the 1960's.

For our policy of firmness in the face of aggression has implications which are tremendous and transcend Vietnam.

Many other lands in other underdeveloped areas of Asia, Africa, and Latin America also are threatened with the danger of guerrilla insurgency. The future of these nations is linked with the outcome in South Vietnam and southeast Asia.

The Communists have readily admitted that Vietnam represents an important test situation for insurgency and revolution. For example, the top North Vietnamese general, General Giap, recently said:

"South Vietnam is the model of the national liberation movement of our time—if the special warfare that the U.S. imperialists are testing in Vietnam is overcome, then it can be defeated everywhere in the world."

It is in this sense, then, that South Vietnam represents a real test for our Nation, a challenge perhaps as important as that we met and surmounted in World War II. It is a test of the will and determination of the American people to withstand Communist aggression wherever and however it may appear. We must not, we cannot, we will not, fail the test. For upon the outcome of the struggle in Vietnam hangs the future course of world events. If the United States eventually can bring peace and security to South Vietnam, we will have increased greatly the chances for peace and security elsewhere in the world.

With peace and security, and freedom from internal and external Communist harassment, can come the kind of world which we believed we had won on V-J Day, 1945. Twenty years of conflict and strife have proven how cruelly false were our hopes.

Yet, with the hope that sustains humanity, we look to the future. A new generation, epitomized by our fighting men in Vietnam, has joined us in the struggle against tyranny and injustice.

We must not, we cannot, we will not succumb to Communist aggression. For then we would fail to keep faith not only with the brave men who have defended our Nation in past wars, but also with those who are today fighting tyranny and aggression in Vietnam and other trouble spots in the world.

Let us pray that, with Divine Guidance, we may soon reach an era of peace and prosperity, not only for ourselves but for all mankind.

Thanks to Legislative Research Branch of Library of Congress

EXTENSION OF REMARKS

OF

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. HANNA. Mr. Speaker, as the summer draws to an end, the many young people who have interned on Capitol Hill will be returning to their campuses wiser in the ways of government. Each Member of Congress has been happy, I know, to provide this opportunity to these students and to answer their queries about practical politics. I know that many of my colleagues, like myself, have taken advantage of the extra manpower in their offices to investigate special projects or aspects of issues and bills of particular interest to them. With this increased volume of research and investigation, an added number of requests have been placed with the research services of the Library of Congress. Often my interns have commented to me about the helpfulness and dispatch of the legislative research's assistance, and I am sure few interns leave the Hill without the memory of the tolerant, efficient service of these specialists. Therefore, Mr. Speaker, I would like to take this opportunity to thank the legislative research branch of the Library of Congress for a job well done, not only during this summer but also during the entire year.

Urban Involvement in Soil and Water Conservation

EXTENSION OF REMARKS
OF
HON. WILLIAM L. ST. ONGE
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 17, 1965

Mr. ST. ONGE. Mr. Speaker, yesterday in Storrs, Conn., in my district, conservation district leaders from 12 Northeastern States met for their annual summer meeting. Senator Edward M. Kennedy from Massachusetts was a principal speaker. He told the conservation district leaders that the urban population is today experiencing its first real involvement in soil and water conservation. Senator Kennedy said:

> Every time a city dweller turns on his faucet, and wonders how long the water supply will last; every time he goes fishing or boating in a river and finds it polluted; every time he seeks a wooded place for recreation and finds it more crowded; every time he watches the zoning of a suburban tract and wonders if the best use is being made of the land, he realizes that conservation is something he needs for his life, and that the resources around them are limited, indeed.

Senator Kennedy then proceeded to outline a 10-point program for future growth in soil and water conservation. I suggest that every Member of Congress should be familiar with this statement. Under unanimous consent I place it in the Record:

Senator Kennedy Proposes 10-Point Water Program

(Text of an address delivered by Senator Edward M. Kennedy, Democrat, of Massachusetts, before the northeastern area meeting of the National Association of Soil and Water Conservation Districts—College of Agriculture Auditorium, University of Connecticut, Storrs, Conn., Aug. 16, 1965)

I am delighted to be here today to express my appreciation, and that of my colleagues in the Senate, for the work you are doing to conserve the resources of the United States. The laws we pass in Washington must be made to work here in the States and localities. Without your help, they cannot work. What you have been doing, assisting landowners, enlisting cooperators and proposing constructive ideas for the better use of land and water, has helped all of us fulfill our responsibilities to the future of our country.

Neither you nor I own the resources of our country. But in a real sense we are the trustees of these resources. Our responsibilities are to persuade our fellow citizens that no use be made, of land or woods or water, that squanders them or despoils our countryside. Every effort must be made to encourage the broadest development, in the community interest.

You meet at a significant time in the history of soil and water conservation. We are beginning to see the first real involvement of the urban population who make up the great majority of the people of our region. Those who live in cities used to regard soil and water as inexhaustible—much as the early settlers regarded the buffalo. Many of us used to think that water and erosion and resource development and irrigation were problems of the West, not the East, or problems of farmers and not city people. I remember when I campaigned in the Western States, in the election of 1960, the people wanted to hear about President Kennedy's policies on dams, electric power, irrigation, reclamation of the soil. I remember making many promises on his behalf. But in the East, people were concerned with housing and transit and immigration—and if I had talked about resources, they would have been bored.

Now this is changing. Every time a city dweller turns on his faucet, and wonders how long the water supply will last;

Every time he goes fishing or boating in a river and finds it polluted;

Every time he seeks a wooded place for recreation and finds it more crowded;

Every time he watches the zoning of a surburban tract and wonders if the best use is being made of the land, he realizes that conservation is something he needs for his life, and that the resources around them are limited, indeed.

When faced with a flood; a water shortage; a forest fire or other major crisis, we act quickly and do what we must. These are the dramatic problems. But there are quiet crises, as well, that also call for action. The haphazard development of land adjacent to our cities, such as we see going on today on Staten Island in New York, without planning, without regulation and speeding toward a suburban slum. The ruining of land through strip mining that we see in parts of Pennsylvania and West Virginia and Kentucky; the pollution of lakes and rivers throughout our area; the erosion of farm land and beaches; surface runoff and seepage from poorly planned construction. These conditions, growing every day, pose just as great a challenge to the future we want, and the conservation we will need.

There are no sweeping answers in these problems. Certainly the answer is not to keep all the land wild. Many legitimate interests are involved. Industry needs land and water for economic progress. Good housing must use land and water for the comfort of our people. You know, from the work you do in your 12 States, that we must consider all legitimate interests, even when they compete.

Primarily the problem lies in striking a balance among the various necessities of modern life. Between our need for industry and our need for pure water; between our desire for recreation and our demand for raw materials. In short, between all the things people want to live in urban centers, and all the things they need so they can escape from cities to find the physical and spiritual refreshment of the countryside.

For these reasons, I hope that as your activities broaden to meet urban needs, city people will play an increasing role in what you do. Now that they are awake to these problems, they should know that the approach you have developed, over almost 30 years, emphasizing local initiative and local control, is a proven vehicle for solving resource problems. Especially in the Northeast, where city and country are so intertwined, this kind of participation can be a model for progress.

We in Massachusetts are very proud of our conservation districts. We are a heavily urban State. But we love our open spaces and use them as much as we can. Tourism is our number three industry. The same mountain that offers ski trails in the winter, is used in summer for a music festival or an open theater. The availability of recreation is one of the things that has convinced the leaders of education and leaders of industry to locate within our borders.

Two years ago our State legislature gave conservation districts, along with our town conservation councils, the responsibility for all efforts in this area. Under the new organization, every new school, park, shopping center, housing subdivision and other community facility can have the benefit of the entire range of conservation skills applied directly to their needs. These commissions have authority, and equally important, they have money.

Some of our towns have hired professional planners to undertake a complete survey of soil and water resources. They have estimated their needs and decided how they want to develop. They are drawing up master plans, by which every acre will go to the highest use. All of this is in the finest tradition of local initiative and community cooperation, and with some pride I commend it to you.

I would like to make some suggestions today about the most serious resource problem here in the Northeast, the shortage of water. For the last 4 years, 300,000 square miles within our region have received insufficient rainfall. Agriculture has been badly damaged. Some companies in the central part of my State have had to shut down for lack of water. Even the metropolitan district commission, composed of Boston and its suburban communities, which built the largest reservoir in the world devoted exclusively to domestic water, has recently been forced to curtail some home and recreational use. Events of the past few months have emphasized dramatically the prediction by a Presidential Panel 15 years ago: That by 1975, the No. 1 shortage in this country would be water.

Even if the drought ends, the rising tide of consumption will not end. The average city dweller uses 70 to 80 gallons of water a day—five times what he used, two generations ago. Industry uses even more, and the trend of use is sharply upward. It is essential that we plan now, and act now, not just for the current emergency but to provide for our future growth.

1. Our first need is to consolidate local efforts and to engage in joint community planning. It is clear that areas like Metropolitan Hartford and Metropolitan Boston, which pooled their efforts in the past, are in a better position to meet the drought than communities which decided to go it alone. No small town or city can afford, financially, to provide the new water sources and the new storage facilities that are necessary—especially when its population and industrial needs are growing. They should follow the example of conservation districts, and combine for their own benefit.

2. We must try other methods of financing for communities too remote to be part of

district systems. In this connection, there is a bill passed by the Senate this year, for Federal loans and grants to build pipelines and reservoirs in rural areas. Senator AIKEN was the chief sponsor. I was a cosponsor, and I hope the House will adopt it without delay.

3. We must develop new devices of water storage. I support the Federal legislation to increase the amount of storage in any watershed project from 5,000 to 12,000 acre-feet. Water supply should be one of the critical elements in the resource plans of your districts. One study made in my State, of possible new sites for small reservoirs on a river near Boston, showed 43 possible sites. But most had already been taken for housing developments, shopping centers, and factories. This misuse of resources must not be allowed to happen.

4. We must take the machines of home and industry—air conditioners, washing machines, water taps—which use so much water, and redesign them so they can use the same water again and again. Several billions of gallons a day could be saved if this were done. This is primarily a job for industry; but technical assistance should be made available by the Government.

5. We should continue the all-out effort to lower the cost of desalting water. In the long run, the sea can be the easiest and cheapest source of our needs. But as long as the cost is so prohibitive and present plants so experimental, we must continue to bear the considerable expense of getting water from other sources.

The water shortage should also drive us to greater efforts in fighting pollution. I come from a State with 1,000 miles of polluted rivers and streams, 35 percent of the total. The Merrimac River, in northeast Massachusetts, is the oldest polluted river in the country—and one of the worst. We would have no water problem today, in most parts of my State and many parts of yours, if polluted rivers could be safely used. Nor would we have the strangulation of animal life, the denial of recreation opportunity, the odors and sights and dangers to health that pollution brings.

For those reasons, I would make these suggestions:

6. We should encourage creation of local sewerage districts, to bring under appropriate control those plants outside city limits that cause such pollution. Such districts should also be eligible for grants under the sewerage treatment program. Under the present program, only municipalities are eligible for funds. Under my suggestion, the program could reach industries not covered.

7. One of the greatest obstacles to the antipollution program is that many industries cannot afford the cost of control. Nor can we fairly blame a community which fails to force pollution control upon its plants, for fear they will leave the area. Faced with the choice, any community would prefer a polluted river to unemployed citizens. For this reason, we should give tax relief, and consider even direct grants to industrial plants to encourage them to dispose of their wastes, without polluting.

8. Another difficult obstacle to enforcement is the difference in pollution in standards between States. Rivers do not respect State boundaries. Yet communities downstream cannot clean up effectively, if communities upstream, in another State, do not have to treat their wastes to the same degree. It is essential, therefore, that there be uniform water quality standards between States. I hope this will be enacted by the Congress this year.

9. We must also find new methods of treating municipal sewage before it finds its way into our rivers and streams. In many of our cities, the storm and sanitation sewers are connected in such a way that in time of storms, untreated sewage is backed into our waters. Much pollution is caused by this fact. What is needed are new devices that can be installed, in our homes or in holding pens, to prevent this dangerous condition.

10. Finally, in furtherance of all these programs, I think the present Federal law should be changed to eliminate the provision which limits the Government grants for water research to land-grant colleges. There are many private colleges, in all of our States, which could make an important contribution if they had this support.

The current water crisis is an opportunity, as well as a challenge. If meeting it can teach us the value of cooperation and planning, what we do will carry over to the development of all our resources. This is what you have been fighting for since 1937. It is where you can make a unique contribution. The people of our region, now aroused, are in back of your efforts. The time is ripe for substantive accomplishment on many fronts.

I know you will contribute, and continue your leadership, for this cause.

Mekong River Basin Development Project

EXTENSION OF REMARKS

OF

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. HANNA. Mr. Speaker, the Communists are actively engaged in southeast Asia in what they like to call a war of liberation. We call it what it plainly is, the "new imperialism." This past week the President of the United States has been holding a series of briefings for Members of Congress on the nature of the conflict in southeast Asia. He has pointed out—very effectively I think—that the challenge we face there is not military alone, nor is it confined just to South Vietnam. Rather the challenge is many-faceted—social and economic as well as military and political—and it spreads itself over the whole of southeast Asia. The President made it very clear that this Nation is bending every effort in every direction to bring peace to that troubled area, peace sustained by progress, development and prosperity for the peoples of southeast Asia. For although it is essential to this Nation's security, southeast Asia is not just a buffer state. It is an area rich in human and natural resources, rich in undeveloped land, rich in opportunity for its 100 millions of people. A strong, peaceful, independent, and developing southeast Asia would enormously benefit all peoples through peaceful trade, tourism, and cultural exchange.

Mr. Speaker, I want to thank the President for taking the Members of Congress into his confidence, and I congratulate him on the wisdom of doing so. I think that the air definitely needed clearing on this subject, and I think that the President has begun that process in a productive manner. I would also like to thank and congratulate the various Members of the executive branch who participated in the briefing for their fine presentations. In particular I feel that the report of Mr. Eugene Black, the distinguished former president of the World Bank, on the economic aspects of our efforts in southeast Asia was most valuable. Mr. Black spoke at length on the Mekong River development project, pointing out to the Congressmen present the importance of the project and its potentially vast impact upon the economies of Cambodia, Laos, Thailand, and Vietnam. Mr. Speaker, I would like to take this opportunity to thank Mr. Black and congratulate him for a very fine report. In view of the quickened interest in, and curiosity about, the Mekong River project stimulated by Mr. Black, I also introduce into the RECORD a disquisition prepared in my office on that subject. I am hopeful that my colleagues will find this information useful and helpful.

The disquisition follows:

REGIONALISM IN SOUTHEAST ASIA

As the problem of creating an effective action agency out of the U.N. appears to grow in complexity and improvement grows dimmer as time goes on, the practical necessity of regional cooperative efforts increases. Although not entirely free of frustration and far from even in progress, the European experience in regional cooperation has served as a model and an encouragement for other areas of the world. There must be some machinery in the world to move constructive interests on something more than a narrow national base.

In southeast Asia, particularly, a regional approach to many problems is preferable to a national one—for in the 20th century cooperation on a wide basis, a regional basis, better meets the needs of small countries. Regionalism does not emerge overnight; it has to be carefully cultivated in an atmosphere of growing awareness of the need for common action. Certainly, the Mekong River Basin project offers an opportunity for southeast Asian nations to develop a common action approach to shared problems.

There are in southeast Asia, as in any region, peculiar problems to be overcome before a true community spirit can exist. First, are the political difficulties which must be stabilized before the member nations can work successfully in concert. Second, the southeast Asian nations must establish a precedent for thinking across national lines and they must establish a consensus on the meaning of cooperation. Finally, attention must shift from the present focus on already developed nations to the trade potentials and advantages of the southeast Asian region itself.

Other problems such as economic dependence on one or two natural resources or lack of sufficient markets for the sale of goods requiring heavy capital investment for development can be best solved through regional cooperation.

Considering all the problems of development the best opportunities for encouraging regionalism in southeast Asia still exist in the economic and cultural fields. It is success in these fields that can foster greater political stability.

The Mekong River project with its tremendous development impact is one of the best examples of how economic benefit can transcend political differences. In addition to the close working relationship of the not always friendly countries of Cambodia, Thailand, Laos, and Vietnam on the United Nations Committee for Investigations of the Lower Mekong Basin, 14 United Nations agencies, 2 foundations, 2 private companies, and 21 countries including Australia, Japan, New Zealand, the Philippines, and the United States, have invested and participated in the

Mekong project to make it truly a regional and an international endeavor.

RIVER DESCRIPTION

The Mekong is one of the great rivers of the world ranking with the Mississippi of America, the Don of Russia, and the Ganges of India. A river that affects the geography, the economics, and the politics of peoples along its banks for a distance of 2,600 miles.

Location: The headwaters of the Mekong River are in western China north of Tibet. The river flows south into Laos where it forms the Lao-Thai border. From there it continues south, cutting across Cambodia and the Republic of Vietnam, to empty into the South China Sea which flanks the eastern and southern sides of the Indochinese Peninsula.

Discharge at mouth: The annual flow of the Mekong River emitted into the South China Sea is 400 million acre-feet. By means of comparison the annual discharge of the Mississippi River into the Gulf of Mexico is 440 million acre-feet.

Volume of flow: The volume of flow on the Mekong at Phnom penh (a port on the downstream side of the great lake in Cambodia) is 400,000 cubic feet per second. The Mississippi, America's largest river, has a flow of 611,000 cubic feet per second.

Distance: The length of the lower Mekong or that part of the river below China is 1,504 miles, while the total length of the river is 2,600 miles (longer than the Mississippi River proper and almost as long as the Columbia River).

Drainage area: The drainage area of the lower Mekong is 236,000 square miles or equal to the combined area of the States of California and New York.

HISTORY OF MEKONG DEVELOPMENT

Man's first attempt to harness the potential of the Mekong River was in the ninth century. The Khmer emperors of Cambodia started an extensive irrigation system in the vicinity of Angkor. Due to harassment by the Thai's and the Champa leaders, the system was never completed. The river's wealth did not go untapped however, both the Khmer and Champa leaders drew up plans and commenced building a maze of canals in the delta region, many of which are still in use today.

From 1866 to the end of their control in 1954 the French colonial governors worked hard to extend the ancient Khmer and Champa canal system. These water routes served the French as both communication links between their massive rubber and rice plantations and as the major avenue of transportation to market. From 1905 to 1940 the French worked on marking navigatable river channels and built Phnon Penh Port below the Great Lake in Cambodia.

The first regional cooperation between nations sharing the Mekong River came in 1926 when Thailand and France, who then controlled Laos, Cambodia, and Vietnam, signed an agreement to the effect that neither would impede Mekong shipping. In 1949 Cambodia, Laos, Vietnam, and France signed a convention of Maritime and Inland Navigation on the Mekong and Inland Water Routes to Saigon. With the independence of Vietnam, Cambodia, and Laos from French colonialism in 1954, all the newly formed nations joined Thailand in an agreement which combined both the 1926 and 1949 conventions.

In 1952 the first steps were taken by the U.N. Economic and Social Council to promote regional identity and cooperation through the creation of the Economic Commission for Asia and the Far East (ECAFE). The goal of this Commission is "to initiate and participate in measures for * * * raising the level of economic activity * * * and * * * strengthening the economic relations of this area both among themselves and with other countries of the world; and to make or sponsor investigations and studies of economic and technological problems and developments within * * * Asia and the Far East." It was under the newly formed ECAFE that the U.N. sponsored the first study of the Mekong River. Since then 21 countries and 14 U.N. agencies have contributed some $27 million for planning and an additional $40 million for construction or investment. In 1957 four consultants, two from Japan, one from India, and one from France, carried out the first field reconnaissance on the Lower Mekong and proposed sketches for five possible mainstream projects. That year also saw the establishment of the Committee for Coordination and Investigations of the Lower Mekong, which was the first actual personal cooperation between the four beneficiary countries—Thailand, Vietnam, Cambodia, and Laos.

Today the construction of six dams is underway—two on the Mekong itself and four on the tributaries. Of these dams, two located on tributaries in the highlands of northeast Thailand, are to be finished this year. The anticipated construction time for the entire project is 25 years.

PROPOSAL

President Johnson said in Baltimore on April 7, this year: "The vast Mekong River can provide food and water and power on a scale to dwarf even our own TVA." More specifically, the idea of the Mekong River project is to build a series of dams and powerplants along the Mekong and some of its key tributaries for irrigation, electricity, flood control, and navigation. The proposed project would harness the Mekong to fill the needs of some 50 million poor people and increase the irrigated land in the service area by some 6 million acres. The most recent estimates indicate the cost of the project to be $2 billion and the time to completion 25 years. Note: the California water project is being constructed at a cost of $3 billion with a delivery date in Los Angeles of 1971 or an 11-year construction period. One must keep in mind that this $2 billion estimate is possibly below the actual cost due to the shortcomings of projecting costs over such an extended period of time.

Benefits of the project include the extension of deep channel navigation from the present 190 miles upstream to 270 miles. The planned flood control measures would result in a constant 3-foot increase in the depth of the river. Not only would this increase in depth prevent the present salt water incursion which destroys many good acres of farmland in the delta each year but it would also save the deltic and Great Lake fisheries.

The three major main stream projects are:

Pa Mong, located where the river forms the international boundary between Laos and Thailand, making possible the irrigation of about 2.5 million acres in Laos and Thailand and continuous generation of approximately 1.5 million kilowatt-hours of electricity. Finally, this project would increase the value of all other downstream projects.

Sambor, located in Cambodia this project would make possible the irrigation of 250,000 acres of land and would generate 400,000 kilowatt-hours of electricity.

Tonle Sap, located in Cambodia south of the Great Lake the project would improve the fisheries of the Great Lake now threatened with extermination and make possible the hydraulic management and reclamation of vast areas in the Mekong Delta in Cambodia and Vietnam.

Specifically the Mekong River Basin project includes the total development of 5 main stream and 12 tributary projects. Combined these dams will produce 35,950,000 kilowatt-hours of electricity, expand the irrigated region in the service area by 6,840,000 acres, and create 525 miles of improved navigable waterways.

To date the United States has invested some $6 million in this project through the Committee for the Coordination and Investigation of the Lower Mekong.

PROBLEMS

Opponents to the Mekong River project point out a multiplicity of problems which will deter the project's accomplishment. A few of these were cited in the section on regionalism—traditional animosity, lack of experience in cooperation and little sense of community identity, lack of political stability, and the constant Communist threat.

In order to make most effective use of the project, local residents of the villages and hamlets must work together to build the small-scale irrigation projects to service their crops, to increase diversification and production. Villagers must be willing to accept technical training and adopt new methods for old jobs. They must be willing to work together for the benefit of all—a concept accepted in the United States but virtually unknown in Asia, where the extended family dominates both society and culture.

The problems raised are real and indicate that the goals sought are not easy of achievement. Against the risks one must calculate the advantages. It seems likely that economic and social advances are needed for stability that aids our side. Also, although a richer southeast Asia makes a more alluring target for Chinese conquest, it will build a stronger resolve to fight such intrusions. It is likewise possible that just as West Berlin is an embarrassment to Russia—in fact acts as an indirect influence for domestic policies to improve consumer status—so advancements in southeast Asia could effect public and mass reactions in China. The major problem, the problem of the developed Mekong acting as a lure to the Communists, can only be weighted against the benefit of increasing the economic security and living standards of the residents of the Lower Mekong River Basin.

WORKING BIBLIOGRAPHY

Fall, Bernard B., "Vietnam: The Agonizing Reappraisal," Current history vol. 48 (Feb. 1965), p. 95–102.

Geyer, Alan, "Vietnam's Greatest Need: Political Aid," Christianity and Crisis, vol. 24 (Nov. 2, 1964), p. 216–219.

Gordon, Bernard K., "Regional Cooperation in Southeast Asia," Current history, vol. 48 (Feb. 1965), p. 103–110.

Johnson, Lyndon B., "Test: President Johnson's April 7, 1965, speech on U.S. Policy in Vietnam Given at Baltimore, Md., U.S. News & World Report (Apr. 19, 1965), p. 76–78.

Schaaf, C. Har and Fifield, Russell H., "The Lower Mekong: Challenge to Cooperation in Southeast Asia," Princeton D. Van Norstrand Co., Inc., 1963.

Public Works and Economic Development Act of 1965

EXTENSION OF REMARKS

OF

HON. PAUL H. TODD, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 17, 1965

Mr. TODD. Mr. Chairman, when the final vote was taken on S. 1648, the Economic Development Act, I was absent from the Chamber preparing for Committee hearings the following day. I did not return in time to qualify. If I had been present, I would have voted "nay," since I believe the authorization of $500 million per year to be excessive, in view of the administration request for $250 million, and in view of the potential impact of this added expenditure upon forcing prices up. In view of a needed but unplanned appropriation for the Defense Department which will come up, I think this added authorized expenditure unwise.

Anatomy of a Riot

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 17, 1965

Mr. POWELL. Mr. Speaker, the tragic holocaust in Los Angeles these past few days has dismayed and horrified us all.

As an American, I have been chagrined by this orgy of purposeless annihilation. As a Negro, I grieve that so much energy has been directed inwardly against ourselves in a pernicious exercise in futility.

I was gratified and encouraged that our President in rightfully condemning this inexcusable outbreak of violence nevertheless called for an inquiry into the causes and an immediate program to prevent future explosions.

Nobody can authoritatively answer the question, "Why?" Psychiatrists, social scientists, sociologists, and other so-called experts on the Negro have all come up with the same old tired and overworked cliches—"frustration," "breakdown in family relationships," "despair," and so forth.

There is a single answer to be found in Proverbs 29: 22:

> An angry man stirreth up strife and a furious man aboundeth in transgression.

Negroes all over America are angry and they are furious. They are angry about the historical deprivations they have suffered at the hands of a largely callous and indifferent white society. They are furious about the debilitation and degradation of their leaders whenever these leaders were picked by black people themselves and not the white power structure.

An oppressed people can only internalize their anger and fury so long. To deny human beings the most elemental rights—the right to earn a living, the right to live anywhere and the right to a decent education—and then compound these denials with barbaric police brutality and officially condoned physical abuse is to lay the foundation for a sociological detonation of unbelievable proportions.

Los Angeles and to a lesser extent Chicago and Springfield are only the visible sparks of the volcano of discontent and hatred which lie quietly beneath the surface now in black communities all over America.

Every black ghetto in this country is a potential Los Angeles only because the white power structures—business, civic, and political leaders—has persistently rejected the efforts of black people to participate fully in the running of the total community. Instead this same white power structure has carefully selected "Uncle Toms" and "Uncle Tom" organizations to speak for the Negro in the hopes that useless verbiage would "keep the natives quiet." The natives have been restless a long time and are now ready to take matters into their own hands.

Black people sadly recognize that these leaders and organizations represent no honest power, no ability to revolutionize their conditions or change their plight. And like Rosa Parks back in 1957, they have now reached the point of no return in weariness—weary of broken promises, weary of phony black leadership, weary of white do-nothingness and weary of blind exclusion from the mainstream of American society. Three years ago, we witnessed the "Negro revolt." We are now seeing the "revolt of the poor."

In Los Angeles, the incinerating fuel for last week's explosion had been smoldering for years—police brutality. The arrogance of Police Chief Parker in refusing to heed the pleas of responsible Negro leadership steadily worsened the situation. More recently, the refusal of the mayor to evolve a comprehensive antipoverty program to siphon off many of that community's unemployed further was regarded as a kick in the stomach by many Negroes.

A week ago, a subcommittee of the House Education and Labor Committee held hearings in the middle of the Watts area. According to a report to me from the Chief Counsel for the ad hoc subcommittee on the war on poverty, "Because of the fact that Los Angeles is one of the two major cities in the country without a poverty program, this area was one of obvious unrest." Subsequently, I personally received several angry letters from Los Angeles Negroes who were deeply disturbed about the runaround they were getting.

Los Angeles also has a continuing problem in Police Chief Parker who has become a symbol of racial oppression to Negroes just as School Superintendent Willis of Chicago has become the identical symbol there. Before fruitful communications can be established between the races in these cities and other cities, the symbols of racial persecution must be removed.

Parker in Los Angeles must go. Willis in Chicago must go. Their retention will only exacerbate an already dangerous racial crisis in these two cities.

Finally, there must be an acceptance—no matter how uncomfortable—of the ugly realities of race relations in the North and the limitations of recent civil rights legislation to deal with such realities. I made the following statement in September, 1964, after the passage of the 1964 Civil Rights Act, I repeated it several times publicly and I make it again today after the passage of the Voting Rights Act of 1965: "Such legislation is absolutely of no value or meaning to Negroes in the North."

These acts have opened no new doors for Negroes in Los Angeles, Chicago, New York, or Philadelphia, nor have these acts provided any remedies for de facto school segregation, police brutality, increasing joblessness among Negroes, segregated housing, inferior education, political tokenism and Jim Crow justice in our courts.

Negroes in the North know the truth of these statements and are embittered by the absence of official action directed toward a solution of these problems. Until a comprehensive and massive attack on northern sub rosa racial hatred is undertaken, until all of us force ourselves to come to grips with the fact that the poverty of the northern Negro is totally different from the poverty of the southern Negro and in some respects even worse, Los Angeles is only the beginning of a long series of rioting and lawlessness not only this summer but in the many summers to come.

SENATE

WEDNESDAY, AUGUST 18, 1965

The Senate met at 12 o'clock meridian, and was called to order by the Acting President pro tempore (Mr. METCALF).

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, amid the toils and troubles of time Thou hast set eternity in our hearts.

In this still moment grant us the grace of hospitality to the highest. As citizens of a world that carries on its bent shoulders the burden of problems and decisions, greater than humanity has ever borne, make us, we pray, inwardly adequate to be Thy ministers of reconciliation in these times so torn and tortured.

We thank Thee for the gift of freedom which we have received from our fathers, and the hope of freedom which we cherish for our children. Soften our hearts with compassion for those everywhere who live in the shadow of fear and hunger. With the world's brightest hope of a better tomorrow committed to our frail hands, join us to the valiant company of unconquered spirits who in other evil times have stood their ground preserving the heritage of man's best, and whose flaming faith has gleamed through the encircling gloom like lighted sanctuary windows.

We ask it in the name of that One who is the Light of the World. Amen.

THE JOURNAL

On the request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 17, 1965, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on the District of Columbia, the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, and the Subcommittee on Constitutional Rights of the Judiciary Committee were authorized to meet during the session of the Senate today.

THE CALENDAR

On request of Mr. MANSFIELD, and by unanimous consent, the following calendar measures were considered and acted upon as indicated:

AUTHORIZATION OF FUNDS FOR THE PRESIDENT'S CRIME COMMISSION

The joint resolution (S.J. Res. 102) to authorize funds for the Commission on Law Enforcement and Administration of Justice and the District of Columbia Commission on Crime and Law Enforcement was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S.J. RES. 102

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated the sum of $1,500,000 for the expenses of both the Commission on Law Enforcement and Administration of Justice and the District of Columbia Commission on Crime and Law Enforcement.

The preamble was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report, No. 602, explaining the purposes of the joint resolution.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of Senate Joint Resolution 102 is to authorize to be appropriated the sum of $1,500,000 for the expenses of the two Presidential Commissions, (1) the Commission on Law Enforcement and Administration of Justice, and (2) the District of Columbia Commission on Crime and Law Enforcement.

STATEMENT

On July 16, 1965, the President, by Executive Order 11234, established the Commission on Crime in the District of Columbia to study the causes of crime and delinquency in the District of Columbia.

On July 23, 1965, the President, by Executive Order 11236, established the Commission on Law Enforcement and Administration of Justice to study crime in the United States and to recommend ways to reduce and prevent it.

Senate Joint Resolution 102, to authorize to be appropriated the sum of $1,500,000 for the expenses of the two Commissions, was introduced at the request of the Department of Justice.

The Department of Justice has submitted the following justification of costs:

"*Justification of costs of the President's Commission on Law Enforcement and Administration of Justice and the President's Commission on Crime in the District of Columbia*

"The President's Commission on Law Enforcement and Administration of Justice has been created to examine the adequacy of programs and resources presently committed to the prevention and control of crime and the administration of criminal justice, and to make comprehensive recommendations for National, State, and local action. It will inquire into the nature and causes of crime today, review the premises of existing approaches, seek to improve the effectiveness of law enforcement activities, court systems, and correctional programs, and work to increase citizen awareness and involvement.

"The President's Commission on Crime in the District of Columbia will undertake an exhaustive study of the entire system of criminal justice in the District of Columbia and make specific recommendations on institutional organization, program design, and resource needs. It is charged with the responsibility for encouraging and coordinating community action and developing measures to make the Capital City a demonstration and model of what can be achieved.

"The National Commission must report in 18 months. It will operate through citizens advisory committees, each to focus on one aspect of the Commission's duties, which will make extensive use of the work of individual consultants and contracted organizations. In addition hearings are projected to receive the testimony of community representatives and expert witnesses. The Commission's operations will be supervised by an Executive Secretary and a full-time staff of approximately 16 professionals. At each level the services of the most distinguished and competent people in the relevant fields and disciplines will be sought. The resultant findings and recommendations are expected to be published and widely disseminated.

"The District of Columbia Crime Commission must report in 12 months. It will operate with a staff of an Executive Director and approximately 12 full-time professional personnel. These will consist of lawyers and a few persons with other professional skills related to the assignment of the Commission, such as a sociologist or psychiatrist. To a great extent this professional staff will have the responsibility for doing the basic fact-finding, research, and analysis to be relied upon by the Commission in making its recommendations and reports. The Commission staff will be aided in its work by a small number of compensated consultants, drawn largely from cities and institutions outside the District of Columbia. Necessary assistance and expertise will be sought from persons in the District of Columbia with specialized experience or assignments with institutions in the city which will be useful in acquiring relevant data and reviewing tentative proposals. In addition, some surveys and demonstrations will be undertaken on a contract basis by organizations with particular skills.

"The cost of both Commissions is estimated at $1,500,000."

The committee believes that Senate Joint Resolution 102 is meritorious and recommends it favorably.

DR. OSCAR VALDES CRUZ

The bill (S. 993) for the relief of Dr. Oscar Valdes Cruz was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 993

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the periods of time Doctor Oscar Valdes Cruz has resided in the United States since his lawful admission for permanent residence on December 19, 1961, shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 603), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

ESTATE OF DONOVAN C. MOFFETT

The bill (H.R. 1481) for the relief of the estate of Donovan C. Moffett was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 604), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to provide that for the purposes of laws and regulations relating to national service life insurance (NSLI) the late Donovan C. Moffett, of Cortland, N.Y., shall be deemed to have made timely payment to the Veterans' Administration of the March 1963 premium on his 5-year level premium term NSLI policy (V–2414184), he "having been physically and mentally incapable of attending to any business matters from February 26, 1963, until the date of his death, April 16, 1963."

Benefits under the bill would be paid from the national service life insurance appropriation, and any premiums in default at the time of the death would be deducted from such benefits.

RELIEF OF CERTAIN INDIVIDUALS

The bill (H.R. 3750) for the relief of certain individuals was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 605), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve 16 civilian employees of the Department of the Air Force at Tinker Air Force Base, Okla., of liability to refund overpayments of compensation paid them after they had been transferred from wage board positions to positions under the Classification Act at wage steps subsequently ruled to have been one or two steps higher than the rate to which each individual was entitled.

JOSEPHINE C. RUMLEY

The bill (H.R. 4719) for the relief of Josephine C. Rumley, administratrix of the estate of George S. Rumley, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 606), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to pay $11,667.06 to Josephine C. Rumley, as the administratrix of the estate of George S. Rumley, in full settlement of the claims of the estate against the United States for amounts due for work performed by the decedent, George S. Rumley, on a contract No. DA-30-280-QM-12130, but not paid by the Government. The amount stated in the bill is the sum recommended as equitably due the estate by the Court of Claims in a congressional reference case to be paid the estate in satisfaction of its claims under the contract.

BILL PASSED OVER

The bill (H.R. 5497) to amend paragraphs b and c of section 14 of the Bankruptcy Act was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

DR. JOSE M. QUINTERO

The Senate proceeded to consider the bill (S. 1701) for the relief of Dr. Jose M. Quintero, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Doctor Jose M. Quintero shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 10, 1960.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 608), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization on October 10, 1965. The bill has been amended in accordance with established precedents.

DR. JOSE RAUL C. SOLER Y RODRIQUEZ AND WIFE

The Senate proceeded to consider the bill (S. 1802) for the relief of Dr. Jose Raul C. Soler y Rodriquez and his wife which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Doctor Jose Raul C. Soler y Rodriquez, and his wife, Doctor Gladis B. Pumariega de Soler shall be held and considered to have been lawfully admitted to the United States for permanent residence as of January 4, 1957, and to have complied with the residence and physical presence requirements of section 316 of that Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 609), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiaries to file petitions for naturalization. The bill has been amended in accordance with established precedents.

DR. ESTHER YOLANDA LAUZARDO

The Senate proceeded to consider the bill (S. 1945) for the relief of Dr. Esther Yolanda Lauzardo, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Doctor Esther Yolanda Lauzardo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 21, 1960.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 610), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended in accordance with established precedents.

RECORDING OF PROCEEDINGS IN U.S. DISTRICT COURTS

The bill (H.R. 3997) to amend section 753(b) of title 28, United States Code, to provide for the recording of proceedings in the U.S. district courts by means of electronic sound recording as well as by shorthand or mechanical means was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 618), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to amend section 753(b) of title 28 of the United States Code so as to provide that in addition to the recording of court proceedings by shorthand or mechanical means court reporters may augment the verbatim record so taken with electronic sound recording subject to the regulations of the Judicial Conference. The subsection would be further amended to make an exception to the requirement of transcribing the record when arraignments, pleas, and proceedings in connection with the imposition of sentence in criminal cases have been recorded by electronic sound recording, and to provide that the electronic sound recording is to be admissible evidence to establish the recommendation of that part of the proceeding.

STATEMENT

The bill, H.R. 3997, was introduced in accordance with the recommendations of the Judicial Conference of the United States.

H.R. 3997 was the subject of a House Judiciary Subcommittee hearing on March 3, 1965. At that hearing, the Honorable Warren Olney III appeared and testified in support of the legislation.

Section 753 of title 28 of the United States Code concerns court reporters appointed by the U.S. district courts. The bill would add amendments to the first three paragraphs of subsection (b) of that section. The first paragraph of subsection (b) requires attendance of court reporters at each session of the court and at every other proceeding designated by rule or order of the court or by one of the judges. The paragraph further states that the reporter is to make a verbatim record of the proceedings listed therein by "shorthand or mechanical means." The bill would modify the existing law by providing that the verbatim record taken by shorthand or mechanical means may be augmented by electronic sound recording subject to regulations promulgated by the Judicial Conference. Equipment for electronic sound recording has been improved to the point that it is of proven value in recording court proceedings. In fact, many court reporters have purchased sound recording equipment and use it to supplement their shorthand notes in taking court proceedings. However, after a full consideration of the matter, the House committee felt that it would be unwise to allow complete dependence upon such electronic sound devices in the courtroom situation for the purpose of making the record required under the law. As introduced, the bill could have had this effect. At the hearing on March 3, 1965, the Honorable Warren Olney III, Director of the Administrative Office of the U.S. Courts, stated that it definitely was not the purpose of the bill to substitute electronic sound recording for reporting of court proceedings by a court reporter as currently required by statute. In recommending that the bill be amended to preserve the present statutory language concerning the means of recording court proceedings while expressly providing that the record may be augmented by electronic sound recording, the House Judiciary Committee recognized practical aspects of court proceedings. In arriving at this conclusion, the committee felt that this step is required to safeguard the rights of individuals before the court, a factor which must always be a basic consideration.

The amendments recommended by the House Judiciary Committee are intended to make possible the full potentials of electronic sound recording while retaining the assurance that an original record taken by accepted shorthand or mechanical means still will be available. That committee therefore concluded that an optimum result can be obtained by requiring the court reporter to record the proceedings as is presently being done while also deriving the benefit of electronic sound recording by permitting its use to augment that record.

The bill would further amend section 753 (b) so as to provide that the Judicial Conference is to prescribe the types of electronic sound recording means which may be used by reporters. Paragraph 1 of subsection (b) contains another amendment which is technical in nature, for it modifies the words "specifically agree" in clause No. (2) to read "agree specifically." This, of course, does not change the meaning of the existing law.

The court reporters would furnish their own electronic sound recording equipment which would be used as provided in this bill. This is consistent with the provisions of subsection (e) of section 753 of title 28 which provides that reporters are to furnish all supplies at their own expense.

Paragraph 3 of subsection (b) contains language which presently requires that court reporters shall transcribe and certify "all pleas and proceedings in connection with the imposition of sentence in criminal cases and such other parts of the record of proceedings as may be required by rule or order of court."

Under the bill, the word "arraignments" will be inserted so that the requirement of transcription and certification will extend to "arraignments, pleas, and proceedings in connection with the imposition of sentence in criminal cases." This accords with present practice and is consistent with the original intent of preserving the record in connection with these criminal proceedings.

H.R. 3997 would provide an alternative to transcription of the shorthand or mechanical record of proceedings on arraignment, plea, and sentence in a criminal case in that it would provide that an electronic sound recording properly certified by the court reporter could be filed in lieu of the transcript of such proceedings. The House Judiciary Committee concluded that this provision in the bill is the most important aspect of the legislation. In this connection, as has been noted, an additional amendment was suggested by the Administrative Office and approved by the House committee which makes clear that the electronic sound recordings of proceedings on arraignment, plea, and sentence in criminal cases are admissible evidence to establish the record of that part of the proceedings. The committee has carefully considered this aspect of the bill and has determined that it is required as a necessary addition to the law. The electronic sound recording as provided for in the bill is to be used to augment the shorthand or mechanical means required by the statute in recording court proceedings. The Administrative Office of the U.S. Courts has prepared directives to reporters to govern the certification of electronic sound recordings. Included in this information is the form of a certificate which is as follows:

CERTIFICATE OF OFFICIAL COURT REPORTER

To: Clerk, U.S. District Court for the ------
District of ----------------.

I, (name of court reporter), certify that I am a duly appointed official court reporter for the U.S. district court named above, and that I was present in the courtroom of said court on the ------ day of ------------ 19 -- and in the regular course of my profession made an electronic sound recording of the proceedings, including the arraignment, plea, and sentence proceedings had in the following cases:

Docket number --------------.

Name of defendant --------------------.

Nature of proceeding (arraignment, plea, sentence) ------------------------------.

I have played back said recording and certify that it is a true and correct record of the proceedings had, that it is audible when played on a (make and model of machine), and that

I have filed the original of said recording in the envelope to which this certificate is attached.

---------------------------------,
(Signature)
Court Reporter.

-------------------------------.
(Place)

------------------------------.
(Date)

The certification required of the reporter must, of course, be made at the conclusion of the proceedings. If for technical reasons or otherwise the electronically recorded record does not adequately reflect the proceedings, recourse could still be had to the shorthand record. It is for this reason that the committee has emphasized that the statute requires that the reporter record the proceedings by shorthand or mechanical means.

The considerations outlined in this report establish a definite need for the amendments proposed in H.R. 3997.

The principal purpose behind the law and proposed amendments is the preservation of the court's record of proceedings in the interest of justice and fairness to individuals appearing in those courts. The committee is in agreement with the House Judiciary Committee that the bill be considered favorably.

TRANSCRIPTS FURNISHED BY COURT REPORTERS FOR THE DISTRICT COURTS

The bill (H.R. 3992) to amend section 753(f) of title 28, United States Code, relating to transcripts furnished by court reporters for the district courts was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 617), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to authorize the furnishing of transcripts at public expense to persons convicted in the U.S. district courts for the use by them in actions brought under section 2255 of title 28 of the United States Code to vacate their sentences. It accordingly amends section 753(f) of title 28, United States Code.

STATEMENT

The bill was introduced at the request of the Judicial Conference of the United States.

The bill is recommended by the Department of Justice.

The bill was the subject of a hearing before the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on May 27, 1965, and was recommended by the subcommittee on July 26, 1965.

The Committee on the Judiciary of the House of Representatives in its favorable report on the bill said:

"At the present time, under section 753(f) of title 28 of the United States Code, persons allowed to sue, defend, or appeal in forma pauperis are authorized to be furnished with transcripts paid for by the United States in criminal or habeas corpus proceedings. That a section does not, however, authorize the furnishing of transcripts in proceedings brought under section 2255 of title 28, United States Code, even though the proceeding under this section is almost identical to a habeas corpus proceeding. Section 2255 provides:

" 'A prisoner in custody under sentence of a court established by Act of Congress claiming the right to be released upon the ground that the sentence was imposed in violation of the Constitution or laws of the United States, or that the court was without jurisdiction to impose such sentence, or that the sentence was in excess of the maximum authorized by law, or is otherwise subject to collateral attack, may move the court which imposed the sentence to vacate, set aside, or correct the sentence.

" 'A motion for such relief may be made at any time.

" 'Unless the motion and the files and records of the case conclusively show that the prisoner is entitled to no relief, the court shall cause notice thereof to be served upon the U.S. attorney, grant a prompt hearing thereon, determine the issues, and make findings of fact and conclusions of law with respect thereto. If the court finds that the judgment was rendered without jurisdiction, or that the sentence imposed was not authorized by law or otherwise open to collateral attack, or that there has been such a denial or infringement of the constitutional rights of the prisoner as to render the judgment vulnerable to collateral attack, the court shall vacate and set the judgment aside and shall discharge the prisoner or resentence him or grant a new trial or correct the sentence as may appear appropriate.

" 'A court may entertain and determine such motion without requiring the production of the prisoner at the hearing.

" 'The sentencing court shall not be required to entertain a second or successive motion for similar relief on behalf of the same prisoner.

" 'An appeal may be taken to the court of appeals from the order entered on the motion as from a final judgment on application for a writ of habeas corpus.

" 'An application for a writ of habeas corpus in behalf of a prisoner who is authorized to apply for relief by motion pursuant to this section, shall not be entertained if it appears that the applicant has failed to apply for relief, by motion, to the court which sentenced him, or that such court has denied him relief, unless it also appears that the remedy by motion is inadequate or ineffective to test the legality of his detention.'

"Under the proposed bill, limitation would be placed on the payment for a transcript in those cases where the trial judge or the circuit judge certifies that the suit or appeal is not frivolous and that the transcript is necessary to decide the issue presented by the suit or appeal. In addition, of course, there is the added condition that the person permitted to sue or appeal must first qualify to proceed in forma pauperis.

"COSTS

"In the 88th Congress, the Administrative Office of the U.S. Courts advised your committee that during the past 3 years an average of 550 motions to vacate sentences have been filed annually in the U.S. district courts. On the basis that a transcript will be required in approximately 10 percent of these cases, and that the cost of such transcripts would average $200, it is estimated that the passage of the bill will require an expenditure of approximately $10,000.

"Under section 753(f) of title 28, United States Code, each reporter may charge and collect fees for transcripts at rates prescribed by the court, subject to the approval of the Judicial Conference of the United States, but there is no charge for any copy of a transcript delivered to the clerk for the records of the court.

"The Judicial Conference, in accordance with that authority, has issued a bulletin fixing the fees which reporters are permitted to charge for transcripts. These bulletins are attached hereto as a part of this report:

"BULLETIN NO. 491—TO ALL DISTRICT JUDGES (67): REPORTERS' TRANSCRIPT RATES

"ADMINISTRATIVE OFFICE OF THE
U.S. COURTS,
"Washington, D.C., March 31, 1965.

"The session of the Judicial Conference held on the 18th and 19th of this month adopted the recommendation of the Committee on Supporting Personnel for an increase in transcript rates as a measure of immediate relief for the reporters. This recommendation provides as follows:

" 'Subject to approval by the respective U.S. district courts, an increase in the maximum transcript rates for ordinary transcript, as distinguished from daily transcript, of 10 cents a page for the original and 5 cents a page for copy.'

"This has the effect of increasing the maximum permissible rate to 65 cents per page for the original and 30 cents per page for copy of ordinary transcripts. The controlling statute, 28 U.S.C. 753(f), provides:

"'Each reporter may charge and collect fees for transcripts requested by the parties, including the United States, at rates prescribed by the court subject to the approval of the Judicial Conference.'

"In the event your court adopts an order changing the rates to be charged by reporters in your district, the Administrative Office should be furnished a verified copy of the court order, showing its effective date.

"W. L. Ellis, *Assistant Director.*"

"Bulletin No. 491—Supplement 1 to All District Judges Reporters' Rates for Daily Transcripts

"Administrative Office of the U.S. Courts,
"Washington, D.C., September 30, 1965.

"The Judicial Conference of the United States, at its meeting just concluded, established new ceilings per page on the daily transcript rates, with a sliding scale according to the number of copies ordered. The new figures are given in the following table:

"Maximum rates approved by the Judicial Conference for daily transcripts (actual rates to be set by each district court)

	"Rate per page		Total charge
	Original	Each copy	
Original only	$1.30		$1.30
Original plus 1 copy	1.25	$0.50	1.75
Original plus 2 copies	1.20	.45	2.10
Original plus 3 copies	1.15	.40	2.35
Original plus 4 copies	1.10	.35	2.50
Original plus 5 copies	1.05	.35	2.80
Original plus 6 copies	1.00	.35	3.10

"Note.—For an original and more than 6 copies: $1 for original and $0.35 for each copy.

"It is emphasized that these are maximums only: the court is free to establish actual rates at or below these amounts, under 28 U.S.C. 753(f) which reads:

"'Each reporter may charge and collect fees for transcripts requested by the parties, including the United States, at rates prescribed by the court subject to the approval of the Judicial Conference.'

"Definition of daily transcript: The Conference adopted the following definition of daily transcript:

"'The term "daily transcript" is defined as that in which a transcript of each day's proceedings is delivered following adjournment and prior to the normal opening hour of the court on the following morning whether or not it actually be a court day.'

"Effective date: In the event your court adopts an order changing the rates to be charged by reporters in your district, these rates become effective upon 'certification of the new rates to the Director' (Judicial Conference Report, September 1948, p. 26).

"Warren Olney III,
"Director."

The committee believes that the bill is meritorious and recommends it favorably.

INCREASE IN PER DIEM AND SUBSISTENCE, AND LIMITATION OF MILEAGE ALLOWANCES OF GRAND AND PETIT JURORS

The bill (H.R. 3990) to amend section 1871 of title 28, United States Code, to increase the per diem and subsistence, and limit mileage allowances of grand and petit jurors was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 616), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of the proposed legislation is to amend section 1871 of title 28 of the United States Code providing for fees for grand and petit jurors to increase the fee for attendance from $7 to $10 per day, and, where jurors are required to serve in one case for more than 30 days, to increase the allowable attendance fee from $10 to $14 per day. The bill would increase the subsistence allowance from $7 to $10 per day and further impose a limit upon payment of mileage fees to the amount which would have been paid a juror for subsistence had he remained at the place of holding court overnight or during a temporary recess.

STATEMENT

The facts and justification for this legislation are contained in House Report No. 58 on H.R. 3990 and are as follows:

The bill H.R. 3990 was introduced in accordance with the recommendations of the Judicial Conference of the United States transmitted to the Congress by the Administrative Office of the U.S. Courts. The provisions of the bill were approved by the Judicial Conference of the United States at its March 1963 session. The amendments to title 28 embodied in the bill were recommended by the Judicial Conference Committee on the Operation of the Jury System.

The bill H.R. 3990 is identical to H.R. 5905 of the 88th Congress which was favorably reported by this committee and was passed by the House on July 8, 1963.

The bill in the 88th Congress, H.R. 5905, was the subject of a subcommittee hearing on May 15, 1963. At that time, the chairman of the Committee on the Operation of the Jury System, the Honorable Harry E. Watkins, Chief Judge of the U.S. District Court of the Northern District of West Virginia, testified in support of the legislation. The action of the Judicial Conference Committee in recommending the amendments embodied in this bill was taken after comments had been received from judges and jurors throughout the United States which indicated that the present amounts provided for the attendance of jurors and their subsistence are inadequate. Hotel expense has greatly increased in recent years with the result that lodging alone often takes all the subsistence allowance of $7 without anything remaining to the juror to defray the cost of his meals. At the hearing, it was pointed out that Government employees now are allowed up to $16 a day as a per diem allowance in lieu of subsistence. The contrast between this allowance and the $7 allowed for jurors, in the opinion of this committee, indicates the need for the amendments provided in the bill.

In recommending that the subsistence allowance be increased, the Judicial Conference also recommended that there be a limitation on the amount of mileage paid to jurors who do not remain overnight during their period of jury service, but return to their homes. The information gathered by the Judicial Conference Committee on the Operation of the Jury System showed that in some districts jurors have been allowed to receive mileage payments for returning daily to their homes which are in excess of the daily subsistence they would have received had they remained overnight at the place of holding court. When this problem was first brought to the attention of the Judicial Conference, it was hoped that the Audit Section of the Administrative Office of the U.S. Courts might handle the problem on an administrative level by calling attention to excessive mileage allowances. However, this was not effective in discouraging excessive payments and the Judicial Conference Committee recommended that mileage allowances be limited to the amount of $10 per day which is the amount provided for subsistence allowances in H.R. 3990.

The testimony at the May 15, 1963, hearing further established that the limit as to mileage in addition to providing for equality of payments as between jurors has another relation to the functioning of the jury system. If a juror engages in long and sometimes arduous travel in connection with his jury service, it must affect his ability to serve as a juror. The jury system requires that each juror render the best possible service and attention to the case at hand to the end that justice will be served. In recognition of this fact, the limitation contained in the bill was fixed with the assumption that it would permit a juror to travel up to about 50 miles to attend court, or a total of 100 miles of round trip travel per day. The committee has concluded that this is a reasonable limit. It can be assumed that the most convenient means of travel for a juror would be in his own car. It is apparent that the time required for greater distances would mean traveltime in excess of 3 or 4 hours a day. It is difficult to see how jurors serving under such conditions could render their best service. If jurors attempted to use public transportation, the chances are the time for travel would be increased even more. The adoption of a limitation as contained in this bill will make it necessary for the courts to recognize that jurors who are summoned and have to return home each day should be excused if they live more than 50 miles from the court and do not desire to accept the amount provided for travel. The Judicial Conference Committee on the Operation of the Jury System in its 1960 report to the Judicial Conference concluded that it is entirely practicable to secure an impartial jury at any place of holding court with this limitation upon travel allowances.

The evidence presented to the committee in the last Congress indicates that the figures included in the proposed amendments would of course increase the cost of the operation of the jury system. The total yearly cost for the system under current rates has been set at $4,570,000. The rates proposed in this bill would cause the cost to increase by an estimated $1,400,000, so that the total cost for the operation of Federal juries throughout the United States is estimated to be $5,970,000.

On the basis of the recommendation of the Judicial Conference and the testimony presented in support of the previous bill, the committee finds that there is a well-defined need for each of the amendments recommended in this bill. The increases provided for in the bill are clearly justified by present-day costs and conditions. The limitation upon mileage payments is fair when coupled with the proposed subsistence increase. Furthermore, these amendments have a direct reference to the functioning of the jury system which is basic to our system of justice. This committee feels that these amendments are required in order to continue the high standards of jury service which must be maintained in the courts of the United States and, therefore, recommends the favorable consideration of the bill.

After a review of all the foregoing the committee concurs in the action of the House of Representatives and recommends that the bill, H.R. 3990, be considered favorably.

PAYMENT OF WITNESS' FEES IN HABEAS CORPUS CASES AND IN PROCEEDINGS TO VACATE SENTENCE UNDER SECTION 2255 OF TITLE 28 FOR PERSONS WHO ARE AUTHORIZED TO PROCEED IN FORMA PAUPERIS

The bill (H.R. 1763) to amend section 1825 of title 28, United States Code, to authorize the payment of witness' fees in habeas corpus cases and in proceedings to vacate sentence under section 2255 of title 28 for the persons who are authorized to proceed in forma pauperis was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 615), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to amend section 1825 of title 28 of the United States Code to provide that in all proceedings in which a party is authorized to proceed in forma pauperis, for a writ of habeas corpus or under section 2255 of that title to vacate or correct sentence, the U.S. marshal for the district is to pay all fees of witnesses. The bill would further amend section 1825 so as to add to the last paragraph language which provides that fees and mileage need not be tendered upon service of a subpena issued on behalf of a party authorized to proceed in forma pauperis.

STATEMENT

The bill, H.R. 1763, was introduced in accordance with the recommendations of the Judiciary Subcommittee hearing on May 15, transmitted to the Congress by the Administrative Office of the U.S. Courts.

A similar bill was the subject of a House Judiciary Subcommittee hearing on May 15, 1963. At that time, the Honorable John Biggs, Jr., chief judge of the U.S. Court of Appeals for the Third Circuit, and Chairman of the Judicial Conference Committee on Court Administration, testified in support of the bill and outlined the circumstances which prompted the recommendation of the Judicial Conference. The proposed legislation was introduced to clarify the fact that the Department of Justice is authorized to pay the fees of witnesses subpenaed to appear in habeas corpus proceedings or in proceedings to vacate sentence under section 2255 of title 28 where the party had been authorized to proceed in forma pauperis. Section 2255 provides that a Federal prisoner may move the sentencing court to vacate, set aside, or correct any sentence subject to collateral attack. The section was added to minimize the difficulties encountered in habeas corpus hearings by affording the same rights in another and more convenient forum (*United States* v. *Hayman,* 342 U.S. 205 (1952)). One of the basic purposes of section 2255 is to provide that any required hearing be held in sentencing court, because of the inconvenience of transporting court officials and other necessary witnesses to the district of confinement as would be required in connection with habeas corpus proceedings. Reference to subsection (b) of rule 17 of the Federal Rules of Criminal Procedure is necessary in the consideration of this bill. This subsection concerns the issuance of a subpena upon the motion or request of an indigent defendant, and is as follows:

"(b) Indigent defendants: The court or a judge thereof may order at any time that a subpena be issued upon motion or request of an indigent defendant. The motion or request shall be supported by affidavit in which the defendant shall state the name and address of each witness and the testimony which he is expected by the defendant to give if subpenaed, and shall show that the evidence of the witness is material to the defense, that the defendant cannot safely go to trial without the witness and that the defendant does not have sufficient means and is actually unable to pay the fees of the witness. If the court or judge orders the subpena to be issued the costs incurred by the process and the fees of the witness so subpenaed shall be paid in the same manner in which similar costs and fees are paid in case of a witness subpenaed in behalf of the Government."

In the 1963 hearing it was noted that there appears to be no question as to the authority for the payment of witness' fees in connection with criminal trials in the Federal courts involving indigent defendants, because the language of the foregoing rule clearly applies. The question arose as to habeas corpus and section 2255 proceedings, because these proceedings are regarded as civil proceedings. It was felt that the mandatory requirements of rule 17(b) as to witnesses in behalf of indigent defendants might not apply to this type of proceeding. The matter was presented to the Comptroller General who held, on August 29, 1959 (B-139703), that witness fees and expenses in habeas corpus proceedings are chargeable to the Department of Justice and are to be paid as provided in rule 17(b). On the basis of this decision, witness fees of indigents in habeas corpus and section 2255 proceedings are currently being paid. The Judicial Conference, after a study of the matter, concluded that the situation should be further clarified by specific legislation. The language contained in H.R. 1763 is therefore intended to provide further statutory basis for the current practice as to the payment of witness fees in these proceedings.

The Comptroller General's decision reflects a careful review of the provisions and purpose of subsection (b) of rule 17, as well as its relation to section 1915 of title 28 concerning proceedings in forma pauperis. Section 1915 provides that any court of the United States may authorize "* * * the commencement, prosecution, or defense of any suit, action, or proceeding, civil or criminal, or appeal therein, without prepayment of fees and costs or security therefor, by a citizen who makes affidavit that he is unable to pay such costs or give security therefor."

Subsection (c) of that section provides further that officers of the court are to issue and serve all process in such cases, and that witnesses are to attend "as in other cases." In his opinion, the Comptroller General held that while there might not be any basis to charge the United States with witness costs in civil proceedings, the writ of habeas corpus is so related to the protection of constitutional rights afforded indigent defendants by rule 17(b) that grave questions as to constitutionality would exist should that rule be ignored in a habeas corpus proceeding. In this connection, the Comptroller General quoted the following from the case of *United States* v. *Cavell* (171 Fed. Supp. 417):

"In the habeas corpus statute of 1867 (14 Stat. 385, 28 U.S.C.A. sec. 2241 et seq.), Congress decided that a district court should pass on Federal constitutional questions presented a State prisoner after his claims had been considered by the State courts. This command would be an empty gesture if an impoverished and friendless prisoner in the penitentiary, unable to interview witness, was denied the right to subpena those persons he expected would prove the alleged violations.

* * * * *

"We think it implicit by these provisions [28 U.S.C. 1915 (a), (c) and (e)] that a State prisoner, permitted to proceed in forma pauperis, is entitled to have his witnesses subpenaed by the U.S. marshal; that the witnesses so subpenaed by order of court shall attend as in other cases, and the same remedies shall be available as are provided by law in other cases. 'Other cases' include criminal cases wherein the court is authorized to order subpenas issued on behalf of an indigent Federal prisoner at the expense of the United States (rule 17(b), Fed. R. Crim. P., 18 U.S.C.A.). In case of conviction the court may sentence the defendant to pay costs, or it may not; nonetheless, payment of the defendant's witnesses is assured."

The provisions of H.R. 1763 would grant legislative approval of current practice and a recognition of the principles discussed by the court in the quotation from the Cavell case.

Under the language proposed in H.R. 1763, the district judge would pass upon the need of witnesses in such proceedings and payment of witness fees would be made on certificate of the district judge. The committee takes this language as indicating the continuance of the procedures followed in those cases under rule 17(b). Specifically, this includes that the motion or request of an indigent person for issuance of a subpena is to be supported by an affidavit in which the person shall state the name and address of each witness and the testimony he is expected to give. The affidavit must show that the evidence of the witness is material to the proceeding and required for that proceeding; and, further, that the affiant does not have sufficient means and is actually unable to pay the fees of the witness.

The bill further provides that fees and mileage need not be tendered to a witness upon service of a subpena issued on behalf of a party authorized to proceed in forma pauperis. Section 1825 presently provides that fees and mileage need not be tendered to witnesses upon service of a subpena issued in behalf of the United States or an officer or agency thereof. The language contained in H.R. 1763 restates the present provisions of the law and then adds the language making it clear that the same procedures will apply upon service of a subpena for a party authorized to proceed in forma pauperis where the payment of fees and mileage is to be made by the United States in accordance with the authority provided in the bill.

On the basis of the recommendation of the Judicial Conference, as well as the factors discussed in this report, it has been determined that the amendments to section 1825 provided by the bill are required to protect the rights of indigents who seek relief in petitions for habeas corpus or proceedings under section 2255. These amendments will clarify the procedures incident to such proceedings and thereby advance the cause of justice. Accordingly, it is recommended that the bill be considered favorably.

BILL PASSED OVER

The bill (S. 1587) to amend the Tucker Act to increase from $10,000 to $50,000 the limitation on the jurisdiction of the U.S. district courts in suits against the United States for breach of contract or for compensation was announced as next in order.

Mr. **KUCHEL**. Over, Mr. President.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

PRISONER WORK RELEASE

The Senate proceeded to consider the bill (H.R. 6964) to amend section 4082 of title 18, United States Code, to facilitate the rehabilitation of persons convicted of offenses against the United States, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, after line 22, to strike out:

> (2) work at paid employment or participate in a training program in the community while continuing as a prisoner of the institution or facility to which he is committed, provided that such paid employment will not result in the displacement of employed workers or impair existing contracts for services, and provided also that the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the prisoner employee. A prisoner authorized to work at paid employment in the community under this subsection may be required to pay, and the Attorney General is authorized to collect, such costs incident to the prisoner's confinement as the Attorney General deems appropriate and reasonable. Collections shall be deposited in the Treasury of the United States as miscellaneous receipts.

And, in lieu thereof, to insert:

> (2) work at paid employment or participate in a training program in the community on a voluntary basis while continuing as a prisoner of the institution or facility to which he is committed, provided that—
>
> (i) representatives of local union central bodies or similar labor union organizations are consulted;
>
> (ii) such paid employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services; and
>
> (iii) the rates of pay and other conditions of employment will not be less than those paid or provided for work of similar nature in the locality in which the work is to be performed.
>
> A prisoner authorized to work at paid employment in the community under this subsection may be required to pay, and the Attorney General is authorized to collect, such costs incident to the prisoner's confinement as the Attorney General deems appropriate and reasonable. Collections shall be deposited in the Treasury of the United States as miscellaneous receipts.

Mr. **LONG** of Missouri. Mr. President, H.R. 6964 amends section 4082 of title 18 United States Code to facilitate the rehabilitation of persons convicted of offenses against the United States.

The bill authorizes three basic programs to achieve this purpose:

First. A work release program.

Second. Establishment of residential community centers.

Third. Emergency furloughs.

The work release program would allow selected prisoners to obtain employment in the community. They would leave confinement in the morning and return after work. It would allow the prisoner to resume his position as breadwinner of his family before he is released and would instill in him the self-discipline required for work prior to his release. A number of States have used this type program with great success.

The residential community center program would authorize the establishment of centers to which prisoners could be sent a few weeks prior to release date. While in the center, they would obtain gainful employment and would be adjusted gradually to the responsibilities of being a member of society. The prerelease guidance centers now run by the Bureau of Prisons for juveniles and youthful offenders have proved very successful. The same type of program would be followed in the community centers except fashioned for adult prisoners.

The emergency furlough program would authorize the granting of brief furloughs to prisoners for such purposes as employment interviews, funerals for members of the family, and visits to critically sick members of the family. Also it would be used to allow prisoners to obtain medical care not available in institutions. The bill provides a maximum leave of 30 days, however, generally the period would be only 2 or 3 days at the most.

Only trusted prisoners would participate in any of these three programs. Also, only those prisoners will be selected who it is believed will benefit from the program. Prisoners who go beyond the extended limits of confinement of the programs will be considered escapees.

The committee amendment would insure that prisoners participating in work release programs will not displace employed workers, aggravate unemployment conditions in the community, impair existing contracts for services or undercut local standards of wages and working conditions.

The programs authorized by this bill should have a significant effect in reducing the number of prisoners who commit crimes after release from prison. It would help prisoners through the transitional period which is often the most critical in determining whether he makes good. The bill would add a great deal to the anticrime drive.

Mr. President, I urge the Senate to pass this bill as reported by the Judiciary Committee.

Mr. **HRUSKA**. Mr. President, it is a privilege for me to join my distinguished colleague from Missouri [Mr. LONG] in bringing up for Senate passage the Work Release bill. This bill is truly landmark legislation in Federal correctional procedures. The Bureau of Prisons considers it to be the most significant legislative enactment in its field in three decades. I am pleased to have cosponsored this bill and add what I could to the fine work of the distinguished Senator from Missouri in securing its enactment.

The beginnings of the work release bill were found in the hearings of the National Penitentiaries Subcommittee of the Senate Judiciary Committee early last year. The distinguished Senator from Missouri serves as the chairman of the subcommittee. It is my honor to serve with him. He has shown a deep dedication to the work of the subcommittee and has done much to advance the interests of the Federal prison system.

The bill was drafted by the Department of Justice at our request and made a part of the President's anticrime program this year.

The bill we are considering today is the House-passed version of S. 1808, the bill Senator LONG and I introduced on April 23. We were joined in cosponsoring the bill by several other Senators.

PROVISIONS OF THE WORK RELEASE BILL

The bill would give the Federal prison system the authority to extend to certain carefully selected prisoners the privilege of taking private employment in the community, of going home briefly if an emergency occurs, or of serving at least the concluding portions of their sentences in community centers similar to the halfway houses now provided for juveniles and youths.

This bill provides Federal correctional officials with a new set of tools in their important work and with the authority needed to achieve a necessary flexibility in dealing with the rehabilitation of prisoners.

It gives the Attorney General the authority to commit or transfer selected prisoners to residential community treatment centers, commonly called halfway houses.

The Attorney General could grant brief periods of leave under emergency conditions or for purposes related to release preparation.

The Attorney General may permit prisoners to work in private employment or to participate in community training programs while continuing as inmates in and under the supervision of the institution to which they have been committed—the work release provision of the bill.

HEARINGS

Hearings were held in both the House and Senate, the House hearing in May and the Senate hearing on July 29. In both hearings the Attorney General strongly supported the bill. In both hearings the distinguished former director of the Bureau of Prisons, Mr. James Bennett, testified for the American Bar Association, which gave its endorsement to the measure. In the Senate hearing we had the benefit of the experience the State of North Carolina has had with a similar program when we heard from Mr. George Randall, the State director of prisons.

Mr. President, the testimony of the Attorney General before the Senate subcommittee indicated the significant help that the Halfway House can be in decreasing the rate of recidivism. The limited Federal experience indicates that there was a dramatic 20-percent drop among those who had the benefit of this program.

Impressive, too, was the fact that more than 90 percent of those released from Federal institutions make an honest attempt during the first weeks after their release to find legitimate employment.

But just as impressive is the cold statistic that, lacking the kind of help proposed in this bill, 1 out of 2 return to prison.

The testimony of the Attorney General also revealed that State experience with the work release programs has been successful. Mr. George Randall outlined the details of how work release achieved a dramatic reduction of 2,000 in the State's prison population for the few short years it has been in operation. It has also reduced the cost of the system to the taxpayers.

My firsthand observations of the dedicated men who operate the Federal correctional system lead me to believe that they are competent to properly handle this authority. They have the professional training and experience to use it expertly. They now make similar decisions, using individualized studies and procedures to screen prisoners for assignment to open camps and for minimum custody assignments at various institutions. I have seen scores of prisoners working in positions of trust that are fully comparable to the situations contemplated by the bill.

The Bureau of Prisons has already demonstrated in its programs for juveniles and youths that the provisions similar to those in S. 1808 can assist in the prevention of further criminal behavior. There is no reason to believe that it will not work in the case of adult prisoners as well.

CRIME STATISTICS

On July 26, the Department of Justice released the FBI's annual publication, the Uniform Crime Reports, 1964. The report summarizes the result of a special 2-year study conducted by the FBI of the criminal records of almost 93,000 offenders. These records disclosed that 76 percent of these offenders had been arrested at least twice. By age group the overall rate of recidivism for those under 20 revealed 47 percent had been arrested more than once. For those between 20 and 24 the rate increased to 69 percent. From the 25–29 age group the rate increased to 79 percent and then leveled off at about that figure for other age groups.

These figures apply, of course, to all former prisoners, not just those in the Federal penal system. For Federal prisoners, the rates are somewhat lower, as I have previously indicated. However, the inescapable fact still remains. Something must be done to prevent these careers in crime from becoming the way of life for those who have run afoul of the law.

It is my hope that this legislation will make a substantial contribution to the effective rehabilitation of Federal prisoners and thus cut down on the alarming increase in crime.

In conclusion, Mr. President, I wish again to pay tribute to the distinguished Senator from Missouri for his efforts to secure early consideration of the work release bill. Mr. Francis Rosenberger of the Senate judiciary staff, who serves as counsel for the penitentiaries subcommittee, also deserves credit for the contributions he has made to the bill.

Mr. SALTONSTALL. Mr. President, as the Senator from Nebraska has mentioned, this bill is the companion bill for S. 1808 which I joined with him in cosponsoring. As a former district attorney I have always been interested in the rehabilitation of prisoners and in preparing them to assume meaningful and constructive roles in their communities following their release from prison. That is why I have cosponsored this legislation which I hope will be helpful in meeting this goal. I congratulate the Senator from Nebraska [Senator Hruska] for his leadership in connection with the bill. I believe he has made an important contribution and I am glad to be associated with him in this endeavor.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 613), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of the proposed legislation, as amended, is to facilitate the rehabilitation of persons convicted of offenses against the United States. Its basic provisions authorizing the use of residential community treatment centers, emergency furloughs, and community employment or training would get prisoners started in law-abiding careers before they are released from their terms of imprisonment. The residential community centers, the so-called halfway houses, would make it possible to reintroduce prisoners to the community in a gradual and controlled way. The emergency furlough provision would establish a procedure under which trustworthy prisoners could be permitted to leave their institutions briefly for the purpose of interviewing prospective employers as well as for such emergency purposes as sickbed and funeral visits. The most important feature of the bill would authorize officials to permit trustworthy prisoners to go into the community each day for the purpose of working at paid employment or obtaining training not available in the institutions to which they have been committed.

Testimony before the ad hoc subcommittee and the studies of the National Penitentiaries Subcommittee indicate that the period immediately following release from prison is most critical. It is during this period that all too many offenders get back into trouble as a result of an almost total lack of resources, guidance, employment, and even food and shelter. The provisions of the bill would create an organized means of accomplishing the reabsorption of ex-prisoners into the community, reducing the crime rate, and thereby promoting the public safety.

STATEMENT

Hearings were held on the companion Senate bill, S. 1808, by an ad hoc subcommittee of the Committee on the Judiciary on July 29, 1965.

The proposed legislation broadens the authority of the Attorney General, as contained in section 4082 of title 18, to designate the institutions for the confinement of persons committed to his custody for terms of imprisonment and to extend the limits of places of confinement. The bill would give the Attorney General the additional authority to commit or transfer prisoners to residential community treatment centers, to authorize prisoners who are believed to be trustworthy to go on furlough for up to 30 days for critically compelling reasons, and to grant equally trustworthy and otherwise qualified prisoners the privilege of working at paid employment or obtaining training in the community. The willful failure of a prisoner to remain within the extended limits of his confinement or to return on time to the institution or facility where he is a prisoner would be punishable as an escape under 18 U.S.C. 751 and 752.

The proposed legislation was introduced at the request of the Attorney General of the United States. The basic features of the bill were originally suggested by this committee's Subcommittee on National Penitentiaries in its Senate Report No. 928, dated February 28, 1964. These ideas grew out of the frequent visits of the subcommittee members to Federal institutions. It was apparent on these occasions that more flexibility was required in the correctional treatment of offenders in preparation for the difficult transitional period following release from an institution. The development of the proposed legislation represents another highly important achievement of the subcommittee in encouraging program innovation and economic efficiency in the Federal correctional system.

The significance of the bill is apparent in its inclusion in the legislative package requested by the administration for an intensified national campaign against crime. The Attorney General in his testimony before the subcommittee described the measure as a greatly promising and practical way of helping to reduce crime. The new Director of the U.S. Bureau of Prisons, Myrl E. Alexander, credits the measure as the most important legislation affecting the Federal prison system in the past 30 years and considers its enactment the primary objective of his first year in office. His evaluation of the bill's merit is shared by James V. Bennett, the Federal system's Director for 27 years before his retirement in 1964, who testified before the ad hoc subcommittee on S. 1808 in behalf of the American Bar Association. George Randall, director of North Carolina's prison system, states that procedures similar to those proposed in the bill have sharply reduced the recidivism rate and the population of the State prison system.

The need for developing every possible means of curtailing crime in this country is reflected in the Uniform Crime Report issued by the Federal Bureau of Investigation on July 26, 1965. The report stated that serious crime rose by 13 percent during 1964, with more than 2,600,000 such crimes reported. Since 1958 crime has increased 6 times faster than our population growth. The trend has caused deep concern throughout the Nation, and the Congress and the executive branch have assumed leadership in a vigorous effort to reverse its direction. This effort has involved the law enforcement agencies, the courts, and the corrections field in an intensive search for new and more effective ways of halting criminal careers.

The residential community treatment centers, to which the bill authorizes the Attorney General to commit and transfer prisoners, are similar to the so-called halfway houses now operated by the Department of Justice for juvenile and youthful offenders. These centers in Los Angeles, Chicago, Detroit, and New York City have been inspected personally by Senators Edward V. Long, Roman L. Hruska, and Quentin N. Burdick of the Subcommittee on National Penitentiaries. The youths at the centers, who remain in custody of the Attorney General, work at jobs obtained for them in the surrounding community and receive counsel and such practical assistance as food and shelter while becoming reestablished in the community before their releases on parole become effective. The Attorney General states that in contrast to a 50-percent parole violation rate among young people released directly from Federal institutions the violation rate is not more than 30 percent among those paroled from the halfway houses.

The halfway houses are operated under different plans. The centers in Los Angeles and Chicago are operated by Bureau of Prisons personnel. The Detroit center is operated jointly with the Michigan State Department of Corrections. The New York City center is operated under contract by Springfield University. The center now under development in the District of Columbia will be operated jointly by the Bureau of Prisons and the District Department of Corrections. It is contemplated that under the bill's authority to use community centers for older types of prisoners a similar variety of organizational plans will be adopted.

The Director of the Bureau of Prisons states that the costs of using such centers for older prisoners cannot be estimated at this time with reasonable accuracy and that such data can be developed only with actual experience. The committee notes, however, that a halfway house now operated by the Department of Justice costs about $90,000 a year for a daily average occupancy of 25 persons. The committee further notes that the Department of Justice already receives budgetary allowances for its entire prisoner population, with sufficient flexibility to apply such funds to the confinement of prisoners at community centers. The committee has been assured that the bill's authorization for the use of community centers would involve no new construction.

Subsection (c)(1) of the bill authorizes the Attorney General to extend the limits of the place of confinement for the purpose of enabling a particularly trustworthy prisoner to visit a dying relative, attend the funeral of a relative, obtain medical services not otherwise available, contact prospective employers, or fulfill any other compelling purpose consistent with the public interest. The bill establishes a maximum limitation of 30 days for such furloughs. The committee notes, however, that under the broad terms of the Federal Juvenile Delinquency Act and the Federal Youth Corrections Act under which juvenile and youthful prisoners are now granted furloughs for similar reasons, such furloughs usually do not exceed 2 or 3 days. The committee understands that the authorization contained in H.R. 6964 will be used with equal conservatism, and that if in individual instances highly exceptional circumstances require prolonging the period of leave beyond the 30 days contemplated by the bill, clearance will be obtained from the central office of the Bureau of Prisons by the official immediately responsible for the custody of the prisoner.

The emergency or rehabilitation furlough plan is not unusual among other jurisdictions. The States have commonly adopted the practice either by statutory or administrative authority. The Army, Navy, and Air Force have such authority for military prisoners. As pointed out above, the Federal Government already has the authority for persons committed under the Juvenile and Youth Acts. A somewhat similar plan is also in common use in Europe, particularly the Scandinavian countries, England, and France.

At present in the Federal system an adult prisoner who is permitted to visit a sickbed or attend a funeral must be accompanied by a Federal officer, and the transportation and other expenses of the officer, including per diem, must be paid by the prisoner or his family. The authority contained in the bill would relieve the prisoner or his family of unnecessary financial hardship in connection with such critical events. The committee notes, on the basis of observations of the members of the National Penitentiaries Subcommittee, that in most instances the prisoner is himself impoverished and comes from an impoverished background.

The Attorney General also pointed out that the trust reposed in prisoners to travel unescorted for authorized purposes would encourage and assist in their rehabilitation. He assured the committee that the authority would be used judiciously and applied only to prisoners who do not present a threat to society. The new procedure would involve no costs to the Government.

Subsection (c)(2) of the bill authorizes the Attorney General to permit prisoners of demonstrated trustworthiness to work at paid employment or participate in training programs in the community. This is the major feature of the bill, and the provision that is considered by the Department of Justice and this committee to be the most valuable in reducing recidivism. Under this plan a prisoner may be authorized to work at private employment in the community during the daytime and spend his nights and weekends in the institution to which he was committed for service of his term of imprisonment. The system, known as work release, was first introduced in the United States in 1913, when Wisconsin adopted the Huber law. The Attorney General states that at least 24 States now have adaptations of the plan, among the most successful of which have been those of Maryland and North Carolina.

The committee has amended the work release provision of H.R. 6964 with language submitted by the Attorney General. The amendment is intended to insure that the work release plan will not contribute to local unemployment problems nor undercut locally prevailing wage standards and working conditions. The Director of the U.S. Bureau of Prisons states that out of a total of approximately 22,000 sentenced Federal prisoners, approximately 1,000 to 1,500 may eventually be extended the work release privilege. This total would be distributed among the 34 institutions now comprising the Federal prison system and would represent an insignificant fraction of the total free labor force either nationally or locally.

The work release provision of the bill also authorizes the Attorney General to collect, from prisoners working at paid employment in the community, such costs incident to their confinement as the Attorney General may deem appropriate and reasonable. The committee understands that this authority would be used conservatively and that such collections, when made, would not create inequities due to differences in confinement costs from one institution or facility to another, and the wage rates and economic resources of individual prisoners. Such collections would be deposited in the Treasury of the United States as miscellaneous receipts.

The Director of the U.S. Bureau of Prisons states that the work release plan would not require additional appropriated funds. He says, however, that the plan would in all probability require several more employment placement officers to develop job opportunities for prisoners qualified for the work release privilege. The Federal system now has eight such officers, all of whom are paid from the earnings of Federal Prison Industries, Inc. The Director anticipates that the needed funds to finance the additional placement officer positions would be authorized from the same source. At present these officers are engaged almost entirely in finding employment for prisoners being released from Federal institutions on parole or at the expiration of their sentences. The Director states that these officers receive a great deal of assistance in this work from the local unions and business firms and that in the event the Congress enacted the work release plan these organizations had given asurances of similar cooperation.

The committee feels that the additional employment placement officers contemplated by the Director should be added promptly. This is a vitally important activity in preparing prisoners for successful adjustment to society upon release. The greatest number of those who are are sent back to prison come from the ranks of those without jobs available to them after release. If the several placement officers contemplated by the Director are not sufficient, more should be added.

The Attorney General cited a number of advantages to the work release plan in bringing about a reduction of recidivism. It would give valuable experience in an actual work situation to a prisoner trained in a Federal institution. It would enable a prisoner to become a contributing member of society even before completing his sentence. It would give the prisoner a practical way of demonstrating his ability and trustworthiness and help him to gain employer and community acceptance before he was released from prison. It would enable a prisoner to contribute to the support of his family. It would give a prisoner the self-respect which flows from self-support. It would give the Parole Board a means of testing a prisoner in the community before granting him a parole.

The Attorney General also cited a University of Illinois study, conducted over a period of 4 years under a Ford Foundation grant, which found that 90 percent of the prisoners released from Federal institutions try to find legitimate employment in the first weeks after their release. Those who found employment were far less likely to return to crime than those who did not. The provisions of the bill, particularly the work release and community center features, would provide a realistic means of assuring that prisoners had respectable employment by the time they were freed from custody to return to their families and homes.

The committee believes that the proposed legislation is meritorious and recommends it favorably.

PART III, DISTRICT OF COLUMBIA CODE, "DECEDENTS' ESTATE AND FIDUCIARY RELATIONS"

The Senate proceeded to consider the bill (H.R. 4465) to enact part III of the District of Columbia Code, entitled "Decedents' Estate and Fiduciary Relations," codifying the general and permanent laws relating to decedents' estates and fiduciary relations in the District of Columbia which had been reported from the Committee on the Judiciary, with amendments on page 14, after line 9, to strike out:

(a) The widow of a deceased person, with respect to parties who intermarried prior to November 29, 1957, or, effective March 15, 1962, the widow or widower of a deceased person, with respect to parties who intermarried on or after November 29, 1957, is entitled to dower and its incidents as the rights thereto were known at common law with respect to widows, including the use, during her or his natural life, of one-third part of all the lands of which the deceased spouse was seized of an estate of inheritance at any time during the marriage.

And, in lieu thereof, to insert:

(a) The widow of a deceased man, with respect to parties who intermarried prior to November 29, 1957, or the widow or widower of a deceased person dying after March 15, 1962, is entitled to dower and its incidents as the rights thereto were known at common law with respect to widows, including the use, during her or his natural life, of one-third part of all the lands on which the deceased spouse was seized of an estate of inheritance at any time during the marriage.

At the beginning of line 37, to strike out "(c) With respect to parties who intermarried on or after November 29, 1957, the right of dower provided for by this section does not attach to lands held by two or more persons as joint tenants while the joint tenancy exists; and a husband may not claim a right of dower in land which his wife, during the covertures, conveyed or transferred to another person by her sole deed prior to November 29, 1957." and insert "(c) The right of dower provided for by this section does not attach to lands held by two or more persons as joint tenants while the joint tenancy exists. A husband may not claim a right of dower in land which his wife, during the coverture, conveyed or transferred to another person by her sole deed prior to November 29, 1957."; on page 17, at the beginning of line 9, to strike out "his share in the decedent's estate, and his dower rights" and insert "his or her share in the decedent's estate, and his or her dower rights"; on page 18, line 24, after the word "or", where it appears the first time, to strike out "(b)" and insert "(d)"; on page 53, line 2, after the word "be", to strike out "suit" and insert "sued"; on page 54, line 23, after the word "is", to strike out "suit" and insert "sued"; in line 27, after the word "payment", to insert "shall"; on page 75, at the beginning of line 17, to strike out "In appointing a guardian of the estate of an infant under 15 years of age, unless the infant is over 14 years of age as provided in section" and insert "In appointing a guardian of the estate of an infant, unless said infant be over 14 years of age as hereinafter directed in section"; on page 78, at the beginning of line 1, to strike out "suit" and insert "sued"; in line 11, after the word "liable", to strike out "to be put in suit" and insert "to be sued upon"; on page 97, line 32, after the word "by", to strike out "certified or"; and on page 103, line 14, after the word "jurisdiction", to insert a colon and "*Provided, however,* That in those cases in which a committee has heretofore been appointed and the committeeship has not been terminated by court action, such committee shall continue to act under the supervision of the U.S. District Court for the District of Columbia under its equity powers."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

STATEMENT

A notice concerning H.R. 4465 was inserted in the CONGRESSIONAL RECORD of May 18, 1965, by the chairman of the Subcommittee on Revision and Codification. The purpose of this notice was to advise any and all interested parties of the consideration of this legislation and offer an opportunity for those interested to make such comments as they considered pertinent to this legislation. It was requested that such comments be furnished the subcommittee on or before July 1, 1965.

In addition to the notice, the subcommittee, through the chairman, sent communications to interested parties for their views in regard to this legislation. All of the foregoing was done in an effort to give as complete coverage and publicity to the pendency of this legislation as the subcommittee thought appropriate. Copies of the letters sent by the subcommittee and the replies thereto are contained in the files of the Subcommittee on Revision and Codification.

As a result, certain suggestions were made to the subcommittee to further improve the legislation and after consideration, the subcommittee recommended certain changes which appear in the amendments to the legislation.

The reasons and justification for the revision and codification of part III of the District of Columbia Code are contained in House Report No. 235 on H.R. 4435 and are set forth as follows:

"The purpose of this bill is to revise, codify, and enact into law part III of the District of Columbia Code. The work was undertaken as a part of the project for a new edition of the code. The first major step of the Committee on the Judiciary in this project, the revision and codification of part II of the code, entitled 'Judiciary and Judicial Procedure,' was enacted as Public Law 88–241.

"The primary purpose of this revision is to substitute plain language for awkward terms, reconciliation of conflicting laws, omission of obsolete, superseded, or repealed sections, consolidation of similar provisions, and improvement in the style and arrangement of the material.

"It is not the purpose to make substantive changes in the law. While, in a few sections, changes have been made which might at first comparison be considered 'substantive,' actually it is intended to reflect in those changes only what apparently was the legislative intent, or is implied in the provisions themselves, or has been stated by the courts in construing the sections. In each case the revision note to the section points out the change and the reason therefor.

"This revision is based upon part III of the 1961 edition of the District of Columbia Code, and supplements, with the addition of a few provisions from other parts which are transferred to improve the arrangement of the code as a whole.

"Before actual revision was begun the following materials were assembled:

"1. The complete text of part III, District of Columbia Code, 1961 edition, and the latest cumulative supplement (supp. IV).

"2. Applicable constructions of the courts.

"3. The volumes of the Statutes at Large, for purposes of comparison.

"4. Other background materials."

HISTORY

The last code of laws for the District enacted by Congress was that of 1901, as set out in act March 3, 1901, chapter 854, 31 Stat. 1189. All "codes" published since that time, including the 1961 edition, were consolidations only, and were not enacted by Congress as the basic law of the District.

Actually, the 1901 code did not contain all the local law applicable in the District at that time. By its own terms (sec. 1 of the act; D.C. Code, 1961 ed., sec. 49–301), in addition to providing for the applicability of the common law, the principles of equity and admiralty, all general acts of Congress not locally inapplicable in the District, all acts of Congress by their terms applicable to the District and to the other places under the jurisdiction of the United States, in force in the District on March 3, 1901, it provided that all British statutes in force in Maryland on February 27, 1801, should also be applicable in the District "except insofar as the same are inconsistent with, or replaced by, subsequent legislation of Congress." It still so provides. Further, there were a number of prior acts relating to the District the provisions of which were not carried into or repeated in that code, and which were specifically or impliedly saved from repeal (unless inconsistent with or replaced by the provisions of the code) by section 1636 of the 1901 act (31 Stat. 1435). Consequently, later code compilations have been based, not only on the 1901 code, as amended or supplemented, but also on all prior acts, including sections of the Revised Statutes of the District of Columbia, the Revised Statutes of the United States, and British statutes, which the codifiers considered as still being in force in the District. Some of the British statutes date back to the 13th century.

Over 60 years have passed since the laws relating to the District were overhauled and enacted as a code. Some of the British statutes set out in the 1961 compilation, and prior compilations, while they may have been considered as technically being in force in the District, not only are archaic in language but actually can have no present application in the District, or are obsolete. Others, like many of the other provisions of the 1901 code and of later independent acts relating to the District, have been repealed, superseded, or affected in some way by subsequent legislation.

There is an urgent need for a new reconciliation and codification of the laws relating to the District, and the revision contained in this bill is the second step in that direction, the revision and codification of part II of the code having been the first.

CONTINUING PROTECTION FOR FORMER PRESIDENTS AND THEIR WIVES OR WIDOWS

The bill (S. 2420) to provide continuing authority for the protection of former Presidents and their wives or widows, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second clause of title 18, United States Code, section 3056, is amended to read as follows: "protect the person of a former President and his wife during his lifetime and the person of a widow and minor children of a former President for a period of four years after he leaves or dies in office, unless such protection is declined;".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 611), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to provide continuing authority for Secret Service protection of former Presidents and their wives, or the person of a widow and minor children of a former President for a period of 4 years after he leaves or dies in office, unless such protection is denied.

STATEMENT

This proposed legislation has been submitted to the President of the Senate as an executive communication from the Secretary of the Treasury.

Public Law 88–195 authorizes the U.S. Secret Service to protect Mrs. Kennedy and her minor children, at her request. This authority will expire on December 11 of this year. Existing law also authorizes the protection of a former President, at his request (18 U.S.C. 3056). However, this protection is limited in time to a reasonable period after the President leaves office. The legislative history of this provision indicates that 6 months after the President left office was considered a reasonable period within the meaning of the statute (S. Rept. 836; H. Rept. 432, 87th Cong.).

The Treasury Department advises the committee that it should be in a position to furnish Secret Service protection to a former President and his wife during the remainder of his life, unless he declines it. That Department also believes it should be in a position to furnish protection to a widow and minor children of a former President, although in the latter situation they believe it would be sufficient to provide protection for a period of 4 years after the President leaves or dies in office. This bill would accomplish these objectives.

Because of the prominent position these individuals held in public life, they continue to be in the limelight. They are sought out and subject to annoyance by the idly curious. They remain possible targets of the mentally deranged. They may also be the object of threats by persons with grievances supposedly caused by actions taken by a former President while in office. In these circumstances, the Treasury Department considers it desirable—not to force Secret Service protection on these persons—but to make it available to them unless they decline it. The proposed authority seems to the committee entirely appropriate as a small gesture of gratitude for the service former Presidents have rendered to the Nation, some of whom have served at the sacrifice of their lives.

The committee is of the opinion that it is appropriate to expand the authority of the Secret Service to protect the persons enumerated in this proposal, and accordingly recommends favorable consideration of this legislation, without amendment.

SPECIAL INDEMNITY INSURANCE FOR MEMBERS OF THE ARMED FORCES SERVING IN COMBAT ZONES

The Senate proceeded to consider the bill (S. 2127) to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones was announced as next in order.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 5, after line 2, to insert a new section, as follows:

SEC. 2. Title 38, United States Code, is further amended as follows:

(1) Section 417(a) is amended—

(A) By deleting therefrom the words "under section 724 of this title" and inserting in lieu thereof the words "in effect on January 1, 1959, and continued in effect under section 724(a) of this title."

(B) By adding at the end thereof the following: "The prohibition against the payment of dependency and indemnity compensation contained in this subsection shall not apply to insureds who on or after the effective date of this amendment die while on active duty in a combat zone as defined in section 789 of this title, or within 120 days after duty in such a zone, or (1) whose death is determined by the Administrator to have been the direct result of an injury or disease incurred while serving in a combat zone, and (2) the injury or disease from which such person died was incurred not more than two years prior to death."

(2) Delete from the last sentence of subsection (c) of section 704 the words "or section 725" each time they appear and insert in lieu thereof the words "section 725, or section 726".

(3) Subsection (b) of section 724 is repealed and the following new subsections are added to section 724:

"(b) After the date of enactment of this subsection any person who is on active duty with the Armed Forces in a combat zone, as defined in section 789 of this title, for a continuous period of 30 days or more and any person hereafter ordered to such duty under orders for 30 days or more in such a combat zone, who is insured under National Service Life Insurance or United States Government Life Insurance shall be entitled, upon written application, to a waiver (with the right to a refund after termination of such duty) of all premiums paid on term insurance and that portion of any permanent insurance premiums paid representing the cost of the pure insurance risk, as determined by the Administrator. All premiums due during the period the waiver is in effect must be timely paid to maintain the insurance in force. Such waiver shall apply to premiums becoming due after the first day of the first calendar month following the date of enactment of this subsection, or the first day of the first calendar month following entry on active duty with the Armed Forces in such a combat zone, whichever is the later date, and during the remainder of such continuous active duty in a combat zone for 120 days thereafter; however, no premium becoming due prior to the date of application for waiver under this subsection shall be waived or refunded. Any premium waiver granted under this subsection on a participating contract of insurance shall render such insurance nonparticipating during the period such premium waiver is in effect. Upon certification of the period of combat zone duty by the Secretary of the military department concerned, and upon application by the insured, or in death cases by the beneficiary of his insurance, the Administrator shall refund to the insured or to the beneficiary the amount of premiums waived under this subsection. Premiums on term insurance waived under this subsection shall be refunded with interest as determined by the Administrator.

"(c) Whenever benefits become payable because of the maturity of such insurance while under the premium waiver provided by this section, liability for the payment of such benefits shall be borne by the United States in an amount which, when added to any reserve of the policy at the time of maturity, will equal the then value of such benefits under such policy. Where life contingencies are involved in the calculation of the value of such benefits, the calculation of such liability of liabilities shall be based upon such mortality table or tables as the Administrator may prescribe with interest at the rate of 3 per centum per annum as to national service life insurance which was participating before waiver was granted, and 3½ per centum per annum as to United States Government life insurance. The Administrator shall transfer from time to time from the national service life insurance appropriation to the National Service Life Insurance Fund and from the Military and Naval Insurance appropriation to the United States Government Life Insurance Fund such sums as may be necessary to carry out the provisions of this section."

(4) Subchapter I of chapter 19, of such title is amended by adding at the end thereof a new section as follows:

"§ 726. Post-service insurance for persons serving in combat zones

"(a) Any person entitled to indemnity protection under section 789 of this title who is ordered to active duty with the Armed Forces in a combat zone as defined in such section for a period of 30 days or more, or who served in such zone for 30 days or more, shall, upon application in writing made within 120 days after separation from active duty and payment of premiums as hereinafter provided, and without medical examination, be granted insurance. The insurance granted under this section shall be issued upon the same terms and conditions as are contained in standard policies of National Service Life Insurance except (1) term insurance may not be renewed on the term after the insured's 50th birthday; (2) the premium rates for term or permanent plan insurance shall be based on the 1958 Commissioners Standard Ordinary Mortality Table; (3) all cash, loan, extended and paid-up insurance values shall be based on the 1958 Commissioners Standard Ordinary Mortality Table; (4) all settlements on policies involving annuities shall be calculated on the basis of the Annuity Table for 1949; (5) all calculations in connection with insurance issued under this subsection shall be based on interest at the rate of 3½ per centum per annum; (6) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (7) the insurance and any total disability income provisions attached thereto shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited to a revolving fund established in the Treasury of the United States and the payments on such insurance and total disability provision shall be made directly from such fund. Appropriations to such fund are hereby authorized.

"(b) The Administrator is authorized to set aside out of the revolving fund established under subsection (a) of this section such reserve amounts as may be required under accepted actuarial principles to meet all liabilities on insurance issued thereunder and any total disability income provision attached thereto. The Secretary of the Treasury is authorized to invest in and to sell and retire special interest-bearing obligations of the United States for the account of the revolving fund. Such obligations issued for this purpose shall have maturities fixed with due regard for the needs of the fund and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of four years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligation shall be the multiple of one-eighth of 1 per centum nearest such market yield."

(5) The analysis of subchapter I of chapter 19 of such title is amended by adding at the end thereof the following:

"726. Post service insurance for persons serving in combat zones."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 19 of title 38, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 789. Special indemnity insurance for members of the Armed Forces serving in combat zones

"(a) Any person on active duty with the Armed Forces in a combat zone shall, as provided in this section, be automatically insured by the United States, without cost to such person, against death in the principal amount of $10,000. Such person shall be insured during the time that he serves in a combat zone, and shall be deemed to have been serving in a combat zone at the time of his death if he dies outside of a combat zone and (1) his death is determined by the Administrator to have been the direct result of an injury or disease incurred while serving in a combat zone, and (2) the injury or disease from which such person died was incurred not more than two years prior to death.

"(b) Upon certification by the Secretary of the military department concerned of the death of any person automatically insured under this section, the Administrator shall cause the indemnity to be paid as provided in subsection (c) only to the surviving spouse, child or children (including a stepchild, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured), parent (including a stepparent, parent by adoption, or person who stood in loco parentis to the insured at any time prior to entry into the active service for a period of not less than one year), brother, or sister of the insured, including those of the halfblood and those through adoption. The insured shall have the right to designate the beneficiary or beneficiaries of the indemnity within the classes herein provided; to designate the proportion of the principal amount to be paid to each; and to change the beneficiary or beneficiaries without the consent thereof but only within the classes herein provided. If the designated beneficiary or beneficiaries do not survive the insured, or if none has been designated, the Administrator shall make payment of the indemnity to the first eligible class of beneficiaries according to the order set forth above, and in equal shares if the class is composed of more than one person. Unless designated otherwise by the insured, the term 'parent' shall include only the mother and father who last bore that relationship to the insured. Any installments of an indemnity not paid to a beneficiary during such beneficiary's lifetime shall be paid to the named contingent beneficiary, if any; otherwise, to the beneficiary or beneficiaries within the permitted class next entitled to priority, but no payment shall be made to the estate of any deceased person.

"(c) The indemnity shall be payable in equal monthly installments of one hundred and twenty in number with interest at the rate of 2¼ per centum per annum.

"(d) In the event any person was covered at the time of his death by automatic indemnity under this section and was also insured against such death under a contract of national service life insurance or United States Government life insurance, the indemnity authorized to be paid hereunder shall be a principal amount equal to the difference between the amount of insurance in force at the time of death and $10,000.

"(e) The Administrator is authorized to promulgate such rules and regulations, not inconsistent with this section, as are necessary or appropriate to carry out its purposes.

"(f) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section for the payment of liabilities under this section.

"(g) Any person guilty of mutiny, treason, spying, or desertion shall forfeit all rights to an indemnity under this section, but restoration to active duty after commission of any such offense shall restore all rights under this section. No indemnity shall be payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy, as defined by the President.

"(h) As used in this section the term 'combat zone' means any area outside the United States determined by the President to be an area in which units of the Armed Forces of the United States have engaged in combat operations on or after January 1, 1962, and before such date as may be determined by Presidential proclamation."

(b) The analysis of subchapter III of chapter 19 of such title is amended by adding at the end thereof the following:

"789. Special indemnity insurance for members of the Armed Forces serving in combat zones."

SEC. 2. Title 38, United States Code, is further amended as follows:

(1) Section 417(a) is amended—

(A) By deleting therefrom the words "under section 724 of this title" and inserting in lieu thereof the words "in effect on January 1, 1959, and continued in effect under section 724(a) of this title".

(B) By adding at the end thereof the following: "The prohibition against the payment of dependency and indemnity compensation contained in this subsection shall not apply to insureds who on or after the effective date of this amendment die while on active duty in a combat zone as defined in section 789 of this title, or within 120 days after duty in such a zone, or (1) whose death is determined by the Administrator to have been the direct result of an injury or disease incurred while serving in a combat zone, and (2) the injury or disease from which such person died was incurred not more than two years prior to death."

(2) Delete from the last sentence of subsection (c) of section 704 the words "or section 725" each time they appear and insert in lieu thereof the words "section 725, or section 726".

(3) Subsection (b) of section 724 is repealed and the following new subsections are added to section 724:

"(b) After the date of enactment of this subsection any person who is on active duty with the Armed Forces in a combat zone, as defined in section 789 of this title, for a continuous period of 30 days or more and any person hereafter ordered to such duty under orders for 30 days or more in such a combat zone, who is insured under National Service Life Insurance or United States Government Life Insurance shall be entitled, upon written application, to a waiver (with the right to a refund after termination of such duty) of all premiums paid on term insurance and that portion of any permanent insurance premiums paid representing the cost of the pure insurance risk, as determined by the Administrator. All premiums due during the period the waiver is in effect must be timely paid to maintain the insurance in force. Such waiver shall apply to premiums becoming due after the first day of the first calendar month following the date of enactment of this subsection, or the first day of the first month following entry on active duty with the Armed Forces in such a combat zone, whichever is the later date, and during the remainder of such continuous active duty in a combat zone for 120 days thereafter; however, no premium becoming due prior to the date of application for waiver under this subsection shall be waived or refunded. Any premium waiver granted under this subsection on a participating contract of insurance shall render such insurance nonparticipating during the period such premium waiver is in effect. Upon certification of the period of combat zone duty by the Secretary of the military department concerned, and upon application by the insured, or in death cases by the beneficiary of his insurance, the Administrator shall refund to the insured or to the beneficiary the amount of premiums waived under this subsection. Premiums on term insurance waived under this subsection shall be refunded with interest as determined by the Administrator.

"(c) Whenever benefits become payable because of the maturity of such insurance while under the premium waiver provided by this section, liability for the payment of such benefits shall be borne by the United States in an amount which, when added to any reserve of the policy at the time of maturity, will equal the then value of such benefits under such policy. Where life contingencies are involved in the calculation of the value of such benefits, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Administrator may prescribe with interest at the rate of 3 per centum per annum as to National Service Life Insurance which was participating before waiver was granted, and 3½ per centum per annum as to United States Government Life Insurance. The Administrator shall transfer from time to time from the National Service Life Insurance appropriation to the National Service Life Insurance Fund and from the Military and Naval Insurance appropriation to the United States Government Life Insurance Fund such sums as may be necessary to carry out the provisions of this section."

(4) Subchapter I of chapter 19, of such title is amended by adding at the end thereof a new section as follows:

"§ 726. Post-service insurance for persons serving in combat zones

"(a) Any person entitled to indemnity protection under section 789 of this title who is ordered to active duty with the Armed Forces in a combat zone as defined in such section for a period of 30 days or more, or who served in such zone for 30 days or more, shall, upon application in writing made within 120 days after separation from active duty and payment of premiums as hereinafter provided, and without medical examination, be granted insurance. The insurance granted under this section shall be issued upon the same terms and conditions as are contained in standard policies of National Service Life Insurance except (1) term insurance may not be renewed on the term plan after the insured's 50th birthday; (2) the premium rates for term or permanent plan insurance shall be based on the 1958 Commissioners Standard Ordinary Mortality Table; (3) all cash, loan, extended and paid-up insurance values shall be based on the 1958 Commissioners Standard Ordinary Mortality Table; (4) all settlements on policies involving annuities shall be calculated on the basis of the Annuity Table for 1949; (5) all calculations in connection with insurance issued under this subsection shall be based on interest at the rate of 3½ per centum per annum; (6) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (7) the insurance and any total disability income provisions attached thereto shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited to a revolving fund established in the Treasury of the United States and the payments on such insurance and total disability provision shall be made directly from such fund. Appropriations to such fund are hereby authorized.

"(b) The Administrator is authorized to set aside out of the revolving fund established under subsection (a) of this section such reserve amounts as may be required under accepted actuarial principles to meet all liabilities on insurance issued thereunder and any total disability income provision attached thereto. The Secretary of the Treasury is authorized to invest in and to sell and retire special interest-bearing obligations of the United States for the account of the revolving fund. Such obligations issued for this purpose shall have maturities fixed with due regard for the needs of the fund and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of four years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligation shall be the the multiple of one-eighth of 1 per centum nearest such market yield."

(5) The analysis of subchapter I of chapter 19 of such title is amended by adding at the end thereof the following:

"726. Post service insurance for persons serving in combat zones."

Mr. COOPER. Mr. President, may we have an explanation of the bill?

Mr. MANSFIELD. The bill would provide an automatic maximum amount of $10,000 free "special indemnity insurance" against death while on active duty with the Armed Forces in a combat zone, or death within 2 years after service if it is a direct result of an injury or disease incurred while serving in a combat zone designated by the President on or after January 1, 1962. If the serviceman were also insured under a contract of U.S. Government life insurance or national service life insurance, the indemnity payable would be the difference between the amount of such insurance and $10,000.

Mr. COOPER. In effect, is the insurance the same type of insurance that was provided for members of the armed services in both World War II and the Korean war?

Mr. MANSFIELD. In effect, yes.

Mr. COOPER. Mr. President, I am very glad that the insurance bill for members of the Armed Forces has been reported by the committee and will be passed. I am glad to speak for it and I will vote for it. I introduced a similar bill. The Bureau of the Budget sent to the Senate Finance Committee a report vigorously opposing the bill which I had introduced, S. 2158, as well as S. 2127, introduced by Senators SMATHERS, TALMADGE, and WILLIAMS, giving various reasons why the bills should not be enacted. The bill I introduced would provide insurance in the principal sum of $10,000 to members of the Armed Forces and would retroactively make insurance benefits payable to the wives, parents, children, and brothers and sisters of members of the Armed Forces killed in the Vietnam combat area, or in areas such as the Dominican Republic.

Only last Sunday, I was in Kentucky, at a meeting at Hebron in Boone County. The father and mother of two young men who had been killed in Vietnam came up to see me. As I talked to them, I thought that this bill should be passed to provide to the Armed Forces in Vietnam and in any other combat zone greater peace of mind through automatic assurance of special indemnity insurance against death.

I should like to say, without regard to pride of authorship in the bill that I introduced, that I am glad that the committee has been willing to approve the bill similar to mine offered by my good colleagues, the Senator from Georgia [Mr. TALMADGE], the Senator from Florida [Mr. SMATHERS], and the Senator from Delaware [Mr. WILLIAMS].

Mr. MANSFIELD. Mr. President, the Cooper-Talmadge-Smathers bill—and the Senator from Kentucky is deserving of full credit as the initiator of this type of proposed legislation—did not meet with the approval of the Bureau of the Budget, but it was approved by the Finance Committee despite the disapproval of the Bureau.

Mr. COOPER. I am glad that I had introduced an insurance bill, and that I have strongly urged its passage. I am glad to vote for this bill, and I want to say that I have appreciated the interest and support of our 12 distinguished colleagues who joined as cosponsors of S. 2158, the bill I introduced for the purpose of providing this indemnity insurance to our Armed Forces in combat zones.

These Senators—Mr. AIKEN, Mr. ANDERSON, Mr CARLSON, Mr. CASE, Mr. DODD, Mr. DOUGLAS, Mr. FONG, Mr. KUCHEL, Mr. LONG of Missouri, Mr. PELL, Mr. RANDOLPH, Mr. YOUNG of North Dakota, and Mr. SIMPSON—joined in sponsoring S. 2158, and I know they are pleased at the consideration and passage of the bill (S. 2127), which is before the Senate.

Mr. MANSFIELD. Let the record show that that was the case.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CARLSON. I merely wish to state, for the benefit of the distinguished Senator from Kentucky and other Senators, that during the hearings on the bill and in discussion of the bill in executive session, the Cooper bill was mentioned. It was stated that the bill of the Senator from Kentucky was one of the earlier bills introduced. I assure the Senator from Kentucky that his bill, while not acted upon by the committee, was considered by the committee.

Mr. COOPER. I thank the Senator from Kansas.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones, and for other purposes."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 619), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The bill would provide an automatic maximum amount of $10,000 free "special indemnity insurance" against death while on active duty with the Armed Forces in a combat zone, or death within 2 years after service if it is a direct result of an injury or disease incurred while serving in a combat zone designated by the President on or after January 1, 1962. If the serviceman was also insured under a contract of U.S. Government life insurance or national service life insurance the indemnity payable would be the difference between the amount of such insurance and $10,000.

COMMITTEE AMENDMENTS

The bill has been amended to provide that if the serviceman was also insured under a policy of U.S. Government or national service life insurance the premium on the pure insurance risk of the policy (total premium on term policies) would be waived during the period the indemnity coverage was in effect. Under this amendment during the period of his eligibility for waiver, that is, when the insured is in a combat zone, he shall continue to pay his regular premiums which is done usually by allotment. However, when he leaves the combat zone the Veterans' Administration will be required to refund to the serviceman the amount of premiums he paid during that period which represents what is known as the pure insurance risk.

The second committee amendment provides that the serviceman would be allowed upon discharge from service during which he was in a combat zone to convert to a policy of nonparticipating Government insurance at lower premiums similar to that made available to veterans of the Korean conflict.

GENERAL STATEMENT

The special indemnity insurance authorized under the bill would be payable in 120 monthly installments with interest at 2¼ percent per annum, and only to the surviving spouse, children, parents, or brothers or sisters of the insured. The insured would have the right to designate the beneficiaries within the classes named, the proportion of the principal amount to be paid to each, and to change beneficiaries within the classes without the consent of the beneficiaries. Should the designated beneficiary not survive the insured, or if no beneficiary was designated, the indemnity would be payable to the first eligible class of beneficiaries among those named above. In such a case if a class is composed of more than one individual payments would be made in equal shares among such individuals.

For the purposes of the bill the term "combat zone" would mean any area outside the United States determined by the President to be an area in which units of the Armed Forces of the United States have engaged in combat operations on or after January 1, 1962, and before such date as may be determined by Presidential proclamation.

The proposed special indemnity insurance program is very similar to the program of servicemen's indemnity which was authorized in 1951 by Public Law 23. 82d Congress. This latter program continued in effect until repealed by Public Law 81, 84th Congress, effective January 1, 1957 (the Servicemen's and Veterans' Survivor Benefits Act). When the bill that became that law was before the Senate it was amended by this committee so as to suspend the indemnity benefit during normal peacetime periods but make it fully operative during any period of war or national emergency involving hostilities. The bill passed the Senate with this amendment. Unfortunately, however, in order to avoid jeopardizing enactment of the new survivors' benefits bill, it was necessary for the Senate conferees to recede from this amendment. The urgent need today for more adequate insurance-type protection for our soldiers serving in southeast Asia under extremely hazardous conditions serves to bear out the soundness of this committee's actions 9 years ago. In taking its action the committee was fully aware of the existing VA program of benefits for survivors of servicemen. However, they are only available to a very limited class of beneficiaries and in many cases the amounts payable are minimal in the light of today's economy. For example, if an unmarried son is killed in Vietnam today and he leaves a mother and father whose total income amounts to only $2,450 per year, they are ineligible to receive any benefit from the Veterans' Administration. In such a case the full indemnity authorized by this bill would be payable to these parents. In other cases there may be minor brothers and sisters for whom the serviceman has assumed responsibility. Again, the present benefit structure makes no provision for this type of survivors.

The committee amendment concerning waiver of premiums is very similar to a provision in the original Servicemen's Indemnity Act and is designed to provide equity for those servicemen paying monthly premiums for their regular insurance and who, therefore, under the setoff provisions would not get full benefit of the free indemnity. As stated previously, the benefit will be in the nature of a refund when the insured is no longer in a combat zone.

Also, the second committee amendment is similar to a provision which the Congress extended to veterans in the original Servicemen's Indemnity Act. In each case where a serviceman by reason of service in a combat zone has had coverage for the indemnity protection, he may, upon discharge from the service, convert that coverage by applying for a new policy of nonparticipating insurance up to $10,000 at very reasonable premiums. Under the insurance he will be able to select any beneficiary he chooses.

AVAILABILITY OF COMMERCIAL INSURANCE

Representatives of the American Life Convention and the Life Insurance Association of America submitted very significant testimony at the hearing on this bill. They admitted that because of the conditions in Vietnam a number of life insurance companies have concluded that they will no longer write insurance on a serviceman already in a combat zone or alerted to move to one. Other companies have taken the position that they will write such insurance only with a war exclusion clause. Out of 330 companies who are members of the insurance associations represented by the witnesses, the committee was able to learn of only 2, or 3 at the most, which are continuing to write policies without a war exclusion clause if the soldier is alerted, on his way to, or in a combat zone. Even in these cases there is generally a maximum placed on the amount of insurance they will issue and, further, it appears that such companies will continue to write such insurance only as long as they receive relatively few applications for it. It was readily apparent to the committee, therefore, that thousands of young men who are being called to service as a result of the current planned buildup of our forces have great difficulty, and in many cases, are unable to secure adequate insurance protection for their families.

Since January 1, 1962, approximately 800 American fighting men have honored their country for the cause of freedom and democracy with the supreme sacrifice on the battle grounds of Vietnam. With our military operations in this strife-torn country being expanded, it is unfortunate, but certain, that there will be many more American lives lost in this conflict. Although the Congress cannot guarantee U.S. servicemen preservation of life and limb in battle, we can, and we should, afford them peace of mind by assuring them that in the event of their death, their loved ones back home will be provided some measure of security. Thus, the unavailability of private insurance coverage makes it obligatory for our Federal Government to provide all servicemen in combat areas with insurance protection as proposed in this bill.

ESTIMATE OF COST

The Administrator of Veterans' Affairs testified as follows concerning the probable cost of the new indemnity program which would be authorized by S. 2127:

"Because of the many unknown factors involved, our estimate of the cost of S. 2127, if enacted, is based on a number of assumptions. First, it has been assumed that there have been approximately 650 deaths in, or as a result of injury or disease incurred in, a combat zone since January 1, 1962; that the U.S. Armed Forces in combat zones will be maintained at about 150,000; and that the mortality rates of such forces will be 8 per thousand. These mortality assumptions will result, for the purposes of these cost estimates, in 1,200 deaths per year. The total incurred yearly cost would, therefore, be 1,200 × $11,148 (includes interest factor) or $13,377,600. Since these benefits, however, are paid in installments over a 10-year period, the annual budgetary cost would be $2.2 million the first year, of which $850,000 would cover retroactive installments; $2.7 million the second year; $4.1 million the third year; $5.4 million the fourth year; and $6.7 million the fifth year."

The committee has been advised that the cost of the amendment authorizing certain free premium waivers will not involve any more than $200,000 per year. The postservice insurance authorized by the second amendment is estimated to be self-sustaining, although there will be some slight administrative costs for the new program.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, and that statements therein be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting nominations, was communicated to the Senate by Mr. Jones, one of his secretaries.

REPORT OF REPROGRAMING ACTION, CONSTRUCTION OF FACILITIES

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report of reprograming action, construction of facilities, relating to the relocation of Wallops Island Training Facility, which, with an accompanying report, was referred to the Committee on Aeronautical and Space Sciences.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Appropriations:

"HOUSE CONCURRENT RESOLUTION 116

"Concurrent resolution relative to the American Canal

"Whereas the State of Michigan is in receipt of a concurrent resolution passed by the Legislature of the State of New York which respectfully memorializes the President and the Congress of the United States to immediately provide an additional $600,000 in study funds for use by the U.S. Army Corps of Engineers to advance the necessary survey for the alternate ship canal in western New York State to ease the burden on the Welland Canal; and

"Whereas the construction of such an alternate ship canal in western New York State would make a major contribution to the commerce and industry of the United States as well as that of Canada; and

"Whereas the necessity for an alternate canal will be of great benefit not only to the State of New York, but also the States of Pennsylvania, Ohio, and the State of Michigan which is attempting in every way feasible to utilize the St. Lawrence Seaway to its fullest advantage for the welfare of the country; and

"Whereas as the State of New York points out in its resolution, the construction of such a new and modern canal built to the lock specifications of the Poe lock now being built by the U.S. Army Corps of Engineers at Sault St. Marie, Mich., would contribute greatly to the prosperity of commerce in industry and agriculture, not only in those States bordering the Great Lakes, but throughout the entire Nation; and

"Whereas the commerce of the State of Michigan will be enhanced by the benefits from the building of such a new canal; and

"Whereas the Congress of the United States has approved a $1,825,000 economic engineering survey of a new Lake Erie-Lake Ontario Canal; and

"Whereas the Congress has appropriated $650,000 in survey funds to date in this project and that an additional $600,000 in study funds is needed to advance the necessary survey and plans for the canal: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*, That the Legislature of the State of Michigan take this opportunity to support the concurrent resolution adopted by the Legislature of the State of New York memorializing the President and the Congress to appropriate an additional $600,000 for the economic engineering survey of the American Canal and urge immediate action by the President and the Congress of the United States to continue this vital process; and be it further

"*Resolved*, That this resolution be transmitted to the President of the United States, to the President of the Senate, and the Speaker of the House of Representatives of the U.S. Congress, to each Michigan Delegate to the U.S. Congress, to the Legislature of the State of New York, to the Governors of the States of New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota.

"Adopted by the house June 16, 1965.

"Adopted by the senate June 23, 1965.

"Beryl I. Kenyon,
"Secretary of the Senate,
"Norman E. Philleo,
"Clerk of the House of Representatives."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Commerce:

"House Concurrent Resolution 70

"Concurrent resolution memorializing the Congress of the United States regarding railroad transportation

"Whereas with no advance notice to its passengers, the Chesapeake & Ohio Railroad on April 8, 1965, attempted an instant cessation of passenger transportation on its intrastate passenger train No. 12, operating between Grand Rapids and Detroit and serving the intermediate stations of Lake Odessa, Lansing, Howell, and Plymouth; and

"Whereas immediately, in emergency joint effort, the Michigan Attorney General and the Michigan Public Service Commission obtained an injunction to prevent abandonment of this train service, thereby protecting the public interest; and

"Whereas with less than 24 hours advance notice, the New York Central Railroad on April 3, 1965, ceased passenger service at Niles, Kalamazoo, Battle Creek, Jackson, and Ann Arbor, Mich., on interstate passenger trains Nos. 39 and 40—but continuing mail, express, and baggage pickups at those stations daily, in flagrant repudiation of public rights; and

"Whereas the Michigan Legislature, aware of a statutory defect which allowed passenger train discontinuance, passed House bill 2250 of 1965, which gives the Michigan Public Service Commission jurisdiction over all regularly scheduled passenger trains, preventing their service curtailment until the filing of a petition with, and subsequent hearings thereon are held by, the Michigan Public Service Commission; and

"Whereas rail transportation traditionally is classed a public utility, and these acts of deliberate violation of basic public rights are arrogant and intolerable. There remains the vital and urgent exigency for correction of similar statutory defects in the Transportation Act of 1958, at the Federal level, to insure that citizens of the United States enjoy their full rights as vested in any public utility: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Michigan Legislature hereby support, and respectfully request the Congress of the United States to pass, legislation now before it, to wit: Senate Resolution 1394, corrective of the Transportation Act of 1958, to mandate filing of application with the Interstate Commerce Commission by any railroad on each passenger train for which they seek curtailment of service, to mandate public hearings thereon by the ICC, with paramount consideration to be given to public need and convenience in any subsequent decision on each case; and further, to propose that the ICC be allowed to extend protective conditions to railroad employees adversely affected by any discontinuance of passenger train service which may result by such decision; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives and each member of the Michigan delegation to the Congress of the United States.

"Adopted by the house, April 16, 1965.

"Adopted by the senate, June 10, 1965.

"Beryl I. Kenyon,
"Secretary of the Senate.
"Norman E. Philleo,
"Clerk of the House of Representatives."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on the Judiciary:

"House Concurrent Resolution 115

"Concurrent resolution memorializing the Congress of the United States regarding the antifirearms bill

"Whereas the antifirearms bill currently before the Congress of the United States proposes Federal control of firearms in the hands of civilians, and as currently written, constitutes violation of the second amendment to the U.S. Constitution that '* * * the right of the people to keep and bear arms shall not be infringed.'; and

"Whereas admittedly, controls are necessary due to irresponsible or criminal elements in society illegally using firearms. That such controls should be the prerogative of State and local agencies of government, that such controls properly should not be a matter for Federal control are acknowledged and forthrightly stated by the Nation's foremost experts in Government, including opinions publicly stated by men of the caliber of Mr. J. Edgar Hoover; and

"Whereas the consensus of expertise in this field is that State and local laws imposing harsh and certain punishment for crimes committed while armed, combined with effective law enforcement, and firmly supported by no-nonsense courts and juries, provide the most certain combination for adequate control; and

"Whereas as to statutes: Laws should prohibit sale of firearms to felons, drug addicts, habitual drunkards, juveniles, and mental incompetents; laws should invoke strict penalties against the possession of firearms by criminals and irresponsible persons. Laws should permit responsible, law-abiding adults to own and use firearms for legal purposes; laws should not require law-abiding adult citizens to register shotguns and rifles; and laws should not grant authority to any jurisdiction, police or otherwise, at any government level, to prohibit the purchase or ownership of firearms by law-abiding and responsible citizens; and

"Whereas in Michigan, alone, more than one and a half million sportsmen would be adversely affected by legislation proposed and now before the Congress—a figure that applies substantially to most of the other States of the Union: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Michigan Legislature respectfully memorialize the Congress of the United States to defeat the currently proposed antifirearms legislation of S. 1592; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, to the President of the Senate, the Speaker of the House of Representatives, and to each member of the Michigan delegation to the Congress of the United States.

"Adopted by the house June 21, 1965.

"Adopted by the senate June 23, 1965.

"Beryl I. Kenyon,
"Secretary of the Senate.
"Norman E. Philleo,
"Clerk of the House of Representatives."

A concurrent resolution of the Legislature of the State of Michigan; ordered to lie on the table;

"House Concurrent Resolution 90

"Concurrent resolution memorializing the Congress to establish wartime insurance for members of the Armed Forces

"Whereas, during previous wartime periods the Congress of the United States has enacted national service life insurance, or a variation thereof, covering members of the Armed Forces of the United States; and

"Whereas, such national service life insurance was provided for members of the Armed Forces during World War II and the Korean conflict and has now expired; and

"Whereas, in every realistic sense of the word, the members of our Armed Forces are now in a wartime period and should be extended the same benefits that were extended to other armed force members during other conflicts: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the members of the Michigan Legislature respectfully urge the Congress of the United States to enact some form of service life insurance for members of the Armed Forces similar to that of the national service life insurance of World War II and of the Korean conflict; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, President of the Senate, Speaker of the House of Representatives and to each Member of the Michigan delegation to the Congress.

"Adopted by the house May 13, 1965.

"Adopted by the senate June 23, 1965.

"Beryl I. Kenyon,
"Secretary of the Senate.
"Norman E. Philleo,
"Clerk of the House of Representatives."

A resolution of the Senate of the State of Pennsylvania; to the Committee on Agriculture and Forestry:

"Pennsylvania has been stricken with drought for the fourth consecutive year. A large part of it is a disaster area. The economic hardship of those engaged in farming is very severe. Corn provided by the Federal Government to farmers in drought disaster areas costs them 75 percent of the current price support—especially in view of the fact that our Government has sufficient corn with which to furnish other countries free of charge: Therefore be it

"Resolved, That the Congress of the United States be memorialized to enact legislation reducing the price paid for surplus corn by farmers of disaster areas to 50 percent of the current price support figure; and be it further

"Resolved, That copies of this resolution be sent to the presiding officers of each House of the Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States.

"Attest:

"Mark Gruell, Jr.,
"Secretary, Senate of Pennsylvania."

A resolution of the Legislature of the State of Nebraska; to the Committee on the Judiciary:

"Legislative Resolution 42

"Whereas under the Constitution of the United States Presidential and Vice-Presidential electors in the several States are now elected on a statewide basis, each State being entitled to as many electors as it has Senators and Representatives in Congress; and

"Whereas the Presidential and Vice-Presidential electors who receive the plurality of the popular vote in a particular State become entitled to cast the total number of electoral votes allocated to that State irrespective of how many votes may have been cast for other elector candidates; and

"Whereas this method of electing the President and Vice President is unfair and unjust in that it does not reflect the minority votes cast; and

"Whereas the need for a change has been recognized by Members of Congress on numerous occasions through the introduction of various proposals for amending the Constitution: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in 75th session assembled:

"1. That application is hereby made to Congress under Article V of the Constitution of the United States for the calling of a convention to propose an article of amendment to the Constitution providing for a fair and just division of the electoral votes within the States in the election of the President and Vice President.

"2. That if and when Congress shall have proposed such an article of amendment this application for a convention shall be deemed withdrawn and shall be no longer of any force and effect.

"3. That printed copies of this application be transmitted to the Senate and House of Representatives of the United States, and to our Senators and Representatives in Congress.

"PHILIP C. SORENSEN,
"President of the Legislature.

"Attest:

"HUGO F. SRB,
"Clerk of the Legislature."

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 114

"Concurrent resolution calling on the U.S. Congress to investigate the possibilities of Communist activities and infiltration of the so-called civil rights groups now active in street demonstrations throughout the United States

"Whereas for the past several years certain so-called civil rights organizations have demonstrated and picketed throughout the United States; and

"Whereas said organizations have heretofore exerted extreme influence on certain communities and extreme influence on domestic policies of the U.S. Government; and

"Whereas the said civil rights organizations have used the said demonstrations to raise money from certain members of the general public throughout the United States; and

"Whereas said civil rights organizations have injected themselves into the foreign policy of the United States; and

"Whereas certain civil rights organizations have insisted on the withdrawal of the United States from Vietnam; and

"Whereas it has become known that members of the said groups and leaders of the organizations have Communist affiliations and Communist backgrounds: Now, therefore, be it

"Resolved by the senate of the State of Mississippi (the house of representatives concurring therein), That the U.S. Congress, through proper committee either in the U.S. Senate or in the U.S. House of Representatives, is hereby requested to conduct an investigation of the leadership and the activities of the so-called civil rights groups; and be it further

"Resolved, That the secretary of state is hereby directed to furnish copies of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, the Secretary of the U.S. Senate and the Clerk of the U.S. House of Representatives.

"Adopted by the senate July 8, 1965.

"CARROLL GARTIN,
"President of the Senate.

"Adopted by the house of representatives July 8, 1965.

"JAMES A. MORROW, JR.,
"Acting Speaker of the House of Representatives."

A resolution of the House of Representatives of the State of Oklahoma; to the Committee on Labor and Public Welfare:

"ENROLLED HOUSE RESOLUTION 677

"Resolution commending the 89th Congress for passing the 1965 Federal aid to education bill; recognizing the necessity and needs of education; directing journal entry; and directing distribution of this resolution

"Whereas the provision of educational opportunity is a debt of this generation to the next; and

"Whereas education is an essential basis for America's freedom, security, and prosperity; and

"Whereas the schools of our State, which continue to be confronted with problems which can only be solved by public understanding and action; and

"Whereas a rapidly changing world requires and demands that education meet new challenges and the U.S. Congress has enacted legislation to help meet these demands: Now, therefore, be it

"Resolved by the House of Representatives of the 30th session of the Oklahoma State Legislature,

"SECTION 1. That the 89th Congress of the United States be and is hereby commended for recognizing the changing needs of education and for passing the 1965 Federal aid to education bill.

"SEC. 2. That duly authenticated copies of this resolution be prepared and forwarded to the President of the U.S. Senate and to the Speaker of the House of Representatives and to each member of the Oklahoma congressional delegation.

"Adopted by the house of representatives the 22d day of July 1965.

"J. D. MCCARTY,
"Speaker of the House of Representatives."

A joint resolution of the Legislature of the State of Wisconsin; to the Joint Committee on Atomic Energy:

"ASSEMBLY JOINT RESOLUTION 105

"Joint resolution memorializing the President and Congress of the United States and the U.S. Atomic Energy Commission to locate the proposed 200-billion-electron-volt proton accelerator in Wisconsin and expressing wholehearted intent to provide a sum sufficient for the purchase of a site and construction of suitable auxiliary facilities if the accelerator is so located in Wisconsin

"Whereas the U.S. Atomic Energy Commission is considering alternative sites as a location for the construction of a 200-billion-electron-volt accelerator; and

"Whereas the University of Wisconsin has submitted a proposal for a Wisconsin site as the choice for the new accelerator and its research mission; and

"Whereas Wisconsin offers an ideal site, ample and inexpensive utility services, multiple transportation facilities, a skilled labor force, excellent scientific, educational, cultural, and recreational opportunities for the scientific staff; and

"Whereas the location of the accelerator in Wisconsin would correct the serious imbalance of the distribution of Federal scientific facilities among the major geographic areas of the country; and

"Whereas the government, educational institutions, business community, labor unions, and entire citizenry of the State of Wisconsin have enthusiastically expressed complete endorsement of the Wisconsin site for the contemplated accelerator: Now, therefore, be it

"Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin urge the President and Congress of the United States and the U.S. Atomic Energy Commission to locate the contemplated 200-billion-electron-volt proton accelerator at the proposed Wisconsin site; and be it further

"Resolved, That the Legislature of Wisconsin express its intent to provide a sum sufficient for the purchase of a site and the construction of suitable auxiliary facilities for the proposed accelerator if it is located in Wisconsin; and be it further

"Resolved, That properly attested copies of this resolution be sent to the President of the United States to the Secretary of the U.S. Senate and the Chief Clerk of the House of Representatives, to the Chairman and the Director of the Division of Research of the U.S. Atomic Energy Commission, and to each member of the Wisconsin delegation in Congress.

"ROBERT T. HUBER,
"Speaker of the Assembly.
"JAMES P. BUCKLEY,
"Chief Clerk of the Assembly.
"PATRICK J. LUCEY,
"President of the Senate.
"WILLIAM P. NUGENT,
"Chief Clerk of the Senate."

A resolution of the Eighth Guam Legislature; to the Committee on Interior and Insular Affairs:

"RESOLUTION 122

"Resolution requesting the Congress of the United States to amend the Organic Act of Guam to provide for representation by district in the Guam Legislature

"Whereas the Organic Act of Guam provides that the members of the Guam Legislature are to be elected at large; and

"Whereas although this fact is not generally known to residents of the continental United States, the different municipalities and villages of Guam have widely differing interests and ambitions; and

"Whereas Guam is by law divided politically into many municipalities and villages, each with its own commissioner; and

"Whereas many of the political subdivisions of Guam are not now represented in the Guam Legislature as a result of the present system of electing the members of the Guam Legislature at large; and

"Whereas our sister territory, the Virgin Islands, now enjoys district representation: Now, therefore, be it

"Resolved by the Legislature of the territory of Guam, That the Congress of the United States be and it hereby is memorialized and requested to amend the Organic Act of Guam to provide for the election of the members of the Guam Legislature from six or seven districts in Guam and for the apportionment of said districts by the Guam Legislature; and be it further

"Resolved, That the speaker be and he hereby is instructed to sign this resolution and that the legislative secretary be and he hereby is instructed to attest to the adoption of this resolution and to transmit a copy hereof to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, the Secretary of the Interior, the Governor of Guam, and the Washington representative.

"Duly adopted on the 13th day of July 1965.

"V. C. REYES,
"Vice Speaker.
"ANTONIO S. N. DUENAS,
"Legislative Secretary."

A resolution adopted by the Oklahoma Wheat Growers, favoring a voluntary certificate type of wheat program; to the Committee on Agriculture and Forestry.

A resolution adopted by the Florida Ports and Foreign Trade Council, of Tallahassee, Fla., relating to the "users charge" for inland waterways; to the Committee on Commerce.

Petitions of sundry citizens and officials of the Ryukyu Islands, favoring the enactment of legislation to pay for damages to the Ryukyus caused by the Armed Forces; to the Committee on Foreign Relations.

Resolutions adopted by the Louisiana Department of the Military Order of the World Wars, at Baton Rouge, La., relating to the national security; to the Committee on Foreign Relations.

A resolution adopted by the Democratic State Central Committee of the State of Michigan, favoring the ratification of the human rights and genocide treaties; to the Committee on Foreign Relations.

A letter in the nature of a memorial from the Religious Society of Friends, New York, N.Y., signed by Howard L. Carey, and sundry other members, remonstrating against further escalation of the war in Vietnam; to the Committee on Foreign Relations.

The petition of Irene Ritenieks, of Willimantic, Conn., favoring stronger efforts to liberate the Baltic States; to the Committee on Foreign Relations.

Resolutions adopted at a convention of the 82d Airborne Division Association, Inc., of Mansfield, Ohio, relating to the foreign policy of the United States; to the Committee on Foreign Relations.

A resolution adopted by the Kiwanis Club of Lake Wales, Fla., relating to the treatment of exiled Cubans; to the Committee on Foreign Relations.

The petition of Lucy Zandbergs, of Westbrook, Conn., favoring immediate action to liberate the Baltic States; to the Committee on Foreign Relations.

A resolution adopted by the Loggie Riunite No. 889, Order of Sons of Italy in America, Lynn, Mass., favoring the enactment of Senate bill 500, and House bill 2580, relating to immigration quotas; to the Committee on the Judiciary.

Three resolutions adopted by the Grand Lodge of the State of Illinois, Order Sons of Italy in America, at Chicago, Ill., relating to communism; the designation of October 12 of each year as a national holiday, in honor of Columbus, and immigration quotas; to the Committee on the Judiciary.

The memorial of Benjamin Goldring, of Brooklyn, N.Y., relating to reapportionment; to the Committee on the Judiciary.

The petition of Mrs. M. L. Sconyers, of Ashburn, Ga., relating to civil rights; to the Committee on the Judiciary.

The petition of Mrs. J. W. Crowe, of Cincinnati, Ohio, favoring the enactment of Senate bill 1071, to regulate the treatment of laboratory animals; to the Committee on Labor and Public Welfare.

Resolutions adopted by local No. 82, International Brotherhood of Bookbinders, Kingsport, Tenn.; the Quincy, Ill., Typographical Union No. 59, and the Intermountain Typographical Auxiliary Conference, all favoring the enactment of Senate bill 1781, to prohibit the transportation of professional strikebreakers in interstate commerce; to the Committee on Labor and Public Welfare.

A resolution adopted by the official board of the First Methodist Church of West Point, Ga., protesting against the repeal of section 14(b) of the Taft-Hartley Act; to the Committee on Labor and Public Welfare.

The memorial of John D. Rutzebeck, of Hayward, Calif., remonstrating against the repeal of section 12(b) of the Taft-Hartley Act; to the Committee on Labor and Public Welfare.

A resolution adopted by local 6225, of Waco, Tex., Communication Workers of America, favoring the repeal of section 12(b) of the Taft-Hartley Act; to the Committee on Labor and Public Welfare.

Two resolutions adopted by the Northern California Typographical Conference, favoring the repeal of the Landrum-Griffin law, and the enactment of Senate bill 1781, to prohibit the transportation of professional strikebreakers in interstate commerce; to the Committee on Labor and Public Welfare.

A resolution adopted by the chamber of commerce of Dawson, Minn., protesting against the proposed construction by the Army Corps of Engineers of the Big Stone Lake-Whetstone River project in the State of Minnesota; to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on the District of Columbia, with amendments:

S. 1320. A bill to amend certain criminal laws applicable to the District of Columbia, and for other purposes (Rept. No. 623); and

S. 2263. A bill to establish a Traffic Branch of the District of Columbia Court of General Sessions (Rept. No. 624).

By Mr. STENNIS, from the Committee on Appropriations, with amendments:

H.R. 9221. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes (Rept. No. 625).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BURDICK:

S. 2428. A bill for the relief of Dr. Harbans Singh Gill; and

S. 2429. A bill for the relief of Dr. Antonio S. Mimay; to the Committee on the Judiciary.

By Mr. MOSS:

S. 2430. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Finance.

(See the remarks of Mr. Moss when he introduced the above bill, which appear under a separate heading.)

By Mr. HARTKE:

S. 2431. A bill to amend section 6334 of the Internal Revenue Code of 1954 to exempt from levy property necessary to satisfy the taxpayer's liabilities to his employees for wages and fringe benefits; to the Committee on Finance.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

By Mr. McINTYRE (for himself and Mr. COTTON):

S. 2432. A bill for the relief of the town of Weare, N.H.; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 2433. A bill to amend title 13, United States Code, to provide for a mid-decade census of population, unemployment, and housing in years 1966 and 1975 and every 10 years thereafter; to the Committee on Post Office and Civil Service.

By Mr. MILLER:

S. 2434. A bill to clarify authorization for the approval by the Administrator of the Federal Aviation Agency of the lease of a portion of certain real property conveyed to the city of Clarinda, Iowa, for airport purposes; to the Committee on Commerce.

CONCURRENT RESOLUTION

TO EXPRESS THE SENSE OF CONGRESS ON INCLUDING TRUST TERRITORY IN THE PACIFIC IN THE STATE OF HAWAII

Mr. FONG (for himself, Mr. GRUENING, and Mr. YARBOROUGH) submitted a concurrent resolution (S. Con. Res. 50) to express the sense of the Congress on including Trust Territory in the Pacific in the State of Hawaii, which was referred to the Committee on Interior and Insular Affairs.

(See the above concurrent resolution printed in full when submitted by Mr. FONG, which appears under a separate heading.)

AMENDMENT AND EXTENSION OF PROVISIONS OF THE SUGAR ACT OF 1948

Mr. MOSS. Mr. President, this morning the House of Representatives began its consideration of H.R. 10496, popularly known as the sugar bill. Since it is imperative that we pass a bill during this session of Congress I am introducing this bill in the Senate today so that action may begin on it immediately. I hope that many of my colleagues from other great sugar-producing States will join me as cosponsors of this legislation.

Mr. President, last year the domestic sugar-producing and refining industry was divided and consequently no amendment to the Sugar Act of 1962 was taken. This year, after a series of industrywide conferences, there is unanimous agreement among the domestic sugar industry in support of this bill. I ask that the attached list of supporters of this bill be included in the RECORD at the end of my remarks.

This bill will:

First. Allow surplus beet and mainland cane sugar to be disposed of as rapidly as possible.

Second. Avoid excessive acreage cutbacks in the sugar-producing areas.

Third. Allow refiners to gradually adjust to import volume.

Fourth. Protect consumers by achieving stability of supply and, therefore, stability of price.

Mr. President, as a Senator from one of the leading sugar-producing States, I hope that this legislation will receive early approval. It is in the interests of the producers, the refiners, and the consumers.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The bill will be received and appropriately referred; and, without objection, the list will be printed in the RECORD.

The bill (S. 2430) to amend and extend the provisions of the Sugar Act of 1948, as amended, introduced by Mr. Moss, was received, read twice by its title, and referred to the Committee on Finance.

The list presented by Mr. Moss is as follows:

LIST OF ORGANIZATIONS

U.S. SUGARBEET INDUSTRY

Alma Sugar Beet Growers, Inc.
The Amalgamated Sugar Co.
American Crystal Sugar Co.
Ark Valley Beet Growers Association.
The Big Horn Basin Beet Growers Association.
Blissfield Beet Growers Association.
California Beet Growers Association, Ltd.
Caro Sugar Beet Growers, Inc.
Central Nebraska Beet Growers Association.
Croswell Sugar Beet Growers Association.
Findlay District Beet Growers Association.
Finger Lakes Sugarbeet Growers Association.
Fremont Beet Growers Association.
Goshen County Cooperative Beet Growers Association.
The Great Western Sugar Co.
Gunnison Sugar, Inc.
Holly Sugar Corp.

Idaho Sugar Beet Growers Association.
Layton Sugar Co.
Lower Snake River Sugar Beet Growers Association.
Michigan Sugar Co.
Monitor Sugar Beet Growers, Inc.
Monitor Sugar Division of Robert Gage Coal Co.
Montana-Wyoming Beet Growers Association.
The Mountain States Beet Growers Marketing Association of Colorado.
The Mountain States Beet Growers Marketing Association of Montana.
The Nebraska Non-Stock Cooperative Beet Growers Association.
Northern Ohio Sugar Co.
Northwest Nebraska Beet Growers Association.
Nyssa-Nampa District Beet Growers Association.
Red River Valley Sugarbeet Growers Association.
Saginaw Sugarbeet Growers, Inc.
Sebewaing Sugarbeet Growers Association, Inc.
Southern Colorado Beet Growers Association.
Spreckels Sugar Co.
Union Sugar Division, Consolidated Foods Corp.
Utah-Idaho Sugar Co.
Utah Sugarbeet Growers Association.
Washington Sugarbeet Growers Association.
The Western Colorado Beet Growers Marketing Association.
Western Montana Beet Growers Association.

MAINLAND SUGARCANE INDUSTRY

American Sugar Cane League of the U.S.A., representing more than 5,000 growers and 40 processors.
Florida Sugar Cane League, representing the 11 Florida sugar mills and all of the sugarcane growers in Florida.

HAWAIIAN SUGARCANE INDUSTRY

Hawaiian Sugar Planters' Association.

PUERTO RICAN SUGARCANE INDUSTRY

Association of Sugar Producers of Puerto Rico.
Antonio Roig, Sucesores, S. en C.
Azucarera Cayey, Inc.
Central Aguirre Sugar Co.
Central Coloso, Inc.
Central Eureka, Inc.
Central Igualdad, Inc.
Central Mercedita, Inc.
Central Monserrate, Inc.
Central San Francisco.
Compania Azucarera del Camuy, Inc.
Cooperative Azurcarera Los Canos.
C. Brewer Puerto Rico, Inc.
Pata Sugar Co., Inc.
South Puerto Rico Sugar Corp.

U.S. CANE SUGAR REFINING INDUSTRY

U.S. Cane Sugar Refiners' Association.
American Sugar Co.
J. Aron & Co., Inc.
California & Hawaiian Sugar Refining Corp.
Henderson Sugar Refinery, Inc.
Imperial Sugar Co.
Refined Syrups & Sugars, Inc.
Revere Sugar Refinery.
Savannah Sugar Refining Corp.
The South Coast Corp.
Su Crest Corp.

EXEMPTION OF WAGES FROM TAX LEVY

Mr. HARTKE. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code by exempting from levy by the Internal Revenue Service property necessary to satisfy the taxpayer's liabilities to his employees for wages and fringe benefits.

The portion of the law to which this amendment applies is that which sets forth the conditions under which the Secretary of the Treasury or his designate may seize and sell property of a taxpayer in order to satisfy his failure or refusal to pay taxes. In the section to which this amendment applies, there are set forth a number of items which are specifically exempted from levy. One such exemption, for example is "any amount payable to an individual with respect to his unemployment, under an unemployment compensation law." But in spite of the fact that wages are generally considered a first claim, there have been instances in which the Government has seized property to satisfy its tax claim and thereby left employees, to which sums are due, without payment of wages or other benefits.

One such instance, for example, was recounted by Congressman THOMAS PELLY when he introduced such a bill in the House in the 88th Congress, a bill which he again introduced this year as H.R. 4647. That case involved the Stewart Hotel in Seattle, Wash., which was delinquent in forwarding withholding taxes. Such a case is not unusual. A hard-pressed business in imminent danger of bankruptcy, as the records will show, is all too often tempted to use the money for other purposes which has been supposedly deducted from wages to pay the employee's income tax or social security withholding.

In the case cited by Mr. PELLY, representatives of the Internal Revenue Service suddenly, and without prior notice, impounded the hotel's bank account. Checks which had just previously been issued in payment of wages to employees had in numerous cases not yet been presented, and when they were the result was that they could not be cashed. These employees as a result lost 2 to 4 weeks of pay, and in many instances the pay they should have received for vacations and other fringe benefits.

Such a dispute over taxes is between the employer and the Government. It is right that we should have recourse to collection of taxes when necessary in such a manner as this. But the employee is an innocent bystander who should not, in effect, be required to pay the delinquent taxes out of his own pocket by foregoing his earnings as an employee. Historically, labor liens have always had a priority over other claims. My bill would specify such treatment, even though it may result in a lesser amount available for the satisfaction of taxes in such a case of seizure of assets.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2431) to amend section 6334 of the Internal Revenue Code of 1954 to exempt from levy property necessary to satisfy the taxpayer's liabilities to his employees for wages and fringe benefits, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Finance.

INCLUSION OF TRUST TERRITORY IN THE PACIFIC IN THE STATE OF HAWAII

Mr. FONG. Mr. President, on behalf of myself, the Senator from Alaska [Mr. GRUENING], and the Senator from Texas [Mr. YARBOROUGH], I submit a concurrent resolution to express the sense of Congress that the Trust Territory of the Pacific Islands be included in the State of Hawaii, provided that: First, the people of the State of Hawaii are in favor of including these islands in the State; second, the people of this trust territory approve such a plan to be included as a part of the State of Hawaii; third, the Secretary of the Interior, who is responsible for the administration of this trust territory, conduct a thoroughgoing investigation and study of all aspects of this proposal, and that he submit his recommendations to the Congress with respect to the feasibility of such a plan and as to the best means to determine the will of the people of the trust territory.

This proposal would fulfill the trusteeship agreement between the United States and the United Nations to grant the trust territory "self-government or independence." It would answer charges by critics in the United Nations that the United States practices colonialism in not preparing the people of the trust territory as quickly as possible for self-government.

This proposal—which envisions extending the borders of the State of Hawaii—is reminiscent of the dream of one of Hawaii's monarchs, King Kalakaua, who reigned between 1874 and 1891.

Kalakaua dreamed of a Polynesian League encompassing the larger part of the vast Pacific Basin to further the happiness, progress, and prosperity of peoples who, though scattered over thousands of miles of tiny islets and archipelagoes, were united by bonds of culture, language, and historical traditions.

Remembered as a merry monarch, the vision of this ruler was not motivated by any grandiose scheme of aggrandizement, nor by any covetousness for Lebensraum, but rather by Kalakaua's genuine concern for the plight of the peoples of the Pacific in the modern world.

Kalakaua's aspirations for a Pacific Confederation are recorded in correspondence between the King and King Malietoa of Samoa, which are now deposited in the archives of my State.

This first recorded attempt to bring about this Pacific Confederation, however, was doomed to failure because of designs upon some of the Pacific island groups which were harbored by the great powers of that time—particularly Germany.

The plan which I now advance, however, differs from that of Kalakaua in several important respects. While Kalakaua's plan would have united these areas under a monarchy, the instant plan would unit the Pacific islands under a plan the central feature of which is democratic representation and popular sovereignty.

Also, Kalakaua would have included Samoa and Guam in his plan. What I propose would not include these areas.

While my proposal encompasses only the Trust Territory of the Pacific Islands, it does not bar subsequent consideration of any other island or group of islands in the Pacific basin, such as American Samoa or Guam, desiring similar affiliation.

I should point out, however, that the status of the trust territory and that of American Samoa and Guam are quite different. The latter two territories already are American possessions, both being unincorporated, organized territories of the United States, administered by the Department of the Interior.

On the other hand, the trust territory is not a U.S. possession. It is, rather, a territory administered by this country under a trusteeship agreement with the United Nations and, as such, has a very unique place in the American political structure.

The territory embraces three archipelagoes—the Carolines, the Marianas, and the Marshalls—which include some 2,100 small islands, forming 96 island groups of clusters, and scattered over a 3-million-square-mile area of the western Pacific Ocean. The combined land area of these islands totals only 700 square miles. Most of the islands are too small to sustain life, so that only 64 islets are inhabited.

The islands of the trust territory have been divided into six administrative districts, as follows: Palau, Yap, Truk, Ponape, the Marshall Islands, and the Mariana Islands.

I have a map, taken from the 17th annual report of the United States to the United Nations on the administration of the Trust Territory of the Pacific Islands, dated March 1965, which shows the location of these islands in the southwestern Pacific.

The total population of these islands, as of June 30, 1964, was 88,215, the vast majority of whom are classified as Micronesians, except for approximately 1,000 Polynesian inhabitants. These peoples speak nine major indigenous languages, although English and Japanese are the most commonly used tongues.

These islands had been held, in turn, by the Spanish, German, Dutch, and the English in earlier centuries, and in 1899, following the Spanish-American War, Spain sold the Carolines and the Marianas—except Guam, which had been ceded to the United States—to Germany, which also controlled the Marshalls.

German rule over these islands was terminated in 1914 when Japan entered World War I as an allied power and occupied the islands. After that war, Japan retained these islands as a League of Nations mandate.

The era of Japanese control saw colonization by Japanese citizens and fortification of many islands as Japanese military bases. During World War II these highly strategic island bases became the scenes of historic naval and military campaigns, which I am sure many Senators will recall: Kwajalein, Saipan, Tinian, Truk, Peleliu.

Our military forces occupied the islands, in accordance with the international law of belligerent occupation, until July 18, 1947, when they formally became a United Nations trust territory. Also on that date, under a joint resolution of Congress, the President approved a trusteeship agreement between the United States and the Security Council of the United Nations, placing the islands under the international trusteeship system.

Under the terms of article 6 of our trusteeship agreement with the United Nations, and consonant with the provisions of article 76 of the United Nations Charter, the United States undertook the following responsibilities: First, to "promote the development of the inhabitants of the trust territory toward self-government or independence"; second, to "promote the economic advancement and self-sufficiency of the inhabitants"; third, to "promote the social advancement of the inhabitants," and, fourth, to "promote the educational advancement of the inhabitants."

In our 18 years of stewardship we have achieved, I believe, a great degree of success in fulfilling these responsibilities.

On the political level, there has been significant political maturity and development toward the goal of self-government or independence.

Executive, legislative, and administrative authority of the government of the trust territory is vested in a high commissioner, appointed by the President and subject to the direction of the Secretary of the Interior.

Encouraged by the high commissioner, the Secretary of the Interior, and other representatives of the U.S. Government, the Micronesians themselves took a long step toward self-government and legislative autonomy when they convened the first Congress of Micronesia in Saipan on July 12. This bicameral legislative body—composed of an upper House of Delegates with two members elected from each of six administrative districts, and a lower house, the General Assembly, based on the population of the districts—was the first territorywide, democratically elected legislature in the history of the trust territory.

In addition to this newly created general legislature, there exist district legislatures in each of the six districts, and lesser legislative councils organized under municipal charters in smaller communities. Within this political structure, political organizations, or parties operate in a manner similar to that in this country.

Qualified Micronesians are offered the first opportunities for positions of governmental responsibility, and training programs are constantly underway to prepare Micronesians for political leadership. There has been rapid progress in turning over senior administrative positions to Micronesians, and in upgrading Micronesians on all levels.

On the economic level, the United States is promoting and developing the economy of Micronesia so that it will be geared to a world money market, and to achieve a higher degree of economic self-sufficiency.

The principal resources of the trust territory are the vast, as yet almost undeveloped, products of the ocean, and the all-purpose coconut palm, which yields the major cash crop, copra. Production of copra reached the all-time high value of nearly $3 million in 1964.

Other cash-producing crops of the territory include cacao, black pepper, and other tropical spices.

The national income of the trust territory has been doubled during the past 5 years, as follows:

1960	$4, 559, 671
1961	5, 538, 100
1962	6, 138, 000
1963	7, 589, 120
1964	9, 247, 960

Perhaps the most significant recent economic development has been the beginning of a commercial fishing industry in the trust territory. In 1964 an American seafood company built a 1,700-ton refrigerator plant in the Palau district as a receiving station for tuna; this same company has requested a site in the Truk district. Another major American foodpacking company is developing plans to enter the territory. In conjunction with this developing industry, a school of fisheries was established in 1961 to teach Micronesians the specialized skills of large-scale fishing.

In addition, an American aerospace firm engaged in electronics and oceanographic research has recently announced plans to expand its operations to Kwajalein in the trust territory.

All of these and other developments add up to a significant "plus" in the continuing economic growth of Micronesia.

On the social and educational levels, there have been important advances in programs of general education, public health, and other social conditions.

At present Congress appropriates 95 percent of the money for schools, roads, transportation, and other needs of the people of the trust territory. Congress for many years established a ceiling of $7.5 million annually. In 1963 and 1964 the amount of the grant was doubled, to $15 million, and for fiscal year 1965 it was raised to $17.5 million.

Consequently, the scope and intensity of social and educational programs in the territory have increased enormously.

Since more than half of the territory's population is under the age of 20, primary emphasis has been placed on the elementary and secondary levels of a modernized education program. The elementary school program initiated in fiscal year 1963 has resulted to date in some 234 well-equipped elementary classrooms, 104 teacher houses, and 121 qualified Americans recruited as teachers. During 1965, another 175 new classrooms, and more than 100 additional teacher houses will be built.

On the high school level there has also been tremendous growth. Prior to 1963 there existed but one public school in the territory, which could serve only about 165 students—who were selected on a quota system from the various districts. Since 1963 six public high schools have been constructed, one in each of the six districts, and last year

660 students were in attendance at these schools.

The territory has begun an important teacher training program. Last year the Micronesian Teacher Education Center graduated its first class of 25 teachers, and enrollment has doubled for the current year.

Significant increases in public health expenditures have brought about improvement and expansion of health services throughout the territory. The medical services budget, for example, was raised from $601,270 in fiscal 1962, to $933,526 in fiscal 1963, to $1,350,000 in fiscal 1964; $2,120,000 has been budgeted for fiscal 1965.

Two new hospitals have recently been completed, one in Palau, another in the Marshalls; a new hospital for Truk has already been funded. New hospital units for Ponape and Yap are anticipated.

Greatly expanded water and sewerage facilities and electrical services are being rapidly made available to all inhabited islands.

During 1964 special emphasis was placed on the educational and social advancement of women. The territory established training programs in collaboration with the East-West Center at the University of Hawaii and the South Pacific Commission.

The territory's program of radio broadcasting has been expanded. Three new broadcast stations are now under construction, and the three existing stations have been modernized. Thirteen young men were sent to Hawaii and to other States to receive intensive training in program techniques, station management, and other technical aspects of broadcasting operations.

Mr. President, from this brief sketch of political, economic, and social conditions of the trust territory, it can be seen that there has been significant development and advancement in each of these fields—and that America has taken her responsibilities under the Trust Agreement seriously.

It is also plain to see that the territory is moving at an accelerated pace toward political maturity and self-government and a greatly strengthened socioeconomic structure The question of the trust territory's political future is, therefore, very compelling.

This question is all the more compelling in view of the fact that the United States will soon become one of the last remaining administering authorities and the Pacific Islands one of the last territories being administered under the United Nations Trusteeship System.

Of the 11 territories once included in this system, all but Nauru, northeastern New Guinea, and the Trust Territory of the Pacific Islands have achieved under the terms of article 76 of the United Nations Charter the stated goal of either self-government or independence.

The other eight trust territories opted for either independence or affiliation with another nation, as follows:

In 1960, the French Cameroons and French Togoland became independent; Italian-administered Somalia united with British Somaliland to become an independent State; the Northern Cameroons—British—joined the independent Federation of Nigeria, and the Southern Cameroons—also British—became an independent nation.

In 1961, Belgian-administered Rwanda-Urundi chose to emerge from trusteeship as two separate, sovereign states—the Republic of Rwanda and the Kingdom of Urundi. In 1962, Western Samoa, under New Zealand's administration, became independent.

With Nauru and New Guinea, under Australian administration, moving rapidly toward resolution of their political statuses, the United States may well be the last administering authority.

If the United States fails to take the initiative in helping to determine the permanent political status of the Trust Territory of the Pacific Islands, the increasingly rapid liquidation of colonialism will heighten the mood of intolerance in the United Nations toward the remnants of anything even faintly resembling that practice; and as more and more former colonies attain full nationhood, anticolonialism will become an even greater force which may eventually press this Nation to a decision as to the future of its trust territory.

It would be ironic, indeed, in view of our self-proclaimed anticolonial tradition, that as this final chapter is written on the era of colonialism, our own policies should come under the harsh criticism of world opinion.

Although the trust territories of Nauru and New Guinea are close to attainment of self-government or independence, and although anticolonial fervor in the United Nations can be expected to intensify, there is still time to resolve the problem—and the time to begin reevaluation of our policies with respect to our trust territory is now.

Having acquired these islands at great cost from Japan in World War II, we have long recognized their tremendous strategic importance, lying as they do athwart our lines of communication to Guam, the Philippine Islands, and the entire southeast Asia theater. They extend for more than 4,000 miles across the Pacific, to within a few hundred miles of the Philippines, Indonesia, and New Guinea.

Our interest in the strategic location of these islands, then, is clear: The Second World War has provided us with convincing evidence that the United States cannot afford to have these islands held by a hostile, or a potentially hostile, power.

Our Trust Agreement itself recognizes these islands as particularly strategic. While these Pacific islands were included in the Trusteeship System, special arrangements were made beforehand in the United Nations Charter for designating most of the islands as a strategic area. Article 82 of the charter provides that:

> There may be designated, in any trusteeship agreement, a strategic area or areas which may include part or all of the trust territory.

The Pacific Islands case is the only one in which this article has been applied. The practical effect of this designation was to give to the United States greater control over the islands than was possible under an ordinary trusteeship. Thus, we may fortify the islands; we have the right to restrict access to the territory, and we need not extend the economic privileges of the islands to other nations.

Within the United Nations, the Security Council rather than the General Assembly has ultimate responsibility for the trust territory. Beyond routine approval of the Trusteeship Agreement, however, the Security Council has not taken any part over its supervision—not even the consideration of the routine annual reports of the Trusteeship Council.

The fact that the Security Council has ultimate responsibility means that the U.S.S.R. would be in a position, should it so choose, to veto any proposal we might make to end the trusteeship status of the Pacific islands—such as including them as a part of the State of Hawaii.

Whether the General Assembly has any jurisdiction over these islands is a moot question. Article 83 of the charter clearly states that:

> All functions of the United Nations relating to strategic areas * * * shall be exercised by the Security Council.

But article 13, giving the General Assembly power to "initiate studies and make recommendations for the purpose of promoting international cooperation in the economic, social, cultural, educational, and health fields, and assisting in the realization of human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion," has been interpreted by some experts as giving the Assembly a measure of competence—so that if inclusion of the islands as a part of Hawaii is in their interest politically, economically, and socially, then the Assembly may be said to have competence to pass on such a proposal.

These are questions of enormous complexity which will consequently require ample time to consider, study, and analyze. My proposed concurrent resolution would vest the administering executive agency, the Department of the Interior, with the responsibility of surveying these problems and reporting its recommendations to the Congress.

With this proviso, and with the provisos that the peoples of the State of Hawaii and of the trust territory vote their approval in a referendum, this concurrent resolution also provides an unequivocal answer to the problem of the territory's political status: it would propose the territory's inclusion in the State of Hawaii.

A brief survey of alternative courses of action shows that all such alternatives are not at all feasible, and that the only feasible solution is the one which I propose.

Should the trust territory become an independent nation? I doubt it. Economists say that none of these scattered island groups is economically viable in today's world. They say that it is very unlikely that the people of these islands, having known a higher standard of living because of the millions of dollars the United States has expended in the territory, would want to have their living standards reduced.

Pacific island leaders, meeting in July 1965, in New Guinea, themselves recognized that the small island groups they represented were too poor to be independent. Almost without exception, they have indicated that they did not want to be cut adrift from their richer, more powerful sponsors.

A second alternative is some form of territorial or commonwealth status within the body politic of the United States. This proposal, however, has serious drawbacks.

As a commonwealth, or as either an incorporated or an unincorporated territory, the people of these islands would be entitled to no representation at all in the U.S. Congress and would be barred from voting for President and Vice President of the United States—shortcomings to which we in Hawaii and in Alaska have been subjected for too many decades before we achieved full statehood, equality, and first-class citizenship. The people of the trust territory would be entitled to only a second-class citizenship, deprived of a voice in the National Legislature, denied the right to vote in presidential elections, and subjected to taxation without representation.

Without a voice in the National Legislature, these people would be shorn of full participation in national affairs and in the determination of national policies.

Moreover, we would undoubtedly be seriously criticized by the United Nations for not having lived up to our trusteeship agreement to extend self-government or independence to the territory.

Should, then, the territory be granted statehood, thereby remedying all these defects? This, again, is an unrealistic proposal. Congressional approval of Micronesian statehood is highly unlikely. Its geographic dispersion, limited land base with an expanding population, and relatively small resources render its economy far from being self-sustaining.

On the other hand, inclusion of the territory as a part of the State of Hawaii is at the very least a feasible proposal possessing merits which should be thoroughly investigated and studied.

As a part of the State of Hawaii, the people of the territory would have a voice in both the National and State Legislatures. They would be allowed to vote in our presidential elections. They would have a role in determining the course of national policies.

Their interests would be fully protected. They would be first-class American citizens, with all the rights, privileges, and immunities conferred upon them by the Constitution and laws of the United States.

They would be integrated into a sovereign State of the Union which shares many of the cultural, ethnic, and historical traditions of the Micronesian Territory.

They would become an integral part of the body politic of the United States.

The United States would be living up to its trusteeship agreement by extending self-government to the territory.

A precedent does exist for this proposal to join the Trust Islands to a sovereign state of a federation. When a majority of voters in the British-administered Northern Cameroons voted in a plebiscite in February 1961 to join the independent Federation of Nigeria, that territory became a part of the Province of the Northern Region of Nigeria—a sovereign state within the Federation of Nigeria.

In 1961 a special mission of the United Nations Trusteeship Council visited the trust territory and concluded that the United States had been derelict in many particulars with respect to the political, economic, and social advancement of the peoples of the territory.

The day will certainly come when the United Nations will ask: What plans have we, the United States, for extending to the trust territory a full measure of self-government or independence, to which we agreed in our Trusteeship Agreement? Our answer must now be: We have no plans.

The concurrent resolution I now propose sets forth a plan—a plan which I feel answers our critics effectively.

If the United Nations should ever ask this question, our answer should be: Will you agree to let the trust territory join the State of Hawaii, so that the people of the territory may enjoy the ultimate in American citizenship, with all of its attendant duties, responsibilities, benefits, privileges, and immunities?

I recognize that this concurrent resolution poses many problems which must be examined very closely. Without a doubt, the problem of finances, particularly with respect to the annual Federal appropriations to the trust territory, is a serious difficulty.

The economy of Hawaii—prosperous and thriving—and the economy of the territory—full of untapped, promising potential—will probably require some supplementary Federal assistance, at least for an initial period. Should the territory be made a part of the State of Hawaii, this problem will require considerable study in terms of continued Federal support.

The practical problems, too, of administering a political entity spanning some 70 degrees of longitude over most of the central Pacific are staggering to contemplate.

A further difficult problem which requires study is the question of how the U.S. Supreme Court's "one-man, one-vote" ruling would be applied to such a thinly-scattered conglomerate of peoples.

What I am proposing will undoubtedly require many years to consummate and bring to fruition. This is precisely why I feel that it is a matter of utmost urgency that we begin now.

By offering affiliation to the Trust Territory of the Pacific, the State of Hawaii would be extending a friendly and helpful hand to its neighbors in the Pacific. Certainly, it is the logical State to do so, geographically, culturally, historically, and from many other points of view.

Our school system, the University of Hawaii, and the East-West Center are already rendering tremendous assistance to the peoples of the trust territory in terms of education, training, and preparation for self-government. The resources of the State already have been called upon to extend technical and other forms of aid to the Trust area which sorely needs our assistance.

By offering to incorporate these islands of the Pacific as part and parcel of a sovereign State of the Union, the United States would take a gigantic stride toward the fostering of East-West friendship and understanding. For these islands are a series of stepping stones across the vast expanse of the Pacific, stretching from East to West.

I am tremendously excited and challenged by this prospect of broadening our horizons and frontiers culturally, politically, economically, and socially. I believe that we should welcome this opportunity for a greater destiny for the people of America.

I commend this concurrent resolution to the Senate of the United States.

Mr. President, I send the concurrent resolution to the desk and ask that it lie on the table for 7 days to enable other interested Senators to join as cosponsors.

The **PRESIDING OFFICER**. The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution will be printed in the RECORD and held at the desk, as requested by the Senator from Hawaii.

The concurrent resolution (S. Con. Res. 50) was referred to the Committee on Interior and Insular Affairs, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Trust Territory of the Pacific Islands should be included in the State of Hawaii if the people of such State and such Trust Territory are in favor of such inclusion, and that—

(1) The State of Hawaii should consider including such Trust Territory as part of such State, determine the will of the people of such State with respect to such inclusion, and report the results of such consideration and determination to the Congress; and

(2) The Secretary of the Interior should report to the Congress his recommendation with respect to such inclusion and the best means to determine the will of the people of such Trust Territory with respect to such inclusion.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965—AMENDMENTS

AMENDMENT NO. 403

Mr. **PROUTY** proposed an amendment to the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964, which was ordered to be printed.

AMENDMENT NO. 404

Mr. **COTTON** submitted an amendment, intended to be proposed by him, to House bill 8283, supra, which was ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEFENSE DEPARTMENT APPROPRIATION BILL

AMENDMENT NO. 405

Mr. STENNIS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9221) making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes, the following amendment, namely, on page 26, after line 5, insert the following:

"TITLE V—EMERGENCY FUND, SOUTHEAST ASIA

"Department of Defense

"Emergency Fund, Southeast Asia

"For transfer by the Secretary of Defense, upon determination by the President that such action is necessary in connection with military activities in southeast Asia, to any appropriation available to the Department of Defense for military functions, to be merged with and to be available for the same purposes, and for the same time period as the appropriation to which transferred, $1,700,000,000, to remain available until expended: *Provided*, That transfers under this authority may be made and funds utilized, without regard to the provisions of subsection (b) of section 412 of Public Law 86–149, as amended, 10 U.S.C. 4774(d), 10 U.S.C. 9774 (d), section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and 41 U.S.C. 12."

Mr. STENNIS also submitted an amendment intended to be proposed by him to House bill 9221, making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

AMENDMENT NO. 406

Mr. STENNIS also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9221) making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes, the following amendment, namely on page 47, after line 11, insert the following:

"SEC. 640. Only upon the approval by the Congress, through the enactment of law hereafter, of a realinement or reorganization of the Army Reserve Components, the Secretary may transfer the balances of appropriations made in this Act for the support of the Army Reserve Components to the extent necessary to implement such a realinement or reorganization; and the provisions in this Act establishing average strengths for the Army Reserve and the Army National Guard shall cease to be effective.

Mr. STENNIS also submitted an amendment intended to be proposed by him to House bill 9221, making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

HIGHER EDUCATION ACT OF 1965—AMENDMENT

AMENDMENT NO. 407

Mr. METCALF (for himself and Senators Moss, Bible, Bartlett, Gruening, Church, Burdick, Inouye, McGovern, Boggs, Fong, and McIntyre) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 600, which was referred to the Committee on Labor and Public Welfare, and ordered to be printed.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

Mr. JAVITS. Mr. President, at its next printing, I ask unanimous consent that the name of the Senator from Pennsylvania [Mr. Clark] may be added as a cosponsor of the bill (S. 2305) the domestic travel bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Pennsylvania [Mr. Scott] may be added as a cosponsor of the bill (S. 2343) to amend the Internal Revenue Code of 1954 to include the expenses incurred by employers in providing training and retraining programs for their employees and prospective employees as expenses which qualify for the investment credit under section 38.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that at the next printing of S. 2124—the Anti-Racketeering and Monopoly Boxing Act—the name of the junior Senator from California [Mr. Murphy] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that at the next printing of Senate Resolution 138—introduced by the Senator from Pennsylvania [Mr. Clark]—which would require amendments offered on the floor of the Senate to be germane, my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Dawson, Mr. Holifield, Mr. Fascell, Mr. Reuss, Mr. Rosenthal, Mr. Erlenborn, and Mr. Wydler were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 69. An act for the relief of Mrs. Genevieve Olsen;

S. 97. An act for the relief of Lt. Raymond E. Berube, Jr.;

S. 134. An act for the relief of Lloyd K. Hirota;

S. 402. An act for the relief of Oh Wha Ja (Penny Korleen Doughty);

S. 1138. An act for the relief of Lt. Robert C. Gibson; and

S. 1267. An act for the relief of Jack C. Winn, Jr.

The message further announced that the House had passed the bill (S. 572) for the relief of Robert L. Wolverton, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1395. An act for the relief of Irene McCafferty;

H.R. 1644. An act for the relief of 1st Lt. Robert B. Gann, and others;

H.R. 1892. An act for the relief of M. Sgt. Richard G. Smith, U.S. Air Force, retired:

H.R. 2005. An act for the relief of Miss Gloria Seborg;

H.R. 2285. An act for the relief of Mrs. Concetta Cioffi Carson;

H.R. 2358. An act for the relief of Tony Boone;

H.R. 2694. An act for the relief of John Allen;

H.R. 2772. An act for the relief of Ksenija Popovic;

H.R. 3337. An act for the relief of Mrs. Antonio de Oyarzabal;

H.R. 3684. An act for the relief of Maj. Alexander F. Berol, U.S. Army, retired;

H.R. 4137. An act for the relief of Dr. Jan Rosciszewski;

H.R. 4596. An act for the relief of Myra Knowles Snelling;

H.R. 4603. An act for the relief of Lt. (jg.) Harold Edward Henning, U.S. Navy;

H.R. 5903. An act for the relief of William C. Page;

H.R. 6726. An act for the relief of William S. Perrigo;

H.R. 7282. An act for the relief of Richard D. Walsh;

H.R. 8218. An act for the relief of Walter K. Willis;

H.R. 9570. An act to amend the Federal Firearms Act to authorize the Secretary of the Treasury to relieve applicants from certain provisions of the act if he determines that the granting of relief would not be contrary to the public interest, and that the applicant would not be likely to conduct his operations in an unlawful manner;

H.R. 9787. An act for the relief of Lt. Col. Lawrence F. Bachman, U.S. Air Force;

H.R. 9854. An act for the relief of A. T. Leary; and

H.R. 10342. An act to authorize the Honorable Frances P. Bolton, of Ohio, a Member of the House of Representatives, to accept the award of Officier in the French National Order of the Legion of Honor.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 451) authorizing the printing of additional copies of "The Prayer Room in the U.S. Capitol," in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 45. An act for the relief of Maj. Raymond G. Clark, Jr.;

S. 125. An act for the relief of Armando S. Arguilles;

S. 207. An act for the relief of Dr. Jose S. Lastra;

S. 263. An act for the relief of Honorata A. Vda de Narra;

S. 442. An act for the relief of Carleen Coen;

S. 570. An act for the relief of Frank S. Chow;

S. 582. An act for the relief of Aleksandr Kaznacheev;

S. 616. An act for the relief of Miss Choun Seem Kim;

S. 678. An act for the relief of Lee Hi Sook;

S. 826. An act for the relief of Har Gobind Khorana;

S. 916. An act for the relief of Debra Lynne Sanders;

S. 954. An act for the relief of Ailsa Alexandra MacIntyre;

S. 1103. An act for the relief of Kathryn Choi Ast;

S. 1498. An act for the relief of Nikolai Artamonov; and

S. 1648. An act to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 1395. An act for the relief of Irene McCafferty;

H.R. 1644. An act for the relief of 1st Lt. Robert B. Gann, and others;

H.R. 1892. An act for the relief of M. Sgt. Richard G. Smith, U.S. Air Force, retired;

H.R. 2005. An act for the relief of Miss Gloria Seborg;

H.R. 2285. An act for the relief of Mrs. Concetta Cioffi Carson;

H.R. 2358. An act for the relief of Tony Boone;

H.R. 2694. An act for the relief of John Allen;

H.R. 2772. An act for the relief of Ksenija Popovic;

H.R. 3337. An act for the relief of Mrs. Antonio de Oyarzabal;

H.R. 3684. An act for the relief of Maj. Alexander F. Berol, U.S. Army, retired;

H.R. 4137. An act for the relief of Dr. Jan Rosciszewski;

H.R. 4596. An act for the relief of Myra Knowles Snelling;

H.R. 4603. An act for the relief of Lt. (junior grade) Harold Edward Henning, U.S. Navy;

H.R. 5903. An act for the relief of William C. Page;

H.R. 6726. An act for the relief of William S. Perrigo;

H.R. 7282. An act for the relief of Richard D. Walsh;

H.R. 8218. An act for the relief of Walter K. Willis;

H.R. 9570. An act to amend the Federal Firearms Act to authorize the Secretary of the Treasury to relieve applicants from certain provisions of the act if he determines that the granting of relief would not be contrary to the public interest, and that the applicant would not be likely to conduct his operations in an unlawful manner;

H.R. 9787. An act for the relief of Lt. Col. Lawrence F. Bachman, U.S. Air Force; and

H.R. 9854. An act for the relief of A. T. Leary; to the Committee on the Judiciary.

H.R. 10342. An act to authorize the Honorable FRANCES P. BOLTON, of Ohio, a Member of the House of Representatives, to accept the award of Officer in the French National Order of the Legion of Honor; to the Committee on Foreign Relations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 451, authorizing the printing of additional copies of "The Prayer Room in the United States Capitol", was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed fifty-four thousand two hundred additional copies of House Document Numbered 234 of the Eighty-fourth Congress, entitled "The Prayer Room in the United States Capitol", of which forty-three thousand nine hundred copies shall be for the use of the House of Representatives and ten thousand three hundred copies shall be for the use of the Senate.

SEC. 2. Copies of such document shall be prorated to Members of the Senate and House of Representatives for a period of sixty days, after which the unused balance shall revert to the respective Senate and House Document Rooms.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 18, 1965, he presented to the President of the United States the following enrolled bills:

S. 45. An act for the relief of Maj. Raymond G. Clark, Jr.;

S. 125. An act for the relief of Armando S. Arguilles;

S. 207. An act for the relief of Dr. Jose S. Lastra;

S. 263. An act for the relief of Honorata A. Vda de Narra;

S. 442. An act for the relief of Carleen Coen;

S. 570. An act for the relief of Frank S. Chow;

S. 582. An act for the relief of Aleksandr Kaznacheev;

S. 616. An act for the relief of Miss Choun Seem Kim;

S. 678. An act for the relief of Lee Hi Sook;

S. 826. An act for the relief of Har Gobind Khorana;

S. 916. An act for the relief of Debra Lynne Sanders;

S. 954. An act for the relief of Ailsa Alexandra MacIntyre;

S. 1103. An act for the relief of Kathryn Choi Ast;

S. 1498. An act for the relief of Nikolai Artamonov; and

S. 1648. An act to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

NATIONAL DRUM CORPS WEEK

Mr. YOUNG of Ohio. Mr. President, I should like to congratulate the 1 million young men and women across the Nation who are being honored during National Drum Corps Week.

These youngsters, who lend an air of pageantry and excitement to parades, sports events, and other activities, are participating in a wonderful experience. Through their activities they make an important and very worthwhile contribution to their communities. Because they channel their time and efforts toward a constructive cause, they better themselves.

National Drum Corps Week serves to bring to the attention of the Nation the wholesome activity which occupies the free time of a great number of our young people. This is significant at a time when the younger segment of the population is often severely criticized because of the foolish actions of a very few.

We extend to these boys and girls—these young men and young women—our congratulations and good wishes with the knowledge that in a comparatively few years they, who are manifesting leadership at this time, will be among the millions who will become the keepers, guardians, and trustees of our Nation and its liberties.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

The PRESIDING OFFICER. Without objection, the Senate will resume the consideration of the bill.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consider executive business.

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting several nominations, which was referred to the Committee on Commerce.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND (for Mr. SMATHERS), from the Committee on the Judiciary:

John E. Maguire, Sr., of Florida, to be U.S. marshal for the middle district of Florida.

By Mr. EASTLAND, from the Committee on the Judiciary:

Anthony J. Celebrezze, of Ohio, to be U.S. circuit judge, sixth circuit.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

U.S. INFORMATION AGENCY

The Chief Clerk read the nomination of Robert W. Akers, of Texas, to be Deputy Director of the U.S. Information Agency.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request by Mr. Mansfield and by unanimous consent, the Senate resumed the consideration of legislative business.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

The Senate resumed the consideration of the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending amendment offered by the distinguished senior Senator from New York [Mr. Javits] may be laid aside temporarily so that the distinguished senior Senator from Colorado [Mr. Allott] may offer a substitute.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 392

Mr. ALLOTT. Mr. President, I call up my amendment No. 392, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. ALLOTT. Mr. President, I ask unanimous consent to dispense with the reading of the amendment, but that the amendment be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, beginning with line 17, strike out all through line 2 on page 31 and insert in lieu thereof the following:

"Sec. 30. (a) The second sentence of section 131 of the Economic Opportunity Act of 1964 is amended to read as follows: "For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $412,500,000 for each of the fiscal years ending June 30, 1965, and June 30, 1966; and for the fiscal year ending June 30, 1967, such sum may be appropriated as the Congress may hereafter authorize by law.'

"(b) The second sentence of section 220 of such Act (as redesignated by section 20 of this Act) is amended to read as follows: 'For the purpose of carrying out this title there is hereby authorized to be appropriated the sum of $340,000,000 for each of the fiscal years ending June 30, 1965, and June 30, 1966; and for the fiscal year ending June 30, 1967, such sum may be appropriated as the Congress may hereafter authorize by law.'

"(c) The second sentence of section 321 of such Act is amended to read as follows: 'For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $35,000,000 for each of the fiscal years ending June 30, 1965, and June 30, 1966; and for the fiscal year ending June 30, 1967, such sum may be appropriated as the Congress may hereafter authorize by law.'

"(d) The second sentence of section 503 of such Act is amended to read as follows: 'For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $150,000,000 for each of the fiscal years ending June 30, 1965, and June 30, 1966; and for the fiscal year ending June 30, 1967, such sum may be appropriated as the Congress may hereafter authorize by law.'

"(e) The second sentence of section 615 of such Act is amended to read as follows: 'For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)) there is hereby authorized to be appropriated the sum of $10,000,000 for each of the fiscal years ending June 30, 1965, and June 30, 1966; and for the fiscal year ending June 30, 1967, such sum may be appropriated as the Congress may hereafter authorize by law.' "

At the end of the bill insert a new section as follows:

"JOINT CONGRESSIONAL STUDY COMMITTEE

"Sec. 32. (a) There is hereby established a Joint Committee on the Administration of the Economic Opportunity Act of 1964 (hereafter in this section referred to as the 'joint committee') to be composed of six Members of the Senate appointed by the Vice President, three from the majority party and three from the minority party, and six Members of the House of Representatives appointed by the Speaker, three from the majority party and three from the minority party. In making such appointments the Vice President and the Speaker of the House of Representatives shall each designate one member to serve as cochairman of the joint committee. Any vacancy occurring in the membership of the joint committee shall be filled in the manner in which the original appointment was made. Seven members of the joint committee shall constitute a quorum for carrying out its functions, except that a lesser number of at least two members from each party may hold hearings pursuant to this section.

"(b) The joint committee shall make a full and complete study of the administration of the Economic Opportunity Act of 1964 at the Federal, State, and local levels with a view to determining what improvements, if any, should be made in such Act and in its administration.

"(c) The joint committee shall report the results of such study and its recommendations to the Senate and the House of Representatives not later than January 31, 1966. After making such report the joint committee shall cease to exist.

"(d) For the purpose of carrying out this section, the joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times within the United States (exclusive of any Commonwealth or possession thereof) during the sessions, recesses, and periods of adjournment of the present Congress, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, records, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. Subpenas may be issued under the signatures of the cochairmen of the joint committee or any member designated by them, and may be served by any person designated by such cochairmen or member.

"(e) The joint committee may appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The joint committee may also recruit and utilize, on a loan basis and with the consent of the head of the department or agency concerned, appropriate experts, consultants, and technicians from the executive branch of the Government.

"(f) The expenses of the joint committee, which shall not exceed $50,000, shall be paid upon vouchers approved by the cochairmen of the joint committee."

Mr. ALLOTT. Mr. President, I yield the floor.

THE BALANCE OF PAYMENTS

Mr. DOUGLAS. Mr. President, yesterday Mr. George Champion, chairman of the board of the Chase Manhattan Bank, testified before the Committee on Banking and Currency on the question of balance of payments. I agree with some features of Mr. Champion's testimony, but I believe his main prescription is faulty. He wishes to eliminate any restrictions upon the short-time loans which banks make to foreign countries at high interest rates. Therefore, I take it, he wants to have the voluntary agreement which has been made with the administration revoked—an agreement which thus far has been loyally carried out by the banking fraternity and which is largely responsible for the correction of the adverse balance of payments. Mr. Champion, however, apparently wants to have that agreement eliminated and offers the classic banker's prescription for all difficulties: To raise interest rates, balance the budget, and cut foreign aid.

Mr. President, we are likely to hear this cry increasingly in future months, so I believe we should remember what happened in 1931.

In 1931, the countries of the continent of Europe, led by France, presented exchange claims against sterling and demanded gold in payment. As a result, Great Britain was forced off the gold standard and was compelled to devalue the pound.

Almost immediately thereafter, the Federal Reserve Board twice raised interest rates. This, of course, had an adverse effect upon American industry and plunged us more deeply into the depression.

A few weeks ago I had the privilege of examining Mr. William McChesney Martin, the Chairman of the Federal Reserve Board. I forced him to admit that this action, in his judgment, was a mistake and had an adverse effect upon the economy. However, he would not declare himself as to whether he would be willing to make the same mistake in the future.

I think it may be said that if Great Britain encounters currency difficulties this fall—we hope she will not, and I believe we should support the British—we may find the movement for higher interest rates renewed. Mr. Champion is sounding the initial bugle in this drive.

If we raise interest rates, it is very likely that European central banks will, in self-protection, also raise their interest rates, and that the differential that now exists in their favor will in all probability not be reduced. All this could become a part of the drive of the international bankers to raise the price of lending money. Furthermore, it would repress new investments in this country and either reverse the present forward movement of industry or help to plunge us into a downward movement.

Mr. Champion proposes that we reduce foreign aid. Perhaps we should reduce foreign aid to Sukarno, to Nasser, and possibly to others. I would be in favor of reducing our military expenditures in France and aid to the French colonies and, in general, of reducing the amount of liquid claims which the French have and will exercise against our gold.

But the general program of foreign aid and the general program of military support are a part of the foreign policy of the United States. They are as essential to our security as our own arms. I object to subordinating national policy in order to permit banks to obtain high interest rates on short-time loans which they make to foreign countries, most notably to Japan.

I urge Mr. Champion and his associates to take the same broad point of view which the bankers took in the early winter, when they signed the voluntary agreement, an agreement which I believe they have been loyally carrying out.

Mr. President, I want to raise a flag of warning. We should sprinkle salt over this prescription of Mr. Champion's. I do not believe that it is in the public interest. I believe that we should not subordinate our national interest to the banking interest. I hope that we shall continue on the course which the President has laid out.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. Mr. President, will the Senator withhold that request?

Mr. ALLOTT. Mr. President, I withdraw the suggestion.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

NATIONAL DRUM CORPS WEEK

Mr. JAVITS. Mr. President, August 15 to 22 has been designated as National Drum Corps Week, and I am glad to join my colleague, Senator PROXMIRE, in saluting the drum and bugle corps of this country which provide worthwhile activity, pride of community and the stimulation of competition to 1 million teenagers and young adults.

I am also pleased that the National Chairman of this effort to put the spotlight on the good works of our drum and bugle corps is a fellow New Yorker, Mr. Harvey N. Berish, and that the national clearinghouse of information of drums corps activity is in the Bronx, N.Y.

One of the most striking aspects of the drum and bugle corps organizations throughout the country is that these groups of boys and girls are essentially community or neighborhood oriented. In most instances these groups represent their communities in parades or civic functions, and their members are taught that their skill, precision and appearance reflect on their parents, neighbors and friends. In short, members of these corps are taught to take pride in their appearance and ability.

We in New York are proud of our drum and bugle corps units, which add such color and rhythm to our civic occasions—especially our parades—as well as providing worthwhile activity for our young people. I know that this pride is shared by the people of every State, and that we all hope that the number of such units will multiply in the years to come.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield to the majority leader so that he may transact some business without my losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF BANKRUPTCY ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 589, H.R. 5497.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5497) to amend paragraphs b and c of section 14 of the Bankruptcy Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 607), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to permit two notices in bankruptcy proceedings mailed by the court to be combined so as to authorize one mailing instead of two thereby effecting economy in the administration of bankruptcy cases.

STATEMENT

This legislation was requested by the Administrative Office of the U.S. Courts following approval of it by the Judicial Conference of the United States at its meeting in March 1964.

In its letter requesting introduction of the legislation the Administrative Office of the U.S. Courts set forth the purpose and need of the legislation as follows:

"The Bankruptcy Division of the Administrative Office of the U.S. Courts, as a measure of economy, suggested that the Bankruptcy Committee of the Judicial Conference of the United States, at its meeting February 1964, consider the amendments proposed in this bill amending paragraphs b and c of section 14 of the Bankruptcy Act to permit the court, before the filing fees required to be paid by the act are paid in full, to make an order fixing a time for the filing of objections to the bankrupt's discharge and providing that a discharge cannot be granted until the filing fees are paid in full.

"Under the present provisions of section 14(b), such an order is not permitted until after all of the filing fees have been paid in full. As a consequence, in cases where the filing fees are not paid in full when the petition is filed but are paid in installments as authorized under General Order 35, the court is required in the simplest case to send two separate notices to creditors. The first is the 10-day notice of the first meeting of creditors and the second is the 30-day notice of the last day fixed by the court of the filing of objections to the discharge.

"In cases where the filing fees are paid in full when the petition is filed, section 14(b) now permits the two notices to be combined and a single combined notice is mailed to creditors. The proposed amendment would permit the court to combine the two notices in every straight bankruptcy case. This would effect a substantial saving in the cost of penalty mail, envelopes, paper, and the time of clerical help. The savings are estimated at between $150,000 and $200,000 a year.

"The Judicial Conference of the United States, at its meeting in March 1964, upon the recommendation of its Committee on Bankruptcy Administration, approved the proposals and the draft of the bill which is attached."

The committee believes that the bill as requested by the Administrative Office of the U.S. Courts and as approved by the House of Representatives is meritorious and recommends it favorably.

AMENDMENT TO THE TUCKER ACT—JURISDICTION OF U.S. DISTRICT COURTS IN CERTAIN SUITS AGAINST THE UNITED STATES

Mr. MANSFIELD. Mr. President, I ask unanmious consent that the Senate proceed to the consideration of Calendar No. 597, S. 1587.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1587) to amend the Tucker Act to increase from $10,000 to $50,000 the limitation on the jurisdiction of the U.S. district courts in suits against the United States for breach of contract or for compensation.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JAVITS. Mr. President, I appreciate the efforts of the subcommittee chairman, the junior Senator from Maryland, in expediting action on this bill which means so much, in particular to Federal employees.

Last year, my former colleague, Senator Keating, of New York, introduced legislation which allowed claims for compensation to be filed by Federal employees in U.S. district courts, thereby enabling an employee to join in one action in the district courts, suit for reinstatement to his Government position, and a claim for back pay. Because of the monetary limitation imposed by the Tucker Act, however, claims for compensation which exceeded $10,000 could not be so joined, and would have had to be filed separately in the court of claims.

This bill was introduced to raise the limitation on suits against the Government in the district courts from $10,000 to $50,000 thus enabling more of such suits to be brought in the more accessible district courts. It has the support, not only of civil service workers and their organizations, but was endorsed by the Judicial Conference of the U.S. Administrative Office of the U.S. Courts and the Department of Justice. This single, rather technical change will greatly benefit a number of individuals, will expedite court cases and promote more orderly settlement of employee claims.

The **PRESIDING OFFICER**. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of subsection (a) of section 1346 of title 28, United States Code, is amended to read as follows:

"(2) Any other civil action or claim against the United States, not exceeding $50,000 in amount, founded either upon the Constitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 614), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of the bill S. 1587 is to amend the Tucker Act (par. (2) of subsec. (a) of sec. 1346 of title 28, United States Code), to increase from $10,000 to $50,000 the jurisdictional limitation of the Federal district courts, concurrent with the Court of Claims, in certain enumerated civil actions against the United States, including suits founded on any express or implied contract and claims for recovery of fees, salary, or compensation.

STATEMENT

The Department of Justice and the Administrative Office of the U.S. Courts favor enactment of S. 1587, a bill to raise the monetary limitation of title 28, section 1346(a)(2) of the United States Code, from $10,000 to $50,000, extending the concurrent jurisdiction of the Federal district courts to certain cases enumerated therein. The bill, S. 1587, and a related bill, S. 1513, were assigned to the Subcommittee on Improvements in Judicial Machinery on March 30, 1965, public hearing being held on June 10. Subsequent thereto, S. 1587 was favorably recommended to the Committee on the Judiciary without amendment on July 26.

By act of March 3, 1887 (24 Stat. 505), the Court of Claims was vested with jurisdiction over all claims founded upon the Constitution, laws of Congress, regulations of executive departments, express or implied contracts, or damages not sounding in tort. Concurrent jurisdiction in these cases was vested in the Federal district courts where the amount involved did not exceed $1,000 and in the circuit courts where the amount exceeded $1,000 but did not exceed $10,000. Suits to recover "fees, salary, or compensation" were expressly excluded from this class of actionable claims by act of June 27, 1898 (30 Stat. 494). The original jurisdiction of the circuit courts was eliminated by act of March 3, 1911 (36 Stat. 1093) and concurrent jurisdiction vested in the district courts extended to include all of those cases not exceeding $10,000.

As suits for reinstatement by Federal employees are required to be filed in the district courts (76 Stat. 744, 28 U.S.C. 1301), the exclusion of compensation actions from their jurisdiction required litigants to bring one suit for reinstatement and another for compensation in the Court of Claims. In 1964 the exclusion of compensation actions was removed from title 28, section 1346(a)(2) by Public Law 88–519 (78 Stat. 699), thus enabling claimants to combine in one district court action a suit for reinstatement and compensation where the amount does not exceed $10,000. This bill would raise the monetary limit to $50,000.

It is estimated that by raising the jurisdictional limitation to $30,000 (as proposed by S. 1513), over 99 percent of the suits to recover "fees, salary or compensation" could be joined in reinstatement actions in the district courts, and thus as a practical matter, virtually all compensation cases could be so combined by raising the limitation to $50,000, as is proposed by this bill (S. 1587). Likewise, 89 of the 330 contract cases presently pending before the Court of Claims involve less than $50,000 and thus could be brought in the district courts subsequent to the enactment of this bill. As stated by the Department of Justice's views of June 10, 1965:

"The present jurisdictional amount of $10,000 was enacted in 1887 (24 Stat. 505), and has never been amended. It was the view then that the larger, more complicated contract cases should be tried before the Court of Claims for various reasons—uniformity of decision, expertise, the convenience of the commissioner system, problems of venue and service of process, etc. * * *. An increase in the jurisdictional amount would seem indicated by the change in monetary values during the intervening years standing alone.

"Since 1887, however, changes have occurred in the size and volume of Government contracts which appear to warrant increasing the jurisdiction of the district courts as contemplated by either of these bills. Further, last year Public Law 88–519 (78 Stat. 699 (Aug. 30, 1964), was enacted which gave the district courts jurisdiction to hear and determine claims for compensation by Government employees. The effect of this law is to enable a Government employee to join in one action in a district court both a suit for compensation and one for reinstatement to his Government position. However, because of the existing $10,000 jurisdictional limitation imposed by the Tucker Act claims for compensation which exceed $10,000 must be filed separately in the Court of Claims. Enactment of S. 1513 would permit over 99 percent of the compensation actions to be joined with reinstatement actions in the home districts of the employees involved.

"If S. 1587 is enacted, almost all of the pay cases could be brought in the district courts, as would the smaller contract cases. At present in 89 of the 330 contract cases pending in the Court of Claims awards of $50,000 or less have been requested."

In view of the foregoing, the committee recommends that the bill S. 1587 be favorably considered.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INCORPORATION OF THE AMERICAN ACADEMY OF ACTUARIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 602, S. 1154.

This will be the last bill to be considered at this time.

The **PRESIDING OFFICER**. The bill will be stated by title.

The **Legislative Clerk**. A bill (S. 1154) to incorporate the American Academy of Actuaries.

The **PRESIDING OFFICER**. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CORPORATION CREATED

Section 1. The persons named below and their successors are hereby created and declared to be a body corporate by the name of "American Academy of Actuaries" (hereinafter referred to as the "corporation") and by such name shall be known and have perpetual succession and the powers and limitations contained in this Act.

John C. Angle, Lincoln, Nebraska.

Clarence L. Alford, Nashville, Tennessee.

John C. Archibald, Des Moines, Iowa.

Henry E. Blagden, Newark, New Jersey.

Thomas P. Bowles, Junior, Atlanta, Georgia.

Dorrance C. Bronson, Washington, District of Columbia.

Edward D. Brown, Junior, Chicago, Illinois.

Harley N. Bruce, Chicago, Illinois.

George M. Bryce, Fort Wayne, Indiana.

George B. Buck, Junior, New York, New York.

Donald G. Clark, Stamford, Connecticut.

Harold E. Curry, Bloomington, Illinois.

Mary M. Cusic, Rock Island, Illinois.

Charles Dubuar, Albany, New York.

John K. Dyer, Junior, Philadelphia, Pennsylvania.

Gilbert W. Fitzhugh, New York, New York.

Frank J. Gadient, Rock Island, Illinois.

Walter C. Green, Salt Lake City, Utah.

Frank L. Griffin, Junior, Chicago, Illinois.

William E. Groves, New Orleans, Louisiana.

Frank Harwayne, New York, New York.

William J. Hazam, Wakefield, Massachusetttts.

Victor E. Henningsen, Milwaukee, Wisconsin.

Reinhard A. Hohaus, Greens Farms, Connecticut.

Reuben I. Jacobson, Minneapolis, Minnesota.

Wilmer A. Jenkins, New York, New York.
Walter Klem, New York, New York.
Meno T. Lake, Los Angeles, California.
Edwin B. Lancaster, New York, New York.
William Leslie, Junior, New York, New York.
Joseph Linder, New York, New York.
Laurence H. Longley-Cook, Philadelphia, Pennsylvania.
Lauren J. Lutz, Syracuse, New York.
Daniel J. McNamara, New York, New York.
Norton E. Masterson, Stevens Point, Wisconsin.
Allen L. Mayerson, Lansing, Michigan.
Charles Mehlman, San Francisco, California.
Carlton H. Menge, Tulsa, Oklahoma.
John H. Miller, Springfield, Massachusetts.
Wendell A. Milliman, Seattle, Washington.
Thomas E. Murrin, San Francisco, California.
Joseph Musher, Washington, District of Columbia.
Robert J. Myers, Washington, District of Columbia.
Carroll E. Nelson, Saint Louis, Missouri.
A. C. Olshen, San Francisco, California.
H. Lewis Rietz, Houston, Texas.
Henry F. Rood, Fort Wayne, Indiana.
Walter L. Rugland, Appleton, Wisconsin.
David G. Scott, Chicago, Illinois.
Charles A. Siegfried, New York, New York.
H. Raymond Strong, Dallas, Texas.
Oscar Swenson, Los Angeles, California.
Harmon R. Taylor, Cedar Rapids, Iowa.
G. Frank Waites, San Francisco, California.
Andrew C. Webster, New York, New York.
Bert A. Winter, Newark, New Jersey.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in section 1 of this Act are authorized to meet to complete the organization of the corporation by the election of officers and directors to serve until the close of the first annual meeting of the corporation, and by the adoption of bylaws not inconsistent with this Act, and by doing all other acts necessary to carry into effect the provisions of this Act.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The object and purposes of the corporation shall be—

(1) to advance the knowledge of actuarial science, which had its origin in the application of the doctrine of probabilities to human affairs and from which life insurance, pension plans, casualty insurance, and other analogous institutions derive their principles of operation;

(2) to encourage the consideration of all monetary questions involving, separately or in combination, the mathematical doctrine of probabilities and the principles of interest;

(3) to promote education in actuarial science and the interchange of information among actuaries and among the various actuarial organizations;

(4) to establish, promote, and maintain high standards of conduct and competence within the actuarial profession.

In furtherance of these ends the corporation may promote activities to recruit and educate those who desire to become actuaries and to undertake such other activities as may seem desirable.

POWERS OF CORPORATION

SEC. 4. The corporation shall have the following powers:

(1) To adopt, amend, and alter bylaws, not inconsistent with the laws of the United States or of any State, territory, or possession of the United States in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(2) To adopt, use, and alter a corporate seal;

(3) To choose such officers, managers, agents, and employees as the business of the corporation may require;

(4) To sue and be sued, complain and defend in any court of competent jurisdiction;

(5) To contract and be contracted with;

(6) To transfer, lease, or convey real or personal property;

(7) To take and hold by lease, gift, purchase, grant, devise, bequest, or otherwise, any property, real or personal, necessary for carrying into effect the purposes of the corporation, subject to the applicable provisions of law of any State or the District of Columbia (a) governing the amount or kind of real and personal property which may be held by, or (b) otherwise limiting or controlling the ownership of real and personal property by a corporation operating in such State or the District of Columbia;

(8) To borrow money for the purpose of the corporation, issue bonds, or other evidence of indebtedness therefor, and secure the same by mortgage or pledge, subject to applicable Federal or State laws or to the laws of the District of Columbia;

(9) To do any and all acts necessary and proper to carry out the objects and purposes of the corporation.

PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES; RESIDENT AGENT

SEC. 5. (a) The principal office of the corporation shall be established at such place as its board of directors deems appropriate.

(b) The activities of the corporation may be conducted throughout the various States, territories, and possessions of the United States.

(c) The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation, such designation to be filed in the office of the clerk of the United States District Court for the District of Columbia.

(d) Notice to, or service upon such agent, or mailed to the business address of such agent shall be deemed sufficient notice of service upon the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 6. (a) Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be determined according to the bylaws of the corporation.

(b) Each member shall be entitled to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

GOVERNING BODY; COMPOSITION; TENURE

SEC. 7. The corporation shall be governed by a board of directors composed of not less than ten or more than thirty-five members. The method of election, term of office, and other matters pertaining to the board of directors shall be provided in the bylaws.

OFFICERS; POWERS AND DUTIES

SEC. 8. (a) The officers of the corporation shall be members of the corporation and shall consist of a president, the number of vice presidents provided in the bylaws, a secretary, a treasurer, and such other officers as may be provided in the bylaws.

(b) The officers shall perform such duties and have such powers as the bylaws and the board of directors may from time to time prescribe.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director, or be distributable to any such person during the life of the corporation or upon dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of reasonable compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation, and any officer who participates in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation and its members, officers, and directors, as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock, to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. (a) The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of the meetings of its members, its board of directors, and committees having any authority under the board of directors. It shall also keep at its principal office a record of the names and addresses of its members entitled to vote.

(b) All books and records of the corporation shall be open for inspection by any member of the corporation or his agent or attorney for any proper purpose at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS; REPORT TO THE CONGRESS

SEC. 14. (a) The accounts of the corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than six months following the close of the fiscal year for which the audit is made. The report shall set forth the scope of the audit and include such statements, together with the independent auditor's opinion of those statements, as are necessary to present fairly the corporation's assets and liabilities, surplus or deficit with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the corporation's income and expenses during the year, including (1) the results of any trading, manufacturing, publishing, or other commercial-type endeavors carried on by the corporation, and (2) a schedule of all contracts requiring payments in excess of $10,000 and any payments of compensation, salaries, or fees at a rate in excess of $10,000 per annum. The report shall not be printed as a public document.

USE OF ASSETS UPON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon final dissolution or liquidation of the corporation, and after the discharge or satisfaction of all outstanding obligation and liabilities, the remaining assets of the corporation shall be used by the board of directors for one or more of the purposes stated in section 3 of this Act.

EXCLUSIVE RIGHT TO NAME AND SEALS

SEC. 16. The corporation shall have sole and exclusive right to use the name "American Academy of Actuaries" and such seals as the corporation may lawfully adopt.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 17. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 601), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to confer a Federal charter on the American Academy of Actuaries.

STATEMENT

The actuarial profession is largely responsible for the technical methods and framework leading to the enormous aggregate of today's economic protection against the hazards of death, disability, retirement, and property loss. The field of actuarial science and its influence on the social and economic affairs of the Nation have been growing rapidly in recent years with the great expansion that has taken place in all phases of the insurance business.

Over the years, four nationally recognized actuarial bodies have been developed to provide for the training and qualifications of actuaries. These bodies hold meetings at which professional papers may be discussed and ideas exchanged. In each of these bodies there is emphasis generally in one or more of the branches of actuarial science but not in all of them, and each has set up certain membership requirements—based on passing examinations or on having certain experience qualifications. These four actuarial bodies—in the order of their size—are as follows: The Society of Actuaries, whose primary fields are life insurance, health insurance, and pensions; the Casualty Actuarial Society, primarily comprising casualty, fire, and health insurance; the Conference of Actuaries in Public Practice, whose field covers all branches of insurance, welfare benefits, and pensions from the standpoint of consulting actuaries; and the Fraternal Actuarial Association, whose interests lie in the provision of insurance through fraternal orders. Many actuaries belong to more than one of these bodies.

The four actuarial bodies attempt to recruit and train enough qualified actuaries to meet the needs of the public, and they require their members to meet strict standards of education, training, and professional conduct. It now appears necessary and advisable to alert the Congress, the Federal departments, and the public to recognize only qualified actuaries and to advocate means for the legal recognition or accreditation of these qualified actuaries.

Accordingly, in order to advance the knowledge of actuarial science through education and the promotion of the concepts thereof in the minds of the general public; to establish, promote, and maintain high standards of conduct and competence within the actuarial profession; and to encourage in this purpose the coordination of the efforts of the existing actuarial bodies and of other proven competent persons not now members thereof, it is proposed to organize a federally chartered organization termed the "American Academy of Actuaries." The four actuarial bodies have endorsed this proposal by resolution of their governing boards and by vote of their members.

The committee is of the opinion that the American Academy of Actuaries is deserving of Federal recognition by receiving a Federal charter, and that it would give recognition and encouragement to the actuarial profession and which would serve the public interest by so doing. Accordingly, the committee recommends favorable consideration of S. 1154, without amendment.

Mr. JAVITS. Mr. President, in regard to this bill, I wish to say very briefly that there are some problems created by the bill with respect to the control of those who may enter the profession of actuary. One of these problems concerns possible discrimination in membership policies. A second question concerns the possible monopoly aspects of control of admission to the profession.

Questions concerning States' rights would also be created in view of the Federal incorporation. However, we feel—and I have consulted with the author of the bill, the Senator from Connecticut [Mr. DODD], and with the Senator from Illinois [Mr. DIRKSEN] on this subject—that the actual carrying out of the authority given by the bill would be in accordance with the strictest consideration and attention to these problems and our reliance upon the assurances that the bill will be administered with intelligence, judgment, and fairness.

It was with that knowledge that I joined as a cosponsor of the measure. I make this brief statement of record so that those who continue to consider this legislation and, if enacted, those who will administer it, will realize that it confers very important rights, and so that they may be aware of the basis upon which I believe that the Senate is acting on the measure today.

This authority, after all, is within control of the laws of the United States. I express the expectation that even after the enactment of the bill, it will be administered without discrimination, wisely, in the broad public interest, and with the complete freedom to deserving and talented people to enter the profession.

I thank the majority leader for having brought up the bill at this time.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

The Senate resumed the consideration of the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

Mr. ALLOTT. Mr. President, while the majority leader was in the Chamber, there were two quorum calls which seemed not to have produced many live bodies. It would be my hope that somewhere along the line, perhaps at the conclusion of my introductory remarks, without losing my right to the floor or having it counted as an extra appearance, we could bring enough Senators to the Chamber to order the yeas and nays.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I assure the Senator that he will have a yea-and-nay vote.

Mr. ALLOTT. I thank the Senator.

Mr. President, last year when we were presented with the legislation to establish the Office of Economic Opportunity, I made some predictions of what we could expect if that legislation were enacted. While I know that no one likes to hear the phrase, "I told you so," and normally I would not indulge in such a practice, in this instance it may serve a useful purpose.

I contend that the legislation before us simply compounds the folly of last year. It would increase the authorization for programs that have largely been discredited because of bureaucratic bungling. The news media have been replete with accounts of the unbelievable waste of taxpayers' dollars with almost imperceptible results. The political wolves have fought over this fat bone of taxpayers' money with almost fanatical fury.

In light of nearly a year's experience with the "Greatest Show on Earth," it seems appropriate to reread the few paragraphs of my statement made last year just prior to Senate passage of the Economic Opportunity Act of 1964. At that time I said:

> Mr. President, a lot has been said, and I am sure that much, much more will be said in the months ahead about the President's war on poverty. This program has been heralded in a fashion that would make P. T. Barnum's heart leap for joy, were he still alive. The advance publicity men and the barkers have been diligently plying their trade. The atmosphere has definitely been "circus," and after having read the bill, perhaps a circus setting is appropriate after all. With the enactment of this hastily drafted, ill-considered legislation the world-renowned Ringling Bros. and Barnum & Bailey Circus will be relegated to the "Second Greatest Show on Earth."
>
> Because we have been deluged with Madison Avenue slogans and circus hoopla, I think that it is important that this quixotic approach to the poverty problem be placed in its proper perspective. This was succinctly done in a conversation between two 8-year-olds, as only children in their direct and innocent insight can. The exchange, as overheard by one of my staff members went like this:
>
> First 8-year-old: "What's a poverty war?"
>
> Second 8-year-old: "Oh, that's a battle between the poor people and the politicians—but the politicians always win."
>
> "The politicians always win." These four words sum up the underlying aims and eventual results of the war on poverty with uncanny accuracy. How can Senators be asked, in good conscience, to authorize the expenditure of nearly $1 billion of the taxpayers' money in the first year and undoubtedly several times that amount in years to come to secure a victory for politicians. Campaign funds should be procured from the usual sources, not the Federal Treasury.
>
> Section 602(m) authorizes the "poverty czar" to "expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this act (1) for printing and binding * * *," and section 602(l) authorizes him to "disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public; * * *"
>
> With such broad authority to print and disseminate data and information, perhaps

"Poverty Czar" is a misnomer; "Propaganda Czar" may be more appropriate.

And this propaganda czar has turned his best talents on the Congress. I have received, as I am sure all other Members of Congress have, a magnificently illustrated 2-volume congressional presentation of approximately 300 pages. I would hesitate to estimate its cost, but I am sure it was considerable.

The flood of propaganda that has flowed out of the Washington headquarters of the Office of Economic Opportunity—that is the legal name for the poverty program—can only be equaled by the Johnstown flood.

The country is now waterlogged with data and information of every kind, including hour-and-a-half television extravaganzas.

SALARIES

If the purpose of this poverty program was to put as many as possible on the Government payroll at the highest salaries possible, then I would have to say the program was a success. Supergrade personnel abound in OEO the likes of which this country has never before experienced. The Minority Views point out that there is 1 supergrade position for every 18 employees. Compare this with the Defense Department which has only 1 supergrade for every 1,000 employees. Supergrade salaries range from $19,000 to $24,500, and of course offer considerable economic opportunity for the bureaucrat. Perhaps this accounts for the signal lack of accomplishment in that there are plenty of chiefs issuing orders but there are very few Indians to carry them out. Mr. President, I ask unanimous consent that a Senate Republican memo dated April 1, 1965, dealing with this subject be inserted in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

[From Senate Republican Memo No. 11, Apr. 1, 1965]

FOR THOSE EARNING $3,000 YEARLY: HIGH-PRICED HELP IS ON ITS WAY

The Johnson administration's poverty headquarters in Washington, D.C. (Office of Economic Opportunity), gradually is getting itself organized as follows:

	(Per year)
Director	$30,000
Deputy Director	28,000
First Assistant Director	27,000
Second Assistant Director	27,000
Third Assistant Director	27,000
An assistant	24,500
An assistant	24,500
An assistant	24,500
An assistant	24,500
An assistant	24,500
An assistant	24,500
An assistant	24,500
An assistant	24,500
An assistant	24,500
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another assistant	21,445
Another kind of assistant	18,935
	(Per year)
Another kind of assistant	$18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935
Another kind of assistant	18,935

The first five jobs listed are noncareer executive pay act positions, the other 40 are under civil service and have been approved by the Civil Service Commission. (Note: the national poverty headquarters office plans a staff of 1,150, as a starter.)

STATE POVERTY CHIEF BRINGS SERIOUS CHARGES AGAINST PROGRAM

Continuing complaints from around the Nation about the Great Society's poverty program reached another stage March 29, when the State coordinator of the program in Kentucky appeared to be almost ready to give up because of the frustration and mess. The Courier-Journal, Louisville, Ky., reported under a headline reading "Antipoverty Plans Held Bungled":

Kentucky poverty chief James L. Peel declared, "The President at this time apparently has no knowledge of the situation." Mr. Peel said Congress would have to look into the mess. The Kentucky coordinator said officials in the national office in Washington, D.C., "want to cut out the States" from having any say about the program.

At a meeting in Washington, D.C., of the National Council on Community Development, Mr. Peel said he met with other State coordinators and learned they all shared his dissatisfaction with the program's progress.

"The basic difficulty," he said, "is caused by the fact that the people in Washington are good theoreticians, but have difficulty in making practical applications of their theories."

He cited this example of the Washington, D.C., operations: The first he, or his State, knew of several antipoverty developments for Kentucky was from Washington, D.C., news releases. Mr. Peel said he had reason to believe the Washington poverty headquarters had withheld the announcements of some projects—even after their approval—"for greater news impact."

"The worst mess is the community action program." He said, for example, he had asked Ralph Caprio, an Office of Economic Opportunity aid, about the progress of applications for projects under this program. "Caprio told me they have made this classified information and aren't allowed to discuss this with us at all."

In another phase of the program, the Head Start project to provide special educational aid to areas with a high percentage of low-income families, Mr. Peel said his offer to expedite applications was turned down.

Mr. ALLOTT. Mr. President, this memorandum shows a range of salaries in the supergrades running from $30,000 for the Director to all kinds of positions that are described as "another kind of assistant." The lowest salary is $18,935.

But these figures deal only with the Washington office; what about the community action program? These bureaucrats have done well also. In keeping with Mr. Shriver's request that these facts be brought before the public, I ask unanimous consent that a tabulation gratuitously furnished to me by the OEO—that is the poverty office downtown—showing certain salaries as of April 1965, be included at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

OFFICE OF ECONOMIC OPPORTUNITY: COMMUNITY ACTION PROGRAM

Comparison of annual salary of staff director of Community Action Agency with annual salary of city officials, Community Chest: April 1965

City	Community action director	Mayor or city manager	Superintendent of schools	Director of public works	Director of public welfare	Urban renewal/public housing	Community Chest Red Feather
Chicago, Ill	$22,500	$35,000	$48,000	$26,500	$12,900	$30,000	$35,000
Los Angeles, Calif	25,000	28,692	42,500	26,424		25,704	
Detroit, Mich	18,093	25,000	33,000	23,982	18,799	21,631	28,000
Baltimore, Md	22,500	25,000	35,000	22,500	19,000	22,500	19,500
Cleveland, Ohio	20,000	25,000	25,000	18,594			22,000
Washington, D.C	25,000	26,000	26,000	25,500	23,695	23,695	
St. Louis, Mo	24,000	25,000	25,000	22,922	16,289	25,000	25,000
Milwaukee, Wis	13,000	25,827	31,000	23,870	16,803	23,870	25,000
Boston, Mass	23,000	20,000	26,000	16,000	14,430	30,000	
Pittsburgh, Pa	18,000	20,000	30,000	14,909	12,675	21,000	21,000
Cincinnati, Ohio	15,000	30,000	25,000	19,949		18,171	
Atlanta, Ga	20,000	20,000	27,500	16,224	14,100	17,000	25,000
Minneapolis, Minn	12,480	16,000	30,000	24,780	16,000	16,500	
Louisville, Ky	10,800	12,000	20,000	13,520			
Oakland, Calif	16,000	28,500	27,500			17,328	
Rochester, N.Y	16,000	26,500	26,000	21,205	21,086	21,205	
Miami, Fla	12,000	35,000	35,000	16,667	11,592		24,500
Akron, Ohio	12,000	16,000	29,000	13,860			
Tampa, Fla	12,600	22,500	18,500	14,500	11,500	14,000	
Dayton, Ohio	13,500	28,000	22,253	17,108			
Syracuse, N.Y	17,000	20,000	25,000	14,325	13,400	14,325	
Providence, R.I	13,500	20,000	22,674	12,973			22,000
Sacramento, Calif	16,500	28,200	24,396				
Corpus Christi, Tex	9,000	19,000	19,000	14,592			
Hartford, Conn	15,000	20,000	22,500	15,503			
New Haven, Conn	25,000	18,000	25,000	12,500	10,500	17,500	20,000
Trenton, N.J	12,500	15,000	20,500	12,000	11,664	12,000	16,500
Lansing, Mich	12,029	16,500	21,000	14,500	14,460	11,000	
Scranton, Pa	8,400	10,000	15,000	7,500		15,600	12,500
Berkeley, Calif	13,000	24,000	28,080	18,144			
Stamford, Conn	15,000	17,000	21,250	10,500	10,650	16,000	16,000
New Rochelle, N.Y	14,000	23,000	32,000	18,280		16,380	6,000
Average salaries	16,325	22,522	26,833	17,661	14,974	19,564	21,200

Mr. ALLOTT. Mr. President, there are some interesting figures in this particular memorandum furnished to me by the Office of OEO. For example, the salaries of community action directors run from a high of $25,000 in New Haven, Conn., and Los Angeles, Calif., to $22,500 in Baltimore, on down to $8,400 for Scranton, Pa. I do not know what that poor fellow in Scranton is doing with a salary of $8,400 amidst all the high-flying politicians and bureaucrats, but somehow or other he got in there, and that is his salary.

It is interesting to note that in most instances the higher salaries are comparable with or in excess of those received by the mayors of the large cities listed.

Then there is the comparison with the superintendents of schools, directors of public works, the director of public welfare, urban renewal, public housing, Community Chest and the Red Feather. All these figures, I am sure, will be extremely interesting to the Senate to show that the bureaucrats with the community action officials are doing a very fine job of taking care of themselves in the supergrades.

BOY AND HIS MOTORCYCLE

Mr. President, it would seem that the bureaucrats have won their own personal war on poverty, but what about the poor? One youngster in Paw Paw, Mich., emerged victorious from his first skirmish in the war on poverty, according to an Associated Press story of May 1, 1965:

> The war on poverty in this little southwestern Michigan community has ended in defeat. The only participant in a work-study program for high school dropouts dropped out.
>
> The 16-year-old boy enrolled for a class in woodworking. He also had a job as an assistant janitor in the high school. Six weeks and $120 later, he quit the program.
>
> "I've got enough money now to make a downpayment on a motorcycle," he explained.

The story describes it as a "defeat," but it is only a defeat for the bureaucrats. From the boy's point of view it was a victory. He had set out to attain a certain goal—in this case, the downpayment on a motorcycle—and he achieved his goal. It was a defeat to the bureaucrats because the boy was not motivated toward the goal the bureaucrats had set for him.

While some may say that this humorous little story is only an isolated case, the newspaper accounts of war on poverty flops on a grand scale adequately refute such an assertion. I shall insert some of these news stories at the conclusion of my remarks.

MOTIVATION

In my opinion, the story of the boy and motorcycle points up a very basic deficiency in the OEO: It has not properly assessed the element of motivation. Neither high sounding slogans nor abundant taxpayers' dollars can lift the slum-dweller out of the slum. Only he can do it. He must be motivated to move out of the slum. Two elements must be present: opportunity and motivation. Opportunity without motivation will result in failure just as will motivation without opportunity. The war on poverty has been launched without any consideration being given to motivation, based on the assumption that motivation is pre-existent in all the poverty-stricken. So long as this fallacious assumption prevails in the OEO it will continue to meet with failure, and stack up its failures one on top of the other. Even the title of the Economic Opportunity Act points out the lack of recognition of the other vital ingredient—motivation. However, I shall not offer an amendment to change its title to "The Economic Opportunity and Motivation Act."

As Senators know, motivation entails a complex system of rewards and goals. I am sure that each of you have witnessed the phenomenon of two individuals of comparable ability where one was highly motivated and the other was not. The highly motivated person would excel as compared to the less motivated person. In some instances, exceptionally motivated persons have overcome the greatest handicaps—the handicap of social position, of economic position, of physical disability—and have risen to the greatest heights from the humblest of beginnings, even the most degrading slums.

In a very few individuals, a high degree of motivation seems to be innate; whereas, in others their level of motivation is almost indiscernible. I believe that every living human being has some degree of motivation. The core of the problem is to kindle the sparks of motivation into a fire of high or at least moderate motivation. Once this is done, the question of directing this fire into a socially acceptable path must be wrestled with. To date, the OEO has been busily engaged in piling up firewood here and there all over the country. They seem to hope that these fires will be kindled by spontaneous combustion. Apparently, it has not occurred to any of the bureaucrats that what is needed is a match.

In my opinion, the main thrust of the poverty program should be towards the development and encouragement of proper motivations. I believe that motivation can be developed in everyone to some degree—some more than others, to be sure. But, if a basic drive to achieve can be instilled in every American now lacking it, the rest of the program will pretty well take care of itself, because the participants will make it work. However, the rewards for achieving something must be measurably greater than the rewards for doing nothing if we expect any motivation to develop. In too many instances, the rewards are about equal whether one succeeds or fails. The success of the program should be measured by the achievements of its participants, not by the number of participants nor by unemployment statistics. This would be a shallow program, indeed, if it concerned itself primarily with statistics and not with individuals.

Most of the programs in the war on poverty are untried theories. Hence, pilot programs should be established to test those theories. These pilot programs should employ varying techniques and different classes of subjects. Information from such pilot programs should be amassed and carefully evaluated to determine which techniques and what methods produced the desired results in the most economical manner. If there is one thing this last year of experience has taught us, it is that we do not know now how to attack and defeat poverty. But this bill, as presently written, defies commonsense, for it would increase authorizations for the institution of full-blown programs which should only be in the pilot program stage.

EXPERIMENT

As presented to us last year, the war on poverty was obviously an experiment, a mighty expensive experiment, but nevertheless an experiment. Why do we not let it perform the function of an experiment? Methodology is sorely lacking and must be developed.

It is my understanding that the purpose of an experiment is to try untried theories and to adjust or discard erroneous theories. This bill proposes to pump more taxpayers' money into proposals that should either be drastically modified or totally discarded. The whole approach of the program needs a basic evaluation—I did not say "reevaluation" because it was thrown together with such haste and rushed through Congress so quickly last year that it never achieved an initial evaluation.

JOINT COMMITTEE

My amendment will give Congress an opportunity to make such an evaluation, based upon its own investigations. It establishes a joint committee, consisting of three majority members and three minority members from both the Senate and the House of Representatives. It is believed that such a bipartisan approach will result in an objective evaluation of a program that will have cost the taxpayers $2 billion. The authorizations of last year will be continued at that level for another year, and the amendment so provides.

The report of the joint committee would be submitted to the Congress by January 31, 1966, thereby affording Congress time to review the report and incorporate suggested improvements into legislation before the authorizations are renewed for fiscal years 1967 and subsequent thereto.

While it is laudable that the advisory council has been set apart as a separate body with more independence, nevertheless, if Congress is to maintain its status as a coequal, independent branch of the Government, it needs to develop its own information in keeping the legislative process, and not rely solely upon the view through the "rose-colored glasses" of the OEO and the advisory council, all of whose members are to be appointed by the President. If, on the other hand, Congress wishes to function simply as an echo-chamber for executive department proposals, it need only defeat my amendment, and dutifully affix its rubber stamp on the bill.

It seems to me, that it is the duty of Congress as watchdog of the taxpayers' money to make a thorough investigation of the so-called poverty program and attempt to get it on a workable and fiscally sound basis. In addition, Congress has an obligation not to dash the hopes of the poor by permitting the present debacle to continue unchecked and uncorrected, serving only the political interests of the "poverty generals" and ignoring the real needs of the poor. I strongly urge the adoption of my amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. ALLOTT. I have literally sheaves of newspaper clippings and communications which I could bring to the floor, but I have selected a few and I wish to use them before I yield to my distinguished colleague from Colorado.

This letter is from the editor of the Denver Blade, Joe Brown. The Denver Blade is the largest Negro newspaper in Denver. On its masthead it is stated: "Serving 60,000 Negroes."

I know Mr. Brown personally, and have a very high regard for his abilities. I wish to read this letter. Everyone ought to be interested in this, because the letter is from a man whose race is supposed to be helped by the poverty program. The letter is addressed to my colleague from Colorado and to me. He writes:

THE DENVER BLADE,
Denver, Colo., August 12, 1965.

To: President L. B. JOHNSON, Hon. ADAM CLAYTON POWELL, Councilman ELVIN CALDWELL, Mayor TOM CURRIGAN, Attorney ISAAC MOORE, Honorables PALMER BURCH, EUGENE FOLEY, DAN GROVES, JOHN A. LOVE, Hon. BYRON ROGERS, Hon. GORDON ALLOTT, Hon. PETER H. DOMINICK, Senator GEORGE BROWN.

GENTLEMEN: Please rescue us from "Denver war on poverty." We, the Greater East Denver merchants, submitted a proposal for a small business development center over 2 months ago. We met on several occasions with Mr. Charles Bishop, who helped us rewrite the proposal. We have sat down with Mr. Clifford Rucker, of SBA, on two or more occasions. We are now told that both the board chairman, Dr. Galvin, and the Denver director of the program are either asked to resign or are going to be fired but won't quit, or that no one knows what to do.

We can't find either of them regardless of what time of day we call. The office under Mr. Allen is a maze of confused office help, all of which sounds like anything but efficiency.

Someone, somewhere, please let us exercise some type of legal benefit from this program. My people represent the most depressed business area of the city. We are now told that the Denver war on poverty is holding our proposal, perplexed.

If you ask me, we shocked the city by taking the initiative. Can we have relief?

Help. Help. Give us a way out.

Very sincerely,

J. BROWN,
Publisher.

Mr. President, before I yield to my colleague, I ask unanimous consent that certain pertinent material be placed in the RECORD at this point of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Denver Blade, Aug. 12–18, 1965]

HELP—WOES OF POVERTY

In the last couple of months we have heard cries of "Hang the Mayor" coming from the Denver Democratic camp. We have read criticism of the poverty program, we have even read a dynamic absurd account of the program's progress in a local newspaper, and it appears to us that surely there must be something wrong when everybody is in a state of crossfire and different opinions about the program.

We have tended to criticize not only the program, but we go further, we don't even like the way the program is progressing. Never before have so few faked out so many and gotten away scot free. The citizens of Greater East Denver in an attempt to take the business initiative submitted a SBDC proposal, a plan for the erection and functioning of a superbusiness, that in time would make all East Denver businesses successful. Not only has the program never reached Washington, the best comment on the subject has the proposal downtown in the Denver war on poverty director's desk, 2 months after the law said that the program had to be in Washington. We have cried for this program, we have written over 20 letters to Washington to everybody who has even a tinge of responsibility about their public life, yet nothing has happened; the mayor can't even fire the director. There is a limit to this phoney pork barrel and we think that the mayor is going entirely too far in allowing the "ole crowd" to gain control of the destiny of his political career again.

We say "oust Allen" as director, clean that Denver war on poverty office out and do it now. And if someone else is really the mayor just give us his name and we will make the same recommendations to him. Can't we get the plain and simple message through the heads of these Democratic poverty chiefs downtown, that there is a new order in our community and we will decide what is to happen to our progress.

Any attempt to steal our plans and install a stupid politician in the small business development center will be met with a protest and we mean a protest led by this institution. We think the mayor should oust the whole crowd and put the war on poverty in the hands of people for whom it was intended. Hell, the East Denver community can't even take the initiative. There are no other SBDC proposals in the Western region, what are we waiting for, war on poverty, someone else to develop one?

[From the Denver Blade, Aug. 5, 1965]

CHANGE STILL NEEDED IN POVERTY WAR

Mayor Thomas G. Currigan has handled the problems of Denver's war on poverty with all the adroitness of a man with seven thumbs.

Instead of finding a friendly, face-saving way to replace the war on povery executive director, the mayor acted brusquely, offended the director's friends and became involved in a test of strength on the poverty board.

He further committed the gravest of all political sins in engaging in battle without first counting his votes and counting them accurately.

When the showdown came at the poverty board meeting Tuesday night, the mayor was not even on hand to marshal his forces, and the votes the mayor failed to count were cast against him.

A majority of the poverty board sided with the director instead of the mayor and refused to remove the director from office.

While we believe the mayor was right—as we have said before—in seeking new blood for the poverty organization, this was hardly the way to go about it.

In any case, the poverty board has taken its stand, and the future of the poverty war in Denver has, in effect, been taken out of the mayor's hands and assigned to a seven-man committee.

That committee now has a solemn responsibility, and it is under heavy pressure to move with the greatest possible speed. The poverty program in Denver is badly stalled, and no effort should be spared to get it moving again.

The staff, through a resignation and a firing, has been reduced to two persons. The director's relations with the mayor's office, with the chairman of the poverty board and with Washington are unsatisfactory.

The staff was undoubtedly too small, to begin with, in relation to the amount of work to be done and to the size of poverty staffs in other cities. The director's salary was not set high enough in Denver to attract the kind of professional competence the poverty program here needs.

One course the seven-man committee might wish to consider would be to bring in a professional person at a higher level to work with the present director in setting the program on its feet again. This person would run the program and provide the necessary liaison with the mayor's office, with the board and with Washington.

The present director could put his considerable experience and talents to use in working more directly with the poor, instead of remaining bogged down in the administrative morass at the office. We do not believe he would object to such an arrangement.

If the seven-man committee does not prefer this course, it must find some other that will lead the poverty organization in a new direction. Whatever the cost and effort, things simply must not be allowed to remain as they are.

[From the Rocky Mountain News, Aug. 7, 1965]

FACTIONS STALL DENVER WAR ON POVERTY

(By Dam Thomasson)

WASHINGTON, August 6.—Important segments of Colorado's antipoverty program are being stalled by warring factions, internal dissension, and bureaucratic juggling.

This was revealed Friday by an investigation of why some of the State's poverty war plans still haven't been approved.

While at least one congressman was getting more frustrated by the moment, Office of Economic Opportunity (OEO) officials were admitting they are still in the process of reexamining segments of the Denver and Arapahoe County proposals.

PLAN DROPPED

Meanwhile, the U.S. Forest Service said it has dropped plans to consider the mountainous area near Buena Vista for a Job Corps center because of objections from local citizens.

The service said it quit considering the area when petitions were circulated opposing the plan.

U.S. Representative WAYNE ASPINALL's office said it had received several complaints about the possibility of establishing the State's third job camp about 4 miles west of Buena Vista. One center is operating now near Collbran and another is planned for the Pagosa Springs area.

Denver officials have been pressing for months for establishment of an antipoverty corps medical center at Denver General Hospital but have gotten nowhere.

An OEO spokesman said Friday that the $950,000 proposal was first rejected because it wasn't "quite up to snuff." He said he doesn't know exactly what was wrong. "It just wasn't a strong component," he said.

"Chances aren't dead," he added.

$450,000 GRANT

Also awaiting approval by OEO is a $450,000 grant for an antipoverty program to be guided by the Denver school district. There was some indication, however, this might be authorized within the next few weeks.

Part of the problem apparently stems from complaints about the operation of the city's War on Poverty Inc. There have been charges that the agency's officials have been dragging their feet.

A Washington official said dissension could affect the bureau's decisions.

Congressman Byron Rogers, of Denver, said Friday he has "gotten nothing" for his efforts to get OEO officials to approve the proposals which are part of the city's community action program.

He said he has been calling the bureau since last January and has received nothing but promises to get things straightened out.

The Arapahoe County community action program still is being held up by opposing political factions, the OEO spokesman said.

SEPARATE REQUEST

Arapahoe County commissioners, all Republicans, originally filed applications for the program, but another group, headed by District Attorney Martin Miller, a Democrat, filed a separate request to control the antipoverty operation.

Although Miller dropped out, his group's application was left in. It would set up an Arapahoe-Adams-Elbert County program.

"Until there's a wedding of these two competing groups, there isn't much that can be done," the OEO spokesman said.

[From the Wall Street Journal April 28, 1965]

Antipoverty Dilemma

Spreading criticism of local antipoverty projects, whatever the critics' motives, is illuminating some basic problems in the Federal approach.

One of the poverty war's dilemmas, for example, arises from the question of local control. Many Government programs have floundered from overlooking the need for local participation and advice. Partly to avoid this mistake, the poverty program adopted great decentralization and permissiveness. Sargent Shriver, the program's boss, describes it as "like going back to the old New England town meeting concept of getting things done."

Unfortunately, the description is a cruel exaggeration. Homegrown solutions, fashioned by people directly experienced and personally interested, are certainly the kind most likely to work. There is no guarantee, though, that a carte blanche supply of Federal funds will foster such local solutions to problems mere money won't answer. Real local effort, moreover, is especially unlikely if the program is administered so loosely it can be bent away from its original purposes.

That seems precisely what's happening to local antipoverty projects in New York, Chicago, and Cleveland. It's unfortunate that the bearer of this message happens to be Representative Adam Clayton Powell, of New York, for his reputation and apparent motives distract many people from what he's saying. His argument is inescapably on the side of the angels on one point: Any antipoverty project should involve the poor themselves in planning and participation to the maximum extent feasible.

Maximum participation helps teach the impoverished the simple lesson that trying pays. This motivational exercise is so important that even badly directed self-help will probably do more ultimate good than the largest expansion of the usual municipal gratuities.

As a practical matter, citywide planning and coordination cannot be done by many of the typical poor themselves, as Mr. Powell seems to suggest. However, even at this level there is every reason for maximum use of the talents slum communities do offer: leaders of religious or social groups and particularly of any indigenous private organizations which are experienced at encouraging self-help. Not all of these are by any means perfect, but at least they can be direct channels to the poor.

This representation is being excluded or kept under a tight political thumb in several cities. In New York, Mayor Wagner is proposing a board dominated at first entirely, then two to one, by political officials. In Chicago, Mayor Daley is saying the Negro aldermen, not private leaders, are the best spokesmen for the poor.

The purpose of such thorough political control is not simply patronage, but also saving city administrations the embarrassment private self-help organizations can cause. These groups are often rude enough, for example, to point out that the city isn't enforcing its own building code. Consequently they often find themselves outside budding antipoverty programs and become vehement critics of the municipal-dominated approach.

A further problem is that such groups may also be used for someone's political purposes, as Representative Powell seems to be doing in Harlem. But the real trouble is that when the Federal Government supplies money and jobs, it automatically supplies political power worth fighting over. When the fights start, the original purposes are easily forgotten.

So growing disillusionment with the antipoverty effort shouldn't be too surprising. In some cities and some aspects it may be working better, of course, and sufficient political courage may even salvage something in the programs now under fire. As yet, though, there is little support for the assumption that problems too tough for the Federal Government—as Mr. Shriver says, "there is nobody smart enough in Washington to sit down and figure out how to defeat poverty in every community in America"—can be solved magically by bucking them to the local level accompanied by Federal cash.

That is the program's painful dilemma: At the national level no one knows how to solve the problem, and at the local level purported poverty fighters often have a lot on their minds besides aiding the poor. Unless that predicament can be solved, the poverty war's spending will aid some people, all right, but not necessarily or primarily the poor.

[From the Daily Grand Junction Sentinel, June 28, 1965]

Job Camp Loses Dropout Rating; Corpsmen Retreat From Needle

At the point of a needle, Collbran's Job Corps Camp lost its high rating for lower-than-average dropouts.

Seven corpsmen retreated Thursday in the face of a withering barrage of innoculations, Camp Director Murray Durst said today.

"They were just plain scared," Durst said, "which isn't surprising since none of them had had any experience with shots or medical treatment of any kind."

The 7 brought the dropout figure to 22, 12 from the original 79 enrollees and 10 from the 34 later arrivals.

This matches the national rate of nearly 20 percent dropouts.

Homesickness accounted for most of the departures; a few were disappointed in the camp; some found it wasn't quite what they'd expected.

Five of the original 12 who quit have had second thoughts on reaching home. They've written to inquire if they can reconsider their decision.

Each boy will be checked individually, and it's possible that some of them may be readmitted, but not necessarily assigned to this camp.

Nationally, the quitters seem to wash out early or not at all. Those who stick it out for a month usually make the grade, Washington headquarters reports. Of 6,800 enrollees in the first 5 months, 1,096 had left by the end of last week, 119 of these were dismissed because of poor attitudes or behavior. None of the Collbran departures were dismissed; all left on their own accord.

The widely varied backgrounds of the corpsmen has caused no problems so far, Durst said. The line of demarcation is drawn on a rural-urban basis, rather than along geographical lines, he said.

The needle episode has done more to weld the group into a cohesive unit than any other incident, however. The boys who stayed were universally disgusted by the quitters.

"We might have been able to handle them individually," Durst said, "but they came in as a group, with their minds already made up. The boy who changed his mind and took the shots stood to lose face with his peers."

Meanwhile, the 30 corpsmen who went to Lamar to help clean up the flood destruction are reporting doing well and working hard, Durst said. Their first assignment was to clean up all public buildings. Since then they have been assisting elderly people and those who can't afford to hire help to clean up flood-damaged homes.

They've been working from 5 a.m. until 7 p.m. daily, Durst said, and they're about worn out. They'll probably return to the camp by the weekend.

Meals, abundant and varied, are one of the camp's biggest attractions for the boys, Durst said. Despite the differences in eating habits, there's been no problem in getting them to accept new foods.

"They're growing boys; they're hungry," Durst said. "Some of them are inclined to lean heavily toward the starchy foods they're accustomed to, but they're willing to experiment under camp-directed pressure to establish good eating habits."

[From the Denver Post, June 20, 1965]

Denver Losing War on Poverty

For several months, this newspaper has been making a careful study of the problems of Denver's war on poverty, an organization which was formed nearly a year ago at the initiative of Mayor Currigan.

We have been attempting to find out why this organization, which was one of the first to start in the Nation, has had so little success in bringing the benefits of the Federal antipoverty program to the assistance of the poor in the Denver area.

As of this writing, none of the 10 community action projects proposed by Denver's war on poverty has yet won the approval of the Federal antipoverty agency, the Office of Economic Opportunity, in Washington.

Most of these project proposals, involving about $1.5 million, have been sent back to Denver for revision—some of them several times—and the revised versions are still stalled at various levels of the administrative machinery in Washington.

In addition, the Federal administrative grant, which has financed the operation of Denver's war on poverty to this point, is about to run out and the organization has not sent in its application for more funds in time to meet the deadline.

Only extraordinary action by the Office of Economic Opportunity can save the Denver organization from having to close down altogether for lack of funds.

The blame for Denver's poor progress in the poverty war, as this newspaper is able to appraise it, has to be shared by Washington and Denver, with Denver itself bearing the larger share.

The delays and confusion in the handling of Denver's proposals by OEO in Washington are, to some extent, understandable in a new agency just getting organized and determined to exercise caution in the expenditure of hundreds of millions of dollars.

But, at the same time, OEO's dealings with Denver have done very little to sustain the reputation of OEO Director Sargent Shriver as a man who can cut redtape, minimize delay, and get swift action.

The major trouble, however, has rested in Denver. The staff of Denver's war on poverty has been slow and inefficient. Its relations with the war on poverty board, and its chairman, have been unsatisfactory.

Project proposals have been poorly prepared and budgetary and administrative details have not been properly attended to. The work of the office has been poorly organized, and deadlines and priorities have been neglected.

This newspaper takes no pleasure in criticizing the hard working and dedicated individuals who have labored unsatisfactorily in the poverty program to this date.

But we do fear that the poor of Denver will continue to be shortchanged unless the program can be put on a more efficient basis. Whatever the faults in Washington, the faults in Denver are badly in need of correction.

We believe the responsibility for getting the Denver poverty war back on the track rests with Mayor Currigan, whose alertness and enterprise brought Denver into the poverty field, in the first place, far ahead of other cities.

It is not the mayor's fault if the organization he brought into being has failed to do the job. But it will be the mayor's fault if the existing inefficiency is allowed to continue and Denver's poor do not get the help they need.

[From the Rocky Mountain News, June 13, 1965]

FUND LAG WRECKING DENVER'S PROGRAMS FOR DISADVANTAGED

(By Jack Gaskie)

Failure of the Federal Government to provide funds will shrink special programs devised by the Denver public schools for disadvantaged children. The summer sessions open Monday.

Still further shrinkage is being planned in the program authorized for the academic year starting in September.

The enforced shrinkage is a major disappointment to school administrators. One of its most infuriating aspects is that repeated inquiries to Washington have failed to turn up any reason for the lack of funds.

In fact, intelligent Denver planning is forestalled by the inability of Washington to say if the money will be forthcoming, let alone when, according to school administrators.

School planning and budgeting procedures have been kept in turmoil for 13 months now because of inability to forecast the Government's actions under the Economic Opportunity Act of 1964—the so-called antipoverty act.

STARTED IN 1962

The Denver public schools started their serious study of problems related to education of the disadvantaged in November 1962, long before war on poverty became a popular phrase. The school board created the Special Study Committee on Equality of Educational Opportunity, which in February 1964 made a great number of recommendations.

The school board adopted a number of these recommendations affecting the instructional program in May and June of 1964.

Its approach was this: It established programs—for instance, providing more teachers of reading for the disadvantaged—and calculated the number of schools and children that could profit from them. Then it approved a start on as large a percentage of these programs as it could afford from then available funds.

It voted $81,200 to start 20 percent of these special programs for the first semester of the school year 1964–65.

In August, Congress passed the antipoverty act. Conflicting estimates of the amount of Federal money this could provide for Denver school programs were received from September through November, the time of adoption of the 1965 budget.

ANALYSIS OF FUNDING

On November 4, the Denver School Board adopted its 1965 budget. It accepted the recommendations of Dr. Kenneth E. Oberholtzer, superintendent, based on this analysis of funding for special programs:

"At that time (in May and June) the proposals were limited to the availability of local funds. Since then the possibility of State and Federal funds has changed our view of implementation so that our present proposal in this budget includes a large implementation."

The board budgeted $1,293,520 for special programs during 1965, of which $271,408 was to come from local funds and $1,022,112 from the Government, either directly or through the State. Most of this anticipated Federal money was to flow through the Economic Opportunity Act of 1964, and a smaller amount through the Vocational Education Act of 1963.

That budget would have permitted a jump from 20 percent of the program for the first semester, starting September 1964, to 40 percent in the second semester, starting February 1965, and to 60 percent for the semester starting September 1965.

Instead of getting $1,022,112 from Federal sources, the Denver schools have actually got a commitment for about $100,000 under the vocational act, and evasions about most of the anticipated funds under the poverty act.

The failure of the Government to provide funds for special programs in the regular schools under the antipoverty act is a mystery, according to Dr. Roy Hinderman, deputy school superintendent in charge of instruction.

He said the Denver schools submitted project requests on December 9. The requests were in the required form, as nearly as one could tell from the directives then issued by the Government, he said.

CHANGED DIRECTIVES

In March all the requests came back, with the notation that the Government had changed its directives. The project requests were rewritten to comply with the new directives, and resubmitted April 20.

"We got word back that the requests were all in good order," Hinderman said, "but so far we have failed to get approval."

School Board Member Jackson Fuller urged, at budget adoption time last fall, that worthwhile special projects be funded from local money, without reliance on Federal funds. He repeated his position Saturday, as the crisis over lack of Federal funds deepened.

"I said then and I say now that if there is something we should do, then we should go ahead and do it ourselves without relying on others," Fuller said.

[From the Rocky Mountain News, Apr. 27, 1965]

POVERTY WAR: ARAPAHOE STYLE

(By Dan Thomasson)

WASHINGTON, April 24.—A fantastic tale of bureaucratic bumbling and apparent political jockeying over Arapahoe County's share of the war on poverty was revealed here Saturday.

Vincent McMillan, an Arapahoe County commissioner, unraveled the story after two frustrating days of trying to hack through a jungle of red tape in the Office of Economic Opportunity (OEO).

Included in the story's cast in addition to McMillan are District Attorney Martin Miller and a half dozen major and minor OEO officials.

At stake are the county's $22,000 community action antipoverty program and the fortunes of 317 of the area's culturally deprived children.

REAL CHALLENGE

"I'm more confused about things now than ever, but it's become a real challenge now," McMillan said.

He said the confusion began last month when civic leaders, businessmen, clergymen, attorneys, school officials, and others decided to place responsibility for the antipoverty projects in the hands of Arapahoe County commissioners.

This, they felt, would be better than trying to form a new, nonprofit group to do the job.

After considerable work, the commissioners developed an overall approach and sent it to the OEO. They also applied for participation in Operation Head Start, designed to give underprivileged tots some preschool training.

Meanwhile, it appears, another group headed by Miller decided to try to take over the county's share of the poverty battle, unknown to Governor Love, his State OEO coordinator, Lyle Lindesmith, McMillan, or anyone else.

ASKED FOR DUPLICATE

When McMillan called on several of the county's school superintendents to invite them to a meeting on Head Start, he said he found that Harry Carlino, an aid, Miller, already had got in touch with at least one in an effort to get him to join their group.

McMillan said he understands that the nonprofit organization—if actually set up—would cover Arapahoe, Douglas, and Elbert Counties, all of which make up the judicial district for which Miller is attorney.

McMillan also said the rumor that the group has sent in an application hasn't materialized. He said he was told none is on file with the OEO.

At the same time, McMillan said, he found that the application for "Head Start" had been lost in the mail and that the community action documents also had been misplaced.

A tracer was put out for the "Head Start" application and because deadline for applying was at hand, McMillan called the OEO's Ken Rashid for an extension. It was granted only after McMilllan promised to wire Rashid of the county's intention to participate.

McMillan then contacted the National Association of County Officials (NACO) in Washington and asked it to forward a duplicate of the "Head Start" application to the OEO.

When McMillan got here Thursday he was supposed to see Rashid about the youth project and Mike Moore, a regional officer, about the total community action program.

He was unable to see Rashid but ended up with an assistant to Rashid's assistant who could find nothing but an old preliminary application filed by Arapahoe County despite the fact that NACO officials had sent over a copy of the full form. This was no good, he was told.

He also learned that Art Ryan, a member of Miller's group, reportedly had told Rashid the day before that they were interested in handling the project.

McMillan did spend some time Friday with Moore and was informed that the original Community Action application, which was located somewhere, wasn't correct now because some of the guidelines had been changed.

"They also didn't think we were asking for enough money," McMillan said.

TECHNICALITY EXPLAINED

He explained that a technicality in the new application procedure calls for paying an attorney and including the cost in the total request. The county commissioners had felt rather than hire an attorney they would save by asking the county attorney to help out.

[From the Wall Street Journal, July 16, 1965]

FIASCOS AND ALTERNATIVES

It would not be fair to generalize about the frailties of Government from the particular fiasco of the first Women's Job Corps center at St. Petersburg—except that it has the earmarks of many another costly Federal failure, especially when the Government tries to do things on a crash basis.

As you may recall, officials of the Florida resort city recently voted to terminate the center after only 3 months of operation and many complaints from hotel men and others. A number of the 270 girls, housed in a hotel in the midst of a quiet neighborhood, had been causing something of a scandal; but, from the standpoint of public policy, that is perhaps the least of the matter.

Consider these curious developments: The Job Corps, which is part of the antipoverty program under the Office of Economic Opportunity, undertook to pay $225,000 for use of the hotel for 18 months; yet its total market value is reckoned at between $150,000 and $200,000. The staff works out at approximately one full-time employee for every two girls.

Expenditures for each girl are calculated at over $7,000 a year or, as Mr. Leger observed on this page the other day, considerably more than it would cost to send her to Vassar for a year. All that money (Congress has been asked for more than $200 million to run some 100 Job Corps centers in the present fiscal year) is in an effort to make employable people out of young men and women now considered unemployable.

The purpose, needless to say, is laudable, but as in so many other cases, the practice is execrable. The St. Petersburg flop is a classic example of the Government running around like a chicken with its head cut off, trying to do everything at once. It should be noted in this connection that the local planners, who admittedly made mistakes, did not lack for guidance from Washington; they were flooded with advice from on high.

Similar results can be found in the incompetence and downright cruelty of longstanding programs like urban renewal, under which families and businesses can be evicted at a bureaucrat's whim. Now that a great new burgeoning of welfare-statism is upon us, various parts of the antipoverty program are bogging down in the quagmire of big-city machine politics, and Heaven only knows what chaos the planners will succeed in creating out of medical care for the elderly.

Still, it will be objected, there are problems in these areas; what is the alternative to Federal intervention? Youth unemployment, which the Job Corps seeks to deal with, undeniably is a problem, although usually not so serious a one, in human terms, as it can be for a head of a household.

The fact is that alternatives almost always do exist, if anyone would bother to look and think before turning a mounting accumulation of responsibilities over to the Central Government. To begin with, more young people could be employed were it not for inhibiting minimum wage laws and union apprenticeship practices. Certainly more could be if their family life had instilled in them a sense of self-reliance and respect.

Beyond those circumstances, many businesses do conduct training programs for young people, and doubtless similar activity could be increased with some of the largess at the disposal, for one example, of the foundations. Nor is the point here to rigidly exclude any and all levels of government; logically, however, the place to start is with the level closest to the problem.

At least it seems to us it would make better sense for each city or locality, in cooperation with private groups if possible, to try to help its jobless young people, instead of getting into this business of having the Federal Government transport girls from all over the country to the Job Corps center in St. Petersburg and make a hash of the whole enterprise. Local politicians are not often paragons of public spirit, but their mistakes are unlikely to be as colossal as the National Government's.

While perfect solutions are unattainable in any event, it may be that private and non-Federal institutions could have worked harder, over the years, to tackle the difficulties that Washington is now taking over with more abandon than wisdom. Perhaps too, the multiplication of Washington's fiascos will suggest to them that they had better get even busier, while there is still time to inject some intelligence into the attack on social and economic ills.

[From the Wall Journal, June 9, 1965]

OVERLAPPING UPLIFT—WAR ON POVERTY SPILLS OVER INTO MANY FEDERAL AGENCIES

(By Jerry Landauer)

WASHINGTON.—It's been 6 months since Congress voted the first funds for the new Office of Economic Opportunity but Sargent Shriver's researchers haven't identified yet all the existing Federal activities that conceivably could fall under his sway as generalissimo of the antipoverty crusade.

Admittedly the tabulating task is tough. The Library of Congress, restricting its count to those offering aid to State or local governments, cataloged 115 such programs or "closely related groups" last year; if "subcategories" are included the total swells to 216.

For sheer scope, these figures suggest, Mr. Shriver's job is matched by none save the President's and the Defense Secretary's. Furthermore, his congressional mandate to "coordinate the antipoverty efforts of all Federal agencies" will become more demanding before, if ever, it becomes more manageable. The Library's count didn't include all 17 sizable programs enacted in the 88th Congress, nor, of course, the dozens more enacted or pending in this Congress. "We're starting to run out of new stuff to propose," one policymaker concedes.

No wonder. Nowadays a school dropout can get help from the Juvenile Delinquency and Youth Offenses Control Act, the Manpower Development and Training Act, the Vocational Education Act, the Job Corps, the Neighborhood Youth Corps, a variety of welfare prorgams and, at the option of local ctizens' groups or school boards, from Mr. Shriver's community action grants and from the new billion-dollar school aid law.

Fifteen programs authorize aid for acquiring teaching equipment, nine provide teacher training, and four, all enacted since 1962, include funds to promote basic adult literacy. Needy students can reach for loans or scholarships offered by eight, not including President Johnson's higher education bill.

Overlap obviously isn't a new problem in big Government. "Believe me, it's long been a department head's biggest headache," says the top assistant to a member of the Kennedy Cabinet. Democrats assert, moreover, that for all its talk of bringing businesslike techniques to Washington the Eisenhower regime left scant dents in the many-layered bureacracy. (To this observation must be added the fact that for all but two of his eight White House years Ike faced a Democratic Congress).

President Johnson, of course, wants efficiency and he's taken some small steps toward it, among them reorganization plans to tidy up the Customs Bureau and merge the Weather Bureau with the Coast and Geodetic Survey. Another proposal, an old one to upgrade the Housing and Home Finance Agency to Cabinet status, is similarly billed as an efficiency move.

DIVISION OF RESPONSIBILITY

Yet, in greater measure than he can hope to untangle jurisdictional conflicts by such steps, the President contributes to overlap by dividing responsibility among his top men for the panoply of old and new programs designed to uplift poor people and renew poor places.

Rather than shake up a limping agency or beef up an existing endeavor, the White House piles on a new program. "If we don't catch 'em with one we'll catch 'em with another," according to a congressional aid who has helped write several administration bills. In this sense, Lyndon's administrative style is reminiscent of Franklin Roosevelt's.

Few who've heard Mr. Johnson, his voice wavering, recall desperate men garbage-grubbing for grapefruit rinds in depression days doubt his fidelity to the poverty-conquering cause; nothing less than total war on poverty, or at least the appearance of it, satisfies the restless Chief Executive. So he applies several plows to the same sod.

Look at regional renewal. Deeply disturbed by rural distress, Agriculture Secretary Freeman first expanded his domain to embrace every poor person, whether farmer or not, who happens to live in a rural place, and he set his sights on 8 million new jobs in rural America. To reach that target his department increasingly promotes industrial development, helps search for minerals, issues loans for industry-serving utilities, looks for tourists, and helps develop water sources for factories.

But with hardly a glance at Agriculture-sponsored renewal, the White House redesignated Commerce as the chief renewal agency. The Appalachia program authorizes Secretary Connor to approve and help finance "local development districts" in 11 States. And the administration's big public works and development bill would have him designate, and funnel aid to, a continent-spanning network of "redevelopment areas" and larger "economic development districts" containing "economic development centers." Higher up, he'll work with "regional action planning commissions" embracing at least two States.

Mr. Connor's areas and districts will crisscross many of the 2,000 county-based "rural areas development committees" already prodded into existence by Secretary Freeman. It's hoped that those of Mr. Shriver's community action groups functioning in rural spots will cooperate with Mr. Freeman's network of county committees (in a few places the two are identical) and where possible, with Mr. Connor's redevelopment areas.

As part of regional renewal the Government launched a pilot project in four distressed Indiana counties to "speed the development of industry, land, water, mineral resources, recreation, and tourism." This sounds like something the Commerce Department's development planners might be trying; in fact, though, it's a Freeman project.

The troubles policymakers encounter just in thinking up names for the agencies they'd like Congress to establish reflect how tough it is to sort out clear lines of authority for the uplift effort, particularly in the unclaimed land between cow country and outward-creeping city.

A while back, Mr. Freeman set up what was called the Office of Rural Areas Development, a new agency offering advice and technical help to his department's county committees. Now, asking Congress for money to establish small branches in 20 or more States, he wishes the agency to be known as the Rural Community Development Service. Note how "rural community" suggests a concentration of population denser than "rural area" but less populous than "urban area."

WHAT'S IN A NAME?

Last year, hoping to sidestep small-town Congressmen's fears that giving HHFA Cabinet rank would enlarge big-city influence, policymakers dropped the word "urban" from HHFA's proposed name; they suggested calling it the Department of Housing and Community Development. But this year, enjoying bigger majorities in Congress, the White House stopped fiddling around; now it's proposed to baptize HHFA as the Department of Housing and Urban Development, thus leaving in-between "community development" to Mr. Freeman.

Understandable, then, is the wary eye Housing Administrator Robert Weaver's people cast at Mr. Freeman. Shortly after Agriculture asked for a $350 million fund to insure rural housing loans, the Federal Housing Administration sent word to its local offices that "no community should be considered too remote or too isolated for FHA to serve in a prompt manner."

Apart from big government's built-in overlap, believers in tidiness confront Lyndon Johnson's unique personality. He's just as determined to project a glowing record of economy as he is to lead the costly antipoverty crusade. The result is compromise. Rather than be selective among the 34.6 million Americans deemed "hard core poor" by Mr. Shriver's statisticians, the Government spreads money and effort every which way, boosting overhead, generating more overlap and, so critics claim, assuring mediocre results.

As always, politics plays a part. At least for the first year, all 1,000 counties that had been eligible for special subsidies from the spectacularly unsuccessful Area Redevelopment Administration can knock on Secretary Connor's door for similar help after the bigger developments bill becomes law. And, to mobilize maximum congressional support for the billion-dollar-a-year bill to help "educationally deprived" children, Johnson men concocted a formula spreading whatever an eager Congress appropriates to all but 6 percent of the Nation's 3,000-odd counties.

Yet, months before Mr. Johnson ceremoniously signed the school aid bill outside his Texas boyhood schoolhouse, Sargent Shriver's office embarked on its own education program, intended for much the same purpose. Among other grants, antipoverty money went to Lansing, Mich., for remedial schooling; to Washington County, Va., for preschool training, and to Detroit for "expanded educational services."

Several parts of the antipoverty package are new. But Mr. Shriver also exercises partial responsibility for a batch of overlapping "delegated" programs which established bureaucracies manage: For small business loans; for rural loans, hitherto a Freeman preserve; for adult literacy, an ingredient of three existing programs; for "work study," launched in 1963 and assigned to HEW's vocational education administrators; and for "work experience," started in 1962 as part of the HEW's assignment to reduce relief rolls. Intruding into Interior Secretary Udall's reservation, Mr. Shriver operates a special program to help Indian tribes, many of which are also eligible to knock on Secretary Connor's development door.

A SHINY NEW PACKAGE

If the old programs were deemed insufficient the White House could have sought more money directly for them; or, if their results were disappointing L.B.J. could have replaced the administrators or sought revisions in the governing statutes. Instead he bundled them into a shiny new package for presentation to a cooperative Congress.

What with upward of 70 agencies operating several hundred programs to uplift people, communities or regions, official Washington keeps hoping that Mr. Freeman's committees, Mr. Shriver's community action outfits, Mr. Connor's redevelopment areas, and the metropolitan planning agencies promoted by Mr. Weaver will somehow wrap all the available aid from all the sources into an uplift package that makes sense.

By shifting more responsibility for coordination to recipients of their grants, loans, and technical help, the Feds further hope to spur local initiative. Already the Agriculture Department professes to see a "real revival" in long-lagging rural places, with "people sitting down together as never before."

Another advantage of the "do-it-down-there" approach is that it enables Federal administrators to hold down the roster of Federal employees. The directors, planners, and technicians hired by the 600 community action groups Mr. Shriver hopes soon to see functioning won't be added to the Government's employee rolls, although they'll be paid almost exclusively with Federal taxes. The staffs of Mr. Connor's redevelopment areas similarly won't be counted.

But few local politicians or planners willingly forgo rummaging in Washington's big kit for the tools allotted to them by law or for those to which they can stake reasonable claim. It was, for example, a rare locally drawn "overall economic development program" under ARA that didn't include a vocational school or an industrial park.

Still, it's widely believed here that reliance on local coordination will help untie Washington's tangled jurisdictions and slice through the overlap.

[From the Wall Street Journal, Thursday, June 10, 1965]

Many Poverty War Programs Duplicate Past Efforts

(By Jerry Landauer)

WASHINGTON.—Congressional readiness to swallow President Johnson's prescriptions for curing social ills may obscure important ingredients of the inviting dosage he's compounding. Whatever its effect may prove to be, the Great Society's uplift medicine contains bitter indictments of what Government supposedly has been doing all along.

The billion-dollar package of special aid to Appalachia and the war on poverty are two of the chief cures L.B.J. proposes. But, to a substantial extent, both are attempts to remedy failings of old medicine or bunglings in the way it's been applied.

How else explain, for example, the belief of the zestful poverty fighters that 300 Indian tribes or bands living on reservations need their help?

Old-line combatants in the Bureau of Indian Affairs will spend this fiscal year—mostly to wage improvement programs embracing education, welfare services, economic development, vocational training and the like—$220 million, triple the sum available a decade ago. In addition, Congress voted the Public Health Service $60 million this year for a continuing program to build and operate Indian hospitals and to supply medical care and sanitation.

Yet in soliciting congressional funds to double his poverty war effort, Sargent Shriver suggests in words and pictures that the Government's Indian wards continue living in hopeless squalor. "There is new reason for hope now," he says, referring to the Office of Economic Opportunity's special uplift effort.

"What we're trying to do," one poverty fighter explains, "is breathe new life into fossilized old agencies." A spokesman for the Indian Bureau agrees that his old agency may be "lumbering" along, but he thinks, too, that the Shriver men are a rather "nervy bunch."

Similarly, even welfare programs that were updated and overhauled at President Kennedy's behest still can't be working too well. And, the antipoverty planners imply, the corps of case workers laboring for State and local governments administering relief grants to which Washington contributes must be turning in a miserably mediocre job.

In 1962, hoping to shift thousands off the dole, Congress authorized 75 percent Federal financing of self-help, training and community work projects for able-bodied people and for needy persons likely to become public charges. Now it's said some States can't scrape up their 25 percent matching share. But rehabilitation needn't be expensive. For just $1,770,000, according to Mr. Shriver's presentation, a Work Experience project in Los Angeles will "approach" the problems and needs of 5,600 unemployed by providing adult basic education, vocational training, child care, medical services, counseling and job placement.

REPETITION OF EFFORTS

Many recently launched or newly proposed Federal efforts appear little more than second swings at the same ball or attempts to undo the undesirable results of old programs.

Thus the subsidy enacted last year for cotton textile mills counteracts the unintended effect of two earlier subsidies. Price propping's failure to help most small farmers requires new aid for them. Suburban "slurbs," in part the result of Government encouragement of single-family homebuilding, prompt proposals for outlays to contain sprawl. Mass transit subsidies, it's hoped, will stanch the drain of riders from commuter railroads and buses to which hectic superhighway building contributes.

Despite unhappy experiences, the big bundle of aid for Appalachia suggests that the basic pattern—new spending to correct old mistakes, evasions, or lack of foresight—isn't being broken.

In Appalachia, coal mining is the chief industry and declining markets for coal the key cause of the region's decade-long depression. Appalachia uplifters propose to invest $5 million for technical assistance to owners of small timber stands and to finance timber-selling cooperatives. But not one dime did they suggest for similar help to hundreds of small coal operators, who employ upward of 50,000 men, mostly nonunion One reason for the apparent oversight was opposition by the United Mine Workers, a union which naturally isn't keen about Federal help for nonunion mines. At congressional hearings, Armistead W. Gilliam, Jr., counsel for the National Independent Coal Operators Association, cited "political reasons" for the neglect; "no supporter of the bill ever answered us," Mr. Gilliam now recalls.

This year the Agricultural Research Service budgeted $122.7 million for research, then, in coming to Congress for extra money to get through the year, insisted with no trace of defensiveness that "there are no agricultural research programs in the Appalachia area at this time related to specific problems of that area." Give us just $520,000 more, the researchers pleaded, and we'll adapt what we know to Appalachia's particular needs, and we'll study improved methods of conserving soil, water, and grassland.

Another of Agriculture's research arms, the Cooperative State Research Service, is less affluent. It has just $50.4 million to disburse this year. But more explicitly than its bigger sister, this agency outlined for Congress the kind of research needed in Appalachia. Among other possibilities, it suggested studying what low-income families eat; the aspirations of youths in Kentucky and Tennessee; and "social and economic problems facing low-income farm adjustments. (What problems do they face and what are their attitudes? What do the children do?)

"Maybe somebody should have done some of this before," one administrator concedes. "But research after the fact is better than no research at all."

In line with this view, Appalachia aiders in HEW don't intend to withhold money for heath centers there until Agriculture researchers discover, from a 15-month study, "the relation of physical facilities to health in the Appalachia area."

CONVERGENCE ON ACCESS ROADS

Nor will Commerce Department roadbuilders, charged with approving 1,000 more miles of access roads, wait for a third Agriculture outfit, the Economic Research Service, to determine the effects on agriculture and rural communities of "specific proposed development programs, such as improvement in access to rural areas."

Perhaps Agriculture's administrators might be more attuned to the research needs of much-discussed distressed regions if they were more inclined to withdraw from places officially designated as part of a standard metropolitan area by Budget Bureau statisticians. Thus in 1956 and 1958, respectively, Clayton County and Gwinnett County in Georgia were deemed sufficiently urban to merit membership in the Atlanta metropolitan area. Yet in the mid-1960's four agencies of Agriculture still were giving, lending or studying there and a fifth, unrepresented in 1962, got going in 1963.

By no means all the blame for overlooking what are now said to be Appalachia's needs belongs on the administrators. Agriculture Secretary Freeman, for example, must share his responsibilities with four unofficial Secretaries on Capitol Hill. "Besides Orville, don't forget, there are the chairmen of the two Agriculture committees and the chairmen of the House and Senate Appropriations subcommittees," a veteran congressional aid observes.

Not unexpectedly, the sharing of responsibility cramps the titled Secretary's freedom to choose priorities. To get much done, he must negotiate with the untitled department heads in a manner reminiscent of the way sovereigns negotiate treaties.

Early this year Mr. Freeman decided he could safely close a number of agricultural research stations and curtail work at others; he hoped thus to save $5,151,000. The Senate Appropriations Subcommittee, reviewing his decision, found justification for reducing research by just $2,521,000. Mr. Freeman then went to the Hill to quibble with Chairman Spessard Holland, Democrat, of Florida, and with Senator Milton Young, Republican, of North Dakota, the ranking GOP member. Ultimately the Senate sachems agreed to cutbacks totaling $2,985,600. Later a treaty spelling out the agreed terms was duly published in the Congressional Record.

Often even more inhibiting are the allocation formulas Congress has written into most Federal grant programs. These determine what percentage of the cash appropriated by Congress for various purposes will flow to each State. Often the States with low per capita income receive a proportionately higher percentage.

Advocates of rigidly written allocations argue that they shield administrators from political temptation. But, by determining in advance where Federal money will go, they also deny discretion to channel the money to places which might use it best or need it most.

Not infrequently the region needing most gets least. For example, one-third of each State's claim on Federal highway money, both for primary highways and secondary roads, is based on population. This means that States in Appalachia, where population growth is far smaller than the national average (West Virginia actually lost people from 1950 to 1960), obtain smaller percentages with each decennial census.

COSTS NOT CONSIDERED

Moreover, road-building in mountainous areas costs twice more than the national average. But costs aren't taken into account when Washington doles out highway aid. So, to bail out the Appalachia States, the Feds now propose to pump $840 million extra into the region for roads.

Critics, including rebellious liberals like Representative Edith Green, Democrat of Oregon, fear that the new billion-dollar-a-year school aid bill to help "educationally deprived" children will similarly widen inequality and, in so doing, make another bail-out effort inevitable.

Unlike the road construction formula, school aid allotments depend on what various States have been willing or able to spend themselves. But the results of dividing grants on the basis of these education "costs" are curious.

Assuming Congress appropriates the full sum it has authorized, 10 counties with highest per capita income—including Montgomery in Maryland, Du Page in Illinois and Fairfield in Connecticut—will share in $8.9 million. Ten poor counties, including Sunflower in Mississippi, Knox in Kentucky, and Sumter in Alabama, will divide $4.5 million.

Just 3 percent or 6,210, of all the school-age kids in Westchester County, N.Y., (median family income: $8,052) are regarded as educationally disadvantaged. In Williamsburg County, S.C. (median family income: $1,631), 41 percent, or 6,118, are so regarded. Yet Westchester will receive $2,189,000; Williamsburg gets $810,000.

The justification for the disparity is that a poor kid in Westchester is just as needy as a poor kid in South Carolina; that the Federal grants must be funneled to school districts of greatest need; that the Federal money will constitute a far larger percentage of the poor counties' school budget.

Nonetheless, one Federal education administrator, calculating that Grant County, W. Va., must bank its checks from Washington for 3 years to have enough for a new school building, thinks "this is just seed money. We'll have to have another program later on."

Denver, Colo.,
July 2, 1965.

Dear Sir: This may be a little different letter than you are used to getting or again it may be often and gain nothing.

I'm wondering just how this war on poverty and the VISTA programs are supposed to be helping the war on poverty.

You see, my experience is not just hearsay. I've been a part of both programs.

Denver's war on poverty is only a setup for a few high-paid people to keep doing better for themselves both monetarily and politically. These 50 who were to get training to take jobs that never materialized, why just the money paid to them would have been enough to have kept a family quite a while. The big people of the program didn't give a darn whether it worked or not; in fact, to cite an instance, the first night of class I told Dr. Hyman for a couple of weeks I'd probably have to miss a couple of nights. His reply, "It really makes no difference to me. I'm an employee of the university."

Then there is VISTA—my, the money wasted. I'm wondering how some of the group I was with in Chicago answered their application. When I arrived there was such a lack of communication I missed a part of the first meeting. The desk clerk told me what room to go to. I went. The receptionist told me the room wouldn't be ready for an hour—I could wait in the lounge. There I sat about 45 minutes, then a group came out of a room. I noticed a VISTA folder. I asked if they were interested in VISTA. "Ha, ha," the little gal said, "we are VISTA." So I joined the group—60 people, 1 man 77, myself 41, the other 58 college kids. Boy, they're having a ball in Chicago.

Assignments? You go around and talk to people, you draw a map; my assignment was a little different. I actually had a schedule 5 days a week. I did five different things always being told to build friendships with these disadvantaged people. How may I ask do you build friendships or even good will when you've been told to find out what these people need, write out your report then you're told to "just put it in the drawer." Well, I know enough about the disadvantaged to know if there is anything they don't need it is more stupid, hollow promises.

Thursday in our group discussions I was finally able to get a straight answer from our group leader. I asked if all this mixup was lack of communications. "Yes," she said, "I think you've hit it on the head. The Friday before you all came we were told we'd have 8 people then Saturday we were told 45 then finally we ended up with 60, so really we weren't ready for so many." Now maybe I don't know enough about Government spending but it seems to me it would have been much more efficient to have notified these volunteers (?) to postpone their coming for a week or two to give the people in Chicago time to sufficiently prepare for them than to set us up for the planning period.

I couldn't stand the inefficiency any longer. I asked to be relieved. I came home; others have the same idea. If there are 15 people who stick out their year, I'll be very much surprised.

Now when I get back to Denver I read in the paper the "War on Poverty" heads are getting big raises; guess I'll go down Tuesday and try and get on the gravy train. If they ask for my credentials I'll tell them I have no conscience on accepting Government money.

Sincerely,

Dorothy Lindsay.

P.S.—I'm sending copies of this letter to several people who I hope are interested enough to read it.

[From the Wall Street Journal, June 16, 1965]

Clashing Crusades—Antipoverty Push Run Into Widening Conflict With Antitrust Efforts—Pressure Grows for Lenient Treatment of Acquisitions Likely To Aid Employment—Alcoa, Kaiser Could Benefit

(By Monroe W. Karmin)

Washington.—Of all the Great Society crusades, none is more closely identified with its leader than the war on poverty. Because of President Johnson's interest, the antipoverty cause is having an important bearing on other, older, but less dramatic Federal campaigns—antitrust, for example.

Deep in the Justice Departments antitrust division, high on Capitol Hill, and far and wide among lawyers who represent corporate clients, this message is being passed: "When antipoverty comes up against antitrust, antipoverty is going to win."

In pragmatic terms, this means the door is now open just enough to permit major corporations, heretofore scared of expansion via acquisition for fear of antitrust attack, to take over smaller businesses if—and this is the key—they can show the acquisitions protect imperiled jobs and prevent poverty.

"You have to go to the brink," explains one private antitrust attorney. "In effect, you must convince the Justice Department it's sell or shut down"—that is, the smaller company must sell to the bigger one or else it will be forced to shut down and throw people out of work.

"SOMETIMES CAN'T GO BY BOOK"

In loftier language, the magic phrase seems to be "broader social or economic considerations." Because of such considerations, says Attorney General Nicholas Katzenbach to the dismay of his Department's antitrust veterans, sometimes you just can't go by the book. Effect on competition might not always be the main guideline, particularly if the company is, say, in a depressed community." This guidance is sure to be passed to Prof. Donald F. Turner when he arrives from Harvard next week to assume command of the Antitrust Division.

Though Mr. Katzenbach limits his remarks to "marginal" cases in which the antitrust argument may be thin, private defense lawyers are attempting to exploit the opening as much as possible. In recent months pleas of poverty, or the threat of it for the communities involved, have produced a succession of corporate victories throughout the antitrust spectrum: In mergers presented to the Government for review, in consent decress negotiated to settle antitrust action and in arrangements to undo mergers declared illegal by the courts.

Beneficiaries include these major corporations—Continental Can Co., Kaiser Aluminum & Chemical Corp., General Electric Co., and Firestone Tire & Rubber Co.; these influential Senators—RIBICOFF of Connecticut, MCCLELLAN of Arkansas, BYRD and RANDOLPH of West Virginia, and PASTORE of Rhode Island, all defending job-worried constituents; and these fearful communities—New Britain, Conn., Fort Smith, Ark., Wheeling and Clarksburg, W. Va., Bristol, R.I., and Barberton, Ohio.

The latest test of antipoverty's appeal is being conducted behind the closed doors of Federal Judge Stephen W. Brennan's chambers in Utica, N.Y. Judge Brennan is deciding how to comply with last June's Supreme Court order to undo the 1959 acquisition by Aluminum Co. of America of Rome Cable Corp.

FEARS LOSING 1,200 JOBS

Sitting in on the secret deliberations is James C. O'Shea, a lawyer hired by Rome, N.Y., to represent the community's interest. That interest is to keep the Rome Cable plant, with its 1,200 jobs, in operation, preferably by Alcoa. Declares Rome Mayor William Valentine: "If Alcoa were required to divest Rome Cable and didn't find a buyer, we might end up with an empty plant. Then we certainly would be in dire economic condition."

Mr. O'Shea won't discuss the case, but he's certainly informing the Court that Rome, while not officially a depressed area, nevertheless has suffered from unemployment ills (now 6.5 percent of the work force) long enough to qualify for some Federal aid. Also, Rome sees itself as still reeling from an earlier Washington blow: Defense Secretary McNamara's decision to gradually shut down the Rome air materiel area at Griffiss Air Force Base at a cost of 2,700 jobs.

The Justice Department, of course, has no desire to close down Rome Cable and throw people out of work; it just wants to oust big Alcoa in favor of some other management. Indeed, that was the intent of the original antitrust suit: To prevent concentration by preserving competition between the two companies. But Rome Cable now contends that, if divorced from Alcoa, it won't be able to manage by itself, nor does it expect that interested buyers would rush to its doors. Thus the specter of closing is raised.

To hardened Government antitrust prosecutors, the small of contrivance is in the air. While they don't dispute the distress of Rome and other communities with a stake in antitrust actions, they do suspect that defense lawyers may be trying to achieve via antipoverty what they can't get under antitrust. In the Alcoa-Rome case, the prosecutors fear an outcome similar to that which followed Kaiser's acquisition of a wire and cable plant in Bristol, R.I., from United States Rubber Co.—an outcome that still pains ardent antitrusters.

KAISER SETTLES

Kaiser purchased the Bristol facilities in 1957; 4 years later the Government attacked; last summer the case came to the attention of Senator PASTORE; in January the Government and Kaiser settled on a consent decree.

Senator PASTORE'S plea was antipoverty, pure and simple. He beseeched both Mr. Katzenbach and William H. Orrick, now about to step aside as Assistant Attorney General in charge of antitrust for a "commonsense" approach contending that divestiture by Kaiser would cost 700 jobs for residents of Bristol which was in an officially designated "labor surplus area."

Under the consent settlement, Kaiser is offering the Bristol plant for sale, over a 9-month period, to anyone who will pay the price of Kaiser's 9-year investment, accumulated employee pensions, and other benefits, and a plant and equipment improvement program the company has underway. All this jacks the price up pretty high. If Kaiser fails to find a buyer within the 9 months, it keeps the plant.

Few expect Kaiser to find a buyer. An aid to Senator PASTORE calls the 9-month offering a "technicality"; private antitrust attorneys regard the settlement as a "victory for Kaiser's lawyers"; and a top Government antitruster describes the decree as "the closest thing to hogwash I've seen." So, in the end, Kaiser, primarily for antipoverty reasons, may wind up retaining an acquisition that the Government deemed objectionable on antitrust grounds.

FAILING COMPANY DOCTRINE

Actually antipoverty is not an entirely new concept in antitrust contention. It has its antecedents in the failing company doctrine to which the courts have paid some attention over the years in permitting mergers where one company might otherwise fail. But that earlier doctrine is at best vague, and its rationale is the salvation of companies only. The new antipoverty design packs more punch, defense laywers are sure, because it seeks instead to save jobs for people and communities.

Especially with President Johnson's personal commitment to the war on poverty, the appeal can be hard to resist. Listen to the essence of an argument by Senator RIBICOFF:

"At a time when so much of our Nation's resources are being devoted to poverty, unemployment, and the problems of the urban and rural poor—at a time when the concern of all of us is with maintaining a healthy economy and expanding prosperity—one division of the executive branch of Government demonstrates absolutely no concern with the social consequences of its actions."

The culprit thus singled out is the Justice Department, of course. Senator RIBICOFF, speaking also for Senator MCCLELLAN, used the argument to convince the Department to withdraw its objections to the acquisition earlier this year by General Electric of the household appliance business of Landers, Frary & Clark. At stake, the Senators contended, were 1,000 jobs in New Britain, Conn., and 600 in Fort Smith, Ark., that would disappear if Landers, Frary were denied a new parent.

SAVED THE JOBS

Though Mr. Orrick's division resisted the retreat, Attorney General Katzenbach, in the words of someone familiar with the negotiations, viewed his choice thus: "Against a minor disservice to the antitrust laws he had to balance the loss of some 1,600 jobs." In this view, Mr. Katzenbach saved the jobs.

There's evidence the courts are beginning to display similar sympathies. Certainly Federal Judge Frederick Van Pelt Bryan did so in carrying out last June's Supreme Court order to unravel Continental Can's 1956 acquisition of Hazel-Atlas Glass Co.

Continental Can sold off most of its Hazel-Atlas properties, but wanted to keep a pair of West Virginia facilities, a metal cap plant in Wheeling and a glass tableware plant in Clarksburg. West Virginians, still suffering from above-average unemployment, grew frantic at the thought that Continental Can might not be allowed to remain.

Senators RANDOLPH and BYRD, along with interested Congressmen and then-Gov. W. W. Barron, bombarded the Justice Department with pleas for leniency. At one point, Senator RANDOLPH discussed the matter with President Johnson. At another, Senator BYRD brought a delegation of State business, labor, and civic leaders to Washington and prevailed upon antitrust chief Orrick to explain his position to the crowd. Mr. Orrick reiterated his desire to keep the Wheeling-Clarksburg plants operating, but insisted that Continental Can had to sell to someone else.

In the end, Judge Bryan decreed that Continental Can could keep its Wheeling-Clarksburg plants. Even extensive hunting for a buyer might sap the hope of these two officially designated labor surplus communities, he declared, adding: "Such a result would be contrary to the declared policy of the Government as expressed by Congress, to take all steps possible to alleviate the depressed economic condition of these areas * * *."

The facet of all this that most disturbs the antitrust enforcers is the potential for pyramiding. An example is the Government's concurrence in Firestone's recent purchase of the Barberton, Ohio, tire-making facilities of Seiberling Rubber Co. (now Seilon, Inc.). Firestone, abetted by civic leaders, claimed the acquisition saved the jobs of 1,400 Seiberling employees.

Seiberling, in shopping for a buyer, had issued an invitation to Goodyear Tire & Rubber Co., among others. However, Goodyear, the No. 1 tiremaker, decided not to risk antitrust troubles. But when Firestone, No. 2 in the industry, got clearance to take over Seiberling, Goodyear decided to act to protect its leadership position. It acquired an option to buy the tire business of Lee National Corp.

As yet, the Goodyear-Lee transaction has not come before the Government. However, the Lee plant at Conshohocken, Pa., has been closed for 2 years, and if the Government complains, Goodyear can contend that its action will make available 300 jobs to the community.

Mr. ALLOTT. I now yield to my distinguished colleague from Colorado.

Mr. DOMINICK. Mr. President, first of all I wish to endorse what my distinguished colleague has said about the need for cutting back this program.

Because I believe it would be edifying for the RECORD and because I believe my distinguished colleague and other Members of the Senate would enjoy hearing it, I should like to read an article into the RECORD at this point. It deals specifically with the poverty program. It is an account of the most outrageous type of scheme proposed in the name of poverty that I have ever heard. It will take a little time to read it. I can obtain the floor in my own right later today, and I do not want to put it in by reference, because it is too good. I wish to read it into the RECORD. I wonder if the Senator would mind yielding me enough time. It is pertinent to his amendment.

Mr. ALLOTT. I shall be glad to yield the floor, and my distinguished colleague can be recognized in his own right.

Mr. DOMINICK. Mr. President——

The PRESIDING OFFICER. The junior Senator from Colorado is recognized.

Mr. DOMINICK. Mr. President, this article comes from True magazine, and it came to me in a letter. The letter was written by a man whom I can describe only as being angry. He is an angry young man, and he was sufficiently angry about the Government handouts which were not doing any good to the poor that he wrote a handwritten letter to me consisting of some seven pages. Included with the letter was the article, which is entitled, "Prosperous Town Is Forced To Accept U.S. Poverty Money."

It reads:

> YPSILANTI TOWNSHIP, MICH.—On January 17, 1965, speaking at Johnson City, Tex., the President of the same name announced the approval of 88 new antipoverty grants. One of them, in the amount of $188,252, was for a demonstration project in the Willow Village area of southeastern Michigan.
>
> On January 18, a slim, soft-spoken fellow named Roy Smith picked up a newspaper and stared at it incredulously. He had no connection with the war on poverty. He was and is supervisor of Ypsilanti Township, which lies in Washtenaw County, the highest income county in Michigan. To be sure, the subdivisions of Smith's district were not comparable to some of the prestige neighborhoods of nearby Ann Arbor, where the University of Michigan is located. A good share of his constituents were hourly rated employees or lower grade executives in the automobile industry. But he was certain his township could boast average family earnings of more than $7,000 a year. So he had no connection with any impoverished area, either.
>
> Even so, he had good reason for being stunned upon learning "Willow Village" had been designated an official poverty area to the tune of a sizable hunk of the taxpayers' money. For one thing, there was not any such place as Willow Village. For another, where most of Willow Village had once existed, the recently built homes and schools, parks and glistening new shopping center stores of Ypsilanti Township were now standing.
>
> Ironically enough, Roy Smith had been warned of what was coming. He'd simply refused to believe it was possible.
>
> Some 8 weeks earlier, he'd received an inch-thick manuscript in the mail, along with a letter from Mr. Hyman Kornbluh of the Institute of Labor and Industrial Relations—one of the numerous research groups supported by Michigan's tax-supported universities. "Under separate cover, I am sending you a copy of the proposal we have submitted to the Office of Economic Opportunity in Washington," the letter had explained. And it had gone to request the township's cooperation in a project of mutual interest.
>
> Roy had begun reading the manuscript. And in doing so he'd also begun what was to be, for him, a long, lonely journey into a bureaucratic-academic fantasyland—a world where reality was regarded as of so little importance by officious-sounding officials that he would more than once find himself doubting his own sanity. What was labeled a report to the Federal Government from a famed and respected university sounded more like some amateur novelist's attempt to write a Michigan version of "Tobacco Road."
>
> "By almost any standards," the script insisted, "Willow Village is an impoverished community." Actually, Willow Village was the name of a World War II housing project erected for the workers at the big Willow Run bomber plant, a project the Federal Government had abandoned to be torn down by Ypsilanti Township and replaced by privately built housing. The name still existed only on some low-rent but extremely attractive apartments that lay just over the line in Superior Township. And by any standards whatsoever, income for the designated area ran well above the national average.
>
> Industry had "passed by the core" of this "depressed community," the report continued, and the few folks fortunate enough to find work "were in service and menial jobs." The truth was that the smoke of five gigantic automobile factories could be seen from the area's center, and the personnel manager of one of them had recently commented that anyone who could pass a physical could find employment there.
>
> "Willow Village is a community without social services," the report went blithely on, "There is no medical facility, no newspaper, no self-government, no recreational or cultural or even entertainment facility. There are no stores in the area, and schools are a bus ride away."
>
> Roy Smith had to shake his head hard and wipe his glasses before rereading that passage. The area not only received the social services of all Ypsilanti Community Chest agencies but even contained the headquarters of some of them. Ridgewood Hospital was just 1 mile to the north, and 3 miles to the southwest was the Beyer Memorial Hospital to which the township had paid $58,000 last year to guarantee that none of its residents could be denied a bed. Furthermore, a busy doctor's office shared the new Sunrise Shopping Center with a supermarket, a discount department store, and several other shops, all within sight of a library and a bowling alley and some of the parks where the township's $10,000 summer recreation program had been carried out. Four different newspapers were delivered daily in the area. All but a few of the children walked to school because they lived so close they were specifically prohibited from receiving bus rides under Michigan law. And if there was no self-government, Roy was forced to wonder, just who the hell had elected him?

Mr. President, there is a great deal more to this. The statement points out that the whole thing had been created by six people, none of whom lived in the area, none of whom had been in the area, and most of whom were going to be receiving benefits under contracts through the university for surveys in the area, without any of the money getting into the area eventually. There is $188 000 involved. The program is still going on; it is still in progress. There is now a community organization, which I believe is one of the best things established. The community organization is called "REPLY," standing for "Return Every Penny and Leave Ypsilanti township." That is the organization created by the citizens to tell the poverty workers, "Go home and bring your money back to Washington. It came from us in taxes. We did not want it. We did not organize it. We did not ask for it. It is being forced on us to the tune of $188,252."

Mr. President, I believe the statement I have read is of importance in showing citizens' reactions. Next to their best shopping centers and their houses they have erected signs stating, "Attention. You are now entering a poverty area." Obviously the houses are the homes of those in the middle income categories.

A survey was conducted to determine the average monthly income in the area. It came to more than $9,000 a year for the families there.

It is nonsense for us to be spending the kind of money that is being proposed under the bill in programs that will not reach the poor, and which are not doing what we wanted to do when we established the original program, which is still an administrative hash. That is about all it could be termed.

It seems to me the very least we can do is to cut back to last year's authorization, which is exactly what my senior colleague from Colorado [Mr. ALLOTT] is requesting, plus providing a study program, which is so important in order to determine how much money is getting to the poor.

It has been pointed out that the proposal is not restricted to one item. Roy Smith, who was elected, and who, I am happy to say, is one of the few Republicans who survived in the election of last year, started receiving letters from all over the place. He received letters from New Jersey. At one point, in Newark alone, there were seven poverty fighters in the over-$10,000-a-year salary bracket. The top wage was $23,000.

Hearing of this, the corps of poverty fighters assigned to Paterson, N.J., where the salary was a mere $18,500, were about to request a pay raise, but they finally decided against it. After all, the mayor of Paterson was receiving only $17,500 a year.

Floods of this material came to him from all over the country, indicating once again what we have put in our minority views, and what my colleague [Mr. ALLOTT] has reported from Denver, Colo. It was not in the minority views at that time. It merely indicates that money is going down the drain and is not doing what it is supposed to be doing. Until we correct that situation, it does not seem to me that we should double the size of the expenditure of this program.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DOMINICK. I am happy to yield.

Mr. WILLIAMS of Delaware. I congratulate the Senator from Colorado for giving those examples showing how our money has been wasted. My attention was recently called to another $230,000 grant that was made in the New York area. Shortly after they received the grant of $230,000 all the officials went up to the Adirondacks for a weekend to study the juvenile delinquency problem in the New York City area. While they were up there their expense accounts totaled over $2,000 for refreshments and rooms at that plush resort. There were present six consultants who were drawing $75 a day plus all expenses for the 2 days that they were there. Luncheons, dinners, and special refreshments that were charged on the expense account for this trip were rather lavish.

In addition, I noticed that the expenses of the numerous luncheon, breakfast, and dinner meetings that this group of directors held after they were organized were consistently charged to the expense account as a part of the poverty program. At the same time those men were drawing salaries as officials of from $12,000 up to $20,000.

One of the high salaried officials even had the gall to charge to the Government $12.85 for a tuxedo he had rented to attend one of these social functions. This tuxedo rent was charged as a part of the poverty program.

Ironically, all these expenditures were approved by the agency. I observed that none of those expenses were disallowed, so I assume they must have approved of the expenditures.

I join the Senators from Colorado in urging that we do cut the authorization to a more realistic level. The administration should be told that it was never intended that such items as the rental of tuxedos or liquid refreshments be included as official expenses. There was a charge of $63.20 for flowers to be used at an open house meeting. Since when is $60.00 for flowers a legitimate expense of the antipoverty program?

Other items on the expense account of these administrators of the poverty program in the New York City area are: $119.50 for a movie camera; camera accessories, $80.85; miscellaneous camera attachments, $57.40; Yashica camera, $59.95; special lens, $89.50; five rolls film, $14.25; film, $12.17; four more rolls of film, $9.80; photographs mostly of officials of the program, $162.98.

Mr. DOMINICK. I sincerely appreciate the contribution of the Senator. This is one more example of the problem that exists, and an apt one.

I yield to the senior Senator from Colorado.

Mr. ALLOTT. Mr. President, the remarks of my distinguished colleague from Colorado are accurately directed toward the heart of the subject, as are the remarks of the distinguished Senator from Delaware. They point out that we are in a full-blown process of spending $2 billion on a program that should be in the pilot stage.

We who are genuinely interested in trying to raise the standard of living of people and who see hundreds of millions of dollars being thrown about, as this money is being thrown about, cannot help feeling that we have missed the mark for a long while. If we are going to do anything for these people, we must first find a way to motivate them. This is the most difficult thing in the world to do, as anybody who ever had anything to do with the process of education knows. Second, we must give them the opportunity, along with motivation, to improve their own lot. Without these two incentives, we shall not make any progress.

The Senator from Colorado has cited and added to the examples that I have already placed in the RECORD. One cannot pick up a newspaper without reading that politicians and bureaucrats all over the country are squabbling over the billions of dollars that Congress proposes to spend on the poverty program. The people who really need help are going to come out with nothing.

Mr. DOMINICK. I thank the Senator. He is 100 percent correct. This is why we should support this amendment to cut back the amount.

I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Not only are politicians fighting over who is going to handle this multimillion-dollar program but there is also the fight over patronage. In many instances there is developing a patronage feud among the Democratic politicians as to who is going to control the jobs. Considering the lavish expense accounts, that are being permitted with the high salaries I can well understand their attractiveness as rewards to politicians.

Mr. DOMINICK. Again, I express appreciation to the Senator from Delaware. I wish to read one more excerpt from the article which deals with distribution of funds:

> After all, the late President Kennedy's shock at what he's seen upon carrying his primary campaign into that State—

Meaning West Virginia—

> had been one of the prime factors in creating the national mood that resulted in the war on poverty. Why then, West Virginians were wondering, had their antipoverty allotment so far been little more than $400,000, while the high-income State of New Jersey had already received $12½ million?

Another part of the same problem is whether the money is getting down to the areas where it is needed.

I was a little distressed last night when I drove home. I had the radio turned to one of the better-known stations in Washington. I heard one of our well-known commentators say that the poverty program was making substantial progress; that a move to cut $500 million was defeated "today." That was an accurate statement—absolutely accurate. There was no problem about that. The amendment was defeated, and to that extent we were one step ahead toward passing the committee bill.

But what was not mentioned was that the committee bill would double the previous year's authorization, and that the amendment which was defeated would have increased by 38 percent the amount that was spent on poverty programs in the previous year. That was the purport of my amendment.

The point I wish to make is that it is felt that anybody who seeks to straighten out the program is against the poor, and that is about as ridiculous as anything I can think of.

What we are trying to do is develop some mechanism by which the funds we supply for the war on poverty can be used for that purpose and not for the enrichment of the Government personnel who manage it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled, "A Prosperous Town Is Forced To Accept U.S. Poverty Money," published in True, The Man's Magazine, for August 1965.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A Prosperous Town Is Forced To Accept U.S. Poverty Money—Zealous Poverty Fighters Say Michigan's Ypsilanti Township Needs $188,252 To Get on Its Feet—and They Won't Take No for an Answer

(By Gene Caesar)

YPSILANTI TOWNSHIP, MICH.—On January 17, 1965, speaking at Johnson City, Tex., the President of the same name announced the approval of 88 new antipoverty grants. One of them, in the amount of $188,252, was for a demonstration project in the Willow Village area of southeastern Michigan.

On January 18, a slim, soft-spoken fellow named Roy Smith picked up a newspaper and stared at it incredulously. He had no connection with the war on poverty. He was and is supervisor of Ypsilanti Township, which lies in Washtenaw County, the highest-income county in Michigan. To be sure, the subdivisions of Smith's district weren't comparable to some of the prestige neighborhoods of nearby Ann Arbor, where the University of Michigan is located. A good share of his constituents were hourly rated employees or lower grade executives in the automobile industry. But he was certain his township could boast average family earnings of more than $7,000 a year. So he had no connection with any impoverished area, either.

Even so, he had good reason for being stunned upon learning "Willow Village" had been designated an official poverty area to the tune of a sizable hunk of the taxpayers' money. For one thing, there wasn't any such place as Willow Village. For another, where most of Willow Village had once existed, the recently built homes and schools, parks, and glistening new shopping-center stores of Ypsilanti Township were now standing.

Ironically enough, Roy Smith had been warned of what was coming. He'd simply refused to believe it was possible.

Some 8 weeks earlier, he'd received an inch-thick manuscript in the mail, along with a letter from Mr. Hyman Kornbluh of the Institute of Labor and Industrial Relations—one of the numerous research groups supported by Michigan's tax-supported universities. "Under separate cover, I am sending you a copy of the proposal we have submitted to the Office of Economic Opportunity in Washington," the letter had explained. And it had gone on to request the township's cooperation in a project of mutual interest.

Roy had begun reading the manuscript. And in doing so he'd also begun what was to be, for him, a long, lonely journey into a bureaucratic-academic fantasyland—a world where reality was regarded as of so little importance by officious-sounding officials that he would more than once find himself doubting his own sanity. What was labeled a report to the Federal Government from a famed and respected university sounded more like some amateur novelist's attempt to write a Michigan version of "Tobacco Road."

"By almost any standards," the script insisted, "Willow Village is an impoverished community." Actually, Willow Village was the name of a World War II housing project erected for the workers at the big Willow Run bomber plant, a project the Federal Government had abandoned to be torn down by Ypsilanti Township and replaced by privately built housing. The name still existed only on some low-rent but extremely attractive apartments that lay just over the line in Superior Township. And by any standards whatsoever, income for the designated area ran well above the national average.

Industry had "passed by the core" of this "depressed community," the report continued, and the few folks fortunate enough to find work "were in service and menial jobs." The truth was that the smoke of five gigantic automobile factories could be seen from the area's center, and the personnel manager of one of them had recently commented that anyone who could pass a physical could find employment there.

"Willow Village is a community without social services," the report went blithely on. "There is no medical facility, no newspaper, no self-government, no recreational or cultural or even entertainment facility. There are no stores in the area, and schools are a bus ride away."

Roy Smith had to shake his head hard and wipe his glasses before rereading that passage. The area not only received the social services of all Ypsilanti Community Chest agencies but even contained the headquarters of some of them. Ridgewood Hospital was just 1 mile to the north, and 3 miles to the southwest was the Beyer Memorial Hospital to which the township had paid $58,000 last year to guarantee that none of its residents could be denied a bed. Furthermore, a busy doctor's office shared the new Sunrise Shopping Center with a supermarket, a discount department store and several other shops, all within sight of a library and a bowling alley and some of the parks where the township's $10,000 summer recreation program had been carried out. Four different newspapers were delivered daily in the area. All but a few of the children walked to school because they lived so close they were specifically prohibited from receiving bus rides under Michigan law. And if there was no self-government, Roy was forced to wonder, just who the hell had elected him?

Even more fantastic was the constant flow of phrases like "the present ghost town appearance" or "brush has overgrown the streets and roads." The report never quite claimed the inhabitants of this brush-choked ghost town were starving. Instead, it suggested "establishing a community vegetable field—to be run by the residents on a cooperative basis—with the produce available to the residents for their own consumption."

Starving or not, the manuscript noted, the impoverished people had formed a self-help group of "about 400 to 500" members called the Willow Run Association for Neighborhood Development—WRAND, for short—and immediately appealed to the University of Michigan to help them. After a thorough study, the University was submitting a proposed budget covering the community's needs. What the poor people needed most, it seemed, was the services of some "professional directors" with salaries up to $11,000 a year. Except for such items as $8,970 for the first year's publication of a "community newsletter" the only thing clear about the vaguely worded budget, all of which was subject to "university overhead," was that it was just the beginning. The report suggested, for example, that Willow Village apartments be granted enough further "Title IV" funds to permit the building of "several hundred additional units."

Wondering whether to laugh or cry, Roy Smith closed the book of 90-odd pages and stared dully at the plywood walls of his office. He vaguely remembered hearing of WRAND. Someone had buttonholed him for a $20 donation the summer before and, believing the group to be a normal community-betterment organization, he'd thoroughly approved of the idea. But the WRAND headquarters were over in Superior Township and, as far as he knew, so were its members. Yet all but a small portion of the area designated in the report was in Ypsilanti Township. Since the accompanying letter said "a proposal we have submitted," it was apparently too late to keep the university from making an incredible and perhaps embarrassing blunder. But he telephoned the man who'd written that letter anyway.

"Mr. Hyman Kornbluh? This is Roy Smith out in Ypsilanti Township. If you're going to write about this area, why don't you drive the 10 miles out here and look at it? That report of yours is just plain garbage."

The voice on the telephone sounded extremely upset, but it finally said something about "a matter of opinion."

"No, it's not." Roy asserted. "If you'd said there were 'few' stores or 'inadequate' facilities and so forth, that might be a matter of opinion. When you say there's no this, that, and the other thing—all of which are located in the area—there's no question of opinion involved. Look, you come out here, any time, at your convenience, and I'll drive you around. I want you to try defending that report while you're seeing what's here with your own eyes."

Hyman Kornbluh finally agreed and promised to call back soon. But that call never came. Roy showed the weird manuscript to several citizens allegedly living in a grown-over ghost town. And it brought laughter instead of indignation from everyone who read it.

"Why, there isn't an unpaved street in any of these three subdivisions of ours they've listed," they said. "There isn't a house in the entire area more than 10 years old."

"Why worry about it?" everyone chuckled. "They'll read that in Washington and toss it in the nearest wastebasket. The war on poverty is for places like Appalachia. If they send someone out here from the Federal Government, then some professors will have some fast explaining to do. But that's not your problem."

Running into this same reaction everywhere, Roy Smith soon began wondering if he wasn't taking the ridiculous report too seriously. By the time the new year began, the manuscript was lying forgotten in his crowded files.

But on January 17—without any attempt at prior investigation, with entire sentences from the ghost town report being repeated word for word in a White House press release—Willow Village was awarded an antipoverty grant.

For 4 full days, Roy, remained silent and did some soul-searching, chiefly while walking the streets of what was now an official Poverty Area. He didn't dispute the fact that there were a few scattered folks on those streets, as on almost all streets, who weren't very well off. Roy wasn't opposed to the antipoverty program; he was all in favor of the Government helping poor people in any way it could

Back in the depression, as a kid on a Tennessee farm, Roy Smith had eaten Government sowbelly the same as everyone around him was doing and been plenty glad to get it. He'd come a fair distance from that Tennessee farm, though. He'd been in the Marines in World War II and after the war had attended the University of Michigan on the GI bill. Then he'd worked in the automobile industry and, in 1959, had entered politics where he'd been quite successful. He is a moderate Republican and, along with George Romney, was one of the few members of his party to survive the 1964 Johnson landslide.

But Roy Smith had never forgotten the depression. If there was the slightest chance that any portion of that $188,252 might eventually filter down to help folks who needed it, he certainly didn't want to ruin that chance.

For four straight evenings at home, with his wife sensing a crisis and hushing his three children, he went over the proposed budget again and again. And absolutely nothing was really being promised there. Beneath all the long-winded descriptions of what might be done, the hard fact was that some nonteaching fellows at the University of Michigan were being given a good-sized piece of public money to do with as they pleased, as a reward for branding his township a poverty area. On January 22, he finally telephoned the nearest newspaper and mentioned some of the falsities in the Institute report.

The local papers, published in the shadow of the powerful university, were extremely wary of the story. They mentioned only a few of Roy's charges, then answered them with Institute statements that "some errors of detail in describing the physical elements and population statistics of the area did occur, but none of these errors was fundamental."

"Willow Village is, of course, not totally impoverished," Hyman Kornbluh was quoted as saying. "But it does contain pockets of poverty."

Smith couldn't help wondering if this was the same Kornbluh who'd sent him the report saying, "By almost any standards, Willow Village is an impoverished community." But press objectivity seemed to be picking up in direct ratio to the distance from Ann Arbor. "Federal Government says it's impoverished; area says it's thriving," the Detroit Free Press reported. And the little Redford Record put it even more bluntly: "University of Michigan dreams up poverty ghost town." But it was a Detroit TV commentator, Larry Carino of WJBK, who got to the heart of the matter.

He made a very sensible suggestion: "Let the University of Michigan explain exactly what it intends to do with the $188,000, or send it back with apologies."

But the Institute parried even this thrust. "The program has not yet been spelled out," Hyman Kornbluh explained, "because the cardinal point of a demonstration project is to demonstrate that the community can assess its own needs." Whether the community had assessed a need for them or not, it was also announced that the hiring of a staff "of about 12" would begin immediately.

Supervisor Roy Smith had understandably expected a cry of outrage to come from the folks who were being branded impoverished. But the issue had been so clouded and confused by academic doubletalk that only 10 people brought complaints to a township board meeting on February 2, and most of these were merely ladies who were miffed, because friends were phoning and offering to send them CARE packages. Furthermore, their young township clerk, Tilden R. Stumbo, kept urging them to "Wait and see.

"Sure, they got the grant by falsifying a document," he argued. "But some good could still come of the grant itself—new roads or parks."

Roy Smith could only hope that none of the youngsters who might play in such parks was listening to his elders' moral logic, and he said as much 2 days later when he got off a letter to Dr. Harlan Hatcher, president of the University of Michigan. After listing two pages of the fraudulent claims made in the Institute report, then adding that this was only a sampling, that the entire report lacked reality, he invited Dr. Hatcher to tour the area with him at any time and make his own comparison. "We teach our children to tell the truth," he mentioned. "If funds have been received on the basis of false statements, those funds should be returned."

Word of the controversy had reached Washington, but there was still no hint that any investigation would be made. "We didn't force that money on those people," an Office of Economic Opportunity spokesman told newsmen. "They themselves asked for it. Four or five hundred of them formed this WRAND organization and requested the University of Michigan to apply for and administer the grant in their behalf."

Thus assured, the demonstration project proceeded as scheduled. The planting of the communal vegetable garden couldn't begin until the spring thaw, of course. But calling itself the WRAND Round-Up, the community newsletter, for which $8,970 of antipoverty money had been allotted in the proposed budget, appeared immediately—with headlines saying "Who Says We're Impoverished?" above a story insisting the grant was only an expression of admiration for local initiative. WRAND further explained on February 8 that the grant was needed because the designated area, although not really impoverished, was not being served by the Ypsilanti Community Chest. On February 9 WRAND announced that yesterday's press release was "in error" since the area had always been served by the Community Chest.

It seemed strange to Roy Smith, reading the next day's papers, that an organization of area residents could make such a mistake. But before he could carry this curious inconsistency to its inevitable conclusion, he was interrupted by something even stranger. Three gentlemen from the university were ushered into his office. One was introduced as a full dean. Another described himself as "merely an observer" and was actually, Roy later learned, a recognized authority on, of all things, syphilis research. The third, a plump man wearing the look of a fellow being forced to endure petty indignity, was the long-awaited Hyman Kornbluh.

Instead of discussing the matter in his office, Roy loaded the delegation into his 3-year-old Chevrolet and spent more than 2 hours touring every street of the alleged poverty area. He didn't run into any brush, but he did stop regularly to read aloud sentences from the report for comparison with what lay outside the car windows. The dean made a gallant attempt at keeping the interview genial and friendly, under formidably difficult circumstances. Chain-smoking nervously, Mr. Kornbluh remained silent most of the time, as did the syphilis expert. Not until they'd returned to the Township Hall did Roy hear anything resembling an admission that the area wasn't a ghost town after all.

"Suppose instead of 'no' stores, we say 'few' stores?" Hyman Kornbluh offered then. "Suppose instead of 'no' facilities, we say 'inadequate' facilities?"

"Suppose you apologize to the people here and return the grant," Roy suggested instead. "If you can get another one by writing an honest report, the best of luck to you."

Kornbluh countered with the accusation that the whole affair was a political publicity stunt, asserted that he himself wouldn't be in politics for anything, and walked out. That was the last Roy Smith saw of him.

Roy Smith had some questionnaires made up to be circulated in the designated poverty area, requesting residents to return them unsigned. He wanted some statistics on the average income, and to learn what percentage favored the grant and how many were members of the mysterious WRAND organization that had requested it in the first place.

On February 16, a surprise resolution was introduced at a township board meeting, and Roy found himself standing totally alone. Five to one against him, his fellow board members voted to condemn the poverty label but to welcome the poverty money.

Everyone seemed to be saying exactly what Clerk Tilden R. Stumbo had said—"Sure, they got the grant by falsifying a document, but let's keep it anyway"—including fantastically enough, the Federal Government itself. Because a tall, distinguished-looking man named William Lawrence was ushered into the township hall the next day and introduced as a consultant to the community action program of the Office of Economic Opportunity. And he soon made it clear that he'd come not as an investigator but as a peacemaker.

"I've already been around the area," he insisted, declining the offer of another tour in Roy's Chevy. "Now I want to know what sort of proposal, satisfactory to you, I can take to the university. What would satisfy you, Mr. Smith?"

"Why didn't you make the 2-hour flight out here before the grant was given?" Roy couldn't help wondering.

"We're tremendously understaffed," Lawrence explained. "But I want to assure you and every citizen that no antipoverty grant will ever again be given without an on-the-spot inspection of the area."

"Michigan has a State antipoverty director," Roy Smith persisted. "Couldn't his office have been asked to check out the proposal?"

William Lawrence further explained that the poverty program permits the Federal Government to deal directly with universities. After all, he reminded Roy, the original appeal had come from the area residents themselves. By reporting on the area and offering to administer a grant, the University of Michigan was, in effect, the agency checking out the appeal for the Federal Government.

"Well, now that you've seen the area," Smith asked, "what are you going to do about it?"

Lawrence launched into an involved dissertation on the intricacies of antipoverty grants. Contracts had already been offered to professional directors, it seemed, and other commitments had been made. But the Office of Economic Opportunity would most certainly demand that the university correct the errors in the report, redefine it and update it before activating the project. "Would that satisfy you?" he asked hopefully.

"All that will satisfy me," Roy Smith told him, suddenly feeling very tired, "is the return of any poverty money intended for Ypsilanti Township and a public apology to the people here."

William Lawrence went away worriedly predicting that "the university won't go for anything like that." And the university didn't.

Meanwhile, the Willow Village demonstration project had already demonstrated one thing—the ease with which antipoverty funds could be obtained. And predictably enough, what followed was like a run on the bank. The Washtenaw County Committee on Alcoholism decided to try for $39,900; everyone knows poor people drink too much. The local chapter of the Planned Parenthood League wanted $26,290 because statistics show the impoverished do something else too much. The Ypsilanti public schools decided to go all out and ask $375,000 for providing "compensatory education" for everyone from deprived preschoolers to the indigent aged. Before long, fully 20 poverty money requests were being feverishly prepared, and a 36-member "citizen's committee" was itself requesting $54,501 merely for acting as a clearinghouse for other requests. All this was going on in just one county, the highest income county in Michigan, one of the 10 wealthiest States in the Union.

Nor was the national picture particularly different. The controversy was bringing Roy Smith a surprising amount of mail from people in some far-flung places. Ministers and other citizens of Chicago and Cleveland and New York were claiming that their own antipoverty grants had served no purpose except as patronage plums for local political machines. West Virginians were writing to ask if Roy saw anything strange about the way the poverty money was being parceled out.

After all, the late President Kennedy's shock at what he'd seen upon carrying his primary campaign into that State had been one of the prime factors in creating the national mood that resulted in the war on poverty. Why then, West Virginians were wondering, had their antipoverty allotment so far been little more than $400,000, while the high-income State of New Jersey had already received $12½ million.

But folks from New Jersey were writing as well, and they weren't happy with all that money. People in Monmouth County, for example, had received a $67,000 grant, only to learn that $52,000 of it had already been budgeted for the salaries and "administration expenses" of the professional directors. The whole State had been startled to hear that Antipoverty Director John C. Bullitt would be getting a salary of $25,000 a year and would have a pair of $19,000 assistants. But Bullitt had insisted these wage rates were "not out of line," and in a sense he was right. This was less than his poverty-official superiors in Washington were getting and slightly more than was being paid city poverty officials. In Newark alone there were seven poverty fighters in the over-$10,000 bracket, but the top wage was just $23,000. Hearing of this, the corps of poverty fighters assigned to Paterson, where the highest salary was a mere $18,500, were about to request a pay raise, but they finally decided against it. After all, the mayor of Paterson was getting only $17,500.

Even so, Roy's chief concern was his own township, and he was pinning a large share of his hopes on the president of the University of Michigan. He still expected Dr. Harlan Hatcher to make a personal comparison of the fraudulent report and the area it supposedly described, then crack down on those responsible with all the righteous wrath that might be expected of so distinguished an educator. But on March 2, when Roy Smith finally received an answer to his letter of nearly a month earlier, it was the most mystifying and disappointing development of the entire nightmarish affair. Dr. Hatcher described himself as "satisfied that the University of Michigan and its representatives acted in good faith and in accordance with recognized procedures, both in submitting the program and in accepting the grant" because "many of the alleged errors to which reference has been made occurred in a background document which was not submitted to Washington."

Numb with amazement, Roy searched his files for the original letter from Kornbluh, dated November 25. It still read, "I am sending you a copy of the proposal we have submitted to the Office of Economic Opportunity in Washington," just as it always had. For fully 6 weeks the report had been the subject of incessant public controversy, mentioned in both news stories and editorials, and Roy himself had discussed it with both university and Federal Government officials. At no time in those 6 weeks had there been the slightest suggestion from anyone that the "background document" hadn't been submitted.

"We didn't force this money on those people," the OEO was still telling newsmen. "They themselves formed this WRAND organization and requested the university's assistance in getting a grant."

Pondering that statement that he'd heard and read so often, Roy Smith suddenly realized there was something very strange about it. Some 257 of the questionnaires he'd distributed had been returned by then, showing average family income so far of $7,961 in the "depressed community" and turning up just 10 people who approved of the antipoverty grant. But more interesting yet, only four people had identified themselves, even unsigned, as members of WRAND. Roy had met the president and current spokesman of the group—a young junior high school teacher named Gerald Foley. But Foley himself admitted he'd joined the group months after its formation and had taken no part in the original request to the university. And the few other WRAND members who could be located locally said exactly the same thing. Who, then, had made that request? Who had started WRAND in the first place?

There was a way to find out. Any such organization had to file articles of incorporation with the county clerk, and any citizen had a right to examine those articles. Roy Smith availed himself of that right. And all of a sudden, the whole puzzling business wasn't so puzzling any longer.

The Willow Run Association for Neighborhood Development had been founded by just six people—not one of whom lived anywhere near the neighborhood they intended developing, all of whom were well-to-do residents of Ann Arbor. The "self-help" group that had asked the University of Michigan to help it help itself to some antipoverty money had been formed by one University of Michigan official, one University of Michigan professor, two wives of university professors, one prominent lawyer, and the manager of the Willow Village Apartments—for which additional title IV antipoverty funds had been suggested in the resulting proposal.

At this writing, with the university already privately estimating its "overhead" at 32 percent, the antipoverty grant gained by the invention of an imaginary ghost town is still in effect. In fact, on April 27—speaking at Detroit, Mich., and still quoting the falsified phrases and statistics of a report that was supposedly never submitted to Washington—War on Poverty Director R. Sargent Shriver, Jr., threw his personal prestige behind the Office of Economic Opportunity's attempts to save face in the controversy by publicly praising the Willow Village demonstration project. (If he'd ventured just 30 miles farther, he might have seen what he was calling "an urban-fringe pocket of poverty." But he didn't.) And the OEO is still stubbornly sticking to its story that the "erroneous background material" was "not germane" to a proposal that "clearly met the criteria for demonstrations as developed by this office."

But Government glibness no longer bothers Roy Smith the way it once did—chiefly because his struggle isn't a lone one any longer. Roused by the realization that the entire scheme was both conceived and carried out by outsiders, the people of the designated area have begun battling back with every bit as much ingenuity as was used in calling them impoverished in the first place. A group of them have decided to play the alphabet game themselves by forming a rival self-help group called REPLY—which stands for Return Every Penny and Leave Ypsilanti Township. Petitions making the same demand have so far been signed by 80 percent of the area's resident, and a similar resolution received an 87½-percent favorable vote at the annual township meeting. Recognizing the fact that as leaders of the people they'd do well to follow them, four of Roy's fellow township board members, Tilden R. Stumbo included, have reversed their earlier stand and joined him in demanding the return of the grant.

To dramatize the situation, signs have been erected informing visitors that they are entering an official poverty area where their tax dollars are hard at work. And a young man named Gordon Mattson, chairman of REPLY, even rented a horse and a Paul Revere costume, then braved a late snowstorm to go galloping through the streets shouting: "The bureaucrats are coming." He was followed by both a honking motorcade and what seemed an apt symbol of the incredible affair from its clouded beginning to its as yet undetermined end—a circus clown.

"Maybe that's the only answer for this kind of insanity," Roy Smith laughingly reflects. "A good sense of humor. But you know what worries me most? The way that fellow from Washington acted when he came out and saw for himself how the Government had been taken. He didn't get mad, and he didn't seem surprised. He wasn't even interested. All he kept asking was what would satisfy me—which meant what would shut me up, I guess. Do you think what happened here could be the rule and not the exception? That this sort of thing is going on all over the country?

That's an interesting question.

Mr. McNAMARA. Mr. President, the substance of this amendment has already been discussed. It was contained in an amendment offered yesterday by the junior Senator from Colorado [Mr. DOMINICK] to cut the amount back to this year's appropriation. That amendment was defeated by the Senate yesterday by a vote of 40 to 51.

The general increase in authorizations provided in the bill reflects two primary considerations. First, all programs last year operated only over a 9-month period. Second, none of these program existed at all before last year. Each started from scratch—at zero. If we are to carry these same programs over the present year we must, therefore, do more than just provide funds for a full 12 months. We must also recognize that each of these programs started this year with a capability that did not exist when they started operations last year.

Last year we began with no organization, no procedures, no Job Corps centers in operation, no community action agencies, no approved State plans. All these things now exist. They represent resources that have been created. They should be used.

This year, each month, we should be able to do just a little better than we did in a comparable month last year in reaching the 35 million people living in poverty. Certainly, there is nothing unreasonable in this. Certainly, we cannot afford to do less.

I would like to make it clear that the authorizations in the bill are designed to allow leeway for many program improvements. They are framed on the proposition that there should be time for staff and effort that is not focused simply on producing more and more grants. In fact, if we are talking about sheer production—about what is mathematically possible on the basis of the program rates attained last year—we would not be talking about a $1.5 billion authorization. We would be talking about a $2 billion or perhaps even a $4 billion authorization.

This amendment also provides for a Joint Congressional Study Committee to study the administration of the act and recommend improvements, if any, to the Senate and House of Representatives January 1, 1966, after which the Joint Committee shall cease.

Such a study is properly within the jurisdiction of the present committee to whom the bill was assigned. Those committees are better equipped to review the program of OEO. As a part of considering the authorization this year and next year, the committee reviews the program.

Further, the committee provided for more complete review of the program of OEO in the amendment to the National Advisory Council. This change sponsored by Senator PROUTY provides for an annual review with recommendations reported to the President and Congress.

I am opposed to this amendment because it would create a new committee to do what the present committee does, and adequate review of OEO is provided in the act.

Therefore, I hope the amendment will be rejected.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. WILLIAMS of Delaware. Mr. President, the Senator has spoken of the fact that he is asking for an annual review by a special committee. Has the Senator been able to get a copy of the review which the OEO has already conducted of its operations?

A couple of weeks ago I was talking with the officials of the OEO. They confirmed having approved a sizable grant of several thousand dollars to obtain a review of the agency, and the numerous laws now on the books dealing with this subject.

As I understand it, the purpose of the review was to obtain a list of what they thought may possible be four or five other laws that dealt with the same program. As it was reported to me, after the study was made this committee reported back and said that they found, not 4 or 5, but 94 different laws and programs, all dealing with antipoverty, many of which the bureaucrats had forgotten were on the books.

The report stated that it seemed to be a practice of the administration that when it wanted to do something, it had a new law passed, even though the administration might already have the existing authority. It was suggested that as we pass some of these new laws we should repeal some of the old ones.

I was very much interested in the statement in one part of the report that they did not want to suggest that 94 would be the final number since they had not concluded their studies. Apparently they were sure there were others.

Has the Senator from Michigan obtained any information as to how many other overlapping laws deal with the same subject; that is, in addition to the 94 to which I have referred? I have not been able to receive the information.

I saw the report, but they would not give me a copy. The report was twice the size of the biggest Sears Roebuck catalog that I ever saw, and, of course, I can understand the embarrassment of the agency.

I can understand why they would not want to circulate the report; but could the Senator get some information on this subject and enlighten us?

Mr. McNAMARA. No. I should say to the distinguished senior Senator from Delaware that the report to which he is referring, I am sure, is no part of the official activities of the OEO. It may be a report from some other organization. However, it is not an official report. Otherwise, I am sure that we would have it.

Mr. WILLIAMS of Delaware. Mr. President, I am amazed. The Office of Economic Opportunity sent two representatives to my office to show me a copy of the report. I wanted to borrow the report, but the representatives said that it was the only copy they had and that it could not be given out. However, I was told that they had paid for it, and if I recall correctly, they stated that they had paid approximately $60,000 or $80,000. If they paid for it and they had it, I do not understand why they do not own it. They paid for the report out of their own appropriation funds so they said. If they paid for it they should know, and I would think the committee would know.

Mr. McNAMARA. Mr. President, I suppose that the OEO is continually reviewing their programs and reporting to the Director. I should assume that they would consider it a more or less continuing and routine report. I have no knowledge of the report to which the Senator refers. That is the only answer that I can give to the Senator.

Mr. WILLIAMS of Delaware. Mr. President, I hope that, as the chairman of the subcommittee, the Senator will look into the matter. The report has just been issued within the last few weeks.

In the very brief time that I was permitted to look at the report I found it to be a most interesting document. Certainly it was interesting to note that there were 94 different laws all dealing with the same subject and that the existence of a substantial percentage of these laws was not even known by the bureaucrats who were operating the agency.

I felt that such a report should be called to the attention of the Congress. I wonder if the committee can get a copy of the report and furnish us with some information.

Mr. McNAMARA. Mr. President, I assure the distinguished Senator that we shall make every effort to get a copy of the report to which he refers. If it is in the hands of the officials of the OEO, as the Senator indicates, I am sure that we can obtain it.

I point out that the only report requested under the law is indicated on page 25, section 608, as follows:

> Not later than 120 days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress the full and complete report of the activities of the office during each year.

Of course, that period has not arrived as yet. One hundred and twenty days have not yet passed, so that the report would be due.

That is the only official report that is required under the law. However, we shall pursue it, as the Senator suggests.

Mr. WILLIAMS of Delaware. Mr. President, I hope that the Senator will pursue it.

Referring again to the example mentioned in the colloquy with the Senator from Colorado, when we find that the agency's expense account listed such ridiculous charges as the rental of a tuxedo for one of the bureaucrats who is administering the program I believe that it is time for all of us to wake up to the fact that the money is not being properly spent. There was mention of an expense item of $60 or $80 for liquid refreshments for special entertainment. I believe that if they want to have refreshments they should pay for such refreshments out of their own pockets.

Mr. DOMINICK. Mr. President, will the Senator yield, or would he rather yield the floor so that I may take the floor?

Mr. McNAMARA. I should be glad to yield the floor.

Mr. DOMINICK. Mr. President, I shall be very brief.

Mr. President, I shall ask the Senator from Michigan a question, and he does not have to answer if he does not want to. Perhaps he does not have the information with which to answer the question. This subject involves the situation which occurred in the State of Michigan. I ask the Senator whether any inquiry has been made through his staff or his office concerning how they could have gone through with this type of program, whether any action is being taken to prevent the OEO from paying a private employment agency $80 a head for the recruitment of people in the Job Corps, whether anything is being done to bring the salaries of the administrators into line with the local conditions, and similar things of that kind. In the entire discussion that we have had now for almost a day and a half, not one single answer has been given to any of the charges.

I find it very difficult to understand.

Mr. McNAMARA. Mr. President, I state to the Senator that I am not an avid reader of True magazine. I did not read the article until the matter was brought up on the floor a week or so ago.

Mr. DOMINICK. I might state that I am not an avid reader of the magazine, either.

Mr. McNAMARA. The subject was discussed in the House. They went into the matter in some detail in the House report. The matter has been investigated. I do know that it involves a small village incident. I do not have any personal knowledge of it. It is said to have occurred in the Detroit area, on the outskirts of Detroit. However, I have great confidence in the University of Michigan and in its ability to conduct the affairs that have been referred to them by the Government. We have every indication and reason to believe that the program in the Detroit area generally is working well and that the officials in the Detroit area, the mayor and others, indicate their satisfaction with the program.

Mr. DOMINICK. Mr. President, it seems very odd, in view of the fact that apparently they have people trying to give the money back and saying that it should not have been spent in the first place. The incident is said to involve an area in which the six people who originated the original sponsoring legislation did not live. The man who was directing this type of program had never inspected the program, and refused to come down and drive over the area, according to the alleged facts in the magazine article.

I did not intend to be critical in any way of the chairman of the committee. I was trying to have an understanding for the record, if possible, why the Office of Economic Opportunity has not done something about these various problems. This is only one of the problems. To pay $80 a head to private agencies to recruit people to go into the Job Corps is to me the most impossible situation I can think of. We are supposed to be providing funds to look after people who are to look for a method to help themselves. Here we are operating almost like a slave market, paying $80 a head to shanghai people to the Job Corps. I can hardly conceive of anything like this going on.

Mr. McNAMARA. It is hard for anybody to conceive that these things are going on. I do not believe they are. In the Detroit area there are a great many volunteers. We do not have to go out and hire people to dig up applicants for jobs. We have had great cooperation from the radio and television industry. There is no need for an employment agency to hire people. The community is alerted about it, and the program is working very well.

Mr. DOMINICK. We even had to spend money putting together a television program—which my colleague [Mr. ALLOTT] objected to very strenuously, and correctly—to try to recruit people to go into these places. I do not understand it. It does not make sense to me to put an employment agency in the process of engaging in a slave trade, paying so much a head, at the same time we are spending money publicizing the program—in a wrong way, in my opinion—and the need for more recruits to fill the available spots in the program, and then ask us for a program that would double the size of it.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. WILLIAMS of Delaware. Earlier the Senator from Michigan said he did not know anything about specific cases of abuse. I have already referred to some instances of this abuse. I have others now. There was a $230,000 grant in the New York City area. The officials held a 2-day meeting at a hotel at Suffern, N.Y., a rather plush resort area, to discuss the juvenile delinquency problem in the New York City area. The total cost of that conference was $2,168.26 for the weekend, including motel rooms, meals, and refreshments used while discussing this problem.

The question has just been asked of me whether I meant "booze" when I said "refreshments." The answer is "Yes."

There were 35 dinners served on the night of December 14, which amounted to $228.30. The cost of the refreshments that same night was $90.85.

There was a cost of $350 for a catering service at an open house meeting.

There was a $63.20 bill from Lucille's Flowers for the same open house meeting.

There was a later bill of $33 for a board of directors dinner meeting.

The next item on this list is one of $46 for dinner meetings.

There was a bill of $228.30 for 35 dinners at the Restaurant On The Mountain.

There was a bill for 29 single rooms at the motel of $348.

Altogether their expenses on this excursion for the directors of the program amounted to $2,168.26. Just how any group can spend over $2,000 on a weekend junket in the Adirondacks and keep their minds on poverty is as yet unexplained.

Going further down on the list, there is a bill of $124.20 for 36 luncheons in the restaurant at Suffern.

There is another bill for $177.10 for 28 dinners at the same restaurant.

This is the "meetingest" group I ever heard of. Apparently they were meeting morning, noon, and night, with breakfast, lunch, and dinners all charged to the taxpayers. They even had a coffee break charge of $14.50 while they were discussing methods of spending the money of the taxpayers.

The expense account includes an item of $12.85 for the rental of a tuxedo so that one of the officials could attend a meeting to discuss poverty programs. I suppose that in order to get down to the level where he could discuss poverty he felt it necessary to be dressed in a tuxedo. This same bureaucrat, by the way, was drawing a salary of $12,500, plus a liberal expense account.

Based on the expense account, they must have been in the restaurant or nightclubs much of the time. Some of these bills are for breakfast meetings, lunch meetings, and dinner meetings all on the same day.

There was no challenge of the expense account. The Department apparently supported it because all of the items were allowed.

Mr. DOMINICK. I suggest to the Senator that this is valuable information. If it were not for the fact that these funds are supposed to be going to the poor, it would be funny, but what the Senator has stated exhibits one of the glaring defects in the program.

The problem we have is the inability to be able to talk to enough Senators on the other side of the aisle about this problem to be able to convince them. I am sure a number of them, if they heard the evidence, would vote for the amendment. I am afraid they are so busy they cannot be on the floor. It makes it difficult. I know the problems involved. I have had them myself. As a matter of fact, I have to go to a meeting shortly.

It seems to me that, somehow, we must provide enough public revelation of these problems so we can get some curative action in spending money for such items as tuxedo rental, steaks, coffee breaks, and head taxes for private employment agencies, and so forth.

Mr. WILLIAMS of Delaware. I have another item or two to call to the Senate's attention. On this list of expenses there is a charge of $15 for a "post mortem conference" on "Gospel Goes to College."

The next item is "promotional services" for "Gospel Goes to College," $54.

The next item is one of $50 for "prize money" for "Gospel Goes to College."

What that has to do with the poverty program is something that needs explaining.

One of the next items is a table reservation for the 25th anniversary meeting of some kind of affair, $26.

They have just gotten the program started, and they are already planning a 25th anniversary celebration. Who says the Great Society is not planning ahead?

There is an item of $20.94 for a breakfast meeting.

Then there is a bill for a dinner meeting, $19.29.

The total amount of this one account is $3,128.84 spent on luncheon-dinner meetings and various other items held while they were planning how to get rid of the remainder of $230,000 that would be left after their salaries had been paid.

Farther down there is a list of telephone bills that vary from $113 to $331.

There is a bill for Western Union of $80.33.

I do not know whom they were telephoning, unless they were calling Washington to explain what a terrific job they were doing; or it is possible that they were calling to discuss what a wonderful time they were having?

I shall not belabor the Senate by reading further the numerous breakfast, luncheon, and dinner items included on this expense account of the officials administering the poverty program in the New York City area, but before concluding I shall mention items covering just one more meeting:

Tablecloth for open house meeting at Small's Paradise, $11; refreshments served at open house meeting at Small's Paradise, $10; gratuities at open house meeting at Small's Paradise, $15.

Notwithstanding the many abuses that have been disclosed under this program the administration still insists upon doubling the cost.

Mr. DOMINICK. I appreciate the colloquy of the Senator from Delaware. I think it is healthful for the record.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 219 Leg.]

Aiken
Allott
Anderson
Bartlett
Bass
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case
Cooper
Cotton
Dominick
Douglas
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy, Mass.
Kennedy, N.Y.
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McClellan
McGovern
McIntyre
McNamara
Metcalf
Miller
Mondale
Monroney
Montoya
Morse
Morton
Moss
Mundt
Muskie
Nelson
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Symington
Talmadge
Thurmond
Tower
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Wyoming [Mr. McGEE], the Senator from Florida [Mr. SMATHERS], and the Senator from Indiana [Mr. BAYH] are absent on official business.

I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. McCARTHY], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] is necessarily absent because of death in the family.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from California [Mr. MURPHY] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, I am sorry that when we discussed the amendment at some length a while ago there were not more Senators present in the Chamber.

The purpose of the amendment is very simple. It should do two things: First, it would cut back the authorization to last year's authorization, which is $947.5 million. Last year we appropriated for the program $785.4 million. So that section of the amendment would provide $162.1 million more than last year's appropriation.

In addition, it would not affect the terms of the Nelson amendment in relation to the $150 million, which was tacked on in the Committee on Labor and Health, Education, and Welfare this year.

The second part of the amendment provides for a joint congressional study committee of the House and the Senate to study the progress of the program and to make recommendations to the Congress not later than January 31, 1966. It provides for a $50,000 authorization for the expense of the 12-man joint committee.

Mr. President, I shall speak for only a minute more, but I wish my friends to know what we are discussing. The amendment would do nothing but those two things. We would leave $162 million more, plus the Nelson amendment, than was appropriated last year.

No matter how one looks at the program, he cannot help but be impressed with the fact that the program is shot full with faults, squabbles, and struggles between politicians to get the high paying jobs. This office has 1 supergrade for every 18 employees, the highest ratio in the Federal Government. Compare this with the Department of Defense which has 1 supergrade for every 1,000 employees. Some of the employees are paid more than the mayors of the cities in which they operate; some are paid more than the Governors; some are paid more than the superintendents of schools.

A few minutes ago the Senator from Delaware gave the Senate facts from the report of the OEO itself, showing that those who were setting up the OEO in New York live so handsomely that they had to hold their hearings in a place where they wear tuxedos. One man—a $12,500 a year man—even charged the rental of a tuxedo to the OEO and, so far as we know, that agency is paying the bill.

In addition, a great deal of booze and entertainment and things of that sort are now being charged to the program.

In the minority views in the House report the following statement appears:

> In the testimony of Mayor Wagner of New York and the representatives of Mayor Daley of Chicago it became clear that community

action was being engulfed by political action on a grand scale.

The program has degenerated into a fierce and bitter battle among politicians for the jobs. If we are going to do something for poverty, let us do it. But let us peel the program back at least to the point at which we can look at what we have done—and, for God's sake, let us look at the mistakes we have made.

If we are going to spend $1.5 billion or $2 billion on a program like the one proposed, let us at least go about it sensibly. We must get down to the people who need the help. We must find ways to provide motivation. After that we have to find ways to make it possible for them to make a living.

Last year I suggested that one way in which we could really implement the program would be to put it under the Vocational Education Office of the Department of HEW, and then put some of the money available into the small colleges, particularly the small junior colleges, throughout the United States. We should provide a vocational educational program. But that proposal is too simple. There is entirely too much commonsense in a proposal to put the money in a vocational educational program, which would provide to those who need help an opportunity to learn and to upgrade their skills so that they can make a living.

My amendment would do two things: First, it would provide $162 million more than the Senate appropriated last year. To leave it as it was reported is really compounding mistake upon mistake. It is piling a circus on top of a circus. That is what the program has been.

We would not only authorize the addition of $162 million, but we would also provide for a joint investigating committee of the House and the Senate.

We shall be remiss if we go away from this session without providing such a congressional committee to investigate and advise Congress as to what the course of the program should be.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The question is on agreeing to the amendment of the Senator from Colorado to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). On this vote I have a pair with the junior Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. LONG of Louisiana. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Connecticut [Mr. DODD], the Senator from Wyoming [Mr. MCGEE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. MCGEE] would vote "nay."

On this vote, the Senator from Indiana [Mr. BAYH] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Kansas would vote "yea."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from California [Mr. MURPHY]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from California would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Nebraska would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] is necessarily absent because of death in the family.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from California [Mr. MURPHY] are necessarily absent.

The Senator from Kansas [Mr. PEARSON] is detained on official business.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from California [Mr. MURPHY] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from California would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Indiana [Mr. BAYH]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 39, nays 48, as follows:

[No. 220 Leg.]

YEAS—39

Aiken
Allott
Bennett
Boggs
Byrd, Va.
Carlson
Cooper
Cotton
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Holland
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Lausche
McClellan
Miller
Morton
Mundt
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—48

Anderson
Bartlett
Bass
Bible
Brewster
Burdick
Byrd, W. Va.
Cannon
Case
Douglas
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
McGovern
McIntyre
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Prouty
Proxmire
Randolph
Ribicoff
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—13

Bayh
Church
Clark
Curtis
Dirksen
Dodd
Mansfield
McCarthy
McGee
Murphy
Pearson
Smathers
Sparkman

So Mr. ALLOTT's amendment to the committee amendment was rejected.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the amendment to the amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I shall now address myself to my amendment No. 386.

This amendment has been before the Senate as the pending business since last night. I believe that it has been very appropriately called—not by me, but by those whose business it is to affix labels on amendments—the "two hat" amendment.

The question involved is a very simple one. Shall Sargent Shriver wear two hats in two offices of equal rank in the Federal Government, or shall he wear only one?

This situation does not happen very often in our Government. Normally we do not have a system in which any high official of the Government carries more than one major responsibility. They also do many other things, but those things are not on the same level as their principal responsibility.

It is necessary in some countries, for political reasons or because of the shortage of qualified personnel, to have one official function as the minister of a number of departments and hold a number of portfolios, as they are referred to in the parliamentary system. However, with us this is most unusual. Consequently, I have challenged this arrangement ever since it began.

I invite the attention of Senators to a fine, objective analysis of the reasons why this should not be done. The Senator from Oklahoma [Mr. HARRIS] made a speech last night which I commend to Senators. This speech appears in the RECORD at page 20671. It advances his reasons, after having considered the matter, for coming to the same conclusion that I reached. I think, in view of the fact that it represents a new and fresh point of view, it is well worth looking at.

I owe the Senate an explanation as to why I am bringing this matter up now on the poverty bill, having offered it on the Peace Corps bill, where it was accepted in the Senate but failed of acceptance in conference. I have brought the issue up here in fairness to my own point of view. I have done it in fairness to the program. I have done it in fairness to Mr. Shriver, who is an excellent public servant—I have never failed to say that. But the question should be definitively settled.

When the Peace Corps bill was being considered the amendment was accepted by the manager of the bill. As we all know, when amendments are accepted in that way, they are evaluated in conference, and if there is any real, firm objection on the part of the other body, they probably will not survive the conference. There is no do-or-die attitude with respect to amendments which a manager accepts in that way and which the Senate has had no opportunity to debate or consider in a detailed way.

So this question should be settled, not in any way on the basis of personal issue, because Sargent Shriver is an excellent man, but rather as a matter of principle so far as Congress is concerned. I believe the time to settle the question is today. By a rollcall vote, Members of the Senate will be able to say if this is the way we want it. The Senate may vote to say that that is the way it wants it, or it may vote to say that it does not want it that way and challenges doing it in that way.

The argument used by Members of the other body in order to kill this proposition in conference on the Peace Corps bill was a letter sent by Assistant Attorney General Norbert Schlei to the General Counsel of the Peace Corps. The letter appears in the Congressional Record of August 11, at page 20097.

I have answered that letter in the memorandum which is on Senators' desks. I ask unanimous consent that the memorandum be inserted in the Record at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Section 601(a) of the act establishes the office of Director of the Office of Economic Opportunity and requires, as qualifications of that Office, that the Director be appointed by the President by and with the advice and consent of the Senate. The amendment would add to those qualifications the additional condition that the Director shall not hold any other Federal office of equivalent rank.

The policy issue presented is clear. The hearings before the Senate Labor and Public Welfare Committee, and the Nation's press, are replete with charges that in specified places the poor are being bypassed by the antipoverty program and that the program is being manipulated for political purposes. Certainly the importance of the effort requires that it be administered on a full-time basis. Similarly, the Peace Corps deserves full-time attention. The amendment would permit Sargent Shriver to continue the antipoverty job without the Peace Corps job.

An opinion by Assistant Attorney General Norbert A. Schlei has sought to create a constitutional issue over this amendment which has no real substance. It is contended that the effect of the amendment is to remove from office an officer of the executive branch and that only the President has power to do so. This argument is controverted by the following facts:

1. Congress always retains the power to abolish any Federal office it has created, whether there is an incumbent or not. The Assistant Attorney General concedes this in so many words. Since the Congress has this much power, it surely has the lesser power to add further qualifications to an office it has created, whether there is an incumbent or not.

2. No one denies that the Congress has the power to set qualifications for Federal office. But the Assistant Attorney General's position would mean that in the case of offices with unlimited terms—and both the Peace Corps and antipoverty directorships are in this category—the power of Congress to change qualifications could be effectively defeated simply by keeping the incumbent in office. Congressional authority over qualifications for Federal office cannot be dependent upon whether the office happens to be filled at the time the qualification is prescribed.

3. The decisions cited by the Assistant Attorney General are wholly inapplicable to this case. They very clearly involved attempts by the Congress to remove named persons from office. No such attempt is involved here. There is no question about Mr. Shriver's capabilities or his qualifications to hold either of the two offices he now occupies. There is no bill of attainder.

4. Moreover, the decisions cited involved the loss of those individuals' only source of Federal employment and payment. In the instant case, there is no such effect, since Mr. Shriver accepts only one of the two salaries to which he is entitled and since, even after the amendment were adopted, he would continue to be entitled to receive that one salary.

Mr. JAVITS. Mr. President, in his letter, Mr. Schlei purported to state his opinion that the effort which was made on the Peace Corps bill—which is virtually identical to the amendment which I offer to this bill—was unconstitutional and that we could not change the qualifications of Mr. Shriver for either office while he held those offices.

As a reason for bringing up this matter, that argument alone would be sufficient. For if we accepted that construction of the Constitution, it would be a most severe hobbling of congressional authority..

In short, what the Assistant Attorney General has sought to do in raising this issue is to say that, once Congress creates an office by law without any set term and the President fills that office, Congress cannot do anything about the qualifications for that office until the incumbent is fired in some lawful way or the office is otherwise vacant, and that even when the Congress would have to move between the time of the vacancy and the time the President made a new appointment. If Congress did not move within that time, it would lose authority over that office.

If Congress accepted that theory, it would certainly be cutting itself from enormous power which it has under the Constitution, and would be materially damaging the powers of Congress under our division of powers. I cannot conceive that Congress would accept any such proposal.

The only decisions of the Supreme Court cited by the Assistant Attorney General relate to an effort to eliminate a particular person from office a kind of bill of attainder procedure. They were not cases in which the qualifications for the offices were dealt with.

The second type of case cited are those in which the Congress attempted simply to cut off the salaries of named officials.

Neither is attempted here. The opinion of the Assistant Attorney General is made further irrelevant by reason of the fact that, even if Mr. Shriver lost one of these offices, he would have another. So nothing which this amendment would do would prevent him from being a Federal official of the same high rank he now holds.

If for no other reason than this opinion, which, in my judgment, does not stand up, we ought to act affirmatively on the amendment to prevent such hobbling or limitation of the powers of the Congress as the Assistant Attorney General's opinion would seek to impose upon us.

Going to the merits of the proposal, the Senate is entitled to an accounting from me as to why I did not oppose Sargent Shriver's nomination as Director of the antipoverty administration, the Office of Economic Opportunity, at the same time he held the position of Director of the Peace Corps.

I said at the time that I hoped very much that merely sharply calling the attention of the executive department to the lack of wisdom in this double barreled appointment would result in Sargent Shriver's and the President's arriving at an arrangement under which he would be left with one job.

My desire was to leave to the Executive rather than to us which of the two jobs it should be. That was why I did not move to oppose Mr. Shriver's nomination. I thought, in the interest of comity between the respective branches of Government, Congress and the executive department, we should respect the right of the President to make his choice.

But no such choice has been made, and, so far as we can see, it is going to go on and on and on for as long as the parties in interest may desire to continue it, unless Congress stops it. This is no glamorous foray with respect to one very attractive man to show how long he can hold two jobs, or balance himself on the Washington Monument. This is a fundamental exercise of the operations of our Government. When this is pointed out to Mr. Shriver himself, as I have done, he answers, "I have no feeling in this matter. I am going to do anything the President asks me to do. If the President wants me in both jobs, I am going to remain as Director of the Peace Corps and of the antipoverty program."

The antipoverty program is probably as sensitive a domestic program as any in the Government. It is subject to the evils of politics. That has certainly come out in sharp focus, for example, in the embroilment in New York. There was a wholesale revision of the antipoverty program based upon my efforts and the efforts of others who found that it was being set up as a political satrapy for the incumbent administration. We did everything we could to call a halt to it.

It also has dangers of corruption which are endemic in any program which goes down to the grassroots, in which so much money is involved, and which is spread out in so many kinds of programs with so much opportunity for leakage. It also involves dangers of grave inefficiency. I am indebted to my friend, the Senator from Oklahoma [Mr. Harris], who spelled out express examples of inefficiency in his State of Oklahoma.

I should like to read from what he said in that regard, because it is so pertinent:

It is difficult to get a sharply stated list of criteria by which programs are to be evaluated, and in many instances it is impossible to get agreement among various evaluators.

> Therefore, it seems to me we must have a full-time Administrator of this program on the national level, and authorization figures should be held to the amounts approved by the Senate committee so that we allow time for the realities of the program to catch up with its aspirations.
>
> We need a well-staffed, centrally located regional office in our area of America immediately.

The Senator from Oklahoma does not have a regional office in his area. Indeed, there is not one in any area. There has been no official regional office established, with directors having authority, in this whole program—and it is now a year old. Yet, it essentially requires that kind of local administration. Either OEO intends to centralize all power here, which itself is unwise, or it is simply unable to find and decide upon the right men to be the administrators of regional offices. The Senate committee report urges that regional offices be set up officially, as I and others requested in committee.

The Senator from Oklahoma continues:

> Administrators at various levels in the program need to have a less defensive attitude toward the Congress.

Mr. President, this is a question of inspiration by the head man. In short, here is a program of the greatest vulnerability and yet with our eyes wide open, we are leaving the administration of it to be accomplished on a part-time basis.

Let me comment for a moment on the Peace Corps. Of the two assignments in question at this time, I believe that the antipoverty program is the more complicated. I would not say that it is necessarily the more important, but it is the more complicated, and involves greater requirements for tight executive direction. Therefore, my amendment contemplates that Sargent Shriver be confined to the antipoverty office.

But the Peace Corps is one of the most significant initiatives ever undertaken by the United States. I am glad to say that I was a party to its inauguration. I think the world of it. It has been so much of an ideal for the youth of America as to be really inspiring to the Nation. I give a great deal of credit for it, without any regard to the initiation of the idea. The important thing is that in its initiation, Sargent Shriver gave it such spark, such dash, such glamour, such appeal as to attract the excitement and the interest of American youth.

In all honesty I ask Senators, where is all that enthusiasm now?

What other kind of program is there which has enlisted American youth in the thrill and excitement and the great feeling of realization which comes from participation in it? Do we not wish to have a man of Sargent Shriver's caliber to head it? I am sure there is another such man in the country. The President has been resourceful in finding personnel who will continue to give the program the vast excitement, enthusiasm, drama, and vividness which characterized the Peace Corps in its beginning.

Even assuring no loss in competent administration, is it not a shame that, because we are indulging the desire to have one man head both jobs, we are at the very least depriving the Peace Corps of the very thing which makes it such a wonderful asset to the United States—the excitement, enthusiasm, and drive inherent in the full-time leadership of a man such as Sargent Shriver, which it had but does not have now.

It seems to me almost incomprehensible that by now the situation has not been unraveled on the executive level. I wish I knew of some other way than this to manifest the sentiment of Congress upon an issue of this character. It seems to me that by now Sargent Shriver should have made his choice, or the President should have made the choice for him, and that we should have made Sargent Shriver as the Director of either program and another man as Director of the other, with all that that implies in terms of tight administration and responsibility.

Therefore, Mr. President, I believe that a protest is very much in order. I believe that this matter is so far out of the context of American executive department practice over the years as to require correction by Congress, passing on it in the deliberate way afforded to us today by the vote on this amendment.

Mr. HARRIS. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I am glad to yield to the Senator from Oklahoma.

Mr. HARRIS. I thank the Senator from New York for his generous allusions to me, and to the statement which I made yesterday in support of his amendment.

I applaud the Senator for offering his amendment, and I incorporate here by reference the remarks which I made last night in support of it.

I should like to make three brief points: first, the extremely high regard in which I hold the present administrator of the program, Sargent Shriver; second, the great enthusiasm I have for the goals of the war on poverty; and third, the embarrassment which I, as well as other supporters of the program, have had from time to time with unfortunate mistakes and difficulties in its administration.

As I stated last night, and now repeat, I am not certain that the amendment would cure the administrative ills with which the program is beset; but I believe it is one way that I, as a supporter of the program, may indicate that I feel there are administrative difficulties which must be cleared up.

I thank the Senator from New York for yielding to me. I applaud him for offering his amendment, and I thank him for his allusions to me and to my statement.

Mr. JAVITS. I thank the Senator from Oklahoma very much for his comments and for his support. I assure him that he has been most encouraging to my spirit as well as to the fate of my amendment.

Mr. CASE. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I am glad to yield to the Senator from New Jersey.

Mr. CASE. I associate myself with the Senator from New York in his amendment. He has stated in a measured and sensitive way precisely what should be said here, and precisely what should not have been necessary to debate.

Like him, I do not understand the blind spot of the administration on this point.

This extraordinarily able leader, Sargent Shriver, is being rendered about 5 percent as effective as he could be if he were permitted to administer only one of these two jobs.

It is a shame that this was allowed to happen. Each of these jobs requires a single, top man on a full-time basis, perhaps on a more than full-time basis, if that were possible.

While it is utterly wrong for Congress to try to conduct an operation, or to usurp in any way the prerogatives of the executive branch of the Government, when something like this is so wrong and is being persisted in, I believe that Congress has no choice but to express an opinion.

I am therefore glad to join in supporting the amendment of the Senator from New York.

Mr. JAVITS. Mr. President, I thank the Senator. His support is most important to me. We have been colleagues and friends for many years.

Mr. McNAMARA. Mr. President, first of all, I point to the fact that Sargent Shriver, in his role of Director of the Office of Economic Opportunity, receives no salary. He is a volunteer in the full sense of the word. He is a great inspiration to other volunteers in this program, where volunteers are needed. He has a way of attracting people and inspiring them, as he has demonstrated, not only in connection with this program, but also other governmental programs, as well as in private industry.

He needs no defense, as the Senator from New York has stated, from him or from me or from anyone else. He has demonstrated his ability.

Mr. President, the attitude of the Senator from New York toward this subject is well known.

He has brought it up in committee, on the floor, and in connection with other legislation.

Whether he is right or wrong, whether one individual can do justice to the leadership of both the Peace Corps and the Office of Economic Opportunity, is a matter that could well be debated.

However, the question arises: Is this the place to debate it?

Both of these programs, while authorized and funded by Congress, are under the administrative control of the executive department.

As Chief Executive, the President of the United States has chosen to delegate the responsibility for directing these programs to one individual, Sargent Shriver.

The Senate, through its constitutional role of advise and consent, has confirmed this Presidential decision.

Therefore, I believe we must let this matter rest where it belongs with the President.

To do otherwise would be to publicly question the President's judgment and to intrude on his prerogatives.

Mr. President, I merely wish to add, as has been said by every Senator who has spoken about Sargent Shriver, he is truly a phenomenal young man. He works extremely long hours every day. He works weekends. I am sure he puts in twice the time that the average Government employee or Federal executive puts in. There is no question about the kind of job he is doing. To remove him at this critical time would be to indulge in false economy. He has built an organization around him, and it is beginning to function, even though it is still in the process of organization. I hope, on the basis of these facts, that the amendment will be rejected.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Kentucky [Mr. Cooper] without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I yield.

Mr. COOPER. I thank the Senator from Wisconsin.

Mr. President, usually I find myself in accord with the distinguished Senator from New York [Mr. Javits], but I shall vote against the pending amendment. I have voted for nearly all amendments which have been offered with the view that their adoption would improve the administration of the act.

I am afraid that if this amendment should be adopted and it would lead to the resignation of Mr. Shriver as Director of the Office of Economic Opportunity, the chances for better administration of the act might be lost.

The hearings and the debate present a record of failures of administration, and downright abuses of the purposes of the act. Mr. Shriver, the Director, will be responsible for the correction of these failures. As one who voted to initiate the program, and believes it can help needy and deprived people, I am interested, as many other Senators are, in the continuance of the act, in its improvement, and in the correction of the failures and abuses that have thus far prevented it from being fully effective.

I believe that Mr. Shriver, a man of integrity and ability, with a magnificent record as Director of the Peace Corps, will move, and move quickly, to strengthen the administration of the act and to correct failures and abuses. Because of pride in his own capacity and record, he will take such action.

Mr. President, I would rather see Mr. Shriver continue in the office of Director of the Office of Economic Opportunity, even if he should hold two offices, than some person whose abilities and character are not as well known, someone who would have to start without experience in the rather unique programs of the act.

I want the act to become what it is meant to be—an instrument to strike at the causes of poverty, and help improve the opportunities and lives of people left behind in life.

Mr. JAVITS. Mr. President, will the Senator yield so that I may question the Senator from Kentucky?

Mr. PROXMIRE. I yield for that purpose.

Mr. JAVITS. I wish to be sure that the Senator from Kentucky and I understand each other, because he is my friend and normally we find ourselves on the same side of most issues. There may be involved some misunderstanding of fact. I am sure that the Senator understands that my amendment contemplates that Sargent Shriver would be called upon to give up not the antipoverty program, but the Peace Corps.

Mr. COOPER. I understand that. He would probably go back to the Peace Corps. That is what I would rather not see.

Mr. JAVITS. The amendment would not give the option to Sargent Shriver. Do I correctly assume that the Senator believes that if the amendment were adopted, Sargent Shriver would resign, which would mean he would resign from both offices and let the President reappoint him to the Peace Corps?

Mr. COOPER. I have no personal knowledge on the subject.

I believe that we are moving into a sphere that is really not within out purview or jurisdiction—in attempting to circumscribe appointments.

Second, I have stated that the adoption of the Senator's amendment might lead Mr. Shriver to leave his job in the Office of Economic Opportunity and return to the Peace Corps. I would feel more doubtful about the sucess of the poverty program under the act if he should resign. I make that statement despite the failures that have occurred. Mr. Shriver is a man of known success in other fields, and the Peace Corps. I believe he is a man of character. I cannot believe that he would not wish to make this act work, and clean up its administration.

Mr. JAVITS. I have one further question. Is the Senator aware of the fact that Mr. Shriver himself said that he is not making this decision, and that he will do what the President tells him to do? So far the President has told him to do both jobs. Therefore we are not dealing with a situation, according to his own statement, in which he would resign in pique and it would be necessary for the President to tell him that he wishes him to stay as antipoverty administrator in order to have him retain that job. Does the Senator understand that?

Mr. COOPER. Yes. I have so read in the newspapers.

Mr. PROXMIRE. Mr. President, I oppose the amendment. I do so because, on the record, Sargent Shriver has done a superlative job, both as Director of the Peace Corps and as Director of the antipoverty program. The record speaks loudly in that regard.

Surely, the poverty program is a political target. It is a new program. Some consider it a radical program. It is a big program in costs and in people. But it is doing something that has never been done before. But it is a program which, I submit, in a short time has accumulated a remarkable record of accomplishment.

I should like to read from page 2 of the committee report part of what already has been accomplished, under Sargent Shriver's direction, in the administration of the antipoverty program:

> Job Corps: By the close of the fiscal year, 47 Job Corps centers were in operation, including 35 conservation centers operated by the Departments of Agriculture or the Interior, 7 men's urban centers, and 5 women's centers. Some 10,241 youths had been assigned to these centers by June 30.
>
> Work-training (Neighborhood Youth Corps): By the close of the fiscal year, 639 separate projects had been approved to provide work and training to 277,699 young men and women, including 189,985 in-school and 87,714 out-of-school participants.
>
> Work study: During the spring semester, this program had been inaugurated in 648 institutions of higher education and assisted 34,000 low-income students. By the close of the fiscal year, projects had also been approved for this summer in 766 institutions to assist 46,000 students, many of whom will be employed in jobs directly contributing to the success of other Economic Opportunity Act programs.
>
> Community action: A total of 771 grants were made, including 311 for the actual conduct and administration of community action programs. In addition, community action provided the basis for a nationwide summer child development program, Project Head Start, with 2,398 separate grants for 13,344 centers to serve 561,356 preschool age children.

Mr. President, I can recall that the goal of the Project Head Start was 100,000 children in school by June. Actually, there were 561,000 children in that marvelous program. For the first time in America, children from deprived background who had very little attention, understanding, and care are being given a new, bright opportunity this summer. That alone is a great achievement under Sargent Shriver's direction.

Continuing to read from the report:

> Adult basic education: By June 30, 40 State plans had received some form of approval, 5 additional plans had been completed and submitted, and 43,372 participants had been enrolled.
>
> Rural loans: Nearly 11,000 low-interest rate loans to low-income farm or rural families had been made, with an additional 82 loans to cooperatives providing marketing, processing, or other services predominately to low-income rural families.
>
> Migrants: Fifty-three grants made to assist in meeting housing, sanitation, day care, and education needs of an estimated 73,000 migrant agricultural workers.

All of us who have taken part in recent years in the debate in the Senate over migrant workers know what a serious, sad, and unfortunate situation migrant agricultural workers have suffered and must acknowledge the great good this kind of program can do for those people.

Continuing to read from the report:

> Small business loans: One hundred and fifty-five loans were approved for small business enterprises in 16 States and the District of Columbia.
>
> Work experience: By June 30, 164 projects to provide work experience, training, and other assistance to unemployed fathers and other needy persons had been inaugurated in 46 different jurisdictions (including the District of Columbia, Puerto Rico, and the Virgin Islands), with 88,700 participants having an estimated 276,700 dependents.

Mr. President, I submit that this is a remarkable record of accomplishment. We know that this complicated, difficult agency that has been established will be very hard to administer. It requires a man of particular prestige, acceptance, and recognition to administer it well.

It is the kind of agency that requires coordination on a top level with the Secretary of Commerce, the Secretary of Agriculture, and the Secretary of Interior.

I submit that this requires a man of Sargent Shriver's capacity, prestige, and recognition to administer a department or agency under these circumstances, and to do it well. This is an agency that, perhaps more than any other, requires daily association and decision making with mayors and Governors. Who is available at the Federal Government level that has established the kind of reputation that Sargent Shriver has? Sargent Shriver has been internationally recognized for his integrity. He is a man of honor, prestige, and real accomplishment in the Peace Corps. Newspapers have referred to him as "Mr. Clean." What an asset to this country to have such a man in charge of the Nation's most controversial and complex program.

We all know that the antipoverty program was conceived and drafted as a domestic peace corps program. It was called that: Domestic Peace Corps to provide the kind of idealism and inspiration that Sargent Shriver had given the Peace Corps program.

In spite of all the brickbats that have been and will be thrown at this program, because it involves hundreds of thousands of people and billions of dollars, Sargent Shriver has done a great job. The argument has been made that he should resign from the Peace Corps. The Senator from New York [Mr. JAVITS] admitted that the Peace Corps is a great program and that Mr. Shriver had been the man responsible for its successful administration. Agencies rarely develop the kind of remarkable morale, the kind of world acceptance, and the kind of brilliant success that the Peace Corps has achieved.

In the judgment of many persons, the greatest achievement of our Government in foreign policy in the past 5 years has been the Peace Corps, not only because it is a great idea, but because it is administered by a man of outstanding imagination, inspiration and competence.

The Senator says the Peace Corps was great, but look at it now, yes, "Look at the Peace Corps now." It has never been better. Its standards are higher than ever. It is hard to become a volunteer in this program, because the standards are so high.

Only a few days ago I addressed a group at Marquette University, in Wisconsin, who are going to Brazil under the Peace Corps program. They were excited, dedicated young people. They are some of the finest young people I have met anywhere.

The Peace Corps program is twice as big as it was a short time ago. It is growing rapidly, and doing a bigger job than ever. When we ask people in this country or abroad what program they think has been serving our country and its ideals best—and, incidentally, most efficiently and competently—they will in almost all instances say it is the Peace Corps.

It would be a tragedy if, with this great record of accomplishment, Shriver were forcibly ejected from the Peace Corps by a vote of Congress. It seems to me almost inconceivable that a man who has served his country so brilliantly and so well, and who has done so in these two capacities, should, in effect, be reprimanded.

No matter what interpretation the Senator from New York puts on his amendment, its passage cannot be construed in any other way than as a reprimand by the Senate.

Mr. President, there are many complex jobs in the Federal Government, and they require great ability. One is the Presidency of the United States. I believe there are single jobs even more difficult and complicated than the two jobs that Sargent Shriver has. The position of Secretary of Defense is one. And one man, Secretary McNamara, is doing this job brilliantly.

Certainly Sargent Shriver has demonstrated ability, capacity, and prestige, all of which are necessary and vital to carry on these two programs.

I hope the amendment will be rejected.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, on my amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I shall conclude my argument within 3 minutes. The debate has boiled down to a question of whether we want to fire Sargent Shriver. Nothing could be further from the fact. Mr. Shriver is not going to be fired. He will have a critically important job either as Director of the Peace Corps or as Director of the Office of Economic Opportunity. In view of his attitude that it is not he who is seeking to hold two jobs, but that the President is telling him to do so—and that that is the only reason why he is doing it—he does not show any of the tempermental quality of a man who is going to resign and run away in a huff. He will do the job that Congress decides he should do.

I had hoped that the President might have given a little attention to this question a long time ago and handled it in the way it should have been handled—at the executive department level, by the President. But a year has now gone by, and nothing has happened.

The whole argument comes down to this: Are we to have a cult of personality in the United States? The Senator from Michigan [Mr. MCNAMARA] says that Sargent Shriver is a phenomenal young man. I agree. But there are others who are spoken of as phenomenal young men. There is McNamara, Secretary of Defense. There is Udall, Secretary of the Interior. There is Katzenbach, the Attorney General. There is Freeman, Secretary of Agriculture. There are many others in the Government who are considered phenomenal young men. More power to them.

But are we now going to proliferate offices in the hands of young men merely because it is felt they have the glamor to enable them to hold more than one job? This is a unique proposal. It seems to me that if the executive department does not wish to give this subject the attention it deserves, Congress must.

It has been a fundamental principle in our Government that positions of Cabinet or equivalent rank should not be proliferated in one person. If Congress would establish that as a firm principle in respect of the struggle over Shriver, it would be striking a strong blow for freedom. The proliferation of offices has never been the fashion in this country until this case came along. I respectfully submit that it would be a great mistake to make this exception.

I like Sargent Shriver. He is a fine public servant. But I like my country more. I do not feel that this precedent ought to be permitted to persist, if Congress can do anything about it—and I feel we can do something about it with this amendment.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROUTY. Mr. President, I ask my friend the senior Senator from New York if it is not true, in a sense, at least, that, instead of having a general directing the war against poverty, we have a "Sargent," and a part-time "Sargent" at that? I say that because he has to perform duties in two different fields. It is obviously impossible for the most talented of men to do the job that he would like to do and that we would like to have him do as Director of the war against poverty.

Mr. JAVITS. Mr. President, I thoroughly agree with the Senator.

I point out that it is similar to the direction of the Army, the Navy, and the Air Corps. If we experience trouble with the administration of one of the programs, someone will say, "Why did we not see to it that someone was riding herd on the program every minute, instead of having the administrator distracted with another job?"

Mr. PROUTY. Mr. President, I commend the Senator. His amendment should be agreed to.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. DOMINICK. Mr. President, I endorse what the Senator has been saying with respect to this problem.

The House report contains quite a series of statements which support what the Senator has said. An article from the Wall Street Journal of June 9, 1965, entitled "Overlapping Uplift—War On Poverty Spills Over Into Many Federal Agencies" appears on page 77 of the minority report. I do not know whether the Senator has had that printed in the RECORD or not. It is a rather interesting article. It indicates the number of programs which this program overlaps. It demonstrates graphically to me the need for a full-time Director of this particular program, whether it be Mr. Shriver, or someone else. There have been many indications on the floor to this effect.

I have great respect for Sargent Shriver. I have known him personally for many years. I know he is a very fine person. I do not know how any person—I do not care who he is—could possibly direct two programs of this size at the same time, as he is trying to do.

Mr. JAVITS. Mr. President, I am grateful to my colleagues the Senator from Vermont and the Senator from Colorado [Mr. DOMINICK] for their very helpful intercession.

I conclude my argument by pointing out that a distinguished columnist, Roscoe Drummond, who is favorably inclined to Mr. Shriver, to the Peace Corps, and to the antipoverty program, wrote an article which I had printed in the RECORD in April 1965. The article is entitled "One and One-half Shrivers Isn't Enough." Mr. Drummond points out that there is much feeling to the effect that the Peace Corps is slipping because it does not have a full-time Director.

When we had the problem of wanting to do more with one man than the law permits, in the case of General McKee, who was appointed recently to the office of Administrator of the Federal Aviation Agency despite his military rank as a retired officer, the administration came to us and asked that a bill be passed relaxing the nonmilitary qualification for that office. We passed a bill, over some opposition, and the matter was regularized in this fashion, with deliberation by Congress.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MORSE. Mr. President, the amendment of the senior Senator from New York should be agreed to.

Either of these important jobs would take every bit of a man's energy that he could give to the job. In fairness to him, we should not be tearing down his health. I do not care whether it is Shriver, or Mr. X, Y, or Z—no man could proceed on this basis and still retain his health.

Sargent Shriver is trying to keep two jobs, each of which contains a great deal of stress and strain. I believe in spreading the work. I believe that has been pretty much recognized as one of our policies.

Neither should we be in the position of justifying the situation by saying or implying that the Peace Corps and the poverty program are part-time jobs that can be handled at the top by one man. I believe in both programs. Both are important; both require the training of thousands of people; both call for the spending of tens of millions of dollars.

I am not going to downgrade them by going along with the idea that both can be handled by one man because they cannot.

Many others with equal ability, ought to be given one of the jobs.

Mr. JAVITS. Mr. President, it is extremely heartening to me to know that eminent Senators such as the Senator from Oregon [Mr. MORSE], the Senator from Colorado [Mr. DOMINICK], the Senator from Vermont [Mr. PROUTY], the Senator from New Jersey [Mr. CASE], and others support the position for which I have fought.

I am known in the Senate for emphasizing the positive. It is rare that I should be found in my present position. I have persisted in my position because I believe that honest conscience and judgment dictate the action which I propose.

There is a basic issue involved as to whether we want to let this happen, particularly in the case of a young man who is described as a phenomenal young man. Others will come along; and I believe that it is an unfortunate idea for the United States to fail to recognize, as the Senator from Oregon [Mr. MORSE] has said, that we have persons with the talent to do the job, and to depart from the concept of one man, one big job.

I hope that the Senate will express itself decidedly and affirmatively on the issue at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the senior Senator from New York, to the committee amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Connecticut [Mr. DODD], the Senator from Wyoming [Mr. MCGEE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from Idaho [Mr. CHURCH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Wyoming [Mr. MCGEE], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from California [Mr. MURPHY]. If present and voting, the Senator from Pennsylvania would vote "nay" and the Senator from California would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Nebraska would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS] is necessarily absent because of death in the family.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from California [Mr. MURPHY] are necessarily absent.

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Connecticut would vote "nay."

On this vote, the Senator from California [Mr. MURPHY] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from California would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 30, nays 59, as follows:

[No. 221 Leg.]

YEAS—30

Allott
Bennett
Boggs
Byrd, Va.
Case
Cotton
Dominick
Fannin
Gore
Harris
Hickenlooper
Hruska
Javits
Jordan, Idaho
Lausche
McClellan
Miller
Morse
Morton
Mundt
Pearson
Prouty
Saltonstall
Scott
Simpson
Smith
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—59

Aiken
Anderson
Bartlett
Bass
Bible
Brewster
Burdick
Byrd, W. Va.
Cannon
Carlson
Cooper
Douglas
Eastland
Ellender
Ervin
Fong
Fulbright
Gruening
Hart
Hartke
Hayden
Hill
Holland
Inouye
Jackson
Jordan, N.C.
Kennedy, Mass.
Kennedy, N.Y.
Kuchel
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Mondale
Monroney
Montoya
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Randolph
Ribicoff
Robertson
Russell, S.C.
Russell, Ga.
Stennis
Symington
Talmadge
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—11

Bayh
Church
Clark
Curtis
Dirksen
Dodd
McCarthy
McGee
Murphy
Smathers
Sparkman

So Mr. JAVITS' amendment to the committee amendment was rejected.

Mr. McNAMARA. Mr. President, I move to reconsider the vote by which the amendment to the amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROUTY. Mr. President, I offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PROUTY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield, without losing his right to the floor?

Mr. PROUTY. I am glad to yield to the Senator from Montana under those conditions.

UNANIMOUS-CONSENT REQUEST

Mr. MANSFIELD. Mr. President, I have discussed the proposal I am about to make, and if Senators will remain in the Chamber and not leave, I ask unanimous consent that 10 minutes to a side be allowed on the pending amendment by the Senator from Vermont [Mr. PROUTY], to be equally divided between him and the Senator from Michigan [Mr. McNAMARA], the Senator in charge of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. RUSSELL of Georgia. Mr. President, reserving the right to object, I did not hear the amendment stated.

Mr. MANSFIELD. The Senator from Vermont asked that reading of the amendment be dispensed with.

Mr. RUSSELL of Georgia. I should like to have the amendment stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Vermont [Mr. PROUTY] proposes an amendment:

> On page 20, line 2, beginning with the word "Section", strike out everything through "the" on line 4, and insert in lieu thereof: "In Section 209(c) of the Economic Opportunity Act of 1964, strike out '30' and insert in lieu thereof '20'."

Mr. RUSSELL of Georgia. Mr. President, it seems to me that there should be at least 10 minutes allowed to a side——

Mr. MANSFIELD. Or more. Let us make it half an hour.

Mr. RUSSELL of Georgia. Ten minutes, it seems to me is not enough.

Mr. ERVIN. Mr. President, I should like to say to the majority leader that I should like to have approximately 5 minutes to speak in favor of the amendment and, therefore, I would object to anything——

Mr. PROUTY. Mr. President, reserving the right to object, let me say that I doubt whether I shall speak for more than 2 or 3 minutes. There will be a rollcall vote on the amendment, and I am perfectly amenable to whatever the majority leader decides.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a half-hour limitation, with 15 minutes to a side, under the control of the distinguished Senators from Vermont and Michigan.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. If the Senator from Vermont will yield to me for 1 minute——

Mr. PROUTY. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. I rise to thank the Senator from New York [Mr. JAVITS] for the way in which he handled the matter pertaining to Sargent Shriver. I believe that he adopted a statesmanlike attitude when he did not press the matter on the conference report relative to the Peace Corps, and I am very glad that he allowed the Senate the opportunity to vote this proposal up or down.

I would have said the same thing had the amendment been accepted.

Mr. JAVITS. I am pleased, too, because I believe that Sargent Shriver was entitled to have this question resolved in a deliberate way. I consider it settled. I shall do everything I can to make a success of the situation as I see it.

Mr. MANSFIELD. The Senator has just said what I expected him to say, and I appreciate it very much.

The PRESIDING OFFICER. Who yields time?

Mr. PROUTY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 3 minutes.

Mr. PROUTY. Mr. President, I should like to point out for the benefit of Senators now in the Chamber that the amendment is identical with the one offered by the Senator from Arizona [Mr. FANNIN] yesterday, with one exception.

Existing law grants to the Governor of a State the right to veto projects under titles I and II of this program.

My amendment merely strikes out 30 days and substitutes in lieu thereof 20 days. Under this proposal the Governor will be in a position to veto a program which he considers to be inimical to the general welfare of his State, if he acts within 20 days instead of 30 days, as under existing law.

Mr. President, I reserve the remainder of my time.

Mr. McNAMARA. Mr. President, it is difficult to add more reasons why such an amendment should not be adopted than were given during the lengthy debate on similar amendments yesterday.

It is said that a rose by any other name would smell as sweet.

It can also be said that a thorn by any other name would stick the same.

It seems to me that that is the purpose of the Senator's amendment. It is exactly the same as the amendment which was defeated yesterday except for the change in the period from 30 days to 20 days.

As the Senator from Vermont himself has practically said, I see no reason for any lengthy argument. I agree with the Senator. We do not need the amendment, and I urge that it be rejected.

Mr. YARBOROUGH. Mr. President, will the Senator from Michigan yield me 5 minutes?

Mr. McNAMARA. Mr. President, I yield 5 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. YARBOROUGH. Mr. President, this is the same issue on which the Senate voted yesterday. It is identical with the Fannin amendment, except that the present amendment would give a Governor 20 days instead of 30 days to veto a locally initiated project.

The pending amendment would give the Governors an absolute veto power without any appeal anywhere. It would give the Governors an uncontrolled, undirected, and unappealable veto power in any antipoverty program project.

Let me point out that the Committee on Labor and Public Welfare took three steps to take politics out of the antipoverty program. First, it took away the Governor's veto. Second, it wrote the provisions of the Hatch Act into the law. And, third, it provided for continued consultation between the Office of Economic Opportunity and the appropriation State agencies.

We on the majority of the Labor and Welfare Commission accepted two Republican amendments in order to try to be fair and to take out politics on both sides. We accepted the Hatch Act. It is written into the bill. It is on pages 20 and 21, beginning on line 19 of page 20.

We aso accepted a Republican amendment on lines 19 to 23 on page 19, including a part of it limited to continuing consultation with the appropriate State agencies on the development, conduct, and administration of such programs.

I submit, Mr. President, that if the Governor's veto is put back in the bill, then we should go back and take out all the Hatch Act provisions. If we are going to play politics, let us play it on both sides.

In good faith, the two Republican provisions having been accepted by the majority, the Governor's veto should be left as the bill now is and should not be reinstated in the bill.

May I also point out that we did not remove the Governor's veto entirely. We deleted it only concerning Neighborhood Youth Corps projects, community action programs, and adult basic education programs. Those are the three types of poverty projects which originate in the communities themselves. By striking down the Governor's veto, we leave local self-government in all the States, in its purest form, back with the people who formed the programs in their local neighborhoods.

In the committee bill the Governor still has the right to disapprove the establishment of a Job Corps center in his State, because these centers bring in people from other areas. The Governor, without the pending Prouty amendment, has the power to say, "No; we do not wish a Job Corps center established here."

Second, the Governor has the power to disapprove the assignment or referral of Vista volunteers because they might have been recruited a thousand, 1,500, or 2,000 miles away. Concerning this part of the program the Governor has the veto power unimpaired. He can say, "No; we do not wish Vista volunteers in our State."

The only place the Governor's veto was struck down was concerning local projects which people in the local area themselves formed. That is all we are dealing with. Under the proposed amendment the Governor would be permitted to veto what is best in a local county or a local city. This is a greater power than he has under the State constitution of his own State.

This amendment is against local self-government, not in the interests of furthering local self-government. Therefore, Mr. President, we submit that the amendment voted on yesterday was properly disposed of, and that to adopt the pending amendment would reopen the question of the Hatch Act which we have written into the bill. If we are going to take one part of the package out, we should take the other two parts out, also.

As I said a while ago, if we are going to put the Governor's veto back in, then we can play politics, too. We have tried to take politics out of the bill, but we submit that there is no reason for the adoption of such an amendment. It was voted on yesterday and defeated, and we submit that the pending amendment should also be rejected.

Mr. ERVIN. Mr. President, will the Senator from Vermont yield me 3 minutes?

Mr. PROUTY. I yield 3 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 3 minutes.

Mr. ERVIN. Mr. President, as the able and distinguished Senator from Texas has just stated, the amendment offered by the Senator from Arizona [Mr. Fannin] was like the pending amendment, except that the Fannin amendment placed a more restrictive time upon the Governor's right to veto projects. But I believe that the Senator from Vermont has rendered a public service in offering his amendment, because it is to be hoped that the Senate will be wiser today than it was yesterday when it voted down the power of the Governor of a State to veto local community projects.

If we had respect for the Federal system we would recognize that it is incompatible with the Federal system, established by the Constitution of the United States, for the Federal Government to go into a State and deal with communities within the State without the consent of the State government.

The bill undertakes to authorize agencies of the Federal Government to go into a State and deal with communities in that State without the consent of the State, as manifested by the Governor.

I appeal to Senators who respect the Federal system, a system which contemplates that the United States shall be an indestructible Union composed of indestructible States, to recognize the wisdom of the Federal system by voting for the amendment offered by the Senator from Vermont.

Mr. PROUTY. Mr. President, if the distinguished Senator from Michigan is willing to yield back the remainder of his time, I shall yield back the remainder of my time.

Mr. McNAMARA. Under those circumstances, I yield back the remainder of my time.

Mr. PROUTY. I yield back the remainder of my time.

I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. Prouty] to the committee amendment. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH (when his name was called). On this vote I have a pair with the Senator from Pennsylvania [Mr. Clark]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. CANNON (when his name was called). On this vote I have a pair with the Senator from Connecticut [Mr. Dodd]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Indiana [Mr. Bayh], the Senator from Connecticut [Mr. Dodd], the Senator from Wyoming [Mr. McGee], and the Senator from Florida [Mr. Smathers] are absent on official business.

I further announce that the Senator from Idaho [Mr. Church], the Senator from Pennsylvania [Mr. Clark], the Senator from Minnesota [Mr. McCarthy], and the Senator from Alabama [Mr. Sparkman] are necessarily absent.

On this vote, the Senator from Indiana [Mr. Bayh] is paired with the Senator from Nebraska [Mr. Curtis]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Wyoming [Mr. McGee] is paired with the Senator from California [Mr. Murphy]. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from California would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis] is necessarily absent because of death in the family.

The Senator from Illinois [Mr. Dirksen] and the Senator from California [Mr. Murphy] are necessarily absent.

If present and voting, the Senator from Illinois [Mr. Dirksen] would vote "yea."

On this vote, the Senator from Nebraska [Mr. Curtis] is paired with the Senator from Indiana [Mr. Bayh]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from California [Mr. Murphy] is paired with the Senator from Wyoming [Mr. McGee]. If present and voting, the Senator from California would vote "yea," and the Senator from Wyoming would vote "nay."

The result was announced—yeas 43, nays 44, as follows:

[No. 222 Leg.]

YEAS—43

Aiken
Allott
Bennett
Bible
Boggs
Byrd, Va.
Byrd, W. Va.
Carlson
Cooper
Cotton
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Holland
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Lausche
McClellan
Miller
Morton
Mundt
Pearson
Prouty
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—44

Anderson
Bartlett
Bass
Brewster
Burdick
Case
Douglas
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McIntyre
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Ribicoff
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—13

Bayh
Cannon
Church
Clark
Curtis
Dirksen
Dodd
McCarthy
McGee
Murphy
Randolph
Smathers
Sparkman

So Mr. Prouty's amendment to the committee amendment was rejected.

Mr. McNAMARA. Mr. President, I move to reconsider the vote by which the amendment to the committee was rejected.

Mr. MORSE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGOVERN. Mr. President, if I may have the attention of the Senator in charge of the bill, I should like to ask one or two questions that I think are very important, particularly to Senators who represent primarily rural constituencies.

Senators will remember that on February 4, when the President delivered his annual message to the Congress on agriculture, he went to great lengths to stress that our rural communities have special problems that require the attention of our Government agencies to make sure that rural communities and rural people are not overlooked in the administration of these programs. I am frank to say that in the so-called war on poverty, under the Office of Economic Opportunity, our rural areas have not properly shared in that program. That may not be because of any intent on the part of the administrators of the program; it is more likely because of the lack of professional personnel in many of our smaller communities who are trained and equipped to cope with the complexities, the bureaucracy, and the redtape associated with a program of this kind.

I should like to read what the President said in his message as more or less a pledge to the people of rural America. He said:

> It is not easy to equitably distribute Federal assistance to a scattered rural population. Rural communities often lack the specialized organizations found in major cities which keep informed of the development programs and initiate action to make use of them. Special measures must be taken, both by the States and by Federal agencies, to reach rural people, particularly in remote areas.

Then continuing with the statement of the President:

> Since it is clear that an administrative office for each Federal agency or program cannot and should not be established in every county, a method must be developed to extend the reach of these Federal agencies and programs which should but do not now effectively serve rural areas. Accordingly—

Said the President—

> I have asked each department and agency administering a program which can benefit rural people to assure that its benefits are distributed equitably between urban and rural areas.

It seems to me particularly important that the Office of Economic Opportunity should give heed to this pledge and this instruction by the President, because we know that 47 percent of all the people in this country who are classified as suffering from poverty live in what can be described as rural areas.

So the question I should like to ask the distinguished Senator from Michigan, the Senator in charge of the bill, is as follows: What provisions are made in the proposed legislation to take care of this very clear instruction of the President that steps should be taken to provide for our rural areas and see that they share equitably in the program?

I yield to the Senator from Michigan.

Mr. McNAMARA. Mr. President, in reply to the Senator's question, the committee added two amendments liberalizing assistance to rural areas. The OEO has already launched a program to do everything possible for impoverished people in the rural areas, and they are doing a great deal. I know that is happening on the instructions of the President. As I said the committee added two amendments liberalizing assistance to rural areas.

An amendment to title V would require that workers in farm families be considered as unemployed if the family net income was less than $1,200.

It is contemplated that in determining net income criteria would be used similar to those now employed in the rural loans program under title III–A. For this program, a low-income farm family is defined as a family with limited assets whose income is insufficient to provide it with basic needs after paying necessary farm operating expenses and making any required debt repayments on the farm itself.

It should be noted that a family that qualifies under the standard would be very poor. The poverty line for a low-income farm family of four, for example, is $2,191. This is about 70 percent of the poverty line for a nonfarm family. The difference reflects the typically smaller cash requirement of a farm family.

Also, the amendment does not preclude inclusion of workers from poor families with an income of more than $1,200. It merely says that a worker from a family with an income of less than $1,200 cannot be excluded if "unemployment" is one of the criteria for the project.

Another amendment would permit loans to rural cooperatives. I am sure the Senator from South Dakota is familiar with that. So a great deal of the program is directed toward the rural areas, and I am sure that it is becoming more effective all the time and will pick up momentum as we go along.

Mr. McGOVERN. Can the Senator tell me whether there is authority in the proposed legislation that might permit the transfer of some of the administrative funds from the OEO to the Rural Community Development Service in the Department of Agriculture, which has a special responsibility for seeing that rural people in rural communities understand the benefits that are available under this program?

Mr. McNAMARA. There are provisions in the bill which would allow grants to other agencies; and I believe that is what the Senator is referring to.

Mr. McGOVERN. It seems to me that would be a most useful thing for the agency to consider. I thank the Senator from Michigan.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. YOUNG of North Dakota. The Senator mentioned loans to cooperatives in rural areas. Will the Senator explain the difference between loans made by rural cooperatives and those that are available from banking cooperatives?

Mr. McNAMARA. I do not know the difference. I am not familiar enough with the other law, but loans may be made to cooperatives under the program.

Mr. YOUNG of North Dakota. Are any grants involved in making the loan?

Mr. McNAMARA. There is authorization to provide grants to other agencies; yes.

Mr. YOUNG of North Dakota. Are any grants made to cooperatives?

Mr. McNAMARA. None that I know of.

Mr. YOUNG of North Dakota. What rate of interest is charged the cooperatives?

Mr. McNAMARA. The rate is to be determined by the Secretary of the Treasury, depending on the amount of the loan.

Mr. METCALF subsequently said: Mr. President, I was heartened by the remarks of the Senator from Michigan [Mr. McNamara] when he told the Senator from South Dakota [Mr. McGovern] that the Economic Opportunity Act would have greater opportunities for rural America.

We who support this measure, who support economic opportunity for everyone, who support the war against poverty, who voted for mass transportation, and the other acts, are concerned about the fact that 50 percent of the people who are really in the established poverty level, with an income of under $3,000, are in rural America, and only about 15 percent of the funds are being expended for communities of less than 50,000.

I come from a State which has only two communities with a population larger than 50,000. I come from a State in which many of the projects that were proposed for community action were turned down because there was too small an application for the project.

The city of Three Forks, Mont., was refused an opportunity to participate in this war against poverty.

I hope that as this new program goes into effect, the assurance of the Senator from Michigan [Mr. McNamara] to the Senator from South Dakota [Mr. McGovern] will go forward and grant an opportunity to the small communities of America, to rural America, where the real poverty, the real low level of per capita income exists—an income which is lower than that received by people in many of the urban communities—and give us an equal opportunity to benefit from this program.

Mr. PROUTY. Mr. President, I send to the desk an amendment and ask that it be read.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk read as follows:

> On page 20, line 2, strike out everything through line 4, and insert in lieu thereof:
>
> "Sec. 15. Effective July 1, 1966, section 209(c) of the Economic Opportunity Act of 1964 is repealed. At such time subsection '(d)' is redesignated '(c)'."

Mr. PROUTY. Mr. President, the amendment I now offer is a simple one, and I shall need only a minute or two to explain it.

Yesterday the amendment of the distinguished junior Senator from Arizona [Mr. Fannin] to restore the existing Governors' veto language was defeated by the narrowest of margins—on a tie vote. Today my amendment seeks to meet some of the objections or Senators who were unable to support the Fannin amendment yesterday.

My amendment simply repeals section 209(c), effective at the end of this fiscal year.

The reason for waiting until the end of the fiscal year to repeal the Governors' veto is also a simple one. The war on poverty is just now getting off the ground. Every Member of Congress knows that many mistakes have been made by the Office of Economic Opportunity. Mr. Shriver candidly admits it. But as I said in my individual views on the bill in the Senate report:

> In view of the magnitude of the poverty problem in America, in view of the depths of its roots and persistence of its cause, some failures were inevitable. The Congress has no right to expect perfection from the administrators of its programs.

I am willing to believe that the administration of the war on poverty is improving. I know that Mr. Shriver has been quick to recognize flaws, and sincerely eager to improve the way the program is being run.

There will come a time, I hope, when the war on poverty, having profited from its early experiences, will become a well-organized operation. There will come a time, I hope, when programs now administered on a haphazard, makeshift basis will be squared away. There will come a time, I hope, when the antipoverty program is a relatively smooth running machine, with its present growing pains a thing of the past. I am gambling that this will happen during the present fiscal year.

In the meantime, however, it continues to be important for the Governor to have some effective voice with regard to programs which, unlike Federal research and construction programs at the local level, involve a mobilization of local people and a restructuring of socioeconomic patterns, which must necessarily put a certain amount of strain on the social fabric.

My amendment, like the committee amendment now in the bill, strips the Governor of a veto; the only difference is that it permits him a brief grace period to exert some influence in shaping the untested and potentially explosive programs that may be proposed for his State before the Office of Economic Opportunity gains the benefit of extensive experience with them. When the Office acquires some real degree of experience and expertise in this area—and I am gambling that it will reach this stage in this fiscal year—the Governor's veto will be automatically repealed.

Mr. President, I hope that this is a genuine middle ground that will satisfy those who yesterday and today felt uneasy about choosing between the diametrically opposite positions taken by the committee bill and the Fannin amendment and the Prouty amendment.

Mr. President, the amendment represents a fair compromise. It merely extends until next July the veto powers of the Governor that are at present in the statute.

Mr. McNAMARA. Mr. President, I can say nothing in opposition to this amendment which has not already been said. I ask the Senator from Vermont whether he would agree to asking for the yeas and nays.

Mr. PROUTY. On my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, I intend to ask for a live quorum.

Mr. McNAMARA. I have nothing else to say except that I hope the amendment will be rejected.

Mr. PROUTY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 223 Leg.]

Aiken
Allott
Anderson
Bartlett
Bass
Bayh
Bennett
Bible
Boggs
Brewster
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case
Cooper
Cotton
Dominick
Douglas
Eastland
Ellender
Ervin
Fannin
Fong
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Hickenlooper
Hill
Holland
Hruska
Inouye
Jackson
Javits
Jordan, N.C.
Jordan, Idaho
Kennedy, Mass.
Kennedy, N.Y.
Kuchel
Lausche
Long, Mo.
Long, La.
Magnuson
Mansfield
McClellan
McGovern
McIntyre
McNamara
Metcalf
Miller
Mondale
Monroney
Montoya
Morse
Morton
Moss
Mundt
Muskie
Nelson
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Ribicoff
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Symington
Talmadge
Thurmond
Tower
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment of the Senator from Vermont [Mr. Prouty] to the committee amendment.

Mr. PROUTY. Mr. President, I say to Senators that the yeas and nays have already been ordered on this amendment. I shall explain it very briefly to the Senators who were not present before.

The war on poverty is just now getting off the ground. Everyone, including the Director of OEO, is aware that many mistakes have been made during the hectic initial period.

By the end of this fiscal year, the war on poverty should develop on the basis of experience and, through the Director's constant efforts, into a smoothly run program.

In the meantime, before the requisite experience has been accumulated, it remains important for the Governor of a State to have some effective voice with regard to programs which involve a mobilization of local groups and a restructuring of local socioeconomic patterns, which must necessarily put a certain amount of strain on the social fabric.

This amendment, like the committee amendment, strips the Governor of the veto; the difference is that it permits him a brief grace period to exert some influence on untested and potentially explosive programs that OEO, without the benefit of much experience, may be willing to approve.

At the end of the fiscal year, when OEO has presumably settled down into a sound operating pattern, the right of the Governor to veto a program under section 209c is automatically repealed.

In other words, the law, under my amendment, remains as is until June 30 of next year. That is what the amendment does. It seems to be a reasonable compromise. I urge the adoption of the amendment.

Mr. MANSFIELD. Mr. President, I thank the distinguished Senator from Vermont for his courtesy in explaining the proposal before us. I point out, as the distinguished manager of the bill said, that this is the third time we have faced up to the issue. I hope we shall face up to it finally. I am delighted that we are to have a vote on it. I urge the defeat of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the Prouty amendment to the committee amendment.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE (when his name was called). On this vote I have a pair with the Senator from Minnesota [Mr. McCarthy]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. CANNON (when his name was called). On this vote I have a live pair with the Senator from Wyoming [Mr. McGee]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. RANDOLPH (when his name was called). On this vote I have a live pair with the Senator from Pennsylvania [Mr. Clark]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Indiana [Mr. Bayh], the Senator from Connecticut [Mr. Dodd], the Senator from Wyoming [Mr. McGee], the Senator from Florida [Mr. Smathers] are absent on official business.

I further announce that the Senator from Idaho [Mr. Church], the Senator from Pennsylvania [Mr. Clark], the Senator from Minnesota [Mr. McCarthy], and the Senator from Alabama [Mr. Sparkman] are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. Dodd] would vote "nay."

On this vote, the Senator from Indiana [Mr. Bayh] is paired with the Senator from Nebraska [Mr. Curtis]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Nebraska would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis] is necessarily absent because of death in the family.

The Senator from Illinois [Mr. Dirksen] and the Senator from California [Mr. Murphy] are necessarily absent.

If present and voting, the Senator from Illinois [Mr. Dirksen] and the Senator from California [Mr. Murphy] would each vote "yea."

On this vote, the Senator from Nebraska [Mr. Curtis] is paired with the Senator from Indiana [Mr. Bayh]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The yeas and nays resulted—yeas 43, nays, 43, as follows:

[No. 224 Leg.]

YEAS—43

Aiken
Allott
Bennett
Boggs
Byrd, Va.
Byrd, W. Va.
Carlson
Cooper
Cotton
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Holland
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Lausche
McClellan
McIntyre
Miller
Morton
Mundt
Pearson
Prouty
Robertson
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—43

Anderson
Bartlett
Bass
Brewster
Burdick
Case
Douglas
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Ribicoff
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—14

Bayh
Bible
Cannon
Church
Clark
Curtis

Dirksen
Dodd
McCarthy
McGee
Murphy
Randolph
Smathers
Sparkman

The PRESIDING OFFICER. The vote on the amendment is 43 yeas, and 43 nays. The amendment is rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment to the committee amendment was rejected be reconsidered.

Mr. McNAMARA. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. PROUTY. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The vote has been announced.

Mr. McNAMARA. Mr. President, there are no more amendments.

Mr. DOMINICK. Mr. President, I have an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Colorado [Mr. DOMINICK] proposes an amendment, on page 16, strike out "'; and', and by adding at the end thereof the following new paragraph".

On page 16, line 22, strike out the period and quotation marks and insert in lieu thereof: "; and".

On page 16, between lines 22 and 23, insert the following new paragraph:

> (6) which has been submitted to the Governor of the State in which the program is to be located and which has not been disapproved by him within thirty days of such submission.

Mr. DOMINICK. Mr. President, while Senators are still in the Chamber, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President, this is another variation of the Governor's veto discussion. I shall not take very much more time than has been taken on some of the other amendments, but I believe it is important enough to make some comments on the pending amendment.

My amendment would put back into the bill the Governor's right of veto on the community action programs only.

Senators will remember that the action of the Senate committee by a one-vote majority struck from the bill the right of veto in the work training programs, the work study programs, the community action programs, and the adult basic education programs. It left in the veto right on the Jobs Corps and on one other section.

The pending amendment would put it back in on the community action programs, which are at least of as much importance as are the Job Corps programs within the terms of the bill.

Why am I taking this? Why am I doing it? One point to which I invite the attention of the Senate is the great expansion of funds which will be proposed in the particular program for the coming year.

The authorization for fiscal 1965 for the community action program total, for title II, was $340 million; $259.1 million was used for the actual expenditures under title II, which included community action programs, and adult basic education programs.

On this particular proposal for this year, backed by the committee, $30 million only will be spent for adult education; but the community action program is being raised from the $259 million which was spent last year to $880 million. This is at least three and a half times what was spent last year.

These are the very programs which have been the root cause of a great many of the problems into which the poverty program is running. That is, community action programs are the ones which organize the poor through some local, politically ambitious person who tries to organize them into a political unit of his own. They are not coordinated with the existing agencies which are providing programs in this same field, whether they be governmental State agencies, governmental Federal agencies, or private voluntary associations.

They are the ones to which reference was made, obviously, in connection with Mayor Yorty's telegram of yesterday, which was read into the RECORD by the Senator from California [Mr. MURPHY]. It strikes me that this is one area where the need for the Governor's veto is readily apparent.

I happen to know—at least I believe I do—that one of the reasons why the Senator from Texas [Mr. YARBOROUGH]—I do not know whether he is in the Chamber at present—was so vehement on this point was that his Governor, in Texas, was using at least the threat of a veto in order to try to have community action programs in that State coordinated within a reasonable structure.

What have we in support of this kind of proposal? The individual views of the Senator from Vermont [Mr. PROUTY] will be found in the committee report. On page 83, there are comments from two Democratic Governors and two Republican Governors asserting that the veto right needs to be kept. Those Governors, at that time, were shooting for the whole works.

By one or two votes we have been beaten down in our efforts to retain the Governor's veto.

I cannot conceive why we have been beaten, but we have; and now I am saying in all sincerity—and I believe in all justification—that the need for a Governor's veto is at least apparent in the community action programs.

Mr. LAUSCHE. Mr. President, will the Senator from Colorado yield for a question?

The PRESIDING OFFICER. (Mr. KENNEDY of New York in the chair). Does the Senator from Colorado yield to the Senator from Ohio?

Mr. DOMINICK. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. Is the amendment of the Senator from Colorado, as presently written, directed toward the community action programs?

Mr. DOMINICK. It is.

Mr. LAUSCHE. What figures did the Senator from Colorado cite, reflecting the increase in the monetary allocation to this program as it will be financed in the ensuing year, as compared to the money which was given in the original bill?

Mr. DOMINICK. Last year, on the community action programs, we spent $240.1 million.

This year we shall be authorizing an expenditure of $850 million. Last year, on the adult basic education program, we spent $19 million. This year it is proposed to spend $30 million. The great increase in the Senate version of the bill, which is being presented here, is in the community action program, which, as I said, is the focus of infection, as far as these programs are concerned, that the poverty program is having.

Mr. LAUSCHE. Although this may sound repetitious, I should like again to ask the question: If the veto power is given, under the present composition of the political complexion of the Governors in the 50 States, 33 Democratic Governors will be vested with the power of the veto, and 17 Republican Governors. Is that correct?

Mr. DOMINICK. The Senator is absolutely correct. I am happy that the Senator has brought out that fact again.

Mr. LAUSCHE. Therefore, if politics are to be played in connection with the veto, it will have to be played by the Democrats, if that factor is to be the dominating factor in the spending of this money. Is that correct?

Mr. DOMINICK. The Senator is absolutely correct. I am happy that the Senator has brought out that fact again.

Mr. LAUSCHE. Again to be repetitious, it is a fact, is it not, that all but one of the Governors voted in favor of the resolution asking for the restoration of the veto power as it existed in the original bill. Is that correct?

Mr. DOMINICK. The Senator is absolutely correct. I am still trying to find out who that one Governor was, but I have not been able to get his name.

Mr. LAUSCHE. It was the Governor of California.

Mr. KUCHEL. His name is Brown.

Mr. DOMINICK. That is an interesting new fact that I had not known. I thank the Senator from California for supplying the information.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. MANSFIELD. I note that the Senator from Ohio has stressed the fact again that 49 of the 50 Governors favored the veto.

Mr. LAUSCHE. I said all but one.

Mr. MANSFIELD. Forty-nine of the fifty Governors favored the veto. I would point out that the Senate has already expressed itself on this issue at least three, if not four, times.

Mr. DOMINICK. I hope it will express itself a couple of more times, and I hope favorably.

Mr. LAUSCHE. Is it not a fact that when this program was urged for adoption, one of the arguments made to induce Senators to vote for it was that protection would be furnished against unreasonable intrusion by the Federal Government in the political situation that prevailed in the various States, and that

that protection would be giving to the Governors the power of the veto.

Mr. DOMINICK. The Senator is absolutely correct. I personally had some doubt as to whether those assurances would work. It is readily apparent from the testimony that those assurances have not worked, because person after person in the political structure of each of the 50 States has complained from beginning to end about the political implications that are being used and the organizations that are being set up, and the disruption of government that has resulted from the intrusion in the community action program and the lack of responsible leadership in it, and the fact that many of the people who have been involved as supervisors or organizers, and who have been paid salaries by OEO, are in fact, people of dubious reputation, to say the least. This is a crime. It should not happen this way. About the only solution we have left in clearing up this situation is to permit the Governor, when he sees someone put in charge of a community action program who should not be put in charge of it or who sees a program set up that does not make any sense, to exercise the right of the veto, or at least to threaten it—at least to threaten it—until he can have some changes made, so that it will fall within the pattern of private, State, government action in this same field.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. FANNIN. I should like to give one example to the Senator, which occurred in my State of Arizona, where the Safford Area Council employed an individual who was once a State representative. Since the distinguished Senator from Ohio has mentioned the opposite political party to mine, I should say that this man was a representative of that party.

He was convicted in 1961 of falsifying documents which enabled aliens to work in the United States. He was given concurrent sentences on four counts of falsifying documents and on two contempt charges, totaling 2½ years. He was paroled in January 1962, 9 months after he began his prison term. Now he is serving in the employ of the Safford Area Council in Arizona.

Mr. DOMINICK. This fact came to the Senator's attention only within the past few weeks. Is that correct?

Mr. FANNIN. That is correct.

Mr. DOMINICK. That is a typical example. I appreciate the Senator's bringing out what is obviously a disgraceful fact to all of us.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. LAUSCHE. As the Senator knows, I am not a member of the committee, and, therefore, I am not familiar with the evidence that was presented to the committee on the bill. However, I have a recollection that the mayors of the Nation also have complained about the ability, under the present setup, of the Federal Government to circumvent the governmental jurisdiction of the mayors in the assignment of these moneys to what are called the community action committees. Can the Senator from Colorado tell me whether there has been a revelation of that attitude on the part of the mayors of the country?

Mr. DOMINICK. Yes; it has been very strongly expressed. I can reply to the Senator from Ohio by referring him to page 60 of our minority views, in the last paragraph, where we bring out quite clearly these facts:

> Another widely publicized shortcoming of the war on poverty is the failure to coordinate Federal actions with State, local, and private programs. Time and again we have heard protests that the Office of Economic Opportunity was bypassing either local governments or the poor in establishing local programs.

These are the community action programs.

> Early in June of this year a group of big-city mayors attempted to get the U.S. Conference of Mayors to approve a resolution highly critical of OEO. The proposed resolution would have accused OEO of "trying to wreck local government by setting the poor against city hall." The resolution, drafted by two Democratic mayors of big cities, was stopped at the last minute at the urging of the administration. The mayor of Syracuse pointed out that in addition to his other problems the poor in that city were being "urged to storm city hall."

"Urge to storm city hall"—at a time when our country is facing problems growing out of riots and demonstrations. Although these words were not meant in that frame of reference, they can be subject to much misunderstanding.

Mr. LAUSCHE. Mr. President, am I correct in my understanding that the views expressed by the mayors were: "We are the duly elected governmental officials in the community, yet under the program we are being circumvented through the assignment of these moneys to nongovernmental agencies in the administration of the program?"

Mr. DOMINICK. The Senator is absolutely correct. I continue to read from my minority views:

> Governors have argued that the only way they have been able to get OEO to consult with and advise State antipoverty agencies has been to threaten use of the Governors' veto.

I read another sentence:

> Other local programs have been set up without consultation with local charities experienced in the local problems and often without any representation of the poor.

There has been a series of horror stories in the discussions that have been going on during the past 2 days, and in the reports, and they lead me to believe that if we are to retain any semblance of sense in this vastly expanded program of community action, we must have the veto right reserved.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. LAUSCHE. To summarize, is it not a fact that the chief executives of the States and the chief executives of the municipalities—substantially as far as municipalities are concerned, and practically fully as far as the States are concerned—manifested a protest against the circumvention of the authority granted by the people to the Governors and the mayors in the running of government?

Mr. DOMINICK. That is correct.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. DOMINICK. I am happy the Senator from Ohio brought up the point. I yield to the Senator from Texas.

Mr. TOWER. Is it not true, or has it not been established that not only the Governors, but the mayors, seem to desire to retain the gubernatorial veto power, at least under the community action program? Is that correct?

Mr. DOMINICK. So far as we know, that is absolutely correct.

Mr. TOWER. Is it not also true that 33 of the Governors in the United States are Democrats?

Mr. DOMINICK. Thirty-three of the Governors are Democrats.

Mr. TOWER. Is it not also true that most of the mayors of the big cities that stand to profit by the program or to benefit by it are Democrats?

Mr. DOMINICK. Regretfully, I would say that that is also true.

Mr. TOWER. So the Democrats exercise State and local political control. Is that not correct?

Mr. DOMINICK. That is correct.

Mr. TOWER. Then a vote on the part of a Democratic Senator against the amendment of the Senator from Colorado will be a vote of no confidence in the State and the local officials of their own party. Is that not correct?

Mr. DOMINICK. I believe such votes could easily be interpreted in that way, and probably should be.

Mr. TOWER. I believe it would be interesting for us to record the fact that a majority of Senators on the other side of the aisle will cast a vote of no confidence in the Democratic Governors and mayors of this country.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOMINICK. I am happy to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. I have talked with some Democratic Governors. They feel that they may have been deluded on this question of a Governor's veto.

For example, consider a State where segregation sentiment is strong.

Mr. DOMINICK. Will the Senator from Louisiana permit me to interrupt?

Mr. LONG of Louisiana. Yes.

Mr. DOMINICK. I wish to make crystal clear that the Senator is not referring to the State of Colorado.

Mr. LONG of Louisiana. I agree that I am not referring to the State of Colorado.

Mr. DOMINICK. Very well.

Mr. LONG of Louisiana. In such a segregationist State, the Governor must walk a delicate tightrope between allowing into his State integrated, federally sponsored projects and keeping out these Federal funds, which will do much good for all the State's citizens.

That Governor says, "Do not throw that hot potato in my lap. If I have to veto the program or approve it, I shall get either one side against me or the other. I should like to get along with both of them." That Governor may very well say: "Will you please bypass my office? Do not say that I asked for the program, but get it done."

Mr. President, that is what the whole difficulty is about. Senators could be throwing hot potatoes in the laps of their Governors, and Governors just do not want it that way. They want to get along with everybody. They want to love their neighbors.

Mr. DOMINICK. The Senator states——

Mr. LONG of Louisiana. Why would Governors want the veto? One reason could be that they want the program to fail. It could be a complete failure in New York, it could be a complete failure in Pennsylvania, and it could be a complete failure in Michigan if those Governors took advantage of a veto to make it so. I am not saying that it would, but it could happen this way.

It has been said, "The Republicans will get with you southern Democrats on this program. You are afraid some southern Governor might run against you. So throw this hot potato in his lap and make him lose a lot of votes, and then fix it up with the northern Republican Governors." They say, "We will mess this thing up so badly that we will hurt the President and get the payroll at the same time."

This could be one of the sweetest Republican deals imaginable if they wanted to make it so. I spoke to a number of Governors on the telephone that reversed their position. It is as simple as that.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I do not have the floor.

Mr. TOWER. Mr. President, will the distinguished Senator from Colorado yield to me?

Mr. DOMINICK. I yield.

Mr. TOWER. I should like to ask the distinguished Senator from Louisiana if what he has stated is the position of Governor McKeithen. Is that what he has expressed to the distinguished Senator from Louisiana?

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DOMINICK. I am happy to yield.

Mr. LONG of Louisiana. I would not like to single out any Governor, but I will say this about my Governor. He is a good Governor. He is a conscientious man. He has not asked me to vote differently from my conscience.

The Senator comes from Texas. I have some doubt that Governor Connally would be Governor of Texas unless he had the President's support. Governor Connally used to work under the President. In my opinion—and I make this statement after some meditation—Lyndon B. Johnson thinks that Senator RALPH YARBOROUGH was never more right in his life than he is about this—as much as he likes and admires Tom Connally.

Mr. TOWER. I believe the Senator is referring to John Connally.

Mr. LONG of Louisiana. I am glad the Senator reminded me of that. Tom Connally was a great Senator from his State. In the past the President has expressed himself to me on the subject of sabotaging programs.

He said to me, "Senator, what will kill a program, and hurt me, is that someone will insist on making me take an incompetent individual to run a program in his State."

Some State senator or State legislator might come to the Governor and say, "Governor, I would be willing to support your projects."

Let us face it. That Governor is not as much interested in the Governor's salary as he is in the prestige and authority that goes with the job.

So the legislator might say, "I would be willing to vote for your projects provided you let me name my brother-in-law, who is without a job, to take charge of the local community program. Put him on a salary, and I will be willing to work to let you have a project that you may want."

Mr. DOMINICK. Mr. President, I yielded to the Senator so that he may ask a question.

Mr. LONG of Louisiana. I believe I have made my point.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. DOMINICK. Before I yield further, I should like to point out to the Senator from Louisiana that last year, on the motion of the Senator from Florida [Mr. SMATHERS] to insert in the bill a provision for a veto, the Senator from Louisiana voted for the amendment. So obviously he has had a change of heart since that time.

Mr. LONG of Louisiana. Since the Senator has used my name, will he yield to me at that point?

Mr. DOMINICK. I yield.

Mr. LONG of Louisiana. Yes; I voted for it. What did we get? We got as head of our program a man that many felt would not make the program go. Fortunately after the matter was discussed with the Governor he made a change in appointments and came up with men who appear to be doing a good job.

Why should a Governor appoint men like that? Why should we not get honest, decent men to administer the program in Louisiana, Colorado, or any other State? I do not understand. Consider what happened in my State. So far as we are concerned, any Governor might have a veto, but they could use this power to put in people who are not capable by either ability or conviction to do a good job.

What we are worried about is that we shall be given an incompetent, and we shall not be able to fire him because some Governor holds the right of veto.

Mr. DOMINICK. My understanding is that the four cases——

Mr. LONG of Louisiana. I trust that the Senator does not desire us to put such men in charge of our programs to make sure that they do not succeed.

Mr. DOMINICK. Mr. President, do I have the floor? I shall not be shouted down by the Senator from Louisiana.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. DOMINICK. In a moment. I wish to say something about the speech or tirade to which we have just listened. It strikes me that we have something more important to consider than whether a Governor is in an embarrassing political spot or not. It seems to me that the basic principle is whether the Federal Government will move in and take over the whole program that has been adopted originally and for which the people voted, through their mayors, city councils, and State systems of government.

Here they are not going to give the elected heads the right to determine whether this is going to fit in with their program.

It strikes me that we must adopt a principle. It should have nothing to do with whether the Governor is in a politically embarrassing position, or whether his friend is or is not a Democrat. I do not see how that has anything to do with the amendment.

I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I want to make it very clear that insofar as the Senator from Florida is concerned this is not a personal matter or a partisan matter.

So far as the Senator from Florida is concerned, he agrees completely with the distinguished Senator from Colorado that a very great principle is involved here: Shall we or shall we not continue the tradition in our country, and the law for 180 years, that we have a dual system of government with the Federal Government and the State government, both sovereign in their spheres? Shall we or shall we not allow the chief executive in a State who, as the chief executive, has been named by his people and knows his people and his State probably better than any other individual living, to have any say about the projects under this program which are proposed for his State?

So far as the Senator from Florida is concerned he only wishes to set the record straight on one matter—this is not a Republican conspiracy. If Senators will look at the list of rollcalls throughout the time this issue has been discussed by the Senate, they will find that a good many former Governors of Southern States have been voting for these amendments and none against them.

Looking around I note two former Governors of the State of South Carolina—former Governors who have been continuously voting in that particular group.

I note that two Governors from the State of Georgia, or former Governors, have been continually voting in that group.

I note that one former Governor of the Commonwealth of Virginia has been voting in that group.

I note that one former Governor of the State of Florida has been voting in that group.

I do not know what the condition may be in any one State and I hope there is no State in the abject condition we have heard described here on the floor.

But so far as the Senator from Florida is concerned I know that the people of our State who have recently elected a Governor by an overwhelming majority of something like 700,000 or 800,000 votes, would like for him to have something to say about projects of this kind which are brought into communities of his State.

I believe that the same situation obtains in reference to other Southern States.

I believe there is no difference between States which have Democratic Governors and States which have Republican Governors. The people of the several States have spoken by a majority for whomever is their Governor.

I do not believe it makes a scintilla of difference whether that Governor belongs to one party or to the other party.

The real question is: Are we going to continue to have the dual system of American government?

I have been sitting on the sidelines and watching as we have been passing legislation through the last several months and it seems to me that almost with every passing vote we have been chipping away rights and responsibilities of the States at a time when the Nation is growing bigger, growing greater, growing more unwieldy, having more pressing problems in the international field, and becoming less able to wisely handle local programs.

We have been consistently trying to downgrade the States and downgrade the Governors and downgrade State and local government and downgrade the responsibility of local people. I believe we have slipped much too far in that direction already. I shall hope that we will not continue to slip, to slide, to nosedive in that direction.

I remind Senators that only last year this particular provision was voted into this bill by the vote of 80 to 7. I remind Senators, as to what I believe is a fact; I do not believe the bill could have been passed last year without recognition of the rights of the States and the status of the Governors of the States.

It is too bad that we have slipped so far in this 1 year that now we are willing to eradicate the Governors, eradicate State responsibility, and take a position here on the floor that is attempted to be made partisan, when clearly it is not.

I desire the record to show very clearly that this is not a partisan issue and that in my judgment the Southern States, as they have been referred to, and other States which have Democratic Governors, are just as much interested in this issue and in the preservation of the American form of government and the preservation of some recognition of State independence and State responsibility, as are those States which have Republican Governors.

Mr. President, I shall support this amendment as I have supported the previous amendments of this kind, both last year and this.

Mr. DOMINICK. I thank the Senator from Florida. His speech has demonstrated why. It was magnificent. I sincerely appreciate his support.

Mr. MANSFIELD. Mr. President, I should like to have the attention of the Senate. I ask unanimous consent that on the pending amendment there be a limitation of 20 minutes, 10 minutes to be controlled by the distinguished Senator from Colorado [Mr. DOMINICK] and 10 minutes to be controlled by the distinguished Senator from Michigan [Mr. McNAMARA].

Mr. SCOTT. Mr. President, reserving the right to object, may I have an understanding that I may be yielded 2 minutes?

Mr. DOMINICK. That is agreeable.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. LONG of Louisiana. Mr. President, I do not understand the proposed unanimous-consent request.

Mr. MANSFIELD. That there be 10 minutes to a side on the pending amendment.

Mr. LONG of Louisiana. May I have 3 minutes?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. DOMINICK. Mr. President, I yield 3 minutes to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, the Governor of Texas has been mentioned. It has been said that he owes his present position to the President of the United States. But, in that connection, the polls show that in Texas the Governor is more popular than the President; he is Governor in his own right.

It was suggested that politics was instrumental in the administration of the present program. The Governor of my State is not of my party; he is a Democrat. He has not acted through politics; he has acted with dispatch. He favors the program. He has acted in a singularly efficient way. He has drawn no criticism from either party in our State for the way he has acted in administering the program. He is certainly wholeheartedly in favor of the exercise of the gubernatorial veto.

It seems to me that all that has been implied is that this program is, indeed, politically motivated, politically oriented, and politically administered. That is why it should not have been enacted in the first place. It will continue to be administered in that way, whether there is a gubernatorial veto or not.

Mr. LONG of Louisiana. Mr. President, may I be yielded 3 minutes?

Mr. MANSFIELD. I yield 3 minutes to the distinguished Senator from Louisiana.

Mr. LONG of Louisiana. Politics gets into the program when someone tries to get a part of the benefits for his people. Local governments are willing to go along and initiate a program if they feel their people will benefit. Suppose the local government has contributed $100,000, and the Federal Government $900,000. Neither the Governor nor the State government has contributed a nickel. But suppose there is an influential State politician who goes to the Governor and says, "Governor, I will do you a big favor. All you must do is to put my brother-in-law in charge of the new antipoverty program." Therefore, the Governor takes the brother-in-law, regardless of his record. Maybe everything that we find out about him is bad. But he is put in charge of the program. That is practically a guarantee that the program will not succeed. That is what we are trying to get away from.

Let us say that the Governor happens to be against the President. Let us say he does not want the program to succeed. He tells the influential politician, "I would not hire your brother-in-law to be dog catcher, but I will give him the job of running this Federal program."

We should not make it possible for something like this to happen.

It is possible that Governors of a political party different from the President could try to use this method to gain political advantage. They could conceivably sabotage a program then point to it as a failure of the administration.

It is true that Southern Governors attended this Governor's conference where an agreement was apparently reached that Governors should have this veto.

However, it is my feeling that when most of them got back home and thought over the situation, they were inclined to let their Senators go uninstructed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. Mr. President, I ask that I be recognized for 1 additional minute.

Mr. McNAMARA. I yield 1 additional minute to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 additional minute.

Mr. LONG of Louisiana. Mr. President, I want to wind up by saying this: Along the lines I have discussed, the Republican Party could use this veto to bring criticism to a Democratic program and a Democratic President. I do not think we should give them the power to do that. That is what we are talking about.

Mr. McNAMARA. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 1 minute.

Mr. McNAMARA. Mr. President, this amendment is directed at the heart of the community action program. I hope that the amendment will be defeated.

Mr. DOMINICK. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. SCOTT. Mr. President, we have seen how narrow the issues can be. Governors will be deprived of their veto because a Senator does not like his particular Governor. We have an opportunity here to vote an expression of confidence in our Governors. If we like our Governors and think that they can be trusted in establishing the proper execution of this program to help the poor, we should want them to have the veto. If we do not trust them, we would not want them to have the veto.

Reference has been made to Governors Rockefeller, Romney, and Scranton. In my judgment, all three of those Governors, and many others, have compiled an excellent record for responsible administration and have cherished and protected the rights of persons involved and affected, the people who are trying to administer the program at the local level.

The distinguished Senator from Louisiana has made reference to the possibility of corruption in the Governor's office of his State. The possibility of corruption is multiplied manyfold by the danger existing in city halls and in local administrations throughout the Union.

Mr. DOMINICK. Mr. President, I thank the Senator from Pennsylvania.

I yield 1 minute to the Senator from Kentucky.

The **PRESIDING OFFICER.** The Senator from Kentucky is recognized for 1 minute.

Mr. MORTON. Mr. President, I do not profess any expertise on this particular amendment.

I rise merely to remind my colleagues—I am sure they already know it—that, on our very limited side of the aisle, we have some rather distinguished Governors.

I start with the Senator from Vermont [Mr. Aiken], the Senator from Iowa [Mr. Hickenlooper], the Senator from Massachusetts [Mr. Saltonstall], the Senator from Arizona [Mr. Fannin], the Senator from Delaware [Mr. Boggs], the Senator from Kansas [Mr. Carlson], the Senator from Wyoming [Mr. Simpson], the Senator from Idaho [Mr. Jordan], and the Senator from South Carolina [Mr. Thurmond].

In this particular case, I shall abide by their opinion.

Mr. DOMINICK. Mr. President, how much time have I remaining?

The **PRESIDING OFFICER.** The Senator from Colorado has 5 minutes remaining.

Mr. DOMINICK. Mr. President, I shall take a few more moments to summarize the amendment.

There have been only four occasions in which the veto has been exercised. The veto has been exercised once in the great State of Florida, once in the great State of Alabama, once in the great State of Texas and once in the great State of Montana. With a total of 1,500 projects which were started, the veto has been exercised only four times.

It seems to me to be of the utmost importance that we tell the Governors that we are going to comply with the program and cooperate with the Governors and give them some authority over this type of program.

I cannot see how we could eliminate this and, at the same time, expand the program by three and one-half to four times what was spent last year, and create more projects in the local areas in which the Governor would have no voice as to what would happen, and create any confidence that these programs will be operated in conjunction with State and private efforts in the same field.

I urge support of the amendment.

Mr. President, if the Senator from Michigan will yield back the remainder of his time, I am ready to yield back the remainder of my time.

Mr. McNAMARA. Mr. President, on that basis, I yield back the remainder of my time.

Mr. DOMINICK. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado to the committee amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE (when his name was called). On this vote I have a live pair with the Senator from Minnesota [Mr. McCarthy]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore I withhold my vote.

Mr. RANDOLPH (when his name was called). On this vote I have a live pair with the Senator from Pennsylvania [Mr. Clark]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. JAVITS (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Nebraska [Mr. Curtis]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withdraw my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Wyoming [Mr. McGee], the Senator from Florida [Mr. Smathers], and the Senator from Virginia [Mr. Robertson] are absent on official business.

I also announce that the Senator from Virginia [Mr. Byrd], the Senator from Idaho [Mr. Church], the Senator from Pennsylvania [Mr. Clark], the Senator from Minnesota [Mr. McCarthy], and the Senator from Alabama [Mr. Sparkman] are necessarily absent.

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Connecticut [Mr. Dodd]. If present and voting, the Senator from Virginia would vote "yea" and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Wyoming [Mr. McGee] is paired with the Senator from Virginia [Mr. Robertson]. If present and voting, the Senator from Wyoming would vote "nay" and the Senator from Virginia would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. Curtis] is necessarily absent because of death in the family.

The Senator from Illinois [Mr. Dirksen] and the Senator from California [Mr. Murphy] are necessarily absent.

If present and voting, the Senator from Illinois [Mr. Dirksen] and the Senator from California [Mr. Murphy] would each vote "yea."

The pair of the Senator from Nebraska [Mr. Curtis] has been previously announced.

The result was announced—yeas 42, nays 43, as follows:

[No. 225 Leg.]

YEAS—42

Aiken
Allott
Bennett
Boggs
Byrd, W. Va.
Cannon
Carlson
Cooper
Cotton
Dominick
Eastland
Ellender
Ervin
Fannin
Fong
Hickenlooper
Hill
Holland
Hruska
Jordan, N.C.
Jordan, Idaho
Kuchel
Lausche
McClellan
McIntyre
Miller
Morton
Mundt
Pearson
Prouty
Russell, S.C.
Russell, Ga.
Saltonstall
Scott
Simpson
Smith
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NAYS—43

Anderson
Bartlett
Bass
Bayh
Brewster
Burdick
Case
Douglas
Fulbright
Gore
Gruening
Harris
Hart
Hartke
Hayden
Inouye
Jackson
Kennedy, Mass.
Kennedy, N.Y.
Long, Mo.
Long, La.
Magnuson
Mansfield
McGovern
McNamara
Metcalf
Mondale
Monroney
Montoya
Morse
Moss
Muskie
Nelson
Neuberger
Pastore
Pell
Proxmire
Ribicoff
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—15

Bible
Byrd, Va.
Church
Clark
Curtis
Dirksen
Dodd
Javits
McCarthy
McGee
Murphy
Randolph
Robertson
Smathers
Sparkman

So Mr. Dominick's amendment to the committee amendment was rejected.

Mr. McNAMARA. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MORSE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 403

Mr. PROUTY. Mr. President, I send an amendment to the desk and ask that it be stated.

The **PRESIDING OFFICER.** The amendment will be stated for the information of the Senate.

The Legislative Clerk. The Senator from Vermont proposes an amendment to the committee amendment on page 20, line 2, beginning with the word "Section", strike everything down to and including "(c)" on line 4 and insert in lieu thereof the following:

At the end of section 209(c) of the Economic Opportunity Act of 1964, add this proviso:

"*Provided further*, That the Governor of a State may disapprove a plan setting forth a contract, agreement, grant, loan or other assistance resulting from title I and title II of this Act only where such plan would (1) provide for or permit the payment of excessive salaries greater in amount than the annual salary of the highest State welfare official, thereby denying a proper proportion of aid to the poor, or (2) permit political exploitation of the poor, or (3) ignore or deny the rights of poor people to adequate participation in the planning and administration of projects, or (4) ignore or deny the rights of the poor people to effective representation on the governing or policy advisory boards of community action agencies, or (5) permit a person convicted of a crime involving moral turpitude to become or remain an officer or employee of an agency conducting a community action program if such person would have an unwholesome influence on the poor people to be served by such agency, or (6) if executed, create great social unrest and serious disturbances of the peace."

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield, without losing his right to the floor?

Mr. PROUTY. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. There will be no further voting this evening.

ORDER FOR RECESS UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 12 o'clock noon tomorrow.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1965

The Senate resumed the consideration of the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President. I ask unanimous consent that at the conclusion of the prayer tomorrow, there be a time limitation of 1 hour on each amendment, the time to be equally divided between the proposer of the amendment and the Senator in charge of the bill, or whomever they may wish to designate.

Mr. PROUTY. Mr. President, reserving the right to object, I discussed this matter with the majority leader earlier and explained to him that it was perfectly agreeable to me, with the understanding that I may request a little more time, particularly on one amendment.

Mr. MANSFIELD. I assure the Senator that he will receive every consideration.

Mr. DOMINICK. Mr. President reserving the right to object——

Mr. MUNDT. Mr. President, reserving the right to object, this applies to amendments which may be offered as well as the pending amendment?

The **PRESIDING OFFICER.** Will the Senator restate his question?

Mr. MUNDT. Reserving the right to object, I should like to know whether the unanimous-consent request applies to the amendment of the Senator from Vermont which is pending or to all others as well.

Mr. MANSFIELD. To all others. An hour on each one.

Mr. DOMINICK. Would the Senator from Montana mind amending his unanimous-consent request to apply to the one amendment pending? Then we can discuss tomorrow what time we may need, because on some amendments we may need more time than on others, and I would not wish to commit myself at this point.

Mr. MANSFIELD. Frankly, I have no choice. I am at the mercy of the Senate or any Member thereof. This suggestion was made by the Senator from Vermont. Would it be reasonable to have it apply only to his amendment?

Mr. PROUTY. There is one amendment which I shall offer which may require an hour on each side. I am guessing at the time. Other amendments probably will not take 5 or 10 minutes. Therefore, if I could be assured of an hour on my amendment, I will indicate to the majority leader which one it will be tomorrow——

Mr. MANSFIELD. The Senator knows that I am following the suggestion which he made to me. I talked with him three or four times, and to other Senators, to try to reach a unanimous-consent agreement, and I failed. Every time a unanimous-consent request has been submitted, the initiative has come from the interested party on that side.

Mr. PROUTY. I wish to cooperate with the majority leader.

Mr. DOMINICK. Mr. President, I wish to add further to this one amendment——

Mr. MANSFIELD. That is fine.

Mr. DOMINICK. We can progress faster that way.

Mr. MANSFIELD. Mr. President, I submit the request. I point out to my colleagues on the Republican side of the aisle that the leadership on both sides is trying to achieve the goal of adjournment around Labor Day. We have plenty of business to take care of, but if we are going to make that date, or any date approaching it, we must get on with the business on the calendar which comes from the committees.

So far as I am concerned, whatever the Senate wishes will be done. In view of the fact that the request is made that the unanimous-consent request apply to only one amendment, I will make that request at this time, and if there is any objection, I shall withdraw that request.

Mr. SYMINGTON. Mr. President, reserving the right to object——

Mr. MANSFIELD. Mr. President, if there is any objection, I shall withdraw the request, and we will take our chances.

Mr. SYMINGTON. Mr. President, reserving the right to object——

Mr. HRUSKA. Mr. President, what is the request?

Mr. MANSFIELD. One hour on the pending amendment, to be equally divided.

Mr. SYMINGTON. Mr. President, reserving the right to object, in view of the fact that the distinguished majority leader would hope to have the Senate adjourn somewhere between Labor Day and the first of October——

Mr. MANSFIELD. The Senator from Missouri is a little too pessimistic, from my point of view.

Mr. SYMINGTON. I would hope so. I sympathize with the position of the majority leader, but I respectfully ask, if Members of this body who are offering all these amendments with respect to the power of the Governor's veto will not object to a unanimous-consent request, except on one amendment, why do we not continue the session and work until 10 o'clock or 11 o'clock tonight?

Mr. MANSFIELD. The leadership must exercise its best judgment. In view of the existing circumstances, there will be no further votes tonight. Let me say to the Senator from Missouri that the leadership had intended to stay in session until 8 o'clock or 9 o'clock this evening, but we think it advisable not to do so.

Mr. PROUTY. Mr. President, I should like to impose one further reservation, or have it understood, that in case we should have a quorum call, live or otherwise, that it will not be taken out of my time at least, or out of the time of the other side.

Mr. MANSFIELD. Mr. President, again I point out that the leadership is at the mercy of the Senate. Whatever any Senator wishes, he will get.

Mr. KUCHEL. Mr. President, a question.

Mr. MORTON. Mr. President, a question.

Mr. MANSFIELD. I wish to have it quite understood that whatever any Senator wishes, he will get. Any Senator can control this body any time he wishes.

Mr. PROUTY. Let me say respectfully to the majority leader that all we wish is an opportunity to make our case.

I am talking about my amendment. I am sure I shall want to have a live quorum call before a vote is had on it.

Mr. MANSFIELD. The Senate is on notice. The Senator has had plenty of time to make his case on the amendments he has offered. He has called for three or four live quorum calls, so that a sufficient number of Senators would be here to understand what the amendments provided. They have all been important amendments, to which the Senator from Vermont has given great consideration and much time.

After starting on a request to limit debate to 1 hour, 30 minutes to a side, on all amendments, we are now down to an agreement to limit debate to 1 hour on one amendment, and perhaps up to 2 hours on another amendment. Now we are to include live quorum calls, and this, that, and the other thing. Whatever the Senate wishes to do, it can do.

I include that request in the unanimous-consent request on the one amendment, Mr. President, although I do not believe it is worth it.

The **ACTING PRESIDENT** pro tempore. Is there objection to the unanimous-consent request?

Mr. KUCHEL. So that the Senate may understand, the unanimous-consent request is that there be 1 hour of debate allowed on the amendment, to be equally divided, with a live quorum to be made available to the Senator from Vermont thereafter.

Mr. MANSFIELD. If the Senator from Vermont desires it.

The **ACTING PRESIDENT** pro tempore. Is there objection? The Chair hears none, and the order is entered.

The unanimous consent agreement subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective on Thursday, August 19, 1965, immediately following the prayer, further debate on the pending amendment offered by the Senator from Vermont [Mr. PROUTY] No. 403, shall be limited to 1 hour to be equally divided and controlled by the Senator from Vermont [Mr. PROUTY] and the Senator from Michigan [Mr. MCNAMARA].

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The **ACTING PRESIDENT** pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTERSTATE COMMERCE ACT AMENDMENTS—CONFERENCE REPORT

Mr. LAUSCHE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5401) to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system, and for other purposes. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceeding of Aug. 19, 1965, pp. 21010–21012.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. LAUSCHE. Mr. President, I move the adoption of the conference report. The Senate amendment of the House bill is a complete substitute for the text of the House bill, but differs substantially from the House bill in only four respects, which I will discuss hereafter. The conference substitute is a substitute for both the House bill and the Senate amendment.

The first difference upon which agreement was reached is as follows: Both the House bill and the Senate amendment amended section 222(b) of the Interstate Commerce Act to provide that any person injured as a result of operations by another person in clear and patent violation of operating authority requirements of the motor carrier provisions of the act could apply directly to a district court of the United States for an injunction to restrain such violations. The House bill contained language providing that nothing in its amendment to section 222(b) was to be construed to deprive the Commission of its jurisdiction to interpret or construe certificates of public convenience and necessity, permits, or rules and regulations issued by the Commission. The conference substitute is the same as the Senate amendment. The conferees agreed that this provision in the House bill was unnecessary in view of the provision adopted on the House floor and by the Senate Commerce Committee to insure that the courts could not be used to decide initially cases involving important issues of transportation law of policy.

The second difference upon which agreement was reached is as follows: The House bill amended section 417(b) of the act—relating to freight forwarders—to provide that any person injured as a result of operations by another person in clear and patent violation of operating authority requirements of the freight forwarder provisions of the act could apply directly to a district court of the United States for an injunction to restrain such violations. The Senate amendment contained no such provisions allowing injunctive relief against persons violating freight forwarder provisions of the act. The conference substitute is the same as the House bill, except for the omission of provisions relating to jurisdiction of the Commission to interpret or construe permits or rules and regulations issued by the Commission. These provisions relating to Commission jurisdiction were omitted as unnecessary in accordance with the omission of similar provisions from the amendment to section 222(b).

The language of this section relating to freight forwarders makes it clear that private suits could be entertained only in those cases where the violation complained of, and for which relief is sought, is a clear and patent violation of the law. This section requires the posting of a bond, and calls for the recovery of attorney's fees and court costs where the action is not warranted by the facts and circumstances.

Further, in any action brought under this amendment, the Interstate Commerce Commission could notify the district court in which the action is pending that the Commission intends to consider the matter in a proceeding before it. Upon the filing of such a notice, the court would be required to stay further action pending disposition of the proceedings before it.

As I indicated to the Senate at the time of passage of the Senate amendment to H.R. 5401, if it appears at a subsequent time that these provisions allowing private injunctive relief are being used improperly, it would be the intention of the Surface Transportation Subcommittee to take action to remedy the situation.

The third difference is as follows: The House bill contained provisions which would have permitted the Interstate Commerce Commission first, upon application of the holder thereof, to amend or revoke any water carrier certificate or permit in whole or in part; or second, upon complaint or on its own initiative to suspend, change, or revoke any certificate or permit in whole or in part, after reasonable notice and opportunity for a hearing, for willful failure to engage in or to continue to engage in the operation authorized by such certificate or permit. In addition, the Interstate Commerce Commission would have been required to revoke that portion of a certificate authorizing any operation in which there has been a willful failure to engage for 3 or more years, but only after reasonable notice and opportunity for a hearing.

In addition, the House bill would have permitted free entry; that is, without the necessity of obtaining a certificate of public convenience and necessity under section 309(a) of the act, into transportation by water subject to part III of the act over any route or routes or between ports for which no certificate is in effect and prohibits the granting of such certificates after the effective date of this legislation for transportation over any route or routes or between any ports with respect to which no such certificate is in effect. The Senate amendment contained no amendments to part III of the act. The conference substitute omits the provisions in the House bill requiring the revocation of any portion of a certificate authorizing any operation in which there has been a willful failure to engage in for 3 or more years and those relating to free entry. It is similar to the House bill in that it authorizes the Interstate Commerce Commission to amend or revoke any certificate or permit, in whole or in part, upon application of the water carrier holding it. The conference substitute, however, provides that a water carrier's certificate or permit may only be suspended, changed, or revoked, in whole or in part, after reasonable notice and opportunity for a hearing, for willful failure to perform, provide, or furnish transportation upon reasonable request therefor as provided in section 305(a) of the act, but no such certificate or permit may be so revoked unless the holder thereof fails to comply—after a period to be fixed by the Commission, which may not be less than 30 days—with an order of the Commission commanding the performing, providing, and furnishing of transportation upon reasonable request therefor.

The Chairman of the Interstate Commerce Commission has advised the committee that these water carrier revocation provisions would give the Commission sufficient latitude to take into consideration necessary factors such as justified temporary interruption of service before deciding whether a water carrier certificate or permit should be revoked. The ICC Chairman also recommended that the word "willfully" be omitted in the proviso in section 312(a), which the conferees agreed to do. I ask unanimous consent that the comments of the Commission be incorporated in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

(See exhibit 1.)

Mr. LAUSCHE. Mr. President, the fourth difference is as follows: The House bill contained a section providing that the amendments made by it would take effect on the 90th day after the date of enactment of the legislation. The Senate amendment had no effective date. The conference substitute is the same in this respect as the Senate amendment. Therefore, the conference substitute would take effect on the date of its enactment.

Mr. President, I move the adoption of the conference substitute.

EXHIBIT 1

JULY 27, 1965.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: Your request of July 23, 1965, for our comments on proposed water carrier revocation provisions has been referred to our Committee on Legislation. I am authorized to submit the following comments on its behalf:

The Commission has asked for authority to revoke dormant water carrier certificates and permits when there has been a willful failure to provide transportation upon reasonable request. As we mentioned in our letter dated June 1, 1965, several factors should be considered before the Commission decides whether to revoke a water carrier certificate or permit.

In some instances extenuating circumstances may exist which would justify a temporary refusal to provide requested service. For example, coastal and intercoastal water carriers may find it difficult to serve every port within their authority. It would be necessary to take into consideration the service actually provided by the holder within the coastal range of ports covered by the certificate. It would also be necessary to determine whether the carrier would be required to acquire additional ocean-going vessels in order to furnish the requested transportation, and whether the availability of traffic would warrant the purchase of such vessels.

Inland water carriers may also experience difficulties which would require temporary interruption in service. For example, when a carrier loses a shipper's business it may become necessary to discontinue such service temporarily. Justified temporary interruption in service should not subject a water carrier to the revocation of its certificate or permit.

The proposed water carrier revocation provision included in your letter dated July 23, 1965, would give the Commission sufficient latitude to take into consideration necessary factors before deciding whether a water carrier certificate or permit should be revoked.

We do suggest, however, that the proviso in section 312a(2) be amended by deleting the word "willfully." It then would conform to section 410(f) of the Interstate Commerce Act. The Commission feels that the present language would be unduly restrictive upon its enforcement powers. It would require the Commission to show a willful failure to provide service upon a reasonable request, and subsequent to an order of the Commission requiring the carrier to furnish such service, to show a willful failure to comply to such order. Once a willful failure to provide such service is established an additional showing of willfulness should not be required. Proof of disobedience of such an order should be sufficient.

Respectfully submitted,

CHARLES A. WEBB,
Chairman, Committee on Legislation.
JOHN W. BUSH.

Mr. COTTON. Mr. President, as the ranking minority member of the committee and of the conferees on the part of the Senate in the conference on the bill, I join in the remarks of the distinguished Senator from Ohio.

We were in accord. We believe it is a good bill. In the form in which it was agreed to in conference, we feel that no one will have cause to regret agreeing to the report.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

SUPPORT FOR THE DIRKSEN REAPPORTIONMENT CONSTITUTIONAL AMENDMENT

Mr. SIMPSON. Mr. President, evidence of popular support for the Dirksen amendment on reapportionment continues to grow with each passing day. I call to the attention of the Senate the following editorials from the Los Angeles Times, the San Francisco News Call Bulletin, the San Francisco Examiner, and the San Jose News. These editorials are generous in their praise of California's two wonderful Senators, THOMAS KUCHEL and GEORGE MURPHY, and point out the important and articulate roles played by them in support of the Dirksen proposals. They ask for reconsideration of the reapportionment question by the Senate and ask that the people be given the final choice.

The editorials speak for themselves, and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the San Jose (Calif.) News, Monday, Aug. 9, 1965]

DIRKSEN PROPOSAL RATES ANOTHER TRY

Senator DIRKSEN says his legislative reapportionment amendment is not dead. He will try for another vote on the Senate floor.

The Republican Senate leader proposes a constitutional amendment that would allow a State to apportion one house of its legislature on a formula based on factors other than population. The amendment would overturn last year's Supreme Court ruling banning the States from following the Federal pattern of apportionment.

In its first floor test last week, the amendment drew the support of 57 of the 96 Senators voting. Unfortunately, this was seven votes short of the two-thirds majority needed on a constitutional amendment.

The support was substantial enough, however, to merit another attempt by those Senators who believe a State, though required to follow the one-man, one-vote principle in one legislative house, should be able to consider geography and other factors in allotting seats in the other house.

California, of course, is vitally concerned. It is under court order to abandon the Federal system and reapportion the State senate.

[From the Los Angeles (Calif.) Times, Aug. 4, 1965]

THE PEOPLE SHOULD HAVE CHOICE

"Those of us who serve in the Senate of the United States—elected two from each State wholly without regard to population disparities—would demonstrate a fine hypocrisy and a shocking lack of faith in the people of our States, if we took the position that the people are not competent, in an open and clear-cut referendum, by a majority vote to constitute State legislature as best fitted to the needs of each particular State, as they, themselves, determine."

Thus did California's Senator THOMAS H. KUCHEL sum up his call for adoption of the Dirksen amendment, which would permit voters to decide whether one house of their State legislature should be based on factors other than population.

"I frankly believe," said the Republican minority whip in an address to the Senate, "that there ought to be some changes made in the apportionment of the Senate of my State, but I want the people of my State—all of them—to have the right to decide and, in deciding, to have the right to consider other factors than population alone."

That is exactly the view of the Times as regards the one-man, one-vote edict of the U.S. Supreme Court.

Use of the slogan "one-man, one-vote" to imply that any man will be deprived of his vote is, as the Senator said, "disingenuous and wrong."

KUCHEL went on to point out the incongruity of any suggestion that Senator DIRKSEN, Republican of Illinois, who was instrumental as minority leader in securing passage of the Civil Rights Acts of 1957, 1960 and 1964, and in whose office the 1965 voting rights act was largely written, would seek to deny the franchise to any American citizen.

It is indeed ironic that the Dirksen amendment is now being attacked by the same civil rights forces for which he battled so valiantly in recent years.

KUCHEL himself was coauthor of the 1965 act and floor manager of the 1964 act and, as he says, he "could not, will not and shall not" support any measure which lessens the impact of civil rights legislation.

As the Senator observed, if evil men are going to try to discriminate on the basis of race, color, or origin they can do it just as easily with compact districts of equal population as on any other basis.

He added that the alternative to the Dirksen amendment might be "unrestrained bossism, which has ever led to the denial of minority representation." And he noted, quite correctly, that the aim of machine politicians is not Jefferson's "equal and exact justice" at all, but, quite the contrary, untrammeled, unchecked control of both Houses of their legislatures.

The major issue, as the Senator declared, is whether the long-used Federal plan of apportionment shall remain at least available to the people of any State if the majority of the people of that State so desire.

"The basic choice now before this body," KUCHEL concluded, "is: will we let the people decide? I hope that we will."

So does the Times.

[From the San Francisco (Calif.) News Call Bulletin, Aug. 6, 1965]

DIRKSEN'S FIGHT

Senator EVERETT M. DIRKSEN pledges he will continue his fight for Senate adoption of the constitutional amendment permitting States to elect one house of their legislature on a basis other than population.

DIRKSEN has been put on notice by the opposition that he faces a hard fight—which he does—but the eloquent Senator from Illinois is possessed of wondrous powers of persuasion and his determination never has been in doubt.

Recognizing that the legislative scales are against him, we nevertheless refuse to relinquish hope that the Supreme Court's shotgun decision on reapportionment can be overcome.

During the debate, Senator THOMAS H. KUCHEL, Republican, of California, told the Senate, "There exists overwhelming proof of the value of balanced representation as utilized in California.

"It would demonstrate a fine hypocrisy and a shocking lack of faith in the people of our States if the Senate took the position that the people are not competent, in an open and clear-cut referendum, by majority vote, to constitute State legislatures as best fitted to the needs of each particular State as they themselves determine."

Federal denial of this basic prerogative through judicial decree supported by Federal legislative inaction shakes the American democratic structure and further erodes local authority.

Senate reconsideration is in order.

[From the San Francisco (Calif.) Examiner, Aug. 10, 1965]

COMMONSENSE FROM SENATORS

Senators THOMAS KUCHEL and GEORGE MURPHY, of California, had pertinent remarks before the U.S. Senate in supporting the Dirksen constitutional amendment on reapportionment. The amendment was defeated by seven votes on its first test but its sponsor Senator EVERETT DIRKSEN promises more attempts to pass it.

Senator KUCHEL pointed out that California voters adopted the present system of electing State senators and assemblymen in 1926. It was done through the initiative process. The voters dumped the previous method of electing lawmakers based on population.

In 1928, 1948, 1960 and 1962, the people refused to change their minds about the system they were using.

Senator Kuchel said, in effect, that he thought that people would rather fight than switch. He said: "There are in California today thousands of voters who are not entirely satisfied with the exact manner in which our State legislature is apportioned. These people will give battle to those who argue for a status quo. But they will likewise give battle to those who would rob the people of the State of the right to make their own decision."

Quoting State Senator Joseph A. Rattigan, Democrat, of Santa Rosa, Senator Kuchel said: "California has always been in the forefront of the civil rights movement. We have had an enforceable and enforced anti-discrimination statute on our books in California since 1872. In 1959 * * * we enacted a comprehensive fair employment practice act. * * * We have subsequently enacted comprehensive legislation in the fields of housing, voting, et cetera. * * * California's programs for social welfare, urban redevelopment, protection of working men and women, and the advancement of rights and opportunities for racial minorities are among the most progressive in the Nation.

"The same is true of the California water plan, the most ambitious public or private project for the transmission of water in the history of the world. The 1959 Burns-Porter Water Resources Development Bond Act stands as a monument to the concern which the California Legislature as presently constituted, has shown for the whole State."

Senator Kuchel quoted from a dissent from Justice Brandeis (*New York Ice Co.* v. *Liebmann*): "To stay experimentation in things social and economic is a grave responsibility. Denial of the right to experiment may be fraught with serious consequence to the Nation. It is one of the happy incidents of the Federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country. This Court has the power to prevent an experiment. * * * But in the exercise of this high power, we must be ever on our guard, lest we erect prejudices into legal principles. If we would guide by the light of reason, we must let our minds be bold."

Both Senators made a plea to let the people make the decision.

Senator Murphy said: "This is one of the fundamental issues of our time. I believe it essential that Congress realize that the people themselves should be permitted to decide the makeup of their own State legislatures."

ADDRESS BY FORMER GOVERNOR BUFORD ELLINGTON, OF TENNESSEE, BEFORE GOVERNOR'S CONFERENCE

Mr. MUSKIE. Mr. President, on March 4 President Johnson appointed Buford Ellington, former Governor of Tennessee, as Director of the Office of Emergency Planning. In addition to this assignment, the Governor was called upon by the President to act as his liaison with the Governors of the 50 States on Federal-State matters.

As the President's chief adviser on Federal-State relations, Governor Ellington recently addressed the Governors' Conference in Minneapolis. The thrust of his remarks centered on present and future Federal policies designed to promote the greatest possible cooperation between the State Houses and the White House. The Governor cited President Johnson's concern with the present condition of interlevel relationships. The meeting held last spring between the President and the governors was a tangible expression of this concern, and resulted in useful discussions. I am delighted to learn from Governor Ellington's speech that the administration intends to make this an annual conclave.

It is also gratifying to read that the White House plans to hold seminars this fall to review with State and local officials the provisions of new Federal aid programs. This procedure should go far in removing unnecessary friction and delay sometimes encountered in the administration of aid programs recently enacted.

I strongly recommend that my colleagues read this excellent address by Governor Ellington and now ask unanimous consent that it be printed in the Record.

Another means of facilitating Federal-State relations is found in a bill which I introduced in January—S. 561, the proposed Intergovernmental Cooperation Act of 1965—and which unanimously passed the Senate on August 5.

Both President Johnson and Governor Ellington support the objectives of the bill, and their endorsement will greatly assist in its enactment. Support for this measure is widespread. In addition to its 41 Senate cosponsors, many organizations, including the Council of State Governments, the National Association of Counties, the Governors' conference, the National League of Cities, and the U.S. Conference of Mayors, have indicated strong support for this legislation.

The latest endorsement appears in the July issue of the National Civic Review, the official publication of the National Municipal League. In an editorial by Prof. Joseph F. Zimmerman, of the Graduate School of Public Affairs of the State University of New York, the objectives of S. 561 are assessed and favorably commented upon. I also ask unanimous consent that this editorial be printed in the Record at this point.

There being no objection, the address and editorial were ordered to be printed in the Record, as follows:

Address by Buford Ellington, Director, Office of Emergency Planning, Before the Governors' Conference, 57th Annual Meeting, Minneapolis, Minn., July 28, 1965

In speaking to you today at this annual Governors' conference, I feel like I've returned to my family—a family of assorted personalities representing many points of view but all seeking through a cooperative exchange of opinion to find the best ways of asserting leadership in the statehouses of our Nation.

This conference is being held in the town which gave us our distinguished Vice President, Hubert Humphrey, of Minneapolis. I don't know whether it can be said that Vice President Humphrey put Minneapolis on the map, for certainly this great midwestern metropolis had a splendid reputation before Hubert Humphrey arrived. But what Hubert Humphrey did in Minneapolis in the forties certainly put him on the map. It was Vice President Humphrey's record as mayor of Minneapolis that brought him to the U.S. Senate and to the attention of the Nation. I am told that as mayor he was tireless and dynamic and bristling with ideas. Today he brings these same qualities to the Vice-Presidency and serving with him in a number of capacities has been most rewarding.

The past few months have been rich in constructive experience for me. I came to Washington a relative neophyte in the ways of the Capital, steeped in the skills of State government, dedicated to the Jeffersonian concept that government closest to the people is government most responsive to the people, and convinced that good government is the best politics.

In those respects, my convictions are unshaken. Any time I hear an assault on State government as primitive and unable to cope with modern requirements, I resent it. I have seen the success of State government not only in Tennessee but elsewhere, and I am ever more persuaded that the quality of our leadership at the State level remains a vital ingredient of any national enterprise no matter how heavily the Federal Government participates.

At the outset of my remarks, this premise should be clearly understood. Unquestionably there is a deeper Federal commitment to State progress than ever before as each of you, in your capacity as Governors, grapple with the assorted and crushing domestic problems of our time—crowded schools, suburban sprawl, municipal blight, law enforcement, transportation, the preservation of a farm economy unprecedented in the world, the construction of hospitals and new homes, and roads, and recreational areas. I know what these problems can be. I've lived through your experience and I can appreciate what it means to govern a State in modern times. There is, I recognize, a rising demand for services of infinite variety at a time when your revenue systems have been strained almost to the point of toleration. In just one decade spending by State and local governments has risen more than 130 percent and State and local indebtedness is more than five times what it was at the end of World War II. These statistics make for staggering problems.

How to find new revenues is a problem which continues to nag virtually every Governor sitting here today.

But the situation is far from hopeless. For one thing, the Federal Government is taking less of the tax dollars than at any time since the end of World War II. For another thing, Federal aid to State and local governments, territories and individuals is climbing sharply. In fiscal year 1964, total grants in aid increased 17 percent compared with a 6-percent rise in 2 previous years. And Federal grants will be given sharp impetus as a result of legislation enacted by Congress in this most productive of any session in recent years. Such bills as the $1.1 billion Appalachian Regional Development Act and the expanded poverty program will substantially increase the amount of Federal funds flowing directly to the States in the form of grants. In fact, Federal funds going to State and local governments in the form of grants-in-aid, shared revenues and loans have risen from $5.5 billion in 1963 to a projected $9.3 billion in 1966 and these figures do not include the benefits of trust funds, the largest of which is for highway construction—$3.8 billion in 1966.

Nevertheless the problems facing most Governors today will be with us for a long time. But I do believe we are witnessing a gradual process in which a better balance of the Federal-State partnership is being achieved, in which the vision of a Great Society—a vision partly realized already in an incredibly short period of time—will come to pass.

It will not be an easy road, nor one void of pitfalls, but it is a road promising a journey's end in which the great and growing blessings of our free society will be truly available to all.

In a sense you are really struggling with the symptoms of success and wealth today. Whether these problems are subdued and solved will determine, as President Johnson has told us, "whether we build a society where progress is the servant of our needs, or a society where old values and new visions are buried under unbridled growth."

We must, in effect, make certain that the quality of our national life—our schools, our streets, our scenic wonders—is lifted along with our national income.

It is no task for the timid or for those terrified of the new idea or the fresh approach. And the President has reminded me time and again that he places the highest premium on your efforts. On the day I was sworn in to the position I now occupy, President Johnson said, "Over the years of our Nation's history the Governors of the States have produced much of the leadership that America has followed. At this period of history the governorships are being revitalized by a new breed of men, men that are close to the people, men that are close to their problems, men that are deeply and responsibly involved in finding answers to the Nation's needs."

Plainly the Federal concept of government is equal to the tasks ahead, is capable of not adequate but superior performance in this difficult and often baffling era.

I find this to be true with each passing day as new problems arise in the three major areas which occupy my time.

The first of these is my general assignment from the President to serve as his liaison with Governors on all Federal-State matters.

If variety is the spice of life, I now lead a sharply seasoned existence. Each day I find myself immersed in new and challenging problems. One day I am running down a delay in the beginning of a new Federal-State educational enterprise; the next day funds for the construction of a new hospital engage my attention; and the next day I may be meeting with one of you to find out how legislation on the books may be made to work for you. Always the solution lies in a reasonable and flexible approach on the part of both parties; always it is found when Federal officials and their State counterparts begin their renewed discussions with the assumption that a mutually acceptable approach can be worked out, that rules and regulations are not designed to forestall action but to facilitate it. That is the posture I have assumed in my relationships with all Governors. The results, I believe, have been excellent, and I would welcome any suggestions you might have to improve this system. As you know, Governor Smylie's Committee on Federal-State Relations met with me at the time the Governors were at the White House to discuss various tax-revision proposals, especially as they affect grants-in-aid.

In this regard I know that many of you support the Muskie bill, S. 561, drafted by the Commission on Intergovernmental Relations, headed by my old friend, Frank Bane who for 20 years was secretary of the Governors' Conference and executive director of the Council of State Governments. The bill is designed to improve the administration of grants-in-aid and to provide for periodic congressional review of Federal grants and other improvements in the operation of our Federal system. This bill, which has 38 Senators' names on it and is supported by the President, is awaiting passage by Congress. I hope this legislation can be moved shortly. It is badly needed.

But just as important as any new legislative basis which draws closer together the States and our Federal Government in a spirit of understanding are the continuing exchanges that grew out of your first meeting last spring with President Johnson. These meetings were of immense value and I intend, with the cooperation of the Governors' Conference, to schedule regular meetings with the President and your executive committee next year.

Similarly, we are determined that the social and educational legislation enacted by a Congress which might become known as the "do everything" Congress be fully understood by Governors and key State and local officials, as well as Federal personnel charged with its administration. These measures are only as effective as the men and women who will carry out their intent. So we intend this autumn to hold a series of meetings in Washington for Governors and other State and local officials. These seminars will cover all new Federal programs having an impact on the States and their political subdivisions. Each facet of these programs will be carefully explained and interpreted. The working procedures will be fully discussed and examined.

In short, we fully support any and all techniques we can devise to strengthen federalism in this most complex of all ages of history. This we intend to do.

Clearly, the interlocking responsibilities of our Federal and State Governments are more sharply drawn today than ever before and we must recognize this fact as an unavoidable reality.

In this regard I want to remind you of new revenues waiting for you in the domestic tourist campaign being launched by the Vice President's See the U.S.A. Task Force.

In most States the potential of tourist revenue has not been fully tapped. We can get money appropriated to promote new industry in the States, but our people do not understand how important tourist trade can be. Only 1 State in 10 has begun to realize its tourist potential.

Thus, we invite your participation in a workshop conference to be held in Dallas in November to study your State's tourist promotion organization, its legislation, budget, staffing, accounting systems, and market research.

I am sure you all share our concern for the balance-of-payments problem which is the strong national motivation behind this program. But whether it is looked upon as a source of new revenue for the States or as additional strength for the dollar, it cries out for some imaginative thinking.

In fact, we must seek creative efforts in every area, we cannot allow ourselves to become slaves to the status-quo or to fall back on worn solutions and even cherished concepts. There is a tendency, for example, to equate Federal assistance with Federal control when, in fact, Federal assistance historically and today means just what it says—help not handcuffs, deeds not domination, cooperation not coercion.

I say these things as a southerner with roots in the region which gave us our most able and articulate spokesmen for the doctrine of States rights. I revere that tradition of restraint which our forefathers built into our system of government. But they also provided for responsibility and for instruments and institutions capable of meeting the challenge of change. To be sure, we do a disservice to the concept of States rights when it is applied wholesale not as a means of securing the greater good for all the people, but for narrowing the opportunity to achieve for some of the people.

We must recognize something else about the Federal Government. Today, it operates with an efficient edge honed almost daily by sustained efforts to eliminate waste and duplication. And those efforts are having their impact in more ways than a reduced White House electric bill. The growth of the Federal work force has been virtually arrested even as our population grows and new legislation continues to bring new burdens to Federal personnel.

To be sure I am impressed by the caliber and competence of the Federal civil servants with whom I have dealt. They are a dedicated and diligent group of men and women. Prideful in their work, their energy belies the myth of an "army of clerks." That is another popular misconception. The plain fact is the Federal Government employs more physical scientists than general clerks, and more engineers than typists.

I have often suggested to Governors who have talked to me about these matters that they would do well to seek out the know-how found in the Federal structure. An interchange of Federal and State expertise and management techniques as well as personnel could be mutually beneficial. Certainly Federal personnel must look to State officials for the experience born of management closer to the people; conversely, as the Federal-State partnership solidifies, Federal agencies would be more than willing to furnish management advice to State governments which can be usefully adapted at the State level and by political subdivisions.

The second area of my work of direct concern to you is our natural disaster programs. As you know I administer the Federal Disaster Act and guide the efforts of the entire Federal family of agencies when a major disaster occurs. Beginning in March 1964, when an earthquake made a shambles out of southwestern Alaska, this Nation of ours has suffered a seeming epidemic of hurricanes, earthquakes, floods, tornadoes and other catastrophes. Since that time the Federal Government has expended more than $650 million in assistance of all kinds to the stricken States. This included loans, grants from the President's Disaster Fund and a wide range of aid. Behind the headlines that tell grim stories of individuals and communities caught in the path of nature's fury lies a remarkably efficient capability to cope with disaster. It involves not only OEP, but also at least 16 Federal departments and agencies with statutory authorities of their own for grants and loans of many kinds.

Obviously we would prefer that disasters didn't happen. But they do. One out of every seven Americans lives in a county which has suffered some kind of natural disaster in the past year. The constructive product of these discussions and deliberations is the best advertisement I know for expanding into other fields.

Finally, I come to my explicit responsibility as Director of the Office of Emergency Planning, an area vital to our national security. Emergency Planning hinges on State and local participation. The Civil Defense and Postattack Recovery Committee of this Governors' conference, headed by Governor Rockefeller, has given real impetus to these programs as have the chairman of the Governors' conference, Grant Sawyer, your able executive secretary, Brevard Crihfield, and Governors Hughes, Kerner, and Avery, all of whom serve on the President's National Civil Defense Advisory Council.

Constitutional amendments dealing with continuity of government and succession to office have been ratified in 37 States and 49 States have enacted legislation on continuity of government. I hope also that your legislatures will, when in session, ratify the proposed constitutional amendment for succession to the Presidency and Vice-Presidency recently approved by the Congress.

All States now have appointed emergency planning directors and 48 have emergency resources planning committees. The Federal-State contract program for emergency resource management is now operating in 44 States. The Federal Government has also accomplished much.

The new national plan for emergency preparedness was completed and issued to Federal, State, and local officials last December.

The concept for a wartime Office of Defense Resources to assist the President if needed, in developing a system for the effective use of resources, has been approved. To support this concept, the Office of Emergency Planning has recruited the latest computer techniques.

Our national stockpiles of strategic materials, a vital asset in time of emergency, remain a national insurance policy that our productive power will be preserved no matter what happens. Management of more than $8 billion worth of 77 commodities is no easy matter. In the past year we have disposed of material valued at some $450 million. The returns from these sales go to the U.S. Treasury, and I should emphasize we have managed these disposal programs without disrupting the markets of the industries concerned.

These are some of the things that have occupied me and the insights I've gained since coming to Washington. I like to believe my office is more than a transmission belt between the individual Governors and the White House. It should be, and with your help we can make it, a creative conduit of federalism.

And the concept of consensus is essential to our Federal system in which different segments of our population understandably demand different services from their government. The task of the true leader is to arbitrate these demands fairly and forthrightly, and above all to keep in mind as Jefferson said: "We can be of different opinion and identical principle."

And I would close where I began, on a philosophical note and with another quotation from one of the authentic political architects of all time—Tom Jefferson. As he neared the end of his unbelievably prolific career, he reflected "I am certainly not an advocate for frequent and untried changes in laws and institutions, but I know also that laws and institutions must go hand in hand with the progress of the human mind."

My friends, you serve as Governors when the "progress of the human mind" has been faster than ever before in history. Space and air travel, medical advances, computer science, and of course the ultimate boon or bane to mankind—nuclear energy—are all dividends of man's genius in this 20th century.

In our midst is the raw material for the conquest of pestilence, poverty and ignorance. Shall we conquer the ageless blights with which mankind has been afflicted, or shall we be conquered by them? Shall we become the late society strangled by its own indifference, or the Great Society inspired by the past harvests of freedom to win its struggle with the elements and with itself?

The choice is ours and I believe we've made the right choice. Our system—our free political system and the society it has wrought, our dedication to the worth and work of the individual citizen, and our faith in free enterprise—need not be abandoned nor even abridged. What we must do is shorten the leadtime between circumstances closing upon us and our positive and purposeful reaction to them. Our laws and institutions must keep pace with the present and be readied for the future.

That is the process we must encourage—not for its own sake, but in wholesome response to the realities of our time.

CHAOS OR CORRECTION

(EDITOR'S NOTE.—This guest editorial is by Joseph F. Zimmerman of the Graduate School of Public Affairs, State University of New York (Albany).)

The substantial increase in Federal aid to State and local governments—from $2.7 billion in 1954 to $10.4 billion in 1964—requires that its impact be channeled so as to increase rather than decrease the vitality of governments involved. Procedures which tend to disrupt the operations of State and local governments, impede systematic executive and legislative supervision, and frustrate orderly planning or urban development in metropolitan regions urgently need correction.

Studies by congressional committees and the Advisory Commission on Intergovernmental Relations reveal a general uneasiness. Senator EDMUND S. MUSKIE, chairman of the Subcommittee on Intergovernmental Relations of the Senate Committee on Government Operations and a member of the Advisory Commission, observed that "a welter of confusion and inconsistent procedures has been established, often pursuant to law, by many Federal departments and agencies administering these programs." Based upon recommendations of the Advisory Commission, Senator MUSKIE, with 39 other Senators as cosponsors, has introduced a bill entitled Intergovernmental Cooperation Act of 1965 (S. 561) which he describes as a measure "to enable greater cooperation and coordination among Federal, State and local governments in order to strengthen our Federal system."

The proposed act aims to correct a number of ills associated with Federal aid programs. One particularly serious consequence of these programs has been encouragement of administrative disintegration, especially in "weak Governor" States. Some departments or agencies receiving Federal funds have virtual fiscal independence and use them for items which the Governor did not include in his budget or, if he did, were disapproved by the legislature.

Another abuse has been the establishment by certain State departments of private corporations through which Federal funds are channeled.

Certain problems involving Federal grants could be solved to a great extent by State action alone if, for example, State law stipulated that all requests for Federal funds be channeled through the Governor's office and their expenditure be subject to customary executive budget controls. It is doubtful, however, that such an increase in the Governor's power will be authorized in many more States, particularly if agencies currently receiving Federal funds oppose enactment of statutes restricting their freedom of action.

The proposed Intergovernmental Cooperation Act appears to provide a more realistic approach. It would strengthen gubernatorial supervision of State administration by providing that any Federal department or agency must, upon the request of a Governor, notify him "of the purpose and amounts of recommended or actual grants-in-aid to the State, and of such other facts pertaining thereto as it makes to the State agency administering the program."

This would in no way interfere with the normal flow of information between State and Federal program agencies but would give the Governor information needed to prepare a meaningful budget with respect to all expenditures of all State agencies, whatever the source of the funds. This would eliminate confused budget procedures for grants-in-aid programs involving cost-sharing between Federal and State Governments. The present practice in some States is to have only the State's share treated through the normal budget procedures, the Federal share remaining outside of budget review even though the moneys are disbursed by the State.

The bill further stipulates that "each grant-in-aid to a State shall be paid to the State treasurer or other officer that may be designated by the legislative authority (or by the Governor * * *) to receive such funds, and appropriate accounting advice with regard to the transmittal of funds shall be provided to such State officers as may require the data for purposes of financial management and control." The State is permitted to designate State institutions of higher education as direct recipients of Federal funds.

Morale of State personnel is lowered, of course, when some State employees receive Federal funds in addition to their regular State salaries. This has been an especially acute problem in an independent agency which has created a salary level higher than the regular State scale.

Senator MUSKIE's bill stipulates that, with certain authorized exceptions, Federal funds may not be "used to pay a salary in excess of the regular salary standards applicable to State employees generally."

Rigid requirements that a single State agency administer certain of the grants-in-aid programs have blocked administrative reorganization in some States. The bill deals with this by authorizing the head of any Federal department or agency "upon request of the Governor or other appropriate executive or legislative authority of the State" to waive the requirement and approve a different administrative structure, thus providing flexibility to the State while maintaining the integrity of the grant program.

Also provided is periodic congressional review of aid programs to appraise not only continuing need but also to determine "whether or not any changes in purpose, direction or administration of the original program, or in procedures and requirements applicable thereto should be made."

All of these provisions will encourage orderly financial and program planning at the State level. Other important provisions stress the need for coordinated intergovernmental policy and administration of all grants for urban development. The principle of interagency coordination is clearly asserted and the President is authorized to establish machinery for program coordination. Units of general government would be eligible to receive grants now going only to special districts or other special purpose units.

The bill additionally provides procedures designed to avoid situations in which federally aided projects conflict with State, regional and local plans and objectives. Establishment of responsible metropolitan planning agencies is encouraged, as is the flow of planning and development information among levels of government. Federal departments are specifically authorized to provide specialized or technical services to States and local units.

Legislation concerned with procedures, like this proposal, often lack the glamor of program authorizations but the success of programs often depends upon the quality of administration. The operations of many programs, the effectiveness of the complex American governmental system and the strength of its component parts all require constant and constructive reexamination.

PATRIOTISM FOR YOUTH: NATIONAL DRUM AND BUGLE CORPS

Mr. PROXMIRE. Mr. President, today in every part of our Nation more than 100,000 youths are members of organized drum and bugle corps. While throughout the year drum and bugle corps provide the color and music for many parades, fairs, and civic get-togethers, this week—August 15 through August 22—has been set aside for recognition of these patriotic and worthwhile activities.

There are a great many exciting events on this week's agenda. For example, today in Chicago the Veterans of Foreign Wars are holding their national championship, known as the million dollar pageant of drums.

I am proud to say that my own State of Wisconsin is heavily involved in drum corps activities this week. Rhinelander is host to a drums in the night contest on Saturday night, and in Cobb, the Wisconsin Fireman's Convention is holding a Sunday championship competition.

Thus throughout America drum corps groups are providing worthwhile entertainment for young and old alike. It gives me great pleasure to be among the increasing number of Americans who are coming to realize the wholesome spirit of enthusiasm and patriotism that is generated by the young people of the drum and bugle corps.

Every week of the year thousands of young men and women work long and hard to assure a high quality of performance at parades, sporting events, and civic celebrations. This work is well worth the effort. The demands of drum corps are ideal for fostering good personal development. It takes self-discipline, hard work, and the ability to cooperate with others to produce a polished performance. By fostering a sense of accomplishment, these efforts give the participants a strengthened sense of self-confidence and poise.

There is no doubt that these activities are very important in fighting juvenile delinquency. They provide a worthwhile constructive form of recreation and group participation for thousands of young people in this country.

We must remember that drum and bugle corps are predominantly extracurricular and privately sponsored. Thus they are a constant reminder of the patriotic feeling that continues to make our country strong, of our Nation's past and of the courage which has gone into the building of America. They recall the principles that our country holds dear and for which brave men have fought and died.

I am proud to be able to play a part in recognizing the praiseworthy contributions of organized drum and bugle corps to the spirit of America.

I ask unanimous consent to insert in the RECORD, at this point, a fine statement on the "Art of Drum Corps" by Harvey Berish, the national chairman of the Drum Corps Publicists Association, on the worthwhile activities of organized drum and bugle corps.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE ART OF DRUM CORPS

Drum corps performance has been called, and rightly so, a new art form. Like other areas of art, its history dates back to the glories of Greece and the conquests of Rome, but drum and bugle corps activity has not been nurtured through the centuries by wealthy patrons or state subsidy.

The art of drum corps rises from the grassroots. It has the common, rather than the classic touch, but it is very definitely an expression of order, color, symmetry, and beauty; and in emotional impact it parallels, at its own level, the impact of the masterpieces of the ages.

The art of drum corps is rigid and exacting. It is clean and inspiring. It has risen through its own efforts to its present stature in our communities and neighborhoods. More and more it is becoming recognized as one of the most effective of youth activities; and despite the unyielding discipline it requires of its members, it is becoming more and more accepted by the young people of our own hemisphere in search of a worthwhile activity.

The flash of color, the pulsating rhythm, the brassy blare of syncopated jazz, the waving of flags, the snappy march step serve as herald for the newest art form of the youngest generation.

The loyalty to one's unit, the pride in one's appearance, and the group spirit assure perpetual continuation of drum corps as a colorful youth activity for the future.

HARVEY BERISH,
National Chairman,
Drum Corps Publicists Association.

MARYLAND AMERICAN LEGION ENDORSES COLD WAR GI BILL

Mr. YARBOROUGH. Mr. President, prior to the National Convention of the American Legion from August 20 through August 26, most States hold their statewide American Legion conventions.

At the statewide conventions, the various departments of the American Legion pass on resolutions which in turn will be considered at the National American Legion Convention. Before any resolution can be voted on nationally, it must have previously been approved by a State department of the American Legion.

For this reason, the recent endorsement of the Maryland Department of the American Legion of the cold war GI bill is doubly significant, for it not only indicates the statewide support of the Maryland American Legion for this bill, but it also puts the cold war GI bill before the national convention for consideration. To illustrate the support of the American Legion of Maryland for this bill, I ask unanimous consent that their resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE AMERICAN LEGION, DEPARTMENT OF MARYLAND, INC., BALTIMORE, MD.

Whereas only 44 percent of our draft eligible young men ever serve their country in uniform; sacrificing 2 to 4 years of their lives at the crucial age of peak development; and

Whereas the 56 percent of their counterparts are using this time to further their careers and develop their education; and

Whereas, these 44 percent are men who are least able to afford an education; who are least prepared for a civilian occupation and who have to struggle the hardest to survive the competition of the future: Now, therefore, be it

Resolved by the American Legion, Department of Maryland, in regular convention assembled July 22–24, 1965, in the city of Baltimore, Md., That we do hereby wholeheartedly endorse the Cold War Readjustment Assistance Act of 1965, known as the cold war GI bill (Senate bill 9 by Senator YARBOROUGH, Texas), and it is further

Resolved, That we forward this resolution to the 47th Annual National Convention of the American Legion in Portland, Oreg., for their consideration.

Attest:

DANIEL H. BURKHARDT,
Adjutant, Maryland.

FRANCE'S GIFT OF U.S. WARPLANES TO CAMBODIA

Mr. WILLIAMS of Delaware. Mr. President, in yesterday's issue of the New York Herald Tribune there appears an article outlining France's gift to Cambodia of 10 U.S.-built warplanes. There appears to be no doubt but that these planes will be used against our forces in that area.

In recent months, France has been boasting of her ability to accumulate a surplus of dollars and has been insisting on converting these dollars into gold, notwithstanding the fact that she owes us over $6 billion in overdue debts from World War I.

The next time France attempts to convert some of her surplus dollar holdings into gold I suggest that instead of further depleting our diminishing gold reserves we merely credit her surplus dollars as a partial payment on her long overdue debts to this country.

I ask unanimous consent that the article referred to above as appearing in yesterday's New York Herald Tribune be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FRANCE'S GIFT TO CAMBODIA 10 U.S.-BUILT WARPLANES

PHNOM PENH, CAMBODIA.—France yesterday gave 10 American-built Skyraider fighter-bombers to Cambodia, an opponent of U.S. policy in neighboring Vietnam.

Western observers saw the French action as another slap at the U.S. position in southeast Asia and another attempt by President de Gaulle to regain a foothold in former French Indochina.

Cambodia is officially neutral. But it severed diplomatic ties with the United States in April and has relations with Communist China. It has frequently charged that United States and South Vietnamese war planes have overflown its territory and fired on its villages.

The 8-year-old Skyraiders turned over yesterday tripled the fighter-bomber capacity of the Cambodian Air Force, which previously consisted of five Soviet-supplied MIG-17 jets.

The 10 Skyraiders, officially classified as surplus by the French Government, had been purchased from the United States in the late 1950's. The French decided 18 months ago to give them to Cambodia.

The United States and South Vietnam use propeller-driven Skyraiders against Vietcong guerrillas. In Washington, a State Department spokesman said yesterday the United States had tried in vain to buy back 15 to 20 Skyraiders in French possession for use in Vietnam.

The gift of Skyraiders was made to the Chief of State, Prince Norodom Sihanouk, by French Ambassador Hubert Argod. The planes already are in Cambodia and have been overhauled by French mechanics.

Mr. Argod told Prince Sihanouk that France approves without reserve the neutral foreign policy of Cambodia. The Prince praised General de Gaulle as a "prestigious leader who so perfectly understands us."

Prince Sihanouk also accepted an unspecified amount of munitions to go with the Skyraiders.

The Cambodian Government, in a new charge issued about the same time as the presentation ceremony, claimed that a U.S. helicopter fired rockets at a border village 50 miles southeast of Phnom Penh, wounding a militiaman and a civilian woman.

The U.S. military in Saigon has said that any verified border incidents probably occurred while United States and Vietnamese forces were chasing guerrillas seeking sanctuary in Cambodian jungles.

GABON IS 5 YEARS OLD

Mr. HARTKE. Mr. President, self-determination has long been a part of the American lexicon, and the ideas of liberty and independence, invoked most vividly in 1776, have long sparked our imaginations and energized our actions. It is thus befitting that we should take note of the independence day of Gabon. Five years ago this summer, the era of colonialism closed for much of Africa, and new nations like Gabon began channeling their own aspirations and energies toward goals of their own choosing. Time and again in this brief span of independence, witnessed by Gabon and her fellow states, the wisdom of this system of self-determination has been demonstrated.

While maintaining warm relations with France as well as harmonious relations with the other members of the European Economic Community and the United States, Gabon has primarily remained aloof on cold war issues, concentrating her resources and energy on economic development and national amalgamation—a program we appreciate and applaud.

Rich in natural resources of wood, oil, uranium, and iron ore, this dynamic republic is economically viable, possessing great potential for sustained economic growth. Ably led by Head of Government Leon M'Ba, Gabon is intensely aware of her tremendous capacities as well as her needs. The government has undertaken a massive program of education in an effort to rapidly raise the level of literacy, supply needed technicians, entrepreneurs, civil servants, and teachers. Welcoming private investment, Gabon recently enacted an investment law to attract new foreign investors and entered an investment guaranty agreement with the United States. In brief, Mr. President, her efforts for economic advancement are determined and responsible.

It is with great pleasure and satisfaction that I join with many of my colleagues in hailing Gabon on the occasion of her celebration of independence. I know many Americans hold my wish for Gabon's future success.

THE UNION SAFETY SEAT BELT CAMPAIGN

Mr. RIBICOFF. Mr. President, for several months the Subcommittee on Executive Reorganization has been examining the Federal role in traffic safety, with a view to determining what the Nation's policy is and should be on this great national problem. We have found many areas that need further study, and we have found many things that remain to be done. But we have also seen that there are many things that can be done now. Mr. President, I am pleased to report today that the American labor movement is doing something about the traffic toll.

On August 16, the entire American labor movement launched the union safety seat belt campaign. This program will be the most intensive installation and use campaign yet conducted—aimed at providing seat belts for every seat in every car of every worker in the United States.

Labor has a big stake in auto safety. Fifty-two percent of last year's traffic toll—or nearly 25,000 fatalities—were workers who lost their lives in auto accidents on and off the job. Labor is buckling down to do something about it.

I applaud the union safety seat belt campaign. I am particularly pleased that labor is not just thinking in terms of new cars—or just the front seat. Labor's goal is protection for every passenger in the car—every member of the family.

The campaign aims at installing 10 million seat belts by the end of this year. To accomplish its goal, seat belts will be made available to union members, their families and their friends at a fraction of regular cost. Equally important, the campaign will urge union members and all the people in their cars to use their seat belts—at all times.

Mr. President, many leading traffic safety experts have pointed out that the consistent use of seat belts could prevent a large proportion of the fatalities on our highways. American labor is taking a giant step toward that goal in this extensive campaign to help save lives.

I have addressed a letter to every union member in the United States urging him to participate in the program. I ask unanimous consent that my letter and the plan of action for the Union Safety Seat Belt Campaign be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C.

As the months go by, it is becoming more and more apparent that Americans are taking to the highways in record numbers in 1965. Sadly, for many thousands—now alive—the next few months will be their last.

Both as a U.S. Senator and as a private citizen, I am distressed and alarmed when I study automobile accident statistics. Last year a staggering total of 47,700 people died in traffic accidents, according to the National Safety Council. Unless something is done, and done quickly, there is every reason to believe that this year's holocaust will exceed 50,000.

I am confident that you—as a private citizen, as a good union man, and as a father—share my concern over this appalling situation. It is because of this confidence that I am writing to solicit your help.

How can you help make the highways a safer place for you, your family, and your fellow motorists?

You can begin by understanding that it is your responsibility to equip your car with a seat belt for every member of your family. No one knows when an accident is about to occur. What is known is that a seat belt often spells the difference between life or death or between a serious or minor injury.

Equally important, remember that it is your responsibility to use your seat belt every time you slide behind the wheel of your car, even when you are driving just a few blocks to visit a neighbor. Almost two-thirds of all fatal accidents occur within 25 miles of the victim's home and 50 percent of all fatal or injury-producing accidents take place at speeds less than 40 miles an hour. It takes only 2 seconds to fasten your seat belt—not much of an investment in time when your life could hang in the balance.

I understand that all unions are being urged to participate in an international safety seat belt program for their members. I applaud this action and I sincerely hope that your local union plans to participate. And remember—protect the lives of all the riders in your car. Your wife and your children deserve to have seat belts too—so provides these life-saving devices for every seat in every car that you own. Only in this way can you feel sure that you are providing maximum safety for yourself, your family and your friends and I feel sure that I can count on you to "Buckle down for safety."

Sincerely,

ABE RIBICOFF.

THE UNION SAFETY SEAT BELT CAMPAIGN—SPONSORED BY THE INTERNATIONAL UNIONS SEAT BELT COMMITTEE

Theme: "Unions buckle down for safety."

OBJECTIVE

The reduction of injuries and deaths in automobile accidents involving the workers of the entire continent of North America, their families and friends, through the installation and use of seat belts in their passenger cars.

INTRODUCTION

It has been amply demonstrated over the past 4 years that widespread use of seat belts can save thousands of lives and can prevent, or reduce, injuries to hundreds of thousands of people every year. Seat belt installation and use in passenger cars is the single most effective and practical measure available to bring about an immediate, dramatic decrease in automobile accident casualties.

Seat belts are obviously not the total answer to the automobile accident problem. The current pressure on the automotive industry to build more safety features into cars, the National Safety Council campaign to improve driving skills, the drive for better highways, better lighting, more uniform traffic regulations, long-range programs of research—all efforts to improve the design of automobiles and highways and to improve driving practices are vital links in the chain.

Meanwhile, however, the traffic toll continues to climb higher and higher every day. Motor vehicle deaths increased 9 percent in 1964 over 1963 to the tragic total of 47,700. This year it appears certain more than 50,000 lives will be lost in auto accidents.

According to Dr. John B. Campbell, assistant director of the Cornell auto crash injury research program, research now shows that 50 percent of auto fatalities and two-thirds of crippling injuries could have been prevented through the use of seat belts.

Heartening strides forward have been made over the past 2 years during which seat belts have become standard equipment in the front seat. This fall, the 1966 models will come equipped with rear seat belts as well.

This is but a single step in the right direction. It is not the solution to the problem. It is simply the start. It will take 11 years before this approach will provide seat belts for virtually every passenger in every car on the road. Meanwhile, a half million lives may be lost through lack of positive action. Of the approximately 80 million passenger cars registered in the United States, only one out of three is equipped with belts in the front seat; practically none are equipped with belts in the rear. Using an average of four per car, this means that hardly more than 65 million of the 320 million seats in the U.S. passenger cars are equipped with the device that can cut the death toll in half.

This is why the problem calls for positive action now—not tomorrow. What can be done about it? The sponsors of this program believe that the single greatest potential for immediate, direct action lies within the union movement.

Why? Because in the breakdown of the traffic toll, workers represent the largest classification by a wide, wide margin. Of the 47,700 toll, 3,100 were workers who lost their lives on the job; 21,800 were workers who died in off-the-job motor vehicle accidents.

The sponsors of this program are certain that by striving for 100 percent use and installation of seat belts by all workers and their families and friends it will be possible to set a goal of saving more than 12,000 lives a year and preventing more than 560,000 serious injuries a year. This can be the most dramatic forward step ever undertaken in traffic safety.

The purpose of this guide is to outline a broad plan for developing an immediate campaign in which the entire organized labor community can participate, and to suggest steps that national and international unions can take to develop action programs at the local level.

A complete program guide to be developed in the next few days will be distributed to all national and international union presidents. This will serve as the broad guideline, providing information as to what needs to be done as well as specific suggestions for getting programs underway.

An additional program guide to provide promotional assistance and how-to instructions for locals is also being compiled and will be distributed to all locals indicating a desire to participate in the program.

In the interim, the enclosed booklet, "You Can Help Belt America," provided through the courtesy of the U.S. Department of Health, Education, and Welfare, can provide many valuable suggestions for developing seat belt programs.

DEFINITIONS

Sponsors refers only to the International Unions Seat Belt Committee.

Participating organizations refers to the organized national and international unions of North America which participate in the campaign by employing their resources within their normal areas of interest and influence—first, by promoting the installation and use of seat belts in the cars of all members; and second, by encouraging the families and friends of all members to install and use seat belts.

RELATIONSHIPS TO THE ORGANIZED LABOR MOVEMENT

The sponsors of this campaign feel that unions have a far greater stake in the traffic safety than any other group. More than 50 percent of all motor vehicle deaths and disabling injuries happen to workers and their families. Time loss alone by injured workers is 40 million man-days per year. As concerned as a few managements are with the problems of on-and-off the job safety of employees, employers as a whole have not taken these responsibilities seriously and no opportunities for concerted action exist—other than through organized labor.

This campaign will be 100 percent a union undertaking. The sponsors have made arrangements to assure that all products and materials used in the program are union made. All yarn, all webbing, all metal parts, all assembly of seat belts will be products of union labor. All promotional posters, booklets, and printed materials will be produced in union shops.

Finally, the realization of our immediate goal—the installation of 10 million seat belts by the end of the year—cannot help but have a massive economic impact for the union workers involved.

SPECIFICATIONS

The sponsors have made arrangements that all seat belts offered through the program will be the highest quality seat belts available, exceeding all SAE and Federal standards. The belts will be produced and approved under the program of the American Seat Belt Council which assures that all belts will be subject to continuous inspection and will be made in accordance with all State and Federal requirements.

These top-quality belts, normally retailing for an average of $10, will be offered to union members and their friends at the lowest possible cost: $3.25 each, including Federal excise taxes and shipping costs.

It should be noted that in some areas of the country, sizable quantities of nonunion seat belts are being dumped on the market at and below this price. The reason: they cannot meet the Federal standards which become law on December 13, 1965. The belts offered in this program exceed these quality requirements as set forth in Public Law 88–201.

In addition to seat belts, top-quality retractors, exceeding all SAE and Federal standards, normally retailing at $3.95 a pair, will be available at $1 a pair.

ALLOCATION OF RESPONSIBILITIES

The sponsors will extend invitations to all organized national and international unions in North America to participate in and to conduct coordinated programs at headquarter levels and to promote similar activities at local levels.

The sponsors shall have the responsibility for promoting the installation and use of seat belts by union members and their families and friends, by:

1. Establishing a headquarters for the International Unions Seat Belt Committee, which:

(a) Is located at the office of the International Brotherhood of Electrical Workers, 1200 15th Street NW., Washington, D.C.

(b) Will establish and maintain liaison with all manufacturers who have a part in the program; will be responsible for overall campaign mechanics.

(c) Will provide guidelines for participating organizations for use at the national and international level as well as at the local level.

(d) Provide promotional support material for participating organizations to include such tools as:

(1) Promotional and publicity suggestions for use at national and international levels.

(2) Informational materials about seat belts, i.e., posters, pamphlets, booklets, speech ideas.

(3) Sources for films, speakers, and professional organization assistance.

(4) Model news releases and stories for local newspapers and union publications.

(5) Suggestions for obtaining local radio and television publicity.

(e) Will arrange for the provision of a public relations professional who will act as coordinator of national publicity and produce educational materials for use in implementing the campaign at local levels.

2. Gathering and disseminating information on the progress of the campaign; preparing and distributing summaries of practical ideas derived from seat belt programs being conducted by participating organizations in various parts of the country.

3. Evaluating the effort; reporting on how many union members are installing seat belts as a result of the campaign.

The headquarter levels of participating organizations shall have the responsibility of promoting the installation and use of seat belts by union members of their families and friends by:

1. Putting seat belts in headquarters cars and conducting staff educational programs about their value.

2. Urging all union officials to install seat belts in their personal and family cars.

3. Encouraging all locals to participate in the union seat belt campaign.

4. Helping to identify and mobilize headquarter resources for supporting the union safety seat belt campaign by appointing a special committee.

5. Helping obtain, develop, and distribute informational materials about seat belts for locals: e.g., leaflets, films, and exhibits.

6. Helping find speakers for local organizational meetings.

7. Including stories on the union safety seat belt campaign and educational information on seat belts in headquarters magazines, house organs, and newsletters.

The local levels of participating organizations shall have the responsibility for promoting the installation and use of seat belts by union members and their families and friends by:

1. Writing the international unions seat belt committee, indicating a desire to conduct a local campaign. The manufacturer servicing the particular area will be notified and will forward a kit of promotional materials which will contain:

(a) Descriptions, prices, and order blanks for seat belts and retractors.

(b) Guidelines for operating program locally.

(c) Sample belt and set of retractors.

(d) Color swatches.

(e) Promotional aids.

2. Encourage 100-percent support of program by entire membership.

The professional public relations coordinator of national publicity (the cost of whose services are to be underwritten by the manufacturers participating in the program) shall have the responsibility of:

1. Assisting the sponsors in the development of the overall promotional program.

2. Setting up campaign operations in both Washington, D.C., and New York City.

3. Preparing guidelines, educational materials, and publicity suggestions for use at both headquarters and local levels by participating organizations.

4. Providing news releases for national media on a continuing basis.

5. Providing contacts for national magazine, radio, and television publicity opportunities.

6. Marshalling and coordinating promotional and publicity support available from national and international unions.

TIMING

The union safety seat belt campaign will be announced nationally on August 16, 1965. Indications are that at least 15 international unions plan to launch campaigns at the local level immediately.

It is expected that the first orders for seat belts will be forwarded to the manufacturers by August 25, 1965. Delivery is expected prior to the Labor Day weekend. As the program gets underway, maximum delivery period will be 2 weeks from receipt of orders.

Since participation is on a voluntary basis, locals may decide to launch at any time over the next several months. However, for maximum results, locals will be urged to sign up as early as possible in order to benefit most from the initial national publicity.

REPRESENTATIVES OF THE INTERNATIONAL UNIONS SEAT BELT COMMITTEE

Chairman: Mr. Victor E. Whitehouse, director of safety, International Brotherhood of Electrical Workers.

Vice Chairman: Mr. Alan F. Burch, assistant director of research and education, International Union of Operating Engineers.

Members

Dr. John D. Connors, executive secretary, Committee on Safety and Occupational Health, AFL–CIO.

Mr. Paul H. Connelley, general office staff, United Brotherhood of Carpenters & Joiners.

Mr. J. George Eichhorn, grand lodge representative, International Association of Machinists.

Mr. Charles Ferguson, director, safety division, United Mine Workers of America.

Mr. Arthur P. Gildea, secretary-treasurer, United Brewery Workers.

Mr. John R. Kumpel, special representative, safety and compensation, United Rubber Workers.

Mr. Enoch R. Rust, international vice president, United Glass & Ceramic Workers.

Mr. Lloyd D. Utter, director, industrial health and safety, United Auto Workers.

PEP PILLS FOR ECONOMY ARE NOT ENOUGH

Mr. MUNDT. Mr. President, in this country of ours there are many people, both learned and unlearned in the subject of economics, who think our fiscal policies are such that we are headed for a severe economic collapse. If this occurs, as it has in the past, the consequences of a serious depression or economic upset in this country are almost too far reaching to contemplate.

In the 1930's, we suffered through a long and disasterous economic depression. In time, however, we pulled ourselves out of that depression without destroying our free-enterprise system or weakening our military capacity to defend ourselves from outside attack.

Today, however, we are faced with a different world. Two ruthless and Godless nuclear opponents—Russia and China—have announced their desire to destroy us—even to bury us. Certainly, if our country were to have another serious depression, our capacity to help the free world and to maintain an impregnable Defense Establishment would be seriously impaired and the temptation to substitute stern Government edicts and directives over our entire economy might be too strong to resist. A nation which in time of plenty is currently willing to accept great degrees of Government control and direction would be hard put to find sufficient strength in time of economic disaster to resist the demands of those calling for virtually a Government takeover of our entire economy.

An alert man by the name of William D. Pardridge—a close friend of our former colleague, Ralph Flanders, of Vermont—has taken upon himself the thankless task of presenting to the American public a series of newspaper articles calling upon his fellow citizens to apply the brakes before it is too late. He has set himself the goal of having at least one newspaper article published in each of our 50 States in a sort of Paul Revere's attempt to warn America against dangers in our midst, which he discusses under the heading of "Economic Inequities."

Mr. Pardridge's articles are not those of a newspaperman. They are the observations of a student who has submitted himself to the discipline of a second career in life—economics. Mr. Pardridge has absented himself from the University of Chicago, where he seeks a Ph. D. in economics to undertake his mission. One of this series of articles was published in the Yankton, S. Dak., Press & Dakotan, on August 11, 1965. I ask unanimous consent that the article by Mr. Pardridge in this South Dakota newspaper be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Pep Pills for Economy Don't Go to Root of Evil in Nation of Bankrupt Doorkeepers

(Editor's Note.—The author of the following article, William D. Pardridge, is a former editor of the Washington publication, Air Affairs. He has been working on a Ph. D. degree in economics at the University of Chicago, but left that institution to spend 9 months writing a series of 50 articles on "Economic Inequities." This is one of the articles in the series.)

(By William D. Pardridge)

Economic inequities and political inequities go hand in hand.

So do economic free enterprise and political democracy.

And these last two ways of American life are the opposites of economic regimentation and plain dictatorship.

Mussolini resurrected the functional economy from the Middle Ages, and Hitler put it to work in an industrial society.

The Second World War was the result. And there were no atom bombs in that fire that permanently destroyed much of Europe.

The United States today is headed straight for a man-made economic bust. Before the recent advent of mass data gathering and mathematical statistical analysis, this economic bust would ordinarily be followed by an old-fashioned depression.

But now man knows where and when to administer pep pills and sleeping pills for the economic body.

These pills don't provide any cure for economic disease, don't go to the root of the evil. Instead, like medical injections, they make the patient happy and give an illusion of temporary relief from pain or worry.

Every single dope addict reading this will agree that, after awhile, the patient or economy cannot live without the artificial pills or injections.

Then what?

Why, then you're hooked.

Unemployment can be wiped out almost overnight in a functional economy. It's simple. You either work, starve, or go to jail. That's all there is to it.

Of course you cannot select the job or salary goal you prefer, for if everybody did that, then you would be back in a free-enterprise economy society.

That kind of a system was not permitted to right itself by itself.

Pep pills and injections can be used to prolong lopsided political interference, and the natural logic of economic activity is smothered in gravy-train consumer credit and in the tranquilizing shroud that makes "the poor" people into a social class all their very own.

When you are told to elect "some of your own" to a quasi-government board, chum, then you are in a class. You are poor. Your parents were poor. Face it.

In a functional economy everything is in order and has its proper place.

Labor is a segment of society—call it a corporation—that must produce so much stuff, particular goods the computers tell us are needed by the masses and the war machines. Now you need some of this, the Government says, and now you need so much of that.

The various metal industries, for example, are organized for "noble" purposes—in order to do away with unemployment or to "face a foreign threat."

Clothes form another corporation or segment of economic activity.

In fact, Mussolini's political economy was called the corporate society.

This way of making bread, living at that address, thinking the right thoughts—all this is the functional economy or corporate society is more than 500 years old.

All the wrinkles were worked out centuries ago. Chum, it is ready.

The Democrats are not going to plan this economic catastrophe and subsequent regimentation of the "work, starve, or go-to-jail" economy. The Republicans are not, either.

America will just fall into it, and at the right moment somebody or group of somebodies will happen along with all the necessary equipment.

Then you are really hooked; for sure.

Across the seas there is a vast, massive political ideology that waits for us to enter a period of disastrous economic disorder.

When we do, we're dead.

At home, there is the insidious enemy of the functional economy, and abroad, there is a hostile, belligerent military technology that equals us in hydrogen bombs and betters us in space achievements.

And what do we do about all this?

We treat politics as a fungame or conartist profession instead of as respectable social institution quite indispensable to economic and social freedoms.

Using bad luck for some and good luck for others as unwitting excuses, we tell the guy without a job to go through the door marked "Poor."

We tell the colored person to go through the door marked "Unrecognized."

We tell unemployed teenagers to go through the door marked "Statistical Alterations."

We tell the working masses to go through the door marked "Pay Taxes Here."

We tell the middle-class semiprofessionals to go through the door marked "Sophisticates."

We tell the rich to go through the door marked "Preferred Economic Indexes."

(We even have a door for economically underdeveloped dictatorships abroad marked "Foreign Aid." Once some wag changed it to "Carry-Out Service," but he was quickly discredited.)

There's a door for every class in a nation that is supposed to be classless.

And there's a door in this land of ours dimly marked "Fire Escape." But nobody uses this door. Some try the knob, sure, but the other doorkeepers immediately rush about with new gimmicks that put Hollywood to shame.

Long ago Adam Smith called England a "nation of shopkeepers." It's no secret that today America is becoming a nation of bankrupt doorkeepers.

And Russia and China think this is great.

MAJ. GEN. JACKSON GRAHAM ADDRESSES NATIONAL RIVERS AND HARBORS CONGRESS CONVENTION ON WATER RESOURCE DEVELOPMENT

Mr. YARBOROUGH. Mr. President, the National Rivers and Harbors Congress recently held its 52d national convention here in Washington, D.C., and Maj. Gen. Jackson Graham, Director of Civil Works, U.S. Army Corps of Engineers delivered a fine speech entitled "Water Resource Development."

To illustrate the excellent work being done by both the U.S. Army Corps of Engineers and the National Rivers and Harbors Congress, I ask unanimous consent that this be printed at this point in the Record.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY MAJ. GEN. JACKSON GRAHAM, DIRECTOR OF CIVIL WORKS, U.S. ARMY CORPS OF ENGINEERS, AT THE NATIONAL RIVERS AND HARBORS CONGRESS, WASHINGTON, D.C., JUNE 11, 1965

This has been an eventful year in the water-resource field. From our viewpoint in the Corps of Engineers, it is only the latest of several eventful years, all part of a national awakening to water problems. This is my opportunity for an annual progress report, and there are a number of topics I should like to discuss.

One is the interoceanic canal proposal. For the past 3 years the Corps of Engineers has been participating with the Atomic Energy Commission and the Panama Canal Company in a preliminary study of the technical feasibility of constructing a sea-level canal connecting the Atlantic and Pacific Oceans by various means, including nuclear excavation. Last September the Congress authorized a detailed study, to be carried out by a commission of of five prominent private citizens, of possible sites for such a canal and of possible means of building it, including the feasibility of using nuclear explosives. President Johnson appointed the commission in April, and it is now tackling some of the preliminary tasks of developing a plan for the study and the means for carrying it out. The authorizing legislation provides that the commisison may call upon any department or agency of the Government to obtain such services as it deems necessary to assist it in the study. Secretary of the Army Ailes and General Woodbury of my office met with the commission at its first meeting last month in New York, and General Woodbury and Mr. Kelly of AEC are meeting again today with the commission here in Washington. This study will take perhaps 3 years and will produce the data and recommendations on which our Government, and the other governments concerned, can make decisions on whether and how and when to proceed toward realization of a new sea level canal. Construction could take 10 years and $1 or $2 billion.

A second noteworthy event was the passage of the Appalachian Regional Development Act, which included specific provision for water-resource studies by the Army. To carry out this assignment we have already established an Office of Appalachian Studies within our Ohio River Division.

The Appalachian water study has some novel aspects. For one thing, it is not a river-basin study. The Appalachian region cuts across at least 19 important river basins, but includes only parts of many of them. Further, this water-resource study is just one part, or element, of a broader regional economic development program to be worked out by the Appalachian Regional Commission, and will have to be welded into that broader program. In forecasting the water-resource potentialities and needs of the region, therefore, we will be dealing with the future of an economy which is being deliberately accelerated.

A third major development of the year was the increase in emphasis on esthetic and other intangible implications of resource development. This topic includes beautification, the preservation of wilderness areas, wild rivers, scenic and historic values, and the like. It is being reflected in proposed legislation, in many press and magazine articles, in various kinds and sizes of campaigns, in a growing list of controversies, and in such events as the White House Conference on Natural Beauty held here in Washington last month.

The general subject of beauty can affect our work in two ways. It involves both the design of the project works themselves, and the possible effects of those works on the beauty of the surrounding environment. On this subject, there is one point that I think must be observed by all concerned: When you get to talking in practical terms about specific cases, you will find that beauty costs money, just like any other project element. It remains to be seen how much our taxpayers will be willing to pay to go beyond starkly functional design in project construction, how much they will be willing to invest in beauty as an intangible project benefit, and how the extra cost will be shared as between Federal and other levels.

I will digress for a moment to note the current fad of castigating water-resource engineers and highway engineers and other engineers on this subject of beauty. '"Despoilers" and "uglifiers" are typical of the epithets. We try to put these brickbats in perspective, knowing that in America the charges and cliches are invariably followed by broader public understanding. I don't think the 160 million people who visited our Army reservoirs last year were attracted by their ugliness. And I don't think a nation that virtually lives on wheels, and has made motoring its favorite form of outdoor recreation, is exactly repelled by all that it finds at the roadside.

Any good designer, whether an engineer or an architect, likes to take pride in his work. He wants it not only to be good, but to look good. But he simply cannot design for more beauty than his clients are willing to pay for—particularly if he is working for a public agency, and his clients are taxpayers who back up their demands with the force of law.

And in saying that, I don't mean to pass the buck to taxpayers or local officials. When a local community, of perhaps a few thousand people, is asked to contribute several hundreds of thousands of dollars for a flood-protection project, it often actually cannot afford more than the simplest design that is consistent with good quality and sound performance. In short, beauty, like any other value, is something that can be discussed constructively only on the specific merits of each individual case, considered in its entirety.

A fourth noteworthy event of the year was the drought that struck large areas of the country, once more brought about various mild forms of water rationing in some of our major cities, caused the lowest levels ever recorded on the Great Lakes, created a critical problem in Everglades National Park, and gave many eastern farmers a taste of the problem that is familiar to their counterparts in the West—the problem of watching helplessly while a crop that represents a year's investment and a year's income slowly shrivels in the fields. This drought is giving renewed impetus to water-resource study and planning in many basins—including the Great Lakes Basin, where the Governments of the United States and Canada are now engaged in a large-scale study under the auspices of the International Joint Commission.

One of the anomalies of the situation is the critical drought in southern Florida—normally one of the wettest areas of this country—where the Everglades National Park is experiencing serious water deficiencies. The corps is working closely with the National Park Service, the State, and other interests in an effort to find a practical and effective way of assuring an adequate water supply for the park.

However, it was floods which gained the main headlines in this year's water news. Within 4 months, the flood record books were rewritten, first on the north Pacific coast from San Francisco to Portland, and then on the upper Mississippi above St. Louis.

These disastrous events helped show why each river basin must have its own plan and why it is generally not practical to try to transplant an approach that has been successful in one area into another different area. For the two floods were about as different as floods can be. The Pacific coast floods rose to record heights in some places within 30 hours and slammed down the valleys with crushing velocity and force. The Eel River, normally a quiet mountain stream, carried almost the same maximum flow as the mighty Columbia and Willamette together, and obliterated whole towns with its violence. In contrast, the Mississippi floods rose 1 to 6 inches per day over a period of a month or more, and then as slowly subsided; they soaked everything, saturated levees, turned sandbags to mush and dikes to mud, and wore out the flood fighters who had to keep watching and working for weeks on end.

The flood-fighting and flood-control measures were also different. In the Upper Mississippi Valley there is practically no flood-control storage, and virtually the entire runoff went into the river channels, where the flood fighters had to try to keep it from going over the banks. By contrast, on the Pacific coast, where there are numerous damsites, the flood-control program is aimed to a large extent at keeping excess water out of the river channels by catching it in reservoirs. Only on the lower reaches of some streams are levees relied on for part of the job.

By and large, the Pacific coastal region was better prepared to cope with floods than the Upper Mississippi. Although no flood-control systems are complete out there, a large measure of protection had been provided, and it prevented damage estimated at up to a billion dollars. In the Upper Mississippi Valley, by contrast, there are only seven federally built local flood-protection projects. There were a number of other embankments built by non-Federal interests, but often not to our standards. The seven Federal projects together cost $12½ million to build, and prevented $40 million in damage in this one flood. Twenty-one other Federal projects have been authorized for that area—only nine of them have been started—and if they had been in service they would have saved an additional $100 million, as against a combined estimated construction cost of only $66 million.

The experience of the Missouri Basin is also worth noting. Snow conditions there this spring were similar to those of the upper Mississippi region. In fact, a lot of snow remains out there, and heavy rains in Montana could still cause some flooding on the tributaries above Fort Peck. However, the middle and lower parts of the valley are protected by the six big dams on the main stream, which contained all the snowmelt that has come down this year, and could easily have contained an amount equal to that which caused such havoc on the Mississippi. Right now about 48 million acre-feet of water are stored in those reservoirs, available for many beneficial uses; and there is still plenty of storage space left to hold the annual June-July runoff from the mountains.

These events have caused a general revival of interest in flood-control matters, particularly in the areas that suffered. People are thinking not only about more flood protection, but also about more regulation of the occupancy and use of flood plains. Both lines of approach are very much on our minds in the Corps of Engineers. There is no question that much ill-advised construction has taken place and is still taking place in flood-vulnerable areas. We can also sympathize with the people who survey ruined homes and farms and all the terrible litter and destruction of the flood, and in their discouragement feel for the moment like giving up on the valley, and moving out of it.

However, we must recognize that flood plains are among the most attractive and valuable sites for human residence and activity. Throughout all human history, civilizations have risen and flourished in valley lands. Almost all major American cities are riverbank cities. Much of our best farmland lies in the floors of alluvial valleys. People want access to their riverbanks for convenience, recreation, or just the enjoyment of natural beauty. Industries need access to them for transportation and water supply. Therefore it has been our Government's policy not to put these immensely valuable lands off limits, but rather to make them available and safe for the use of the people.

It is perfectly true that the more we protect riverbank areas, the more new occupancy and use is encouraged; and then more flood control is required and made feasible, and thus our flood-control systems must be continually expanded. But this is just another way of saying that flood protection continually adds new resources and values to the national community, and supports and contributes to economic growth—particularly when combined with sound local programs of flood-plain land-use planning and regulation.

On the other hand, riverbank areas that are not protected from flooding tend progressively to deteriorate. The fact is that when a river is not made an asset to its community, it usually turns into a liability. In rural areas, the regularly flooded bottomlands tend to become littered mudflats—places where people throw their old tires and rubbish. In towns, they are areas of dilapidation, if not actual dumps. So even if we completely zoned off our flood plains from any development, we would still face the problem of preventing flood caused blight. No matter how you look at it, in our increasingly crowded land each flood-vulnerable valley needs a well-planned cooperative program of flood-plain land-use regulation combined with a progressive system of flood-protection works.

Land-use regulation is not a Federal function. However a few years ago the Corps of Engineers was given authority to make, on request, special technical studies of flood vulnerability and related subjects to help local communities frame such regulations. It took a little while for this program to get off the ground. As long as public interest remained low, Congress was reluctant to provide much money for it; and as long as funds were low, we were not able to move very fast with the applications on hand. In the past 2 years, however, there has been a surge of interest in flood-plain regulation, which no doubt will be further augmented by this year's floods. As a result, our current budget request for this activity is double that of 4 years ago, and we believe our flood plain study program is now beginning really to move. At present we have on hand 271 approved applications from 32 States and Puerto Rico. Of these, 49 studies have been completed and 102 more are underway or under review.

Already these studies are yielding results, and in the future they undoubtedly will help save considerable amounts of damage. Various communities are using them in formulating open-space, renewal, or redevelopment plans. One town refused permission for the construction of a proposed subdivision as the result of a flood-plain report. Another gave the builder of a proposed development project his choice of either providing his own levee, or else building all first-floor levels above possible flood heights as revealed by the study. Incidentally, he chose to build a levee. Private firms, banks, and lending institutions also are using the reports in connection with plans to erect buildings, shopping centers, and the like. In Phoenix, Ariz., where copies of our flood plain information report were placed in each public library, the waiting lists of borrowers became so great that additional copies had to be supplied.

Riverbank communities are coming to appreciate the integral relationship between flood protection and flood plain regulation, on the one hand, and urban renewal and beautification on the other. Whether redevelopment is undertaken for economic reasons or esthetic reasons or both, flood protection is often an indispensable element. For example, in Pittsburgh, where one of the most remarkable transformations ever undergone by a major city has taken place, the chamber of commerce said: "The stepping stone to Pittsburgh's unprecedented $1½ billion redevelopment program is the flood control reservoir system built by the U.S. Army Corps of Engineers."

In Rahway, N.J., a redevelopment plan combined with a Corps of Engineers flood study and local protection project will greatly raise land values in the area. A half dozen or more towns in Kansas and Missouri have taken advantage of flood control systems to undertake programs of redevelopment and beautification that will make them at once more attractive and more profitable. I could cite many other examples.

I should point out the importance of fitting local activities like these into overall plans and programs dealing with the entire river basin concerned. For generations, people tried to curb the great lower Mississippi by local action. Their efforts were not only largely fruitless; they actually found themselves often harming one another in their efforts to work on an each-area-for-itself basis. It was not until the whole alluvial valley was tackled as a unit that any progress was made. No one can compute precisely the billions of dollars that have been saved, nor the further billions of economic development made possible by the Federal project for the entire valley.

Of course, basinwide planning is a complex activity. For those who seek some simpler method of coping with their flood problems, there is a substitute, which I offer without recommendation. It is a charm "against the danger of flood" which is taken from a Middle Eastern book of magic dating back to about the second century A.D. Here it is, as printed in a recent issue of the Saturday Review:

"If a river or lake should overflow its banks and the oncoming waters should endanger your home, then make the image of a man in stone, and engrave upon the soles of the feet the names of these angels and put a rod of marble across his shoulders and in his right hand a staff."

Unfortunately, I do not have the list of angels, so I cannot guarantee results from this method. Instead of looking up names of angels, I suggest you look up the name of your nearest Corps of Engineers District Engineer. He doesn't have a halo—it's not part of the uniform—and he doesn't know much magic; but he does have at his disposal a good deal of information about the care and handling of floods.

I thank you.

U.S. INVESTMENTS ABROAD AND THE BALANCE - OF - PAYMENTS TESTIMONY BY RICHARD C. FENTON BEFORE THE COMMITTEE ON BANKING AND CURRENCY

Mr. MONDALE. Mr. President, the International Finance Subcommittee of the Senate Banking and Currency Committee has been holding a series of hearings on the subject of the balance of payments. One of the witnesses who testified was Mr. Richard C. Fenton, president of Pfizer International. The committee was much impressed with Mr. Fenton's testimony. Mr. Fenton clearly states his views that direct investments by U.S. business firms stimulate U.S. exports and bring dollars back to the United States which contribute to the plus side of the balance of payments. Mr. Fenton's testimony will be published later by the Banking and Currency Committee.

I think Mr. Fenton's testimony is sufficiently important to be printed in the Congressional Record at this time so that all of the Members of the Senate, as well as others who read the Record, may have an opportunity to read it. I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Richard C. Fenton, President, Pfizer International, Before the International Finance Subcommittee of the Banking and Currency Committee, U.S. Senate, August 5, 1965

Mr. Chairman, I shall discuss direct investments and their role in relation to the balance of payments. As you know, these are of two types. There are the so-called manufacturing direct investments—investments by corporations in plants, warehouses, and offices abroad; that is to say, investments in actual operating activity abroad, just like the businesses of the same corporations in the United States. There are also other types, such as investments in oil and mineral deposits, refineries, public utilities, and so on, which are sometimes referred to as other direct investments. I shall not discuss portfolio investments or short-term capital movements.

In summary, the propositions I am going to make are the following:

First. Direct investments as a whole and manufacturing direct investments alone both make a substantial and growing contribution to the plus side of the U.S. balance of payments.

Second. Manufacturing direct investments in developed countries make a substantial and growing contribution to the plus side of the balance of payments.

Third. Direct investments have made a greater contribution to the plus side of the balance of payments than nonmilitary trade unconnected with direct investments.

Fourth. The argument that it is possible and desirable to restrict direct investments in the short run because returns are realized only in the long run is not valid. On the contrary, in many cases the payback in balance-of-payment terms is very short—less than a year.

Fifth. Direct investments can contribute more than any other factor to the elimination of the deficit in the balance of payments, but only if the President's voluntary program, as described by Secretary of Commerce Connor, is more clearly understood than it is at present and if direct investments are positively encouraged rather than discouraged.

Sixth. Finally, I will take issue with the arguments sometimes heard that direct investments should be discouraged because they export jobs or reduce investment at home.

All these propositions rely upon one central point—namely, that direct investments, particularly manufacturing direct investments, generate a very large and growing amount of exports which greatly exceed the imports arising from these direct investments. Furthermore, the current account effect greatly exceeds the capital account effect in the case of manufacturing direct investments—that is to say, the excess of exports over imports greatly exceeds the excess of the capital inflow over the capital outflow.

I will illustrate these propositions by describing the activities of my own company, Pfizer. Our range of products extends from prescription drugs to agricultural and animal health products, consumer cosmetics and toiletries, and bulk chemicals required by other industries, and is sold all over the world where permitted by U.S. law and policy. In fact, out of our total sales volume of about $500 million, almost one-half is sold outside the United States. Our profits come a little more from abroad than from the United States. Of our 28,000 employees, about 17,000 are non-Americans in 50 countries. We have 24 plants in the United States and 56 abroad in 29 countries. Some of our products are wholly manufactured in a few of our plants in the largest countries abroad, but in no country do we wholly manufacture everything we sell, and there is always at least some intermediate of some product which has to be imported from one of our U.S. plants. This arises because we undertake total production in a country only to the extent that we have to for any one or a combination of different reasons, such as heavy duties on imports or threatened or actual bans on imports or uneconomically high freight costs, or the need to produce somewhat different products from our U.S. products, and so on. Our U.S. International Board is a hard-headed and keen-witted one, and they make sure that we invest in facilities only when we have to in order to assure ourselves of the supplies that we can sell at an economic cost. Much of the equipment in our plants has been purchased from U.S. equipment manufacturers; many of the materials we use which are not made by ourselves are imported from other U.S. suppliers. As a result of our business operations abroad, we make profits and out of these profits we pay royalties, service fees and/or dividends depending on the economic or other advantages of choosing a particular route to bring money out of the particular country. From time to time, we make new capital investments to build new warehouses or plants or to expand existing ones, or purchase new equipment in order to become more efficient or to expand output. From time to time we may purchase other companies where to do so fits into our expansion plans. Many of these investment needs can be met from our resources in the same country, depreciation, profits, borrowing from local banks, and so on. In other cases, we have to send the money from outside the country. When this happens, we use other currencies including dollars, and when it is dollars it is because we keep excess cash in dollars. These are dollars which have arisen in the first place from our exports or receipt of dividends, royalties, service fees, and so on. In other words, our operations abroad result today and have resulted for many years in a surplus for the balance of payments of the United States.

Since we started in 1951, Pfizer operations abroad have made a net contribution to the plus side of the U.S. balance of payments of about $370 million in spite of building up our substantial assets and operations around the world. Our net contribution in 1964 alone was over $40 million. The major portion of this inflow, that is to say, $270 million out of the $370 million, has come from our exports of U.S. goods and equipment to our overseas plants, most of which exports—and I underline this—would not have been possible without our prior direct investments in those installations. We cannot import finished goods into most countries even today and, even if we could, the finished products required by many countries differ from those we make and sell in the United States. If we do not invest in a finishing plant, we do not export anything from the United States. Similarly, if a plant is filled up to capacity and we can sell more than we can produce, and assuming we cannot import the product into the country, if we fail to expand that plant by new investment we put a ceiling on further exports from the United States of the materials to supply that plant—not to speak of the tremendous morale problem which would be involved. In a case like this, we cannot stop or postpone an investment without losing out to the competition—which may well be local competition or competition from some country other than the United States.

The largest part of Pfizer's contribution to the plus side of the balance of payments is derived from our investments in the developed countries, although our investments in the underdeveloped countries are almost as large as in the developed. This is mainly because we can export more to the developed countries than to the underdeveloped and also because we make more profits in the developed countries and we can repatriate more of these profits. The underdeveloped countries simply do not have enough dollars to pay for all we would like to export to them, so we have to manufacture there more than the markets really justify in order to support our businesses. Furthermore, the underdeveloped countries simply do not have the dollars to pay for the profit remittances we would like to make—when our profits are not eaten up by currency devaluations and inflation. Much of our exports to underdeveloped countries and much of the profits that we do bring home are financed directly or indirectly by AID and do not help the U.S. balance of payments. The plain fact is that if we had to rely for our international business on the underdeveloped countries and did not have the developed countries in which to grow and prosper, our enthusiasm for international business would be considerably diminished. To quite an extent, our business in the underdeveloped countries is justified and even financed by our success in the developed countries.

Now the important point is that we are rather typical of companies operating abroad. The Department of Commerce now recognizes that most companies operating abroad are in credit in their balance of payments. In his statement before this subcommittee on August 3, Secretary Connor noted that the 475 reporting companies alone accounted for nearly half of all U.S. merchandise exports during 1964. Obviously we have to include at least the part of these exports which goes to the direct investments when we consider the balance-of-payments effect of direct investments, just as I did in describing Pfizer's situation. To be fair, we should also include imports into the United States from the direct investments. Unfortunately, the official statistics do not group exports and imports with the direct investments to which they relate. This is probably the reason why the importance of direct investments and their contribution to the balance of payments has until recently been consistently underestimated. However, we can regroup the statistics so that we can see the total effect of all direct investments. In order to do this, I am adding to the direct investment capital account—that is to say, capital inflows and outflows on the direct investments—also the royalty and service fee income together with repatriated earnings, and in addition I will add the current account effect of direct investments, that is to say, the excess of exports over imports to and from direct investments abroad. All the figures which I shall quote are from published Department of Commerce statistics with the single exception of an estimate for imports from nonmanufacturing direct investments abroad, such as oil imports, foodstuffs, minerals, etc. We have to estimate these imports because no figures have been published. I do not believe any error on this single point will invalidate the basic conclusions. Regrouping the figures in this way to support my first proposition, manufacturing direct investment abroad, as I defined it earlier, that is to say, omitting oil, foodstuffs, minerals, etc., provided a total surplus on balance-of-payments account in 1962 of about $3.4 billion and in 1963 about $3.6 billion. The position is not quite as good if we include the other items, because they have a net deficit on account of their large estimated imports in spite of their substantial credit on capital account. The total surplus from all direct investments is reduced to about $2.5 billion in 1962 and $2.7 billion in 1963.

With regard to my second proposition, if we take manufacturing direct investment in Western Europe alone, which so many people have implied contributes a deficit to the balance of payments, and if we treat them in the same way, figures taken exclusively from Department of Commerce statistics show that there is, in fact, a balance-of-payments surplus of $1.2 billion in 1962 and again in 1963. All of the figures for 1964 have not yet been published but capital account figures have and they are a little more favorable then in 1963 and we would guess that the current account effect probably was too. With regard to Japan, no complete official statistics are available but from what we can find we guess that the capital account of direct investments with Japan is about in balance, while the current account—that is to say, the excess of exports over the imports to and from the direct investments—is substantially in credit, and this is in spite of the very substantial restrictions placed by the Japanese Government on direct investments in Japan.

Coming to my third proposition that direct investments have made a greater contribution to the plus side of the balance of payments than nonmilitary trade unconnected with direct investments, this may sound at first an odd claim since it has so often been said that the real plus in our balance-of-payments picture is the visible trade and that the real minus is the outflow of private capital. In order to see the true picture, we again have to regroup the statistics and deduct from exports those Government-financed shipments which do not produce dollars and also deduct from exports those which in fact arose from the direct investments. On the other side we must deduct from the imports also those which arise from direct investments, and the nonmanufacturing part of these imports is the only figure which we have had to estimate again. In both cases, I am dealing with nonmilitary goods only. Regrouping the trade data on this basis, we find that, in fact, there was a surplus both in 1962 and 1963 of only about $1.4 billion. Therefore the true facts appear to be that it is direct investments rather than visible trade which currently provide the greater part of the private surplus for the balance of payments with which necessary Government activities, such as military disbursements and foreign aid, are financed. The surplus created by direct investments has been almost twice as large as the surplus created by visible trade unconnected with direct investments.

Now I come to my fourth proposition—namely, that it is not correct, at least in many cases, to say that we can afford to reduce direct investments in the short term because the payback on them is long term. Even Secretary of the Treasury Fowler seems to take this point of view. In the publication of the Committee for Economic Development entitled "Gold, the Dollar and the World Monetary System—a CED Symposium on the International Position of the Dollar"—the following appears in Secretary Fowler's paper: "The only acceptable solution facing us is the one we are pursuing—to maintain our present system and to make it work by eliminating the deficit, thereby paving the way for the successful negotiation of an improved system. There is no question that this course, through the voluntary program, requires us to restrict private, new or additional business and financial activities which in normal times we would consider highly desirable. There is no question that such new or additional business and financial investment abroad pays excellent dividends to our future balance-of-payments position. In fact, more than a third of the balance-of-payments gains made since 1960 under our first two balance-of-payments programs reflect increasing returns from such activities. Such returns, however, are realized only in the long run. But ours is a short-run problem confronting us now—this year * * *." Secretary Fowler includes business investment in this statement and he is, therefore, presumably including manufacturing direct investments. He seems to take no account of the immediate advantage to the balance of payments in many cases of the exports generated by the "new or additional" investment.

Let me give a few illustrations from Pfizer's own experience. We have just finished expanding a plant in Italy, a developed country. The total cost of the expansion was over $1 million. All of this investment was financed by our Italian company with no use of dollars. On the other hand, we ordered from other U.S. companies and shipped to our Italian plant about a quarter of a million dollars worth of equipment for the expansion. Furthermore, we calculate that the expansion enabled us immediately to begin shipping additional bulk materials at the rate of over $2 million per year. Here the result of the investment is a total plus for the balance of payments.

In another type of case, we are in the process of building a new finishing plant in Portugal, another developed country. Here the local authorities are making it increasingly difficult for us to run our business on the basis of imported finished goods and we face the prospect of either our business being stifled or making the investment in the plant. We have been sending finished goods into Portugal at the rate of about $1½ million per year. Once the plant is completed, we expect to ship about $1 million per year on the average during the first 5 years, in the form of bulk materials. If we did not build the plant at an estimated cost of about $1 million, of which $500,000 will have to be provided from outside Portugal, our finished-goods imports would gradually die and we would have no imports of bulk materials. In this particular case it is hard to say how long the payback is but, assuming our finished-goods imports would be cut by half over a 5-year period, the payback in balance-of-payments terms on the exports alone works out to about 2 years, even if all of the $500,000 required comes from a dollar source.

Again, a slightly different case in Britain. There we have just approved the construction of a plant to make one of our chemical products. We have been supplying the market from one of our U.S. plants. Three-fourths of our business is with one customer in Britain and he recently gave us an ultimatum that if we did not manufacture in Britain, he would manufacture the chemical himself or get someone else to manufacture it for him because he wanted to have a complete guarantee of supply within Britain. Again, we are financing the investment entirely without the aid of dollars. On the other hand, our imports of dollars from the investment will come in the form of dividends on the additional profits at the rate of about 50 percent of these additional profits each year, since we have a general dividend policy of 50 percent of our profits. Since we would lose most of our exports anyway if we did not invest and since we are financing the investment locally, the extra dividends will all be a plus to the balance of payments. Even if we had invested in the plant in dollars, the balance-of-payments payback would be no more than 6 years.

Actually, the President's program as described by Secretary Connor did not provide that we should restrict or reduce investments as the quoted statement by Secretary Fowler seems to conclude. This is where a great deal of misunderstanding about the program seems to have arisen. If you will refer to the original program, we were asked to do some reporting and we were asked to make an overall improvement in our individual balance of payments. We were also asked to consider nine possible techniques by which we might improve our individual balance-of-payments performance. These included expansion of exports, development of new export markets, acceleration in repatriation of income earned in developed countries, possible sale of equities in foreign subsidiaries to residents of host countries, increased use of American-flag vessels and airlines, and the minimizing of the outflow of short-term financial funds and repatriation of such funds previously invested abroad. These clearly have nothing to do with restricting investments.

There are three other points, however, which I think may be the origin of the misunderstandings. The first was the suggestion that we exercise restraint in financing new direct investments in developed countries with funds raised in the United States, and the second was the greater use of funds raised in developed countries to finance direct investments in those countries. In neither case is the restriction or postponement or reduction of direct investment suggested but only less use of dollars and more use of local currency.

Finally, there was a suggestion that we avoid or postpone direct investment in marginal projects and it is possible that this has caused the most misunderstanding. I do not quite understand what project could really be regarded as marginal if a board of directors is doing its job properly. Certainly the Pfizer board of directors does not approve projects unless it is very sure that they are in the best interests of the development of our business. I suppose, however, that there might be a case where the board might feel that it was just barely worth going ahead with an investment and the thought behind this request may be that the board should reconsider the project if it could be financed only in dollars with a really long payback in balance-of-payments terms. However, it seems to me that such cases must be extremely rare and Pfizer has not yet found any to postpone or avoid.

On the other hand, in recent speeches by both Dr. Brimmer and Mr. McQuade of the Department of Commerce we are told—and I will quote from Mr. McQuade's speech of July 19—"Well over 40 companies have voluntarily informed us of deferred or canceled investment projects in developed countries which they had otherwise planned to make in 1965." Since this 40 is out of a total number of reporting companies of about 500—that is, almost 10 percent—and they must all be major companies to be concerned with the reporting system in the first place, I am forced to wonder whether all these cases really are marginal and whether perhaps the balance of payments is not being harmed rather than helped by the postponement or cancellation. I am particularly concerned about this because I know from personal experience that there are very few U.S. companies where the international business is really regarded internally with the same interest and attention by the top management as the domestic business, and I am very concerned that what may have really happened is that the balance of forces within the company may have been shifted even more in favor of the domestic business by the argument that a direct investment is contrary to the national interest. It is unfortunately a fact that in most even large U.S. companies of my acquaintance, even those quite deeply involved in international business, this business is regarded by much of the staff and much of the management as secondary and a nuisance, and it is only too likely that, deliberately or unconsciously, a misunderstanding of the purpose of the voluntary program has resulted in the postponement or cancellation of projects which are really highly desirable from a balance-of-payments point of view and which would have relatively short paybacks in balance-of-payments terms.

To put it very shortly, the voluntary program is designed to reduce the dollar outflow in connection with direct investments and to enhance the dollar inflow, but it is not (except in "marginal cases") aimed at reducing or postponing or restricting direct investments themselves.

My fifth proposition concerns the future role of direct investments in relation to the balance of payments. Only about 500 companies are involved in the reporting system under the voluntary program and this means that only about this number have significant direct investments abroad. I understand, however, that there are about 300,000 manufacturing companies in the United States. It seems to me that one way, and possibly the only way, to solve the balance-of-payments problem in the long run is not only to give the widest possible publicity to the true meaning of the voluntary program, but in a much more positive way to actively encourage more of these manufacturing companies to venture abroad while they try at the same time to minimize their use of dollars. I would find it hard to believe that there is not at least 1 percent of all manufacturing companies with proven products and know-how which could do a good job of operating abroad, if they knew it was in the national interest that they should go abroad in a serious way. Of course, their initial investments would be a net drain on the balance of payments. But if you include the exports that most of them would probably generate immediately after their installation abroad, I would guess that the turnaround time on these investments would be very rapid. But the turnaround time must be calculated on the total effect including the exports, and not simply in terms of the profits and dividends. In fact, my suggestion would be that, as a contribution to the long-term solution to the balance-of-payments problem, a real effort should be made to find the successful companies in all branches of industry and enlist the support of groups such as the American Marketing and American Management Associations to show them how to establish themselves abroad. Here I am speaking not of 500 nor of 1,000 or 2,000 companies but of perhaps 10,000, not a very large number out of the 300,000 manufacturing enterprises.

We would be on much safer ground for the future of our balance of payments if our investments abroad were spread through a much larger number of companies, products, and industries. To get more and perhaps more medium-sized companies interested, however, there would have to be a much clearer and more positive lead from the administration, and an attempt would have to be made to get all interested departments, including the Treasury, to accept this concept of the total contribution of direct investments to the balance of payments. Furthermore, all the talk of the undesirability of direct investments in the developed countries of Western Europe and Japan should cease. It has got to be clear to everyone that it is in the national interest that direct investments in Europe and Japan should be encouraged (while minimizing the use of dollars) for the positive contribution that they make to the balance of payments as well as for other reasons. It may be more important in the long run for the United States that the lines should be kept open to direct investment in the Common Market, including France, than that tariffs should be reduced.

Finally, a few words on my sixth proposition. The argument is often heard that direct investments should be discourgaged because they export jobs or reduce investment at home. The export-of-jobs argument completely ignores once again the effect of direct investments on exports. We in Pfizer calculated some time ago that over 20 percent of the manufacturing employees in one of our major U.S. plants were wholly employed in making goods for supply to our plants abroad. Again I say that if we do not invest, we will not export, and it is the contrary proposition that is true—namely, that if direct investments are discouraged, it is jobs in the United States which will suffer.

The point will certainly be made that some of the direct investments supply products to the United States. This is true, but in most cases the goods that are made by the American companies abroad for shipment to the United States would probably be shipped into the United States anyway, whether the American companies made them or not, and it is surely better than an American company should make the products than that a foreign competitor should do so. In any case, the imports into the United States from manufacturing direct investments were less than one-fourth of the exports from the United States to the direct investments during 1962 and 1963 and there is no reason to suppose that this ratio will have changed much in 1964. It seems clear that the balance of advantage is in favor of the direct investments.

With regard to the argument about direct investments abroad interfering with investment at home, I think this shows a misunderstanding of the industrial process. Certainly in Pfizer our investments abroad are not competing with our investments at home. As a matter of fact, we have a built-in preference for expanding our plants in the United States rather than doing so abroad, as I am sure almost all companies must have—in fact, as I said before, I would guess that most companies have too strong a preference in this direction for the health of their foreign business. I have never met an industrialist with whom I have discussed this subject who is not in the same position as Pfizer.

In summary, direct investments, particularly in developed countries, make a very important and growing contribution to the balance of payments. This is due to a very large extent to their effect on exports. Therefore they should be encouraged for balance-of-payments reasons and because they create jobs at home. They do much else that is good, not the least of which is foster private enterprise and democracy in other countries.

A CENTURY OF ISOLATION—THE TREATMENT OF HANSEN'S DISEASE IN HAWAII

Mr. INOUYE. Mr. President, 100 years ago, King Kamehameha V of Hawaii created a settlement by the sea on a remote peninsula on the island of Molokai to isolate victims of leprosy, now known as Hansen's disease.

The settlement at Kalaupapa is one of three institutions in the United States that exclusively treat communicable or active cases of Hansen's disease. The second is also in Hawaii and the third is the U.S. Public Health Service Hospital in Carville, La.

Kalaupapa is best known for the work of Father Joseph de Veuster, better known as Father Damien, a Belgian priest who worked among the Hansen's disease victims from 1873 until he died of the disease in 1889 at the age of 49.

Father Damien may one day be canonized as a saint in the Roman Catholic Church because of his great sacrifices. In the meantime, the Hawaii State Legislature this year chose Father Damien as one of two people who will represent Hawaii in the Capitol's Statuary Hall.

The August 11 issue of the Honolulu Star-Bulletin published a history of Kalaupapa written by Mr. Tom Kaser. If there are no objections, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KALAUPAPA MARKS A CENTURY OF ISOLATION

(By Tom Kaser)

(NOTE.—One hundred years ago this year King Kamehameha V created a settlement on Molokai for isolating victims of leprosy, now known as Hansen's disease. Starting tomorrow, the nearly 200 active and inactive patients now living at the Kalaupapa settlement will hold a 3-day centennial observance of that founding. Inactive patients will display their crafts Thursday and Friday, and on Saturday invited guests will attend a luau prepared and paid for by the patients themselves. Here is a summary of the settlement's dramatic history, and report of what it is like there today.)

KALAUPAPA, MOLOKAI.—You can't help but feel a little humble at this place, especially when you consider its geography and its history.

Kalaupapa, located on a peninsula at the foot of cliffs on Molokai's rugged north coast, is one of only three centers for the treatment of Hansen's disease (leprosy) in the United States today.

Hale Mohalu, in Pearl City, and a U.S. Public Service Hospital in Carville, La., are the only other institutions in the country that exclusively treat communicable or "active" cases of Hansen's disease.

It is possible that leprosy, as it was known before 1874, was diagnosed in the Hawaiian Islands as early as 1823, when a Protestant missionary wrote in his journal that "cases of ophthalmic scrofula and elephantiasis" were on the increase.

The first officially recorded case of leprosy in Hawaii was in 1853, and by the late 1850's the disease had spread to almost epidemic proportions.

King Kamehameha V finally declared, in January 1865, that those afflicted with leprosy must be isolated, and the site chosen by the board of health was a peninsula on the north coast of Molokai.

For $1,800, the board bought most of the land on the peninsula, including from 15 to 20 houses and rights to use nearby Waikolu and Wainiha Valleys.

Nine men and three women were on the first boat that arrived at the peninsula, on January 6, 1866. Part of the group consisted of kokuas or helpers. Also included was a health department superintendent, but neither he nor several of his successors spoke Hawaiian.

The first settlement on Molokai was at Kalawao, 2½ miles across the base of the peninsula from Kalaupapa.

From January to October of 1866, 104 men and 38 women—some of them kokuas—were sent there. Contrary to popular belief today, there is no evidence that the lepers were dumped overboard near the shore, although rough seas at times may have made it necessary for them to be pulled ashore on ropes.

THERE WAS NO LAW DURING FIRST YEARS

The first superintendents at Kalawao encountered difficulties enforcing law and order. Instead of the stronger patients tilling the land and looking after the weaker, it was vice versa. Might made right, there was no law, the able refused to work, and drunkenness, rape and pilferage were rampant.

Two years before this time, Joseph de Veuster, a Catholic brother in the Congregation of the Sacred Hearts (SS. CC.), arrived in the islands from Belgium to begin missionary work in place of his brother, who was too ill to come.

Brother Damien, as Joseph de Veuster was first known in religious life, was ordained a priest in Honolulu, and in June 1864—2 months after his arrival in the islands—he went to the Big Island to begin 10 years of missionary work in Kohala and Hamakua, among other districts.

Meanwhile, in 1871, a Protestant church named Siloama (meaning "Church of the Healing Spring") was built at Kalawao and served by Hawaiian pastors, one of them a patient at the settlement.

The following year, Brother Victorin Bertrant of Honolulu went to Kalawao and stayed long enough to build a small wooden chapel less than a half-mile from Siloama, naming it St. Philomena's.

Later, after Father Damien arrived, he built the main part of the church.

King Lunalilo ascended the throne in 1873 and brought about changes that slightly improved conditions at the leper settlement on Molokai. A member of the Royal Hawaiian Guard, himself a victim of leprosy, was brought to the settlement and made superintendent; better food was sent to Kalawao; and a bonus system (granting pay and privileges) was established for those patients who worked.

But the health situation remained grave; of the 797 lepers who had been brought to Molokai as of the beginning of 1873, 311 had died.

Noting the concern of the Right Reverend Louis Maigret, SS. CC., Catholic bishop of the Islands, that there was no priest at Kalawao, Father Damien volunteered to come to the settlement.

Damien and Bishop Maigret arrived at the village at 11 a.m., May 10, 1873, aboard the SS. *Kilauea,* which also contained about 50 lepers and some cattle.

FATHER DAMIEN'S VISIT PROLONGED

The intention was that Father Damien would stay at the settlement for 2 or 3 weeks, then return to the Big Island. A petition, signed by 200 patients and asking that a permanent priest be sent to Kalawao, was presented to Bishop Maigret and in the ensuing days Father Damien decided to stay.

Over the next 16 years, Damien administered physical and spiritual aid to the lepers in a remarkable number of ways. He helped them build homes, install an adequate water system, and he even spent much of his time building coffins for the lepers. The deaths averaged about one a day.

Doctors were occasionally sent to Kalawao and Kalaupapa, a smaller village on the western edge of the peninsula, but their visits were always brief. In 1884, a doctor returned to Honolulu and reported that "no one but Father Damien renders any help."

Because of the lack of doctors at the settlement, Damien spent much of his time being nurse, doctor, and even surgeon to the lepers. Using only soap, water, bandages, and sedatives, he occasionally found it necessary to amputate limbs.

The atmosphere for these and other ministrations were almost unbearable. In his official report to the president of the board of health in March 1866, he wrote:

"The smell of their filth, mixed with exhalation of their sores, was simply disgusting and unbearable to a newcomer. Many a time, in fulfilling my priestly duties at their domiciles, I have been compelled not only to close my nostrils but to run outside and breathe the fresh air.

"To protect my legs from a peculiar itching, which I usually experience every morning after visiting them (the lepers), I had to beg a friend of mine to send me a pair of heavy boots. As an antidote to counteract the bad smell, I made myself accustomed to the use of tobacco, whereupon the smell of the pipe preserved me somewhat from carrying in my clothes the obnoxious odor of the lepers."

From time to time Father Damien made trips to Honolulu to consult with his religious superiors and make repeated requests to the board of health for supplies and equipment. But many times these requests took the form of demands, and Damien—whose temper often flared—was known as a stubborn and argumentative character.

BITTERNESS MARKED HIS LAST YEARS

His last trip to Honolulu was made on July 10, 1886, when he visited a Dr. Goto to receive temporary treatment for what were plainly symptoms of leprosy. The last years of his life were unfortunately embittered by some of his religious superiors, who—according to historical documents—appear to have been jealous of his popularity.

One historian, Father Reginald Yzendoorn, SS. CC., notes that the correspondence between Damien and his religious superiors in Honolulu in the years 1886 and 1887 "is saturated with acrimony, and one wonders what misconduct may have provoked such evident hostility."

Partly because of his leprosy and partly, perhaps, because of bitterness, Father Damien was forbidden by his religious superiors to come to Honolulu.

But he continued his work on Molokai until March 28, 1889, when he took to bed. On April 15, at the age of 49, he died, leaving behind a layman, Ira Joseph Dutton, and sisters of the Third Order of St. Francis to continue his work.

It is possible that Father Damien had leprosy before he came to Molokai, for he worked with lepers while he was on the Big Island. The history of his affliction is detailed in a diagnostic report prepared by Dutton in March 1889, and signed by Father Damien before he died. Parts of the report read:

"Served as priest on the Island of Hawaii from 1864 till 1873. Occasionally heard confessions of lepers, ministered to them in their cabins sometimes, but he had not constant or very particular contact with them until he came here, to the leper settlement * * *.

"Is quite sure that when near to lepers, as at confession or in their cabins—before coming to the leper settlement—he felt on such occasion a peculiar sensation in the face; a sort of itching or burning, and he felt the same here, at the settlement, during the first 2 or 3 years; that he also felt it on the legs.

"Is confident that the germs were in his system, certainly within the first 3 years of his residence here; can trace it positively to 1876. Small dry spots appeared at that time, particularly on arms, some on back * * *.

"Finally, in 1877 and 1878, (they) assumed yellowish color and became larger * * *.

"In the autumn of 1881 he began to be badly troubled with severe pains in his feet, especially in the left one, and in 1882 sciatic nerve trouble came on, clearly defined all along the left leg.

"Then the right ear became swollen with tubercular enlargements, making the whole thing an immense affair. * * * The eyebrows began to fall out, the other ear became enlarged, and tubercular swellings took possession of the face, hands, etc. The knuckles and knees are in hard enlarged knobs, becoming suppurating sores. Many sores on hands and wrists, some about the neck, eyes weak and at times very much inflamed * * *."

Since the latter part of last century, Hansen's disease has receded greatly—thanks especially to sulfone drugs, which were introduced at Kalaupapa in 1946.

Kalaupapa, which before the turn of the century started to become the center of activities on the peninsula, is today a sleepy little hamlet that looks as if it has been forgotten by time.

NOW ONLY 60 COMMUNICABLE CASES

As of July, there were only about 60 communicable cases of Hansen's disease at the settlement. Another 135 "temporary release" patients had recovered from the disease and were living at the settlement by choice—some as employees of the State health department.

The rest of the 251 people living on the peninsula consisted of medical (including one doctor) and administrative employees of the department of health, an airport employee of the department of transportation, two Coast Guardsmen to maintain the Molokai Lighthouse near the tip of the peninsula, a priest, and two wives of health department workers.

Included on the health department staff are six Catholic nuns, who have proved to be more permanent hospital workers than lay personnel.

Andrew Flying Service, based at Honolulu International Airport, is the only airline that maintains a flight schedule to Kalaupapa ($22 round trip), although other operations fly to the settlement on a charter basis. Last year, approximately 1,100 tourists visited the settlement.

Anyone planning to visit Kalaupapa must first obtain a health department permit, but this is a routine procedure that can be handled by any tour agency or Andrew Flying Service.

The purpose of the permits is to make sure all visitors understand the rules of the settlement: do not shake hands or otherwise come into personal contact with anyone, do not enter patients' homes or the wards of the hospital, and use only the three restroom facilities marked for visitors.

Children under 12 are prohibited by law from the settlement, and anyone under 20 is usually refused permission to visit. Because there are no restaurants, stores or overnight accommodations on the peninsula, visitors are advised to bring along a picnic lunch.

FORMER PATIENTS CONDUCT TOURS

Former patients meet each plane and offer personally conducted tours—at $5.50 per person—of the best scenic and historic spots on the peninsula. The tour, which takes approximately 2½ hours, is done between the morning and afternoon flights.

The only place you are likely to see more than two people together is at the village wharf, which is a popular fishing site. Once in May, once in July, and once in September a barge—loaded with heavy staples—lands here.

The superintendent of Kalaupapa is Edward Burlem; he has been at the settlement 12 years. His wife, Georgina, handles all nonpatient mail.

All outgoing patient mail is handled by the Kalaupapa postmaster, who is responsible for a unique duty: fumigating the mail. He must snip off the corners of all outgoing mail so the gases can penetrate each piece of mail touched by or sealed with saliva from a patient.

The highlight of any visit to Kalaupapa is Kalawao. All that remains of the original settlement site are the two churches, Siloama and St. Philomena, both of which have been renovated and are open to visitors. Adjacent to St. Philomena is a graveyard containing many of Father Damien's assistants and successors, including Joseph Dutton.

The remains of Father Damien himself were once buried next to the church, but they were exhumed in 1936 and taken to Belgium, where they were entombed in a shrine at Louvain. In 1956 they were exhumed again by Catholic authorities as part of a process to declare him a Catholic saint. But a monument still stands over his original gravesite on Molokai.

The road to Kalawao extends a few hundred feet beyond St. Philomena Church and ends at Kalawao Park, a delightful picnic spot situated on a shady bluff above a cove. When the sea is rough, thunderous waves splash against the rocks and cliffs, creating mountainous water sprays. Offshore are two small islands, Mokapu and Okala.

Few places in Hawaii possess the bucolic reverence of Kalawao; few places recall such pathos.

SENATOR RIBICOFF'S GREETING TO CONNECTICUT DRUM AND BUGLE CORPS

Mr. RIBICOFF. Mr. President, this week we have an opportunity to enjoy a number of colorful displays of musical pageantry. During Drum Corps Week, August 15–22, 1965, the 1 million young Americans who take part in drum and bugle corps activities will meet in competitions around the country, not only to be judged, but to demonstrate their skills and to thrill and entertain the Nation.

I ask unanimous consent to insert in the Record at this time my greeting to the members of Connecticut Drum and Bugle Corps.

There being no objection, the greetings were ordered to be printed in the Record, as follows:

Senator Ribicoff's Greeting to Connecticut Drum and Bugle Corps

Warm greetings to all you fine Connecticut citizens as you mark Drum Corps Week.

Drum corps activities, enshrined in the American tradition in the "Spirit of '76," have lent dignity, color, and enjoyment to our Nation's ceremonies. As you young people work together, you develop mutual respect and understanding, participate in a constructive endeavor, and—not to be forgotten—have a lot of fun.

Thanks to you for continuing to enrich our country's patriotic celebrations, and a salute to you on your own.

BIG BROTHER: IRS

Mr. LONG of Missouri. Mr. President, today's big brother item is an excellent editorial from the August 10, 1965, edition of the Washington Post, entitled "Bugs." I ask unanimous consent that this editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Bugs

Modern technology has made snooping and eavesdropping as easy as taking candy from a baby. With the latest in transistorized microphones, the "fuzz" can overhear almost anything you choose to whisper to your wife or your business partner; and with that interesting device called a two-way mirror—which might more aptly be characterized as a one-way looking glass—they can make your office or bedroom as public a place as the stage of a theater.

These aids to detection are commonly called bugs—a reasonably just and descriptive appellation. Undoubtedly they facilitate the tasks of law enforcement officers. And undoubtedly there are those who regard any objection to them as sob-sister sentimentalism. For our part, we find them extremely disquieting, not to say disgusting. Senator EDWARD V. LONG, whose Senate Judiciary Subcommittee has usefully exposed the widespread use of such detection techniques by Federal agencies, and especially by the Internal Revenue Service, apparently shares this revulsion; and so does Internal Revenue Commissioner Sheldon C. Cohen who has only recently assumed office and can hardly be held responsible for what took place before his tenure.

Mr. Cohen has sent to Senator LONG a new and extended list of cities in which IRS had bugged conference rooms. The list indicates there were 22 rooms with two-way mirrors and 10 with concealed microphones. This appears to be making a clean breast of a shameful situation—the best preliminary to correcting it. We feel confident that the Internal Revenue Commissioner will clean his own house. And we hope that other Federal agencies will do likewise—throwing out all their lie detectors along with their microphones and phony mirrors. This kind of snooping is really strictly for the bugs.

Mr. LONG of Missouri. Mr. President, I wish to draw particular attention to one line in the editorial:

> We feel confident that the Internal Revenue Commissioner will clean his own house.

Commissioner Cohen has issued some new instructions and testified to certain changes.

For example, he has banned all illegal wiretapping. As it has been explained to the Subcommittee on Administrative Practice and Procedure, this would mean a ban only on such wiretaps as fall within the narrow limits of section 605 of the Federal Communications Act as interpreted by the Department of Justice. As I understand it, this would not prevent IRS from monitoring and recording on its own telephones, making surreptitious recordings of telephone calls where one party consents, or even planting tiny transmitters in public phone booths.

As to concealed bugs in IRS conference rooms, IRS has only promised not to permanently bug such rooms. No ban has been placed on temporary installation.

As to nontelephone snooping, such as subminiature transmitters, hidden mikes, concealed tape records, et cetera, et cetera, there are no new regulations to my knowledge. Of course, it is true that there are no Federal laws against such snooping—the need for such laws is one thing that is receiving priority attention by the Subcommittee on Administrative Practice and Procedure. Meanwhile, however, it was hoped that IRS would put some curbs on their use against errant taxpayers, no matter how errant.

Such action would certainly bolster our confidence in IRS intentions.

SENATORS HART AND GRUENING DISCUSS POPULATION EXPLOSION PROBLEMS ON "CAPITOL CLOAKROOM"

Mr. GRUENING. Mr. President, earlier this summer the distinguished junior Senator from Michigan [Mr. HART] and I were invited to discuss the population explosion on the Columbia Broadcasting System's nationwide radio program "Capitol Cloakroom."

The recording of that discussion has been transcribed. Because of the growing interest in the population dialog I ask unanimous consent that the text of the transcript of the "Capitol Cloakroom" broadcast made on June 29, 1965, be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

TODAY'S CAPITOL CLOAKROOM

(Taped in the Senate Radio and Television Gallery on June 29, 1965)

From the Nation's Capitol, CBS brings you the 861st presentation of "Capitol Cloakroom." This week's guests are Senator ERNEST GRUENING, Democrat, of Alaska, and Senator PHILIP HART, Democrat, of Michigan. Now, here is CBS news correspondent, George Herman.

Mr. HERMAN. The English clergyman, Thomas Robert Malthus, wrote in 1798 that population increases too fast for the means of subsistence. He meant mainly food and he was wrong on that score in his calculations. World food production has increased far faster than he ever imagined. But economic systems have begun to labor under the burden of population growth. Nations and families have found themselves with more children than they knew how to provide for. Many would like to change that state of affairs but don't know how or whether they can afford to.

Senator ERNEST GRUENING, of Alaska, a graduate of Harvard Medical School, has introduced a bill to help make birth control information available to people desiring it. He is the father of three children.

Michigan Senator PHILIP HART, father of eight children, is a Roman Catholic, a thoughtful student of the world population problems and perhaps the first Catholic lawmaker in this country to advocate at least the dissemination of birth control information to those who are interested.

Senator HART, what is your proposal?

Senator HART. That demographers, as Malthus proved, can be wrong. But if you were making book you are compelled to project a world which, unless some very dramatic solutions are developed, will crowd us off the earth so to speak, and it seems to be the prudent action on the part of the Federal Government to probe for solutions to population control problems as deeply as is possible. And all the information that we develop in that course of study should be disseminated just as broadly as possible. And then it is up to the individual's own conscience as to the extent to which he will avail himself of techniques that are developed. There is really nothing very dramatic or courageous in that position. Even though as you say, I may be the first Roman Catholic legislator who has said so. My own personal attitude is indicated by the fact that we have eight children. But the purpose really of married life, of family life, is to insure healthy children in a good surrounding. I don't mean a rich home, but where health and stability permeate the air. Too great an abundance of children can destroy this atmosphere. And the Roman Catholic Church itself, as I understand it, is pursuing the same in depth study now that I think the Federal Government appropriately could undertake. And I would hope that we would file with Rome all the findings that we develop, ERNEST.

Mr. HERMAN. Senator GRUENING, what are the dimensions of this problem?

Senator GRUENING. Well, it is difficult to define them because they are so overwhelming. But if you take some of the figures of demographers, apparently the world population will double in about 30 years, and here in the United States that is the approximate figure, 35 years, so that here in the United States we can look forward at the end of the century to having a population of 400 million and then in a little less than 35 years, because of course, the acceleration increases, and medicine and surgery will make further advances, we will have pretty close to a billion. Well, I'm glad I won't be around when that happens. I don't want to see this country covered with a vast urban sprawl with all our resources seriously impaired; even now there is a water shortage in many parts of the country. Right in New York City they have had to restrict it, and if we keep on multiplying at the rate we are, this planet is not going to be a fit place to live in, and America the beautiful will largely have disappeared before that happens.

Now as far as the rest of the world is concerned, we are engaged in a very extensive foreign aid program which is being undercut by the population increases. We can't possibly keep up with it. And so I think this problem is acute now and it is rendered acute because of the great discoveries and progress that science has made. This problem, the population problem, did not exist, despite Malthus' view to the contrary, half a century ago. I was interested in birth control then because I felt very much as Senator HART feels, that people should have the kind of home in which they can bring up their children properly and give them what they need, have them healthy. But in the last 50 or 60 years, we've had all kinds of advances in health; diseases that formerly took a heavy toll are virtually nonexistent anymore, such diseases as typhoid fever, diphtheria, typhus, poliomyelitis. There has been a tremendous advance in the efficacy of our drug treatments. We lost our eldest son back in 1931 with a streptococcus infection. Had he been taken ill 10 years later, he'd be alive today. That was before the discovery of antibiotics, sulfa drugs, and penicillin. It would have been a very simple thing to check that infection by drug therapy. But we didn't know about that. And that is an indication of what's happened all over the world. So we can be reasonably sure that in another 25 years, more diseases that are still taking their toll will have been conquered. The advances in medicine, surgery, and in drug therapy have been simply phenomenal. And so, in consequence, we are confronted with a new problem, a problem that did not exist a half a century ago, at least it wasn't apparent. That is why there is so much reconsideration of the population increase, why you have the changed attitude of President Eisenhower, who only a few years ago, as President, stated publicly that the government had no business mixing into population control but now has written me a letter, which arrived happily the day before our hearings opened last week, in which he states that he considers this the most critical problem facing mankind.

We have also the reiterated statement of President Johnson who was the first President to meet this issue publicly and in his state of the Union message this last January said, "I shall seek new ways to use our knowledge to help deal with the explosion in world population and the growing scarcity in world resources." That was a general statement. Now he has elaborated it and carried his urgings further. Only last week, taking the dramatic opportunity of addressing the world at the United Nations 20th anniversary celebration in San Francisco, he said: "Let us, in all our lands, including this land, face forthrightly the multiplying problems of our multiplying populations and seek the answers to this most profound challenge to the future of the world. Let us act on the fact that less than five dollars invested in population control is worth a hundred dollars invested in economic growth."

Now that really lays it on the line. I would consider that Presidential pronouncement almost a directive to the heads of these various agencies which are presumably dealing with this problem to try to apply that economy of $5. It may be less before we get through it—rather than spend vast sums of money that are wasted because their expenditure cannot keep up with the population growth.

Mr. HERMAN. One question that immediately occurs to me from what both of you gentlemen have said is that if this information, if this knowledge of birth control is made available the world will automatically take advantage of it and everything will be settled, but is that true? Will some people like perhaps Senator HART and his family think that birth control is fine for other people but maybe not be for their family? In other words, is just making this knowledge available to the world going to solve the problem, Senator HART?

Senator HART. Speaking as a Catholic who seeks to practice his faith, some of the information that will be developed would not be permitted us in conscience, unless Rome's study now underway brings new light and a different attitude with respect to the use of some of the devices. But there are many, many persons who do not have the moral obligation that would "inhibit" us, if that is the expression, and who, given the information, undoubtedly would apply it and, for them, constructively. Again as a Catholic, we look to Rome hopeful that the advances in science which have been so dramatic in recent years when fully evaluated, weighed against theological judgment, will produce a different attitude on the part of the church.

Mr. HERMAN. What is the essence of that problem? What is the balance between the scientific development and the moral question? What is at stake?

Senator HART. Well, here I plead guilty of not being a theologian. But for centuries now the position of the church has been that the direct interruption of the sperm is not permitted, and they go back to Onanism. There are many in the church who now wonder whether the interpretation of the Act of Onanism does in fact bring us to this position. It is this combination as I understand it: What has science suggested and how does it relate, in the light of this new knowledge, to basic theological principles? It is not, I should add, merely that the church is planning to trim its sails to the pressures and criticisms, and in some cases, complaints of its members. I would deny that. I would think that there is a recognition increasingly in Rome that this thing should have a new look, and if error has been made I hope they would confess it. One Galileo is enough, I suppose, but I have no real reason to sit here and pretend I know what the outcome will be. So, bluntly to your question, the church does not oppose birth control per se. The rhythm method is permitted, and as the Federal study adds further knowledge, physiological and biological, it is conceivable that other methods would be immediately permissible, and finally, as I say, if the Federal Government pursues this vigorously and makes widespread the information that is developed, there will be many who today have no moral problem, but who nonetheless find unacceptable many of the proposals.

Mr. HERMAN. Senator GRUENING, what about the voluntary nature of this? Will making information available to people who wish to use it voluntarily, will that be enough to solve the problem?

Senator GRUENING. It would go a great ways. A great many people bear unwanted children because they do not know how to use contraceptive methods. I think that will take care of a very substantial portion of the problem. But others will not use it, and there should be, of course, a complete freedom of choice. As Senator HART has said, there is nothing compulsory about this. I really consider this legislation as a sort of exercise in free thought. It's an implementation of free thought. It makes the information that many people would like to have, but have not been able to get, available. But those who do not want it, certainly need not use it. Now, I have seen in some of the more backward regions of the world examples of families where there were seven, eight, and nine children and perhaps every third child would die or be sickly, where the mothers crave this information—but haven't it. So I think in time the people who want it will also have access, not merely to the information, but to the implementation of the information. And that would become a government program, not merely in this country, but throughout all the world, and I find this to be a growing sentiment in many countries.

Mr. HERMAN. What do you think, gentlemen, about government provision of the methods and means of birth control? Is this going to be a necessary corollary, clinics or stations provided by the government as certain underdeveloped countries are now trying out?

Senator GRUENING. Well, we had this morning at our hearing a testimony by Dr. John Rock, a noted Catholic gynecologist, author of a book published several years ago on this issue entitled "The Time Has Come," in which he urges that the wraps be taken off; and he has devised the pill which stops ovulation and makes it possible for married couples to have sexual intercourse without bearing children, a contraceptive method that is being used quite widely. The most recent Gallup polls have shown that there is a majority of sentiment among all religious faiths, including the Catholic, for having the information made available. And I think that is a very important fact, that even Catholics, despite their religious inhibitions, feel that this information should be made available, and obviously they hope that there will be a change of policy in the Vatican.

Mr. HERMAN. Senator HART, do you think that devices, chemicals, in other words, the means should be made available by the government as well as the information?

Senator HART. I think that my answer would be yes, in the passage of time there seems to be no acceptance of the action merely as the result of the information that is distributed. But here I would want to be very sure that—take a family on welfare—that there was no suggestion of pressure or obligation. And you have to sail a very tough course on that, because the social worker sees the dollar signs and can influence the decision of the recipient. It's this sort of thing that I would hope, as we make progress in this field, we would be very sure to guard against. What Rome eventually decides with respect to the pill, I don't know. But clearly, in the second council there were several cardinals and archbishops who voiced the thought that it might very well be possible that the pill, when reviewed, some chemical treatment, when reviewed, could meet the test of moral sanction. This verdict is not in. Here again I have no idea what they'll say.

Mr. HERMAN. Well, let me dive right into this question of economics, the family on welfare and pressure. It seems to me one of the main arguments we hear advanced for birth control is that underedeveloped nations while they strive to build up their economies find their populations growing faster than their growing economies can handle. Now isn't the same thing true for families? Would not a family perhaps on welfare, striving to build up its economy and to raise itself to a new status of economy off welfare, would it not have a population problem internally?

Senator HART. If that family is of the view that the use of contraceptives would be wrong, then the fact that the bank account would increase as a result of using the contraceptive would not justify the use. You can slice that a million ways, but that's what it gets down to. I've never believed that two could live as cheaply as one and I know that 10 can't live as cheaply as 1. But the balance sheet ought not be the determiner with respect to the moral obligation. Absent the moral inhibition or the belief that certain things are wrong, then the economic argument could be advanced. But I think those who seek to make more full the knowledge with respect to population control do the cause a disservice when they argue that it is cheaper this way. The question is, Can it be right this way?

Mr. HERMAN. Another argument that I am sure will come up time after time, if it has not already, is will not this kind of voluntary birth control work to the disadvantage of the population in the sense that those people who are wiser, who are more self-controlled, who think more clearly about the future, will control their families and that an indiscriminate element that doesn't care what it is doing and has no thoughtfulness or responsibility, will allow its families to increase? Is this a realistic problem, Senator GRUENING?

Senator GRUENING. Well, I think not entirely because the people who want to control the number of their offspring, families do it right now despite the fact that the information is not freely available to all. Another aspect of the problem that you just discussed with Senator HART came up briefly in the hearing and which we will explore fully, and that is that, in certain places in this country, it is alleged that women bear children deliberately so they can get additional financial relief, when each additional child brings an additional relief check. That's a problem which we will certainly look into in the course of our hearings because that doesn't seem to be exactly the proper way for a family to be brought into being.

Mr. HERMAN. Does the additional amount of relief with each child more than cover the child's expenses so that the woman gets a profit from a child?

Senator GRUENING. Apparently in the cases where this is abused, it is considered by the mother to be an adequate sum.

Senator HART. I would urge that you not approach as the way to cure it requiring that the mother use a contraceptive if she believes that she ought not. Do something about welfare payments. Treat it that way if you like.

Senator GRUENING. I think it should be approached from both angles.

Mr. HERMAN. How about the medical problems involved? This is not just a demographic problem, it's also in each individual case a medical problem. Should this kind of intimate, personal medical problem be handled by Government agencies or by doctors or by Government medical bureaus, or in what fashion should this relationship between the parent and the giver of birth control be arranged?

Senator GRUENING. Oh, I don't see that this is a problem in any wise different from ordinary medical treatment. I think people who receive this contraceptive information and wish to have the proper instruction in how to apply it, will get it just as they would receive other treatment from a trained nurse in a hospital or a doctor. I don't think there is any invasion of privacy there at all.

Mr. HERMAN. A Federal doctor, a State doctor, county, local?

Senator GRUENING. Well, a doctor is a doctor in my judgment.

Senator HART. Even when he is a Senator like Senator GRUENING.

Senator GRUENING. I think he is no different whether he works for a State or a municipality or is in private practice. He still has to take his hippocratic oath which lays down certain ethical standards for his conduct.

Mr. HERMAN. Well, is there any problem or will the AMA, the American Medical Association, find any problem in such things being financed and provided by the Government and administered by doctors?

Senator GRUENING. Well, I can't speak for the AMA, and I find myself in disagreement with its views on so-called medicare which is really hospital care, but the AMA has come out in favor of the release of contraceptive information. I doubt whether you will find any serious opposition there. I think objection would lie in another field but not to the giving of contraceptive information.

Mr. HERMAN. Well, let me pursue this question a little bit with Senator HART. If there should be Federal assistance or State assistance, should this be administered by doctors or through a direct government clinic or how can it be worked out?

Senator HART. Well, assuming that it is not different from any other health measure, I would assume that we could follow the existing channels. Generally, it would be your own physician and counseling with him. For the person who goes to a clinic for economic reasons, it would be there. But, I believe what Senator GRUENING says that this would not require any unique management or be a problem at all.

Mr. HERMAN. Is it a ticklish problem in foreign aid when we export this whole issue? Do other countries say ah ha, you are trying to cut down on our population?

Senator GRUENING. Well, it may be a ticklish problem, but it's a very acute problem, and foreign countries are becoming increasingly aware of it. The Japanese, I have been informed by one of our witnesses, have practically met this problem by stabilizing the balance between births and deaths. And we had a witness this morning that told us the great progress that has been made in Korea. And India is wrestling with the problem although, so far, not too successfully because it has been overwhelmed by the great increase of births.

Mr. HERMAN. Senator HART, do you see any problem in exporting this ideology of birth control to other nations?

Senator HART. Here again I think that you have to evaluate the cultures and the traditions which include the religious convictions of recipient nations. I think we ought not hold back when there is a nation which makes a request. I guess that's the safest way for me to put it.

Senator GRUENING. I'll agree to that.

Senator HART. I suppose that before we close, I should again acknowledge that I do not speak for the church, my church, but I do think, that it is well that we remember a very recent comment by Cardinal Cushing when, I think it was the Connecticut birth control law was set aside by the Supreme Court, and he said he thought it a sound decision and he said that Catholics don't need the support of civil law to be faithful to their religious convictions and they do not seek to impose by law their moral views on other members of society. I think that is a very profound statement, applicable to an awful lot of things, not just population control.

Senator GRUENING. Senator, I understand that the archbishop of Hartford, Archbishop O'Brien, made a somewhat similar statement saying that he was glad the law had been declared unconstitutional, that in his judgment it clearly was, although it didn't affect the moral aspects in the attitude of the church.

Mr. HERMAN. I want to thank both you gentlemen for being with us today on "Capitol Cloakroom."

You have been listening to the 861st meeting in "Capitol Cloakroom." This week's guests were Senator ERNEST GRUENING, Democrat, of Alaska, and Senator PHILIP HART, Democrat, of Michigan. CBS News Correspondent George Herman was the moderator.

ELVIS PRESLEY'S AID IN RAISING FUNDS FOR A PERMANENT "ARIZONA" MEMORIAL AT PEARL HARBOR

Mr. INOUYE. Mr. President, 4 years ago, a campaign to raise funds for the permanent *Arizona* Memorial at Pearl Harbor was lagging far behind its stated goals.

The plight of the fund drive came to the attention of Elvis Presley, the internationally known singer and entertainer, who came to Honolulu and raised $62,000 for the Pacific War Memorial Commission and benefit show at Pearl Harbor.

Last week, Elvis Presley returned to Honolulu to see for the first time the memorial to the men who lost their lives at Pearl Harbor.

The story of Mr. Presley's visit was published in the August 16 edition of the Honolulu Advertiser.

If there are no objections, I respectfully request that this article be published in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Honolulu (Hawaii) Advertiser, Aug. 16, 1965]

PRESLEY VISITS MEMORIAL HIS EFFORTS HELPED BUILD

Elvis Presley made a pilgrimage to the Arizona Memorial yesterday and completed a personal association with the memorial begun 4 years ago.

He and his manager, "Colonel" Tom Parker, stepped into the shrine at the ewa end of the memorial and honored the ship and the men who lost their lives at Pearl Harbor with two 5-foot high red and white carnation wreaths.

The party included Elvis' father, Vernon Presley, Tucker Gratz, chairman of the Pacific War Memorial Commission, Navy representatives, and 11 of Elvis' friends from Tennessee.

Such a tribute to the sunken battleship from Presley was appropriate: 4 years ago the singing star came to the rescue of a lagging Arizona memorial fund and raised $62,000 for the Pacific War Memorial Commission in a benefit show at Pearl Harbor's Bloch Arena.

The money gave new life to the Commission's fund drive and helped inspire Federal and public contributions.

The half-million dollar, 186-foot-long concrete facade was completed a year later and much of the credit for the memorial's fund raising has always belonged to Presley.

And yesterday Presley saw the memorial he helped to get off the ground and onto the water for the first time.

Yesterday's relatively unpublicized venture was arranged by the dynamic Parker, the same man who called up Advertiser Editor George Chaplin 4 years ago and said. "We'll help you build your memorial."

With yet half of the necessary $500,000 to be collected and the fund drive bogging down, the Advertiser dispatched 1,500 letters to mainland newspapers urging Pearl Harbor Day editorials to boost the memorial.

One editorial in the Los Angeles Examiner caught the interest of Parker, who aroused the interest of Presley.

Yesterday the Presley entourage rolled to a stop in front of the CincPac Fleet landing inside Halawa Gate. After squeezing the fingers of some fans on the other side of a fence, Presley stepped up to the party's naval launch and got a brisk handshake from Rear Adm. Henry S. Persons, commandant of the 14th Naval District.

Then, sitting next to his father and surrounded by his Tennessee friends, Presley moved through the waters toward the hulk of the *Arizona*.

Gratz, now Hawaii director of the U.S. Chamber of Commerce, sat in front of the launch and said that "if it weren't for Parker and for Elvis we wouldn't be going out there."

Parker, pointing at Presley's father, laughed that "if it wasn't for him we wouldn't be going out there either."

As the launch neared the gleaming white memorial, Presley stood up and remarked, "This is good, the design is so simple. I'm glad it's not gaudy."

Once aboard the memorial spanning the hull of the *Arizona*, Presley conferred with Persons' representative, Lt. Comdr. Robert Hartian.

The two wreaths in the shrine end of the memorial each bore inscriptions on gold ribbon. One of the wreaths, in the shape of a bell, bore the words "Gone But Not Forgotten, from Elvis and the Colonel." "USS *Arizona*" was emblazoned in red carnations across the bottom of it. The other wreath, also signed by "Elvis and the Colonel," read "In Memory of Pearl Harbor, 1941."

The bell-shaped wreath, said Parker, pointing at it with his cane, was made with exactly 1,177 carnations, one in honor of each of the officers and men lost on the *Arizona*.

Returning to the launch, Presley remarked that the experience of finally seeing the memorial he helped to build "gives me a warm feeling. It's wonderful to get a chance in your lifetime to do something of this nature.

"In contrast to entertaining, an opportunity such as this is especially satisfying."

An hour's cruise of the harbor followed as Journalist Seaman Joe Glascow narrated the disaster of December 7, 1941, and Presley and his crew listened alertly.

As the crowded launch passed nuclear submarines and guided missile destroyers, Presley stood up occasionally and waved at sailors at deckside. Most of the sailors didn't seem to realize who was waving at them.

But one swabbie did. He was hefting a mop and bucket from the deck of a destroyer and yelled "Hi, Elvis," the only clear recognition the singer got.

But he received plenty of recognition once back at the landing. More youths were waiting. Presley greeted them all, then slid into a big car and rolled off with his friends.

NATIONAL DRUM CORPS WEEK

Mrs. SMITH. Mr. President, I would like to join my colleagues in observing this the National Drum Corps Week. This week, which is set aside to honor the 1 million young Americans who participate in drum and bugle corps activities throughout the country, holds much significance not only to the young Americans who participate in the drum and bugle corps, but to anyone who has ever watched a drum and bugle corps in action. This national organization has brought much pride to America at home and abroad.

I wish to commend each and every young American who is a member of the National Drum Corps for the contributions they have made to their States and their country—they all have good reason to be proud of their achievements.

LEGISLATIVE APPORTIONMENT

Mr. TYDINGS. Mr. President, the more I study the successive versions of the Dirksen amendment, the more I am reminded of the famous line, "The more things change the more they stay the same." Although the amendment is dressed up in new language, its tired old purpose is unaltered: to perpetuate a minority stranglehold over our State legislatures.

I will not recount the numberless transformation which the proposals of the Senator from Illinois [Mr. DIRKSEN] have made since the Supreme Court's decision in Reynolds against Simms, only 14 months ago. The whole country is aware that the opponents of fair apportionment first attacked the Court head on with the Tuck bill in the House. When that failed, they attacked the Court sidewise with the Dirksen rider to last year's foreign aid bill. When that failed, they sought to undermine the Court's decision with Senate Joint Resolution 2 and its numerous variants. Sensing defeat they kept amending and tinkering with their constitutional amendment right up to the very moment before it was voted down as a substitute to the National American League Baseball Week resolution.

Bloodied but unbowed, the foes of fair representation have hastily scraped together yet another version of their amendment. The latest draft, now printed as Senate Joint Resolution 103, cannot escape its heredity. It is the orphan child of a succession of political proposals to weaken the democratic fabric of our State governments. Like its parents, it seeks to evade the equal protection clause of the 14th amendment by permitting some citizens of a State to speak with an unequal vote in the selection of their State legislature.

Since Senator DIRKSEN's newest amendment has not been the subject of any hearings, there is considerable doubt as to the precise meaning and effect of the language. But based upon the testimony and debate on the earlier version of the Dirksen amendment, one can say with certainty that the present text is more vague, more ambiguous, and more confusing than any previous version.

Let me suggest a few of the more obvious difficulties:

First. Ratification procedure: The proponents of Senate Joint Resolution 2 were obviously stung by the charge that a rotten borough amendment to the Constitution should not be ratified by a rotten borough legislature.

The opponents of the Dirksen amendment argued that if the proponents were really serious about "letting the people decide," ratification should be by State constitutional convention chosen at large. This would give the people an effective choice on the fundamental question of amending the Constitution.

Senate Joint Resolution 103 does not adopt this suggestion. Instead it provides for ratification by State legislatures "provided that each such legislature shall include one house apportioned on the basis of substantial equality of population."

This new approach constitutes half-hearted recognition of the validity of our argument, but there is an obvious effort to avoid the logical consequences of the battle cry: "Let the people decide." While ratification by a legislature with one fairly apportioned house is better than ratification by a doubly malapportioned legislature, there is still a substantial possibility that a State legislature could ratify this amendment even though it does not command the support of a majority of the people in the State. As Senator DOUGLAS has pointed out, it is entirely possible that the fairly apportioned house of a State legislature could be blackmailed into ratifying this constitutional amendment by the threat of the other house to withhold consent on important matters of public business.

This is not only unheard of, and this is not only likely, but it happened in the past.

Second. Judicial review: The first sentence of section 1 provides that "the legislature of each State shall be apportioned by the people of that State at each general election." All members of this body will recall that the first sentence of Senate Joint Resolution 2 also provided that the power to apportion State legislatures shall be "in the people." That sentence was deleted by Senator DIRKSEN after it was pointed out that it would preclude judicial review of any apportionment scheme.

He removed this under the pressure of our attack.

I ask, is the first sentence of section 1 of Senate Joint Resolution 103 merely a subtle reincarnation of the first sentence of Senate Joint Resolution 2? Does not apportionment "by the people" as provided in Senate Joint Resolution 103 prohibit judicial review of an apportionment plan? In the absence of categorical language to the contrary, I would have real doubts.

Third. Mandatory referendums procedure: The first sentence of section 1 of Senate Joint Resolution 103 provides that the legislature of each State "shall be apportioned by the people at each general election" following each decennial census. Does this not prevent a State from developing or employing an automatic self-executing apportionment procedure? A number of States, Mr. President, now provide in their constitutions for automatic reapportionment in accordance with an established formula. Does not this provision of Senate Joint Resolution 103 render such self-executing formulas invalid?

A number of States now provide in their constitutions for automatic reapportionment in accordance with an established formula. Does this provision of Senate Joint Resolution 103 render such self-actuating formulas from taking place automatically? Other States provide for reapportionment to be accompanied by a bipartisan commission on a regular basis. Again I ask, Does this provision of the Senate joint resolution not render such reapportionment procedures invalid?

The first section of section 2 provides that "a plan of apportionment shall become effective only after it has been submitted to a vote of the people and approved by a majority of those voting on that issue in a statewide election." Is that requirement limited to plans of apportionment which deviate from substantial equality of population, or does it, as the language suggests, apply to every plan of apportionment even if, for example, a State legislature automatically, under its own State constitution, reapportions after each decennial census according to a plan based upon substantial equality of population?

Would the proposed amendment take away from the State legislatures the right to follow their own State constitutions automatically with a fair apportionment plan? The language suggests that it would, because it is not limited merely to a plan of apportionment that deviates from substantial equality of population. It purports to apply to every plan of apportionment, whether adopted under the new amendment or otherwise.

The distinguished junior Senator from Illinois [Mr. DIRKSEN] speaks eloquently of States' rights. But what could be a greater infringement on the right of a State to reapportion its legislature than to say it cannot reapportion in accordance with a self-executing formula or by a bipartisan committee provided for in its own constitution without first submitting a referendum plan to all the people of the State?

I do not know whether the Senator from Illinois means this. I do not know what he means. But the language certainly clearly indicates that it could mean that.

The Senator has a term in his new Senate Joint Resolution 103. The term is "effective representation." The heart of Senate Joint Resolution 103 is a provision that one house of a bicameral legislature, or a unicameral legislature, may be apportioned on the basis of population, geography, and political subdivisions, in order to insure effective representation in the State legislatures of the various groups and interests making up the electorate.

I must say, with all candor and respect, that I do not have the foggiest idea of the limitations of that language or what that language exactly purports to mean.

Several questions come immediately to mind. How does one determine the various groups and interests that make up the electorate? What is an interest? What in the world does "effective representation" mean? There are, of course, an unlimited number of groups which make up the electorate in any State. There are obvious groups which come to mind—racial groups, religious groups, ethnic groups, business groups, labor interests, and farm interests.

But there are less obvious groups in interest—women, females of the species. What about diverse interests with an interest? What are the truckers' and the highway builders' ideas? What about the people who support rapid transit and a balanced transportation system? What about all the various diverse groups which by the very makeup of our country exists in every State?

If the Negroes of a State comprise 18 percent of the population, as they do in my State of Maryland, and the overwhelming number of Negroes live in one or more of the large cities, as they do in my State, would they be afforded effective representation if the large cities of the State were unrepresented in the State legislature?

If the Seventh-day Adventists in a particular State comprised 5 percent of the population, must an apportionment plan be established in order to accord them 5 percent of one of the seats in the house of the State legislature?

Suppose the existence of an interest is spread throughout the State in a way that does not comport with geography or political subdivision. Would that interest receive representation in the State legislature? Or would the amendment require effective representation only of groups and interests which are, in a physical sense, in close proximity and are relatively concentrated in the area?

What I am concerned about, and what I fear, is that when we start drafting and redrafting and coming up with all sorts of ideas to amend the Constitution of the United States, we shall have exactly what we have here. We have a proposed amendment to which there is no intelligent answer, but which raises a great many questions.

There is no standard for determining what is "effective representation" other than the standard of substantial equality of one-man, one-vote—substantial equality of population.

Once we deviate from that objective and intelligent standard, we drift into a morass of subjectivity and potential discrimination on the possible basis of crass political considerations.

I should like to ask the distinguished minority leader—and I intend to do so tomorrow when our subcommittee meets to hear him—for example, whether the various groups and interests in his State are accorded effective representation in the malapportioned Illinois State senate. How much overrepresentation would particular groups deserve in order to receive effective representation? How much more representation should one particular group receive in order to give it effective representation? How can we determine how much overrepresentation a particular minority group is entitled to in order to give that group effective representation?

I shall ask the distinguished minority leader whether under the standards of his proposed amendment any adjustment would be required in our own State senate in Maryland. Each county in my State of Maryland now elects one senator, regardless of population. If the population is 600,000, as it is in Baltimore County, we have 1 senator. If the population is 15,000, as it happens to be, or close thereto, in two other of our counties, it has 1 State senator.

The 15 smallest counties in my State, containing less than 20 percent of my State's population, control or elect a majority of the members of the Maryland State senate, one house. Does that give effective representation to various groups and interests in my State under the standard of the amendment of the Senator from Illinois? I want to know whether it would or not. If not, what adjustments would we make? Would we be able to perpetuate this system under his amendment or not? What adjustments would he suggest in order to meet the standards which he propounds?

I submit that there are no standards. An "effective representation" is a meaningless phrase and merely an excuse for State legislatures to argue for the perpetuation of the status quo.

There has not been time to research the point, but I feel relatively certain that in almost every case that has come before the Supreme Court of the United States involving the apportionment of State legislatures the attorney general of the State involved defended a scheme of malapportionment, and would argue that the existing plan of malapportionment, no matter how bad the representation was, was a scheme which afforded people of his State "effective representation."

Finally, Mr. President, does the new amendment provide for judicial review of the substance of an apportionment plan? If the legislature develops a plan which is subsequently involved in a referendum, is that plan reviewable in the courts to determine whether or not the various groups and interests of the States are accorded representation?

Has the distinguished minority leader abandoned his position that apportionment schemes should not be reviewed?

Does this language embrace the philosophy advanced by the distinguished senior Senator from New York [Mr. JAVITS], who has advocated that any apportionment scheme which deviates from substantial equality of population be reviewable in the courts for fairness and reasonableness?

The minority leader has not answered this question in his discussion of the amendment, and the language itself leaves us completely at sea. This is important. Is the amendment judicially reviewable, or is it not? There is now no way to determine the question one way or the other.

Finally, on the matter of unicameral legislatures, the original version of Senate Joint Resolution 2 introduced by Senator DIRKSEN this year provided that in the case of unicameral legislatures "reasonable weight" could be accorded to factors other than population. During the course of its many transformations, the term "reasonable" was dropped. It was only seconds before the vote to substitute his amendment for the baseball amendment that Senator DIRKSEN substituted an amendment to restore the word "reasonable," after discussion on the floor of the Senate by myself and other Senators.

The Senator explained that the word "reasonable" was dropped during the consideration of Senate Joint Resolution 2 through oversight. I accept this explanation, but it reenforces my fear that the Constitution should not be amended on the floor of the Senate or in back rooms without detailed, careful consideration.

In any event, it is clear that the word "reasonable" does not appear in the third sentence of section 1 of Senate Joint Resolution 103, which is the latest version of Senator DIRKSEN's proposal.

The resolution provides that a unicameral legislation may be "apportioned among the people on the basis of substantial equality of population with such weight given to geography and subdivisions as will assure effective representation in the State legislature of the various groups and interests making up the electorate."

Again we return to that elusive phrase "effective representation." How much weight would be permitted to geography and political subdivisions in order to accord "effective representation to some favored group or interest"? How far can a unicameral legislature deviate from "substantial equality of population"? There is no limitation; no factor of reasonableness is involved. It would appear that almost any deviation would be permissible so long as the proponents of the rotten borough plan could point to some "group or interest" in the State which in their judgment needed more effective representation.

The third sentence of section 2 requires that "in addition to any other plans of apportionment which may be submitted at such elections, there shall be submitted to a vote of the people an alternative plan of apportionment based solely on substantial equality of population." This language is subject to the same deficiencies as was comparable language in earlier versions of the Dirksen amendment.

This would permit a legislature which was bent on perpetuating its malapportioned existence to submit as the alternative plan one which would be wholly unacceptable to the people of the State, by forcing the people of a given State to select the malapportionment plan as the lesser of two evils.

It would permit a State legislature to submit as the alternative plan the election of one house of the State legislature wholly at large. It could even provide that the composition of that other body would be limited to a half-dozen men. This would obviously be unacceptable, and the people, lacking in the other alternative, would undoubtedly prefer to perpetuate a rotten borough legislature to electing a small body at large.

This is what happened in Colorado when there was a choice. Unfortunately, in Colorado it was my own party, the Democratic Party, that was responsible. When the one-man, one-vote choice was put to the people, it was done in such a way that all the representatives from Denver had to be elected at large, and the people voted against that plan, just as they would in my State.

The last sentence of Senate Joint Resolution 103 provides that "the plan of apportionment approved by a majority of those voting on that issue shall be promptly placed in effect."

This avoids a fundamental question. Suppose no plan of apportionment receives a majority of the people, or suppose two inconsistent plans, each receive a majority.

The Dirksen amendment provides no limit to the number of plans that can be submitted at any one time. It will be recalled that the next to the last sentence of section 2 provides:

> In addition to any other plans there must be submitted an alternative plan submitted based on population.

This means that the people may be confronted with a choice among three, four or five alternative plans, or perhaps even a dozen.

What would happen in a statewide election if the people had a yes-or-no choice on each of four plans of apportionment, and rejected them all?

Would the existing malapportioned legislature continue in existence? Would a new special election have to be held? Suppose the majority voted in favor of two plans which were mutually contradictory. Which would go into effect, and how would the obvious impasse be resolved?

This problem was debated at length in our subcommittee during a discussion of Senate Joint Resolution 2. It was finally agreed that the only sensible way to handle the problem was to have the State submit to the voters only one plan at a time for a "yes" or "no" vote, or that two plans be submitted and the voters be allowed to choose between them without any option to reject them both.

This seems to be the only way to avoid the impasse which would obviously be created if all plans were rejected or more than one plan were accepted.

The present language of Senate Joint Resolution 103 does not deal with this problem, and the opportunities for chaos and confusion are great.

The foregoing remarks constitute my initial and superficial thoughts upon the examination of the new proposed Dirksen amendment. I am certain that further study by myself and other Senators interested in this vital problem will reveal additional deficiencies in the proposed amendment.

Wholly aside from the philosophical questions on which the Senator from Illinois and I disagree, it seems to me that the language he has put forward is subject to a great many technical objections.

The amendment, if ratified, would, in my judgment, become the most confusing, ambiguous, and wholly unintelligible section of our Constitution.

If we are to amend the Constitution to overrule Reynolds against Sims, let us not do it with such a hastily drawn and obviously inadequate provision. It would be better if Congress acted by adopting a clear, concise constitutional provision rather than with a confused understanding.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. MORTON. Of course, I shall not make any defense of the junior Senator from Illinois.

As I understood the purport of the statement of the Senator from Maryland, he believes firmly in the one-man, one-vote principle. Is that not so?

Mr. TYDINGS. I believe that is a fair statement.

Mr. MORTON. Yes. How can the Senator reconcile that with his statement that he wants to have three Representatives continue to represent the city of Baltimore?

Mr. TYDINGS. That is like the attorney propounding a question to the witness in which he assumes a fact not proved and not in evidence.

I have never stated in any form that I felt that the city of Baltimore should have three Representatives.

Mr. MORTON. I would like to give the Senator an opportunity to explain it because it was certainly carried that way in the press.

Mr. TYDINGS. No. The press carried two attacks on me by two Republican politicians in my State, and another attack by a group of legislators. I might add that one attack was prepared, or suggested, at least in some part, by lobbyists working here to push through the Dirksen amendment.

My position on districting is that when we have a great metropolitan area, as in the Baltimore metropolitan region, with over 2 million people, who are entitled to at least 4 Congressmen, the congressional delegation itself ought to go to work and try to draw districts which are true districts.

A great many people have moved away from the city into the surrounding metropolitan areas, and they ought not to be necessarily bound by county lines. But I have always stated that they had to redistrict in Maryland to provide equal districts, which they do not now have.

As the Senator well knows, the district on the Eastern Shore of Maryland has more than a quarter of a million people, while the districts in the metropolitan Baltimore area—2 districts—have over 700,000 pepole in them. There are 3 districts in Baltimore City itself which each have over 200,000 people in them. This does not make sense.

Any districting for Congress should be done on the basis of equal districts. I said that I did not see any magic in the city boundary. I said that I did not see why districting could not take in the metropolitan area, but I would oppose any districting plan—and I have said so—which would allow a political subdivision like Baltimore, or any other subdivision, in and of itself to be entitled to more than its fair share of representation.

Mr. MORTON. But the Senator still thinks that insofar as Baltimore is concerned, there should be some consideration given to the fact that it is a political subdivision.

Mr. TYDINGS. I believe that when we come to redistricting, we should consider the metropolitan area. There is not necessarily any magic which exists in a given county line.

We have one of the districts in metropolitan Baltimore—the second district—with a population now of 700,000 people. That district was originally, when my father represented it, primarily in east Baltimore, and at the time he represented it, approximately 70 percent of the population of that district was located within the city of Baltimore, and 30 percent of the population was located outside the city of Baltimore.

Ten, fifteen, or twenty years ago, in a new redistricting plan, that district was moved completely outside of Baltimore. It is now a metropolitan area with over 700,000 people in it. However, I do not see any magic in a city line. Each district should have the same or substantially the same number of people. That is my principle.

Mr. MORTON. Mr. President, the Senator believes that no weight should be given at all to political lines, counties or cities?

Mr. TYDINGS. Certainly there should be weight given. However, I do not believe that there is any magic in it.

There are three needs to be met in redistricting. First, I believe that the districts should be substantially equal in population. We do not have that situation in Maryland. We have probably as bad a situation as any.

Mr. MORTON. I am proud to say that we have equal representation in Kentucky.

Mr. TYDINGS. The Senator is very fortunate. The last three plans proposed by the legislature have been rejected by the people in Maryland. They did not like the plans.

The districts should be, first, substantially equal in population; second, the districts should have, as far as possible, the same type of people, people with the same kind of interests, and the same background; third, in a redistricting plan, in a case in which the population is increasing, as in Maryland, from 7 to 8 Congressmen, I do not believe that we should arbitrarily, when we are increasing rather than decreasing, force 2 Congressmen to run against each other.

Mr. MORTON. There can be worse things than having two Members of the House run against each other. However, I come from a State which has lost Representatives. I remember when my State had 15 Members of the House. Today it has seven. We have gone down the hill.

Mr. TYDINGS. That is a far more difficult situation.

Mr. MORTON. I do not know that it is more difficult. Perhaps it is easier.

Mr. TYDINGS. It could be easier.

Mr. MORTON. We have not done too good a job on our congressional districting. We have done a rather good job on our State districting for the legislature. Probably if we take our State senate and house, at the State level, we would find that our legislature is one of the best in the Nation.

Mr. TYDINGS. I understand that Kentucky has one of the outstanding Governors in the Nation.

Mr. MORTON. Yes, I cannot, for the life of me, figure out how we can automatically say that we should have two Representatives in Baltimore, or three in Baltimore, and two in Louisville, or three in Louisville, or whatever it is, without giving the people some voice in the matter.

That is one reason why I am in favor of what the Dirksen amendment is designed to do. The Dirksen amendment is designed to give the people a voice.

Mr. HART. Mr. President, I do not wish to extend this discussion at this late hour. However, I wish to commend the junior Senator from Maryland before he leaves, for his strong statement and opinions reflecting the attitude of those of us who share his conviction in regard to the Dirksen amendment.

SEAWAY PAYS ITS WAY IN MIDWEST GROWTH

Mr. HART. Mr. President, 6 years ago the St. Lawrence Seaway opened amid rumblings of applause and discontent. Those who had opposed its construction said we could never hope to regain our investment. There is good reason to believe they were wrong—and that the optimists of 6 years ago were not optimistic enough.

In June of this year, the Seaway set a new tonnage record. And every indication points to the fact that new records will be set again next year and the years after that.

More than just enabling shipment of larger cargoes at lower cost between the industrial centers of the Midwest, the Seaway opened these markets to the world.

Detroit, Muskegon, Chicago, Duluth, Buffalo, Erie, and Cleveland no longer compete for international trade on an unequal footing with the seaboard cities of the United States, Europe, and the Orient. Through the Seaway, new and cheaper sources of supply have been exploited. Resultant economies in production methods have been passed on to the consumer—both here and abroad.

In an August 2 article, the Detroit Free Press knowledgeable marine writer Curt Haseltine said that the Seaway's worth may be measured in many terms. He has done an excellent job, and at this point in my remarks, I ask unanimous consent that Mr. Haseltine's article be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Detroit (Mich.) Free Press, Aug. 2, 1965]

SEAWAY PAYS ITS WAY IN MIDWEST GROWTH

(NOTE.—Marine Writer Curt Haseltine has just concluded a tour of the St. Lawrence Seaway. He offers observations on current operations compared with what he saw on previous visits during construction and after the first freighter traversed the Seaway 6 years ago.)

(By Curt Haseltine)

Time and nature have healed man's cruel surgery in the lovely valley of the St. Lawrence River, and today the Seaway is at home in the landscape.

It is a beautiful waterway from the air. Brilliant green islands are set in blue water crosshatched by feathers of white foam cut by busy freighters.

The St. Lawrence Seaway today seems eons removed from its construction years when giant earthmoving engines growled and tore out quiet, picturesque towns by their roots.

The cacophony of mighty building engines has faded away. There are songbirds in the willows along the bank, silvery fish leap at a passing fly, and cattails nod in solemn unison in a quiet inlet at the mouth of a lazy stream.

It has been 6 years since the Seaway opened and deep draft vessels began poking their way carefully from Montreal to Lake Ontario.

Now that cautious trickle has grown to a mighty stream—an endless parade that, night and day, passes along the water highway from Kingston to the sea.

Eight locks muscle those freighters up and gentle them down the 226-foot slope from the level of Lake Ontario to that of the St. Lawrence River 182 miles away at Montreal.

Has the Seaway been worth its cost?

That cost was heavy. The U.S. part—the Snell and Eisenhower locks, the 10-mile Wiley-Dondero Canal connecting them and shoal-clearing in the Thousand Islands section below Kingston—cost $130 million.

Canada's cost—six locks and four canals—was three times as much.

Under enabling legislation, the U.S. portion of the seaway is to be paid back out of tolls within 50 years. Those tolls also must pay for maintenance and operation.

As of now, the seaway is falling short on its repayment schedule. That schedule was set up on the basis of projected traffic. It proved too optimistic for the early years. It may well be too pessimistic for the later years.

The seaway set a tonnage record in June of 5.7 million tons, putting it ahead for the season total—14,328,000 tons compared with 13,779,000 last year.

But tolls and tonnage don't tell the whole story of the seaway's worth. That may be measured in many terms.

There is the iron ore out of the Labrador-Quebec range that is brought to the steel mills of the United States and Canada at lower cost because of the cheaper transportation made possible by the seaway.

There is the grain that is brought down through the seaway at lower cost, making it available to more people for less money.

There is the improvement in the competitive position of America's heartland because its products can be sold throughout the world at less cost, thanks to the transportation savings of the seaway.

There were locks that enabled vessels to travel up and down the St. Lawrence before the seaway was built. But they were small, and there were many of them. They could be traversed only by the little "canallers" 253 feet long and carrying 4,000 to 5,000 tons.

Today's 730-foot freighters now can pass through the Seaway carrying four times as much cargo with very little increase in fuel cost, crew, or operating expense. That brings the cost per ton way down.

Because of the Seaway, American industry has a diversified source of supply for its raw materials. Iron ore from Labrador, Quebec, and Venezuela lightens the burden on our Lake Superior iron ranges and allows us to maintain an emergency reserve.

Those are some of the factors Detroit's Joseph H. McCann, administrator of the St. Lawrence Seaway Development Corp., had in mind when he said:

"Of course, too much was expected of the waterway too soon. It has already done more for the Midwest than most people realize. But its great potential is still in the future."

That Midwest of which McCann spoke consists of 1,285,000 square miles with a population of 61 million.

Here one-sixth of the population of the United States produces one-third of the Nation's wealth.

This concentration of the Nation's industrial might was made possible by Great Lakes transportation, which brought widely separated iron ore, limestone, and coal together at low cost for the economical manufacture of steel.

The extension of that transportation system throughout the world by the Seaway adds a great new dimension to the area's economy.

This is where the Seaway really is paying off.

"ON TRUTH IN PACKAGING"

Mr. HART. Mr. President, bills that are placed before this Congress very often generate a great deal of prose comment—but seldom much poetry.

Comments in the press are sometimes educational, sometimes nonsensical, sometimes old, sometimes new, sometimes blue—but seldom very amusing. This is, after all, a serious world and men are expected to deal with it seriously, although we would do a better job often if we would take ourselves just a little less seriously.

But I have here a piece that is both amusing and poetic—at least in the sense that it rhymes. It was printed in a small journal of comment called the Idler, edited by Sam Smith here in Washington.

As author of the truth-in-packaging bill, I submit a poem called "On Truth in Packaging," and ask unanimous consent it be printed at this point in my remarks.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

ON TRUTH IN PACKAGING

The boy stood on the burning deck,
Selling peanuts by the peck;
They did not move quite as they ought,
And so he switched to 7-quart
Super-giant-family size,
Bags he thought would please all eyes,
Sold for 21 cents more
Or two for just $1.04.

Then to sell his goods still quicker,
Added to his line a slicker,
Package that was 9 quarts large,
And for this product he did charge
Twice the price billed for the one
With which his selling had begun.

The boy stood on the burning ship;
A salty taste had crossed his lip.
That ain't the nuts, he started thinking,
That's water and this ship is sinking.
He gathered up his bags and then
Withdrew his red felt marking pen;
And as he slipped into the trough,
He marked each bag "Now 10 cents off."

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The Senator from Montana is recognized.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the

Speaker had affixed his signature to the following enrolled bills and joint resolution:

H.R. 1291. An act for the relief of the children of Mrs. Elizabeth A. Dombrowski;

H.R. 7181. An act to provide for the commemoration of certain historical events in the State of Kansas, and for other purposes; and

H.J. Res. 95. Joint resolution to designate the lake to be formed by the waters impounded by Stanford Dam, Canadian River project, Texas, as "Lake Meredith."

RECESS

Mr. METCALF. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 30 minutes p.m.), under the previous order, the Senate recessed until tomorrow, Thursday, August 19, 1965, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 18, 1965:

Interstate Commerce Commission

Willard Deason, of Texas, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1965, vice Everett Hutchinson.

Willard Deason, of Texas, to be an Inter state Commerce Commissioner for a term of 7 years expiring December 31, 1972. (Reappointment.)

CONFIRMATIONS

Executive nominations confirmed by the Senate August 18, 1965:

U.S. Information Agency

Robert W. Akers, of Texas, to be Deputy Director of the U.S. Information Agency.

HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., prefaced his prayer with these words of Scripture: Psalm 121: *The Lord is thy keeper, the Lord is thy shade upon thy right hand.*

Almighty God, whose goodness never fails and whose truth does not grow old, we beseech Thee to sanctify us, cleansing all the stains of sin from our hearts and the darkness from our minds.

Order our whole life, our thoughts and aspirations in accord with Thy will and bring them into harmony with Thy holy plans and create within us those desires which Thou dost delight to satisfy.

May there arise within us strength, healing, and victory, overcoming all confusion of purpose and that self-love which keeps us from the larger life of service and sacrifice to which we have been called.

Humbly we offer our prayer, asking for nothing that we do not ask for others whose lives are haunted by hardship and struggle for the bare necessities that they labor for.

In Christ's name we pray. Amen.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7765) entitled "An act making appropriations for the Departments of Labor, Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1966, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 1 to the above-entitled bill.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1648. An act to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

The message also announced that the Vice President, pursuant to Public Law 170, 74th Congress, had appointed Mr. Morse in lieu of Mr. Robertson, resigned, to attend the 54th Interparliamentary Union Conference to be held in Ottawa, Ontario, September 9 to 17, 1965.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES FOR FISCAL YEAR 1966

Mr. SLACK. Mr. Speaker, on behalf of the gentleman from New York [Mr. Rooney], I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H.R. 8639.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ESTABLISHING DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, with amendments of the Senate thereto, disagree to the amendments and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. Dawson, Holifield, Fascell, Reuss, Rosenthal, Erlenborn, and Wydler.

CALL OF THE HOUSE

Mr. GRIFFIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 241]

Adair
Andrews,
  George W.
Aspinall
Blatnik
Bonner
Brown, Ohio
Cabell
Cahill
Carter
Curtis
Dent
Dingell
Dowdy
Duncan, Oreg.
Dyal
Farnum
Gubser
Irwin
Johnson, Pa.
King, Calif.
King, N.Y.
Kornegay
Lindsay
Martin, Mass.
Mathias
Miller
Moorhead
Powell
Reinecke
Roudebush
Roybal
Scott
Thomas
Toll
Utt
Younger

The SPEAKER. On this rollcall 395 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORITY TO FILE CONFERENCE REPORT ON H.R. 7750—FOREIGN ASSISTANCE ACT OF 1965

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the House conferees may have until midnight tonight to file a conference report on the bill H.R. 7750.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FOOD AND AGRICULTURE ACT OF 1965

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9811, with Mr. Harris in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday it was agreed that title I of the bill would be considered as read and open for amendment at that point.

The Clerk will now report the committee amendment as printed in title I of the bill.

The Clerk read as follows:

Committee amendment: page 4, line 3, strike out "Act" and insert "title".

The committee amendment was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been disappointed, disillusioned, and somewhat surprised at the turn that has been taken in this bill. The House Committee on Agriculture worked a long time trying to arrive at legislation which would improve the agricultural situation in this country. I think that most of us admit it does need some improvement. Now, particularly in the cotton section of this bill, which is, of course, one of the more controversial sections, the bill that was reported from our committee at least started in the right direction to make some corrections. One of the things that has happened in the last several years has been that we have had a program which has produced more cotton than we can use domestically or can have any hope of selling in the foreign markets. We passed a bill last year that, of course, the proponents felt would help to correct that situation. I was one of the few Members coming from a cotton section who voted against the cotton bill last year. At that time I made certain predictions. While I do not claim I am smart or know everything that is to be known about cotton, I think the prediction I made at that time has come true. At that time the bill was passed due to the pressure and the influence of the mills. They got a real bonanza out of that bill. They had promised before our committee—and the testimony in the hearings will substantiate this—the mill operators told us that the additional cost of this bill would come back to the consumer in the form of lowered prices. They also told us that there would be increased consumption. Well, they did have some increased consumption in the domestic market of around 600,000 to maybe 800,000 bales of cotton, but on the other hand we lost more in the export market and came up with a net loss and added 1 million bales to the surplus that we have.

We have had an attractive program for the producer, and this last bill was very attractive for the mills. I predicted more than a year ago—and I stand on that statement today—that by 1970 the people that will be producing cotton will be having to produce at least two bales of cotton to the acre and they will have to be willing to sell that cotton on the basis of 25 cents. If they do not do that, they are going to be out of the cotton business.

This bill we had which was reported from the committee would have gone in that direction. In the past we have had, and for the benefit of those who are not familiar with cotton production, we have had what we call a release and reapportionment procedure in the law permitting people who had cotton allotments, which were based on history—every person who had grown cotton had an opportunity to have an allotment and to grow it. Many of those people or a great number of people with small allotments did not want to grow cotton.

But their allotment was valuable to them because it added to the value of their land, so they would release their allotment of cotton and those allotments would go to people who had allotments and who wanted to expand their production. That might be all right, because we confined the release to the State in which the cotton allotments were. We did not allow them to cross State lines. But we did have this situation, that in many areas of the country in some States, we would have cotton allotments that were on land which yielded half a bale of cotton to the acre, and when they released the cotton allotment, it was not grown in the county where released, but was reapportioned and grown on land where the yields were much larger.

Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. In the Cotton Belt, where cotton is grown, there are 1,049 counties—468 of those 1,049 counties released cotton which was not wanted by the growers in that county, and that cotton acreage was subsequently released to the State committees and was allocated to people who wanted to grow more cotton. In other words, almost 500 counties out of 1,049 had no restrictions on how much cotton they could grow. But in releasing this cotton from low-yield counties, it was transferred to high-yield counties. Last year there were 1½ million acres of cotton allotments released and reallocated to producers in other counties. I would say that in every instance, or at least in practically every instance, it went to higher producing areas. In some instances, it went from areas that were producing only half a bale and went to a producer who was producing two and three bales of cotton to the acre. That cost the Government money in two ways. In other words, we piled up this surplus that we still have today; we have next to the largest surplus we have ever had in this cotton area. We also know that every time the Government supports cotton at a higher price than it can be sold for, it goes into loan and the Government takes a loss; at least, it has in many instances. During the early part of the program, it was not true. When we get to the amendments that are going to be offered to this section, I will have more to say about it. But I want you to think over this afternoon the amendments that are going to be offered to this cotton section. They are going in the wrong direction. They are not going to correct the situation one iota. They are going to make the situation worse and I will tell you why when the amendment to which I have referred is offered.

Mr. JONAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the bill under consideration contains many provisions which I do not approve and cannot support. However, I understand that amendments will be offered which, if adopted, will substantially improve the bill. I hope that the bill will be so improved, following action by the Committee of the Whole this afternoon, so that a majority of the Members of the House can vote for it on final passage.

Mr. Chairman, I am not going to discuss the wheat title, the feed grains title, or the other titles that are in controversy. Considerable debate occurred yesterday on those titles and additional debate will occur this afternoon as amendments are offered.

Therefore, Mr. Chairman, I have elected to confine my comments to a discussion of the effect which this bill will have on one-price cotton.

Mr. Chairman, I do not believe many Members contend that it is fair or equitable for the Federal Government, by legislative enactment, to make it possible for foreign competitors of domestic textile mills to buy American-grown cotton at one-third less than the American mills have to pay for that same cotton.

Mr. Chairman, in order to try and bring into sharp focus the reason why I think it is important for us to continue to maintain a one-price cotton system, I am going to reduce my comments to a few specific points. I do not believe they need elaboration or need argument, because I believe their mere recital makes approval of one-price cotton compelling.

Listen to these points:

First. By any standard used, the cotton textile industry is one of the most important industries in the United States. Approximately 1 million men and women derive their livelihoods directly from this industry, and if you include all allied activities the number goes up to 9 million—approximately one-eighth of the entire work force of the country.

Second. Last year the outlay of capital for plant and equipment to modernize and expand the textile industry amounted to approximately 17 percent total net worth, as compared to an average of 9 percent for other major industries. Textile mills last year spent around $760 million for new plant and equipment, and the Department of Commerce estimates that such expenditures will be close to $1 billion in 1965. When based upon net worth, the textile industry is presently spending more for capital improvements than any other major industry in the country.

Third. Since late 1963, there have been three wage increases of 5 percent each for textile workers, all attributable to the conversion from two-price to one-price cotton. The first increase came in anticipation of one-price cotton and the last two following the enactment of the legislation which brought the new system into effect. In the short period of 18 months, textile employees have received more than $500 million through wage increases, and this does not take fringe benefits into account. During the year, following the advent of one-price cotton, employment in textile mills rose by 30,000 workers.

Fourth. American textile manufacturers are captive users of American grown cotton. Since 1939 U.S. imports of raw upland-type cotton have been restricted to 30,000 bales yearly—less than 1 day's supply of U.S. textile mills. Thus the American textile manufacturer has not been able to take advantage of foreign produced cotton which sells on the world market for approximately one-third less than the mills have to pay for the cotton they are required to use.

Fifth. Despite the fact that foreign competitors of domestic textile mills have the advantage of purchasing cotton in the world market at about one-third less than American mills have to pay for their cotton, and despite the fact that foreign textile producers enjoy another substantial advantage over American competitors in substantially lower wage rates, in 1955 Congress enacted legislation which greatly increased the competitive advantage enjoyed by foreign competitors of the American textile industry. I refer now to legislation which required the U.S. Government to sell American grown cotton to foreign competitors of the American textile industry at world prices—approximately one-third less than our own mills had to pay for that same cotton. This was accomplished through an export subsidy which amounted to approximately $42.50 a bale for every bale of cotton exported from this country. This subsidy this year amounts to approximately $120 million—all for textile manufactures abroad—to help them put our own mills out of business. This is adding insult to injury.

Sixth. Much of this cotton sold abroad under the export subsidy comes back into the United States in the form of manufactured textile products which easily undersell American-produced textiles in our own markets because of these substantially lower costs of raw material and labor.

Seventh. Every possible effort has been made by the U.S. textile industry to avoid the adverse impact of this unfair competition:

The Secretary of Agriculture was petitioned to impose quotas on imports but such petitions were denied; amendments were offered to legislation which would have imposed import quotas but they failed of adoption; several efforts were made to seek relief through the U.S. Tariff Commission but these efforts failed; other efforts were made at all legislative and executive levels of Government to obtain relief from what had come to be an intolerable situation, but the only relief this important domestic industry received was in 1957 when the Eisenhower administration worked out a 5-year plan for voluntary control of Japanese export of cotton textiles into the United States; other foreign textile producers moved into that vacuum and the beneficial results of the Japanese agreement were soon nullified; the other relief came in the form of legislation sponsored by the late President Kennedy which was signed into law on April 11, 1964. It is known as the Agricultural Act of 1964 and provided, among other things, that thereafter domestic textile producers would be permitted to purchase American-grown cotton at approximately the same price it was being sold by the Government to foreign competitors. Thus came into being the one-price cotton system which the bill before you today seeks to extend for 4 more years.

Eighth. This has been alleged to be a mill subsidy, but I contend it is erroneous to label it as such. The legislation now on the books simply enabled the American textile manufacturer to purchase his cotton at the same price the American Government was selling cotton abroad to his competitor. The mills did not seek or want these equalizing payments to be made to the textile manufacturers, but a decision by the Secretary of Agriculture directed that the payments be made to the manufacturer. These payments have been substantial and have led to the oft-repeated charge that the Government is subsidizing the American textile industry. Even if this were true, which the facts do not support, the textile industry is supporting the one-price cotton section of this bill which provides that the equalizing payments shall hereafter be paid to the producer and not to the mill. So to those who continue to argue that this was a mill subsidy, I submit that this is one of the first, if not the first, instance in which the recipient of a subsidy is urging the Government to eliminate it. Let me emphasize that the American textile industry does not want a subsidy from the Federal Government. All it wants is the opportunity to continue to purchase American grown cotton at the same price the Government sells American grown cotton to foreign competitors of the domestic textile mills.

Ninth. It is beyond my comprehension how anyone could contend that there is any fairness in a program which permits foreign competitors to buy American grown cotton at nearly one-third less than it costs our own mills to buy that same kind of cotton. The only way to prevent going back to that system is to continue the one-price arrangement which is authorized under this bill.

I certainly hope, whatever happens to the bill, the membership will agree to maintain this one-price cotton system which is the only salvation for the textile industry in the United States.

Mr. HALL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Chairman, on April 6 of this year I introduced H.R. 7164 known as the Cropland Restoration Act of 1965. This bill and the new policy it would implement represents many months of research and in my opinion the best—and only workable—solution to the myriad of problems evidenced here in the past 2 days of debate, that beset the American farmer. It would, perhaps, be expecting too much for a totally new or even a retreaded but improved and modernized concept such as this, to be enacted into law during the same year it was presented. Indeed, I am grateful for the progress that has been made. The Cropland Restoration Act of 1965 is based, to a very large degree, on the book "Our Margin of Life" written by Mr. Gene Poirot of Golden City, Mo. Gene is a true son of the soil, a master farmer, a successful farmer in his own right, as well as a brilliant author. Copies of his book were distributed to Members of Congress earlier this year.

H.R. 7164 is based on the assumption that production of excessive supplies of food and fiber constitutes improper land use, is wasteful of our natural resources, and depresses prices and the income of farm families. It would attack this dilemma by creating a market for restoring the national cropland in direct proportion to the rate it is being used and depleted, and to bring the supplies of farm products into line with current demand in order to, first, encourage the farmer to return to the soil that margin of life which has been taken from it in the production of crops; second, increase per family farm income; third, decrease the public costs of maintaining farm programs; and fourth, preserve the high nutrition and quality of food and fiber at reasonable prices for the consumer.

To effectuate the purpose of the act, programs would be established to assist farmers in first, diverting a portion of their cropland from the production of excessive supplies of farm commodities; and second, carrying out a voluntary program of soil, water, forest, and wildlife conservation.

In June Mr. Poirot came to Washington and the gentleman from Texas [Mr. POAGE] graciously accorded him an opportunity to appear before the House Agriculture Subcommittee on Conservation and Credit, to explain his theory and its applicability to the overall farm problem. I think the members of that subcommittee who were present will agree that Mr. Poirot was a forceful, convincing speaker with a great depth of understanding and a great perception about not only our present farm problem, but the problems of the future with an exploding population and the need to insure that our soil will be capable of meeting those demands for food and fiber.

Mr. Poirot also met with the new Under Secretary of Agriculture, Mr. John Schnittker.

Although it was understandably not possible to consider H.R. 7164 during this present session, the theories it expounds and the solution it offers are unchanging. The only difference is that another year will have passed and the basic problems will be that much more pressing. We must stop mining our soil at a deficit replenishment rate of 7 to 1. We do not need to procrastinate another 4 years.

The bill now before the House takes partial note of these problems in title VI by instituting a cropland adjustment program. It does provide for long-term diversion of land, including total farm units and lump-sum payments; and it will, no doubt, bring about desirable changes in land use as well as expand recreation resources and wildlife habitat, reduce stream pollution, raise water levels, increase reforestation, better root structure, enhance management practices, and improve the scenic state of the countryside. But by failing to include real incentives for cropland restoration, it falls far short of what should and must be our goal.

My bill, Mr. Chairman, provides the producer a second market and four annual options. The committee estimates that the program may be built up to about 40 million acres within 5 years. If we go one step further and adopt the provisions of H.R. 7164, the maximum land diversion is anticipated at an immediate 60 million acres, based on volunteer samplings in highly productive areas, so the program is not beyond reach. What the proposed program fails to do, is to provide the proper incentives that will give the farmer a choice between producing for the market on the basis of supply and demand, or producing for cropland, water and soil restoration market to be established by the Secretary of Agriculture. He should be delighted with this shift of decisions, elimination of surplus, better consumption, and more income for the producer. I commend it to the House Committee on Agriculture for consideration in 1966.

AMENDMENT OFFERED BY MR. O'BRIEN

Mr. O'BRIEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN: Strike out section 104 and insert a new section 104, as follows:

"SEC. 104. Such Act is further amended by adding to subsection 8c(5) the following new paragraph:

"'(I) Milk produced and sold directly at retail in the marketing area, State, or vicinity in which the farm producing such milk is located by the bona fide producer thereof, who does not engage directly or indirectly in any capacity in the interstate purchase of milk from producers, or the handling thereof, shall not be assessed, apportioned or allocated under any agreement or order pursuant to the Agricultural Marketing Agreements Act of 1937 as amended.'"

Mr. O'BRIEN. Mr. Chairman, during my 14 years in Congress, I have never proposed, before today, any amendment to any farm bill.

I hesitate to do so now because of my respect for the distinguished gentleman handling this bill, but I am impelled to do so by deep feelings on the subject covered by my amendment.

The amendment is designed to make clear that a bona fide farmer, engaged in selling milk at retail in his State, or within a Federal milk marketing area or in the vicinity of his farm, shall not be subject to the Agricultural Adjustment Act of 1937, as amended.

The requirement that the farmer be bona fide is to insure that the farmer, in fact, owns and controls the cows and the farm on which the milk is produced, and to insure that dealers who have no association with farming, and particularly interstate organizations, cannot qualify, even indirectly.

The farmer for whom the amendment is intended is the farmer selling milk in his area, usually in competition with larger interstate retailers.

I assume that a number of my distinguished colleagues are wondering why a man from Albany, N.Y., with only a few dairy farmers in his district, is appealing to them for support of such an amendment.

Three years ago, a respected farmer in my district named Jesse Stalker found himself in the headlines and his farm and all he possessed in jeopardy because the great U.S. Department of Agriculture demanded a penalty from him of $20,899.90, in a year in which his total income from the care and milking of 175 cows, and from selling his product to retail customers, was $9,318.28.

And what was the sin of Jesse Stalker? What great felony did he commit? His unforgiveable sin was that on three occasions, when he did not have quite enough of his own cream to supply his customers, he purchased cream from a dairy and took it home in a 20-quart can instead of in 10 containers of two quarts each.

Whose was the real sin? Perhaps it was ours, the Congress, which gave dictatorial power over the Jesse Stalkers of the land to the Department of Agriculture.

Perhaps it was the Department bureaucrats whose minds give the sanctity of the 10 commandments to each little quirky regulation they conceive.

Whether the fault was ours by omission, or that of the Department by commission, we have an opportunity today to make sure it does not happen again.

Some of you come from States like North Carolina, part of Massachusetts, or elsewhere, where you do not have Federal milk marketing districts. You may say it could not happen there. But it could. New Federal districts may come into being and the farmers-dealers of your area may look back to the time when you had a chance to strike a blow for the little fellow—and did not.

You will be told that my amendment might cripple milk marketing orders. Nonsense. Even in places where there are no restrictions on the Jesse Stalkers, their total share of the milk market is less than 1 percent.

You may be told that if we remove the heavy thumb of bureaucracy from this small group, other farmers, who are not dealers, will suffer.

If so, why have I been deluged with calls and visits during the past week from countless farmers, from a score of States, who are not dealers, urging me to persist with this amendment?

Why did the president of my own county farm bureau, who is a producer only, urge me to make this fight? I will tell you in his own words:

> This country is still big enough for everyone, and that includes the little Jesse Stalkers in the dairy industry.
>
> If I have to build my success upon the ruins of these small dairy farm enterprises, it is time that I and many other farmers like myself consider another business.

In other words, the farmers of this Nation are not economic cannibals.

I could din your ears with statistics, but as I said before, I am not a farmer, nor a farm spokesman. Others will fill in the chinks of my argument.

I came to this well today, Mr. Chairman, only to plead with my friends in the Congress either to do something for the little fellow when we have a chance, or stop using him as an argument in our future endeavors.

I came here to speak for all the Jesse Stalkers of our land and, through justice for them, demonstrate that no agency of Government is big enough to destroy the least of us wantonly and recklessly.

Mr. HAGEN of California. Mr. Chairman, I rise in opposition to the amendment.

At the outset I wish to say that I respect the concern of the gentleman from New York for what would ideally be a small farmer who was selling only his own milk. We shared that concern in our committee. We believe we have given that small farmer the kind of protection to which he is entitled.

I might point out that the State of New York was one of the first States in the Union—long before the Federal Government—to have a milk control law.

The basic purpose of these milk control laws is not necessarily the protection of the farmer but rather the protection of the consumer—to guarantee a supply of a vital, necessary food at a reasonable price and of a wholesome quality.

We heard many witnesses on this subject of the treatment of the so-called producer-handler. They were from all over the country.

I would say that the producer-handlers who would seek the kind of amendment the gentleman from New York [Mr. O'BRIEN] has offered are a minority. The bulk of them are satisfied with the language we have in the bill and the language we have in the report, which says that this bill does not change their position with respect to milk-marketing orders one whit. Their position will be unchanged by this legislation. On the other hand the gentleman seeks to use this bill as a vehicle to change existing law and put in potential jeopardy all existing milk orders.

I am not so certain that Mr. O'BRIEN himself would really want adoption of this amendment. This amendment refers to milk, not to the producer or handler of it. I can conceive, under it, that a man might be in a double capacity. He might be marketing his own milk and buying milk. He could qualify as a producer-handler on all his sales so long as he did not buy milk interstate and could qualify for his own milk even if he bought interstate. The amendment, in effect, says that with respect to his own milk he would not be covered but with respect to other interstate milk only he would be covered. This would permit Borden or Foremost or any one of these big monopoly outfits to get into a mixed or double position. Believe me, if they could do that they could run those small farmers—in whom Mr. O'BRIEN is sincerely interested and in whom we are sincerely interested—entirely out of business.

That is the vice of the amendment which has been offered, as I see it.

In considering this problem, we considered the fact that traditionally these producer-handlers have been exempted. We intend that they continue to be exempt so long as they do not get so large in volume, either as individuals or in the aggregate, that they destroy the welfare of other farmers and disrupt the purpose of the marketing agreements and orders, which is to protect the consumer by insuring a quantity of wholesome milk at a reasonable price.

We felt that this kind of amendment would destroy the total purpose of the program. For that reason we rejected this and similar amendments, and adopted the language in the bill, which says we are not changing their position. We wrote the language in the report, which says that we recognize that an ideal small producer-handler should be exempted but that conditions might arise in which all producer-handlers should not be exempted.

I submit that the amendment should be rejected.

Mr. OLSON of Minnesota. Mr. Chairman, I rise in support of the amendment and move to strike the requisite number of words.

Our distinguished chairman of the Dairy and Poultry Subcommittee is correct when he says that we have sought to place language in the report that will not affect the status of producer-handlers in any way by the action we take in the legislation before us today. This is correct, and I certainly would not want anyone to get the idea that I did not agree. We worked hard to do that.

I believe Mr. O'BRIEN'S amendment tries to assure justice for those small farmers who seek to sell their own milk.

I have with me the evidence from Department of Agriculture statistics which prove that only 1 percent of the milk picked up at the doorstep, so to speak, in this country is delivered by the producer-handler. That is all this volume amounts to. I believe in the legislation we are discussing today we ought perhaps to take a look at some of the States which have similar laws within their States. I just want to call the attention of my colleagues to a telegram from the State of Georgia in which the chairman of the Georgia Milk Commission says:

> Producer-handler bases not regulated by Georgia Milk Commission's Class 1 pricing system since they are in a position to regulate themselves.

I have a wire here from the State of California which reads:

> Present pooling and contract procedures in California permit a processor, also a milk producer, to keep the benefit of his class 1 sales. If he produces all his supply, he does not "share" with others since California has no market pool. If he buys part of his milk from others, the contract procedure effectively permits him to pay himself 100 percent class 1 and allocate non-class-1 uses to his other suppliers.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. OLSON of Minnesota. Yes. I yield to the gentleman.

Mr. COOLEY. I had a very distinguished delegation of dairymen from Massachusetts visit me here. I was very much impressed with their problem and their sincerity, but my recollection is, all they wanted was to be left alone. If I understand it, that is what we have done in this bill. We have left them out. You agree that they are left out and are unmolested and not interfered with. I ask the gentleman from California [Mr. HAGEN] the chairman of our Dairy Subcommittee, is that right? Are they not left out entirely?

Mr. HAGEN of California. This bill does not change the position of producer-handlers at all, as the gentleman from Minnesota knows.

Mr. COOLEY. That is what I said.

Mr. OLSON of Minnesota. I agree with you that we tried to insure that they would be unaffected, but we went to the report to try to do it. I am speaking to Mr. O'BRIEN'S amendment and what I feel he is trying to accomplish. One percent of the milk is marketed in this fashion. If this in any way precludes a monopoly of all the milk sold to people who pick it up on their doorstep, then in good faith I could not remain silent on this amendment. That is all I am doing.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. OLSON of Minnesota. Yes. I yield to the gentleman.

Mr. HAGEN of California. We think we accomplished the same thing with the language in the bill and the report.

Mr. OLSON of Minnesota. Then, you have no objection to the amendment?

Mr. HAGEN of California. The gentleman would not want to create such an open door exception that it would completely ruin the existing marketing programs.

Mr. OLSON of Minnesota. It is not an open door.

Mr. HAGEN of California. This just refers to milk. A man could market his own milk. He also could buy other milk and sell it as long as he did not get it interstate. He could do this without losing his exemption. He could be the Borden Co. As long as he did not go interstate in buying other milk, he would qualify. If you will read this amendment, it leaves the door wide open to the Borden Co. or the Foremost Dairies or any outfit to become a producer-handler as long as they did not buy interstate.

Mr. OLSON of Minnesota. I am only stating my position on the O'Brien amendment.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. OLSON of Minnesota. I yield to the gentleman.

Mr. STALBAUM. Did I understand the gentleman from Minnesota to state that there is a limit on the amount of milk under this amendment?

Mr. OLSON of Minnesota. There is a limit to the degree that he must be a producer of this milk.

Mr. STALBAUM. But the gentleman will agree there is no limit as to how big he must be as a producer.

Mr. OLSON of Minnesota. He must produce his own milk. How many cows will it be? I ask the gentleman.

Mr. STALBAUM. It could be 2 or 3 or 5,000.

Mr. OLSON of Minnesota. Let us be realistic. I do not know of any such size herds. Do you?

Mr. STALBAUM. Yes. In Eugene, Oreg. That is the problem.

Mr. OLSON of Minnesota. I am not aware of any such size herds.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. OLSON of Minnesota. I yield to the gentleman.

Mr. COOLEY. Is not the gentleman a member of the Dairy Subcommittee?

Mr. OLSON of Minnesota. Yes, I am.

Mr. COOLEY. And was it not all fought out in the subcommittee and settled?

Mr. OLSON of Minnesota. I am only pointing out there is a difference of opinion among the members of the committee.

Mr. COOLEY. Do you not think there is nothing in the legislation that affects the people you are talking about?

Mr. OLSON of Minnesota. I made it very clear, Mr. Chairman, that I am speaking in behalf of the O'Brien amendment and not talking about what the legislation does at this point. I feel with respect to those who sell only 1 percent of the milk in this Nation who offer some competition that I should support this amendment.

Mr. ROBISON. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am happy to rise in support of this amendment offered by my able friend and colleague from New York, and I urge the Members to give it their favorable consideration.

For those of you who are not familiar with the background of this situation, let us take just a moment to remind ourselves exactly who is a producer-dealer or a producer-handler, if you prefer that term. Typically, he is a dairy farmer who produces his own milk for later sale at retail. We ought to stress this again, in connection with the colloquy we had just a minute ago. He produces his own milk, or practically all his own milk on land owned by himself, and he then sells it at retail either as milk or perhaps as a processed milk product, but he does the processing. Where does he sell these products of his? Normally, although there may be variations, he will sell them at a roadside stand or a dairy bar type of store located on his own farm premises.

How much milk do these people produce? In New York State, as pointed out by the gentleman from Wisconsin [Mr. STALBAUM] a few minutes ago, the answer is only 1 percent of all the milk produced in the State of New York. That is, indeed, small enough. But I think the point we have to remember, as the committee report mentions on page 14, where it comments on this type of operation, is that, with rare exceptions, the producer-dealer's own dairy cows are his sole source of supply for what he sells. He does not, therefore, contribute in any way to any surplus of milk or milk products.

It is for these reasons that he has generally been exempt under any existing Federal milk marketing orders from any requirement to pay into the so-called pooling fund. As long as he stays within the rules defining a producer-dealer, they permit him to retain his exemption as a producer-dealer.

It would appear to me from the report, and from what has been said here today, that the committee does not intend, if this bill is adopted with title 1 intact, to disturb this general exemption. But if this is the case, why not write it clearly into the law in order to remove any possible cloud of doubt left floating over the heads of these producer-dealers as to what their future status may be if a class 1 base-plan, with production controls and quotas, is adopted in their milk marketing area. And, as I understand it, this is all that the O'Brien amendment would seek to do.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield.

Mr. STALBAUM. The gentleman from New York has made the statement that only in rare cases are they covered. Does the gentleman know of any instance where the actual producer-handler did not buy any outside milk or cream is regulated under the Federal Milk Marketing Act?

Mr. ROBISON. I do not. But we are legislating on a proposal that, subject to a referendum, may change the basic marketing structure in an order area if a class 1 base-plan is adopted. I think Mr. Girard, a witness for the U.S. Department of Agriculture, referred to this point during the hearings, and raised some question as to what would happen to a producer-handler if he were assigned a quota or base, and his retail sales exceeded that quota or base.

Mr. STALBAUM. The gentleman will agree that to his knowledge there never has been regulation by the Department of Agriculture over a producer-handler who did not buy any outside milk or cream.

Mr. ROBISON. The gentleman in the well would have to concede that he is not an expert in this area. But the answer is probably no. But let us keep that exemption secure under any change in the present marketing arrangements.

Mr. STALBAUM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the Committee, as one who has sold milk for 14 years under a milk marketing order, as an executive of a dairy cooperative, I urge the defeat of this amendment.

Mr. Chairman, I do so with all deference to the gentleman from New York [Mr. O'Brien].

First, I believe it would be well to point out the actual intent of a milk marketing order. There are some 79 of these in the United States, intended to provide an orderly marketing of milk, and this is significant—an orderly marketing of milk.

Mr. Chairman, in nearly everyone of these so-called "ma and pa" dairy farms, if you want to call them that, they do bottle their own milk and have never been regulated by the Department of Agriculture, and there is no intention of regulating them now, because they are a minor factor on those particular markets.

However, Mr. Chairman, there comes a point when a producer-handler can be a factor, a very serious factor, a disturbing factor, in a milk marketing area. There are two such cases today in the United States, one in Seattle, Wash., and one in Eugene, Oreg., where producer-handlers—and these are not these little 20-, 30-, 40-cow herds we are talking about—have grown to the point that they represent 3, 4, and 5 percent of all the milk sold on those markets, entities—corporate entities—I believe which actually are milking thousands of cows.

Mr. Chairman, this is a question which I raise to the gentleman from Minnesota [Mr. Olson]. I say to the gentleman from Minnesota that there are such operations in the United States today.

In the amendment which has been offered by the gentleman from New York [Mr. O'Brien], he has placed no restriction on the size of a producer-handler so long as he is not engaged in interstate commerce. So, along with the Jesse Stalkers about whom he talks, who had been given an exemption to these large producer-handlers on the west coast, producer-handlers have grown to a size where the Department of Agriculture has had to take a second look at them. This is in litigation now in the courts where I feel it is a proper question for the courts to determine as to what should be done.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. STALBAUM. I yield to the gentleman from Minnesota.

Mr. OLSON of Minnesota. Under the Agricultural Act of 1938 there is no size placed on anyone in the Federal milk order, intrastate or interstate, they are exempt from the antitrust statutes. When the gentleman talks about this producer-handler getting big, I would point out this exemption of no limit on size whatsoever of the handlers of dairy products has allowed such giants in the industry that we are now witnessing their final drive to eliminate competition.

Mr. STALBAUM. No, we are not precluding competition under an order, because of the nature of the order act. But the point remains that when these people reach a point that they are a factor in the market, then, personally, I feel that this should be subject to regulation or because they are disrupting the market with reference to the producers in the area and disrupting the market of other handlers in the area. This is the area that has been looked at.

Mr. Chairman, if the gentleman from New York [Mr. O'Brien] had considered some type of poundage limitation, or a limitation on a small producer-handler, we would have an entirely different thing. We suggested this to the producer-handlers who appeared before the committee and they flatly refused to accept any limitation as to size.

Therefore, Mr. Chairman, this is where the problem develops. These are the type of people that the Department of Agriculture feels should be considered for regulation but which would be completely exempt if the O'Brien amendment were to be adopted.

Mr. Chairman, I urge the defeat of the amendment.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word in order that I may speak against the bill as it is written.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I have asked for this time to discuss this bill generally. I do so as chairman of the Appropriations Subcommittee which has the duty each year of getting appropriations through the Congress to pay the cost of price supports and other programs of the Department of Agriculture. I have had the privilege for about 15 years of reviewing each and every facet of the operations of the Department of Agriculture annually and of presenting the facts to you, with recommendation for funds. Perhaps I know better than anyone here just how hard it is to get money through the Congress for agricultural price-support programs—even though the total amount be far less than the consumer pays for minimum wage, for the cost of labor contracts where the increased costs are a part of the retail price; and thus not identifiable.

With all due deference to all our friends, I do not know of anyone who is happy with this bill. I have the highest regard for those who bring it here, even if there are many provisions that do not reflect their views; but in my opinion this bill is headed in the opposite direction to that in which we should be headed. With the match that might set the world on fire already lighted in Vietnam, can we afford to pay farmers to cut back production? We have only about a years' supply of wheat, a 3-months' supply of corn, about 5 percent of a years' need of dairy products. Is it smart to pay producers and farmers not to produce? I have said this bill is headed toward cutting supply and production, and in my opinion, it goes directly opposite to our best interest; though I know the bill does say if you can pay American costs and sell at world prices, Go ahead, if you can stand it.

I am about as much a farmer as the city Members here are. I left the farm when I was 14. I saw it was a hard way to make a living, too much work, too much investment, too great a risk, and too small a share of the consumer dollar.

Today we have 7 percent of the American people with great investments and great risks producing our agricultural commodities, freeing the other 93 percent to do these other things that make for our high standard of living. Many of you have not had occasion to read back as to the basis for price supports. It was not because some Department of Agriculture thought it was a form of relief or political distribution of checks at the time of election, but because it was found that a break in farm income led off the depression.

Today these few people engaged in farm production, substituting machinery and equipment for labor, provide about the biggest market for industry and labor. However, you can jeopardize industry and labor in two ways: First, by reducing the price that your farm producer makes; and there is a second way you can do it, you can cut down his volume and you have done the same to him, yes, but you have also done that same thing to your market for our industrial output. We go around the world and say we recognize all of these things, to those who are short of food we say we are the great big brother to the world. Really now, can we do more for the world than to produce and let them buy what we can produce for what they can pay? Do you not think it absurd to pay the farmer cash to cut down his production and claim we are interested in those who would buy if we would be competitive?

Again, the American farmer may be as well off with money as if he produced, but how about those folks who handle his supply and production? What will happen to his community and the factories in our cities?

When we created the Commodity Credit Corporation to support the farm program we provided that they have a limit on the price at which they could sell commodities in the United States, so as to protect the farmers' share of the national income. The reason the farmer has to have protection is that you have minimum wage laws, you have the right of labor to organize, and to bargain so as to increase labor's share of the consumer dollar. I am discussing this in the objective; I am not here condemning such laws, but as long as you provide by law for these groups to take a bigger share of the consumer dollar you have to have some floor as to the price to be received by the raw material producer.

The Commodity Credit Corporation always had the right to sell what we had and did not need in the markets of the world for what they would bring.

For the many years when Secretary Benson was Secretary of Agriculture, the Department of Agriculture held our supplies off the world market and refused to use existing provisions of law to sell what we did have for what the traffic would bear in the market places of the world, so that these folks that we claim we are for would have a chance to buy them.

Our committee had an investigation that found that the folks the Department was listening to were American international merchants who were determined to hold our supplies above competitive prices, so as to hold an umbrella over world production in which they were heavily interested.

Finally, we got the Department to offer these surplus commodities at competitive prices; and to the Department's apparent surprise they sold like hot cakes.

May I digress to say, you do not lose money when you sell something you have, and do not need, for what it will bring. You have made money if you do that. When you are trying to protect the farmers' income in relationship to the cost of what he has to buy, it may be that your price support level has to be above world prices; but you have not lost anything when you convert surpluses into money for as much as you can get in the market places, as every other country does.

We finally got the Department to sell everything competitively in world trade, except cotton. The international cotton merchants are most effective people, working through the governments of foreign countries. Finally, the committee said, We are not going to recommend to the Congress any money to control acreage on any commodity that you will not keep on the counters of the world for sale at competitive prices. The Department finally realized what that would mean and officials of the Department sold a million bales of cotton in world trade in less than 5 weeks; they sold 7 million bales the first year and 6 million bales the second year. Then they quit being competitive again, and sales dropped down to 2.8 million bales.

Congress then passed a law saying that you must keep cotton on the counters for sale in the markets of the world at competitive prices, after determining what our fair share of the world market is. That is the law today. Let me quote a part of what the law says: "Such quantities of cotton shall be sold as will reestablish and maintain the fair historical share of the world market for U.S. cotton."

I say right here that our major problem on cotton today comes from the fact that the Department of Agriculture has not carried out the law which says that they must keep cotton competitive and moving in world trade. The Comptroller General of the United States agrees with me, for he officially said the law has not been carried out. I am certain we would have about 5 million bales less cotton on hand today if the law had been carried out.

From 1951 to 1956, while we held U.S. cotton off world markets, foreign acreage increased from 61,846,000 acres to 67,781,000 acres. After 1956, when we became competitive in world markets again, foreign acreage decreased to 64,750,000 acres. In the last 4 years, when again we quit being competitive, though the law requires us to be, foreign acreage climbed back up to 67,550,000 acres.

Now I know the textile mills say they want the farm producer to supply cotton at the world price. Have they asked labor to be paid at world levels? Have you heard them ask to let them pay taxes at the international rate? Does it not make just as much sense? Have you heard them admitting that for years and years they got their cotton to the extent of exports at the world market price? They never did tell you that; did they?

Now I know the mills do deserve protection from imports. Section 22 of the Agricultural Adjustment Act provides for that. The records show that in the last 18 months we paid $509 million to domestic textile mills. I say to my producer friends, you are likely to find some day that most of that has been or will be invested in equipment for the use of synthetics.

I was interested as to what the effect of the 1964 act was on these textile mills, and it is likely that increased domestic consumption was really delayed consumption. I have here before me reports of the stock market listing of six leading textile companies. I will not call their names. But in 15 months, from March 31, 1964, until July 21, 1965, their stocks have gone up in value more than 29 percent.

Let me say again, the law today authorizes and contemplates, and where cotton is concerned requires, that we sell what we do not need in world trade for what it will bring, so as to make it available to our friends and our customers throughout the world. If you were to send this bill back to the barn, and I hope you will, then we can set out to correct some of the defects in existing programs. Payment direct from the Treasury certainly is not the answer. I have wrestled with limitations on payments before.

Let me say again. Now is a poor time for this democratic Congress to come in with a bill the purpose of which is to pay the producer not to produce, to cut down supplies on hand when the world may be on fire. May I say at this time, when you are perhaps on the ragged edge of a downturn in our financial condition, by this bill, you are likely to be setting off not a recession but an actual depression. Price is one thing and volume is another; and if you cut down the farm volume, you are cutting down the farm producers' purchasing power to purchase from you folks and your constituents in the cities who manufacture machinery and equipment.

Let me give you a little homely illustration. There is a story told about the good king who had the welfare of everybody at heart and it hurt him to see anyone do without what he wanted because of lack of money. So this kind king, knowing little about economics, decreed that plenty of money should be printed and everybody should be given all the money that they wanted. With all this money from the king in their pockets the people all quit work; no one produced; and in 2 years everyone was destitute.

Mere money may look all right for the farmer—but neither he nor the rest of us can forego production, distribution, supply and business activity.

Money may take care of the farmer's immediate problem but it is not going to put groceries on your tables.

I realize I am stepping a little far afield, but I say to my friend the gentleman from California [Mr. ROOSEVELT]—whom I do not see here now—I do not know what the minimum wage should be in the city or elsewhere, and I do not know who should be under it or who should not be, though I have my own opinion and it differs from his.

I do say this: when we as a Congress make the farmer, the producer in the perishable commodity field or in any other field, pay wages above what he can pay, and make a profit, he will quit and move into something that does not require labor. Then not only will the laborers be without jobs but we will not have tomatoes, asparagus, and lettuce or whatever they produce on our tables. It is that simple, and the same goes for restaurants, small mills and related operators, loggers, laundries, pressing shops, retailers, ginners, warehousemen, oil mills, hotels, motels, and many others, especially those who employ the handicapped or summer students.

Mr. Chairman, the Federal Government can put many people on relief but you cannot successfully make a small businessman pay out more than his business can stand. He will either quit or his creditors will force him into bankruptcy.

My friends, you are headed the wrong way today. You had better vote to recommit this bill when the motion is offered; then we can turn toward a program of production—for our safety, for our friends, and that we may continue to be the land of plenty when most of the nations of the world have less than half of what they need.

In conclusion, Mr. Chairman, if this bill should pass, I am counting on each of those who vote for its provisions to support me as we provide the money to pay the cost without limitations below those set out in the bill itself.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it is rather surprising to hear the speech we have just heard from the man who is the chairman of the Subcommittee on Agricultural Appropriations. He apparently is advocating now unlimited production, because he says we need the food and fiber we are harvesting from our flourishing fields.

I just want to remind Members and to remind him of the fact that, in an effort to alleviate the situation which he has discussed, our stabilization programs for the major crops on January 1, 1953, showed a profit of more than $13 million, but these programs now show losses of $9,203 million.

Under the price support program on all commodities, basics and nonbasics, over a period of 20 years prior to 1953, both in times of war and in times of peace, the losses amounted to only slightly more than $1 billion. Now these losses amount to $15,620 million.

On corn alone we have lost $3,227 million.

On wheat we have lost $3,041 million.

On dairy products we have lost almost $4 billion.

Yet the gentleman is advocating unlimited production. The time has come when the taxpayers have a right to expect the farmers to bring production in line with consumer demand.

Even now, considering all the expenditures of money—using, under Public Law 480, $23 billion to help alleviate hunger in 100 nations on the earth with 100 million people—we still have invested in these inventories close to $7 billion.

All of this talk about getting the Government out of agriculture is a lot of baloney. If we took the Government out of agriculture the economy of America would collapse. Dumping $7 billion of food and fiber on the market—that is what it means. That is the old argument we have heard through the years, "Get the Government off the farmer's back."

I know something about these adjustment programs. I grow on my own little farm five of the six basic commodities, all but rice. We have had adjustment programs and we have had control programs year in and year out. At one time we took a 27-percent reduction in tobacco. This year we accepted a 19.5-percent reduction in tobacco.

We have brought these programs into operation. We operate them successfully, and they can be operated successfully now.

I can agree with only one thing my friend from Mississippi said; that is, we have not emphasized exports as much as we should have. We should have disposed of more of these commodities in the world markets, but we have not. Now we are trying to do it.

I have in my State almost 240,000 breadwinners working in the textile mills of our great State.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes. I yield to the gentleman from North Carolina.

Mr. JONAS. I do not understand the arithmetic of the gentleman from Mississippi. If he is here, I will ask him to listen to this question. I would like to ask the chairman if I am not correct in my mathematics. He said that under the one-price cotton system the textile mills received last year more than $500 million; I think the figure he used was $540 million. Is it not correct the total domestic consumption of cotton last year was about 9 million bales?

Mr. COOLEY. Yes.

Mr. JONAS. And if you applied the entire subsidy, if you want to call it that, against that 9 million bales, you could not get over $275 million. Now, that is a lot of money and I do not minimize it, but it is a lot less than $540 million.

Mr. COOLEY. The money he is talking about went to the farmers of the country.

Mr. JONAS. But it did not all go to the mills by a long shot.

Mr. COOLEY. Certainly not. And under that program I think he is correct in saying they have spent of their own money about $1 billion buying machinery so as to modernize these plants.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONAS. Mr. Chairman, if the gentleman will yield further, just to show the mills do not want a subsidy, they are supporting this bill. If they had a subsidy last year, they are voluntarily offering to give it up.

Mr. COOLEY. They did not want it last year.

Mr. JONAS. And they do not want it now. They are supporting a bill which says they will not get a dime out of it.

Mr. COOLEY. And this cotton bill provides for making payments in kind to the cotton farmers of Mississippi, just as it does to the cotton farmers of North Carolina.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say the figures I used come from the Department. It shows that from August 1, 1964 to July 31, 1965, for domestic use, there was $447 million paid as a direct result of this and $62.5 million were paid on what they term equalization payments from April 11, 1964 to July 31, 1965, making a total of $509.6 million.

Mr. COOLEY. That was the total payment.

Mr. WHITTEN. But the mills do not like to be identified with the payments which are made to them, and that is why they are supporting this bill, so payments will be made to others, but they get the cotton at the lower price.

Mr. COOLEY. That is not it at all.

Mr. WHITTEN. That is what I say. They do not want it paid to them but to someone else.

Mr. COOLEY. Whom do you want it paid too? Answer that question.

Mr. WHITTEN. Whom do I want it paid to?

Mr. COOLEY. Yes.

Mr. WHITTEN. I do not want it paid.

Mr. COOLEY. You do not want it paid?

Mr. WHITTEN. No. I believe it bad to have the cotton industry dependent upon direct payments from the Treasury.

Mr. COOLEY. You want the farmers to have 21-cent cotton?

Mr. WHITTEN. No, I do not.

Mr. COOLEY. That is what they will have if you do not pass this.

Mr. WHITTEN. No. They will have 28-cent cotton—65 percent of parity—and 16 million acres, and the gentleman knows it. The law returns to the act of 1958, does it not?

Mr. COOLEY. That is right.

Mr. WHITTEN. What does that act provide?

Mr. COOLEY. You want 28-cent cotton?

Mr. WHITTEN. Sixty-five percent of parity, or about 28½-cent cotton and 16 million acres, plus of course, having the Secretary carry out the Export Marketing Act of 1956. Could the gentleman assure me you are not going to limit payments as others have tried to every time I bring in an appropriation bill here?

Mr. COOLEY. I will assure you as far as I can that I am going to vote against any limitation on payment.

Mr. WHITTEN. I am sure the gentleman will. I do believe the mills and the producer could get together on a workable basis if they had to return to the 1958 act.

Mr. COOLEY. Mr. Chairman, I have just received a letter from the Secretary of Agriculture, Hon. Orville Freeman, that is reassuring to cotton farmers and to industries and communities serving cotton farmers. I shall read the Secretary's letter into the RECORD, for what he has to say is important to the legislation now under consideration.

The Secretary's letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, August 18, 1965.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: Concern has been expressed over the possibility that under the cotton provisions of H.R. 9811, industries and communities serving cotton farmers would be disrupted. I want to assure you that this would not be the case.

Our goal is to reduce cotton stocks to the level of prudent reserves over a period of 4 to 5 years. The authority which H.R. 9811 would grant to the Secretary to administer the rates of payments and the acreage reduction requirements for cotton for the crop years 1967, 1968 and 1969, would make it possible both to meet our program objectives and to protect industries and communities.

Under H.R. 9811, maintenance of one price cotton and more competitive export pricing would result in domestic consumption ranging between 9½ and 10 million bales in the years immediately ahead and exports substantially above recent levels. Total utilization of upland cotton should be in the range of 14½ to 16 million bales per year. Under these conditions the acreage reduction program for cotton could be operated so that cotton production would be maintained at not less than 13 million bales per year. If utilization were to increase sharply, production could be somewhat higher.

Sincerely yours,
ORVILLE L. FREEMAN.

Mr. **MICHEL**. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, much has been said lately by the Secretary of Agriculture and other supporters of this farm bill with respect to how it will reduce the production of surpluses, cut Government costs, and maintain farm income. If recent history is any criteria it fails on the first two counts, and would promote and expand the very objectionable philosophy of direct Government payments to farmers.

The latter is objectionable because it destroys the market price system and places individual farmers in the position of dependence on Government payments for a significant portion of their income. The practice of setting a relatively low loan rate and selling CCC stocks to maintain the market price at this low level results in a Government "wrecked" price. The normal forces of the market system cannot function. Producers respond to their total return—the loan rate plus the direct payment and continue to expand production which also tends to force market prices down.

This bill extends and expands Government direct payments to farmers as embodied in the current feed grain and wheat programs, so we have a fairly good measure of results in 1964 and 1965.

On the first point—does the scheme reduce production of surpluses? Despite the huge outlays of Government money to the relatively large, efficient farmers as payment for participating in the so-called voluntary feed grain and wheat programs, the Nation's corn crop in 1965 is forecast at 4.1 billion bushels, the largest on record. The wheat crop, forecast at close to 1.4 billion bushels, is the second largest on record. This has occurred despite the ballyhoo about how the increase in farmer participation in these programs this year would achieve a reduction in production. The opposite is now indicated. As of August 1 the forecast of the corn crop is up 15 percent over that harvested in 1964 and 18 percent above the 5-year—1956–60—average. The prospective wheat crop is 7 percent greater than that of 1964 and 17 percent above the 1956–60 average. The acreage devoted to these crops may have been reduced, but production has increased substantially.

What about the cut in Government costs? There have been no significant reductions in 1964 or 1965 and the prospect for 1966, if H.R. 9811 is passed and becomes effective, is that they will continue to expand. The most serious part of the increasing cost of the programs is the rapid expansion of direct payments to farmers.

And while on the subject of these direct payments, and how they are being used to actually buy votes, I am reminded of the July 14 memo to all State ASC committeemen and State executive directors from Horace B. Godfrey, the Administrator of ASCS, when he said:

> The time is approaching for making payments to farmers under the cotton, feed grain, wheat, and certain other programs. In many county offices the checks are delivered personally to each farmer. This gives the county manager or clerk a good chance to make better understood what the payment is for and how it serves the national interest. All counties could well adopt this practice.

I do not believe I need elaborate on this observation. The intent is clear and unmistakable. It is a shocking, downright vote-buying scheme that would put some of the machinations of the big-city machine politicians in the shade. It is an abominable practice and it ought to be stopped right now.

Total Government direct payments to farmers amounted to $2,169 million in 1964 and represented about 17 percent of realized net farm income and 22 percent of farm operators' net cash income from farming.

Of the total, $1,733 million resulted from farmer participation in the various commodity programs—sugar, wool, cotton, wheat, and feed grains. The balance, $436 million, resulted from farmer participation in the agricultural conservation program, the soil bank and the Great Plains program.

For 1965 the payments under the commodity programs are expected to increase to about $2 billion.

Passage of this bill will cause Government direct payments to farmers to rise sharply. Those resulting from participation in the commodity programs will approximate $2,600 million or about 50 percent higher than the $1,700 million in 1964. Total payments, about $3,100 million in 1966, will be equivalent on the average to a little under $1,000 per farm for the United States as a whole. Such a payment would represent 25 percent of the estimated per farm realized net income from farming, including Government payments. In 1964 the proportion was 17 percent. Excluding Government payments the percentage would rise to 33 percent of realized net income per farm.

The payments will not be distributed at this average rate because they are earned on the basis of size of farm and participation. This is especially true for the commodity program payments.

Under the 1964 feed grain program, farms with feed grain bases of 25 acres or less, representing 56 percent of all feed grain farms, received only about 14 percent of the total feed grain payments. The smaller proportion participating and the smaller size tended to reduce the payments made to this group. Because of their small size, these farmers cannot earn a large enough payment to justify their participation unless they wish to get out of farming altogether.

On the other hand, farms with feed grain bases of 50 acres or more, representing only 25 percent of the total feed grain farms, earned 72 percent of the total feed grain payments.

The per farm rate of payment for participating farms with bases under 25 acres averaged $310 while that for those having bases of 50 to 100 acres averaged $1,118; for 100- to 200-acre bases, $2,000; for 201- to 300-acre bases, $3,306; for 301- to 500-acre bases, $4,880; and for 501 acres and over, $10,190.

The large increase in the projected total payments in 1966 under the new farm plan results in large part from the change in the cotton program in which payments would be shifted from textile mills to cottongrowers and the rate of payment per bale would be increased sharply. Also, there would be an increase in direct payments under the proposed new wheat program which provides for a 50-cent per bushel increase in the domestic consumption certificate. A third factor expanding direct payments to farmers in 1966 would be the participation in the new cropland retirement scheme.

In all of these the size of farm would control the size of the payment per farm. The larger the farm, the greater would be the total payment per farm. It would be the successful farmers and the relatively highest income producers who receive the largest payments. This would be true for the feed grain producers, as I have pointed out a minute ago, and for the wheat and cotton producers.

The largest farms, those with value of cash sales of over $20,000 per farm and representing about 15 percent of all farms, would receive slightly over 62 percent of the total direct payments; those with sales of $10,000 to $20,000 and representing about 18 percent of all farms would receive about 22 percent of the direct payments; those with sales of $5,000 to $10,000, representing 15 percent of all farms would receive only about 10 percent of the payments; and those with cash sales of less than $5,000 and representing 52 percent of all farms would receive only a little over 6 percent of the payments.

The celebrated million successful farmers selling $10,000 and over of farm products, representing only about 33 percent of all farms, would receive about 84 percent of the total Government direct payments under H.R. 9811 in 1966. This illustrates again how the well to do get the dollars and the poor folks get the pennies. There is very little in the administration's proposed new farm plan for the so-called lower half of the income scale which have been designated as in—or bordering on—the poverty class.

This situation is similar to the tax program under which reductions are made in excise taxes on luxuries, such as furs, diamonds, and cosmetics for the benefit of the well-to-do, but an increase in the tax levy on flour and bread which is consumed in the largest amounts by the so-called poverty class. Thus the question may be asked as to how anyone who is concerned with the welfare of the small farmer and the cost of living of the poor can be for H.R. 9811.

The following table includes the details by programs for the United States as a whole for 1964 and estimates for 1966:

	[1] *1964*	[2] *1966*
Conservation	227	220
Soil bank	199	150
Great Plains	10	10
Cropland retirement		140
Subtotal	436	520
Sugar Act	68	70
Wool Act	25	30
Cotton	39	500
Wheat	438	600
Feed grains	1,163	1,400
Subtotal	1,733	2,600
Grand Total	2,169	3,120

[1] July 1965 issue of Farm Income Situation.

[2] Estimates based on provisions of H.R. 9811, and certain assumptions with respect to farmer participation.

These Government direct payments for commodity programs in 1966 would not be the total cost because they do not include the cost to the Government on Public Law 480 shipments abroad, the losses sustained by CCC on sales of stocks below acquisition plus storage costs, and program administrative expenses. It has been estimated that the programs included in H.R. 9811 will cost the Government and consumers close to $5 billion per year.

For Illinois, Government direct payments to farmers totaled $131 million in 1964 with the commodity programs, largely feed grains and wheat, accounting for $118 million. Because of higher payment rates and slightly increased participation in the feed grain and wheat programs, it is estimated that the total payment under the commodity programs will rise to about $135 million in 1965 and to about $140 million in 1966.

For Indiana total payments amounted to $78 million in 1964 and may reach $90 million in 1966. For Iowa the total in 1964 amounted to $226 million and could rise to $260 million in 1966.

There is no question but that the Federal Government is the biggest industry in our neighboring State of Iowa.

Mr. CALLAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. CALLAN. Can the gentleman tell me how much wheat the Government had on hand in 1961?

Mr. MICHEL. I cannot tell without looking back through the hearings, but it is a matter of record.

Mr. CALLAN. It is 1.4 billion bushels.

Mr. MICHEL. The point is that the situation has not really improved.

Mr. CALLAN. It is now down to 900 million bushels. Can the gentleman tell me how much feed grains the Government had on hand?

Mr. MICHEL. Let me ask the gentleman this: How much less is the Government cost of this program today than it was 2 years ago?

Mr. CALLAN. Farm income is up $1 billion.

Mr. MICHEL. That comes about because of direct Government payments—17 percent of net farm income comes from direct Government payments. At the end of this year it will be 20 percent. We can talk about parity going down, but we are making it up with direct Government payments; $2,136 million in 1964.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. WHITTEN. Mr. Chairman, I forgot to pay tribute to one provision of this bill. That really is a safety valve. Under this bill, the Government will pay the farmer to let the public hunt on land which he gets paid not to farm. At least the city fellow can hunt rabbits on the farmer's land if worse comes to worse. I would rather not think of a return to such a time when we would need that provision. I remember too well the early 1930's.

Mr. MICHEL. I thank the gentleman for that contribution.

Mr. ABERNETHY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Chairman and Members of the Committee, I did not intend to speak under the 5-minute rule until we reached the cotton section of the bill. But inasmuch as we now seem to be debating that section, I thought perhaps this might be an appropriate time for me to make a few remarks.

Mr. Chairman, I listened with interest to my colleague, the gentleman from Mississippi [Mr. WHITTEN], and to my chairman, the gentleman from North Carolina [Mr. COOLEY], I believe I could commend both for what they had to say. I believe the gentleman from Mississippi [Mr. WHITTEN] is absolutely right in his remarks, that paying a farmer or giving a farmer a check for labor he does not perform, is no solution to the cotton problem. The remarks of my chairman Mr. COOLEY, were not addressed to the point made by Mr. WHITTEN. Mr. COOLEY was right that our programs have cost a lot of money. But this bill is no solution to that. Its cost will be astronomical.

Incidentally, that is one reason there are so many farmers opposed to this bill. They do not want checks from the Government. They do want a market and a fair price.

Mr. Chairman, I have in my hand a letter from one of the greatest friends of agriculture ever to pass through this House of Representatives, the Honorable Steve Pace, of Georgia. Many of you served with him. You know the kind of legislator he was. You know that his heart was with the rural people of America, from the Carolinas to California. Irrespective of what their crop might have been, Steve was always on this floor championing their cause. It might have been the wheatgrower, the corngrower, the watermelon grower, cotton or anything else. Steve was here in their behalf.

Mr. Chairman, although Steve has been retired a good while, I believe he still has some knowledge of American agriculture. Here is what he said about this cotton bill:

> If this title IV is enacted, it will blast an enormous hole in the economy of the Southeast. It will wreck its economic structure and create enormous unemployment. I just cannot understand such a proposal.

Now, Mr. Chairman, I know that most of the cotton farmers are opposed to this bill, but, regrettably, their customers are for it, the textile mills.

Until this year the cotton farmers and the textile people have been working hand in hand. And irrespective of what my friends say from the textile area—and I have every respect for them—the mills have had a bonanza during the past 12 months under this kickback subsidy program, and they are going to have a bigger one during the next 4 years. This bill, for the most part, is simply a perpetuation of that which the mills have enjoyed so much for the past 12 months, the only difference being that it will take the onus off their backs and put it on the farmers, but at the same time leaving the mills with the cheapest cotton since before World War II.

Mr. Chairman, I hold in my hand a report of the Burlington Mills, Inc., a company report which shows that in the 6 months ending March 28, 1964, their earnings were $22.7 million. That is when the new program began last year. Then for the 6 months ending April 3, 1965, their earnings were $34.1 million, an increase of more than 50 percent, a difference of $12 million in one 6-month period. Of course, they are here, working like beavers for this bill. I can take you downtown to the headquarters of the textile people, which, I understand, is room 670 at the Mayflower Hotel and over here to room 422 at the Congressional Hotel, and there you will observe the beaverlike activity of the mill people to press this measure down upon those who do not want it, our farmers.

Mr. Chairman, I do not have a thing in the world against the textile people. I want them to make a profit. I have no objection to people making money. I have been on the side of free enterprise and the profit system and I am going to stay on it. I am glad they have made money, but I believe the passage of this measure will mean the contrary for the cotton farmers of this country. It is so regrettable, so regrettable, this split has developed between the cotton farmers and the textile people.

Mr. Chairman, the cotton people stayed with them through their fight last year and back through the days when the mills were carrying on their fight before the Tariff Commission. But now the mill people have taken flight. They have gone their own way instead of lining up with the cotton farmers and repaying them for that which the farmers did for the textile people last year. This is the saddest day within my memory for the cotton farmer. He is being forced to become a charity patient of the Federal Government.

You know, a bill that is a good bill does not require too much effort to get it passed. There has been more effort put behind this bill in order to get it passed than any that I know of, and I have been around here for two decades. Every ASC employee in every State and every cotton county in the United States affected by the bill has been ordered and directed to send a certain prepared letter to every cotton farmer telling him how good this bill is. I have some of the letters here. They are all identical. The employees were ordered in to action, to mimeograph the letters, address them to the farmers and mail them out under frank. No, I am not criticizing the employees. They were told to do the job and had I been in their shoes, I would have done as they did and so would you.

They had meetings in every region of the cotton belt, several in each State. The head of the State ASC in every State, or some other suitable person, was directed to explain to the county ASC committees just how good the bill was. Well, this thing is so complicated that some members of our agriculture committee cannot explain, so how in the world could these employees. One county committeeman who had been urged to and did attend one of the meetings said the speaker said to them: "Your jobs are at stake." That is their ASC jobs. "So get behind this bill." They called them into different places and gave them the literature and said, "Mail it out." They did mail it out. I know of a farmer who walked up to one of these meetings, knocked on the door and asked for admittance. They said, "You cannot get in." That man is a cotton grower. He is in this city today pleading for the defeat of the cotton provision of this bill.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from California.

Mr. HAGEN of California. Just because the gentleman's cotton farmers do not like this bill is no sign that some others do.

Mr. ABERNETHY. I can well understand the gentleman's position. Our chairman has said he put a provision in the bill which would allow you to plant from fence corner to fence corner in California, and that this was done to get your vote for the bill. But he did not buy mine. He just bought yours.

Let me review what appeared in a Scripps-Howard article last fall about the bill we had just passed. It goes on to say the bill was passed so as to provide cheaper cotton for the mills, who in turn would lower the price to the consumer. The article proceeds to report that the mills did not reduce the price of textiles, which was a commitment on their part. They put the difference into their profits, paid higher dividends and in some instances they did do well; they enjoyed substantial stock splits. You know that is true. They put it in their own pockets. That is what they did. So of course they are here now trying to get this thing off their backs and slip it over on the backs of the little hill farmers I represent in northeast Mississippi, but the mills will reap the same and even more benefits therefrom. After 1966 they will be able to purchase cotton even cheaper than it now costs under the mill subsidy program.

The stock of the Burlington Mills closed yesterday at its highest point this year on the New York Stock Exchange. When Mr. COOLEY announced he was going to offer amendments which everyone knows assured passage of the wheat provision and finally the entire bill, Burlington's stock advanced 1⅛ points and reached its highest ceiling this year. I did not check the cotton market but my guess is that it took a resounding fall. And incidentally, the New York Cotton Exchange has been pushing hard, also, for this bill. Yes, everyone but the cotton farmer.

I have friends in the textile industry. I know Mr. Charlie Cannon, of Cannon Mills, fairly well. He is a wonderful man. He may not know it, but one of his men has been sitting over in that room at the Congressional Hotel lobbying around to get this thing put over on the farmers. This is the room occupied by that which calls itself the Emergency Committee to Protect Cotton Growers. I have checked on the names of those who appear on their letterhead, as being members of the committee from the various States. Many of them are ASC county and State committeemen who have been pressed in line to support this bill. I have telegrams from others who said they never authorized the use of their names. They are distributing letters over the signature of one Mr. J. B. Kirklin in support of the bill. I have some of the letters. I do not have time to read them or the telegrams I have just referred to. But members of their so-called committee have sent wires in to me and others denying any membership in such an organization. I have the telegrams here for you to read if you desire.

Maybe I am a little excited, but my farmers are too. With all due deference, this bill ought to go back to the committee. I am afraid it is not going back. I do not think it will. That has been fixed up with the amendments which my chairman announced yesterday would be offered to satisfy enough Members to get the bill passed.

This is not a farmers' bill. We adopt legislation here to guarantee wage levels to the people of our country, and we require the consuming public to pay the bill. Why not just have a bill that will require the fixing of minimum income for the farmer, and require the public to pay the bill. Don't make the cotton farmer crawl on his knees to the courthouse, to the ASC office, to extend his hand to receive a dole in the form of a Government check. He doesn't want a dole. He only wants, and is entitled to, a fair price in the market. If this Congress can fix a fair wage for the workingman and require the consumer to pay it, then it can and should do the same for the cotton farmer.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Can the gentleman tell the House why he is opposed to the cotton bill?

Mr. ABERNETHY. Well, I have been telling you for 10 minutes, and I thought I was making myself heard.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(By unanimous consent (at the request of Mr. BELCHER) Mr. ABERNETHY was allowed to proceed for 3 additional minutes.)

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman.

Mr. BELCHER. Because of the laughter, I did not hear what the gentleman's answer was as to his reason for opposing the cotton bill. But I think I know—and that is simply because your constituents back home who sent you up here do not like the cotton bill and you, as their Representative, then have a duty to oppose it.

Mr. ABERNETHY. Well, as I said, I have been around here for 23 years and I think I do hear and listen to the voices from home. When they make a noise down there, I listen.

Mr. BELCHER. I am glad there is another Member of the House who is as selfish as I am because every time the Secretary of Agriculture during the Eisenhower administration wanted a bill that my constituents did not like, I was still selfish enough to follow the people who sent me up here and go against the Secretary of Agriculture.

I would say that today if that same feeling prevailed in the mind of every Member of this House, this bill could be defeated by a 3-to-1 vote.

Mr. ABERNETHY. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman.

Mr. WHITTEN. I first want to commend my colleague from Mississippi and also want to point out that we have found in times past that once these bills are passed, the limitations come naturally. We have been together on this year after year and getting by by the skin of our teeth in the past.

I commend the gentleman for his very fine presentation.

Mr. ABERNETHY. Mr. Chairman, I will say this and I will conclude.

If this bill could be redrafted in a form where the danger of placing a limitation on payment to these farmers could be obviated or eliminated, we might feel somewhat better about it. I would not even then regard it as satisfactory because as I say the farmer is only seeking and is entitled to a fair market price.

As to the unlimited production provision—we do not like that. Of course not. This was put in to get western votes. Some of them will plant to the fence corners. Their production will glut the market and Government stocks from price-support cotton will soar.

I might also say, I think the release and reapportionment provision of present law is destroyed by this bill.

Another thing about this bill is the soil bank provision. We have had our experience with that. It cost millions upon millions and was a waste of taxpayers money. It made ghost towns throughout the farm belt. And it turned good farmland to wasteland, to sagegrass and brush patches.

In spite of all its faults, costs, and creation of pockets of poverty, we are going to go back into it. How can we? I think it is a terrible mistake.

Mr. Chairman, this bill ought to be recommitted and rewritten.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I am glad to yield to my friend the gentleman from New York.

Mr. O'BRIEN. I would like to congratulate the gentleman from New York who, I assume, is going to discuss title I of this bill.

Mr. STRATTON. Exactly.

Mr. O'BRIEN. Slightly more than an hour ago, I tried to lead a cow out to pasture and the cow wound up in a cotton field. I thank the gentleman.

Mr. STRATTON. I thank my colleague for his remarks.

Mr. Chairman, I was going to say that while these big giants of the cotton industry fight it out here, I want to get back on to the subject of dairying and try to put in a few brief words for the little dairy farmer. I appreciate the comment of my distinguished colleague the gentleman from New York [Mr. O'BRIEN] because it is with some trepidation that I rise to raise some questions about his amendment. The gentleman is a close personal friend of mine and in fact he now represents what used to be my hometown when I first came to the Congress. But because of reapportionment, I now represent the fourth largest dairy district in the country and the largest dairy district in New York State. I would be remiss in my obligations to my constituents if I did not rise to raise some questions about the amendment offered by the gentleman from New York [Mr. O'BRIEN].

I am sympathetic with the purposes of the amendment. I am familiar with the so-called Stalker case in Albany County which stimulated his interest in the amendment. As a matter of fact, on page 14 of the committee report, I believe the committee has put in language which would prevent that kind of thing occurring in the future.

But the thing I am afraid of is that the amendment offered by my good friend, the gentleman from New York [Mr. O'BRIEN] might well damage if not destroy the whole milk marketing order which basically protects the rank and file small dairy farmers of New York State and other States around the country—not those who are even affluent enough to retail their own milk in their own cartons.

The dairy farmers I am referring to are just producers. They have to take their milk down to some dealer, to some handler, and have him sell it. The only way in which they can be protected and can get a fair return is by these milk marketing orders, such as are in existence in my district in New York State and in some 79 or 80 other areas.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. HAGEN of California. The gentleman has made a valid point. The amendment offered is not an attack on any provision in this bill, but it is rather a potential attack on existing marketing orders which are working very successfully in some 75 or more areas of the country.

Mr. STRATTON. I thank the gentleman for pointing that out.

I believe that the farmers have agreed to abide by the provisions of these orders to protect themselves against a disastrous dropping out of the bottom of the milk market, and we really must be concerned with that problem if we are interested in the welfare of the dairy farmer.

I have some producer-dealers in my district, but I also have thousands of plain, ordinary dairy farmers. While these farmers may not like all of the provisions of the current milk marketing order—I do not like them all myself; I have proposed some amendments of my own—we do not want to see the order destroyed. I fear this amendment might well damage the whole dairy program severely.

My thoughts go back to the time when these orders came into existence, to the early 1930's, in New York State. We had milk strikes then. We had violence. Milk was dumped in the ditches along our roads.

Why was that? It was because there was no stability in our dairy market. There was a superfluous production of milk. The result was economic chaos and then even violence. The milk orders came into being then to bring that stability about to help all dairy farmers.

We have a State milk order in New York State today and there is also a Federal milk order.

What do these orders require? They require that all producers of milk shall not only profit from the sales of fluid milk in bottles but also shall bear their fair share of the burden of disposing of the surplus milk, the milk which goes ultimately into ice cream, cheese, powdered milk, and butter. I believe that is a fair arrangement. Everybody shares both the advantages and the disadvantages of the marketplace.

The producer-dealer is, strictly speaking, a farmer who sells his own milk. Under the present marketing law he is already exempted from the law's provisions. He does not have to carry any share of the burden of disposing of the surplus milk. He does not have to participate in the pool as blended price arrangements which affect the rank and file milk producer, the little dairy farmer. It is only when a producer-dealer goes out and buys a little bit of extra milk from some other farmer to tide him over some of those dry months when he cannot supply all of the customers he established in the flush months that he does become subject to the limitations of the pool, and he then has to carry his share of the surplus burden, as indeed he properly should.

As I say, I believe the unreasonable aspects of that part of the law have already been taken care of by the wording in the committee report. But if we are going to protect the small individual dairy farmers, whom I have the honor to represent—and I have spent 6 years here in this Congress in trying to understand all the aspects of this dairy situation—and it is not easy to understand—then we ought to protect the milk marketing agreements under which they operate, and we ought to defer the proposed amendment so that we can go more fully and more carefully into all its implications. This, I submit, is the best way to help the little dairy farmer.

Mr. QUIE. Mr. Chairman, I rise in opposition to the O'Brien amendment.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman from New York, representing the fourth largest milk producing district in the Congress, indicated his opposition to the amendment offered by the gentleman from New York [Mr. O'BRIEN].

As the Representative in the Congress of the district which produces the most milk, I should like to state my opposition to this amendment. This is one way of killing the milk marketing order program by an indirect method. It is true that the Federal marketing program has been used in some cases to keep milk off the market which should not have been kept off the market, but without the marketing program many dairy farmers would indeed be in bad shape.

Mr. Chairman, I personally was very disappointed that the free flow of milk amendments and amendments providing for an adequate minimum price for dairy farmers were not included in this legislation. Under the terms of this bill, the maximum milk price increase anticipated in the next 12 months would be approximately 3 to 4 cents. I feel that dairy farmers in Wisconsin will have extreme difficulty in meeting their increased costs on the basis of this increase.

The self-help dairy stabilization bill which I have introduced, H.R. 1559, provides for a minimum price of $3.50 for manufactured milk. The effect of the Johnson-Freeman bill will be to continue the minimum price for manufactured milk at about $3.25 per hundredweight for the next year for milk with national average butterfat test. The Secretary of Agriculture predicts that an increase might be possible in the latter part of the next year by 3 to 4 cents. With the cost projections for producing milk, I feel it will be indeed a difficult year for dairy farmers.

I cannot support this bill unless the minimum floor for manufactured milk is increased to $3.50 per hundredweight. Title I of this bill does not offer my dairy farmers in a primarily manufacturing milk producing area any real hope for release from the vise-like grip of the cost-price squeeze that is draining his lifeblood.

Mr. QUIE. Mr. Chairman, I believe it has been pretty well established that this will cause a problem under the milk marketing orders for the farmers who produce but do not retail their milk. I believe this could cause a problem to the producer-handler, presently exempted in the various orders, for two reasons.

First, there are producer-handlers under some orders who are not limited to the amount of milk they can purchase from regulated handlers under the order in order to fulfill their retail needs.

This language prohibiting anyone from buying either directly or indirectly in the interstate purchase of milk and would prevent them from buying their extra milk needs from such a handler where it is presently permitted. Secondly, the vote on this bill could very easily indicate in litigation that producer-handlers might have that the Congress has no interest in exempting producer-handlers. I would like to see something written into the law exempting producer-handlers, but so far we have not been able to define it or write the kind of language as to the extra milk they would be permitted to purchase, so nothing has been written into this bill. However, in order that this title of the bill will not in any way prejudice present producer-handlers, we wrote into that section of the bill that nothing in this language shall change the status of producer-handlers. We also wrote in the report, beginning on page 13 and following on page 14, that this is exactly what we meant, that is, nothing in this bill shall prejudice the present position of the producer-handler, and we stated that we recognize it as wise that those who produce their milk and retail all of it, but only retail what they produce, should be exempted from the Federal orders.

I would like to ask the chairman of the committee this question: no matter what happens to the O'Brien amendment, the words in the bill and the report still stand, do they not, that this shall not in any way prejudice the position of the present producer-handlers?

Mr. COOLEY. If the gentleman will yield, that is exactly right. I agree with the gentleman's statement and want to ask the gentleman this question: of course, the gentleman is a member of the subcommittee.

Mr. QUIE. Yes, I am.

Mr. COOLEY. And the subcommittee reported to the full committee on this and gave us a unanimous report.

Mr. QUIE. That is correct.

Mr. COOLEY. And you are afraid that if we adopt this amendment, it might interfere with the orders under which they are now operating?

Mr. QUIE. That is right. And it might interfere with some producer-handlers there.

Mr. COOLEY. That is right. I agree with you.

Mr. QUIE. I am glad that the chairman of the committee is here, because I do not want anybody to look at this legislative history and say now the Congress has turned its back on producer-handlers. I want to make certain and it is my view of Federal orders that bona fide producer-handlers should be exempted, but it will necessarily be done under the regulation in the orders.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. LATTA. Was there not also some discussion in the committee about condemning such practices as were brought out by Mr. O'Brien?

Mr. QUIE. That is true. I think it was a foolish action and the silliest thing imaginable when the producer-handler was prohibited from receiving cream in a larger container and he was penalized because the administrator claimed the cream in a large container was not the finished product but if he had purchased it in small containers it would have been acceptable.

Mr. LATTA. If this O'Brien amendment is defeated, which it probably will be, how will we prevent these things in the future?

Mr. QUIE. If something ought to be done by law, we ought to take it up in the Dairy Subcommittee and see what we can do. I only hope in this case that the Federal order administrator will recognize the difficulty he caused and not put such restrictive regulations on the producer-handler.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. HAGEN of California. I may say that the gentleman from Minnesota made a very valuable contribution to this committee in considering this bill. It was not our intention, Mr. Chairman, to prejudice the position of a bona fide producer-handler marketing his own milk.

Mr. QUIE. I thank the gentleman.

Mr. HAGEN of California. And the defeat of this amendment would not, either.

Mr. FOLEY. Mr. Chairman, strike out the requisite number of words.

Mr. Chairman, the amendment offered by the distinguished gentleman from New York is of great importance to the dairy industry of the State of Washington. I yield to my colleague from Washington [Mr. Meeds] for the purpose of discussing this amendment.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York, and I would like to point out that the bill as brought in by this committee will not—I repeat, will not—hurt the legitimate producer-handler. The amendment by the gentleman from New York [Mr. O'Brien], has the potential of very substantially injuring the entire marketing order system.

I represent a district which has some of the biggest producer-handlers in the entire United States—probably the biggest. I would like to point out that historically the producer-handlers have not come under these marketing orders. This bill does not change that one bit. Historically they will remain out of the order. But the power to the Secretary must be there so that when they become so big as to substantially injure the marketing area, then he can do something. The important thing is that the power be there, not that it be utilized, but that it be there. We talk about 1 percent; it is up to 3 percent in our area.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman.

Mr. ADAMS. Mr. Chairman, we have had the problem that has been described several times by the gentleman from Wisconsin in describing the development of large producer-handlers in the milk barn operation. It has also been mentioned by the gentleman from Minnesota [Mr. Quie], that this matter is presently in litigation. My suggestion would be, and I would urge on the committee, that this amendment not be adopted at this time, that an opportunity be given, first by the Department of Agriculture and later the appropriate subcommittee of Committee on Agriculture to study what difficulties, this total exemption might produce for the participating dairy farmers and the producer-handlers. The issue is in litigation and since it is being discussed at the present time, I think it would be unwise to prejudge the present litigation by adopting this amendment. It may well be that there should be an exemption with a top limitation, because our small farmers, as mentioned by the gentleman from New York, are in competition with the milk barns, and if a great portion of the milk goes to these people, the local farmers selling through dairies are in a position where they are being undersold in terms of 8 or 9 cents a gallon. This they cannot stand and stay in the business.

So I hope and urge that the committee do not adopt this amendment at this time, but we allow the study to proceed and then consider what we should do.

Mr. MAHON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, Members who have spoken on this farm bill have urged various courses of action. Some want it approved, others want it recommitted to the committee for further study and others want the bill voted down. I, for one, am far from being satisfied with this legislation, and have been watching the proceedings with a great deal of interest and concern. Of course, if this bill is recommitted, or defeated, certain grave risks are encountered. All of us would rather have this bill than something worse. If this bill is recommitted or defeated, we could get something worse; we might get something better. Exactly what would happen cannot now be foreseen. We cannot, of course, foresee what action the Senate may take.

Speaking generally, I want to say that in my judgment, even though our agricultural laws and administrative practices have not been entirely satisfactory, the farmer, through participation in government programs and otherwise, through the years, has done a remarkable job, a spectacular job, an unbelievably good job in providing a bountiful supply of high quality food and fiber to the American people on a very low-cost basis.

In the overall, American agriculture has moved forward to a remarkable degree, enabling us to free much labor and effort so that our country has been able to devote more of its resources to other fields of endeavor. So we need not apologize too much for the cost of the farm programs. This is not to say that we should not employ good judgment and economy.

As chairman of the Committee on Appropriations, of course, I am concerned with the cost of these programs. They do cost a great deal. I would like to see them cost less. But from the standpoint of the consumer, they are worth everything they have cost because of what they have provided for the consumer and the national economy.

As the Representative in Congress of the greatest cotton-producing district in the United States I must consider certain serious questions as to the cotton section of the bill.

A major problem which concerns me and the people I have the honor to represent is this: Does the bill provide adequate income protection for the cotton producer for the 4-year life of the bill? The income features of the bill are relatively attractive for 1966. However, thereafter the producer can be assured of only 65 percent of parity and this on the domestic portion of his crop only. The domestic portion is considered to be 65 percent of his allotment.

It is a well-known fact that cotton producers are now caught in a price-cost squeeze even with current supports near 70 percent of parity on their full allotment. The lack of assurance of producer income protection under the projected program in 1967, 1968, and 1969 raises grave doubts as to the proposed measure. I do not believe the assurances are adequate.

Does the bill deal effectively with our export problem? And this is a problem of major proportions. Lowering the loan to the "world" level or below could and I believe would stimulate exports to some extent and tend to slow down increases in foreign production. On the other hand, lowering the U.S. support price could result in a general lower world price for cotton and no substantial increase in markets for our cotton abroad.

We cannot afford to give up our export market and produce for domestic consumption only. The cotton farmers whom I represent believe as I do that we should redouble our efforts to regain and maintain our fair share of an expanding world market with an imaginative and vigorous export program. At any rate, a new look at our export program and policy is in order with an eye toward solving our surplus problems through increased consumption rather than decreased production. A flexible subsidy program with the rate of the payment determined by the market, insofar as possible, is an approach which should be considered.

Does the bill maintain the 16 million acre minimum allotment? This is a matter of vital interest to cotton farmers. Under the proposed program a producer is a cooperator and eligible for price support and payments only if the acreage planted to cotton on his farm does not exceed 85 percent of the farm acreage allotment. He cannot, in fact, plant his entire allotment and participate in the program, but must take a minimum cut of 15 percent in acreage. Further cuts in acreage will result in decreased efficiency and further diminish the cotton producers chances of competing realistically with foreign growths and synthetic fibers. We are constantly striving for reductions in the cost of production and volume is important in this effort.

Is the proposed bill sufficiently specific as to what would happen under the program for the 4 years which it covers? I think not. Many provisions are spelled out in detail for the first year, but this is not the case for 1967, 1968, and 1969.

The farmer would more or less take a leap in the dark for the last 3 years. The loan could not exceed 90 percent of the estimated world price, but it could be less. The direct payment to the farmer would be within the discretion of the Secretary, but the loan, plus the direct subsidy to the farmer, would have to be equivalent to a total return to the farmer of not less than about 28½ cents per pound for middling 1-inch cotton on the domestic portion of his allotment. Under the present program for 1965 the farmer is assured of a loan of 29 cents on his full allotment.

We, of course, in considering cotton legislation bear in mind the fact that the first objective of the legislation is to promote the welfare of the producer. While considering the producer, however, we need likewise to consider the allied industries to the extent that may be appropriate and not incompatible with the welfare of the producer.

It is likewise my opinion that insofar as reasonably possible crops should move into the regular channels of trade and not into the loan. The solution to this problem is closely related to the sales program. Too often in the past we have had poor export sales programs which have resulted in channeling too much cotton into the loan. And much of this cotton has not moved out of the loan or has moved too slowly.

Under the pending cotton section of the bill, will Commodity Credit Corporation stocks be properly handled? Excess stocks held by CCC should be disposed of in an orderly manner. As I have stated, it is extremely important, however, that current crop cotton move through the normal channels of trade into the marketplace and we should not pursue policies, under this or any other program, which would make CCC the chief merchandiser of our cotton. CCC stocks should not be permitted to compete with current crop cotton in the market in such a way as to force new cotton into the loan.

The threat of a limitation on government payments to individual producers has been before us for some time. The pending bill which provides for a low loan and direct subsidy payments to farmers would make this problem more difficult to deal with. This threat would arise next year and thereafter in connection with the annual agricultural appropriation bill.

The feed grain section of the pending bill is widely supported by producers of the area I represent. The chief concern is over the cotton section.

Mr. Chairman, to recapitulate, we are tremendous producers of cotton in my area. We do not want to go out of the cotton business. We want to grow cotton. We want to grow it for domestic and foreign consumption.

We are also concerned about the skip-row regulations of the Department of Agriculture. We would like assurances from the Department, in fact in the law itself, to the effect that the present skip-row regulations would not be changed. This we unfortunately have not been able to obtain.

Mr. Chairman, as the spokesman for the people of my area I can do no less than sound a word of caution and concern about the course we appear to be taking here. If we follow the course proposed we will be making a drastic change from the program which we have followed for so many years. There are many hazards involved.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. MAHON] may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, we have heard a lot of discussion here today about the cost of these programs, and I have given the information as to the losses which we have sustained. I want to emphasize the fact that the record shows that during the 8 years that Ezra Taft Benson was our Secretary of Agriculture he spent more money than all of his predecessors in office from the beginning of the Republic, up until the time he left office.

Mr. MAHON. I believe that is correct. But, of course, when we deal with economic problems such as agriculture we have uppermost in mind the general welfare of the country, Republicans and Democrats alike.

What we are working for here is the cause of agriculture, and I hope we can unite on a bill that is reasonably acceptable before this Congress adjourns.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to compliment the distinguished gentleman from Texas and associate myself with his remarks.

Mr. Chairman, I take this time simply because the gentleman from New York [Mr. O'BRIEN] whose amendment is pending, spoke so long ago I believe it is in order that we ought to give him the opportunity to make some of the points that he did make some time ago, fearful that his amendment will be bogged down in the discussion of the question of cotton.

Mr. Chairman, I yield to the distinguished gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN. Mr. Chairman, I thank the distinguished gentleman from Massachusetts. I, too, have lost some of the continuity of the argument and I appreciate the fact that a Representative from a nonagricultural area has had the full treatment from the "club," the great Committee on Agriculture, on both sides of the aisle.

Mr. Chairman, the assumption in most of the great discussion has been that if you come from a city, you cannot possibly understand these things and work with them.

Mr. Chairman, one of the arguments that has prevailed persistently throughout this discussion, one of the threads this afternoon, if there is a thread, is that these producer-dealers would become so big that they would threaten the entire milk marketing situation.

I will say, Mr. Chairman, regardless of what happens to this amendment, that we have seen tears for Jesse Stalker today, we have a pious declaration in the report which will mean exactly nothing to the people in the Department downtown; but I think when we are all through with the discussion the tears may be for Stalker, but the smiles will be on the faces of the really big operators in this field. That is something as a city man I know something about. We are worrying about a small producer, who has possibly a hundred cows, selling his milk, but nobody has any concern over a corporation engaged in the dairy business which grossed $992 million last year. If the Stalkers and the others are capable of expanding a little bit, and offering competition to these giants who want to crush them, I want to give that opportunity to these farmers that the big dealers would destroy. I have heard from my farmers. Not a single one from my district, nondealer, has contacted me and said he is opposed to my amendment. So I think that the farmers this great committee say they are protecting are with us, even if it does skim a little bit off the volume of their area.

I wish to apologize for invading this precious field of agriculture, but regardless of what happens to my amendment I will leave here today satisfied that at least once I have stood up and fought for the little fellow that everybody talks about but seldom did anything about.

I thank the gentleman.

Mr. BOLAND. Mr. Chairman, I want to compliment the gentleman from New York on leading this wonderful fight. He has been concerned with the matter over the years and has been faced with it, as many Members of the Congress are, and I compliment him for his very persuasive position.

Mr. MATTHEWS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, under the miscellaneous provisions of this bill are extensions of the lease and transfer of tobacco acreage allotments for a period of 4 years, and a provision granting the permanent exemption for peanuts for boiling from coming under acreage allotments.

My colleagues on the Committee on Agriculture will recall that I am the author of this original legislation, in both instances, and I am grateful to the Committee on Agriculture for presenting these programs to the House for consideration.

Earlier this year I told the House in a prepared address that approximately 27,000 farmers had taken advantage of the lease and transfer provisions of tobacco acreage allotments. This has been a very popular program. The flue-cured tobacco farmers of Florida have approved it enthusiastically. This bill has made it possible for many small farmers to stay in business and it has made a more profitable production for all farmers who have used the law.

Overall production has not been noticeably increased as a result of this bill. The lease provisions are limited within the county for a period of a year at a time and for an acreage not to exceed 5 acres.

I am grateful that in this bill permanent exemption would be granted to peanuts for boiling purposes from the provisions of acreage allotments. There are less than 3,000 acres of peanuts planted for boiling in the Southern United States, but there are many small farmers and children of farmers who receive most of their cash income from the production and sale of green peanuts for boiling, and there are several plants which process these boiled peanuts and sell them in cans. We have a modest boiled peanut industry, I think, which make a significant contribution to the economy of rural areas.

Mr. Chairman, I want to apologize to my dear friend from New York [Mr. O'BRIEN] for getting us away from the dairy problems and getting to a matter that might be a little different. I want to talk about boiled peanuts, if I may.

Mr. Chairman, many of us have doubts about this omnibus bill. It reminds me of a gentleman who lived in one of our Southern States. Some years ago he was running for justice of the peace. He said to his boy one day, "Junior, come and go politicking with me. Everybody is for your father, nobody against him."

The boy said, "All right, pa." They jumped into the buggy and the old man said, "Get up, Maud." Away they went, and they soon came to a farmer by the name of Bullett. Bullett came over and asked, "What are you doing out here?" The old fellow running for justice of the peace said, "I came to politic, and I want you to vote for me."

Bullett said, "You low-down, dirty blacksnake, I never voted for you, I would not vote for you if you were the last one in the world, and if you do not get started I am going to go back up and get my shotgun."

The old fellow said, "Get up, Maud." After a time down the road his young son said, "Pa, he is not for you." Whereupon his father said, "I would not say that. I would say he is doubtful."

Mr. Chairman, I would sense from the colloquy around here that there might be one or two "doubtful" colleagues about the omnibus bill, but I am so confident in your good judgment, I am so confident of your impeccable understanding that, sir, I will say there will not be one dissenting vote cast against the permanent extension of peanuts for boiling purposes from the provisions of acreage allotments.

Mr. Chairman, last year I distributed in the cloakroom some of these magnificent specimens of boiled peanuts.

These peanuts taste like radishes or rutabagas or turnips. They taste like boiled potatoes. They are really a vegetable. They taste like the Sebago potatoes that are grown in my particular district.

Something that makes me a little bit unhappy is that some of my colleagues feel that distributing these peanuts hurts the cause of boiled peanuts more than it helps. So today I felt that we would not distribute these peanuts. But I do have some available and I will go back to the cloakroom after my talk and if any of my colleagues would like to accept the little humble offerings I have, I shall be delighted to share them.

Mr. Chairman, I would be glad to yield to any of my distinguished colleagues if there is any question that anyone would like to ask. I am glad to see there is no question and I thank my colleagues for their unanimous support.

Mr. OLSON of Minnesota. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. OLSON of Minnesota. Mr. Chairman, as a member of the House Committee on Agriculture and representative of an agricultural area in which dairying is a very important source of income to farmers, I have had to balance the features of the agricultural bill, H.R. 9811, which I think are worth while and need enacting, against certain other features of the bill which I consider wrong and poor legislation.

I have supported the bill because, in my judgment, it is necessary that the titles dealing with wool, feed grains, cotton, and wheat must be enacted if we are to have an acceptable agricultural program. These titles deal with important crops for which the Federal programs are needed. On the other hand, I do not think the dairy title of the bill is sound. Therefore, although I support the bill, I want to make it clear to the House that I am not in support of the dairy title and consider it to be at the least poor legislation which in all probability will cause more harm than good.

My reasons for objecting to the dairy title of the bill are quite simple.

This bill does nothing for that segment of the dairy farming industry which is most severely depressed—dairy farmers who produce primarily manufacturing milk. These producers far outnumber fluid milk producers, that is, dairy farmers who produce milk for distribution as fluid—bottled—milk. Manufacturing milk producers do derive considerable benefit from the Federal price support program. However, under the law and under current supply and demand conditions, price supports for manufacturing milk and butterfat are fixed at 75 percent of parity.

On the other hand, for many years income and prices to fluid milk producers have been supported and maintained by the Federal milk market order program fixing prices which handlers must pay fluid milk producers for their milk. These orders are in effect in about 80 milk markets in the United States and cover more than half of all milk consumed as fluid milk—in bottles—in this country.

Undoubtedly, the operation of the Federal milk market order program has been of very material aid in maintaining and enhancing prices and returns to fluid milk producers.

In addition, the fluid milk producer benefits materially from the price support program for manufacturing milk and butterfat. There are two reasons for this.

First, fluid milk prices in most fluid milk markets are based directly on the price of manufacturing milk, and thus any enhancement of manufacturing milk prices because of the Federal price support program is immediately reflected in the level of fluid milk prices under the orders.

Second, for all surplus milk marketed by fluid milk producers, they receive the same price for such milk as manufacturing milk producers receive for all their milk—currently 75 percent of parity.

Under the Federal milk order program, huge surpluses have developed in fluid milk markets. As a matter of fact, in some of the larger markets, about half of the milk produced for the market must go into manufacturing uses because it cannot find sale as bottled milk at prices established under the orders. Under the order system, the differentials which fluid milk command over manufacturing milk prices have been practically doubled since the war without, as far as I know, corresponding increases in the cost of production of this milk relative to manufacturing milk production costs, and are being held at this relatively high level by the order program. This, of course, is the major reason for the large surpluses in a number of fluid milk markets.

This bill will not reduce surpluses in Federal order markets. I know this is the guise under which this legislation is being presented to you, but I am sure it will have no effect in reducing these surpluses. To have any effect, it would be necessary to price the surpluses at such low levels that the price could not cover the variable costs of production. Indications are that the variable costs of production of milk qualified for fluid milk consumption are less than manufacturing milk prices.

The dairy title of the bill will grant a monopoly to the local fluid milk producers. It does this by authorizing provisions in orders which would allocate fluid milk sales to producers currently on the market, with such allocation based on the producers' production record which may cover more than a year. This means that all the high value market would be assigned to fluid milk producers and none of this market would be left to pay producers who are seeking to enter the market and better their economic condition.

Thus, present producers will be granted a "right" to these markets and other producers will be denied entry and the right to sell their milk to the best advantage.

The only time a new producer can earn a base or quota, as this proposed legislation is drafted, is when fluid milk—class I—sales increase.

Under the guise of holding down production, this bill can in fact be used to engineer large increases in fluid milk prices either directly under the orders or by negotiation of prices above the orders—which negotiations could only be effective because the order will shield them from the competition of milk of other producers who otherwise would enter the market.

It is my opinion that rather than being so concerned about the wheat title of this bill being a "bread tax," city people should be most seriously concerned with the opportunities that the dairy title of this bill will grant local monopolies to increase the price of fluid milk in bottles on a major portion of the milk so consumed in the United States.

Bases or quotas under this bill will be transferable and, since they represent the allocation of a "right" to a valuable market, will in time develop great value. For example, take a producer selling 500 quarts a day who wishes to enter the fluid milk market. To do so, he would, under this proposed legislation, have to have a "base." Assuming the fluid milk—class I—price per quart payable to producers to be 11 cents, and the price paid for excess milk over fluid milk use is 7 cents per quart, such a producer obviously would be quite interested in buying a base in order to enter the higher priced market; that is, get a share in, or a "market right," to a portion of the fluid milk market.

The difference of 4 cents per quart between fluid milk—class I—prices and manufacturing milk for a 500-quart producer is $20 per day, or $7,300 per year. Therefore, if a producer contemplated remaining in the business only 1 year, he would break even if he paid $7,300 for a 500-quart base. If he estimated a 2-year operation, he would break even if he paid $14,600 for the base or quota, and likewise if he figured only 3 years' operation, he could afford to pay $21,900 for the base or quota and still be just as well off after the expenditure of such a large sum of money.

However, most of the producers will consider they are going to remain in the business for some years and in those circumstances it is easy to see that the value of bases—quotas—will become quite high. This inevitably means that the cost of production of fluid milk will increase as the value of bases is capitalized into farm values. This will result in higher prices to consumers because of increased cost of production which would necessitate higher prices to producers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. O'BRIEN].

The question was taken; and on a division (demanded by Mr. O'BRIEN), there were—ayes 83, noes 78.

Mr. STALBAUM. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. O'BRIEN and Mr. HAGEN of California as tellers.

The Committee again divided, and the tellers reported that there were—ayes 89, noes 105.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—WOOL

SEC. 201. In section 703 of the National Wool Act of 1954, as amended (68 Stat. 910, 72 Stat. 994, 75 Stat. 306), the second sentence is amended to read as follows: "Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending December 31, 1969."

SEC. 202. In section 703 of the National Wool Act of 1954, as amended, the proviso at the end of the third sentence is amended to read as follows: "*Provided*, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor nor shall be lower than 77 per centum of the parity price therefor."

SEC. 203. In section 703 of the National Wool Act of 1954, as amended, the fourth sentence is amended to read as follows: "If the support price so determined does not exceed 90 per centum of the parity price for shorn wool, the support price for shorn wool shall be at such level, not in excess of 90 per centum nor less than 77 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred and sixty million pounds of shorn wool."

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 4, lines 15 and 16, strike the words "77 per centum of parity" and insert in lieu thereof "75 per centum of parity".

Page 4, line 22, strike the words "77 per centum of parity" and insert in lieu thereof "75 per centum of parity".

Mr. FINDLEY. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Chairman, I am sure that there is no one in this body who has not encountered a time or two expressions that are almost always used in a derisive sense—"Brannan-type payments," "Brannan plan," and "Brannan payments to the farmers." I daresay there are Members on both sides of the aisle who have pledged to their constituents at one time or another that they will never support any Brannan-type program for American agriculture.

The wool program, a program which has been on the books for several years, is a Brannan-type program. It provides direct payments to farmers. The administration in supporting the extension of this program did not recommend the increase in wool payments provided in this bill. The administration instead supported a continuation of the same minimum support level under which the direct payments are computed to wool growers as has been on the books in recent years. However, instead the Committee on Agriculture saw fit to increase the minimum which definitely means higher payments. I think we should take note of the fact that this increase will cost the taxpayers about $5.5 million additional.

As I say, we should bear in mind that this is a pure direct-payment program, a Brannan-type program.

If this title does remain in the bill—and presumably it will, because it is not one of the more controversial elements in the legislation—we should at least refrain from jacking still higher these direct payments to the woolgrowers. This program, like the other programs provided in this bill, has been ineffective. The original idea was that if we had direct payments to woolgrowers wool production would be stimulated in this country to such an extent that the import of wool would no longer occur. Yet in the year in which the return for the woolgrowers exceeded 100 percent of parity—the highest parity level for producers of any commodity in that year—the program was not effective in stimulating wool production.

My amendment would simply reinstate in this extension of the wool program the level of price support which has been in the program up to now. The choice is clear. Those for taxpayers should vote for the amendment. Those who have more woolgrowers than other taxpayers may wish to vote "no."

My amendment would have the effect of reducing the cost of this legislation to the American taxpayer by the amount of $5½ million.

The wool program is not the only example of Brannan-type payments provided in this legislation. You might be interested in the size of the payments to individual producers which this legislation will make possible.

The total amount of cash out of the Treasury directly or indirectly which individual farmers can get as a result of one or more of these programs is staggering.

Under the wool program, for example, one producer in the 1962–63 marketing year got a payment out of the Treasury in the amount of $44,672.

Let us turn to feed grains. Assume a fellow with 1,000-acre feed grain base, with a 70-bushel yield for corn, which is a modest yield figure. Price-support payments, and diversion payments he would get for participating under the feed grains program would be $18,550 a year.

Turn to the cotton title and assume the language in the cotton program stays as now in the legislation—and certainly no one knows what is going to come out of this committee—there are several cotton producers who have allotments of 10,000 acres or more. Assuming full participation under the cotton program, under the provisions set forth in the language of this bill before us, can anyone estimate the grand total payment he would get? The answer is $952,250; not for a lifetime, but for 1 single year. That is almost $1 million a year.

Let us go to the wheat title for illustration. I asked the Department of Agriculture to place in the hearing's record some examples of top payments to wheat producers. For some strange reason they were not forthcoming. But, as you know, there are many wheat farmers who have allotments of 10,000 acres or more. Let us see what a 10,000 wheat allotment farmer would get under the provisions of this proposed program. Assuming full participation in the wheat program, the wheat farmer, with a 10,000 allotment would get $140,625 per year.

Let us consider the proposed cropland adjustment proposal. Let us assume a farmer with 1,000 acres—and there are lots of them—who put his entire farm under the cropland adjustment program. Let us further assume that this man in making a contract with the Secretary of Agriculture will get the average rental rate per year which the Secretary of Agriculture anticipates making under this program. For the 10-year contract period that farmer could get $176,000 from the taxpayers. And, he could get the payment in advance, if he is willing to take a 5-percent discount.

So, Mr. Chairman, a man with a thousand-acre farm receiving just the average rate of rental payment, would receive a payment of $176,000, and believe me, that is not the largest payment which could be authorized.

Mr. CALLAN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am now glad to yield to the gentleman from Nebraska.

Mr. CALLAN. Would the gentleman from Illinois tell me how many farms in the United States have a feed grain base of over 500 acres?

Mr. FINDLEY. I cannot recall this fact.

Mr. CALLAN. If the gentleman will yield further, I have some figures here that show there are 5,563 farms out of a total of 519,000 total. This would then follow a little that only slightly over 1 percent of the farms in the United States have a base of over 500 acres.

Mr. FINDLEY. This is very helpful information because it means that 1 out of every 100 farms would be entitled to a gigantic payment.

Mr. CALLAN. If the gentleman will yield further, under the entire feed grains program the bulk of the farmers in this country fall not in this 500 acre class but in the acre base of 26 to 50 and 51 to 100 acre base. When we talk about payments, yes, there will be some large payments, but the majority of the payments made will be to the small producer.

Mr. FINDLEY. Yes, and I think that the gentleman will agree with me, however, that this program does make possible some gigantic payments, considerably above the $3,000-a-year, poverty-level definition that we hear about these days.

Does the gentleman suggest that it is in the public interest for the taxpayers to be making payments of $1 million or $140,000 a year or anyplace in between to an individual producer?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BATTIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to impose on the time of the Committee, but I think the remarks made by the gentleman from Illinois [Mr. FINDLEY] were very unfair. They certainly left me with the impression that every farmer in America is going to draw gigantic payments.

I come from an area that has some large wheat-producing farms. We also have an average income to the wheat producer in the State of Montana of a little over $3,000 a year, which is the poverty level about which the gentleman from Illinois speaks.

Mr. Chairman, I do not believe it is right to take an individual situation and try to apply it generally. I believe someone said, "Oh, how different things would be if they were not the way they were."

If what the gentleman from Illinois cites happened in the majority of cases, we would not be here today debating a farm bill.

I would be the last one to tell you that I approve of all of the provisions of this bill. There probably is not a Member of Congress who approves of all the provisions of this bill. But a bad situation does exist and there has been a conscientious effort made by the members of the committee to come to some agreement. It pleases some and it displeases others, yet the farm problem is not settled with words.

Mr. Chairman, in the not too distant future we will be considering a minimum wage bill that will apply to farmers, and in addition, we are going to be considering an unemployment benefit bill that will apply to some farmers. We are, therefore, talking about the one group in the country which has not benefited in the increased scale of earning capacity in America. We give and then take away and all in the same Congress.

Yet it is the farmer that provides for the American people far more in the way of health and benefits than any other group.

Visualize, for instance, what your consumers would be paying if they went to the grocery store to buy food of all descriptions, cotton, and all the rest of the commodities covered in this bill if they were all in short supply. You would not be talking about a bread tax or a subsidy, you would be talking about the high cost of the commodity.

The only reason I take this time is to correct the impression left by the gentleman from Illinois. I do not think he honestly meant to leave the impression that all of the farmers who participate in this program, whether they want to or feel compelled to, are going to receive these gigantic payments to which he referred.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from Illinois.

Mr. FINDLEY. I intended to clarify some facts of life, and to illustrate how big the payments may be under this authorization.

Mr. BATTIN. I grant that some of the payments are large, but at the same time if a person in his lifetime has been successful and becomes a big farmer through his own efforts he should not be penalized. Is the gentleman suggesting he should be penalized?

Mr. FINDLEY. I would ask the gentleman if he would object to a limitation on the total Government amount that a farmer may get.

Mr. BATTIN. I say to the gentleman if we have a program, and it is going to apply to the wheat farmers or corn producers, it should apply equally across the board. You have a program or you do not. I do not approve of what is happening, but I do not like the impression to be left that all farmers in America are going to draw a check for a million dollars.

Mr. FINDLEY. Some farmers could get around a million-dollar payment.

Mr. BATTIN. Have you considered what investment the farmers have made? The payment is not profit. The check they receive is not profit; it is not something he can put in the bank and forget. He has had to make an investment in land, he has had to make an investment in stock, he has had to make an investment in machinery, he has to live.

Mr. FINDLEY. The gentleman surely does not suggest that capital investment carries with it entitlement to Federal payments?

Mr. BATTIN. No, but if you have a person who has invested capital and he has put it into the business of farming as an investment and he goes into a Government program the program should apply to all in the same fashion. Realize the program is not net income or profit.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Without agreeing or disagreeing as to whether or not this is a good program, let us get this thing in perspective. When the Government puts out price supports to the farmers it does it to reduce their production, and not for the purpose of making the farmer rich.

Mr. BATTIN. Yes.

Mr. BELCHER. If the farmer could keep his production down and sell at the market price without subsidy, that would be the best system. We pay them to reduce production, and you can reduce production on a 10,000-acre farm as well as you can on a 100-acre farm.

Mr. POAGE. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, after listening with astonishment to the newly self-anointed administration leader, I am, I confess, somewhat confused. But while discussing a wool amendment—an amendment to the program on a deficit crop, a crop on which we want to increase production—the gentleman says he does not want to encourage larger producers, I am even more confused. The gentleman seems to have forgotten what he is talking about. In his zeal to represent the administration—and I do not know that he has any credentials to represent this administration, or surely none that would be recognized at the White House, but since the gentleman has assumed that obligation—I just wonder whether he is here to talk about the wool program or is he simply attacking the wool provision for the purpose of discrediting the farm bill. Of course, we must take judicial notice of the fact that the gentleman is against all farm bills.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. FINDLEY. My purpose was not to represent the administration but to try to keep the leadership on the House floor from, you might say, pulling the wool over the eyes of this body and conveying the impression that the administration really wanted to jack up the level of the payments to the woolgrowers. This certainly is not the case and I am sure the gentleman would agree with me.

Mr. POAGE. I certainly would not agree with the gentleman because I believe this administration wants a sound wool bill. I have no information to the contrary and I would doubt that the gentleman from Illinois has any such information.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. RESNICK. Is there not a favorable report from the Department on the wool bill?

Mr. POAGE. We received a report at the beginning of the session suggesting that we should extend the wool bill and that is what we have done. There is nothing in this bill except an extension of the existing program with the one exception that was mentioned here yesterday and which the gentleman from Illinois now opposes.

We have assured the producer of wool that his purchasing power will remain the same if he produces the same amount of wool he has been producing. What has been happening over a good many years is that the fixed dollars and cents support in the wool bill that we have had—62 cents means that: although the wool producer has received the same dollars and cents support that he received 12 years ago, his purchasing power is not at great as it was by any means. It has been cut and in fact it has been cut by something like almost 30 percent. So the actual support in buying power on wool today is not nearly as great as it was a few years ago. The only change that there is in this bill will be to assure in the future that the purchasing power of the wool producer will not be reduced.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. FISHER. It is also a fact, is it not, that under this more flexible proposal which the gentleman has referred to, the support level might go down?

Mr. POAGE. Yes.

Mr. FISHER. The support level might go down below what it would otherwise be?

Mr. POAGE. That is possible.

Mr. FISHER. It certainly is possible.

Mr. POAGE. But I do not believe they are going to find the prices of everything that the farmers buy going down, and if they do, then the support prices will go down.

Mr. FISHER. That is if we are in more of a rising economy, but in the event it goes the other way to where the producer makes more and gets higher prices or the parity goes up, why is it conceivable under the flexible plan which is in the bill, it might actually cost the Government less than it does at this time.

Mr. POAGE. That is absolutely true. But the only purpose of this amendment, at least, the only effect of the amendment is simply to reduce the living standards of the woolgrowers of this Nation, and I think it is already too low. I hope the amendment is defeated.

Mrs. MAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in defense of the National Wool Act as extended in title II of this bill. In the first place it is important to bear in mind that in 1954 the U.S. Tariff Commission, following an investigation under section 22 of the Agricultural Adjustment Act, recommended to the administration that the duty on imported wool be increased 10 cents per pound. The White House said that due to relations with our friendly nations shipping wool here this additional duty could not be imposed. The National Wool Act was then evolved in lieu of a tariff increase. Payments under the act are limited to 70 percent on the duties on wool and wool manufacturers.

Now statements have been made that the Wool Act has not boosted wool production. There are several important factors not related to the Wool Act that have prevented an increase in wool production. For one thing, we have had some serious drought conditions since the inception of the program in several of our important sheep-producing States. Texas, for example, which accounts for approximately one-fifth of the Nation's wool production, has had several serious drought periods since 1954. New Mexico in the last year has had a decline in sheep population due to drought conditions. Another factor which started a liquidation trend in sheep numbers in 1960, after several years of increase, was the discouragingly low lamb prices. By 1961 the average farm price of lambs had dropped to a low of $15.80 per 100 pounds, due to short-term and unusual marketing problems. Other contributing factors to liquidation have been reductions in grazing allotments on Federal lands; difficulties in securing adequate, efficient herders; and losses from predatory animals.

It should be pointed out that the Wool Act was responsible for alleviating the liquidation trend caused by drought and marketing problems. Furthermore, the Wool Act was a factor in increasing our sheep production during the 3 years 1958 through 1960. I do know that many growers have stated that they would not be in the sheep industry today if it had not been for the National Wool Act.

With a better lamb market and with a National Wool Act as provided in this bill, growers tell me they feel we can look forward to an increase in the sheep population, at least on a gradual basis.

As for the statement that provisions for extending the act in the farm bill will make the program more expensive, I would like to point out that the Wool Act program on an annual basis is costing less than half of the annual average costs during the first 7 years of its operation. While part of this is due to production decreases, it is largely due to the fact that the market price of wool has improved, thereby reducing the amount of payments necessary to compensate for the difference between the market level and the incentive level. During the 11-year operation of the Wool Act program, the incentive level has remained at 62 cents while the costs of production have risen approximately 15 percent. This is perhaps the only fault in the present program—the fact that there has been no reflection whatsoever through the incentive level in the increase in production costs. The 77-percent-of-parity floor on the incentive level provided in this bill would still not compensate for increased production costs but would permit a very modest increase in the level—about 3 percent—and could be an encouraging factor in halting the liquidation trend.

Critics of the National Wool Act need to be reminded once again that this program was established in lieu of a tariff increase which the U.S. Tariff Commission found justified in 1954. Furthermore, these critics have come forth with no alternative program. Certainly we do not want to go back to the old and unsatisfactory loan program whereby wool went into Government stockpiles at high storage expense to the Federal Government, where it built up into surpluses that depressed the market. Certainly it is better to have it selling freely on the open market as it does under the National Wool Act.

In spite of drought, low lamb prices, and the other problems that I have mentioned, the Wool Act has helped to maintain a domestic sheep industry and has helped to maintain a domestic supply of wool so that the United States has not been left to the mercy of foreign wool producers in supplying our needs. It is a good program, one that has been working well, and one that should be extended.

Mr. WATSON. Mr. Chairman, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BERRY. Mr. Chairman, I am opposed to the amendment of the gentleman from Illinois which would reduce the support price on wool from the proposed 64.1 cents to 62.5 cents.

Let me say that the wool program has been the most successful of all farm programs and any attempt to strangle it to death world be very unfair.

The National Wool Act was passed originally to save a domestic wool industry from unfair foreign competition. The wool people were asking for a tariff protection, the administration was reluctant to stop imports or to reduce them by a tariff increase and offered in lieu thereof to establish a support price on domestic wool paid for out of tariff revenues under title 22. It has been a good program, it has been successful, it has kept the wool producers from being put out of business and the act should be extended.

There is another point to be considered and that is that this is a 4-year program, operating costs will go up instead of down in the next 4 years. The support price is being raised only 2.1 cents which is not enough, it should be increased rather than decreased. I hope the amendment will be defeated.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Illinois [Mr. FINDLEY]. As has been stated previously the National Wool Incentive Act has worked successfully over the years and I believe should be extended.

The prime reason for establishing the program in 1954 was to develop what in effect is a "revolving fund" designed to provide incentives for woolgrowers, but more importantly to provide a payment to equalize and stabilize his competitive position with foreign wool producers shipping to this country—in lieu of a tariff increase. I believe this to be a very pertinent point because it does permit the continuing trade and friendly relations with foreign countries without jeopardizing the economic well-being of our domestic wool producers. The funds paid into our Treasury from the foreign producers creates the aforementioned revolving fund and thus provides the vehicle that retains this amicable arrangement and in many cases, provides the necessary incentive to keep our wool producers in business. The resultant benefits to our domestic wool consumers, the jobs created in the country and the overall contribution to our economy speak for themselves. I urge rejection of this amendment.

Mr. MORRIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is with some reluctance that I take the floor to discuss the omnibus farm bill which is presently under consideration. To start with, I would like to read the title of the present bill, H.R. 9811: "To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes."

I would also like to read the title of the 1961 omnibus farm bill which is now Public Law 87-128: "An act to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefore, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interests of consumers and for other purposes."

Now, I would like to read the title of the Food and Agriculture Act of 1962, which is now Public Law 87-703: "An act to improve and protect farm income, to reduce cost of farm products to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes."

The title of H.R. 6196, which is now Public Law 88-297 reads as follows: "To encourage increased consumption of cotton, to maintain the income of cotton producers, to provide a special research program designed to lower costs of production, and for other purposes."

I think you can readily see the great similarity between the objectives of the past and this pending legislation. Let us take a look at the results. It is becoming increasingly evident that our present commodity programs are not increasing farm income. They are not preventing the accumulation of surpluses. They are not holding down the production of wheat, cotton, and feed grains. They are not keeping consumer food prices in line.

The Bureau of Labor Statistics Retail Food Price Index shows the cost of living at 106.6 for January of 1965 and 110.1 for June, an increase of almost 4 percent in 6 months.

The parity ratio today stands at about 78 percent, near the lowest in years. Farm prices in 1964 were 15 percent lower than in the postwar period. Farm debt is twice what it was 10 years ago. Last year, American farmers earned on the average about $1.05 an hour—less than the minimum wage, and far less than the $2.61 average now prevailing for industrial workers.

I realize that farmers are not benefiting from the increase in retail food prices. But is it valid to continue with the same programs under which this disparity between farm and retail prices has come about? Are we so wedded to price supports and acreage controls that we cannot—or will not—face the facts that they are not working?

H.R. 9811, among other things, is designed to reduce Government costs. In this respect, its goal is no different from other farm bills. I have no desire to question the sincerity of anyone whose desire it is to bring about these objectives but I think that the evidence points to the fact that these purposes, laudable as they are, just have not been accomplished.

Specifically, I wish to discuss three phases of the farm bill—feed grains, title III, the wheat section, title V and, last but not least, the cotton section, title IV.

The Feed Grains Act which would be extended 4 years by this legislation, has reduced the carryover from approximately 87 million tons to 57 million tons since mid-1961 although there is some difference of opinion as to whether or not all the reduction can be attributed directly to legislation. But let us assume that it is. What did it cost to reduce this carryover? According to the best figures that I can find, the cost of reduction varies from $3 to $6 per bushel corn equivalent depending upon how you arrive at the cost. Regardless of which figure per bushel you adopt, either $3 or $6, it is an extremely expensive price; almost three times the value per bushel of the feed grain itself. Did it actually reduce the feed grain crop this year? Not according to the USDA Crop Production Report of August 10, 1965, from which I quote:

> Corn production is forecast at 4.1 billion bushels, 15 percent more than in 1964 and 7 percent more than the 1959–63 average. A record high yield per acre of 71.5 bushels is estimated—4.0 bushels above the previous record high in 1963.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORRIS. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

Mr. COOLEY. Mr. Chairman, reserving the right to object, we are on the wool section of this bill, which is a simple section, which was considered by the subcommittee and accepted by them and unanimously reported to the full committee. There has not been any controversy about it except for one amendment offered by the gentleman from Illinois [Mr. FINDLEY] which is now pending. I would like to vote on it. I am not going to object to the gentleman's unanimous consent request for the extension of his time but I would like the House to know that we will be here until midnight if everybody keeps on talking.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. MORRIS. I thank the gentleman for not objecting.

Let us look at the wheat program which many of us supported and which we hoped would reduce the surplus, production and cost. According to the USDA's Crop Production Report of August 10, 1965, of all wheat produced is estimated at 1.4 billion bushels, up 7 percent from last year and 16 percent above average. The certificate plan of 1964 was designed to do all the things that the new proposal is designed to do. But did it work? Did it hold down the production of this year's wheat program? According to the USDA, it did not. In all fairness to the program, I think, to some extent, it did raise the income of the wheat farmer at the expense of the Treasury.

Let us now look at the cotton program which I have come to the conclusion is the worst of all the programs that we are proposing. It seems to move from one costly failure to another. Last year's cotton program cost the American people approximately $860 million. When we passed the program we were confident that consumers would save $500 million approximately in price reduction for textiles. The prediction never even began to be fulfilled. The net effect of last year's program was that $483 million was paid to the cotton textile mills, $377 million went for loans to producers, export subsidy for loans under Public Law 480 shipments and for domestic allotment payments for acreage diversion. The average value of cotton fabric taken from the Cotton Situation Report shows that in 1963 the average index was 60.00, in 1964 the average index was 61.29, and in 1965 the average index was 64.65, an increase apparently of the average cost of cotton fabrics instead of a decrease.

The production this year is apparently still going to be within a whisper of the 15 million bales which we produced last year. Now we have before us a new program and a combination extension of the old program. On the one hand it is designed to reduce cotton acreage by cash payments to farmers to reduce allotments from 15 to 35 percent. On the other hand if the grower chooses to ignore payments, it will allow him to grow all he wants without penalties and without subsidies. The Department of Agriculture estimates that expanded acreage might be as high as one half million acres which in some areas would produce over 1 million extra payments of extra cotton.

If the direct payment plan was objectionable when Secretary Brannan in all good faith proposed it, is it not still undesirable? Is it not just as undesirable for a farmer to raise cotton for sale to the Treasury instead of the marketplace today as it was when this was proposed by Secretary Brannan? Some people objected to the farm program of low price supports as proposed by former Secretary of Agriculture, Mr. Benson, but it seems to me that we have perhaps picked out the objectionable features of the programs of Secretary Benson and Secretary Brannan and thrown them into the cotton section—that is, the low price supports proposed by Mr. Benson and the direct payments proposed by Mr. Brannan.

I would like to conclude this discussion by emphasizing again how difficult it is to secure correct information or, to put it another way, to decide the accuracy of the information available regarding the farm program. I have the fortune or misfortune, depending upon your viewpoint, of an added complication by reason of my membership on the Subcommittee on Agriculture of the House Appropriations Committee. Presently we are in conference with the Senate, and it is not my intention to divulge privileged information or prejudice any of the conferees. I only wish to call attention to the members of this committee to page 38 of Senate Report No. 423 which accompanies the House Appropriations bill for the Department of Agriculture. The Senate committee recommends on this page $3,226,800,000; the House recommended $2,300 million, a difference of approximately $927 million. Also I would like to read one paragraph from the Senate report on page 38:

> The committee recommends an approprition of $3,226,800,000 to fully reimburse the Commodity Credit Corporation for the net realized losses incurred in fiscal 1964 in the conduct of regular price support, export, supply, and related farm program costs. The amount recommended covers the full realized loss for fiscal 1964 and is $926,800,000 over the House bill and the budget estimate, and $552,800,000 over the 1965 appropriations.

So you see, there is oftentimes a difference of opinion as to what the cost of these farm programs actually is, even among the members of the committee who are working most diligently. Our colleagues in the other body feel that the farm program has cost almost a billion dollars more than the House recommended. I think the Congress should think and study a longer time before they commit our Government to a 4-year program which raises so many unanswered questions.

In the President's farm message of January 4, he expressed the intention of reorganizing the National Agricultural Advisory Commission to conduct a fundamental examination of the entire agricultural policy of the United States. We have spent more than a generation in time and billions and billions of dollars on programs to increase farm income, and all these programs have succeeded only in removing a large percentage of farmers from the land and driving farm income ever lower and lower. Rather than commit ourselves to a 4-year stretch on commodity programs which are so full of faults as those we are considering in H.R. 9811, good sense dictates that we seriously consider such a study. We have tried all of the variations on the present theme; they have been costly, and they have not given us answers. The American people have been patient with our efforts, but their patience is being sorely tried. I hope the bill will not pass.

Mr. COOLEY. Mr. Chairman, I would like to make inquiry as to how many would like to speak on the wool section. We only have one amendment pending on the wool section. I would like very much to have a vote on that and I ask unanimous consent that all debate on the pending amendment to the wool section and all amendments thereto close now.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The amendment was rejected.

Mr. POOL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my distinguished colleague from Dallas [Mr. CABELL] is in the hospital and he asked that I ask certain questions of the gentleman from Wisconsin [Mr. STALBAUM], if the gentleman would be so kind as to try to answer them.

I shall pose the questions to the gentleman as follows:

The distribution area served by individual dairy plants and the distances from which milk supplies for individual plants have been regularly obtained has increased very rapidly and extensively in the past few years.

This increased freedom for milk to move between and among markets has contributed a great deal to the efficiency of the dairy industry, benefiting both producer and consumer.

Therefore, Mr. Chairman, I would like to inquire of the gentleman from Wisconsin as to whether this bill would in any manner limit the right of milk to freely move between markets.

Mr. STALBAUM. Mr. Chairman, if the gentleman will yield, and answering the question of the gentleman from Texas, the section or title I of the bill which relates to dairying would in no way restrict the movement of milk between various areas.

Mr. POOL. Further, is it the intent of the committee that the famous Andresen amendment as reported in section 6085 (g) is not changed or its application limited by this bill?

Mr. STALBAUM. If the gentleman will yield further, in answer to that particular question, I am not completely familiar with the Andresen amendment which was passed long before my time. But I understand it was designed to preclude any restriction on the movement of milk in any area and based upon my interpretation of it this would be correct.

Mr. POOL. The answer to that question would be "Yes"?

Mr. STALBAUM. In other words, it would be in line with the Andresen amendment.

Mr. POOL. The present section provides certain guidelines which the Secretary of Agriculture must consider in establishing the price which handlers must pay producers for the milk purchased. Although there are several guidelines, the pricing standard is dominated by the supply and demand criteria. In addition to other considerations he must fix such prices that will insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

Since this bill has as one of its express purposes to reduce the surplus marketings of milk, I would like to ask the distinguished gentleman if it is intended that the higher class prices would be justified under the supply-demand part of the pricing guidelines following a reduction of marketings of surplus in those markets adopting the provisions authorized by this bill.

Mr. STALBAUM. If the gentleman will yield further, actually today most of the markets have surpluses far, far in excess of even starting to come under the supply and demand adjustment criterion that the gentleman mentioned. I would, however, state that it is my own personal opinion—and bear in mind title I of the bill does not in any way get into that part of the order and I want to make this clear for the RECORD—it does not affect that at all; it would be my own belief and desire that if you reduce the surplus it should not increase the price of class I milk. In presenting the class I plan I strongly emphasized that it should not increase the price to consumers.

Mr. POOL. Since the answer is no, does not the gentleman think it would be proper for the Secretary, in determining the supply-demand balance, to consider all supplies potentially available to the market, and not just those being marketed in the market at the time?

Mr. STALBAUM. I say again that is not part of the class I base plan, but it is a problem we are finding in the Midwest now, where certain markets are extremely short of milk, and other areas are long on milk. I do not think under the present Agricultural Act or under the orders as now set up they can go to other markets. This is being reviewed in Chicago at a hearing to be started in September. I would be hopeful there would be testimony presented to permit the Secretary of Agriculture to look at the supply of milk on other markets.

Mr. POOL. On behalf of the gentleman from Texas, I thank the gentleman from Wisconsin for his answers.

Mr. PELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I sought recognition to try to get some information. I was just handed a telegram which I want to read into the RECORD and then ask for comment by one of the members of the committee. This telegram reads as follows:

> MY DEAR CONGRESSMAN: The King County Labor Council urges you to withhold support of H.R. 9811 agriculture bill which would grant farmers subsidies of over $6 billion. We urge you to demand clarification of the Agricultural Department's attitude toward the rights of the American merchant marine to participate in shipment of farm products. Your support and consideration of this position is urgently requested.

This telegram is signed, C. W. Ramage, executive secretary, King County Labor Council of Washington, AFL–CIO.

Mr. Chairman, I would like to ask one of the members of the committee what exactly is the attitude of the Department of Agriculture with regard to the use of American-flag ships, and the American merchant marine in carrying grain under Public Law 480?

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from New York.

Mr. RESNICK. I do not think that is a question that can be answered by any member of the committee. That is up to the administration. We are deliberating here on a bill. What happens subsequently, we cannot determine, and that has nothing to do with this bill.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from California.

Mr. HAGEN of California. I would like to read into the RECORD a letter I received from the Secretary of Agriculture, as follows:

> There is nothing in H.R. 9811, the farm bill, which in any way would adversely affect the interests of the American merchant mamine. On the contrary, because this legislation does away with export subsidies on major crops such as cotton and wheat, world trade in these commodities will be increased and it would certainly be our hope that through this increase in world trade, benefits would accrue to American shipping.
>
> I want you to know that I have always been a supporter of a strong American merchant marine. The Department and I have worked very closely with the President's Maritime Advisory Committee in an effort to develop a sound national maritime policy. I am officially represented on Under Secretary Boyd's interagency task force, which is also working closely with the Advisory Committee toward this common objective. The Department complies with and will continue to comply with the Cargo Preference Act.
>
> In our efforts with the Maritime Advisory Committee, the Boyd task force, and in relation to cargo preference, my desires have been to protect the interests of our merchant marine as well as the interests of the farmer.
>
> H.R. 9811, in addition to strengthening world trade, will continue the successes we have made in agriculture—reducing surpluses, keeping a stable supply of food for our consumers, reducing Government expenditures, and strengthening farm income.
>
> I am sure you share with me the belief that these are vital to our Nation.

Mr. PELLY. Mr. Chairman, I want to express my appreciation to the gentleman from California for reading that letter. The gentleman is a member of the Committee on Merchant Marine and Fisheries. He knows we have passed legislation which was presumed to provide that at least 50 percent of all American cargos should go on American-flag ships. I only hope that under this program and under all other programs we can utilize our American-flag service.

Mr. HAGEN of California. I thank the gentleman and I hope the Secretary of Agriculture cooperates fully in that regard.

Mr. GILBERT. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from New York.

Mr. GILBERT. I thank the gentleman from Washington. May I say I was very interested in the communication that has just been read by my colleague, the gentleman from California. But the platitudes and statements in the letter are one thing while action is another thing. At the present time the Secretary of Agriculture is not complying with the cargo preference program to such an extent that up until recently they only used 22 percent of American-flag ships under Public Law 480. After protest this was increased to 38 percent. I still would persist with my colleague, the gentleman from Washington, in inquiring of the chairman of the Committee on Agriculture if he has discussed this question with the Secretary of Agriculture because at the present time the Secretary of Agriculture is not complying with the cargo preference law.

Mr. PELLY. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOLEY. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. MURPHY] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, I would like to point out to the chairman of the full committee a communication I received this morning from the Secretary of Agriculture in response to the questions I asked on the floor yesterday. Under unanimous consent I include this letter.

I certainly appreciate the response of the Secretary. However, I want to make it clear as I support this legislation that the intent of Congress in establishing the 50–50 ratio on Public Law 480 cargoes was that the 50 percent would be a minimum of the freight to be carried by American bottoms.

Last year American ships only participated in 38 percent of these cargoes, which seems to me to be an indicator that certain people in the Department feel that the 50 percent for the American ships is a ceiling and not a floor.

I will be asking the chairman of the full committee to cooperate later this year in a survey of the actual practices involving our cargo preference.

The letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 17, 1965.
Hon. JOHN M. MURPHY,
House of Representatives

DEAR CONGRESSMAN: There is nothing in H.R. 9811, the farm bill, which in any way would adversely affect the interests of the American merchant marine. On the contrary, because this legislation does away with export subsidies on major crops such as cotton and wheat, world trade in these commodities will be increased and it would certainly be our hope that through this increase in world trade benefits would accrue to American shipping.

I want you to know that I have always been a supporter of a strong American merchant marine. The Department and I have worked very closely with the President's Maritime Advisory Committee in an effort to develop a sound national maritime policy. I am officially represented on Under Secretary Boyd's interagency task force, which is also working closely with the Advisory Committee toward this common objective. The Department complies with and will continue to comply with the Cargo Preference Act.

In our efforts with the Maritime Advisory Committee, the Boyd task force, and in relation to cargo preference, my desires have been to protect the interests of our merchant marine as well as the interests of the farmer.

H.R. 9811, in addition to strengthening world trade, will continue the successes we have made in agriculture—reducing surpluses, keeping a stable supply of food for our consumers, reducing Government expenditures, and strengthening farm income.

I am sure you share with me the belief that these are vital to our Nation.

Sincerely yours,
ORVILLE FREEMAN.

Mr. FOLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. SWEENEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SWEENEY. Mr. Chairman, as the debate draws to a close on the 1965 omnibus farm bill, H.R. 9811, I wish to draw the attention of the House to the fact that many constituents from Ohio have written to me asking that my support of this legislation be withheld until such time as there can be secured a commitment that the Secretary of Agriculture would intend to comply with the explicit provisions of the Cargo Preference Act, as well as the foreign policy of the United States, and patronize American-flag shippers on Agriculture Department shipments abroad.

It should be noted that in April of 1962, President Kennedy issued a directive regarding the Cargo Preference Act which stated that, "section 910(b) requires that at least 50 percent of Government-generated cargoes move on U.S.-flag vessels. This requirement is a minimum and it shall be the objective of each agency to ship a maximum amount of such cargoes on U.S.-flag vessels."

Mr. Chairman, I am disturbed to note that there has been a repeated reference to the fact that the Department of Agriculture has consistently flouted the law in this regard. I believe that the Department of Agriculture should and must make an explicit commitment to toe the line with regard to patronizing American-flag maritime vessels. I would hope that such a requirement can be explicitly written into this farm bill.

In view of the interest of my constituents in this subject, I wrote to Secretary Freeman, and I am happy to attach hereto his response to me which indicates in clear and concise terms that he intends to have the Department of Agriculture comply with the Cargo Preference Act.

There are many who are interested in the welfare of the U.S. maritime fleet and who feel that this Government's policy has been altogether too inattentive to the needs of this industry. It will, indeed, be interesting to evaluate the Department's performance on the occasion of the next farm bill consideration by this House and to judge whether or not the Department walks as it talks, and would make a conscientious attempt to patronize American shippers.

I enclose a copy of Secretary Freeman's letter to me on this subject on August 18, 1965:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 18, 1965.
Hon. ROBERT E. SWEENEY,
House of Representatives

DEAR BOB: There is nothing in H.R. 9811, the farm bill, which in any way would adversely affect the interests of the American merchant marine. On the contrary, because this legislation does away with export subsidies on major crops such as cotton and wheat, world trade in these commodities will be increased and it would certainly be our hope that through this increase in world trade, benefits would accrue to American shipping.

I want you to know that I have always been a supporter of a strong American merchant marine. The Department and I have worked very closely with the President's Maritime Advisory Committee in an effort to develop a sound national maritime policy. I am officially represented on Under Secretary Boyd's interagency task force, which is also working closely with the Advisory Committee toward this common objective. The Department complies with and will continue to comply with the Cargo Preference Act.

In our efforts with the Maritime Advisory Committee, the Boyd task force, and in relation to cargo preference, my desires have been to protect the interests of our merchant marine as well as the interests of the farmer.

H.R. 9811, in addition to strengthening world trade, will continue the successes we have made in agriculture—reducing surpluses, keeping a stable supply of food for our consumers, reducing Government expenditures, and strengthening farm income.

I am sure you share with me the belief that these are vital to our Nation.

Sincerely yours,
ORVILLE.

Mr. POAGE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I just want to state that this bill in nowise changes the law one way or the other with regard to the preference given to American shipping. I think I can say for the committee that the committee has no disposition through the bill to make any change in any respect. There are a great many diverse opinions of Members scattered around here as to what should be in the law, but we are not changing or offering to change nor trying to change one thing relating to shipping.

This is another case where some people would like to have a change in conditions—and I am not blaming anybody—they come here and find the train rolling and they want to hook their caboose on to it and they want to ride along with a group that is going to an entirely different destination. This bill has nothing to do with the problem in which they are interested. This is one of those unfortunate things which sometimes confronts us. We try to avoid this sort of thing by the rules of the House. Under the rules of the House we say that an amendment is not germane. But under those same rules of the House, the gentleman can rise and inject a question without offering any amendment. I have no criticism of that because that is the way we proceed. But, as I was saying, any Member may rise and inject a question that has not the slightest relation to the subject matter now before us. This matter which the gentleman has brought up has absolutely no relation to the subject matter now before us.

The Department of Agriculture has pointed out that regardless of what anybody's position may be in the Department, they are carrying out the law so far as they can. Their very latest report, and I got it this afternoon, is that some 52 percent of the Public Law 480 shipments were moving under the American flag. Now that does not look like they were ignoring the provision. It looks to me as if they are carrying it out.

Whether it is a good provision or a bad provision—whether it is something we ought to change or whether we should not change it, this is no place to change it, and it does not add to or detract from the merits or demerits of this bill. It certainly should not be a matter on which we try to make a decision while we are discussing a bill that does not relate to that subject matter. I hope the membership will keep their mind on the fact that we have before us a vitally important agricultural bill. Let us try to consider that and to consider this carefully and to give consideration only to the matter before us—I think that will give you all the work you need this afternoon.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to make it very clear that intricate maneuvering by the backers of this farm bill will not coerce or fool me into supporting what I believe to be an essentially bad piece of legislation.

It is not necessary to be an expert on farm affairs to detect the massive backing and filling that sponsors of the bill have been executing to attempt to grab a few votes here, a few votes there.

My own observation is that, if the bill is that bad, we should forget the whole thing.

I am keenly interested in two facets of this many-sided bill—wheat and cotton.

Wheat interests me because it is a staple of life, and what we do here affecting wheat inevitably must be felt by consumers.

Last year, I voted against the bill that wrote into law a regressive tax of 75 cents a bushel on wheat. This raised the price of bread, cake, macaroni, flour—and all other wheat products—to all consumers. That action of the Congress cost consumers of this country $375 million.

Originally, in the bill before us today, the sponsors would have soaked the consumers even more by raising the bread tax to $1.25 a bushel. That would cost consumers $625 million.

I was against that.

Now they have changed the bill so that the added bread tax would be taken from the Federal Treasury. I am against that, too. How does one separate consumers from taxpayers, and vice versa?

Can I be for a three-fifths bread tax—75 cents—and for a two-fifths—50 cents—general tax on bread and other wheat products? I do not think so. I think both are wrong, especially in view of the well-known fact that farmers of this country have said in referendum they do not want a wheat certificate plan.

Now, as to cotton. Some textile mill owners in my own district have asked for my support of this legislation because of the cotton provisions. At one time last year—when cotton was handled in a separate bill—I voted to help the cotton textile industry.

But, then, the sponsors of this legislation wrapped all of their ideas in what they thought was one, neat package—wheat, cotton, feed grains, and so forth.

When that happened, I voted against the proposal.

I will do so again today.

I believe that our American textile mills are at a disadvantage in relationship to foreign textile mills, but I suggest strongly that the remedy is not to vote a double subsidy—a subsidy to make up for a subsidy. This year, the subsidy is being paid directly to the mills; under the terms of the bill now before us, the subsidy would be paid to producers so that the mills could buy the cotton as cheaply as they are this year.

I think the remedy for this inequality to mills lies within the administrative province of the Secretary of Agriculture. It was he who created this bad situation in 1961 by raising the cotton support level so as to make necessary a still larger expert subsidy.

Now, let him lower that support level.

As a result of our actions here last year, the entire cotton industry is in a mess—cotton surpluses are nearly at a record high, cotton exports are miserably low, cotton production is up, prices for cotton goods are up.

Why, I ask, have we spent one and a half billion dollars in 1 year? Have we spent this to create this mess?

Let us try to get these programs back into a commonsense area. I will not suggest that we stop playing politics with this farm program, because I know that there is politics in all of life. But, I would like to suggest that we not play politics at this great expense to our consumers and/or taxpayers.

Can we not find a way of producing for the market instead of Government storehouses? We seem to be able to do it in most other farm commodities.

I am not antifarmer. I am proconsumer. And, I maintain that by being proconsumer I really am profarmer because I believe that the good farmers of this country really want to be allowed to produce for consumers, not for Government checks.

One further point. I have favored a great part of the administration's legislative program this year. I have believed it to be in the interests of the people of this country.

But, I disagree strongly with this legislation, and I will not be stampeded into what I see as a false position.

Mr. FRIEDEL. Mr. Chairman, I move to strike the requisite number of words. I shall be brief. I expect to use not more than 2 minutes.

I disagree with the remarks of the gentleman from Texas, that we are not concerned in this bill with problems with respect to shipping in American bottoms. I believe it is very much our business to make the record quite clear that we want at least 50 percent, if not more, of the farm products we ship overseas to be shipped in American bottoms, to help keep our merchant marine strong.

I also received the letter read by the gentleman from California [Mr. Hagen] with reference to the remarks of the gentleman from Washington [Mr. Pelly]. It was addressed to me, signed by Orville Freeman, Secretary of Agriculture. But I have received complaints from the American merchant marine that American-flag ships are not being used to ship even half of our farm products as required by Public Law 480.

In this connection I should like to refer to one paragraph in the letter I received from Secretary Orville Freeman. It says:

> I want you to know that I have always been a supporter of a strong American merchant marine.

And later in the same paragraph he says:

> The Department complies with and will continue to comply with the Cargo Preference Act.

But the information I have indicates that they are not complying.

We hope to make the record clear that the Department of Agriculture must comply with the law and ship a minimum of 50 percent of its products in American ships.

The Department of Agriculture's own figures show that in 1964 the value of agriculture products shipped abroad under Public Law 480 was approximately $1.6 billion, but less than 50 percent under titles 1 and 4 were transported in American ships. I have heard one estimate that the cost of this bill will be $6 billion in subsidies paid for farm products. I think we should make it unmistakably clear that the major portion of any of these products exported shall move in American vessels. They should not be shipped in foreign-flag vessels in competition with our own merchant marine.

Mr. BURTON of California. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BURTON of California. Mr. Chairman, I join with the distinguished gentleman from Maryland [Mr. Friedel]. I, too, am concerned with the plight of our maritime industry.

Morris Weisberger, head of the SUP in our area, has been in contact with our office and has pointed out the declining position of the maritime industry and the responsibility of all agencies of Government, including the Department of Agriculture, to implement policies that strengthen—not weaken—the maritime industry.

In this connection, I should like to pose a question to the chairman of the Agriculture Committee [Mr. Cooley]. Will the distinguished chairman use his good offices as chairman of the powerful Committee on Agriculture to encourage the Department of Agriculture to adopt policies that will assure a fair share of the overseas shipments will be carried in American-bottom ships.

Mr. COOLEY. Yes; I will.

Mr. ROGERS of Florida. Mr. Chairman, the House consideration of the 1965 farm bill involves a price tag of some $4 billion.

Most of this money goes to maintain farm prices in the United States and to this Nation to sell surplus food overseas. Yet the unfortunate fact is that while the Department of Agriculture appears to be helping the American farmer its more recent policies are further undermining the American shipping industry.

The Department of Agriculture ships massive quantities of foodstuffs abroad, but approximately half of these shipments go aboard foreign-flag ships. While the Merchant Marine Act sets forth the requirement that at least 50 percent of such shipments be moved by American ships, the law also would accommodate the Department of Agriculture shipping greater percentages of its cargoes in American ships.

But this has not been the case. The 50-percent minimum requirement has been scarcely maintained. Furthermore, instead of adopting policies which would strengthen the shipping industry operating under the American flag, the Department of Agriculture seems to become dedicated toward policies of further decline in American maritime strength.

At the present, American ships carry less than 10 percent of the total cargo moving through U.S. ports. So pathetic is this Nation's shipping strength that we must resort to antiquated vessels long relegated to mothballs in order to conduct the sealift to Vietnam. Thus far, it has been necessary for the Government to reactivate 22 vessels at a cost of nearly $9 million. Yet the recent utterances of high officials in the Agriculture Department seem to signal a new attack on the 50-percent cargo reserves for U.S. ships. We hear, for example, such shocking statements as the requirement that American ships carry at least 50 percent Government cargo hampers Agriculture Department's efforts to sell U.S. wheat to Russia.

Mr. Chairman, in the absence of more constructive policies toward the shipping industry in this Nation, the least this Government can do is be the first to uphold a campaign to "ship American." The 50-percent minimum cargo shipments are wholly inadequate help to the U.S. shipping industry, but right now they mean the difference between life and death in an industry which has slipped more than 25 percent in 15 years' time—this despite the more than $380 million spent each year in subsidies from the Government.

The preference given American ships by this law may one day also mean life and death in terms of our national security. Not only is a strong shipping industry necessary for economic security but vital in time of national emergency. A strong merchant fleet is important to every port from Maine to Florida, the Gulf and Pacific coasts, and the Great Lakes region. The economic welfare of these ports is tied to American shipping, but the national security importance of American shipping is the concern of virtually every American, whether he lives on a farm, in a port city, or manufacturing area.

I urge that the importance of preserving the American shipping fleet be continually before the Department of Agriculture, that the U.S. Government not merely comply with the minimum requirements of the law, but become the leader in "shipping American."

The sake of this Nation may ultimately depend on it.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have heard a lot about a so-called bread tax. This is just another smokescreen put up by those who have unrelentingly fought against any and all farm programs over the past years.

The phrase "bread tax" is in itself one of the phoniest ever brought forth in America. The problem is that it is a catchy phrase and is being used deliberately by farm program wreckers with disastrous results.

I would like to show you a copy of the type of propaganda certain groups are using in city areas. You have seen propaganda such as this sheet passed out in all our metropolitan centers purporting to tell the facts about the "bread tax" bill—facts that in actuality are far from the truth. This undoubtedly is an indication of the powerful interest groups that are determined at all costs to keep the price of wheat down to a depression level.

This paper reads as follows:

THE FACTS ABOUT THE BREAD TAX BILL

A 25-percent increase in the price of wheat: Congress is considering a tax on wheat (H.R. 9811) which would increase the cost of domestic wheat from $2 to $2.50.

What will it mean? Every loaf of bread would cost more. Also, higher prices for flour, crackers, cookies, cereals, spaghetti, and other wheat food products.

Who will be the hardest hit? Lower income groups and large families for whom bread is an important part of the diet. Congress has just taken taxes off jewelry and fur coats. A bread tax will hit those who can least afford it.

What can you do? Write your Congressman. Tell him your views of H.R. 9811. Write to the Honorable DAN ROSTENKOWSKI, District 8, House Office Building, Washington, D.C.

(This message is from labor and industry united as a Wheat Users Committee to fight this regressive tax.)

This sheet was picked up by a former North Dakotan living now in Chicago. Because of his knowledge of and love for the farm, and his understanding of the economic problems facing American farmers, he sent it on to me and said, "Look, is there any truth in this?" And frankly, there is very little truth in it.

The fact of the matter is that while consumers as a whole have nearly twice as much income today as they had in 1947 they pay only 76 percent more for bread than they did in 1947. This in itself might indicate that the price of bread has not increased in proportion to the price of other consumer products.

But there is more to the story. The fact of the matter is that, while consumer income has doubled since 1947 and bread prices have gone up 76 percent, what the farmer gets for the wheat in a loaf of bread has gone down 10 percent, making an intolerable situation for the farmer and for agricultural areas. All the increase in price to the consumer plus the loss to the farmers has been consumed by the farm-retail price spread. This is what is afflicting agriculture today.

In effect, through accepting subparity income, the farmers have been subsidizing the consumers of America while consumer income has been increasing. This perhaps has resulted in a slightly lower cost for the market basket of food for the average city dweller but at a tremendous economic sacrifice for the farm families of America. Beyond that, shortchanging the farmers of America ultimately shortchanges the consumers of America.

Forcing farmers off the land only adds to unemployment problems in the cities. Those who earlier this year advocated moving 2½ million more farmers off the land would not only completely disrupt the rural communities and agricultural States but shortsightedly fail to realize that they would complicate many times over the problems of the cities of America. These farmers would move into cities and take over jobs now held by less skilled, less adaptable city workers, adding inevitably to the cost of Government and to the economic and social problems of the city.

The administration's announced sellout to those who have screamed "bread tax" is the greatest injustice done the American farmer in a long time.

Farmers should realize that this switch to paying for farm products out of the Federal Treasury rather than seeking an equitable price for them in the marketplace could well mean the beginning of the end of the farm program. Many of the people crying "bread tax" are those who have the destruction of farm programs as their ultimate objectives.

It is interesting, too, to see that those who were loud in their declarations of what they would do to support a sensible farm bill—provided farm Congressmen would vote their way on key issues affecting labor—were at the forefront of those attacking fair farm prices as "bread tax."

One of the principal reasons wheat farmers have difficulty getting a fair price is that half of our wheat must be sold for export, and these same people have succeeded in requiring that any wheat we might sell behind the Iron Curtain where there is a potentially huge market be carried 50 percent in American bottoms, thus increasing the cost of American wheat by about 25 cents a bushel and effectively killing our chances of sales.

It looks again as if those who went along with the pretty promises ended up trading horses for rabbits.

A grave danger to the future of farm programs is that by having our farmers' income depend more directly on Government payments rather than on pricing in the marketplace, our problems with the Budget Bureau will increase tremendously. You can bet your last nickel that at budget-considering time the experts will take a look to see "where do we cut." They will see the increase of some hundreds of millions of dollars, and the ax might fall—if not on the certificate payments, certainly again on such things as the Soil Conservation Service, REA funds, Extension Service, and experiment station funds, all of which sustained heavy attacks this spring.

It is time we stop treating our farmers as economic stepchildren and start being proud of the great contribution they are making to our Nation's future. Let us make sure in this House today that, while the administration has seemingly yielded on the "bread tax" issue, we see to it that the resale price for wheat is raised so that the Secretary of Agriculture will not retain the ruthless and complete control of pricing of wheat that he now has, and that the farmers thus will be able to find a better price for their wheat in the marketplace.

And perhaps even more important than that, since we are enacting a 4-year program, this time let us dedicate ourselves during the 4 years ahead to work out ways of using our abundance of food as a positive weapon for peace in our world.

Our farm policy can move in only two directions: First, toward that of increased restrictions and cutbacks; or, second, toward more production by using this food as the strong right arm of our foreign policy.

Two facts are also inescapable: First, that in a world where daily thousands of people are dying of starvation, more food is needed; and, second, that the United States and our system of government and our outstanding farmers are unique in the world in their ability to produce this food.

I have testified many times before the Committee on Agriculture on the importance of using our food abroad. I have been told by those with little imagination that we have "shoved our surpluses down every rathole we could find." The Secretary of State, in testifying before our Subcommittee on Foreign Operations, told of the problems involved in unloading shipments of our wheat in India because of a lack of port facilities. Certainly any nation that can plan to land an individual on the moon can discover a way of getting food to a hungry individual on this planet.

Nutrition experts tell us that to bring the nutritional level of all people on this side of the Iron Curtain to that minimum necessary for existence would take a doubling of our wheat production. We are spending better than $50 billion a year for armaments. We need friends in the world today, as our position in Vietnam certainly indicates.

If it took a billion bushels of wheat to, in a large measure, alleviate the hunger of the world, our Government could purchase and deliver this for less than 4 percent of what we are spending on armaments each year. When looking for friends in the world today, a full belly speaks louder than anything else in convincing individuals that the American system does work, and that Americans do care.

I have no pat and ready answer as to how we can immediately remedy this situation. Unfortunately, no one else has, either. But let us quit listening to the "can't" artists who, with little imagination and less drive, have stunted our agricultural policy for years. It is time we recognize the need of the world and put a maximum effort into using this God-given gift of abundance. It may well be what could turn the tide of world events during the next decade.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III—FEED GRAINS

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

"(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided,* That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. In addition to price support provided under subsections (a) and (b) of this section, which shall be made available through loans and purchases, for any feed grain included in the acreage diversion program, a payment-in-kind may be made available to producers in such amount or amounts as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains, and to take into account the extent of participation by the producer. Such payments-in-kind shall be made on such part of the acreage of such feed grain planted on the farm for harvest as the Secretary determines desirable to effectuate the purposes of the program: *Provided,* That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price support program. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of feed grains planted for harvest for purposes of such payments. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on a fair and equitable basis. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. Notwithstanding any other provision of law, payments-in-kind under this subsection (e) and subsection (d) of this section may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the programs formulated under such subsections and section 16 of the Soil Conservation and Domestic Allotment Act, as amended."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(i) Notwithstanding any other provision of law—

"(1) For the 1966 through 1969 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, not in excess of 50 per centum of the estimated basic county support rate, including the lowest rate of payment-in-kind in effect. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term 'feed grains' means corn, grain sorghums, and, if designated by the Secretary, barley, and if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 318 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: *Provided*, That acreages of corn, grain sorghums, and, if designated by the Secretary, barley, shall not be planted in lieu of acreages of oats and rye: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insets, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (i) (1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 percentum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection, barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(e) of the Agricultural Act of 1949, who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

"(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(i).

"(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price made available through loans and purchases, plus reasonable carrying charges.

"(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

Sec. 303. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the language beginning with "the requirements" and ending with "Agricultural Act of 1961, and" and substituting therefor "the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or".

Mr. COOLEY (interrupting the reading of the title). Mr. Chairman, I ask unanimous consent that this title be considered as having been read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 8, line 23, strike out "acrage" and insert "acreage".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment. This amendment was written so as to come in two places in title III, and since this title has been considered as having been read, I ask unanimous consent that both amendments, the one on page 7 and the one on page 13, be read at this time.

The CHAIRMAN. Does the gentleman ask that the amendments be considered en bloc?

Mr. QUIE. That is right.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Quie: Page 7, line 9, after the word "Secretary" insert the words "during the current marketing year".

Page 7, line 15, change the period to a colon and insert the following: "*Provided*, That notwithstanding any other provision of law, any such certificates not redeemed during such current marketing year and any certificates issued but not redeemed during any previous marketing years shall not be redeemed for feed grains by the Secretary at less than the price provided in section 407 of the Agricultural Act of 1949, as amended."

Page 13, line 13, after the word "feed grains" insert the words "during the current marketing year".

Page 13, line 23, change the period to a colon and insert the following: "*Provided*, That notwithstanding any other provision of law, any such certificates not redeemed during such current marketing year and any certificates issued but not redeemed during any previous marketing years shall not be redeemed for feed grains by the Secretary at less than the price provided in Section 407 of the Agricultural Act of 1949, as amended."

Mr. QUIE. Mr. Chairman, the reason why the same language was repeated twice is so that it applies to the payments in kind which reflect both the production payments and the diversion payments.

Let me explain what my amendment will do first by developing what the law provides and what has happened with the payments in kind for feed grains.

Under section 407 of the law it provides that surplus feed grains shall not be sold back onto the market for less than 105 percent of support plus carrying charges. When we passed this feed grain law, the one which is presently the law, we provided that feed grains reflected the payment in kind, and the payment in kind is made to the farmer who then may permit the Secretary to be his merchandising agent. Most of them do that, and in that way the farmer gets the cash and the grain is left in the hands of the Secretary to merchandise. The resale formula for these payment-in-kind surpluses has been 100 percent of support plus the carrying charges.

The Secretary has not merchandised all of the payment-in-kind feed grains in each marketing year. Therefore, they have been accumulating. There is more than 1½ billion bushels of feed grains which have accumulated which have not been merchandised and which continue to be made available and be put on the market at 100 percent of support rather than at 105 percent.

My amendment would provide that the 100 percent of support for payment in kind for feed grains would remain for that marketing year. However, if the Secretary has chosen not to merchandise PIK feed grains in each marketing year, then they shall shift over to the resale formula of section 407 with the remainder of the surpluses from whence they came. So he cannot accumulate a tremendous amount and have it hanging as a cloud over the market if my amendment is adopted.

I have tried before to increase the resale formula for feed grains to 115 percent, in the committee. The gentleman from Illinois tried to increase the formula for payment-in-kind feed grains to 105 percent. We failed to do either. This is my last resort to give some help to the feed grains areas in order that at least they may protect themselves from the accumulation of payment in kind feed grains. For that reason, I think it ought to be acceptable to both sides. It is not going to limit the use of payment-in-kind feed grains within that marketing year so far as the Secretary is concerned, to utilize as he sees fit.

Mr. FINDLAY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. FINDLEY. I thank the gentleman. I believe this amendment is vitally important to the feed grains farmer. Perhaps this fact will help to underscore the importance of it. The supply of unprocessed certificates now on Secretary Freeman's desk exceeds the total holdings of feed grains by the Government. This means that he has complete freedom to dump these feed grains at the 100-percent support level. It is not bound to the 105-percent release level for any of the stock that is now in Government storage.

Mr. QUIE. I thank the gentleman for that observation. I might point out that the 105 percent has not been in controversy here. In the cotton bill we have provided that the resale formula shall be 110 percent of support in the event that more is sold from CCC than is reflected in that year by reduced production. Therefore, I believe that this is a wise and satisfactory amendment and at least gives some recognition to the market needs in feed grains, and will say to the farmer that only the PIK grains of that year can be used against them.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. RESNICK. Will the gentleman tell us what this will do to feed grain prices in the feed grains deficit areas such as the Northeast and the Far West?

Mr. QUIE. It should not have anything to do with that, because to date the Secretary has had a sufficient amount of PIK feed grains to use each year to set the price where he wants. In fact he has had more than he could use. All my amendment would do is prevent him from having this accumulation that he can conceivably use in the market at some later date. It will have no effect on the price of feed grains in the feed grains deficit areas.

Mr. RESNICK. Mr. Chairman, if the gentleman will yield further, as I understand it, this would increase the feed grains cost in the Northeast.

Mr. QUIE. The gentleman does not understand it correctly. The gentleman knows that if we increase the PIK certificates to 105 percent of support, then grains would cost a slight bit more in the Northeast. However, it only prohibits the Secretary from accumulating vast amounts of PIK feed grains, and the gentleman well knows he is just raising a red herring, because no one who takes the time to understand my amendment is going to be frightened by the gentleman. I say categorically it will not raise the feed grains price in any deficit area and if the gentleman says so, it is untrue and he knows it.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and on this title and all amendments thereto close in 10 minutes.

The CHAIRMAN. Will the gentleman from North Carolina restate his request?

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate close on title III in 10 minutes, on the pending amendment and on title III.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. FINDLEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all debate on all amendments to title III close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. FINDLEY. Mr. Chairman, reserving the right to object, I would like to point out that we consumed over 2 hours before we got into the really controversial features of this bill. There is still the cotton title, there is still the wheat title, and now we are on the feed grains title, which has been a very controversial item in most parts of the country. I feel it would be a shame if we limited the consideration of amendments to such a brief span of time.

I would ask the gentleman from North Carolina if he would not agree to a limit of at least 30 minutes?

Mr. COOLEY. If the gentleman will yield, we only have one amendment and that is the amendment which has been offered by the gentleman from Minnesota [Mr. Quie].

Mr. FINDLEY. I have two amendments which I propose to offer, and the gentleman should have a copy of them.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that all debate on this amendment and all amendments on this title close in 20 minutes.

Is there objection to the request of the gentleman from North Carolina?

Mr. FINDLEY. I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments on this title close in 20 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from North Carolina.

Mr. FINDLEY. Mr. Chairman, on that I demand a division.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments to the pending title close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Are there any Members who wish to speak on the pending amendment?

Mr. RESNICK. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. Resnick].

Mr. RESNICK. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, the gentleman from Minnesota said that I was confused, but I do not believe that I am confused on this particular amendment. Stated very simply, it will raise feed prices in the Nation and it will raise feed prices wherever there is a feed deficit. It is as simple as that.

Mr. Chairman, we have heard a lot of moaning and groaning around here about the bread tax. If this amendment is passed, this will not only be a bread tax but it will be a milk tax, it will be an egg tax, it will be a tax on anything that consumes feed grains.

Again, Mr. Chairman, speaking for the farmers that I represent in the northeastern part of this United States, I certainly hope that this amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Nelsen].

Mr. THOMSON of Wisconsin. Mr. Chairman, I ask unanimous consent that my time be given to Mr. Nelsen.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. NELSEN. Mr. Chairman, I believe it is important that the Quie amendment be adopted. It is a very reasonable amendment; it is a very moderate amendment. It is not asking for unreasonable attention as far as the Midwest grain section of our country is concerned.

There has been some dispute about the wisdom of an amendment of this kind, but let me take as an authority for my conclusion none other than Mr. Thatcher, of the Grain Terminal Association of the Farmers Union of Minnesota.

I have here his statement, in which he points out the fact that when the original charter of the Commodity Credit Corporation was drawn the 105-percent figure was considered satisfactory; the support price at that time was 90 percent of parity. Today the support level is lower, therefore the 105 is not adequate. He states in this article that 115 percent of parity would therefore be a necessary level. This amendment does not go that far. It only goes in a reasonable degree toward a desirable higher level. So I would suggest that the Quie amendment is a necessary one, and a step in the right direction.

I include as part of my remarks the following statement:

WE ARE STRONG ADVOCATES OF GOOD FARM PROGRAMS

We have asked Congress to establish the minimum price for Commodity Credit Corporation grain sales at 115 percent of loan value instead of the present 105 percent.

That is a very reasonable request. Many of our Senators and Representatives support it. There is a good chance that Congress will approve our request.

To avoid any possible misunderstandings, and to negate some deceptive statements that are being made regarding our request, I would like to explain why we made it in the first place.

Back in 1949 Congress gave USDA's Commodity Credit Corporation a permanent charter. We had something to do with that, too, and we consider it a significant accomplishment. This permanent charter took the place of the temporary, year-to-year existence CCC had been living since 1933.

One of the limits put into this charter was that, except for such things as spoilage, grain held by CCC could not be sold in the domestic market for less than 105 percent of the loan, plus reasonable carrying charges. CCC could sell for more than 105 percent at any time if it wanted to, but it couldn't sell for less.

At that time—1949—this 105-percent minimum was adequate. You will remember that Congress had set the support price for basic commodities—wheat and corn—at not less than 90 percent of parity as then computed.

CCC could not sell at less than 105 percent of those support prices. That 5-percent margin was put in there to give leeway for markets to function. It allowed prices to rise enough over the loan to meet the costs of marketing. Farmers could redeem their loans each year, if market prices permitted.

In other words, that 5-percent leeway was designed to allow marketing through normal channels instead of turning the crops over to the Government. It gave farmers some opportunity to get a little more than the loan and use normal competitive channels to market their own grain.

But now, what has happened? The figures tell the story dramatically. If wheat were supported at 90 percent of old parity, today, the loan would be about $2.70 a bushel. Five percent of that is about 14 cents. That would be the margin between loan value and the price at which CCC could sell its stocks. It would be a respectable, workable margin.

Instead, today the support price has been cut in half. It is only $1.25 a bushel for wheat. Five percent of that is only a little more than 6 cents a bushel. That is a narrow, unrealistic margin. When CCC now sells at 105 percent of $1.25 a bushel, it establishes an effective ceiling price on wheat.

With that example, you can see why GTA and many others, including almost all of the farm organizations and commodity groups, have requested Congress to raise the CCC resale price to at least 115 percent of loan value.

I am sure you will agree that CCC sales have kept a lid, a ceiling price, on the market. This has forced a great deal of wheat into Government hands unnecessarily. The incomes of farmers have suffered, normal markets have been bypassed, CCC costs have been run up, and the intent of Congress in the CCC charter, granted back in 1949, has been defeated.

Today CCC may handle 5 bushels of grain, where it need handle only 1 to accomplish the purposes of farm legislation.

These are simple facts before Congress. Any effort to distort these facts or impugn GTA's record is pure and outright deception. I do not understand why anyone would want to do that.

The record of your general manager in championing the grain farmer, and every other farmer, is clear from the McNary-Haugen days of the 1920's. We pioneered protein premiums in 1927–28. We helped establish the first crop loans under the Federal Farm Board in 1930. We helped write the first and second AAA programs under which today's crop loans are made. We were among the first to ask Congress for wheat income certificates in the years before World War II. These certificates now are the law of the land.

Good farm programs, and good administration of them, have no stronger advocate than your general manager. We'll match our record with anybody's, and we'll continue to work for a more just and effective margin between loan value and the price at which CCC can sell its stocks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The question was taken; and on a division (demanded by Mr. QUIE) there were—ayes 35, noes 76.

So the amendment was rejected.

The CHAIRMAN. The chair recognizes the gentleman from Illinois [Mr. FINDLEY].

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 7, line 9, after the words "not less than" insert the words "105 per centum of".

Page 13, line 21, after the words "not less than" insert the words "105 per centum of".

Mr. FINDLEY. Mr. Chairman, the effect of the amendment would be to strengthen the market price for feed grain farmers—simply that.

On the basis of testimony given by the Department of Agriculture officials, this amendment would probably strengthen feed grain prices about 7 cents a bushel. So I very frankly tell you the purpose of this amendment is to strengthen the marketplace for feed grains, and I think it is about time we did that.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to this amendment for two or three reasons. To start with, it would wreck the feed grains program that we have before us for extension because it would cause an accumulation of stocks, rather than reducing surpluses that were accumulated in 1959 and 1960. This is favored by some of those who are in the storage industry—but it would not be in the interest of others. It would help to accumulate stocks as we did from the 1959 and 1960 crops. If we have a demand for 4 billion bushels of corn and produce 3.7 billion bushels as we did last year, we should take 300 million bushels out of the storage bins and put it on the market in order to keep the consumption up. If we raise the price 15 cents or 20 cents under this amendment, it will put our corn above the world market price. This would either increase the export subsidies—and we have not had any recently on corn—or it would reduce our export sales. The higher prices would also reduce the consumption in this country. The overall effect might be to end up with a consumption of 3.7 billion bushels and not be ahead where we were the year before. In fact, worse than that, it might be that we would end up consuming and exporting 3.5 billion bushels instead of 4 billion bushels that we wanted to. This would then bring the program under attack and thereby satisfy both those who oppose the feed grains program and those primarily interested in storing grain at Government expense.

So, Mr. Chairman, this amendment would cause grain to pile up in storage like it did back in 1959 and 1960 and it will wreck the program. We have reduced those stocks by 30 million tons, but are still trying to work off some more. It is not good in the long run for the farmers and it is not good for the taxpayers at any time. I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY), there were—ayes 28, noes 78.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 5, line 5, strike out "1969" and insert "1967", and page 8, line 11, strike "1969" and insert "1967".

Mr. FINDLEY. Mr. Chairman, this amendment would reduce the period of authority for the feed grains program from 4 years to 2 years. This year taxpayers are spending over $1.5 billion to rent over 36 million acres of cropland and despite this staggering outlay of tax dollars, we are getting the biggest feed grain crop in all history. So it seems to me, it would be an act of wisdom to limit the extension of this ineffective and costly program to 2 years, instead of 4 years.

Mr. ARENDS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Chairman, I heartily support the amendment of the gentleman from Illinois [Mr. FINDLEY], "after the words 'Not less than' insert the words '105 per centum of'." For too long the Secretary of Agriculture has used his power to manipulate the price of feed grains as he pleased. He has in fact controlled the market price.

The sale of Government cornstocks to keep a lid on market prices—which is part and parcel of the feed grain program—is destructive of the whole market system.

The amendment to raise the minimum rate on resale of CCC stocks of feed grain is absolutely essential to protect the market price of feed grain farmers from the dumping by the Federal Government of their CCC stocks.

CCC sales were a dominant factor in the market in the 1961 and 1962 marketing years. These large CCC corn sales helped cause an increase in livestock production and feeding and this in turn caused the breakdown in livestock prices in 1963–64, which was disastrous to our livestock people. Such corn sales were drastically curtailed last year, probably as a result of low livestock prices although it is not unusual for the CCC to restrict its sales in an election year. The dramatic increase in livestock prices this year is at least in part a reflection of reduced CCC feed grain sales during the 1964 election year. But, Government sales are again on the increase. Sales from the beginning of October 1964 through July 31 of this year were over three times as high as in the same period a year ago. We are headed for trouble again unless we restrict these sales—especially with the alltime high corn crop predicted in the August USDA crop report.

To illustrate what I mean, I give you the following record of CCC sales from the USDA Grain Market News:

CCC sales of corn for domestic use

	Bushels
Oct. 1, 1961, to Sept. 30, 1962	806,239,000
Oct. 1, 1962, to Sept. 30, 1963	647,552,000
Oct. 1, 1963, to Sept. 30, 1964 [1]	117,125,000
Oct. 1, 1964, to July 30, 1965 (10 months)	342,218,000

[1] Election year.

Mr. Chairman, I trust the House will adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 52, noes 66.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 9, line 8, after the words "kind in effect." strike the period and insert the following: ": *Provided*, That in no event shall the Secretary make total diversion and price support payments to any producer under this section 16(i) and under section 105(e) of the Agricultural Act of 1949, as amended, which exceed 20 per centum of the fair market value of the acreage diverted by such producer pursuant to the provisions of this section 16(i)."

Mr. MICHEL. Mr. Chairman and members of the Committee, 2 years ago I offered a similar amendment, which was adopted. Obviously, since you folks on the other side of the aisle were in control then, it had to have bipartisan support.

I read from page 17 of the committee report:

> The limitation that land diversion and price-support payments could not exceed 20 percent of the fair market value of the land would be removed.

That language is in the current act. I am proposing to keep it as we currently have it, because the arguments are just as good today as they were 2 years ago. If we are going to make direct payments, and one thing and another, why in heaven's name should they exceed one-fifth of the fair market value of the land? There is no good reason to exceed that amount. Why give a person the opportunity to buy a farm, practically, with 5 years of payments under this program?

There must be a reason for wanting to take that out. Some place, somebody is going to be making a bundle, because under this program they are going to break that 20-percent barrier.

While I serve on the Appropriations Committee and we can write limitations on appropriation bills, I would much prefer to make the approach here, in the legislative enactment of the bill, and to have it written into the law, so that we do not have to take the circuitous route of a limitation on an appropriation bill.

I hope Members will give this the same bipartisan support we had 2 years ago and reinstate that provision.

Further, Mr. Chairman and Members of the Committee, payments to farmers under the current farm program and extended in this bill, are supposedly earned on the basis of size of farm and participation. This is especially true for the commodity program payments.

Presently, farms with feed grain bases of 25 acres or less, representing 56 percent of all feed grain farms, receive only about 14 percent of the total feed grain payments.

On the other hand farms with feed grain bases of 50 acres or more, representing only 25 percent of the total feed grain farms, earn 72 percent of the total feed grain payments.

Mr. Chairman, as I pointed out in my earlier remarks, the per-farm rate of payment for participating farms with bases under 25 acres averages out to $310, while for those having bases of 50 to 100 acres averages out to $1,118; for 100- to 200-acre bases, the average is $2,000; for 201- to 300-acre bases, it is $3,306; for 300- to 500-acre bases it is $4,880; and for 501 acres and over, it is $10,190.

Now, these are average payments under the current program, and all projections show that these figures will be greater under provisions of this bill.

The large increase in the projected total payments in 1966 and beyond will result in large part from the change in the cotton program, in which payments will be shifted from textile mills to cottongrowers, and the rate of payment per bale will increase sharply. Also, there will be an increase in direct payments under the proposed new wheat program.

The purpose of my amendment, is to impose a reasonable limitation upon the aggregate of these payments. As I said, the size of the farm controls the size of the payment. The larger the farm, the greater the total payment. The more successful and the relatively highest income producers, receive the highest payment. It is not only true for the feed grains producer, as I pointed out, but for the wheat and cotton producer as well.

The largest farms, those with value of cash sales of over $20,000 per farm and representing about 15 percent of all farms, would receive slightly over 62 percent of the total direct payments; those with sales of $10,000 to $20,000 and repsenting about 18 percent of all farms would receive about 22 percent of the direct payments; those with sales of $5,000 to $10,000, representing 15 percent of all farms would receive only about 10 percent of the payments; and those with cash sales of less than $5,000 and representing 52 percent of all farms would receive only a little over 6 percent of the payments.

The celebrated million successful farmers selling $10,000 and over of farm products, representing only about 33 percent of all farms, would receive about 84 percent of the total Government direct payments under H.R. 9811 in 1966. This illustrates again how the well-to-do get the dollars and the poor folks get the pennies. There is very little in this proposed new farm plan for the so-called lower half of the income scale which have been designated as in—or bordering on—the poverty class. I urge the adoption of my amendment to keep these payments within reasonable bounds.

Mr. POAGE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is a very attractive looking amendment and basically it might be all right, but the gentleman certainly has written it in a most unfortunate manner. He provides that the total diversion and price support payments to any producer, the total he gets both for retired land and all of his price supports, no matter what part of his farm is retired, the total cannot exceed 20 percent of the value not of the farm, but of the diverted acres only.

I think the gentleman overlooks the fact that in past programs his limitations have applied only to diversion payments. He had a limitation on the amount that could be paid for diverting land. What he is now doing, however, is to put a limitation not only on the diversion payment but a limitation on all of the price support payments as well and he puts a total limitation for the whole farm of not to exceed 20 percent of the value of the diverted acres. Your price support might be on 100 or 200 acres and there might not be 10 diverted acres, but if your total price support plus diversion payments come to 20 percent of the value of the diverted acres, you would be cut off from any further payment.

This limitation is simply not applicable to the new form and type of bill we have. We have a new departure here under which we are making payments both for diversion and price support in one combination. Although I think I supported the gentleman's proposal in years past, when it referred solely to diverted acres, which is not applicable here, he is simply digging up an old horse and trying to have us ride to a new destination. I hope you will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes 43, noes 79.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY of Indiana. Mr. Chairman, I am opposed to H.R. 9811 and my statements are based on my own experience as a practical farmer. I own a farm, the family farm, near New Castle, Ind., and am intensely interested in the future welfare of my chosen occupation.

It is obvious to even the casual observer that the strategy of the majority party is to dispose of the farm program for the duration of this term of the Johnson administration. By extending the program for a majority of farm commodities of our Nation for 4 years—especially in its present form—we are committing ourselves to an expensive and ineffective policy. This policy could become so deeply imbedded in our economic system as to defy eventual eradication.

For years the Democratic Party campaigned for high price supports accompanied by rigid controls. During the past 20 years we have seen this scheme repudiated by the sheer laws of economics as well as the farmers themselves. In this present device they have, however, accomplished their real goal of rewarding their friends and persecuting their enemies. How have they done this? By simply setting a low support price and subsidizing those who go along with the plan Secretary Freeman was able, by manipulating the sale of CCC products, to keep the free market price below even the support price. Thus the noncomplier was forced into a very low income bracket—or in other words he was being punished for his belief in the free enterprise system.

This omnibus bill, H.R. 9811, besides being a very expensive burden upon our already overloaded budget has even more unfortunate implications. For those farmers who are forced to eventually participate in the program, in order to survive, are finding a substantial and necessary share of their income coming from the Federal Government. As this dependence will become greater, soon the ability of the farmer "to be his own man" will give way to the onerous distinction of being a ward of the Government.

It is for this primary reason, Mr. Speaker, that I oppose H.R. 9811. I regret to see the farmer being forced down the road—not of his choosing—to the status of a serf. It would seem the cycle of history from the embattled farmer at Lexington until now is virtually complete.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. OLSON].

Mr. OLSON of Minnesota. Mr. Chairman, this is a very complicated piece of legislation. There is much argument being presented here today which is not very valid or pertinent to the discussion of the legislation before us. We have witnessed in this session for 7½ months now erroneous interpretations presented when major legislation was debated.

We have not taken these erroneous interpretations that are presented on the floor to cut up any complicated piece of legislation and I hope that we are not doing that or that we will not do that today.

I would like to point out that when this program is assessed, we should do so fairly. We talk about the shipment of grain and we talk about situations not germane to this particular bill. But in a way they are somewhat in the same area. We would not have any Public Law 480 grain to ship if it were not for the farm production that we have. That Public Law 480 grain has helped immeasurably, and many Members of the House know it, and I would like to remind them of it, when they assess the cost of this program to Agriculture, because I say that this surely should not be assessed as a cost against Agriculture, as should not the food stamp program, the school lunch program, or the meat inspection program.

There are many things in this budget that should be given consideration by our colleagues but they should not, in haste, fail to interpret amendments that are offered fully. I do not like to see the whole farm bill assessed on the basis of a per bushel cost. We are here today debating a farm bill to aid the farmers, not to determine the cost in units over the years.

That grain did not spoil. I would like to remind my colleagues that it did go to feed hungry people in India and probably saved that nation from communism. I do not think we should forget these valid arguments in what we are doing here today.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. STALBAUM].

Mr. STALBAUM. Mr. Chairman, I rise in support of the feed grain section of the bill. I should like to point out that the gentleman from Illinois [Mr. FINDLEY] has consistently made the point that we have taken 36 million acres out of production. I would only ask, What would have been the situation had those 36 million acres not been taken out of production and had been producing feed grain crops? Instead of a reduction in Government stocks from 85 million tons to 55 million tons, we would have seen a growth of 30 million tons. I think the feed grains program has helped the income of the farmers in this particular commodity or group of commodities. I believe it is well that we are considering fundamentally extending the act as it has been, for another 4 years.

The CHAIRMAN. The Clerk will read.

The CLERK. Page 14, line 13:

TITLE IV—COTTON

SEC. 401. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 348 of the Act is amended by adding the following new sentence at the end thereof: "The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to the 1966 crop cotton."

(2) Subsection (m)(2) of section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the period at the end of the second sentence thereof to a colon and adding the following: "*Provided*, That for the 1966, 1967, 1968, and 1969 crops of upland cotton, no such released acreage shall be surrendered to the State committee."

(3) Section 346 of the Act is amended by adding at the end thereof a new subsection as follows:

"(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968, and 1969 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by planting in excess of the farm acreage allotment established under section 344 or planting cotton on a farm for which no allotment was established for such crop, all cotton of such crop produced on the farm may be marketed free of any penalty under this section. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishnig future State, county, and farm acreage allotments."

(4) Section 350 of the Act is amended, effective with the 1966 crop, to read as follows:

"SEC. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966, 1967, 1968, and 1969 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield: *Provided,* That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced."

SEC. 402. Section 103 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection at the end thereof:

"(d)(1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

"(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans at such level, not exceeding 90 per centum of the estimated average world market price for Middling one-inch upland cotton at average location in the United States for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: *Provided,* That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

"(3) The Secretary also shall provide price support through payments in cash or in kind to cooperators who participate in a cotton acreage reduction program to the extent prescribed by the Secretary as provided in this subsection: *Provided,* That the total of the national average loan rate for any crop under paragraph (2) and the rate at which payments are made under this paragraph shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton. Such payments shall be made on the quantity of cotton determined by multiplying the acreage planted to cotton within the farm domestic acreage allotment by the projected farm yield: *Provided,* That any such farm planting not less than 90 per centum of such allotment shall be deemed to have planted the entire amount of such allotment.

"(4) The Secretary shall provide price support payments in addition to the payments authorized in paragraph (3) to cooperators, other than cooperators on farms receiving reapportioned acreage under section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, who divert from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided,* That such diversion shall not exceed 35 per centum of the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended. Such payments shall be made on the quantity of cotton determined by multiplying the acreage planted to cotton within the farm domestic acreage allotment by the projected farm yield.

"(5) The combined rates of the payments under paragraphs (3) and (4) for the 1966 crop shall be as follows:

"(A) For farms on which the acreage planted to cotton does not exceed the farm domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

"(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

"(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

"The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance.

"(6) Where the farm operator elects to participate in the acreage reduction program authorized in this subsection and no acreage is planted to cotton on the farm, price support payments shall be made at a rate equal to 50 per centum of the national average loan rate established under paragraph (2) on the quantity of cotton determined by multiplying 15 per centum of the farm acreage allotment by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended. The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments and farm bases.

"(7) Additional price support provided under this subsection by payments-in-kind shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem under regulations issued by the Secretary for cotton valued at not less than the loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

"(8) Payments under this subsection with respect to any farm shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments under this subsection and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided,* That the Secretary may permit all or any part of such reduced acreage to be devoted to the production of guar, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(9) the acreage regarded as planted to cotton on any farm which qualifies for payment under this subsection except under paragraph (6) shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m) (2) thereof.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis in price support under this subsection.

"(11) Notwithstanding any other provision of this section, the amount of price support payments made with respect to any farm may be adjusted for failure to comply fully with the terms and conditions of the program formulated pursuant to this subsection.

"(12) Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of combined price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

"(13) Section 408(b) of the Agricultural Act of 1949, as amended, is amended by changing the period at the end of the first sentence thereof to a colon and adding the following: '*Provided*, That for the 1966, 1967, 1968, and 1969 crops of upland cotton a cooperator shall be a producer on whose farm the acreage planted to cotton does not exceed 85 per centum of such farm acreage allotment'.

"(14) This provision of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended, (relating to assignment of payments) shall also apply to payments under this subsection."

SEC. 403. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subparagraphs to paragraph (13) of subsection (b):

"(L) 'Projected National, State, and county yields' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively, during each of the five calendar years immediately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

"(M) 'Projected farm yield' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph."

SEC. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly."

SEC. 405. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which a cotton acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment (excluding that part of the allotment which the Secretary determines was apportioned to the farm from the national acreage reserve) to any other owner or operator of a farm for transfer to such farm; (2) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned by him.

"(b) Transfers under this section shall be subject to the following conditions: (i) no allotment shall be transferred to a farm in another State or to a person for use in another State; (ii) no farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the county from which transfer is being made have voted in a referendum within three years of the date of such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity; (iii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder; (iv) no sale of a farm allotment shall be permitted if any sale of cotton allotment to the same farm has been made within the three immediately preceding crop years; (v) the total cotton allotment for any farm to which allotment is transferred shall not exceed 150 per centum of the average size of the farm acreage allotments for cotton in the State or one hundred acres, whichever is greater, and no transfer of a farm allotment hereunder shall result in a total of allotments for all commodities for the farm which exceeds 75 per centum of the farm cropland; (vi) no cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm from which the allotment (or part of an allotment) is sold for a period of five years following such sale, nor shall any cotton in excess of the remaining acreage allotment on the farm be planted on any farm from which the allotment (or part of an allotment) is leased during the period of such lease, and the producer on such farm shall so agree as a condition precedent to the Secretary's approval of any such sale or lease; and (vii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section.

"(c) The transfer of an allotment shall have the effect of transferring also the acreage history, farm base, and marketing quota attributable to such allotment and if the transfer is made prior to the determination of the allotment for any year the transfer shall include the right of the owner or operator to have an allotment determined for the farm for such year: *Provided*, That in the case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred.

"(d) The land in the farm from which the entire cotton allotment and acreage history have been transferred shall not be eligible for a new farm cotton allotment during the five years following the year in which such transfer is made.

"(e) The transfer of a portion of a farm allotment which was established under minimum farm allotment provisions for cotton or which operates to bring the farm within the minimum farm allotment provision for cotton shall cause the minimum farm allotment or base to be reduced to an amount equal to the allotment remaining on the farm after such transfer.

"(f) The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield per acre and such other terms and conditions as he deems necessary.

"(g) If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

"(h) The Secretary shall by regulations authorize the exchange between farms in the same county, or between farms in adjoining counties within a State, of cotton acreage allotment for rice acreage allotment. Any such exchange shall be made on the basis of application filed with the county committee by the owners and operators of the farms, and the transfer of allotment between the farms shall include transfer of the related acreage history for the commodity. The exchange shall be acre for acre or on such other basis as the Secretary determines is fair and reasonable, taking into consideration the comparative productivity of the soil for the farms involved and other relevant factors. No farm from which the entire cotton or rice allotment has been transferred shall be eligible for an allotment of cotton or rice as a new farm within a period of five crop years after the date of such exchange.

"(i) The provisions of this section relating to cotton shall apply only to upland cotton."

Sec. 406. The Secretary may, to the extent he deems it desirable, provide by appropriate regulations for surrender of cotton allotment and acreage history applicable to acreage diverted from the production of cotton under the cropland adjustment program. No cotton in excess of the remaining acreage allotment on the farm shall be planted for the five succeeding crop years on any farm which all or part of the allotment has been surrendered. Any cotton allotment or acreage history surrendered pursuant to the foregoing authority shall be held in reserve in establishing future national, State, county, and farm cotton acreage allotments and bases. The Secretary is authorized to increase by not more than 25 per centum the rate or rates of annual payments to be made to producers under such program who surrender cotton acreage and allotment history pursuant to the authority of this section. In carrying out the provisions of this section, the Secretary may use Commodity Credit Corporation stocks and funds for effectuating payment to producers.

Mr. POAGE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the title be considered as read and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, is it the intention of the gentleman in control of the bill to cut off debate on this bill? I know that there are many people here who are anxious to get to a vote on this. I do not want to slow it up. But I do not want to have a situation such as we had with the antipoverty bill the last time. I point out that we have had less than 7 hours of debate on a very important bill. If the idea is to try to rush this thing through before 6 o'clock, I should like to say that I am going to try to get time to offer some amendments. We have got some amendments that are needed. Can the gentleman assure me that we will have a reasonable time?

Mr. POAGE. Mr. Chairman, I cannot assure the gentleman anything.

Let me suggest to the gentleman that what I asked was unanimous consent that he have an opportunity to offer his amendments now without taking the time to read the section. I know the gentleman is thoroughly familiar with this section.

Mr. JONES of Missouri. That is right, but I am going to offer my amendment after you have offered your amendment.

Mr. POAGE. The gentleman will have the opportunity to offer his amendment. I can assure the gentleman of that.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Chairman, reserving the right to object, the gentleman from Missouri [Mr. Jones] raises a very valid question.

In consideration of dispensing with the reading of this and other titles, does the gentleman intend to impose an unreasonable gag rule upon the debate from here on out until the disposition of this bill?

Mr. POAGE. If the gentleman will yield, of course the answer to that question from my standpoint will always be "No." The answer from the standpoint of someone else who wants to interpret what he means by "unreasonable" may be entirely different.

Mr. GROSS. What is the gentleman's interpretation of a "reasonable time" that should be spent upon an amendment?

Mr. POAGE. It depends upon the amendment entirely.

Mr. GROSS. Well, that is what I thought.

Mr. POAGE. I believe some amendments require more time for consideration than others.

Mr. GROSS. I am perfectly willing to see the titles of the bill considered as read and that time saved, but not then to be followed with the imposition of a gag procedure.

Mr. POAGE. I believe there is much less likelihood of imposing a gag rule if we save time than if we waste some time.

Mr. GROSS. Well, we shall see.

Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. DENT. Mr. Chairman, reserving the right to object, as I understand the unanimous-consent request the gentleman from Texas [Mr. Poage] asks that this title which I believe is title IV be considered as read.

Mr. POAGE. That is right.

Mr. DENT. And all other titles?

Mr. POAGE. No, only this title.

Mr. DENT. The gentleman from Iowa in his objection raised the probability that all titles were covered. If it is only this title, then I withdraw my reservation.

Mr. GROSS. No, I did not do any such thing.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 17 strike out "sentence" and insert "sentences".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, lines 24 and 25, strike out "Agricultural Adjustment Act of 1938, as amended," and insert "Act".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 15, line 10, strike out "forgo" and insert "forego".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, lines 18 and 19, strike out "to the extent prescribed by the Secretary" and insert "as provided in this subsection".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 24, line 19, following "Sec. 405." insert "The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 344 the following new section: "Sec. 344a."

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Quie to the committee amendment: Page 24, line 20, strike lines 20 through 25, and strike all of pages 25 through 29.

Mr. QUIE. Mr. Chairman, what this amendment will do if adopted is to strike out of the cotton section the provision for sale and lease of allotments.

These sections which I propose to strike permit a cotton farmer not only to sell his cotton allotment to a neighbor but to also permit him to sell his cotton allotment to the Government. My proposal is to strike both of these provisions.

Mr. Chairman, never before have cotton farmers been permitted to sell or lease allotments. There has been a release reapportionment provision, however, but not the sale of allotments.

Once a person buys the right to produce, he has a vested interest. He has put down the hard cash for the right to produce. If we get this cotton problem solved some day, if we do not need these allotments, then what he puts down in cash evaporates, and also the unsolved cotton problem continues to be of great value to him and the allpowerful would work to keep strict monetary controls. If this Congress permits the sale of cotton allotments it is just a foot in the door to the same thing for wheat. Those of you from the wheat area know how objectionable this would be if we permitted the sale of allotments. Then in the feed grain areas, what would happen there? In this provision which I want to remove from the bill, a person with the capital could buy up allotments and eventually deny others the right to produce. I think it is wrong to set up a program to buy and sell the right to produce. I propose that we strike the section. It will not hurt in any way the operation of the proposed cotton program and would result in slightly less production.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Does not the gentleman think it would be advantageous to the Government if they were permitted to pay for the retirement of these acres, though? It would enable the Government to compensate the person who does it, and vice versa, right at the same time it would reduce production, and also would cost less than maintaining production on those lands.

Would you agree to that?

Mr. QUIE. No. I think a provision in the cropland adjustment program for the Government to make a payment to the farmer for idling his cotton acres is sufficient to take care of the idling and keeping it out of production.

Mr. JONES of Missouri. He would not cut it out permanently.

Mr. QUIE. Yes. But he would hold it out of production from 5 to 10 years. And by that time one would hope there is some solution to the cotton problem.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. GROSS. In the absence of the gentleman's amendment would the language in the bill not have the effect of legalizing such operations as those carried on by Billie Sol Estes?

Mr. QUIE. It could be so construed.

Mr. GROSS. The gentleman's amendment deals with that?

Mr. QUIE. It does. It will prevent people with a huge amount of capital going out and buying the right to produce in fact garnering large acreages to themselves. If we believe in the family type of agriculture, and if what we have been saying all these years is true, we will vote to strike this section.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Arkansas.

Mr. GATHINGS. The gentleman will strike all of page 28, including subsection "h"?

Mr. QUIE. Yes.

Mr. GATHINGS. Which has to do with a cotton allotment, or rice allotment.

Mr. QUIE. Yes.

Mr. GATHINGS. You would not object to that?

Mr. QUIE. I do not have any objection to that.

Mr. GATHINGS. It is separate. It is under "h." It does not have a thing in the world to do with the Billie Sol Estes matter at all. It would provide flexibility on the farm. If a man is able to farm rice, and he has rice equipment, and he has a cotton allotment, and he wants to swap, and vice versa, if a cotton farmer wants to farm cotton and he has some rice, perhaps they should trade.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the authority to transfer allotments between individuals is of great importance. It has been considered in our committee for a matter of years. Finally we have taken action. The situation is that many cotton farmers have acreage allotments now so small they are uneconomical units. This will enable a small farmer to acquire additional acreage from his neighbors, and add it to his own acres.

Now to point out to the membership of the House what the cotton farmer has done through the years to bring production in line with consumer demand, I need only tell you that cotton acreage in this country has been reduced from 43 million acres to 16 million acres. Under this bill that acreage will be further reduced.

Now why is it immoral or evil or wrong to permit me to sell my cotton acreage allotment to my neighbor across the road if he wants to buy it? If I make up my mind I want to go out of the cotton business, all I have to do is negotiate with my neighbor and sell out and turn my allotment over to him and he can go ahead and grow cotton and support his family and stay on the farm. That is what this bill does.

This amendment is ill advised for the reason the gentleman from Arkansas [Mr. Gathings] pointed out. We do permit an exchange of allotments between small rice producers and other growers; is that not right?

Mr. GATHINGS. That is right.

Mr. COOLEY. And that is your amendment and it will be knocked out of this bill, if this amendment offered by the gentleman from Minnesota [Mr. Quie] is adopted.

We are mechanizing cotton operations in many parts of the country. We have not mechanized in North Carolina like you have in California where you have irrigation and complete mechanization. You do not chop cotton in California like we do in North Carolina. You do not pick cotton out in California like we pick it back in North Carolina and throughout most of the cotton belt so I do not see anything wrong in a man getting out of the business.

Further, Mr. Chairman, during this reduction of 43 million acres to 16 million acres, the cotton farmers have not been paid a dime for that reduction. But during all that time, we have paid producers of other commodities substantial sums of money to bring about the reduction. Now for the first time we propose to pay farmers to reduce their cotton acreage and give them the opportunity to get out of the cotton business by selling out to their neighbor and under certain circumstances to sell out to the Federal Government and get out of the business. I do not like that last provision myself, but I do like the provision permitting one farmer to sell to another farmer.

It seems to me, this amendment is very ill advised. This provision in the bill has been well considered and it has been accepted by a substantial majority of the members of our committee. I hope the amendment is defeated.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. POAGE. It has been suggested that this had a tendency to allow the concentration of cotton into large hands. Is not the truth just the reverse? As the chairman so well pointed out this enables the relatively small farmer to acquire an economic unit and under the amendment which I will offer in behalf of a great many of our Members as soon as I get recognition to do so. There will be a limit of 100 acres which would be all that a man can buy or lease as a result of the transfer provisions. So that the cotton will have to be used to help develop exactly the thing that the chairman is suggesting.

Mr. COOLEY. I appreciate the gentleman's suggestion. That is absolutely right. We do have this amendment coming up. I advised the House about it yesterday and said that the amendment would be offered.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. DENT. It seems that the question I was going to ask has been answered. In other words, you are limiting the transfer of acreage to one person to no more than 100 acres?

Mr. COOLEY. That is right.

Mr. DENT. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I hope the amendment will be rejected.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier in the debate this afternoon the distinguished chairman of the Committee on Agriculture made a statement which can be misinterpreted unless the full picture is presented. In paraphrasing the chairman's remarks I hope to be accurate—but if not, I would like the gentleman from North Carolina to correct me.

In effect, the gentleman from North Carolina said that under the regime of Secretary of Agriculture Ezra Taft Benson, the Department of Agriculture had spent more money in 8 years than the total spent by all of the Secretaries of Agriculture prior to that time.

At this point I will not argue with the accuracy of the statement made by the gentleman from North Carolina because I have not had an opportunity to verify them. I assume them to be true.

However to complete the picture and to make a valid comparison, I should like to take the beginning of the stewardship under Secretary of Agriculture Freeman up through fiscal year 1965 and fiscal year 1966 and compare them with the 8 years of the Benson regime.

According to the facts and figures in the records, under Secretary of Agriculture Benson, in fiscal years 1953 through 1960, 8 years, the total spent by Secretary Benson was approximately $38 billion, for an average of $4.7 billion per year.

I concede this is a great deal of money, but it is accurate to point out that in 6 of those 8 years there was a Democratic Congress, and Secretary of Agriculture Benson was forced to spend certain amounts of money regardless of how he might have felt individually.

The interesting comparison comes when we start with Mr. Freeman's assumption of office in January of 1961.

If we take fiscal year 1961 through fiscal year 1965, a 5-year period, we find that Mr. Freeman spent a total of $35.1 billion, approximately, or an average of $7 billion per year. That is under Mr. Freeman's expensive and costly stewardship.

If we start with fiscal year 1961 and carry on through fiscal year 1966, a 6-year period, we find that Mr. Freeman will have spent $41.5 billion, an average of $6.9 billion.

Let me recapitulate. Mr. Freeman in 6 years will have spent more than Secretary of Agriculture Benson spent in 8 years.

To put it another way, the average under Mr. Benson was $4.7 billion a year, and under Mr. Freeman it is either $7 billion a year for a 5-year period or will be $6.9 billion a year for a 6-year period.

In other words, Secretary of Agriculture Freeman has spent or will spend substantially more in the Department of Agriculture than any other Secretary of Agriculture in the history of the United States.

This leads me to one observation: Because of the reckless, irresponsible spending of the Department of Agriculture under Mr. Freeman I can only come to one conclusion, that Secretary of Agriculture Freeman is the most expensive commodity ever produced by the Department of Agriculture.

At this point I include certain material that will set the record straight.

Department of Agriculture

[In rounded billions]

	Appropriation	Actual expenditure
Fiscal year:		
1950	$1.504	$2.967
1951	1.376	[1] .650
1952	1.818	1.151
1953	1.510	3.217
1954	1.782	2.917
1955	2.026	4.637
1956	1.613	5.177
1957	3.587	5.006
1958	6.878	4.875
1959	5.894	7.091
1960	5.641	5.419
1961	5.510	5.929
1962	5.510	6.669
1963	7.418	7.735
1964	7.020	7.896
1965	[2] 7.580	[2] 6.850
1966	[2] 6.590	[2] 6.350

[1] Low figure caused by liquidation of inventory piled up during Korean war.

[2] Estimated.

Mr. BROCK. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I am glad to yield to the gentleman from Tennessee.

Mr. BROCK. Is it not true also that under the tenure of Secretary of Agriculture Freeman the parity or income the farmer has received has been considerably lower in the past 5 years than it was in the 8 years under the Eisenhower administration with Secretary Benson?

Mr. GERALD R. FORD. It is my understanding that the parity under Mr. Freeman today is approximately 74 percent.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Let us get the record in proper perspective.

Secretary Benson never spent a dollar this Congress did not authorize. Neither has Secretary Freeman.

We cannot afford to shift our responsibility to the Secretary of Agriculture. When we write these bills on the floor of the House, we force the Secretary of Agriculture to spend the money. Mr. Freeman could not have spent any less money than he has if he had wanted to, with this kind of Congress. Neither could Mr. Benson. Let us step right up and accept the responsibility which is ours.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

If I understand the gentleman from Michigan correctly, he admits the accuracy of my statement when I said that under Mr. Benson the Department of Agriculture spent more money in the 8 years he was in office than had been spent by all his predecessors during the history of the Department.

Mr. GERALD R. FORD. I conceded that the facts may be true, though I have not had an opportunity to verify them.

Mr. COOLEY. All right. I am not going to argue about costs incurred since Mr. Freeman took office.

I do want to observe that at the time Mr. Benson took office our investment in stocks was very, very small compared to the value of the stocks taken over by Mr. Freeman. During those 8 years that we are talking about the record will show we sustained our gigantic losses and accrued our gigantic surpluses. Since that time we have been trying to dispose of these surpluses and at the same time maintain farm income, which has increased about $1 billion a year during the years of this Democratic administration.

With that I want to end the political argument.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. BELCHER. Again I say that Mr. Benson did not spend one dollar, but every dollar of that money that was spent and every single bushel of those commodities that was accumulated was done under the leadership of the chairman of the Committee on Agriculture, with one 2-year exception, when the gentleman from Kansas was the chairman of the committee.

Mr. COOLEY. I would make just one further observation. You lose sight of the fact that Mr. Benson, perhaps prompted by political motives, refused or failed to bring about the necessary adjustments in production and permitted the inventories to go mountain high year after year.

Mr. BELCHER. I will admit that Mr. Benson year after year failed to get one single bill out of your committee that he advocated.

Mr. COOLEY. He never got one introduced either.

Mr. BELCHER. He never got one single bill that he advocated. You turned them down on every occasion.

Mr. FINDLEY. Mr. Chairman, I rise in support of the Quie amendment.

Mr. Chairman, this amendment would have the effect of keeping one of these farm programs referred to in the comments by the distinguished minority leader from becoming even more expensive than it is now. As the gentlemen on the committee and especially the chairman of the Committee on Agriculture know very well, a good many of these small cotton allotments are not now being planted. The effect of this provision authorizing the sale of cotton allotments from one farmer to another would, in effect, consolidate these small holdings of allotments and put them together in one package. They would then, of course, be planted and harvested under the very attractive subsidy provisions of the cotton program. We would have rising expenses in the program and have an even more difficult problem to wrestle with at the end of the 4-year period provided in this legislation. So I think that the Quie amendment very definitely is one which would help to improve this bill, and I hope it will be accepted.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the minority whip.

Mr. ARENDS. I would like to ask the chairman of the committee, Mr. COOLEY, a question. He mentioned political motivation. I want to say to the gentleman from North Carolina that we on our side of the aisle are novices in political motivation alongside you gentlemen of the majority party, including Mr. Freeman. I would like to know if it is possible if Mr. Freeman has his way, could the check to be delivered personally to farmers for participation in the program whether or not Mr. Freeman's representative could say to the farmer, "You may accept your check after promising to vote the way we want you to or you do not get the check." Can Mr. Freeman go that far? Some day, and I hope it is soon, our people are going to revolt against such brazen political practices.

Mr. COOLEY. Certainly the gentleman must be facetious. You know they cannot go that far.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hope I do not have to take 5 minutes, but I want to be clear on a few points that have me a little confused. In looking over the cotton section of this bill I find there is a statement made which does not quite jibe with the remarks I have heard on the floor. I would like to read what it says on page 29 and refer back to the preceding 14 points. It says that producers planting their domestic allotments would receive through marketing prices and payments a blended return of 36.65 cents per pound on their entire 1966 production.

Further up it says that we are going to the single-price system. Of course, the understanding of the single-price system is that we would put our textile mills in a position where they would be competing on a fair basis, as it were, with textile mills in foreign countries who receive our cotton at the world price. The world price, according to this particular section, is 21 cents a pound. However, this is not the price that the farmer will receive. The cotton mills wanted to divorce themselves from the program enacted last year, over my very protest, where this Congress paid a direct subsidy to the cotton mills. We are now paying it just the same, because what we are doing here is creating a single-price system. It has been the goal for many years of many of the dreamers that we could create in this agricultural subsidy program a single-price system. You cannot create a single-price system in any product which is dependent on the whims and the will-o'-the-wisps of foreign trade. The entire problem we have here today is backed right up to the impact on the American economy agriculturally and otherwise of our policies in world trade. If we are going to have a single-price system, that is one thing. The price has to be based on the cost of production. However, it is recognized from time immemorial that agriculture is one particular area of activity in any nation that has to be subsidized.

I do know this, that we are giving a subsidy in this bill to the cotton producer of 9 cents a pound out of the Treasury of the United States, paid by all of the taxpayers. I do not fight with this proposal because I believe that cotton as an agricultural product must be supported, if we are working on the basis of an economic equality with parity, for the farmer or the producer, or on the basis of an ever-full granary. There must be farm subsidy in any country that is going to exist—but if we are going to pay that subsidy, let us get away from the notion that we are not subsidizing the cotton mill in the bill. We are subsidizing the mill to the extent of 9 cents a pound.

However, how do we come—and I would like someone to answer this question—how do we come to the proposal that instead of 30 cents a pound for cotton, the producer who complies with the allotment section will receive 36.65 cents per pound for cotton, unless you are saying somewhere—and I cannot find it—that what you mean by compliance is that he will only grow cotton on the allocated acres and will not grow cotton in surplus to that amount that he is allocated? Am I right or wrong?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman.

Mr. POAGE. We are saying that and more. We are saying that he cannot grow but 65 percent of his allocated acres. And we are saying that that payment of 36 cents is made up as follows: First, the loan is 21 cents. Actually in the calculation the market price is presumed to be 22 cents. I know that the support is only 21 cents, but they figure that the market will yield 22 cents. The additional amount is made up of, first, the retirement payment for the retirement of his land and, second, the price adjustment payment. In the past, we have not required this cotton farmer to forego the use of his land.

The cotton farmers have retired nearly 30 million acres of land, but they were still able to use it. They were able to plant feed grains on it. The farmers did and they disrupted the feed grains program. Now under the terms of this bill they will not be able to use that land at all and therefore they receive the land retirement payment. That 36 cents that the gentleman is talking about includes what the farmer gets in the market, presumably 22 cents, and the 9-cent price adjustment payment, as well as the payment which he gets for his retirement of land.

Mr. DENT. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield briefly to the gentleman.

Mr. JONAS. I was interested in the gentleman's comment that even if this change goes into effect there would still be a subsidy to the mill. I do not agree with that and I will tell you why. You, by law, deny access to world markets, to the world cotton supply, to the American textile industry. You permit the importation of only 1 day's supply of cotton per year.

Now does the gentleman still contend that this is a subsidy to a mill when you permit them to buy domestically grown cotton at the same price at which their competitors buy it?

Mr. DENT. I agree with the gentleman that by having on one hand a lockout of imports and an expansion of so-called exports at a price to meet the world market competitive price, as against the domestic cost, your domestic mills are at a disadvantage. However, friend, what are you doing in the matter of wheat? There we have the opposite situation. You lock out wheat from an import base, but you charge the wheat miller in the United States a price at which he buys his wheat to pay the subsidy price to the farmer as well as the subsidy on exported wheat, completely different to what you do in cotton.

I am not fighting with your cotton program. I am trying to bring, if possible, into a very complex situation some measure of equitable thinking on the basis of what the agricultural production is.

Mr. JONAS. Mr. Chairman, will the gentleman yield further?

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. DENT. One at a time, gentlemen.

I yield to the gentleman from Minnesota.

Mr. QUIE. I would point out to my colleague from North Carolina that the problem he finds is the fact that domestic textile mills cannot buy foreign cotton. The domestic bakers and flour millers cannot buy flour and wheat either.

Mr. DENT. That is right.

Mr. QUIE. Last year only 2 million bushels out of better than 1 billion bushels were handled this way.

Mr. DENT. I appreciate that.

Mr. Chairman, in order to carry out the premise on which I am working, I would require much more time. It is too bad we have in this body limited debate. If we took more time in which to discuss these matters perhaps we could arrive at more intelligent solutions.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I congratulate my friend from Pennsylvania who makes an effort to be objective in all of these matters, but I would point out once again that the textile mills historically and forever more have bought cotton at world prices to the extent that they export goods. They have never advertised that fact but they have been paid that differential through the exporters historically and, so, they have never suffered in world trade in the finished goods.

Mr. DENT. If the gentleman will read the remarks I made on this floor when we were fighting exactly the opposite battle last year, when I was on the side of the angels. I am joined now by my opposition who have now become angels in the situation while I am becoming the devil's advocate. We find that is exactly what I pointed out, that the exporters do not pay for the subsidized price in the United States. They have always had an export subsidy allowing for the difference in their price as against foreign mills.

The real trouble is that imports produced in foreign cheap labor countries can and will undersell our mills even if we gave our mills cotton free.

Mr. OLSON of Minnesota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a few moments ago we heard a discussion of the farm program costs. A very important point was made by the chairman, citing the relative position of stocks, at the beginning of Secretary Benson and Secretary Freeman's tenure in office. I shall ask unanimous consent to insert an article in the RECORD at the proper time, which appeared in Newsweek magazine, August 23, 1965. The article is entitled "Agriculture: Answers to Hard Problems."

ANSWERS TO HARD PROBLEMS

For almost 20 years, the U.S. farm problem has been an insoluble fact of life and an indestructible cliché, evoking visions of bulging silos and echoes of turgid oratory. the cliché remains, but the problem—almost while nobody was looking—has become surprisingly manageable.

The silos no longer bulge. In fact, Government stocks of the two biggest problem crops, wheat and feed grains, have been falling for the past 4 years and may be approaching the minimum level needed for national security and the Food-for-Peace program. At 55 million tons by the end of 1965, the supply of feed grains (corn, sorghum, oats) will be only about 5 million tons above what Agriculture Secretary Orville Freeman thinks is needed; wheat surpluses, at 800 million bushels, will be only 100 million bushels over the minimum. And butter reserves, at 96 million pounds, have already dropped below the "requirement" level of 100 million pounds. "We may need even larger reserves in the future," Freeman warns. "Whether we like it or not, it is our responsibility to prevent world famine."

The dwindling surpluses are a massive argument for Freeman in his bid to pass the administration's farm bill, which is scheduled to go to the House floor this week. But passage is anything but a foregone conclusion. "The farm bill," said one of his top aids, "is always tough. Damn tough."

To Freeman, the new farm bill is designed to crown his drive to bring order to the Nation's chaotic farm problems. Already he has made significant shifts from earlier high-support programs. Freeman's approach includes:

Low price-support levels, to make U.S. products more competitive with those of other countries in world markets.

Additional payments to farmers, to make up for the low price supports on farm produce used in the United States.

Restricted acreage allotments, to trim farm surpluses.

Basically, Freeman aims to strengthen the farm program for a number of key U.S. crops. The biggest sticking point is wheat. The subsidy, which eventually goes to farmers, now is paid by domestic users. Freeman wants to increase that payment from 75 cents to $1.25 a bushel.

This is a highly charged emotional issue; as one congressional insider puts it, "Don't talk to me about the merits of the bill. This is straight survival politics." Wheat users have labeled the subsidy payment a "bread tax," insisting they will have to pass it on to the consumer.

The proposals for cotton are not as controversial, but even more complicated. Cotton surpluses are still rising, and the hope is to turn them around by boosting exports. The U.S. price would be cut to world-market levels, with farmers receiving a subsidy. At present, support levels are above world prices, and mills are paid to use U.S. cotton.

The biggest innovation is Freeman's scheme to take 40 million acres out of production permanently. He would make payments to farmers and assist them to convert the land to other uses.

The administration isn't sure how the fight will come out; by one informed count, the bill may be a full 60 votes short of passage. But Freeman himself professes confidence—and his long-range program is as utopian as ever. "We will have set agriculture's house in order by 1970," he said last week. "That will be the culmination of all our efforts." Whether he makes it or not, Freeman may already have left an enduring monument: the silos aren't bulging any more.

Mr. WILLIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WILLIS. Is an amendment pending?

The CHAIRMAN. There is an amendment to the committee amendment offered by the gentleman from Minnesota [Mr. QUIE].

Mr. JONAS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time to continue the colloquy or the discussion about subsidies, and I wish to make this one other point in addition to the ones I tried to make earlier in the debate.

If we are going to subsidize anyone in the textile manufacturing field, I think we ought to subsidize our own people instead of subsidizing their competitors abroad.

We not only have the lowest tariffs in the world, and efforts were made for years, without success, to get some tariff protection against low-cost imports of textile products from abroad. As I said earlier, to add insult to injury, we are now subsidizing foreign competitors through our export subsidy to the extent of about $30 a bale. Do you know what the subsidy was last year when we exported 4 million bales of cotton? $120 million. All of this shedding of tears and gnashing of teeth about subsidies to American mills, which I contend it is not a subsidy since all you do is to merely permit them to buy cotton at the same price their competitors can buy it, and not a single complaint about the $120 million a year subsidy to foreign mills.

Earlier in the debate one of my colleagues, who is my personal friend and for whom I have a high regard, made some very critical comments about a great textile organization of this country, which incidentally is not located in my district. It is in another district in North Carolina. It is the biggest textile concern in the world. The statement was made that because of this bill the stock of this corporation had gone up 1⅛ points yesterday. I do not keep up with stock market quotations and have no financial or business connection with Burlington Mills. The president of that mill was an ardent supporter of President Johnson in the last election, so he is not in the same political camp with me.

But I went to the Speaker's lobby a few minutes ago and examined the Wall Street Record, and while Burlington Mills stock did gain 1⅛ points yesterday, Zerox went up three points. I have not heard of Zerox benefiting from one-price cotton. Fairchild Camera went up four points, and I have not heard of that company having any interest in this bill.

I would like to say with respect to these exorbitant profits that have been referred to, that the textile industry for a long period of time has been depressed. The record will show that in 1964 textile industry profits amounted to 3.1 percent of sales after taxes. In 1964 the comparable profits of manufacturing industries at large was 5.2 percent. Even with all the textile prosperity the industry is not keeping up with the rest of the manufacturing industry of this country. Textile profits last year were not higher than 16th in the list of major manufacturing industries. The textile industry's earnings were only about 60 percent of the U.S. average.

Let us keep these facts in mind and not be misled by allegations of excessive profits.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Pennsylvania.

Mr. DENT. In fairness, it must be admitted the textile industry did not ask for a domestic subsidy.

Mr. JONAS. It did not want one last year; it does not want one now.

Mr. DENT. Let us get down to the bases. They did ask for the only kind of relief that is compatible. They asked for relief on the basis of a compensating factor at the customhouse, enabling them to compete with incoming products by having an assessment made against the cotton content of imported products at the value they had to pay for cotton in the United States that they process. This is logical, it was right because the Tariff Commission themselves had denied the same relief on glass and all other products affected by these imports. It was denied because they felt the way to world peace and prosperity lay through being free, but they did not go into the question of who is free and who are the slaves.

Mr. JONAS. The gentleman is correct. Industry made every effort to get relief, not only through the Secretary of Agriculture, but through executive agencies, and failed to do so. The bill last year provided the only relief that was left.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Minnesota [Mr. Quie].

Mr. WILLIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. WILLIS. Mr. Chairman, am I not right in stating that the pending amendment offered by the gentleman from Minnesota [Mr. Quie] is an amendment to the committee amendment?

Mr. COOLEY. I will tell the gentleman that that is correct.

Mr. WILLIS. While I do not want to deprive the gentleman from Missouri of his right to offer his amendment, the amendment that he proposes to offer now is an amendment in the third degree; is it not?

The CHAIRMAN. The gentleman is correct. It would be an amendment in the third degree.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

When we get to these parliamentary questions, I am not much of a parliamentarian. But what I was trying to do was to retain section 406 of the amendment. I would ask the author of the amendment, the gentleman from Minnesota [Mr. Quie], if he would object if I would ask unanimous consent for the amendment to be revised by omitting any reference to section 406.

Mr. QUIE. I will object to it myself.

Mr. JONES of Missouri. Well, that is hurting your own cause.

Mr. Chairman, one section in this bill has a lot of merit and that is section 406 to be found on page 29. It provides that the Secretary of Agriculture can buy the cotton allotments and hold them in reserve until such time as they may be needed. I think they would be held in reserve a long time. I think that by doing that we would eliminate the necessity for a reduction in the national minimum allotment if we permit people who have allotments to sell them to the Government.

This section provided for 25 percent above the rate of annual payment that could be made for these acres. In other words, many of these people who have small allotments and do not plant them, retain them because it does add a value to their land. If they could be compensated for that acreage, we would take that cotton acreage out of production which the grower does not want to grow and it would relieve the surpluses that we are accumulating each year. Last year we accumulated approximately 2 million bales of cotton which were produced on the 1.5 million acres of cotton acreage that were released and reapportioned to areas where they produced more than the area from which it was released. In that way I think everybody, whether you understand cotton or not, can understand that if you have an allotment producing half a bale of cotton and that it can be released and it moves to an area where they are producing a bale or two bales of cotton, then you are going to produce twice as many bales or maybe even four times as much cotton as would have been produced.

This amendment of mine, which, of course, is not before the House, but I would hope to get it before the Committee before we leave this subject, would permit those allotments to be sold and to be taken out of the national allotment until such time as it was needed. Then if we get into an emergency, the Secretary can put them back. But they would be taken out. I think this meets with the approval of an overwhelming number of the cotton producers, particularly the small producers who do not want to produce but who up to the present time have not received anything for their allotment but merely release them every year and they have been required to plant one-tenth of an acre every 3 years in order to retain their allotment. This would actually help reduce this allotment and I hope you keep that in mind. If the Quie amendment should be voted down, then, of course, the section would remain in the bill.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment to the committee amendment offered by the gentleman from Minnesota [Mr. Quie].

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. POAGE

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Poage: On page 14, beginning on line 24, strike out all of paragraph (2) and renumber paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

On page 15, line 12, insert a comma after the figure "344", and strike out the words "or planting cotton on a farm for which no allotment was established for such crop,", and on page 15, line 15, change the period to a colon and add the following language:

"*Provided,* That this subsection shall be applicable only to farms for which farm acreage allotments were established for 1965 and the farm operator for the current year was the operator of such farm for 1965 or has acquired such farm by inheritance from the operator since such year. The operator of any farm who elects to forego price support for any such year under this subsection shall not be eligible for price support on cotton on any other farm in which he has a controlling or substantial interest as determined by the Secretary."

On page 18, beginning on line 6, strike out paragraphs (4) and (5) and insert in lieu thereof the following:

"(4) The Secretary shall provide price support payments in addition to the payments authorized in paragraph (3) to cooperators who divert from the production of cotton to approved conseravtion practices to the extent prescribed by the Secretary: *Provided,* That such diversion shall not exceed 35 per centum of the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended.

"(5) The combined rates of the payments under paragraphs (3) and (4) for the 1966 crop shall be made on the farm domestic acreage allotment determined on the basis of the farm acreage allotment without regard to acreage reapportioned to the farm under section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, and shall be in amounts as follows:

"(A) For farms on which the acreage planted to cotton does not exceed the farm domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

"(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

"(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

"(D) Notwithstanding the foregoing provisions of this paragraph, no payment shall be made with respect to the domestic allotment portion of any acreage reapportioned to the farm under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, greater than 42.9 per centum of the basic level of support established under paragraph (2).

"The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance."

On page 22, beginning on line 24 after the word "exceed", strike out the balance of the sentence and insert: "an acreage equal to 85 per centum of such farm acreage allotment determined without regard to any acreage reapportioned to the farm under paragraph 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, plus an acreage not to exceed the number of acres reapportioned to the farm under such paragraph."

On page 25, line 9, change the period to a colon and add: "*Provided,* That the authority granted under this section may be exercised for the calendar years 1966, 1967, 1968, and 1969, but all transfers hereunder shall be for such period of years as the parties thereto may agree.

On page 26, beginning after the semicolon on line 3, change item (v) to read as follows:

"(v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) established for such farm for 1965 by more than one hundred acres."

Mr. WILLIS (interrupting the reading). Mr. Chairman, this amendment was explained yesterday by the chairman of the full committee [Mr. Cooley] and was printed in the Record, so I ask unanimous consent that further reading may be dispensed with and that the amendment may be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. POAGE. Mr. Chairman, this amendment is not a committee amendment, I offer it as my own, but it has been approved by a number of members of the committee from one coast to the other. It has been approved by the representatives of the Department of Agriculture. I believe it can be taken for granted that it does meet with general approval throughout the cotton belt. On the other hand, like the very bill itself, no one of us would have written this just as it is. Like the bill, this is a compromise, but I think it is a rather remarkable compromise. It has support from Carolina to California and that is what you must have to pass a bill.

Of course, there will be those who are opposed to doing anything, but each part of this amendment is a correction or a modification of the program that was set out in the bill. It improves the bill but it does not destroy or disrupt any of the vital features of the bill.

Taken as a whole this amendment will make the program much more flexible. It will allow a much less onerous imposition of regulations throughout the cotton-growing area, and many of us have felt that the bill as written requires too much reduction in the old cotton areas.

The first section of the amendment simply allows reapportioned acres to cross county lines. That is in keeping with the long-established practice.

The second section of the amendment would limit the right to open-ended production to those who are presently growing cotton and who have an allotment. Thus it would be impossible for someone who has not been in the business but who wants to become a speculator to rush out into a newly developing area and plant unlimited amounts of cotton.

The third section of the amendment would provide that all of the farms under one ownership must have the same status; that is, no cotton grower could have one farm on which he was planting open end, without limitation, and another farm on which he would say he was complying with the regulations and drawing the payments. If he were to plant more than his allotment on one farm he would lose his payments on all the farms that he owned.

The next section of the amendment provides that payments on farms receiving reallocated acres shall be based on the domestic allotment just as all payments are.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Will the gentleman tell us how the sections are numbered. I cannot follow him.

Mr. POAGE. On page 18, beginning with line 6, we would strike out paragraphs (4) and (5).

Mr. ABERNETHY. And substitute what therefor?

Mr. POAGE. And provide there that in the event a farmer receives reallocated cotton he must put 15 percent of his own allotment into the reserve, just the same as anybody else would.

For that he would receive exactly the same payment that anyone else will. Such a farmer would not be permitted to retire any reapportioned acres—at least he could not receive any payment for retiring acres which were given to him, but he would be eligible to place the production of all of his permitted acres in the loan—which he would only do if the world price fell below 21 cents. He would also be eligible for production payments on 65 percent of both his basic allotment and of his reallocated acres. The 65 percent will receive the same kind of payment as anyone else will.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes. I yield to the gentleman.

Mr. JONES of Missouri. I think you are confused a little bit. You mean on the 35 percent he would just receive the loan value of 21 cents and not receive the 9-cent payment.

Mr. POAGE. That is right.

Mr. JONES of Missouri. You had it just the opposite.

Mr. POAGE. I beg your pardon. He would only receive the loan value, which is presently 21 cents. Then it takes all of that long wording which you find on page 2 of the amendment to provide for the payments, because, as I explained awhile ago, the payments here are combined. The payments for retiring land and the 9 cents production payments are combined and you have to take each one of these and each one of these possible combinations has to be figured separately.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman, the next part of the amendment is merely a technical change taking care of a mistake we had in the original bill. That merely changes the definition of a cooperator so as to include the acres that he receives in reapportionment. He should still be a cooperator although he has under reapportionment received reapportioned acres. The old definition was wrong on that, and this corrects an error.

On the last page, on page 25, we provide that while the authority granted under this section extends only for the life of the bill but that any contracts entered into during the life of the bill extend for the period of the contracts. In other words, while we have a 4-year bill it is possible during that 4 years to make a sale or a lease running far beyond the 4 years.

Mr. DENT. Mr. Chairman, will the gentleman yield for a question?

Mr. POAGE. I yield to the gentleman.

Mr. DENT. Mr. Chairman, as I understand, from the explanation given by the gentleman, if a person does not use any of his allotments, he is eligible to a payment of up to 15 percent of his allotment for retirement, is that correct?

Mr. POAGE. That is correct; yes, sir.

Mr. DENT. Then, the second step: He may have the balance reapportioned to some other farm or farmer?

Mr. POAGE. That is practically correct. Technically, he puts in the county pool, and reapportionment takes place out of the pool. He cannot reapportion it directly to some specific individual.

Mr. DENT. But it is reapportioned. Then the person who receives the reapportionment—and this is, I think, a good feature of the bill—is not eligible for any retirement payments on any of his land since he is receiving a reapportionment of a greater allotment from the reapportionment pool; is that correct?

Mr. POAGE. No. He has to retire 15 percent of his allotment just as anyone else has to to become a "cooperator" and on that land which he retires only, he is entitled to receive the retirement payments, because he cannot use this retired land for anything else. He cannot however, get any retirement payment on any of the acres that are reapportioned to him.

Mr. DENT. Mr. Chairman, there is such confusion here—perhaps it is in my mind, because I am not well trained in the matter of cotton, and I admit it—but the committee's own report says that participating farmers receiving reapportionment acreage will not be eligible for land retirement payments.

Mr. POAGE. What the gentleman is reading is correct but it relates to the bill as written and I am discussing the amendment I introduced.

Mr. DENT. I understand that part of it.

Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. POAGE] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Chairman, let us go to the next feature of this reapportionment. It is a very difficult thing in my humble opinion. If a person receives reapportionment acreage, is he or is he not allowed to sell the yield from these acres in world trade?

Mr. POAGE. He is allowed to sell the yield from the reapportioned acres.

Mr. DENT. Then, again, your report is rather confusing, because, as I understand from your own report here, it says that acreage surrendered for reapportionment under the release and reapportionment provision cannot go outside the county.

Is that limited to the county they are in? Can the person move his acreage from one county to another?

Mr. POAGE. I think that what the gentleman is talking about in the report is the transfer of reapportioned acres, not the sale of the cotton grown thereon, but the transfer of the reapportioned acres themselves.

Mr. DENT. And that is restricted to the county?

Mr. POAGE. It is under the terms of the bill. But the very first section of the amendment which I offered here, in the very first section, does provide that you can cross county lines.

Mr. DENT. Do you keep it within a certain area?

Mr. POAGE. We keep it within the State, the same as the present law.

There is one other feature to the amendment, and that is we limit the number of acres that one can acquire by purchase or lease to 100 acres in addition to what the purchaser has in his allotment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. DE LA GARZA. Mr. Chairman, I would like to ask the gentleman if he will answer this question that comes from my district. If a cooperator joins the program and retires 15 percent of his allotted acreage in cotton, are there regulations as to what he can or cannot plant on the 15 percent that he retires?

Mr. POAGE. He cannot plant anything except soil conservation crops on that 15 percent.

Mr. DE LA GARZA. If he has additional acreage, can he plant anything on the additional acreage that is not in the basic cotton allotment?

Mr. POAGE. Yes, sir; unless there is some crop that he is prohibited from planting in some other way. There is nothing in this bill or amendment which prohibits him from planting his other acres in any way that he wants to.

Mr. Chairman, the whole effect of this amendment will be to make the reductions which we all realize are necessary a little less burdensome. I wish it were not necessary for anyone to reduce his production. I know that these cuts in cotton production are going to hurt a lot of service industries. I wish this could be avoided, but I believe that it will hurt less to cut enough to bring the cotton industry back to health than it would to let the sore of overproduction fester for years. I feel that this is especially true when we have been able to pay the farmer enough to protect him against loss, and this bill does this.

Finally, I want to extend my thanks to the California and the Old South Representatives who, in a mutual effort to pass a bill, were willing to compromise for the common good.

Mr. COOLEY. Mr. Chairman, I should like to inquire whether we can reach an agreement on time.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman from North Carolina yield for a parliamentary inquiry?

Mr. COOLEY. Yes, sir.

Mr. RHODES of Arizona. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RHODES of Arizona. The inquiry is whether or not the amendment offered by the gentleman from Texas is separable? In other words, is it possible for the three elements to be separated and to have a separate vote on each?

The CHAIRMAN. As the Chair understands, the gentleman from Texas offered his amendments en bloc. They are subject to severance.

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent that that part of the amendment which deals with section 401, subsection 2, beginning on line 24, on page 14, and extending through line 5 on page 15, be severed.

The CHAIRMAN. Will the gentleman from Arizona restate his request?

Mr. RHODES of Arizona. Mr. Chairman, my request is that that part of the amendment of the gentleman from Texas [Mr. POAGE] which deals with section 401, subsection 2——

The CHAIRMAN. On what page?

Mr. RHODES of Arizona. On page 14, that part beginning on line 24 of page 14 and extending through line 5 on page 15, be severed and be considered separately.

The CHAIRMAN. The gentleman from Arizona has in mind paragraph 2?

Mr. RHODES of Arizona. Subparagraph 2 of section 401.

The CHAIRMAN. And how far?

Mr. RHODES of Arizona. All of subparagraph 2.

The CHAIRMAN. Subparagraph 2?

Mr. RHODES of Arizona. That part of the amendment which deals with the subparagraph.

The CHAIRMAN. The first part of the amendment?

Mr. RHODES of Arizona. That is right.

Mr. COOLEY. Mr. Chairman, I want to understand the proposition that is now before the House.

My request was that we try to limit time on the pending amendment, which is the Poage amendment, which has just been presented.

The CHAIRMAN. The Chair had not understood the gentleman to make such request.

Mr. COOLEY. I now make that request, Mr. Chairman, that we limit the time to 30 minutes on the Poage amendment, and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, why do we not have the Members stand who are going to offer amendments to this amendment? We have so many of them.

Mr. COOLEY. If the gentleman will yield, they are not all going to offer amendments.

Mr. JONES of Missouri. I do not know whether they are or not.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] requests unanimous consent that all debate on this amendment conclude in 30 minutes, and all amendments thereto.

Mr. RHODES of Arizona. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RHODES of Arizona. Has the Chair ruled on my request?

The CHAIRMAN. The Chair has advised the gentleman that the amendment was subject to severance and at the proper time the Chair will act accordingly.

Mr. RHODES of Arizona. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RHODES of Arizona. Will the unanimous-consent request of the gentleman from North Carolina refer to all parts of the amendment of the gentleman from Texas?

The CHAIRMAN. As the Chair understands, the gentleman's request has to do with this amendment and all amendments thereto.

Mr. COOLEY. That is right.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, you have about six amendments in here and now you want to dispose of all of them at once. I have two amendments to this amendment and I would certainly like to have some time to discuss them.

Mr. COOLEY. The gentleman will have such time.

Mr. JONES of Missouri. There are only about 25 Members standing who have amendments and the gentleman's request did not provide sufficient time for a discussion of all of these amendments.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude at 6:15 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, the gentleman from Texas [Mr. POAGE] has introduced an amendment to this bill which I believe will strengthen the cotton provisions of the bill and provide additional safeguards for individuals and communities which depend upon this important commodity. It would give the cotton grower additional flexibility in his operation and, I believe, encourage participation in the program.

Specifically, title IV would be amended at six points.

The first change would permit the release of allotment to State committees as in the past. In recent years, growers have released in the area of 400,000 acres to State committees for reapportionment within the States. H.R. 9811, as introduced, would not permit this. This change would provide a minimum of disruption to growers who have received acreage from release and reapportionment in the past.

The amendment would also change the bill to provide that an operator who chose to overplant his acreage allotment on one farm could not participate in the program on any other farm in which he had a substantial interest. This amendment is offered in recognition of the fact that the supply of cotton is very near the alltime record—and can be expected to rise above that record by the end of the 1965-66 marketing year. I concur with the position taken in the original bill that there are cotton producers who would like to have the opportunity to produce cotton at the world price. This amendment, however, would provide that once a farmer decided to do this, he could not participate in the program on another farm where he has a substantial interest. He could produce all the way—or comply all the way—but he could not have it both ways. A fair and equitable provision, I believe.

The changes proposed on pages 18 and 22 would provide that farmers who receive reapportioned acreage would receive price-support payments on the farm domestic acreage allotment computed without regard to reapportioned acreage. The farmer who received reapportioned allotment would be eligible for price support on the cotton harvested from that acreage—but would not receive diversion payments. He would get diversion payments on acres taken out of the original allotment.

The amendment would provide a change on page 24 of the bill to make the sale and lease provisions effective only through the 1969 cotton crop. In other words, the sale and lease provision would be effective in 1966 through 1969, conforming to the 4-year duration of the price-support and diversion program provided in the bill. Of course, any sale of acreage during the 4 years would be permanent, and any lease would continue for the duration of the lease. This amendment would give the Congress, at a later date, an opportunity to reconsider this provision—along with other provisions affecting the cotton program. In H.R. 9811, as introduced, there is no termination date for the provision authorizing sale and lease of cotton allotments.

The amendment would limit to 100 acres the total cotton allotment that could be transferred by sale or lease. In other words, any one farm could add no more than 100 acres above the 1965 farm acreage allotment—less whatever acreage might be reapportioned to the farm.

Mr. Chairman, this amendment has been offered to H.R. 9811 in a constructive spirit—and in recognition of the fact that the cottongrower and the entire industry have a tremendous stake in the one-price cotton program which this bill would provide. The American cotton industry has been losing markets—both to synthetics here at home and to cotton produced in other countries. H.R. 9811 is the best solution to the need for making U.S. cotton more competitive, maintaining income to growers, and reducing the oversupply and excessive Government costs that are now present in the cotton program. Without positive action as provided in H.R. 9811, cotton could well be on its way to a minor position in the farm economy and in the textile business of this country. This amendment would strengthen the bill at several key points—making the program more effective as well as more popular with growers.

Now, Mr. Chairman, there is another very serious question for consideration here. The Nation's 7,500 textile mills are great manufacturing enterprises, and we cannot weight the future of the Federal Government's cotton program without considering the welfare of this vital industry.

There are four principal reasons why the welfare of cotton and the welfare of the textile industry cannot be separated.

First. By law, the textile industry is required to use American cotton in cotton textile manufacturing, and more than half the fiber it consumes is cotton.

Second. Raw cotton costs constitute a prime factor in the marketability of cotton textiles here and abroad.

Third. We know from long experience that only competitively priced cotton can share fully in an ever-growing market for textile products.

Fourth. The textile industry's future plans for expansion, market and technical research, sales promotion, and personnel recruitment are strongly influenced by the Government programs affecting the production, marketing, and pricing of cotton and other fibers.

The pending legislative proposals concerning cotton are of extraordinary importance to the textile industry. This is because they would supplant the Agricultural Act of 1964 on July 31, 1966.

Until a new cotton program is legislated, our textile makers will be uncertain of cotton costs for goods produced after the second quarter of 1966. This is a very key consideration to them because of the strong practice of forward selling in the textile market.

The 1964 act permitted for the first time in 8 years the practice of buying American cotton here at home for the same price for which we sold it overseas. Previously our textile mills were the victims of a most invidious price discrimination which required them to pay at least 6 cents, and sometimes as much as 8½ cents, a pound more for American cotton than the price paid by foreign manufacturers.

It is not my purpose to condemn the intent of this program. It was certainly conceived of to be of benefit to the American cotton grower, who was losing his foreign cotton markets. But the program in practice worked equally serious harm upon his domestic markets. American textile manufacturers, who today consume two bales of American cotton for every one that is exported, turned from cotton to other fibers because of this price discrimination.

The Congress last year granted them a release from this unfair, inequitable two-price program. The American textile industry has responded by:

First. Displaying a revival of confidence in cotton as a textile fiber by increasing its consumption.

Second. Increasing employment, boosting the operation of spinning and weaving equipment, and raising hourly wages.

Third. Expending record high sums of capital for new plants and more modern equipment, much of it geared to the industry's future plans for cotton products.

Fourth. Intensifying research and promotion designed to stimulate the demand and meet the need for textile goods made from cotton or blends of cotton and other fibers, the fastest-growing type of textile product sold today.

This performance is indicative of the American textile industry's ability to offer the Nation's raw cotton producers a forceful, forward-looking, growing market through which their output can be channeled to consumers and thus attain a true value.

I say the benefits of one-price cotton have been great beyond measure. In considering renewal of the one-price cotton program, the Congress has an opportunity to capitalize on the momentum thus far derived from the one-price policy and to make certain that it will be maintained. To do otherwise will represent a retreat from an enlightened policy, the effects of which would be most far reaching, perhaps devastating to one of the most vital industries in the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. Mr. Chairman, in a day when we direct much of our efforts toward the elimination of poverty in our country, we cannot afford to ignore the probable effect that some provisions of title IV of H.R. 9811 would have on our economy.

Cotton continues today to be the economic base of many areas of the southeast as well as other parts of our country. Cotton farmers and the associated businesses and industries which are dependent on cotton will be adversely, if not ruinously affected by the provisions of title IV of this bill.

Specifically, Mr. Chairman, provisions of the bill pertaining to lease and transfer of cotton acreage allotments would severely damage the acreage release and reapportionment program. By prohibiting a county committee from surrendering any excess released acreage to a State committee for reapportionment to farmers in other counties of a State, this section of the bill will systematically and irrevocably reduce valuable cotton acreage allotments in many States.

The ultimate effect of this will be a reduced income and damaged economy in States which have traditionally relied on cotton as an economic mainstay.

Also, the provision of title IV which allows any producer to plant cotton on an unlimited basis by not subscribing to the program will certainly add to the present cotton surplus and thereby increase the cost of the cotton program.

I contend, Mr. Chairman, that it is grossly inconsistent to pay cotton farmers in the program to reduce their acreage while at the same time allowing unlimited production by those outside the program.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I regret that I was unable to follow fully the wording of the amendment. But I do wish to address myself on the matter of release and reapportionment. It sounds very good and some years ago I introduced a bill permitting small farmers annually to sell their allotment through the county office to some other farmer in the area. That would tend to keep cotton production in a community and assist the community. But I think it is wholly unsound to let those who have plenty of money go out and buy cotton acreage and add it to their land on a permanent basis. Particularly do I think it would be bad to carry it across county and State lines.

Now I am not opposed to those folks who have to have larger units in order to have an economical operation, but I say to all of those in the cotton production business, it is my firm belief that the minute you let cotton get into a few hands you will lose even more support in the Congress and have less people who are interested in your problems. It means the death knell for the price support program which is so essential to offset the high costs brought about by other laws in behalf of labor, industry, and so forth.

So if I understand the amendment correctly, as offered by the committee, it would improve the situation but it would still leave it so that a man might add cotton acreage to his farm and increase the value thereof, but in the process it would be lessening our chances to keep an essential farm program in the years ahead.

Again I want to say, I am kind of like the proponents of the amendment—I do not quite understand it yet and I do not believe they really understand it either. I do mean the statements I have made.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. Rhodes].

Mr. RHODES of Arizona. Mr. Chairman, I would like to address myself to that portion of the bill that deals with release and reapportionment.

In the bill it is provided once again that releases and reapportionment of acres may be surrendered only to the county committee. Some years ago the Congress amended the act so as to provide that such acreage may be released to the State committee. We are asking that the law be returned to the previous position so that acreage which is surrendered to be released and reapportioned can only go to the county in which the original owner had his farm.

Mr. Chairman, this is truly an economy vote. The amount of money involved in release and reapportionment acres as far as stocks going into the Commodity Credit Corporation is quite large. The best estimate I have heard is somewhere near $80 million.

On top of this, Mr. Chairman, the cotton which is raised in the areas in which there is the most release and reapportionment largely goes to the Commodity Credit Corporation. In other words, this is cotton which is not redeemed from the loan but which actually becomes part of the stocks of the Commodity Credit Corporation and becomes the property of the United States of America.

So in my opinion and, I think it will be proved out, this will not do the taxpayers any good if we pass this amendment. The bill will do the taxpayers a lot of good and it will not result in any hardship to any particular farmer.

Mr. Chairman, when the division of this amendment is made, I ask that that part of the amendment which deals with section 401, paragraph (2) be voted down so that the bill as it is now written will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Sisk].

Mr. SISK. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, I might say in behalf of those of us in the Western area of the country, actually to be honest, we would have preferred the original language. But we realize that out of compromise comes all good legislation and that there are problems in other areas of the country. So I am here to support the amendment offered by the gentleman from Texas because I think overall and in the final analysis this bill with his amendment will provide a good workable cotton program which will redound to the benefit of the program in the figure.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. SISK. I am glad to yield to my colleague, the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, in connection with the remarks that I was making a few minutes ago when my time expired, I want to call the attention of the Member of the Committee to some very vital facts.

With the enactment of the legislation last year, providing for one-price cotton the textile industry responded by vast new investments, improvements, and expansion of the industry. Beyond that, it responded by stabilizing employment in the industry, whereas it had had unstable employment, ranging from one-half time to about one-third time. Many textile employees were working less than 30 hours per week. Now it is full time.

Moreover, the industry has responded with at least three 5-percent wage increases across the board in the entire industry.

I heard today my dear friend, the gentleman from Mississippi [Mr. Abernethy], refer to Burlington, a prominent member of the textile industry. There was an implication that this member of the industry and, the textile management as a whole were guilty of using profits derived from one-price cotton for their own personal enrichment but the sheer fact of the matter is that they have been engaged in expanding opportunities for employment, increasing wages for the textile workers, and improving the conditions under which they work. Yes, improving and increasing the market for cotton producers. The gentleman from North Carolina [Mr. Jonas] has replied to this allegation very forcefully but one point on this charge should be made clear. Members will find on study of these charges that any allegation concerning high profits being related to the use of cotton by Burlington is out of line, because the fact is that about 75 percent of the products manufactured by Burlington Industries are from man-made fibers, synthetics. Only some 20 to 30 percent of the materials they use in the manufacture of their products are raw cotton.

As a matter of fact, the textile management is now having its mind reoriented toward the use of cotton, whereas before we enacted the legislation last year providing for one-price cotton its mind was directed toward finding a complete substitute for cotton, taking away from the cotton producers in Mississippi, in Georgia, and in Alabama, and Arkansas, North Carolina, and others the market they must have in order to continue growing a product vital to so many small communities in the Southeastern United States.

In the textile industry employment is more stable, wages are higher, and workers are enjoying a greater purchasing power than ever before in the history of this industry. One-price cotton is essential. Let us keep it.

I thank the gentleman for yielding.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. Findley].

Mr. FINDLEY. Mr. Chairman, as I understand the amendment offered by the gentleman from Texas [Mr. Poage], it would impose a limit of 100 acres on the amount of cotton allotments any one man could buy under the authority to sell or transfer allotments.

Am I correct in saying it would impose a limitation of 100 acres on the amount of allotment acres which could be sold or leased under the authority of this program?

Mr. POAGE. Which could be acquired by any one owner under the authority. There would be no limit on the amount sold, but there would be a limit on the amount any one individual could acquire.

Mr. FINDLEY. This is a sort of limitation on bigness.

I wanted to ask the gentleman if this means there is a sort of trend toward limitation in this bill, and can I expect the gentleman to support an amendment which would put a limit on the amount of dollars anyone could get from a program of this sort? As I mentioned earlier, this program would authorize payments as high as $1 million a year to some cotton farmers.

Would the gentleman comment on that?

Mr. POAGE. Inasmuch as it is anticipated there will not be enough released acres to go around, we are trying to make these released acres go as far as they can to give as many people as possible economic units on which they can make a living farming. It is not a proposition of trying to penalize anybody. When there is not enough to go around you have to spread it out thinner than otherwise you would spread it.

Mr. FINDLEY. This does indicate some limitation trend in this bill. I hope this trend will apply to a limitation on payments under this program, which truly would be excessive.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. Gathings].

Mr. GATHINGS. Mr. Chairman, the amendments that we are now discussing are the ones that were agreed to the day before yesterday at 5 o'clock and which we discussed yesterday. They were supposed to solve all of the ills with respect to this program—this cotton provision. Those of you who feel that they would do that I think, should not get too happy over that thought. As a matter of fact, it is desirable to permit released reapportioned acres to go across county lines. There is nothing wrong with that. It is all right. It is a good thing that you are going to perfect the release and reapportionment provisions here. There is nothing wrong with that. But it is innocuous. It means little.

Another thing they have done in these amendments is this: they have said that you had to grow cotton in 1965 in order to be eligible to overplant in 1966, 1967, 1968, and 1969. Yes, you are going to have to be a cotton grower—that is all—to overplant.

Under the law that is on the statute books today there is a 50-percent penalty for overplanting, and believe me a farmer is going to think a long time before he will pay a 50-percent penalty and overplant his allotment. This bill will knock that 50 percent out, and the gentleman's amendment has nothing in the world to do with it at all except to say that you have to plant cotton in 1965. That is all. Then you can overplant in the next 4 years.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. Yes. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I want to ask you, is this the eyewash that the gentleman was mentioning yesterday?

Mr. GATHINGS. This is wholeheartedly the eyewash. Absolutely. I agree with the gentleman. It is eyewash, it is innocuous, and it is shadowboxing. That is the word I think ought to be used to describe the result of attempting to improve and make acceptable the cotton title to this bill.

In the first place, I do not think that this Congress would want with one hand to say we are going to pay you to take your land out of production and then on the other hand over here we will say we are going to let you plant all the cotton that you can plant on your farm. That is what we are doing here.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ABERNETHY. Mr. Chairman, I yield my time to the gentleman from Arkansas, and I ask unanimous consent that I may do so.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. GATHINGS. I thank the gentleman, my friend from Mississippi.

That, to my way of thinking, is not good legislating.

Now let us look here at this release and reapportionment for just a moment. Release and reapportionment was agreed to by this Congress in 1959. It just provided that if a farmer did not want to plant his allotment, he could turn it in to the county committee and it could be planted there in that county and give the people there who grow cotton an opportunity to do so. But if they do not want to plant it within the county they could turn it over to the State committee for reallocation in some other part of the State where it could be that another farmer had the equipment and the capital and the land to plant it. It has been working fine. It is a marvelous law. In one of the years since the program was effective, 1.6 million acres was released by the farmers. Out of that 1.6 million acres, 600,000 have gone to the State committee and was reallocated to the various counties that wanted to plant cotton.

What will be the result here by virtue of these amendments on release and reapportionment? It is not going to mean a thing in the world basically. Oh, no. It is not going to help us to keep release and reapportionment. Why? Because of the fact that there are three methods in this legislation which provides that you get paid for your cotton allotment. First of all, we just talked about one awhile ago where the farmer can sell his cotton allotment to his neighbor; second, he can sell it to the Government of the United States.

Third. There is a provision in here known as title 6 that provides for the recreation of the soil bank. So you can put it in the soil bank. All we are doing here is just talk, with regard to the amendments being helpful to the continuation of the release and reapportionment because there are not going to be any acres to pass out to farmers. We are talking about nothing. It is an empty bag. I fear some of you may have been carried on a "snipe hunt" because the farmer will be able to realize money out of their allotments. That is all there is to it. All these amendments will mean nothing, although they are not objectionable. But they are not going to solve the problem that we seek to solve with respect to cotton.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri to the amendment offered by Mr. POAGE: Strike out the first paragraph, which reads: "On page 14, beginning on line 24, strike out all of paragraph (2) and renumber paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

Mr. JONES of Missouri. Mr. Chairman, this is the same thing that the gentleman from Arizona wanted to have a separate vote on, so this will give you an easy way to vote on this. The gentleman from Arkansas mentioned the fact that there was not going to be any release and reapportionment. The House Committee on Agriculture reported this bill out and there were a lot of meetings around here and there. I get a little leery about who is attending those meetings and what they agree to. And since they put in this bill that they want to strike out that section which limited the reapportionment to the counties where it was released, it makes me think that there must be some reason why they wanted to let it go out of the county.

I used time a minute ago to tell you what happened. There were 1,500,000 acres of this cotton released and reapportioned which resulted in the production of more than 2 million bales of cotton and this increased allotment cost the Government more than $80 million.

If you cannot support this amendment, you are just in favor of throwing money away.

There are some other points in this amendment. I am going to vote against the whole amendment, if we do not get some of these things taken out, but I have another amendment that I hope to be able to offer later.

But just imagine this. They are going to pay a man for taking out 15 percent of his acreage and he is going to draw 10½ cents a pound for the projected yield. They say, well, he is paying for it. On the other hand, we are going to give him reapportioned acres to make up for the 15 percent that you paid him for and he is going to grow cotton on it and he is going to get support for that. If that is not the silliest thing I ever heard of, I do not know what is.

So I would like to have a vote on that amendment and then I would like to offer another amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri to the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 36, noes 47.

So the amendment to the amendment was rejected.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offered an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri to the amendment offered by Mr. POAGE: On page 3 of the typewritten amendment strike all of the last paragraph which reads, "on page 22 beginning on line 24, etc."

Mr. JONES of Missouri. Mr. Chairman, in that amendment they want to insert a thing that says "an acreage equal to 85 percent of such farm acreage allotment."

Mr. Chairman, I read to the members of the Committee this explanation of that because I think it makes it easier. The amendment on page 22 would provide that a cooperator for purposes of the bill would only have to divert 15 percent of the farm acreage allotment determined before any acreage is reapportioned to the farm——

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, what this amendment would do would be to strike out the definition of a "cooperator." Of course, if you strike the definition of a "cooperator," you will pretty much place the bill in an impossible position.

Mr. Chairman, what we have done here is to say that a man is a cooperator when he retires 15 percent of the allotted acreage. That makes him a cooperator and he is still a cooperator whether he receives or whether he does not receive reallocated acres. If you are going to allow any reallocation, you have to have a method whereby a man can remain a cooperator after he receives the reallocation.

The purpose of the amendment or at least the effect of the amendment would be to achieve exactly what the gentleman from Missouri has very frankly and very fairly suggested he wants to achieve and that is to wipe out all of the release and reapportionment program of every kind and character everywhere.

I believe it is pretty generally understood that this release and reapportionment is a rather vital factor in a very large part of the Cotton Belt. I think it is clear that there is at least a substantial and probably an overwhelming majority of the people who are familiar with cotton, who feel that we should continue release and reapportionment.

So, if you want to continue it, you will vote against this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri to the amendment offered by the gentleman from Texas [Mr. POAGE].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Chairman, I would not try to explain this farm bill at 10 o'clock in the morning and I am surely not going to try to explain it at 5 minutes before 6 o'clock in the afternoon. And, I could not even explain the omnibus 5-page amendment that is now pending before us. But I know there is one part of this amendment which I can explain to you, and I do not like it. I believe we are going to have an opportunity to vote on the point made by the gentleman from Arizona [Mr. RHODES] on the passage of part of this amendment.

Mr. Chairman, we have feed grains under control, as was pointed out earlier, the wheat surplus is now down to where it is manageable, butter is under control, but cotton is sick. We have cotton coming out of our ears.

Mr. Chairman, I come from a large cotton producing district. What is the fair way to cut production? To take out the good producer and people who want to grow cotton? No; the fair way is to get the people out of cotton production who do not want to grow it. Evidently we have farmers who say that they do not want to use their acreage. Well, the fair way is to let them get out of the program. This gives a smaller pie to be cut up among the people who do want to grow cotton.

But, Mr. Chairman, the gentleman from Missouri has pointed out this ridiculous system where you not only take this acreage and parcel it out to other people so that they can grow more, as the gentleman from Missouri pointed out, but you can actually reapportion that acreage out and the man who receives that acreage is paid for not planting it.

Mr. Chairman, this is preposterous and ridiculous.

Mr. Chairman, if this feature stays in the amendment, I will have to vote against it. I hope I can support the bill and the amendment, because there are some good things in this large omnibus 5-page amendment, but this thing is wrong. We are growing too much cotton. We must cut down on the production of cotton. We must get the cotton market back to a place where the people who want to grow cotton can make a profit on it.

If you support the original committee bill, that is what I am asking you to do. The committee took a forward step, they got rid of this ridiculous situation.

Now we are going to go back down the hill, and write these old, wornout provisions that have ruined the cotton program, and by taking this release and reapportionment it would cost $70 million.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we just voted this proposition down on the amendment offered by the gentleman from Missouri [Mr. JONES]. We know what is before us, I think. We have this release and reapportionment program which has operated very well and successfully, and it is vital to the cotton economy.

In California, Arizona, New Mexico, or other places, cotton land is valued at $1,000 or more an acre. They will not release it, so they do not have any problem of release and reapportionment. We have little farms down my way where the cotton acreage is too small to justify planting. So we provide here several ways they can dispose of it.

Mr. Chairman, this amendment should be defeated because, if adopted, that is the end of the cotton bill, and everybody here should know that. The bill will not be passed with such an amendment as the Jones amendment in the bill, and I hope the pending amendment will be voted down.

The CHAIRMAN. The chair recognizes the gentleman from Georgia [Mr. STEPHENS].

Mr. STEPHENS. Mr. Chairman, several years ago I was in a lawsuit that dealt with a process for cotton. I found out at that time something about cotton which I did not know then. I found out there were certain kinds of cotton whose fibers turned to the left and other cotton whose fibers turned the other way, to the right. The patent attorney involved in this suit was the one who got me straightened out on these peculiarities because he had difficulty too in connection with these twists. That is what we have got in this bill—opposing twists. The only way we were able to accomplish what we wanted in the lawsuit was to reverse the spindles on the cotton machines. If we can reverse some of the spindles that have been wound up here on this bill, it might help.

The most important factor in this bill and in support of the Poage amendment, is to keep the American textile mills operating so that the people who are in the cotton business from top to bottom can continue to have cotton.

My district and State have a deep and vital interest in every phase of the cotton industry. We have cotton mills, cotton gins, cotton warehouses, cottongrowers both big and small, cottonpickers, both human and mechanical, and cottonseed meal and cottonseed oil interests.

These interests are natural when you study history. In 1791 only 391 bales of cotton were exported from the United States. In 1794 Eli Whitney's cotton gin was patented. It was invented by him on the plantation of the widow of the late Revolutionary hero, Gen. Nathaniel Greene, who had been rewarded by Georgia for his leadership by the grant of a large tract of land near Savannah.

I suppose you might say this started all the cotton problems and we have had trouble ever since.

But one thing to remember is that Whitney's brainchild was stolen. As one historian put it:

> Mrs. Greene and another friend were the only ones allowed to see Whitney's first gin. They were so delighted when they witnessed how fast this little hand-turning machine could clean the seed, that they could not keep the secret. Others soon heard of it, and one night Whitney's shop was broken open, and its model machine was stolen and carried away.

We almost had that happen to the cotton textile industry in the 8 years prior to the 1964 Act abolishing the two-price cotton system when we lost heavily to foreign competitors. I support this bill and these amendments because I know, among other features, they seek to preserve the one-price cotton. I do not want the cotton textile industry stolen again.

We can prove the deteriorating effect of the two-price experiment by the facts on the mill consumption and use of cotton in America in those 8 lean years.

The United States lost its dominant role as a world supplier of cotton many years ago. Since 1934 we have never exported more raw cotton than our own American textile establishment has consumed.

In cotton-crop-year 1956–57, the first year it was possible to measure the effects of two-price cotton on domestic patterns of consumption, we find that American consumption of the upland cotton declined from 9,085,000 bales 1955–56 to a little over 7,900,000 bales, or a drop of 1,185,000 bales.

Per capita mill consumption of American cotton dropped accordingly—from 25.9 to 23.7 pounds or a total of 2 pounds. And the percentage of cotton fibers consumed by American textile mills also decreased—from 66.6 to 65.1 percent or 1½ percent.

The trend then set in motion continued for 8 long years.

Per capita mill consumption of American cotton never again returned to its 1956 level, and in 1964 it totaled 22.1 pounds per person, the lowest point since the days of the depression and a drop of almost 4 pounds per person.

The erosion of cotton fiber usage kept pace. From its 1957 level of 65.1 percent of mill fiber consumption, cotton trended downward in all but one of the next 7 years to a 1964 point of 54.5 percent—lowest in American history. A drop of 10½ percent.

Preliminary Census Bureau figures for calendar year 1964 indicate that we consumed 4.2 million pounds of cotton that year, and that is encouraging. But consider that our population was 21 million greater than in 1957. And consider, further, that this poundage is less than that consumed in the two prior calendar years of 1955 and 1956.

It is obvious that two-price cotton cut domestic consumption of American cotton.

But there are other reasons why we must recall the lessons of history and oppose any attempt to return to two-price cotton.

We all know and recognize the tremendous versatility of synthetic fibers. We know and recognize that they are aggressively promoted and readily accepted by American consumers in many of the goods they buy.

This competition of cotton versus synthetics is good for the economy. Its end result is consumer goods of greater utility and more value for the dollar.

But let us recognize also that goods fashioned out of synthetics also cost more than comparable goods made out of cotton. Stronger reliance upon synthetic fibers for the goods we buy would result, inevitably, in more consumer dollars going for the same amount of wearing apparel and household goods.

The present competition between competitively priced cotton and synthetic fibers, the price of which is being constantly forced downward by competitive cotton, is good for the American consumer and this important fact must not be forgotten.

Skeptics will say there always will be a need for cotton. This is true. Cotton's absorbency and other qualities—qualities yet unduplicated by manmade fibers—give it a certain hold upon the fiber markets of this country. But I do not think the American cotton producer can live gainfully upon a shrunken demand for his product.

It is not our intention to relegate cotton to a luxury fiber. But a two-price cotton policy can do it.

There are other reasons why we oppose any return to two-price cotton. Imports of cotton textiles have long plagued us in many ways.

They first of all weaken our balance-of-payments position. Between 1960 and 1964 we have imported more cotton textiles than we have exported in all but 1 year. This rising volume of textile imports has intensified the profits squeeze upon American textile mills.

We import cotton textiles in huge quantities from five nations in particular—Japan, Hong Kong, Portugal, India, and Taiwan. For the 9-month period ended June 30, 1965, we imported 70 percent of our cotton textiles from these five nations.

Japan, the leader, pays its textile workers one-sixth as much as American textile workers receive. The textile workers of other foreign countries receive substantially less than ours as well.

Higher American productivity helps rectify the labor disadvantage, but unfairly priced raw cotton—cotton which sells abroad for substantially less than the price paid by American textile mills—wipes away in a single stroke all the offsetting gains that can accrue from our higher productivity.

U.S. imports of cotton textiles during the first 9 months of the current market year rose nearly 20 percent from a year earlier, according to the Department of Commerce. Textile imports, then, are a factor we must contend with even under one-price cotton.

But the really big gains in textile imports occurred under two-price cotton. In 1955, for example, U.S. imports of cotton textiles were the equivalent of 181,000 bales annually. By 1963 they had climbed to 634,000 equivalent bales—an almost fourfold increase. While there was a slight drop in cotton textile imports in 1964, the rate for 1965, as has been indicated, is again upward.

We can ill afford to return to a two-price system which actively fostered this increase.

But the threat two-price cotton would pose to the American cotton economy and our balance-of-payments picture would be felt in yet another way—in the exportation of American textile mills to foreign lands where raw cotton can be purchased for less.

Some American cotton producers, tiring of continued cuts in acreage and other restrictions on planting, have purchased huge acreages abroad and now raise cotton in competition with our own product. They have found Mexico and Guatemala particularly suited for this purpose.

We need keep in mind that American textile mills, faced with a return to higher priced, less-competitive, two-price cotton, might duplicate this exodus of American capital to other nations. The availability of lower priced labor in virtually all other nations of the world adds an additional inducement to such moves.

We cannot let the cotton textile industry fold up. It is too vital not only to our economy but it is an essential element in our national defense. Cotton in uniforms, duck, and other cheap but durable textiles cannot be efficiently substituted.

In conclusion, we all ought to pull together to keep a one-price cotton. If the mills do not expand and push cotton, the cotton farmer cannot sell, the Government will not lend, private enterprise will not finance, the ginner cannot operate, the warehouseman is out of storage rent, the defense of America is endangered, the American textile worker is out of a job, and the American consumer pays more for less satisfactory goods. We just cannot let all that happen.

The CHAIRMAN. The chair recognizes the gentleman from California [Mr. Hagen].

Mr. HAGEN of California. Mr. Chairman, I assume you have already gathered that cotton is a somewhat controversial subject, and the opinions about it differ in various parts of the country. It may even be as controversial as civil rights.

Mr. Chairman, I am hopeful that this amendment is adopted and that no other amendments are adopted to this cotton bill, either here or in the other body.

This cotton legislation is designed to relieve the problem of the mills. This is largely a southern problem but it also could be a New England problem or a problem in New York or a problem in any other State where they have mills spinning cotton.

This bill also does something about the poor pattern of production of the fiber itself on the farm. Over the years there have been so many devices in the law, written in to keep cotton produced on uneconomic farms and in uneconomic areas, with the result that actually our mills are short of supplies of the kind of cotton they want. I may say that that kind of cotton is California cotton to a large degree but it also comes from other States, and mill owners testify they need more California cotton.

We feel this bill will permit over a long period of time the growing of the kind of cotton that the mills need which will meet the competition of synthetics and that there will be a reduction in the kind of cotton that is grown solely for the Government loan.

I would remind you that in some of the Southern States over 85 percent of the cotton is grown only to sell to the Government. This amendment that the gentleman from Texas [Mr. Poage] has offered does not satisfy us entirely in California as it does not satisfy the gentleman from Arizona [Mr. Udall]. However, it represents a compromise method of getting an acceptable provision in this bill which affords a chance of passing this whole farm bill.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. Fountain].

Mr. FOUNTAIN. Mr. Chairman, I rise in support of the Poage amendment to the cotton section of the bill and in opposition to any motion that might lead to the defeat of that portion of the Poage amendment designed to retain the existing law with respect to release and reapportionment of cotton.

As has already been said, title IV of this bill virtually destroys the "plant, release, or lose your cotton allotment" principle which was established in 1959 by Public Law 86-172. Since 1959, this principle has been in effect in the mechanics of cotton acreage utilization. I cannot understand why the committee included a provision limiting the release and reapportionment of cotton to within a county. Such a limitation upon a well established 6-year program would result in a grave injustice to countless cotton farmers all over the country who have come to rely on such released cotton as a major source of their livelihood.

I am informed that some 468 cotton-growing counties out of a total of 1,040 have had sufficient cotton acreage released for reapportionment to send unwanted released cotton acreage to State ASCS committees for reallocation in other counties. I am also told that 408 other counties have received such released acreage from State committees for planting on farms in them to supplement the acreage internally released. This would indicate that at least 876 counties have benefited by this release and reapportionment program. The other 164 counties with very little acreage to move under this program are located principally in Western States. I wonder if it is coincidental that some of the opponents of release and reapportionment come from those States.

I must confess that my enthusiasm for the Poage amendment is limited, because it does not return to my cotton farmer enough of what the reported bill takes away from them. Open end planting and the privilege of the Secretary of Agriculture to buy up cotton acreage and retire it permanently is still permissible.

While I am particularly anxious to see an extension of one-price cotton for our textile industry in this country, I find myself in somewhat the position of the gentleman from Texas [Mr. MAHON] and others who feel that this bill needs to be improved in many respects before it is passed by the Congress. It is regrettable that an amendment of this kind deals with so many important items. Of course, I try to be a realist. If the Poage amendment is severed in many places, the most desirable portions of it could be voted down.

Since my time is so limited, let me get back to the first part of the Poage amendment which is opposed by the gentleman from Missouri [Mr. JONES] and the gentlemen from Arizona [Mr. RHODES and Mr. UDALL], the amendment which would permit the transfer of released acreage across county lines within the State as is permitted under present law.

I think we should understand that this has been a voluntary program upon which cotton planting farmers have come to rely. Does not cotton acreage involved really belong to the State? It is certainly an agricultural asset of each State. For example, so much cotton is allocated to the farm of Joe Doe. If Joe Doe is not interested in cotton and does not want to plant cotton, but is willing to make his allotment available to some other farmer who does want to grow cotton, he should be permitted to do so. This results in the use of a basic asset of a State which is protected by the basic principles of the Agriculture Act of 1938. This was doubtless the thinking of the Congress when it adopted the release and reallocation principle in 1959.

The importance of the right to reallocate cotton acreage is clearly shown by a USDA-ASCS summary of released and reapportioned allotment acreage for the years 1961-64. I think every Member has received a copy of that summary. Let me cite the figures relating to my own State of North Carolina for the years 1963 and 1964. In 1963, the total cotton acres released was 104,130; the total acres reapportioned was 99,594. In 1964, 106,758 acres were released and 104,185 acres were reapportioned.

I always hesitate to emphasize the impact of a piece of legislation upon my own congressional district. It is frequently misunderstood. However, I know of no better way to illustrate the importance of the existing cotton release and reapportionment program than to describe what would happen if H.R. 9811 were to pass this Congress in the form in which it was reported to this House and without the Poage and other needed amendments. There are nine counties in my congressional district. All of them are rural counties in northeastern North Carolina. Those of you who travel U.S. 301, Interstate 95 or 85 travel through a number of these counties. Cotton is grown in all nine counties and has always been so far as I know. Several counties grow much more than the others. Under the 1959 law, six of the nine counties received released cotton acreage from the State committee.

If paragraph 2 beginning at line 24 on page 14 through line 5 on page 15 is not stricken, thousands of acres of cotton heretofore received from the State committee of North Carolina will be lost to the cotton farmers of my particular district. Two counties in my district, Halifax and Northhampton, grow more cotton than all of the other counties combined.

In 1964, in addition to acreage released within Halifax County, cotton farmers in Halifax received 7,643 acres from the State committee. The total cotton acreage planted in Halifax was 31,360.

During the same year, 1964, in addition to the 330 acres released within Northampton County 10,955 acres were received from the State committee. A total of 33,377 acres were planted in the county during the same year.

This Congress has adopted a number of new programs and appropriated substantial sums of money on behalf of low-income people in this country. In the two counties to which I have just referred, a majority of the residents are Negroes. Many of them live on cotton farms. Their only source of livelihood is farming.

The median family income in both of these counties is less than $3,000. In Halifax it is $2,797. In Northampton it is $2,255. In fact, if the last census figures are right, only three counties of the nine I represent have a median family income in excess of $3,000 and the highest of those three is $3,248.

To destroy the existing release and reapportionment program by restricting it to within a county would, therefore, deprive many cotton farmers in the counties to which I have referred, especially Halifax and Northampton Counties, of a substantial portion of their already low family income. These farmers, both white and Negro, since 1959, have oriented themselves through capital investment, landlord-tenant arrangements, land preparation, and so forth, to receive a substantial amount of cotton acreage from the State committee. Even though it is a voluntary program, they have become dependent upon it. Any substantial change in it would work to their detriment.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent (at the request of Mr. WHITENER), the time allotted to Mr. WHITENER was granted to Mr. FOUNTAIN.)

Mr. FOUNTAIN. Mr. Chairman, I thank my colleague, the gentleman from North Carolina, for yielding his time to me.

Mr. Chairman, I hold in my hand an editorial entitled "Cotton Belt" written by Mr. Eugene Butler for the September issue of the Progressive Farmer. It takes a strong position against portions of this bill, especially the portions which if not changed would just about destroy release and reapportionment.

He points out that this particular program is bringing about $275 million more cotton money into the South each year. It has given thousands of growers enough acreage to make cotton profitable. We need this money and we prefer to work for it.

Before concluding, I want to add my few words of support to the provisions of this bill which extend one-price cotton. I supported that program when it was first adopted. I support it now. It is simple justice that one of the major industries in this country, the textile industry, no longer has to pay a higher price for the cotton they buy than is paid by their foreign competitors for the same cotton. I want to join my distinguished colleague from North Carolina, Mr. JONAS, in the remarks he made earlier today in support of this portion of the bill. It is also helpful to our cotton farmers. Like Mr. JONAS and others who support the one-price cotton provision, however, I want to see other provisions of this bill so improved that the Congress can pass it with confidence that it is the best bill we could agree on.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL of North Carolina. Mr. Chairman, I want to make it clear that I strongly support the principle of one-price cotton. Last year in the 88th Congress we fought this battle and won a great victory for this principle. Should this principle be defeated or altered in the 89th Congress, it will obviously mean grave economic problems for those communities which are dependent upon the textile industry. If the industry is forced back upon a two-price cotton system, the first effect will be that the raw material costs of the mills will increase by approximately one-third. This tremendous cost increase would greatly hinder or slow down sales expansion, plant expansion, future wage increases, and increased employment. Also these increased costs will have direct upward effect on prices of finished goods.

There are parts of the cotton section of the bill which disturb me. One in particular is the release and reapportionment section. I strongly urge the support of my colleagues for the amendment to this part which has been offered by the gentleman from Texas [Mr. POAGE.] This amendment will retain the acreage allotment release program. That program works like this: If a cotton farmer does not wish to farm his cotton acres, he turns his allotment in to the county committee. The county committee, if it cannot find a person within the county to take over the allotment, the allotment is turned over to the State committee for reassignment to a cotton farmer in another part of the State who has the land, equipment, facilities, and wherewithal to produce cotton. This program has worked well. I do hope that we can correct the portions of the bill which do great harm to this program. This amendment will do that.

The point that all concerned must remember is, that it is imperative that we retain a one-price cotton system. Otherwise, the cotton farmer will lose his best customer, consumption of cotton will decline, consumption of synthetics will increase. All this will be at the expense of the cotton farmer, textile worker, and the communities involved.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. LENNON].

Mr. LENNON. Mr. Chairman, I rise in support of the amendment to title IV, the cotton section, offered by the distinguished gentleman from Texas [Mr. POAGE].

I believe it would be well for us to comment on the statement made by the distinguished gentleman from Arizona [Mr. UDALL]. I am sure the gentleman did not intend to convey the impression that when cotton was released by a grower for reapportionment, that grower receives compensation from the Government. That is not true, and I would not have anyone so believe.

Much like my good friend, the gentleman from North Carolina [Mr. FOUNTAIN], I am not entirely satisfied by the amendment offered by the gentleman from Texas, but the release and reapportionment across county lines is essential to the cotton industry in southeastern States.

It has been a fair and equitable program since 1959. I was a little surprised that it was wiped out in the original bill.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. LENNON. I yield to the gentleman from Louisiana.

Mr. WILLIS. I completely agree with the gentleman that crossing county lines is essential.

Mr. LENNON. It is essential.

I agree also with my distinguished friend from Georgia [Mr. LANDRUM], who said that this legislation is essential to the textile industry of America. This is one of the largest industries in America. If the textile industry moved to manmade fibers, as they were doing prior to April of a year ago, when we passed the one-price cotton bill, then the time would come when the cottongrowers of California, Arizona, New Mexico, Mississippi, Alabama, North Carolina, and all the other States would not have any market in this country for their cotton.

The cotton consumption increased 1 million bales last year in the domestic market. Why? Because of the one-price cotton bill. Unfortunately, on the other side of the coin, cotton exports declined by almost 1 million bales. But that was not the fault of the Congress. That was the fault of the Secretary in pegging the price at a little bit above the world price, which caused us to lose approximately 1 million bales of sales.

Mr. KEITH. Mr. Chairman, I think that one of the great shortcomings of this omnibus farm bill is that it does not contain in an explicit provision the intentions expressed by the Agriculture Committee in the dairy section of its report.

In that section the committee clearly expressed its intention that small milk producers who sell their own products on the retail market should not be subject to the regulations of Federal market orders. Quoting from page 14 of the report, Mr. Chairman, the committee said:

> Traditionally all Federal orders have exempted producer-handlers from such requirements and have limited regulation to those requirements designed to guarantee that, as sellers of fluid class I milk, producer-handlers use their own production as a source of supply without substantial use of the production of other dairymen.
>
> The committee wishes to make it clear that it approves of the practice of keeping the producer-handlers' avenue of marketing open to dairy farmers without unduly burdensome restrictions and that this legislation shall not be deemed to be a justification for producer-handler inclusion in the pooling requirements of any Federal order. This is the purpose of section 104 of the bill.

Mr. Chairman, it seems to me that the simplest and most logical way to carry out the intentions of the committee would be to adopt the amendment offered by the gentleman from New York [Mr. O'BRIEN] which would put this language expressly in the bill. Clear and unmistakable safeguards are necessary to protect the livelihood of our small producer-handlers who from time to time have been penalized under Federal marketing orders.

In this connection, I would like to bring to the attention of the House a telegram sent to me today by the Commissioner of Agriculture in Massachusetts, Mr. Charles N. McNamara. This message very succinctly points out the need to adopt the O'Brien amendment to this omnibus farm bill. Mr. McNamara believes that this amendment would be helpful both to the small farmer and to the consumer.

Commissioner McNamara has been a farmer for many years and is highly regarded by all of those in Massachusetts who are interested in agriculture. I want to bring the substance of his message to the House and I hope that it will be helpful in the deliberation on this bill.

Mr. CLEVELAND. Mr. Chairman, I take this time to announce my opposition to the omnibus farm bill, H.R. 9811, and to explain my reasons for voting against it. While I am pleased to note that the administration and the majority party have decided to abandon their original plans to increase the bread tax by two-thirds, the bill still would continue the existing bread tax of 75 cents a bushel of wheat. I voted against this in the last Congress and shall do so again.

Furthermore, the alternative now proposed by the administration to have the Federal Treasury pay for increasing income to the wheatgrowers instead of the consumer, is, in my opinion, little better. Because most taxpayers are also consumers of bread, there does not seem to be much real difference between the two plans, except that payments from the Treasury are not so obvious a tax as a further increase in the price of bread would be. Essentially the same people will have to pay the same total but the new proposal would disguise the tax by having the money come from the Treasury rather than from the consumer who buys bread.

BILL WOULD CONTINUE DISPROVED FARM PROGRAM

This bill would continue and, I believe, worsen the problems of American agriculture. It would continue Federal programs that have been proven failures, that regiment the farmer and that have bestowed their benefits mostly on the big farmer rather than the small family farmer to whom the administration pays lipservice.

It is interesting to recall that, 2 years ago, the Nation's wheat farmers, in a special referendum conducted by the Government, overwhelmingly voted down increased governmental controls over farm operations. In spite of this massive expression of preference by the farmers themselves, the administration, supported by the majority in Congress enacted the wheat program we now have and which would be continued by the present bill. To be sure, this program is not compulsory, as was the program submitted to referendum, but it might as well be because the economic penalties against those farmers who elect not to participate are severe and cannot well be borne by the small farmers.

APPLAUD GOAL OF DECENT INCOME FOR SMALL FARMERS

I applaud the objective of endeavoring to provide a decent income for small farmers. Not only is this a humanitarian goal but it is one that is important to maintain the purchasing power of this important segment of our economy. A depression in farm income traditionally has presaged a general depression in this country and it is important to maintain the farmer's purchasing power. Although the number of farmers is much smaller than it used to be, farmers still represent major economic power and it is in the national interest to see that they are fairly rewarded for their labor.

Federal farm programs, however, have failed to accomplish this goal in spite of the annual flood of billions of dollars poured into them. The fact is that the major part of the Federal money spent on agriculture goes not to the small farmers but to the big operators. This is not an invention of mine but is general knowledge and was stated precisely earlier this year by no less a personage than Mr. Kermit Gordon, then the Director of the Bureau of the Budget, who wrote in an article in the Saturday Review:

> About 80 percent of our assistance goes to the 1 million farmers whose average income exceeds $9,500. Most are successful business firms.

To me, this is reprehensible.

ANOTHER EXAMPLE OF LEGISLATION BY LUMP AND LABEL

In addition to the wheat sections, other sections of this hodge-podge bill would extend Federal price props and output controls for cotton, feed grains, and wool. Although I support in principle one price for cotton, I am compelled to vote against a solution which is, in effect, a triple subsidy and which is, furthermore, wrapped up with an objectionable wheat program. Once again, cotton legislation comes before us embedded in a generally objectionable, omnibus bill which is another example of legislation by lump and by label where several major programs are tied into a single bill and one must take all or nothing. I have objected strenuously to this way of legislating in the past and I object to it now. Lump legislation has been an unfortunate characteristic of this Congress.

NATIONWIDE MILK ORDER OPPOSED

Another objection to the bill is its proposal that would attempt to regulate dairy production by providing for class I base quotas. This, I believe, would eventually do great damage to the dairy industry in the Northeast. Such quotas, which would be transferable, would assume a value which would add greatly to the cost of farming. In addition to buying an extra cow or two to increase his production, a dairy farmer would have to buy a quota and this might cost as much or more than the cow.

The Northeast is growing in population and the area's use of milk is also increasing. Under normal conditions of free enterprise, production tends not only to keep up with demand but to anticipate it. A quota system would slow expansion to the point where production would be trailing demand, a situation which would encourage a flow of milk from outside the region. The dairy industry, in common with other segments of agriculture, requires a bigger and bigger investment for an economic operation that will support the owner and his family according to current standards of living. Anything that would increase the amount of capital required to buy and operate a dairy farm will make it increasingly difficult for young men to enter the dairy business.

EGG MARKETING ORDER PLAN OPPOSED

These are my principal reasons for opposing the bill. In addition, I understand that efforts may be made to amend the bill by adding a section establishing a national marketing order for table eggs—the Resnick proposal. Whether this amendment is offered or not, I wish to take this opportunity to state my opposition to it. Poultrymen in my part of the country do not want the Government to decree how many laying hens they can have.

One's general reaction to this bill amount to disappointment and frustration amounting almost to despair. Once again, a major opportunity to be truly constructive and creative has been lost by those in power. Once again, legislation is proposed that will continue the farm mess, increasing controls, and adding expense to the taxpayer. It seems tragic indeed that we, who have the genius to circle Mars and astonish the world with scientific achievements, cannot solve the problems of farm surpluses although half the world is living in near-starvation.

ESPECIALLY BAD FOR NEW ENGLAND

It is inconceivable to me that a New England Member of Congress, regardless of party, who professes an interest in New England's agricultural economy, could consider for a moment supporting dairy provisions, feed-grain provisions, or wheat provisions of this bill. Each provision is detrimental and against the interests of the New England dairyman, poultryman, and livestock producer. Each provision is also detrimental and against the interests of every consumer in every city and rural area of our six-State area. On August 13—CONGRESSIONAL RECORD, page 20441—Vermont's distinguished Senator AIKEN stated and I quote:

> It is my opinion that, if the House proposal for dairying passess as now written, most of the family dairying in the United States will vanish within the next 5 to 10 years.

I believe this is true and I urge the defeat of this bill.

Mrs. DWYER. Mr. Chairman, this bill—and the administration's farm program which it would revise and perpetuate—is so full of holes, contradictions, inconsistencies, and nonsequiturs, compound with an atmosphere of general unreality, that I can hardly bring myself to consider it seriously.

This is the fifth year administration farm programs have either been in effect or under consideration in Congress, so we have had every opportunity to judge them by their fruits. The fruits have been distinctly low grade, not only for farmers themselves but for consumer and taxpayers as well. Yet, the administration and the majority of the committee can do no better, apparently, than to ask us to perpetuate failure.

The administration's about-face on the bread tax issue seems to typify its approach to farm policy as a whole—less an effort to develop a consistent, harmonious program for all of agriculture than a frantic attempt to put together a bill composed of disparate and divergent parts, on a commodity-by-commodity basis, that would not alienate too many voters. When the effort fails, as in the wheat program, and voters begin reacting too vigorously, they simply change signals and conveniently forget the arguments and justifications so vigorously advanced for their earlier position.

It makes one wonder—even more than usual—about the rest of the bill.

Two years ago, the administration first imposed the bread tax as a means of increasing the income of wheat farmers. This was a direct payment of 75 cents a bushel by the users of wheat—the millers, processors, and manufacturers of bread, cereals, flour, and bakery products—over and above the regular price of wheat. The administration adopted this scheme in place of other alternatives even though it was apparent that it would mean an increase to consumers in the price they paid for these basic food products. Predictably, prices did go up, and predictably, too, those who could least afford it were the hardest hit.

The administration, apparently, did not learn from this experience, for this year they proposed to require an additional 50-cents-a-bushel charge for wheat—meaning, of course, another increase in the price of bread and other products to consumers. The administration conceded such an increase would result but they estimated it would be approximately 1 cent per loaf of bread, which amounts to roughly 5 percent, while others figured it would be closer to 2 cents, or about a 10-percent increase.

This time, however, the public outcry was loud and clear. On top of rising food prices generally, an unnecessary increase in the price of foods like bread—on which the poor especially depend—would be completely unjustified. Yet, the President, the Secretary of Agriculture, and other officials defended their bread tax right up to the moment the House began debating the farm bill. Then they capitulated. In complete contradiction to their previous position, they now propose to finance the higher payments to wheat farmers from the general Treasury—from taxes, that is—rather than in the form of higher consumer prices.

In a sense, I suppose, this is a victory for those of us who so strongly opposed the bread tax. But in a larger sense, it is an indication of what is wrong with the whole farm program. It simply will not work the way administration theorists thought it would. Retreating on the bread tax issue may save the administration enough votes to pass the farm bill, but it does nothing to improve the farm program as a whole.

Year after year, the Government's subsidy of food production goes up. This year it is expected to reach $2½ billion. At the same time, however, retail and wholesale food prices are rising—4 percent above last year, 8 percent above the level 5 years ago. A major purpose of the Government's price-support program is to hold down surpluses. Yet, the Agriculture Department's latest figures reveal that production of corn and wheat—two of the biggest price-supported commodities—will be up substantially this year over last year, adding more millions to the cost of transportation and storage. And what of the farmers who are supposed to benefit from all these subsidies and price supports and special payments? The number of individual farms and farmers continues to decline. Nevertheless, last year's net farm income was no higher than it was in 1958.

Obviously, something is wrong. Obviously, the farm program is not reaching its declared objectives. Our only recourse, I believe, is to send this farm bill back to committee and tell the committee and the administration to start again at the beginning and come up with a farm program that makes sense—to consumers, to taxpayers, and to farmers.

Mr. ANDERSON of Tennessee. Mr. Chairman, I rise in strong overall support of H.R. 9811, the Food and Agricultural Act of 1965.

The amount of opposition to this bill is of great concern to me. It is very apparent that the family farmer has fewer and fewer friends. This trend must be reversed or we are headed for real trouble.

The most shocking thing is the way the American Farm Bureau Federation has joined certain big city interests and the bread trust to try to kill this bill. This is the most unholy alliance I have ever witnessed. The Farm Bureau claims to represent the interests of the farmer. I ask, what type of representation is it when the Farm Bureau joins hands with big business and big cities to undercut the farmer?

The divisory forces at work in this country are also of great concern to me.

We witnessed division in Los Angeles.

We witness it also on a daily basis as urban and rural interests express their divergent problems and goals.

It is high time for us all to recognize that we pursue our destinies riding the same boat, that we are all mutually responsible for the success of this country and, therefore, each mutually responsible for the success and well-being of all.

The city dweller must bear in mind his dependence on the success of the farmer.

The farmer supplies him with the best food available in the world for a smaller portion of his family income. In Russia it costs about $3 to buy a 2-pound chicken and you would have to work more than 5 hours to earn that amount. Here in the United States, the chicken would cost about 80 cents and most people would have to work only one-half hour to earn that amount—one-tenth of the time in Russia.

It is usual for people in many areas of the world to spend half their income for food—for example: Italy, 46 percent; Ceylon, 57 percent; Nigeria, 71 percent. In the United States food costs now—1965—take just 18.5 percent of take-home pay for the average consumer, and the trend is generally downward, for in 1955 the cost was 21.6 percent of disposable income.

The farmer is not only a great supplier, he is also a great customer and consumer. Agriculture uses more steel in a year than is used in a year's output of passenger cars. It uses more rubber each year than is required to produce tires for 6 million automobiles.

Agriculture is the principal source of new wealth for this Nation. It is the main provider of basic raw materials which support our economy. About 65 percent of the basic raw materials used in industry come from the farm. Agriculture is also a major dollar earner in world markets and is playing an increasingly important role in solving our balance-of-payments problems.

I believe our urban people should also look on our farmers and rural area people as custodians and conservationists of the great lands of America—lands future generations of an expanding populace must call upon increasingly, for food production to feed much of the world, and for recreational escape from overcrowded cities.

Indeed the interests of urban and rural people are one.

Let us not forget that we did not achieve our dramatic success in food production by chance. It required remarkable foresight and a gigantic investment, all centered around the family farm operation. If we throw this away by destroying the family farmer the results will be disastrous to our economy, our prestige, and our security.

Because of the cost-price squeeze faced by our family farmers we face a grave emergency. The tragic fact is that total farm personal income declined almost 11 percent from 1953 to 1964 while nonfarm income rose nearly 48 percent. Even on a per capita basis, in 1964, farm personal income was only $1,494, compared to $2,595 for nonfarm personal income. In 1963, 43 percent of all farm families lived in poverty, compared with only 17 percent of nonfarm families.

Again, this is tragic, especially when we consider the American farmer has produced the most dramatic success story of this century. The Communist nations can compete with us militarily, industrially, and in space, but they have not a prayer of competing with American agriculture. I consider our farmers to be the true heroes of our economy and they deserve a far better break.

The farm bill before us is not perfect, but I can assure you no effort has been spared by Secretary of Agriculture Orville Freeman to bring forward and gain support for programs which benefit the farmer. This bill will be a step forward and I hope all of my colleagues will so recognize it whether they represent urban or rural districts.

The family farmer needs help and one badly needed category of assistance is in the form of a better public relations effort in his behalf. The great success story of American agricultural production deserves to be heard not only by every American but by people abroad as well.

There are widespread misconceptions about the costs of the farm program. One significant statistic is this: Measured in ratio to gross national product, agricultural outlays in the budget actually fell from 1.0 percent in fiscal 1963 to 0.7 percent in fiscal 1965—a decline of 30 percent.

And within the framework of total agricultural budget outlays, a very high percentage goes into food inspection and other consumer services, to the food stamp program, and food for peace—outlays we should not charge against the farm program itself, but which are properly charged elsewhere.

The faulty analysis of the costs of the farm program is only part of the story. Equally faulty is the old, old complaint that the farmer is being heavily subsidized by taxpayer and consumer. As Leon Keyserling put it:

> With American consumers enabled over the years to get a better and better diet with smaller and smaller portions of their total expenditures being devoted to the purchase of food, with farm productivity rising so much faster than productivity elsewhere, with farm incomes moving inexorably downward while other incomes are moving upward, with poverty so much more heavily concentrated among farm people than among the nonfarm population, and with per capita farm income being more than 40-percent short of per capita income of the nonfarm population, it is clear beyond question, that those who provide our foods and fibers are really subsidizing others, rather than being subsidized by them.

We need to correct our national thinking and bookkeeping and during the course of the next few months I plan to make proposals in that regard to the Secretary of Agriculture.

Mr. Chairman, in conclusion I would like to submit for the RECORD a very excellent interview on the many blessings of the family system of farming, conducted some months ago by Mr. Hal Herd, farm editor, of the Nashville Tennessean:

SHOULD A MAN HAVE A LICENSE TO FARM?

Mr. HERSCHEL LIGON. I commanded a company for 18 months until World War II was over. I made up my mind then that I was coming home and farm.

Mr. HAL HERD. Why would anyone want to live on a farm in view of the industrialized economy of the 1960's?

Mr. LIGON. There are about four reasons. In the first place, I like to farm. I have seen too many people working at jobs they don't enjoy. If a person doesn't like what he is doing, he is no good to himself or whoever he is working for.

Before the war, my father had plenty of farm labor but high salaries in defense jobs soon attracted them. My father needed me to help him operate the farm but he said, "No, son, you go ahead and do your part and I'll get by somehow."

He took care of three farms and his bedridden uncle for the 4 years I was in the war. So I figured the least thing I could do would be to come back here and be with him. Even though I could be retired as a full colonel from the Army now, I'm still proud that I came back and spent my time with him.

Another reason is there is no better place in the world to raise your kids than on a farm.

Last of all, I made up my mind a long time ago that when farmers don't get what they are entitled to, that I was going to do all I could to fight for the farmer's cause. I spent 4 years fighting for my country and I'm going to spend the rest of my life fighting for the farmers.

Mr. ROY VANTREASE. The basic problem with the farmer today is we don't get enough money for our products. We go to the marketplace and say, "What will you give me for it?" No other segment in the Nation does that. But it is the only thing a farmer can do.

Mr. G. E. HORN. Listen, a young man today could invest the money it would cost him to get into farming at 5-percent interest and make more profit than he would worrying with a big farm operation. Farming is getting to be such a big business and requires such a heavy investment that not many people can afford to operate one.

Mr. VANTREASE. Basically, I don't think the real farmer has produced a surplus of commodities. People, like doctors, lawyers, and other professional men have gone out in the country and started farming on the side, formed little corporations, and they are the ones who have overproduced. And the full-time farmers have suffered from it.

Mr. HERD. If you need to borrow money to operate your farm, isn't there plenty available?

Mr. VANTREASE. Sure, there is plenty of capital available but many small farmers are not eligible for loans because they do not have the collateral.

Mr. HERD. I take it, the big problem for the farmers is increasing costs and reduced net profits. In face of this cost-price squeeze, how are you going to make a living?

Mr. VANTREASE. I couldn't make a living farming if I didn't have a grade A dairy. Milk prices have been reasonably stable and there is a little profit margin in grade A milk production.

But frankly, I don't see how the farmers producing milk for manufacturing purposes at a lower price can afford to milk cows. Of course, I realize there are so many little farmers with kids in school and they have to have some income from something.

Mr. HORN. You can't practice medicine or law without a license yet a doctor or lawyer can go into farming and compete with farmers. And they have plenty of money to back them up. Many of them have joined the Farm Bureau.

We now have a Farm Bureau in Tennessee that's a good insurance organization. Other than that, I don't know whether it is worth anything or not.

Mr. HERD. It has been said for years that farmers could never get anything as a group because they would never stick together. Do you think that in the near future there will be so few farmers that they will have to stick together and agree on some programs?

Mr. Horn. When farming gets to be a big business, and it is almost at that point now, farmers are going to unite. They will decide what they must have for their products to make a decent living and there won't be any trouble to get agreements. But as long as we have small farms, they will not unite. When big operators take over, they will get together and have the legislation passed that will help farming.

Mr. Herd. We have four major farm organizations: Farm Bureau, the National Grange, Farmers Union, and the National Farmers Organization (NFO). I don't think they agree on any program, do they?

Mr. Vantrease. Basically they all fight each other. The Farmers Union and the NFO agree on some things.

Mr. Herd. What is the answer to increasing farm income?

Mr. Ligon. Eliminate his unfair competition. Get rid of those people who can afford to lose a lot of money farming because they make so much in other occupations. I can't compete with that type farmer.

I know a rich, part-time farmer. He showed me his income tax return for the last quarter and I saw how much money he paid the Government. But he said, "I'm not going to pay the Government that much money any more. I'm going to buy high-priced livestock and sell them for a much lower price." And that's what he did.

Mr. Herd. The basic problem is that farmers have had increases in the cost of labor, machinery, taxes, etc., but the price of the products he has to sell has not increased.

Mr. Vantrease. I can take a cow to market which I think should bring 18 cents a pound but the highest price I am offered may be considerably lower. I have to take the offer because I just can't continue to keep her and feed her if she isn't making me a profit producing milk.

Mr. Ligon. Here is a good example of cost increases: I paid $1,165 for a tractor in 1945 which today would cost more than $3,000.

Mr. Vantrease. I bought a tractor the year that Old Hickory Dam was built which cost $2,700. Today the same size tractor would cost more than $5,000.

Mr. Herd. Do you think a farm organization is the answer?

Mr. Ligon. No, because members have other interests. You have to have a family farm organization with one common interest—farming.

Mr. Horn. If you got the chicken producers together today you would have an organization of feed people because they control most of the poultry production. It's the same way with the hog producers.

Mr. Ligon. Hogs are produced by feed companies today. I used to have hundreds of little customers who raised their own hogs. Today, all those hogs are raised by feed companies or people with other interests than just hogs.

Mr. Vantrease. When we sold beef at the highest farm prices, retail prices were lower than they are today. The middleman, the retailer, is responsible for the increase while we are getting less.

Mr. Ligon. The Federal farm program doesn't help me because I don't produce sufficient volume. It is helping the man who doesn't really need it. But who is paying for it? The average taxpayer. It's costing $8 million a year for the farm program that isn't helping me a bit.

It could help small farmers if they were the only ones eligible to participate. I would favor a farm program which would give assistance to only those making at least 75 percent of their income from agriculture.

Give that group a license to participate but let everyone else who wants to farm do it on their own without Government assistance.

Mr. Herd. You suggest that only licensed farmers should benefit from the Federal farm program?

Mr. Ligon. That's right. All you would be doing would be eliminating those who are not deriving their incomes from farming from receiving payments from the Government.

Mr. Horn. When I was teaching school, I bought three farms. This was during World War II when farm prices were high. With the two sources of income, I was able to pay for these farms in a short time. It would be next to impossible today to pay for a farm without considerable outside income.

Mr. Vantrease. I could give my son 200 acres today, and he would go broke before he stuck the first plow in the ground.

Mr. Horn. You could give your boy 200 acres and he would have trouble borrowing enough money to buy the machinery with which to operate it.

Mr. Herd. What are the possibilities of improving farm income through cooperative marketing?

Mr. Horn. Well, we're having more success all the time with cooperative feeder calf and feeder pig sales. But still these are auction sales and the farmer has to take what the buyers will pay.

Yet, they get more than they do from country buyers who drive by farms and make an offer. Most times the farmer doesn't know what the market price is and sells them too cheap.

Mr. Ligon. You have to have enough buyers at these cooperative sales to keep the price competitive.

I'll be the last farmer in this family because I can't conscientiously encourage my boys to farm although they would love to do it and already have the experience and knowledge to be good farmers.

The Government has to help farmers because this stabilizes the Nation's economy. But now, the Government is helping everyone but the ones it should assist.

I know four men who had some surplus money so they went into the hog business. I don't know how many hogs they are producing but it is a large number. All four make their main income from something else.

I spent 3 weeks last fall showing hogs at Memphis, Alabama, and Arkansas. I was the only Poland China exhibitor who makes his entire living from farming. All the others get their income from other sources.

Mr. HANSEN of Iowa. Mr. Chairman, the omnibus farm bill, H.R. 9811, which we discussed today is, in my judgment, a well developed, balanced piece of legislation. It is based on the experience of the past. While not perfect, it strikes me as a measure that reflects a continuance of the evolutionary process of improvement that has characterized farm legislation since the advent of the Kennedy-Johnson administration. The increased popularity, particularly of the feed grain section, as evidenced by the heavy sign-up in the great feed grain producing State of Iowa clearly attests to its acceptability.

I call attention to the marked reduction in the burdensome storage costs that developed prior to 1960. This is another very potent point indicating the very real effectiveness of this phase of the program.

In my judgment, the committee has given us a well considered bill that has a most practical set of proposals and stipulations which tend to improve and carry forward in the whole program the fine features of the feed grain section.

We will harm the welfare of our Nation if we fail to pass intact the bill presented to this body by the Agriculture Committee.

Mr. RHODES of Arizona. Mr. Chairman, I rise in opposition to H.R. 9811, the administration's omnibus farm bill.

The programs that are proposed and extended by this bill are estimated to cost the American taxpayer between $18 to $19 billion during the next 4 years. But even with this tremendous outlay of money, there is no indication that these programs will be any more successful than those which have failed so completely in the past. For example, Secretary Freeman spent about $2 billion more last year to bring about an increase in farm income of only $900 million over the level of 1960. In 1964 the American farmers had to depend on Government payments for nearly one-fifth of their realized net income.

Although the administration now is doing its best to disguise and hide the increase in the odious bread tax, the fact remains that H.R. 9811 will raise the subsidy on wheat 50 to 57 cents a bushel. Due to a last-minute switch this increase will not be paid directly by every person who purchases a loaf of bread, for now the additional subsidy will come out of general tax revenues. However, every taxpayer will share the burden of this increase in the subsidy, and consumers will continue to pay the present 75-cent bread tax. Thus, even though the manner of funding this increase has been changed, the cost will be the same, the taxpayer must bear this added cost, and the present bread tax system will go on for another 4 years.

Mr. Chairman, I insert the Republican policy committee statement on H.R. 9811 in the Record at this point:

Republican Policy Committee Statement on H.R. 9811, Food and Agriculture Act of 1965

The Republican policy committee is opposed to H.R. 9811, the omnibus farm bill. Certain provisions may have merit, but this bill in its present form will not move toward the sound solution of the problems of American agriculture.

We particularly oppose the omnibus approach in this bill, an approach which has characterized so many of the administration bills this year. However, we commend the Republican members of the House Committee on Agriculture for their efforts to improve this legislation.

H.R. 9811, as drafted, calls for the extension of existing programs, which have failed, and the establishment of new programs that will result in the expenditure of billions of dollars over the next 4 years. These enormous costs are not warranted by past results or by the results that can be expected under this bill.

The record is clear that the administration's farm program is not meeting the needs of farmers, consumers, or taxpayers.

Ten years ago the farmer received 42 cents from each consumer food dollar. Today he receives only 37 cents, less than in the depression days of 1935.

Farm debt stands at an alltime record of over $36 billion. The parity ratio has dropped to 75 in 1964, the lowest level in 30 years, despite repeated promises by the administration of full parity income for farmers.

Retail food prices have increased 29 percent in the last 16 years, while the net income of agriculture has gone down 29 percent.

One of the most serious failings of this bill is the fact that it continues to provide the Secretary of Agriculture with the authority to depress farm market prices. No Secretary should have this power.

Even though the cost-price squeeze has forced more and more farmers off the land, the cost of running the Department of Agriculture has not gone down. In 1933 there was 1 USDA employee for every 203 farms. In 1961 the ratio was 1 to 37, and today there is 1 USDA employee for every 32 farms.

In spite of substantial increases in Government payments to farmers (estimated at $2.4 billion in 1965), net farm income has not been materially improved. Government investment in surplus farm crops still stands at nearly $7 billion.

Clearly the administration farm program has failed when, despite the staggering Federal payments and the severity of Federal controls, farm income has failed to improve, the cost to the consumer has increased, and the surplus problem has not been met.

Clearly, H.R. 9811 only perpetuates this unfortunate record. It will make more difficult constructive efforts to establish a sound and workable farm program that serves the best interests of farmers, consumers, and taxpayers.

The CHAIRMAN. The question occurs on the amendment offered by the gentleman from Texas [Mr. POAGE].

Mr. RHODES of Arizona. Mr. Chairman, I ask for a separate vote on the first three lines of the amendment.

The CHAIRMAN. The Clerk will report the first part of the amendment referred to by the gentleman from Arizona.

The Clerk read as follows:

On page 14, beginning at line 24, strike all of paragraph 2 and renumber paragraphs 3 and 4 as paragraphs 2 and 3 respectively.

The CHAIRMAN. The question occurs on that part of the amendment just read by the Clerk.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Have we not just voted on a separate amendment, the Jones of Missouri amendment, which had the same purpose? Mr. JONES, the author of the amendment, stated it had the same purpose, I think.

The CHAIRMAN. There was an amendment offered by the gentleman from Missouri [Mr. JONES] but it was not this same proposition which was just read by the Clerk.

Mr. COOLEY. The only difference is the name of the author.

The CHAIRMAN. The parliamentary situation, I would say to the gentleman from North Carolina, is different, too.

The question occurs on that part of the amendment just read by the Clerk.

The question was taken and the Chairman announced that the noes appeared to have it.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Can we have the amendment reported again so we can relieve some of the confusion as to the difference between this and the Jones of Missouri amendment?

The CHAIRMAN. I would say to the gentleman that the Committee just voted down the amendment.

Mr. COOLEY. Mr. Chairman, on that I demand a division.

Mr. SISK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. COOLEY. Is this the Poage amendment or the Rhodes of Arizona amendment?

The CHAIRMAN. The Chair endeavored to explain carefully that this is the first part of the Poage amendment as read by the Clerk a moment ago.

The question was again taken and the Chair announced that there were—ayes 111, noes 28.

So the portion of the amendment referred to was agreed to.

The CHAIRMAN. The question is on the remainder of the amendment offered by the gentleman from Texas [Mr. POAGE].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Beginning on page 25, line 10, through page 29, line 3, insert quotation marks before each subsection and insert closing quotation marks after the period on page 29, line 4.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 27, line 15, strike out "operate" and insert "operates".

The committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9811) to maintain farm income, to stabilize price and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, had come to no resolution thereon.

TO STRENGTHEN AND IMPROVE THE NATIONAL TRANSPORTATION SYSTEM

Mr. HARRIS submitted a conference report and statement on the bill (H.R. 5401) to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system.

AMBASSADOR GOLDBERG: COURAGE, CANDOR, AND CREATIVE STATESMANSHIP

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, the full text of Ambassador Arthur J. Goldberg's remarks on Monday before the United Nations Committee on Peacekeeping Operations deserves to be read and carefully weighed by every American who loves his country. It would be easy to label America's position on the dues deadlock as a surrender, a spineless abandonment of law and principle, and a backing down in the face of blackmail by our enemies and neutralist nations.

But Ambassador Goldberg, in a brilliant display of courage, candor, and creative statesmanship has helped resolve this great financial crisis which has paralyzed the General Assembly of the United Nations. He has made it crystal clear that the United States adheres to both the letter and spirit of article 19. He further made it clear that we are condemning and not condoning those delinquent nations who refuse to support peacekeeping operations of which they disapprove. Yet his position on this issue brings in the fresh air of realism which will breathe new life into the United Nations.

I urge my colleagues in the House to look at the larger issue of the ability of the great General Assembly to act in the interests of world peace. We are fortunate that we have at the United Nations a man like Ambassador Goldberg who is searching for future paths toward peace, instead of stumbling along in the ruts of old slogans or inflexible postures.

THE LOS ANGELES, CALIF., RIOTS

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. DICKINSON. Mr. Speaker, we have all been appalled, I am sure, by the recent accounts of the riots in Los Angeles where 34 people have lost their lives and $175 million in property damage has been done and where it is costing over half a million dollars a day for various governmental agencies to enforce law and order.

On behalf of the people of Montgomery, in the great State of Alabama, I would like to extend our sympathy and the hand of friendship to the people of Los Angeles.

During Alabama's recent time of travail a group of my colleagues here in the House went to Selma as volunteers to share their wisdom and assistance with the good people of Alabama as to how we should handle our race relations. Among this group was the gentleman from California [Mr. HAWKINS], whose district encompasses Watts, Calif., the principal scene of last weekend's riots.

I am sure everyone can readily appreciate how much my colleague's presence and advice added in bringing about peace and calm in Selma and Alabama, and how much appreciated was his visit during that tense and dangerous time.

I feel that the least I can do is to reciprocate by offering to go to Watts, Calif., and to furnish such help or advice

I am able to give by virtue of my experience in a similar circumstance. I might add, however, that I would not be so presumptuous as to inject myself into a dangerous and volatile situation unwanted and uninvited.

UNITED STATES POSITION ON ENFORCEMENT OF ARTICLE 19 OF UNITED NATIONS CHARTER

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Speaker, I was very much disappointed with the first speech made by our new Ambassador to the United Nations, Arthur J. Goldberg, in which he announced our Government's position of withdrawing from the fight to enforce article 19 of the United Nations Charter.

This House only last year passed a resolution supporting our position in the United Nations of attempting to make those delinquent members pay their assessments. This has been a retreat of expediency. It has been said that we were to rise above principle, but to me it has been a retreat from principle.

Maybe the time has come for a complete, new evaluation of the United Nations and our role in that world body. If we are to have a workable United Nations, then it must be made up of those members who will abide by the rules of that body.

DISTRIBUTION OF THE MAIL

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Speaker, mail service is an important function of the U.S. Government. It provides, supposedly, rapid transmission of the mails to all parts of the Nation, is our major means of communication, and is the lifeblood of business and commerce.

A short while ago we were informed of a great new plan by the Post Office Department for more efficient distribution of the mail. We were assured in a meeting with postal officials that this would in fact improve mail service, and I daresay we have never been more misled.

Postal officials were told in a meeting which I attended that it did not appear to be a workable program, that it would not improve efficiency of mail service, and that it would disrupt the lives and positions of postal employees. The Department went ahead with the implementation of this plan in spite of strong protests, and subsequent events have proven it to be a serious mistake.

Businessmen depend to a large extent on mail service. Where a businessman could, under the old system, pick up his mail on the way to work, today he must wait until midmorning for the mail to be put up. It just has not arrived at the office under this efficient system. Employees of these firms cannot get right to work on their normal duties, due to this new system.

Employees of the Post Office have had their positions changed to other cities, and in general it is proving to be a mess for the people that I serve. It is past time that this situation was rectified.

In a letter to Postmaster General John A. Gronouski, I pointed out the absurdity of a piece of mail being placed in an office only 7 miles from where it is going, then being transported over 100 miles, processed and transported back. The delay amounts to days in some instances over the old system and I fail to see where this supposedly efficient system has been of any assistance to us at all. I call on the Post Office Department to take action immediately to correct this situation.

I would call your attention to the situation faced by many rural carriers, who used to leave their office in the early hours of the morning, thereby giving prompt and early service to rural patrons. Now they are unable in many instances to leave until well up in the morning. Hours of delay result, and this delay is compounded time and again, all along the line, until we have a general mess.

This system has proven to be demoralizing to postal employes and local postmasters, who have had nothing to do with the institution of this system, but are carrying out orders.

I wish that those officials who developed this scheme would leave their offices in Washington and get out and see what this supposedly efficient system of mail service is doing in my district.

Postal rates continue to climb in the name of better service. We are assured by postal officials that this new plan will mean better service, but we find, in fact, that it has not worked and that it is a general mess. It is unpopular with the people and with postal employees. It is past time for platitudes; it is time that some action was taken.

I call on the postal officials to correct this situation and ask the Members of Congress to join me in protesting this situation. The penalty which businesses and the people have had to pay for poor service are already too high. I want to protest in the strongest possible terms this situation and demand that action be taken immediately to correct it.

I would like for the Members of Congress to read an editorial entitled "Please, No More Efficiency," which appeared recently in the Suwannee Democrat, and also, a recent editorial from the Lake City Reporter entitled "Postal Service Declines." I believe the editor was correct when he said that postal service has never been so inconvenient since the pony express days of the 19th century.

[From the Suwannee Democrat, July 22 1965]

PLEASE, NO MORE EFFICIENCY

Already grumblings and disagreement with the recent changes in mail service are arising from most rural communities of the State, and certainly the recent changes by no stretch of the imagination could be termed helpful here in Suwannee County. In fact, postal service has never been so inconvenient since the pony express days of the 19th century.

At the rate Postmaster General Gronouski is tossing out changes for improvements and efficiency, we could well revert back to the time when the arrival of the mail was the major event of the day and of such importance many citizens took time out to meet the stage bringing the daily offering.

After nearly a century of being able to get one's mail on the way to work in the morning, efficiency now decrees that we wait until about 9 o'clock. Instead of rural carriers leaving at 8, as has been the custom for years, they now leave at 9. This is progress we are told.

But perhaps the crowning blow here is that in order to get a newspaper or letter from Live Oak to McAlpin, it first must go to Jacksonville, where it is processed along with millions of other pieces of mail. This, also, is efficiency, according to Mr. Postmaster General.

Carr Settle, in his column titled "Meanderings" that appears weekly in the Monticello News, put it this way:

"I'm told a letter mailed to Monticello from Live Oak, instead of coming here directly by train, now goes to a service center in Orlando, is then sent back to the Tallahassee service center, and eventually gets here a day or two late. That's efficiency?

"Papers we've been receiving from south Florida as exchanges the day after publication now come in a couple of days late; the first week of ZIP code one was a full week late. And every paper has some comment to make regarding the increased efficiency of their local mail.

"Just wanted to tell you all this so if your paper gets to you a week late don't call us—first call your postmaster or your nearest service center where, quite possibly the clerks are still milling about trying to decide how to route it.

"It all looks like a move to increase efficiency in the urban offices at the expense of the rural areas but if they think they're going to force me to move to the city to get mail service they're all wet. I'll use smoke signals first."

And then Bob Elhert, of the Jasper News under a heading, "Sorry, No Pictures," had this to say:

"The Jasper News is dependent on the mail service to get cuts here in time for each issue of the paper. Recently the Postal Department instituted a new faster mail service, based on the ZIP code. This week it took 2 days for a letter to reach Macon, Ga., and 2 days for the cuts to get back, a process which has been taking 1 day each way. This week we had five pictures of various kinds to be used in the News, and they have not yet arrived at press time. A call to Macon informed us they were mailed Wednesday.

"Please, Mr. Postmaster General, don't improve our mail service any more."

We can only echo the sentiments of Mr. Settle as to moving and the plea of Mr. Elhert as to further attempts to improve our mail.

Perhaps we will become accustomed in the years ahead to being constantly overlooked. Another price we must pay for preferring to live in a community where there is something to life other than efficiency and improvements that end up as harassments rather than help.

Bad mail service and all, we prefer Suwannee County to the crowded cities where battles are raging over pollution and traffic headaches.

Mr. ZIP code has a long way to go before our people can agree it has brought better mail service.

[From the Lake City Reporter, Aug. 12, 1965]

POSTAL SERVICE DECLINES

A marked deterioration has been noticed recently in the local postal system. Morning deliveries of first-class mail, constantly becoming delayed until late morning, have local businessmen, who depend on this flow of mail to conduct their business, in a tither. Employees gather around the coffee pot and soft drink machine waiting for the delivery to start their work. Man-hours, and, consequently, money, are being sacrificed.

The local post office has suffered a severe cutback in employees, which undoubtedly has caused much of this delay; therein, however, is not the entire story.

The postal system, a venerable Federal institution, is a monopoly. If a citizen wants to convey a letter or similar material from one point to another, he has but one choice—the U.S. postal service. Therein lies the problem. Complacency becomes inevitable whenever a service is monopolized. Complacency has set in, much like rigor mortis, on the postal system. Deterioration, reaching the point of ridiculousness, coupled with recent postal hikes (and more in store) indicate that perhaps the Government should get out of the postage business.

A free enterprise postage system, with several firms carrying the U.S. mails, couldn't afford the laxity prevailing in the present system. The necessity of operating for a profit in a competitive atmosphere would assure Mr. and Mrs. John Q. American of faster, more courteous, and more reliable service.

Free enterprise is assured the United States by the Federal Government itself, which maintains watchdog committees to guard the people against monopolies and the troubles they inherently cause. Yet, the Federal Government allows the flow of mail, the lifeline of communications, to be infiltrated by listless, complacent attitudes, from the top to the bottom of its ranks.

The U.S. mailman has become renowned for trudging through rain and sleet and snow to deliver the mail, but the system employing him is bogged down, probably forever, in a sea of lackadaisical mud.

SUMMARY STATEMENT IN SUPPORT OF BILL TO LIBERALIZE THE CARRYOVER OF NET OPERATING LOSSES IN THE CASE OF CERTAIN RAILROAD CORPORATIONS

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, I have today introduced H.R. 10542. The basic purposes served by this bill are to save upward of 40,000 jobs for railroad employees and to preserve rail connections of importance to export shippers and for purposes of national defense. Railroads can, and upon occasion do, quite literally cease operations and go out of business. When this happens, not only are local industries deprived of the competitive advantages of low-cost rail transportation; not only are local tax revenues depleted; but most serious of all, the road's employees are discharged and are entitled neither to continuing job protection or to layoff allowances, as the events attendant upon the recent dissolution and dismantling of the defunct New York, Ontario & Western so incontrovertibly demonstrated. The war on poverty is not advanced by foreclosing job opportunities in essential industries.

Certain loss rail carriers, mostly operating in the northeast sector of the country, now employ in excess of 40,000 persons, each averaging in excess of $7,000 annually in pay. These carriers are now in such serious financial condition that their continued survival will be impossible unless their operations are taken over by one or more of the big rail carrier systems which have now emerged, or are in the process of emerging, with the approval of the Interstate Commerce Commission. In the East, the railroad industry has been grouping itself into three self-sufficient systems, that is, the Norfolk & Western and the C. & O.-B. & O., both of which have received ICC approval; and the Penn-Central, which is now pending before the Commission. These three are the only realistic merger choices now available to the smaller loss line eastern rail carriers.

As noted, the average annual wage of the more than 40,000 railroad employees whose job is thus directly at stake is now in excess of $7,000. Thus, annual payrolls totaling $280 million depend upon the continued survival of such loss line rail carriers as the Erie-Lackawanna; the Boston & Maine; and the New York, New Haven & Hartford, already in section 77 reorganization. The Central of New Jersey and the Reading, both in the Northeast, together with the M-K-T operating in the Southwest, present comparable pictures of economic hopelessness unless taken over by stronger, more viable roads. These latter three loss carriers, however, are not active merger candidates at the present time.

Railroad employment opportunities, due to automation and ever-increasingly sophisticated modes of operation with new equipment and through new techniques, have steadily and drastically declined over the past 25 years. Upward of 15,000 of the firemen recently laid off due to redundancy have been alleged by their brotherhood chief to be unemployed. The 40,000 or more railroad employees on the smaller loss carriers whose jobs are now in the greatest of jeopardy would, both through age and specialized training, encounter high hurdles in seeking new employment at a comparable economic level. On average, such employee, it has been estimated, represents the economic livelihood of not less than four other persons.

Thus, the economic welfare of some 200,000 persons is directly bound up with the ability of these smaller loss line carriers to continue operations.

In furtherance of the national transportation policy, it is necessary that the merger movement result in balanced competitive railroad systems throughout the Nation. Essential to this development is the preservation of uninterrupted service over the lines of several smaller railroads serving vital segments of the country but which in recent years have suffered severe financial reverses, culminating in some instances in bankruptcy or section 77 trusteeship. Such smaller loss carriers quite literally cannot long survive as independently operating units. In consequence, these roads must either be liquidated with attendant loss of jobs, diminution of local revenues, and shrinkage of shipper accesses to vital markets, or they must be acquired or absorbed into one or another of the larger emerging rail carrier systems.

WHY TAX RELIEF IS NECESSARY

These smaller loss carriers, including those in the East in particular, are highly unattractive at this time as potential merger partners. Vast sums would be required to overcome the effects of delayed maintenance and to provide adequate quantities of modern, economically competitive motive power and rolling stock for these roads. The bridging of both these material gaps is an outright competitive necessity. In addition, each such carrier is burdened with debts of a magnitude sufficient to threaten their very survival. For example, as of December 31, 1964, E-L had outstanding some $326,986,857.78 of long-term debt due after 1 year, whereas this road's book net earnings over the past 9 years have been a minus $94,700,000, yielding a net operating loss for Federal income tax purposes of $117 million.

In addition to the E-L's long-term debt now amounting to some $327 million, any merger partner would also have to take over a liability either to offer E-L's workers continued employment or to assume, under the standard Washington conditions imposed by the Interstate Commerce Commission, an obligation to each such worker laid off equal to not less than 60 percent of his pay for the 5-year term next following the merger. Under the most recent labor agreement with the major brotherhoods of February 7, 1965, provisions at least as generous as the Washington conditions are sure to be entailed upon any takeover of the E-L.

E-L's monthly payroll for January 1965 totaled $9,840,000 for its more than 16,000 employees. Any merger partner of E-L or any other road desiring to acquire control of E-L would as a minimum either have to employ all of E-L's work force for 5 years at a cost of $590,400,000 or pay 60 percent of such amount for work not performed, that is, $354,240,000, in return for taking over the very dubious privilege of operating a carrier which has generated tax net operating losses in the neighborhood of $120 million since 1955. Further, E-L's unfunded past service pension costs applicable to the company's supplemental retirement plan was estimated at $14,702,946 as of the most recent actuarial studies.

Thus, in light of E-L's long-term debt of $327 million; its inadequate supply of modern freight cars and up-to-date diesel power; its heavy net operating loss position, now well into its 10th consecutive year, which approximates $120 million; and its continuing wage liability over the next 5 years of $590,400,000 if full employment continues and $354,240,000 if all employees are let go, it is quite clear why E-L is so unattractive as a merger candidate. The present economic posture of the other affected loss carriers is fully comparable to that of E-L, if not worse. To overcome these truly formidable disadvantages, some Federal income tax incentive must be supplied the loss lines' merger partners.

In order then to provide sufficient necessary motivation for the implementation of any overall program looking to the emergence of balanced competitive rail carrier systems throughout the Nation, the proposed measure permits a railroad taking over the burdens and responsibilities of a loss rail carrier to utilize any net operating losses of the acquired railroad. Such an acquisition, including such vital matters as the terms relative to the continued operation of the properties acquired, employee tenure and job rights, and assumption of the debt obligations of the loss carrier, must all, of course, be effected pursuant to a formal order of authorization and approval issued by the Interstate Commerce Commission based upon that body's finding that the entire transaction in all of its ramifications is in the public interest and serves to promote the national transportation policy.

Certain of the smaller loss rail carriers are now so unattractive as merger partners that they have to date been unable to negotiate any takeover of their assets and liabilities despite their best efforts to do so. At best, they are candidates for economic rehabilitation over a term of years. Accordingly, additional relief in the form of a carryover to an affiliated group is provided of such a loss carrier's net operating losses upon its joinder in a consolidated return even with respect to losses which have accrued prior to joinder in such a return. It is requisite, however, that both the loss contributing member and the common parent corporation both be railroad corporations—as defined in section 77(m) of the Bankruptcy Act—and that the loss contributing member continue to be actively and substantially engaged in the transportation business. In addition, it is necessary that the parent's control over the loss generating subsidiary first be effected during a taxable year ending after December 31, 1963, pursuant to an order of authorization and approval issued by the Interstate Commerce Commission.

EXTENT OF RELIEF TO BE AFFORDED

The tax-free union of railroads of not too unequal a size are under current law—sections 381 and 382 of the Internal Revenue Code of 1954, as amended to date—now afforded a full carryover of the net operating losses of both carriers. Under present law, however, net operating losses do not carry over where railroads of markedly unequal size are combined even though such combination is effected pursuant to one of the most commonly met with types of tax-free exchanges—section 382(b). Nor is a carryover of net operating losses provided where the assets of an insolvent road are transferred to another railroad corporation even though neither gain nor loss realized upon such exchange is subject to recognition by reason of section 374. The foregoing discrepancies in the current workings of the tax law would be rectified by the proposed bill.

In addition, the proposed bill would enable certain railroad corporations, so long as they continued to be actively and substantially engaged in the transportation business, to make available preaffiliated status net operating losses to an affiliated group where the common parent is a railroad corporation. For this new rule to apply it is necessary that the loss generating member must have first acquired its status as a member during a taxable year ending after January 1, 1963, and in pursuance of an authorizing order issued by the Interstate Commerce Commission.

Limitations have been added to insure that preaffiliated status losses will not serve to reduce the group's consolidated taxable income unduly in any one year. Of no less significance is provision for the recapture of benefits derived from preaffiliated status net operating losses if the stock of the loss affiliate is disposed of in a taxable transaction.

IMPACT UPON THE REVENUES

Although the proposed measure would extend relief impartially among all rail carriers falling within the scope, only four rail carriers possessed of substantial unused net operating losses are known realistically to be interested in this bill at this time. These four loss carriers, located generally in the northeastern portion of the country, are the Erie-Lackawanna, the Boston & Maine, the New Haven, and the B. & O. Necessary statistics relative to the unused net operating losses incurred by the three currently anticipated beneficiaries of this act which currently are in an operating loss position—the B. & O. currently is earning taxable income—have been compiled directly from their respective Federal income tax returns—except for 1964, where the data was taken from schedule 300, page 301A of form A filed with the Interstate Commerce Commission—and are set forth below:

Year	E-L	New Haven	B. & M.	Total
1956	$1,044,020	$6,699,341	0	$7,743,361.00
1957	7,421,250	1,529,960	$1,212,782.80	10,163,992.80
1958	11,467,170	3,544,195	7,539,959.52	22,551,324.52
1959	5,887,660	10,070,452	15,844,473.83	31,802,585.83
1960	22,012,550	12,909,345	11,805,434.91	46,727,329.91
1961	28,295,440	19,421,608	7,038,180.36	54,755,228.36
1962	16,657,560	12,893,130	1,787,902.75	31,338,592.75
1963	15,970,310	9,209,029	279,132.08	25,458,471.08
1964	8,268,194	15,262,688	5,164,997.00	28,695,879.00
Total	117,024,154	91,539,748	50,672,863.25	259,236,765.25

The relief here proposed provides a 10-year—rather than the present 7-year—cycle for the carryover of unused net operating losses in the case of companies which qualify as railroad corporations within the meaning of section 77(m) of the Bankruptcy Act. No relief, however, is provided for taxable years ending prior to the enactment of this measure. Thus 1965 is the earliest possible year that could be affected. Should an acquisition of assets or of an affiliated status covered by this bill take place in 1965, then unused net operating losses of a covered transferor corporation from its tax calendar year 1955–64, inclusive, would carry over to the transferee's tax calendar year 1965. Thus, the maximum currently estimable benefit to be afforded by this bill to those three carriers listed above and which are currently active candidates for acquisition by a larger rail system is $260 million in deductions which at the current corporate tax rate of 48 percent amounts to $124,800,000 in tax. Few if any railroads today are in fact paying tax at the 48-percent rate due to operation of the investment credit. The 25-percent limitation upon this credit results in most roads paying tax at the rate of 36 percent—that is, 48 percent minus, 12 percent—48 percent minus 25 percent of 48 percent. The $260 million of deductions here in issue would, at the rate of 36 percent cost the fisc $93,600,000.

The B. & O. will join with its common parent corporation, the C. & O., for the first time in its 1964 return. Although currently in a net profit area, B. & O. long suffered very large annually recurring losses. These accrued losses currently total in the neighborhood of $34 million of which approximately half will be absorbed with full tax benefit under current code provisions. The remaining $17 million of losses will expire without tax benefit unless this measure is enacted. Due to the operation of the investment credit and the 25-percent limitation thereon referred to above, the C. & O.-B. & O. consolidated group currently pays Federal income tax at the effective rate of 36 percent—not 48 percent. Thus, currently viewed, the maximum Federal income tax benefit to be derived by C. & O.-B. & O. under this act would be 36 percent of $17 million, or $6,120,000 in tax. The benefit at the 48-percent tax rate would be $8,160,000.

In contrast to these tax benefits, for the four currently known beneficiaries, varying between $99,720,000—at the 36-percent rate—and $132,960,000—at the 48-percent rate—the minimum wage costs on the E-L alone which any corporate merger or control partner would have to assume total $354,240,000. Thus, it cannot realistically be said that the economic cost of providing the relief here sought is excessive, especially when the continuing wages payable to the affected employees will all constitute gross income for Federal income tax purposes. Likewise, constituting gross income to the recipients will be the continuing interest paid on the loss carriers' debts which otherwise would cease to be paid with the onset of section 77 trusteeship.

Not to be overlooked is the fact that the U.S. Government is liable, through ICC guarantees on junior loans outstanding against the three carriers here principally involved, which, as of March 1965, totaled $63,535,043 in principal amount—that is, $15 million for E-L;

$7,400,000 for B. & M.; and $41,135,043 for the New Haven. The absorption of these three loss debtors by strong continuing rail systems will insure the Treasury's freedom from having to make good on these existing guarantees or at least enhance its chances of recoupment where it has already been called upon to make good on its guarantee.

In view then of the numerous economic advantages that will accrue directly to the national fisc from the continuation intact of the operations of the loss rail carriers here intended to be benefited, the ostensible loss to the revenues is placed in a decidedly favorable light. In addition, the requirements of national defense, which now are taking on increased significance, would be very materially served by the continuance of the loss carriers here to be benefited.

LABOR TAKES LEAD IN AUTO SAFETY

Mr. GROVER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GROVER. Mr. Speaker, it is with a genuine concern for the appalling increase in accident statistics that I urge the American public to seriously consider the problem of safety on our Nation's highways. Each year, the number of auto fatalities and injuries continues to soar to frightening heights. This is not a fantasy to be wished out of existence, but a very real fact which is meaningful to every individual who cherishes life and safety.

August 16 marks the beginning of the union safety seat belt campaign sponsored by a committee of nine international unions, representing 140 national and international unions, with 70,000 locals whose 11 million members will be encouraged to participate. I applaud this broad-based campaign and I am certain that the wisdom which it preaches will go beyond its immediate goals and make substantial contribution to national public safety. In this regard, also, I congratulate my distinguished colleague, Senator ABRAHAM RIBICOFF, for his zeal, leadership, and support of this fine program.

The use of seat belts is one of the most effective means of reducing auto injuries and deaths known to man. Too often the value of this safety device is seen in retrospect. It is imperative that we look ahead and become cognizant of the multiple dangers that confront us whenever we drive or ride in an automobile. Careful driving skills are certainly important and should not be underestimated or neglected; yet the careful driver is never guaranteed protection against the carelessness of someone else.

Seat belts are not a luxury item; they are not one more gadget to raise the price of an automobile or the prestige of its owner. Rather, they represent an essential and integral part of the safety mechanisms included to insure maximum protection. As Americans seeking to maintain the well-being of ourselves, our family, and our friends, we have responsibility and a duty to provide seat belts for every passenger in our motor vehicles.

Installation, however, is meaningless, without implementation. Seat belts do not fasten automatically; they do require an active effort on our part. This two extra seconds often seems so bothersome—another source of delay in our hectic lives. Yet, we must not be so busy living that we neglect to protect ourselves from serious injury or death.

Seat belts are not expensive. In my opinion, they are one of the best bargains on today's market. Neither our Nation nor its citizens can afford to ignore the value of this safety item.

By making top qualify seat belts available at a reduced cost to all union members, their families, and friends, American labor is aiming to sell and install 10 million such devices by the end of this year. Equally important, they are instituting an expansive and concentrated program to educate the public, stressing the need for seat belts and urging their everyday use for everyone. This exemplary action on the part of American labor manifests a positive and significant step toward the reduction of accident statistics. It is my sincere hope that their message will resound throughout the Nation and be heeded and heralded by all Americans.

U.S. POSITION ON ARTICLE 19 OF THE UNITED NATIONS CHARTER

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, we have just heard that the surrender by Mr. Goldberg at the United Nations on Monday of this week was a breath of fresh air, or something of that kind. Mr. Goldberg has already admitted that the failure of the Communists and the French to pay the $108 million they owe the United Nations is going to mean that Americans will pick up the bad debts of these nations.

If this is a breath of fresh air, it is going to be an expensive breath of fresh air for American taxpayers.

WORLD MONETARY REFORM

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, for some time now, our colleagues across the aisle have kept up a steady stream of exhortation in favor of world monetary reform. Recently, my distinguished colleague from Missouri raised his voice in favor of U.S. participation in an international conference on world monetary reform, and took credit in the name of the Republican Party for the idea, citing Secretary Fowler's July 10 speech as a sudden about-face in the administration's attitude toward the need for early action in this area. Mr. CURTIS credited Republican efforts as instrumental in developing "the administration's new and more realistic position."

Now, it is a fine thing to improve world trade and finance. I have always been in favor of it, and the Banking Committee has worked hard on many bills to do just that—improve the International Monetary Fund, strengthen the World Bank, and increase the resources of the Inter-American Development Bank. We have felt highly privileged to work on these bills, and you may be sure we shall continue to welcome any and all constructive proposals for improvement in the field of international finance and development. We can all take great pride that the United States has always exercised constructive leadership in the improvement of world trade and finance, and this is particularly so since the Bretton Woods Agreement 20 years ago, in which the United States, of course, played a key role.

But there is an air of unseemly haste about the way our colleagues are pushing Secretary Fowler forward to the fray, as it were. They are like anxious parents propelling a spinster daughter toward a wedding.

Why, may I ask, are we in such a hurry; what is the reason for the rush; why should the United States be in the position of carrying the banner of reform out in front, urging reluctant nations to follows?

The field of international monetary relations is a complex one, and it is full of snares for the unwary and delusions for the overzealous. The international monetary scene is well populated with shrewd and cautious men who have never been renowned, either for their economic liberalism or their charitable notions toward mankind. The Gnomes of Zurich, who rule the inner cabal of high finance, do not stay up late worrying about the welfare of the United States. It would be foolish, indeed, for us to ever forget the fact that the United States is not dealing from weakness but from strength. It is important to keep in mind that Secretary Fowler's call for a conference sprang from confidence—a confidence based on the conviction that the dollar is strong and that our balance-of-payments problems are in process of solution. It is a great disservice to the Secretary to place him in the guise of an overly zealous suitor. Such a role would not fit the facts nor would it suit the Secretary's straightforward nature; but such a false impression would no doubt be seized upon by those elements that are always pleased to publicize weaknesses in the policies of the United States, whether the weaknesses are real or imagined.

In his July 10 announcements, Secretary Fowler took careful note of the fact that we are making solid progress in correcting our own balance-of-payments problems and made it clear that this

Nation is determined to move ahead. But he warned that the issues involved are complex, and that they raise basic questions of national interest. He warned against overnight solutions and counseled patient exploration. Finally, he promised no panacea:

> As we move ahead, we will do well to remember that the existing international financial system has successfully financed an unparalleled expansion in world trade and payments. We have also done much in recent years to strengthen that system. The need now is not to start all over again, to move in a completely new direction. Rather, we must move once more to strengthen and improve the existing arrangements.

It would be a great thing if our friends in the minority would devote some of their zeal and energies to the problem of improving our domestic banking system. We never hear them express even the slightest bit of concern over the fact that our public monetary policies are dominated by a banker's autocracy, ever ready to raise interest rates as a cure for anything and everything or that, at the top of our banking struction, we have the Federal Reserve, self-designated as an independent fourth branch of the Government and wholly asserting its freedom from control by either the executive branch or the U.S. Congress. Nor do we hear any reservations expressed about the Fed's action in boosting interest rates over the last 15 years, doubling the interest burden on the American taxpayer from $5 billion to $11 billion a year. They are conspicuous by their absence from the ranks of those of us who fought the high-interest, tight-money power bloc all these years.

Do they advocate that we export to the world at large a model of our own monetary system? Do they want an international world bank dominated by world bankers as a counterpart to our own banker-run system? Tight money would then rule the world. Of course, human and economic growth would be slower and unemployment would be higher, but the bankers would no doubt be as happy as ducks in a pond.

Mr. Speaker, if we cannot get our own monetary house in order, how can we take the lead in improving the world's monetary system? Is this not a case of the other pasture looking greener? I urge my friends across the aisle to pay more attention to the problems at hand. There is much work to be done on the domestic scene. And while we should always be ready to improve the workings of the international monetary exchange and to cooperate with other nations to that end, we should not rush headlong into it.

Let us proceed in good faith, but with prudence and caution, mindful that it is the other nations that have had a need for our dollars over the years as reserves for their international exchange. We have not needed their currencies.

It is significant that the Bank for International Settlements, that solid and conservative stronghold of international finance, in its recent report has expressed concern that our successful narrowing of the balance-of-payments deficit will deprive the other nations of the growing supply of dollars that they will need to carry on their international financial relations. As a matter of fact, when we look at our international financial situation, we see that our deficit position is far from the traditional one of trying to buy more than we can sell. The truth of the matter is that we are in difficulty, partly because, in addition to carrying the cold war burden, and lending substantially for foreign aid in order to combat communism, we are also trying to be the world's capital supplier. Our industries have been investing heavily abroad and our banks have been lending extensively overseas. These factors, in addition to our other outlays overseas, created heavy dollar claims in foreign hands which potentially may result in claims against our gold. However, in actual practice, the foreign holders of our money have shown a preference for dollars over gold. They are cheaper to maintain, they are more valuable than gold because they can earn interest, and they are easier to negotiate. The truth of the matter is that they are anxious and willing to hold dollars because it provides a security that they could not find elsewhere.

That is why our Government has wisely chosen to impose an equalization tax on foreign borrowing and encourage voluntary restraints on bank lending overseas. This is certainly mild medicine compared to the financial restrictions in effect in the other countries of the world. But mild as they are, our measures seem to be working quite well to stem the excess outflows that have been going on for the past several years.

These are the fundamental facts to be kept in mind at the international negotiating tables.

WHERE WAS THE EQUAL OPPORTUNITY CHAIRMAN?

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. Brock] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BROCK. Mr. Speaker, it is a source of great concern to me that the President's Chairman of the Equal Opportunity Commission, Franklin D. Roosevelt, Jr., has been on a vacation during the last 2 weeks while congressional consideration was being given to appropriations for his office.

Considering that the agency is still in its first year of existence, Mr. Roosevelt's absence handicaps its operation, inconveniences Members of Congress needlessly, and makes a mockery of the administration's emphasis on equal opportunity for all Americans. Surely Senators and Congressmen ought to have the chance to question the head of an agency for which they are appropriating funds.

This is not the first time Mr. Roosevelt has demonstrated his fondness for yachting. In early June of this year right after his appointment as Chairman of the Equal Opportunity Commission, Mr. Roosevelt went off for a week's sailing, thus again crippling the effective operation of the agency's functions in its early days.

Furthermore, I would think that the Chairman's presence would have been useful in planning the upcoming White House Conference on Equal Opportunity in Employment. Instead the last-minute details have all been left to the Reverend Dr. Luther Holcomb, of Houston, Tex., and Mr. Robert Gayle, the director of public affairs for the agency. Also, the racial riots in Los Angeles, Calif., provided an opportunity for Mr. Roosevelt to study how the Federal Government might provide leadership in meeting the deep underlying problems evidenced last week in the strife-torn Watts community. Unfortunately, he was out of communication during this period.

This entire unfortunate episode brings to our attention the real question of what policy guides our top officials in regard to vacation time. It would be my hope that the Chairman of the Equal Opportunity Commission would be motivated to put in the same long hours at his job as the President does at his. If Mr. Roosevelt is not willing to earn his salary, then perhaps the President should consider replacing him with a man who is.

A CONSERVATIVE SEARCHES HIS SOUL

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Ashbrook] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, once in a very great while, we are all fortunate enough to read some brief, relatively unpublished statement which says more and means more than a hundred proclamations loudly and widely hailed. In a recent bulletin of the Conservative Book Club of New Rochelle, N.Y., there is such a statement, entitled "A Conservative Searches His Soul."

I believe I speak for all of us who are proud to call ourselves "conservative" when I thank the publisher and, I feel certain, the author, Mr. Neil McCaffrey, president of the Conservative Book Club. I insert this "examination of conscience" in the Record, while expressing my conviction that it has that unique ability of a very few documents to affect significantly those who read it:

A Conservative Searches His Soul

> Am I doing enough, giving the organizations I belong to enough time? Am I giving them too much time, to the neglect of my family, my job, self-improvement, necessary recreation? In short, am I leading a balanced life? Have I read any good books lately? Have I misread any bad books? Am I doing enough conservative reading? Am I keeping my standards high? Do I waste time on mediocre conservative reading and ignore the better conservative books as well as the good nonpolitical books that will make me a better-rounded person—and thus a better conservative?

Am I strong enough to stand apart from the crowd, to take an unpopular position? Do I make a fetish of standing apart from the crowd, so that I lose contact with everyone who differs from me? Am I really trying to get my ideas across to my uncommitted friends? Am I careful to be kind and generous and mannerly, so that people will give me a hearing? Do I realize that people judge conservatism not only by what I say, but by the kind of person I am?

In my conservative activities, do I resist the temptation to equate the good of our cause with my own advancement? Do I recognize that someone may oppose me, be wrong, and yet be acting in good faith? Do I give way to bitterness? To despair? To foolish optimism? Am I brave enough to see dark prospects yet not give up?

Do I excuse loose thinking, careless talk, and shabby behavior in my conservative allies merely because they're conservative? On the other hand, do I demand an impossible perfection in conservative leaders, forgetting that they are only human? Do I allow for differences in personality, interest, function, or viewpoint among conservatives? Do I forget the real enemies and spend my time attacking fellow conservatives? Above all—am I helping to keep my principles alive by living them?

VOTING RECORD

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. CHAMBERLAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, in reviewing my voting record I note that it has been necessary, because of my absence on official business, to miss certain rollcall votes so far this session and I would like to have the record indicate my position on each of these issues. Had I been present I would have voted as follows:

January 19, House Resolution 126, rollcall No. 6: "nay."

June 3, H.R. 7777, rollcall No. 121: "nay."

June 28, House Resolution 425, rollcall No. 157: "nay."

July 12, H.R. 8856, rollcall No. 181: "nay."

July 12, H.R. 242, rollcall No. 182: "yea."

August 2, Senate Joint Resolution 81, rollcall No. 214: "yea."

August 2, H.R. 8027, rollcall No. 215: "yea."

August 2, H.R. 6964, rollcall No. 216: "yea."

MIMIMUM WAGE LEGISLATION

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BERRY. Mr. Speaker, my young friend, the South Dakota Democratic executive secretary, has gone to the press to attack my stand against increasing the minimum wage from $1.25 to $1.75.

For those who follow the line of the Great Society and imagine that they are leading the people into the "promised land," I would simply say it is not difficult to understand how this crusading Great Society would rather keep these people unemployed and victims of the poverty program than permit them an opportunity to find employment in industry. Would it not be better to permit our youth to learn trades at salaries they can earn than to force them out into the street and into the delinquency roles?

Have we not seen enough of the results of disregard for law and order without forcing more people into this category?

ROBERT MANRY: A MODERN SLOCUM

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. KEITH. Mr. Speaker, the world received the wonderful news this morning that a heroic sailor, Robert Manry, of Cleveland, and his "cockleshell" of a boat, *Tinkerbelle,* had arrived safely and triumphantly at Falmouth, England—78 days and 3,200 miles after their unceremonious departure from Falmouth, Mass., on Cape Cod.

Falmouth is in my district, which can boast of the solo crossing of Tom Crapo in 1877 in a 19-footer, and of the famous Josuha Slocum of Fairhaven and West Tisbury, who sailed alone around the world in the sloop *Spray.*

Manry's lone voyage is in many ways more remarkable than Slocum's 4-year, 46,000-mile journey. I would like, therefore, to call to the attention of my colleagues an excellent editorial tribute to Robert Manry's achievement from an area which knows something about great and historic feats of seamanship. I refer to an editorial from the Standard-Times of New Bedford, Mass. It is beautifully written and I think it captures a whiff of the salt air that sent Manry and his 13½-foot boat across the untamed Atlantic:

INTREPID ODYSSEY

The sea-steeped area that sent Thomas Crapo and Joshua Slocum on notable lone voyages has an opinion of the ocean-crossing completed by Robert Manry. And, unless we have misread the signs, it is that this was a remarkable and enduring achievement.

The *Tinkerbelle* ($250 (second hand) f.o.b. Cleveland) is the smallest craft ever to make the eastward crossing of what Masefield aptly described as "the wild old Atlantic." And considering nonstop voyages only, she is the smallest craft to accomplish the deed either way.

At a massive 13½ feet of cockleshell dauntlessness, *Tinkerbelle* is 18 inches longer than *Sjo-Ag,* which, sailed by John Riding of Britain, went from the Azores to Bermuda this year. But *Sjo-Ag* left Plymouth in July of 1964.

So, Skipper Manry and his second love (Mrs. Manry and the children have him in tow, at last) are really in a class by themselves. Their 3,200 miles of unbroken voyage was a tribute to timber of man and boat, to high personal courage, and to navigational dexterity (surely vital in that peapod on the heaving swells) that was amazingly accurate.

The wanderlust that called newspaperman Manry to the Atlantic ("Oh, I am tired of brick and stone, the heart of me is sick/ "For windy, green unquiet sea, the realm of Moby Dick") is, we hope, stilled. Let the record stand, Mr. Manry. Our own Tom Crapo, first to cross in a 19-footer, in 1877, was later to perish in a 9-footer. Captain Josh sailed alone to eternity, too.

Fortunately, the Atlantic permitted a great and challenging voyage to come to a happy conclusion. Those who go to sea in small craft, or large, will long remember this crossing from Falmouth, Mass., to Falmouth, England (just around the corner from "old" Truro) by a midwesterner who was, until recently, a landlubber, too.

Also, Mr. Speaker, I would like to commend to the consideration of my colleagues House Concurrent Resolution 462, introduced by the distinguished Member from Ohio, BILL MINSHALL, which pays official congressional recognition to Mr. Manry's singular accomplishment and would provide that the *Tinkerbelle,* his gallant craft, would ultimately take its place alongside the *Spirit of St. Louis,* which also made a historic solo crossing of the Atlantic, and the other notable exhibits of the Smithsonian Museum of History and Technology.

I think this resolution deserves the prompt and enthusiastic support of the House:

H. CON. RES. 462

Whereas, since June 1, the world has watched the solitary journey of Robert Manry, a Cleveland, Ohio, newspaperman, across the Atlantic Ocean in his thirteen-and-one-half-foot sailboat, Tinkerbelle; and

Whereas Robert Manry is completing his historic transatlantic feat of individual courage in an age keyed to jet propulsion and rocketry: Therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Robert Manry be cited and commended for his bravery, resourcefulness, and success in conquering the Atlantic, and that his sailboat, Tinkerbelle, after a suitable period of time, be retired for permanent display in the Smithsonian Institution along with such historic craft as Lindbergh's The Spirit of Saint Louis.

Mr. Speaker, it is my understanding that my colleague, the Honorable WILLIAM STANTON, who has the distinction of of being Robert Manry's own Congressman, has proposed that this courageous sailor be invited to the White House in recognition of his individual courage and resourcefulness. I commend the gentleman from Ohio for this worthy suggestion, which is one that I am sure is supported by the entire House.

RONALD REAGAN SPEECH

Mr. WATSON. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. DEVINE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DEVINE. Mr. Speaker, Ronald Reagan is one of the most popular speakers in America today. He is an articulate exponent of conservative principles and his speeches are not only a pleasure to hear but they are also very interesting to read. Mr. Reagan recently spoke at a testimonial for my colleague, Representative JOHN M. ASHBROOK, and delivered a fine address. I commend this address to all of those who are interested in a forceful exposition of constitutional, free enterprise principles.

The speech follows:

ADDRESS OF RONALD REAGAN AT TESTIMONIAL DINNER FOR REPRESENTATIVE JOHN M. ASHBROOK, JUNE 8, 1965, GRANVILLE, OHIO

Mr. Henderson, Congressman ASHBROOK, ladies and gentlemen, you filled my heart to overflowing with that kind of a welcome. I don't deserve the nice things that were said about me but I don't mind confessing that I enjoy hearing them. There are some things, you know, when you are being introduced that get you a little uncomfortable. I'm always concerned, for example, lest they start going into the motion pictures that I've been in. Now I don't mean that I'm ashamed of all of them but anyone who's been around Hollywood for any length of time has made some movies that the studio didn't want them good, it wanted them Thursday. And I've had my share like everyone else. Of course in the old days we could always count on the passing years taking those pictures out of your memory. Now we just stay up late enough at night in front of the TV set and they all come back to haunt us. Sometimes it's like looking at a son you never knew you had. I've got a friend in the business who stays up late to look at his old movies just to watch his hairline recede. You know now this world of politics is a very wonderful thing. My friend GEORGE MURPHY tells some tales of his campaigning. MURPHY says that he finished a speech one night and a sweet elderly little lady came up to him and she said, "Oh, I remember you when you were GEORGE MURPHY." And then she said, "I think your speech was simply superfluous." MURPHY tried to stop her; he smiled just as sweetly and said "Thank you, ma'am, I'm thinking of having it published posthumously." She topped him—she smiled right back and said, "I can hardly wait." But it is a wonderful world.

I was in Washington not too long ago. It was just evening and I was going down Pennsylvania Avenue. It's so wonderful to see the White House all lighted up now that the election is over. He has to leave the lights on. How else is he going to read those Goldwater speeches and find out what to do next in Vietnam? Seriously, I think it's wonderful that they're going to have a voting bill. If tombstones and empty warehouses and empty lots can vote, why not people? You know, here we are, and its been true ever since November, we don't know whether to turn in our suits or get ready for the next half. Actually nothing has changed. What was true before the election is still true, and what was false cannot be changed even if the vote were unanimous.

Now it would be presumptuous of me to come here and try to tell you anything about your Congressman, JOHN ASHBROOK—you who know him so well and who have lived with him. I have shared the platform with him in the heat and the dust of the political arena and have been very proud to do so. In a day when political expedients and vote-getting devices are offered to us like a lollipop to children it is wonderful to know that here is a man who dares to speak the truth and I can tell you that many of us in California are very happy about your Congressman from here in the State of Ohio and we sleep easier in our beds because he is there in Washington. And we trust that all of you will use the good judgment to see that we can continue to sleep easy at night in the years to come.

Rather than try to add to all the things that have been said I will discuss with you tonight some of the things that I know he is concerned with and some of the things that he has dared to stand up and be counted on. A hundred years ago Lord Macaulay of England wrote to an American friend and said in the fifth century, A.D., ancient Rome, was fearfully plundered by the vandals and Huns. And then he predicted to the Americans that in the mid-20th century—which is approximately this period we are in—our Republic would be fearfully plundered by the vandals and Huns but he said, with this difference Rome's barbarians came from without—your barbarians will be engendered by your own democratic institutions. Perhaps what he had in mind was what Prof. Alexander Frazer Tytler has written, that a democracy cannot exist as a permanent form of government. It can only exist until the voters discover they can vote themselves largesse out of the public treasury. From that moment on the majority, he said, always vote for the candidate promising the most benefits from the treasury with the result that democracy always collapses over a loose fiscal policy, always to be followed by a dictatorship. Unfortunately, we can't argue with the professor because when he wrote that we were still colonials of Great Britain and he was explaining what has destroyed the Athenian Republic more than 2,000 years before.

A hundred years ago the great French philosopher Alexis de Tocqueville said much the same thing. He said the end of freedom comes when the party in power learns it can perpetuate itself through taxation. But what does happen when the executive branch of government can use the money taken from the people in order to coerce the people? Already we are seeing the shape of things to come. Four and one-half years ago we were told "let us begin." Now we are urged to get moving. Where? For 4½ years we've had the New Frontier that has now become the Great Society. Well, let us, as Al Smith once admonished, "look at the record." The dollar has dropped another several cents in purchasing power in these 4½ years. We've added more than $30 billion to the national debt. The gold supply is so diminished there is fear for the solvency of our currency. Crime is up 30 percent and the farmers' income is down 8 percent. The consumers are paying the highest price for food they have ever paid in the history of the Nation. And 4½ years ago there were no daily casualty lists. No wives and mothers were receiving telegrams that said "we regret to inform you."

In the last campaign those in power presented themselves actually as conservatives, conservatives in the sense that they would bring about no drastic change, that here we had a peaceful and a prosperous America and things would go along in this easy way. In short, they promised to maintain the status quo—that's Latin for the mess we're in. We, on the other hand, were presented as radicals who'd bring about some drastic upheaval, some great change in the normal American way. Well now, however, the wraps are off the Great Society and a multitude of messages have made it plain that we're to have the welfare state with an unprecedented federalization of American life. Subsidies proliferate and security becomes so all important as to override self-reliance, self-respect, and even simple morality. Serious discussion by supposedly learned men is granted to the idea of not only helping those in need but actually divorcing income from work with the central authority satisfying not only the peoples' needs but the peoples' wants. Well, that same Alexis de Tocqueville warned us that such a government would cover the face of society with a network of small complicated rules, minute and uniform. And he said thus the will of man is not shattered but softened and guided until the Nation is reduced to a flock of timid and industrious animals of which government is the shepherd.

Well, now at first hearing, perhaps we are all inclined to doubt that we are even within distant gunshot of such an alteration of our free and independent way but I wonder if our complacency is justified. Freedom is very fragile; it has flowered only a few moments in all of man's history and most of those moments have been ours. But now our limited Government with its decentralized powers has given away to planners and these planners have laid an increasingly heavy hand on every facet of our lives. Sometimes as I look at their efforts I think that if they were all laid end to end they wouldn't reach a conclusion. Once we had a system in this country of checks and balances. Well, we're seeing plenty of checks and we know where they come from but some place along the line we've lost our balance.

The Declaration of Independence has 300 words—that's all it took for that immortal document. The Federal Government recently issued a ruling related to cabbage and it took 29,911 words. If we ever decided we needed a new Declaration I hope we will keep one line from the old, a line that goes "He has sent hither swarms of officers to harass our people and eat out their substance." Federal employees outnumber State employees in 30 of the 50 States including your own. Today it only takes 12 doctors for every 10,000 people in America to keep us well and healthy. It only takes 40 mechanics and oil station attendants to keep our cars running. It takes 130 Federal employees for every 10,000 of us. There are hundreds of Government corporations operating thousands of businesses in direct competition with the private businessmen and in so doing these Government-owned corporations have lost to date $81 billion, more than a fourth of the national debt. Hardly a recommendation for those who say that Government should take an even greater hand in regulating the Nation's economy.

Paperwork, Government forms forced off on the American businessman cost the American industry $20 billion a year. It is estimated it takes 35 percent of the small businessman's time just to fill out Government regulations and questionnaires. And the threat of even more regulation and outright takeover looms even larger. Robert Weaver, Federal Housing Administrator, stated publicly that while the Government once gave control and ownership of the land to the private citizen in order to speed its development, today the goal of the Government is to regain complete control of the use of that land. Lewis Levine, the U.S. Director of Employment, backed by a $200 million budget, said the ultimate goal is to make the U.S .Employment Service the manpower agency for the entire Nation; that there will no longer be a need for private employment agencies. And thus we see the Federal Government taking part in determining where an employee will work and whom employers will employ. Every businessman could tell his own story of harassment. The natural gas producers have a beaut. They were handed a questionnaire not too long ago that was 428 pages long. It weighed 10 pounds and each page was 24 inches long and it had room for hundreds of entries. They had to fill it out in quadruplicate. One firm has estimated it will take 17,000 accountant man-hours to complete this questionnaire. The Power Commission says it has to have it to determine whether they are charging the right price for gas. Are we safe in our books and our records? We discovered that for the last 3 years the Postmaster has been turning over private mail letters to the Internal Revenue Service letters addressed to people who are back or delinquent in the payment of their income tax. Planes equipped with surveying instruments fly over American farms to check on those farms to see if there is a violation of the planting allotment and if any farmer is found guilty of such a thing, he is guilty as charged. He is fined; he has no day in court and if he doesn't pay his fine they can seize and sell at auction his property to enforce the payment.

Government's involvement in the foreign economy gives us a window on what happens when the Government invades areas not its proper province. All the world finds man still faced with the age-old problem of trying to provide food for himself and his family let alone some other individual engaged in something besides the direct production of food and fiber. But here in America the farmer has developed his craft to the point of genius. Here in this one spot in the world the farmer can produce enough to feed not only himself and his family but feed literally hundreds of his fellow human beings. And yet, triggered by the depression, the Federal Government set out to help the needy farmer with a subsidy and now they end up giving 80 percent of their subsidy to the one-fourth of the farms with the highest income.

A little more than a year ago the wheat farmer voted against a program of wheat control but they discovered you don't say no to Santa Claus. So the Government dumped surplus wheat on the market to break the price and then they passed the wheat program anyway and they achieved a new high in bureaucratic ingenuity; they lowered the price of wheat to the farmer, they raised the price of flour and bread to the consumer, they reduced exports and they handed the taxpayer a bill for $100 million for doing all this. You know who the taxpayer is—that's someone who works for the Government and doesn't have to take a civil service exam.

For every dollar that the country was paying for price stabilization in 1948 they are today spending $25 and with what results? Two million farmers have been driven to the city in search of jobs, the farmers get the lowest return from the market basket dollar they've ever gotten in history, 37 cents, and the farmers' income today is matched by a debt that is higher than at any time in his history—even higher than on the eve of the 1929 depression. He owes $2.86 for every dollar of net income. It's a funny thing, with our Government spending billions of dollars to take fruitful farm land out of production, with our Government telling us that another 2½ million farmers must be removed from the soil, they adopt an Appalachian program and they appropriate tens of millions of dollars to develop marginal land and to make farmers in that area on that marginal land.

And then there are our traditional laws of eminent domain that we've had so long in this Nation. Most of us understand them. We realize that every once in a while the Government must find it necessary to take some property from the citizen for a clear and definite and present public need but the citizen has always had his day in court and a fair price is established by the court and the citizen can make the Government prove that there is a clear and present need for his property and his alone. Now a variety of programs have diluted private right by making public interest anything that a few Government planners decide it should be. We now have adopted an urban renewal program. The original intent was to provide quickly decent homes for every American, to eliminate slums. Well now, no one disagrees with that humanitarian purpose. But since 1949 the program has been overly costly, destructive of personal liberty, and has miserably failed to fulfill its original intent. In the last 10-year period urban renewal has destroyed 126,000 low-rent homes. They've replaced them with only 28,000 homes in a higher rent bracket. Almost a million people displaced by the bulldozer have wound up in new slums paying higher rent.

The law says the displaced must be offered standard housing at rents they can afford in convenient locations. But if standard housing at rents they can afford in convenient locations had been available they'd have moved there without waiting for the urban renewal bulldozer. Note the contrast between Government in this area and private industry. While the Government was building those 28,000 units, private enterprise in the same period built 27 million dwelling units.

Now, let me make it plain. I don't challenge the sincerity of those planners. I believe they are sincerely motivated by humanitarian purpose. They want to alleviate distress and poverty and misery. They want to help us solve these age-old problems. They remind me though of a young fellow who was riding a motorcycle on a cold winter day and the wind was coming through the buttonholes on his leather jacket and bothering him. So he finally figured something out. He turned the jacket around and put it on backwards. That solved the cold front but it kind of restricted his arm motions and he hit a patch of ice and skidded into a tree. When the ambulance got there, the attendants elbowed their way through the crowd and one of them asked what happened. A bystander said "We don't know. When we get here he seemed to be all right but by the time we got his head turned around straight he was dead."

Now the Government urges upon us a new Cabinet post, a Cabinet post of urban affairs and they tell us they want a program to subsidize rent so that a man can live, even a man of average income, in a home and a neighborhood beyond his means with his thrifty new neighbors taxed to pay the difference in rent. Urban renewal plans, they say, will "be used in a new way so that all our tools from poverty programs to education and construction can be used together to create meaningful and livable communities within our cities." Of course, Washington will decide what is meaningful and what is livable. We have a poverty program and they base this program as you all well know in this State on the classic case of West Virginia. Over and over again we heard that here was the very depth of degradation and poverty in our land. Here was the center of unemployment and if for no other reason, we must have a poverty program. So we have it. West Virginia gets $400,000. Texas gets $9 million. I think they believe that the poverty program, like charity, begins at home and home is their own bureaucratic den because in one place, Gum Spring, Va., they just allotted them $74,000 for the poverty program there; $54,000 for administrators' salaries and $20,000 for the poor. Check a little deeper around that particular one and you'll find out there are 15 families in Gum Springs, Va. Now if you just took the $74,000 and divided it up with the 15 families, you don't need any administrator—they all get $5,000 apiece.

The mayor of Paterson, N.J., is upset. He's discovered that the poverty administrator in his town gets $1,000 a year more than he does. In the youth phase of that program we're going to salvage young people who have failed to meet the responsibilities of preparing themselves for adult life. And, again, no one quarrels with this goal. But during this salvage operation of these young people who to date have been failures we are going to pay them a salary higher than we give the man who puts on a uniform and stands in the defense of his country and this is pretty ridiculous.

We find the same pattern in the dropout program. Now most of us are aware that this is serious and most of us want to do something about it. You have a community right here in your own State in which the individuals, the educators and the industrialists in the town have banded together in a voluntary program and they salvage more than half of the dropouts long before the Government thought of doing anything about it. But now we find out that in the Government program, in one area where it is established, the rate of pay for the dropout is higher than the legitimate rate of pay for students who have part-time jobs and so they have created incentive for the student to drop out so that he can continue with his education and get a raise at the same time.

Have we come to a point where we no longer think it's necessary to teach the simple virtues of reward for labor or to repay what we borrow? In my State of California there's a small college town and the Rotary Club there has raised a fund of thousands of dollars and they lend this money to needy college students. No interest and they don't have to pay it back until after graduation until they're established in a career or job out of school. The other day the dean of the college called them and said if you're not willing to make the loan fund an outright gift we won't need it anymore because the Government is putting up the money and the students don't have to pay it back.

Samuel Gompers, founder of the American Federation of Labor and a great humanitarian, said doing for people what they can and ought to do for themselves is a dangerous experiment. In the last analysis the welfare of the worker depends on their own initiative. Let social busybodies and professional morals experts and their fads reflect upon the perils they rashly invite under the pretense of social welfare.

Over in Illinois, the news reported the other day, there was a woman who is mother of six children and earning about $50 a week in a laundry. She had given her husband $164.50 for their joint income tax return and he skipped. He deserted the family and took the tax money. The Internal Revenue Service couldn't find him; they could find her working in the laundry so they levied against her wages and took her $50 a week to insure the payment of the $164—the sole support she had for her six children. This woman who had never asked for any handout of any kind in her life was finally persuaded to go to the Aid for Dependent Children program and they gleefully discovered that they could arrange for her to get $450 a month for doing nothing. Now what really made this a newsworthy story though is to date she's still holding out. She just wants her $50 a week at the laundry and they're investigating her because this they don't understand.

The network of rules grows more minute. Down on the border between the North and the South there's an oil station operator. He's a pretty enterprising fellow. He gets a lot of tourist trade from the North so in that little triangle of ground between the driveway and the sidewalk, usually covered with gravel, he planted a few cotton bushes. Then when his northern customers came in he gave them a cotton boll off the bush as a souvenir of their trip to the South. The Government has just fined him for planting cotton without an allotment.

Now we're going to subsidize art and literature and we're told that we'll have two czars at the Federal level and power to grant millions of dollars a year on the basis of their opinion of what constitutes meaningful art and literature. Now, perhaps I'm unduly perturbed about this but if they follow the pattern of the Government-sponsored research and science there is reason for concern. I don't set myself up as a qualified scientist or qualified to really judge what is legitimate research but sometimes I wonder if we aren't subsidizing just intellectual curiosity when I see the Government spending thousands of dollars on "Research in Filology and Faunal Affinities of Fossil Bryozoa in the Middle Ordovician Through Silurian." Now the only thing about that I understand is that part "in the middle." There I know whom they are talking about.

Now the Nation's Capital concerns itself with recreational facilities and our ability to enjoy ourselves in the great outdoors. They publish a booklet by the Special Engineering Services Branch of Environmental Engineering and Food Protection of the U.S. Public Health Service. That isn't the book I read, that's the agency that puts it out. The book is called "Environmental Health Practices in Recreational Areas." It's 134 pages of profundities and I don't know how we got along without them up until now. For example, did you know, if you lay out a campsite you should provide drinking fountains at such a height that the drinking level is convenient to the persons using the fountain? But wait until you get to those exciting chapters on wildlife. "Insects crawling into the ears of outdoorsmen sometimes creates painful conditions." Well I've got news for them—it's no fun when it happens indoors. But this isn't all they have to say about wildlife. "If your recreational area has a bathhouse intended for the use of both men and women, it should be divided into two parts by a tight partition." Now, you know we would never have thought of that by ourselves. Maybe I should change careers, if exciting reading like that catches on, television's going right out the window.

But Professor Tytler's loose fiscal policy may well be at hand. Our Government is spending $260 million a day and that's $10 million more than we were spending a year ago. Our Government is responsible for a deliberate and planned inflation that has reduced the purchasing power of the dollar in the last three decades to 44½ cents. In the last 20 years, we have eroded the value of our savings and insurance by $190 billion. My father, when I was a boy, and I can hear him now, said the country needed a good 5-cent cigar. What this country needs is a good 5-cent nickel. The Government practices bookkeeping tricks that would jail a private citizen. We're told that the budget is still under a $100 billion. Last year, with great talk of economy, we were told it was only $98 billion. But $10 billion in obligational authority was hidden and not shown by these bookkeeping tricks, and again this year it's $99.7 billion and again the obligational authority is $106.4 billion. Now the Congress has been asked between now and the end of this month to raise the debt limit for the fifth time in 4 years and the interest on that debt is $22,000 a minute, every minute of every hour of the 24, day in and day out. These bookkeeping tricks have reached a new high in sophistication. The medicare bill—and we'll probably have it—is presented as only costing each citizen a few cents a month and that will be true until after the 1968 elections. And then we'll be in for a bigger surprise than we were last April 15 when we discovered the truth about the so-called tax cut.

With our gold supply down from 70 percent of the world's supply to one-third since foreign aid started in 1948 we continue a program in which the ink that spatters on American Embassy walls in hate America demonstrations is bought by American taxpayers. We go along with the hypocrisy of our State Department pretending that there could possibly be a spontaneous riot in a police state. We furiously send them a note and demand that next time they send more police. It would make more sense if next time they send a smaller mob. We have 325,000 dependents of civilian employees, not military, living abroad and adding to our deficit in the exchange, adding to the outflow of gold. But businessmen are asking to do a 180-degree turn and forsake their traditional role of trading in the world's marketplace. I say they're asked, but they understand it's 'do or else,' and the 'or else' is government force or coercion.

The President is fond of quoting from the Scriptures. His favorite seems to be from the 1st chapter of Isaiah the 18th verse: "Come let us reason together." Now that has a cozy and inviting sound, doesn't it? Well, don't let your eyes drop a line or two to the next verse where it says that if you refuse you shall be devoured with the sword.

We are taxed in our food, our drink, and our shelter with the Government taking the highest percentage from the productive free economy that any society has ever done without ruin. Now we are told we have a $5 billion cut in the excise tax, but we'll have a $5 billion deficit, also. And we won't really be taxed less. They're just going to rearrange it. Apply it somewhere else. They keep fooling us with the idea that we can rob Peter to pay Paul. Well, it's time we found out that Peter isn't loaded and no one else is. We're robbing Paul to pay Paul. People pay taxes. To pretend that you can cut taxes without cutting the burden that causes them is to perpetrate a fraud upon the people. Government is like a baby. It's an alimentary canal with an appetite at one end and no sense of responsibility at the other.

Now we're surprised to learn there's a great emergency at the local level and the Federal Government proposes to help us with our public schools. They claim that they'll exercise no Federal control but when competent educators went to Washington and proved conclusively that there were no problems of school construction or teachers' salaries that could not be met at the local and State level, and when they proposed various plans such as leaving some of the tax money at the local level before you run it through those buildings on the Potomac, the Freudian slip occurred. Francis Keppel, the Commissioner of Education, said, "You don't understand, with your plan we couldn't achieve our social objectives." And this is what's at the base of Federal aid to education—social objectives, not outlined and not told to us—with a Government planning to build the schools, buy the books, grant scholarships, make judgments, and exert pressure. What if one day that pressure is of a political nature not to our liking? Education is the bulwark of freedom. If you remove it too far from the community and the parents' control it becomes the tool of tyranny.

Freedom comes but once in the history of a nation or a people, and once lost, it's hardly ever regained. The day is long gone when you and I, as individuals, can choose the man regardless of party, for now our two parties are widely divided in their political philosophy. The Democratic leadership is committed to the planned economy, ruled by an intellectual élite. I believe that the best vehicle for either Republican or Democrat who believes in constitutional limits in the power of government can be found in the Republican Party, which is polarized around a belief in individual freedom and man's right to control his own destiny. I hope I speak to Democrats. I spent most of my life as a Democrat, and I know that the leadership of that party has long ago abandoned the principles of Jefferson and Jackson and Cleveland. And I know how Democrats today may be bothered by a feeling of disloyalty when they consider change, because I discovered how deeply ingrained is the political loyalty. I discovered it's almost like religion when it came time to change. But have no feeling of disloyalty, because I'll tell you now, the leadership of the Democratic Party, if you're a Democrat, has long since deserted you.

A hundred years ago we faced the problem of a nation half slave and half free and whether that Nation could survive. Today, we face a world that's half slave and half free and whether mankind itself can survive. And this is where the Republican responsibility comes in. We can't meet the problems of a divided world of a divided nation with a splinter party. For too long you and I have been Republicans complete with descriptive adjectives and hyphens. We've been moderate Republicans, liberal Republicans, conservative Republicans, Main Street Republicans, whatever that means. The truth of the matter is we've been sucker Republicans. Our opponents gave us those adjectives and those labels, and it's high time we bundled them up and gave them back. We have a challenge today to be just Republicans, the party of opposition to the misguided Democratic leadership at home and opposition to all those people abroad who threaten the dignity and freedom of man in every nation. We can cringe in the shadow of a philosophy we detest but fear to challenge, or we can rise from our defeat and begin the second round of our struggle to restore the Republic. The opportunity has never been greater. I can't believe that the broad rank and file of people in the Democratic Party would knowingly support the philosophy leading to the loss of freedom, with the Government planning and dictating every facet of our lives. Our opponents charge that we are only a party of opposition. Well, I think we are ready to make plain what we're for. I wish they'd do the same; I wish they'd spell out the Great Society and tell us just exactly how far they intend to go and then, at the same time, tell us what the price tag will be.

It is true that in our Republican Party we have people who out of power have hungrily looked at the opposition and said perhaps we can imitate them; perhaps we can try to outpromise them. There has been cynical talk of voter blocs and appealing to these voter blocs with these promises. But if we do this then we might as well abandon the two-party system now. I'd like to answer them that there is a voter bloc; it's a voter bloc that crosses party lines, racial and religious and ethnic and economic lines. It's a bloc that can be ours, ours for the taking. It's made up of truly forgotten Americans—unsung heroes who get up in the morning and send their kids to school and pay their bills; contribute to their church and their charity and their community. They believe in God as the Creator of all our rights and freedoms and they're disturbed because their children can't ask His blessing on a lunch in the school cafeteria. There haven't been very many voices raised in their behalf in the higher echelons of government. Once voice unafraid, loud, and clear you have provided in Washington with your Congressman. That bloc is ours for the taking if we're ready to tell them that we believe the problems of age, the problems of health, and the problems of poverty and housing can be solved without compulsion and without fiscal irresponsibility. If we really tell them that we believe no one should live in degradation, but that everyone in this land should be able to fly as high and as far as his own strength will take him without being punished for his initiative and his efforts. That we'll never buy our freedom from the threat of the bomb by trading away the freedoms of people in other lands not ours to give, and tell that same bloc of voters that if they or their sons are to be asked to die for their country some place in the world they ought to at least die knowing they were given a chance to try for victory.

Thomas Wolfe said:

"To every man his chance;
To every man, regardless of his birth, his shining golden opportunity;
To every man the right to live, to work, to be himself;
To become whatever his manhood and decision combine to make him;
That is the promise of America."

An earlier generation of Americans pledged their lives, their fortunes and their sacred honor to give us that promise and Americans since have paid with their lives and their fortunes—all of them have preserved their honor. We pray devoutly, as I am sure they did, that we'll never be asked to make such a supreme sacrifice. But one thing is certain: unless we are willing to make the same pledge they made and make it within the hearing of the enemy that freedom will disappear from this earth in our lifetime and our failure will be recorded in a book yet to be written called the Rise and Fall of the United States of America.

The pathway of history is littered with the bones of dead empires. If we're to follow we'll have no decades or centuries for leisurely decay. The enemy at our gates is combat lean and hard and hungry for everything that we produce here. Everytime, history tells us, that a cultured, advanced society has met the less cultured, the barbarians triumph. The words of the poet Bellocq:

"We sit by and watch the barbarians. In the long stretches of peace we laugh. But as we laugh we are watched by large and awful faces from beyond and on those faces there is no smile."

You and I have reached our moment of truth, our rendezvous with destiny. We and we alone must make the decision as to whether freedom will perish from the earth. A hundred years ago in that other time of trial that first Republican, Abraham Lincoln, spoke words appropriate then but so much more appropriate today that they ring with a note of prophecy. "The fire and trial through which we pass will light us to the latest generations. We here hold the power and responsibility. We shall nobly save or meanly lose the last best hope of man on earth." This is the time for every Republican to look very deep in his own heart and say "is there possibly any difference I have with another Republican more important than the responsibility of the challenge that faces us in this day." Thank you.

TRADING STAMPS AND THE RISING COST OF FOOD

The SPEAKER. Under previous order of the House the gentleman from New York [Mr. WOLFF] is recognized for 15 minutes.

Mr. WOLFF. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Speaker, I have raised the question of the connection between trading stamps and rising food prices before this House on two previous occasions. I wish to advise my colleagues today of the progress we have made in this study and to continue to give credit to my many colleagues who have offered their support and lent their time to pursuing this matter.

Last Wednesday afternoon I met with high-ranking officials of the Justice Department, the National Commission on Food Marketing, the Internal Revenue Service, Department of Commerce, Department of Agriculture, Department of Labor, Small Business Administration, the Federal Trade Commission, and Mrs. Esther Peterson, the President's adviser on consumer affairs. We met for an informal briefing where Members of Congress could address themselves to this problem and alert the various regulatory agencies and departments to our need for more light on this much beclouded subject. Congressmen GETTYS, SCHISLER, KREBS, and HICKS took the time to evince the fact that many of us are interested in the problem of rising food prices and that in the absence of any cooperation from the stamp companies we have no choice but to call for investigations.

We were gratified to learn that we can expect considerable cooperation from these agencies. There has been too much emotionalism, too much special interest involved in this whole issue—what we need now is dispassionate, objective, scientific inquiry.

This investigation has brought into the public spotlight the fact, not so easily washed away by the ploys of the trading stamp companies, that the two largest food chains in the United States have maintained that trading stamps are a direct contribution to the rising food prices we are experiencing. Ralph Burger, until recently A. & P. chairman, said at a stockholders' meeting that stamps had helped to force an increase in prices. Stamps increased the volume in their stores only some 1 percent—yet authoritative sources maintain that volume must be increased 10–15 percent to cover the cost of stamps. A representative of the Safeway chain told a panel of Congressmen, in a meeting I called in Washington, that stamps had contributed to the rise in food prices and where they were able to discontinue stamps they had been able to cut food prices for the consumer.

An even more dramatic illustration of this direct and causal connection is occurring at this moment in New York. Two large chains in that area, Daitch Crystal Dairies and Walbaum Supermarkets, together accounting for over $263 million in food sales, are discontinuing stamps and are, to paraphrase, passing the savings on directly to the consumer, we are told, in price cuts in over 4,000 items. We in Congress long championed the principle that reduction in obsolete excise taxes be passed on directly to the consumer by the manufacturer. We must equally applaud the passing on of cost reductions directly to the consumer in lower food prices. Here is proof positive—if there were any skeptics remaining—that stamps contribute directly to the high cost of food and where they are eliminated price cuts can be passed on directly to the consuming public.

There are other reasons as well for continuing our inquiry. Higher prices to the consumer could mean a proportionately lower demand for the farmers' goods themselves. Indeed, our former colleague, Congressman Anfuso once said:

> If we can find ways and means of reducing food marketing charges by as little as 2 percent and these savings are reflected in increased food purchases by the financially hard-pressed housewife, it would be the equivalent of over 15 percent increases in industrial use of farm products.

We are worried about the plight of our farmers, about the plight of our urban poor, and we are beginning to see paths that interconnect the prosperity of each. This matter certainly deserves the continued vigilance of this House.

But my study of the whole question of trading stamp use in America has led me along other paths as well. Certain apparent irregularities are becoming more and more glaring as my investigation proceeds. For example, the foremost trading stamp company in America claims in a signed affidavit that it has prepared and filed its Federal corporate income tax returns on the basis that not less than 95 percent of the trading stamps issued by said corporation are redeemed by it.

Thus, it sets up tax-free reserves to cover 95 percent of its stamps. But what are the actual redemption statistics?

In the most recent BLS study on trading stamps, quoted nationwide by the stamp companies, a little sentence lies tucked away: "The stamp redemption rate has generally been estimated at about 90 percent in recent years." And in the most recent issue of Incentive, a magazine of the premium industry, a comment can be found that "Past history of other stamp plans has shown that a maximum redemption of about 80 percent is to be expected." How can these statements be reconciled? What is happening to the tax-free reserves accumulated by the stamp companies for the 384 billion stamps distributed since 1950 that it would appear will never be redeemed. I have asked the Internal Revenue Service to give a long and intensive look at possible windfall profits accruing to the stamp companies. If this is indeed a loophole in our laws, we must correct it immediately.

And still other matters of interest to Members of Congress have been unearthed. In my first series of remarks on this topic, I mentioned that it might be appropriate to supervise trading stamp companies as holding a public trust and thereby insuring that they are as equally responsible and trustworthy as we demand of our banking system. The recent issue of Incentive magazine would appear to concur with those thoughts, for it maintains in one of its articles that "Blue Chip—a stamp company—more closely resembles a bank or an insurance company than it does Macy's or Gimbel's." I find it extremely strange that stamp companies should avoid this classification when they wish to disregard it, and use it when it suits their cause. And let us look for a moment at how that public trust has been borne. I mailed out invitations to an informal meeting between Members of Congress and the trading stamp companies. To date, 41 of those letters have come back address unknown. What happened to the trust people put in these companies? What has happened to the consumer's money?

Mr. Speaker, as soon as my part of this study is complete I will confer and pass over the information secured to the Honorable WRIGHT PATMAN, chairman of the House Banking and Currency Committee over the trading stamp company status and the need for regulation thereunder.

Mr. Speaker, other items have come to my attention over the last few weeks as well. Trading stamp advertising continues to maintain that the premiums they offer are gifts, that items are free. Mr. Speaker, how could they be free if you're paying for them, how could they be gifts, if you pay for their cost many times over, as is sometimes the case? The Federal Trade Commission has ruled that—

> When such an offer of a gift is made, the customer understands from the use of the word "gift" that an article is to be received without payment being made for it. If he is told that it is to be received "free of charge" if another article is purchased, the word "free" causes him to understand that he is paying nothing for that article and only the usual price for the other. If this is not the true situation, there is no free offer and a customer is misled by the representation that he is given something free of charge.

In guide IV of the Commission's current guides against deceptive pricing, effective January 8, 1964, the Commission specifically states that:

> Where the seller, in making such an offer (that something is free), increases his regular price of the article required to be bought * * * the consumer may be deceived.

Yet the two largest food chains in America have admitted they have had to increase prices to accommodate the use of stamps. The Commission has declared that the use of the word "free" is an unfair practice when the "offerer increases the ordinary and usual price." Mr. Speaker, it is increasingly obvious that a deceptive practice is being perpetrated on the American people and I call upon the FTC to take appropriate action to eliminate the use of the words "free" and the word "gift" from trading-stamp advertising.

Many housewives in America have been deluded and led into believing that trading stamps are in fact giving her things "free." The Commission has in the past ruled that:

> The law is not made for the experts but to protect the public—that vast multitude which includes the ignorant, the unthinking, and the credulous, who, in making purchases, do not stop to analyze but too often are governed by appearances and general impressions. (Aronberg V., FTC, 13 F. 2d 165, 167.)

The Commission must continue its worthy record in just this regard.

Other agencies are involved as well. In a 1957 publication of the Department of Agriculture, an annual survey of the food trade made early in 1956 is recorded. It indicates that the average volume of sales of small stores as a group showed a decrease, the decrease averaging 4.4 percent for stores giving trading stamps and 1.2 percent for stores not giving trading stamps.

In short, is the trading stamp industry accelerating the decline of the small businessman, the neighborhood grocery, the small-town hardware store? One chain in New York, Smilen Foods, was forced to merge when it had to write checks for $500,000 in stamp costs.

Mr. Speaker, I have been told several times by people in the trading stamp business that there is no reason to single them out, that trading stamps are merely a form of advertising and as such they are a legitimate form of business. But they are not advertising, they are a form of premium promotion set apart, and the Supreme Court of the United States itself has ruled this in *Tanner* v. *Little* (240 U.S. 369) and in *Rast* v. *Van Deman Lewis* (240 U.S. 342) where it held:

> Advertising is merely identification and description, apprising of quality and place. It has no other object than to draw attention to the article to be sold, and the acquisition of the article to be sold constitutes the only inducement to its purchase. The matter is simple, single in purpose and motive; its consequences are well defined, there being nothing ulterior; it is the practice of old and familiar transactions and has sufficed for their success.
>
> The schemes of complainants have no such directness and effect. They rely upon something else than the article sold. They tempt by a promise of a value greater than that article and apparently not represented in its price, and hence it may be thought that thus by an appeal to cupidity lure to improvidence.

I have been told innumerable times that trading stamps cut down the necessity for other forms of promotion, yet the facts don't necessarily seem to bear this out. As early as 1957, before the real onslaught of double and triple stamp days, and so forth, the Deputy Administrator of the Agricultural Marketing Service of the Department of Agriculture maintained before the House Agriculture Committee that:

> Preliminary reports received by our agency show that the cost of stamps to retailers ranges between 1.4 to 3 percent of sales. In most instances these amounts are added to the promotional budgets already in use by such retailers.

In short, Mr. Speaker, I think my study of the trading stamp industry is making significant progress. We have raised very strong evidence to the effect that trading stamps have increased the price of food; we have uncovered apparent irregularities and questionable if not outright deceptive practices. Investigations are proceeding at many levels and can be expected to add significantly to public discussion of this important and timely topic.

But there are other quite fertile fields that continue to remain a sanctuary for misinformation, doubt, sincere, and misleading statements. It is for that reason that I will expand my present trading stamp inquiry into the drug field and will shortly be examining the question of the possible connection between high drug prices and the use of trading stamps. The first of these meetings will be held on August 31. They will be open to Members of Congress; they will be thorough and frank. The trading stamp companies will once again be invited to appear the following day. Perhaps the stamp curtain of silence that has so permeated this subject will be lifted and the trading stamp companies will see fit to come forward.

Mr. Speaker, we have waited too long for the answers. The American housewife demands that these questions be answered.

SITUATION OF HUNGARIANS IN RUMANIA

The **SPEAKER** pro tempore (Mr. HAGAN of Georgia). Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 1 hour.

Mr. HALPERN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, the next hour will be devoted to a discussion of the brutal repression of the Hungarian minority in Rumania, particularly in the often contested province of Transylvania. Several of my colleagues have joined in sponsoring resolutions condemning this persecution. I understand that many sponsors and other interested Members are sharing the floor today with me denouncing these atrocious inequities to which the 1.75 million Hungarians in Transylvania are subjected. I am pleased and gratified by this opportunity to focus the attention of this Congress and the American people on this serious problem. I am also pleased with the edifying response by the chairman of the European Subcommittee of the House Foreign Affairs Committee, my able and industrious colleague from New York EDNA F. KELLY, as evidenced in her letter to me of August 17, which I would like to insert in the RECORD at this point:

CONGRESS OF THE UNITED STATES,
COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 17, 1965.

HON. SEYMOUR HALPERN,
House of Representatives,
Washington, D.C.

DEAR SY: I am very pleased to learn that you have a special order on Wednesday, August 18, to discuss the condition of the Hungarian minority in Rumania.

As you know, our subcommittee has had referred to it a number of resolutions, including your own, which relate to this subject. We have planned to give them active consideration immediately upon the completion of our work program at the organizational meeting of the subcommittee at the beginning of this session of Congress. Because of the extremely heavy schedule of work of the Committee on Foreign Affairs and its various other subcommittees, we have not been able to complete that work program to date.

I believe, therefore, that the special order which you have obtained will offer an excellent opportunity to place on record such facts as the Members of the House now possess regarding the condition of the Hungarians in Transylvania. This, I am certain, will prove of considerable interest to the House and to others who peruse the CONGRESSIONAL RECORD. On my part, let me assure that I will give the information which you develop my careful attention and bear it in mind in conjunction with the work of our subcommittee. That work, as you are aware, has included numerous hearings and studies relating to developments in eastern and central Europe and has led to the introduction and passage by the House of Representatives of various legislative measures. During the current session of the 89th Congress, to mention but a few examples, our subcommittee held hearings and reported a resolution on anti-Semitism in the Soviet Union and on anti-Semitism in the Soviet bloc as a whole; held hearings and reported a resolution on the conditions in the Baltic States; and held additional hearings on various aspects of United States relations with countries of that area. You may be certain that our active interest in these matters will continue.

With best wishes, I am,

Sincerely yours,

EDNA F. KELLY,

Chairman, Subcommittee on Europe.

Now, Mr. Speaker, I should like to begin by reviewing the developments which have taken place since March 24, 1965, when I submitted to the House many of the discriminatory practices of the Communist Rumanian Government against its own citizens, particularly, the Hungarians of Transylvania. At that time, I also included several articles by well-known journalists—George Bailey—and scholars—International Commission of Jurists.

Since then the Transylvanian question has become a center of interest in the House. On the same day five of my colleagues also rose denouncing this abridgment of human and civil rights by the Communist Rumanian Government to its citizens, and other colleagues followed suit later. On March 24, 1965, I also introduced a resolution, House Resolution 291, expressing the sense of the House on this question, condemning the discriminatory measures by the Bucharest Communist government against the Transylvanian Hungarians. To this date, 30 Members joined in this endeavor by filing either identical or very similar resolutions, and I believe that others will do so in the near future.

Rumanian Communist discrimination against Hungarians takes many forms. It includes practically all fields of human activity: religious, economic, political, linguistic, educational, and social. Some of my colleagues joining me today in this discussion will address themselves to the economic, political, linguistic, and social problems, while I want to concentrate my attention on the religious and educational aspects of the discrimination and inequality fostered by the Rumanian Government.

Religious freedom, as we know it in the West is nonexistent in Communist Rumania. True, the churches and synagogues are open, and religious tax may also be collected, only to be turned over to the state by the church authorities, but there is no freedom to attend these churches and synagogues. Anybody holding an office or technical position of any importance is expected to stay away from church services and is forced to keep his children from religious instruction classes or rites; only old people and those unskilled workers who know that they cannot be punished by a lower job.

As to the various religions, the Jewish community in Transylvania is very small, as its members had either been killed during World War II, or have emigrated since to Israel, but the remaining Jews face the same restrictions as the Christian churches. Among the latter, the Roman Catholic Church fares worst. Only one bishop survives, Aron Marton from Gyulafehervar—Alba Julia—but according to people who tried to have audiences with him earlier this year, he is not free to receive foreign visitors or even native visitors except his own priests and even they must first report their intention to visit the bishop to the political police. In the case of the Protestant churches, internal subversion was used, and it is known from reliable sources that Julius Nagy, the present Reformed Bishop of Kolozsvar—Cluj—was given only the vote of his own congregation, while his competitors for the See had the backing of 50 or more congregations each. But because of the pressure of the Communist government he was elected. Fellow travelers are often appointed to other ecclesiastical posts, too.

The desperation of the people is amply demonstrated by the fact that not less than 8 percent of the Hungarian population of Transylvania—133,000—have registered with the Communist Hungarian consulate to "emigrate" to Hungary. One may gage their hopeless resignation when even Kadar's Hungary appears a haven from suppression.

The Communist government, instead of holding to the promises included in the Paris Peace Treaty that it will treat all of its citizens equally without regard to sex, religion, and language, and of the guarantees included in the 1952 and 1965 constitutions, foments the nationality struggle. This is not only done by discriminatory measures which we are discussing today and which cannot help but render the Hungarian minority bitter against the regime, but also by "positive" measures. For example, according to reliable information the police at Brassó—Brasov—a city of 120,000 in southeast Transylvania, have been using for years young Hungarian lads from the Mures-Magyar Autonomous Province as volunteers whose job is break up forcible Rumanian fights and riots. In return, they are allowed to remain in the city and receive temporary residency permits which are denied to any Hungarian trying to settle in Brassó—Brasov—from the other districts. This certainly does not endear the Hungarians with the local Rumanians and communal fighting occurs constantly on a small scale. On the other hand, Rumanian military and police brutally suppressed a Hungarian demonstration at Koltó in the summer of 1964 with so much bloodshed that even the Kadar government felt compelled to send a small commission to investigate, but that was the end of the affair as far as Communist Hungary was concerned.

One of the major grievances of the Hungarian minority is the intention of the Rumanian Communist government to deprive them increasingly of any school sections in which Hungarian is still a language of instruction.

The 1952 and 1965 Constitutions insure that the minorities should have full opportunity to continue their cultural life, preserve their tradition and language. What is the reality, however? Out of the 1,116 Hungarian schools in 1957, none was left by 1964, they were all merged with Rumanian schools. In many instances Hungarian sections remained in which, depending on local conditions, Hungarian was the language of instruction in many or all subjects, while Rumanian language and literature was taught every day for 2 hours. Now, even this last remnant of Hungarian school instruction is attacked by Government-sponsored coercion. The coercion takes several forms. First, the parents of white collar workers are encouraged to send their children to Rumanian schools, or face summary dismissal from their jobs. Second, the entrance examination to the universities is devised in a manner that students having attended the Hungarian sections would have difficulties in passing them. Third, where the first two pressures do not help, the Government just steps in and abolishes Hungarian sections or reduces them to one section per grade in certain schools. At Kolozsvár—Cluj—for example, at one of the high schools there were four Hungarian sections per grade with roughly 40 students in each. In the coming academic year, only 1 Hungarian section per grade is allowed, that means that only 40 students per grade will receive Hungarian instruction, instead of 160 per grade. In turn, the Rumanian sections are expanded from one section per grade to five sections per grade. Yet, the Hungarian sections always had more applicants than places available. Thus, this summer they were not less than 326 applicants in one of the grades alone for the 40 places available. Those refused admission into the Hungarian section must either go without further schooling or must join a Rumanian section. The same process is to be repeated in most of the cities of Transylvania this September, a definite deterioration of the situation. The only exception is Nagyenyed—Aiud—where the regime tries to establish a showplace to which it can point in case of domestic and foreign criticism. There the Hungarian sections have been expanded from four to six per grade.

High schools are not the only targets. Out of 16 teachers colleges in Transylvania, only 1 had instruction in Hungarian, the college at Székelyudvarhely—Odorhei. This was the focal point for training for teachers in the Hungarian sections, especially since the Bolyai University and the Medical College at Marosvásárhely—Turgu Mures—were integrated and lost their Hungarian character completely. Until 1964 the students were teachers' candidates preparing to teach in Hungarian sections. In that year the government integrated the college. Forty percent of all students admitted were Rumanians who had to commute or had to be settled in the town which is over 92 percent Hungarian, and in the coming academic year the Rumanian students will form the majority. This means that the language of instruction is also changing drastically at the college.

Vocational and technical high schools used to have a large percentage of Hungarian pupils. The names of the graduates of these schools in the various Transylvanian cities this June shows that hardly 15 percent have Hungarian names. Only the faculty remains mostly Hungarian.

Self-government is nonexistent even in the "Mures-Magyar Autonomous Province" which is supposed to have it to a limited degree under the Communist constitution.

Visitors report that the police even in the Autonomous Province is composed of Rumanians, many of them not even speaking Hungarian or at least not wanting to speak it at all. Only in the villages are the council heads still Hungarian, even in the mostly Hungarian towns Rumanians and a few loyal Hungarian Communists are forming the administration. The influx of Rumanians into the Autonomous Province, which until 1961 formed a homogeneous Hungarian bloc of about 600,000 people is progressing according to many visitors' and emigrant reports.

All these measures and trend point toward an aggravation of the situation of the Hungarians in Transylvania. True, we in the United States are deeply involved in the Vietnamese situation and most of our attention is focused on Saigon and Hanoi. However, we cannot be mute witnesses to a development that could create a new Cyprus in due time and then say that we did not know that it was coming. The facts are available, and the conclusions must be drawn. Of course, Rumania is a Communist nation, not an allied country. But the suffering of millions, deprived of their human and civil rights assured them both by international treaty and even by the Communist constitution, cannot be a matter of indifference to us. When the opportunity arises that new economic negotiations are undertaken with Rumania, we must let the Rumanian Government know that we do care about their adherence to human rights and that our attitude will depend upon their treatment of their own citizens and especially of their own minorities.

Mr. Speaker, I would like now to introduce in the RECORD, affidavits from individuals who are particularly knowledgeable in this area. Because many of the individuals providing the affidavits have relatives in Rumania, their names have been deleted from their statements for the protection of their families.

AFFIDAVIT

In the spring of 1965 I traveled extensively in Rumania, mostly in Transylvania, but also in the provinces of Muntenia and Moldavia. Observing certain conditions which prevail especially with regard to the 1.75 million Hungarian minority, I would like to submit the following testimony to the European Subcommittee of the House Foreign Affairs Committee in Washington, D.C., with special reference to the forthcoming hearings on recent developments in Central and Eastern Europe and in support of House Resolutions 290 and 291 and its companion resolutions:

The Rumanian Communist Government discriminates against its citizens in general. Communist dogma rules its actions, and political freedom even of the very limited kind noticeable in Hungary and Poland is absent, not to mention any general regard for individual human rights to which we are accustomed in Western countries. "Liberalization" in internal affairs has hardly begun and the fear of the Siguritate (secret police) is prevalent. But over and beyond the general oppression of the populace, the Government discriminates even more against its citizens of Hungarian origin in order to "solve the Transylvanian question" by a forced assimilation of the Hungarian ethnic elements into the Rumanian national community.

This discrimination and persecution has two major phases. The first one is economical, the second one educational, and all the grievances relate directly or indirectly to these phases.

I. ECONOMIC DISCRIMINATION AGAINST TRANSYLVANIAN HUNGARIANS

There is a conscious and officially abetted drive to force Hungarian Transylvanians to divest themselves of Hungarian culture and language if they want to earn a decent living or get promoted in their particular fields.

This policy is underpinned by a complete colonial exploitation of Transylvanian raw material resources for the benefit of the Rumanian economy outside of Transylvania. In the Communist blueprint Transylvania forms the raw material base and the other provinces the industrial heart of Rumania. This policy also necessitates the migration of individual Hungarians or small groups of Hungarians into purely Rumanian regions as workers thereby rendering their assimilation almost inevitable. The only new plants I observed in Transylvania were bakeries, flour mills and lumber processing plants while there were numerous and modern industrial complexes built in other areas of Rumania.

Roads and transportation means show the same picture. While four-lane highways are no rarities in the Rumanian provinces, often reaching to the Carpathian passes separating Transylvania from the other Rumanian provinces, only the few military roads of interwar vintage are in good shape in Transylvania. Besides inadequate maintenance work on existing roads, they seem to have never been rolled flat, because one- and two-inch rock bits prevail, a deadly danger to any car tire.

A specific example of economic colonization is the use made of the natural gas resources of Transylvania. Already in the 1930's, methane gas was found in large quantities around Kissármás (Sarmasu) and was exploited with German technical economic help. German interest in keeping control was so strong that in 1940 at the time of the Second Vienna Award that restored northern Transylvania to Hungary, the Germans had Rumania retain the gas wells, though it had meant cutting into two the only connecting railway line between western Transylvania and the southeastern Szekely counties.

In the 1950's and 1960's new wells were discovered in the area northwest of Marosvásárhely (Turgu Mures) in the "Mures-Magyar Autonomous Province." The exploitation of the wells combined with the erection of half- and full-processing chemical plants would have made economic progress in the southeast Transylvanian Hungarian areas possible and would have eliminated the manpower surplus. Such an economic policy would have been advantageous for the Rumanian Communist Government, too, as all the raw materials (natural gas and potassium salts) were to be found within a 25- to 30-mile radius. Instead, the regime undertook to build a more than 200-mile long pipeline from the Marosvásárhely (Turgu Mures) area into Moldavia (outside of Transylvania) and erected the processing plants in purely Rumanian areas. The name of the new town is Onesti with 60,000 inhabitants, good sanitation, nice-looking five- to six-story apartment houses, well-kept roads, and relatively plenty food supplies.

To realize fully the waste that was accepted as a price of pleasing Rumanian chauvinist predelictions, the terrain through which the pipeline was laid must be visualized. Though following the valleys and the lowest Carpathian Pass (Békás) the pipeline runs through an area ranging from 600 to 2,500 feet altitude and cuts through numerous forests and mountains. Its erection, maintenance and operational costs must make the gas received in Onesti uneconomical. Whatever the efficiency and cost rating of the complex, the processing plants look impressive and the front length of the plants is about 3.2 miles. The plants were built in part with funds from British Imperial Chemical Ltd. Rumanian Communists maintain that Onesti was selected because of the availability of saline mines, but this makes little sense as the regions richest in salt in Transylvania are located close to the natural gas (methane) wells.

This example shows the tendency of the Rumanian Communists to avoid the creation of new industries in Hungarian areas even at a high economic cost.

Even last year new wells were discovered and the planned sale of the methane booster station with 4,850 horsepower already licensed by the Commerce Department of the United States would probably be used to establish secondary pipeline arteries in the Marosvásárhely (Turgu Mures) area toward the main pipeline northeast of the city. This assumption is borne out by the fact that the main pipeline measured from the outside is about 26 inches (we do not know the thickness of the insulating ring inside), and that secondary arteries would be about 20 inches in diameter, the figure quoted in the export license.

A second example is the use made of the discovered caolin mines in the Hargitta Mountains in the "Mures-Magyar Autonomous Province." The mines are located around 30–35 miles from Székelyudvarhely (Odorhei) which is still a sleepy 11,000-people town in the "Mures-Magyar Autonomous Region" that has hardly grown since 1920. This was the perfect occasion to create new industries in the town, especially as skilled earthenware artisans were present both there and at a nearby town, Korond. The decision made was to create the earthenware and china factory in Segesvár (Sigisiora), about 100–110 miles from the mines, which town was never Hungarian, but formerly Saxon, now mainly Rumanian. While in the case of Onesti, few Hungarians benefited even by moving there, the migration of Hungarians into Segesvár (Sigisiora) was not discouraged, as it meant their assimilation into a Rumanian town within Transylvania. Again the economic cost of the chauvinistic decision is high, indeed. The roads are very bad between the mines and Székelyudvarhely (Odorhei) and also between that town and Segesvár (Sigisiora). The trucking, therefore, cause both manpower, material, and wage losses to the plant.

A third example is the creation of the artificial lake and dam at the Bistrica River about 20 miles east of the Békás Pass in Moldavia, obviously to supply the Onesti complex with strong electric current. Here, too, the dam was created on the Moldavian side. A case in point is the fact that the pipeline through the Békás Pass does not even supply the fuel needs of the Hungarian towns and cities in the "Mures-Magyar Autonomous Region." Also the pipeline-laying workers, who earn a good salary in comparison to the agricultural workers who in Rumania do not even receive starvation wages, in the Hungarian area in 1965 were Rumanians.

In general, people are better dressed in Rumanian areas especially outside of Transylvania and technical progress is greater, industrialization more adequate. Even the store windows display more and better goods as there is more purchasing power in the Rumanian cities.

In many cities I have looked at the list of graduating students of engineering schools and technical and vocational high schools. Only 5 to 10 percent of the students, even in Transylvania, had Hungarian-sounding names, some of them already using the Rumanian spelling of his or her name. At the same time, the instructional staff is almost completely Hungarian. Friends explain that Hungarians are not welcome in technical high schools.

II. THE ONSLAUGHT AGAINST HUNGARIAN LANGUAGE EDUCATION IN TRANSYLVANIA

Language and cultural traditions are the mainsprings of national consciousness and the Communist Rumanian Government in attacking "bourgeois nationalism" does realize this fact well. Therefore, it has begun since 1957 a systematic attack to eliminate the Hungarian-language schools in Transylvania altogether. By 1965 there are no more Hungarian schools left in Transylvania. There are only Rumanian schools with one Rumanian and one Hungarian section in Hungarian areas and the cities (as they have had a large percentage of Hungarians) with the Hungarian sections being decreased year by year and their curriculum being taught increasingly in Rumanian. We know of the case of the "voluntary merger" of the Bólyai University at Kolozsvár (Cluj) with the Rumanian Babes University "in order to avoid cultural isolation." But as of September 1, 1965, new changes are going into effect which will render for Hungarian youth to attend Hungarian-language instruction well nigh impossible.

At Kolozsvár where over 40 percent of the population is still Hungarian (it was 78 percent in 1945), e.g., one high school had per grade four Hungarian sections (A, B, C, D) in 1964. As of September 1 it will only have one Hungarian section. It had one Rumanian section per grade before; from September 1 it will have five per grade. As classes were roughly seating 40 students, there were about 160 Hungarian students per grade in the school. Now, even that number was insufficient, as this year in one of the grades there were 316 applicants, and only 40 places for them. In practice it means that even the 160 places available in 1964–65 would have been inadequate to handle all applicants for the Hungarian section, but now they reduced the number of places to 40. The other 276 pupils will either have to attend a Rumanian school or no school at all. In practice, children with 94 average in the Hungarian section will often not be able to continue in the Hungarian section, while in the Rumanian section even pupils with 55 average are passing so as to fill up the new Rumanian sections. This is the Communist equality of rights in education in Rumania. In other schools the situation is similar, and the number of Hungarian sections is being drastically cut with the new school year. As such a process cannot be continued without notice by even foreign visitors, the Government built one Potemkin village in the school jungle. At Nagyenyed (Aiud) the number of Hungarian sections was expanded from four to six, creating thereby a "living antithesis" to the repeated criticism of reducing Hungarian sections all over the country. The foreign visitor is usually shown the school at Nagyenyed (Aiud) and thereby receives authentic information that all the other stories must be the invention of Hungarian chauvinists or Fascist warmongers.

But the grade and high schools are not the only target. There is only one teachers college in Transylvania which until 1964 continued to turn out mostly Hungarian teachers. It is located at Székelyudvarhely (Odorhei) and is 1 out of 21 teachers colleges in Rumania. In 1964 the students were already mixed, both Rumanians and Hungarians, and in the coming school year only 25 Hungarian and 40 Rumanian teacher applicants were admitted in a 98-percent Hungarian area. The 40 Rumanian students were either given lodgings in the town or are being bused in.

Additional difficulties for Transylvanian Hungarians consist of the attitude of the Rumanian educational authorities toward scholarships. Hardly any Hungarians ever receives any of them, both because they are often of artisan or middle-class background and because there is a discrimination against them on ethnic grounds.

The final examinations in the high schools, matura, is usually handled leniently for all. The verbal instruction given by the Ministry of Culture is that about 98 percent should pass. The fly in the ointment is the entrance examination to universities. Here it is officially demanded that 60 percent of the admitted students must be of peasant origin and only 40 percent of other background. This renders the position of Hungarian students difficult as the ratio of Hungarians in agriculture is smaller than those of the Rumanians, through lately because of increased discrimination more and more Hungarians are forced back into agriculture among the youth. The most flagrant case was that of a student with Hungarian ethnic background who won a regional competition in his favorite subject and was still not admitted because he was of the wrong political and ethnic background.

Those who pass the hurdle and finish their university studies are sent to areas in the old Rumanian provinces both by the fiat of authorities and because they are promised better living conditions and higher wages there. Of course, it must be realized that in Rumania there is only one employer—the state. If it does not take you, you simply do not have a job, and therefore, you must follow the prescription of the Government.

III. IS THERE RELIGIOUS FREEDOM IN RUMANIA?

During my travels I had a chance to talk to priests and ministers and churchgoers, to some of them even confidentially. Generally, the churches are free to teach their creed, but so is the dissemination of atheistic propaganda. The only difference consists of the fact that the atheists have the power of the state and its authorities behind them, and as a result the churches are losing ground day by day.

Those participating in religious rites on Sunday are almost exclusively people over 45 and 50 years of age. In a church seating 1,200 people only 180 people were attending the Sunday I visited, and there were only 3 children among them, 2 of them girls. Friends of mine who are believers refused my invitation to attend services with me for the fear that this fact would be reported by informers to their employer and the police. One friend told the story that when he had buried his father by a priest, the Siguritate questioned him the next day and warned him to desist from any further religious activities if he would like to retain his job and stay out of trouble. The term used was "In that case you must carry all the consequences of your actions."

Many children of my friends were never in a church yet. In one case the child was secretly baptized, in another case the marriage ceremony took place during the night in a cellar room. Faith is still strong among the people and many still regard the churches as the last bulwark against communism, but the terror is so strong that church attendance has fallen off greatly.

In the Protestant denominations, where the election of a bishop does not have to be approved by any authorities outside the Iron Curtain like in the case of the Roman Catholics, Communist Party members, or fellow travelers have often infiltrated even the high echelons. In the case of the election of the Calvinist (reformed) bishop of Kolozsvár (Cluj) which denomination has an almost purely Hungarian membership, government interference and pressure was the decisive factor. Julius Nagy, the present bishop, had only the support of his own congregation out of approximately 200 congregations throughout Transylvania and there were three other candidates each with more than 50 congregations' backing but the Communist government sent a letter that it would only accept Julius Nagy as a bishop among the candidates.

As far as Bishop Aron Marton, the only surviving Roman Catholic bishop in Transylvania is concerned (Roman Catholics are another denomination almost purely Hungarian), I know from personal experience that he is not at liberty to receive anybody except priests of his diocese and that he is very closely watched by the agents of the Siguritate. One cannot approach his residence even for 1,500 feet before some agent does not tail you and offers you to become his "guide."

IV. THE GOVERNMENT'S DRIVE TO ASSIMILATE HUNGARIANS INTO RUMANIANS

The drive to Rumanize the 1.75 million Hungarian minority is a general one and extends to positive as well as negative measures. First, mixed marriages (Hungarian and Rumanian) receive the blessing and help of the Communist government. They are given an apartment (at a premium in Transylvania) and often a better job in a purely Rumanian area and sometimes even economic help at the beginning of the marriage is given. Of course the children usually speak Rumanian only as they are educated in Rumanian schools and live in Rumanian areas. Second, if any scientist or artist wants to get nationwide reputation or promotion, he must change his name into a Rumanian-sounding one, or he remains forgotten no matter what his talents are. I can recall the following cases myself. The world champion in women's high jump, Jolán Balázs, had to change her name into a more Rumanian-sounding one; i.e., Yolanda Balas. The famous soloist István Ruha appears on the notices as Stephan Ruhe, the actor István Kabán as Stephen Caban. Third, the folkloric museums are offering no more Hungarian and German folklore and embroidery. Szekely embroidierv was world-famous as is earthenware. As the Folkloric Museum at Kolozsvár (Cluj) I could not find one piece of these embroideries and earthenware, and the material exhibited was not even Transylvanian Rumanian, but mostly Rumanian from the other provinces. Hungarian earthenware and dolls can no longer be produced in the "Mures-Magyar Autonomous Region" not to speak about the folk styles at Kalotaszeg, southwest of Kolozsvár (Cluj). Fourth, there is a conscious tendency to do away with all the historical monuments as they emphasize the Hungarian history of the region. The old fortresses and castles are generally closed to the public and exposed to the eroding influence of natural forces. Many are now in ruins and all of them neglected. Statues and historic buildings also fall in the neglected category, except where the buildings can be adapted for governmental use. Fifth, a new rule governs the street names in the cities and the "Mures-Magyar Autonomous Province." By ordinance, the street names were supposed to be in Rumanian and Hungarian. Since 1961 no street plates are made in Rumanian and Hungarian, but only in Rumanian. A few old street plates still can be found in half-rusted or erased condition in Kolozsvár (Cluj) and in the suburban parts of some cities and towns in the "Mures-Magyar Autonomous Province," but they soon will be replaced by Rumanian ones. The old Hungarian cemeteries are neglected and often used for construction purposes. They will also soon disappear in all areas except where compact Hungarian districts exist. This is in sharp contrast with the care of cemeteries in other provinces of Rumania, which are exceedingly well kept with flowers and small monuments to the heroes who died in the two world wars.

Finally, the language of administration even in the "Mures-Magyar Autonomous Province" is being changed exclusively into Rumanian and the police and other officials are Rumanians who do not speak or do not want to speak Hungarian. At Székelyudvarhely (Odorhei) I went to the local police station allegedly with the excuse that I have to register as a tourist. I addressed the officer on duty in Hungarian, he answered in Rumanian. When I maintained that I do not speak Rumanian, he brought an interpreter and asked me to sign the blank form of registration. When I refused he offered that they will fill out the form in Rumanian. When I still refused that I do not know Rumanian and would not know what I was signing, he got angry. Finally I told him that I do not have to sign as my visum specifies that I will be visiting the town. This made him increasingly irritated and he asked me why did I come then at all? I answered that I wanted to know whether in one or the major cities of the Autonomous Province the police speaks Hungarian at all, and pointed to some older people who did not know any Rumanian and had to sign forms and statements in Rumanian. He finally admitted that indeed he does speak Hungarian (though he was an ethnic Rumanian) but he prefers not to speak it and tried to withhold my hotel reservation with little success. This is how "Hungarian self-government" looks in the "Mures-Magyar Autonomous Province." I talked to several traffic policemen in Marosvásárhely (Turgu Mures) and other towns of the "Mures-Magyar Autonomous Province" and they all replied to me in Rumanian. Generally the police in the Autonomous Province is armed with tommyguns and looks suspiciously around while the police in the other areas is usually lightly armed with sticks and does not seem to be nervous.

Unrest is not high but ever present under the surface. It includes not only members of the persecuted and oppressed Hungarian minority but, Rumanians as well, among whom the policies of the Communist Government are also heartily disliked. The tension between Transylvanian Rumanians and Rumanians from the other provinces so characteristic of the interwar period has also not disappeared. Rumanian friends, including one of the participants, told me that in 1956 70 Rumanian youth swore in the night in an Orthodox church to devote their lives to fighting Communism in Transylvania and to fight for a Transylvanian state independent both from Rumania and Hungary. Of course they were discovered and sentenced to long prison terms, only released under the 1964 amnesty. But their sentiments are often shared by Rumanians and Hungarians alike.

AFFIDAVIT

NEW YORK,
June 24, 1965.

I, the undersigned Mr. K. fully depose and state:

Until the end of February 1965, I was a resident of the Peoples Republic of Rumania in the Marmaros (Maramures) section of Transylvania which until 1918 and between 1940–45 belonged to Hungary. As such I have direct and intimate knowledge of the situation in Transylvania, with particular emphasis upon the situation of the Hungarian minority thereof.

There are no more Hungarian schools in Transylvania, though there were over 3,000 Rumanian schools in Transylvania even under Hungarian rule before 1918. All schools have Rumanian principals and directors, and there exists only a Hungarian section. In the Rumanian section not even the Hungarian language is taught in the grade schools, even if the city or village is overwhelmingly Hungarian. In the Hungarian section, Rumanian language and literature is taught, and in many instances other subjects in Rumanian as well. However, in Nagybánya (Baia Mare) at least in the Hungarian section most subjects are still taught in Hungarian.

However, those who attend the Hungarian sections are both discriminated against and are finding themselves at a disadvantage when entering college and university. In most cases they fail the entrance examination both because of the lack of proper knowledge of the Rumanian curriculum on which the examination is based and because of open bias against those who have attended Hungarian section instruction.

There is also considerable pressure upon white collar workers and engineers to send their children into the Rumanian sections. Also for members of the Hungarian minority it is almost impossible to get more than one child accepted to college or university regardless of the scholastic achievements of the children.

There is discrimination in job opportunities against Hungarians in Transylvania as well. In my case, my trade license as dry cleaner and clothes dyer was revoked 2 years before the licenses were revoked from my Rumanian colleagues, even though according to the statutes I would have been entitled to remain in the business as I was a disabled war veteran, had two children under 12 years of age and was under the age of 50.

Also if you want to enter state business enterprises or cooperative stores, Hungarians are required to have a gimnazium graduation, lately preferably of Rumanian schools (section). In the case of Rumanians, this requirement is often waived, as I know from cases known to me at Nagybánya (Baia Mare). This was not the case before 1957, the discrimination in employment opportunities regardless of the class cadre consideration is something recent in Transylvania.

In case of Hungarian families with several children, the no college rule for all but one results in personal tragedies. The son and daughter of a medical doctor who works for a cooperative hospital are, i.e., need to select who will continue their studies, and seldom is it advisable for anyone to send more than one child to the Hungarian section of the school if he wants to get promoted in his job.

The housing situation is desperate in the towns. There are many new apartment buildings erected but Hungarians only get a flat in them if they can prove that they are of Rumanian origin or are loyal members of the Rumanian Communist Party. Everybody in the offices is speaking Rumanian only for the past 8 to 10 years, even if he or she happen to speak fluent Hungarian. In the case of Nagybanya (Baia Mare) settlement permit is only given to Hungarians if they are drivers, miners or skilled steel industrial workers, otherwise they do not receive permits. These three categories are i.e. shortage professions in Transylvania. In the case of Nagybánya (Baia Mare) the ethnic balance of the city has changed greatly since 1948 by forced Rumanization. While some of the newcomers hail from the mountain villages of Marmaros (Maramures), most of them have come from Rumanian provinces outside of Transylvania, especially from the areas around Ploesti and Bucharest.

In 1956 there were numerous demonstrations against the regime both by Hungarians and Rumanians. The telephone network at Nagybánya (Baia Mare) was damaged by the demonstrators. The demonstrators were mostly students of the technical college and were immediately arrested by the army and police and were held incommunicado for long years and released only in 1964. Most of those released needed long hospital care and rehabilitation. The other element demonstrating consisted of foundry workers and they were dealt with similarly.

In general, arrests and convictions were used arbitrarily and overseverely. One student who told his friends at a Varna vacation that "Let's save money so that we can escape to Turkey," was convicted and received a 17-year sentence. He was only released in 1964, and is a nervous wreck. Despite the promise of the Government that all prisoners released will be given jobs, he is still without steady employment a year after his release. A well-known Transylvanian Hungarian artist painter, F. K., was several times in prison, altogether served about 5 to 6 years and was just recently released. Eight women, among them musicians and writers were arrested at Nagybánya after 1956 and only now released. Their crime was to write Hungarian poetry which the regime disliked.

There were many police atrocities. At Nagybánya we know of two instances where people arrested were beaten to death by the political police, one was a clerk named Takacs and another an engineer. These events happened in the wake of the Hungarian Revolution of 1956. Undoubtedly there were others.

As to the amnesty, according to my personal estimate about 30 percent of those in prison were released, mostly those whose health condition deteriorated. The promises of job placement were not kept in many instances by the State, even in those cases where the released prisoner had a trade. One tailors' apprentice is also without a job for over a year.

There is absolutely no freedom of speech. Someone was fired from his office job and sent to the mines just for stating at a meeting where higher norms and plans were explained that "Bah, this is all humbug."

Many clergymen also shared the fate of arrest and imprisonment. One, Reverend Szabó was recently released and transferred into a village where there are only 34 Hungarian families. As a Roman Catholic priest, his parishioners would come only from the ranks of Transylvanian Hungarians as the Rumanians are Greek Orthodox. Other priests and ministers are only released if in bad health or mental condition.

There were several rumors, especially in 1964 that Russian pressure will force the return of the western frontier strip to Hungary as it has an 80-percent Hungarian population. This caused great excitement among the Hungarians and uneasiness among the Rumanian authorities in the summer of 1964. At Kolto, a Hungarian village the population wanted to demonstrate with Hungarian flags on August 23, 1964, the anniversary of Rumanian turn to the Allies from the Axis Powers in 1944. Not only were heavily armed Rumanian units sent to the village, provoking incidents and executing arrests, but even at Nagybánya (Baia

Mare) several battalions of infantry and light artillery was sent from the Russian border. The Rumanians were afraid of a possible Hungarian uprising which they feared would be followed by a Hungarian and Russian intervention.

Upon the improvement of American-Rumanian relations there was absolutely no improvement in the situation of the Hungarian minority, rather it has grown somewhat worse.

As to my personal case, I was immediately heard by the security police upon visiting the American Legation in 1960 for getting my passport, I was almost compelled to work for the security police and spy upon my fellow Hungarians at Nagybánya (Baia Mare), and failed to receive my exit permit until February 25, 1965. Up to the last moment, a war of nerves was conducted against me by the various authorities, locally and nationally. Finally, 2 days before the departure, I was forced to sign over my house which was not yet nationalized to the Rumanian state, otherwise I would not receive any exit permit.

—— ——.

AFFIDAVIT

NEW YORK,
June 21, 1965.

I, the undersigned, fully depose and state:

Until 1964 I resided in the town of Halmi, Transylvania, which belongs, since 1945, again to Rumania. Therefore, I have firsthand knowledge of the situation in my own area and indirectly in Rumania's western provinces, formerly Transylvania.

First, the amnesty failed to release all the political prisoners of Hungarian ethnic origin in Rumania. I know of several cases myself where the persons are still in prison. In Szatmarnemeti (Satu Mare) a minister of the Hungarian (D. Szabó) Reformed Church was arrested and sentenced to 20 years in prison in 1949 after having been beaten by the political police for alleged antistate activities. He has not yet been released. His wife is working at the Photographers' Cooperatives at Szatmarnemeti in order to support his family and we were personally acquainted with him. The Ulicsak family gave several priests to the Uniate (Greek Catholic) Church. The old Ulicsak, a monsignor, had to leave his ecclesiastical functions in the late 1940's, receives no pension from the state to this day. Out of his three sons, two were arrested in 1949 and sentenced to long prison terms. They have not yet been released either. There are several other cases where I have indirect knowledge in my area of people who have been sentenced for political reasons and are still in prison despite the amnesty.

Second, incidents have often occurred about the use of Hungarian language in public. In Arad, a major city of Transylvania, especially in 1950, there were bloody incidents when Hungarians were beaten up for using their language on the street. The general term for Hungarians by the Communist Rumanians is bandina which is stateless, homeless bums.

Third, there is a definite pattern in sending Hungarians with diplomas (earlier they were usually not even allowed to study at the universities except for a small, pro-Communist percentage) to purely Rumanian areas in order to further assimilation. I know of several cases in my area. Mr. X a construction engineer has received his first job at Bucharest where he is still working; Mr. Y, a medical doctor was transferred upon completion of his studies to Craiova in Muntenia; Mr. Z, a medical doctor, now working in Constanza at the Black Sea; Mr. A, an electrical enginer, transferred to Dorohoi, just to mention a few actual cases among my acquaintances. Of course, having been transferred at a young age to purely Rumanian areas, they usually marry Rumanian girls and their children lose their Hungarian ethnic consciousness thereby depriving the Hungarian minority from their natural leaders.

Fourth, in 1950 at the Rumanian-Serb frontier in the Banat which is also an ethnically mixed area which formerly belonged to Hungary, 32 villages were evacuated which had either Hungarian or German population. From the Rumanians only those were deported who had relatives in the Western countries or who were wealthy farmers (kulaks). Many of the deportees are still living in the inhospitable climate of Dobrudja. They were housed in mud huts and bamps and they have to make a living at a land which was always infertile for agriculture. They are still not allowed to travel west of Bucharest or north of Bucharest. They were deported by the military and police with only a small amount of personal goods and their homes and land were given to Rumanian settlers, mostly Communists.

Fifth, a second deportation wave was in 1949 for the construction of the Danube canal south of the Iron Gate. Again the same elements were deported. Hungarians, Germans who belonged to the middle classes, and some middle-class Rumanians. They were selected from all over Transylvania, usually 8 to 10 people per village or small towns, in order to intimidate the people. They were usually again middle sized and wealthy farmers who were proven guilty of not fulfilling the delivery quotas (arbitrarily high) and taxes (ruinously high). About 80,000 people were deported, over half of them died of diseases and the cold during the winter of 1949–50. Because of the high mortality, the youth of these people were sent in 1950 to finish the canal as labor servicemen, but finally the project was abandoned in 1951 without ever having been completed. Those who survived could come back to their former domiciles, but there were very few.

Sixth, there were many executions in the wake of the Hungarian Revolution in 1956 in Transylvania which produced demonstrations in most cities in Transylvania. Martial law was ordered on Kolozsvar (Cluj) and most parts of the "Magyar Autonomous Province" and dozens of people executed under martial law without any trial among the demonstrators.

Seventh, the ethnic distribution of the province is changing. After nationalizing and collectivizing the estates, this was used for promoting Rumanization of certain areas. Rumanian settlers were settled at the former big estates either from the mountain villages or from areas outside of Transylvania and the new villages thus created was given the central administrative organs of the area like the county people's council, school board council, etc.

Eighth, it is true that Hungarian sections in Rumanian schools still exist, but no Hungarian schools as such. Moreover, because of the stringent Rumanian requirements, hardly any student studying in the Hungarian section can compete with the graduates of Rumania schools in entering the universities, thus more and more Hungarians, too, attend the Rumania schools. In case of people working for the state, sending their children to Rumanian schools remains a silent requirement.

Ninth, there is great poverty. This is, of course, true both for Hungarians and Rumanians, except that Hungarians have little chance to move into the cities and become industrial workers whose position is relatively better than those in the agriculture as small trade has been eliminated. The average income of an agriculture collective member, unless he is a Stakhanovite, is about 5 pounds of wheat or 2 quarts of milk in lei equivalent.

Tenth, fear of the secret police is not gone and their methods remain insidious.

There was a case in which a student from Nagyvarad (Oradea) visited Hungary just at the eve of the Hungarian freedom fight of 1956 and subsequently did not return but fled to the West. His friend was pressured by the political police to write to him and try to lure him home so that he could be arrested. When he resisted, he was beaten, lost his job, was transferred in a lower position to Constanza, kept under police surveillance and it took him 6 years to return to his job.

Eleventh, religious life exists insofar as the churches are still open. But the Sundays and holidays are not kept for workers. State employees of white-collar positions cannot really go to church unless they want to lose their jobs, and intellectuals and holders of doctorates, especially teachers, are not only expected to stay away from the churches, but they must exercise anti-religious propaganda in order to keep their work.

Attest:

—— ——.

AFFIDAVIT

I, the undersigned, Mr. X, fully depose and state:

I lived in Transylvania until the second part of 1964 in the city of Brasov (Brasso) all my life and am well acquainted with the conditions existing in the city and the province both in former times and under the present Communist regime. As a small artisan, I was allowed to function despite many harassments, and never joined the Communist Party.

Since the detachment of the districts of Haromszek (Trei Scaune) from the "Autonomous Province" there is practically no possibility for the Hungarians to move from these districts into the Mures-Magyar Autonomous Province. In the latter, local administration remains Hungarian only in purely Hungarian villages where hardly anyone speaks Rumanian. However, the police in the towns and cities and much of the local administration is Rumanian, only a minority Hungarian and even those belong to the Communist Party and promote the aims of the Rumanian Communists. In the Autonomous Region economic progress is minimal. The industrial planning of the Communist Rumanian Government consciously avoids the creation of new plants in that province. Therefore, there is a considerable manpower surplus which is lured both by the promises of better wages and housing into the other provinces and outside Transylvania, where the population is Rumanian. Even in the Autonomous Province, but especially in the province of Brasov, there were fights between Hungarians and Rumanians. In 1963 such bloody fights occurred in three villages, Csikszentkiraly (A.P.), Madaras, and Vereben (P. Brasov). Of these I have personal knowledge from people who were friends of mine and lived in these villages. In one case the casualties among the Hungarian population amounted to half of the population in the village. Despite Communist rule, illegal arms are present.

While there is little religious freedom, the position of the Orthodox Church is definitely better than those of the Catholics or Protestants. The Orthodox Church remains strongly Rumanian nationalist. It still has contact with the youth mostly by visits to the home on the pretext of "collecting the tithe."

Even the Communist decrees and papers in the Autonomous Province are regarded as invalid in other provinces if written in Hungarian despite the constitutional guarantees. One specific example I have seen myself in the employment office where I had to go in 1963 as my artisan shop was closed down by the state. A Hungarian lad came from one of the villages of the Mures-Magyar Autonomous Province bringing a statement from the local council secretary that the collective farm does not need him he may go and take a job somewhere else. The employment office wanted to throw him out just because the paper was in Hungarian.

Once Hungarians have moved to territories outside of Transylvania (Bucharest, Moldavia, Muntenia) there is no possibility to receive permission to return to Transylvania. My sister tried to get back from Bucharest to Brasov after divorcing her husband, but despite appeals to high levels, even including Gheorghiu-Dej, she got nowhere. Rather I received a visit by the militia in my shop and they "proved" that I do not have the housing for her, though I had 2 room, kitchen apartment, not small under Russian housing conditions. Finally she was given an apartment and good position, but in Bucharest. Bucharest has grown tremendously, including the suburbs, it has 1.8 million people, of which about 200,000 to 250,000 must be Hungarian.

Hungarians who want to move from the villages into the cities in Transylvania experience grave difficulties in getting residency permits. In most cases they are turned down unless they have some special skill in industry that is badly needed. There is one exception, however. The nationalized warehouses, restaurants, department stores they all need workers for loading stuff and dishwashing. In these positions Hungarians are hired. However, they do not receive full residency permit, but only a temporary one for 3 months. Of course, they are allowed to stay informally sometimes for years, but once in awhile a new ordinance forces them to leave, like one in 1963. The hospitals of the Autonomous Province and of Province Brasov are full with Moldavian mothers who come to the hospitals to have their babies born in Transylvania, claiming to be native Transylvanians later on. Next to warehouseworkers, dishwashers and servants, Hungarian girls are still often used as maids, but not in industry where Rumanians from Moldavia (the least cultured of all Rumanians) are preferred. The number of Moldavian Rumanians in southeastern Transylvania is so numerous and their share in management so high that many Transylvanian Rumanians also resent their coming and taking over together with the Hungarians of Transylvania.

Community relations between Hungarians and Rumanians in Brasso (Brasov) are inadequate. Incidents are numerous, especially as the Hungarian workers also like alcohol (wine). On June 14, 1964, at one of the favorite walks Rumanians tried to trample over some Hungarians by sheer numerical strength, but the Hungarians drew knives, and finally were arrested by the police.

According to prevalent rumors, Prime Minister Groza did not die a natural death but was shot to death by Minister Stephan Bodnaras in 1957. He was the last one to defend the Hungarian minority in the Communist regime as he was educated in Hungary and spoke the language though he was Rumanian.

In 1956 there was considerable unrest in the area during the Hungarian revolution. There was still some illegal arms in the hands of the population especially among Rumanians. The regime was actively arming its officials fearing full-scale revolt (example of Kovaszna). Retaliation against any signs of unrest is still very strict. In Sepsiszentgyorgy formerly Mures-Magyar Autnomous Province, now Province of Brasov) there is a statue depicting a Rumanian shepherd as a war hero. Some teenagers brought some corn bread to the statue during the night. The police officer sent to investigate the affair was a Hungarian and finally he had to arrest among others his own son. All the juveniles were sent to long term prison.

The amnesty did not cover everyone. The Catholic priest at Vasvar has already been arrested seven times, usually released for a while because he is very fragile and sick. His chaplain, Gabor Borbely, is still in prison. At the Catholic rectory in Brasov there are only five priests working, two of them are over 80 years of age. Four others are still in prison. One of the chaplains was arrested while traveling to Hosszufalu to substitute for another priest and only the people who found his motorcycle told the parish priest that he had been arrested; the police did not even inform him. The high school professors who were arrested have not been released by the amnesty either.

In 1959, after the forced merger of the Bolyai University at Kolozsvar (Cluj) with the Rumanian Babes University, the chief Communist personnel officer of the University (a Hungarian) secretly composed a memorandum which was to be sent to the United Nations and another was to be sent to the Rumanian Communist Government. The affair was betrayed and the police moved in and the process involved 40 professors and several hundred students. Among those arrested was an acquaintance of mine, Professor Ivanescu, Rumanian by name, Hungarian by language and feeling. In 1961, after being released, he again tried to bring a group together to protest; he was arrested again. He was sentenced to 18 years in prison. An interesting sideline is that if you want to attend a process of criminal character, you have to pay 2000 lei for an invitation, even if you are the wife or parent of the defendant.

As to Hungarian representation in the Rumanian Communist Party, Moghioros is a Hungarian gypsy, and he did not get in because he speaks Hungarian, but because he worked with Gheorghiu-Dej in the interwar period as an illegal Communist. There is only one important deputy, Farkas, in the Grand National Assembly.

Generally, the number of gypsies from Moldavia increased greatly in Transylvania. There were brought in originally between 1949–51 when the middleclass people and richer farmers were deported to the Dobrudja area. But they sold the animals, did not grow anything and some of them were deported back to Moldavia as the Saxons were allowed to return to their land. There is a steady influx of Rumanians from provinces outside of Transylvania into Brasso (Brasov). According to information received by a police officer who had access to the vital statistics of the city, only between 1962–64 30,000 people moved to Brasov from these areas. Brasso (Brasov) still had a large Hungarian population, but the growth of the Rumanian part is very quick. I believe however, that there are still about 40 percent Hungarians in the city, though the official statistics only show 14 percent.

The city has been progressing industrially at a fast rate. There are not less than 2,700 factories and plants in the city, and its population amounts inclusive the suburbs to 150,000. But even from Brasso (Brasov) many important plants were transferred into Muntenia.

Educationally, in the Hungarian sections the instruction is mostly in Hungarian, but every day there is instruction in Rumanian as well which includes also composition. Many Hungarians are sending their children into Rumanian sections, both because of the paucity of places in the Hungarian sections and in order to qualify them for college entrance examination. It is very hard for Hungarian students to enter universities. One friend thought that it would be easier to register at the Moldavian University of Iasy where there were less applicants. He asked that he should pass the entrance test in Hungarian language as the law permtis him to do so, if he went to the Hungarian section of the high school. Despite some support from Rumanian fellow-students the administration refused his admission or to administer the test in Hungarian.

After the **Hungarian Revolution,** Hungarian freedom fighters were transported by the Red army through Transylvania and Muntenia into the U.S.S.R. A Rumanian customs official with the railroad, Mr. A, who himself was a member of the Communist Party, heard the cries for help of Hungarian freedom fighters who were transported in oil tanks near Brasso (Brasov). He was shooed away by the Russian guards.

Generally, the population is fed up with the regime, and the Hungarian minority is both afraid and bitter. Even the Transylvanian Rumanians are opposed to the regime, though they might like some of its actions. The regime is actively fanning the flames of hatred between Hungarians and Rumanians so as to divide the opposition. Hungarian youth are hired by the police and given residency permits if they volunteer to quell fights and unrest among Rumanians in the city. At least such is the case in Brasso (Brasov). In several instances, instead of the police, they were used to clear up fights at dances and drinking bouts, not endearing the Hungarians to the Rumanians. The regime is following a divide et impera policy toward the Rumanians and Hungarians. By suppressing the Hungarian minority it tries to appeal to Rumanian chauvinism, while using Hungarian youth for restoring order against Rumanians, it fans the flames of nationality hatred.

Affidavit

I, the undersigned, Mr. D. fully depose and say:

In the spring of 1965, I visited my relatives in Kolozsvar (Cluj) in Transylvania, now part of the People's Republic of Rumania and traveled in other areas (Brasov, Bucarest) as well. My observations based on my own experiences and on information received from relatives and close friends is as follows:

First, there is considerable feeling of dispair among the Hungarians in Transylvania, especially the younger generation which feels that it is deprived from the better positions in society by both Communist and Rumanian pressures. They complain about constant discrimination in the field of wages, not even the rates set by the Communist trade union councils are paid in full to Hungarians (in one case someone has been promised in writing 2000 lei a month, and he receives only 800 lei, and when he protested to his immediate boss he was told to keep quite or he will be fired and not receive any comparable job anywhere). Not too long ago, in the construction business one Hungarian worker, at a trade union meeting agitated for higher wages, he was arrested and sentenced to 6 years in prison.

Second, the situation of Hungarians in the cities is steadily deteriorating. Kolozvar (Cluj) was a basically Hungarian city even as late as 1945. Today, the city's population has grown by leaps and bounds and the newcomers are Rumanians from the neighboring countryside. The former agricultural areas where vegetable gardens were maintained by Hungarians on the outskirts of the city, have been built up with new apartment houses and college dormitories and schools. The impression one gets from the city during the day that it is a city of pupils and students. Now, there is a new move to bring into the new apartment developments 17,000 Rumanian and Serb families (there are practically no Serbs in the city, at this time) from the Danube island of Adakale south of the Iron Gate. At the same time, the Hungarian areas in the city are not even given repair material and the houses are becoming more and more slumlike for lack of repair. It is impossible for young Hungarians who are getting married to get any housing in the city. In one instance this happened with my family, and among friends I have seen several instances with my own eyes, not to speak about the cases I heard. And these are people who work for state enterprises. There is also considerable waste in the new city planning. Junkyards and dumps are in many instances where vegetable gardens run by Hungarians were a decade ago. The housing situation creates many individual tragedies. In one case a woman (middle-class) who owned a large house before and was left only with one room after the brutal beating of the police killed her husband in the fifties, had to threaten murder in order to keep even that one room for her and her son, and the stories could be multiplied in innumerable cases.

To my knowledge, there are no Hungarian high schools and elementary schools in Kolozsvar (Cluj) or other cities which I have visited. Anyone working for state enterprises in any white collar capacity, does not dare send his children to the Hungarian section lest he lose his job as a disloyal person to "Greater Rumania" as the People's Republic is again called in the vernacular. Even in the Hungarian section, this I know from children of friends, the instruction is 50 percent in Rumanian and 50 percent in Hungarian, while it is all Rumanian in the Rumanian section. As to the libraries, I have not visited any, but information given by people whom I know states that in many cases, Hungarian school and college libraries were closed down and the books either destroyed or are stored in cellars.

As to the use of the Hungarian language, there were many cases of discrimination which I noticed. That is, in the train between Bucharest and Brasov, a Hungarian family conversed in the compartment in Hungarian. After a few minutes, one Rumanian protested, called the conductor and the family had to leave. At a Transylvanian city, I had to send a telegram to Hungary and wrote out the text in Hungarian. The telegram office refused to accept it. I had to pay 10 lei for having it translated into Rumanian, and the addressee in Hungary had to find someone who understands Rumanian to decipher my telegram announcing my arrival at a certain time. At Csikszereda, in the so-called Mures-Magyar Autonomous Province all train and railroad personnel insisted on talking Rumanian to me, despite the fact that they all spoke fluent Hungarian and refused to answer my questions why they speak Rumanian when they are Hungarians. There seems to be a percentage limit for employing Hungarians, too, roughly 20 percent in state enterprises which works a hardship especially in the cities and the "Autonomous Province."

The cities are special targets of Rumanization. Young people who have some diploma are sent to the countryside, for their job assignment and the new factories are filled with Rumanians immigrating to the cities. In the autonomous province there is practically no industrial development. Finally, a lumber combinat was to be established in the former county of Csik (Ciuc) and everyone assumed that the lumber yard and furniture factories will also be located in some city within the autonomous province as economic geography would have demanded it. No, finally these factories were to be located in the mixed town of Segesvar (Sigisoara) in the province of Brasov, which is mostly Rumanian, in order to encourage the Szekelys to emigrate from the autonomous province. Outside the autonomous province, the pressure on Hungarians is even greater, as I could notice during my stay in Brasso (Brasov). There is also a ban on more than two people standing on the street talking (like it would be if martial law were to be declared). In one case, two Hungarians met a third one in Kolozsvar a few years ago going to work in the morning, and the third one greeted them and added, "I'm doing well. I hope that this will not last long." (He meant the regime.) He was arrested and sentenced for 8 years in prison. Sometimes even Rumanians are victims of the capriciousness of Communist rule. A former Rumanian police officer was arrested in the early fifties, he still does not know really why, and served 6 years in prison.

As to the deportees, even those who survived are not allowed back to their former domiciles. Usually, they are allowed to remain in the eastern provinces of Rumania outside Transylvania. This is often due with young veterans who served their stay in the army. They are assigned for work outside of Transylvania. Much of the construction gangs still consist of prisoners. I have seen personally several construction gangs in Kolozsvar (Cluj) which were working while guards were guarding them.

Religious life is still present, the churches are relatively full, though older people predominate. However, even the alms given at the church must be counted and turned over to the state on the grounds that the state is paying the salaries of the priests and ministers. I have seen in one church after the service this process to take place with my own eyes. The sermons are held in a way that nothing could be misinterpreted by informers as being against the regime and in most cases peace priests are in charge of ecclesiastical positions. There has been great pressure upon the priests and ministers in the various localities to join the cooperatives (kolhozes). According to reliable information received, 228 priests and ministers have been arrested in the last 2 years on the ground that they refused to join the cooperatives and are still kept in prison at Dezs (Dej) and Szamosujvar in the province of Kolozsvar (Cluj). The ministers and priests argued that they were only salaried employees of their churches and could not by themselves decide on this question.

The introduction of the Communist cooperatives were executed both for Hungarians and Rumanians with utmost Communist brutality. Many instances were recounted, but I am sure that they are known as they follow the same pattern as in other Communist states.

Even emigration remains a game of the state. Normal procedure takes long years; the only way of getting passport for emigration is possible through bribes to a certain black-market gang in Kolozsvar, Bucharest, or in Budapest itself. The charge is about $3,000 per person. Needless to say that the people who want to emigrate cannot afford this, so their relatives in the free world, particularly the United States or Western Europe, are blackmailed this way, which is a good means of getting both personal profit and hard currency for the state.

The Rumanization of the cities is not restricted to Kolozsvar (Cluj) and Brasou (Brasov), but takes place also in Nagyaarad (Oradaea) and Temesvar (Timisoara) and other cities in Transylvania, according to people with whom I talked from these cities. The patterns are the same: new apartment houses built on the outskirts, thereby eliminating the Hungarian vegetable and fruit gardeners, importation of Rumanian workers and engineers and civil servants from the countryside, refusal to allow Hungarians to receive flats in the new housing projects, dispersion of the Hungarian youth, especially the professionals from the cities.

Rumania is still a police state; there are few personal freedoms for anyone. However, there exists, in addition, an economic, linguistic, and residential discrimination against the Hungarians in employment, schools, religion, and other fields. This is the only conclusion to be drawn from my visit. Rumanian nationalism is growing stronger, mainly expressed in renewed pressure against the Hungarian minority. The use of the term "Greater Rumania" and the incidents to which the use of Hungarian at public transportation and on the street can lead are clear evidence, not counting the official, largely centrally directed discrimination.

———— ————.

Affidavit

I, the undersigned, fully depose and state:

Housing conditions are very difficult. Lack of repair material and financial resources make repairs on older homes almost impossible. Suburbs are being built up at the outskirts, new apartment buildings. However, only Rumanians are given homes and flats in them. Even good class cadres of Hungarian nationality are not permitted to settle in the cities, thus proving that national rather than political considerations are given precedence. There is not one street sign in any of the cities in Hungarian. This is very strange as even in the Soviet Union (Subcapathian Ruthenia) street signs are printed in Hungarian areas in Ukranian and Hungarian. The cities in Transylvania, Szekelyudvarhely (Odorhei), Nagyvarad (Oradea) and Kolozsvar (Cluj) are showing an increasingly Rumanian character, as a result of forced Rumanianization. Even in the so-called Magyar Autonomous Region, officials of the area are afraid to talk Hungarian, even if they are of Hungarian nationality. Thus, purely Hungarian areas look like they would be inhabited by Rumanians. This is, of course, more true from those cities where importation of Rumanian workers and engineers have changed the ethnic balance. Also, in all the cities, civil servants and police officials were brought in the 1950's and 1960's from non-Hungarian areas and, of course, they are of Rumanian nationality.

There is an industrial and economic discrimination against the Hungarian areas in Transylvania in the course of Rumanian Communist industrialization. At Szekelyudvarhely (Odorhei) there are no new plants and factories, and the same is true for Csikszereda, both in the Mures-Magyar Autonomous Region. Therefore, people are often compelled to move outside of the Autonomous Region to find jobs. They settle either in the former Old Kingdom (Muntenia) or in the Rumanian areas like Brassó (Brasov) and Segesvar (Sigisoara). As a result, an increasing number of Szekely-Magyar people live now in completely Rumanian areas. To aggravate the situation, in 1961 several purely Hungarian districts of the Autonomous Region were attached to the overwhelmingly Rumanian province of Brassó (Brasov).

For professionals and often even for skilled workers who have no opportunity to work in Hungarian areas, jobs are promised and offered in purely Rumanian areas outside of Transylvania. They are even offered bonuses and once they take advantage of the offer, they are bound under Communist labor law, to remain in their new positions outside of Transylvania. This promotes assimilation into the Rumanian majority and deprives the creation of an educated leadership for the Hungarian minority in Transylvania. I have seen many individual instances of workers recruited into Rumanian areas and talked to them when they were leaving from their villages and towns for the Rumanian areas outside of Transylvania.

There is very little Hungarian cultural life. There is no nationwide Hungarian cultural organization. At Kolozsvár (Cluj) the Hungarian National Theater which also housed the Opera House was requisitioned by the Rumanian authorities and now serves as the Rumanian Opera House. At a side street, at a culture hall, there still exists a small Hungarian theater. There are no daily performances, only twice a week, or sometimes only twice a month. The plays performed are mostly Hungarian translations of Rumanian playwrights, therefore they serve no Hungarian cultural purpose, but only a further dissemination of Rumanian culture among the Hungarians of Transylvania. At Turgu Mures (Marosvásárhely) capital of the Autonomous Region, the Hungarian Theater, which until 1960 had only performances in Hungarian now, now serves as a merged Rumanian-Hungarian theater where only twice a week are still plays in Hungarian performed, on the other days only in Rumanian. There is no Actors Academy in Transylvania in Hungarian language, and therefore, there is no supply for Hungarian artists. There is practically no Hungarian literature, only translations of Communist Rumanian authors and classics. Even Petöfi is disliked among the Rumanian authorities.

There were many arrests in the wake of the Hungarian Revolution in Transylvania, and some were shot right at the demonstrations which took place in the first days of November 1956 in Hungarian areas of Transylvania. Martial law was introduced and large military units were sent into the Hungarian areas. Close friends of mine reported of executions and also of deportations to prisons of large number of people. Some of them died in prison, others showed up after the amnesty, but nobody knew in the meantime whether they were imprisoned or dead. They were held incommunicado.

In Nagyvárad (Oradea) and Szatmárnéti (Satmar) areas, in the State Teachers College even in the Hungarian sections only the Hungarian language is being taught in Hungarian.

These conclusions are based upon my recent trip to Rumania where I have visited several Transylvanian cities, including Kolozsvár (Cluj), Nagyvárad (Oradea), Székelyudvarhely (Odorhei), Szekelykeresztur, Turgu Mures (Marosvásárhely).

AFFIDAVIT

I, the undersigned, Mr. Q., hereby fully depose and state:

1. During 1964, I visited my birthplace, Transylvania, now part of the so-called People's Republic of Rumania. As we arrived at the border, we found a fortified guardhouse on the Rumanian side and another one was being built by about two dozen Hungarian prisoners under the watchful eyes of a Rumanian armed guard who had a mounted bayonet on his gun. As we were held up for 3½ hours before being allowed to proceed, we tried to talk to the workmen but the guard drove them away from us shouting insults (scat, damn Hungarians) in Rumanian.

2. At Nagyvarad (Oradea), a good sized city with a predominantly Hungarian population (near the Hungarian-Rumanian border), we purchased a roadmap in order to know our way to Kolozsvar (Cluj) the capital of Transylvania. Several towns on the way were not listed on the map, and they all turned out to be the Hungarian-inhabited localities, while a small Rumanian town was listed on it. I still do not know for what purpose the three towns with Hungarian population were not listed on such a neutral means as a roadmap.

3. At Kolozsvar (Cluj) we had difficulty at the hotel. The manager pretended not to have our reservation that we cabled from Budapest. Finally we had to make the rounds at other hotels and only a call from the tourist bureau secured us the original reservation. Apparently, we were told the manager of the hotel wanted an extra bribe for refreshing his memory. As our car stopped in front of the hotel, scores of Hungarian people surrounded our car with floods of questions about America. Finally, Rumanian police arrived and drove the questioners away.

4. The next day we took to the road again. The road was in good condition until we arrived at Gyulafehervar (Alba Julia) from there the road became impossible for 50 miles. Our car was used as a road roller as 2-inch rocks were spread on the road and never rolled down by any machine. Our new tires looked like rags when we had arrived at Arad. From here the road was good again until Temesvar (Timisoara). There we had no trouble with the hotel. In the streets we talked to Hungarian people. They first looked around whether anyone is watching them and talked in hushed voices and were definitely surprised that we dare to talk Hungarian clear and loud. The people were predominantly Hungarian and German. The following day the authorities planted a guide into our car for whom we had to pay $9 a day. During our rides in the city we have seen many queues standing in front of bakeries and butcher shops for bread and meat.

We also visited Resica in southwestern part of Transylvania. Here an industrial complex is located as the region is rich in mineral resources. Within a few square miles there are iron ore, gold, and coal veins and plenty of water usable for hydroelectric energy. The Rumanians boasted of their new apartment project consisting of about forty 4- to 5-story-high buildings, the flats usually had one or two bedrooms in them. We even visited the project and went to the roof garden via a rickety elevator as the project is used for attracting tourists. After leaving the project we talked to several local people who insisted that we listen to them. They told us that the Rumanian People's Army used Hungarian and German inductees with a few Rumanian admixtures (anti-Communists) for building the project. The men were put in tents and handed the tools for construction. They worked in all seasons sleeping in their tents most of the time with their clothes on, living on a meager diet of dried salted fish, cornmeal and dry beans. When the project was completed they were discharged without any pay whatsoever, even though they worked for nearly a year. How can the free world close its eyes to such inhuman acts when negotiating with the Bucharest Government? The veracity of the Resica story may be easily established. The project was completed in 1962 and the American Legation could find out the details without difficulty.

It is tragically unfortunate that I dare not to use my name in signing this affidavit, as my relatives would be hunted down and persecuted by the Rumanians in Transylvania. But I am willing, if necessary, to confirm under oath the above statements in absolute secrecy and without showing my face.

Subscribed and sworn to before me this 21st day of July, 1965.

Lillian L. Brinkley,
Notary Public in and for the County of Los Angeles, State of California.

AFFIDAVIT

I, the undersigned, Miss L., fully depose and state:

1. During 1963, I visited Rumania, particularly southeastern Transylvania, where I had at that time, my aunt living. During my trip, I resided mostly in areas with substantial Hungarian and German population.

2. My experience was that no political and linguistic freedoms were granted to Hungarians. Even the use of the language was a risky business in public and people were afraid of secret police agents and agent provocateurs who would denounce both the fact that they talked in Hungarian and also the contents of the conversations, if by any chance unfriendly toward the regime. Looking over your shoulder before starting to talk, while talking and after finishing the conservation, was commonplace in the villages and towns I have visited.

3. In the schools, Rumanian sections were introduced even in overwhelmingly Hungarian areas in the usually Rumanian-administered schools. In one village, Szilagynagyfalu (Nasfalau), the parents were told that they are uncorrigible chauvinists who should be punished because they asked the teacher to teach Hungarian spelling to their sons and daughters in the Rumanian section. Not alone the parents had to fear repressalia, but the still Hungarian nationality principal was immediately removed and replaced by the Rumanian teacher who had refused to let the children learn Hungarian spelling.

4. Oppression of the Hungarian minority follows the fight against "bourgeoise nationalism" of which the Hungarians are accused. Yet, whatever nationalist protests they occasionally make, these are preceded by individual or organized Rumanian Communist measures against the rights and life of the Hungarian minority. For example, they do not have any organizations left which could any more protest; even the pro-Communist Hungarian Workers' Front was dissolved as early as 1951 and there is not even a statewide cultural organization. The depression of the Hungarian minority is an undeniable fact. I met a professor of languages at Kolozsvar who would have liked to emigrate to Communist Hungary "even as a member of a farm collective" only to escape the slow, but inevitable elimination of Hungarian culture and the oppression of his brethren by the Rumanian Communists.

5. The deportations of 1948–49 were recounted to me by many friends of my family, even the fact that in some cases the younger sons and daughters were not even allowed to finish their elementary and high school studies, but had to live in mountain villages from the generosity of Rumanian and Hungarian peasants, and cannot return even today to any city, or their former abodes. They were often Rumanianized, but in any case are working in the lowest paid jobs.

6. I had several acquaintances and friends of the family who managed to complete their studies and entered either civil service or a technical career.

All of these except one was assigned to areas outside of Transylvania, or in one case to a purely Rumanian area within the region. Mr. X, a medical doctor is working in Sinaia in a hospital, Mr. Y, a civil engineer lives in Braila which is overwhelmingly Rumanian, but still in Transylvania, Mr. A, a mechanical engineer to Bucharest as was Mr. B also a medical doctor.

7. The situation of the churches was very dismal. Except for old women and old men, the region still discourages actively attendance of religious services, especially among the youth and those working for the state in better positions. The pressure upon ministers to send their children to Rumania sections of the schools was increasing and they are threatened with processes on the basis of their sermons if they fail to take the warning and act accordingly. My relatives told me that many priests and ministers, including the ones in the town where my aunt lived (Lutheran) are still in prison. In another town, even the Hungarian Calvinist (Reformed) minister is sending his child to Rumanian section (area of Kolozsvar (Cluj)).

In general, the people were feeling let down both by the West and by the Communist Hungarian Government. This feeling depressed them just as much as the discriminatory actions of the Rumanian Communist Government. Relations between Hungarians and Rumanians on an individual basis varied from very good to hostile, but on the official level there was outspoken hostility by the officials against the Hungarian minority.

New York, July 11, 1965.

——— ———.

P.S.—As I still have relatives living in Transylvania, please do not use my name in the publication of this testimony, but refer to me as Miss X.

AFFIDAVIT

I, the undersigned, Mr. Z., fully depose and state:

1. In 1964, I had the opportunity to visit Rumania, particularly Transylvania, which earlier belonged fully or in part to Hungary. Among the cities and towns I visited in 1964 were Nagyvarad (Oradea), Szatmarnemeti (Satu Mare), Kolozsvar (Cluj), the capital of Transylvania, Csikszereda (Mercuria Ciuc) in the Mures-Magyar Autonomous Province and several smaller towns in the same.

2. My most obvious observation was the presence of an increasing number of Rumanian residents and officials in the Mures-Magyar Autonomous Province as compared to my last visit in 1960. The village of Batot could be selected as a prime example, but the observation holds true in other villages and towns as well. The incoming Rumanians were usually not from the neighboring counties and mountains, but many of them were originally residents of Bessarabia which now belongs to the U.S.S.R. and even of Dobrudja. Evidently both the Szatmarnemeti (Satu Mare) and the Autonomous Province are being used as new settlement areas for these groups of Rumanians. There is also a prevalence of gypsies from the old Rumanian provinces.

In 1960, in the Autonomous Province and at Kolozsvar (Cluj) the street signs and highway signs for the places were still bilingual, in Rumanian and Hungarian. Today I have hardly come across even one bilingual sign and the officials everywhere in the Autonomous Province insist upon carrying on their business in Rumanian, even if they know Hungarian.

3. The school situation is showing signs of further deterioration. At the village of Kiralydarocz where there was instruction purely in Hungarian in the grade school (except for Rumanian language and literature) today the subjects are taught even in the Hungarian section almost 50 percent in Rumanian. Many students even in the Rumanian section (where no Hungarian is taught at all), are sons and daughters of ethnic Hungarians who are sending their children to the Rumanian section either because there is no place left for them in the Hungarian sections (this often includes students with excellent grades) or in order to escape official pressure against them (if the parents are professionals working for the state). The instruction staff in this village is still mostly Hungarian, but even the Hungarian teachers have to teach in Rumanian in the Rumanian section and in two languages in the Hungarian one.

4. I heard several stories of young Hungarian professionals especially engineers and medical doctors of being transferred to outside of Transylvania. In the village I also visited and where I have many friends, one young doctor was also transferred to Dobrudja.

5. Hungarians have an extremely hard time if they want to move into the cities of Transylvania which until recently had Hungarian majorities. Only if there is a great shortage in their particular skill will they be let in to settle; even marrying a local girl or having a job waiting in the city alone does not qualify them to receive settlement permits.

6. My general impression was that the situation of the Hungarians in Transylvania is considerably worse than in 1960. The Rumanian regime takes the position that it cannot trust the Hungarians since they showed their dislike of the regime in 1956. The promotion of Hungarians in jobs is showing that they are discriminated against as few Hungarians reach higher managerial positions and/or are let in management and technical special schools and courses. The pay is often lower than their Rumanian coworkers and even the latter hardly receive a living wage, especially in agriculture.

New York, July 17, 1965.

——— ———.

P.S.—As I do have relatives in Transylvania and plan to visit again please do not use my name in any publication of the present material and refer to me only as Mr. Z.

GENERAL LEAVE TO EXTEND

Mr. HALPERN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PATTEN. Mr. Speaker, will the gentleman yield?

Mr. HALPERN. I yield to the distinguished gentleman from New Jersey.

Mr. PATTEN. Mr. Speaker, today when the observance of human and civil rights is a major issue in all the free countries of the world, it behooves us to remember those who under the yoke of communism and other ideologies suffer humiliations, discriminations, and abridgments of elementary human rights. A case in point in the Communist world is Rumania, despite its incipient efforts to move away from Moscow, which often looks like a move toward Peiping.

The Rumanian people, whether of Rumanian, Hungarian, or Saxon origin, have suffered much in the past 20 years under a particularly oppressive Communist regime which until 1962 was a model servant of Stalin, Malenkov, and Khrushchev as well. Even today the "thaw" in foreign economic relations have not been paralleled to any significant degree in the domestic sphere. We have the testimony of well-renowned American correspondents like George Bailey and David Binder for that.

As I mentioned on March 24, 1965, on this floor in introducing House Resolution 288 condemning the discriminatory practices of the Communist Rumanian government against its Hungarian minority, the most persecuted ethnic element remains for at least 9 years the Hungarian minority, some 1.75 million strong in the often disputed Transylvanian province with a long Hungarian history.

I do not want to repeat the history of the province, which was done more ably on April 28 and June 3, 1965, by my distinguished colleague from Wisconsin, Alvin E. O'Konski, but want to concentrate on the present sad situation in which these people find themselves.

In this connection I am not talking about political rights alone which are absent both for the Hungarian minority and the Rumanian majority under a Communist one-party dictatorship. Of course, there are no free elections in any Communist country, the right of dissent is restricted to faithful Communists who may disagree on some technical details but never on the principal ideological considerations. For those who believe in democracy and in divine providence, the fate of Professor Ivanescu is allotted who has been arrested several times for longer periods and since 1963 is in prison again.

Rather, I am talking about the right to earn a living, to speak their mother tongue, and to have schools in which their children would have the opportunity to retain a working knowledge of a mother tongue that has been spoken in Transylvania for over a millennium. How does the situation look in this regard?

The Hungarian-inhabited areas of Transylvania, with the exception of a few cities in the center and the south which are being strongly Rumanianized, are economically exploited, and used as the colonial raw material base for the Rumanian industry which is making great strides. Even the growth of the cities shows clearly this trend. Odorhei Szekelyudvarhely, the second largest town in the Mureş-Magyar Autonomous Province, has hardly seen a a new plant since the end of World War II and gained practically nothing since that time in population. It is almost 100-percent Hungarian. The growth ratios of the Hungarian cities on the western border of Transylvania, Oradea—Nagyvárad—Satu Mare—Szatmárnémeti, and Carol—Nagykaroly, all of them at least 65- to 75-percent Hungarian, are completely neglected by the Communist industrialization plans. The capital of the Mures-Magyar Autonomous Province, Turgu Mureş—Marosvásárhely—also with a Hungarian majority, has only received some light industries—furniture, and so forth—despite its ideal location for the exploitation of the natural gasfields west and northwest of the city. This disproves the argument that the areas are neglected because it would be uneconomical to industrialize them.

A case in point is the process used by the Communist Rumanian planners in exploiting the chemical potentialities of the natural gas of Sarmasu—Kissármas. New findings made the wells one of the most productive in Europe and provided the base for major chemical industry. The prerequisite for the industry was the availability of salt and electricity. Salt was mined at least at three places, two in the Mureş-Magyar Autonomous Province and one in the central part of Transylvania. Most of the mines were between 30 and 45 miles from the wells, while electricity could be gained hydroelectrically because of the many rivers coming from the Carpathian and Hargitta Mountains, if dams were to be built. Even labor was plentiful, as the Mureş-Magyar Autonomous Province was, since World War II, a labor surplus area, and a city was also given, Turgu Mureş—Marosvásárhely—which had a population of over 50,000.

Against all commands and rules of economic efficiency, whether capitalist or Communist variety, the Rumanian Communist Government decided in the fifties to locate the new chemical industry outside of Transylvania, in the completely Rumanian province of Moldavia, at Onesti. A completely new city—now about 60,000 inhabitants—had to be built, road construction was necessary to link it with Bucharest and with Transylvania, and a new dam was built east of the Mures-Magyar Autonomous Province—Bistritca River—to supply the needed electric power.

I do not profess to know the exact economic cost of the new construction necessitated by the Onesti plan, but it must have been a waste of several million dollars at the minimum. What were the economic and sociological consequences of the Onesti plan for the Hungarian minority in Transylvania?

First, the existing labor surplus of an almost completely agricultural area remained without work within the limits of the province. No local jobs or only a few and only in collectivized agriculture, meant the forced migration of the youth to other areas even without any government encouragement. But such government encouragement has been present and is present. Those who volunteer for jobs in Muntenia or Moldavia, Rumanian provinces outside of Transylvania is usually given a better position, slightly better pay, an apartment, and other benefits to induce him to move. If he is a graduate of the university or a technical college, he does not even have the choice, 99 out of 100 cases, his first job is assigned to him outside of Transylvania. This migration deprives the Hungarian minority of its intellectually and economically highest layers, which would under any circumstances form its natural leadership.

Well, perhaps, there were compelling political reasons for offering to the regressed province of Moldavia the chemical plans of Onesti, but even on a smaller scale, economic discrimination is practiced against the Hungaran population in Transylvania. In the Hargitta Mountains in the center of the Mureş-Magyar Autonomous Province, caolin was found in large quantities. This is the basic raw material for ceramic industry which has a long, historical past in the province in the earthenware artisans of Korond. Korond was about 20-25 miles from the new caolin mines, and Odorhei—Székelyudvarhely—badly in need of industry, about 30-35 miles. The Communist Rumanian Government erected ceramic plants, but not in the Mureş-Magyar Autonomous Province, but in the province of Brasov (Brassó) at Sigisiora (Segesvar). This city is Rumanian with some Saxon minority, and any Hungarian who wants to work in this new plant has to move to a town where Hungarians are a minority of less than 20 percent. Such is equality among the nationalities in Rumania regarding industrialization.

A further episode will be enlightening. After the major pipeline has been built in the cities between Sarmasu—Kissarmas—and neighboring natural gas areas and Oneşti, the new findings northwest of Turgu Mureş—Marosvásárhely—necessitated further, somewhat smaller pipelines which would then end in the major pipelines. The latter one is about 26 inches in diameter, the new ones needed are about 22 inches. Where did the Rumanian Communist Government come to purchase the tubes for the pipeline and to buy the methane booster station to service them? To the United States. In March 1965 the Department of Commerce also gave a license to this effect and mentioned that the Rumanians were unwilling to tell where the station and pipeline would be used. Looks like even they were shamefaced to show the extent to which economic colonization of purely Hungarian areas in Transylvania is progressing.

Industrialization is not the only field of discrimination in the economic field. Accepting only a small percentage of the students applying for university studies and specialization courses in technology are another way to close the avenues of self-improvement and economic power to the Hungarian minority in a Communist state. A decade ago, the vocational specialization schools were mostly attended by Hungarians and Saxons, and the professors and teachers are still mostly Hungarian. But as a visitor who took pains to compare the names of vocational school graduates in city after city as they were announced this June, reports in 1965 only about 15 to 20 percent of the names were Hungarian, only those of the teachers were still 60 to 70 percent Hungarian. Only one-third of the Pharmaceutical-Medical College at Turgu Mures—Marosvásárhely—in the Mures-Magyar Autonomous Province is of Hungarian ethnic backgrond, though the college was opened especially for them. At the "merged" Babes-Bólyai University at Kolozsvár—Cluj—in the capital of Transylvania, only about one-third of the student are Hungarian in mother tongue, though the city is still about 45 percent Hungarian and this is the only Rumanian university graduating Hungarians in any large numbers. There are 16 state teachers colleges in Transylvania, but only one was reserved for teachers who are to teach in the Hungarian sections of the "merged" schools. Beginning with the academic year 1964-65, this state teachers college was also "integrated." Today over half of its students are Rumanians, a large number of the courses are now taught in Rumanian, and according to available information, in the coming academic year, only 40 percent of its students will be members of the Hungarian minority. Needless to say that the college is located in the Mures-Magyar Autonomous Province.

The trade unions which are loyal servants of the state are also under Rumanian leadership. Promotion, seniority rights, sometimes even the receipt of the full salary adjudged to the individual, are problematical in factories, if one is a member of the Hungarian minority in Rumania, not that the Rumanians have all rights and privileges either unless they belong to the party elite.

As a consequence the proletarization of the Hungarian minority is making steady progress. While the still extant and upcoming intellectual and technical elite is scattered into Rumanian regions or finds its cities heavily Rumanianized by newcomers from Moldavia for whom apartment projects are built on the outskirts while the downtown areas continue to deteriorate, the rural population lives in abject poverty. The daily wage on the collective farms is about 3 to 4 lei, equivalent of 2 to 3 pounds of bread. It is true that the Rumanian peasant is not paid any better either, but he can escape and become an industrial worker, or educate himself and become a white-collar worker in the cities, choices not open to the Hungarian youth except for hard-core Communists who actively partake in the discrimination against his own fellow minority members.

The method of excluding the Hungarians from better jobs also takes the form of refusing to give them residency permits in the cities. The strained housing situation has forced the authorities to close the cities to new settlers in order to avoid the creation of slum areas like in Latin America. Such is the Communist explanation for banning Hungarian immigrants from the cities while making generous exceptions for Rumanians. But what do we see in practice? Hungarians are only allowed to settle even temporarily if they come as servants, dishwashers, maids, or chauffeurs to the Communist bosses or to the new Rumanian managerial elite, or if they have some very special skills that a plant or factory needs. Otherwise they must remain on the farm, or in the small towns.

In turn, Rumanians, mostly from outside Transylvania, are settled in the cities, often meet with resentment even by the native Transylvanian Rumanian population which has a higher cultural and economic living standard than their "brethren" from Moldavia. One only has to walk around in the suburbs of Cluj — Kolozsvár — Brasov — Brassó — and other major cities of the center and south in Transylvania to see scores of apartment houses go up, all for Rumanians or their Hungarian Communist followers.

The story could be continued for another hour if I wanted to point out all the fine details and consequences of this economic colonization policy which relegates the Hungarian minority slowly but surely to the position of half-slaves in the Communist Rumanian society. The reason for such a policy is based in part upon Communist ideological consideration about the "loyalty" of the Transylvanian Hungarians to the Communist regime ever since the 1956 unrest in Transylvania during the victorious days of the freedom fighters in Hungary. In part, it is also a way for the regime to regain support of extreme Rumanian nationalists by moving against the "scapegoats" the Hungarians, just like the Iron Guard moved against the Jews in the thirties as the root of all evil. It might even provide a safety vent to the unrest of the population by blaming the failures of the regimes on the Hungarians at home and the Russians abroad while keeping the Communist regime intact and as odious as ever. It is, therefore, that the House of Representatives should soon voice its opinion in condemning the two-faced course of the Rumanian Communist Government in its international and domestic dealings and demand a clear answer to the question: Is it willing to abide by the provisions of the 1947 peace treaty, its own

Constitution and the United Nations Charter in effectively providing the elementary human and civil rights to its people, including and especially to the Hungarian minority?

Mr. HALPERN. I thank the gentleman, and I commend him for his superb leadership on this most vital subject.

Mr. HELSTOSKI. Mr. Speaker, it gives real pleasure to join my distinguished colleagues, led by the original sponsors, the gentleman from New York [Mr. HALPERN] and from Ohio [Mr. FEIGHAN] today in discussing the sad plight of the Hungarian minority in Transylvania.

The peace terms forced upon Central and Eastern Europe by the Soviet Union in the wake of World War II created many injustices and anomalies over and beyond the forced satellization and communization of the area between 1945 and 1950. In order to permit territorial expansion of the Soviet Union in the west at the expense of Poland, Rumania, and Hungary, all the other territorial disputes were resolved in a manner that whichever power lost territories in the east should have some compensation in the west. Thus, Rumania lost Bessarabia and northern Bukovina in the east and was given Soviet support for the annulment of the Second Vienna Award which restored the more Hungarian northern part of Transylvania to Hungary.

The anomaly created was that Hungary had a Rumanian minority of 22,000 while Rumania still had a Hungarian minority of 1.75 million in Transylvania.

The situation would have fraught with political dynamite in any case but superimposed on everybody was for over 10 years the iron hand of the Soviet Union under Stalin and his successors which made even the Rumanian Communist dictator, Gheorghiu-Dej state before his death that they themselves were not sure of their lives under Stalin. Today's persecution of the Hungarians in Transylvania goes back immediately to the 1956 anti-Communist revolution in Hungary proper which found many sympathizers in Rumania, particularly in Transylvania. The result was that the Rumanian Communist Government regarded the Hungarians from that time as potential enemies and treats them accordingly.

Thus, not even the strain in Rumanian-Russian relations after 15 years of closest collaboration, could ease the situation of the Hungarians in Transylvania despite the promises of the Paris Peace Treaty and of the Communist Rumanian Constitution of 1952 now repeated in the new constitution of 1965. Rather, the drive for assimilation by economic, cultural, and political pressure, by scattering the educated elements into Rumanian areas and by closing down a large percentage of school instruction in Hungarian is in full swing. My colleagues are speaking on these issues at length, I want to concentrate upon the necessity that our Government and this House shall take notice of this situation and devise means within our power to alleviate the situation. In this connection, I am thinking primarily of the economic and cultural relations with Rumania which we are entertaining. I am sure that the Rumanian Communists are anxious to expand trade and receive technical data and plant equipment from us. We must, therefore, use whatever little or large leverage our trade and technical aid possesses to fight for the observance of human rights and freedom to the individual and as well as to minority groups in Rumania as well as in other Communist countries. We cannot forget about the anguished cries of the persecuted and then maintain that our intention is to build bridges to the peoples of Eastern Europe. We must remain true to our principles which cannot countenance the implicit recognition of persecution by rewarding those who oppress unless they mend their ways. To me the issue is not whether to build bridges but how do we build bridges and how to avoid to become unwilling partners in the abridgment of human rights to groups of people and minorities in these countries now ruled against their wish by Communist governments.

Mr. FINO. Mr. Speaker, the victimization of the Hungarian and Saxon minorities of Rumania by the Communist regime in that country is of disturbing concern to all freedom-loving people.

Communism's false front to the world includes frequent self-congratulation as to the lack of racial or religious bias in the various people's paradises of the Communist world. The actions of the Communist regime of Rumania are one example—and a most unfortunate example—of communism's racist hypocrisy. Communist discrimination in Rumania is part of the international Communist lie.

The Communist regime of Rumania has taken many severe measures in support of a policy of ethnic repression of the Hungarian minority. Attempts are being made to suppress the use of the Hungarian language in public. Hungarian schools are all but eliminated. Strict Communist control inhibits Hungarian cultural life. Attempts are being made to disperse the leaders of the Hungarian community. Occasional programs of resettlement have also been carried out to reduce Hungarian cohesion. I believe American influence should exert itself to the greatest possible extent to put an end to all of this.

We do have leverage to make our wishes felt. Our trade with Rumania is growing, and we might very well link such trade—if we must trade with communism at all—to increased freedom for the ethnic minority groups now suffering under the Communist heel. Mine, and other resolutions presently before this House, would request the President to take appropriate steps toward bringing relief to these minorities.

Mr. BYRNE of Pennsylvania. Mr. Speaker, it gives me great pleasure to join my colleagues led by the distinguished gentleman from New York [Mr. HALPERN] in debating the discriminatory measures of the Communist Rumanian Government against its Hungarian minority.

We in the West, preoccupied with the many tentacles of Communist subversions and national wars of liberation, often tend to forget the situation of the peoples of Eastern Europe who are still under the yoke of communism, regardless of the apparent or real elbow room their Communist leaders have gained from Moscow as a result of the Sino-Soviet dispute rather than by our policies. Only when the anguished cry of a minority sentenced to cultural and linguistic death is heard do we ask ourselves is this the peace we aspire to?

The memento comes now from a land rich in culture and scenic beauty, but little known to Americans—Transylvania. Here Rumanians and Hungarians lived together for centuries, together with the Saxons, not always in the best of friendship, but generally respecting each other's right to cultural independence and ethnic existence. Today, the Communist regime is persecuting the Hungarian minority particularly both because since 1956 Hungarians are suspect as hidden anti-Communists regardless of their class origin, and in part to appeal to the extreme Rumanian nationalists in order to strengthen its domestic support now that relations with Moscow have been weakened.

The discrimination takes many forms and several of my colleagues discussed them in length, but one conclusion must be drawn: We cannot allow abridgment of human and civil rights, promised even by the Communist Rumanian Constitution and assured to these people who were not enthusiastic about living in Rumania anyway under the 1947 peace treaty, to occur without a strong protest on our side. I join with my colleagues in condemning in strongest terms the actions of the Bucharest regime and ask the State Department and the President to do whatever they can in our relations with Communist Rumania to find and bring relief to the persecuted Hungarian minority in particular, and in favor of the restoration of human rights to all Rumanian citizens alike.

Mr. MURPHY of Illinois. Mr. Speaker, many distinguished Members under the leadership of the gentleman from New York [Mr. HALPERN], have spoken today on the persecution and oppression of the Hungarians in Transylvania by the Communist Rumanian Government.

We have learned the lesson in the Second World War and we are learning it now in Vietnam and the Dominican Republic that the absence of freedom and the violation of human and civil rights does not only concern that particular country but it concerns all freemen; it concerns the United States intimately. This is especially true because the power which deprives these peoples of their freedom and rights is the same ideology and power which is a deadly enemy to our way of life and to the United States of America.

The 1.75 million Hungarians in Transylvania are deprived of their rights on two grounds. One is that the government distrusts their loyalty to the Communist state in view of their sympathy demonstrations in 1956 in favor of their compatriots in Hungary proper when Budapest became the beacon for freedom and hopeless, but heroic death in fighting for liberty, in the world.

My colleagues have adequately covered the details of this persecution that hardly leaves out any area of human activity and tries to break the spirit as well as force external compliance with its edicts.

To us and to our policymaker let the evidence be clear and constitute a warning that while building bridges is necessary, it requires great moral courage and political savoir faire to conduct it in a way that will help the peoples of Eastern Europe instead of keeping their Communist masters in power by repairing their tottering economies and by giving them a degree of international respectability which they can use as the best counterargument against their people's discontent.

As to the specific case, I believe that we by resolution and the executive branch by negotiations which come up frequently on trade, technical aid, and cultural exchange matters should constantly remind them of their heinous behavior and assure them that they cannot be accepted until they have restored at least some freedom in their countries and stop the official and semiofficial measures with which they are persecuting their national minorities, particularly the Hungarians in Transylvania.

Mr. DELANEY. Mr. Speaker, freemen are shocked and appalled by the Government of Rumania's deliberate policy of persecution of the Hungarian minority in Transylvania.

The 1947 peace treaty between the Allied Powers and the Rumanian Government provided guarantees of human rights and fundamental freedoms for all persons living under the jurisdiction of the Rumanian Government without regard to race, sex, language, or religion. Yet, since that treaty, foreign journalists and the International Commission of Jurists have reported numerous instances of oppression against the Hungarian minority by the Rumanian Communist regime. Arrests, executions, population transfers, religious persecution, abolishment of Hungarian educational institutions, and suppression of the Hungarian language are part of a litany of evils invoked by the Rumanian Government to eradicate the Hungarian people in Transylvania.

Last month I joined a number of my colleagues in introducing a resolution condemning such oppression. Today, I join my colleagues to reemphasize the necessity for appropriate and thoughtful consideration of these resolutions.

Mr. PHILBIN. Mr. Speaker, about 2 months ago, I had the pleasure of discussing on the floor the rich cultural heritage of the peoples of Transylvania finding its appropriate expression in the first religious tolerance legislation in Europe, the Edict of Torda in 1557.

The spirit and the culture that created this legislation, that made Transylvania a haven of culture and education, of political maturity in an age beset with vendettas, misuse of religious convictions for political ends, is under a siege today which is more lethally menacing than the double onslaught of the Turks and the Habsburgs against the province and its peoples in the 16th and 17th centuries.

Today the external enemy which is now also in possession of the area is communism and its atheistic ideology of materialism. It renders the individual an eternal servant of the state, it denies its spiritual life and qualities, and also its basic human and civil rights. Literature, art, and any kind of writing is looked upon from the viewpoint of a materialistic philosophy whether it promotes communization and Marxism-Leninism, or not. Even in the Soviet Union small cracks appeared in the wall of Socialist realism of Communist culture, but in Rumania, despite its economic flirtation with the West, any "thaw" of culture is absent, despite an occasional remark of party officials that artists need more freedom.

The hardest hit of all the peoples living in Transylvania, however, remains the 1.75 million Hungarian population oppressed both by Marxist-Leninist ideology and the lack of political rights inherent in Communist rule, and also by virulently anti-Hungarian cultural, economic, and educational measures of the Communist Rumanian Government.

Let me recite some examples. Books of literary merit are a good yardstick to use. Even the best known Hungarian poet who, because of his socially progressive views, was promoted in Hungary, Alexander Petofi, is frowned upon in Rumania. The reason: he was also an ardent Hungarian nationalist. Tibor Deri, Julius Hay, and other writers whose works are being printed in Communist Hungary, and whom the regime is sending to tour the Western countries, are forbidden in Rumania because of their past involvement in the Hungarian Revolution of 1956. Thus, they cannot be read by the Hungarians in Rumania, not to speak of many others who are on Communist blacklist everywhere. Does not this remind us of the book-burning in Berlin under the Nazis in May 1933?

For years, the only literary review in Transylvania in Hungarian language had to concentrate upon explaining Russian and Rumanian writers and poets to its Hungarian audience and was not even allowed to comment upon Hungarian literature in Hungary. The cultural connections between Hungary and Rumania are kept artificially low by the Bucharest Communist Government in order to isolate the Hungarian minority culturally.

Theater again forms another part of culture close to the people. By now, there exists only two theaters performing in Hungarian language in Transylvania, one in Kolozsvar—Cluj—and one in Marosvasarhely—Turgu Mures. One would think that they are permanent companies performing five or six nights a week Hungarian plays, classical or modern. Reality is that they perform only once or twice a week even in season and that their repertoire consists of translated Rumanian plays, classic plays of the West, and only occasionally a Hungarian play. The rest of the time Rumanian theater companies are using the Hungarian theater even in the capital of the so-called "Mures-Magyar Autonomous Province," at Marosvasarhely—Turgu Mures.

The pressure is not only on the works but on the artists themselves. There is no actors' academy in Hungarian language and Hungarian actors have no real supply, except some talented amateurs. No musician, actor, painter, or other artist can really achieve national renown without first "Rumanianizing" his name, even if he is keeping it more or less intact. Farkas is written with a cedilla on the s, Balazs become Balas or Blas, and success is now assured. Of course, everybody outside Rumania now believes that the performer is ethnic Rumanian.

One of the cradles of culture in Transylvania was the church for every nationality. The Orthodox and Greek Uniate Churches for the Rumanians, the Catholic, Reformed, and Unitarian Churches for the Hungarians, the Lutheran Church for the Saxons. All of them were savagely attacked by the Communist regime, but some more than the others. Definitely, the worst attack was made by the Communists in alliance with the Orthodox Church upon the Greek Uniate Church which was forced into union with the Orthodox Church or was jailed en masse as far as the priests and bishops were concerned. Yet, the Orthodox Church, though still the strongest among the churches did not escape the heavy hand of the Communist regime and is forced to agree with the socialist system of the regime.

The Roman Catholic Church was also persecuted strongly. Only one of the four bishops survives, Bishop Aron Marton, but even he is severely curtailed in his freedom to receive people and was not allowed to travel to the sessions of the Vatican Council.

In the Protestant churches, the regime tried to elect bishops favorable to its own cause.

In general, the churches are open and masses and services are held. Even church taxes may be collected. This gives the appearance of religious freedom. But there is no freedom to attend the churches. Most of the people who still persist in going to church are over 45 years of age, workers or members of collective farms with little or no chance of advancement or promotion. Any intellectual or teacher is not only forced not to attend church or send his children to religious services or instruction, but he is forced to campaign actively against religion if he wants to retain his position. Children who attend religious instruction are not allowed to enter universities, and rare are the cases where more than one child in a family is admitted to university studies among ethnic Hungarians.

Yet this is the land of Hungarian culture and art. The castles, the buildings, the statues if not removed by the Rumanian Communists, the beautiful, and now vanishing folk art of the Hungarians all breathe the spirit of a time which might not have been perfect, but at least believed in humanism, and not in atheistic materialism and dictatorship like the Rumanian Communist Party does.

Rumanian culture, mostly of recent vintage is also present, and they do not like this culture either unless it can be used for their own political purposes. But with Rumanian culture, the regime wants transformation and exploitation for its own ideological purposes, rewriting history, and culture as they please, but keeping its basic ingredients which cannot be so distorted as not to breathe a certain humanistic width of thought and form.

With Hungarian culture, however, the regime has no such plans. It wants to destroy Hungarian culture as an obstacle to the slave state of communism, for once the whole population is atomized and the bonds of nationality and religion are destroyed, acceptance of the Rumanian Communist state is easily assured. Under these circumstances, we must focus our attention on the insidious trends in Transylvania and condemn the forces of communism at work extinguishing freedom and nationality alike.

To oppressed Transylvanians, as to all oppressed people, we extend the hand of sympathy, encouragement, and assistance. Though they bear a heavy burden, they unalterably cling with hope and resolution to their faith, their ancient creed, and their cherished hopes for free, democratic life.

Let us guide and help them along that tortuous way. May the day of their deliverance and freedom soon be at hand.

Mr. ST. ONGE. Mr. Speaker, recently I was a cosponsor of a resolution expressing the sense of the House with respect to discriminatory practices by the Government of Rumania against the Hungarian minority residing in that country. The resolution proposed that such practices be condemned.

Under the Paris Peace Treaty of 1947, Rumania undertook the obligations to recognize the human rights of all its nationals and agreed not to persecute any of them on the grounds of their religion or culture. There are one and three-quarters million Hungarians residing in Rumania, chiefly in the province of Transylvania which became a part of Rumania under the treaty of 1947.

Reports have been reaching this country that the Rumanian Government is pursuing a deliberate policy of repression and persecution against the Hungarian minority living in its jurisdiction. This policy is applied against them in the religious, cultural, economic, and educational fields. It was instituted by the Rumanian Government shortly after the abortive revolt in Hungary in 1956, when the Hungarian minority in Rumania manifested signs of unrest and sympathy for their countrymen in Hungary who sought to free themselves from Communist domination.

I believe that an expression by Congress condemning the abridgment of human rights in Rumania would help to ease that situation and would enable the U.S. Government to seek better treatment of the Hungarian minority on the part of the Rumanian Government. It is for this reason that I introduced my resolution as a cosponsor and am glad to join with many of my colleagues today in bringing this situation to light in the hope that we can help these suffering people. I urge the House Foreign Affairs Committee for early action on these resolutions so that the full facts become known to the world.

Mr. MINISH. Mr. Speaker, as the sponsor of House Resolution 493, expressing the sense of the House of Representatives with respect to discriminatory practices by the Government of Rumania, I am pleased to participate in this important discussion. In this connection, I feel it would be most fitting to focus attention on the discrimination suffered by the Hungarian minority in Transylvania by the Rumanian Government.

Arbitrary discrimination must be opposed and renounced no matter where it occurs. Today there are some 1,650,000 Hungarians, one of the largest ethnic minorities in Eastern Europe, living in Rumania. These people are concentrated in the area of Transylvania, a place which to them is more than just the remote home of the legendary Count Dracula. Rather it is their centuries-old fatherland and the place where today are suffering a slow and subtle, but very much intended extinction of their rights at the hands of the Government of Rumania.

The Hungarian Revolution in 1956 seems to have been the turning point in this discriminatory policy currently practiced by the Rumanian Government. It presented the opportunity for Bucharest to brand all Hungarians as traitors and culprits, and on this ground suspend and abrogate any rights which the Hungarians might have previously enjoyed. At the expense of their Hungarian minority the Government of Rumania could both solidify its relationship with Moscow and at the same time reduce the influence and Rumanize its largest minority. Thus in the years since 1956 we see Hungarian schools, newspapers, books, and all the other manifest indications of an ancient culture come under suspicion which led to regulation and very often to their elimination. We see the Hungarian tongue, by various measures and against the principles set forth in the constitution of 1952, being slowly eliminated in Rumania.

The policy of the Rumanian Government is in the words of one first hand observer, George Bailey, of Reporter magazine, one of "supernationalism." Mr. Speaker, I would like to say that nationalism and the redevelopment of a national conscience within the countries of the Iron Curtain might be a healthy sign, an indication that the influence of Moscow is becoming less absolute. However, I oppose and condemn any nationalism or other government policy which nourishes itself on the weaknesses of one particular minority group. Therefore, I join my colleagues in expressing indignation at the treatment of the Hungarian minority at the hands of the Government of Rumania.

Mr. JOELSON. Mr. Speaker, on July 1, I introduced Resolution 442 pertaining to the persecution of the Hungarian minority in Rumania by the Communist regime. It is my hope that what has been said on this floor will serve as a plea to the Rumanian Government to alleviate the conditions of its Hungarian minority.

One of the harsh lessons of discrimination against a minority group, especially if its size is considerable, is that it effectively reduces the contribution that that group can make to society as a whole; for it is society, as well as the individual, that loses in a climate of discrimination. Certainly we Americans have learned that lesson.

This is the point, Mr. Speaker, I want to make in my plea to the Rumanian Communists to ease its discrimination against their Hungarian minority. We are not dealing here with a handful of people, but rather a people numbering over a million and a half. There can be no denying that it is Rumania itself that suffers by the acts of discrimination in the areas of education, culture, linguistics, the economy of the nation, and its Government. When one sector of society is prevented from applying fully its native energies, it is society that suffers the comparable loss. The Hungarian people are a gifted people. European culture has been the richer for their contributions. They are an energetic people whose native talents we Americans have learned to cherish.

For the sake of justice I urge the Rumanian authorities to end the acts of discrimination that prevent their Hungarian minority from enjoying a full and meaningful life and contributing accordingly to the welfare of the nation.

Mr. DULSKI. Mr. Speaker, it gives me great pleasure today to join with my distinguished colleagues from many States, ably led by the gentleman from New York [Mr. HALPERN] in discussing at length the discrimination and oppression of the 1.75 million Hungarian minority in the province of Transylvania, now under Communist Rumanian rule.

As my colleagues have pointed out, not only political freedoms are denied to these people whose rich historical and cultural contributions date back many centuries, but they are also the targets of forcible assimilation into the Rumanian society.

Mr. Speaker, these people were cajoled and pressured, in the late forties, to accept the Communist regime in Rumania after having been reallotted by the 1947 Paris Peace Treaty to Rumania. Yet when their compatriots across the border in Hungary lit the flame of freedom in October 1956, the Hungarians in Transylvania also caught the urge for freedom and democracy and demonstrated for a change in the regime in Rumania. Their fate was no different than that of their compatriots in Hungary—imprisonment, execution, and loss of jobs. Yet, they were under two yokes—for over and beyond the ideological aversion of the Communist regime of Gheoghiu-Dej they were also distrusted because they spoke a different language, and also because Transylvania is a very recent possession of the Rumanian State and the people still do not know whether the settlement is permanent. This is evidenced by the steady neglect of the Communist economic planners in regard to the industrialization of Transylvania, which is mostly used as a raw material base for the emerging Rumanian industries in provinces other than Transylvania. We also know of the attempts by the Communist government to break up the better educated Hungarian people by transferring them into Rumanian provinces outside of Transylvania and directing surplus manpower from the Hungarian into Rumanian areas, thereby introducing a large number of settlers into Transylvania from other provinces.

Religious freedom is nonexistent. Despite the amnesty which was supposed to clear the jails of political prisoners, we know of several hundred individual cases where priests, ministers, and laymen are still languishing in prison and many of those who were freed in 1963 and 1964 were rearrested.

Mr. Speaker, our President has called upon us to build bridges to Eastern Europe. This is a noble and worthy undertaking. But in our relations with the present rulers, in order to help these people and their tottering economy, we must make sure that we raise our voices effectively against the abridgment of human and civil rights. The treatment which the Hungarians in Transylvania are receiving is a prime case in point.

I am hopeful that our discussion of this subject will assist both the executive and the legislative leadership in focusing attention on the problem and bringing some measure of relief to these persecuted people in Europe.

Mr. BROYHILL of Virginia. Mr. Speaker, it is with great pleasure that I join my distinguished colleagues today so ably led by the gentleman from New York [Mr. HALPERN] in discussing the discrimination against the Hungarians in Transylvania by the Communist Government of Rumania.

The ethnic minority of the Transylvanian Hungarians forms the largest single still existing minority bloc in central and eastern Europe, as it is 1.75 million strong, larger in numbers than many a member of the United Nations. These people lived there for over a millenium and contributed greatly to the history and culture of the province. In fact even today the buildings, the libraries, the museums, the castles and the statues if not yet destroyed or spoliated by the Communist regime, still breathe the air of the Hungarian and Saxon past of Transylvania.

A numerical minority today, the Hungarians in Transylvania are oppressed by the Communist Rumanians both on ideological and nationalistic grounds as Rumania is becoming more and more nationalistic in its outlook toward Russia and the other nations of the bloc. Since their sympathy demonstrations in favor of the Hungarian freedom fighters in Hungary proper, the Transylvanian Hungarians are suspect as to their loyalty to the Communist regime and their cultural and linguistic elimination by forcible assimilation is a thinly veiled program of the Government. In doing so, the Communists are also seeking a rapprochement with the extreme nationalistic elements in Rumanian society which were virulently anti-Hungarian.

The details of the persecution have been ably described by my colleagues. I would, however, remind the House and also our policymakers in the executive branch that the events in Transylvania are of great concern to us even if our immediate concern happens to be the defense of Vietnam and/or Latin America against Communist subversion. We have constantly neglected to exploit our opportunities in this area of the world, and even today we are sometimes uncritically undertaking a "building of bridges" program which can have great potentialities for the good and freedom of these peoples, but if undertaken without due care, it might also become the best pillar to the perpetuation of Communist rule in the area.

We must, at every suitable occasion, call the attention of the Eastern European Communist Governments that we do care about the treatment of their peoples by them, and this goes even more for the treatment of their national minorities and will not countenance a national communism at the expenses of the ethnic minorities.

Mr. HORTON. Mr. Speaker, I thank the gentleman, my distinguished colleague from New York [Mr. HALPERN] for his reservation of this time in order that Members of the House might speak on a subject of vital concern. The persecution of the Hungarian minority in Rumania is a sinister situation that demands American attention and action.

Totalitarian societies, being totally authoritarian, do not have available the many instruments for expressing the popular will that are part of our democratic system. Thus, it is for us of the free world to voice our disapproval of acts of discrimination against minorities when they occur in such closed societies. And it is with this in mind that I am introducing today a resolution calling upon the House of Representatives to condemn those acts of discrimination perpetrated by the Rumanian Government against the Hungarian minority living in Rumania.

Mr. Speaker, it has always been my view that to discriminate against any one group is to discriminate against society as a whole; for it is a truism that all society loses when one of its sectors is deprived of the opportunity of contributing to the well-being of the whole nation. Rumania is not a nation made up solely of Rumanians. It is a country of many nationalities in which the Hungarian minority numbers over a million and a half. Now it is a well-know fact that the Hungarian people are a gifted people. Their contributions to European culture are a source of great admiration; and their contributions to our own American society are, indeed, immeasurable. To deprive this gifted people of the full exercise of their natural rights is to reduce effectively the degree of contribution that they can make to Rumania today. The Rumanian Government, therefore, hurts itself when it deliberately fosters a policy of discrimination against its Hungarian minority in the educational, cultural, economic, linguistic, and administrative fields.

Mr. Speaker, during the past few years great changes have been taking place in Rumania. That nation has exercised a type of independence from the Soviet Union that had been entirely unexpected in vast areas of the Western World. The United States has sought to encourage these manifestations of independent action in the hopes that the Soviet hold over Eastern Europe would be further weakened and its power reduced accordingly. Both Rumania and the United States have a vested interest in the continuation of these changes, a development that could return Rumania to the family of Western nations. By correcting the injustices against the Hungarian minority in Rumania, the Rumanian Government could do much to strengthen the developing friendly relations between Rumania and the United States.

Thus, by ending discrimination against the Hungarian minority the Rumanian Government has assets to accrue not only in internal affairs but in foreign policy as well.

It is important, therefore, that the Rumanian Government be made aware of the concerns of Americans for their oppressed Hungarian minority.

For this reason, Mr. Speaker, I urge the House of Representatives to give its approval of the resolution I am introducing today.

Mr. MINSHALL. Mr. Speaker, I am pleased to have the opportunity to join with my colleagues in condemning the economic, religious, educational, and cultural oppression of the people of Transylvania, particularly the Hungarian minority, by the Communist Rumanian Government.

The abridgement of human rights, the absence of free elections, police terrorism, discrimination based on national and class origin, are abhorrent to Americans.

We today, protest the Communist Rumanian violation of both the provisions of the 1947 peace treaty allotting Transylvania's northern counties to Rumania and of the 1952 and 1956 Communist constitution itself. We cannot sit silently by while nearly 2 million Hungarians in Transylvania are persecuted.

We must insist that improvement of our relations with Rumania be dependent upon the attitude the regime shows its own citizens.

I call attention of the House to my House Resolution 488, introduced on July 21, to condemn the discriminatory practices perpetrated by the Government of Rumania against the Hungarian minority peoples.

Mr. BOB WILSON. Mr. Speaker, President Johnson many times has expressed this country's determination to continue the battle for freedom of the South Vietnamese. And his words have been carried around the world. But we hear little about this administration's intentions regarding the captive peoples of Eastern Europe who equally are victims of Communist oppression. I have in mind, particularly, the oppression of the human rights of the Hungarian and Saxon minorities in Rumania.

Mr. Speaker, I have introduced a resolution (H. Res. 459) condemning as the sense of the House of Representatives this discrimination. So far, no hearings have been scheduled and the session now is drawing to a close.

I submit this is no partisan issue. We have shown our hand in Vietnam. The whole world knows where we stand, or should know. Yet we give every appearance of having acquiesced in the enslavement of the captive peoples of Communist Europe.

The fact there is no actual combat there does not absolve us from clearly and forthrightly reminding the world that Communist imperialism has its tentacles in many parts of the globe. Let us make certain that this Congress does not adjourn without favorable action on this resolution to condemn the Communist oppression of minorities in Rumania and to urge the President to make appropriate overtures to the Rumanian Government to help bring relief to these minorities.

Mr. ADDABBO. Mr. Speaker, it gives me a real pleasure to join my distinguished colleagues, ably led by the gentleman from New York [Mr. HALPERN] in discussing the sorry plight of the 1.75 million Hungarians in Rumania who are the special target of Communist persecution by the Rumanian Communist regime. On March 25, 1965, I introduced a resolution together with many of them to condemn the discriminatory practices of the Communist Rumanian Government against the Hungarian minority.

Disconcern for human rights, denial of equal economic opportunity, forced settlement of those with professional diplomas into purely Rumanian areas several hundred miles from their place of residence, slow, but constant elimination of any instruction in Hungarian language in schools, police terror against those who dare to dissent even in a mild form denial of the freedom to attend the church services and let children attend religious classes, are all forms of persecution devised to break the will of the population to exist as an ethnic unit, and to "solve the Transylvanian question" by breaking up into atomized units the Hungarian minority.

This is not only contrary to what we believe in the West about human rights and dignity, and about equal rights to all citizens, it is even against Communist theories in this respect, though between theory and practice there are usually unbridgeable chasms in Communist states. But even international obligations are being violated by the Rumanian Communists. For in the 1947 Paris Peace Treaty which gave to Rumanian rule the northern, more Hungarian-inhabited parts of Transylvania, there was a clause that the Rumanian Government will "not discriminate among its citizens on the basis, of sex, religion, or language." The many witnesses, journalists clearly prove that such discrimination does exist in Communist Rumania in violation of the treaty pledge.

Rumanian Communist constitution even extends the equal rights to all citizens and also assures the free cultural and linguistic development of the nationalities in Rumania. All these guarantees are violated by the constant practices of discrimination, which are less in the form of statutes, but in the form of administering the statutes and ordinances. For example, there still exists an ethnically diluted "Mures-Magyar Autonomous Province," but though it was established as a reservation for Hungarian culture and self-administration, it has Rumanian police officials, most of the two councils are mixed or completely Rumanian, and in the theater at the capital of the province, Marosvasarhely—Turgu Mures—the plays are performed in Rumanian 5 nights, in Hungarian once or twice a week, and even those are usually translations from Rumanian. The place and street names are supposed to be, under law, bilingual; visitors report unanimously that there are no Hungarian place names left, and only a few old bilingual street names in some suburbs. Also even in the "Mures-Magyar Autonomous Province"—which never housed more than 29 percent of the Transylvanian Hungarians—railway, post and other officials either do not know or refuse to answer in Hungarian, and even the sales clerks in the cities only speak in Rumanian in order not to lose their jobs.

Mr. Speaker, under these circumstances it is our duty to solemnly protest these abridgments of human and civil rights and to make sure that when negotiations are conducted with the representatives of the Communist Rumanian Government these facts are also taken into consideration by our policymakers. Therefore, I am joining my colleagues in strongly denouncing this unjust discrimination which finds its immediate origin in the sympathetic attitude of the Hungarians in Transylvania toward the heroic Hungarian freedom fighters in 1956.

TESTIMONY OF HON. ABRAHAM J. MULTER BEFORE COMMITTEE ON POST OFFICE AND CIVIL SERVICE IN SUPPORT OF H.R. 1105

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MULTER. Mr. Speaker, I was privileged today to submit the following testimony to the Committee on Post Office and Civil Service in support of my bill H.R. 1105, which would provide free postage for members of the Armed Forces:

Statement of Hon. Abraham J. Multer Before the Subcommittee on Postal Rates of the Committee on Post Office and Civil Service, House of Representatives on H.R. 1105 To Provide Free Postage for Members of the Armed Forces, August 18, 1965

Mr. Chairman, I appreciate the opportunity to submit my statement on behalf of my bill, H.R. 1105, to your committee.

It is the purpose of my bill, H.R. 1105 introduced January 4, 1965, to provide free postage for first-class letter matter sent by members of the Armed Forces of the United States to any person in the United States. A member of the Armed Forces is any person on active duty or in active service and the United States includes the several States, the District of Columbia the territories and possessions of the United States and the Commonwealth of Puerto Rico. The bill authorizes the Postmaster General to prescribe the rules and regulations governing such mail.

On August 11 of this year when the Senate was considering H.R. 9075, a bill to amend title 37, United States Code, to increase the basic pay for members of the uniformed service, Senator COTTON offered an amendment to the bill which would amend chapter 53 of title 10 United States Code relating to miscellaneous rights and benefits of members of the Armed Forces. This amendment would be new section 1040 and would give free first-class mail privileges to members of the Armed Forces in Vietnam until such time as the President determines that Vietnam is no longer a combat area. Similar free first-class privileges would also be available in any other area which the President determines are combat areas. This bill has been passed by both Houses and is now on the President's desk awaiting his signature. I believe it is reasonable to assume that in due course the President will sign the bill and that the "free postage" section of the bill will become law.

I therefore intend to address myself to H.R. 1105 in relation to this proposed section 1040, which we can expect will be signed into law by the President.

The bill we are considering differs from section 1040 in that the privilege of free postage for first-class matter is provided for all members of the Armed Forces in active service or on active duty without regard to the area of the world in which the member of the Armed Forces might be, while section 1040 extends such privileges only when he is in Vietnam or in any other area of the world which the President has determined is a combat zone.

I don't believe section 1040 does the job; it fails to go far enough. Section 1040 does not apply to all members of the Armed Forces; it applies only to those members who are in Vietnam or any other area which the President may determine is a combat zone.

When the matter of section 1040 was before the Senate, several Senators compared the free postage privilege in that section with the free postage privileges extended to members of the Armed Forces serving in World War I and World War II. What they failed to realize was that the free first-class postage privilege in those wars was available to all members of the Armed Forces and not only to those in the combat zone.

The Department of Defense opposes this type of legislation on the ground that stamps are easily available and post offices accessible to members of the Armed Forces in areas other than combat zones. I believe that the base of their objection is too narrow to sustain such broad determination.

The Department of Defense regards postal service in the same light as it regards other services or products for which the serviceman is expected to pay. Postal service is the line of communication between the serviceman and his people back home, with whom he has strong emotional ties. Mail from back home is always a morale booster to the serviceman. We ought to do everything we can to encourage and to assist the flow of mail between the serviceman and his people. And this applies to both servicemen in and out of the combat zone. It is not a matter of available stamps and accessible post offices; it is a matter of morale. Whoever has experienced or participated in a mail call in the Armed Forces can never forget that experience.

Let the servicemen know that his Government is concerned about his welfare and that it will assist him to communicate with those he left behind. Let him know that his Government is carrying his mail free. It will boost his morale and help to make him a better fighting man.

I understand that the July 12, 1950, act to provide free postage for members of the Armed Forces of the United States in specified areas has expired by its terms and therefore section 2 of my bill, which would repeal that act, is no longer needed and may be stricken from it before reporting it to the House.

I urge this committee to favorably report H.R. 1105.

THE FACTS OF LIFE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Brown] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BROWN of California. Mr. Speaker, I rise to express my strong approval of the action taken on Monday of this week by Ambassador Arthur J. Goldberg, our representative to the United Nations, when he told that body that the United States agreed "in the light of present world tensions, that the General Assembly must proceed with its work."

In the light of this great need, Ambassador Goldberg informed the member nations of that body that we would not continue to insist on the application of article 19 at this time.

> It is clear, however—

Ambassador Goldberg stated—

> that we are faced with a simple and inescapable fact of life.

I would say to those who will undoubtedly find fault with the change in policy adopted by the United States at this time, that they, too, should face the facts of life with the same courage and farsightedness shown by President Johnson, Ambassador Goldberg, and our other policymakers in placing the interests of continuing discussions and peacemaking efforts by an effective United Nations above the natural inclination to stand firm.

I believe that it will also be noted that many who will criticize this move most vehemently will be those persons who have opposed the United Nations and our participation in this body throughout its life. In the case of these individuals, it is obvious that the United States has taken the right course of action since their advocacy of an inflexible position was designed to fractionalize and cause the death of the United Nations. We have stifled any hope they may have had for such an outcome and they will be visibly upset.

I do not mean to say that many who have supported and worked to assure a strong and continuing United Nations do not also oppose this policy change. We can certainly sympathize with their disappointment over the position we have taken. If the United States had insisted on the application of article 19 and if we had successfully obtained the support of a consensus in the General Assembly—forcing all nations to share financial responsibility for peacekeeping operations—it would have strengthened the role of the U.N. immeasurably.

This needed consensus did not exist, nor did we envision such a consensus in the foreseeable future.

Therefore, this move is to the credit of the United States and illustrates graphically our strong desire to see the United Nations continue in existence and grow in strength.

I join with Ambassador Goldberg in looking forward to that day when the entire membership of the United Nations will resume its "full range of collective responsibility for maintaining world peace." I also look forward to the day when article 19 can be enforced without question and when the rule of law will dictate the settlement of international conflicts rather than the rule of superior force and self-interest of the most powerful nation in a dispute that happens to cross national borders.

We cannot continue to work for such a situation with a deadlocked General Assembly. The United Nations cannot continue to serve its peacekeeping and peacemaking functions to the best of its ability with this impasse blocking the road.

THE PRESIDENT'S FINEST HOUR

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. Gonzalez] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, President Johnson once again shared with the Nation the problems which every American in common faces over our commitment in Vietnam.

Speaking on nationwide television, Mr. Johnson gave a frank appraisal and a no-punches-pulled prediction of what America must do to thwart communism in southeast Asia.

Not every American agrees with the President to be sure. This is the way it should be in a democracy such as ours.

However, nearly everyone must agree in their praise for the open and frank discussion of the Vietnam problem which President Johnson shares with the American public.

William Randolph Hearst, Jr., wrote a fine editorial about the President's address to the Nation on Vietnam which appeared on the front page of the San Antonio Light of August 1.

Under previous consent I insert this editorial in the Record at this time:

EDITOR'S REPORT: THE PRESIDENT'S FINEST HOUR

(By William Randolph Hearst, Jr.)

Big day for L.B.J. That just about sums up my impression of the President's policy statement at his press conference this past Wednesday as well as the way he delivered it and the way he handled the subsequent questions from reporters.

He was at his masterful best and it was—to date—his finest hour.

There was no bravado, no jingoism, in his statement nor in his demeanor. It became clear as one listened to him that the President had spent hours of soul searching in preparing his guidelines of future U.S. policy in Vietnam. His manner was serious, deliberate, and at times deeply moving. It was not surprising to read that some of those at the conference, including Mrs. Johnson, were close to tears when the President spoke of his personal distress in sending our finest young men into this nasty war.

And he leveled with the American people; he treated them, as they should be treated, as adults, his intellectual equals. For example, he had the candor to say of the situation in Vietnam that "this is really war," not trying to mask it in some evasive catch phrase.

Candor was also admirably evident when the President advised his fellow citizens to be prepared for what could be a long war. It was present when he said the increase in our military strength in Vietnam from 75,000 to 125,000 men probably will be followed by the commitment of additional forces. It was present when he said that doubling the draft calls from 17,000 to 35,000 a month may not be sufficient; that, depending on the course of events, Reserve units may have to be summoned to duty.

The statement achieved an almost perfect balance between determination never to knuckle under to Communist aggression or the counsel of appeasers, and a willingness always to negotiate an honorable peace.

The heart of the statement lies in these words:

"These (present) steps, like our actions in the past, are carefully measured to do what must be done to bring an end to aggression and a peaceful settlement.

"We do not want an expanding struggle with consequences that no one can foresee, nor will we bluster or bully or flaunt our power.

"But we will not surrender and we will not retreat.

"Once the Communists know, as we know, that a violent solution is impossible, then a peaceful solution is inevitable.

"We are ready now, as we have always been, to move from the battlefield to the conference table.

"I have stated publicly many times, again and again, America's willingness to begin unconditional discussions with any government at any place at any time."

The President enlarged that willingness by saying the United States is prepared to listen to Hanoi's terms for ending the fighting providing Hanoi is willing to listen to ours.

He added later, in answer to a question, that even the Vietcong guerrillas "would have no difficulty in being represented and having their views presented if Hanoi for a moment decides that she wants to cease aggression."

Finally, he energetically and dramatically encouraged efforts by the United Nations to work for an honorable peace.

The President instructed Arthur J. Goldberg, who stepped down from the Supreme Court last week to become our U.N. Ambassador, to make it his first business to present a Presidential letter to U.N. Secretary General Thant. The letter asked that "all the resources, energy, and immense prestige of the United Nations be employed to bring peace."

It is significant that the policy statement, and the way it was proclaimed, either drew to the President's support, or substantially modified, some influential voices in Congress that had been openly dubious before.

Representatives Gerald R. Ford of Michigan, House minority leader, and Melvin R. Laird of Wisconsin, chairman of the Republican Conference had been demanding an all-out air attack on North Vietnam instead of a buildup of ground forces.

After the President spoke they shifted position, saying they would "wait and see." Mr. Ford added that he supported the President's "firmness against Communist aggression."

Senator George D. Aiken, Vermont Republican, and a member of the Foreign Relations Committee, who also had been a critic, swung over to support. He said the policy statement "won't satisfy those who have been advocating a great expansion of the war or those who say 'get out, lock, stock and barrel.'" He continued:

"The President's middle course will find general acceptance throughout the country and probably will be more conducive to ultimate peace than a more extreme statement would have been."

I second that.

Yes, it was a big day for L.B.J.

Charles de Gaulle, this past week, added injury to insult in his deteriorating relationship with NATO.

It occurs to me, though, that his latest gratuitous act—ordering all French officers attached to NATO headquarters staff to boycott planning for integrated exercises—will in the long run boomerang on crotchety Charley, and what's infinitely worse, on France.

As all those who care already know, France no longer has anything but token forces in the European defense shield, anyway.

France withdrew her navy from NATO command in 1959 and has never replaced her army since pulling it out of Europe for action in Algeria some years back.

Then, too, De Gaulle gave the heave-ho to our atom bomb-carrying Air Force because we wouldn't give him control of their D-Day mission.

The only real surprise in this latest "go it alone" act may be in the chain of results it sets off—and the chagrined one could be De Gaulle himself.

For if France, which under his leadership has been cutting, one by one, its ties to the mutual defense of Western Europe, finally pulls out entirely, the vacuum thus created will be filled. The philosopher Spinoza put it concisely and accurately: "Nature abhors a vacuum."

The gap left by France can be filled only by one country, and that is Germany, but the long memories of the French people will certainly make them unhappy about such a result of big Charley's policies. In fact, the support they have given him all these years could very conceivably melt away.

That West Germany would have to be the leading European power in the NATO Western alliance is obvious on the face of it. No other European member of NATO can furnish the manpower, the skills, the all-around strength.

The rest of Europe would have no choice but to look to Germany and in a showdown with the Communists we might find ourselves with no choice but to put nuclear weapons in the West Germans' hands.

The rise to leadership of West Germany would also necessarily have the effect of giving the Russians the jitters, perhaps dangerously, for they too have long memories.

And all this chain of circumstances—none of which this country or the rest of West Europe would prefer by choice—would be laid at De Gaulle's door.

Military experts who have studied the problem believe NATO can handle its staff, headquarters and logistics problems if France does finally decide it wants to get off. And that decision is thought to be very likely, with this latest move for separatism following on the well-dramatized De Gaulle howl last week over a U.S. plane violating French air space.

Violating what? United States and other planes on NATO assignments have been flying over all parts of France since the Western defense organization was formed. The big beef this time is taken to mean De Gaulle no longer wants the alliance.

But De Gaulle's parading of his ersatz might and his pompous pride in his comparatively pea-shooter-size nuclear power do not mean France can really go it alone. Not by a long shot, and surely nobody knows that better than big Charley.

In fact, in a recent article in a major French publication which I quoted a few weeks ago, the writer called the turn on De Gaulle. In 1947, he pointed out, De Gaulle "could hear the Cossacks marching on Paris." In 1965, he is no longer afraid the Russians will invade, and feels safe in asserting his emotional resentment toward the United States which protects him.

For, make no mistake, it was and still is the umbrella of U.S. might—irresistible nuclear power—on which De Gaulle relies, and must rely in the long run, as must all the free world.

William Randolph Hearst, Jr.

WHITE HOUSE LIAISON—UNPRECEDENTED ACCOMPLISHMENTS OF LAWRENCE F. O'BRIEN CITED

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Boland] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BOLAND. Mr. Speaker, another distinguished Washington correspondent, Robert E. Thompson, of the Los Angeles Times, has written about the "unprecedented" accomplishments of Lawrence F. O'Brien, Special Assistant to the President for Congressional Affairs, in both the Kennedy and Johnson administrations.

Mr. Thompson points out in his column printed in the August 15 edition of the Los Angeles Times that since 1961 Mr. O'Brien has "been able to win congressional approval for almost every major legislative objective of the New Frontier and the Great Society."

This Washington columnist goes on to add:

> Mr. O'Brien also transformed the makeshift White House congressional relations operation of the past into a viable, permanent agency within the executive arm. The task has been a difficult one. The pressures have been brutal.

Mr. Speaker, for the benefit of all of my colleagues who know and respect Larry O'Brien, I insert Mr. Thompson's column with my remarks in the body of the Record:

[From the Los Angeles (Calif.) Times, Aug. 15, 1965]

Top Kennedy, Johnson Aid Due To Step Down—Presidential Assistant Lawrence O'Brien May Run for Senate From Massachusetts

(By Robert E. Thompson)

Washington.—As Congress strides toward adjournment, the door appears to be closing on the remarkable White House tenure of Lawrence F. O'Brien, last of John F. Kennedy's pre-1960 associates to remain in Lyndon B. Johnson's intimate service.

After nearly 5 years, O'Brien is expected to step down this autumn as special Presidential assistant in charge of congressional liaison.

He may enter private business or more likely, he may seek his own political fortunes in Massachusetts, taking aim at the Senate seat now held by Senator Leverett Saltonstall, Republican, of Massachusetts.

LEAVES GOOD RECORD

But whatever his future route, O'Brien will leave behind a record of unprecedented accomplishment in his maneuvers between the executive and legislative branches of the Federal Government.

Working first with Mr. Kennedy and then with Mr. Johnson, he has since 1961 been able to win congressional approval for almost every major legislative objective of the New Frontier and the Great Society.

He also transformed the makeshift White House congressional relations operation of the past into a viable, permanent agency within the executive arm.

The task has been a difficult one. The pressures have been brutal.

While Mr. Kennedy lived, O'Brien was confronted with Congresses in which numerical Democratic control was highly deceptive. He constantly faced the turmoil of winning legislative victories against a powerful coalition of Southern Democrats and Republicans. Sometimes he lost.

HOLDS TOUGH JOB

With Mr. Johnson, he has been charged with conducting the congressional operations for a President who probably knows more about the inner workings of Congress than any other living man.

But, in the past year, there has been a new and more personally vexing pressure on O'Brien.

For his loyalty to Mr. Johnson has been interpreted by some of his close associates of the New Frontier as disloyalty to the memory of Mr. Kennedy.

While he has worked arduously to achieve legislative goals which were handed down to Mr. Johnson from Mr. Kennedy, O'Brien has been the target of bitter innuendo from individuals who once were his closest friends. But he has withstood the ordeal in soldierly fashion.

JOHNSON GRATEFUL

No man was more dedicated to Mr. Kennedy or more bereaved by his assassination. Yet no man who was deeply involved in Mr. Kennedy's public life has done more to assist the late President's personally chosen successor.

Mr. Johnson is cognizant of the torment heaped upon O'Brien by old friends and allies. He also is appreciative of the services performed for him by O'Brien.

When he signed the medicare law in Independence, Mo., on July 30, the President publicly described O'Brien as "the White House's best legislator."

When he affixed his name to the Voting Rights Act 2 weeks ago, Mr. Johnson summoned O'Brien to his side and threw an arm around him to demonstrate his appreciation.

These were not idle gestures. For Mr. Johnson knows, as do most Members of Congress, that O'Brien is the closest thing to a political genius that the Democratic Party has discovered since James A. Farley.

He was the architect of the organization which helped Mr. Kennedy defeat Henry Cabot Lodge in the 1952 Massachusetts Senate race, to win an amazing reelection victory in 1958, to capture the Democratic presidential nomination in 1960 and to defeat Richard M. Nixon in the election of that year.

The handbook of Democratic organization which O'Brien wrote a few years ago has become the campaign bible for both parties. Senator Barry Goldwater admitted to O'Brien last year that he borrowed heavily from the handbook in charting his successful campaign for the Republican presidential nomination.

The fact that Goldwater could enjoy a friendly chat with O'Brien amid the heat of an acrid campaign was not unusual. For while O'Brien has been shrewd and tough in combat, one of the marks of his White House service has been that he has made few enemies.

A gregarious, articulate Irishman, O'Brien enjoys friendships on both sides of the aisle in Congress. It would be difficult, even after 5 years, to find a single legislator who bears personal animosity toward the director of the White House liaison operation.

HE OFTEN WINS

Yet O'Brien has defeated some powerful men on some vital issues, beginning with his successful move in January 1961, to enlarge the House Rules Committee and thus dilute the authority of its conservative chairman, Representative Howard Smith, Democrat of Virginia.

Even those who disagree sharply with the ideology of the Kennedy-Johnson administrations agree that O'Brien has helped put together a monumental record of legislative accomplishment.

Mr. Johnson, of course, has exerted tremendous personal persuasion on Congress, sparing no effort to win passage of his program. But he has counted heavily on O'Brien.

During O'Brien's years at the White House, Congress has established the Peace Corps and the Alliance for Progress. It also has approved such far-reaching measures as the nuclear test ban treaty, the $1.25 an hour minimum wage, the International Trade Expansion Act, the $11 billion income tax cut, the $4 billion slash in excise taxes, the first Federal program of aid to education, medicare, the war on poverty, aid to Appalachia, the Civil Rights Act of 1964, and the Voting Rights Act of 1965, and expansion of the housing, desalination, natural resources, health, and mass transportation programs.

With this record behind him O'Brien is considering returning to his native State to seek the Democratic Senate nomination and then run against Senator Saltonstall.

If he pursues this course, O'Brien could be in for the toughest battle he has faced.

FOREIGN AID WINS BUSINESS FAVOR

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Ottinger] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. OTTINGER. Mr. Speaker, I have watched closely the operations of the U.S. foreign aid program, not only during the time I served with the International Cooperation Administration, AID's forerunner, but during my years with the Peace Corps and the nearly 8 months I have served in this body.

One of the most impressive aspects of our foreign aid program is the extent to which American business has become involved.

The foreign aid program cooperates with and encourages U.S. business to participate in foreign assistance programs in many ways. Some of the programs have been in existence since Marshall plan days; many have been put into operation recently and significant expansion is expected during the coming year designed to increase the role of American private investment in the less-developed countries.

American business firms, universities, and private associations on contract provide about one-fourth of AID's technical assistance. American engineering and construction firms overseas are supervising the design and construction of some $4 billion in capital projects AID is helping to finance in the developing countries. Private firms, labor unions, and local governments as well as universities provide training for some 6,000 participants a year; the value of training services for these programs has been estimated at more than $10 million.

In individual categories, AID is the major financier of American exports to developing countries, accounting for more than 40 percent of iron and steel product exports, 65 percent of fertilizer export, and 30 percent of railway equipment sales. Besides expanding the role of U.S. business and industry in producing goods for international development, the AID program introduces diverse American products to growing new markets in the developing areas, establishes new trade ties and opens up markets for U.S. services.

The story of AID encouragement of U.S. private investment in the developing countries is a laudable one, as pointed out by the New York World Telegram & Sun in a recent article:

[From the New York (N.Y.) World Telegram & Sun, May 8, 1965]

Foreign Aid Wins Business Favor

(By Robert Dietsch)

Washington, May 8.—The administration's foreign aid program is getting considerable support from business this year. Three factors are responsible:

Foreign aid brings $2 billion worth of sales to American business each year and opens the door to further private (and profitable) negotiations with foreign governments.

The program is being run more to business' liking. It is being reduced and streamlined and Administrator David E. Bell, by most judgments, is doing an outstanding job. Even the U.S. Chamber of Commerce had nice words for him recently.

Internationally minded executives feel foreign aid is a vital part of national policies. A good example is Chairman Sol Linowitz of Xerox Corp., who was instrumental in organizing the National Committee for International Development.

Its primary concern is to muster support and lobby for the aid program and its continuance.

All this does not mean that the majority of businessmen have jumped on the foreign aid bandwagon. "We still don't have a lot of executives behind us," one official of the Agency for International Development commented today. "But we are getting more support this year than ever."

The Linowitz committee is the first permanent business-dominated group to back the AID program. It reports a "remarkably good response from a recent membership drive." According to one spokesman, only "5 or 6 men turned us down among 35 asked to join."

Since foreign aid was tied to a "buy American" program in 1960, resultant iron and steel export sales have risen from $14 million to $156 million, miscellaneous machinery sales from $26 million to $170 million, chemical sales from $18 million to $99 million, and nonferrous metal sales from $1 million to $57 million.

In its report on steel prices early this week, the President's Council of Economic Advisers said:

"Most American (steel) exports are high-quality, sophisticated steels or are part of our 'tied' AID program to such countries as Pakistan and Wales."

At present, American firms hold $4 billion worth of overseas construction contracts which are linked one way or another to AID programs. Some of this work involves private funds, it is true, but little if any would exist at all were it not for AID.

Private sales also linger after aid programs cease. U.S. private exports to Taiwan and Thailand, for example, are expected to continue upward after aid programs end shortly.

Some private deals with Japan can be counted as aid aftermaths. The same applies to India.

Under the "buy American" policy, almost 90 percent of AID's current $3.3 billion appropriation will be spent in this country. AID foreign loans involve a line of credit for foreign countries, not cash.

Recipient countries tell the agency what they want to buy and AID prints the requests in bulletins distributed to 6,000 firms.

Approximately 100,000 business contracts are let through AID programs each year.

THE SO-CALLED OMNIBUS FARM BILL

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Ottinger] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. OTTINGER. Mr. Speaker, I regret that I must rise once again to speak in opposition to a major spending bill proposed by the administration.

H.R. 9811, the so-called omnibus farm bill, is probably the most complex and expensive single piece of legislation we have been called upon to consider in this session of Congress.

I cannot pretend to be conversant with all the incredible complexities of this bill. There are so many special interest subsidies for so many varied products, I doubt if the members of the committee can unravel them all. But I do know that it will mean the expenditure of more than $4 billion of the taxpayers' money on programs that have not succeeded in the past, that cannot succeed in the future and that are inimical to the basic concepts of our American way of life.

I know that it vests the Secretary of Agriculture with extraordinary powers in the expenditure of this tremendous appropriation. I know that it deprives the Congress of the United States of its right to review these expenditures for 4 years and that it gives the Secretary of Agriculture unusual, and I believe unreasonable, power to interfere in the day-to-day operation of private farming businesses.

I also know the bill continues the various programs of paying uneconomic subsidies to farm businesses to produce surpluses which we must then again pay to have stored.

For any one of these reasons, I would find this bill objectionable and worthy of defeat.

I will leave to those better qualified than I the discussion of the defects of the specific provisions of the bill. What concerns me most is the corrosive effect this legislation will have upon our free enterprise system, our American initiative.

Neither I, nor any other American, want the Nation's farm economy to be struck by economic disaster. It is clearly the responsibility of the Federal Government to step in and help when any sector of our economy is suffering undue hardship. But I believe that the American people want the Federal Government to step in with temporary measures that will help strengthen and rebuild the economic structure of the farm economy—and then step back out again. We do not want the Federal Government to perpetuate forever an artificially supported, unsound situation.

This farm program is the Federal version of "The Man Who Came to Dinner." Everybody admits that it is an unwanted "guest" in our Federal system. Everybody agrees that it ought to be ordered out of the Federal house. But when the time comes to do something about it, then we hear that the consequences of evicting it are too great.

There has been a great deal of thought given to ways of getting a better result from the Federal subsidy and support programs, but none, as far as I can see, to ways of getting rid of them entirely.

The bill we are considering here today is not a temporary measure. It ratifies and reinstates long standing subsidies and supports, some of which were initiated as temporary measures 20 years ago. It adds new subsidies and new supports and it holds no promise for the future but more subsidies, more supports and the grim spector of growing Government controls over our economy. Just last week, we saw this same concept applied to industry in the administration's Public Works and Economic Redevelopment Act. We must stop somewhere.

I could support a farm bill which introduced a gradual phaseout of these uneconomic subsidies, even over a long period of time. Until such a proposal is incorporated, however, I must oppose. I could and have supported measures to assist farmers in need, to rehabilitate and educate, to help them improve farming methods.

Proponents of this bill argue that although food prices have gone up over recent years, the farmers' profit has not. I ask why not? If the farmer is not getting his share of the profit that is being made from food distribution then I wonder instead of legislating controls and subsidies for the farmer should we not be finding out who is skimming the profit off the top?

Undoubtedly there are worthwhile programs buried in H.R. 9811. But they are far outweighed by the harm that is being done to our free enterprise economy by it.

I am tired of being asked, "But what will happen if we do not pass this bill?" Every time we are asked to vote for a bad bill, this is the question with which we are faced.

I do not believe the American people will accept this sort of fuzzy argument any more. They expect us to come up with good legislation, not bills that are only a little better than the claimed disaster we face if they are not passed.

But I reject the idea that we face such a disaster at all if we defeat H.R. 9811. If we do not pass this bill, only one of the programs in it would expire, the wool program. If we do not pass this bill the only disaster we face is that we will be just as badly off as we have been under successive farm legislation of the past. In short, if we do not pass this bill—and I strongly hope that we will not—we have time to get to work on creative, forward-looking legislation that will be aimed at curing some of the ills of our farm economy instead of enshrining them in Federal law as permanent fixtures of national economy.

NATIONAL DRUM CORPS WEEK

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. GARMATZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. GARMATZ. Mr. Speaker, our newspapers and magazines daily call attention to juvenile delinquents and the unfortunate incidents in which our young people are involved.

This week has been designated as National Drum Corps Week and honors about 1 million of our young people who are active in drum corps.

The misdeeds of the few are given wide publicity and, therefore, it is especially appropriate that the many activities of a worthwhile nature are brought to the attention of the public.

In my own city of Baltimore, and indeed, throughout the State of Maryland, there are many drum corps in which thousands of our young people are active. Many of them are sponsored by veterans or civic groups and they compete annually for honors and trophies.

I think this splendid program should be encouraged, as it not only has cultural value but focuses the sights of the participants on wider activities of a group nature and enables them to participate in many civic affairs, which they would not otherwise be aware of, much less attend. Let us do everything we can to promote this extremely worthwhile cause.

A SALUTE TO THE DRUM CORPS

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FRIEDEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, as lawmakers for the Nation, we are charged with the duty and responsibility to promote the general welfare. In fulfilling such obligation, we naturally take note of those things which either further that desirable objective or which tend to work against it.

Everyone, no doubt, will agree that we would much rather be able to point to something with pride than view it with alarm. I am, therefore, happy to observe the widespread interest throughout the United States in the very wholesome activities of drum and bugle corps.

The great extent of this interest is indicated by the establishment in every section of the country of State associations or regional groups of drum and bugle corps units for the purpose of promoting activity for member units and helping local communities to organize civic festivities or other special events involving participation by young men and girls who play the drums and bugles.

The drum corps is primarily a youth activity which performs a vital service in the constructive development of our youth by offering them an opportunity to acquire an interest in music, to learn the value of teamwork, and to channel their leisure time into worthwhile ends.

The ugly words, "juvenile delinquency," are heard with greater frequency now than in former times. We are appalled at the rise of crime in our country. I can think of no better way to combat misconduct of our young people than to have them become members of their local drum corps or drum and bugle corps. At this time more than 1 million young Americans are engaged in colorful and patriotic drum corps activity.

The week of August 15–21 is National Drum Corps Week. It merits our enthusiastic support and the cooperation of both the general public and all governmental officials. I know my colleagues in the Congress will join me in wishing every success to the fine young men and women who are members of the corps.

VIETNAM

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BINGHAM] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BINGHAM. Mr. Speaker, in response to a questionnaire I recently circulated in my district, some 60 percent of the 8,000 who answered indicated that they favored the administration's policy in Vietnam or more drastic measures. In spite of this, most of the mail I have been receiving is critical of our military actions in Vietnam.

Because it may be of possible interest to my colleagues in the Congress and to readers of the CONGRESSIONAL RECORD, I include herewith a statement on the subject of Vietnam which I am sending to my constituents who have written to me on this subject:

STATEMENT ON VIETNAM

In recent weeks I have continued to find out as much as I can about the situation in Vietnam and about the effect on our position at the United Nations and elsewhere in the world of our policies in Vietnam.

To this end, I have participated in two briefings at the White House, in several conferences with the Secretary of State and others in the State Department, and in meetings with other experts, some of whom are critical of our policies. I have read voluminous materials from various sources on the subject. I helped to arrange a public forum on this subject in my district. Recently, at the invitation of Congressman BENJAMIN ROSENTHAL, I joined with him in conducting an informal public hearing in his district. Finally, I have read with interest and care the mail I have received from constituents on this subject.

My views may be summarized as follows:

1. I am enormously disturbed by the situation in Vietnam and am not hopeful of any favorable outcome in the near future. I know of no one in Washington who does not share this concern. The President, who keeps hourly track of the casualties with agonizing care, has indicated again and again his intense desire to move the dispute from the battlefield to the bargaining table and to achieve an honorable settlement. I profoundly hope that he will succeed in this endeavor.

2. I am utterly opposed to our moving land troops into North Vietnam or to bombing North Vietnamese cities. While there are those in Washington who argue for such extreme measures, I am confident the administration does not contemplate any such action.

3. I am also opposed to our withdrawing from Vietnam and letting the North Vietnamese Communists take over. Such a course would have devastating effects on our positions and objectives in many parts of the world. Most of the major neutral nations of the world would not be in favor of such a course. It is of interest that less than 10 percent of the 8,000 constituents who replied to my recent questionnaire favored this alternative in Vietnam. About 60 percent favored the administration's position or more drastic action.

4. I am fully persuaded that the administration's military endeavors are limited to what the administration considers necessary to prevent a North Vietnamese Communist takeover of South Vietnam. While I would have been much less disturbed if we had not engaged in even limited bombings in North Vietnam and if we had not decided that American forces, in largely augmented numbers, were to be used in combat in South Vietnam, I do not feel that I have the information on which I can base a conclusion that these steps were not necessary to achieve the defensive objective stated above. I am convinced, however, that bombing attacks have not and will not destroy Hanoi's will to fight. Any attempt to step up the attacks in an effort to bring Hanoi to its knees would be not only immoral and contrary to our humanitarian principles and traditions, but, in my judgment, would fail.

5. During the past several months, the President has, step by step, intensified his efforts to find a road to a peaceful settlement. These welcome pronouncements by the President have clarified our intentions and strengthened our position among the non-Communist nations of the world.

6. I particularly welcome the President's recent emphasis on his desire to rely to the extent possible on the United Nations. The President's appointment of Arthur Goldberg to represent the United States at the United Nations was magnificent, and I feel sure we can rely on Ambassador Goldberg to use all his noted resourcefulness in this task. This does not mean, to my mind, that it would be useful at the present for him to attempt to obtain formal action with respect to Vietnam from the Security Council or the General Assembly. More fruitful will be the mediation and conciliation procedures open to the Secretary General. In addition, of course, the U.N. may well have a major role to play in policing any settlement that is arrived at and in coordinating the regional economic and social development programs that we hope will be undertaken in accordance with the President's great speech at Johns Hopkins University on April 7, 1965.

7. In my judgment any meaningful negotiations for a settlement in Vietnam will have to include representatives of the Vietcong, along with the representatives of Hanoi. I was encouraged by the President's statement on this subject at his July 28, 1965, press conference, as follows:

Question: "Mr. President, would you be willing to permit direct negotiations with the Vietcong forces?"

The President: "We have said we would negotiate anywhere, at any time. The Vietcong would have no difficulty being represented and having their views represented if for a moment Hanoi decided she wanted to cease aggression. I don't think that would be an insurmountable problem. I think that could be worked out."

8. On the question of possible inclusion of Vietcong representatives in the negotiations, as well as on other questions, it may well be that the Government of South Vietnam will, on various points, prove to be more intransigent than our own Government. It would be a mistake, I believe, for us to feel bound by the positions taken at any given time by whatever government happens to be in power in South Vietnam.

9. There has been much debate as to what we have pledged to the people of South Vietnam, and as to whether, as the President has said, our national honor is at stake. This debate may be relevant to the issue of whether we should continue to assist South Vietnam or should withdraw altogether. But to my mind this debate is not relevant to the question as to just how far we should go in helping South Vietnam. We cannot, by searching the historical record or by debating questions of national ethics, determine the wisest course to follow in seeking an honorable and viable solution to the problems of southeast Asia. What is more important is to determine what our objectives should be in that area and how best to achieve them, and, if we cannot achieve our long-range objectives all at once, to determine what interim steps should be taken.

10. For the short run, I suggest we should work toward free elections in South Vietnam and for the establishment of effective international machinery to supervise such elections and to guarantee that the will of the people, as evidenced by such elections, not be frustrated by aggression or interference from outside. For the time being, I cannot conceive that meaningful elections could be held in North Vietnam, and I, therefore, can see no purpose in our insisting on the provisions of the 1954 agreement in this regard. We would, by such a course, be accepting at least a temporary division between North and South Vietnam, but we have adjusted ourselves to such divisions elsewhere. As it happens, during most of Vietnam's history, north and south have not been united. While Peiping may well seek to prevent any settlement, an interim solution along these lines should be susceptible of negotiation with Hanoi, provided the representatives of the Vietcong were not excluded from the negotiations. It would, indeed, be absurd to seek to exclude them, since they would necessarily have to be allowed to participate in the elections.

11. For the long range, I would suggest that we ought to aim at a regional solution for all of Vietnam, Cambodia, and Laos. It would be unreasonable to expect that such a regional grouping would be ranged on our side against the Communist Chinese and the Russians. It would be more realistic, and sufficient for our purposes, if this grouping were independent, even though neutral in the East-West struggle. We could encourage and strengthen such independence, as President Johnson suggested at Johns Hopkins, by contributing generously to a U.N.-coordinated regional program for the economic and social development of the people of the area. It seems not beyond the realm of possibility that such an independent entity should eventually be acceptable to Communist China and to the Soviet Union, since this result would coincide with the desire of each of these powers that the area should not be dominated by the other.

12. I venture into this difficult and unfamiliar terrain, in spite of my lack of expert knowledge, because it seems to me that it is time we began to discuss more fully in the United States the kind of solutions, short range and long range which we are working toward in southeast Asia. It may be all the more important for this type of discussion to be carried on by those outside the administration, because the administration itself will naturally not wish, before any negotiations have begun or even early in any negotiations, to disclose the nature of the settlement which it would be willing to accept.

WRAPPING UP U.S. AID TO THE REPUBLIC OF CHINA

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHMIDHAUSER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SCHMIDHAUSER. Mr. Speaker, the termination of U.S. economic assistance to the Republic of China on Taiwan marks another successful accomplishment of U.S. efforts to help the developing nations maintain their independence and become self-supporting nations.

Major U.S. aid, well-administered, plus exceptional efforts on the part of the people of Taiwan have made the country a symbol of hope and success in the Far East.

As David E. Bell, Administrator of the Agency for International Development, stated on the completion of U.S. aid June 30:

> Strong and sensible efforts by the Chinese people, plus major foreign aid from the United States have brought noteworthy progress. Together, we have built roads, ports, power stations, and strengthened or created a great variety of institutions that will continue to serve the people. Production, incomes, and exports are rising. But the crucial change is that Taiwan today has the trained leadership and the capital base to allow the nation to achieve further progress on its own. We who have worked in this truly mutual enterprise salute the Chinese on their achievement of economic independence.
>
> Taiwan's progress has been exceptional. But other developing countries are also making substantial progress and will be following in Taiwan's path as we of the industrialized world use our experience and our capital to help them work toward self-support.

The following is a detailed AID report on the accomplishments of the U.S. aid mission to Taiwan, which I am sure will be of great interest to all those who have followed the progress of this industrious country:

WRAPPING UP U.S. AID TO CHINA

The AID program for the Republic of China on Taiwan comes to an end June 30, 1965. It has done its job, and the mission headquarters for the Agency for International Development is closing its doors.

Taiwan signifies another success in economic development. The Republic of China itself has become an aid donor. Chinese technicians are serving today in Vietnam and in several African countries as part of free China's own foreign aid program.

The end of economic aid programs in Taiwan does not mean the Chinese have become rich. Per capita income averages only

$150 a year as compared with the United States $2,500. But Taiwan is launched on a self-generating course of development. It is on its own. To handle the final closeout operations, AID will maintain a small administrative group under Gerald Huffman, AID representative and U.S. member of the Joint Commission on Rural Reconstruction.

In 16 years, $1,425 million in AID economic assistance has been provided to Taiwan. This represents about $7 worth of assistance to each person a year. In the aggregate, it is a large sum, but individually it seems modest. What has this money done?

GROWTH OF A COUNTRY

Funds committed to Taiwan have helped to double the real income of the people. The country's gross national product has increased by almost 7 percent every year. Industrial production has been rising at an average rate of 12 percent a year, and agricultural production has been climbing at almost 5 percent a year. This is well above the 2.8-percent population growth rate which, incidentally, is one of the highest in the world today. The Chinese are now promoting family planning and early efforts in some test cities give indications of success.

Foreign investments amount to $138.7 million, of which $52.4 million has come from the United States. American firms are represented in a variety of industries on Taiwan, including textiles, construction materials, home appliances, and detergent manufacturing. Recently the Bank of America and the First National City Bank of New York opened branches in Taipei. Current foreign investment on Taiwan is 125 times what it was back in 1952. Gross capital formation has grown at an average rate of 13 percent.

At the same time, exports have grown prodigiously. In the decade between 1953 and 1963, they went up 140 percent, giving China last year a favorable trade balance for the first time. And exports have been diversifying with new industries developing and taking over some of the traditional emphasis on agricultural products. The ratio of sugar and rice exports to total exports has fallen from 75 percent in the early 1950's to below 30 percent today.

Increasing economic health has increased China's ability to make her own economic way in the world. It is expected that while new U.S. AID economic funds are no longer forthcoming, the Government of China will acquire needed capital through private conventional sources and also from the World Bank, the Export-Import Bank and similar institutions in other developed countries. The last time China received a new AID dollar loan, authorized on June 14, 1963, interest was set at 3.5 percent with repayment over 20 years. Earlier dollar-repayable AID loans were written for three-fourths of 1 percent interest over 40 years. Even earlier, economic assistance had come in the form of grants or loans repayable in local currency.

While AID assistance is ending, commitments under the Food for Peace program (Public Law 480) continue through 1966 with all sales next year falling under title IV which calls for payment in dollars rather than local currency. At the same time, title II and title III programs involving commodities made available for emergency relief or through voluntary relief agencies are expected to continue. So far, all four titles of Public Law 480 program have contributed the equivalent of about $300 million to China's economic development. Slightly more than half of that fell under title I representing sales for Taiwan dollars.

Military assistance, of course, will also continue to operate in China. The United States has provided, since the Chinese government moved to the island of Taiwan from the mainland in 1949, almost $2.5 billion, all in grants.

LIUTU INDUSTRIAL DISTRICT

Between the capital of Taipei and the port city of Keelung a new industrial park is being built. Factories range from small labor-intensive shops to large plants like Winchester's which, inaugurated last October, now employs 150 and can turn out 17 million batteries a year. Workers earn between about $12.50 a month (which was the wage paid to a boy apprentice in the carbon black shop) to $65 a month for a skilled foreman with 25 years service. Chung Tao Kiang, general manager of the plant, a Chinese who had served in the Generalissimo's army on the mainland before moving with a million and a quarter other Chinese to Taiwan, said that the company exports its product to several parts of the world including the Philippines, Vietnam, and Australia in the East and South and Central America. One item they keep on hand is a silver-plated shovel presented by the Olin Mathiesen Co. on the occasion of the ground-breaking ceremony March 3, 1964.

A new enterprising small company is the Far East-American Marble Co. which cuts, shapes, and smooths marble from the mountains of Taiwan for use in new buildings now going up. Both the 400-room President and the 300-room Ambassador Hotels, Taipei's newest and largest hotels, have marble furnishings supplied by the Far East-American Marble Co. These hotels, put up with the help of AID local currency funds loaned at 12-percent interest, represent Taiwan's push for more business. Tourism has been growing at a rate of 35 percent a year and this year is expected to attract 125,000 visitors. The raw marble in the mountains is not far away. It takes only half an hour to fly from the industrial district to the quarry. But it takes 14 hours to haul it out by truck.

Alongside the Liutu industrial district runs the recently opened MacArthur Thruway, linking Taipei with its port at Keelung. It costs 5 new Taiwanese dollars to travel its 15 miles (about 12 cents) and it's worth it. The Chinese built it—and without AID funds.

AID hasn't had to invest much in money for Taiwan's highway program. Mostly technical advice has been provided for such projects as the cross-island road built by retired servicemen. Total U.S.-dollar assistance for Taiwan highways has amounted to $154,000.

GOVERNMENTAL DEVELOPMENT

The mayor of the capital city of Taipei is himself a foreign-aid recipient. He is also a leader of the opposition party. A native-born Taiwanese, Mayor Henry Kao (pronounced Gow), was sent to the United States in 1951 as the first participant receiving a foreign-aid grant for study from Taiwan.

He spent 3 months at the National Bureau of Standards in Washington, another couple of months with the U.S. Pipe & Foundry Co., Barrington, N.J., half a year with the Methods Engineering Council in Pittsburgh, and finally 2 months with Massachusetts Institute of Technology's Professor Taylor, a specialist in the use of sand for making foundry castings.

"I went over to your country to learn casting engineering," the mayor says with a twinkling smile, "but I really learned about casting votes."

He has twice been elected mayor of Taipei, the first time in 1954 and then again 10 years later. The term of office is 4 years. During his first term, he made another trip to the States, again under the auspicies of the foreign aid program, this time to study city government operations and to attend the American mayors' conference. Unlike his yearlong visit in 1951–52, however, this one lasted only 45 days.

"I'm the opposition to the party in power on this island," Mayor Kao says with some fervor, "and I won the last time by just 16,000 votes—192,000 to 176,000."

Mrs. Kao also has been to America. A medical doctor, she went on from the International Medical Women's Association meeting in London in 1958 to spend 5 months visiting Boston, New York, Detroit, Chicago, and Washington, D.C. Also a native Taiwanese, Madam Kao met her husband when they were both studying in Tokyo. They have four sons.

The mayor says he intends to remain a good politician. He is friendly, humorous, and erudite. Besides Taiwanese and English, he speaks Japanese and Mandarin. And he's a joiner—of the Lions Club, Rotary, Mason, Shriner, and Friends of China Club.

AID TO INDUSTRY

Another Taiwanese who has moved with the times and is proud of it is Chen-Fu Koo, president of the Taiwan Cement Co. He never expected to be an industrialist. Born of an old and distinguished family, he inherited the family domain—7,000 acres of farmland with 2,000 tenant farmers working it.

What did Mr. Koo think of the new government's plan to divide the property among those who tilled it—a program that was put in force in 1954? "Well, I didn't think much of it at the time," he said. "Other landholders and I found it difficult to reconcile ourselves to the plan."

But they had to give up their land by government decree, receiving in return shares in new government industries. From that start, Mr. Koo went on to become the head of one of those industries—the Taiwan Cement Co.—and he also was one of the founders of the Taipei Stock Exchange, established in 1962.

What does he think of land reform now? "It's the best thing that could have happened to Taiwan. It has been a huge success."

Mr. Koo has moved with the times, and he no longer longs for those 7,000 acres that had been in his family for more than 700 years.

AID TO AGRICULTURE

On the other side of the scale, another man who has moved with his times is Lien-Fang Peng, a wiry and vigorous grandfather who, with his five sons, owns 12 acres of farmland about 50 miles south of the capital city. They grow rice and mushrooms and, in between the rice rows, sweet potatoes. Through relay planting, taught them by Taiwan agricultural extension workers, they harvest three and sometimes four crops a year. The sweet potatoes and turnips they use to feed their hogs. Mushrooms, virtually unknown on Taiwan a few years ago, earned about $18 million in export sales for Taiwan last year.

"All of this would never have been possible," says Farmer Peng, "without the government's land reform program. We've been able to buy our own land, and we've been given advice on how to improve it."

In a country where half the population is agricultural and only a quarter of the geography is arable, technical advances in productivity are especially important. A measure of the advances brought on by the government through the JCRR (the Joint Commission on Rural Reconstruction on which AID has a Commissioner) can be seen in the lifting of farm income by 90 percent in the past 10 years. At $135 average per person a year, it is getting close to the country's $150 average.

Farming on Taiwan is a success story. By trading the large farms of the Mr. Koos for stock interests in new industries and turning the property over to the Mr. Pengs, Taiwan has eliminated absentee ownership, made landowners of 86 percent of the working farmers, stimulated industrial growth, and increased agricultural productivity.

HEALTH AND EDUCATION

From a dollar-cost point of view, a relatively small portion of total U.S. economic aid has been directed toward programs in the fields of health and education. In the 14 years through 1964, the amount equaled only 3 percent of the total—$32,976,000 for health and sanitation and $9,383,000 for education. Considerable results have been achieved.

The scourge of malaria has been beaten. In 1950, 12,000 people died from the disease. Today, with the help of the U.S. antimalaria program, there are no malaria fatalities.

Taiwan has a good school system. More than 96 percent of the children of school age are enrolled. There are more than 1,800 grade schools, and the number of secondary schools has increased 7 times since the end of World War II. To help build the educational talent of Taiwan, the AID program has provided training in the United States or other countries for 478 Chinese. Another 202 have received similar training in the health and sanitation field.

An individual Chinese on Taiwan consumes about 2,500 calories a day of a high protein diet and can look forward to a life expectancy of 63, an advanced age especially for the Far East. Ninety percent of the people are literate.

AID FROM INDUSTRY

Robert W. Belt has arrived in Taiwan, the first member of the International Executive Service Corps to be assigned to the Far East. A civil engineer graduate of the University of West Virginia, class of 1932, he aims to develop a program of management and executive services for Chinese business that will improve their merchandising, quality control, personnel relations and the like. Though he arrived only last March, from his home in Two Rivers, Wis., Belt is already an expert on Taiwan. He has served there with AID for 25 months, and he has visited more than 400 plants up and down the 200-mile length of the country.

With him is Mrs. Belt, also a veteran of Far East service. She used to teach remedial reading in Taipei. Belt looks on his new assignment as a broad opportunity. "We can show the people all around the world that the people in these free countries are better off economically than people in Communist countries; are better off in every way. That's what I call the positive way to fight communism."

POWER

For Taiwan to continue to expand industrially, it needs more electrical power. An energy resources team of eight American and eight Chinese experts, headed by Walker Cisler, of Detroit, and Neal Gill, of Cleveland, studied the needs and the problems through the past winter. Their recommendations will have a bearing on Taiwan's future power and, therefore, on its industrial development.

It seems strange that Taiwan must curtail its power today, for power output has been increased by an average of 12½ percent every year for the past 10 years. Generating capacity has passed the 1-million-kilowatt level. Programs call for 1,770,000-kilowatt capacity within the next 2 years.

The latest addition to Taiwan's burgeoning power supply comes from the impressive, multipurpose, $80 million Shihmen Dam. From the huge Westinghouse control board, 90,000 kilowatts of hydroelectric power can be sent directly to Taipei, only 30 miles away, or gridded into the national system. Besides providing power, the huge dam (it took 7 million cubic meters of earth and rock and its name means Stone Gate) can irrigate 143,000 acres of farmland, with an estimated increase in rice production of 74,000 tons a year. Its 256,000 acre-feet of water in the massive reservoir can accommodate the personal and industrial needs of the 100,000 inhabitants of the region plus control future floods.

Stone Gate was built to specifications of Tippetts-Abbett-McCarthy-Stratton, of New York City, who supervised the local construction forces, provided necessary equipment and trained local labor in the required skills. Morrison-Knudsen Asia, Inc., also provided engineering supervision of the construction. At the peak of construction—the work was started in 1959 and the dam was inaugurated in August 1964—7,500 people worked on the project. Besides its cost in money 34 died in accidents.

Of the total cost, the United States provided $21.5 million in a 35-year, 3½-percent loan and $7.9 million in grants. Already, China has repaid half a million dollars of the loan, which is not yet 7 years old, and almost $2½ million dollars in interest fees alone.

In all, China has received from the U.S. aid program a quarter of a billion dollars in loans. About $20 million has been returned to the United States in interest collections. Three Cooley loans—named after Congressman HAROLD D. COOLEY, of North Carolina, who sponsored the amendment to the food-for-peace law authorizing local currency for use of foreign operations of U.S. firms or of foreign firms which would expand markets for U.S. farm products—have been repaid in their entirety. Another three loans in U.S. dollars have been repaid. Their total amounts add up to $2,260,353, with interest collections coming to $298,414.

TRIBUTE TO DR. HOWARD L. ANDREWS ON HIS RETIREMENT FROM THE U.S. PUBLIC HEALTH SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 10 minutes.

Mr. FOGARTY. Mr. Speaker, I wish to call to the attention of the House the outstanding record of a distinguished Rhode Islander, Dr. Howard L. Andrews, radiation safety officer of the National Institutes of Health, and Chief of the NIH Clinical Center's Department of Radiation Safety.

Dr. Andrews will retire from the Public Health Service commissioned corps on August 31, 1965, to become Assistant Director of Health and Safety at the Puerto Rico Nuclear Center, a part of the University of Puerto Rico.

I take special interest and personal pride in pointing to Dr. Andrews' many achievements because once again a Rhode Islander has made solid contributions to the vital field of health. He received his B.S., M.S., and Ph. D. degrees from Brown University in Providence, R.I., and he served as instructor in physics there from 1930 to 1934. He also carried out some of the pioneer investigations in the field of electroencephalography at Emma Pendleton Bradley Hospital in East Providence, R.I.

While his career was rooted in Rhode Island soil, his accomplishments embrace a much larger area. Dr. Andrews has been contributing his remarkable talents to the Public Health Service since 1937, when he joined the staff of the Public Health Service Hospital in Lexington, Ky. While there, he conducted research on the biophysical aspects of drug addiction, and was the first to demonstrate that opiates tend to control the subjective reaction to pain rather than to suppress the sensation of it.

At the start of World War II, Dr. Andrews joined the staff of the National Institutes of Health. As our nuclear testing program developed, Dr. Andrews became involved in radiation work as a member of advisory panels formed to consider the safety aspects of test detonations.

At that time also, he became a PHS commissioned officer and began a 14-year term as head of the radiobiology section of the National Institute of Arthritis and Metabolic Diseases. From 1959 to 1963, he served as chief of the radiation physics section in the National Cancer Institute.

Dr. Andrews, because of his vast knowledge and experience in the field of radiation, was selected radiation safety officer of the National Institutes of Health in 1958 and was then appointed chief of the Clinical Center's Department of Radiation Safety when it was established in 1963, holding these two positions concurrently.

The development of instruments for measuring radiation is just one of many research contributions Dr. Andrews has made. Among his others are studies of the biological effects of high doses of radiation, and the application of human whole-body counter techniques to clinical medicine.

Serving as a member of the radiation study section at NIH, Dr. Andrews has influenced the growth and importance of the field of radiation biology. He has also served as a member of the National Academy of Sciences Biological Effects of Atomic Radiation Committee and was its executive secretary from 1959 to 1964. In addition, Dr. Andrews is a fellow of the American Physical Society, and is currently president of the Health Physics Society.

Dr. Andrews is an author as well as a researcher and teacher. In addition to many articles on radiation physics and biology, he coauthored with Dr. R. E. Lapp, Nuclear Radiation Physics, which has been a standard college text since 1948.

Dr. Andrews' impressive list of accomplishments will not be forgotten by those of us who are concerned with every facet of health research. His outstanding achievements in the broad field of physical biology as investigator, teacher, and leader were recognized when he was awarded the Public Health Service Medal for Meritorious Service in February of this year.

Fortunately, Dr. Andrews is not retiring from active service. He is only moving from Bethesda, Md. to Puerto Rico. His long career of solid achievements and numerous contributions to the advancement of public health and welfare will stand as a tribute to Dr. Andrews, and I am sure he will continue to add to them in his new position at the Puerto Rico Nuclear Center.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DERWINSKI (at the request of Mr. WATSON), for 15 minutes, on August 19, 1965.

Mr. FOGARTY (at the request of Mr. FOLEY), for 10 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. OLSEN of Montana (at the request of Mr. FOLEY), for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. GERALD R. FORD to include charts in his remarks during debate in Committee of the Whole today.

Mr. OLSON of Minnesota after conclusion of the debate on title 1 of H.R. 9811 and to include extraneous matter in remarks made in Committee of the Whole.

(The following Members (at the request of Mr. WATSON) and to include extraneous matter:)

Mr. BELL.
Mr. SCHNEEBELI.
Mr. WIDNALL.
Mr. PELLY.
Mr. ROUDEBUSH.

(The following Members (at the request of Mr. FOLEY) and to include extraneous matter:)

Mr. MCCARTHY.
Mr. NIX.
Mr. GARMATZ.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1291. An act for the relief of the children of Mrs. Elizabeth A. Dombrowski;

H.R. 7181. An act to provide for the commemoration of certain historical events in the State of Kansas, and for other purposes; and

H.J. Res. 95. Joint resolution to designate the lake to be formed by the waters impounded by Sanford Dam, Canadian River project, Texas, as "Lake Meredith."

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 45. An act for the relief of Maj. Raymond G. Clark, Jr.;

S. 125. An act for the relief of Armando S. Arguilles;

S. 207. An act for the relief of Dr. Jose S. Lastra;

S. 263. An act for the relief of Honorata A. Vda de Narra;

S. 442. An act for the relief of Carleen Coen;

S. 570. An act for the relief of Frank S. Chow;

S. 582. An act for the relief of Aleksandr Kaznacheev;

S. 616. An act for the relief of Miss Choun Seem Kim;

S. 678. An act for the relief of Lee Hi Sook;

S. 826. An act for the relief of Har Gobind Khorana;

S. 916. An act for the relief of Debra Lynne Sanders;

S. 954. An act for the relief of Ailsa Alexandra MacIntyre;

S. 1103. An act for the relief of Kathryn Choi Ast;

S. 1498. An act for the relief of Nikolai Artamonov; and

S. 1648. An act to provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.) the House adjourned until tomorrow, Thursday, August 19, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1476. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 12, 1965, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of Virginia Beach, Va., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 268); to the Committee on Public Works and ordered to be printed with three illustrations.

1477. A letter from the Secretary of the Army, transmitting a letter from the Acting Chief of Engineers, Department of the Army, dated June 30, 1965, submitting a report, together with accompanying papers and an illustration, on a review of the reports on the Great Lakes harbors study, second interim report on Ashtabula Harbor, Ohio, requested by resolutions of the Committee on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 269); to the Committee on Public Works and ordered to be printed with one illustration.

1478. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 2, 1965, submitting a report, together with accompanying papers and illustrations, on a review of the reports on Lee Creek, Ark., and Okla., requested by resolutions of the Committee on Flood Control and the Committee on Public Works, House of Representatives, adopted May 2, 1946, and July 31, 1957 (H. Doc. No. 270); to the Committee on Public Works and ordered to be printed with three illustrations.

1479. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of colemanite from the supplemental stockpile; to the Committee on Armed Services.

1480. A letter from the Deputy Director, Office of Emergency Planning, Executive Office of the President, transmitting a survey report on certain bank protection work on the Eel River, Calif., pursuant to section 4 of Public Law 89–41; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CELLER: Committee on the Judiciary. H.R. 10386. A bill to provide continuing authority for the protection of former Presidents and their wives or widows, and for other purposes; without amendment (Rept. No. 806). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROONEY of New York: Committee of conference. H.R. 8639. A bill making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1966, and for other purposes, (Rept. No. 807). Ordered to be printed.

Mr. ZABLOCKI: Committee on Foreign Affairs. Report on Poland, Czechoslovakia, Austria, and Italy; without amendment (Rept. No. 808). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Illinois: Committee on Foreign Affairs. Report on African students and study programs in the United States; without amendment (Rept. No. 809). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. H.R. 5401. A bill to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system, and for other purposes (Rept. No. 810). Ordered to be printed.

Mr. MORGAN. Committee of conference. H.R. 7750. A bill to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes (Rept. No. 811). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GARMATZ:

H.R. 10526. A bill amending sections 2 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a new sea level canal connecting the Atlantic and Pacific Oceans; to the Committee on Merchant Marine and Fisheries.

By Mr. JOELSON:

H.R. 10527. A bill to amend section 1498 of title 28, United States Code, to authorize the use or manufacture, in certain cases, by or for the United States of any invention described in and covered by a patent of the United States; to the Committee on the Judiciary.

By Mr. KORNEGAY:

H.R. 10528. A bill to amend title 38, United States Code, to provide education and training for veterans of service after January 31, 1955, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MULTER (by request):

H.R. 10529. A bill to prohibit banks from performing professional accounting services; to the Committee on Banking and Currency.

By Mr. QUIE:

H.R. 10530. A bill to provide assistance to certain States bordering the Mississippi River in the construction of the Great River Road; to the Committee on Public Works.

By Mr. RACE:

H.R. 10531. A bill to amend the act of September 21, 1950, incorporating the U.S. Olympic Committee to authorize that organization to mediate certain disputes; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 10532. A bill to provide for the coinage of proof sets of subsidiary silver coins and minor coins bearing the date 1965; to the Committee on Banking and Currency.

By Mr. WRIGHT:

H.R. 10533. A bill the amend the Internal Revenue Code of 1954 to provide a deduction for amounts expended by firemen for meals which they are required to eat at their post of duty; to the Committee on Ways and Means.

By Mr. ARENDS:

H.R. 10534. A bill to amend titles 10 and 37, United States Code, to provide career incentives for certain professionally trained officers of the Armed Forces; to the Committee on Armed Services.

By Mr. GRABOWSKI:

H.R. 10535. A bill to provide for a bipartisan committee to study the election methods for national offices in the U.S. executive and legislative branches, to evaluate the various means of conducting campaigns, especially the campaign for President and Vice President of the United States, to study other related procedures and activities, and to make recommendations for improvements in these areas; to the Committee on House Administration.

By Mr. KARTH:

H.R. 10536. A bill to prohibit and make unlawful the hiring of professional strikebreakers in interstate labor disputes; to the Committee on Education and Labor.

By Mr. POFF:

H.R. 10537. A bill to amend section 5(1) of the Railroad Retirement Act of 1937 to provide benefits for children of deceased railroad employees who are over the age of 18 and below the age of 22 and are attending an educational institution as full-time students; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBISON:

H.R. 10538. A bill to establish the national water resources trust fund; to the Committee on Banking and Currency.

By Mr. BROCK:

H.R. 10539. A bill to establish the national water resources trust fund; to the Committee on Banking and Currency.

By Mr. GERALD R. FORD:

H.R. 10540. A bill to establish the national water resources trust fund; to the Committee on Banking and Currency.

By Mr. THOMPSON of New Jersey:

H.R. 10541. A bill to provide for the establishment of the Hudson Highlands National Scenic Riverway in the State of New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEOGH:

H.R. 10542. A bill relating to the carryover of net operating losses of certain railroad corporations; to the Committee on Ways and Means.

By Mr. BURKE:

H.R. 10543. A bill relating to the carryover of net operating losses of certain railroad corporations; to the Committee on Ways and Means.

By Mr. SCHNEEBELI:

H.R. 10544. A bill relating to the carryover of net operating losses of certain railroad corporations; to the Committee on Ways and Means.

By Mr. DOW:

H.J. Res. 631. Joint resolution to authorize the President to issue a proclamation commemorating the 200th anniversary of the Stamp Act Congress, held at New York, in the Colony of New York, October 7–25, 1765; to the Committee on the Judiciary.

By Mr. PATMAN:

H. Res. 528. Resolution providing for the consideration of the bill (S. 408) to authorize a study of methods of helping to provide financial assistance to victims of future natural disasters; to the Committee on Rules.

By Mr. QUIE:

H. Res. 529. Resolution directing the Postmaster General to provide the names of temporary employees employed by the Post Office Department during the summer of 1965; to the Committee on Post Office and Civil Service.

By Mr. HORTON:

H. Res. 530. Resolution that it is the sense of the House of Representatives that oppression of minorities in Rumania through a systematic plan launched by the Communist regime in control of Rumania be condemned and the President of the Unted States is requested to take appropriate steps in our relations with the Rumanian Government as are likely to bring relief to the persecuted minorities in the controversial Transylvania region of that country; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Res. 531. Resolution providing for the consideration of the bill (H.R. 7372) to amend the Bank Holding Company Act of 1956; to the Committee on Rules.

By Mr. MORSE:

H. Res. 532. Resolution creating a select committee of the House to study the problems of urban areas; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON of California:

H.R. 10545. A bill for the relief of Mrs. Hourolain Maghzi; to the Committee on the Judiciary.

By Mr. CAREY:

H.R. 10546. A bill for the relief of Herbert L. Watkins and his wife, Norma Elaine Watkins; to the Committee on the Judiciary.

By Mr. GROVER:

H.R. 10547. A bill for the relief of Antonio Bellavia; to the Committee on the Judiciary.

By Mr. MACKIE:

H.R. 10548. A bill for the relief of Dr. Sesinando G. Nazareno, his wife, Aurora Padilla Nazareno and their child, Mary Agnes Nazareno; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 10549. A bill for the relief of Panagiotis Kalogeropoulos; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 10550. A bill for the relief of Guiseppe Gumina; to the Committee on the Judiciary.

By Mr. REDLIN:

H.R. 10551. A bill for the relief of Dr. Harbans Singh Gill; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 10552. A bill for the relief of the Boys' and Girls' Aid Society of San Diego, Ltd.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Drum Corps Week

EXTENSION OF REMARKS

OF

HON. HERMAN T. SCHNEEBELI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

Mr. SCHNEEBELI. Mr. Speaker, I am happy to join my colleagues in the House in a salute to all those who have put so much time, effort, and energy into America's drum corps. The spirit which these well-trained and brilliantly uniformed groups lend to our holiday parades and public events is a much appreciated reminder of our Nation's great heritage.

History books tell us the American Revolution began when a drummer, William Dinman, beat the call "To Arms" on Lexington Common. It signaled the birth of a nation and the emergence of a new era in political thought and individual freedom.

Although the fife and drum were gradually replaced with more modern means of military communications, the drum corps of today continues to make a definite contribution to our society. They offer the youth of America a wholesome, character-building activity as well as help to infuse into the general public a vigorous spirit and healthy patriotism.

The young people and adults alike, who have devoted so much time and initiative to this activity are to be commended. The long hours of practice, civic mindedness, and just plain hard work, all of which are necessary to build a polished and proficient corps, are appreciated by all of us who are privileged to enjoy the performances and participation of drum corps units in parades, and so forth. My best wishes go out to all for continued success and increased community support for these endeavors.

North Pacific Salmon Fishery

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

Mr. PELLY. Mr. Speaker, I wish to point up that the success of some of the 1965 Bristol Bay salmon runs in Alaska does not represent in any way that a solution to the North Pacific salmon problem has been found.

Japan would like to have people believe that this extraordinary run proves that the Japanese fishing fleet is not destroying American stocks of red salmon on the high seas. The Japanese are spreading the word that the volume of fish that returned to Bristol Bay this summer removes the argument for Japan to withdraw from cooperating with Canada and the United States in conserving our fishery resources.

The Japanese, of course, conveniently overlook the fact that there were 3 previous lean years and that in the years ahead there is little promise that 1965 conditions will be repeated. Actually, the big salmon runs occurred in only 2 of the 10 rivers in the Bristol Bay area.

Meanwhile, the Pacific Marine Fisheries Commission has called for the strongest possible U.S. position toward protection of American salmon and halibut stock.

United Nations

EXTENSION OF REMARKS

OF

HON. RICHARD L. ROUDEBUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

Mr. ROUDEBUSH. Mr. Speaker, 1 year ago this week the U.S. House of Representatives voted unanimously, 351 to 0, in favor of a resolution expressing Congress opinion that Russia and 14 other nations meet their financial obligations to the United Nations or suffer the consequences of article 19 of the U.N. Charter: loss of vote in the General Assembly.

Within the past week, almost 1 year to the day that the House passed its resolution—House Concurrent Resolution 343—the administration let Russia and the other debtor nations off the hook completely.

Our new U.N. delegate, in his first speech, indicated the United States will not press the issue.

Excuse for the surrender was the need for business of the U.N. to proceed.

What business?

Existence of the United Nations is based on its function as a peace-keeping world organization.

At this very instant we are engaged in a war in Vietnam against Communist aggression and terror.

We are fighting this war almost singlehandedly, yet the U.N. all but ignores the conflict which is spreading and increasing in intensity almost daily.

The plain, unvarnished truth, Mr. Speaker, is that this administration is permitting the Communists to use the U.N. to their advantage and to our disadvantage.

Whenever the United States acts anywhere in the world to preserve freedom it becomes a matter of concern to the U.N. to check American imperialism and colonialism.

But whenever communism marches, the U.N. looks the other way.

Mr. Speaker, I have supported our participation in the United Nations, and will continue to do so because it is a step in the right direction, and at least provides a sounding board for the various nations, despite our present disadvantage.

I do not have any illusions, however, that the U.N. in its present form provides any deterrent to aggressors.

The only force standing between total war and peace in the world are the men of the Strategic Air Command, and the other Armed Forces of the United States.

Remove these restraints and the Communist hordes would sweep the world and the United Nations would not make a particle of difference to the Red criminals.

This administration's surrender on the U.N. financial obligations of Russia and the 14 other nations, including six other Communist nations means two things:

Russia and its satellites have the green light to further prostitute the principles of the United Nations for their own aggressive ambitions, and the desires and wishes of the U.S. Congress in basic issues has not a particle of weight with the administration or State Department.

Of course, as is usually the case when the administration makes a decision to accommodate the Reds, the financial loser will be the American taxpayers.

Let the record show that the following amounts of legitimate debts to the U.N. are being overlooked by this administration, and payment will ultimately be wrung from the U.S. taxpayer in one way or another:

Russia, $54.7 million; Ukrainian S.S.R., $7 million; Rumania, $1.2 million; Poland, $3.6 million; Hungary, $2 million; Czechoslovakia, $3.5 million; Byelorussian S.S.R., $1.8 million; China, $14.7 million; Argentina, $3 million; Bolivia, $124,990; Guatemala, $127,409; Haiti, $131,228; Paraguay, $132,491; Uruguay, $279,650; and Yemen, $141,468.

Importance of American Merchant Marine Again Demonstrated

EXTENSION OF REMARKS

OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

Mr. GARMATZ. Mr. Speaker, it has rightly been said, and long recognized, that a good picture is worth more than a thousand words. Such a picture was presented to readers of the Baltimore Sun this morning. It showed members of the 1st Cavalry going aboard the Navy troopship, *Upshur*, at Savannah, Ga., headed for Vietnam. More than 2,000 troops were scheduled to sail on Tuesday for that country. Once again has the Vietnam trouble shown conclusively that only by surface ships can troops be transported quickly in great numbers along with their equipment, supplies, and materiel.

The *Upshur*, as noted, is a Navy ship but a score or more of commercial ships have been called upon by Defense to move the mountain of supplies, guns, and rolling equipment needed for the operations in that foreign country.

Such reliance upon the ships of our merchant marine is not unusual, of course. Rather, it is strictly routine. In the Korean conflict a great number of ships were withdrawn from the national defense reserve fleet to supplement many privately owned ships that were needed and the World War II reliance upon ships built in privately owned shipyards is history—a history that must never be forgotten by those responsible for defense logistics. Each new overseas incident, however, seems to require that people high in defense and Government circles—even some in Congress—must relearn the lesson of the two World Wars and Korea—namely, that when our defense potential must be brought into play overseas, fullest reliance must be placed on America's shipping. And that shipping must be on hand to meet defense requirements.

What of the Watts Community?

EXTENSION OF REMARKS

OF

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

Mr. NIX. Mr. Speaker, there has been an occurrence in race relations which is deplored by everyone in this country. I am referring to the current upheaval in the Watts community of Los Angeles, Calif. In view of the intensity and duration of this regrettable, destructive, lawless, and terrifying event, I feel compelled to express my views in the hope that a fuller understanding of the many implications might emerge.

It is unfortunate that most of the comments since the outbreak have been confined to laying the blame on some one thing or on some few people. Because of my unequivocal disagreement with this approach, I deem it necessary to point out the fallacies inherent in such reasoning. For example:

To blame the disgusting, senseless holocaust on "coddling of criminals and the lawless element," as did Los Angeles Police Chief William H. Parker, is to utter a stupid, meaningless, and perhaps provocative excuse.

To blame the insurrection on hatred of the white man is but to oversimplify a vastly complicated mental and spiritual condition of an unfortunate segment of the Negro people.

To blame this outrage on the civil rights struggle and recent court decisions is to disregard the findings of the sociologists, the psychiatrists, the historians, and all the responsible men who have studied the people and the conditions in the ghettos of this country.

To blame the outburst on Communist infiltration is to resort to a device and an excuse seized upon by those who are incapable of analytical thought; by those who refuse to think; and by those who reject logic.

To blame this horror on police brutality is to use a hackneyed phrase that does not relate to the enormity of the problem.

To blame the Negro leadership is a most interesting response. It is to impute to those leaders a power never possessed in history by the leaders of any people—the ability to control a mob. Even while making this complimentary assessment, the same observers continue to heap vituperation, abuse, and vilification upon those to whom they have attributed such greatness.

To blame this insurgency on a Federal cut-off of antipoverty funds, as did Los Angeles Mayor Sam Yorty, is to entirely disregard the effects of his own intransigence in refusing representation to the poor in conjunction with the program.

Mr. Speaker, none of these explanations is sufficient in itself. Perhaps taken all together, will give us partial insight toward a solution that will remedy similar situations and prevent a recurrence.

Mr. Speaker, despite the complexity of the circumstances, despite the admitted fact that all of us say there is some cause for unrest, I say there is no justification for murder, pillage, arson, robbery, assault, and general disregard for the constituted laws of the land.

Mr. Speaker, I categorically condemn the use of violence in any form. I completely reject the utter disobedience of proper public authority. This sort of behavior bears no relation whatever to the civil rights struggle; its yield is only bitter fruit and ill will.

The last 100 years of stupidity has produced deprivations for the Negro which include denial of his rightful position as an American citizen. But even this is not the immediate issue in the fullest sense. The real meat of the matter is that we now face a moment of truth for all of mankind, and that instant of verity focuses upon the concept equality. For all men of every race, creed, and nationality, equality must be realized—it cannot be evaded. The United States of America, in its position of world leadership, must set the course in that direction for all mankind.

Discrimination Against the Hungarian Minority in Transylvania

EXTENSION OF REMARKS

OF

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

Mr. BELL. Mr. Speaker, political scientists have pointed out that one of the tragic defects in all oligarchial systems is the lack of representation for minority groups. If the government becomes responsive to the people at all it is only to an assertive majority—the mass of the population which, by its sheer size, forces the government to respond to its demands. Minority groups, unable to exert any influence on the callous functionaires of the state, are left to the mercy of the mob.

Even more tragic are the shocking instances, to which this century has too often been a witness, of conscious efforts directed by totalitarian regimes to destroy entire minority groups.

Such is the deplorable situation which now exists in the province of Transylvania located near the Rumanian-Hungarian border. Hungarian sources have documented as many as 278,000 cases of the outright murder or deportation of Hungarians during the last decade.

In the early years of Communist rule, a good deal of the injustice suffered by the Hungarian minority was part of that inflicted upon all who refused to bow to Communist tyranny. Today the situation is less ambiguous; Hungarians are being persecuted simply because they are a national minority group.

There are over 1.6 million Hungarians in Rumania today. They are excellent representatives of an old and talented people; a people which has had a most valuable influence not only on the culture of Europe, but on that of America as well.

Today the Government of Rumania is reasserting its independence. As it breaks loose from the shackles of Soviet domination it seeks closer ties with the West—with the United States. It is odd that it should continue to pursue the very policies which endanger the establishment of Rumania's new international objectives.

The Government of Rumania should be well advised that Americans have not forgotten their Hungarian kinsmen; that the United States will not turn its back upon their mistreatment. Let us make the Rumanian Government well aware of the concern of the American people and of this Chamber for the fate of the Hungarian minority in Transylvania.

National Drum Corps Week

EXTENSION OF REMARKS

OF

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

Mr. WIDNALL. Mr. Speaker, I am pleased today to join my colleagues in recognizing the work being done by this Nation's young people in drum corps units. I feel that it is particularly significant that the Nation has set aside a week-long period designated as National Drum Corps Week for the recognition of this youth activity.

Participation in a drum and bugle corps provides the individual youth with a healthy experience which is of great value in his formative years. The colorful pageantry and disciplined precision practiced by these units require each member to be capable of working well with the others. The loyalty to the unit, pride in appearance, and group spirit fostered by these units constitutes a valuable contribution to American life.

Drum corps performance has been called a new art form and its expression of order, color, symmetry, and beauty well support this view. I am especially pleased to note that two drum corps units of national prominence come from my State of New Jersey: the current American Legion national champions, the Senior Caballeros of Hawthorne, N.J., and the Junior Garfield Cadets of Garfield, N.J., in my own district. The Cadets, along with the Mountetts All Girl Drum and Bugle Corps, also in my district, have contributed much to the communities in which they perform. Along with the other national championship units such as the Boston Crusaders, the Junior Optimists of Toronto, Canada, and the North Carolina State University Drum and Bugle Corps, these groups have set an admirable example for our Nation's young people.

I extend my most hearty congratulations to the Nation's drum corps and I am sure that interest and participation in these units will continue to increase.

New High in AID Spending in the United States

EXTENSION OF REMARKS

OF

HON. RICHARD D. McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1965

Mr. McCARTHY. Mr. Speaker, I should like to call the attention of my colleagues to the report of the Agency for International Development that 80 percent of all its funds went for American goods and services during the first half of the current fiscal year—1965. According to AID estimates, this 80-percent level will be surpassed during the entire fiscal year. And planning estimates call for 85 percent of AID funds committed in fiscal 1966 to be spent in the United States.

This is a new high in AID spending in the United States and further decreases the effect of economic assistance programs on our balance-of-payments deficit. The rate compares with 47 percent in 1962; 61 percent in 1963; and 74 percent in 1964. At a time when we are all concerned with our balance-of-payments problem, these are very encouraging figures.

As AID Administrator David E. Bell recently reaffirmed to the House Appropriations Committee:

> AID expenditures are a small and decreasing factor in our balance-of-payments problem.

Mr. Bell also noted at that time that preliminary figures on calendar year 1964 show that AID spent approximately $400 million abroad, receiving back at the same time more than $150 million from repayments on prior loans. This left a net adverse effect of about $250 million on the balance of payments. Only 10 percent of the Nation's total payments deficit is, therefore, due to this AID impact.

Even more impressive than the 80-percent figure which covers all outlays, is the figure for commodity procurement, a major component of the total outlay. In this category, 93 cents of every dollar remains in the American economy. This compares with 86 cents of every dollar spent for commodities during fiscal 1964 and 41 percent during fiscal 1960 when more restrictive purchase policies had not yet achieved their fullest effect.

While my colleagues, I am sure, join me in applauding this new high in AID spending in the United States, they are no doubt asking themselves as I did about the meaning of this 80-percent figure in terms of dollars spent in the United States. According to AID, this 80-percent U.S. expenditure figure during the first 6 months of fiscal 1965—July to December 1964—represents $827 million spent in the United States for goods and services, of a total of slightly more than $1 billion. This figure includes such program spending as commodity procurement, inland and ocean freight on these goods, and on surplus foods distributed by associated voluntary agencies, technical service, contracts with business firms and universities, foreign student training, cost of AID technicians overseas, U.S. contributions to international organizations for development and relief purposes, and administrative expenses.

The purchase of commodity goods accounts for the biggest share of all AID spending—$665.2 of the $1,030 million total in the first half of fiscal 1965. Of that amount, U.S. suppliers during the first 6 months of the current fiscal year received $616.2 million, or 93 percent of the amount of $665.2 million spent on commodities. This is a record high for any half year.

Paralleling this continued upward trend in AID spending in the United States, is the export financing for American firms which is also moving at a record pace in terms of dollar value. The 6 months U.S. total of $616.2 million compares with $993.5 million in U.S. commodities during all 12 months of fiscal 1964. It already exceeds the $586.4 million reported for the entire 1962 fiscal year.

As the following table summarizing procurement source trend of commodity spending—values stated in millions of dollars—shows, there has been a further decline in commodity purchases outside the United States. Only 1 percent was spent in the 19 developed countries—mainly Western Europe and Japan. Six percent was bought in the developing countries. No funds may, of course, be spent in Communist-bloc areas.

Fiscal year	Total commodity expenditures	United States		19 developed countries		Developing countries	
		Amount	Percent	Amount	Percent	Amount	Percent
1959	$1,002.1	$475.0	47	$422.3	42	$104.8	11
1960	1,040.2	422.7	41	513.9	49	103.6	10
1961	1,054.6	465.7	44	496.4	47	92.4	9
1962	883.9	586.4	66	139.0	16	158.5	18
1963	1,145.9	905.1	79	78.0	7	162.7	14
1964	1,150.2	993.5	86	38.7	4	118.1	10
1965 (1st half)	665.2	616.2		10.5		38.6	

In the commodity purchase category, nearly one-quarter of the $616.2 million in AID-financed exports during the 6 months involved machinery and equipment of many types—industrial machinery and tools; electrical apparatus; construction, mining, and conveying equipment; generators, turbines, and engines; and agricultural tractors and implements. The value from U.S. manufacturers was $149.9 million, accounting for 92 percent of all machinery and equipment purchases.

In the same category, iron and steel from American mills amounted to $131.7 million, or 95 percent of all AID-financed steel mill products.

I should like to list a few other examples of U.S. industrial groups registering sizable sales during the 6 months of the current fiscal year—percentages is U.S. share of AID-financed purchases in respective groups:

Motor vehicles and parts, $44.4 million, 99 percent; chemical and related products—including pharmaceuticals—$45 million, 90 percent; fertilizers, $38.1 million, 92 percent; copper, $15.1 million, 97 percent; pulp and paper, $15.7 million, 90 percent; textiles, $16.8 million, 98 percent; railroad equipment, $10.7 million, 99 percent; petroleum and products, $20.9 million, 68 percent; and rubber and products, $15 million, 98 percent.

Among developing areas buying these goods with AID credits, the Near East-south Asia region accounted for the greatest value, $315 million—all but $6 million being purchased from U.S. suppliers. India, Pakistan, and Turkey together bought nearly $280 million of U.S. products during the 6-month period.

American exports of AID-financed goods to other regions during this period were: Latin America, $139.7 million; Far East, $115.2 million; and Africa, $45.8 million.

To all of us who support AID's efforts to assist the underdeveloped countries in their struggle for social and economic betterment, and yet were deeply concerned with our balance-of-payments problem, these are indeed very encouraging figures.

The following is the list of AID commodity expenditures during the first half of fiscal year 1965:

AID commodity expenditures during the 1st 6 months of fiscal year 1965

[In millions of dollars]

Selected commodity groups	Total commodity expenditures	Commodity expenditures in the United States	
		Value	Percent of total
Total AID commodity expenditures	665.2	616.2	93
Machinery and equipment	162.9	149.9	92
Electrical apparatus, including generators and motors	(45.2)	(39.8)	(88)
Construction, mining, and conveying equipment	(27.8)	(26.4)	(95)
Tractors and agricultural equipment	(19.9)	(19.6)	(98)
Engines and turbines	(14.2)	(12.3)	(87)
Metalworking machinery, including machine tools	(8.8)	(8.3)	(95)
Other machinery and equipment	(47.0)	(43.3)	(92)
Iron and steel mill products	138.0	131.7	95
Chemicals and related products	50.0	45.0	90
Medicinal and pharmaceutical preparations	(14.4)	(12.0)	(83)
Industrial chemicals	(13.1)	(10.9)	(83)
Raw material for plastics	(10.7)	(10.5)	(98)
Other	(11.9)	(11.6)	(97)
Motor vehicles, engines, and parts	44.7	44.4	99
Engines and parts	(22.5)	(22.3)	(99)
Trucks and buses	(20.4)	(20.4)	(100)
Passenger automobiles and other	(1.8)	(1.7)	(94)
Fertilizers, all types	41.5	38.1	92
Nonferrous metals and products	27.5	25.1	91
Copper	(15.6)	(15.1)	(97)
Aluminum	(6.2)	(4.5)	(73)
Other	(5.7)	(5.4)	(95)
Petroleum and products	30.6	20.9	68
Lubricants, greases, and other nonfuels	(22.1)	(20.5)	(93)
Petroleum fuels and crude oil	(8.5)	(.4)	(5)
Fabricated basic textiles	17.1	16.8	98
Pulp and paper, including newsprint	17.5	15.7	90
Rubber and products	15.3	15.0	98
Railroad transportation equipment	10.7	10.7	99
Locomotives	(7.2)	(7.1)	(99)
Other	(3.6)	(3.6)	(99)
Nonmetallic minerals	10.7	6.3	59
Other and unclassified commodities and adjustments (including advance commodity financing)	98.7	96.7	98

NOTES.—Major items are arranged in order of amounts expended in the United States; items in parentheses are breakdowns of larger items immediately above. Percentages are based on unrounded figures, hence may vary slightly from percentages computed directly from the rounded figures in this table.